

# Involuntary Resettlement Due Diligence Report

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Project Number: 43405  
July, 2012

## Georgia: Urban Services Improvement Investment Program – Project 1

# ANAKLIA

Prepared by United Water Supply Company of Georgia for the Asian Development Bank

The Involuntary Resettlement Due Diligence 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.

## **ABBREVIATIONS**

ADB	-	Asian Development Bank
AP	-	Affected Persons
GRM	-	Grievance Redress Mechanism
IPMO	-	Investment Program Management Office
MFF	-	Multi-tranche Financing Facility
NAPR	-	National Agency of Public Registry
RoW	-	Right of Way
UWSCG	-	United Water Supply Company of Georgia
WSS	-	Water Supply and Sanitation
WTP	-	Water Treatment Plant

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## I. INTRODUCTION

1. Within the framework of Georgia: Urban Services Improvement Investment Program it is proposed to improve the water supply system in Anaklia with an Asian Development Bank (ADB) funded Urban Services Improvement Investment Program. This Investment Program, to be implemented in six towns<sup>1</sup> will develop water services, which will improve quality of life and optimize social and economic development. The Ministry of Regional Development and Infrastructure (MoRDI) is the Executing Agency (EA) and United Water Supply Company of Georgia (UWSCG) is the Implementing Agency (IA) of this Program.

2. The proposed Urban Services Improvement Investment Program will improve water supply and sanitation (WSS) services in six secondary towns of Georgia. It will:

- (i) improve infrastructure by rehabilitating, reconstructing, and expanding WSS services;
- (ii) strengthen institutional effectiveness by:
  - a) improving the technical and management capacities of the key WSS service provider, the United Water Supply Company of Georgia Limited Liability Company (UWSCG) by procuring the services of an internationally reputable water operator to act as a management contractor enabling it to provide efficient WSS services; and
  - b) developing the capacity of sector regulators to regulate tariffs, service standards, environmental protection, and drinking water quality in the long term; and
- (iii) support the investment program implementation.

3. Component 1: Infrastructure Improvement will support infrastructure investments to rehabilitate, improve, and expand WSS facilities in the six secondary towns and benefit approximately 335,000 residents, or 38% of urban residents in the region served by UWSCG (about 7.6% and 14.3% of the total and urban population, respectively, in Georgia). It will include system optimization and resource rationalization to improve service efficiency. Also, it will provide vehicles and equipment for system operation and maintenance and for assessing system performance in these towns. Additionally, it will help Georgia reduce its carbon footprint by reducing greenhouse gas emissions and installing energy efficient systems.

## II. BACKGROUND

4. The area of Anaklia subproject extends from Zugdidi to Anaklia and Ganmukhuri on the Black Sea coast. The entire area is in the Enguri River Basin. Designing and construction of a new water supply system will focus on the following installations: transmission lines and a new reservoir to the North-East of Anaklia.

5. This subproject is located in Anaklia Town in Zugdidi District in western part of Georgia. Anaklia<sup>2</sup> is situated about 30 km west of Zugdidi and about 480 km west of Tbilisi.

6. The water supply improvement subproject in Anaklia will be a straightforward construction and a low-maintenance operation. Although there are forests and marshy lands, none of the subproject components will cross these areas and all the activities are planned along the existing motor roads and specifically selected State-owned land plots. Further, any

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<sup>1</sup>These six towns are: Mestia, Zugdidi, Anaklia, Marneuli, Kutaisi and Poti.

<sup>2</sup>Please see Annex 1. Key Map - Regional Location for Anaklia.

disturbance will be limited to construction. The likely impacts are short-term, localized and can either be easily avoided or mitigated.

7. Physical works associated with this subproject will involve construction of headworks (22.1 km long transmission line, 2 new reservoirs each with 4, 000 cum capacity, pumping station with 348 cum/hr and chlorination unit) in the town of Anaklia. The present report has been prepared for the named subproject and describes the findings of the initial studies focused on the subproject possible impact in terms of Involuntary Resettlement.

8. The results of the study suggest that the impact of this subproject does not incur land acquisition, resettlement or economic displacement. The reasons for this outcome are:

- a) facilities can be located on or alongside sites that are already used for the same purpose and/or are owned or leased by the responsible government authorities;
- b) transmission lines will be located in the state-owned Right of Way alongside existing roads;
- c) transmission line will run along the main road connecting Zugdidi and Anaklia carrying considerable traffic. Linear sparse rural development can be observed along the road;
- d) the sparse population in villages located along this motor road means that the construction of a transmission main should not greatly impede human and business activity, so there should be no resulting losses in income or assets;

9. The subproject is unlikely to have any involuntary resettlement impacts, thus can be classified as a Category C for IR impacts.. However, safeguard compliance monitoring will still be conducted during the project implementation and civil works activities<sup>3</sup>.

10. A due diligence process was conducted to examine these issues in more detail<sup>4</sup>, particularly with respect to the requirements of the ADB Safeguard Policy Statement (2009) and the active legislation of Georgia. This report describes the findings, provides copies of relevant maps and legal documents, and provides considered final conclusions.

### **III. THE SUBPROJECT**

#### **Impact and Outcome**

11. The subproject is expected to increase the volume of quality water supply and guarantee the health of the resident and tourist population in the urban centre of Anaklia. The outcome of the subproject is improved water supply services. The water supply system efficiency will be improved through improved water quality, rehabilitation and replacement of pipelines, and an expanded coverage.

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<sup>3</sup>Safeguards compliance (social and environment) monitoring will be included in the regular project progress report submitted to ADB

<sup>4</sup> Due diligence was essential to abiding objectivity by undertaking fact finding assessment designed to protect the subproject by making sure that all factors were duly considered before committing to it.

## **Outputs**

12. The subproject covers urban infrastructure improvement, including the improvement and expansion of urban water supply. It will directly benefit inhabitants and tourists in Anaklia. An extended distribution network and an increase in the storage capacity will supply sufficient water of good quality to the subproject area. In Anaklia, the present subcomponent will only implement new water supply transmission lines, two new reservoirs with attached pumping station and chlorination unit.

## **Infrastructure Improvement**

13. This is an urban water supply subproject. It involves development of infrastructure facilities for water extraction from an identified and tested field, water treatment, water transmission and water storage facilities. The subproject will enhance the improvement of the existing water supply situation to more efficiently and adequately supply the needs of the growing population and tourists. In line with government initiatives in developing Anaklia as an all-weather tourist destination, water demand will grow significantly. The government estimates that by 2040 an expected 21,000 tourists will visit on a daily basis. With the increasing government focus on tourism as a major economic activity, the coastal areas of the Zugdidi District (Anaklia and Ganmukhuri) are expected to generate a significant increase in water demand in the near future.

14. The present subproject is therefore designed for a complete revival and expansion of the water supply system to meet the present and calculated future demands. The subproject will improve the service standards – a daily supply of potable water in adequate quantities (203 lpcd<sup>5</sup>) and at the requisite pressure.

## **Subproject Benefits**

15. The project is designed to improve environmental quality and living conditions in Anaklia through the improved water supply system. By extension, the improvement of water supply system will bring various quantifiable benefits. Availability of good infrastructure facilities will add to both the quality of life, and there will be more people engaged and interested to live and work in the area, which will bring new investments and boost economic development.

16. Extended benefits will include construction works providing the local population with employment opportunities and thus to receive short-term socio-economic benefits. To ensure that these benefits are directed to local people, the Contractor will be required to employ as much of his labour force as possible from the local communities particularly within the vicinity of construction sites.

17. In addition, the improved and expanded water supply system will require additional workforce – both skilled and unskilled for operation and maintenance works, thereby creating new employment opportunities and up skilling for local people.

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<sup>5</sup> lpcd – liters per capita per day

18. The main beneficiaries of the improved water supply system will be the citizens of Anaklia, who will be provided with a constant supply of better quality water, which will serve a greater proportion of the population including urban inhabitants (and tourists as well). This will improve the quality of life of local and visiting people as well as raising standards of both individual and public health. This will lead to economic gains as people will be in increased employment and be more employable and while spending less on healthcare will see their incomes increase and livelihood standards experience significantly.

## **IV. LAND ACQUISITION AND RESETTLEMENT**

### **Subproject Infrastructure**

19. Infrastructure proposed within the framework of Anaklia Headworks subproject comprises:

- Underground water supply transmission line (22.1 km length);
- New location of two reservoirs at Darcheli village. (4, 000 cum /each); and
- Pumping station (348 cum/hr).

### **Subproject magnitude (scope)**

20. The RoW of this subproject covers the total length of the transmission line amounts to 22.1 km and will connect the well fields in Inghiri and Kachati with the two new reservoirs attached with pumping station to be located on a same land plot at Darcheli village, as well as the reservoirs with the networks in Anaklia and Ganmukhuri. The total capacity of both reservoirs will be 8, 000 cum (2 x 4.000 m<sup>3</sup>) and the pumping station will have a capacity of  $Q_{max} = 348 \text{ m}^3/\text{h}$ . Annex 2 contains the alignment of the transmission line and new reservoirs location.

### **Land Acquisition**

21. The subproject impact does not extend over privately owned land, therefore permanent or temporary loss of land/assets is not expected within the framework of this subproject.

22. All water pipes creating transmission lines will be buried along the existing roads in trenches. The size of the trench will be 1.4 - 1.7 m deep and 0.5 - 1.0 m wide. The RoW allocated for the tranches will be confined within the road shoulder<sup>6</sup>. Therefore, no land acquisition is required for undertaking civil works related to the laying of water pipes along existing roads.

23. However, there is a permanent loss of land through acquisition. The construction of a new reservoir will require land plots to be permanently acquired for project needs. The elimination of private land acquisition and resettlement was achieved through locating new reservoir entirely on State Owned land plot, located in Darcheli (Reg. Code 43 25 41 060). The size of the land plot is 13,109 sq.m. The land plot was used for a tea plantation during Soviet times and has not been used for many years.

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<sup>6</sup>The widths of road shoulders vary between 1.0 m -1.5 m.

24. The land plot selected for locating reservoir is poorly vegetated with deteriorated tea bushes planted in rows, proving that these are the remnants of the kolkhoz owned tea plantation. The land plot is surrounded with some non-fruit bearing perennials, mostly plane trees<sup>7</sup>. Notable, that the adjacent land parcels in the nearest vicinity are well cultivated. The Google map<sup>8</sup> and the site photos<sup>9</sup> clearly show the difference between cultivated land plots and the one selected for locating reservoir still covered with deteriorated tea bushes, which are not productive, do not give any yield<sup>10</sup> neither can they be used as wood-fire.

25. Initially, this land plot was under the ownership of the Ministry of Economy and Sustainable Development of Georgia (MOESD). Title ownership was originated under the Application No 01/11261, approved on 03/06/2011. The picture of the allocated land is attached in the Annex 9 of this report.

26. Since this land plot was selected as the most suitably located for construction of a new reservoir a decision was made at Government level<sup>11</sup> by the Ministry of Economy and Sustainable Development of Georgia who issued Order No 35/o<sup>12</sup> dated 08/05/2012 on Making Amendments to the Capital of United Water Supply Company of Georgia Ltd., (Reg No. 412670097). Pursuant to this document, the land plot was entered into the Charter Capital of the UWSCG and corresponding amendments were made to accounting reports of the UWSCG. On 08/05/2012, based on this Order the act of land transfer from the MOESD to the UWSCG was registered at the National Agency of the Public Register (NAPR)<sup>13</sup>.

27. Notable that the Section Description, on the reverse page of the attached Extract from the Public Register of the NAPR, confirms that the given land plot is free from any obligations such as mortgage, sequestration/arrest of property or debts. Per procedures, the NAPR will not proceed with land registration in case there was any dispute with regards the subject land parcel. The attached Extract is conformation of the fact that the given property (i.e. land parcel) is free from any liabilities and no disputes / claims were officially recorded at the moment of issuance of this document.

28. Besides, there is a secondary (village) public road connecting reservoir site to the Zugdidi-Anaklia motor road along which transmission main will be inserted. Therefore, neither construction process should cause any temporary impacts related to loss of income or assets.

29. There is no loss of livelihood, neither permanent nor temporary. There is wild growth on the land plot, with no cultivation or harvest. Nobody is benefitting from the sale of produce. Therefore, the potential impact of the subproject on privately owned land/assets was fully eliminated, and correspondingly, no issues relating to involuntary Resettlement will occur during the implementation of the subproject.

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<sup>7</sup> Platanus (Lat).

<sup>8</sup> Please see Google map for reservoir site attached in Annex 2. B of this Report.

<sup>9</sup> The site photos No.1 and No. 2 are attached in the Annex 9 of this Report.

<sup>10</sup> Tea plantation loses its productivity if not cultivated for two years.

<sup>11</sup> The copies of the relevant official correspondence between UWSCG and MORDI and English and Georgian languages are attached in the Annexes 11 and 12 of this report.

<sup>12</sup> English translation of the Order No. 35/o and its original in Georgia are attached in the Annexes 3 and 4, 4.1

<sup>13</sup> Extract of the Pubic Register in English and Georgian languages are attached in the Annexes 5& 6.

30. The water supply improvement subproject in Anaklia has been designed to ensure involvement of only minor temporary disturbances limited to dust and noise etc., which will be limited to the construction period only, and will easily be mitigated as described in this report. .

31. Mitigation measures were discussed with engineering specialists and measures have already been included in the design. Therefore, achieving the stated number of impacts and their significance has already been effected by amending the design of works. In particular, by locating the water supply distribution network within the RoW of existing roads minimized the need for acquisition of any private land and enhanced avoidance of involuntary resettlement related issues.

**Table 1. Summary of Activities and IR status**

No	Infrastructure Activities	IR Impacts	Remarks/ Note
1	Construction of underground water supply transmission line	Not expected	The water pipes will be laid along the existing road shoulders
2	Construction new reservoirs at Darcheli village	Not expected	The state owned land plot is allocated for the two new reservoirs. The UWSCG is legally valid owner of this land plot, with ownership title registered at the NAPR of Ministry of Justice of Georgia.

### Temporary Disturbance

32. Although there is no need for land acquisition from private individuals and households for subproject purposes, some assumptions were made that during the civil works local households might consider to set up small kiosk type shops along the road on private land plots in rural residential areas with the intention to sell some items of consumer goods or fruits and vegetables. In order to avoid even minor temporary disturbances during the construction activities for installation of water pipes such as lack of access to such kiosk type shops, despite these disturbances being rather short in duration, the following measures are foreseen to eliminate such impacts:

- Informing all residents local households and traders about the nature and duration of work well in advance so that they can make necessary preparations
- Providing wooden walkways/planks across trenches for pedestrians and metal sheets where vehicle access is required
- Increasing the workforce and using appropriate equipment to complete the work in a minimum timeframe on these stretches.

33. Therefore the presence of trenches, excavated material and civil works would not impede customers and clients from shopping locally or using the usual services from local businesses as above mitigation measures should ensure continued accessibility to these facilities. Pictures of the project sites where temporary disturbance might occur are in the Annex10 of this document.

34. No impacts on the water supply access to households and businesses is expected in the project areas during the reconstruction of the water supply pipes and reservoirs. The following measures are foreseen to eliminate such impacts, despite these disturbances being rather short in duration:

- Informing all residents and traders about the nature and duration of work well in advance so that they can make necessary preparations;
- Increasing the workforce and using appropriate equipment to complete the work in a minimum timeframe on these stretches; and
- Ensuring that the connection to the new system is well coordinated before disconnecting households and business from the old system.

35. Later the operation and maintenance activities would be conducted within the existing facilities; no impacts are envisaged on economic resources. Repairs and leaks of the

transmission main pipeline will be minor and localized and should not cause loss of access to public and private facilities or cause any damages of assets within the subproject area.

## **V. GRIEVANCE REDRESS MECHANISM**

36. In order to receive and facilitate the resolution of affected peoples' concerns, complaints, and grievances concerning the project's performance a Grievance Redress Mechanism (GRM) will be established to be used for addressing any complaints that arise during the implementation of the subproject. In addition, the GRM will include a proactive component whereby at the commencement of construction of subproject (prior to mobilization) the community will be formally advised of project implementation details, so that all necessary project information is communicated effectively to the community and their immediate concerns can be addressed. This proactive approach with communities will be pursued throughout the implementation of the subproject.

37. The GRM will address affected people's concerns and complaints proactively and promptly, using an understandable, communicated, and transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the affected people at no costs and without retribution. The mechanism will not impede access to the Country's judicial or administrative remedies.

36. UWSCG on its part, in order to provide a direct channel to the affected and concerned citizens for approaching project authorities and have their grievance recorded and redressed in an appropriate time frame, will establish a Grievance Redress Mechanism. A Complaint Cell and a Grievance Redress Committee will be established for each Investment Program town at the UWSCG service center, which will function throughout the construction period. The procedures adopted and the responsibilities of various project agencies in grievance redress are discussed in the following paragraph. During the public consultation process, UWSCG (the IA) will inform the stakeholders about the Grievance Redress Mechanism and provide contact details of persons responsible for grievance collection and response. These details will also be made available on UWSCG website.

37. The Complaint Cell at the UWSCG Service Center in the Anaklia Service Center will accept any complaints (written or oral) received from complainants and will screen the complaint according to category of issues (i.e. environment and social). GRM procedures and steps of action specifically to mitigate social issues during project implementation are listed and indicated in Table 2 below. The grievances received and actions taken will be included into the safeguards monitoring reports submitted to ADB.

- (i) (Complaints received (written or oral communication) by the Complaint Cell will be registered in database system, assigning complaint number with date of receipt; informs the complainant the time frame in which the response/ required action will be undertaken.
- (ii) The Complaint Cell and UWSCG Investment Program Management Office (IPMO) will screen the complaint to determine its eligibility, and assess whether the source of the problem is indeed from subproject activities and related to either social or environmental issues of the project. If the complaint is ineligible, the Complaint Cell

informs the complainant and may also provide advice on the appropriate agency to be approached.

- (iii) If the complaint is valid or this is an unanticipated issue, it will be determined whether it relates to social or environmental policy/issues and to be followed up with steps as prepared by the Program for each relevant policy
- (iv) If the complaint is deemed to be related with the social/ LAR impact the UWSCG IPMO/ contractor will try to resolve the issue at village level with the involvement of village authorities, the assisting NGO and informal mediators
- (v) If still unsettled, the complainant can lodge a grievance to the established GRC. The AP will be invited by the GRC two weeks after the complaints had been filed to hear the case. Two days after the hearing the GRC will inform the AP whether the case is to be dismissed or whether recommendation has been made to UWSCG for settling the case
- (vi) If after the GRC intervention no solution has been reached a grievance can be directly lodged to MLARO. The AP with the support from the GRC member (i.e. designated IPMO staff) must lodge the complaint within 2 weeks after receiving response on the original complaint from the GRC and must produce documents supporting his/her claim. The MLARO will provide a response within 2 weeks of registering the complaint. The MLARO decision must be in compliance with the Resettlement Framework<sup>14</sup> provisions approved for the Investment Program<sup>15</sup>

38. Should the grievance redress system fail to satisfy the AP, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court). The implementing NGO may help the APs in this process. In order to mitigate the possible, issues, disputes and conflicts during the project activities and Resettlement Plan implementation (when required) Grievance Redress Committee (GRC) will be established at the local-self government or municipality level.

39. The GRC shall comprise of the following members:

- (i) Representative of MLARO
- (ii) Head, Department of Social Issues of the Municipality (Rayon)– Chairman
- (iii) Representative of the Mayors and village administration (Gamgebeli)
- (iv) Designated informal leader of project affected communities
- (v) Representative of local NGOs or local (rayon level) society, if available

40. UWSCG will ensure that the GRC, as well as MLARO receives sufficient training to be efficient in their functionality. The complaint and grievance redress mechanism will follow the process described below in Table 2.

**Table 2: Grievance Resolution Process<sup>16</sup>**

- |   |
|---|
| 1. First, complaints resolution will be attempted at village level with the involvement of village authorities, the assisting NGO and informal mediators.   |
| 2. If still unsettled, a grievance can then be lodged to the GRC. The AP will be invited by the GRC two weeks after the complaints had been filed to hear the case. Two days after the hearing the GRC will inform the AP whether the case is to be dismissed or whether recommendation has been made to UWSCG for settling the case. |

<sup>14</sup> Resettlement Framework, Georgia: Urban Services Improvement Investment Program, November 2010

<sup>15</sup> As indicated in the approved RF, a resettlement plan (RP) might need to be prepared as a result of this action and to resolve the complaint and mitigate the impacts.

<sup>16</sup> This process will start once the complaint is determined to be eligible by the Complaint Cell/IPMO and related to social safeguards matters

3. If after the GRC intervention no solution has been reached a grievance can be directly lodged to MLARO. The AP must lodge the complaint within 2 weeks after receiving response on the original complaint from the GRC and must produce documents supporting his/her claim. The MLARO will provide a response within 2 weeks of registering the complaint. The MLARO decision must be in compliance with this RF provisions.
4. Should the grievance redress system fail to satisfy the AP, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court). The implementing NGO may help the APs in this process.

41. Following the pre-mobilization public consultation meeting, complaints carrying social, environmental, social character associated with the construction activity will be routinely handled through the GRM.

## VI. FINDINGS

42. All work on the water transmission lines and the reservoir with attached pumping station and chlorination unit will be on state-owned plots and RoW alongside roads or on land owned by the UWSCG, therefore eliminating the need for additional land acquisition.

43. Construction of the water transmission pipeline will not affect the business activity as roads and shoulders are wide enough so customers should not be impeded, and the RoW is not encroached by hawkers, shop-fronts, etc, so there will be no loss of income or assets. To maintain customer access, construction contracts should include a clause requiring contractors to provide wooden walkways and appropriate vehicle access across trenches at intervals.

## **VII. CONCLUSIONS**

44. The results of this Due Diligence study concludes that, there should be no issues of land acquisition and resettlement related to this subproject, If the proposal for infrastructure improvement does not change substantially, for instance realignment of water transmission lines or selection of new spot for locating the Reservoir.

45. All water pipe transmission lines will be installed in trenches in the State-owned RoW alongside existing motor roads, which should not cause any loss of income or assets.

46. The Reservoir facility will be built on the land plot (Rag Code: 43 25 41 060) located in village Darcheli and registered at the National Agency of Public Registry of the Ministry of Justice of Georgia under the ownership of UWSCG.

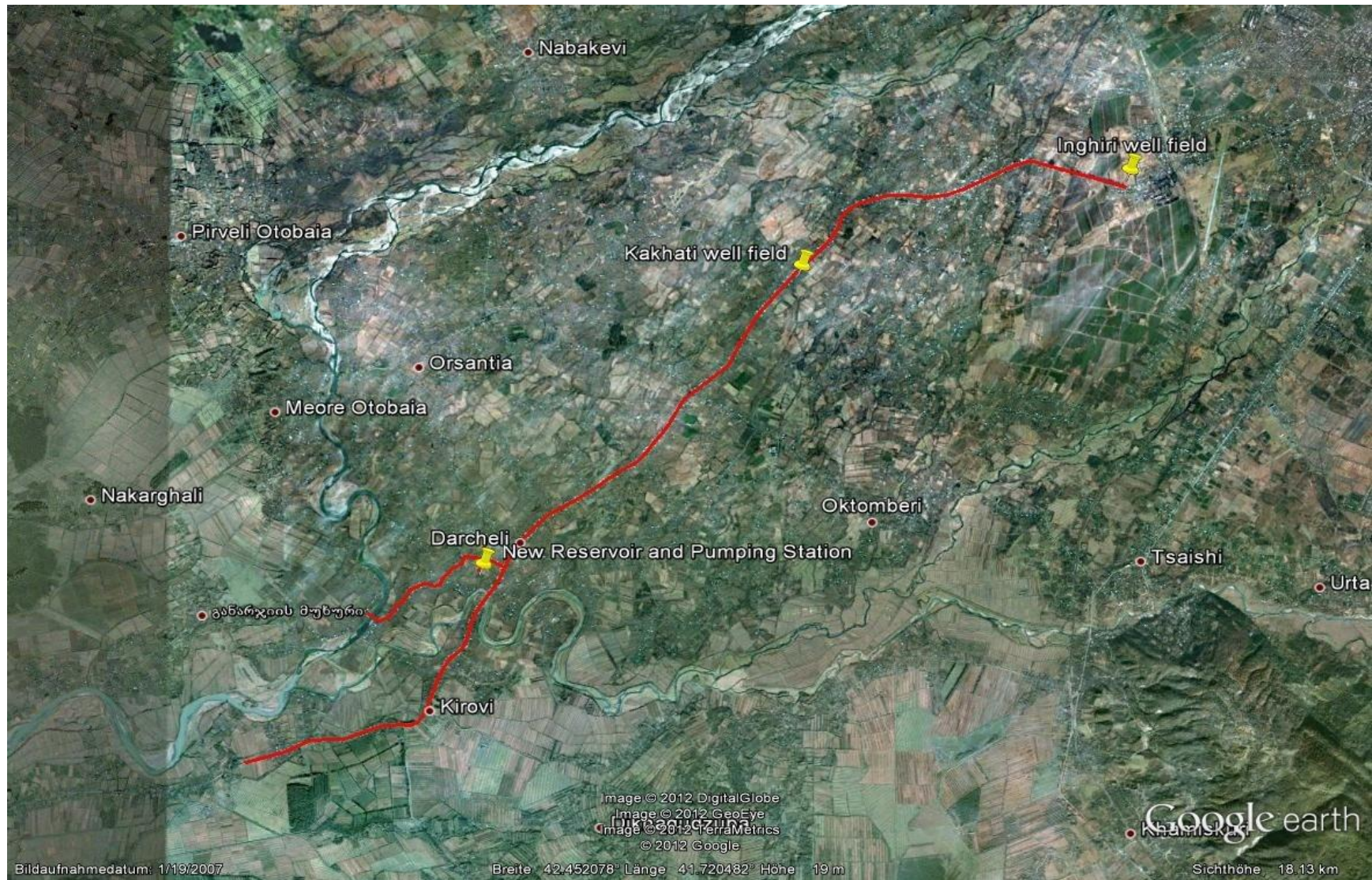
47. In case any claims or complaints are submitted during the construction period an effective and efficient Grievance Redress Mechanism, being already in place, will enhance provision of timely and sensible hearings and facilitate solutions.

# **ANNEXES**

## Annex 1: Key Map –Regional Location of Anaklia



## Annex 2: A.Layout Headworks



## Annex 2: B. Reservoir Site Map



### **Annex 3: English translation of the Order No 35/o**

8/05/2012

Tbilisi

#35/o

On the approval of carried amendments in the capital of  
United Water Supply Company of Georgia LLC (# 412670097)

According to the Entrepreneurs Law and State Property Law of Georgia, Presidential decree #978 dated 11.10.2010, decree of Government of Georgia #1367 dated 22.10.2010, decree #77/o of the Minister of Regional Development and Infrastructure of Georgia dated 15.11.2010, transfer of management right by direct assignment of 100% state owned shares of the United Water Supply Company of Georgia in compliance with the agreement dated 05.11.2010 between the Ministry of Economy and Sustainable Development of Georgia and Ministry of Regional Development and Infrastructure of Georgia, based on the letter #1715/1 dated 24.04.2012 and # 2153/1 dated 04.05.2012 of the United Water Supply of Georgia, LLC and the letter of the Ministry of Economy and Sustainable Development of Georgia #05/9240 dated 30.04.2012, report of the Head of legal department of Ministry of Regional Development and Infrastructure of Georgia #568 dated 08.05.2012 and audit report of the audit company - Chichi #20 dated 4.05.2012:

#### **Order:**

- 1) Amendments done to the capital of the United Water Supply Company of Georgia, LLC:
  - a) State owned agricultural (arable) land located in Zugdidi municipality village named Darcheli (cadastral code 43.25.41.060) area of 13109.00 sq.m. . According to the audit report #20-Q of the audit company Chokhi dated 04.05.2012 total value of above mentioned property is defined 39 327.00GEL.
  - b) State owned agricultural (arable) land located in Zugdidi municipality village named Anaklia, area of 33092.00sq.m. (cadastral code 43.30.43.024). According to the audit report #20-Q of the audit company Chokha dated 04.05.2012 total value of above mentioned property is defined 397 104.00GEL.
- 2) In accordance with above mentioned amendments, the authorized capital of United Water Supply Company of Georgia in compliance with the audit report #20-Q of the audit company Chaka dated 04.05.2012 ) is defined 169 135 196.46 (one hundred sixty-nine million one hundred thirty-five thousand one hundred ninety-six GEL and forty-six Tetri) instead of 168 698 765.46 (one hundred sixty-eight million six hundred ninety-eight thousand seven hundred sixty-five GEL and forty-six Tetri).
- 3) The director of United Water Supply Company of Georgia LLC (I. Kvashilava) is under the obligation to carry out relevant accounting representation measures in pursuance of the amendment.
- 4) The First Deputy Minister of Regional Development and Infrastructure of Georgia, Jambul Bakuradze is commissioned to control the execution of this Order.

Annex 4: Scanned copy of the Original Order No 35/o (page 1 of 2)



საქართველოს რეგიონული განვითარებისა და  
ინფრასტრუქტურის მინისტრის

ბ რ ძ ა ნ ე ბ ა

8. 05. 2012 წ. თბილისი № 35/ო

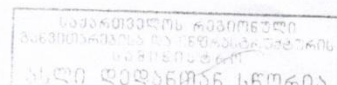
შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანიის" (ს/ნ №412670097)  
კაპიტალში ცვლილებების შეტანის შესახებ

„მეწარმეთა შესახებ“ და „სახელმწიფო ქონების შესახებ“ საქართველოს კანონების, საქართველოს პრეზიდენტის 2010 წლის 11 ოქტომბრის №978 განკარგულების, საქართველოს მთავრობის 22.10.2010წ. №1367 განკარგულების, საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის მინისტრის 2010 წლის 15 ნოემბრის №77/ო ბრძანების, შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანიის" სახელმწიფო საკუთრებაში არსებული 100% წილის მართვის უფლებით გადაცემის თაობაზე საქართველოს ეკონომიკისა და მდგრადი განვითარების სამინისტროსა და საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის სამინისტროს შორის დადებული 2010 წლის 5 ნოემბრის ხელშეკრულების, შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანიის" 24.04.2012წ. №1715 1, 04.05.2012წ. №2153 1, საქართველოს ეკონომიკისა და მდგრადი განვითარების სამინისტროს 30.04.2012წ. №05 9240 წერილების, საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის სამინისტროს იურიდიული დეპარტამენტის უფროსის 2012 წლის 8 მაისის №568 მოხსენებითი ბარათისა და აუდიტორული ფირმა "ზოხის" 2012 წლის 4 მაისის №20-ქ აუდიტორული დასკვნის საფუძველზე:

გ ბ რ ძ ა ნ ე ბ ა:

1) შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანიის" საწესდებო კაპიტალში შეტანილ იქნა:

- ზუგდიდის მუნიციპალიტეტის სოფელ დარჩელში მდებარე სახელმწიფო საკუთრებაში არსებული, სასოფლო-სამეურნეო (სახნავი) დანიშნულების მიწის ნაკვეთი, (საკადასტრო კოდი 43.25.41.060) ფართობი 13109.00 კვ.მ. რომლის ღირებულება აუდიტორული ფირმა "ზოხის" 2012 წლის 4 მაისის №20-ქ აუდიტორული დასკვნის თანახმად შეადგენს 39 327.00 ლარს.
- ზუგდიდის მუნიციპალიტეტის სოფელ ანაკლიაში მდებარე, სახელმწიფო საკუთრებაში არსებული, სასოფლო-სამეურნეო დანიშნულების მიწის



**Annex 4: Scanned copy of the Original Order No 35/o (page 2 of 2)**

ნაკვეთი ფართობი 33092.00 კვ.მ (საკადასტრო კოდი 43.30.43.024) რომლის ღირებულება აუდიტორული ფირმა "ნოხის" 2012 წლის 4 მაისის №20-ქ აუდიტორული დასკვნის თანახმად შეადგენს 397 104.00 ლარს.

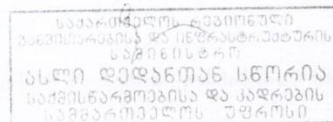
2) ზემოაღნიშნული ცვლილების გათვალისწინებით, შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანიის" საწესდებო კაპიტალი, აუდიტორული ფირმა "ნოხის" 2012 წლის 4 მაისის №20-ქ აუდიტორული დასკვნის საფუძველზე, ნაცვლად 168 698 765.46 (ასსამოცდარვა მილიონ ექვსასოთხმოცდათხუთმეტი ათას შვიდასსამოცდახუთი ლარი და ორმოცდაექვსი თეთრი) ლარისა განისაზღვრება 169 135 196.46 (ასსამოცდაცხრა მილიონ ასოცდათხუთმეტი ათას ასოთხმოცდაექვსმეტი ლარი და ორმოცდაექვსი თეთრი) ლარით.

3) დაევალოს შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანიის" დირექტორს (ი.კვაშილაძე) - უსრუნველყოს კომპანიის კაპიტალში განხორციელებული ცვლილების ბუღალტრული ასახვა.

4) კონტროლი ბრძანების შესრულებაზე დაევალოს საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის მინისტრის პირველ მოადგილეს ჯამბულ ბაკურაძეს.



რამაზ ნიკოლაიშვილი



## Annex 5: Extract from the NAPR for new reservoirs at Darcheli village (ENG)

Land (real estate) cadastral #code 43.25.41.060

Extract from Public Registry

Application registration

Date of preparation

# 882012197736 - 08/05/2012 13:47:34

08/05/2012 15:07:49

Zone	Sector	Property section		Land plot
		Block		
Zugdidi	Darcheli			
43	25	41		060

**Address: Zugdidi region, village Darcheli**

Land plot ownership type: Property /ownership  
Land plot function: agricultural land (arable land)  
Affirmed area/territory: 13109.00sq.m  
Land plot previous number:

### Owner's section

Application registration: number # 882012197736 , date 08/05/2012 13:47:34  
Registration of ownership: date 08/05/2012

Confirming document of ownership:

- Reference # 35/o, confirmation date: 05/05/2012 Ministry of Regional Development and Infrastructure of Georgia.

Owners:

LLC 'United Water Supply Company of Georgia' ID number: 412670097

Owner:

LLC 'United Water Supply Company of Georgia'

**Description:**

**Real Estate Mortgage**

loan on mortgage:  
Not registered

**obligation**

Sequestration/arrest of property:

Not registered

Registry of debtors:

d

---

National Agency of Public Registry: <http://public.reestri.gov.ge>

Income tax is paid till 1<sup>st</sup> of April of the next year of the accounting year in case of realization of material assets owned by private person with the time period up to 2 years, or in case when property with value of GEL 1000 or more is granted as a gift during the tax year. The physical person submits declaration to the tax authority in the same period of time. Non-fulfilment of abovementioned obligation is considered as the law violation, which results in responsibility according to the chapter # XVIII of the Tax Code of Georgia.

In case of detection of technical defects in the extract from public registry, it is possible to submit application without visiting the registration office on the following web-page: <http://public.reestri.gov.ge>; or/and through following phone numbers: 2 405 405; 595 33 71 81. You can receive the amended extract on the web-page in electronic version, or at the registration office or at any affiliate of the "Liberty Bank".

## Annex 6: Extract from the NAPR for New Reservoirs at Darcheli village (GEO)



შპს (უძრავი ქონების) საკადასტრო კოდი N 43.25.41.060

### ამონაწერი საჯარო რეესტრიდან

განცხადების რეგისტრაცია  
N 882012197736 - 08/05/2012 13:47:34

მომზადების თარიღი  
08/05/2012 15:07:49

### საკუთრების განყოფილება

ზონა ზუგდიდი	სექტორი დარჩელი	კვარტალი	ნაკვეთი	ნაკვეთის საკუთრების გიში: საკუთრება ნაკვეთის ფუნქცია: სასოფლო-სამეურნეო (სახნავი) დაზუსტებული ფართობი: 13109.00 კვ.მ. ნაკვეთის წინა ნომერი:
43	25	41	060	

მისამართი: რაიონი ზუგდიდი, სოფელი დარჩელი

### მესაკუთრის განყოფილება

განცხადების რეგისტრაცია : ნომერი 882012197736 , თარიღი 08/05/2012 13:47:34  
უფლების რეგისტრაცია: თარიღი 08/05/2012

უფლების დამადასტურებელი დოკუმენტი:

- ბრძანება N35/ო , დამოწმების თარიღი: 05/05/2012 , საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის სამინისტრო

მესაკუთრეები:

შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანია", ID ნომერი: 412670097

მესაკუთრე:

შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანია"

აღწერა:

### იპოთეკა

საგადასახადო გირავნობა:

რეგისტრირებული არ არის

### ვალდებულება

ყადაღა/აკრძალვა:

რეგისტრირებული არ არის

მოვალეობა რეესტრი:

რეგისტრირებული არ არის

საჯარო რეესტრის ეროვნული საბაზისი. <http://public.reestri.gov.ge>

გვერდი: 1(2)

## Annex 7: Cadastral Plan of the land plot for locating new reservoirs at Darcheli Village (ENG)

Ministry of Justice of Georgia  
National Agency of Public registry  
Cadastral Plan

Land plot cadastral code: 43 25 41 060

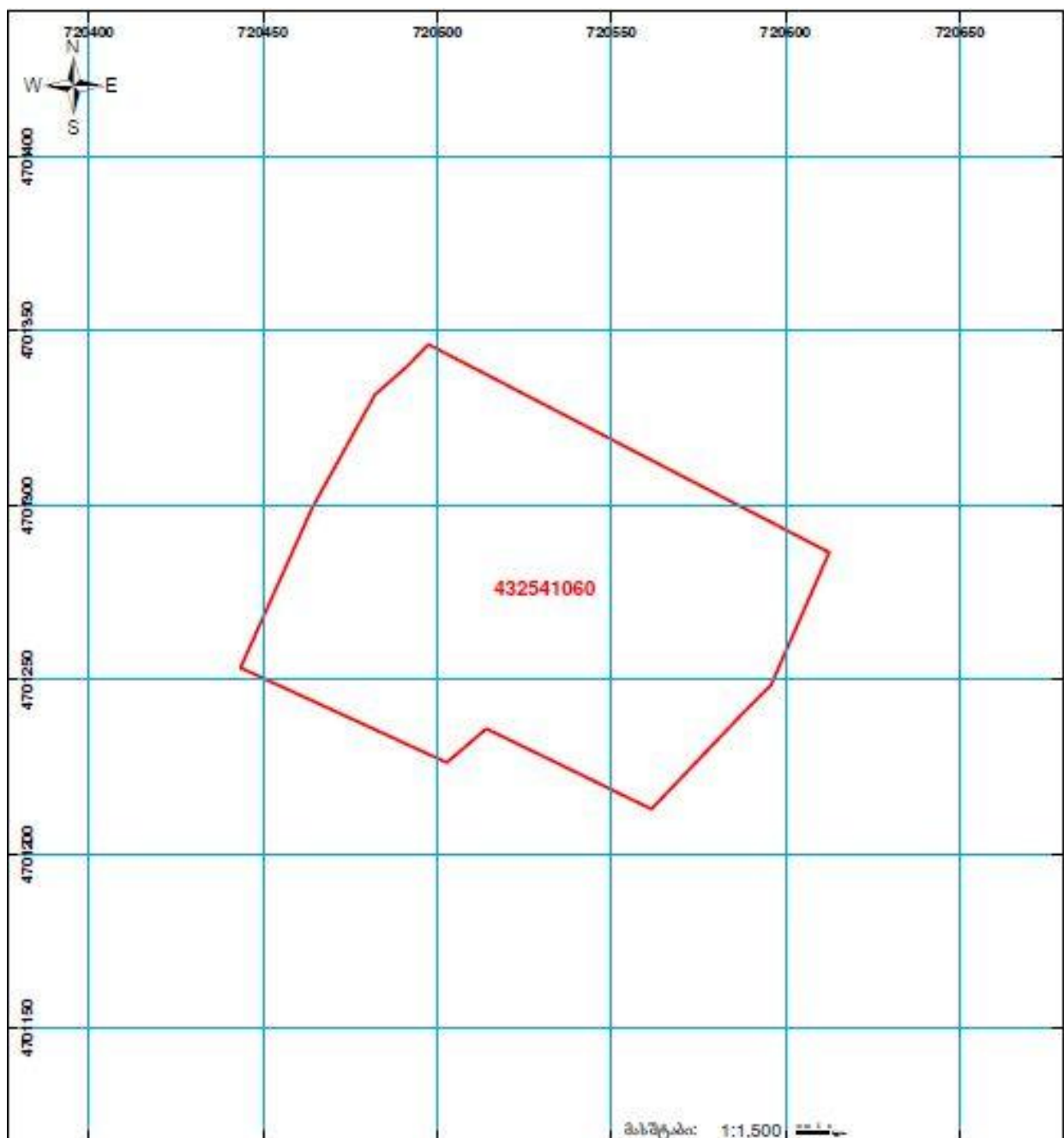
Application registration number: 882012197736

Land plot area/territory: 13109 m<sup>2</sup>

Function: Non-agricultural

Category:

Date of preparation: 06.06.11



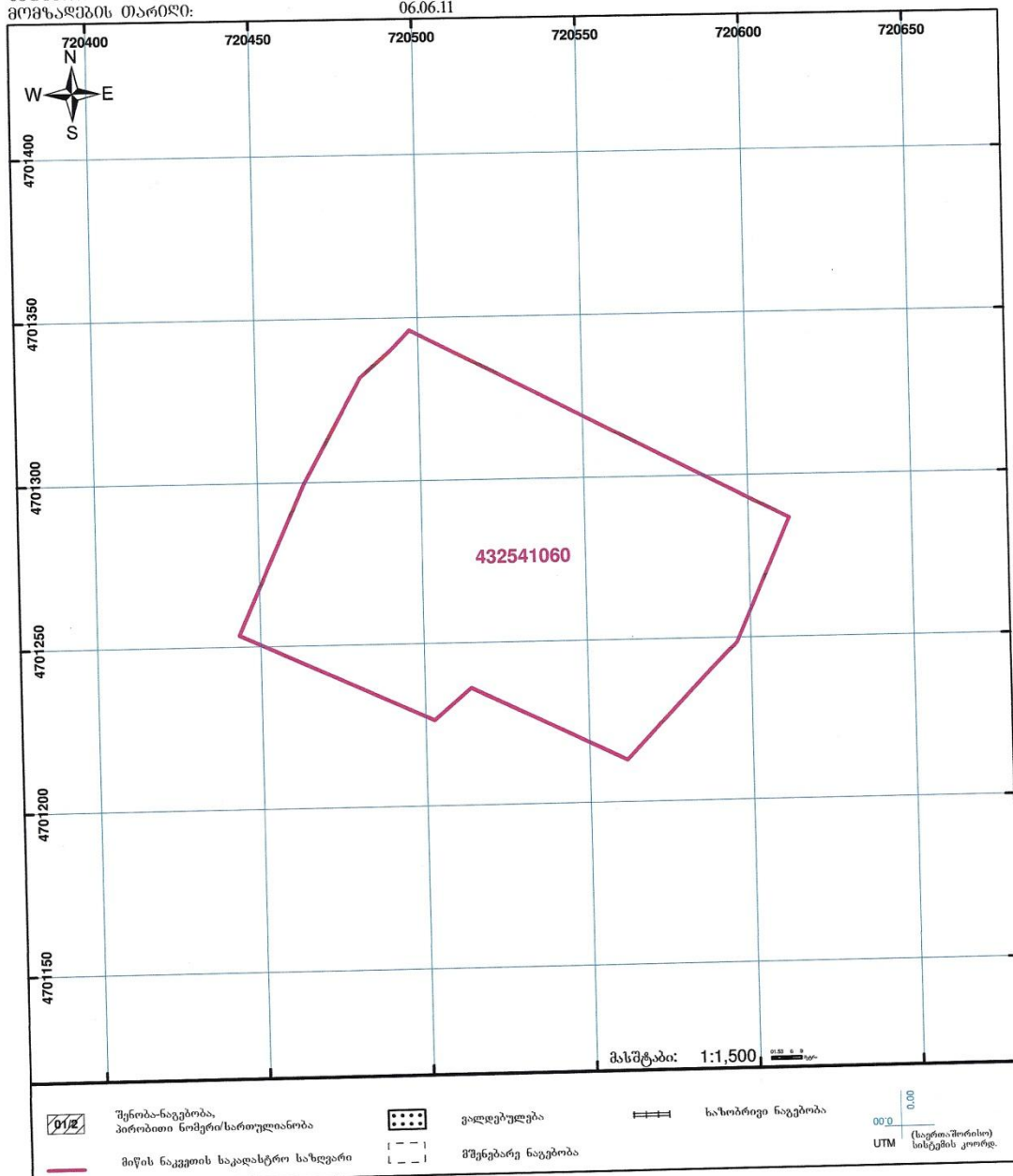


WESTERN AUSTRALIA  
DEPARTMENT OF WATER

მეორე ნაკვეთის საკადასტრო კოდო:  
 განცხადების რეგისტრაციის ნომერი:  
 მეორე ნაკვეთის ფართობი:  
 ღარიშენილება:  
 კატეგორია:  
 მომსახურების თარიღი:

43 25 41 060  
882011263873  
13109 კვ.მ  
სას(ოფლო)-სამეურნეო

06.06.11



საქართველოს ეროვნული სააგენტო: თბილისი 0102 წმ. ნიკოლოზის/ნ. მხედის ქ. 2 ტელ: (995 32) 91 04 27; ფაქსი: (995 32) 91 03 41  
ზუგდიდის სარეგისტრაციო სამსახური. ქ. ზუგდიდი, 2100 სტალინის ქ. № 5

[www.napr.gov.ge](http://www.napr.gov.ge)

## Annex 9: Photos of land allocated for locating new reservoirs at Darcheli Village

No.1



No.2



**Annex 10: Pictures of the project sites where temporary disturbance might occur (Anaklia – Zugdidi motor road)**

No.1



No.2



No.3



No.4



No.5



## **Annex 11: The copies of the relevant official correspondence between UWSCG and MORDI (ENG)**

**11.1 - The copy of the Letter # 1715/1 dated 24/04/2012 from Deputy Director of UWSCG to Minister of MORDI on inclusion of land parcel (Reg Code 43 25 41 060) at Darcheli village, selected for locating new reservoirs**

**N 1715/1  
24/04/2012**

To: Minister of the Regional Development and Infrastructure of Georgia  
Mr. Ramaz Nikolaishvili

Dear Mr. Nikolaishvili,

We would like to inform you that the “United Water Supply Company of Georgia, LLC”, within the project financed by the Asian Development Bank plans the construction of the Waste Water Treatment Plant and Reservoir. The above mentioned facilities will be constructed on the state owned land, registered by the Public Register Agency:

1. The agricultural Land area is 33092 sq.m., location: Zugdidi District, Village Anaklia (registration code: 43.30.43.024)
2. The agricultural land area is 13109 sq.m., location: Zugdidi district, village Darcheli (registration Code: 43.25.41.060)

On the basis of the aforementioned, we would like to ask you to petition before the Ministry of Economics and a Sustainable Development of Georgia, for including above mentioned land, in authorized capital of the United Water Supply Company of Georgia with a view of construction of the Waste Water Treatment Plant and reservoir.

Annexes: 5 p.

Sincerely,

David Machavariani

**11.2. The copy of the Letter # 973 dated 25/04/2012 from MORDI Deputy Minister to the Deputy Minister of MOESD requesting consent to a land parcel (Reg Code 43 25 41 060) at Darcheli village selected for locating new reservoirs into the capital of UWSCG.**

MINISTRY OF REGIONAL DEVELOPMENT AND INFRASTRUCTURE OF GEORGIA  
N 793  
25.04.2012

To: the Mr. David Giorgadze,  
Deputy Minister of Economy and  
Sustainable Development

Mr. David,

We would like to inform you that, under the Asian Development Bank funding, the United Water Supply Company planned the construction of Water Treatment Plant and Reservoir. The required lands for the construction of above-mentioned buildings are registered in the Public Registry as State Ownership, specifically:

1. Agricultural land area of 33092 square meters, located: in the Zugdidi district, village of Anaklia  
(The cadastral Code: 43.30.43.024)
2. Agricultural land area of 13109 square meters, located: in Zugdidi Region, village of Darcheli (The cadastral code: 43.25.41.060)

With this regard, we would like to ask your consent on above-mentioned lands to enter into the capital of LLC "United Water Supply Company of Georgia" in the framework of current regulation.

Appendix: 5 pages  
With regards,  
Mamuka Vatsadze  
Deputy Minister

**11.3. The copy of the Letter Ref #: 05/9240 dated 30<sup>th</sup> April 2012 issued by the MOESD Deputy Minister on the expression of consent on inclusion the land parcel (Reg Code 43 25 41 060) at Darcheli village selected for locating new reservoirs into the capital of UWSCG**

MINISTRY OF ECONOMY AND SUSTAINABLE DEVELOPMENT OF GEORGIA

Ref#: 05/9240  
30th April 2012

Ministry of Regional Development  
and Infrastructure of Georgia

In respect with your letter #793 of 25<sup>th</sup> April 2012, we are replying to let you know, that the Ministry of Economy and Sustainable Development of Georgia is not against that in regards with construction of Waste Water Treatment Plant and the Reservoir, the possessions #43.30.43.024; #43.25.41.060 referred in abovementioned letter shall be entered into the capital of LLC "United Water Supply Company of Georgia" in the framework of current regulations.

Deputy Minister

David Giorgadze

**11.4. The copy of the Letter Ref #: 840 dated May 2<sup>nd</sup> 2012, the request of the MORDI Deputy Minister to the Director of UWSCG to provide audit report regarding the changes in the capital of UWSCG based on the letter # 05/9240 (dated April 30, 2012) of MOESD on making amendments to the UWSCG Capital.**

MINISTRY OF REGIONAL DEVELOPMENT AND INFRASTRUCTURE OF GEORGIA

Ref#: 840  
2nd May 2012

To: Mr.Irakli Kvashilava

Director of LLC "United Water

Supply Company of Georgia"

Dear Mr. Irakli,

We are sending a copy of #05/9240 letter of 30<sup>th</sup> April 2012 of the Ministry of Economy and Sustainable Development of Georgia, concerning the issue in regards with changes in the capital of the LLC "United Water Supply Company of Georgia".

Please provide audit report regarding the changes in the capital of the company, based on the order #77/o of 15<sup>th</sup> November 2010, of the Ministry of Regional Development and Infrastructure of Georgia.


Enclosure: 1 page

With regards,  
Deputy Minister


Mamuka Vatsadze

## Annex 12: The copies of the relevant official correspondence between UWSCG and MORDI (GEO)

### 11.1 The original the Letter # 1715/1 dated 24/04/2012 from Deputy Director of UWSCG to Minister of MORDI on inclusion of land parcel (Reg Code 43 25 41 060) at Darcheli village selected for locating new reservoirs

  
საქართველოს გაერთიანებული  
წყალმომარაგების კომპანია  
UNITED WATER SUPPLY COMPANY OF GEORGIA

N 1715/1  
24/04/2012

1715-1-2-201204241500  


საქართველოს რეგიონული განვითარებისა და  
ინფრასტრუქტურის მინისტრს  
ბატონ რამაზ ნიკოლაიშვილს

ბატონო რამაზ,

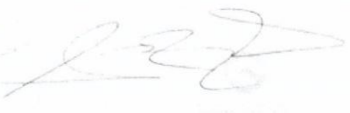
მოგახსენებთ, რომ შპს „საქართველოს გაერთიანებული წყალმომარაგების კომპანია“ აზიის განვითარების ბანკის დაფინანსების ფარგლებში, დაგეგმილი აქვს წყალარინების გამწმენდი ნაგებობისა და რეზერვუარის მშენებლობა. აღნიშნული ობიექტების მშენებლობისათვის საჭირო მიწის ნაკვეთები საჯარო რეესტრში რეგისტრირებულია სახელმწიფოს საკუთრებად, კერძოდ:

1. სასოფლო-სამეურნეო დანიშნულების მიწის ნაკვეთი ფართით 33092 კვ.მ. მდებარე: ზუგდიდის რაიონი, სოფელი ანაკლია (საკადასტრო კოდი: 43.30.43.024);
2. სასოფლო-სამეურნეო დანიშნულების მიწის ნაკვეთი ფართით 13109 კვ.მ. მდებარე: ზუგდიდის რაიონი, სოფელი დარჩელი (საკადასტრო კოდი: 43.25.41.060);

აღნიშნულიდან გამომდინარე, გთხოვთ გვიშუამდგომლოთ საქართველოს ეკონომიკისა და მდგრადი განვითარების სამინისტროს წინაშე, რათა წყალარინების გამწმენდი ნაგებობისა და რეზერვუარის აშენების მიზნით, განხორციელდეს ზემოაღნიშნული მიწის ნაკვეთების შპს „საქართველოს გაერთიანებული წყალმომარაგების კომპანიის“ კაპიტალში შემოტანა.

დანართი: 5 ფურცელი.

პატივისცემით,



დავით მაჭავარიანი  
დირექტორის მოადგილე

შპს  
საქართველო, ქ.თბილისი 0186  
ანა პოლიტკოვსკაია 5;  
ტელ: (995 32) 2 91 90 60  
ფაქსი: (995 32) 2 91 90 61

L.L.C.  
5. Ana Politkovskaya str.,  
Tbilisi 0186, Georgia;  
Tel: (995 32) 2 91 90 60  
Fax: (995 32) 2 91 90 61

e-mail: info@water.gov.ge  
www.water.gov.ge

11.2. The original of the Letter # 973 dated 25/04/2012 from MORDI Deputy Minister to the Deputy Minister of MOESD requesting consent to a land parcel (Reg Code 43 25 41 060) at Darcheli village selected for locating new reservoirs into the capital of UWSCG.

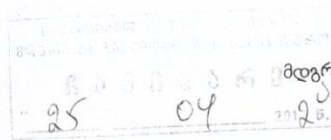


საქართველოს რეგიონული განვითარებისა და  
ინფრასტრუქტურის სამინისტრო

MINISTRY OF REGIONAL DEVELOPMENT AND  
INFRASTRUCTURE OF GEORGIA

№ ..... 793 .....

25 ..... 04 ..... 2012 წ.



საქართველოს ეკონომიკისა და

მდგრადი განვითარების მინისტრის მოადგილეს

ბატონ დავით გიორგაძეს

ბატონო დავით,

გაცნობებთ, რომ შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანია" აზიის განვითარების ბანკის დაფინანსების ფარგლებში, დაგეგმილი აქვს წყალარინების გამწმენდი ნაგებობისა და რეზერვუარის მშენებლობა. აღნიშნული ობიექტების მშენებლობისათვის საჭირო მიწის ნაკვეთები საჯარო რეესტრში რეგისტრირებულია სახელმწიფოს საკუთრებად, კერძოდ:

1. სასოფლო-სამეურნეო დანიშნულების მიწის ნაკვეთი ფართობ 33092 კვ.მ.  
მდებარე: ზუგდიდის რაიონი, სოფელი ანაკლია (საკადასტრო კოდი: 43.30.43.024)
2. სასოფლო-სამეურნეო დანიშნულების მიწის ნაკვეთი ფართობ 13109 კვ.მ.  
მდებარე: ზუგდიდის რაიონი, სოფელი დარჩელი (საკადასტრო კოდი: 43.25.41.060)

აღნიშნულიდან გამომდინარე გთხოვთ თქვენს თანხმობას, რათა წყალარინების გამწმენდი ნაგებობისა და რეზერვუარის აშენების მიზნით, განხორციელდეს ზემოაღნიშნული მიწის ნაკვეთების შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანიის" კაპიტალში შეტანა.



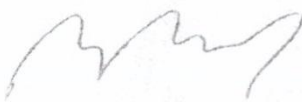
დანართი: 5 ფურცელი.

პატივისცემით,


მინისტრის მოადგილე

ლამა მგელაძე

**11.3. The original of the Letter Ref #: 05/9240 dated 30<sup>th</sup> April 2012 issued by the MOESD Deputy Minister on the expression of consent on inclusion the land parcel (Reg Code 43 25 41 060) at Darcheli village selected for locating new reservoirs into the capital of UWSCG**

		 KA020129081467512	
<p>საქართველოს ეკონომიკისა და მდგრადი განვითარების სამინისტრო</p>		 <p>MINISTRY OF ECONOMY AND SUSTAINABLE DEVELOPMENT OF GEORGIA</p>	
<p>0108 თბილისი, ჭავჭავაძის ქ. N12 12, G. Chanturia str., 0108 Tbilisi, Georgia</p>		<p>Tel.: (+995 32) 99 11 05; 99 11 11 Fax.: (+995 32) 921534</p>	
<p>№ 05/9240</p>		<p>30 / აპრილი / 2012 წ.</p>	
<p>საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის სამინისტრო</p>			
<p>საქართველოს ეკონომიკისა და მდგრადი განვითარების სამინისტროში შემოსული თქვენი 25.04.2012წ. №793 წერილის, პასუხად გაცნობებით, რომ საქართველოს ეკონომიკისა და მდგრადი განვითარების სამინისტრო არ არის წინააღმდეგი წყალარინების გამწმენდი ნაგებობებისა და რეზერვუარის მშენებლობის მიზნით შეტანილი იქნეს შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანიის" კაპიტალში ზემოაღნიშნულ წერილში მითითებული სახელმწიფო ქონება (ს/კ№43.30.43.024; №43.25.41.060) მოქმედი კანონმდებლობის შესაბამისად.</p>			
<p>მინისტრის მოადგილე</p>		 დავით გიორგაძე	

11.4. The original of the Letter Ref #: 840 dated May 2<sup>nd</sup> 2012, the request of the MORDI Deputy Minister to the Director of UWSCG to provide audit report regarding the changes in the capital of UWSCG based on the letter # 05/9240 (dated April 30, 2012) of MOESD on making amendments to the UWSCG Capital.



საქართველოს რეგიონული განვითარებისა და  
ინფრასტრუქტურის სამინისტრო  
MINISTRY OF REGIONAL DEVELOPMENT AND  
INFRASTRUCTURE OF GEORGIA

№ ..... 840 .....

2 ..... 05 ..... 2012 წ.

შპს „საქართველოს გაერთიანებული  
წყალმომარაგების კომპანია“ დირექტორს  
ბატონ ირაკლი კვაშილაძეს

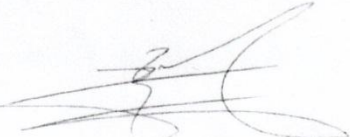
ბატონო ირაკლი,

გთხოვთ საქართველოს ეკონომიკისა და მდგრადი განვითარების სამინისტროს 30.04.2012წ.  
№05/9240 წერილის ასლს, რომელიც შეეხება შპს „საქართველოს გაერთიანებული  
წყალმომარაგების კომპანიის“ კაპიტალში ცვლილებების შეტანის საკითხს.

გთხოვთ საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის სამინისტროს  
2010 წლის 15 ნოემბრის №77-თ პრიახების საფუძველზე წარმოგვიდგინოთ კომპანიის საწესდებო  
კაპიტალში შეხატან ცვლილებებთან დაკავშირებით აუდიტის დასკვნა.

დანართი: 1 ფურცელი.

პატივისცემით,  
მინისტრის მოადგილე



მამუკა ვაჭაძე

საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის სამინისტრო, 01601 დ. თბილისი, დ. აღმაშენებლის ხეივანი, № 12, კ. 12. ტელ.: (+995 32) 2510 611; ფაქსი: (+995 32) 2510 679



საქართველოს გაერთიანებული  
წყარბმარაზაბის კომპანია

UNITED WATER SUPPLY COMPANY OF GEORGIA

N 5216/1  
01/08/2012

5216-1-2-201208011802



Our Reference:

**Vijay Padmanabhan**

Senior Urban Development Specialist  
Central and West Asia Department  
Asian Development Bank  
[vpadmanabhan@adb.org](mailto:vpadmanabhan@adb.org)

Subject: Loan No. 2749  
Urban Service Improvement Investment Program  
Involuntary Resettlement Due Diligence Reports - Kutaisi, Poti and Anaklia

Dear Mr. Padmanabhan,

Herewith, we are submitting the Involuntary Resettlement Due Diligence Reports for Kutaisi, Poti and Anaklia Headworks Sub-projects.

Attachment: 1. Kutaisi Involuntary Resettlement Due Diligence Report  
2. Poti Involuntary Resettlement Due Diligence Report  
3. Anaklia Involuntary Resettlement Due Diligence Report

Sincerely yours,

Davit Machavariani  
Deputy Director



საქართველოს გაერთიანებული  
წყარმთიანეთის კომპანია  
UNITED WATER SUPPLY COMPANY OF GEORGIA

N 5222/1  
01/08/2012

5222-1-2-201208011824



### Land Ownership Statement

The following statement has been made on the 31<sup>st</sup> day of July 2012 by the United Water Supply Company of Georgia LLC (UWSCG).

1. That UWSCG holds the ownership rights of 13,109 m2 of land in village Darcheli, Zugdidi Region with land (real estate) cadastral code: 43.25.41.060, registration number: 882012197736
2. That UWSCG testifies that the land is not being leased to the third party or caused termination of any lease, free of squatters, informal users or encroachers and not subject to other claims as detailed in Annex 1 of this statement.
3. This asset was transferred to UWSCG by the Order of the Minister of Regional Development and Infrastructure (MRDI) #35/o, 08.05.2012 for the construction and development of a water reservoir for the benefit of 25,000 people and the public at large and as detailed in Annex 2 of this statement.

Davit Machavariani  
Deputy Director

#### Annexes:

1. Involuntary Resettlement Impact Check List
2. Order of MRDI

Annex 1

**INVOLUNTARY RESETTLEMENT IMPACT CHECKLIST**

**A. Screening Questions for Involuntary Resettlement Impact**

Below is the screening for involuntary resettlement impacts. Both permanent and temporary impacts must be considered and reported in the screening process.

Involuntary Resettlement Impacts	Yes	No	Remarks
Will the project include any physical construction work?	X		
Does the proposed activity include upgrading or rehabilitation of existing physical facilities?	X		
Will it require permanent and/or temporary land acquisition?		X	
Is the ownership status and current usage of the land known?	X		
Are there any non-titled people who live or earn their livelihood at the project site or within the corridor of impact (COI) / Right of Way (ROW)?		X	
Will there be loss of housing?		X	
Will there be loss of agricultural plots?		X	
Will there be losses of crops, trees, and fixed assets (i.e. fences, pumps, etc.)?	X		There is wild growth on the land plot, with no cultivation or harvest. Nobody is benefitting from the sale of produce.
Will there be loss of businesses or enterprises?		X	
Will there be loss of incomes and livelihoods?		X	
Will people lose access to facilities, services, or natural resources?		X	
Will any social or economic activities be affected by land use-related changes?		X	
Were there any people being displaced from the assigned land/ project site <u>in anticipation</u> of the subproject activity?		X	
Are any of the affected persons (AP) from indigenous or ethnic minority groups?		X	

**B. Involuntary Resettlement Impact**

The EA/ Safeguard Team confirm that the assigned land/ proposed subproject is

- ☐ Has involuntary resettlement (IR) impact, a resettlement plan (or corrective action plan) is required
- ☒ Has No IR impact.

Prepared By: Thomas Butth	Verified by:
Signature: 	Signature: 
Name: Thomas Butth	Name: Davit Machavariani
Position: Team Leader, Kocks Consult	Position: Deputy Director, United Water Supply Company of Georgia
Date: 26.07.12	Date:

## ANNEX 2

### Order of the Minister of Regional Development and Infrastructure of Georgia

8/05/2012

Tbilisi

#35/O

On the approval of carried amendments in the capital of  
United Water Supply Company of Georgia LLC ( # 412670097)

According to the Entrepreneurs Law and State Property Law of Georgia, Presidential decree #978 dated 11.10.2010, decree of Government of Georgia #1367 dated 22.10.2010, decree #77/o of the Minister of Regional Development and Infrastructure of Georgia dated 15.11.2010, transfer of management right by direct assignment of 100% state owned shares of the United Water Supply Company of Georgia in compliance with the agreement dated 05.11.2010 between the Ministry of Economy and Sustainable Development of Georgia and Ministry of Regional Development and Infrastructure of Georgia, based on the letter #1715/1 dated 24.04.2012 and # 2153/1 dated 04.05.2012 of the United Water Supply of Georgia, LLC and the letter of the Ministry of Economy and Sustainable Development of Georgia #05/9240 dated 30.04.2012, report of the Head of legal department of Ministry of Regional Development and Infrastructure of Georgia #568 dated 08.05.2012 and audit report of the audit company - Chokhi #20 dated 4.05.2012:

#### Order:

- 1) Amendments done to the capital of the United Water Supply Company of Georgia, LLC :
  - a) State owned agricultural (arable) land located in Zugdidi municipality village named Darcheli (cadastral code 43.25.41.060) area of 13109.00 sq.m . According to the audit report #20-Q of the audit company Chokhi dated 04.05.2012 total value of above mentioned property is defined 39 327.00GEL.
  - b) State owned agricultural (arable) land located in Zugdidi municipality village named Anaklia, area of 33092.00 sq.m (cadastral code 43.30.43.024). According to the audit report #20-Q of the audit company Chokhi dated 04.05.2012 total value of above mentioned property is defined 397 104.00GEL.
- 2) In accordance with above mentioned amendments, the authorized capital of United Water Supply Company of Georgia in compliance with the audit report #20-Q of the audit company Chokhi dated 04.05.2012 ) is defined 169 135 196.46 (one hundred sixty-nine million one hundred thirty-five thousand one hundred ninety-six GEL and forty-six Tetri) instead of 168 698 765.46 (one hundred sixty-eight million six hundred ninety-eight thousand seven hundred sixty-five GEL and forty-six Tetri).
- 3) The director of United Water Supply Company of Georgia LLC (I. Kvashilava) is under the obligation to carry out relevant accounting representation measures in pursuance of the amendment.
- 4) The First Deputy Minister of Regional Development and Infrastructure of Georgia, Jambul Bakuradze is commissioned to control the execution of this Order.

Ramaz Nikolaishvili



საქართველოს რეგიონული განვითარებისა და  
ინფრასტრუქტურის მინისტრის

ბ რ ძ ა ნ ე ბ ა

8. 05. 2012 წ.

თბილისი

№ 35/მ.....

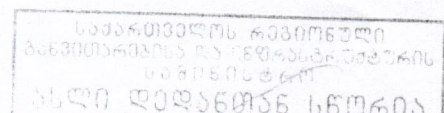
შპს „საქართველოს გაერთიანებული წყალმომარაგების კომპანიის“ (ს/ნ №412670097)  
კაპიტალში ცვლილებების შეტანის შესახებ

„მეწარმეთა შესახებ“ და „სახელმწიფო ქონების შესახებ“ საქართველოს კანონების, საქართველოს პრეზიდენტის 2010 წლის 11 ოქტომბრის №978 განკარგულების, საქართველოს მთავრობის 22.10.2010წ. №1367 განკარგულების, საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის მინისტრის 2010 წლის 15 ნოემბრის №77/ო ბრძანების, შპს „საქართველოს გაერთიანებული წყალმომარაგების კომპანიის“ სახელმწიფო საკუთრებაში არსებული 100% წილის მართვის უფლებით გადაცემის თაობაზე საქართველოს ეკონომიკისა და მდგრადი განვითარების სამინისტროსა და საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის სამინისტროს შორის დადებული 2010 წლის 5 ნოემბრის ხელშეკრულების, შპს „საქართველოს გაერთიანებული წყალმომარაგების კომპანიის“ 24.04.2012წ. №1715 I, 04.05.2012წ. №2153 I, საქართველოს ეკონომიკისა და მდგრადი განვითარების სამინისტროს 30.04.2012წ. №05 9240 წერილების, საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის სამინისტროს იურიდიული დეპარტამენტის უფროსის 2012 წლის 8 მაისის №568 მოხსენებითი ბარათისა და აუდიტორული ფირმა „ჩოხის“ 2012 წლის 4 მაისის №20-ქ აუდიტორული დასკვნის საფუძველზე;

ვ ბ რ ძ ა ნ ე ბ ა:

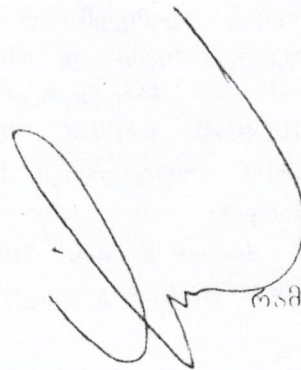
1) შპს „საქართველოს გაერთიანებული წყალმომარაგების კომპანიის“ საწესდებო კაპიტალში შეტანილ იქნა:

- ა) ზუგდიდის მუნიციპალიტეტის სოფელ დარჩელში მდებარე სახელმწიფო საკუთრებაში არსებული, სასოფლო-სამეურნეო (სახნავი) დანიშნულების მიწის ნაკვეთი, (საკადასტრო კოდი 43.25.41.060) ფართობით 13109.00 კვ.მ. რომლის ღირებულება აუდიტორული ფირმა „ჩოხის“ 2012 წლის 4 მაისის №20-ქ აუდიტორული დასკვნის თანახმად შეადგენს 39 327.00 ლარს.
- ბ) ზუგდიდის მუნიციპალიტეტის სოფელ ანაკლიაში მდებარე, სახელმწიფო საკუთრებაში არსებული, სასოფლო-სამეურნეო დანიშნულების მიწის



ნაკვეთი ფართით 33092.00 კვ.მ (საკადასტრო კოდი 43.30.43.024) რომლის ღირებულება აუდიტორული ფირმა "ჩოხის" 2012 წლის 4 მაისის №20-ქ აუდიტორული დასკვნის თანახმად შეადგენს 397 104.00 ლარს.

- 2) ზემოაღნიშნული ცვლილების გათვალისწინებით. შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანიის" საწესდებო კაპიტალი, აუდიტორული ფირმა "ჩოხის" 2012 წლის 4 მაისის №20-ქ აუდიტორული დასკვნის საფუძველზე, ნაცვლად 168 698 765.46 (ასხამოცდარვა მილიონ ექვსასოთხმოცდათვრამეტი ათას შვიდასსამოცდახუთი ლარი და ორმოცდაექვსი თეთრი) დარისა განისაზღვრება 169 135 196.46 (ასხამოცდაცხრა მილიონ ასოცდათხუთმეტი ათას ასოთხმოცდათექვსმეტი ლარი და ორმოცდაექვსი თეთრი) ლარით.
- 3) დაევალოს შპს "საქართველოს გაერთიანებული წყალმომარაგების კომპანიის" დირექტორს (ი.კვაშილაძე) უზრუნველყოს კომპანიის კაპიტალში განხორციელებული ცვლილების ბუღალტრული ასახვა.
- 4) კონტროლი ბრძანების შესრულებაზე დაევალოს საქართველოს რეგიონული განვითარებისა და ინფრასტრუქტურის მინისტრის პირველ მოადგილეს ჯამბულ ბაკურაძეს.



რამაზ ნიკოლაიშვილი

