

KHELEDULA ENERGY LLC

KHELEDULA-3 HYDROPOWER PROJECT LENTEKHI MUNICIPALITY, GEORGIA

STAKEHOLDER ENGAGEMENT PLAN

September 2018

LIST OF ABBREVIATIONS

BOO	Built Own Operate
CCO	Community Communication Officer
EBRD	European Bank for Reconstruction and Development
ESIA	Environmental and social impact assessment
ESAP	Environmental and social action plan
FAQ	Frequently Asked Questions
GoG	Government of Georgia
NGO	Non-governmental organisation
PAP	Project affected person
PIC	Public Information Centre
PR	Performance requirement (of the EBRD)
SEP	Stakeholder engagement plan

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1. INTRODUCTION

The Government of Georgia (GoG) intends to develop Georgia's hydropower potential in order to meet the country's energy demand and to improve its energy security. A part of the national energy development strategies is a construction of a 51 MW Kheledula-3 Hydropower Scheme ('Kheledula-3') on the Kheledula and Devashi Rivers within Lentekhi Municipality, Racha-Lechkhumi and Kvemo Svaneti Region, Georgia ('the Project') (Figure 1).



Figure 1: Location of the Kheledula-3 HPP Project, Georgia

The Project is implemented by Kheledula Energy LLC ('the Company') – a company established in Georgia for the purpose of developing, constructing and operating Kheledula-3 on BOO basis.

2. THE PURPOSE OF STAKEHOLDER ENGAGEMENT PLAN

To implement the Project Kheledula Energy LLC is seeking funding from the European Bank for Reconstruction and Development (EBRD). The Project's category is "A" as per EBRD's 2014 Environmental and Social Policy, thus requiring that an Environmental and Social Impact Assessment (ESIA) be conducted and disclosed. This document, the Stakeholder Engagement Plan (SEP), has been produced as part of the Supplementary ESIA package to meet the EBRD requirements. It presents the planned stakeholder engagement process for the Project and outlines a systematic approach aimed at developing and maintaining constructive relationships with stakeholders throughout the Project lifetime.

The SEP is a living document, and is meant to be updated and developed further as the Project progresses, particularly before the Project enters the operations phase.

3. THE PROJECT OVERVIEW

Kheledula-3 is a run-of-river scheme on two tributaries of the Tskhenistskali River: i) the Kheledula and ii) Devashi Rivers. On the Kheledula River, a weir-1 is planned close to Kheledi village, about 6 km upstream of the confluence with the Tskhenistskali River, where the town of Lentekhi is located. From weir-1, part of the water will be diverted and conveyed via a non-pressured tunnel to the Devashi River valley, where it will combine with the water from the Devashi River at a second weir (weir-2) located 2.5 km upstream of the Devashi and Tsenitskhali Rivers confluence. The combined flow will then be directed via a underground pipelines (penstock) to the powerhouse which will be located on the right bank of the Tskhenistskali River, about 1.5 km downstream of Lentekhi Town.

The Project will be connected to the national grid of Georgia via a new transmission line that will be designed, built and operated by the national grid operator – GSE.

For more detailed information regarding Kheledula-3, refer to the Project's Non-Technical Summary as well as to the ESIA documentation disclosed by the Company.

4. REQUIREMENTS PERTAINING TO STAKEHOLDER ENGAGEMENT

4.1. Legal Requirements of Georgia

The Constitution of Georgia (1995) guarantees public access to information and the right of individuals to obtain full, unbiased and timely information about their working and living environment. In the context of projects like Kheledula-3, the Georgian legislation precisely rules only the stakeholder engagement activities related to the environmental permitting process (there are no legal requirements applicable to the construction or operation phase).

Prior to 1 January 2018, the environmental permitting system was governed by the *Law of Georgia on Environmental Impact Permit* (2007); *Law of Georgia on Environmental Protection* (1996); *Law of Georgia on Licenses and Permits* (2005); and *Law of Georgia on Ecological Expertise* (2007). On 1 January 2018, the *Laws on Environmental Impact Permit and on Ecological Expertise* were superseded by the *Environmental Assessment Code* (EAC) of Georgia (2017¹).

4.1.1. Regulations on public participation before 1 January 2018

The Project obtained its environmental permit on 25 May 2017. As per the *Law on Environmental Impact Permit* applicable at that time, the project developer prepared an EIA and ensured public participation as described in Section 5.1.

4.1.2. Regulations on public participation after 1 January 2018

The EAC applicable as of 1 January 2018 harmonises Georgia's EIA system with the European legislation as was committed by Georgia under the EU-Georgia Association Agreement (2014). The EAC sets out the provisions on public involvement and consultations in decision-making process on each step of the EIA process. Namely, the public should be consulted during screening, scoping, EIA report preparation, and decision-making process (when obtaining an 'Environmental decision', previously known as an 'environmental impact permit').

According to the EAC, the process of public consultations, including the public notifications and hearings at the scoping and EIA review stages, is completely organized by the Ministry of Nature Protection and Agriculture. Public information shall be published not later than 10

¹ The provisions of the new Code have been gradually entering into force since its adoption on 1 June 2017.

days before the scoping meeting is held and not later than 20 days before the EIA public meeting is held. A representative of the Ministry shall conduct the public meetings, document the minutes of meetings and hold responsibility for the accuracy of these minutes (Articles 8 and 9). When issuing the Environmental decision the Ministry is obliged to consider the opinions and comments received from the public and any other administrative bodies.

4.2. EBRD Requirements

According to the EBRD Environmental and Social Policy (2014), the Project is a Category 'A' project. This means that the Project requires an ESIA, public consultation and the preparation and implementation of a SEP. The key requirements with respect to stakeholder engagement are laid out in the EBRD Performance Requirements (PRs) 1 and 10.

The EBRD requirements are generally in line with the regulations of Georgia, but at the same time differ in a number of important respects. These differences can be summarised as follows:

- The EBRD policies view stakeholder consultation as an ongoing process continuing throughout the life of the project;
- Stakeholder engagement involves (i) stakeholder identification and analysis with a particular emphasis to organising dialogue with affected parties; (ii) stakeholder engagement planning using tailored consultation methods; and (iii) regular reporting to relevant stakeholders.
- The nature and frequency of stakeholder engagement should be proportionate to the nature and scale of the project and its potential adverse impacts on the affected communities, the sensitivity of the environment, and the level of public interest;
- A mandatory requirement is to establish an effective grievance mechanism to facilitate the amicable resolution of conflicts that may arise.

5. UNDERTAKEN AND ONGOING STAKEHOLDER ENGAGEMENT ACTIVITIES

5.1. National EIA Public Consultations

The Project obtained the environmental impact permit in May 2017: stakeholder engagement activities were delivered in line with the former legislation, and also included additional engagement activities not required by the legislation. In total, the following meetings were held during the EIA process; they gathered 71 people², of which 23 were women:

- An initial informational meeting was held on 4 February 2016 in the Lentekhi Municipality Administrative building being targeted at the Lentekhi municipal and Khelevi local government (seven people attended). This was done in addition to the national legislation requirements.
- Two EIA scoping meetings took place on 10 April 2016 in Tsanashi and Kheledi villages in a row. 33 villagers and the Representative of Lentekhi Mayor in Kheledi Community ('Khdeledi Gamgebeli') attended. This was done in addition to the national legislation requirements.
- An EIA scoping meeting was held on 11 April 2016 in the Lentekhi Municipality Administrative building (15 people attended, including Kheledi villagers, Khdeledi Gamgebeli, and representatives of Lentekhi Municipality).

² Excluding the staff of the Company and its consultants.

- On 2 September 2016, a public hearing on the EIA was conducted in the Lentekhi Municipality Administrative building (16 attendees included Kheledi villagers, a representative of the Ministry of Nature Protection, Kheledi Gamgebeli)³.

The questions posed by the participants related to:

- potential employment opportunities locally,
- social projects to benefit the community,
- land acquisition details,
- a possibility to receive cheap or free electricity,
- geological investigations,
- sediment and flood management,
- some project design aspects, such as the need to reinforce the river bank slopes in Kheledi, capacity of tunnels, heights of the weirs, duration of the construction, types of waste rock to be excavated from the tunnels, tunnel capacity and the related threats, etc.

The Company provided responses to the questions raised and considered these in the design documents and ESIA, to the extent relevant to its responsibility. For instance, the Company has committed to employing up to 70% of the workers locally (out of 200-300 construction staff and 40-50 operation staff); the reinforcement had been part of the technical project design; the provision of cheap/free electricity is beyond the mandate of the Company and is regulated by the GoG; geological investigations have been conducted and are part of the ESIA report; explanation was provided that the Project would have a flood mitigating effect helping to protect the community from flooding; and the land acquisition details were discussed in a group and then individually.

Due to the design optimisation, i.e., a proposal to substitute part of the pressure tunnel between the powerhouse and weir 2 by a pipeline (underground penstock), the Company sought a new Environmental decision for this change in 2018. As per the EAC, the Ministry of Nature Protection and Agriculture conducted EIA scoping meetings dedicated to the design changes, in Lentekhi and Kheledi on 28 May 2018. The process is ongoing and the Design Change ESIA will be disclosed on the Company website when available.

5.2. National EIA Disclosure

As was required by national legislation, the Company disclosed the national EIA documentation for the Project, in Company website, prior to the EIA public hearings. The hearing took place on 2 September 2016 in Lentekhi. In line with the Law of Georgia on *Environmental Impact Permit* (2007), notification announcements about the EIA consultation period and the planned public hearings have been published in the national-coverage newspaper *Sakartvelos Respublica* (13 July 2016)⁴.

In addition, the announcement and the EIA disclosure package were posted on the website of the Ministry of Environmental and Nature Protection of Georgia⁵ on 21 July 2016.

The printed copies of the EIA have been made available to the public at four locations:

- Lentekhi Municipality (Gamgeoba administration building), Lentekhi;
- Office of the Ministry of Environmental and Nature Protection in Tbilisi;

³ The September 2017 EIA public hearing's protocol is presented in Chapter 11 of the ESIA report (Gamma, 2017), and the other protocols are available at the Company's office.

⁴ Publishing the notification in the local newspaper (Svaneti) was not possible as it is issued only once a month and the period of its release did not match the due notification date.

⁵

<http://www.moe.gov.ge/ka/%E1%83%93%E1%83%9D%E1%83%99%E1%83%A3%E1%83%9B%E1%83%94%E1%83%9C%E1%83%A2%E1%83%94%E1%83%91%E1%83%98/2016-07-21-lentekhi-municipalitetshi-shps>.

- Kheledula Energy LLC office in Tbilisi; and
- Office of the EIA Consultant (Gamma Consulting Ltd) to Kheledula Energy LLC, Tbilisi.

The public has been provided with sufficient time (ca. 50 days) to review the EIA documentation and to provide comments and/or ask questions.

In addition, in line with good practice, a Project Information Brochure was prepared in 2016 and distributed during the meetings / consultations over 2016 and 2017. The Brochure contained general information about the Project and the intended land acquisition process.

5.3. Engagement Related to Land Acquisition and Compensations

The Project entails the use of 189,203 m² of land, of which about 54% (101,916 m²) is state-owned land that is already leased. The remaining 87,287 m² represent 53 land plots owned by 25 households. As of the time of this writing, 52 out of 53 land plots were privately registered (the last plot was under the registration process and most of the registration had been facilitated by the Company) and 60% of privately owned land was acquired/rented. All private land needed for the Project is for those facilities that can be moved (e.g., access roads, camp sites, and disposal areas) in case a land owner does not want to sell his land. Consequently, no involuntary land acquisition will happen.

The Company is implementing the private land acquisition process, as well as the accompanying consultations and negotiations with the Project Affected Persons (PAPs). Kheledula Energy LLC commissioned a survey to identify the PAPs in summer 2016 and simultaneously initiated the negotiation process, together with asset valuations and registration of land plots. The Director of the Company holds monthly group and individual meetings with the PAPs on the land-related issues and beyond.

To support the process, in autumn 2017, the Company hired a Community Communication Officer (CCO) who was nominated by the local community and engages with the local population on a daily basis for 3-5 days a week with regard to land issues and the Project on a whole. The owners/users of the affected land plots/businesses are collectively and individually contacted by the Company and informed of the acquisition process. The owners are given legal support in cases where land ownership is unregistered and are offered compensation (based on initial valuation and subsequent negotiations). On acceptance, the Company and the owners sign an agreement. All agreements are formal documents and entered into the public register. Hence, all the efforts of the Company developed under the legal status and in benefit of the stakeholders.

5.4. Engagement with Tsanashi community

Tsanashi village is located between Kheledi and Lentekhi. It is not directly impacted by the Project in terms of land acquisition or livelihoods. Part of the village is exposed to debris flows from a left bank tributary of the Kheledula River, named the Tsanashi River. This is not an area impacted by the Project, but some stakeholders from Tsanashi village have expressed dissatisfaction to the Company and protested regarding the absence of action taken in the past by the authorities to reduce their exposure to natural hazards.

Being aware of the issue, Kheledula Energy LLC has been engaging with Tsanashi stakeholders and with the Government representatives in order to solve it. The following meetings were held:

1. On 01.03.2018, the Company met with citizens of Tsanashi regarding the project and has provided the written answers following the meeting.
2. On 12.03.2018, meetings were held with citizens of Tsanashi at Lentekhi Municipality and in Kheledi village.
3. On 18.04.2018, at Lentekhi Municipality a meeting was held with the citizens of Tsanashi with participation of Deputy of Minister of Economy and Sustainable

Development of Georgia, Mr. Romeo Mikautadze, and Deputy of Minister of Environment Protection and Agriculture, Mrs Nino Tandilashvili.

4. On 7-9.06.2018, the Company and Anadolu Group representatives met with the protestors, and replied to their letter in writing.
5. On 26.06.2018, at Municipality of Lentekhi, the Company representatives met with three representatives of Tsanashi village.
6. On 19.07.2018, Anadolu Group representative met with the protestors, their letter was replied in writing.
7. On 27.07.2018, Deputy of Ministry of Economy and Sustainable Development of Georgia, Mr. Giorgi Chikovani, and the Company officials met with the protestors.

Meetings and engagement are ongoing, and the Company has committed to keeping facilitating the dialogue with the Government representatives. The Company has also committed, on a voluntary basis, to:

- Facilitating the cleaning of the Tsanashi River with an excavator when mud flows occur during the Project lifetime.
- Consolidating the water supply to Tsanashi Village, if wished so by the villagers.

The Company has also confirmed that no blasting works will be implemented to dig the tunnels (road header machines will be used).

6. STAKEHOLDER IDENTIFICATION AND ANALYSIS

6.1. Stakeholder Categories

The Project stakeholders are conventionally grouped into the following two major categories:

- **Internal stakeholders** including the Company undertaking the Project, its management, staff and shareholders, as well as its contractors and subcontractors involved in the Project and benefiting from it (investors, shareholders); and
- **External stakeholders** including organizations and individuals not working at Kheledula Energy LLC and its partners/ (sub)contractor, central and local authorities (to be) involved in the Project approval process; affected communities; and the interested public.

The SEP is intended to cover the Company's relationships with both stakeholder categories.

6.2. Identifying External and Internal Stakeholder Groups and Analysing their Expectations and Concerns

For the purposes of effective and tailored engagement, the external stakeholders of the Project have been clustered into the following groups:

- potentially affected and directly interested parties,
- vulnerable groups,
- governmental authorities,
- local self-governing bodies, and
- other stakeholders (civil society organizations, mass media, Academia, business, etc.).

Internal stakeholder groups are workers of the Company and its contractors/ subcontractors involved in the Project.

Each group is described in **Table 1**, alongside the analysis of their relations to and interests in the Project.

Table 1. Analysis of stakeholders' relations to/interest in the Project

Stakeholder (group)	Relation to / interest in the project
EXTERNAL STAKEHOLDERS	
Potentially affected parties	
The residents of Kheledi village	<ul style="list-style-type: none"> ▪ Affected by the land acquisition process for the Project, as well as construction impacts ▪ May benefit from employment opportunities, etc. ▪ Interested in Project details and progress
The residents of Kheledi, Tsanashi, Lesema, and Lentekhi.	The settlements may be affected by the construction impacts; are crossed by / located along the Lentekhi-Bavari road that is expected to be used by construction transport; may be affected by the relocation of the 300 m of road near the powerhouse, downstream of Lentekhi
Local fishermen (from Kheledi, Tsanashi, Lesema and Lentekhi).	Interested if the fishing sites and fish stock will be affected
Vulnerable groups	
Pensioners, elderly people, multi-children families, single-parent families (including women-headed ones), families registered as living below the poverty level, people with disabilities, internally displaced people	Vulnerable persons might have difficulties to access information, or might need specific assistance to assert their rights.
Municipal and local self-governing bodies	
Representative of the Lentekhi Municipality Executive Board (Gangeoba) in Kheledi	<ul style="list-style-type: none"> ▪ Participates in and verifies the land ownership determination ▪ Conveys the concerns and expectations of the community to Lentekhi Municipality and the Company
Lentekhi Municipality authorities	<ul style="list-style-type: none"> ▪ Closely engaged in siting Project facilities ▪ Together with the Ministry of Environment, organizes the public hearings for the Project (since March 2018) ▪ Moderates communication between the Company and the local residents
Governmental authorities (and their regional branches)	
Ministry of Environment Protection and Agriculture, Ministry of Economy and Sustainable Development, Ministry of Regional Development and Infrastructure, incl. its Roads Department of Georgia, Ministry of Internal Affairs, Patrol Police Department in Lentekhi, GSE, Energotrans, etc.	<ul style="list-style-type: none"> ▪ Various permitting, supervision and inspection functions ▪ Forest land-take by the Project ▪ Control of compliance with Georgian energy policies during HPPs construction and operation ▪ Agreement / coordination with Road authorities as the Project entails the rehabilitation of some sections of the municipal road, construction of access roads, and the relocation of a section of the existing Kutaisi-Lentekhi road near the planned Powerhouse (Already designed and received all necessary permits for construction). ▪ Energy system / electricity operators, connection to the national grid, state purchasers of electricity from HPPs, etc.
Other stakeholders	
Kayaking service providers and tourists	Interest in potential restrictions to kayaking activities on the Kheledula River and Project updates
NGOs:	<ul style="list-style-type: none"> ▪ Deal with energy issues, financial / legal issues, medical rehabilitation, women rights, human rights, environmental issues, adults training and education, and community development. ▪ Possible synergies with NGOs that are proactive in the region. NGO Abkhazintercont currently implements a grant project "<i>Tourism in rural areas to develop rural economic improvement and poverty reduction</i>" in Racha-Lechkhumi and Kvemo Svaneti Region.
Academia and scientific society	<ul style="list-style-type: none"> ▪ Interest in participating in the ESIA process and/or discussing the social

Stakeholder (group)	Relation to / interest in the project
	and environmental aspects; <ul style="list-style-type: none"> ▪ Interest in employment for graduates / internships
Business at the local and regional level	Providers of construction materials, catering services, utility services: waste removal, electricity, gas, water supply, transport of workers, accommodation facilities for visitors etc.
Mass media ⁶ : 'Svaneti' newspaper; Internet-portal Svaneti Info (municipal and regional coverage); national TV and newspapers, etc.	Interest in providing project updates and information about the environmental and social impacts, etc.
INTERNAL STAKEHOLDERS	
Workers	Interest in working conditions and grievance mechanism, compliance with health, safety and conduct procedures
Jobseekers	Employment opportunities

7. STAKEHOLDER ENGAGEMENT PROGRAMME

7.1. Introduction and Basic Elements

The Stakeholder Engagement Programme draws on the three key pillars of effective engagement: (1) timely and relevant Project information provision to stakeholders, particularly to the affected parties; (2) meaningful two-way stakeholder consultation activities; and (3) a grievance mechanism for effective conflict preventing and problem resolution.

7.2. Information Disclosure

Stakeholders will be provided access to reliable and complete Project information in Georgian and English language.

To enable informed consultations during the early works, the Company will:

- Prepare a dedicated Project website for general public information;
- Prepare a newsletter about the early works, including a work schedule, transport routes and intensity, job opportunities, workers accommodation, company contact information, etc.;
- Place a newsletter about the beginning of works on the notice boards in Kheledi and in Lentekhi government offices, as well as in publicly accessible places in Kheledi, Tsanashi, Lesema and Lenteskhi (such as shops, schools, etc.); and
- Disseminate the newsletter during the 'open house' events (see below) and among the houses located along the roads that will be used by Project transport.

Further, the Project information will be disclosed via the following documents (in Georgian and English):

- The ESIA Report (2017) and Supplementary ESIA package (2018);
- The ESIA Non-technical summary (aimed at a broader audience of interested readers) (2018);
- The Environmental and Social Action Plan (ESAP) (2018); and
- This SEP.

These documents can be downloaded on Kheledula Energy LLC or EBRD websites:

- <http://www.kheledulahpp.ge/>

⁶ Local, regional and national printed and broadcasting media, digital / web-based entities, and their associations.

- <https://www.ebrd.com/esia.html>

They can also be consulted in Kheledula Energy LLC premises in Tbilisi, or in the public Information Center in Lentekhi or Kheledi:

Kheledula Energy LLC Chavchavadze Ave. 37-D, 0162, Tbilisi, Georgia	Administration building of Lentekhi Municipality, #24 King Tamar str., Lentekhi, Georgia.	Administration Building of Village Kheledi, Lentekhi Municipality, Georgia.
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The national and international community will be able to access the Georgian and English versions of the documents at Kheledula Energy LLC website (where interested users will also be able to ask questions and receive answers) and the EBRD website. The Project events will be announced in the local and regional newspapers and TV.

7.3. Consultations and Engagement

To engage with and inform the local community prior to the works, the Company will conduct two community ‘open house’ events devoted to the planned works. One event will be held in Kheledi and another – in Lentekhi (Tsanashi and Lesema villagers will be invited to attend any of these). In addition, a Study Tour to the Paravani hydropower plant will be organized for all interested parties (within the limits of the number of places that will be available), primarily targeting the affected village representatives.

The consultation process will then include public consultations to discuss the ESIA documentation in line with EBRD requirements. The ESIA consultations and meetings will be organised in Kheledi and Lentekhi, again using the open house format. If necessary, a transport will be arranged by the Company for Lesema and Tsanashi residents to ensure they reach the meeting venues.

The open-house meetings will allow various stakeholder groups to discuss the topics of particular interest, including: community information/awareness rising on pedestrian / road safety; Project updates; compensations or livelihood restoration; community development visioning; employment opportunities, expectations, trainings, briefings on the signs required to be installed by the Company.

7.4. Stakeholder engagement programme

Table 2 presents the Stakeholder Engagement Programme for the Project early works, ESIA disclosure and the construction phase.

Table 2. Stakeholder engagement programme

No.	Means of engagement	Stakeholder / Stakeholder group	Information to be disclosed	Timeframe	Responsibility	Opportunity for stakeholders to participate
1.	Communication means					
1.1.	<ul style="list-style-type: none"> ▪ Establish and maintain a PIC in Kheledi ▪ Hold a PIC opening event with a short presentation about the Project and a Q&A session; also introduce the PIC staff to the public 	Affected parties, vulnerable groups, other interested stakeholders	ESIA report and Supplementary ESIA package	3 rd or 4 th quarter 2018, before construction starts and until the operation phase	Kheledula Energy LLC	The stakeholders can visit the PIC any time during construction to review materials, ask questions/receive answers, etc.
1.2.	Set up a Project customer service at PIC (the CCO may take on this function during early works and construction.)	Affected parties, vulnerable groups, other interested stakeholders	n/a	3 rd or 4 th quarter 2018 prior to early works and construction, and throughout the Project life-time	Kheledula Energy LLC	The stakeholders can contact the Company with inquiries any time during construction and operation
1.3.	Create a dedicated Company website for the Project in Georgian and in English,	All stakeholders	Project updates (e.g., about the ESIA, planned / delivered construction works, land acquisition) and E&S documentation (2017 ESIA, Design Change ESIA, supplementary E&S documentation)	3 rd or 4 th quarter 2018 and maintain throughout the Project life-time	Kheledula Energy LLC	The stakeholders can obtain the recent Project information, post a question and get a reply (any time during construction and operation)
1.4	Establish and update regularly (at least monthly) a Frequently Asked Questions (FAQ) table; aimed at providing consistent answers to the most frequent questions.	All stakeholders	Answers to FAQs	3 rd or 4 th quarter 2018 and maintain throughout the Project life-time	Kheledula Energy LLC	The stakeholders get consistent answers to their most frequent questions
2.	Early works disclosure and consultations					

No.	Means of engagement	Stakeholder / Stakeholder group	Information to be disclosed	Timeframe	Responsibility	Opportunity for stakeholders to participate
2.1.	<ul style="list-style-type: none"> ▪ Prepare an early works newsletter ▪ Place the newsletter on the notice boards in Kheledi and in Lentekhi government offices, as well as at publicly accessible places in Kheledi, Tsanashi, Lesema and Lenteskhi ▪ Disseminate the newsletter among the houses located along the roads that will be used by Project transport 	Residents of Kheledi, Tsanashi, Lesema and Lenteskhi	Newsletter / information about the early works (a work schedule, transport routes and intensity, job opportunities, workers accommodation, company contact information, etc.)	3 rd or 4 th quarter 2018	Kheledula Energy LLC	Being informed
2.2.	<ul style="list-style-type: none"> ▪ Conduct two community 'open house' events devoted to the planned early works - in Kheledi and Lentekhi, each lasting one day ▪ Disseminate the early works newsletter during the 'open house' events 	Residents of Kheledi, Tsanashi, Lesema and Lenteskhi and other stakeholders	<ul style="list-style-type: none"> ▪ A short presentation and the early works newsletter for the 30min presentation session ▪ Experts on spot during the whole day alongside any project support materials (maps, EIA report with a summary, etc.) 	4th quarter 2018	Kheledula Energy LLC	Personal participation and communication (the stakeholders can attend the day-long open houses any time at their convenience and ask questions, etc.)
2.3.	Study-tour to Paravani HPP	Affected parties Other stakeholders (authorities, NGOs, media, etc.)	<ul style="list-style-type: none"> ▪ A short presentation and a site walk at Paravani HPP facilities 	3 rd or 4 th quarter 2018	Kheledula Energy LLC GUE LLC	Personal participation and communication
3.	<i>ESIA disclosure and consultations</i>					

No.	Means of engagement	Stakeholder / Stakeholder group	Information to be disclosed	Timeframe	Responsibility	Opportunity for stakeholders to participate
3.1.	Announcement about the public hearings (to be held in Kheledi and Lentekhi) in the newspapers and on Kheledula Energy LLC website	All stakeholders	Brief information about the Project, venue, date and time of the meetings	4th quarter 2018 all the details will be announced two weeks in advance with location and contact information.	Kheledula Energy LLC	Being informed
3.2.	Disclosure of the ESIA report and Supplementary ESIA package in: <ul style="list-style-type: none"> ▪ Kheledula Energy LLC office in Tbilisi / PIC in Kheledi ▪ Kheledula Energy LLC website ▪ EBRD website ▪ Office of Kheledi community Gamgebeli in Khedeli ▪ Lentekhi Municipality Gamgeoba Building 	Key target groups: Kheledi, Tsanashi, Lesema and Lentekhi All stakeholders	ESIA report and Supplementary ESIA package	4th quarter 2018	Kheledula Energy LLC	Provide written or verbal comments to the Company during the 60-day disclosure. Review and inquire about the information in the ESIA report and Supplementary ESIA package any time during the Project life-cycle (the package will remain available at the Company's website)
3.3	Open house public hearings in Kheledi and Lentekhi	All stakeholders		4th quarter 2018	Kheledula Energy LLC Local Authorities	Personal participation and communication
3.4	Public meeting in Tbilisi	Tbilisi based relevant stakeholders		4th quarter 2018	Kheledula Energy LLC Local Authorities	Personal participation and communication
3.5.	Clarification meetings on the ESIA package	Elderly / vulnerable people		4th quarter 2018	Kheledula Energy LLC	CCO will explain the ESIA documents to the elderly / vulnerable people
3.6.	Collection (see Table 5) and analysis of stakeholder comments over 60 days of disclosure	All stakeholders		4th quarter 2018	Kheledula Energy LLC	Follow-up calls or meetings by the Company to clarify the comments and / or provide the requested information

No.	Means of engagement	Stakeholder / Stakeholder group	Information to be disclosed	Timeframe	Responsibility	Opportunity for stakeholders to participate
4.	National EIA of the Project design changes: formal disclosure and consultation process (under the control of the Ministry in charge of Environment)					
4.1.	Announcement about the public hearings at legally required places	Key target groups: Kheledi, Tsanashi, Lesema and Lentekhi All stakeholders	Brief information about the Project, venue, date and time of the meetings	3 rd or 4 th quarter 2018	Ministry of Nature Protection and Agriculture Local authorities	Being informed
4.2.	Disclosure of the EIA documents: <ul style="list-style-type: none"> ▪ on the website of the Ministry ▪ in Lentekhi Municipality Gamgeoba Building 		Project change national EIA documents			Provide written or verbal comments to the Ministry during the 40-day disclosure period. Inquire at the Ministry about the information in the EIA report any time during the Project life-cycle (the EIA report will remain disclosed)
4.3.	Public hearings by the Ministry	All stakeholders		3 rd or 4 th quarter 2018	Ministry of Nature Protection and Agriculture	Personal participation and communication
4.4.	Collection of stakeholder comments within 40 days of disclosure	All stakeholders		3 rd or 4 th quarter 2018		n/a
5	Special-purpose activities and events					
5.1.	Meetings on the progress with the land acquisition and compensations; and on potential livelihood restoration activities	PAPs in Kheledi, Lesema and	The existing RAP leaflet, individual agreements	2 nd – 4 th quarter 2018	Kheledula Energy LLC	Personal participation and communication
5.2.	Focus group / individual meetings to be organized whenever a specific topic appears to be of concern/ misunderstood	Affected parties	Specific short material to be prepared as needed	Any time during construction and operation	Kheledula Energy LLC	Personal participation and communication

No.	Means of engagement	Stakeholder / Stakeholder group	Information to be disclosed	Timeframe	Responsibility	Opportunity for stakeholders to participate
5.3.	Pre-construction survey of the condition of houses in Tsanashi, Lesema and Kheledi along the roads to be used for construction (e.g. the Lentekhi-Bavari road)	Affected parties	As for 5.5. Pedestrian and road safety	Prior to construction works, 2 nd -4th quarter 2018	Kheledula Energy LLC with a bailiff / Kheledi Gamgebeli or another authority	Personal participation and communication (singing of individual inspection results)
5.4.	Project schedules provided to directly affected stakeholders to notify them in advance of construction works.	Affected parties, local authorities (in Kheledi and Lentekhi)	Project schedule note Signposts at the Project locations	One month prior to start of relocation of the road close to Lentekhi and future powerhouse, tunnelling, construction or other major works and re-issued if there are any significant changes	Kheledula Energy LLC	Personal / group participation and communication
5.5.	Pedestrian and road safety:					
	5.5.1. Present the information about traffic volume and intensity and consult with the local community to identify (i) sensitive areas where Traffic Regulators (Marshals) should be placed and (ii) limitations for construction transport	Affected parties in Kheledi, Tsanashi, Lesema, Lentekhi	Specific information to be prepared (billboards, Internet-portal Svaneti-info, leaflets, TV broadcast, posters, presentations)	Prior to construction Updated – during construction		Personal participation and communication (help to identify the area where the speed limits should be applied, tentative times and locations when and where the traffic should be avoided, etc) Being informed
	5.5.2. Conduct road safety awareness raising seminars / briefs for community with/through the local police department	Affected parties in Kheledi, Tsanashi, Lesema, Lentekhi		Prior to and annually during the construction	Kheledula Energy LLC together with Lentekhi Patrol Police Departments	Personal participation and communication
	5.5.3. Conduct lessons on traffic safety in local schools with/through the local police department	Local schools in Kheledi and Lentekhi				

No.	Means of engagement	Stakeholder / Stakeholder group	Information to be disclosed	Timeframe	Responsibility	Opportunity for stakeholders to participate
	5.5.4. Provide information to the community about the traffic schedules and notification about the expected increases in traffic flows beforehand	Affected parties in Kheledi, Tsanashi, Lesema, Lentekhi	Specific information to be prepared - billboards, leaflets, TV broadcast, presentations	Prior to and during construction (when changes to schedules are planned)	Kheledula Energy LLC	Being informed, personal participation and communication
5.6.	Community Support (Corporate Social Responsibility):					
	5.6.1. Visioning workshops with the community and local authorities	Villages from Lentekhi to Kheledi (Kheledi community authorities, Lentekhi Municipality)	Development Plan's concept developed after 1-2 workshops for further discussions	2019, then updated at the beginning of operations	Kheledula Energy LLC in coordination with Kheledi community and Lentekhi Municipality authorities. Only NGOs dedicated to social projects of the region may be engaged	Personal participation and communication about the future development of the area (e.g., agriculture, tourism)
	5.6.2. Community Support Plan preparation/negotiation		A concept, draft Plan and final Plan for construction stage	2019, then updated at the beginning of operations		
	5.6.3. Consultations with the local authorities about the social projects selection and implementation procedure		A draft procedure on cooperation between the Company, local authorities and residents on defining social projects	2019		
	5.6.4. Monitoring of delivery, evaluation and reporting		Kheledi community authorities, Lentekhi Municipality Other stakeholders	Annual evaluation note Updated Plan for operations		
5.7.	Employment opportunities, training, expectations, challenges:	Working age people and youths from: <ul style="list-style-type: none"> ▪ Affected parties, ▪ Other villages of Kheledi 	Special materials, leaflets	Prior to and during the first year of construction (then as needed)	Kheledula Energy LLC	Being informed, personal participation and communication
	5.7.1. Training for candidates on working positions (construction)					

No.	Means of engagement	Stakeholder / Stakeholder group	Information to be disclosed	Timeframe	Responsibility	Opportunity for stakeholders to participate
	5.7.2. Workforce qualification needs: community workshops and vocational guidance for younger generation	community <ul style="list-style-type: none"> ▪ Other villages of Lentekhi Municipality 				
5.8	Identify companies proposing kayaking tours including on the Kheledula River on the web	Companies proposing kayaking tours including on the Kheledula River	Information about the construction and location of Kheledula-3. Information that the upper Kheledula can still be navigated. General information to kayakers through KE website, regarding the Project, and other hydropower projects under construction in the Kheledula basin.	From 2019	Kheledula Energy LLC	

8. GRIEVANCE MECHANISM

The implementation of the proposed Project may potentially lead to disagreements or disputes. In order to timely and effectively prevent and/or resolve them, the EBRD PR10 requires establishing and maintaining a permanent mechanism for receiving and handling citizens' grievances and concerns.

The Project's grievance mechanism is open to all external and internal stakeholders, notably the PAPs and workers. They can send inquiries related to the Project activities to the contact persons below verbally, in writing, via email or telephone.

Kheledula Energy LLC Contact details:

A. Kheledula Energy LLC in Tbilisi:

E-mail	info@kheledulahpp.ge
Telephone	+995 577 04 50 29
Address	Chavchavadze 37-D, 0162, Tbilisi-Georgia

B. Kheledula Energy LLC in Kheledi:

Name	Davit Tsereteli
Email	info@kheledulahpp.ge
Telephone	+995 599 861968
Address	Kheledi Gamgebeli Office, Kheledi village, Georgia

The inquiries can also be communicated to the local authorities, namely, Khedeli Gamgebeli or Lentekhi Municipality Gamgebeli, who will subsequently transmit these to the Company:

Lentekhi Municipality Gamgeoba King Tamar St №24., Lentekhi, Georgia Phone: +995 599 102928 e-mail: municipality.lentechi@yahoo.com	Kheledi Gamgebeli - Ana Bendeliani Kheledi village, Georgia Tel: +99 5 599 85 27 66
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The grievance mechanism will be coordinated by the CCO who will enter any received inquiries in the Project's Stakeholder Inquiry and Grievance Database (**Table 3**). Questions and requests that have not been answered to the satisfaction of a stakeholder twice will be escalated as grievances and will be addressed by a committee including the Company's environmental and social manager, the construction contractor's environmental and social manager, and Lentekhi/Kheledi Gamgabeli.

Both signed and anonymous inquiries might be received by the Company. However, if an inquirer would like to receive a reply, he/she has to provide contact details. Depending on the form of the inquiry, the CCO will reply as shown in the flowchart below, ensuring that the inquiry will not be closed until the party is satisfied with the answer or chose to follow further complaint procedures.

The Company will require its contactors to record any inquiries communicated to them and to transfer these to Kheledula Energy LLC for inclusion in the Stakeholder Inquiries and Grievance Database. Based on the nature of issues to be considered, the Company will engage the contractors as needed when managing the received inquiries.

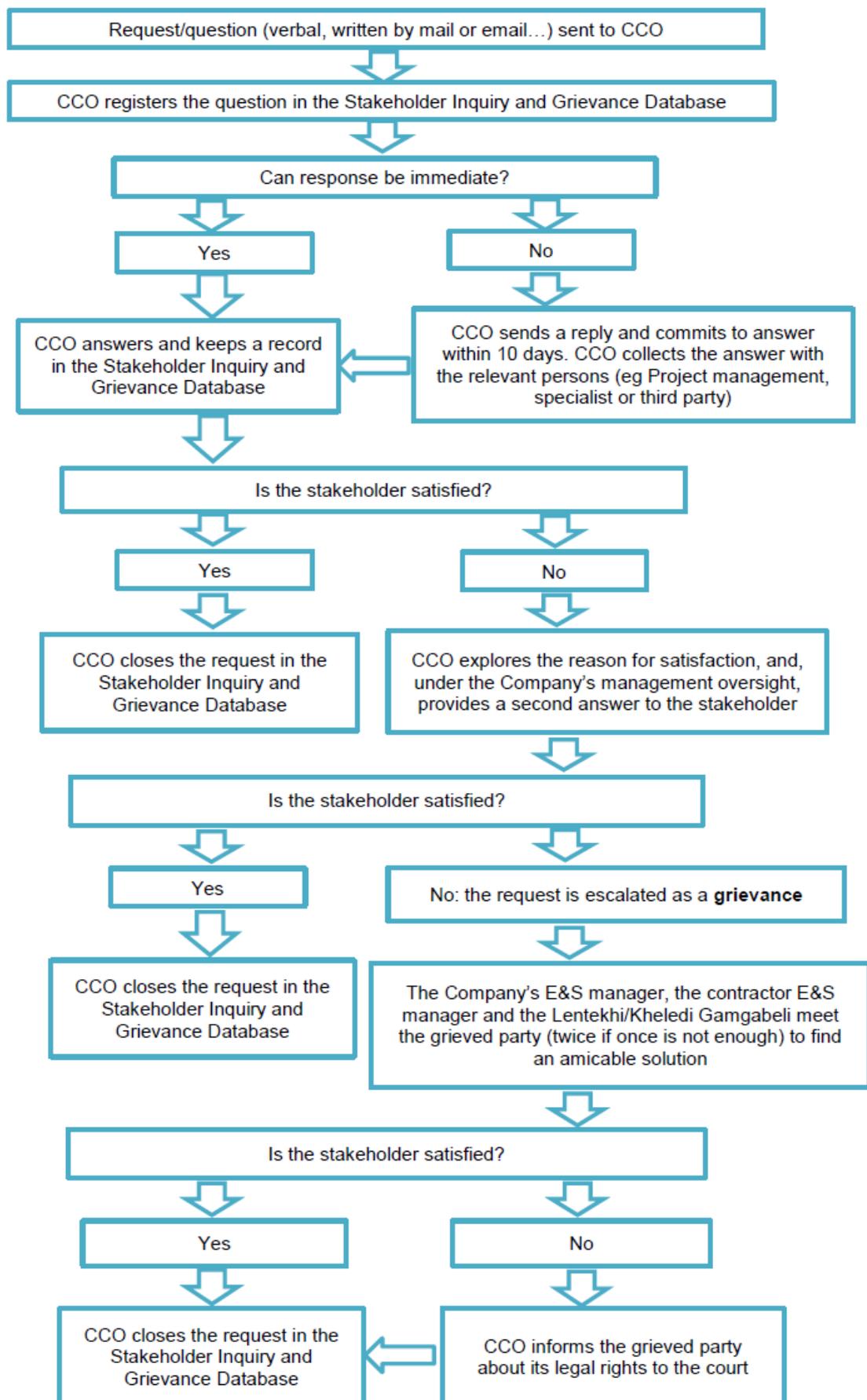


Figure 2. Kheledula-3 Grievance Mechanism Flowchart

9. MONITORING AND REPORTING

Successful stakeholder engagement depends on continuous effort, performance monitoring, analysis and adapting to changed circumstances and stakeholder information needs. A systematic record of all stakeholder inquiries, questions and grievances will be kept using the format in **Table 3**.

Table 3. Stakeholder Inquiries and Grievance Database

Date and #	Name / address	Category	Question /Grievance	Answer	Answer method & respondent name	Is response satisfying	Status (closed/open)
2018.10.22. INQ3 (<i>stands for third question on 22 October 2018</i>)		- local villager - PAP - Worker - Other			for example: Text to mobile, verbal, email, etc...	Yes/ now	If yes, this is closed; if no, further columns are added to the right

Kheledula Energy LLC will implement the SEP and monitor and analyse its efficiency. The following indicators will be used for monitoring and improving stakeholder engagement performance in support of the Project implementation:

- The SEP is in place, up to date and available to the public for comment;
- Actions listed in the Stakeholder Engagement Programme are completed as scheduled;
- Number of public consultation events and participants that attended them (protocols should be documented);
- Number of visitors to the PIC (when established) and topics of inquiries;
- Number of stakeholders' comments and suggestions received by the proponent through various feedback channels;
- Type/category of stakeholder comments and suggestions addressed by the Company and through what means;
- Number of publications /broadcasts on the Project implementation process in local, regional, and national media;
- Number of stakeholders' grievances received regarding the Project and their categories (employment, land use, environmental issues, labour relations, etc.);
- Number of grievances resolved within the maximum established timeline; and
- Number of grievances remaining unresolved.

10. FREQUENTLY ASKED QUESTIONS TABLE

Kheledula Energy LLC will maintain and regularly update the following FAQ table. This table will be reviewed monthly and updated with the Company management if necessary, based on the type of questions asked by stakeholders registered by the CLO. The objective of this table is to ensure that consistent answers are provided to stakeholders.

Table 4. Frequently Asked Questions (FAQs)

#	Question	Answer
1.	Who is the developer of the Project?	The Project is developed by Kheledula Energy LLC, a company registered in Georgia.
2.	Does the developer have experience in hydropower in Georgia?	The developer has experience in hydropower in Georgia, as it already developed and now operates Paravani hydropower plant.
3.	When will construction start?	The construction will start in 2018.
4.	How long will the construction last?	The construction will last for 3 years.
5.	Does the hydropower scheme create a risk for the population?	An environmental and social impact assessment was conducted and is available in Georgian in Kheledi and Lentekhi. The main risk during the construction is related to the increased traffic.
6.	Will the developer and the contractors follow the law?	The developer and the contractors will not only follow the law, but will also follow international standards.
7.	As a worker, can I have a job?	The construction will be implemented by contractor who will need workers. Job opportunities will be posted on the notice boards in Kheledi and in Lentekhi government offices.
8.	Are there specific conditions to be met in order to get a job?	<p>Yes. If there is an opportunity for you to be employed you will need to:</p> <ul style="list-style-type: none"> • provide evidence of any license or qualification that you need to have for the proposed job (for example, truck driving license for a truck driver). • follow the Health, Safety and Environment rules applicable on the worksite. • accept to be hired in compliance with the national legislation rules.
9.	As a contractor or service provider, can I get contracts in relation to the Project?	Provide your contact and references to the Company [contact: +995 577 404499], who will be able to discuss this with you.
10.	Will people be expropriated or relocated?	No expropriation or relocation will happen.
11.	If I have a problem in relation to the Project, what can I do to have it solved?	Raise your concern to the CLO, who will assist you to solve your problem. In case this is not enough, a grievance mechanism is in place to ensure amicable solutions are sought.
12.	Will people get compensations?	People whose assets or goods are impacted will receive compensations that cover their losses.
13.	Will the river be dried like downstream Tsageri dam?	No, a minimum environmental flow suitable for aquatic biodiversity will be maintained.

Table 5. Register of enquiries during public consultation

Date	Place	Stakeholder (name or interest in the Project, gender)	Enquiry	Response provided (if any)