

Social Monitoring Report

Project Number: 43405-023

Semestral Report

For the period July-December 2020

January 2021

Georgia: Urban Services Improvement Investment Program -Tranche 1

Prepared by United Water Supply Company of Georgia for the Ministry of Regional Development and Infrastructure of Georgia and the Asian Development Bank.

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Semi-Annual Social Monitoring Report

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GEORGIA: URBAN SERVICES IMPROVEMENT INVESTMENT PROGRAM

TRANCHE 1

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ABBREVIATIONS

ADB – Asian Development Bank

AP – affected persons

DC – Design Consultant

DEPP - Department of Environmental protection and Permit

ES/ SES - Environmental Specialist/ Senior Environmental Specialist

GoG- Government of Georgia

GRC - Grievance Redress Committee

GRM - Grievance Redress Mechanism

IPMO - Investment Program Management Office

USIIP - Urban Sector Improvement Investment Program

IA - Implementing Agency

EA – Executing Agency

IP – Indigenous People

IR – Involuntary Resettlement

LARP – Land Acquisition and Resettlement Plan

MoEPA - Ministry of Environment Protection and Agriculture

MoRDI – Ministry of Regional Development & Infrastructure

NEA – National Environmental Agency

SC – Supervision Consultant

UWSCG – United Water Supply Company of Georgia

WSS – Water Supply & Sanitation

Contents

1. The Project Details	6
1.1. Background of the project	6
1.2. Projects financed under Tranche 1.	6
1.3. Key Construction Works on Site	6
1.3.1. Mestia Water Supply Headworks (Contract MES-01).....	6
1.3.2. Kutaisi, Poti & Anaklia water supply infrastructures (Contract REG-01).....	6
1.3.3. Construction of Office Building of UWSCG in Tbilisi (Contract TBI-01).....	7
1.3.4. MESTIA Water Supply Facilities (Contract REG-02).....	7
1.3.5. Construction of Water Supply and Wastewater Network in Ureki/Phase I (Contract URE-01).....	7
1.4. Physical Progress of the Project Activities	8
2. Objective and Scope of Monitoring	9
2.1. Objective and scope of Semi-Annual Monitoring	9
2.2. Methodology of Monitoring	9
2.3. Monitoring Indicators / Parameters	9
2.3.1. Grievance Redress Mechanism	9
2.3.2. Received Grievances.....	11
2.4. Monitoring Grievances Submitted Through UWSCG Hotline	11
2.5. Consultation, Participation and Disclosure	11
2.6. General Description and Guidelines for COVID-19 Infection	11
3. Institutional Arrangement	12
4. Summary	13
4.1. Summary	13

1. The Project Details

1.1. Background of the project

1. 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.

2. 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

1.2. Projects financed under Tranche 1.

3. Tranche 1 of the Investment Program includes:

- Construction of Mestia Headworks (MES-01)
- Improvement of Water Supply Infrastructure in Anaklia, Kutaisi and Poti (REG-01)
- Construction of Mestia Water Treatment Plant and Reservoirs (REG-02)
- UWSCG Office Building (TBI-01)
- Construction of the Water Supply Network in Ureki (URE-01)

1.3. Key Construction Works on Site

1.3.1. Mestia Water Supply Headworks (Contract MES-01).

4. The project comprises of the construction of a Tyrolean Weir as intake structure on Mestia Chala River for the capture of raw water. The discharge is estimated at minimum 1,000 liters/second in dry seasons. The location has been chosen for its altitude and the possibility to supply the water treatment plant, the adjoining reservoir and from there the largest part of the distribution network, by gravity. Apart from the intake, the scope of work comprises 10.75 km transmission lines to the site of Water Treatment Plant and a reservoir and the connection of this location to the distribution network.

5. The contract MES-01 was signed on October 10, 2011 with Joint Venture of Dagi LTD – Georgia and Enguri 2006 LTD – Georgia (which changed its corporate name to Enguri - New Construction LTD on 11 April 2013), the contract was completed on October 31, 2013. Post Construction Audit Report was prepared by UWSCG and approved by ADB.

1.3.2. Kutaisi, Poti & Anaklia water supply infrastructures (Contract REG-01).

6. The scope of works includes improvement of water supply infrastructure in Anaklia, Kutaisi and Poti, in particular, reservoirs and pumping stations, transmission lines and distribution lines of water supply systems as well as a water treatment plant in Poti. The project envisages installation of water pipelines

on 96 km. Concrete water reservoirs were built on 5 places with total capacity of 35,000m³. The project also covers construction of 4 pumping stations (with total capacity of 4,516 m³/h) as well as construction of water treatment facility.

7. United Water Supply Company of Georgia signed a contract (#UWSCG/ICB/CW-2013-REG-01) with Spanish Cobra Instalaciones y Servicios for implementation of Reg-01 project. The Contract was made effective on September 19, 2013.

8. Construction work was completed on May 16, 2016. Post Construction Environmental Audit was conducted in January 2017 by independent consultant and relevant report was submitted to ADB.

1.3.3. Construction of Office Building of UWSCG in Tbilisi (Contract TBI-01).

9. A detailed project for the construction of a new UWSCG head office was prepared and funded by the Government of Georgia. The contract (# CW/ICB / Office-01) for the construction of the above-mentioned head office was signed between the United Water Company of Georgia and the Georgian construction company DAGI Ltd on December 1, 2015. Date of commencement of civil works was December 29, 2015. The initial completion date for the above contract was 21.06.2017 and further extended until September 2020. Contract has expired, both parties are still in process of negotiation.

1.3.4. MESTIA Water Supply Facilities (Contract REG-02).

10. The scope of works included: a new water treatment plant (WTP); the rehabilitation of Tsрниashi spring catchment; a new reservoir at Lanchvali (1,000 m³); a new reservoir at Shgedi (1,000 m³); transmission pipes of approximately 9,200 meters.

11. The Contractor had to design and build a Water Treatment Plant with a treated water standard that complies with the European standard for the drinking water quality and is defined in the Council Directive 98/83/EC. The WTP has a design capacity of 80 l/s to serve the projected population in 2040. Contract was signed with JV Ludwig Pfeiffer Hock und Tiefbau GmbH & Co. KG and Protecno Srl on 22 September 2014 and Notice-to-Proceed given on 08 December 2014. Contract completion date was May 2019. Construction activities were completed within the contract period. No Post-Construction Audit report conducted as yet under REG-02 sub-project.

1.3.5. Construction of Water Supply and Wastewater Network in Ureki/Phase I (Contract URE-01).

12. The project is simultaneously financed from Tranches I, II and III and therefore might be some overlap of T1-T3 SSMRs. The planned works under Tranche I included construction of Res-01 and Res-02 (2 x 3,000 m³ and 1 x 1,200 m³) and one water supply pumping station (78m³/h and 676 m³/h).

13. The Contract was signed with JV of Peri Ltd (Georgia) Leading Partner and Slon LLC (Azerbaijan) on October 28, 2014. Commencement date was November 24, 2014. Initial Completion date was scheduled on November 22, 2018 but due to changes in the design of project, which include the construction of an Aqueduct across the Natanebi River, the construction of Gabion wall to protect well fields from flooding and erosion, and the construction of an additional deep well No. 8 along the banks of the Natanebi River, completion date was extended to September 2019 and Project was completed by September 2019.

14. The project is foreseen to serve 35,000 tourists and 5,400 local inhabitants by year 2040. Post Construction Audit will be conducted by independent consultant and submitted to ADB.

1.4. Physical Progress of the Project Activities

15. During the reported period no construction activities were implemented under TBI-01 sub-project.
TBI-01

Map of Project Town and Location of Tbilisi Head Office is presented in the Fig.1 below:

Fig.1 Location of Head Office and Map of Project Town

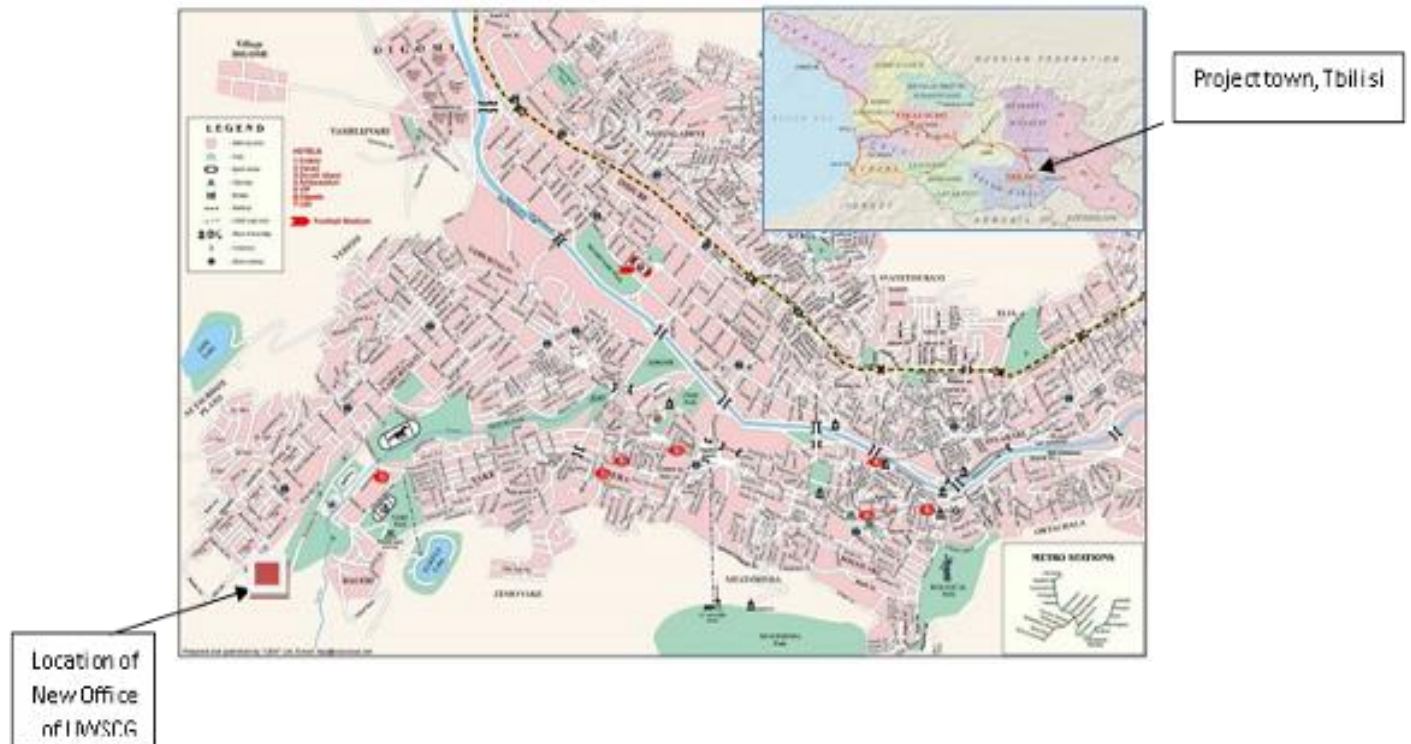
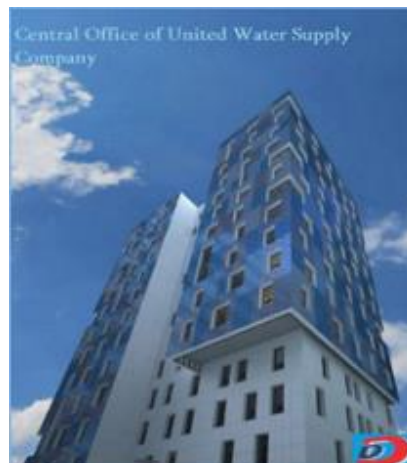


Image No1 below represents the building of the UWSCG's Head Office in Tbilisi after the completion of the TBI-01 project.

Image 1: Design of Tbilisi head office:



16. During the reporting period, no construction work under the contracts - MES-01, REG-01 and URE-01 were conducted, as all the construction activities are completed under these sub-projects.

2. Objective and Scope of Monitoring

2.1. Objective and scope of Semi-Annual Monitoring

17. The general objective of this Semi-Annual Social Monitoring Report (SSMR) is to assess the progress on safeguard measures taken during the implementation of the project including:

- Review received grievances and find effective ways of solving them;
- Review access of local population to grievances log;
- Evaluate local governments and populations expectations about project;
- Evaluate effectiveness of implemented PA activities.

2.2. Methodology of Monitoring

18. This SSMR has been prepared based on the following activities:

- Field visit and review of available project related documents and conduct reconnaissance to collect and assess the baseline conditions of the area;
- Regulatory review was conducted in order to understand the applicable legislation, regulatory frameworks and procedures;
- Review of available data on land use and its ownership in the impacted subproject area was carried out;
- Clarifications on pending and unresolved issues was obtained;

2.3. Monitoring Indicators / Parameters

19. This Semi-Annual social monitoring report has been prepared through the process of reviewing monthly progress reports, project site observation, discussions and interviews with the Local Government and local representatives during the monitoring field visits.

Semi-Annual Monitoring Results

2.3.1. Grievance Redress Mechanism

20. For the effective implementation of a GRM system under the USIIP, UWSCG issued special order (#122) on 30 April 2014, which was further replaced by Order # 196 (October 2018) on the "Establishment of GRM within the Framework of the Asian Development Bank Funded Projects" and signed by the head of UWSCG. Order #196 gives clear instructions to every involved stakeholder how to act when affected people are impacted by the project.

21. Any affected person can apply at a UWSCG local or nearest service-centre (UWSCG has 53 service centers and 8 Regional Branches across Georgia, in different municipalities), 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. Than AP's complaints are registered by the operator of the service center and AP get queue number (see figure 3 below).

Figure 3: AP gets queue registration number at Local Service center (on the example of Kutaisi Service Center)



22. It should be mentioned also that complaints log is available at each construction site and any affective person may fill the complaint log and submit to the contractor directly.

23. At first stage of grievance redress, an authorized representative of Customers Relations Division/Customers Service Office of local Service Center/Regional Branch of United Water Supply Company of Georgia, LLC, be obliged to familiarize himself/herself with the content of the complaint, to register the complaint to submit it to Grievance Redress Committee (hereinafter the Committee), which will consider the submitted complaint within the two weeks period.

24. The Committee envisaged by the Point 2 of the Order #196 will be approved with the following composition:

- a. Head (Regional Branch Manager/Service Center Director) of respective territorial unit of United Water Supply Company of Georgia, LLC – Committee Chairman;
- b. Representative of Projects Management Department of United Water Supply Company of Georgia, LLC – Committee Member;
- c. Representative of Environmental Protection and Permits Department of United Water Supply company of Georgia, LLC – Committee Member;
- d. Representative of construction company implementing project/subproject – Committee Member;
- e. Representative of supervision company of project/subproject – Committee Member;
- f. Representative/Commissioner of the respective municipality – Committee Member;
- g. Environmental Specialist of the Asian Development Bank Program – Committee Member;
- h. Representative of respective territorial unit of United Water Supply Company of Georgia, LLC – Committee Secretary.

25. In case the problem raised in the complaint is not solved within the two weeks periods at the first stage of grievance redress, the individual concern can address the GRM Commission established by Point 5 of this Order, which will make decision within two weeks period.

26. To promptly and effectively review and solve the complaint of the individual concerned, the Grievance Redress Commission (hereinafter the Commission) be established with the following composition:

- a. Director of United Water Supply Company of Georgia, LLC – Commission Chairman;
- b. Deputy Director on Technical Issues of United Water Supply Company of Georgia, LLC – Commission Member;

- c. Deputy Director on Financial Issues of United Water Supply Company of Georgia, LLC – Commission Member;
- d. Deputy Director on Commercial Issues of United Water Supply Company of Georgia, LLC – Commission Member;
- e. Head of Legal Department of United Water Supply Company of Georgia, LLC – Commission Member;
- f. Head of Environmental Protection and Permits Department of United Water Supply Company of Georgia, LLC – Commission Member;
- g. Head of Communications Office of Director's Apparatus of United Water Supply Company of Georgia, LLC – Commission Member;
- h. Head of Projects Management Department of United Water Supply Company of Georgia, LLC – Commission Member;
- i. Head of Construction Supervision Department of United Water Supply Company of Georgia, LLC – Commission Member;
- j. Representative of Environmental Protection and Permits Department of United Water Supply Company of Georgia, LLC – Commission Secretary.

27. Heads of self-governing units be required to define a representative who is employed in local self-governance in the field of social matters.

28. In case the problem raised in the complaint is not solved within two weeks at the second stage of grievance redress, the individual concerned can address the Permanent Representative of the Asian Development Bank to Georgia at the following address: Tbilisi, #1, G. Tabidze Street, Tel: +995 32 225 06 19.

2.3.2. Received Grievances

29. No verbal or written Grievances submitted under USIIP/T1 during reporting period, July-December 2020.

2.4. Monitoring Grievances Submitted Through UWSCG Hotline

30. No Grievances submitted for REG-01, MES-01 URE-01 projects, through UWSCG hotline during reporting period, July-December 2020, since the construction activities are completed.

2.5. Consultation, Participation and Disclosure

31. During construction works under the contracts MES-02, REG-01 and URE-01 active awareness campaign was provided by consulting company and UWSCG PR team, including public consultation meeting, door to door campaigns, informational leaflets and media coverage. Local population's awareness was increased on project activities, its benefits and results, also they had all necessary information about GRM and Hotline complaint monitoring system.

32. During reporting period no construction works were produced under the sub-projects TBI-01, MES-02, REG-01 and URE-01, therefore no PA activities were conducted.

2.6. General Description and Guidelines for COVID-19 Infection

32. The Government of Georgia and its Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia, issued the General Guidelines Related to

Infection (COVID-19) Caused by Novel Coronavirus (SARS-CoV-2) which applies to all sectors of economic activity.

33. The General Guideline for COVID-19 was also developed by the Government of Georgia specifically for the construction sector.

34. Based on the above mentioned guidelines the construction staff must not appear in the workplace if they:

- Left the affected country over the past 14 days;
- Were in close contact with infected person/persons for the past 14 days (they must be self-isolated/quarantined as per the rule);
- Have symptoms of respiratory infection (coughing, temperature, sneezing, difficulty in breathing, general weakness etc.);
- Are among the ones who have high risk of getting infected with COVID-19 or serious complications: over 70 years of age, people suffering from chronic diseases (cardio-vascular diseases, diabetes, bronchial asthma and other respiratory diseases).

35. Additional measure were carried out by Supervision Company EPTISA based on the requirements of the UWSCG and Emergency Response Plan of COVID 19 was developed for construction activities carried out under USIP-T1.

3. Institutional Arrangement

36. The Chapter describes the role, authority, and responsibility of state agencies involved in the process of preparation and implementation of environmental and social/resettlement related issues under the projects financed by ADB. These agencies are: Implementation Project Management Office (IPMO) formed on June 10, 2020 under UWSCG is the implementing agency; Executing Agency - United Water Supply Company of Georgia of the Ministry of Regional Development and Infrastructure of Georgia, Ministry of Finance, ADB. Below are described their roles and responsibilities:

37. Implementation Project Management Office¹ (IPMO) will carry the following responsibilities:

- a. Two specialists: (i) Social Safeguards and Resettlement Specialist and (ii) Environmental Specialist to carry out following activities:
 - I. Safeguard environment and resettlement related issues for the sub-projects;
 - II. Resolving any issues that may arise during implementation of the sub-projects;
 - III. Review, analyze and discuss all circumstances that may have negative impact on the environment and the affected persons;
 - IV. Preparation of all relevant reports to IPMO;
- b. Project Management: IPMO will meet the all reporting requirements related to the sub-projects to be submitted to UWSCG and ADB
 - I. Address and coordination all Environmental protection and LAR related issues on local and national level;
 - II. Manage and monitor Construction Company and Supervision Company activities;
 - III. Ensure the update of Safeguard documents based on detailed design, if needed;
 - IV. Preparation of Semi-Annual reports to reflect all the construction and project implementation details;

- V. Presenting all necessary documents to ensure rapid allocation of resettlement budget and undertaking further payment of defined compensation amounts to project affected persons;

c. Project Monitoring: IPMO will:

- I. Supervise the physical and /or economic displacement of APs, monitor construction and reinstatement process with support from the supervision consultant;
- II. Undertake internal monitoring and submission of relevant reports to UWSCG and ADB;

38. Construction Company and Supervision Company will have on board Environment and Social Safeguards specialists and Resettlement Specialist to be responsible to supervise environmental and resettlement issues managed by environmental and resettlement specialists of Construction Company and report to IPMO/UWSCG.

39. Supervision Consultant: Supervision Agency responsible for construction supervision activities, to observe and monitor completion of all compensation/rehabilitation payment procedures prior to construction contractor entering the site.

40. Ministry of Finance: Allocates compensation and rehabilitation funds based on the submitted land acquisition and resettlement plan and relevant budget.

41. IPMO will supervise the physical and /or economic displacement of APs, monitor construction and reinstatement process with support from the supervision consultant.

4. Summary

4.1. Summary

42. A grievance redress mechanism has been established in the project and steps have been taken to make aware the affected people and other stakeholders about the grievance mechanism;

43. Locals are using implemented GRM system after finishing construction work, that gives us possibility to conclude, that PA campaigns provided during construction works were useful and successful; Received grievances during the implementation of the sub-projects were resolved timely;

44. No grievances were received during the reporting period under USIIP/T1.