



TRANSPARENCY INTERNATIONAL GEORGIA
საჯილდოების ბაზრის რეგულირება - სანაღმრო

Accountability in Aid Delivery – The Renovation of Collective Centers for Georgia's Internally Displaced Persons



SEPTEMBER 2011



OPEN SOCIETY GEORGIA FOUNDATION
ფონდი ღია საზოგადოების განვითარებისათვის

This study was made possible by the generous support of the Open Society – Georgia Foundation.
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September 2011
Transparency International Georgia

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Executive Summary

Between January 2009 and January 2011 a large number of collective centers have been renovated across the whole of Georgia for people displaced during the early 1990's conflicts. This can be seen as a positive turnaround from previous years, when these collective centers were in a poor state of disrepair and the prospect of addressing housing needs of internally displaced persons (IDPs) was not a political possibility.

The Municipal Development Fund of Georgia (MDF), a legal entity of public law under the Georgian government, has managed most of these IDP housing rehabilitation projects by tendering out the actual works to different construction companies. Yet, questions and concerns remain about the overall quality of repair works and the consistency of MDF's supervision mechanism. This is particularly true for a number of collective centers in western Georgia, especially in Samegrelo. Reports about these collective centers were circulated by civil society organizations and published in various media outlets. Most of these reports contain photos depicting fairly severe defects in the buildings accompanied by IDPs' complaints about poor quality of renovation.

While taking into due consideration the content of those reports, and the public interest to have more information on important aspects of IDP housing assistance, this study aims to assess the quality of renovation of old collective centers in western Georgia and to grasp IDPs' general attitudes and opinions about the renovations. In addition, TI Georgia provides a brief explanation about how the MDF works with the tendered construction companies and what their role is in terms of the renovations.

The key findings of this study are:

- The majority of IDPs TI Georgia spoke with were generally satisfied with the rehabilitation of their apartments, saying that these now look better and provide more privacy than before. In addition, those IDP families who were resettled in newly renovated apartments were generally happy with the size of living spaces.
- Five collective centers that TI Georgia's research team visited were in rather good condition and did not have any major renovation defects. IDPs living in these buildings seemed to be satisfied with the work of the construction companies.
- Yet, TI Georgia is concerned whether the overall quality of repair works in 17 out of 22 collective centers visited, is adequate to meet long-term housing needs of IDPs, since these buildings revealed serious defects soon after the renovations.
- The selection and structural assessment of collective centers for rehabilitation, including the cost-benefit analysis of the scope of work, which was jointly conducted by the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees (MRA) and local municipalities, did not appear to result in well-designed renovation projects for most of the buildings visited.
- Repair works were in fact limited to interior/cosmetic renovation but failed to address some of the deeper problems like dampness, mould, and sewage even though the latter are arguably more significant to quality of life, especially over the long term.

- Dampness and mould, with serious effects in 13 buildings, appears to be a major structural problem that could be solved by appropriately fixing the drainage systems in the collective centers concerned, but in fact it was not. The same holds true for the outdated sewage infrastructure which did not seem to have undergone serious renovation and modernization.
- In the 17 collective centers TI Georgia visited the MDF and the construction companies failed to fix the renovation defects within the one year liability period. This can be attributed to MDF's lenient supervision and verification mechanism to ensure that the contractor companies rectify the second type of defects in time.
- The delayed self-privatization of renovated collective centers remains another major concern for IDPs. The MRA has not provided specific privatization timeline for each collective center.

Introduction and Background Information

Since the war with Russia in August 2008, which displaced 7,950 families (20,726 individuals) from South Ossetia and Kodori gorge (upper Abkhazia), the Georgian government has pursued a large-scale housing program that also addresses the housing needs of people displaced during the early 1990's conflicts (81,517 families/235,659 individuals).¹ There are now, therefore, two "caseloads" of IDPs facing a huge variety of housing issues. Sixty percent of the "first wave" IDPs (53,639 families/155,122 individuals) live in privately owned houses and 40 percent (35,057 families/101,263 individuals) live in collective centers/apartment blocks.² The maintenance of these collective centers was neglected for almost 20 years and many were in dire physical condition. The ownership status of many is still unclear (whether private or government-owned). After the 2008 war, international donors (e.g. World Bank (WB), European Union (EU), U.S. government, United Nations (UN), Germany's Reconstruction Credit Institute (KfW), the German Association for International Cooperation (GIZ)) pledged millions of US-Dollars to address the housing needs of the new wave of IDPs. At the same time, it became impossible to ignore the plight of the first wave of IDPs. In early 2010, the government elaborated a new action plan, which included a large housing component, and the EU provided financing (EUR 51.5 million) to the government via the MDF.³ A majority of these funds, approximately GEL 91 million (equivalent of EUR 35.9 million)⁴ have paid for the renovation of old collective centers across the country. In addition, UNHCR and its implementing partners, through funding from the EU, the US government and Swedish International Development Cooperation Agency (SIDA), spent GEL 3.2 million (equivalent of EUR 1.4 million)⁵ for the same purpose.

As a result, since January 2009, a total of 294 buildings (7,653 apartments) were renovated for the first wave of IDPs with a capacity of accommodating over 4,300 families: 273 buildings (7,241 apartment units) by MDF⁶ and 21 buildings (412 apartment units) by UNHCR⁷ and its partners. The total cost of these renovations was GEL 94.4 million - more than 95 percent of the cost was managed by MDF, with the remainder managed by international aid agencies and NGOs, led by UNHCR. Most of the funding for these projects came through the European Union's Instrument for Stability Programme.

The Georgian government's effort to address the housing needs of the first wave IDPs along with the new caseload from the 2008 war is something that should be commended. For years, since the early 1990's conflicts, IDPs living in the collective centers faced serious problems to achieve a durable housing solution largely due to the poor state of these old crumbling buildings. The sheer size and scale of the government's recent renovation projects, supervised by the MDF, can be seen as a positive turnaround from the previous years, when the prospect of addressing IDP's housing needs was not a political possibility.

¹ IDP Housing Strategy and Working Plan was adopted by the MRA in 2010 and later updated in early 2011.

² Ibid.

³ Between 2009 and 2011, the EU, through its targeted budget support program, has concluded three financing agreements with the Georgian government to support the implementation of IDP action plan. The first one, worth EUR 10 million, was mostly designed for the construction of cottages for new IDPs from the 2008 war (see appendix-1). The second, worth EUR 51.5 million, was aimed for the rehabilitation of collective centers for old IDPs from early 1990's conflicts (see appendix-2) while the third one, worth EUR 43.5 million, has paid for the construction of new apartment blocks, also for old IDPs, in Poti and Tskaltubo (see appendix-3).

⁴ Currency conversions are calculated based on October 15, 2010 exchange rates (1 USD = 1.79 GEL, 1 EUR = 2.53 GEL). This is when the MDF finished all its renovation projects in IDPs' collective centers across Georgia.

⁵ Currency conversions are calculated based on June 30, 2010 exchange rates (1 USD = 1.84 GEL, 1 EUR = 2.25 GEL). This is when the UNHCR and its implementing partners finished the renovation of the 21 collective centers, mentioned above.

⁶ Municipal Development Fund of Georgia, "List of Current Contracts and Biddings of MDF", data current through April 2011 (see Appendix-4).

⁷ United Nations High Commissioner for Refugees, "Shelter Projects for Durable Housing for 2007-2010", last updated in April 2010 (see Appendix-5).

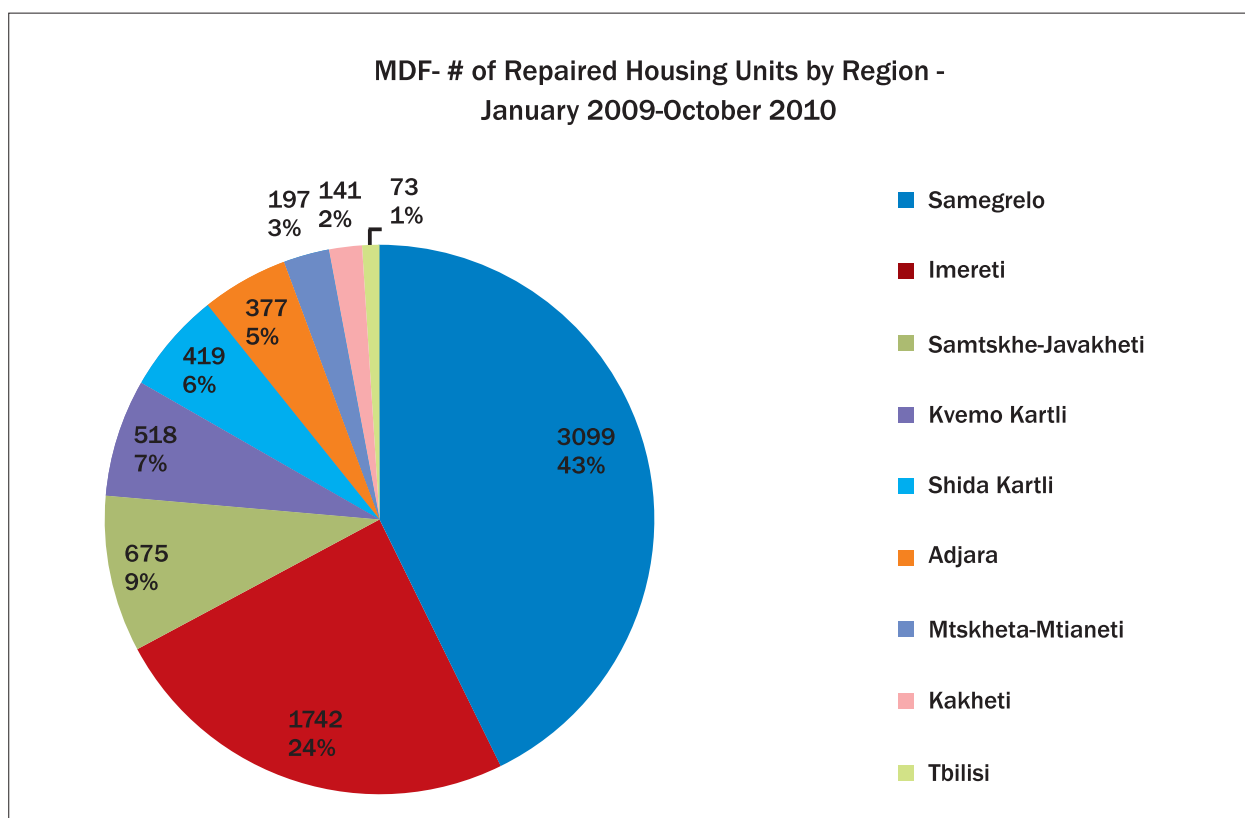
Nevertheless, questions and concerns remain about the overall quality of the MDF's renovation projects. This is particularly true for a number of collective centers in western Georgia, especially in Samegrelo. Reports about these collective centers have been circulated by civil society organizations and published in various media outlets. Most of these reports contain photos depicting fairly severe defects in the buildings accompanied by IDPs' complaints about poor quality of renovation.⁸

While taking into due consideration the content of those reports, and the public interest to have more information on important aspects of IDP housing assistance, this study aims to assess the quality of renovation of old collective centers in western Georgia and to grasp IDPs' general attitudes and opinions about the renovations. In addition, TI Georgia provides a brief explanation about how the MDF works with the tendered construction companies and what their role is in terms of the renovations.

Breakdown of MDF's renovation costs

The following is an overview of all the housing that has been renovated by MDF-contracted companies for the old caseload of IDPs (3,855 families), based on data that is publicly available on the MDF's website (last updated in April 2011). According to this data, between January 2009 and January 2011, the MDF supervised the implementation of 82 projects in nine different regions of Georgia to structurally repair 7,241 housing units (380,000 square meters). Actual total costs of these repair projects amounted to GEL 85 million.

Chart 1: Number of Repaired Housing Units by Region

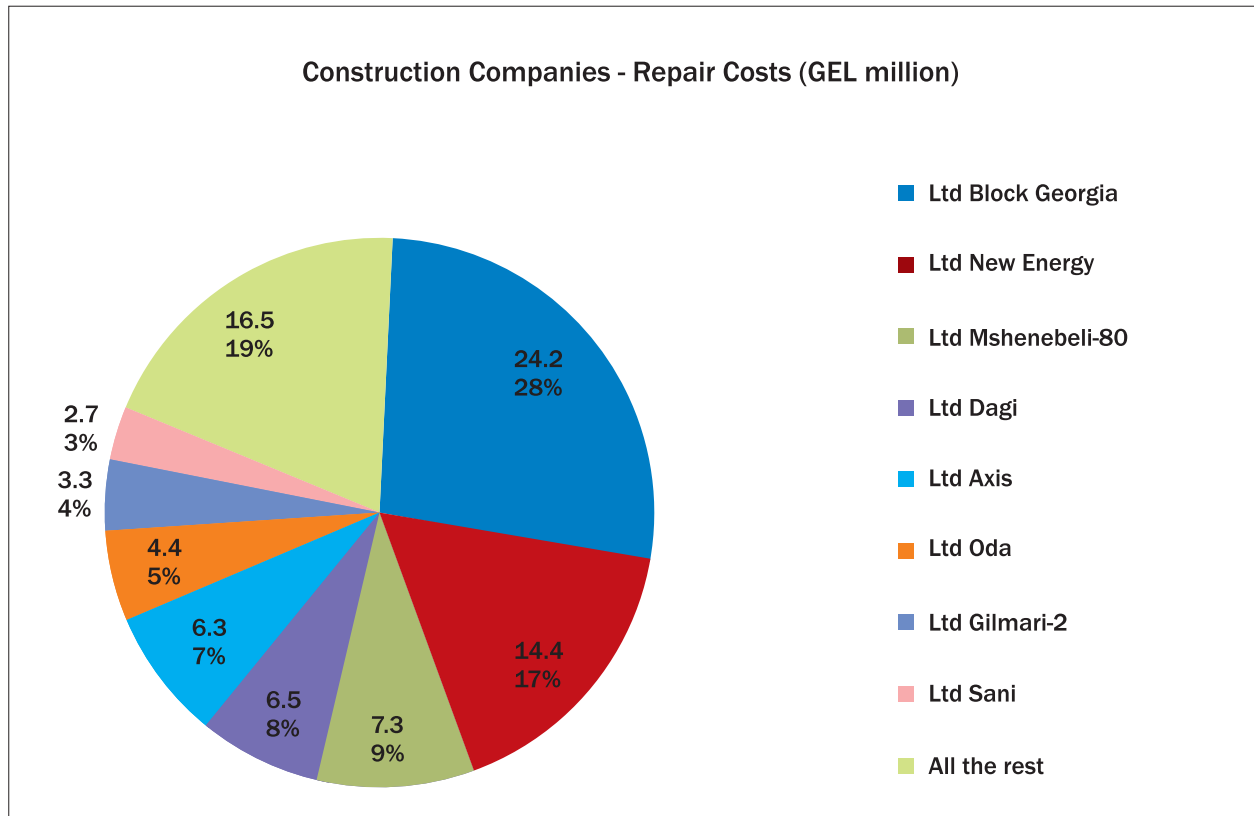


The MDF has underscored that due to the limited funding the aforementioned projects did not include the complete rehabilitation/structural alteration of the buildings or reinforcement of their supporting structures (e.g., outdoor infrastructure and service lines) but only interior/cosmetic

⁸ Inga Gvasalia, "IDPs Dissatisfied with the Quality of the Rehabilitated Houses", Human Rights Center, Samegrelo, 15 October 2010, <<http://www.humanrights.ge/index.php?a=main&pid=12396&lang=eng>> (accessed on 29 August 2011).

renovation.⁹ The majority of repair works, by cost, was completed by three companies – Ltd Block Georgia, Ltd New Energy and Ltd Mshenebeli-80.

Chart 2: Repair Costs by Construction Company



Furthermore, the MDF supervised an additional 23 renovation projects via separate contracts to fix gas, water and power supplies as well as drainage and sewage systems in a number of collective centers. Actual total costs for these projects amounted to GEL 6 million. JSC Sakhidromsheni, which was in charge of fixing water supply and sewage systems, has managed most of the funds (GEL 2.8 million). It can be seen that MDF's additional rehabilitation projects differed a lot by region. For instance, in Tbilisi it was almost all related to power supply whereas in many other regions most of it was water supply, sewage and drainage. The two charts below show total costs of all these additional projects by region and by company.

⁹ TI Georgia's email correspondence with Lasha Mgeladze, Deputy Executive Director of the Municipal Development Fund of Georgia and Paata Charakashvili, Head of International Relations Division of the Municipal Development Fund of Georgia, 18 August 2011.

Chart 3: Additional Rehabilitation Projects by Region

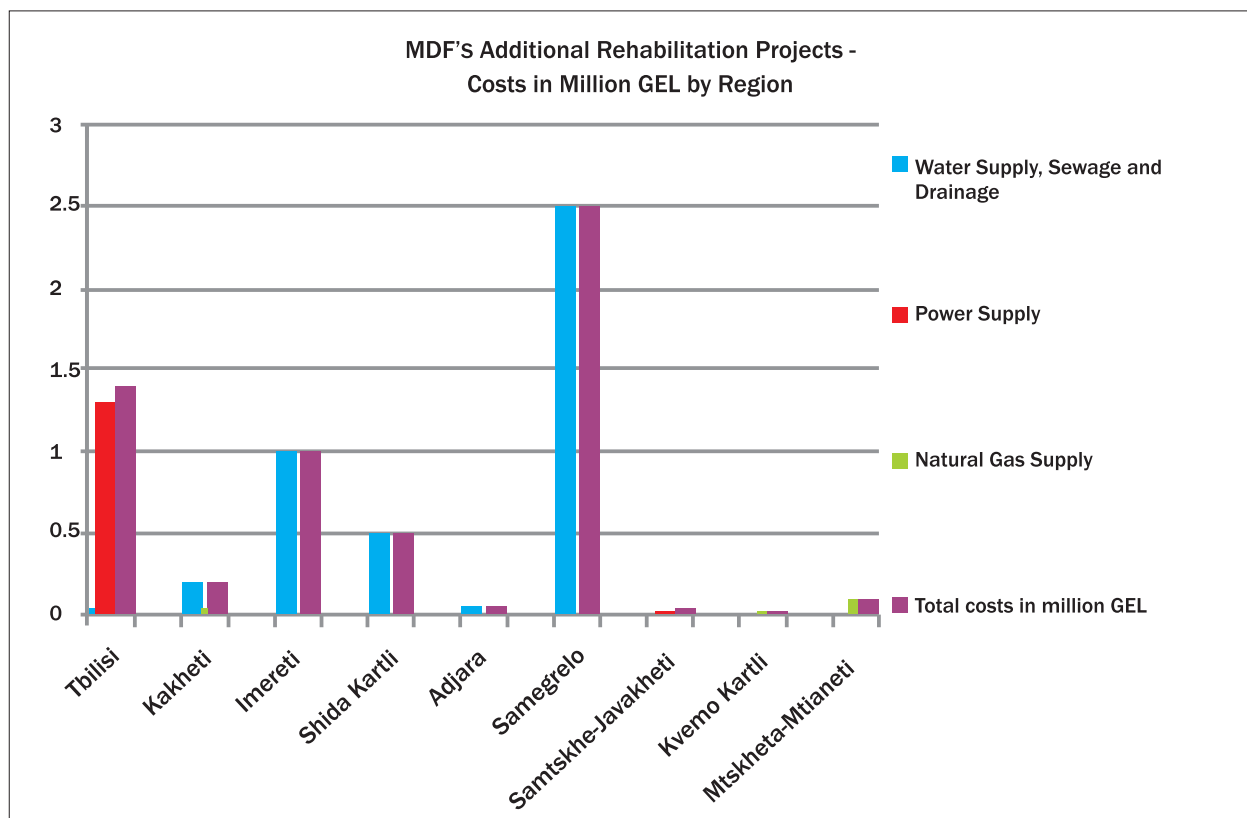
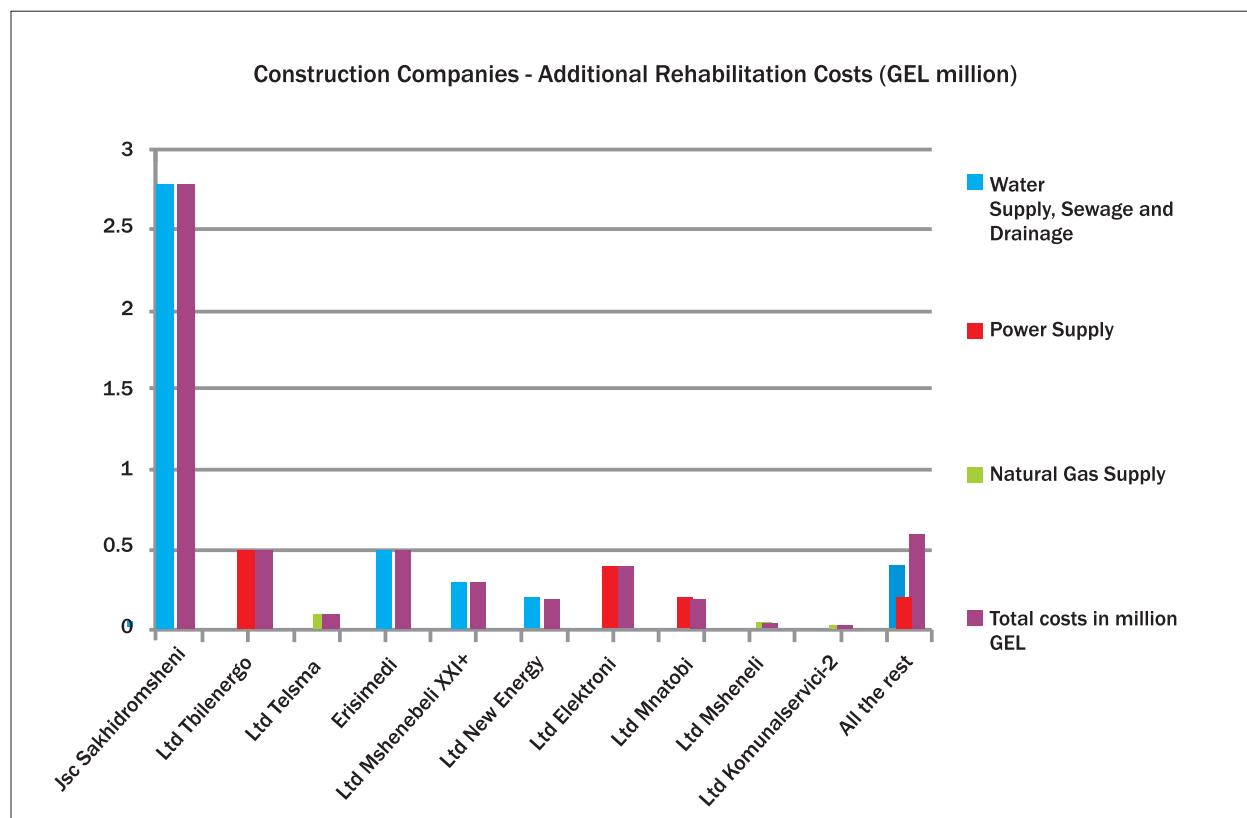
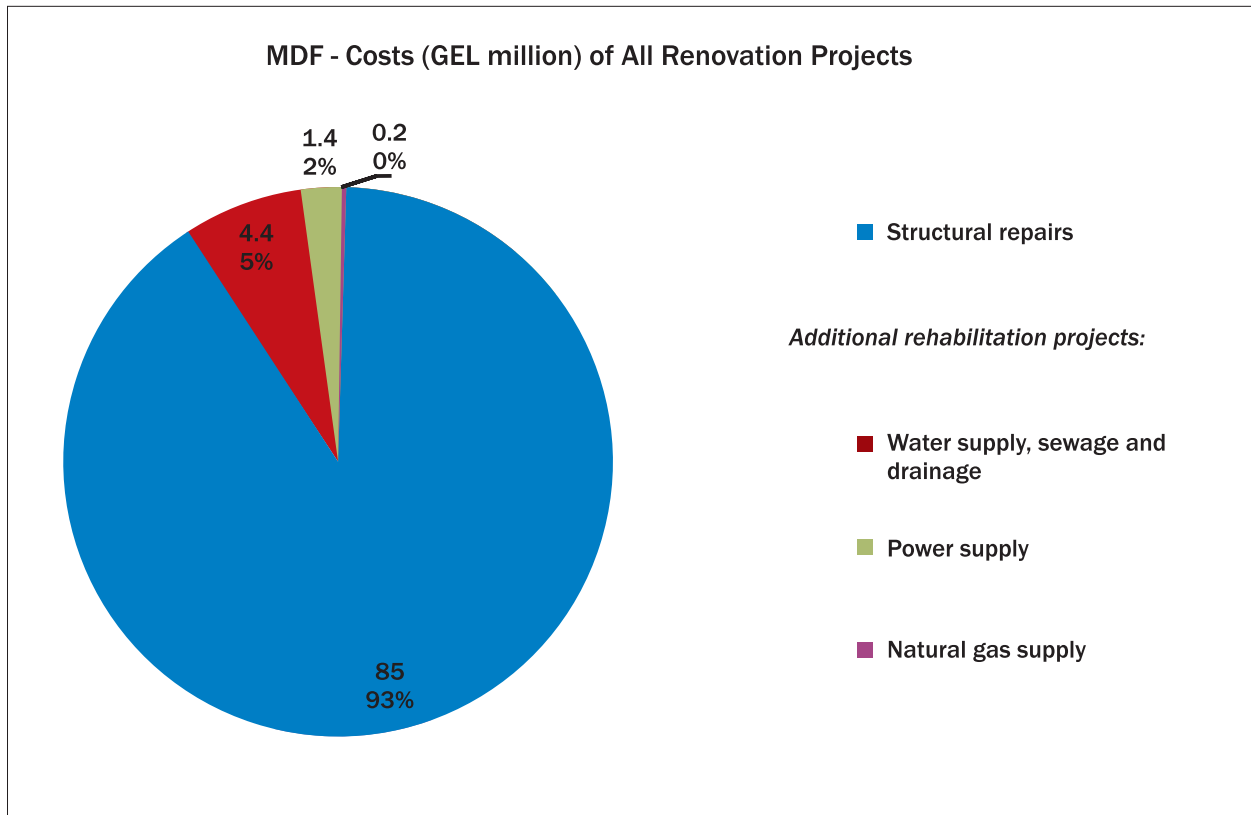


Chart 4: Additional Rehabilitation Costs by Construction Company



By and large, actual total costs for all renovation projects by MDF, which were designed to address housing needs of “first wave” IDPs living in collective centers, have amounted to GEL 91 million. Over 90% of this sum was spent on structural repairs to the buildings and the rest went to additional rehabilitation projects (water, power and gas supply, sewage, and drainage).

Chart 5: Costs of All Projects by Type of Renovation



The MRA and local municipalities were in charge of selecting the collective centers for renovation and they then provided the MDF with a list of buildings. MDF representatives claim that there was initially no uniform standard to use for the rehabilitation of these buildings. In fact, the project design documents only included a small amount of work (e.g., replacement of doors and windows, partial repair of roofs, minor cosmetic repairs to the rooms), and these documents were prepared by local consulting companies that were contracted based on the recommendations from relevant municipalities. MDF experts were not involved in the structural assessment of selected buildings, nor did they conduct cost-benefit analysis of the scope of repair works.¹⁰

TI Georgia was told that under the conditions of the EU’s financing agreement with the Georgian government, the MDF was supposed to spend no more than USD 10,000 per household/apartment of each collective center renovated. It is noteworthy that the same limitation will be applied during the forthcoming rehabilitation of another set of collective centers, which is also supervised by the MDF under the funding from the United States Agency for International Development (USAID).¹¹

The MDF has a system in place to provide initial documentation and follow-up verification of how its rehabilitation projects are implemented. Specifically, the MDF assigns a supervisory engineer/consultant to monitor each renovation contract concluded with different construction companies. The supervisory engineer oversees the renovation process on the site and inspects each object once or twice a month within one year after the renovation is completed to collect a list of the second type of defects that might have been caused by low quality of work. After

¹⁰ Mgeladze and Charakashvili, *ibid.*

¹¹ TI Georgia’s phone interview with Paata Charakashvili, Head of International Relations Division of the Municipal Development Fund of Georgia, 23 August 2011.

receiving this list of defects, the construction companies are responsible for additional repairs within a one-year liability period. Specifically, they are supposed to return to the site twice a year and rectify the post-renovation problems. The engineer then returns to the site one month later to check that the repairs were complete by collecting verification signatures from IDPs.¹² Companies that successfully repair problems are granted a defects liability certificate which is signed by the MDF, local municipalities, MRA's regional offices and the construction companies. If a company fails to rectify the post-renovation defects within one year, the MDF then has the right to retain five percent of the total cost of the contract. Yet, neither the MDF nor the construction companies remain responsible for the maintenance of renovated buildings after the completion of repair works.¹³

In a previous report on the construction of cottage settlements for new IDPs, TI Georgia analyzed the process and quality of construction of those cottages which were also supervised by the MDF. The main concerns were related to the haste of the process, especially in the initial planning and design phase, and problems related to the MDF's supervision of construction. Specifically, the report found inconsistencies and inaccuracies in the MDF's method of documenting defects in the new cottages and verifying that these were rectified in time. As a result, the MDF failed to hold relevant construction companies responsible for quality problems. The report also mentioned the Georgian government's drive to show prompt results and donors' tendency to channel large funds through the government agencies as important contributing factors to decreased construction quality.¹⁴

While construction of new cottages for IDPs is different from the renovation of old apartment blocks, the conclusions of TI Georgia's previous study are also relevant in this case. Specifically, there is a need for improved supervision mechanism of the MDF and greater accountability of the government and the donors to the problems identified in the renovated collective centers. These are discussed in details in the following sections.

Research Methodology

Various NGO and media reports have highlighted that the renovation of a number of IDPs' collective centers in Georgia by MDF has not been of high quality.¹⁵

These concerns were particularly acute with regard to western Georgia, where MDF implemented approximately 80 percent of its renovation projects. In response to these reports and in order to collect more information, TI Georgia conducted visits to collective centers in Adjara, Imereti and Samegrelo.

Based on information publicly available on the MDF's web-site, the MDF has overseen the renovation of 215 buildings with 5,218 apartment units for the old caseload of IDPs in western Georgia (163 in Samegrelo, 40 in Imereti and 12 in Adjara, respectively). Of these, TI Georgia's team visited 22 buildings (12 in Samegrelo, 5 in Imereti and 5 in Adjara) and conducted interviews with approximately 90 households in total – approximately four interviews per site visited.

Site visits were conducted in two stages. From 16-18 March 2011, the research team visited Kutaisi, Batumi and Zugdidi, meeting with local NGOs, international organization¹⁶ and

¹² Transparency International Georgia, "Cottage Settlements for Georgia's New IDPs: Accountability in Aid and Construction", April 2010, Tbilisi.

¹³ TI Georgia's interview with Lasha Mgeladze, Deputy Executive Director of the Municipal Development Fund of Georgia, 28 June 2011.

¹⁴ Transparency International Georgia, "Cottage Settlements for Georgia's New IDPs", op.cit.

¹⁵ For example: Shoren Kakabadze, "Renovated Houses of IDPs Get Waterlogged", Human Rights Center, Kutaisi, 29 October 2010, <<http://www.humanrights.ge/index.php?a=main&pid=12464&lang=eng>>, (accessed on 29 August 2011).

¹⁶ On 16 March, in Kutaisi, TI Georgia met with the representatives of the following local NGOs and international organization: Education and Universe, Georgian Young Lawyer's Association (GYLA), Fund Sokhumi of Entrepreneur Women, Afkhazintercont Foundation, Youth Club Our Vision, Georgian Young Economists' Association, and

journalists who work closely on IDP issues, to hear their accounts of the renovations. Through these meetings, the research team noted the addresses of collective centers where the quality of renovation was highlighted as a concern, and also sites where there were reports of good quality renovation. Besides renovation, local NGOs also touched upon the housing issues that IDPs are facing, including the allocation and pending self-privatization of living spaces in the collective centers.

In Adjara, in addition to meeting with regional NGOs and journalists, the research team also visited five out of the 12 renovated buildings in Batumi and Chakvi, and spoke with IDPs living in those sites to understand the renovations.

Based on the information collected from regional contacts as well as from site visits to Adjara's collective centers, TI Georgia elaborated a set of guiding questions for further visits to collective centers in Imereti and Samegrelo (see Appendix-6).

In order to select a random sample of collective centers, the research team listed the buildings known as having bad quality renovation and good quality renovation based on the March consultations, and selected a further set of collective centers of unknown quality renovation (five out of the 40 renovated blocks in Imereti and 12 out of 163 in Samegrelo). In addition, TI Georgia received the hard copies of the construction contracts for all 22 collective centers selected from the MDF's publicly available list (including five buildings already visited in Adjara) via a freedom of information request (see Appendix-7). Data from this contract documentation detail the type of renovation works for each building together with the costs, dates and names of construction companies in charge. The MDF also provided soft copies of the defects liability acts and IDP verification signatures for 14 of the selected collective centers in Adjara, Imereti and Samegrelo (see Appendix-8).¹⁷

On 17-20 May, TI Georgia's team embarked on its second trip to visit the selected 17 collective centers in Imereti and Samegrelo and to conduct interviews with IDPs, focusing on their satisfaction with the quality of renovation and, when problems were identified, trying to understand their degree of severity. During both sets of visits in March and May, on average three to five households per building were interviewed and each interview with a single family lasted between 15 to 30 minutes. In addition, TI Georgia's team inspected both the exteriors and interiors of each building and took photos documenting the post-renovation dynamics in all collective centers visited.

TI Georgia's team spoke with IDP households living on different floors of each multi-storey building and also entered their apartments to see the state of rooms. In most cases, TI Georgia met people outside, in the hallways or on the balconies of those buildings. After initial conversation about the purpose of visit, IDPs showed their rooms and gave detailed interviews to the research team.

International Organization of Migration. On 17 March, in Batumi, TI Georgia met with the representatives of GYLA and Democracy Institute. On 18 March, in Zugdidi, TI Georgia met with the representative of the following local NGOs: DEA - Association of Disabled Women and Mothers of Disabled Children, Legal Protection Institute, Imedi Association - Internally Displaced women's Movement, Charity Center Tanaziari, Internally Displaced Women for the Protection of their Rights, Association Samegrelo – Medea.

¹⁷ The MDF provided defects liability acts and IDP verification signature lists for the following 14 collective centers: house #210 in the Senaki military settlement; former school building in Senaki (located on Rustaveli Street # 112); mechanical factory back office in Batumi (located on Leonidze Street # 15 a); former kindergarten in Batumi (located on Melikishvili Street, turn #3, Apt. # 21); former cooperative college in Kutaisi (located on Nikea Street # 12); house #91 in the Khoni military settlement; former boarding school in Akhalsopeli (located in Zugdidi district); vocational school building # 2 in Ingiri (located in Zugdidi district); former drug abuse dispensary in Batumi (located on Khakkhuli Street # 5); marine academy building in Batumi (located on Khinikadze Street # 4); former kindergarten in Lesichine (located in Chkhorotsku district); former kindergarten #3 in Kveda-chkhorotsku (located on Kvirkvelia Street); school # 3 in Chkhorotsku town; vocational school and its dormitory in Oktomberi village (located in Zugdidi district).

Most of these site visits were conducted in the morning or early afternoon. Therefore, TI Georgia could miss some of the employed family members living in those collective centers. The main themes of questions the research team asked IDPs were about their profile, extent of their satisfaction with the quality of renovation and the liability of construction companies in charge. During both sets of site visits, TI Georgia's team interviewed more women than men (roughly 70 to 30 percent), especially in Adjara and Imereti, however, both women and men were open to questions and were also active in expressing their attitudes.

On July 5 and 6, TI Georgia's team visited Kutaisi and Zugdidi and presented preliminary findings of its site visits to local NGOs, international organization¹⁸ and media representatives. The feedback provided was useful to update relevant sections in the report, especially the part on recommendations for the responsible agencies. TI Georgia also invited the representatives of MRA's regional offices and local municipalities to these two presentations. However, no government representatives attended the meetings. As a follow-up, TI Georgia sent the presentation slides via email in Georgian to the relevant representatives in Kutaisi and Zugdidi asking them to provide written feedback in one week's time. Again, nobody replied to TI Georgia's emails.

While conducting this short study, TI Georgia was able to access information from the MDF and also set up a meeting with their deputy executive director to discuss some technical details of the renovation problems. In fact, the MDF representatives were quite open to provide their written feedback to TI Georgia via email correspondence on the preliminary findings of the report, including providing explanations about the main categories of renovation problems identified by the research team. In addition, the MDF responded to a freedom of information request in a timely manner, providing TI Georgia with all important documentation, including detailed contracts and costs for 22 collective centers selected together with their technical assessments and measurement drawings. As mentioned above, TI Georgia also received the samples of the defects liability acts and IDP verification signatures, which were sent electronically by the MDF in August 2011.

In addition, since early 2010 the MDF has regularly published a full list of all renovated collective centers on its website, including many useful layers of detail – names of construction companies, contract costs, time-lines, addresses and number of housing units renovated. This information is far more comprehensive than information on the same issue provided to TI Georgia by the MRA. The MDF also frequently updated this list on their website throughout 2010 and 2011 (they did so after TI Georgia informally requested further information on this data).

The research approach did not attempt to make a rigorous selection of sites that would ensure a representative sample of buildings, nor did the team take such an approach when identifying people on each site to interview. Rather, in selecting the sites to visit the team sought to gain a broad perspective of different types of buildings – large, small, urban, and rural – as well as a range of construction companies and construction costs. Nevertheless, the study and methodology has some shortcomings. Most notably, TI Georgia was unable to hire an expert engineer to conduct a technical inspection of the buildings visited and to make technical assessments of the contracts documentation, which would have been particularly interesting with regard to understanding cost constraints. Troubles identifying suitable engineers with relevant expertise and time were due both to the research team's own lack of technical knowledge and also in the difficulty of finding qualified and available engineers.

¹⁸ On 5 July, in Kutaisi, TI Georgia met with the representatives of the following local NGOs and international organization: Education and Universe, Georgian Young Lawyer's Association (GYLA), Georgian Young Economists' Association, Fund Sokhumi of Entrepreneur Women, Afkhazintercont Foundation, Youth club Our Vision, International Organization of Migration, and Cultural-Humanitarian Foundation Sokhumi. On 6 July, in Zugdidi, TI Georgia met with the representatives of the following local NGOs: DEA - Association of Disabled Women and Mothers of Disabled Children, Legal Protection Institute, and Association Samegrelo – Medea.

Secondly, due to time constraints TI Georgia was not able to meet with the representatives of local municipalities and the MRA's regional offices in Adjara, Imereti and Samegrelo to understand the level of their involvement in the rehabilitation of IDPs' housing as well as the level of their communication with IDPs.

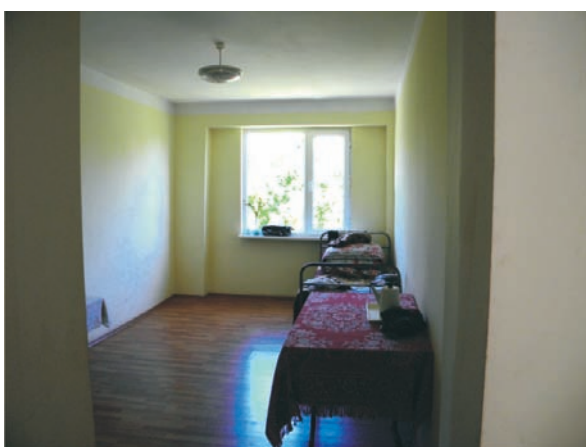
Problem Analysis

While visiting 22 different collective centers in Adjara, Imereti and Samegrelo TI Georgia's research team found a mixed picture of quality of renovation and the extent to which IDPs were satisfied with the renovations. Five collective centers visited were of good conditions since they did not have any major defects.¹⁹ In fact, IDPs seemed to be generally satisfied with the work of construction companies.

Picture 1: Marine Academy Building in Batumi



Picture 2: House #2 in Bandza



Nine buildings were of acceptable conditions²⁰ but had a number of obvious defects (e.g., cracked walls and ceilings, dampness and mould, unfixed electricity cables).

¹⁹ A list of five collective centers that looked quite good: marine academy building in Batumi (located on Khinikadze Street # 4); former cooperative college in Kutaisi (located on Nikea Street # 12); former kindergarten in Kutaisi (located on Belorussia Street # 6); houses # 1 and # 2 in the Bandza village (located in Martvili district), and former boarding school in Akhalsopeli (located in Zugdidi district).

²⁰ A list of nine collective centers that had acceptable quality of renovation but also had a number of obvious defects: former secondary school # 1 in Chakvi (located on Tsereteli Street # 5); mechanical factory back office in Batumi (located on Leonidze Street # 15 a); former kindergarten in Kutaisi (located on Nikea Street # 19); former preventive clinic building of the rubber factory in Kutaisi (located on Chonkadze Street # 52); house # 91 in the military settlement in Khoni; former school building in Martvili town (located on Mshvidoba Street # 114); former kindergarten in Lesichine (located in Chkhorotsku district); former kindergarten #3 in Kveda-chkhorotsku (located on Kvirkvelia Street); Boarding school building #2 in Ingiri village (located in Zugdidi district).

Picture 3: Preventive Clinic Building in Kutaisi



Picture 4: Vocation School Building in Oktomberi



Eight buildings were of rather bad conditions²¹ and had major renovation problems (e.g., severe dampness and mould, unfixed drainage and sewage infrastructure, low quality of building materials and actual repair works, and limited or no water supply). IDPs were openly expressing their dissatisfaction about this.

Picture 5: Vocational School Building #4 in Nojikhevi



Picture 6: School Building in Senaki



According to the minimum standards for rehabilitation²² of collective centers, adopted by the MRA in 2010, each apartment should have a private bathroom/toilet, kitchen, double-glazed windows and appropriate electrical and heating systems. Each registered member of an IDP household living in a collective center should be given a minimum of 15 sq. meters of living space (excluding bathroom area) while additional five to eight sq. meters should be allocated per additional member of a household like spouses who do not have IDP status. In practice, this means that one or two member households receive one-room apartments; three to four

²¹ A list of eight collective centers with major post-renovation problems: former drug abuse dispensary in Batumi (located on Khakkhuli Street # 5); former kindergarten in Batumi (located on Melikishvili Street, turn #3, Apt. # 21); former school building in Senaki (located on Rustaveli Street # 112); house # 210 in the military settlement in Senaki; former vocational school building #4 in Nojikhevi village (located in Khobi District); school # 3 in Chkhorotsku town; vocational school buildings # 1 and #2 in Ingiri village (located in Zugdidi district); vocational school and its dormitory in Oktomberi village (located in Zugdidi district).

²² Minimum standards for rehabilitation of IDPs' housing are part of the IDP Housing Strategy and Working Plan, a document developed by the MRA in 2010. The main purpose of this document is to provide durable housing solution to all IDPs in Georgia (including both old and new caseload) and facilitate the implementation of relevant state strategy and the action plan, adopted in 2007 and 2008, respectively. Importantly, these rehabilitation standards are not part of the contracts that the MDF signs with the construction companies, although they do for the most part reflect building standards that are contained in other documents that the MDF relies on.

member households receive two-room apartments, and five to six member households receive three-room apartments.

The MRA's rehabilitation standards were adopted in 2010 after the MDF had already completed many of its renovation projects in western Georgia. Therefore, these new standards do not apply retroactively to the contracts concluded prior to 2010. The MDF only modified those contracts which were active during the time to ensure that its future projects are implemented in accordance with the MRA's rehabilitation standards.²³

By and large, TI Georgia noted five main categories of problems related to the renovation of IDP collective centers in western Georgia:

1. 13 collective centers visited revealed **serious dampness and mould problems** soon after the renovation works were finished. Seven out of the 13 buildings had **water in the basements**. These problems seem to be caused by **unfixed drainage infrastructure** in those sites.
2. According to IDPs, the **building materials were of low quality** and a number of households made their own investments to replace them.
3. 13 collective centers visited had **problems with the supply of tap water**. Three out of the 13 buildings did not have running water at all. In addition, many buildings had problems with the **management of waste**.
4. The MDF and the construction companies were **not effective in fixing renovation defects** within the one year liability period. In fact, many IDPs TI Georgia spoke with did additional repairs on their own in order to rectify the problems left by the companies.
5. Almost all IDPs TI Georgia interviewed were **concerned about whether they would receive ownership** of the apartments. Some IDPs were saying that they might be under the threat of another resettlement unless they receive the ownership of their current living spaces. Therefore, they want to have their long-term housing tenure secured as soon as possible.

On the positive side, a majority of IDPs TI Georgia spoke with were generally satisfied with the rehabilitation of their apartments, saying that these now **look better and provide more privacy than before** (in previous years, many IDPs living in the collective centers had to use communal bathrooms, but now all families have individual bathrooms/toilets).²⁴ In addition, those IDP households who were resettled in the newly renovated apartments from other places were generally **happy with the size of living spaces**.

TI Georgia was told that the MRA was quite active to facilitate IDPs' resettlement to the renovated collective centers and that **the ministry frequently took into account specific needs of certain households** when allocating living spaces for them. On a similar note, the MRA has recently promised²⁵ IDPs to finalize property registration of all renovated apartments by the end of 2011, which gives a positive signal that this burning issue is going to be resolved soon.

In sum, TI Georgia found that the overall situation in the collective centers visited could have been much better, especially in terms of the quality of renovation.

²³ Mgeladze, op.cit.

²⁴ Only one family expressed concern that the MRA disregarded gender and privacy issues during the allocation of living spaces. In this one case, an adult sister and brother sleep together in a single room.

²⁵ 2nd TV channel of Public Broadcasting, Free Tribune, MRA representatives, 14 June 2011, <<http://www.2tv.ge/ViewVideo.aspx?VID=596>> (accessed on 29 August 2011).

But there are also numerous positive developments. On balance, the renovation promises to show a positive impact on the families, but further steps are necessary to secure the long-term benefits. Most notably, the government should not further delay in the processing of applications for private ownership.

Profile of IDP families in the sites visited

Almost all IDP families living in the 22 collective centers visited came from Abkhazia and most of them were resettled by the government permanently since early 1990's conflicts.²⁶ Roughly 40 percent of the IDPs TI Georgia met in the renovated buildings had moved from another collective center or from private accommodation within the same region.²⁷ (25 percent moved from other collective centers and 15 percent moved from private sector). Those households who were privately accommodated prior to the renovation are not yet registered in their new flats.

There was an interesting dynamic in Adjara. All five collective centers visited in Batumi and Chakvi respectively were previously "idle" (empty) buildings that were renovated and made available to IDPs from the Adjara region. Most of these IDPs came from over-crowded collective centers or collective centers that were sold to private investors and evicted.²⁸

The MRA's central and regional offices, after receiving relevant appeals, facilitated IDPs' resettlement from private sector or from another collective center to the newly renovated houses in western Georgia. While allocating new apartments for IDPs, the MRA, in some instances, also took into consideration specific needs of certain households. For example, an IDP family living in the former boarding school in Akhalsopeli told TI Georgia that the MRA facilitated the process of their resettlement from another collective center in Tbilisi. This family wanted to leave the capital in order to move closer to their relatives in the Zugdidi district.²⁹ Another family, previously living in the private sector in Zugdidi, was also given a new apartment in the same collective center in Akhalsopeli after they asked the MRA to move them to the newly renovated building.

Main Renovation Problems

As mentioned above, during both sets of site visits in March and May, TI Georgia's research team identified five main categories of problems related to the low quality of renovation works conducted in a number of collective centers, especially in Samegrelo. IDP households living in those buildings openly expressed their concerns about the quality of repairs to their apartments and demanded more attention from the construction companies as well as from the local authorities to rectify the defects. TI Georgia analyzes each of these categories of renovation problems in more details below. The positive aspects of this process are also duly outlined.

²⁶ Based on TI Georgia's interviews with IDPs, there was only one case in the former preventive clinic building of the rubber factory in Kutaisi (located on Chonkadze Street #52) when two families from early 1990's conflict in South Ossetia were living together with IDPs from Abkhazia. TI Georgia was told that the Kutaisi City Hall facilitated their resettlement.

²⁷ IDPs "from the private sector" refer to families living in rented or loaned spaces. A 2010 report by the Danish Refugee Council found that private sector IDPs often lived in housing conditions as bad as or worse than IDPs in collective centers – Danish Refugee Council, "Survey Report on Privately Accommodated IDPs in the Samegrelo Region: An analysis of housing situations and conditions as well as durable housing solutions in private accommodation", Zugdidi, June 2010.

²⁸ For instance, most of the IDP households currently living in the former kindergarten in Batumi (located on Melikishvili Street, turn #3, Apt. # 21), which was an empty shell before the renovation, came from the Batumi Teacher's House, which is now where the newly constructed Radisson Hotel is located.

²⁹ TI Georgia found only one more case when an IDP family was resettled from another collective center in Tbilisi. In this case, the family's motivation to move from Tbilisi to Kutaisi was related to a lack of space in the original site.

1. Dampness and mould- unfixed drainage infrastructure

There was dampness and mould in almost all 22 buildings in Adjara, Imereti and Samegrelo, and in a severe form in 13 buildings.³⁰ This thus seems to be a major structural problem that could be solved. TI Georgia found that a long-term presence of excessive moisture in some buildings could lead to growth of microbes, like mould, which in turn could have negative consequences for the health of its inhabitants. According to a 2009 report of World Health Organization (WHO) the relevant health risks include increased susceptibility to asthma, respiratory symptoms and allergies.³¹

It remains unclear though to what extent renovations of old buildings in western Georgia could effectively remedy the mould issue and associated health risks. A wet climate is the characteristic condition of the western part of Georgia. A casual observer of buildings in western Georgia will quickly notice that most apartment buildings and private homes in this area have corrugated iron siding on one or more sides, in order to prevent heavy rains from soaking through the concrete.

For instance, IDPs living in the Senaki military settlement were told by the construction companies working on the site that moisture and mould could easily be caused by the high humidity common to that specific region and that the companies could not do much to prevent it. Yet, a properly installed corrugated iron and gutters on the sides and roofs of the collective centers in Senaki and other areas concerned could make a real difference to the solution of this problem. TI Georgia found only one collective center in Batumi (mechanical factory back office located on Leonidze Street # 15 a) which had corrugated iron installed on the sides of the building. It is noteworthy that this type of work was also included in the contract for that specific building. The MDF, however, explains that while the corrugated iron could protect the building from the rainwater soaking through the walls, it still could not prevent the structure from condensation and sweating - moisture developing on the concrete floor surface in the interior of the building due to the diffusion of warm, humid air throughout its structure.³²

According to the aforementioned World Health Organization report, the control of the temperature and more effective ventilation could be a viable alternative option to prevent excess humidity and growth of mould in the buildings.³³ This point was shared by the MDF experts, however, they also made it clear that the MDF's renovation projects did not include the provision of special damp-proofing measures for IDPs' collective centers and that this issue could be addressed after the second stage of rehabilitation works.³⁴ In fact, the MDF included limited costs for ventilation works in only six of the buildings visited in Samegrelo³⁵ totaling only GEL 2,201.³⁶ Yet, it was not enough to solve the moisture and mould problems even in those sites.

³⁰ A list of 13 buildings with serious dampness and mould problems: Adjara - former kindergarten in Batumi (located on Melikishvili Street, turn #3, Apt. # 21), former drug abuse dispensary in Batumi (located on Khakhuli Street # 5); Imereti - former kindergarten in Kutaisi (located on Nikea Street # 19), former preventive clinic building of the rubber factory in Kutaisi (located on Chonkadze Street #52), house # 91 of the military settlement in Khoni; Samegrelo - former school building in Martvili town (located on Mshvidoba Street # 114), former school building in Senaki (located on Rustaveli Street # 112), house # 210 in the Senaki military settlement, former vocational school building #4 in Nojikhevi village (located in Khobi district), school # 3 in Chkhorotsku town, former vocational school building # 1 in Ingiri village (located in Zugdidi district), boarding school building # 2 in Ingiri (located in Zugdidi district), and vocational school in Oktomberi village (located in Zugdidi District).

³¹ World Health Organization, "WHO guidelines for indoor air quality: dampness and mould", 2009, <http://www.euro.who.int/_data/assets/pdf_file/0017/43325/E92645.pdf> (accessed on 29 August 2011).

³² Mgeladze and Charakashvili, op.cit.

³³ World Health Organization, "Dampness and Mould", op.cit.

³⁴ Mgeladze and Charakashvili, op.cit.

³⁵ These six buildings were: school # 3 in Chkhorotsku town; former kindergarten #3 in Kveda-chkhorotsku (located on Kvirkvelia Street); former kindergarten building in Lesichine (located in Chkhorotsku district); former vocational school building #4 in Nojikhevi village (located in Khobi District); former school building in Martvili town (located on Mshvidoba Street # 114); houses # 1 and # 2 in the Bandza village (located in Martvili district).

³⁶ An IDP family living in the former kindergarten building in Lesichine (located in Chkhorotsku district) told TI Georgia that the companies did not install the ventilation pipes in their building even though they were supposed to do so according to the contract (GEL 144 was allocated for this type of work).

Another related problem common in the newly renovated buildings, especially in Samegrelo and in Adjara, has to do with the poor quality of wastewater management systems, namely drainage and sewage infrastructure. In particular, the water continues to leak from most of the roofs and bathrooms, causing mould and moisture to quickly spread in the interiors. Many IDPs TI Georgia interviewed complained that the roofs of their buildings do not overhang the building's exterior and the gutters are often damaged too, so that when it rains water washes along the walls and is soaked up by the porous concrete of the building. It is noteworthy that in four objects visited, rain gutters were not installed at all.³⁷ Even more striking was this problem in the basements of seven buildings, which were filled with water and waste, causing serious sanitary problems for IDPs (e.g., foul odors, further moisture and a ripe environment for bacteria growth), especially during the summer period.³⁸

Picture 7: Basement of the House #210 in Senaki Military Settlement



Picture 8: Basement of the School # 3 in Chkhorotsku



TI Georgia was told by the MDF representatives that the water in the basements of some collective centers may be caused by the high level of groundwater common to western Georgia but also by inadequate drainage facility for surface/rain water. The problem, though, can be solved by installing costly drainage and storm water systems which, as mentioned before, were not included in the design of MDF's projects.³⁹ These justifications were also shared by local NGOs in Kutaisi and Zugdidi that TI Georgia met with on July 5-6 to present the preliminary findings of the report. However, the NGO representatives also pointed out that detailed evaluation of each building prior to the renovation as well as good quality of actual repair works could still have prevented the problem of water leakage in the interiors of collective centers concerned.⁴⁰ A previous TI Georgia report about the cottage settlements built for the new wave of IDPs explained building methods and techniques to prevent water from leaking into a building's interior: "One method commonly used in Georgia, [...] is to build a very thick concrete brick wall, from 50 cm to a full meter deep. Moisture penetrates the bricks from the outside, but the sheer depth of the wall prevents it from reaching the inside".⁴¹

³⁷ For instance, former preventive clinic building of the rubber factory in Kutaisi (located on Chonkadze Street #52.), block A of the former secondary school # 1 in Chakvi (located on Tsereteli Street # 5), house # 210 in the Senaki military settlement and boarding school building # 2 in Ingiri (located in Zugdidi district) did not have rain gutters installed on the sides and roofs.

³⁸ The basements looked extremely bad in the following seven buildings: former drug abuse dispensary in Batumi (located on Khakhuli Street # 5), former kindergarten in Batumi (located on Melikishvili Street, turn #3, Apt. # 21), school # 3 in Chkhorotsku, former vocational school building #4 in Nojikhevi village (located in Khobi district), boarding school building # 2 in Ingiri (located in Zugdidi district), former kindergarten in Lesichine (located in Chkhorotsku district) and house # 210 in the Senaki military settlement. According to IDPs living in the school # 3 in Chkhorotsku snakes and other reptiles often come out from their basement during the summer time.

³⁹ Mgeladze, op.cit.

⁴⁰ TI Georgia's presentation in Kutaisi and Zugdidi, 5-6 July, 2011.

⁴¹ Transparency International Georgia, "Cottage Settlements for Georgia's New IDPs", op. cit.

The MDF explained that a thickening of the walls could be an option for the new buildings but not for the old ones since the latter require costly works to enhance the bearing capacity of foundations and other structural components of the buildings.⁴² Yet, there could also be cheaper ways, such as fixing weather boarding to the exterior (similar in concept to the corrugated iron siding ubiquitous in much of western Georgia) or building a double wall with an empty cavity in the middle.⁴³

Like in the case of drainage, the sewage infrastructure of some collective centers that TI Georgia visited was not fixed properly either. For instance, the research team found open sewage holes in the yards of two buildings in Adjara and Samegrelo.⁴⁴

Picture 9: Outdoor of the Drug Abuse Dispensary Building in Batumi



Picture 10: Outdoor of the Vocational School Building in Ingiri



In addition, local NGOs in Zugdidi told TI Georgia that the problem with open sewage holes and unfixed sewage pipes is ubiquitous across many renovated collective centers in Samegrelo.⁴⁵ According to MDF's contracts with construction companies, in 2009, approximately GEL 270,000 was spent to fix indoor and outdoor sewage systems for 12 of the collective centers TI Georgia visited in Samegrelo. In addition, approximately GEL 17,000 was allocated to fix outdoor sewage system in one of the buildings in Batumi.⁴⁶ However, two other buildings in Adjara also had serious problems with unfixed sewage infrastructure.⁴⁷

The MDF spent an additional GEL 2.5 million between the end of 2009 and 2010 to fix sewage, drainage, and water supply problems in 22 different collective centers across Samegrelo and Adjara, (21 in Samegrelo and one in Adjara), including sites that TI Georgia's team did not visit. TI Georgia could not identify whether a part of this money went to sewage and drainage repairs for the buildings visited and if it did, then how much. Either way, not much seems to have been done to solve this persistent problem in those places that the research team visited. It was obvious that the old infrastructure from Soviet times did not undergo any substantial renovation for years and it needed to be replaced with modern components.

Most of the collective centers in Samegrelo, where the problem with wastewater management is particularly acute, are located in rural areas not connected to the main drainage/sewage pipes

⁴² Mgeladze and Charakashvili, op.cit.

⁴³ Transparency International Georgia, "Cottage Settlements for Georgia's New IDPs", op. cit.

⁴⁴ The former drug abuse dispensary in Batumi (located on Khakhuli Street # 5) had an open sewage hole just outside one of the ground-floor apartment windows whereas the vocational school buildings in Ingiri village had dirty water spread in a large area around the damaged sewage hole.

⁴⁵ TI Georgia's presentation in Zugdidi, 6 July, 2011.

⁴⁶ Mechanical factory back office in Batumi (located on Leonidze Street # 15 a).

⁴⁷ These were: former drug abuse dispensary (located on Khakhuli Street # 5) and former kindergarten (located on Melikishvili Street, turn #3, Apt. # 21).

of urban infrastructure. Therefore, these buildings require specific system to carry the waste from indoor to outdoor. In fact, very few towns in Georgia have city-wide drainage and sewage infrastructure (this is quite expensive). A World Bank program (also managed by MDF), active between October 2008 and June 2013, with the purpose to develop regional and municipal infrastructure in Georgia includes a component on water, sanitation and flood protection, estimated to require 50% (USD 32.7 million) of the total project costs (USD 65.4 million).⁴⁸

Based on consultations with experts and desk research, TI Georgia found that there are a number of sewage and drainage treatment methods for rural areas. Of these, septic tanks⁴⁹ and French drain systems⁵⁰ seem quite appropriate to manage wastewater in IDPs' housing in western Georgia. However, installation and necessary maintenance of such systems in large apartment blocks with many inhabitants, like Senaki military settlement, would require high costs and it is unclear if or how they would be maintained. The MDF told TI Georgia that on the sites where the groundwater is located closer to the surface it is difficult to drain waste contaminants/effluent water into the ground which results in the inundation of the adjacent area (e.g., drug abuse dispensary in Batumi and vocational school building in Ingiri).⁵¹

In addition, according to the MDF it is quite expensive to fully replace the existing outdated infrastructure of sewage and drainage (e.g., old leaking pipes) in the collective centers with modern components. For instance, the MDF's experts assessed the structural integrity of collective centers in the regions, which are soon going to be rehabilitated under the USAID funding, and came to a conclusion that in some cases it is more expensive to renovate the old buildings rather than construct the new ones. Therefore, those collective centers which require excessive costs for renovation have been left out from the rehabilitation list.⁵²

Nevertheless, well-designed renovation projects taking into account the specificities of each collective center, in terms of its size and location, would have largely prevented the problems related to dampness and wastewater management. This is something the EU, the main donor of these projects, should have been more cautious about by providing specific guidelines to the MDF for the rehabilitation of IDPs' housing.

2. Low quality of building materials and repair works

In most of the collective centers TI Georgia visited, in addition to the problems listed above, IDPs also had to confront a wide variety of defects that arose after the renovation works were completed or, even during the time when these works were still ongoing.⁵³ According to IDPs and based on the observations of the research team these defects are mainly a result of the low

⁴⁸ World Bank, "Regional & Municipal Infrastructure Development Project", Project-At-A-Glance, <<http://web.worldbank.org/external/projects/main?pagePK=64283627&piPK=73230&theSitePK=40941&menuPK=228424&Projectid=P110126>> (accessed on 29 August 2011).

⁴⁹ A typical septic system has four main components: a pipe from the building, a septic tank, a drain-field, and the soil, where anaerobic bacteria decompose or mineralize most of the waste contaminants discharged from the home into the outdoor tank before the waste reaches the groundwater. For further information see: United States Environmental Protection Agency (EPA), "A Homeowners' Guide to Septic Systems", developed in 2005: <http://www.epa.gov/owm/septic/pubs/homeowner_guide_long.pdf> (accessed on 29 August 2011).

⁵⁰ French drain, named after Henry French, could be used as a backup to collect and drain water away from a septic tank in order to retain its walls. There needs to be an outdoor ditch lined with rocks or gravel in order to safely divert the water from an area, thus protecting the foundation of the building. For further information see: Jeanne Huber, "French Drains: When You Need Them", *HouseLogic*, 23 September 2009, <<http://www.houselogic.com/articles/french-drains-when-you-need-them/>> (accessed on 29 August 2011).

⁵¹ Mgeladze and Charakashvili, op.cit.

⁵² Mgeladze, op. cit.

⁵³ During TI Georgia's visit in mid-May the renovation works were still on-going in the former vocational school buildings in Nojikhevi village (located in Khobi District). The problems with moisture and mould were so persistent in the building # 4, for instance, that IDPs were told by the construction companies that they would wait for two weeks after they paint the walls and if the damp and mould continue to grow on those walls then they would consider this building as inappropriate for living.

quality of building materials and actual repairs. Specifically, TI Georgia encountered the following problems: badly painted, cracked walls and ceilings; unsteady laminated floors; poorly installed plastic windows, doors, and ventilation systems; ill-grounded and poorly covered electricity cables;⁵⁴ broken taps, bathtubs and washing stands; poor-quality tiles, electrical sockets, cornices, plinths, door locks and frames.

Some IDP households told TI Georgia that the construction companies gave them the opportunity to choose the color of building materials (e.g., laminate, plinths, cornices, cardboard, wallpapers, and tiles). The materials themselves were, however, not of high quality. At the same time, there were cases when IDPs appealed to the companies to replace certain kinds of materials with the different ones and, in fact, had those replaced.⁵⁵

On the other hand, in most of the buildings TI Georgia visited, IDP households had to make their own investments to replace low-quality materials with the better ones. In fact, a large number of families added additional renovation to their apartments, including replacing doorways with arches, placing tiles on all the walls in the bathrooms⁵⁶, installing new sinks and lamps in the ceilings.

One family told TI Georgia that water taps and electrical sockets brought by the construction companies turned out to be of such poor quality that many IDPs had to return those with much lower price and buy the new ones with their own money. TI Georgia observed many apartments with very poor quality water faucets and electrical sockets that had not been replaced. Another family said that they spent their own money to replace tiles in the bathroom that had fallen and broken after installation.

The MDF representatives explained that due to the limited funding they could not provide high quality building materials for the renovation of collective centers. They argued, however, that the fact that some IDPs made their own investments to buy the new materials does not mean that those provided by the MDF were not adequate to the housing needs of IDPs.⁵⁷

There was an interesting picture in the vocational school buildings of Ingiri village. According to IDPs, those families who were personally supervising the renovation process in their respective apartments got a better result than the others who did not. At the same time, TI Georgia was told that many IDPs, who were contracted by the relevant construction company (Ltd Industria-2), had to do 60-70 percent of renovation works solely on their own. According to IDPs, the reason is that the other non-IDP workers simply left the site due to unpaid salaries. Furthermore, some empty rooms (five or six) in the building # 1 were not renovated at all since the families who are registered in those live in Gali now. IDPs told the research team that the representatives of Ltd Industria-2 brought the materials to renovate those rooms but when they found that the rooms were empty they just left. IDPs suspected that the workers sold the material, but this was not confirmed by the MDF supervisors.⁵⁸

⁵⁴ Electricity cables looked particularly dangerous in the dormitories of the former boarding school in Akhalsopeli, in the vocational school in Oktomberi village (located in Zugdidi district) and in the former secondary school # 1 in Chakvi (located on Tsereteli Street # 5) where IDPs had to fix those cables by themselves. The construction companies told IDPs to refer to relevant energy companies to solve the problem.

⁵⁵ For instance, 6 households living in the former boarding school in Akhalsopeli (located in Zugdidi district) asked Ltd Block Georgia to replace plastic ceilings with the cardboard ones. They also asked the company to replace tiles in the bathrooms and plinths in the rooms. Ltd Block Georgia representatives came and solved those issues. Further, IDPs living in the former cooperative college in Kutaisi (located on Nikea Street # 12) asked Ltd Oda and Ltd Mshenebeli-80 to replace the roof and soon had it replaced. IDPs themselves were employed by these two companies to fix the roof.

⁵⁶ It appears that according to the MDF contracts the construction companies were supposed to cover only half of the bathroom walls with tiles. This was a common picture in many IDPs' apartments.

⁵⁷ Mgeladze and Charakashvili, op.cit.

⁵⁸ Ibid.

3. Municipal services - water supply and waste management problems

Many IDP households TI Georgia interviewed had limited or no supply of tap water in their apartments and waste management seemed to be an issue as well. While 10 collective centers had limited supplies of running water during the day,⁵⁹ three objects did not have it at all.⁶⁰ Most of the buildings had wells in the yards to supply drinking water. However, in six cases in Samegrelo⁶¹ the supply was very low and IDPs had problems to pump water with normal pressure uninterruptedly to multi-storey houses, especially during the summer when the wells often dry up and water becomes undrinkable. Issues such as these suggest that renovation works were not tailor-made to the particular needs and conditions of each building; rather, the approach taken by the MDF seems to have been across-the-board renovations to fix the “easiest” issues, without attention to the most pressing needs.

As shown above, the MDF’s water supply projects included only minor rehabilitation works such as the installation of outdoor wells which in turn could not produce sufficient volume of water for IDPs, especially during the drought season. The MDF explains that in most cases the potable water problem is common to the whole town or village and hence not limited to the particular collective center. They claim that this problem is being gradually solved in many settlements of Samegrelo, meaning that the running water supply is expected to improve for IDPs as well.⁶²

Another serious problem confronting IDPs was related to waste management since most of the collective centers visited did not have garbage containers outside the buildings and IDPs had to walk long distances to throw garbage. Furthermore, in the former school building in Martvili town (located on Mshvidoba Street # 114), the renovation waste itself was disposed directly in the yard of the building. Local NGOs in Kutaisi and Zugdidi told TI Georgia that this was the case in some other collective centers too.⁶³ While waste management is not something that the MDF and the construction companies should be made responsible for, the level of accountability of local municipalities in this direction needs to be higher.⁶⁴

4. Failure of MDF-contracted companies to fix defects

The inability of the MDF to hold relevant construction companies responsible to effectively follow-up on IDPs’ renovation complaints was a general dynamic that TI Georgia observed during both sets of site visits.

According to interviews with IDPs, the regional offices of the MRA in Kutaisi and Zugdidi played a prominent role in negotiating and communicating with construction companies on behalf of IDPs. IDPs appealed to the MRA’s regional offices to ask for additional repairs and, as a follow-

⁵⁹ These were: former cooperative college and dormitory building in Kutaisi (located on Nikea Street # 12), former kindergarten in Kutaisi (located on Belorusia Street # 6), building # 91 of the military settlement in Khoni, two houses of the Bandza village (located in Martvili district), former school building in Martvili town (located on Mshvidoba Street # 114), house # 210 in the military settlement in Senaki town, former vocational school building #4 in Nojikhevi village (located in Khobi District), former kindergarten in Lesichine (located in Chkhorotsku district), former boarding school in Akhalsopeli (located in Zugdidi district), and school and its dormitory in Oktomberi village (located in Zugdidi district).

⁶⁰ The former school building in Senaki (located on Rustaveli Street # 112), the school # 3 in Chkhorotsku town, and the former Kindergarten #3 in Kveda-chkhorotsku (located on Kvirkvelia Street) did not have running water and IDPs had to get water from the outside of those buildings.

⁶¹ This was the case in the following collective centers: former vocational school building #4 in Nojikhevi village (located in Khobi District), two houses of the Bandza village (located in Martvili district), former school building in Martvili town (located on Mshvidoba Street # 114), house # 210 in the military settlement in Senaki town, vocational school and its dormitory in Oktomberi village (located in Zugdidi district), former boarding school in Akhalsopeli (located in Zugdidi district).

⁶² Mgeladze and Charakashvili, op.cit.

⁶³ TI Georgia’s presentation in Kutaisi and Zugdidi, op.cit.

⁶⁴ For instance, the Kutaisi City Hall representatives told IDPs living in the former preventive clinic building of the rubber factory (located on Chonkadze Street # 52) that they do not have enough garbage collectors to install outside that collective center.

up, the representatives of relevant construction companies returned to them several times, once in every three to four months, checked the situation on the spot and promised to rectify the post-renovation defects. However, IDPs told TI Georgia that the repairs have not yet started. Furthermore, in some cases there has not been any follow-up on IDPs renovation complaints at all. For instance, IDPs living in the former vocational school building in Oktomberi village (located in Zugdidi district), one of the buildings with major renovation defects, told TI Georgia that they appealed to the MRA's regional office in Zugdidi to express their dissatisfaction with the quality of renovation in their collective center, but no reaction has followed so far.

As mentioned before, the MDF-contracted companies have a one year liability period to fix all defects that might arise after the completion of renovation works. This one year period has, however, already passed for all collective centers the research team visited.⁶⁵ The MDF representatives told TI Georgia that the renovation of IDPs' collective centers was monitored on-site by the MDF's 12 supervisory engineers/consultants together with the specialists from the agency's technical division. In addition, the relevant EU experts conducted periodic monitoring of the on-going works and provided recommendations to the MDF.⁶⁶ The MDF supervisory engineers returned to some of those sites to document the problems and then notify the relevant companies but the latter, after receiving these defects notifications, have not done much to fix the problems and improve the overall quality of renovation.

In August 2011, the MDF provided TI Georgia with the defects liability acts and IDP verification signatures for 14 collective centers visited to prove that renovation defects documented in these buildings had already been fixed by the construction companies in the due course of time. Yet, these defect/signature acts did not contain the type and description of defects that the companies fixed and hence TI Georgia was unable to compare those with the findings of the research team. A sample of the defects act and IDP verification signatures for Senaki military settlement are reproduced below:

⁶⁵ Most of the deadlines passed in 2009 and in 6 cases in 2010. For two buildings in Batumi it passed only recently in June.

⁶⁶ Mgeladze and Charakashvili, op.cit.

Figure 1: Sample MDF Defects Liability Act for Senaki Military Settlement

<p style="text-align: center;">Act N: On the Expiration of Defects Liability Period</p> <p>Place: Senaki</p> <p>Date: 21 January 2011</p> <p>We, the undersigned parties, have drafted this act to confirm that the contractor (Ltd Mshenebeli – 80) completed the rehabilitation of houses N: in accordance with the contract N:</p> <p>The relevant delivery acceptance act was signed on 20 January 2010.</p> <p>All defects revealed during the liability period were fully remedied by the contractor.</p> <p>365 days passed since the signing of the agreement with the contractor and therefore the defects liability period for Ltd Mshenebeli – 80 has expired.</p> <p>Hereby, this act is verified and confirmed by our signatures.</p> <p>Signed: MDF and Ltd Mshenebeli – 80</p>

Figure 2: Sample IDP Verification of Repairs in Senaki Military Settlement

<p style="text-align: center;">A Sample of IDP Verification Act N:</p> <p>Place: Senaki</p> <p>Date: 10 December 2010</p> <p>We, internally displaced persons living in the houses of the military settlement in Senaki, confirm that defects revealed after the completion of rehabilitation works - contract N: - have been rectified and there are no complaints to the construction company.</p> <p>Signed: IDPs</p>
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**The names and house numbers in the lists above have been kept confidential to protect the identity of the inhabitants.*

TI Georgia's research team visited house #210 in Senaki military settlement on 18 May 2011, several months after the signing of the defects act, and found a different picture. Specifically, this building had severe problems with dampness and mould. The basement was filled with water, the sewage system was not fixed properly and running water supply was limited due to damaged water pumps. The MDF representatives informed TI Georgia that it is likely that these defects were revealed after the expiration of the one year liability period. Otherwise the MDF would not grant the relevant certificate to the company in charge. Yet, this suggests that the quality of additional repair works during the liability period was not high, as it could not stop the second type of defects from recurring soon after. While this finding cannot be generalized to all collective centers that TI Georgia visited, it is still an important signal that the MDF needs to improve its method of documenting renovation defects and verifying that they were duly rectified by the responsible company.

In an interview with TI Georgia, the MDF representatives pointed out that the implementation of the new redress mechanism for IDPs' complaints, which was adopted by the MRA in July 2011, would make a positive impact on the quality of MDF's future construction/repair projects. This new mechanism would in fact help the MDF and other implementing agencies to receive construction/renovation complaints directly from IDPs and react promptly to those. In addition, it would ensure that IDPs are more actively involved during both the construction/renovation and the defects notification phases. It is noteworthy that the MDF itself has been involved in the development of this redress mechanism within the relevant technical expert group at the MRA.⁶⁷

While the new redress mechanism would not be retroactive to the collective centers that TI Georgia visited, since the liability period has already expired for those sites, it can be seen as a positive step forward in making responsible agencies as well as contractor companies more accountable for their work. To this end, it is essential that this mechanism is well-explained and well-communicated to IDPs so that they are able to easily file complaints when needed.

Self-privatization and Condominiums

Besides renovation, another major concern for IDPs living in the collective centers in western Georgia is pending self-privatization of their apartments. IDPs told TI Georgia that government officials, including the Minister of Refugees and Accommodation, Koba Subeliani, visited them several times in the past year and promised to provide ownership documents of the renovated apartments by March or April 2011.⁶⁸ This has not yet been done. The lack of proper registration documents prevents IDPs from taking advantage of the property value, contributing to a sense of insecurity over their future housing and building further distrust towards the authorities.

According to interviews with IDPs, representatives of MRA's regional offices have already conducted profiling exercises in many collective centers. They collected documents in order to define who lives where, how much space there is, and to assign numbers to every household. Yet the self-privatization process appears to have stalled there. Of the 22 objects TI Georgia visited, only one in Kutaisi (located on Belorussia Street # 6) was fully self-privatized; another in Senaki military settlement (house # 210) was partially self-privatized (around 50 percent of apartments), according to the IDPs living there.⁶⁹ On June 14, the MRA's representatives made a public statement that the process of self-privatization of all collective centers should be finalized by the end of 2011.⁷⁰

One important aspect of the self-privatization process is related to the issue of subsidies for utilities the "first-wave" IDPs currently receive from the government. Under the Georgian legislation, IDP households registered in collective centers receive a monthly allowance of GEL 22 per family member. They also receive 100 free kilowatt hours of electricity per family member (equivalent to GEL 12.98 per person each month). In addition, they do not have to cover the costs for water consumption, sanitation and waste management. On the other hand, IDPs registered in the private sector receive an allowance of GEL 28 per family member, but they do not receive subsidies for electricity or other utilities.⁷¹ While neither of these two categories of IDPs receives subsidies for gas, the gas supply itself is a big problem in many collective

⁶⁷ Mgeladze, op.cit.

⁶⁸ IDPs living in the two houses of the Bandza village (located in Martvili district) were told by the Minister Subeliani last summer that they would receive the ownership registration documents over their apartments only after the relevant companies finish the installation of individual electricity meters on the site.

⁶⁹ In this case, some IDPs already had property registration documents and some did not, even though they knew that their property is registered and they just need to obtain relevant documents from the public registry. It was unclear why some had not sought the registration documents immediately.

⁷⁰ 2nd TV channel of Public Broadcasting, op. cit.

⁷¹ MRA's temporary expert group on information campaign, "information brochure on IDPs' benefits and subsidies", March 2010.

centers. Of the 22 buildings visited only two of them (marine academy located on Khinikadze Street # 4 in Batumi, and former kindergarten located on Nikea Street # 19 in Kutaisi⁷²) had gas hook-up.⁷³ The MDF did not have any projects on gas supplies for IDPs' collective centers in western Georgia. According to the MRA's rehabilitation standards it is the responsibility of local authorities to deal with external gas connections. Indeed, many IDPs interviewed said that the MRA's regional offices and local municipalities made promises to solve the gas problems and TI Georgia found gas pipes installed outside some of the buildings.⁷⁴ However, it still remains to be seen when this process will be finalized in all renovated buildings. Either way, the government's subsidies for gas, electricity or other utilities are going to be cancelled after both categories of IDPs (registered in collective centers or private sector) are given official ownership of their renovated apartments. From that point on, IDPs would have to cover all utility costs by themselves.

Another important component of this self-privatization process is the establishment of condominiums in IDPs' apartment blocks to facilitate common management and maintenance of the property. It is noteworthy that a number of collective centers visited were already established as condominiums and the research team spoke with the heads of some of those condominiums.⁷⁵ In one case, TI Georgia was told that the construction company representatives, who returned to the site to document defects, discussed the plan prepared by the IDP condominium members regarding the renovation of main entrances of the multi-storey building.⁷⁶ This shows that it is important for IDPs to have a joint representation of owners in their apartment blocks to manage the functioning of common facilities (e.g. entrances, elevators, heating systems), including negotiating the plans for their rehabilitation with the construction companies.

It is noteworthy that the privatization of the buildings is a necessary precondition to set up condominiums, however, the absolute majority of collective centers that TI Georgia visited were not yet given in private ownership to IDPs.

⁷² In this object, IDPs pay for the consumption on their own costs using the system of installment payments.

⁷³ In the former kindergarten in Batumi (located on Melikishvili Street, turn #3, Apt. # 21), which TI Georgia visited on March 17, IDPs did not have gas in their rooms simply because the gas meters in the entrance of the building were not installed properly. However, from a follow-up call in late April we learned that the relevant company returned to fix the problem and that the repair works were still on-going.

⁷⁴ For instance, the gas pipes were installed outside of the former cooperative college and dormitory buildings in Kutaisi (located on Nikea Street # 12) however there was still no gas inside the building itself.

⁷⁵ TI Georgia had interviews with the heads of condominiums in the following collective centers: former cooperative college and dormitory buildings in Kutaisi (located on Nikea Street # 12); former kindergarten in Kutaisi (located on Nikea Street # 19); house # 210 in the military settlement in Senaki town.

⁷⁶ This was the case in the house #210 of the Senaki military settlement, which is only partially self-privatized by IDPs.

Conclusion and Recommendations

The Georgian government's renovation of IDPs' collective centers is a positive undertaking that deserves recognition. For 17 years, people displaced during the early 1990's conflicts had to live in dire conditions with limited access to basic housing infrastructure. This has changed significantly following MDF's major renovation projects in IDPs' apartment blocks across the whole of Georgia, creating conditions for durable housing solution for this vulnerable group of people.

Yet, the sheer size and speed of this renovation (273 buildings/7,241 apartment units renovated within 18 months) gave rise to questions of quality. These concerns were particularly acute in western Georgia, where MDF implemented approximately 80 percent of all its housing rehabilitation projects for IDPs.

TI Georgia's research team visited 22 different collective centers in Adjara, Imereti and Samegrelo and identified five main categories of problems related to the quality of renovation in those sites. These are as follows:

1. Serious dampness and mould - unfixed drainage infrastructure
2. Low quality of building materials and repair works
3. Water supply and waste management problems
4. Failure to fix the renovation defects within the one-year liability period
5. Pending formal, legal ownership status of collective centers while in fact IDPs take on full obligations of private ownership (e.g., utilities payments, fixing renovation defects and further maintenance costs).

In order to improve the level of accountability of MDF and other responsible agencies in their future projects for the rehabilitation of IDPs' collective centers, TI Georgia makes the following recommendations:

- The MRA, local municipalities and the MDF should better coordinate the selection and structural assessment of existing buildings for rehabilitation. They should also conduct a careful cost-benefit analysis of the scope of work in each particular case to ensure that the future renovation projects are well-designed and well-suited to the available funding.
- Specifically, the repair works need to be tailor-made to the particular needs and conditions of each building concerned by taking into account its size and location.
- The MDF should improve its defects documentation and supervision mechanism to ensure that the contractor companies in charge of the renovation of IDPs' houses rectify the second type of defects within the one-year liability period.
- The new redress mechanism for IDPs' complaints about the quality of renovation to their housing should be well-explained and well-communicated to IDPs for them to easily file the renovation complaints whenever they arise in the future and make the responsible agencies to react quickly.
- The MRA and local municipalities need to improve their service delivery to IDPs to solve the water, gas and waste management problems in the renovated collective centers.
- The MRA should provide specific timeline for the privatization of each collective center, communicate it with IDPs and finalize the privatization process by the end of 2011, as promised.

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Charts

Chart 1: Number of Repaired Housing Units by Region

Chart 2: Repair Costs by Construction Company

Chart 3: Additional Rehabilitation Projects by Region

Chart 4: Additional Rehabilitation Costs by Construction Company

Chart 5: Costs of All Projects by Type of Renovation

Pictures

Picture 1: Marine Academy Building in Batumi

Picture 2: House #2 in Bandza

Picture 3: Preventive Clinic Building in Kutaisi

Picture 4: Vocation School Building in Oktomberi

Picture 5: Vocational School Building #4 in Nojikhevi

Picture 6: School Building in Senaki

Picture 7: Basement of the House #210 in Senaki Military Settlement

Picture 8: Basement of the School # 3 in Chkhorotsku

Picture 9: Outdoor of the Drug Abuse Dispensary Building in Batumi

Picture 10: Outdoor of the Vocational School Building in Ingiri

Figures

Figure 1: Sample MDF Defects Liability Act for Senaki Military Settlement

Figure 2: Sample IDP Verification of Repairs in Senaki Military Settlement