



*ENVIRONMENTAL AND SOCIAL ASSESSMENT
FOR EBRD*

GLOBAL BEER GEORGIA

GREENFIELD: CATEGORY B PROJECT



ENVIRONMENTAL AND SOCIAL ASSESSMENT EXECUTIVE SUMMARY

Final Version

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1 General information

The Global Beer Georgia (GBG) is legal unit registered in Georgia, who intends to construct the Brewery in vicinity of Natakhtari village close to the capital of Georgia, Tbilisi. GBG has signed trade mark license agreements with Heineken, Amstel and Krusovice. The company intends to develop the facility capable to produce the beer and non-alcoholic beverages. The designed annual capacity of 250-300 kHL (output will raise to 450 kHL by 2019).

Global Beer Georgia intends to get the financial support from EBRD to become able to implement the plant construction and start operation. The proposed project was screened in accordance to the EBRD requirements. The Project is assigned EBRD Category B in accordance with the EBRD Environmental and Social Policy (ESP) 2014.

The present Environmental assessment report was prepared by DG consulting (limited), professional consulting company in Environmental and Water consulting and engaged by EBRD to carry environmental assessment of the project and identify main impacts to be considered and mitigate in order to comply with local regulations and environmental and social policy enforced by the bank. The main information presented is based on review of available documentation provided by the Global Beer Georgia, technical and concept design of plant, on the observations made by DG Consulting staff during the site visit, including site reconnaissance, interviews to the local population etc. The important part of the information is collected and analysed from the public information sources.

At the time of project implementation, the project status is following:

- The project feasibility study was carried out and the report is available;
- Project small head office is established;
- The land parcels requirements defined and land purchased;
- The detailed construction design developed and construction permit obtained
- The CMC company (Georgia) is appointed as project development and supervision consultant;
- The contract documentation and selection of the construction contractor is in progress;
- The soil preparation works done

2 Project description

Global Beer Georgia has started development of the project and at present it reached following Stage:

GBG Legal Status -	The Global Beer Georgia was registered in Georgia back in December of 2014 with ID # 406 135 640 as limited liability company planning production of the food products and able to produce alcoholic and non-alcoholic drinks ;
Land Availability -	The land parcel was purchased with the area of 60000 m ² from the private landowner back in 2015; The land was registered by GBG. The ownership change was registered in accordance to the Georgian regulation in the Public Registry. All required documents are in place;

- The Project Design - The project design was developed by the professional design company in accordance to the requirements set in Georgia. The ‘Arch Master’ registered in Georgia was outsourced to develop the detailed architectural and construction design. The design package developed includes technological part, architectural design, construction, MEP, BoQ and other documents required for the Red book FIDIC contracts, which is adequate to the detailed design recognised in Georgia.
- The construction Permit - The construction permit for Construction of “Brewery in the village Tsilkani” #421, was granted by Mtskheta Municipality 25/03/16 and is valid for 2 years. The GBG has rights to implement the construction on site.
- Construction documents - Based on the detailed design the contract documentation was developed used to select the construction contractor for implementation of the works;
- Construction activities - The construction contractor was appointed for implementation of the construction works.

2.1 The project location

The land parcel, which will be used for brewery development belongs to the company and is located in the vicinity of Misaktsieli and Natakhtari villages, adjacent to the road to the Tsilkani village. The location of the proposed plant within territory of Georgia is presented on Figure 2.1.1. The distance to Tbilisi is around 20 km, distance to the closest railway station (Mtskheta) or Tbilisi (Didube) 10-15 km; Distances to Poti and Batumi ports are respectively 340 and 380 km; The distances to borders are following: Azerbaijan – 60 km, Armenia – 50 km, Russia 150 km, Turkey - 230 (Akhaltsikhe Vale) and 400 (Sarpi).

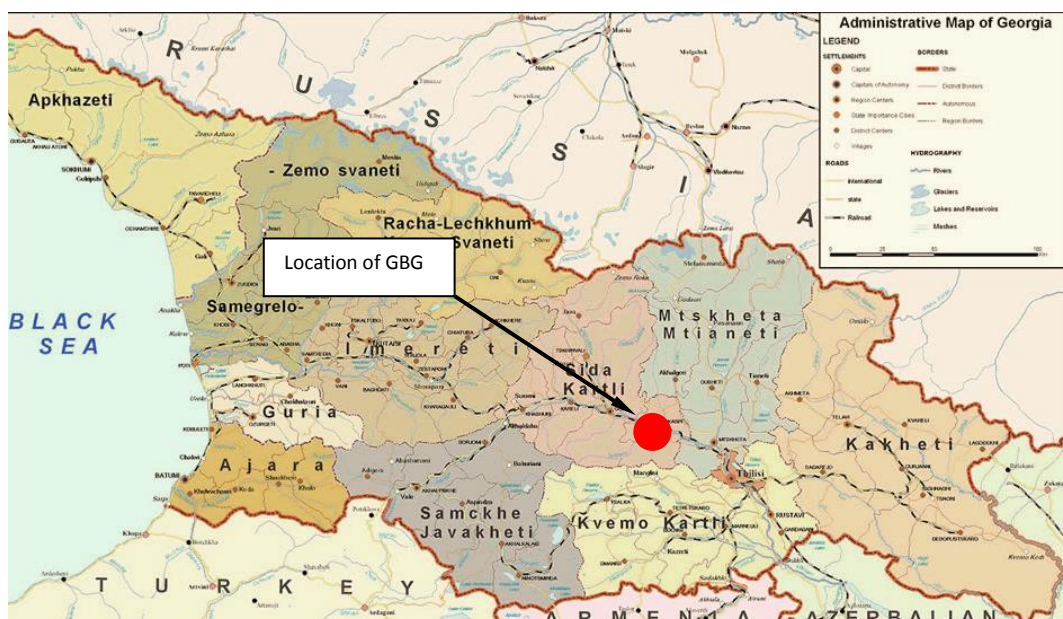


Figure 2.1.1 The project location map within the country

The project, as it was mentioned before considers construction of the brewery with all auxiliary facilities. The design considers development of the land parcel of app. 60 000 m². In the central part of parcel the main building with dimensions of 150*80 m. The maximum height of the building is 12.5 meters. The total area of the main building will be 11950 m². The Part of the technological section is located outside of the building; This section includes vertical and horizontal reservoirs required for the technology. The area equals 900 m².

The part of main building is one store, and part is split in two stores at the level of 4.2 meters from construction ground level. Inside the main production building the office space is also located, which will be used by the GBG personnel. The main entrance is also located in main building, from which the workers will pass to the production facilities through the special corridor and the office workers will reach the offices by stairs or elevator.

The plant will be fenced, the guardhouse will be located at entrance; all auxiliary facilities will be located inside the territory. In front of the plant the green belt and parking space will be placed. The green belt will include trees and landscaping elements to make facades and building itself more attractive.

The auxiliary infrastructure of the plant will be based on electric Power and Natural gas supply of the facility. The water will be extracted from the borehole to be drilled on site. The power supply will be provided by the Energo-pro Georgia. The area is already covered by Socar Georgia distribution network, however the information regarding capacity of the network is not known.

The company plans to finalise the main construction part to the end of 2016 and to be ready for installation of technological lines during off season winter and spring 2017.

3 Legal and Policy framework

The main requirements applicable to the project is defined by the Georgian legislation and with environmental and social policy of EBRD (2014). In accordance to the Georgian legislation the facility does not need environmental impact assessment to be developed. This means that the project does not require environmental permit and can be built and launched based on construction permit already granted to the project developer based on the existing design. From the point of view of environmental legislation, the company requires preparation of documentation for inventory of Air emission sources – which is already done.

For the water extraction company requires license for the water extraction to be obtained through the public auction after the borehole is drilled; For borehole drilling permission the company needs hydrogeological documentation and proposed borehole (Borewell) design. The reports for hydrogeology is already prepared and available. The borehole is not drilled however the preparation is underway.

The wastewater discharge needs development of documentation to be able to discharge the water into the surface water body. The documentation should include the information regarding the treatment, qualitative and quantitative characteristics of the treated effluent, which will become obligatory after approval. This parameters should comply with the requirements of technical regulations of Georgia.

In terms of EBRD requirements the construction and operation of facility should comply with the requirements of Performance requirements included in the environmental and Social policy approved by the Bank in 2014. In General it is intended, that company follows the principles of international good practice: in particular EBRD's ESP 2014 requirements, which means compliance with EU standards for environmental and health and safety performance, ISO 14001 in environmental field and ILO principles for occupational issues.

4 Baseline Conditions

The baseline condition assessment was carried out based on the publicly available information regarding the project implementation area.

The project area is located on the valley; topography is flat; the land is mostly used for agriculture, especially for cultivation of annual crops. The valley is surrounded by the rivers and mountain ridges. The territory is known as Natakhtari - Mukhrani valley with elevation of 500-600 asml.

The view are mostly of agricultural lands, however in some sections the industrial facilities are visible. During the last few years the development of greenhouses are noticeable, which changes the views. The rural landscapes are usually with cows and sheep pasturing in the area. The typical views from the proposed facility are shown on the Figure 4.1.1.



Figure 4.1.1 The views from proposed site

The flat land is mostly agricultural, in some sections crossed with irrigation channels (without lining) and with wind protection tree plantations. The mentioned wind protection plantations are separating the agricultural parcels and are effectively protected the fields from the strong winds.

The land use in project area is mostly agricultural, the farms are growing vegetables, fruits, crops etc. The land is suitable practically for all types of agricultural needs. In the latest period, during the last 10 years, the area becomes more and more industrial; the active development of the industrial facilities was noticed in the area.

In terms of geology, tectonics, engineering-geology and earthquake risks at the area can be considered as low risk zone for Georgia. The valley is very stabile and the risks are low. In terms of flooding risks, it is outside of flood risk area. In terms of hydrology conditions the Mukhrani Natakhtari area is surrounded by three rivers as mentioned above; They are Aragvi from the east, Ksani from the west and the Mtkvari river from the south.

The Mtkvari river is one of the biggest in Georgia flowing from Turkey to the Caspian sea through whole territory of Georgia and Azerbaijan. The distance to Mtkvari river from proposed site is around 4 km. The Mtkvari river was geologically actively participating in formation of Kartli plane together with Ksani and Aragvi rivers. According to the hydrogeology zoning of Georgia the study area belongs to the Kartli artesian water basin, which in turn is a central part of the artesian basins of the Georgian intermountain plain. The proposed area for the brewery development is known as one of the best underground water deposit in the country, with significant resources of the highest quality water. This probably was one of the advantages for selection of site.

The water by chemical composition from mentioned underground deposit is fully compliant with standards applicable to the drinking water. The Total dissolved solids in the water depending on water containing layers vary between 250-400 mg/l, the water is calcium bicarbonate type, with very good organoleptic parameters.

The existing environmental pollution levels has to be considered as low; the soils in the area are generally good and acceptable for the agriculture. The pollution does not exist.

In terms of the air emissions and noise the pollution is also very low; the noise sources are rare and even industrial facilities in the area are located far from each other. The air pollution levels based on the statements of environmental protection agency of Georgia are very low.

The flora and fauna assessment did not revealed to identify any important issue. In the vicinity of proposed plant area only the secondary (agricultural/ artificial) vegetation exist. The natural habitat is not left.

The fauna present at the proposed project site is also very limited. As it was mentioned previously the site is agricultural land plus it is bordering with the Natakhtari-Tsilkani road. Across the road, there is the IDP settlement, so the natural fauna is disturbed and living area for them is very limited. From Fauna only small size mammals like field mice can be obtained, lizards and snakes, however due to agricultural activities they are rarely encountered. It is possible that the bats are habituating the hollows and holes in large size trees around the facility, however the tree cutting is not considered by the project.

The proposed location is at significant distance from the protected areas and areas of special environmental interest. The closest area is Tbilisi National Park. The closest direct distance to the Park boundary is more than 5 km's.

In fact the flora and fauna survey as well as field reconnaissance have not identified any sensitive areas from biodiversity point of view. Accordingly the critical habitats or protected areas will not be impacted.

The social baseline was analysed based on publicly available information and brief social survey conducted as part of the present assessment. The social information regarding vicinities around the proposed facility is not collected and analysed by the project developer (Global Beer Georgia), because this is not required in accordance to the Georgian legislation. The facilities not requiring the state ecological expertise of the project design does not require environmental impact assessment and accordingly public information and public consultation campaign. Taking into account the situation around the facility and structure of local population, it was decided, that the main impact should be expected on IDP settlement just across the road from the proposed site and much less impact will be on other settlements. The main focus during the study was made on displaced person's settlement, however some interviews were conducted in the villages as well.

The social profile around the site is also changed after 2008, when the new settlement was established in Natakhtari and Tsilkani to accommodate the people resettled from south Osetia. This settlement is located in direct proximity off the proposed brewery. As part of present environmental assessment we have decided to meet the people from IDP settlement as well as locals from the nearby villages and carry out the brief social study, with aim to define the present situation on site, understand how vulnerable this people might be and what are the expectations from the development of brewery in the area. The information regarding the awareness of local population regarding development plans was also very important.

The social baseline was collected in order to identify the main issues related with social sphere. The IDP settlement has completely changed the situation back in 2008, however at the present this settlement should be considered as ordinary village, because the population is already adopted to the situation and continues to live in normal way, however the population is still more vulnerable.

5 Expected main environmental and social impacts

5.1 The impact area

The impact area estimated for the project during the construction and operation is defined as direct impact area, which is project footprint and the area directly adjacent to the site and indirect area. The indirect area is whole country, where the new available products will change the accessibility to the products and change the situation of the market, however we have decided, that such impact is positive and should not be considered within the present assessment.

Taking into account the facility size and its construction / operation extent, the impact area is nearly the same like the factory footprint. The estimated impacts will not be noticeable more than 1000 meters around the new brewery. Even this distance is probably for the visibility issues, otherwise the expected impact will be confined in the facility boundaries.

As it was mentioned the closest settlement to the project is IDP settlement established along the Natakhtari-Tsilkani Section of road just across the proposed facility. The closest distance is 80 meters to the nearest house from the boundary of GBG land parcel across the road. This settlement was established in 2008 after the Georgian population was moved from the Samachablo/South Osetia territory.

The closest village to the proposed development are Akhalubani and Tsilkani Villages. The distance to the closest living house is around 300 meters, however the distance to the businesses is much less. The greenhouse is directly neighbouring with proposed land parcel to the north. It should be mentioned, that the border between Tsilkani and Akhalubani villages is located directly to the north from GBG site. The distances to village centres are respectively 2 km and 1 km.

5.2 The impact on physical environment

The impact on *landscape and land use* is considered as very low, because the landscapes are agricultural and the design takes into consideration the landscape specifics. The impact on land will cause the loss of the agricultural land, however the extent of mentioned loss is very low comparing to the agricultural land of Mtskheta Municipality.

The land is owned by the Global beer Georgia; currently the land is not in use, there is no agricultural or other activities conducted on the territory of future plant, accordingly the project development will not cause any impact on local farmers and land users.

The expected impacts on **geology and geomorphology** is considered as very low with very low significance.

The impacts caused by direct pollution from the facility is estimated as impacts on soils, Groundwater, surface water and Atmosphere air. Each of the mentioned impacts are summarised as following:

Impacts on soil – considered as very low taking into account the pollution prevention techniques during the construction and operation. During the construction impact can be higher, however the construction contractor should be strictly supervised and monitored. During the operation, there will be practically no impact on the soils. The main requirements to mitigate the impacts on soils is establishment of the proper management practices in terms of waste management, hazardous materials storage and management as well as the hazardous waste management. All this issues should be effectively managed by the construction contractor and by the plant team during the operation.

Similar situation is with **ground water**. The protection of groundwater is one of the priorities, because the groundwater is one of the crucial items for the plant operation. The underground water deposit is called Mukhrani valley deposit. The water from the deposit is used for Tbilisi water supply providing nearly 2 m³/sec of the highest quality water to the capital of country. In addition to this resource, all industrial facilities located in vicinity are also using the groundwater as source of the industrial, technical and household water supply. Naturally the groundwater is well protected, however it is recommended, that the construction contractor should ensure the groundwater pollution through the pollution prevention technique.

The water availability is one of the most crucial issues in the area. As it was mentioned, the water is available at very high quantities and of very good quality, however the anthropogenic press on groundwater is increasing day after day, accordingly the deposit is not exploited in proper way, there is risk, that the resources will be overexploited and the resource availability will be decreasing. The risk of overexploitation is considered as very low, because all water users in the area are registered, the exploitation is based on licenses and the actual extraction of water is strictly controlled and reported to the ministry. Even the risk is very low, it is still recommended, that during the operation the facility should actively work with stakeholders to assure, that the groundwater deposit is exploited in feasible way.

The **impact on hydrology** from the plant development is estimated as minimum. There are no major rivers in vicinity, which might be impacted due to the change of landscape or surface run off or changing of the gorges etc. Only stream which might be impacted is river Narekvavi flowing in few hundred meters to the south which is tributary of Aragvi river belonging to the Mtkvari river basin. This river probably will be used for discharging treated wastewater. The river flow is low, and it will be important to study the river characteristics before establishing the main target parameters for the wastewater treatment plant design. The Narekvavi natural stream is definitely very sensitive to the additional pollutant loads.

The impacts on **atmosphere air quality** is expected because during the construction and operation. During the construction the expected impacts are related with emissions from the construction machinery and with the dust generation. During the operation this will be brewing processes, boilers heaters generators etc. The atmosphere air pollution source inventory is already undertaken for

both construction and operation stages and is approved by the ministry of environment protection and natural resources of Georgia.

The **smell and noise** issues are not simulated, however this can be important issue. During the construction the noise management will be related with working hours, which should be strictly followed. The smell can be an issue during the operation, especially the brewing process, however, from the first view this should not be an issue, but the statement should be confirmed by monitoring during the operation. It is recommended to include both air emissions and smell monitoring activities into the monitoring plan;

The impacts on **biological environment** is considered as practically negligible due to the fact that no natural habitat is left in the area, whole territory around is presented as agricultural land and the mitigation in terms of biodiversity is not required. In terms of **protected areas** and zones of the special ecological interest, the closest protected area to the facility is Tbilisi National Park. The facility can not impact the park due to the distance and extent of environmental impacts considered during the construction and operation of the facility.

No impact on **cultural heritage** is expected. The site screening did not identified any recognised or non-recognised sites in direct impact zone of the facility. The archaeological chance finding risk is important due to the fact that all territory of lowland is populated from the ancient times. It is recommended to conduct the special training for archaeological chance finding awareness or to arrange the presence of skilled archaeologist during the excavations of foundations. The chance finding possibility in the top 0.5 m layer is close to zero, because the area was processed every year for agricultural purposes.

5.3 Impact on the social sphere

There are few settlements in the project development area, however only one is located in proximity, where the social impact can have place – this is Involuntary resettled person's village established in 2008. The small village with around 300-350 houses is located across the Natakhtari-Tsilkani road just across the proposed facility. This impact should be considered as most important. Impact on other settlements like Tsilkani or Akhalubani will be very low due to the distance to villages, and fact, that land around the facility is mostly used by the medium size farmers, who actually process the land from the distance and don't live adjacent to the land parcel cultivated.

First of all it should be stated, that **Involuntary resettlement or livelihood restoration** is not required for implementation of the project, because the land belongs to the Global Beer Georgia, there are no legal or illegal users of the land. The land for the facility development was purchased from the business entity, and no people have been impacted due to the transaction. The registration was transparent with the time period of scheduled tranches or payments. The official registration documentation is available and included in public register database. In order to check the transparency and identify the land related concerns, the social survey team has included this issue in the questionnaire used for social survey and impact assessment study performed as part of the study. The interviews did not indicated any issues related with land ownership or land acquisition. This has provided another proof, that the acquisition was implemented in accordance to the best practices through transparent contracting.

The interviews in IDP settlement has indicated that majority of families already have information regarding the construction of brewery; Practically none of them have heard this from the public information sources, mainly information was gained through the villagers, community leaders,

private chats and from discussions with different people who were working for the project like topography survey teams responsible for demarcation of the property surveying the relief, public register representatives involved in legal inspections etc. The expectation and thoughts regarding the beer factory is following: 62% percent of the interviewed respondent thinks, that the plant development will have only positive effect and negative impact is not expected at all; The 88% from interviewed have indicated, that positive effect of the plant development will be mostly employment; more people will be involved in the project and employment opportunities will be increased. Few respondents were indicating that the brewery development supports country development as well which is very positive.

85% of the interviewed respondents have indicated, that in parallel with positive effects there can be negative impacts like smell, environmental pollution, air emissions, waste management. None of the interviewed persons were against the development of the plant.

The social profile of the settlement is difficult, practically all families are dependant and reliant on the social support of state even stating, that this support is very limited. In our opinion, the impact on local population especially of IDP settlement should be considered as low with low significance. Some disturbance will be during the construction period, however the project will contribute in the area development and will bring new opportunities to the local population. It is also expected, that the locals will have more possibility to be employed during the construction and operation phase which probably should be followed by the construction contractor. This issues should be managed by the Global Beer Georgia and CMC asking contractor to employee the local workforce in operation and in support services as much as practicable.

The support also can be made to lobby the modernisation of wastewater collection and treatment system. This is long term issue and should be included in the activities in SEP to engage other (neighbouring facilities) as much as possible in groundwater pollution elimination activities which will bring benefits to everybody.

It is crucial to minimize social impacts through reduction of local population disturbance due to increased traffic. The active traffic management and instructions to driver will be required in order to ensure, that locals are not disturbed due to the road blocking, and drivers having the rest at roadsides.

During the construction, contractor should be asked to minimise the dust generation to follow the working hours, conduct monitoring if the disturbance is noticed.

The Summary of impacts identified is found in the table of summary impacts below.

Table 5.3.1 Comments on environmental and Social issues

	The environmental Social issues	Current status of findings	Gaps/Future actions
The Environmental components			
1.	Air quality	The Air quality baseline data is not readily available, however the site visit has indicated, that the significant pollution is not expected, the area is very well ventilated, the sources of pollution are discrete and related with other facilities operating in the area. The facility already	The documentation exists, monitoring during the

		<p>developed the inventory documentation for air pollution sources is already implemented and available. The noticeable pollution is not expected, however the issue of the smell needs further investigation</p>	<p>construction and operation is required</p>
2.	Associated infrastructure	<p>The site access is very good. The facility is located adjacent to the Natakhtari-Tsilikani-Mukhrani road connected to the South –North main road (E-117) heading from Tbilisi towards Kazbegi and Russian border through Caucasus mountains. The logistical problems related with the access through motor road is not expected.</p> <p>The Railway transport is not available in the area. Railway infrastructure in Mtskheta municipality is confined within the right Bank of the Mtkvari river, so the plant will not be provided with direct connection to the Railway line – The closest railway station is Mtskheta and Dzegvi in some 5-10 km distance respectively.</p> <p>The power infrastructure is available in the area, the technical characteristics of the power supply branch is available;</p> <p>The Natural gas supply is provided in the project development area. The Natural gas from the medium pressure infrastructure will be provided to the facility based on the contract with gas supply facility. The contract for gas supply is not available yet.</p> <p>The water supply will be based on the Groundwater resources available in the area. The groundwater source development is in progress, the detailed design of the borehole to be constructed is developed, drilling contractor is engaged, and the drilling is in progress; After the drilling is finalized, the source water will be tested and the application for the license obtaining will be submitted to the ministry of Environment protection and natural resources of Georgia. The license in accordance to the local legislation has to be purchased through the open public auction;</p> <p>The wastewater collection system is not available in the area. The wastewater (household and process wastewater) should be treated to the levels required by the technical requirements approved in Georgia and discharged to the surface water body. The subject is under development; One of the possible design solutions of treatment works is available and reviewed. Technically, the wastewater treatment issue is challenging, however the issue is properly addressed and is under the development.</p> <p>The municipal Waste Collection system is available in Natakhtari village and belongs to the Kartli regional branch</p>	<p>Future investigation not planned.</p> <p>No Actions planned</p> <p>The network capability is sufficient to the demand The network capability is sufficient to the demand</p> <p>The borehole should be drilled the license obtained</p> <p>The water receiving body should be studied; The target for the treatment plant should be set</p> <p>The waste collection</p>

		<p>of the Solid Waste management company of Georgia. The company based on contract will be responsible for the removal of household solid waste from the facility and its management. The industrial wastes will be managed through contracts with authorized companies, having the rights to reuse or dispose the wastes collected from site.</p> <p>The Public transport is available on site. The Tsilkani and Mukhrani Bus is available on Natakhtari - Tsilkani – Mukhrani road. The quality of bus service needs improvement, however it is still available for the public. The number of minibuses are providing transportation services for the population in the area. Again the minibuses are available from the Didube Bus station to the Tsilkani direction. Even the mentioned transport is available, the availability in morning and evening hours is still limited. Accordingly, all facilities in the area are maintaining their own transport means and are providing transportation services to their own employees. Probably the same approach will be adopted by the Facility.</p> <p>The needs for other infrastructure are not identified.</p>	<p>agreement with service provider needed. The waste management plan required.</p> <p>No gaps.</p>
3.	Biodiversity and nature conservation	<p>The biodiversity and Nature conservation issues related with the site development was screened; the details of findings are following:</p> <p>The Protected areas. The facility development is not impacting any legally protected area of Georgia. The closest protected territory is Tbilisi National park. The closest distance to the Tbilisi national park exceeds 3-4 km. The park is located on another side of Aragvi river behind the Saguramo village from the facility.</p> <p>The review of the available public information and scientific sources was conducted in order to identify the presence of critical habitats in the area and assess if project is impacting any critical habitat, which might be a problem for the project development. The review of materials did not identify presence of any critical habitat in the area, accordingly the impact on such habitats should not be expected from the project development.</p> <p>The landscape of the area is secondary, it is agricultural land already cultivated during the centuries, accordingly there is very low probability of the protected flora features to be obtained on site. This probability should considered as zero for the present project;</p> <p>In terms of fauna the information available did not indicate any particular species of concern.</p>	<p>No further investigation is required</p> <p>No possible concerns</p> <p>No mitigation required</p>

4.	Consistency with policy, law and other plans	<p>At the present stage, the GBG is implementing all efforts to follow the legal requirements in the environmental and social field. The company staff has identified all requirements and is working to fulfil all of them to ensure full legal compliance of future project with the requirements enforced in Georgia.</p> <p>The environmental regulations of Georgia does not require environmental permit for such enterprises, the construction permit allows project developer to implement it. The beer plants are not included in the higher risk class which requires the full scale formal ESIA to be presented and inspected by the state ecological expertize. Based on 1 window principle for the permits, the plant is granted the construction permit which includes all requirements.</p> <p>In terms of other permits and licenses company is actively working; The Air emission inventory document is approved by the Ministry and available; The water extraction permit will be obtained. The requirements in other permits are not identified.</p>	The Staff engagement is required
5.	Cumulative impacts	<p>The cumulative impacts are expected from the facility development. The facility is located in the area, which is under the active development. The territory should be considered as part of the industrial development zone. During the last period of time, Beer plant Natakhtari, Chocolate factory – Barambo, Water bottling facilities (Aquageo, Gewa and Binuli), Airport – Vanilla sky, the slaughterhouse; in addition there are two IDP settlements in the area which were built for accommodation of the displaced population after the 2008.</p> <p>The expected cumulative impacts are considered as low, however it is recommended to engage other stakeholders in common issues as treatment of the wastewater, water extraction etc. This is included in SEP</p>	<p>No gaps identified;</p> <p>The active work with stakeholders is required</p>
6.	Induced (indirectly consequential) impacts	No major indirect impact are expected from the facility. The initial assessment revealed, that there is low potential of induced impacts.	No gaps identified, the further actions are not required
7.	Land use planning and changes	The land use pattern was assessed from the perspective of the municipality, regional and the countrywide scale. The land dedicated for the facility development was agricultural land. It was used by the farmers in last period, before the 1990 it was operated by collective agricultural unit formed in the village; The area was included in the potential reserves for Tbilisi City water supply, so industrial development was restricted. Later such zoning was	No further study required

		<p>cancelled and the area was privatized by the local population. At present the status of the land parcel under the development is changed from agricultural to the non-agricultural land. This enables the plant development on the mentioned territory.</p> <p>At regional and country level, the area dedicated to the facility is so small, that cannot have impact on the land use pattern.</p>	
8.	Landscape and visual impacts	The landscape impacts caused by the facility is assessed, the impact mitigation is already included in the technical design agreed and accepted by the project development team.	No action required
9.	Raw material sourcing and transportation, including borrow pits	All materials required are purchased from the existing producers. The need for opening of new borrow pits, inert material deposits or extraction sites is not expected. After the soil works the site reinstatement is planned. All other construction materials will be purchased and delivered to the site.	No action required
10.	Road safety	The facility is located adjacent to the main roads, which is already used by the trucks like expected during the construction or operation of the site. The significant increase of the traffic on the road and alteration of the road safety indicators is not expected.	No action required
11.	Traffic, noise and vibration	The Noise and vibration impact is not assessed; most probably this is not a concern, however the contractor during construction should respect the working hour schedule; It is most likely, that the mitigation measures are not required, however this should be confirmed by the monitoring.	The working times should be followed (const.) the monitoring is required to confirm that mitigation is not required.
12.	Waste management	The technical problems with waste management are not expected, however the development of detailed waste management plan and its implementation in practice is required. This requirement will be included in the Waste management plan.	The development of the waste management plan is required.
13.	Water resources	The proposed project site is located within the one of the biggest groundwater deposits of Georgia as called Natakhtari – Mukhrani artesian basin. The groundwater is characterized with very stabile composition, high quality, absence of pollutants and minimum treatment requirements. In practice there are up to 5 water containing horizons in the deposit. As mentioned above, the program for groundwater source development is in place and drilling contractor is engaged to develop the project.	The groundwater extraction license required; Hydrogeology study and monitoring as well pollution prevention program

			required.
The social impacts			
14.	Community impacts	<p>The impact on community is considered to be the positive due to the increased possibilities for employment, development of the region and municipality, however the site is located in vicinity of the IDP settlement;</p> <p>The impact on IDP settlement is estimated as low, no disturbance or noticeable negative alterations expected, in parallel positive effect will be noticeable.</p> <p>In terms of broader community, the impacts should be definitely considered as positive and related with enhancement of product supply, increased competition and price reduction.</p>	<p>The Population information is required (SEP), Establishment of grievance mechanism by construction contractor and GBG</p>
15.	Contractor management, including the siting and management of worker camps	The contractor will not have the camp. The construction and installation crew will be delivered by special transport to the site.	The transportation management and safety plan required.
16.	Cultural heritage	The impact on cultural heritage is not expected. The target area is not located adjacent of any cultural heritage site or monument registered in the list published by the Ministry of Culture of Georgia. The Area was used for agricultural needs, however the special precautions are needed in terms of chance findings during the excavation of foundations or trenched for infrastructure.	The training of contractor for soil works required or presence of archaeologist is required during foundation excavation. .
17.	Disruption and public health and safety during construction	The public disruption issue can be significant during the construction, even the traffic increase and activity increase will not cause noticeable alteration of the situation on site. The limitation of working hours, speed limiting of company related transport is required	The traffic management plan required, working hours limitation required.
18.	Impacts on businesses and employment	The impacts on businesses is not expected to be significant due to the fact that the increase of supply related with new production will cover mostly market growth other than the replacement of other players from the market. Other type of businesses are not identified to be impacted by the facility development	No impact identified, no actions required
19.	Impacts to existing infrastructure and public	The impact on existing infrastructure is estimated as impact on power supply network, gas supply network and on the road infrastructure. Other impact practically does not exist, because the services to the facility will be provided by the	o actions required. Stakeholder relationships

	services	commercial companies.	required (SEP)
20.	Labour issues and standards	At present company has only few employees, all hired and operating based on written, formal employment contracts. All employees will be hired in similar way, but HR management plan will be required. In terms of the employment in contractor and subcontractor companies, the strict supervision will be required.	Enforcement of the formal HP policy; monitoring of the construction contractor
21.	Land acquisition and Involuntary resettlement	The land was acquired 1 year ago from the legal entity, who was owning land since 2007. Before the land was owned by physical persons who have privatized is from the government. Further tracking is not possible.	No actions required
22.	Local traffic and access impacts	The impact on local train is managed by the soil works contractor. The main parameters for other contractors should be developed and included in the traffic management plan and contractor's management plan.	Traffic management plan for the employees and continues trainings to external drivers
23.	Occupational and public health and safety issues	The subject issue management should be included in the operation manuals. At present no programs are implemented in place.	The Health and safety plan is required; The work site assessment from the Health and safety point of view is required.
24.	Socio-economic impacts; including vulnerable groups	The assessment have not identified negative socio-economic impacts.	The community liaison plan and grievance mechanism enforcement is required.

6 Conclusions and recommendations

The following conclusions are evaluated as a results of Environmental Assessment carried out in accordance to the TOR developed by the European Bank of Reconstruction and Development (EBRD). The project was evaluated to estimate potential Environmental and Social Impacts and identify measures to mitigate the impacts to acceptable levels. The following documents have been prepared within the frames of the assessment:

- Environmental and Social assessment report;
- Environmental and Social Action plan for the project implementation;
- Stakeholders engagement plan

- Executive summary.

The project status against EBRD requirements were evaluated and required actions were identified in order to enable project implementation in full compliance with EBRD Environmental and Social policy 2014.

It should be stated, that evaluation of the potential environmental impacts had not identified any issues restricted by the EBRD policy. The project does not impact any protected areas. The impact on biodiversity is practically negligible, because the project is implemented in agricultural area with no natural habitat.

The project implementation does not require any involuntary resettlement or livelihood restoration due to the fact that land belongs to the Project owner. The land was purchased from the legal entity, who has been owning and using the land since 2008, when the land was purchased from two private owners.

The potential impact on Social sphere and especially on IDP village located adjacent to the proposed facility was studied. It was identified that the community is aware of the project, however the formal public information and public disclosure was not required in accordance to the Georgian legislation and accordingly was not implemented. The majority of population is expecting positive effects from the development.

The Global Beer Georgia is developing project effectively, has engaged the CMC as management and supervision consultant, who will undertake the handing over of the constructed building to the Global Beer Georgia. The current capability of Global Beer Georgia is very low in environmental and social fields, so it is recommended to employ full time environmental and social manager and the health and safety person, who will be working in the head office and will be responsible for environmental and social issues at company level.

It is recommended, that the construction contractor / supervision contractor will be requested to develop all items included in the ESAP, however the monitoring and reporting should be responsibility of the Global Beer Georgia Environmental manager. The ESAP actions are split between Construction and operation stage actions.

The project is currently in early stages of development; as mentioned, the design and construction permit is available; the documentation is ready for the construction start. The Global Beer Georgia implement measures described technical design, ESA, SEP and ESAP to maintain compliance with legislation and EBRD requirements.

End.