

Environmental Monitoring Report

Bi-annual Report
January – June 2015

GEO: Urban Services Improvement Investment Program (Tranche 3)

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ABBREVIATIONS

ADB	Asian Development Bank
DC	Design Consultant
DREP	Division of Resettlement and Environmental Protection
EA	Executing Agency
EARF	Environmental Assessment and Review Framework
EHS	Environmental Health & Safety
EIA	Environmental Impact Assessment
EIP	Environmental Impact Permit
EMP/ SSEMP	Environmental Management Plan/ Site-Specific Environmental Management Plan
ES/ SES	Environmental Specialist/ Senior Environmental Specialist
GoG	Government of Georgia
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
USIIP	Urban Sector Improvement Investment Program
IA	Implementing Agency
IEE	Initial Environmental Examination
MFF	Multi-tranche Financing Facility
MoENRP	Ministry of Environment and Natural Resources Protection
MoRDI	Ministry of Regional Development & Infrastructure
NEA	National Environmental Agency
SC	Supervision Consultant
UWSCG	United Water Supply Company of Georgia
WSS	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 3 of the Investment Program includes: Construction of Water Supply and Wastewater Network in Ureki / Phase 3 (URE-01); Construction of Wastewater Treatment Plant in Ureki (URE-02), Construction and Rehabilitation of Water Supply System in Kutaisi / Phase 2 (KUT-01-01).
6. The following projects are financed under **Tranche 3**:

Construction of Water Supply and Wastewater Network in Ureki / Phase 3 (URE-01)

7. The project comprises of the construction of 1 water supply pumping station and 31 sewage pumping stations (Shekviteli - 18, Ureki - 13; construction of new reservoirs (2,000 m³x3,000 m³ and 1x1,200 m³); Distribution network - laying of approximately 70 km water supply pipelines (distribution network will be divided into 3 areas), laying of approximately 70 km sewage pipelines; installation of approximately 1,500 watermeters; Wells - drilling of 10 drinking water wells.

Construction of Wastewater Treatment Plant in Ureki (URE-02)

8. The project comprises of the construction of new Wastewater Treatment Plant with the capacity of 6,570 m³/day.

Construction and Rehabilitation of Water Supply System in Kutaisi / Phase 2 (KUT-01-01)

9. The project envisages construction of Kvitiri 973 m³/h capacity and Mukhrani 660 m³/h capacity pumping stations; Reservoirs - construction of Near East and Mukhrani reservoirs with the capacity of 9,000 m³ (2x4,000+1,000). Distribution network - 332.1 km.

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

10. The Construction activities have not been started yet.

B. Changes in Project Organization and Environmental Management Team

(i) Agencies Involved in Investment Program Implementation

11. 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.
12. 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.
13. 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.
14. 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.
15. 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
16. DC is responsible for developing and incorporation of mitigation measures in design and construction.
17. 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.

18. 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.
19. 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

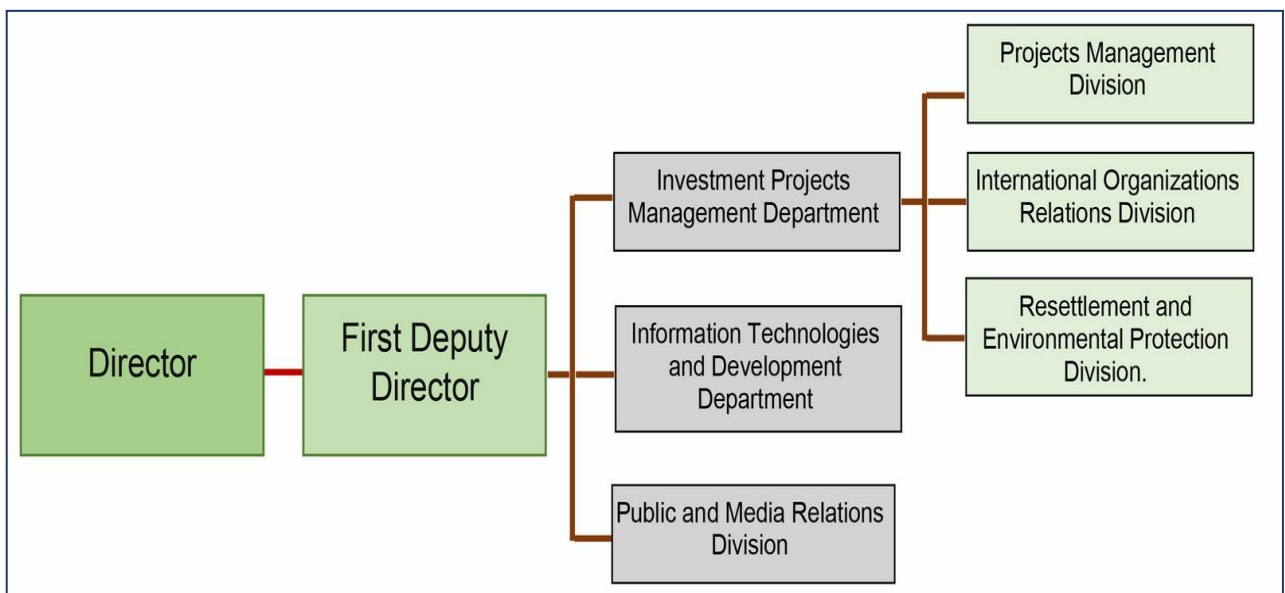
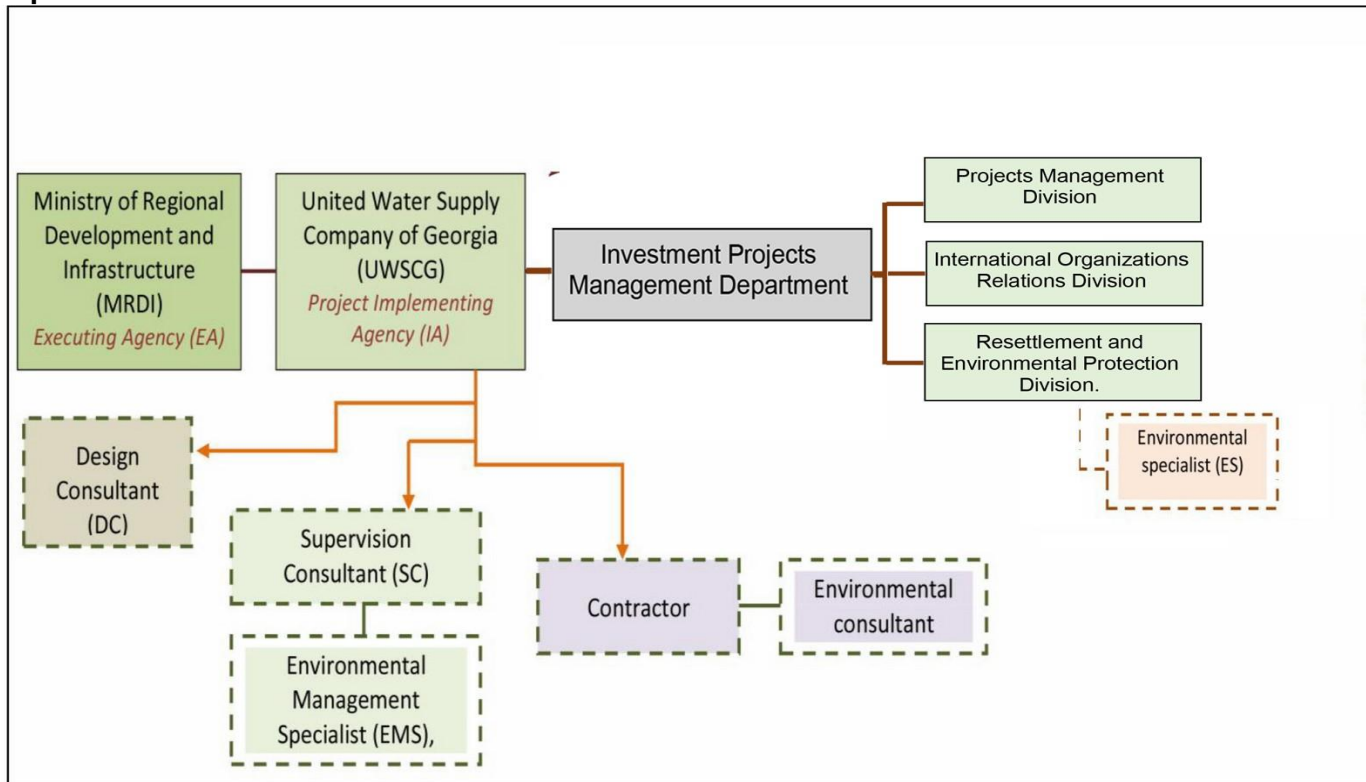


Figure 2. Structure Diagram of the Agencies Involved in Investment Program Implementation



C. RELATIONSHIPS WITH CONTRACTORS, OWNER, LENDER, ETC

20. Relationships with Contractors, 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.
21. 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.
22. 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.
23. The team has constant communication with the Supervision Consultant, Contractor, reviews/ comments all environmental reports submitted by DC, SC and contractors.
24. 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.
25. SC is responsible for environmental capacity building, monitoring of implementation of SEMP 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.

26. ADB oversees project sites regularly and gives clear instructions for the project sites improvements with regard to environmental safeguards.
27. To resolve the observed environmental safeguard issues, the regular Environmental Meetings are organized with participation of UWSCG/IPMO/DREP, Eptisa, Contractors. During the meetings environmental issues and implementation of the mitigation measures are discussed.
28. A Grievance Redress Committee has been established within REG-01 in Kutaisi that will functional for KUT-01 project as well. No GRM was established for URE-01 and URE-02 projects within the reporting period.
29. Project organization for the awarded contracts listed above is given in the table below:

Table 1: List of contracts under T3

Contract #	Employer	Contractor	Contract Signature date	Contract Final Date
Contract No: P43405-ICB-URE-01	UWSCG	JV of Peri Ltd (Georgia) Leading Partner and Slon LLC (Azerbaijan)	28-Oct-14	22-Nov-17
Contract No: P43405-ICB-URE-02	UWSCG	JV of Ludwig Pfeiffer Hoch-und Tiefbau GmbH and Co.KG ProtechnoSrl (Germany) / Aritim (Turkey)	30-Apr-15	9-Jun-17
Contract No: P43405-ICB-KUT-01	UWSCG	SMK Ulusal Insaat Ve Ticaret A.S. (Turkey)	22-Apr-15	8-Jun-18

II. ENVIRONMENTAL MONITORING

30. Environmental Monitoring will start immediately after the commencement of the civil works under the URE-01, URE-02 and KUT-01 projects.

III. ENVIRONMENTAL MANAGEMENT

- a. The Environmental management System, site-specific environmental management plan (SSEMP), and work plans

SSEMPs prepared under URE-01, URE-02 and KUT-01 projects (January - June 2015)

31. SEMP for Reservoir #2 (Ure-01) is already prepared by Contractor, endorsed by the SC and approved by UWSCG. SEMP for Reservoir #1 (Ure-01) was prepared by contractor and submitted to SC, but following the new requirements of UWSCG (to optimize the design of the reservoir in order to avoid removal of the one 100 years old pine tree) the SEMP was revised and will be re-submitted to the SC in July 2015. Final approval of SEMP will be done by the end of July 2015. SEMP for water wells will be prepared and submitted to UWSCG by the end of August.
32. No SEMP's have been prepared under the URE-02 project within the reporting period. SEMP for WWTP will be submitted to UWSCG by the mid of August, 2015.
33. Separate SEMP's for Godogani Reservoirs and its access road under the KUT-01 will be submitted to UWSCG by the end of August, 2015.

b. Site Inspections and Audit

34. Not yet applicable.

ACTIONS TAKEN TO REFLECT THE FINDINGS OF ADB MISSION CARRIED OUT IN 5-8 MAY 2015:

35. Mission requested UWSCG to discuss several alternatives in order to minimize cutting of trees and make optimal design of reservoir #1 under the Ure-01 project. ADB's approach was to keep 100 years old tree, which is located at the border of the reservoir design, close to the residential house and the households' graveled road and applied to the Contractor's representative during the mission to discuss all possible options to avoid cutting of this particular tree.



Fig. 3: 100 years old pine tree in Ureki #1 Reservoir

36. As a follow up to this requirement UWSCG/DREP organized special meeting and developed Minutes of the Meeting, shortly after the return of the mission to discuss how to proceed with this issue. UWSCG/DREP invited UWSCG's design staff, SC, Contractor and Environmental Specialist of RETA/ADB Ms. Ketevan Dgebuadze. Based on the hard discussions it was agreed

that in order to save this particular tree, there would not be any problem if the location of the red line of the reservoir will be shifted with 5-6 meters at the expense of the reservoir's capacity. Currently, two reservoirs 3,000m³ of each is designed to be constructed on this territory 24-hour-acquisition and for 2040 years for approx 50 000 people.

37. Finally, as a result of intensive communication with the biodiversity specialist, parties agreed (in order to avoid any unforeseen cases, like damage of the roots of the tree) the reservoir border to be shifted with 6 meters underling that this will reduce capacity of one of the reservoirs down to 2,000m³ and instead of two 3,000m³ reservoirs finally two reservoirs with the capacity of 3,000m³+2,000m³ will be constructed.
38. Other activities envisaged by the Mission's Note (5-8 May, 2015) are currently on-going and new deadlines are presented in Article 5 – Action Plan for the Next Period. Implementation status of these activities will be presented in the next EMRs.

D. Consultations and Complaints

Public Awareness Activities:

39. During the reporting period public awareness activities were carried out in Kutaisi within the water supply rehabilitation project under REG-01.
40. No public awareness activities were carried out within the URE-01 and URE-02 projects during the period of January – June 2015.

Grievance redresses mechanism (GRM)

41. 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.
42. The GRM allows affected people to appeal any disagreeable decision, practice or activity arising from project implementation.
43. 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. As it was mentioned above the GRM in Kutaisi has been operational since April 2014, and the system operates in three stages.
44. During the first stage, complaints are discussed within two weeks of being received by the local service centre of UWSCG (e.g. Kutaisi office), 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.

45. The service centre operators, who are trained¹ in USIIP/Reg-01project, 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 system² 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), as well as the Head of the Environmental and Resettlement Division, Maka Goderdzishvili.
46. 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.
47. 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
48. 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) 99. 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.
49. 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.
50. 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

¹ UWSCG and Supervision Consultant (Eptisa) conducted trainings for service center operators covering general procedures of GRM functioning in order to ensure proper coordination of different departments.

²The **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.

IV. CONCLUSIONS AND RECOMMENDATIONS

51. Necessary instructions have been given to the Contractor by UWSCG and SC to follow the EMPs and SEMP for REG-01 project.

V. ACTION PLAN FOR THE NEXT PERIOD

- Identify specific type of fencing for WWTP construction site under URE-02 project and submit a proposal to UWSCG (end of August, 2015).
- Contractor to Finalize SC to endorse and UWSCG to approve SSEMPs under the URE-01, URE-02 and KUT-01, projects (by the end of August, 2015).
- The following SSEMPs should be prepared under the URE-01 Project: SSEMP for Reservoir #1, 10 water wells and Pumping Station (by the end of August, 2015);
- The following SSEMP should be prepared under the URE-02 Project: SSEMP for WWTP (by the end of August, 2015);
- The following SSEMP should be prepared under the KUT-01 Project: SSEMP for Godogani reservoir site and access road (by the mid of September, 2015);
- Conduct monitoring of environmental quality under URE-01 project (Reservoir#1). The specific plan for measurement is as follows:

Parameters	Quarterly measurement
Dust	August 2015
Vibration	August 2015
carbon monoxide	August 2015
nitrogen dioxide	August 2015
sulfur dioxide	August 2015
gamma radiation	August 2015
el-magnetic field radiation	August 2015
Noise	August 2015