



Prepared for:

16 MW Lakhmi 1&2 HPP

Stakeholder Engagement Plan

Prepared by:

Austrian Georgian Development

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INTRODUCTION

Lakhami HPP Cascade project (the "Project") is a hydropower scheme owned by Austrian Georgian Development (the "Owner") located in Svaneti Region of Western Georgia on Lakhami River.

The Project consists of Cascade including two HPP's, both have tyrolean weirs, diversion penstocks and power generation units with installed capacity around 16 MW. The closest village is Lakhami, located at adjacent to the powerhouse of Lakhami 2. The Project is located on the territory on Mestia Municipality.

The present document is the Stakeholder Engagement Plan (SEP) prepared by the Owner for the Project. Its implementation is a duty of the Project person responsible for E&S management, the Project ESHS Manager.

OBJECTIVE

The objective of the SEP is to ensure that relevant information is disclosed to all stakeholders interested by the Project. The SEP also includes a grievance mechanism aimed at offering an amicable resolution mechanism to issues faced by stakeholders in relation with the Project.

ROLES AND RESPONSIBILITIES

Roles and responsibilities for the implementation of this SEP are the following ones:

- **Fund ESG Manager** supervises and controls the preparation, implementation and regular update of the SEP. Since July 15th, 2020, Fund ESG Manager is Nana Berdzenishvili.
- **The Project's ESHS Manager**, namely the Owner's staff who was assigned the responsibility to organize and manage the ESHS compliance of the Project, prepares, implements and regularly updates the SEP. In 2020 AGD E&S Manager is David Koberidze.

COMPLIANCE FRAMEWORK

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 the Project, the Georgian legislation presently rules only the stakeholder engagement activities related to the environmental permitting process: as of 2018, there are no legal requirements applicable to the construction or operation phase.
- With the progressive integration of the EU legislation into the Georgian legislation, the Project is likely to see new stakeholders with whom it will have to engage, such as the basin agencies. The SEP will for that reason be updated on an annual basis.

International Financing Institutions Requirements

The Project is subject to IFC Performance Standards and to EIB Environmental and Social Standards. These standards can be summarised as follows:

- Stakeholder consultation as an ongoing process continuing throughout the life of the Project.
- Stakeholder engagement involves (i) stakeholder identification, (ii) proactive stakeholder engagement, (iii) availability of a grievance mechanism open to all, and (iv) regular monitoring.
- The nature and frequency of stakeholder engagement actions is proportionate to the nature and scale of the project, its potential adverse impacts, and the level of public interest.

IDENTIFICATION OF STAKEHOLDERS

Categories of stakeholders

The Project stakeholders include all people who have a direct or indirect interest in relation with the Project:

Local stakeholders

- Local residents living in Lakhmi Village
- Local business holders

Parties affected by the Project activities:

- Neighboring communities
- landowners
- land or natural resources users (pastureland, forest)
- ecosystem services users

Government and local authorities

Civil society

Vulnerable stakeholders

Vulnerable stakeholders are stakeholders who, for a variety of individual reasons, might be disproportionately affected by the Project or might have difficulties to assert their rights. They include:

- 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.
- People who might have difficulties to access information or might need specific assistance to assert their rights.
- People exposed to COVID-19

STAKEHOLDER ENGAGEMENT ACTIONS

Preparatory activities

These activities are to be implemented during the operation of Lakhmi HPP

Activity	Media	Key Message	Targeted Stakeholders
Webpage	Public engagement through the web	Description of the project E&S Impact	All stakeholders
Maintain a stakeholder register	Internal register	Record of all stakeholder engagement activities and enquiries. Keep a minute (see Form 1 at the end of the SEP) of specific meetings.	All stakeholders.

GRIEVANCE MECHANISM

The implementation of the proposed Project may potentially lead to disagreements or disputes. In order to timely and effectively prevent them, or help resolving them in an amicable way, the Project has established a permanent mechanism for receiving and handling stakeholders' grievances and concerns.

The Project's grievance mechanism is open to all stakeholders, notably the PAPs and workers. Only inquiries related to the Project activities are eligible. They can be sent to the Project ESHS Manager verbally, in writing, via email or telephone.

The grievance mechanism will be coordinated by the Project ESHS Manager who will enter any received inquiries in the Project's Stakeholder Inquiry and Grievance Database (Table 1). 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 Project Owner representative, a third party proposed by the complainant, and an elected representative of the nearest community. If this committee cannot answer satisfactorily the complainant twice, the complainant is informed about its right to the court.

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 Project ESHS Manager will reply within 10 days to the complainant, ensuring that the inquiry will not be closed until the party is satisfied with the answer or chose to follow further complaint procedures.

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

STAKEHOLDER ENGAGEMENT REGISTER

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 1.

Table 1. Stakeholder Inquiries and Grievance Database

Date and #	Name / address	Category and gender	Question /Grievance	Answer	Answer method & respondent name	Is response satisfying	Status (closed/open)

MONITORING

Regular monitoring

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

Indicator	During the month	Since beginning of the project
formal meetings held		
number of queries received		
cases:		
number of queries closed		
average time to answer queries		
% of queries answered within 10 days:		
% of queries elevated as grievances		
number of courts launched/closed		

Gender balance

The Project ESHS Manager will monitor the participation of women across the stakeholder engagement events organized by the Project. If a systematic imbalance is observed in general or for some specific types of events, the Project ESHS Manager will take measures to rebalance the Project's engagement with men and women.

REVISION

The SEP is reviewed annually by the end of January (and updated if deemed necessary) by the staff responsible for the E&S management of the Project.

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FORM 1: MEETING NOTES

Date: _____ Place: _____

Written by:

Participants (Name, last name, position): Total number: _____ M : _____ F : _____

-

-

If available, appendix the whole list of participants.

Objective of the meeting and agenda:

-

Topics discussed:

-

-

Points raised by the Company:

-

Points raised by other stakeholders:

-

Decisions made and follow-up actions:

-

Actions to be undertaken by the Company as a result of the meeting:

-

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FORM 2: GRIEVANCE FORM

Complainant Name, Last name:

Quality (citizen, worker, PAP, representative of an organization...):

Place of residency:

ID document: type and number:

Contact (email, telephone)

Grievance (description as per the complainant):

Preferred communication

Phone Verbal Mail e-mail

Date when the grievance was registered: _____

Signature of the Project representative _____ Signature of the complainant _____

Person responsible for responding to the grievance: _____

Deadline to respond _____

(not later than 10 calendar days after the grievance was registered):

Investigations to be carried out further to the grievance:

-

-

Response to the grievance:

-

-

Date of the response: _____

Grievance closure date: _____

Written by: _____