



Dariali Hydropower Project

Stakeholder Engagement Plan

JSC Dariali Energy
4 Besiki Street, Office 206
Tbilisi, Georgia 0108

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1. Introduction

Dariali Energy (DE) JSV has developed the Dariali Hydroelectric Power Plant (HPP) Project in the Kazbegi Municipality District of Georgia. The plant is a run-of-river, 108MW-capacity hydropower facility that includes a spillway dam and an intake structure that will divert the water into a settlement basin and a 5km headrace tunnel to an underground powerhouse where turbines will generate electricity. From the powerhouse, a tailrace tunnel will take the water to the intake of the Larsi HPP Headworks. Electricity generated by the power plant will be connected to the Georgian State Electosystem National Grid via Dariali 110kV transmission line.

This Stakeholder Engagement Plan is an update of the original SEP prepared in 2014. The original SEP was part of a disclosure package that includes:

- Environmental and Social Impact Assessment Report (ESIA) 2011
- Impact of Dariali HPP on Kazbegi National Park Traditional Use Zone, 2013
- Expert Advice on Terrestrial Biodiversity Conservation, Land Take and Compensation 2013
- Expert Advice on Aquatic Biodiversity Conservation, 2014
- Non-Technical Summary (NTS)
- Environmental and Social Action Plan (ESAP).

The HPP is being commissioned in early 2017 and will reach full operation by summery 2017. This updated SEP and other documents will be added to the earlier disclosure package and will be available for review at the following locations:

- The headquarters of Dariali Energy: 4 Besiki str. Tbilisi. Georgia, office 206,
- The local office of Dariali Energy at the Control Building of Dariali HPP located near Larsi customs checkpoint
- Dariali Energy website: www.darialienergy.ge;
- EBRD London: One Exchange Square, London UK, EC2A 2JN
- EBRD Tbilisi office: Merani Business Center
31a Griboedov Street, 6th Floor
0108 Tbilisi, Georgia EBRD website: www.ebrd.com
- Dariali Energy website: darialienergy.ge
- Administrative building of Kazbegi Municipality – the village of Stepantsminda, Kazbegi st. №1.

This SEP details Dariali Energy’s planned consultation with all project stakeholders.

2. Environmental and Social Issues

An Environmental and Social Assessment (EIA) prepared and disclosed in 2014 described the potential environmental and social impacts of project construction and operation in detail. The primary impacts associated with operation of Dariali HPP will be associated with the reduced flow in the Tergi River during the dry season. During this period, flow may be as low as 2.54 cubic meters per second (m³/sec), which is about 10 percent of the average year-round flow. This will reduce the width and depth of the river from late autumn until early spring. A fish pass will allow trout in the river to migrate upstream in the autumn and downstream in the spring. Dariali Energy monitors fish migration and is implementing an Adaptive Management Plan to control impacts on the river.

The other main impact will be slightly increased traffic on the Military Highway due to project traffic. This traffic would include only a few trips per day between the headworks and the Larsi HPP, so will have no significant impact on existing traffic.

The project will have a positive effect on the local economy, as about 50 local people will be employed full-time. In addition, the company will buy small amounts of goods from local merchants. [Suggest adding a couple of sentences on other positive things the company will do – scholarships, etc.]”

Dariali HPP will also contribute a total of about 5 % of electricity per year to the Georgian electrical system, which will increase current generation capacity by about xxx percent.

3. Purpose of the Stakeholder Engagement Plan

This updated SEP has been prepared to:

- Meet applicable requirements for public consultations and information disclosure
- Identify project stakeholders
- Describe the format and timing of future consultations and information disclosure;
- Provide a mechanism that can be used by stakeholders to comment or express concerns about the project and the company.

4. Stakeholder Engagement- National and International Regulations and Requirements

The SEP defines actions that have been and will be taken by Dariali Energy to communicate with stakeholders, guided by the requirements of:

- Performance Requirement 10 of the European Bank for Reconstruction and Development’s Environmental and Social Policy (2008)

International Convention on Public Participation, in particular the Aarhus convention.

4.1 National Requirements Regarding Stakeholder Engagement

Georgian legislation provides a general legal framework governing the public disclosure of information on environmental issues but it lacks any specific requirements related to the design and organization of the stakeholder consultation and engagement process.

The Constitution of Georgia guarantees public access to information and states the right of an individual to obtain full, unbiased and timely information regarding his/her working and living environment. Public participation in project development is regulated under the Law on Environmental Impact Permit.

The requirements of Georgian law were fully met in 2011 and 2012 when the original 2011 EIA was disclosed for public review. Georgian law does not require public consultations or information dissemination during the construction and operation phases.

4.2 EBRD Requirements for Stakeholder Engagement

The project will also comply with the requirements for stakeholder engagement in EBRD's Performance Requirement 10 (2008), *Information Disclosure and Stakeholder Engagement*. PR 10 further requires:

- Identification of people or communities that are or could be affected by the project, as well as other interested parties
- Appropriate engagement of stakeholders on environmental and social issues that could potentially affect them through a process of information disclosure and meaningful consultation
- Maintenance of a constructive relationship with stakeholders on an ongoing basis through meaningful engagement during project implementation.

EBRD required that the ESIA be made publicly available for comment in 2014. EBRD further requires that the ESIA remain in the public domain.

In addition, EBRD requires that the projects it supports conform to the spirit, purpose and goals of the United Nations Economic Commission for Europe (UNECE) *Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters* (the Aarhus Convention).

5. Project Stakeholders

Project stakeholders are individuals or groups who:

- Are affected or likely to be affected directly or indirectly by the project (affected parties)
- May have an interest in the project (interested parties).
- Have the potential to influence project outcomes or company activities.

Stakeholders may be individuals or groups, or may be represented by organizations or officials. This project's stakeholders include:

- Population of the area, including town Stepantsminda, villages Gergeti, Tsdo and Gveleti residents, Larsi frontier/customs employees.
- NGOs and other public initiative groups who have expressed interest
-
- Ministries and departments
- Businesses who may sell products to the company
- Potential contractors
- Prospective employees of Dariali Energy and contractors.

A more detailed list is provided in Annex 1.

6. Future Stakeholder Engagement

Stakeholder engagement will be two-way, with information provided to stakeholders by Dariali Energy, and with a mechanism to allow stakeholders to communicate their comments and concerns to the company.

6.1 Information Dissemination by Dariali Energy

Dariali Energy will provide information to the public in the following ways:

- Publication on its website of information related to water flows in the river and fish passage through the fish pass.
- ■ A meeting with stakeholders will take place by the end of April, 2017. Detailed information about the date, time and location of the meeting will be announced few weeks earlier by the company's web-page. The announcement leaflets will be placed in Kazbegi municipality, local schools, Dariali Energy Kazbegi office, Agency of Protected Areas of Georgia, Kazbegi National Park Administration. The purpose of the meeting will be to describe the project, its benefits, contribution to the Georgia's electro system, present fish pass operation benefits and results of fish monitoring. The meeting will be announced by flyers, company's web-page. In addition, key stakeholders will be notified by mail or email. Besides presentations and materials, representatives of Dariali Energy and of the consultancy which conducted fish monitoring will be available to answer questions.

Dariali Energy will have stakeholders meetings on annual basis. The meetings will be announced in the same way as described above. The company may also make presentations in local schools if there is sufficient interest and may publish press releases to present important information about the company and/or the project.

This updated SEP, the documents listed in section 1, and the following documents will also be available at the locations listed in section 1 and on the websites of EBRD (www.ebrd.com) and Dariali Energy (www.darialienergy.ge).

- Dariali Energy Environmental and Social Policy
- Environmental and Social Action Plan for the operations period (this plan has replaced the original ESAP, which was primarily for the construction period)
- Adaptive Management Plan [for aquatic biodiversity]

Reports of the results of fish and river monitoring.

6.2 Project Complaint Mechanism

Dariali Energy has implemented and will continue to implement a mechanism to allow stakeholders to communicate their concerns and comments.

- Website – www.darialienergy.ge
- Email: info@darialienergy.ge
- By regular mail to the address shown in sections 1 and 10.
- Handed directly to local office manager, security or management personnel at the entrance to the headworks or the powerhouse area.
- Telephone hotline: +99532 2510-500

Grievances may be submitted in any form, but must be in writing. An example form is provided in

Annex 2. The form will be posted on the Dariali Energy website (www.darialienergy.ge) and will be available at the local office of Dariali Energy.

Anyone may submit a complaint with no cost, and can do so with no fear of retribution. All comments and complaints will be handled through a formal procedure, with steps to include:

- Assignment of a number and recording in a logbook. Information to be recorded includes date, complainant name and contact information (unless anonymous), complaint, person in the company assigned responsibility.
- Acknowledgement to the complainant (if not anonymous) that the complaint has been received.
- Investigation of the facts by the responsible party. Main findings of the investigation will be presented in a memorandum to company management and recorded in the logbook.
- Proposed action(s) to be taken to resolve the issue. This will be described in detail in the memorandum to management.
- Decision by management on action(s) to be taken. The General Director will have the final authority to decide on the resolution.
- Communication of proposed resolution to complainant (unless anonymous). This may lead to one or more rounds of negotiation and reconsideration.
- Statement of satisfaction by the person who lodged the complaint, or a reason for non-resolution of the complaint.
- Implementation of proposed action(s).
- Recording of key facts regarding communications and implementation in the logbook, including the date of closure.
- Monitoring of the action(s) taken, if any, to ensure they achieve the goal(s).

Complaints will be resolved as soon as possible, with a goal of no more than 10 to 15 days. If it will take longer than 15 days to investigate and resolve a complaint, the person who made the complaint will be informed, and informed again every 15 days after that until the complaint is resolved. If a person lodging a complaint wishes to remain anonymous, Dariali Energy will follow the same steps, except of course they cannot acknowledge the complaint or report to the complainant on its resolution. Every effort will be made to resolve even anonymous complaints.

It is important to note that some complaints may be beyond the scope of this mechanism and will have to be directed to other parties. These include:

- Complaints clearly not related to the project.
- Issues related to governmental policy and government institutions. These should be directed to the relevant government institution.
- Complaints constituting criminal activity and violence. These should be directed to the justice system
- Labour-related grievance. These should be made through the separate mechanism established through Dariali Energy's human resources policy for company employees, contractors, subcontractors and suppliers. Commercial disputes. These will need to be dealt with according to contracts through any of several commercial resolution mechanisms or

civil courts.

If such complaints, Dariali Energy will notify the person who made the complaint that the company will not consider the complaint and advise them to submit it to the proper person or institution.

7. Monitoring and Reporting

The SEP may be revised if needed, and the updated version will be posted in the locations listed above. The complaint logbook will be reviewed monthly by the Technical Director, who will raise issues with higher management as appropriate.

A summary of complaints and their resolutions will be reported to EBRD on an annual basis.

8. Contact Details for the Public

Contact person: Eka Kikadze

Mailing address:

JSC Dariali Energy
4, Besiki str. office 206
Tbilisi, Georgia 0108

Telephone.: +99532 2510-500 or +9955 51 503-300

email: e.kikadze@darialienergy.ge;

Annex 1

Key External Stakeholders

Residents and Administrations of Communities near Dariali HPP
Stepantsminda and village Gergeti
Village Tsdo
Village Gveleti
Larsi border checkpoint
Archangels monastery complex
Regulators and Other Government Agencies
Ministry of Economic and Sustainable Development
Ministry of Labour, Health and Social Affairs
Ministry of Environment and Natural Resources Protection
Ministry of Energy and Natural Resources
Agency of Protected Areas of Georgia and Kazbegi National Park Administration
Administration of Kazbegi Municipality
Nongovernmental Organizations
The Greens Movement of Georgia
Green Alternative
Mountain-Plain Union
Stepantsminda
Friends of Kazbegi National Park
Others
Fisher farmers: Sno basin and mouth of Tbaistkali
Local businesses

Annex 2

Example Form for Grievances

GRIEVANCE FORM	
<i>To be used for grievance(s) only. Should not be used to raise comments, suggestions, or/and inquires or other matters</i>	
	Please fill in this Grievance form in clear handwriting and submit through one of the following means:
INSTRUCTIONS	- By mail or by hand to Dariali HPP or Dariali Energy
	- By email to e.kikadze@darialienergy.ge
	- Hand to security or management personnel at the Project main
Name	First Name:
	Last Name:
	<input type="checkbox"/> I wish to raise my grievance anonymously (You can remain anonymous but we will not be able to contact you with a response to your concern)
Contact Information Please mark how you wish to be contacted and provide contact details).	<input type="checkbox"/> By mail (provide address)
	<input type="checkbox"/> By telephone (provide number):
	<input type="checkbox"/> By email (provide address):
Preferred Language of Communication	<input type="checkbox"/> Georgian
	<input type="checkbox"/> English
	<input type="checkbox"/> Russian
Description of Incident/Grievance	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Timing of Incident/Grievance	<input type="checkbox"/> One time incident/grievance (date...)
	<input type="checkbox"/> Happened more than once (how many times?....)
	<input type="checkbox"/> On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	
Signature	
Date submitted	

Annex 3

Dariali Energy JSC
Minutes of the Stakeholders Meeting

Location: Kazbegi Municipality,
Dariali HPP Project territory

April 30, 2017

Minutes of the Stakeholders Meeting

Title

Dariali Hydropower plant- Minutes of the Stakeholder Meeting

Date and Time of the Meeting

The meeting with the stakeholders was on April 30, 2017 on 11:00 am. The meeting was advertised few weeks earlier, 150 leaflets were spread to the local schools, municipality and other public institutions, NGOs, DE local office, Stpantsmida, Tsdo, Gveleti villages. Information was also available on the company's web page: <http://darialienergy.ge/en/stakeholder-engagement-activity/72>

Local NGO "Stepantsminda" was notified by email.

Purpose of the Meeting

Meeting with stakeholders, NGO, municipality authorities and all other interested parties;

Discussion of:

- ✓ Dariali HPP project (Dariali Energy team);
- ✓ Brown trout and water biodiversity of the river Tergi (Blue Rivers Environmental Consulting);
- ✓ Hydro-morphology, hydrology and mitigation measures of the river Tergi (Blue Rivers Environmental Consulting);
- ✓ Dariali HPP fishpass and its efficiency/functionality (Blue Rivers Environmental Consulting)

Location

Location of the stakeholders meeting: Kazbegi Municipality, Dariali HPP Project territory, near Dariali HPP fishpass.

Agenda of the Meeting

30.04.17

11:00 Opening remarks- Dariali HPP project discussion;

11:45 Blue Rivers Environmental Consulting-information about the Brown trout, hydro-morphology, hydrology, biodiversity and mitigation measures of the River Tergi;

Minutes of the Stakeholders Meeting

12:45 Blue Rivers Environmental Consulting- information about Dariali HPP fishpass and its efficiency/functionality;

13:30 Questions from the Stakeholders regarding the fishpass;

13:45 Closing of the meeting

Summary

The meeting with the stakeholders enabled to disseminate the detailed information about the Dariali HPP Project and about River Tergi, Brown Trout and Dariali HPP Fishpass and gave the opportunity to the stakeholders to receive the answers to their questions.

Dariali Energy represented the detailed information about the project from the construction phase up to date. There were no questions from the stakeholders.

Blue Rivers discussed the Brown trout and water biodiversity, Hydro-morphology, hydrology and mitigation measures of the river Tergi;

Stakeholders had a few questions about the fishpass efficiency. Blue Rivers discussed the benefits and functionality of the fishpass with the stakeholders.

List of attendants:

Konstantin Jordanishvili (Dariali Energy);
Eka Kikadze (Dariali Energy);
Vano Mchedlishvili (Dariali Energy);
Zviad Alavidze (Dariali Energy);
Temur Rusishvili (Dariali Energy);
Dr. Afanasyev (senior ichthyologist),
Mr. Golub (ichthyologist);
Olena Letytska (expert on invertebrates);
Dr. Alexei Iarochevitch (senior hydromorphologist);
Natia Dzeladze;
Kamkamidze Ilia;
Davit Giashvili;
Gvantsa Sultanishvili;
Zviad Chopikashvili;
Joni Epkhoshvili;
Ilia Ghudushauri;
Nugzari Jamarjashvili;
Avtandil Modebadze;
Vazha Ghudushauri;
Zviadi Vardzukashvili;
Kakha Sujashvili;
Mindia Tsiklauri;
Levani Jamarjashvili

Dariali Energy will have the public meetings on annual basis to keep the stakeholders and any other interested parties informed about the project's benefits and key ongoing processes.