Preamble

Adjaristsqali Georgia LLC, AGL, a subsidiary of Norwegian Clean Energy Invest (CEI) plans to arrange a three-step HPP cascade on the River Adjaristskali in Autonomous Republic of Adjara. Cascade assumes construction of the Shuakhevi (185 MW), Koromkheti (150 MW) and Khertvisi (65 MW) HPPs. In 2013 the company obtained a license on Shuakhevi HPP and launched construction works.

The Shuakhevi HPP project has been funded by Asian Development Bank, International Finance Corporation and European Bank for Reconstruction and Development.

A majority of local population protests the construction of Shuakhevi HPP for various reasons, including the issues related to the land and water “grabbing”, geological risks posed to local population because of the construction works, employment problems, etc.

The purpose of the present document is to assess the project’s gender impacts on affected population as well as to evaluate whether the project related documentation and construction process meets the requirements of the international financial institutions.

Research methodology

The present study is based on the materials of the Green Alternative’s fact-finding mission trip, as well as the analysis of the Shuakhevi HPP project related documentation and monitoring reports.

In 2016, within the study Green Alternative interviewed population of three villages – Ghurta, Kinchauri and MakhalaKideebi – impacted by the Shuakhevi project. 34 in-depth interviews enabled us to obtain comprehensive, in-depth and diverse information regarding the project’s gender aspects. During the interviews not only gender balance was ensured (17 women and 17 men) but also social and economic situation was taken into account. We interviewed both people employed at the Shuakhevi project and other locals.

Project description

Shuakhevi HPP project is one of the six HPP projects planned on the Chorokhi and Adjaristskali rivers being implemented by the Adjaristsqali Georgia LLC. The company is owned by the Norwegian Clean Energy Invest (40%), Indian Tata Power (40%) and International Finance Corporation (20%). The project is funded by the European Bank for Reconstruction and Development (USD 87 million)1 and Asian Development Bank (USD 15 million)2. The Government of Georgia signed agreement with Norwegian Clean Energy Invest on June 10, 2011. The agreement contains number of confidential articles, including issues of public interest, such as electricity tariffs and economic feasibility of the project.

The agreement envisages arrangement of a three-step HPP cascade on the river

2 https://www.adb.org/projects/47919-014/main#project-pds
Adjaristskali in Autonomous Republic of Adjara: Shuakhevi HPP (185 MW), Koromkheti HPP (150 MW) and Khertvisi HPP (65 MW). Presently, the works are underway on the first step of the cascade – Shuakhevi HPP. The company has already obtained a construction permit (and respectively an ecological expertise conclusion).

The project assumes construction of a 22-meter high Skhalta dam (19.4 hectare reservoir), a 39-meter high Didachara dam (16.9 hectare reservoir) and weirs on the rivers Adjaristskali, Skhalta and Chirukhistskali. Diversion is planned through diversion tunnels (three tunnels will be arranged: 5.8 km, 9.1 km and 17.8 km in length), while construction of the power units are planned in the headrace of the Skhalta reservoir (9.8 MW) and in the upper part of confluence of the rivers Acharistskali and Chvanistskali (175 MW) near Shuakhevi municipality.

Social-Economic Situation in Upper Adjara

The social-economic situation is grave in Upper Adjara. According to the latest statistical data, the population of Adjara Autonomous Republic is approximately 337 thousand persons out of whom 150 thousand lives in rural areas. The major problems faced by the rural population are poor infrastructure, bad quality roads, low employment rate, especially among the youth, etc. Due to these reasons, a vast majority of locals (mostly men) leave for Turkey or large cities of Georgia (Batumi) to find seasonal or permanent jobs. Migratory processes are especially active during the summer months.

Within the impacted area of the project appeared villages Didachara, Kvatia, Tsaflana, Ghurta, Akhaldaba, Chanchkhalo, Pachkha and Makhalakidzebi. Majority people living in these villages are Muslims.

Despite severe social-economic conditions, in the villages affected by the Shuakhevi project (Makhalakidzebi, Kinchauni and Gurta) live on average 5-7 persons in each household; there are also households with even 10 persons.

Each village has its own school and kindergarten, but in number of cases, for example, in the village of Kinchauni, a kindergarten fails to meet necessary needs. The quality of education in schools is extremely high verified by the number of young people enrolled in universities from these schools (6-7 out of 10 pupils continue their studies at higher educational institutions).

Distribution of respondents appeared to be very interesting in terms of education.

![Bar Chart](image)

The role of women in mountainous regions of Adjara

Women in Adjara are mostly responsible for housekeeping, cultivating vegetables and grains, as well as taking care of their children and old people. A part of women are employed in the public sector – schools, kindergartens, medical centers. Adjarian women acknowledge that despite other family members are also involved in housekeeping; main workload of everyday work falls on them, especially in cases when women are employed officially.

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4 14 women and 14 men were interviewed.
Men are mostly responsible for earning money, as well as ploughing and sowing, potato cultivation and supplying firewood. Men often leave for Turkey to find various seasonal jobs. In this case, burden on women becomes even heavier. In a number of cases, women also leave for Turkey to find seasonal jobs.

It should be noted that due to peculiarities of Adjara’s mountainous regions, majority of local population lives on erosive slopes; some of these families have been already resettled for several times. In these families, women are deeply concerned about possible threats posed by the HPP construction.

Chapter 7 of the EIA report is dedicated to the social impact assessment, including gender aspects, but without actual gender assessment of the project. Two chapters are dedicated to the gender issues in the EIA report – “7.2.2.4. Women’s Rights and Gender Equality” and “7.3.9 Gender Equality”. According to the subchapter “7.2.2.4 Women’s Rights and Gender Equality”, the Article 14 of the Constitution of Georgia protects equal rights for women and men and the subchapter “7.3.9. Gender Equality” states that up to 50% of those employed in Adjara are women, who are mostly employed in education system and agriculture. It is also noted that traditionally women are involved in housekeeping that limits their access to loans; however, the report does not clarify what impacts the project will be having in terms of gender aspects.

The environmental impact assessment report notes the responsibility of the company to ensure gender equality: “Efforts will be made to provide local gender equality benefits through including a quota for the number or value of contracts provided to local female business owners or partners in areas such as cleaning and catering for example. The enhancement measures specified to promote local employment and procurement are expected to result in a minor beneficial induced development impact.”

In general EIA fails to reflect the social-economic damage caused to the affected villages as well as to ensure women’s involvement in the project (see the chapter on participation) and gender mainstreaming. The report actually does not involve gender impact issues, although the environmental and social policies of international financial institutions envisage the project’s gender assessment. The banks made a decision on funding the project without analyzing the above mentioned issues.

**Public participation in decision making process of the project**

Decisions related to the local issues are made by the people’s assembly in Upper Adjara. According to the population, before launching the HPP construction, assembly meetings were held mainly once a year; but since the launching the project, such meetings are being held more often, as construction of tunnels causes certain problems to the villages and raises need to be gathered. Public representatives, chairpersons and so called mini-gamebeli (Governor in Ghurta) notifes locals about the planned meetings in the center of the village via phone or posting relevant announcements in the village.

Vast majority of participants usually are men on the meetings. Women almost never participate in decision making process. They think that it is a prerogative of a man. “My husband and grandpa attend such meetings and issues are solved with the involvement of the men; we, the women, do not attend. It is natural in our village and women even do not have any desire (Makhalakidzebi, a female respondent, 24).” They also note that women are mostly involved in routine activities: they take care of children, clean the house, cook and therefore they have less time to participate in meetings. Moreover, they do not have any desire to do it. Even those women, who attend meetings, are less involved in decision making and discussion.

**Public awareness**

Despite the fact that implementation of the Shuakhevi project was launched in 2013, part of the population is still not aware about the design of the project and/or its possible impacts. For example, the population of Makhalakidzebi and Kinchauri learnt about the construction of a tunnel in the village only after it was built. A part of respondents claim that they are still not aware about the plans of the state and the company, in particular, what the project contract envisages. Most of them only know nationality of the investor and the company winning the tender. Most respondents noted that they have not participated in public discussions. People mentioned meetings on HPP-related issues but only after holding the protest rallies and blocking the roads in these two villages.

One of the main problems named by the population is the fact that they do not know what they should expect from the project, what threats or benefits it will bring. When the population raises issues related to the threats, the company or local authorities fail to provide a comprehensive answer, saying only that there are no threats.
Although the level of awareness about the project was low in the village, it appeared that women have even fragmented information received from their family members and neighbors.

**Women’s participation in project-related public discussions**

All respondents, with whom we talked, noted that stemming from religious belief and social-cultural peculiarities, participation of Adjarian women in all types of decision making, including in rural and community meetings, as well as in rural program planning is extremely limited.

Regretfully, this issue was not studied during the process of environmental impact assessment; thus, not a single woman from three interviewed villages has participated in the process of project-related public discussions. In addition, commenting on poor involvement of women, some men even declared that “Women cannot express their opinions freely.” As a result only men were attending the public discussions.

Unfortunately, the project developers did not take relevant steps to ensure women’s participation in decision making process representing violation of policies pursued by international financial institutions.

It should be noted that although women and children participated in the project-related rallies, they did not participate in discussions, because, as they claim, it is not acceptable in their communities. Those individuals, who were elected by the population to represent these three villages in negotiations with the company and the Adjarian government, are only men. Although the population has elected its representative to negotiate with the company and local authorities, majority of the population believe that these consultations yield no results and are only aimed to drag time.

Respondents from Ghurta village explain that number of meetings were held in Khulo Municipality before and after launching the project with the participation of the representatives elected by the population, members of the company and local authorities. After each meeting, representatives of villages were providing them with information discussed during the meeting. In total 6-7 meetings were held and on each meeting they were discussing conditions of a memorandum, based on which the company was taking obligation to compensate the damage to the population caused by the construction works. “We were reaching an agreement on a certain issue, but at the next meeting they were bringing a worse version of the contract. Finally they brought the worst one – it contained nothing that we had agreed on. Since then I have not participated on this meetings. It was a year and a half ago (65-year-old man from Ghurta).”

During these meetings the population also raised the issues related to the geological risks and water, but project developers were not taking them as threats. “The meetings were poorly organized. They talked to us mockingly; reaching an agreement was not their goal. As a result Meetings were thwarted or were ending with loud conversations (Ghurta, 65-year-old man).”

Locals explain that initially they were using the project’s complaint mechanism and were sending written complaints to the project developers. But because there was no reaction on their complaints, they decided not to file complaints any more. “They have never responded to our complaints and the more complaints are filed, the more it will play into their hands (Kinchauri, 44-year-old man).”

**Protest rallies**

Before launching the construction of a tunnel, the company signed a memorandum with the population of Makhalkidzeebi village in May 2015. Locals claim that because they did not know much about the project impacts, they signed the memorandum. The first rally village held in July demanding employment opportunities for the locals. As a result, 40 persons were employed.

In 2016 the population began a series of rallies demanding mitigation of the project’s negative consequences. A statement requiring compensations, geological investigation and safety maps have been filed. Local villagers blocked the tunnel construction for 15 days keeping vigil inside it.

The local governor was meeting people only during the protest rallies. On their last protest action the population was threatened not to dare to hold a rally again, otherwise police would have to use force to disperse them as blocking the construction works were causing damage to the company. Women were also actively participating in rallies. According to locals women participation would have prevented police from using force.

The similar situation has been observed in the villages of Kinchauri and Tsablana. Three years ago, when construction of the tunnel started in Kinchauri, local population had no information about the negative consequences and only after
launching blasting activities, locals started protest rallies. As a result, the population of Tsablana was paid compensation, majority of them got jobs; however, this did not happen in the village Kinchauri. Since then, the population has started blocking the roads for already two years, holding protest rallies, but the promises given to them remain unfulfilled.

The series of protest rallies against the project were held in the village Ghurta as well. The first rally was held upon the launching the HPP construction, on March 8, 2013. The reason for that was the fact that the village was not even mentioned in the project documentation. Majority of the locals attended the rally. Deputy Energy Minister, Ilia Eloshvili ordered police to disperse the protesters. Police used force against locals, regardless of their gender and age. Many children and women got injured during the violence.

The key demand of the population is to investigate geological risks posing the threat to the village and, in case if living in the village is safe, to give official guarantees to the population that in case of damages it will be compensated adequately.

According to the Ghurta villagers at this point any protest is already late, because “the light is already seen at the end of the tunnel and it has no sense to hold it. If we were united at the beginning and others also joined us, they could not had managed to disperse us and the HPP would not had been built. Our hearts hurt, but it has no sense now (Gurta, 65-year-old man).”

**Project-related risks and deteriorated livelihoods**

All respondents express worries over the fact that drilling and blasting works conducted by the construction company have increased risks of landslide processes. It is notable to mention location of the Makhalakidzeebi village as the tunnel is expected to pass only 100 meters away from the village, in a high landslide prone area. “Now rocks are falling down from the mountain and there was a case, when a rock almost hit the children playing in the yard.” Locals are especially afraid of rains. “When it was raining, we were standing outside because we were afraid of a landslide (Makhalakidzeebi, 32-year-old woman).”

Women from the Makhalakidzeebi village express their concerns over the fact that their children cannot go to school alone and they feel very nervous about it. It notable that the company conducts drilling and blasting works without any preliminary notifications. Rapid and uncontrolled movement of the company’s heavy trucks is another threat posed to children, local women stated.

It is noteworthy to mention a similar incident that took place already in Tsablana, when a lot of people died as a result of the mountain collapse after using the blasting works proposed for construction of the road (the village of Makhalakidzeebi is located on the other side of the same mountain).

The same concerns have been expressed in the Kinchauri village, where the school is located along the road and rapid movement of the heavy trucks pose danger to the children. There was already case when a vehicle hit a building of a local store and killed a cow. Moreover, rapid movement of vehicles on a gravel road disperses dust that represents additional impact for both humans and crops.

Therefore, the workload on women increases as they feverishly control the movement of their children in the village. Male respondents say that the company committed itself to ensure road safety and even asked the population to write down the plate numbers of those vehicles that over-speed and then hand them over to police. But, no reaction has been followed. In contrary a year and a half ago when the position of flaggers was abolished the situation even got worse.

The locals, especially women, express their deep concerns over the water problems as well. The launching of drilling works using blasts caused drying of many springs and the majority of the rural population are left without drinking water; 7-9 springs dried in Kinchauri and 4-5 springs - in Ghurta. In the village of Makhalakidzeebi, on the right bank of the river, there have been left only 9 families with water but gradually they are losing it as well. The construction of the tunnel led to drying the lake on the top of mountain in Kinchauri while dried springs broke out in other places. On one hand, the population fears that this process may reoccur and damage their houses. On another hand, the population has to use water from the river instead. It is notable that often women have to bring water from far distances.

Movement of heavy trucks is causing serious damage to the local roads without further rehabilitation. The company gravels only those sections of roads, which it needs while the state is not conducting rehabilitation works until the construction is over. In all three villages the population fears that the company may complete the HPP construction and leave the roads damaged.

Blasting has also increased noise and vibration in the villages and caused air pollution, because leftovers after the blasting are thrown and left along the river banks creating the dust. Uncontrolled movement of heavy trucks even worsens further the existing situation.
As a result of blasts in the tunnels residential houses were damaged as well - Wooden houses leaned aside while cracks appeared on stone houses. The worst situation is in the Makhalakidzeebi village where the tunnel passed very close to the houses causing cracks to most of them.

Construction works significantly increased women’s workload as a result of deteriorating the livelihoods (dust, noise, limited access to water resources). Moreover, in those families, where men are employed because of the 11 hour shift, the entire burden falls on women.

Locals express concerns regarding the impacts of high-voltage transmission lines on their health, cattle and crops. For example, in the Kinchauri village, a high-voltage line passes near the school and people worry that it might have adverse impacts on their children’s health.

Negative impacts caused by the project on population are already quite high. Male respondents claim that because of the construction works fish disappear in the river. The main reason is contamination of the river. “Previously, locals were actively involved in fishing in the villages of Kinchauri and Makhalakidzeebi, but as it is said taste of the fish changed in those rivers thus no one is fishing there. In other rivers fish disappeared at all, because of the contamination of the water.”

Benefits for the village from Shuakhevi HPP project

The developer of the Shuakhevi HPP project has not taken the responsibility to supply electricity to locals at preferential tariffs. Despite the fact that locals from Upper Adjara region have physical access to electricity, the quality is very poor and supply of electricity depends on weather conditions (power supplies are cut especially in bad weather – during rains or winds). An average monthly electricity expense of households amounts GEL 30-40, because population uses non-efficient light bulbs and equipment. Locals use firewood for heating and cooking purposes that requires approximately GEL 300-400 per year. In addition, women collect brushwood and firewood. Permanent use of firewood increases internal pollution of the house and causes adverse impacts on the health, especially on women and girls.

Project impacts on employment

The main sources of income for the rural population are agriculture, cattle breeding and working in tea plantations in Turkey. Only few women work at schools, kindergartens and medical centers.

The HPP construction provided job opportunities mostly for men. Before launching the project the company arranged training courses for acquiring necessary construction skills and raising qualification. There was a demand mainly for men, while the quotas for training and employing women were extremely low. Respondents claim that more than a half of population of these villages participated in the trainings, but unfortunately only few of them got jobs causing discontent among the population. According to them they wasted money, energy and time to attend the training: “They attended the training for more than a month, spent at least GEL 300 and only few of them got jobs (Ghurta, 51-year-old man).”

According to locals mostly Turkish citizens are employed on the construction works exceeding almost twice the locals employed by the project.

The villagers claim that trainings lasted for 1-1.5 months with emphasis on observing safety rules mainly, whereas less attention was paid to obtaining skills in any profession or work activity. Furthermore during the hiring process no attention was paid on knowledge acquired on trainings. It should be noted that a lot of people got jobs only through interviews or decision of the rural governor (gamgebeli) or they were selected at the local meeting without undergoing any training courses. The main criterion for selecting the candidate at the meeting was low income of a family.

The company has announced a certain number of positions for each village. For example, six positions were allocated for the Kinchauri village and only six persons got jobs from the entire village. In addition, the company hired a lot of people for only three months and then dismissed them citing the need for others to get jobs.

Women constitute 5% of those employed in the project; they work as cooks, waitresses and cleaners in the workers’ camp. According to one of the respondents, “women tried to get some jobs, but they were told that there were no jobs for women. I wanted to work as cleaner, but there is no job position (Kinchauri, 25-year-old woman).”

The population says that currently the company started abolishing positions. For example, all positions of flaggers were cancelled in the village of Makhalakidzeebi last December: “My husband worked as a flagger and in December he was
dismissed without any reason. They promised him to restore on the job again. Totally 10 flaggers were dismissed (Makhalakidzeebi, 24-year-old woman)."

In all cases the majority of respondents underline the fact that employment on the construction is temporary and in future only people with high qualification will be hired.

It is notable that according to the part of respondents the project has already caused harm to the development of the region’s tourism and recreation potential. For example, it was noted that “a castle built under the rule of King Tamar of Georgia was demolished as a result of blasting works (55-year-old woman, the village of Makhalakidzeebi), as a tunnel passed under the castle. They also mentioned increased pollution, damaged roads etc. that hampers the development of resorts and tourism.

Safety on construction site

During the interviews problems related to the labor safety on construction site were revealed. Locals from Ghurta told us about an incident occurred on the HPP construction site, that caused deaths of one Georgian and one Turkish worker while one worker from Turkey got injured. Since then according to respondents safety rules became stricter but safety of workers is not ensured. The situation is especially problematic for the drivers entering the tunnel, where high-voltage cables are placed; as tunnels are narrow any incident by the car can lead to the deplorable consequences.

It should be noted that Georgian workers do not have any health insurance packages, while Turkish workers are fully insured. In addition, construction of a bridge is underway in the village proposed to pass above the HPP and people fears that it can pose a threat as it may collapse and kill people.

Social projects implemented by the company

Respondents claim that the Norwegian company transferred EUR 40 million to the state for compensations of people and EUR 150 thousand for implementing social projects. But even a small part of this amount has not been spent in the region and what have been done was of poor quality.

A small so-called “pump station” was installed in the village of Makhalakidzeebi, on the right bank of the river, where water supply has been cut. Because of the low capacity of the pump it is enough just for supplying water to two families while over 20 families remained without water. On the other side of the river water pipes were placed to bring water, but it was spent in vain as “the pipes were of low quality and were damaged” (Makhalakidzeebi, 67-year-old man).

In May 2016 the company held training for the residents of Makhalakidzeebi regarding the tuberculosis. Last year similar training was dedicated to the breast cancer. Only few locals attended, but according to respondents it was very informative. Locals noted that training on beekeeping was also held, as well as professional training for English language teachers. To sum up population complains that nothing important has been done for the village so far (Makhalakidzeebi, 67-year-old man).

The façade of Kinchauri school that integrates in itself three other schools, has been rehabilitated and six benches were placed in the yard while according to the respondents a banner placed outside the school claims that the entire school was rehabilitated. Moreover they restored a library (Total cost GEL 15 thousand) and arranged an open stage, but because “it was made during the frosts and of poor quality, it collapsed” (Kinchauri, 35-year-old woman).

In the village of Ghurta, the company allocated GEL 50 000 to finance two business projects: Construction of a store and a vulcanization service. Those families, whose lands were purchased by the company for the project, received funding for their beekeeping projects. In order to restore the forest in the vicinity of the HPP site the company planted about 1000 chestnut trees. The company launched internet cable along the central road of the village. In order to fund business ideas number of meetings were held at the school. However, the participants claimed that their ideas were rejected. According to them “training was just formality and by arranging it they simply performed their duty” (Ghurta, 54-year-old woman). The population also applied to the local authorities with a request of free electricity; but request was rejected as well.

Safeguard policies of international financial institutions and gender-related issues

The World Bank (WB), Asian Development Bank (ADB), International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD) require promotion of gender equality not only when funding particular projects, but during the budgetary and sectoral as well as technical aid programs.
For example, the key elements of the ADB’s gender and development policy involve gender analysis, gender planning, mainstreaming and advancing the gender equality agenda. The ADB activities in member states should ensure awareness rising on gender and development and should address improvement status of women. When implementing investment projects, the project developer is obliged to develop a gender action plan and conduct its monitoring. ADB on its hand is obliged to conduct monitoring of issued loan and reveal gender-related benefits.

International Finance Corporation looks at gender as a factor of additional discrimination for various groups. In those cases, where legislation and practice actively oppress women and/or other groups, project developer is required to protect women and other vulnerable groups. Thus, a borrower is obliged to develop a gender-sensitive social analysis while developing the project.

Gender priorities of the European Bank for Reconstruction and Development (EBRD) are quite moderate. But in case of projects implemented by the private sector, it is required to conduct gender assessments, involving needs assessment, assessment of gender impacts of investments, development of background gender-segregated data, as well as develop measurement indicators and monitoring tools.

According to the environmental and social policy of the EBRD, all potential gender-specific risks and opportunities associated with the energy projects development, modernization or operation should be identified within the frame of environmental and social impact assessment process in clear and systematic way.

According to the EBRD’s Gender guidelines, gender impacts of any development projects should be assessed within frames of those performance requirements that is attributable to the implementation of a present activity; EBRD’s Environmental and Social Appraisal and Management performance standard (PR1) is based on four key principles, with the aim to assess gender impacts properly: 1) gender awareness – Neutral gender impacts does not exist; 2) consultation; 3) participation and 4) empowerment.

It should be emphasized that in case of the Shuakhevi HPP project, international financial institutions, namely, IFC, ADB and EBRD violated their own policies and the project was approved by the executive directors without conducting gender analysis and assessment raising the question why the bank staff could not or did not fulfill the banks policies.

Conclusion

The Shuakhevi HPP construction has revealed a lot of gender-sensitive problems, on which the project developer failed to respond adequately, as comprehensive social and environmental assessment including gender analysis and assessments has not been conducted at the stage of the project development.

Therefore, the project violates requirements of safeguard policies of the international financial institutions, namely, ADB, IFC and EBRD. In addition, there are no evidence that can verify the fact that the project brought sustainable benefits to the affected population and simultaneously strengthened women in Adjara.

It is highly important that Banks in close coordination with the Georgian government demand the project developer to draft gender assessment and action plan, and then strictly monitor its implementation.