



Grievance Redress Mechanism

NENSKRA HYDROPOWER PROJECT

DEFINITION AND GRIEVANCE REDRESS POLICY

What is a Grievance?

A grievance is defined as an actual or perceived problem that could potentially result to a Complaint. Typical complaints that are raised in relation to the Nenskra Hydropower Project are:

- Complaints related to compensation packages, agreements and demands associated with land acquisition, livelihood restoration, and displacement of assets.
- Complaints or demands for employment during project development activities by the Construction Contractor.
- Complaints associated with property damages resulting from activities by the Construction Contractor.
- Complaints related to environmental pollution and nuisances to the project affected communities in relation to dust generation, noise and vibration impacts, water pollution, or traffic related and safety issues.
- Complaints concerning public health and safety during project construction and operation phases.
- Requests and demands for social benefit and/or non-satisfaction of such requests.
- Any complaint, issue or concern arising from project development and implementation activities by JSCNH, its appointed Construction Contractor, Sub-Contractors and Service Providers.

Grievance Redress Policy of JSCNH

As a matter of principle, JSCNH shall avoid and prevent environmental and social impacts throughout the project development phases of the Nenskra Hydropower Project. The Company respects the rights of the project stakeholders and village members in the Nenskra and Nakra Valleys and will work collaboratively with the community members to satisfy the Company's commitment to sustainable development of the Nenskra Hydropower Project. We practice open and transparent dealings with the community members and with the project stakeholders. We are working consistently towards achieving the project commitments under the national and international environmental and social safeguards.

GRIEVANCE REDRESS MECHANISM

What is the Grievance Redress Mechanism and how does it work?

The Project Company, JSC Nenskra Hydro, established a functioning Grievance Redress Mechanism (GRM) that will receive, record, follow up, and resolve grievances received from community members and the project affected people (PAP) in the Nenskra and Nakra Valleys. The GRM procedures create a platform where the PAP voice is heard and an amicable solution is agreed to resolve the complaint or grievance.

The GRM defines the step-by-step process, procedures, roles and responsibilities, timeline, and channels of communication to raising the grievance, recording, and negotiating solution or agreement to resolve the complaint, demand, request, issue or concern.

The PAP or members of the community in Nenskra and Nakra Valleys can raise grievance through the following channels:

- JSCNH Social Team: Social Manager, Community Relations Manager, Community Liaison Officer, Community Investment Program Officer, and Local Coordination Unit of the Nenskra Hydropower Project.
- Construction Contractor: Project Manager, Construction or Site Supervisor, Environmental, Social, Health, and Safety (ESHS) Manager and designated ESHS Supervisor of respective construction sites.
- Mestia Municipality or through the Local Trustee of Nenskra or Nakra
- JSCNH Website: <http://nenskra.ge/en/grievance-2/>

Screening for Standing

The grievance will be received through these channels, grievance shall be recorded using standard form, and screened for standing (i.e. whether the grievance warrants further consideration as an acceptable complaint within the terms defined under the GRM). When the grievance is “standing”, the matter is dealt according to the GRM Tiers described in the GRM Flowchart (see Figures 1 and 2).

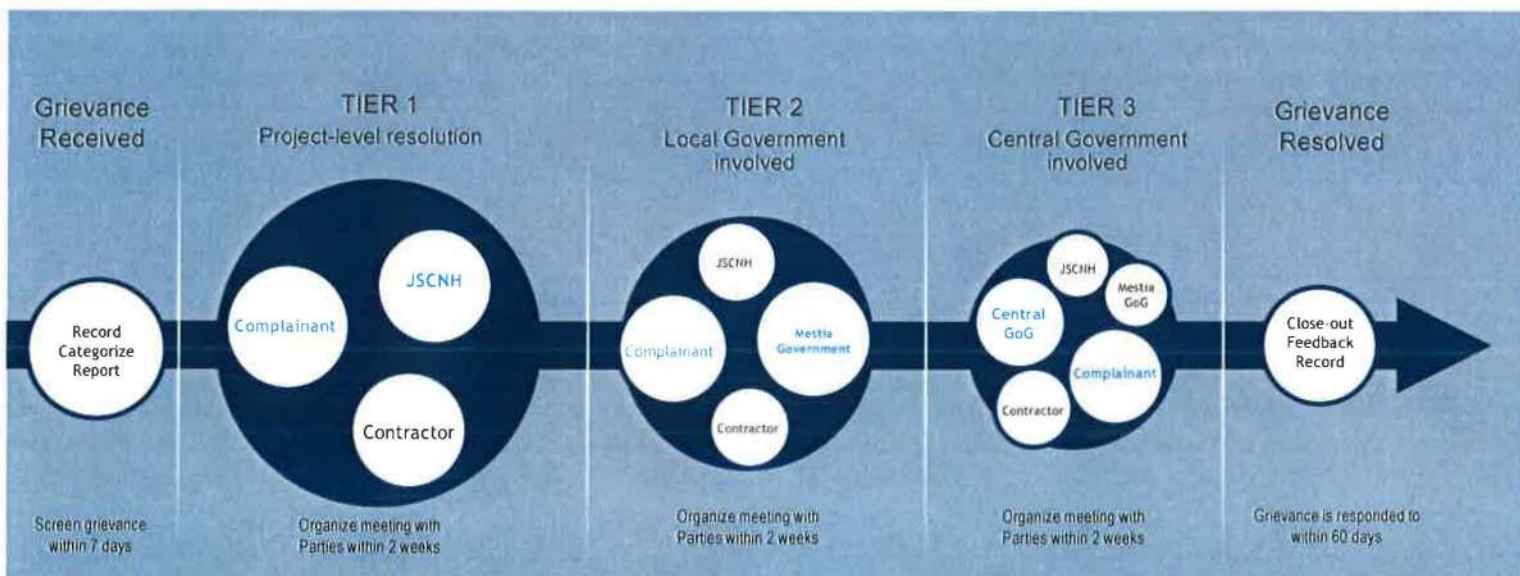


Figure 1. Grievance Redress Mechanism Tier Approach

Nenskra Hydropower Project

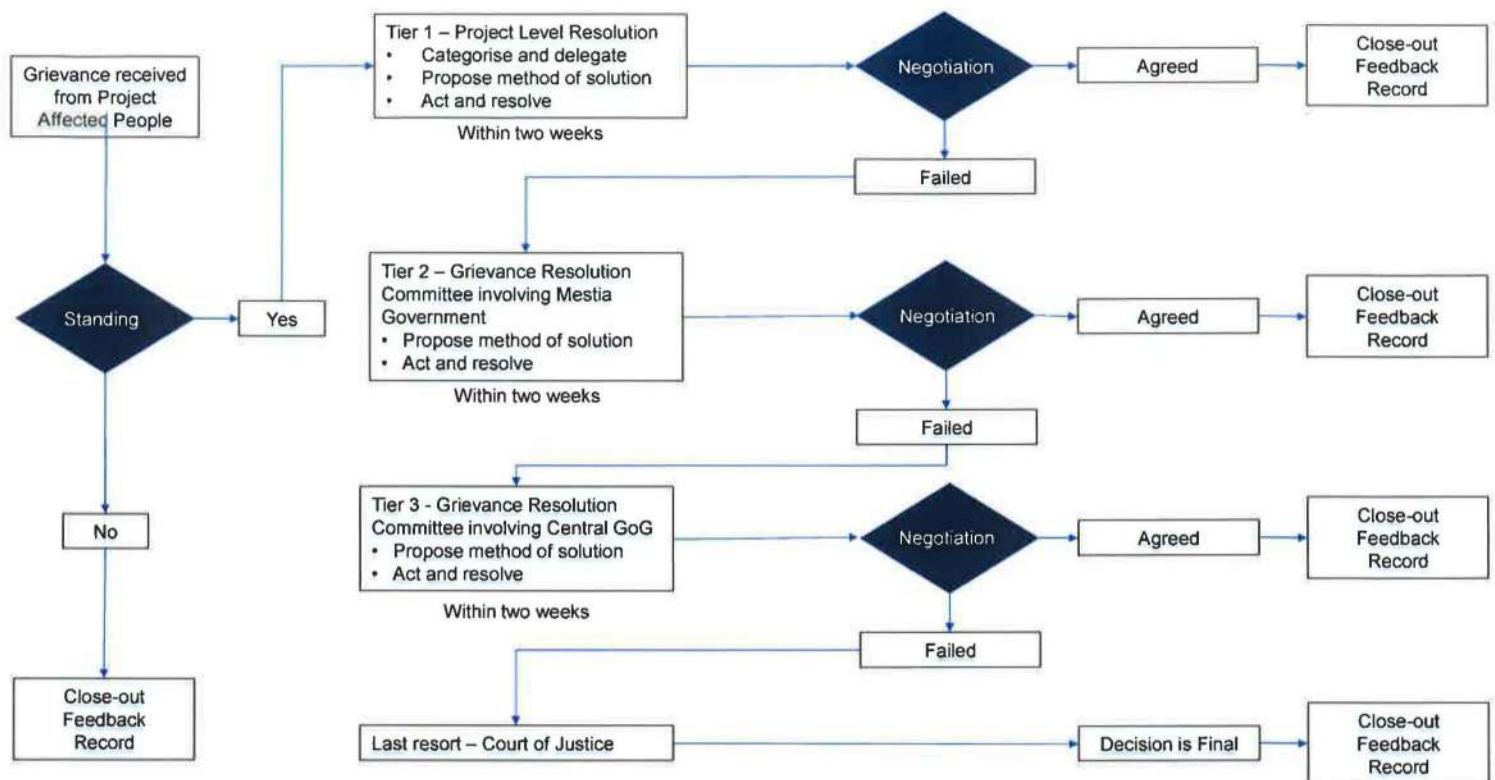


Figure 2. GRIEVANCE REDRESS MECHANISM FLOW CHART

Tiers of Grievance Resolution (TIER 1)

Tier 1 – Project Level Resolution

JSCNH Social Manager leads the meeting with the Complainant and facilitates the process of resolving the grievance under Tier 1. The meeting will be held at Tita Camp, or an neutral area to be agreed with the Complainant.

- Identify parties involved
- Clarify issues and concerns raised by the grievance through direct dialogue
- Organize a joint site investigation of the complaint, involving the Construction Contractor, the complainant and representative of JSCNH
- Categorize the grievance
- Allocate responsible staff to handle the grievance, based on grievance category
- Determine method for resolving the grievance:
 - JSCNH offers a solution to the Complainant, with involvement of the Construction Contractor (depending on nature of complaint)
 - JSCNH and Complainant decide a solution together, with involvement of the Construction Contractor (depending on nature of complaint)
 - JSCNH and Complainant resolve the complaint according to traditional or customary practices that are locally in place, with involvement of the Construction Contractor (depending on nature of complaint)
- Gather views of third party stakeholders (e.g. Local Coordination Unit, CIP Advisory Committee, or Local Trustee), including members of the Company, to determine an acceptable solution to the complaint consistent with the rules, commitments and policies of the Company.
- Define negotiated settlement of complaint and agree on timeline, including involvement of other parties to solving the complaint, according to discussion and negotiation.
- Perform agreed solution.
- Close the grievance by signing Close-Out Grievance Form.
- If the negotiation on solution fails, proceed to Tier 2 – Grievance Resolution Committee involving Local Government

Tiers of Grievance Resolution (TIER 2)

Tier 2 – Grievance Resolution Committee involving Local Government

The appointed Grievance Resolution Committee (GRC) leads the engagement with the Complainant. JSCNH COO, Social Manager, CRO, CLO, and Responsible Staff (according to the nature of the grievance) will participate in this meeting. The meeting is held in the Municipal Building. The GRC members includes: Local Trustee of Nenskra/Nakra Valleys, a member of Sakrebulo (elected representative by community), representative from the Local Coordination Unit.

- JSCNH issues notification of meeting to the members of the GRC:
- JSCNH Social Manager presents the grievance cases that were not resolved under Tier 1 to the GRC (initially, without the Complainant/s). Minutes of discussion and negotiation terms with the Complainant will also be presented.
- GRC determines if additional investigation is necessary, or additional gathering of supporting documents and information is required.
- GRC decides on alternative option/s to resolve the grievance. If decided, GRC undertakes additional investigation and collection of supporting documents prior to calling the Complainant for formal discussion.
- JSCNH Social Manager shall inform the Complainant of the status of review of the grievance case and will be informed of the status of the investigation.
- After completion of additional investigation and gathering of supporting document, notify the Complainant of the meeting schedule with the GRC.
- GRC meets with the Complainant and negotiates on alternative option/s to resolving the grievance.
- Define negotiated settlement of complaint and agree on timeline, including involvement of other parties to solving the complaint, according to discussion and negotiation.
- Perform agreed solution.
- Close the grievance by signing Close-Out Grievance Form.
- If the negotiation on solution fails, proceed to Tier 3 – Grievance Resolution Committee involving Central Government

The Grievance Redress Mechanism of the Nenskra Hydropower Project is reviewed regularly to adopt to dynamic social conditions at the project site.

Tier 3 Grievance Resolution has been added with the aim of amicably resolving the grievance without resorting to legal court case.

The creation of Grievance Resolution Committee involving representative of the Central Government is in accordance with the Memorandum of Cooperation signed with the Ministry of Economy and Sustainable Development on 28 January 2019.

“The Company wishes to establish a “Council” involving the Government of Georgia, the local authority, the local community, and the Company, in order to address the Access & Possession and Security and Safety issues in the Site. The Council is expected to oversee the fulfilment of roles and responsibilities of each Party under the Implementation Agreement. The Ministry of Economy and Sustainable Development will use reasonable efforts to facilitate the establishment of said “Council”.

The “Council” is referred to as the Grievance Resolution Committee under the Grievance Redress Mechanism Procedures of the Nenskra Hydropower Project.

Tiers of Grievance Resolution (TIER 3)

Tier 3 – Grievance Resolution Committee involving Central Government

Only grievance cases that failed negotiation under Tier 2 will be elevated to Tier 3. Under Tier 3, the Grievance Resolution Committee (GRC) leads the engagement with the Complainant. The GRC is composed of the Central Government representative, Municipal Government representative, a member of Sakrebulo (elected representative by community). JSCNH COO, Social Manager, and Responsible Staff (according to the nature of the grievance) will participate in this meeting.

- JSCNH issues notification of meeting to the members of the GRC. JSCNH Social Manager presents the grievance cases that were not resolved under Tier 2 to the GRC (initially, without the Complainant/s). Minutes of discussion with the Complainant during Tier 1 and Tier 2 negotiation will also be presented.
- GRC determines if additional investigation is necessary, or additional gathering of supporting documents and information is required.
- GRC decides on alternative option/s to resolve the grievance. If decided, GRC undertakes additional investigation and collection of supporting documents prior to calling the Complainant for formal discussion.
- JSCNH Social Manager shall inform the Complainant of the status of review of the grievance case and will be informed of the status of the investigation.
- After completion of additional investigation and gathering of supporting document, notify the Complainant of the meeting schedule with the GRC.
- GRC meets with the Complainant and negotiates on alternative option/s to resolving the grievance.
- Define negotiated settlement of complaint and agree on timeline, including involvement of other parties to solving the complaint, according to discussion and negotiation.
- Perform agreed solution.
- Close the grievance by signing Close-Out Grievance Form.
- If the negotiation on solution still fails, the Complainant may file the complaint to the Court of Justice, whose decision is final.

Grievance Redress Mechanism (GRM) for Nenskra Hydropower Project

3 April 2019

1. Purpose of the Grievance Redress Mechanism

This Grievance Redress Mechanism (GRM) document establishes the procedures to address grievances that arise from project-affected communities in Nenskra and Nakra Valleys. It includes three successive Tiers of amicable grievance review and resolution: (i) Tier 1 - the Project-Level Review of the grievance by JSCNH and Construction Contractor, (ii) Tier 2 - Grievance Resolution Committee (GRC) that includes Local Government and (iii) Tier 3 - GRC that includes Central Government in addition.

Grievances raised by employees and staff and JSCNH, and workers of the Construction Contractor and its Subcontractors and service providers are dealt with in a separate GRM framework.

2. GRM Framework

- JSCNH implements the GRM to resolve the grievance amicably in coordination with relevant stakeholders and local residents in Nenskra and Nakra Valleys.
- If the grievance is not solved at Tier 1, JSCNH will escalate the grievance resolution to the next Tier 2 and/or 3 depending on the case.
- If grievance is not solved through Tier 1 ~ 3, the Complainants can appeal the case to the court and its decision shall be final and will be implemented accordingly.
- While JSCNH implements the GRM in accordance with its commitment, **the Complainants shall not conduct any illegal actions, regardless of any conclusion through GRM or court decision. Any recourse to illegal action will be subjected to due process according to the Georgian applicable laws and regulations.**

3. Grievance Redress Mechanism Procedures

(1) Internal Process

A. Receive Grievance [JSCNH Social Manager]

- Grievance shall be received through the following channels: (i) JSCNH (Site-based Social Team / Local Coordination Unit / JSCNH Website / Public Relations Officer /

SHEC Department), (ii) Local Government and (iii) Construction Contractor (GCC and/or New EPC Contractor).

B. Register Grievance [Community Relations Officer (CRO) / Daily]

- The CRO shall check the grievance receipt channels mentioned above on daily basis and register all the grievances received prior to the close of business (6pm) of the day.

C. Screening for Standing / No Standing [Social Manager / Weekly]

- The Social Manager shall screen all the grievances received within a week and determine the legitimacy, categorize the grievance, allocate responsible resources, and further prepare a Grievance Screening Report detailing the reasons of Standing or No Standing.
- After reporting to E&S Team Leader and COO, Standing grievances shall be included in the agenda for Tier 1.
- With regard to No Standing grievance, the Social Manager shall provide feedback to the Complainants, verbal and in writing, with the detailed reason of No Standing.

(2) Tier 1 Meeting (Project-Level Review) [Social Manager / within 2 weeks from Grievance Screening Report]

- **Preparation for Tier 1 Meeting**

- The Social Manager shall organize internal discussion with JSCNH responsible person according to the categories of the Standing grievance received within one week, discuss and determine the issues and possible solutions and report to the Project Executive Committee, EXCOM (CEO, Vice CEO, CFO, CTO, and COO) every Friday.

- **Tier 1 Meeting Organization**

- (Purpose) Tier 1 is intended to solve the grievance on Project-Level.
- (When) The Social Manager shall hold Tier 1 meeting within 2 weeks from Screening Report, with 5 days prior notice to the requested responsible staff including the specific date/time and location.
- (Location) Tita Camp.
- (Moderator) The Social Manager shall lead the meeting.
- (Meeting Note) The Community Relations Officer to prepare a meeting note in English.

- **Participants** (JSCNH - Construction Contractor – Complainants)

Party	Key Member
JSCNH	Construction Team Leader
JSCNH	Deputy E&S Team Leader
JSCNH	Social Manager
JSCNH	Responsible Staff
Construction Contractor	Site Project Manager
Construction Contractor	ESHS Manager
Complainants	Complainants

- **Roles and Responsibilities and Responsible Staff based on Grievance Category**

Grievance Category*	Responsible Party	Responsible Staff
Land compensation	JSCNH	Land Acquisition Officer
Livelihood compensation	JSCNH	Livelihood Restoration Officer
Employment	JSCNH Construction Contractor	Human Resources Manager Human Resources Supervisor
HSE Non-Compliance (e.g. noise, dust, vibration, pollution, etc.)	JSCNH Construction Contractor	Site H&S and Environmental Managers ESHS Manager
Damage to community property	JSCNH Construction Contractor	Construction Team Leader Project Manager
Non-satisfaction of community improvement programs	JSCNH	CIP Officer
Community demands within CSR program	JSCNH	Social Manager
Community demands not within CSR program	JSCNH	Social Manager
Facebook and media platform complaints	JSCNH	Public Relations Officer

* Grievance related to the government shall directly go to Tier 2 (Local Government related) or Tier 3 (Central Government related).

- **Follow Ups after Tier 1 Meeting**

- Social Manager shall report the conclusion of the meeting to EXCOM every Friday.
- For the grievances solved in Tier 1 meeting, Social Manager shall (i) finalize and sign the agreement with the Complainants, (ii) implement in accordance with the agreement and (iii) send the 'Complaint Close-Out Letter' to the applicable Complainants.
- For the grievances not solved in Tier 1 meeting, those shall move to Tier 2.

(3) Tier 2 (Grievance Resolution Committee (GRC)) [COO / within 2 weeks from Tier 1 Meeting]

- **Preparation for Tier 2 Meeting**

- The COO and the Social Manager shall meet with Local Government (Mestia Municipality) to update the meeting results of Tier 1 meeting.

- **Tier 2 Meeting Organization**

- (Purpose) Tier 2 is intended to solve the grievances which have not been solved in Tier 1 meeting, in coordination with Local Government (Mestia Municipality, and the Local Trustee of the Nenskra and Nakra Valleys.
- (When) The Social Manager shall hold Tier 2 meeting within 2 weeks from Tier 1 meeting, with 5 days prior notice to the requested responsible staff including the specific date/time and location.
- (Location) Mestia Municipality.
- (Moderator) The Social Manager shall lead the meeting.
- (Meeting Note) The Community Relations Officer to prepare a meeting note in English.

- **Participants** (Tier 1 meeting participants + Local Government)

Tier	Party	Key Member
2	Local Government	
	Mestia Municipality	Mestia Mayor (or Deputy)
	Mestia Municipality	Local Trustee of Nenskra Local Trustee of Nakra
	Community Representative	A member of Sakrebulo (Elected representative by community)
1~2	JSCNH	COO
	JSCNH	Deputy E&S Team Leader
	JSCNH	Social Manager
	JSCNH	Responsible Staff
	Construction Contractor	Site Project Manager
	Construction Contractor	ESHS Manager
	Complainants	Complainants

- **(Follow Ups after Tier 2 Meeting)**

- Social Manager shall report the conclusion of the meeting to EXCOM.
- For the grievances solved in Tier 2 meeting, Social Manager shall (i) finalize and sign the agreement with the Complainant, (ii) implement in accordance with the agreement and (iii) send the 'Complaint Close-Out Letter' to the applicable Complainants.
- For the grievances not solved in Tier 2 meeting, those shall move to Tier 3.

(4) Tier 3 (Grievance Resolution Committee (GRC)) [COO / within 2 weeks from Tier 2 Meeting]

- **Preparation for Tier 3 Meeting**

- The CEO/COO/Social Manager shall meet with Central Government to update the meeting result in Tier 2 Meeting.

- **Tier 3 Meeting Organization**

- (Purpose) Tier 3 is intended to solve the grievances which have not been solved in Tier 2 meeting, in coordination with Central Government.

- (When) The Social Manager shall hold Tier 3 meeting within 2 weeks from Tier 2 meeting, with 5 days prior notice to the requested participants including the specific date/time and location.
 - (Location) JSCNH Tbilisi Office
 - (Moderator) The Social Manager shall lead the meeting.
 - (Meeting Note) The CEO Secretary to prepare a meeting note in English.
- **Participants** (Tier 2 meeting participants + Central Government and Partnership Fund)

Tier	Party	Key Member
3	Central Government	
	MESD	[Deputy Minister]
	Samegrelo-Zemo Svaneti	[Deputy Governor]
	Partnership Fund	[Deputy Executive Director]
2~3	Mestia Municipality (Local-GoG)	[Mayor]
1~3	JSCNH	CEO
	JSCNH	CFO/Project Director
	JSCNH	COO
	JSCNH	E&S Team Leader
	JSCNH	Responsible Staff
	JSCNH	Social Manager
	Construction Contractor	[CEO of GCC] [Site Project Manager of New EPC Contractor]
	Construction Contractor	ESHS Manager
	Complainants	Complainants

- **Follow Ups after Tier 3 Meeting**
 - The Social Manager shall report the conclusion of the meeting to EXCOM.
 - For the grievances solved in Tier 3 meeting, Social Manager shall (i) finalize and sign the agreement with the Complainant, (ii) implement in accordance with the agreement and (iii) send the 'Complaint Close-Out Letter' to the applicable Complainants.
 - For the grievances not solved in Tier 3 meeting, the Complainants can appeal the case to the court and its decision shall be final and will be implemented accordingly.

4. Roles & Responsibilities

A. (Project Company) JSC Nenskra Hydro

- Implement its commitments in accordance with ESIA particularly proper implementation of LALRP and CIP.
- In case of grievance raised, proceed the Grievance Redress Mechanism Procedures in accordance with this Plan.

B. (Construction Contractor) GCC / New EPC Contractor

- Ensure Health and Safety of communities adjacent to worksites.
- Ensure to coordinate with JSCNH to maximize the employment of local communities throughout the construction period.
- In case of grievance raised, cooperate with JSCNH to review and solve the grievance during Grievance Redress Mechanism Process.

C. (Local Government) Samegrelo-Zemo Svaneti / Mestia Municipality

- Participate in Tier 2 and/or 3 to solve the grievance.
- In case of grievance raised, cooperate with JSCNH to review and solve the grievance during Grievance Redress Mechanism Process especially the grievance related to the infrastructure requests and disputes between the communities.

D. (Central Government) Ministry of Economy and Sustainable Development of Georgia, Samegrelo-Zemo Svaneti, Partnership Fund

- Participate to solve the grievance by making available capable resources from Central Government level to deal with community grievances that cannot be resolved in Tier 1 and 2 Grievance resolution level.

5. Timeline for GRM Initiation

Activities	Timeline
<ul style="list-style-type: none">• Presentation to the Stakeholders of GRM Initiation	Immediately
<ul style="list-style-type: none">• Kick-off Meeting (All Stakeholders)	By 10 Apr 2019
<ul style="list-style-type: none">• Commencement of GRM	From 10 Apr 2019 ~

6. Flow chart of GRM

