

Semi-Annual Social Monitoring Report

Project Number: 43405-028

Semi-Annual Report (January - June 2022)

GEO: URBAN SERVICES IMPROVEMENT INVESTMENT PROGRAM

TRANCHE 6

Submitted by: UWSCG

July 2022

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

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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 6.

Construction of Water Supply System in Chiatura (CHI-01)

Construction of Water Supply and Wastewater Systems in Marneuli and Construction of Wastewater System and Collector in Bolnisi (MAR-01)

Construction of Wastewater Treatment Plant in Marneuli (MAR-02)

1.3. Key Construction Works on Site

1.3.1. Construction of Water Supply System in Chiatura (CHI-01);

3. The works under the CHI-01 project (Section-1) comprises the rehabilitation and construction of the water supply network, transmission pipeline and Reservoirs. In particular, CHI-01 project envisages construction of network in Chiatura and Navardzeti, construction of a transmission lines, the rehabilitation of existing reservoirs and construction of 2 new reservoirs one near the intake and one new reservoir in Bisi, construction of pumping stations and replacement of network pipelines, rehabilitation of pumping stations etc.
4. The work under the CHI-01 project (Section-2) envisages installation of new pumps on the territory of existing "Bisi" reservoir, which will receive water from mentioned reservoir and pump it to the proposed design reservoir for providing water to Pataridze and Sopromadze Streets ("Avarioni" and "Safari" area). The pump will convey water to design reservoir, from where water will flow to these streets by gravity.
5. The contract No P43405-ICB-CHI-01 was signed on August 21, 2017 with "Akkord Industry Construction Investment Corporation" OJSC" (Azerbaijan), the initial completion date on April 15, 2019 has been extended to 5 April 2021. The original date for the defect notification is April 14, 2020, which has been extended to June 2023.

1.3.2. Construction of Water Supply and Wastewater Systems in Marneuli and Construction of Wastewater System and Collector in Bolnisi (MAR-01)

6. MAR-01 project envisages the rehabilitation and construction of reservoirs with the total capacity of 12,000M³=(2X3000+3X2000); construction of Ductile cast iron transmission pipeline with the diameter of 700 mm - 10 km and 600 mm – 4km; construction of network with Polyethylene pipes of OD 50 to OD 500. The project measures for the sewer network comprise the laying of about 150 km new gravity pipes (DN 150 to DN 800) and 2.7 km new pressure pipes (OD 110 and OD 225). There will be 9 new wastewater pumping stations; 600mm to 1000 mm diameter inspection wells (concrete or polyethylene) and 400 mm diameter house connections (polyethylene). Proposed project envisages construction of sewerage system in Bolnisi which will work entirely by gravity (DN 200 and DN 250 HDPE pipes) and will be connected at 3 different points to the future DN 500 HDPE interceptor that will convey the collected sewer from Bolnisi to Marneuli WWTP.
7. The contract No P43405-ICB-MAR-01 was signed on November 20, 2018, with “Akelik Group OJSC” (Azerbaijan). The original completion date of the contract was March 29, 2021. The contractor failed to complete the project, worked very slowly and did not work as per construction schedule and failed to act as per notices to correct and abandoned the site, did not pay salary to staff, worked without addressing safety regulations, did not comply to environmental and social responsibilities, therefore 14 days’ notice for termination was issued by the employer on 14 January 2022 and it became effective from 31 January 2022.
8. Akelik has laid 112.63 KM water supply pipes in Marneuli, 68.44 KM sewer lines in Marneuli, 8.36 KM sewer lines in Bolnisi and 8.21 KM interceptor from Bolnisi to Marneuli. The pumping station civil works in Kolgiri are completed about 80%, Jandhary Reservoir concrete work done, City reservoir about 60% concrete work done. The works carried out by Akelik cannot be used at present being incomplete, not tested & not commissioned. Therefore, it is proposed now to rebid & complete the remaining works, rehabilitate works done by Akelik and commission the whole system. It is planned to launch the rebidding process.
9. The proposed bid involves about 200 KM sewer line and 200 KM water supply lines and large number of water supply connections and sewer connections in houses, large number of rail crossings, road crossings, irrigation channel crossings and river crossings. Thus, the work needs to be carried out at several places simultaneously. Therefore, it is proposed to split the work in 6 lots based on geographical boundaries and similarity of nature of works.
10. Bids were invited under 6 lots and bids have been received and are under evaluation process.

1.3.2.1. Brief Description of lots and scope of works

11. Lot 1: Marneuli city is divided in 6 zones, refer map No. 1. Zone 1 is in extreme South direction of the city. The area is known as Orjonkidzde and Tsereteli. It has only water supply and no sewer works. As per original scope of work, 39468 m pipes for water supply were to be laid, tested & commissioned and water supply connection in houses to be done. Out of required length, 34900 m (88.4%) pipes have been laid and 22600 m pipes (65%) have been hydraulically tested. Now 4568 m pipes are required to be laid. This zone can be connected to existing water supply system & public can be benefitted in short time. Mainly house connection work remains to be done. Four rail crossings are required to lay pipeline.
12. Lot 2: The geographical boundary for Lot 2 covers zone 2, 3 & 6 of Marneuli. It provides for both water supply & sewerage lines. It is in Northeast directions. Sewer pipeline 34.5 Km and water

supply pipeline 40.16 km are to be laid. Earlier laid water supply and sewer lines by Akelik would also need to be tested & commissioned.

13. Lot 3: The geographical boundary for Lot 3 covers zone 4 & 5 of Marneuli. It covers both water supply & sewerage lines. It is in West direction. Sewer pipe 49 Km and water supply 44.3 km pipes are to be laid. Earlier laid water supply and sewer lines by Akelik would also need to be tested & commissioned.
14. Lot 4: It covers sewer network in Bolnisi city. Bolnisi is distinctly separate habitation and is about 22 km from Marneuli. 28.6 km sewer lines are to be laid. Earlier laid sewer lines by Akelik would also need to be tested & commissioned.
15. Lot 5: Sewerage Interceptor (Collector) from Bolnisi to Marneuli. It includes one sewage pumping station and 15.8 km interceptor is to be laid. Earlier laid sewer lines by Akelik would also need to be tested & commissioned.

Lot 6: It includes Construction of new pumping station at Kolagiri and one booster station at Jandhari with mechanical, electrical and SCADA works; Rehabilitation of bore wells at Kolagiri; Construction of new Reservoir at Jandhary and construction of city reservoir; Transmission line DCI pipes 700 mm, 600 mm & 400 mm pipes from Kolagiri to City reservoir and city reservoir to Jandhari. Also, a chlorination facility is to be installed near Jandhari reservoir.

1.3.3. Construction of Wastewater Treatment Plant in Marneuli (MAR-02)

16. The project comprises of the construction of new Wastewater Treatment Plant in Marneuli with the capacity of 9,931 m³/day.
17. The contract No UWSCG-ICB-MAR-02-2019 was signed in October 18, 2019 with Joint venture of Toshiba Water Solutions Pvt. Ltd and IN-SI LLC (JV partner) (India/Georgia). The scheduled completion date in May 2021, has been extended by 385 days. Revised completion date is 18 June 2022. Contractor has again proposed extension of time & this is under review.

1.3.4. Social Safeguard and Land Acquisition

18. Two LARPs were prepared for the Projects CHI-01 and MAR-01.
19. Social Due Diligence Report (SDDR) was developed for the section-2 of CHI-01 Project in September 2020 and disclosed to local community.

CHI-01

20. LARP of GEO: CHI-01 Chiatura Water Supply System Construction Project was approved and disclosed in December 2017.
21. The total project affected area by CHI-01 sub-project is seventy-four (74) land parcels. Among these 74, only 16 project affected land parcels were subject to full acquisition (among these 16 land parcels one land parcel was acquired through the GRM). The remaining fifty-eight (58) land parcels were subject to partial acquisition with major portion of these land parcels remaining outside of the project RoW. The owners of these 58 land parcels will be able to continue

agricultural activities as the remaining portion of these land parcels will still maintain economic viability.

22. The summary impact of the project is:

- a. The total number of project affected land parcels: 74/ affected area 38,581sq.m.
- b. The total of number affected households: 66 (persons: 140 persons; among them 84 male and 56 female)
- c. Physical resettlement 0:
- d. Economic Displacement: 66 AH
- e. Affected agricultural land parcels: 74 / affected area 38,581sq.m.
- f. Affected non-agricultural land parcels: 0
- g. Land parcels subject to full acquisition: 16 / 19,381sq.m.
- h. Land parcels subject to partial acquisition: 58 / 19,200sq.m.
- i. Land parcel attached with affected structure-building: 0.
- j. Land parcel attached with structure (residential and/or commercial) used by the AP: 0
- k. Land parcels with annual crops /hey: 74/38,581sq.m.
- l. Total of severely affected land parcels: 72¹
- m. Total of Vulnerable: 13 AHs.

23. LARP implementation started on March 2018. United Water Supply Company of Georgia acquired 71 land plots that received compensation in the amount of 578 308 GEL, in accordance with the budget plan defined in the resettlement plan. The project-affected 2 land parcels, which represent the sanitation zone of the boreholes, are still to be purchased. The remaining 2 land parcels will be implemented immediately after the owners of the land plots will fix the issues with regard to the various existing obligations, namely, According to an extract from the National Agency of Public Register (LEPL), there is an existing lien on the remaining two land plots. Corresponding acquisition agreement will be signed as soon as bank credit will be covered.

24. Preliminary agreements have been signed with the owners of the above mentioned 2 land plots, following the fact that the company will carry out acquisition procedures according to LARP after all the problems regarding land plots will be solved. Since land ownership issues are complex and require the participation of other institutions and third parties, it is difficult to determine a specific date for the acquisition of these lands.

MAR-01

25. LARP of GEO: MAR-01 Construction of Marneuli Water Supply and Wastewater Systems; Construction of Bolnisi Intercepting Sewer and Wastewater System was approved and disclosed in March, 2019.

26. As per final design, in order to lay Bolnisi design intercepting sewer and to erect sewage pumping station, it became necessary to transfer free of charge 1 piece of state-owned land parcel (1640 square meters) to the Company's capital and to partially acquire 14 pieces of land parcels with total area of 2165 square meters which were in the RoW.

1 In total 72 land parcels will lose more than 10 % of income generating land.

27. The summary of impact of this project:

- a) Number of parcels: 15.
- b) Affected households: 12 (in total, 64 individuals including 37 men and 27 women).
- c) Physical resettlement: 0;
- d) Economic displacement: 12 households.
- e) Number/area of affected agricultural land: 15/3805 square meters.
- f) Number/area of lands to be transferred from the state: 1/1640 square meters.
- g) Number/area of land to be partially acquired: 14/2165 square meters.
- h) Number/area of land with annual crops: 15/13811 square meters.
- i) Permanent/temporary stoppage of business: 0.
- j) Loss of wages/salary: 0
- k) Affected supplementary structures: fences, walls, etc.
- l) Severely affected land parcels: 12
- m) Vulnerable household: 1.

28. The process of land acquisition has been initiated and registration of unregistered land parcels and negotiation with landowners has started, but UWSCG has received new technical proposal from CC regarding the relocation of the collector and pumping station on public road and government land, which is permanently under discussion, therefore, the LARP implementation process has been stopped until the final decision regarding the above mentioned technical proposal.

29. The Summary of the Project affected land parcels and areas of land acquisition for CHI-01 and MAR-01 sub-projects are provided in Annex I.

2. Physical Progress of the Project Activities

2.1. CHI-01

30. The physical works for section 1 are completed on 30 June 2020. Section 1 comprised of initial contract works. Under section 2 the additional works to connect 4 apartments on Sachkhere road has been completed on 12 August 2020. Construction of water supply for additional area in Avarioni and Safari are ongoing. These works were scheduled to be completed on 5 April 2021. However, these works are not completed so far & progress for section 2 is about 52.89%. The overall progress for section 1 and section 2 is 96.16%. The completed works are under operation and now Chiatura is being supplied water from the new source developed at Sachkhere under the project. The cumulative progress of physical works is given below.

Table 1: Physical Progress of works for Avarioni & Sapari

Item No	Description	Unit	Project Quantity	Quantity Completed as of 30.06.22	Percentage
Works related to Avarioni Water Supply					

1	HDPE Pipes installation including fittings and end cups as required.	M	7,384.00	5625.09	76.17%
2	Cleaning, flushing and disinfection with chlorine of installed pipelines, including supply and disposal of water	m	7384	0	0.00%
3	Trenches for pipe installation	m3	5,320.00	4845.15	84.75%
4	Valves		44.00	13.00	29.55%
5	House connections and administrative requirements	n	340.00	165.00	48.53%
6	Hydraulic Chambers	n	12.00	10.00	83.33%
7	New Reservoir 500 m3	n	1.00	88.65%	88.65%
8	Reservoir Mechanical Installation	ls	1.00	25.00%	25.00%
9	Pumping Station Mechanical Installation	ls	1.00	-	0.00%
10	Electrical Equipment	ls	1.00	-	0.00%
11	Instruments and SCADA system	ls	1.00	-	0.00%
12	New Pumping Station Construction	ls	1.00	-	0.00%
13	Construction of New PS building in front of Bisi Reservoir	ls	1.00	0	0%
B: Mislenious Works					
1	Installation of Generators	ls	1.00	0	0.00%
2	Installation of Boosters in Navradzeti area	ls	1.00	0	0.00%
3	Installation of Boosters in Memorial Area	ls	1.00	33.00%	33.00%

Table 2: Progress concerning the main Contract

Pipeline	Unit	Quantity	Executed up to May 2022	Executed in June 2020	Total executed	% Progress
Main Transmission Line	m	16.038	16038	0	16038	100.00%
Distribution Network	m	68.391	68.391	0	68.391	100.00%
DN355 Bisi-CPS Transmission	m	745	745	0	745	100.00%
DN160 CPS-Lezhubani	m	2,165	2165	0	2165	100.00%
DN160 CPS-Perevisi	m	1,810	1810	0	1810	100.00%
DN225 CPS-Rustaveli	m	1,264	1264	0	1264	100.00%
DN225 Lezhubani Res to PS	m	341	341	0	341	100.00%
Q200 ST Lezhubani PS - Memorial Res	m	2025	2025	0	2025	100.00%
Q100 ST Perevisi PS - Tekhisa	m	2053	2053	0	2053	100.00%
DN160 Memorial-Navardzeti	m	1,470	1470	0	1470	100.00%
Giorgadze area	m	1,540	1450	0	1450	100.00%
Total Laid Pipe	m	97,306	97,306	0	97,306	100.00%
House Connection	n	8,457	8,457	0	8,457	100%
Crossings	n	10	0	0	0	100%
Hydraulic Chambers	m3	1,219	1219	0	1219	100%

Hydrants	n	205	205	0	205	100%
Reinstatement of Asphalt	m2	50000	37,595	0	37,595	75%
Reinstatement of Concrete Pavement	m2	4,600	275	0	275	6%

Table 3: Cumulative Progress of Structures

Cumulative Progress	Up to Previous Month				Up to This Month			
	Civil	Mech	Elec	SCADA	Civil	Mech	Elec	SCADA
Wellfield	100%	100%	100%	100%	100%	100%	100%	100%
Sachkhere Reservoir	100%	100%	100%	100%	100%	100%	100%	100%
Bisi - New Reservoir	98%	100%	100%	100%	100%	100%	100%	100%
Bisi - Old Reservoir	100%	100%	100%	100%	100%	100%	100%	100%
CPS	95%	100%	100%	100%	100%	100%	100%	100%
Lezhubani Reservoir	100%	100%	100%	100%	100%	100%	100%	100%
Perevisi Reservoir	100%	100%	100%	100%	100%	100%	100%	100%
Rustaveli Reservoir	100%	100%	100%	100%	100%	100%	100%	100%
Tekhisa Reservoir	100%	100%	100%	100%	100%	100%	100%	100%
Memorial Reservoir	100%	100%	100%	100%	100%	100%	100%	100%
Perevisi PS	100%	100%	100%	100%	100%	100%	100%	100%
Lezhubani PS	100%	100%	100%	100%	100%	100%	100%	100%
Memorial PS	100%	100%	100%	100%	100%	100%	100%	100%
New Memorial PS	100%	100%	100%	100%	100%	100%	100%	100%

Table 4: Cumulative Physical progress Section 1 works

Location	Previous Month	Current Month
Wellfield	100%	100%
Sachkhere Reservoir	100%	100%
Bisi – New Reservoir	99%	100%
CPS	99%	100%
Lezhubani Reservoir	100%	100%
Perevisi Reservoir	100%	100%
Tekhisa Reservoir	100%	100%
Memorial Reservoir	100%	100%

2.2. MAR-01

31. The contract has been terminated effective from 31 January 2022. The overall progress is about 24%. The remaining work has been rebid under 6 lots. The bids are received and are under evaluation.

32. Physical Progress of Structures

- a) Jandari Reservoir: Roof slab of the reservoir completed.
- b) Kolagiri Pumping Station: Concrete works & masonry works of PS is completed. Electrical/operation room foundation & vertical walls completed. Steel roof truss fabrication completed & erected.
- c) City Reservoir: foundation raft work & part of vertical walls has been completed.

Table 2: Physical Progress of structures up to July 2022

	Civil	Mechanical	Electrical	Instrumentation
Jandhari Reservoir	82%	5%	0	0
Kolagiri Pumping Station	82%	3%	0	0
City Reservoir	45%	0	0	0

33. Cumulative physical progress of water supply and sewer pipes are presented in the Table 5 below.

Table 3: Cumulative Physical Progress of Water Supply & Sewer pipes laid up to July 2022

	Water supply lines			Sewer lines		
	To be laid	laid	%	To be laid	Laid	%
Marneuli	191555	99126	51.75	129915	59966.2	46.16
Bolnisi	0	0	0.00	36100	7960.4	22.05
Interceptor	0	0	0.00	24590	10833	44.05
Total	191555	99126	51.75	190605	78759.6	41.32

2.3. MAR-02

34. The cumulative physical progress up to June 2022 is 53.97% and financial Progress is 48.28%. Financial progress is less due to deduction of retention money.

Table 4¹: Overall financial Progress

Overall Progress	Amount in Euro		% of contract amount	
	Current Month	Cumulative	Current Month	Cumulative
Physical	79,179.15	4,810,678.42	0.89	53.97
Financial	63,343.32	3,892,650.12	3.08	48.28*

Note: Cumulative financial progress in %=Amount paid through IPCs for works + advance balance to recover ie 43.68%+4.60%=48.28%

Table 5: Overall Physical progress

Schedule wise Cumulative Total Progress up to June 2022				
Sche dule	Particulars	Up to Previous Month	Current Month	Total
(I)	Site Mobilization	99,23%	0%	99,23%
(II)	Excavation work	76.50%	1,30%	77,80%
(III)	Installation Civil work	41,29%	15,05%	56,34%

(III-1)	Installation Architectural work	14,80%	1,83%	16,63%
IV)	Supply of Equipment's	58,64%	0,50%	59,14%
(V)	Installation Mechanical	0%	0%	0%
(VI)	Installation electrical	0%	0%	0%
VII)	Algeti 35kv Power Line relocation (change order 1)	100,00%	0%	100,00%

Table 8: Structure wise Physical Progress for July 2022

Cumulative Physical Progress	Up to Previous Month %				Current Month %				Total %			
	Civil	Mech.	Elec	Arch.	Civil	Mech	Elec	Arch.	Civil	Mech	Elec	Arch.
Structures												
Site mobilization & Soil Investigations	99,23	No	No	No	0,0	No	No	No	99,23	No	No	No
Temporary Fence	100	No	No	No	0	No	No	No	100,0	No	No	No
RC Wall	98,12	No	No	No	0	No	No	No	98,12	No	No	No
Coarse screen												
Inlet PS	79,83	No	No	No	0	No	No	No	79,83	No	No	No
Fine screen												
Aerated grit chamber												
Primary sed. tanks	11,19	0,00	0,00	0,00	4,30	0,00	0,00	0,00	15,49	0,00	0,00	0,00
Aeration tanks & distribution chamber	73,33	0,00	0,00	No	6,54	0,00	0,00	0,00	79,87	0,00	0,00	No
Blower Building												
Final sed. Tanks & distribution chamber	5,60	0,00	0,00	No	0,00	0,00	0,00	No	5,60	0,00	0,00	No
Sludge sump cum PS												
Digester												
Biogas utilization building & thickened sludge pump												
Primary sludge thickener & Digested sludge pump												
Mechanical Pre thickening building	100,0	0	0	6,50	0,00	0	0	1,75	100,0	0	0	8,25
Emergency sludge storage place												
Sludge dewatering building	98,81	0	0	6,50	0,00	0	0	1,75	98,81	0	0	8,25
Venturi channel cum outlook structure												
Treated effluent channel inlet box												
Treated effluent box												
Gas holder												

Gas torch													
FecI3 dosing system													
Administration building	100,0	0,0	0,0	25,30	0,0	0,0	0,0	2,80	100,0	0,0	0,0	28,10	
Service water tank & cum PS													
Garage & workshop	100,0	0,0	0,0	13,00	0,0	0,0	0,0	3,50	100,0	0,0	0,0	16,50	
Scrubber area													
diesel tank area													
substation building-MCC 2	100,0	0,0	0,0	13,00	0,0	0,0	0,00	3,50	100,0	0,0	0,0	16,50	
control room - operation build.	100,0	0,0	0,0	35,00	0,0	0,0	0,0	3,50	100,0	0,0	0,0	38,50	
MCC-1													
MCC-3	100,0	0,0	0,0	36,50	0,0	0,0	0,0	3,50	100,0	0,0	0,0	40,00	
Inter connection pipes including champers & manholes for drainage, pipe work, air piping system, potable water and technical water, fire-fighting system.													
Roads & Landscaping													
Commissioning of WWTP													

3. Objective and Scope of Monitoring

3.1. Objective and scope of Semi-Annual Monitoring

35. The general objective of this Semi-Annual Social Monitoring Report 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 planned PA activities.

3.2. Methodology of Monitoring

36. This Semi-Annual social monitoring report 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;
- Issues identified during the midterm review conducted by ADB safeguard mission.

3.3. Monitoring Indicators / Parameters

37. 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 APs during the monitoring field visits.

4. Semi-Annual Monitoring Results

4.1. Country Safeguard Mission

38. ADB Country Safeguards Review Mission was carried out on May 2022 under USIIP/T6. Construction contractor and engineer raised the flooding issue during the mission. It shall be noted that the flood issue was raised by community in July, 2020, before commencement of actual construction activities. The residents registered complain, which said that the current WWTP area used to accumulate flood water from the river Algeti and protected nearest residential households from the flood and if the Contractor builds the wall around the WWTP then all flood water will be directed to the direction of their residential houses. They requested from the Contractor to arrange embankment of the river and protect their residential houses and agricultural land. This complaint was registered on June 17, 2020. After that no complaints were registered by the local communities but the flood was again experienced in April 2022.
39. The solution to the complaint was a promise from the local government on arrangement of appropriate infrastructure and embankment around the Algeti River. There have been no other complaints on the same issue since then. During the reporting period there were continual negotiation with Road Department on construction of retention wall along the Algeti river and the final decision was made that Road Department will issue the tender on design and construction of the mentioned retention wall.
40. The social safeguard issues from the findings and agreed action plan of Country Safeguards Mission is:
- I. mapping of properties within 250-meters radius and stakeholder engagement plan
 - II. flooding accident report, including action taken to avoid similar situation in future;
 - III. emergency response plan
 - IV. report on actions taken by the Roads Department of Georgia on embankment protection.
41. Map of the properties are attached to the report as Annex 3. During the reporting period communication with Road Department was facilitated by UWSCG. As soon as the design is prepared it will be communicated to the local population. The Emergency response plan that is under elaboration will include early warning system and measures on training the targeted population.

4.2. Grievance Redress Mechanism

42. 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. On November, 2021 the amendment of the order #196 was developed by the order #431 (Please see Annex 2).
43. Any affected person can apply at a UWSCG local 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.
44. It should be mentioned also that complaints log is available at each construction site and any affected person may fill the complaint and submit to the contractor directly.

4.2.1. Received Grievances

4.2.1.1. Grievances under MAR-01, CHI-01 and MAR-02 sub-projects

45. Grievances submitted under CHI-01, MAR-01 and MAR-02 sub-projects during the reporting period:
CHI-01:
 - In March, 2022 Mr. Giorgi Asanidze who lives on 9 April Street N47 came to the Chiatura office of the Engineer and verbally complained that his apartment was damaged due to the leakage of the water from the old system, the construction contractor was obliged to cancel the system after installation of new one. The Complainer requests for immediate decision on compensation issue. The Engineer sent letter on escalation of grievance review process at second stage and call for committee meeting.
 - Another issue of concern is the interruption of water supply due to freezing of water in pipes on 9 April street N 47. The reason for the freezing of water in the pipes is that the Contractor did not insulate the water supply pipe network.
 - The workers complained about non-payment of the salaries. Lasha Kapanadze (ID: 01001096203) and Giorgi Chighladze (ID: 38001047810) directly applied to court in May, 2022
46. Resolution of the complaints:
 - Agreement on compensation of the damage was reached with Contractor and Mr. Giorgi Asanidze.
 - Contractor insulated the pipes in January 2022.
 - The issue of nonpayment of the salary still remains partially unsolved. There was a case when employees directly applied to court: Lasha Kapanadze (ID: 01001096203) and Giorgi Chighladze (ID: 38001047810) applied to the Sachkhere District Court against Representation (Branch) of OSJC “Akkord Industry Construction Investment Corporation” in Georgia “Akkord Georgia” (I/N 202459295) and demanded reimbursement of the amount arising from the employment contract. The court got acquainted with the materials of the case, checked the merits of the lawsuit, considers that the lawsuit should be satisfied in favor of Giorgi Chighladze, and to oblige Representation (Branch) of OSJC “Akkord Industry Construction Investment

Corporation” in Georgia “Akkord Georgia” (i /n 202459295) to pay an unpaid salary of 6535 GEL. In favor of Lasha Kapanadze, to oblige Representation (Branch) of OSJC “Akkord Industry Construction Investment Corporation” in Georgia “Akkord Georgia” to pay 9239 GEL. The Engineer issued the Letter N CWSSC-Out-1600-0579-2022-06-30, dated June 30, 2022, requesting from the Construction Contractor to follow the Court ruling ASAP.

4.3. Monitoring Grievances Submitted Through the Hotline

47. No grievances were received under Tranche 6 through UWSCG hotline during the reporting period.

4.4. Consultation, Participation and Disclosure

48. The main goal of the Consultations and PA activities is to increase the local population’s awareness on project activities, its benefits and results and keep the beneficiaries, especially those directly affected, informed and consulted.

49. 17th of March 2022 the public meeting was jointly organized by SC and UWSCG. The purpose of the meeting was to inform stakeholders on upcoming bid. The first public meeting was arranged in Bolnisi. Beneficiary were residents of Bolnisi, most of them were former workers of former Construction Contractor “Akelik”. The meeting was opened by resident engineer of Hill International who introduced to public the reason of the gathering, briefed them about dismissing the previous construction contractor due to the poor performance and violation of contract conditions. Then the Engineer explained that new tender will be soon announced, and the project will be divided into 6 lots. Rehabilitation and construction work in Bolnisi belongs to Lot 5.

50. Head of the Infrastructure department of local authority, Mr. Konstantine Kordzadze asked to agree work schedule and locations with the Municipality as the Municipality plans to rehabilitate roads in the city and will plan the work accordingly in order to avoid excavations of newly renovated roads.

51. The second meeting was held in front of the former Camp of the Akkelik in Marneuli. The meeting was opened by resident engineer of Hill International who introduced to public the reason of the gathering, briefed them about dismissing the previous construction contractor due to the poor performance and violation of contract conditions. Then the Engineer explained that new tender will be soon announced, and the project will be divided into 6 lots. 4 lots out of the 6 will be implemented in Marneuli.

52. The meeting was attended by former subcontractors and workers of Akelik and all of them complained that Akelik owned them 3-6 months’ salary.

53. Outputs of the meetings:

- Mr. Irakli Kviria promised to agree the work schedule with Local Municipality of Bolnisi. Engineer has sent notices to the construction contractor for reimbursement of unpaid workers' wages.

5. General Description and Guidelines for COVID-19 Infection

54. 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.
55. The General Guideline for COVID-19 was also developed by the Government of Georgia specifically for the construction sector (Please see Annex 13 of this report).
56. 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 chronicle diseases (cardio-vascular diseases, diabetes, bronchial asthma and other respiratory diseases).

6. Institutional Arrangement

57. 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:
58. Implementation Project Management Office (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 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.

59. 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.
60. 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.
61. Ministry of Finance: Allocates compensation and rehabilitation funds based on the submitted land acquisition and resettlement plan and relevant budget.
62. IPMO will supervise the physical and /or economic displacement of APs, monitor construction and reinstatement process with support from the supervision consultant.

7. Summary and Recommendations

7.1. Summary

63. Monitoring results concluded that the system works effectively, no modifications to the system are required. There will be some actions for improvement implemented during the upcoming months, namely, trainings to Construction contractor and Engineer staff on safeguard issues, communication activities with stakeholders.
64. The project-affected 2 land parcels are still to be purchased under CHI-01 sub-project. Due to the fact that the bank is private commercial sector which does not conduct negotiations regarding credit liabilities and UWSCG does not have the legal right to pay the debt of the AP, the course of the process depends entirely on the time of repayment of the credit by the landowners.
65. The above-mentioned land parcels, which represent the sanitary zone for the boreholes, will be implemented immediately after the owners of the land plots will fix the issues with regard to the existing obligations.

8. Recommendations and Next steps

66. The plan for the next reporting period is to continue social safeguard supervision of ongoing construction activities, inspecting the status of follow-up actions and facilitate resolution of the problems in order to ensure prompt response to stakeholders' concerns and mitigate impacts of the Project to local community.
67. Particular attention will be paid to increase of safeguard awareness among the Construction and Supervision Contractor staff and timely closure of complaints and identification of areas for improvement.

Annexes

ANNEX 1: The Summary of Project Affected Land Parcels and Areas of Land Acquisition

CHI-01 Project

Scope of Impact	No of parcels	Total area (sq.m.)	Area to be acquired (sq.m.)	Area remaining with AHs (sq.m.)
Full acquisition	16	19,381	19,381	<u>0</u>
Partial acquisition	58	114,625	19,200	95,425
Total	74	134,006	38,581	95,425

MAR-01 Project

Scope of Impact	Nos of parcels	Total Area (sq. m)	Affected area (sq. m)	Area remaining under private possession (sq. m)	%
Partial acquisition of land parcel	14	12 171	2 165	10 006	17,8
Free of charge transfer of parcel from the State	1	1 640	1 640	0	100
Total	15	13 811	3 805	10 006	27.5

ANNEX 2: GRM Order #431

United Water Supply Company of Georgia, LLC

Order №431

Tbilisi

26/11/2021

On Amending Order №196 dated October 30, 2018, of Director of United Water Supply Company of Georgia, LLC, on Grievance Redress Mechanism under the projects funded by the Asian Development Bank at United Water Supply Company of Georgia, LLC

In accordance with Clause 8, Article 8 of the Articles of Association approved by Order №54/N dated March 24, 2017, of Minister of Regional Development and Infrastructure of Georgia on Approving the Articles of Association of United Water Supply Company of Georgia, a Limited Liability Company,

I hereby decree:

1. Order №196 dated October 30, 2018, of Director of United Water Supply Company of Georgia, LLC, on Grievance Redress Mechanism under the projects funded by the Asian Development Bank at United Water Supply Company of Georgia be amended and Clause 5 of the Order be read as follows:

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

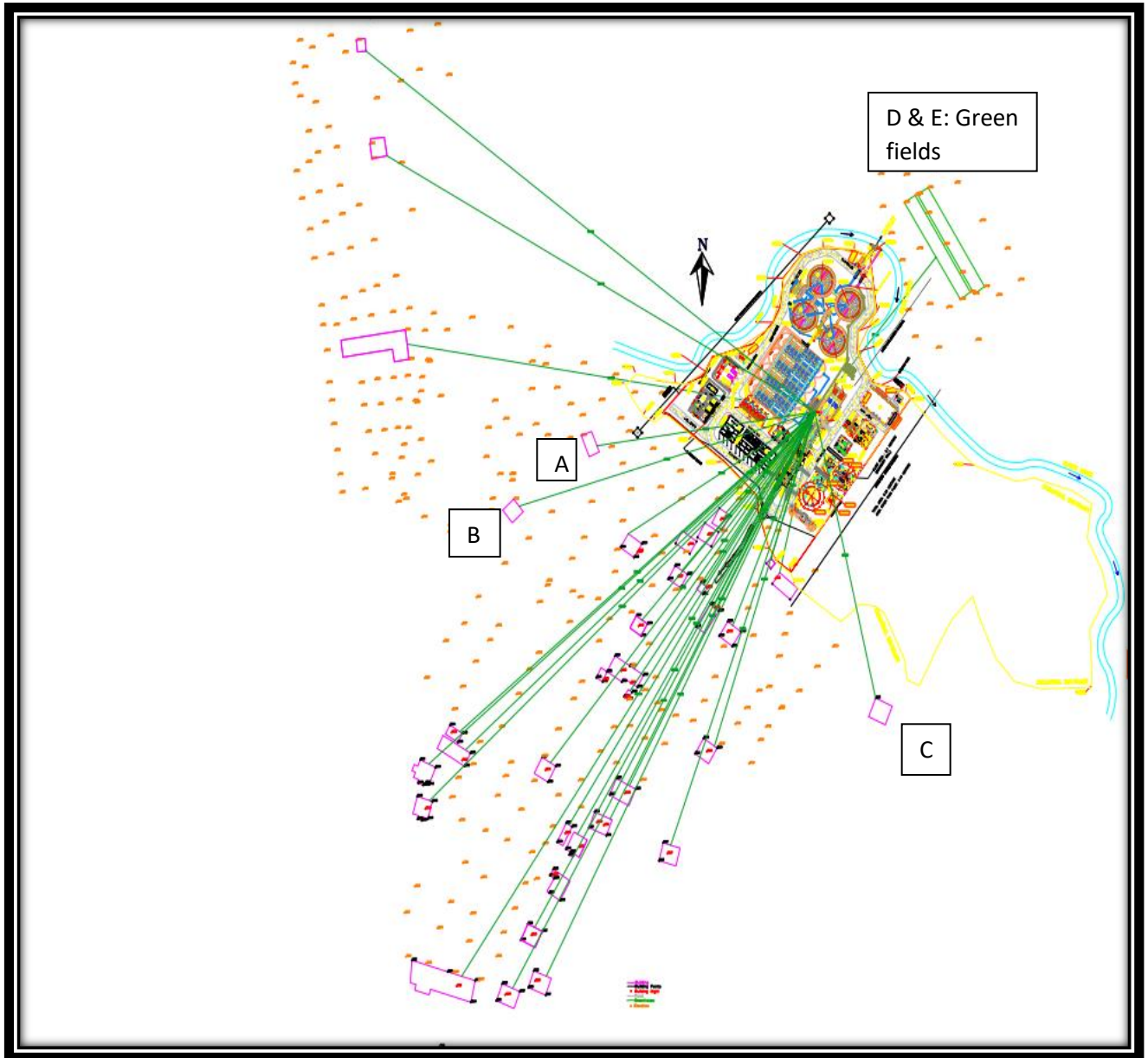
- a) Director of United Water Supply Company of Georgia, Chairperson of the Commission;
- b) Deputy Director of United Water Supply Company of Georgia on Technical Issues, Member of the Commission;
- c) Deputy Director of United Water Supply Company of Georgia on Financial Issues, Member of the Commission;

- d) Deputy Director of United Water Supply Company of Georgia, Member of the Commission;
 - e) Deputy Director of United Water Supply Company of Georgia, Member of the Commission;
 - f) Deputy Director of United Water Supply Company of Georgia, Member of the Commission;
 - g) Deputy Director of United Water Supply Company of Georgia, Member of the Commission;
 - h) Head of Legal Department of United Water Supply Company of Georgia, Member of the Commission;
 - i) Head of Environmental Protection and Permits Department of United Water Supply Company of Georgia, Member of the Commission;
 - j) Head of Donor-Funded Projects Management Department of United Water Supply Company of Georgia, Member of the Commission;
 - k) Head of State-Funded Projects Management and Supervision Department of United Water Supply Company of Georgia, Member of the Commission;
 - l) Representative of Environmental Protection and Permits Department of United Water Supply Company of Georgia, the Commission Secretary”.
2. The Order be enacted upon signature.

ANNEX 3: Map showing Private houses within 250 m distance from WWTP & Houses likely to flood

After topographical survey, map of area adjoining to WWTP area has been prepared. It shows three houses, A, B & C and two green fields D & E near WWTP. The two green field areas are on opposite bank and are shown as rectangles in green color marked as D & E. The water level of these two green field areas is 377 and maximum flood level is 380. As such these are likely to be flooded in case of flood with level more than 377.

The three private houses likely to be flooded are marked as A, B, C. These three houses have ground level less than 380 and these are to be flooded with flood of 380 level. The level of these houses is about 379.5 m. As such these will be flooded in case of flood of more than 379.5 m. The frequency of such floods will be



low. Details of three houses & two green field is given below

Name of owner and address of house A = HASAN IBADOV (Marneuli district, village Sabirkendi –Phone number: +995 559 13 73 30)

Name of owner and address of house B = SAHIP HASANOV (Marneuli district, village Sabirkendi-Phone number: +995 599 15 10 83)

Name of owner and address of house C = SAKIR HACIEV (Marneuli district, village Sabirkendi-Phone number: +995 558 29 03 90)

Name of owner and address of greenhouse D & E=ALI HASANOV (Marneuli district, village Sabirkendi-Phone number: +995 558 30 79 30)

To prevent flooding of the houses UWSCG has proposed extension wall and this work has been assigned to Road Department. After construction of retaining wall flooding will be prevented

Three houses are located at less than 250 m distance from WWTP and smell effect will be monitored at the time of commissioning of plant. Suitable measures will be taken to ensure to avoid smell. Other houses are located at more than 250 m distance from WWTP as shown in the map and may not face problem of smell. But detailed actual assessment of smell problem to population will need to be identified at the time of commissioning of the plant.