

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT COMPLAINT MECHANISM

ELIGIBILITY ASSESSMENT REPORT

COMPLAINT: TBILISI RAILWAY BYPASS 4

REQUEST NUMBER: 2011/04

EXECUTIVE SUMMARY

On 16 March 2011 the PCM Officer received a complaint (“Complaint”) from Mrs Nino Saginashvili (“Complainant”), a resident of Avchala settlement, one of the areas on the proposed bypass route on Tbilisi Railway Bypass Project (“Project”). The Complaint was registered on 24 March 2011 and the PCM Expert Dr Walter Leal was appointed to act as Eligibility Assessor, together with the PCM Officer. The Complainant requested a Problem-solving Initiative to achieve an adequate compensation for her property and or relocation to a different location.

Based on the evaluation of the eligibility criteria set out in the PCM RP 18, 20, 21 22 and 24 and based on the analysis of the information available to the PCM team as a result of a field mission to Tbilisi in May 2011, the Eligibility Assessors determined the Complaint as **eligible for a Problem-solving Initiative** and recommend a structured, participatory Problem-solving Initiative (PSI) facilitated by the PCM Expert Susan Wildau and the PCM Officer.

Considering that the Complainant is the resident of the same Avchala community where the other two complaints on Tbilisi Railway Bypass Project originated (Tbilisi Railway Bypass 2 Complaint and Tbilisi Railway Bypass 3 Complaint), that issues raised in all three complaints are related and interlinked and that the stakeholders in all three cases are the same, the PCM team recommends a single Problem-solving Initiative process which will prevent duplications, and allow the problem-solving process to be performed more efficiently.

The PCM team believes that a Problem-solving Initiative, facilitated by the PCM, will improve communication among the parties and help them understand each other and support a joint search for solutions. The PCM Officer and Expert will convene and facilitate the Problem-solving Initiative and work out a course of action in consultation with the parties. The PCM also recommends that relevant specialists from the Bank’s ESD team participate as a technical resource and advisor if the parties agree. The PCM proposes to start preparation work for the Problem-solving Initiative in August 2011, followed by a visit to Tbilisi in September – October 2011 for the actual problem-solving process.

Project Complaint Mechanism

Eligibility Assessment Report

Complaint: Tbilisi Railway Bypass 4 Damage to Property in Tbilisi, Georgia

I. BACKGROUND INFORMATION

A. The Project

1. EBRD is providing a senior loan of up to €100m to develop a new railway route bypassing the central area of the city of Tbilisi, the Tbilisi Railway Bypass Project. The loan was approved by the EBRD Board of Directors for financing on 9 March 2010. The Project Client is Georgian Railway LLC - Georgian state-owned company. The project management is supervised by the Ministry of Economic Development of Georgia. The estimated total cost of the Project is up to EUR 300 million. Georgian Railway will complement EBRD's loan with the proceeds from Euro Bonds issued by Georgian Railway and their own funds. The Project is a key priority that enjoys strong support from the Government of Georgia and the Tbilisi municipality.

2. The Tbilisi Railway Bypass, a Category A project, intends to (i) relocate a section of Georgia's main east-west railway line in order to allow hazardous freight, mainly oil and oil products from Azerbaijan and Central Asia, to bypass the densely populated city-centre of Tbilisi; (ii) facilitate renewal of the central railway station area and reintegration of the city-urban land in accordance with the new General Plan for Perspective Development of the city, making it available for redevelopment (e.g., new offices, dwellings and commercial activities); and (iii) improve the safety and efficiency of rail operations within the city of Tbilisi, enabling relocation of the existing rail facilities presently located in the centre of the urban area.

3. The project calls for the construction of a 28km long double track electrified new railway that bypasses the city, as well as upgrades to the current track, among other measures. As a result of the project, the freight shipped by rail which comprises a significant amount of crude oil and oil products, in transit from Azerbaijan, Kazakhstan and Turkmenistan to the Black Sea ports, will no longer be routed through the city's centre.

4. The Project will be implemented in two phases. Phase 1 involves the construction and putting into operation of the railway by-pass. Phase 2 will focus on dismantling and cleaning up the area to be freed-up inside the Tbilisi city centre.

B. The Complaint

5. On 16 March 2011, the PCM received a Complaint (see Annex 1) from Mrs Nino Saginashvili, a resident of Avchala district, regarding the Project. The Complaint was submitted on PCM Complaint Form and had only a brief description of Complainant's concerns. Therefore, in their analysis of the issues raised in the Complaint, Eligibility Assessors relied not only on the Complaint, but also on the information received during the meeting with the Complainant and her husband during the visit to their property in Avchala.

6. In her complaint and later during the meeting with the PCM team in Tbilisi, the Complainant described her fundamental concern: that her house is located very close to the proposed railroad (more specifically to the tunnel that is currently being constructed under the house) and therefore will be negatively affected by the construction works and later by the operation of the railroad. The family is concerned that, because of the close proximity of the railroad, the family and their property will be subject to a number of intolerable environmental and social risks, including noise, pollution, vibration, general deterioration of living conditions and devaluation of the property.

7. Mrs Saginashvili also mentioned general difficulties in communicating with the Project Client, Georgian Railway. In particular, she claims that the family was not informed or consulted in advance about the details of the construction works in the area and the impacts the construction and the consequent operation of the railroad might have on her family and property. The Complainant is not aware of the grievance mechanism established by Georgian Railway, as well as roles and responsibilities of different Georgian Railway staff and consultants.

8. In her Complaint, the Complainant mentioned that on 25 January 2011 she contacted Georgian Railway and requested to send a specialist who would assess the possible damage to the house and explain the situation to the family. According to the Complainant, she did not receive any response from Georgian Railway. On the same day she also contacted the Tbilisi City Hall with similar request, but was told that the City Administration does not bear any responsibility for the Project. She consequently wrote to EBRD on 28 February but decided to also submit a complaint to the PCM on 16 March. Concerns of the Complainant are outlined in more details in the next section of the Report.

9. The Complaint was registered according to the PCM RP 10 on 24 March 2011. The PCM Expert Dr Walter Leal was consequently appointed as Eligibility Assessor, to assist the PCM Officer in determining the eligibility of the Complaint for a Problem-solving Initiative.

II. ELIGIBILITY ASSESSMENT FOR A PROBLEM-SOLVING INITIATIVE

A. Objectives and Methodology

10. The objectives of the Eligibility Assessment were to: (i) determine whether the Complaint meets the eligibility criteria set out in PCM RP 18, 20, 21, 22 and 24 of the; (ii) explore the history of the complaint; (iii) clarify the issues and concerns raised by the Complainant; (iv) identify the principal stakeholders that need to be consulted on the issues raised in the Complaint and gather information on their perspectives and view of the situation; (v) explore the stakeholders' willingness and readiness to engage in a joint Problem-solving Initiative; and (vi) recommend whether the Complaint is appropriate for problem solving.

11. The Eligibility Assessment included:

- (i) Review of project documents, including the ESIA, RAP, Project progress reports, RAP framework, Stakeholder Engagement Plan, Resettlement Implementation Manual, Georgian Law on Expropriations, etc;
- (ii) Interviews with EBRD staff and management involved in the Project and Project Consultant;

(iii) A field-based assessment from 9 to 13 May 2011, consisting of site visits to Tbilisi and Avchala; meeting with the Complainant and her husband. An interpreter supported the PCM team in interviewing the Complainant. Interviews with the Project Sponsor and its consultants, including the Head of the PIU, Georgian Railway Deputy Head of Procurement and Construction, GAMMA LLC, APRL, and Sponsor's in-house consultants for environment and resettlement, respectively.

12. The Eligibility Assessment Report seeks to present the issues as the different parties presented them to the PCM team and is intended to assist the stakeholders in better understanding each other's needs, interests and concerns, and to help them consider options to address those concerns. It does not gather information in order to make findings of fact, judge the merits of the complaint, determine whether or not the project is in compliance with relevant policies and practices, provide judgments on any issues related to the Project, or make a set of expert recommendations on how issues should be solved.

13. The PCM's role when a Problem-solving Initiative is recommended and approved is to facilitate solutions to the issues as described by the different stakeholders, and to initiate and guide the problem-solving process. The PCM offers help to the parties involved in the Project to resolve their issues through a variety of processes including preparing the parties for problem-solving discussions; convening the parties; designing and facilitating mutual information exchange sessions; organising joint fact-finding processes; facilitating consensus building, and providing other processes conducive for all parties to arrive at solutions. It is the PCM's responsibility to treat all parties with respect and to assure a fair process. It is not the PCM's role to decide whether parties' actions, opinions or perceptions are right or wrong or to arbitrate in favour of one of the parties.

B. Positions of the relevant parties

14. The main concern of the **Complainant** relates to the construction of a tunnel which is being dug underneath her house. The house is located on the top of a hill and the tunnel is designed to go through that hill. The Complainant and her family (the Complainant has five children) are concerned that their house is located very close to the tunnel and to the railroad in general and therefore will be negatively affected by the construction works that are planned to go on for the next three years and later by the operation of the railroad itself. The family is concerned that because of the close proximity of the railroad, the family and their property will be subject to a number of intolerable environmental and social risks, including noise, pollution, vibration, general deterioration of living conditions and devaluation of the property.

15. During the meeting with the Complainant the PCM team saw a number of beehives on the property and was informed by the Complainants that the family is involved in bee-keeping and that it is an important supplement to the family's income. They mentioned that they are professional bee-keepers and have a number of beehives elsewhere in Georgia and where hopping to further develop the business in Avchala when they bought the land plot there. The Complainant is certain that because of the vibration, noise and pollution created by the construction work and later by the exploitation of the railroad, it will not be possible for them to continue bee-keeping. The Complainant is concerned that they may be left living in a house in an unsafe environment, with deteriorated living conditions and reduced property values.

16. Mrs Saginashvili also mentioned general difficulties in communicating with Georgian Railway. In particular, she claims that the family was not informed or consulted in advance about the details of the construction works in the area and the effects that the construction and the consequent operation of the railroad will have on her property (in particular the digging of the tunnel under the house) and on general environmental situation of the area. The family expressed serious concerns regarding the rumours about the construction of a second tunnel in the same area, in close proximity to their property. According to the Complainant they are not aware of the structure of the Georgian Railway team working on the project and did not know where to obtain information. They are also not aware of the grievance mechanism and how it can be accessed.

17. The Complainant requested a Problem-solving Initiative to achieve an adequate compensation or relocation to a different location.

18. **Georgian Railway, the Project Client**, is the national rail company of Georgia, and a vital artery of the Euro-Asian Transportation corridor that links Europe with Central Asia. Founded in 1865, Georgian Railway boasts a rich and vibrant history and significant engineering ingenuity to overcome the geographical challenges posed by establishing a railway line in the complicated geographical profile of Georgia. Georgian Railway inaugurated its first passenger service on October 10, 1872, from Poti to Tbilisi central station. Today Georgian Railway provides extensive freight and passenger services across more than 2,344.2 km of track.

19. A number of entities are involved in making decisions and/or providing input and expertise on the issues related to the complaint. The overall project management is the responsibility of Georgian Railway's Project Implementation Unit (PIU). A set of consultants, lawyers, engineers, and social and environmental experts support the PIU in the implementation of the Project. GAMMA LLC is providing technical assistance and advice on environmental matters, including assisting Georgian Railway with the development of detailed engineering measures to ensure adequate provisions are in place to mitigate impacts. GEOGRAPHIC LLC developed the Resettlement Action Plan. The Association for Protection of Landowners Rights (APLR), an NGO active since 1996, specialises in resettlement and land acquisition issues and has been involved in implementing the RAP- e.g., conducting negotiations with land owners and assisting with the land registration process under the direction of Georgian Railway. In addition, GEOGRAPHIC LLC and APLR drafted the ESIA along with a third firm. The Levan Samkharauli Forensic Expertise Bureau conducted the independent land evaluations. Georgian Railway has also engaged several in-house consultants – one attached to the legal department and a specialist in resettlement; the other with knowledge of environmental issues. Other key players include the Deputy Head of Procurement and Construction for Georgian Railway, the Construction Contractor and the Supervising Engineer.

20. The Project is one of the biggest and most complex projects ever undertaken by Georgian Railway. The state-owned enterprise has invested lots of hard and intensive work leading to the construction and final design stage of the project. They are interested in “getting it right” in the way they manage social and environmental issues, as well as in how they conduct overall operations and ensure a high level of performance. The Georgian Railway is interested in building and maintaining good relations with local communities, government agencies and the EBRD. It wants to be available and accessible to meet with property owners at their request to discuss project related issues.

21. The primary interests and concerns expressed by Georgian Railway representatives regarding the Project in general include the following:

- Avoid reputational risk.
- Minimise project delays and keep to the time frame.
- Avoid creating unrealistic expectations of project affected people that could create conflict later on.
- Comply with the EBRD standards and policies, the RAP, Environmental and Social Action Plan and Georgia Law.
- Be a responsive and reliable partner with the EBRD.
- Operate a safe and successful project.
- Provide reliable, efficient, environmentally sound and predictable rail transport for passengers and freight for the region.
- Strengthen Georgia's railway transportation network.
- Keep the public informed and disseminate accurate information about the project.
- Avoid problems, misunderstandings and miscommunications.
- Manage project risk effectively.
- Meet local residents' needs as much as possible according to the EBRD policies and Georgian law.

22. The position of the Georgian Railway on the Complaint, expressed in their response (Annex 2 to this Report) and during the meeting with the PCM team can be summarised as follows:

- a. Georgian Railway does not recall receiving letters from Mrs. Saginashvili.
- b. The representatives of Georgian Railway who visited the property of the Complainant have come to the conclusion that the house of Ms.Saginashvili is more than 100 meters away from the entrance of the tunnel (tunnel portal) thus it does not fall within the buffer of the railway nor in the immediate adjacent zone. The report issued to the Client by the Levan Samkharauli Forensic Expertise Bureau also confirmed that the property will not be affected by the construction works. As a result, the Client feels the construction works do not affect the property and are convinced it will not be affected in future during the operation of the railway.
- c. The construction works are carried out in line with the Georgian legislation on construction safety and noise protection. The methodology used for tunneling is not expected to cause any damage to the houses.
- d. In case there is any damage to this particular or any other properties caused by the construction or operation of the railway, the Client will consider compensating the owners of damaged properties, according to Georgian legislation.
- e. The construction works and the subsequent operation of the railway are/will be carried out in line with the legislation of Georgia and with the requirements of the ESIA and ESAP and the EBRD's Environmental and Social Policy. Accordingly, a number of mitigation measures have been developed to alleviate the impact of noise, vibration etc. These include the use of protective trees, walls, etc. In developing the mitigation measures Georgian Railway largely depended on the expertise of GAMMA LLC.

23. Relevant Georgian Railway staff and consultants who were interviewed by the PCM team supported a Problem-solving Initiative and agreed to participate if one is recommended

and approved by the President of the EBRD. There was also broad acknowledgement that the complaint issues and questions around environmental and social impacts, safety, design, water supply, mitigation measures, communication and so forth, are legitimate issues for discussion even if there is not yet common agreement on the solutions.

24. **The EBRD** is monitoring the implementation of the Project by Georgian Railway according to EBRD policies and loan conditions. Regulatory requirements established by the Georgian regulating agencies and a number of more comprehensive and detailed mitigation measures to address specific impacts (e.g., noise, water protection, community safety and emergency response as a result of the ESIA) are among the controls monitored by EBRD. Design and construction will also be checked by EBRD. As part of its monitoring activities, EBRD has recently initiated an independent audit of Georgian Railway's resettlement and compensation activities against the requirements of EBRD Environmental Social Policy PR5.

25. EBRD's primary interests and concerns regarding the Project are:

- Broad recognition of the importance of the mission of the project. The Project has international significance. Its purpose is to make a safer, quicker route around the centre of Tbilisi. It is a noble purpose that should not be lost. It will significantly contribute to the benefit of citizens.
- Seeing the Project successfully implemented so it can deliver its benefits.
- Acknowledgement of the many robust project procedures and mechanisms that have been put in place to deal with many of the issues raised in the Complaint.
- Recognising the effort made by the Georgian Ministry of the Environment (MOE) in strengthening environmental permit requirements (e.g., protection of Tbilisi Sea and community water supply) and creating understanding of what positive results this will have for local communities.
- Identifying patterns of issues or problems and finding ways to address them at a systems level.
- Clarification of what factors led to the Complaint, given the many stakeholder engagement activities, public involvement opportunities and local grievance mechanism Georgian Railway made available for project affected people and the public.
- Ensuring effective monitoring in order to identify issues early and address them before they develop into problems.
- Ensuring the Complainant understands the design process, safeguard measures, comprehensive mitigation strategies and mechanisms built into the Project to address risk
- Setting standards for similar projects
- Preserving a positive institutional reputation and mitigating reputation risk
- Resolving issues efficiently and in a fair, balanced manner.
- Acknowledging the hard work and high level of effort invested to date and the many positive elements of the Project and at the same time recognising the need to address issues appropriately when problems arise.
- Understanding what EBRD and Georgian Railway are currently doing – the many initiatives and resources that will be put in place to mitigate impacts.
- Avoiding further delays to the Project.

26. Regarding the specific issue raised in this Complaint, the EBRD's management responded (see Annex 3 to this Report) that the Complainant contacted the EBRD by e-mail

on 28 February 2011 and lodged the Complaint with the PCM on 16 March 2011, before it had been possible to investigate her initial claim in detail. In their response, the Management of the Bank also noted that if the non-resettled residents along the railway route demonstrate that they are directly affected by the construction or operations of the Project, then it would be expected from Georgian Railway to reach an agreement with them on either mitigation or compensation in compliance with the Georgian law and EBRD Environmental and Social Policy requirements. In their response and during the meeting with the PCM team the Bank staff stressed that, if appropriate and relevant, the implementation of these requirements by Georgian Railway will be monitored by the EBRD through the review of monitoring reports submitted by Georgian Railway to the Bank and periodic monitoring visits by EBRD staff and representatives or independent monitoring consultants.

III. DETERMINATION OF THE STATUS OF THE COMPLAINT

27. As a result of the Eligibility Assessment, the Assessors are satisfied that the Complaint complies with the requirement of the PCM RP 18, i.e.,

- a. it is filed by an individual or individuals as referred to in Paragraph 1 of PCM RP;
- b. it relates to a Project where: (i) the Bank has provided – and not withdrawn – a clear indication that it is interested in financing the Project; and (ii) the Bank maintains a financial interest in the Project;
- c. it describes the harm caused, or likely to be caused, by the Project; and
- d. it describes the good faith efforts the Complainant has taken to address the issues in the Complaint, including with the Bank and the Client, and a description of the result of those efforts.

28. In conformity with the requirement of the PCM RP 20 the Complaint also:

- a. contains an indication of which PCM function the Complainant expects the PCM to address, a Problem-solving Initiative and a Compliance Review;
- b. offers an indication of the outcome sought as a result of use of the PCM process;
- c. provides copies of previous communications with the EBRD.

29. In determining the Eligibility, the Eligibility Assessors also have, in line with PCM RP 21 considered:

- a. whether a Problem-solving Initiative may assist in resolving the dispute, or is likely to have a positive result; and
- b. whether a Problem-solving Initiative may duplicate, or interfere with, or may be impeded by, any other process brought by the same Complainant, regarding the same Project and/or issues pending before a court, arbitration tribunal or review body.

In relation to the point “a” the Assessors believe that varied interests of the stakeholders described in this Report are not mutually exclusive and can form the basis for a Problem-solving Initiative to address the issues of concern to the parties and have a positive result. In addition, all the stakeholders agree that the Project is important and welcome the project goal

of improving railway safety within the city of Tbilisi. The obstacles that exist appear to be manageable, the time pressure is reasonable and the parties are eager to settle their problems. Finally, the parties have indicated a Problem-solving Initiative is the most compelling alternative for resolving the issues in the Complaint, compared to other procedures.

In relation to “b”, the PCM team is satisfied that a Problem-solving Initiative would not duplicate, interfere or otherwise negatively affect any process brought by the Complaint. To our knowledge and at the time of writing this report we are not aware of any other processes initiated by any of the parties to address the issues raised in the Complaint.

30. Furthermore, in line with the PCM RP 22, in determining whether the Complainant has made good faith efforts to address the issues in the Complaint as per Paragraph 18(d), the Eligibility Assessors considered whether the Complainant has raised the issues in the Complaint with the Client’s dispute resolution or grievance mechanism, or with the complaint or accountability mechanism of a parallel co-financing institution, or before a court, arbitration tribunal or other dispute resolution mechanism. In determining this, the Assessors considered the fact that, although a grievance mechanism has been established by Georgian Railway from the beginning of the Project (hotline and post-boxes for posting comments and complaints) the Complainant, as well as other project-affected residents of Avchala who we spoke with, were not aware of the grievance mechanism of Georgian Railway. Moreover, the Complainant and her neighbours are confused about the roles and responsibilities for dealing with complaints within the Georgian Railway and among several consulting groups involved in the process. Therefore, the Assessors are satisfied that the Complainant made a good faith effort to address the issue with the Client, to the extent possible under the given circumstances.

31. The Assessors are satisfied that the Complaint does not fall under any of the points listed in the PCM RP 24.

32. Therefore, based on an evaluation of the eligibility criteria set out in the PCM RP 18 and 20, 21, 22 and 24 and based on the analysis of the information and documents available to the PCM team, the Eligibility Assessors determine that the Complaint is eligible for a Problem-solving Initiative.

33. Considering that concerns and issues raised in the Complaint are similar to those raised in Complaints 2 and 3 on the same Project, and that they include the same stakeholders, the Eligibility Assessors believe that it can be addressed through a single Problem-solving Initiative. This will allow the use of the capacities and the time of the PCM team more efficiently and avoid any duplication that would be inevitable in the case of multiple parallel Problem-solving Initiatives on the same Project.

IV. RECOMMENDATIONS

34. After checking the various exclusions of the PCM Rules of Procedure (Paragraph 24), reviewing the eligibility requirements for a Problem-solving Initiative and assessing the probability of resolving the Complaint through facilitated dialogue and negotiation, the Eligibility Assessors concluded that the complaint is eligible for a Problem-solving Initiative. The PCM, accordingly, recommends a facilitated Problem-solving Initiative where the parties seek collaborative opportunities to address the issues raised in this complaint for the consideration and approval of the President of the EBRD.

35. The PCM team suggests that apart from the Complainant and Georgian Railway decision makers and their technical consultants, the EBRD's ESD team also participate in the Problem-solving Initiative as an encourager, witness and technical expert and advisor with regard to the EBRD's policies and guidelines.

36. Considering that concerns and issues raised in the Complaint are similar to those raised in the Complaints 2 and 3 on the same Project, and they also include the same stakeholders, the Eligibility Assessors believe that it can be addressed through a single Problem-solving Initiative process. Thus, the Eligibility Assessors recommend one joint Problem-solving Initiative process for the Complaint 2, Complaint 3 and Complaint 4 on the Tbilisi Railway Bypass Project. That would allow for a more effective Problem-solving Initiative process, more efficient use of the PCM Team's time and capacities and will avoid any duplication that would, otherwise be inevitable.

37. As part of its due diligence monitoring responsibility, the EBRD has undertaken an audit of the resettlement activities and practices conducted by Georgian Railway and its consultants to date. The EBRD is also involved in supporting the development of a number of initiatives to identify detailed impacts and design mitigation and control measures. The PCM believes that the Problem-solving Initiative can build on and strengthen some of the action points underway, particularly those that may relate to issues presented in the Complaint. In order not to duplicate efforts or create diverging or overlapping processes on the ground, the PCM will exchange information and updates with the EBRD about the progress of each process, meeting dates, etc. Furthermore, as noted above, the PCM seeks to include the participation of the EBRD as a technical resource to the Problem-solving Initiative, if the parties agree. As the PCM maintains full discretion in managing the Problem-solving Initiative in response to the Complaint, the PCM believes these efforts do not compromise its independence in any way.

V. TERMS OF REFERENCE (TOR) FOR PROBLEM-SOLVING INITIATIVE

38. Considering the recommendation in paragraph 36, the proposed Terms of Reference is identical to the one proposed in the Eligibility Assessment Report for the Complaints 2 and 3 on the Tbilisi Railway Bypass Project. The term "Complainants" in this Terms of Reference refers to the 10 residents of Avchala district represented by Mr. David Chipashvili (Complainants of the Tbilisi Railway Bypass 2 Complaint), Mr Aleksandre Asatiani also represented by Mr. Chipashvili (Complainant of the Tbilisi Railway Bypass 3 Complaint), and Mrs Nino Saginashvili (Complainant of the Tbilisi Railway Bypass 4 Complaint). .

39. Despite the positive factors we have identified that lead us to recommend a Problem-solving Initiative we have no illusions about the difficulties that will accompany the convening and implementation of a collaborative process. We believe, however, that the opportunities justify a guarded optimism. With the interviews, issues, and analysis in mind, we offer a Terms of Reference which describes how an independent facilitation team composed of the PCM Officer and a PCM Expert will convene and facilitate a Problem-solving Initiative. The ToR, in accordance with PCM, RP 28, sets out the methods to be used, the time frame for the initiative, and the type of expertise required. The proposed process is drawn from a combination of stakeholders' suggestions and the PCM team's experience in conflict resolution and management and is offered as a process proposal to the parties for their review and input.

A.Objectives of the Assignment

40. The objectives of the assignment are to (i) design the problem-solving process with its steps and activities, (ii) manage the dialogues and meetings required in the problem-solving process; (iii) help the parties generate options and make decisions, and (iv) help the parties develop agreements that satisfy their key interests and concerns.

B.General Methods to be Used in the Problem-solving Initiative

41. In the Problem-solving Initiative, the Facilitation Team will:

- (i) Act as the convener of the talks – identify the parties and bring them to the table, recognising a Problem-solving Initiative is a voluntary process;
- (ii) Initiate the process, provide an opportunity for meaningful dialogue, and supply logistical support for the organisation of the dialogues;
- (iii) Facilitate discussions between parties involved with the objective of finding common ground and mutually acceptable solutions;
- (iv) Re-assure that ground rules are understood;
- (v) Determine areas of agreement between the parties;
- (vi) Clarify the parties' expectations regarding individual activities in the process;
- (vii) Encourage honest, good faith efforts of the parties for the implementation of the course of action;
- (viii) Assure that views of all parties are heard, respected and taken into consideration in the facilitation process;
- (ix) Use methods (individual interviews, focus group discussions, small workshops, etc.) appropriate for heterogeneous groups of stakeholders, taking into consideration the widely diverging views and possible polarisation;
- (x) Use any other method appropriate and recognised as a facilitation tool to support the parties in carrying the negotiation process forward;
- (xi) Provide timely information to and closely cooperate with the EBRD on the developments in the facilitation process;
- (xii) Prepare a settlement agreement agreed to by the Complainants and Georgian Railway; and
- (xiii) Prepare a completion report on the Problem-solving Initiative and any other documentation as needed and deemed necessary by the PCM.

C.Specific Tasks

42. The problem-solving road-map is proposed as follows:

I. Stakeholder Confirmation to Participate in a Problem-solving Initiative facilitated by the PCM Officer and the PCM Expert

The Complainants and Georgian Railways have confirmed their willingness to engage in a PCM problem-solving process with the PCM Officer and Expert serving as the convener and facilitation team. Exact roles, participants, representation and protocols governing the Problem-solving Initiative will be worked out once the Problem-solving Initiative is approved by the President.

A set of proposed Discussion Principles and Ground Rules will be discussed and agreed to by the parties. The main objective of the Ground Rules is to create common rules that apply to both parties in all further jointly developed activities. These rules will apply whether parties meet to exchange information or engage in a session to discuss or negotiate solutions. For all participants to be able to engage in a meaningful way and to enhance opportunities to build trust and respect, preparation is required. The PCM team will provide necessary support and guidance in this effort as well.

II. Stakeholder Preparation

43. The PCM team will support and work with the Complainants, the Client and the EBRD to prepare for effective and constructive engagement with one another. This support may take a variety of forms including but not limited to:

- Planning for internal (“intra-stakeholder”) decision-making and representation
- Finalising ground rules
- Clarifying roles
- Defining outcomes and agendas for information exchange and problem solving meetings
- Identifying and addressing data and information needs
- Defining goals and strategies
- Ensuring information is being shared by parties in a satisfactory, understandable and constructive manner
- Providing capacity-building or training (in communication, negotiation, consensus “interest-based problem solving”, etc.)
- Addressing logistical matters
- Preparing effective presentations
- Developing understanding of the other side

III. Information Exchange for Mutual Understanding and Public Learning

44. The PCM will convene and facilitate an information-sharing session for Complainants, their representative, Association Green Alternative, Georgian Railways, their consultants, and with the EBRD participating as a resource and technical support. The goal of this session is NOT to resolve the issues or negotiate. The purpose is to provide parties with the opportunity to:

- Exchange and share relevant data
- Engage in public learning through joint inquiry facilitated by a neutral facilitation team
- Obtain information that is credible in an open forum where questions can be asked of experts and proponents in a problem-solving format
- Gain a better understanding of technical data, the situation overall and what has happened to date
- Hear how everyone has been affected
- Clarify areas of agreement and differences
- Agree on any additional data needs
- Understand the various roles, opportunities and limitations of other stakeholders in addressing the issues

45. Some of the specific topics that could be included in an information exchange workshop include the following:

- What is the current design according to what Georgian Railways knows today, recognising that the design is not yet final
- Feasibility of alternative routes for the bypass – how was the Avchala citizens’ alternative considered? How was it studied? Why was it rejected? What other alternatives were looked at for the Avchala section?
- Rationale for deciding on the bypass route as the preferred alternative. Why is the current route through the Avchala settlement considered the best approach to reroute the railway around Tbilisi Centre?
- Buffer zone – current thinking and rationale; how developed; based upon what standards; how design and buffer compares to practices in Netherlands, Germany, France?
- Clarity regarding expected impacts, specific mitigation measures and other safeguards with focus on property values, living conditions, quality of life – what are the impacts, how can impacts be prevented; what measures will be put in place to mitigate and protect; what other safeguards are possible?
- Timing for final design, construction, project implementation

46. This session will provide the Sponsor with the opportunity to explain, clarify and address questions and concerns from Complainants and will equip Complainants with information and knowledge they can use during the problem-solving and consensus building decision to develop informed agreements and choices.

IV. Problem-solving and Consensus Building

47. Building on the prior information exchange session, the PCM will convene and facilitate a problem-solving session between the parties to:

- (i) Review each family’s situation in light of understanding the most recent design, buffer zone, impacts and mitigation elements;
- (ii) Where residents in Avchala along the railway route, which have not been re-settled or compensated demonstrate that they are directly affected by the construction or operations of the Project, the parties will engage in problem-solving to reach an agreement on either mitigation or compensation in compliance with Georgian law and EBRD Environmental and Social Policy requirements.
- (iii) Where eligible for impact mitigation, explore and review impacts in the context of the specific circumstances of each complainant, and agree upon a mitigation strategy. In addition, look more broadly at the dynamic of “public good/private bad” and explore whether there might be other creative adjustments where possible.
- (iv) Discuss the process that will be followed to communicate with the community and make further changes in the area of compensation and mitigation should the final detailed design change in any way from the current plan.
- (v) Develop contingency agreements as required. For example, spell out in writing what will be done in case of accidents, interruption of service, changes in standards, emergence of new scientific information about risks or impacts, and so forth.
- (vi) Discuss approaches for improving communication, engagement and information exchange between Georgian Railways and the families as well as other stakeholders going forward. What would meaningful engagement look like in tangible terms? What does each group expect of the other going forward in the context of communication

and information requirements? Who in Georgian Railways will serve as the single point of contact for the community in the event of questions or concerns?

48. The PCM Team proposes that the preparation work take place in August 2011, followed by information exchange meetings and a follow-up problem solving session(s) in September 2011.

D.Reporting

49. The various written outputs should be submitted as follows:

- (i) The proposed problem-solving process including its steps and activities, the draft agreement and the final agreement within a time frame agreed by the parties and the PCM; and
- (ii) The Problem-solving Completion Report describing the issues raised in the Complaint; the methods used in the Initiative; and the results of the Initiative including any issues that remain outstanding. The Report will also specify the issues and points of the achieved agreement for the follow-up monitoring and reporting by the PCM Officer.

E.PCM Expert Requirements

50. The PCM Expert should have extensive experience conducting problem-solving initiatives, have at least 10 years of experience in facilitation or mediation, in particular in conducting dialogue processes across cultures using culturally appropriate structures and strategies. The PCM Expert should have experience in resolving site specific conflicts as well as managing complex organisational and public policy issues, and should have an excellent capacity to analyse complex problems involving diverse groups of stakeholders and the ability to deal with complex facts. Knowledge of the EBRD's project cycle, understanding of the EBRD safeguard policies and exposure to EBRD-assisted projects or other IFI assisted development projects is also helpful.

F. Time Requirement and Schedule

51. The assignment will require approximately 15 days each for the PCM Expert and PCM Officer to prepare and facilitate problem-solving meetings beginning in September 2011. The tasks, including monitoring by the PCM Officer, if relevant, and preparation of the final report will be performed intermittently between September 2011 and December 31, 2011 with the goal of completing the Problem-solving Initiative as efficiently and quickly as is feasible. The PCM team proposes that the preparation for the Problem-solving Initiative take place in August 2011 and information exchange meetings and a follow-up problem-solving session(s) in September – October 2011. Subsequent sessions would be scheduled if required, providing progress was being made and all parties as well as the PCM believed a Problem-solving Initiative would be able to achieve a positive outcome. This is a tentative timeline. Actual dates may vary.

PSI Activity/Event	Date
Preparation of Stakeholders	August 2011
Information-sharing and mutual education session	September 2011 (2-day session)
Problem-solving dialogue	September – October 2011 (3-5 days)

Sample Complaint Form



European Bank
for Reconstruction and Development

In order for the PCM to address your complaint, you must provide the following information:

1. Name of the Person(s) or Organisation(s) filing the Complaint ("the Complainant").

Nino Saginashvili

2. Contact information of the Complainant (please include email address and phone number if possible).

Phone: +995.77 224232

e-mail: nsaginashvili@aldagibci.ge; lanitide@yahoo.com

3. Is there a representative making this Complaint on behalf of the Complainant?

Yes ☐ (if yes, please provide the Name and Contact information of the Representative):

Please attach proof that the Representative has been authorised by the Complainant to file the Complaint. For example, this can be in the form of a letter signed by the Complainant giving permission to the Representative to make the Complaint on his behalf.

No ☒

Is proof of authorisation included with the Complaint?

Yes ☐ No ☐

4. Are you requesting that this Complaint be kept **confidential**?

Yes ☐ (if yes, please explain why you are requesting confidentiality)

No ☒

5. Please provide the **name or a description of the EBRD Project** at issue.

Project Complaint Mechanism

The New Railroad in Tbilisi (Georgia)

6. Please describe the **harm that has been caused or might be caused by the Project** (please continue on a separate sheet if needed):

My house is located too near to the new railroad that is under construction. The entrance of the tunnel is built exactly in front of my house. I've not been told about this in advance. The building work disturbs us. And I'm sure that the problem will increase soon the railroad will be exploited. It will be impossible to live there, because the all wind-breaks had been cut, the huge mess of ground had been cut also, I'm frightened, that the movement of trains will damage my house.
Being a mother of five children, I have to say that the burden of the imposed material loss by devaluating my property is quite heavy for my family.

Please write on a separate sheet wherever needed.

7. If you are requesting the PCM's help through a **Problem-solving Initiative**, you must have made a genuine effort to contact the EBRD or Project Sponsor regarding the issues in this complaint.

a. Have you **contacted the EBRD** to try to resolve the harm caused or expected to be caused by the Project?

Yes ☒ (If yes, please list when the contact was made, how and with whom):

28.02.2011 to Environment and Social Department by e-mail;

Please also describe any response you may have received.

I will need to discuss with various specialists in our department and the banking department to find out the situation and will get back to you as soon as I have discussed with them. 28.02.2011
you may be aware that a number of people have this week filed a formal complaint on the project with the EBRD's Project Complaint Mechanism (PCM). This is also an option for you. If you choose to do this you should contact Ms. Aridush Begoyan (pcm@ebrd.com), in which case communication will be with the Complaint Mechanism and not with us. Here is the link to information on the PCM: <http://www.ebrd.com/pages/project/pcm.shtml>. 16.03.2011

No ☐ (please go to question 8)

Is the written record of this contact with the EBRD attached to your complaint?

Yes ☒ (please list)

No ☐ (if not, please arrange for all relevant documents to be delivered to the PCM Officer as soon as possible).

b. Have you **contacted the Project Sponsor** to try to resolve the harm caused or expected to be caused by the Project?

Yes ☐ (if yes, please list when the contact was made, how and with whom)

Please also describe any response you may have received.

No ☒ (please go to question 8)

Is the written record of this contact with the Project Sponsor attached to your complaint?

Yes ☐ (please list)

No ☐ (if not, please arrange for all relevant documents to be delivered to the PCM Officer as soon as possible).

8. If you have not contacted the EBRD and/or Project Sponsor to try to resolve the harm or expected harm, please explain why.

Please write on a separate sheet wherever needed.

Although not required, it would be helpful to the PCM if you could also include the following information:

9. If you believe the EBRD may have failed to comply with its own policies, please describe which EBRD policies.

.....

.....

.....

.....

.....

10. Please describe any other complaints you may have made to try to address the issue(s) at question (for example, court cases or complaints to other bodies).

25.01.2011-to The Georgian Railroad (I've requested to send the commission, who'd explore the harm)

-The answer isn't yet

25.01.2011-to The City Hall of Tbilisi (I've requested to send the commission, who'd explore the harm)

The answer: They are not responsible for this situation,

11. Are you seeking a Compliance Review where the PCM would determine whether the EBRD has failed to comply with its Relevant Policies? Yes ☐ No ☐

12. Are you seeking a Problem-solving Initiative where the PCM would help you to resolve a dispute or problem with the Project? Yes ☒ No ☐

13. What results do you hope to achieve by submitting this Complaint to the PCM?

either adequate material compensation or additional premise located on the freed area after removing the old railway.

Required:

Signature of Complainant *:

B. Kys

Or

Signature of Authorised Representative *:

Date:

16.03.2011.

Please send your Complaint to:

Project Complaint Mechanism

Attn: PCM Officer

European Bank for Reconstruction and Development

One Exchange Square

London EC2A 2JN

Fax: +44 20 7338 7633

E-mail: pcm@ebrd.com

Alternatively, a Complaint may be delivered by post or hand, at any one of the EBRD's Resident Offices, indicating that it is for transmission to the PCM.

* Note: If you submit your complaint through email, you must submit:

- an electronic scan of your signature; or alternatively,
- if emailed without a scan, you may send the PCM a signed version of the complaint through post, fax, or hand delivery at the same time as sending your email.

Please write on a separate sheet wherever needed.

Annex 2 - Bank Response

Bank Response to EBRD Project Complaint Mechanism

<u>EBRD Project Complaint Mechanism</u>	
Project	Tbilisi Railway Bypass Project (OpID: 40173)
Project Team	Operation Leader: Elena Gordeeva Operation Team Members: Nino Marshania OGC: Stephanie Wormser ESD: Frederic Giovannetti (currently a consultant to the Bank), Mikko Venermo, Dariusz Prasek, Alistair Clark
Date of issue to ExCom	28 April 2011
Date of approval by ExCom	5 May 2011
To: PCM Officer	Anoush Begoyan
Date of Issue to PCM Officer	6 May 2011

Thank you for your email dated 11 March 2011, regarding the request for a compliance review and problem-solving initiative of the Tbilisi Railway Bypass Project (the “Project”) under EBRD Project Complaint Mechanism (PCM) by the Association Green Alternative. The three complaints introduced by the Association Green Alternative were officially registered on 14 March 2011. Reference is also made to your email dated 17 March 2011, regarding another complaint in respect of the Tbilisi Railway Bypass Project was officially registered on 24 March 2011. This document is ‘the Bank Response’ to the complaints as outlined in PCM: Rules of Procedure (Clause 15).

There are a number of issues raised in the complaints. ‘The Bank’s Response’ is structured to address each complaint separately.

Complaint: Tbilisi Railways Bypass 1. Request number: 2011/01. By the Association Green Alternative

As stated by the Complainant, issues raised in the complaint have been discussed between the Complainant, Georgian Railway and EBRD on several occasions starting with the ESIA public consultation exercise from July to December 2009. EBRD has already taken consideration of the Complainant’s views as well as of other views expressed during public consultation in (i) the guidance to the ESIA consultant, and (ii) setting conditions to EBRD financing for the Project. It is worth noting that the Georgian authorities have also taken consideration of these concerns in the

environmental permit issued to Georgian Railway. EBRD is monitoring the implementation of the Project by Georgian Railway in compliance with these requirements and conditions, including the regulatory obligations set by the Georgian regulating agencies.

The ESIA was developed and published in 2009 at a stage in the Project development where a concept design was available at a level of detail sufficient to assess key environmental and social impacts. However, for an infrastructure project of this magnitude, it is a normal process that technical design proceeds in successive refinements from concept to detailed design. Amongst other outcomes, the ESIA identified several key impacts that had not sufficiently been taken into account in the initial concept design. As a result of the ESIA both the Georgian regulator and EBRD have imposed onto Georgian Railway the development of more comprehensive and detailed mitigation measures to address, amongst others, noise, water protection, community safety and emergency response. Together with the construction contractor and a specialised environmental consultant hired late 2010 specifically for that purpose, Georgian Railway is now in the process of developing detailed engineering measures ensuring that adequate provisions are in place to mitigate these impacts. The implementation of this obligation is monitored by EBRD and both the design and the construction of these mitigations will be checked by EBRD. Georgian Railway is required to keep local affected communities informed as the project progresses.

For an infrastructure project of this magnitude, the technical development takes several years. A number of detailed environmental action plans, such as waste management or quarrying, depend on the actual construction work plan that can only be finalised by the construction contractor once the contractor has been selected. Not uncommonly, this happens well after the ESIA is developed. The construction contractor is obligated to develop such action plans prior to commencing the work. EBRD is monitoring this process. Therefore, some detailed mitigation plans are still in progress.

The resettlement and compensation process carried out by Georgian Railway has recently (March 2011) been subject to an independent audit commissioned by EBRD as part of routine monitoring requirements. The results of this audit are currently being reviewed by EBRD and Georgian Railway. The substance of the Green Alternative complaint was brought to the auditors' attention by EBRD prior to their site visit. The auditors amongst others assessed the adequacy of public consultation and information disclosure. If the independent audit demonstrates that corrective measures are needed, these will be discussed between EBRD and Georgian Railway in order to define an implementation plan. EBRD will expect Georgian Railway to make such plan public.

If the non resettled residents in Avchala or elsewhere along the railway route demonstrate that they are directly affected by the construction or operations of the Project, then Georgian Railway has to reach an agreement with them on either mitigation or compensation in compliance with Georgian law and EBRD Environmental and Social Policy requirements. The implementation of these

requirements by Georgian Railway will be monitored by EBRD through the review of monitoring reports submitted by Georgian Railway to EBRD and periodic monitoring visits by EBRD staff and representatives or independent monitoring consultants.

Funding from the EU Neighbourhood Investment Facility (NIF) has been obtained for a detailed investigation of the contamination of the land in Tbilisi centre currently used by the railroad. The consultant for this assignment is currently being appointed and the investigation will be conducted in accordance with the Terms of Reference agreed with EBRD. The cost of physical clean-up activities (which activities will only be undertaken once the new route becomes operational and when the redevelopment commences) will be estimated as a result of the aforementioned detailed investigation and an ongoing detailed master planning exercise which is also funded by NIF. Georgian Railway undertook to finance the clean-up activities unless additional grant funding can be obtained.

Complaint: Tbilisi Railways Bypass 2. Request number: 2011/02. Joint by ten PAPs, via the Association Green Alternative

As stated by the complainants, issues raised in the complaint have been discussed between the complainants, Georgian Railway and EBRD on several occasions starting with the ESIA public consultation exercise from July to December 2009. Georgian Railway and EBRD have already taken consideration of the views expressed during public consultation in (i) EBRD guidance to the ESIA consultant and (ii) setting conditions to EBRD financing for the Project.

The ESIA was developed and published in 2009 at a stage in the Project development where a concept design was available at a level of detail sufficient to assess key environmental and social impacts. However, for an infrastructure project of this magnitude, it is a normal process that technical design proceeds in successive refinements from concept to detailed design. Amongst other outcomes, the ESIA has identified several key impacts that had not sufficiently been taken into account in the initial concept design. As a result of the ESIA, both the Georgian regulator and EBRD have imposed onto Georgian Railway the development of more comprehensive and detailed mitigations addressing, amongst others, noise, water protection, community safety and emergency response. Together with the construction contractor and a specialised environmental consultant hired late 2010 specifically for that purpose, Georgian Railway is now in the process of developing detailed engineering measures ensuring that adequate provisions are in place to mitigate these impacts. The implementation of this obligation is monitored by EBRD.

If the non resettled residents in Avchala or elsewhere along the railway route demonstrate that they are directly affected by the construction or operations of the Project, then Georgian Railway has to reach an agreement with them on either mitigation or compensation in compliance with Georgian law and EBRD Environmental and Social Policy requirements. The implementation of these requirements by Georgian Railway will be monitored by EBRD through the review of

monitoring reports submitted by Georgian Railways to EBRD and periodic monitoring visits by EBRD staff and representatives or independent monitoring consultants.

Complaint: Tbilisi Railways Bypass 3. Request number: 2011/03. By Alexandre Asatiani, a PAP, via the Association Green Alternative

This issue was brought directly by the Complainant to the attention of EBRD in January 2011. EBRD requested the Borrower to investigate the Complainant's claims as soon as it received initial communications from the complainant.

Georgian Railway has made a representation to EBRD that court action in respect of the Complainant's ownership and/or occupancy rights in relation to this land plot has been taken. The Complainant's eligibility for compensation in accordance with EBRD's Environmental and Social Policy either in respect of formal legal ownership rights (PR5, paragraph 31, item (ii)), or in respect of recognised occupancy rights or claims (PR5, paragraph 31, item (iii)) is dependent on the outcome of the court decision. Likewise, Georgian Railway and EBRD's response to the complaint and course of action depend on the court decision.

Complaint: Tbilisi Railways Bypass 4. Request number: 2011/04. By Nino Saginashvili, a PAP

The Complainant contacted EBRD by e-mail on 28 February 2011 and lodged the PCM complaint on 16 March 2011, before it had been possible to investigate her initial claim in detail.

If the non resettled residents along the railway route demonstrate that they are directly affected by the construction or operations of the Project, then Georgian Railway has to reach an agreement with them on either mitigation or compensation in compliance with Georgian law and EBRD Environmental and Social Policy requirements. The implementation of these requirements by Georgian Railway will be monitored by EBRD through the review of monitoring reports submitted by Georgian Railway to the Bank and periodic monitoring visits by EBRD staff and representatives or independent monitoring consultants.

Annex 3 – Client Response

From : Georgian Railway

To: Anoush Begoyan, PCM Officer

Dear Ms. Anoush Begoyan,

GR has reviewed the complaint on Tbilisi Railway Bypass Project lodged by the Ms. Nino Saginashvili through the PCM and as a response to the complaint GR would like to provide its position and arguments.

Property of Ms. Saginashvili has not been affected by the Tbilisi Railway Bypass Project (the Project) construction corridor. To be precise it is located more than 100 meters away from the entrance of the tunnel (tunnel portal) thus it does not fall under the buffer of the railway nor in the immediate adjacent zone (zone 1). The construction works does not affect her house or land physically and it will not affect them in the future as well.

In order to identify any risk of damage of houses and other buildings that may be caused by construction works or operation of the railway, GR has requested LEPL Levan Samkharauli Forensics Bureau:

- To identify the buildings located nearby the tunnels 1 and 2, that might be at risk due to construction works carried out in the frame of the Project and assess their current technical conditions in terms of sustainability;
- To define and assess the level of possibility of damage of the abovementioned buildings;
- To define value of the buildings that the bureau considers to be at risk.

On the basis of the abovementioned request the Bureau has assessed current technical conditions of 14 buildings located in the abovementioned area, including the property of Ms. Nino Saginashvili. The bureau defined that no significant damages to the main walls of Ms. Saginashvili's house has been identified and the technical condition of the house in terms of sustainability is satisfactory, thus there is no risk of demolition or damage of the house because of construction works to be executed in the frame of the Project.

Out of 14 buildings assessed by the Bureau, only three houses were identified, the technical conditions of which has been considered to be not satisfactory and thus involving risk. The bureau undertook valuation of the abovementioned three houses using the direct comparative method and as a result GR has purchased/compensated those houses.

The construction works are carried out in line with the legislation of Georgia on the safety of the works and the noise protection. Of course the tunneling requires cutting of large amounts of soil but during the construction all the required safety measures are complied. The methodology used for tunneling is expected not to cause any damage to the houses. In case if there is any damage to the houses due to the construction the GR considers compensating the owners for such damages in full accordance with Georgian legislation.

As for the impact on operating phase of railway, it should be taken into consideration that the construction is carried out in line with the requirements of Environmental and Social Impact Assessment (ESIA) and ESAP. Accordingly, there has been elaborated number of mitigation measures for noise and vibration. These include the use of protective trees, walls, etc. In order to make those mitigations measures more effective and adjusted to particular sections. GR has hired environmental consultant - "GAMMA", which is working on these issues. As a result the impacts will be minimized to the acceptable levels.

It also needs to be mentioned that GR has not been approached by Ms. Saginashvili with any kind of complaint. Against this background, as soon as GR has received information about her complaint to the PCM, GR representatives have contacted Ms. Saginashvili and visited her house in order to recheck and reassess any possibility of negative impact on her property and explained to the property owner that there is no possibility of such impact.

GR undertakes to continue monitoring Ms. Nino Saginashvili's case as well as condition of all other buildings located nearby the construction corridor and react accordingly.