



Roads Department of the Ministry of Regional Development and Infrastructure



Detailed Design and Bidding Documents for Upgrading the Section between Ruisi and Rikoti, km 95 – km 143 of the E 60 Highway

Land Acquisition and Resettlement Plan RAP-I Draft

Section 1 Ruisi - Agara-Agara Bypass (km 0.0 – km 19.0)



Eptisa Servicios de Ingenieria, S.L.



08 February 2012



CURRENCY EQUIVALENTS

(as of 26 July 2011)

Currency Unit	–	lari (GEL)
\$1.00	=	GEL1.65

ABBREVIATIONS

ACS	–	acquisition and compensation scheme
ADB	–	Asian Development Bank
AR	–	Adjara Republic
CSC	–	construction supervision consultant
AH	–	affected family
AP	–	Affected Person
CBO	–	community based organization
DMS	–	detailed measurement survey
RDRD	–	Road Development and Resettlement Division
GoG	–	Government of Georgia
GRC	–	grievance redress committee
IA	–	implementing agency
IFI	-	International Financial Institution
IP	–	indigenous peoples
EMA	–	external monitoring agency
km	–	Kilometre
LAR	–	land acquisition and resettlement
LARC	–	land acquisition and resettlement commission
LARF	–	land acquisition and resettlement framework
RAP	–	land acquisition and resettlement plan
M&E	–	monitoring and evaluation
MFF	–	multitranches financing facility
MOF	–	Ministry of Finance
MPR	–	monthly progress report
MRDI	–	Ministry of Regional Development and Infrastructure
NAPR	–	National Agency of Public Registry
NGO	–	non-governmental organization
PEMI	–	persons experiencing major impact
PFR	–	periodic financing request
PPR	–	project progress report
PPTA	–	project preparatory technical assistance
PRRC	–	Property Rights Recognition Commission
R&R	–	resettlement and rehabilitation
RD	–	Roads Department
RDMRD	–	Roads Department of the Ministry of Regional Development and Infrastructure of Georgia
RoW	–	right of way
RU	–	resettlement unit
SES	–	socioeconomic survey
SPS	–	safeguard policy statement
TRRC	–	Transport Reform and Rehabilitation Centre
WB	-	World Bank

NOTE

In this report, “\$” refers to US dollars.



Table of Contents

	EXECUTIVE SUMMARY	
I.	INTRODUCTION	9
II.	CENSUS AND IMPACT ASSESSMENT	13
III.	SOCIO-ECONOMIC INFORMATION	26
IV.	LEGAL AND POLICY FRAMEWORK	34
V.	INSTITUTIONAL ARRANGEMENTS	45
VI.	CONSULTATION, AND PARTICIPATION	52
VII.	GRIEVANCE REDRESS MECHANISM	60
VIII.	IMPLEMENTATION SCHEDULE	63
IX.	COSTS AND FINANCING	67
X.	MONITORING AND REPORTING	75

List of Figures

FIGURE 1.1 PROJECT LOCATION	12
FIGURE 5.1 LAR ORGANIZATION CHART	50
FIGURE 7.1 GRIEVANCE RESOLUTION AND ACQUISITION PROCESS	62

Annexes

Annex 4.1 Valuation Methodology
Annex 4.2 Legalization Procedure
Annex 7.1 Information Leaflet

GLOSSARY

Beneficiary Community: All persons and households situated within the government-owned or acquired property who voluntarily seek to avail and be part of the Project and represented by a community association that is duly recognized by the community residents, accredited by the local government, and legally registered with the appropriate institutions.

Compensation: Payment in cash or in kind of the replacement cost of the acquired assets.

Entitlement: Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to Affected people, depending on the nature of their losses, to restore their economic and social base.

Improvements: Structures constructed (dwelling unit, fence, waiting sheds, animal pens, utilities, community facilities, stores, warehouses, etc.) and crops/plants planted by the person, household, institution, or organization.

Land Acquisition: The process whereby a person is compelled by a government agency to alienate all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for a consideration.

Affected People (AP): Individuals affected by Project-related impacts.

Affected Household (AH): All members of a household residing under one roof and operating as a single economic unit, who are adversely affected by the Project. It may consist of a single nuclear family or an extended family group.

Rehabilitation: Compensatory measures provided under the Policy Framework on involuntary resettlement other than payment of the replacement cost of acquired assets.

Relocation: The physical relocation of a AP/AH from her/his pre-Project place of residence.

Replacement Cost: The value determined to be fair compensation for land based on its productive potential and location.. The replacement cost of houses and structures (current fair market price of building materials and labour without depreciation or deductions for salvaged building material), and the market value of residential land, crops, trees, and other commodities.

Resettlement: All measures taken to mitigate any and all adverse impacts of the Project on AP's property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation of the damaged/removed infrastructure and installations.

Sakrebulo: This is the representative body of local self-government. The middle level of local government consists of 67 rayons (districts) and six cities in Georgia: Tbilisi, Kutaisi, Rustavi, Poti, Batumi and Sukhumi. The representative branch of rayon level is the rayon level Local Councils (Rayon Sakrebulo) and the executive branch is represented by Rayon Gamgeoba (Gamgebeli). The self-government level consists of settlements (self-governed cities) or groups of settlements (municipalities). Settlements could be villages, small towns (minimum 3,000 inhabitants) and cities (minimum 5,000 inhabitants). The representative and executive branches of self-government are represented accordingly by Local Council (Sakrebulo) and the Gamgebeli of municipal level. The exclusive responsibilities of self-government include land-use and territorial planning, zoning, construction permits and supervision, housing, and communal infrastructure development.

EXECUTIVE SUMMARY

1. The Government of Georgia has requested the World Bank's assistance in upgrading several segments of the East-West highway. The section between Ruisi and Rikoti of approximately 49 km is a two-lane carriageway road, which passes through mountainous and flat terrain. The upcoming investment is intended for upgrading the section from 2-lane to 4-lane highway. This project is financed through a loan by the World Bank to the Government of Georgia and aims to upgrade several segments of the East-West highway. The road passes through populated villages and the city of Khashuri, where extensive traffic delays are frequent and traffic safety is an issue due to high density of traffic along dense urban settlements and urban roads. The detailed design covers the section Ruisi up to the start of the Rikoti Tunnel (km 95 to km 143) and does not cover any works to the Rikoti Tunnel itself or to any of its installations. The detailed design and bidding documents will be implemented within the scope of World Bank program to be financed under the Second East-West Highway Improvement Project. Therefore, the RDMRDI requested that safeguard regulations of WB and in particular, the OP 4.12 (Involuntary Resettlement Policy) should be regarded.

2. The entire project alignment will be divided on 2 or 3 subsections and the project development will be arranged in phases. First phase will cover subsection 1 (km 95 - km 114). The next subsection (km 114 to km 143) will be constructed as 1 or 2 phase. Construction activities for the Ruisi - Rikoti section of the East-West highway will entail land acquisition and resettlement (LAR) and need the preparation of Resettlement Action Plans (RAPs) satisfying the WB Safeguards Policies requirements. To satisfy WB OP 4.12 requirements the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia (RDMRDI) the Program Implementing Agency (IA) has to prepare separate RAPs for each subsection.

3. Present RAP 1 covers the section of Ruisi - Rikoti (km 95 - km 114) and is located within the Kareli Rayon. Impacts along these road sections will entail acquisition of 1,129,079 sq.m of land from 489 plots divided in terms of tenure type as follows:

- **Category 1.** 61 titled private land plots with full registration 175,228 sq.m;
- **Category 2.** 307 titled private land plots 269,264sq.m rightfully owned and requiring legalization through 1 stage process of registration in NAPR (legalizable land plots). These land plots have been transferred to the owners during the land reform but the formal procedures needed for registration in NAPR have not been completed.
- **Category 3.** 30 land plots of 42,412 sq.m non titled, but legalizable according to current legislation through 2 stage process (stage 1: recognition of ownership rights by PRRC; stage 2: Registration in NAPR). All of these mentioned 3 categories of land plots are subject for compensation.
- **Category 4.** 28 State Owned land plots of 19,276sq.m Illegally Occupied by Private Users and cultivated for agricultural needs.
- **Category 5.** 63 State owned land plots of 622,899 sqm not used by private users.

4. Given the magnitude of impacts (there are 369 AHs, 212 severely affected APs and several relocated commercial facilities) the project under this RAP is classified as "A" for resettlement. The project location map is shown in Figure 1.1 at the end of the chapter 1.

Table E.1 Summary Impact on Land Acquisition and Resettlement

No.	Impacts	Unit	
Land Tenure Patterns			
1	Total Land parcels affected	No.	489 plots
2	Total land Area to be acquired	Sqm	1,129,079
3	Category 1. Private Registered Plots	No.	61
		sq.m	175,228
4	Category 2. Private (Rightfully owned) Legalizable through NAPR (1 stage legalization)	No.	307
		sq.m	269,264
5	Category 3. Private (Nonrightfully owned) Legalizable through PRRC+ NAPR (2 stage legalization)	No.	30
		sq.m	42,412
	Category 4. State Owned Illegally Occupied by Private Users (non legalizable)	No.	28
		Sqm	19,276
	Category 5. State Owned Not Used by Private Users	No.	63
		Sqm	622,899
Land Use and Compensation Categories			
6	Type 1; Private agricultural (remote from the existing section of highway) (3 Gel/sq.m)	No.	154
		sq.m	108,058
7	Type 2; Private agricultural (located along the existing section of highway) (4 Gel/sq.m)	No.	237
		sq.m	361,074
8	Type 3; Private non-agricultural land used for commercial needs (5 Gel sq.m)	No.	7
		sq.m	17,773
	Type 4; State Owned agricultural land (Illegally used by Private Users) ; not compensable	No.	28
		Sqm	19,276
	Type 5; Non-agricultural State Owned (not used by private users); not compensable	No.	63 public
		Sqm	622,899
Agricultural Patterns			
9	Area under wheat cultivation	sq.m	145,889
10	Area under maize cultivation	sq.m	62,886
11	Area under beans cultivation	sq.m	16,971
12	Area under vegetables cultivation	sq.m	112,734
13	Area under hay/grass cultivation	sq.m	106,835
14	Area under potatoes cultivation	sq.m	9452
15	Area under strawberry cultivation	sq.m	22116
16	Affected Trees	No	2764
Affected Structures			
17	Fuelling Stations	No.	4
18	Flower - Shop	No.	1
		Fencing	No. 45 m 3405
	Wells	No.	17
	Toilet	No.	1
	Irrigation system	No.	1
	Pool	No.	1
	Ancillary buildings (Shed)	No.	3
			10
Affected Businesses			
19	Operated Fuelling Station (operation income)	No.	1
20	Leased not operated Fuelling Station (leasing income)	No.	1
Affected Households			
21	Severely affected Households	No.	212
22	Vulnerable Households	No	82
23	Resettled households	No.	0

24	AH with registered plots	No.	51
25	AH with legalizable plots (rightful owners, 1 stage registration through NAPR)	No.	282 ¹
	AH with legalizable plots (non-rightful owners, 2 stage registration through PRRC + NAPR)	No	29 ¹
	AH illegally using State owned land (non-legalizable)	No	27 ¹
26	AH with agricultural land plots	No	343
27	AH with non-agricultural (commercial) land plots	No.	7 ²
28	Total AH	No	369
29	Total Affected Persons	No	1439

The project impact extends to 1439 peoples comprising 53% male and 47% females: 763 male and 676 females. Further, 19 of the 195 AHs are headed by women. Special attention will be given to the impact of resettlement on women and other vulnerable groups during monitoring and evaluation of the RAP-I. The project will have a positive impact on gender, and civil works contracts will include provisions to encourage employment of women during implementation. Additionally, women headed households have been considered as vulnerable and special assistance was provided in the RAP entitlements.

5. The legal and policy framework of the project on land acquisition and resettlement has been adopted to assist the APs and/or households for their lost land and assets, income and livelihood resources. Expropriation of land through eminent domain will not be applied unless approach for acquisition through negotiated settlement fails. Compensation eligibility is limited by a cut-off date as set for this project on the day of the beginning of the AP Census which is 15 October 2011. APs will be entitled for compensation or at least rehabilitation assistance under the Project are (i) all persons losing land irrespective of their title, (ii) tenants and sharecroppers irrespective of formal registration, (iii) owners of buildings, crops, plants, or other objects attached to the land; and (iv) persons losing business, income, and salaries. However, this RAP identified no impact on tenants, sharecroppers, businesses, income or salaries. A summary entitlements matrix is included in Table E-2.

Table E-2. Compensation Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AF losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation in cash at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible. The option selected for the Program is cash compensation. If residual plots becomes unusable the project will acquire it in full if so the AP desires.
		Legalizable Owner	These AP will be legalized and provided with cash compensation at full replacement cost.
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 12 months at minimum subsistence income* .312 GEL per 1 month x 12 months=3744 GEL x AH).
Non-Agricultural Land	AF losing their commercial/residential land	Owner with full registration	Cash compensation at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible.
		Legalizable Owner	APs will be legalized and provided with cash compensation at full replacement cost..
		Renter/Leaseholder	Rental allowances in cash for 3 months
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 1 year at minimum subsistence income

			312 GEL1 per month x 12 months=3744 GEL x AH).
Buildings and Structures			
Residential and non residential structures/assets		All AFs regardless of legal ownership/ registration status (including legalizable and Informal Settlers)	All impacts will be considered as full impacts disregarding the actual impact percentage. Impacts will be compensated in cash at full replacement costs free of depreciation and transaction costs.
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Crops	Standing crops affected or loss of planned crop incomes**	All AFs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided by default both if the crops was harvested or not at time of impact
Trees	Trees affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees.
Business/Employment	Business/employment loss	All AFs regardless of legal status (including legalizable and Informal Settlers)	Owner: (i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence income. Permanent worker/employees: indemnity for lost wages equal to 3 months of minimum subsistence income.
Allowances			
Severe Impacts	>10% income loss	All severely affected AFs including informal settlers	Agricultural income: 2 additional crop compensation covering 1 year yield from affected land. Other income: 1 additional compensation for 3 months of minimum subsistence income. 312 GEL per month x 3 months=936 GEL per AH)
Relocation/Shifting	Transport/transition costs	All AFs to be relocated	Provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. 200 GEL as vehicle hire charge + 312GEL as minimum subsistence income x 3 months = 1,136 GEL per AH
Vulnerable People Allowances		AFs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income* and employment priority in project-related jobs 312 GEL as minimum subsistence income per month for 31 months=936 GEL per AH)
Temporary Loss			
Temporary impact during construction		All AFs	Due compensation will be assessed and paid based on this RPF during construction. All land required for temporary use is to be obtained by the civil works Contractor through voluntary negotiations (e.g., willing buyer-willing seller basis). The maximum period for temporary use is defined as 2 years. Compensation rates to be paid should not be less than compensation at current market rates for the gross value of 4 year's harvest of crops on the

			affected lands. It is also required that lands (or other assets) be fully cleared and restored following use
Unforeseen resettlement impacts, if any			Road Department and the construction contractor will address and mitigate/compensate unforeseen resettlement impact during project

* Minimum subsistence income to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval

** Income expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land was permanently used for crop cultivation, but for the year, when the inventory of losses was conducted, no crops have been planted (due to need of rest to this land or illness of the farmer or any justifiable reason), the land parcel still will be considered as designed for crop cultivation and relevant compensations will be paid

6. WB is the funding agency and RDMRDI is the Implementing Agency (IA) of the Project. RDMRDI has the lead responsibility for road construction, as well as implementation of this RAP through the Resettlement Unit (RU) under the Roads Development and Resettlement Division in RDMRDI. A Land Acquisition and Resettlement (LAR) Commission (LARC) will be assisting RU in all LAR activities and RU will be represented at the field by a Working Group comprising the legal, economics and engineering expertise from other departments of RDMRDI. In addition, RU will be assisted by LAR Team in the rayon level involving also the local self-government bodies. Transport Reform and Rehabilitation Centre (TRRC) has been formed as an independent body for financial management of World Bank financed projects. In addition, a number of other government departments will play an instrumental in the updating and implementation of RAP-I. The National Agency of Public Registry (NAPR) within the Ministry of Justice will be assisting the Project through registration of land ownership and its transfer through purchase agreement from landowners to the RDMRDI. The local government at Rayon and village level will also be involved.

7. The designated official from RU was also an active member in leading role during the census survey. RU staff and local level LAR Team members were informally trained during the feasibility study. Members of LAR institutions will be trained prior to the implementation of RAP-II under the ADB RETA or similar WB programs for capacity building of RU staff and its field operatives.¹

8. A grievance mechanism will be available to allow a AP appealing any disagreeable decision, practice or activity arising from land or other assets compensation. Grievance redress committees (GRCs) at local level involving the local government officials, representative of APs, representative of local NGOs and consultant. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Care will always be taken to prevent grievances rather than going through a redress process.

9. Consultation with likely APs in the project affected areas was conducted during the feasibility study of the Project (tranche 1) and preparation of draft RAP for section 1 in 2009. Specific to the section 1 of the project road in Kareli Rayon, people were consulted through individual contact during the census survey under the feasibility study for identification of APs. At the preparation of RAP-I in detail design stage, all likely APs (available on site) were consulted through community level meetings and through individual contact at the time of census, socioeconomic survey and detail measurement survey.

¹ Regional Technical Assistance Project RETA-7433 REG: Mainstreaming Land Acquisition and Resettlement Safeguards in the Central and West Asia.

10. RAP-I requires legalization of the 337 land parcels for 311 legalizable owners of land parcels under acquisition which is in progress and negotiation with all legalized land owners and APs will take November - December of 2011.

11. Payment of compensation and cash allowances will be completed by end of March 2012. All activities related to the land acquisition and resettlement have been scheduled to ensure that compensation is paid prior to displacement and commencement of civil works. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. The resettlement cost estimate under this **3,888,400 GEL (USD 2,356,606)**.

12. Land acquisition and resettlement tasks under the project will be subject to monitoring. Monitoring will be the responsibility of RDMRDI. Internal monitoring will be carried out routinely by RU/RDMRDI. The results will be communicated to the WB through the quarterly project implementation reports. External monitoring will be carried out on a regular basis, and its results communicated to RU/RDMRDI and Financing WB through quarterly reports. The RDMRDI (through external help) will carry out a post-implementation evaluation of the RAP-I about a year after completion of its implementation.

I. INTRODUCTION

1.1 Project Background

13. The Government of Georgia has requested the World Bank's assistance in upgrading several segments of the East-West highway. The section between Ruisi and Rikoti of approximately 49 km is a two-lane carriageway road, which passes through mountainous and flat terrain. The upcoming investment is intended for upgrading the section from 2-lane to 4-lane highway. This project is financed through a loan by the World Bank to the Government of Georgia and aims to upgrade several segments of the East-West highway. The road passes through populated villages and the city of Khashuri, where extensive traffic delays are frequent and traffic safety is an issue due to high density of traffic along dense urban settlements and urban roads. The detailed design covers the section Ruisi up to the start of the Rikoti Tunnel (km 95 to km 143) and does not cover any works to the Rikoti Tunnel itself or to any of its installations. The detailed design and bidding documents will be implemented within the scope of World Bank program to be financed under the Second East-West Highway Improvement Project. Therefore, the RDMRDI requested that safeguard regulations of WB and in particular, the OP 4.12 (Involuntary Resettlement Policy) should be regarded.

14. The entire project alignment will be divided on 3 subsections and the project development will be arranged in phases. First phase will cover subsection 1 (km 95 - km 114). The next subsection (km 114 to km 143) will be constructed as r 2 phase. Construction activities for the Ruisi - Rikoti section of the East-West highway will entail land acquisition and resettlement (LAR) and need the preparation of Resettlement Action Plans (RAPs) satisfying the WB Safeguards Policies requirements. To satisfy WB OP 4.12 requirements the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia (RDMRDI) the Program Implementing Agency (IA) has to prepare separate RAPs for each subsection.

15. Present RAP 1 covers the section of Ruisi - Rikoti (km 95 - km 114) and is located within the Kareli Rayon. Impacts along these road sections will entail acquisition of 1,129,079 sq.m of land from 489 plots divided in terms of tenure type as follows:

- **Category 1.** 61 titled private land plots with full registration 175,228 sq.m;
- **Category 2.** 307 titled private land plots 269,264sq.m rightfully owned and requiring legalization through 1 stage process of registration in NAPR (legalizable land plots). These land plots have been transferred to the owners during the land reform but the formal procedures needed for registration in NAPR have not been completed.
- **Category 3.** 30 land plots of 42,412 sq.m non titled, but legalizable according to current legislation through 2 stage process (stage 1: recognition of ownership rights by PRRC; stage 2: Registration in NAPR). All of these mentioned 3 categories of land plots are subject for compensation.
- **Category 4.** 28 State Owned land plots of 19,276sq.m Illegally Occupied by Private Users and cultivated for agricultural needs.
- **Category 5.** 63 State owned land plots of 622,899 sqm not used by private users.

16. Given the magnitude of impacts (there are 369 AHs, 212 severely affected APs and several relocated commercial facilities) the project under this RAP is classified as "A" for resettlement. The project location map is shown in Figure 1.1 at the end of this chapter.

1.2 The Impacts Corridor

17. Section I entails the reconstruction and upgrading of 11 km of the existing road from 2-lane to 4-lane standard (subsection 1 from KM 0 – to km 11)² and construction of 8 km new 4 lane road (km 11 – km19). The existing road section from Ruisi to Rikoti is two-lane carriageway road with a paved width of about 9.00 m. The shoulder width varies between 2.50 m and 3.00 m. The final 4-lane road corridor will be about 28.50 m wide to accommodate a 15m carriageway, 3.75m width shoulder, an embankment of variable width and minimum 6 m of buffer median zone. Where the existing road is maintained and included in the new highway infrastructure, the impact related to the upgrading of the 2-lane road to 4-lane is limited to the widening zones (1 additional carriageway, median zone, shoulders etc.) and sites of intersections. Due to the variability of the embankment and median zone width, the effective width of the impacts corridor under this contract will vary between 22 and 29 m along the RoW and from 50 to 138 at the intersection sites. For the subsections where entirely new road is constructed (km 7 -10 and KM 11 – 19) the impact corridor of the RoW varies from 53 to 70m.

1.3 Minimizing Land Acquisition and Resettlement

18. Due considerations have been given during the design of the road widening alignment and intersections layout to minimize the adverse impacts of land acquisition and involuntary resettlement. Efforts have been put to incorporate best engineering solution in avoiding large scale land acquisition and resettlement. Following are the specific measures adopted for the selection of the route:

- (i) The short sections of the existing road required improvement of geometric characteristics and involved some minor realignment. Realignment for these sections has been well tuned on site to avoid most densely settled areas;
- (ii) Intersections with local roads have been designed to avoid resettlement
- (iii) Designs of intersections were reviewed by resettlement specialists and their recommendations were considered in the final design³.

1.4 RAP Preparation

19. This RAP I has been prepared as a condition to contract awards signing. It follows feasibility study and preliminary Resettlement Action Plan prepared by RDMRDI in 2009. The document complies with relevant Georgian laws **and** provisions of the **WB OP 4.12 on Involuntary Resettlement**, as well as the updated version of the Resettlement Policy Framework developed by RDMRDI in 2009 for the “Third East West Highway Improvement Project”. Updated RPF has been prepared by Consultant for RDMRDI in December 2011. RAP preparation entailed: (i) a detailed measurement surveys (DMS), (ii) a detailed asset valuation/documentary research for each affected plot/affected item, (iii) a 100% AH census; and (iv) a socio-economic survey (SES) of 20% of the AHs. Intensive consultations with all the stakeholders including rayon authorities and the likely APs (APs) were conducted during the process.

² Within the first subsection only relatively short part from KM 7 to km 10 will be presented by entirely new 4-lane alignment.

³ Intersection 1: the amount of affected buildings reduced from 10 to 0 and amount of affected land parcels from 30 to 18; Intersection 2: the amount of affected buildings reduced from 4 to 0;

20. The RAP prepared for RDMRDI by Kocks Consult GmbH in the feasibility study for Section 1 (2009) was reviewed and compared with the findings of the detailed design works. The document is based on DMS, census and socio economic survey which were conducted between 17 May–15 October 2011. The updates include (i) update of impacts and AP figures reflecting design changes; (ii) micro plan for land acquisition and implementation of RAP-I; (iii) update of LAR budget; and (iv) loss and entitlement profile for individual owners of land plots and APs

21. The RAP prepared in 2009 required revision due to the fundamental fact that this RAP was only preliminary by default and was mostly developed based on the existing cadastral data rather than precise DMS and census survey. Besides, substantial changes have been introduced in the design: the alignment has substantial deviations from the feasibility alignment. In addition, the most recent changes in the legislation related to the recognition and registration of the land ownership rights and expropriation procedures should be also reflected in new RAP.

22. The RAP entailed intensive consultations with the stakeholders, especially the APs and their community were conducted to understand the extent of impact and validate the severity and compensation measures. The assessment of losses and land acquisition is based on the final engineering design as part of the detailed design study.

1.5 Pending RAP Implementation Tasks

23. Following this RAP approval RAP finances will be provided to the EA. Prior to the distribution of RAP finances to the APs the legalization of APs legalizable according to current legislation will be finalized and all APs will sign a contract agreement indicating that they accept the compensation provided to them. If an AP does not sign the contract the case will be passed to the appropriate court to initiate expropriation proceedings. This will be done after the compensation amount is deposited in escrow account. Escrow accounts will also be established for absentee APs.

1.6 Conditions for Project Implementation

24. Based on the WB policy/practice, the approval of project implementation will be based on the following RAP-related conditions:

- (i) **Signing of Contract Award:** Conditional to the approval of the RAP by WB and Government. RAP-I reflects final impacts, final AP lists and compensation rates at replacement cost approved by RD.
- (ii) **Notice to Proceed to Contractors:** Conditional to the full implementation of RAP-I (legalization of legalizable owners, and full delivery of compensation and rehabilitation allowances).

II. CENSUS AND IMPACT ASSESSMENT

2.1 Introduction

25. This impacts assessment details loss of land, structures and other assets in the 19-km section of Ruisi-Rikoti road in Kareli Rayon of Georgia. Compensation and rehabilitation measures have been worked out based on these impacts. A detailed inventory of all the impacts has been done following the final alignment as per detailed engineering design of Ruisi - Rikoti section1 (km 0 – 19).

26. Digitized cadastral maps were collected from the Kareli Rayon Registration Offices of NAPR. The final road alignment was superimposed on the digitized cadastral maps and land survey using DGPS was conducted on site to identify the affected land parcels, demarcation of land parcels including correction in geometric details and quantification of land parcels including affected part. With the cadastral details from land survey, detail measurement survey (DMS) and 100% AP Census were undertaken. These surveys were conducted started on 17 May 2011 and was terminated on 15 October 2011. Additionally, a socioeconomic survey (SES) of 20% sample households was carried out in the project affected areas in order to understand the socio-economic condition of the affected population. The start date of the DMS and the AP census survey is considered as the compensation eligibility cut-off date for the project which is therefore 15 October 2011.

2.2 Impact on Land, Other Assets and Income

2.2.1 General Classification of affected land

27. In all land impacts amount to some 1,129,079 sq.m of land from 489 plots (see table 2.1 for details). In terms of tenure the affected land plots are distributed in accordance with the following legal categories: **Category 1.** 61 titled private land plots with full registration 175,228 sq.m; **Category 2.** 307 titled private land plots 269,264sq.m rightfully owned and requiring legalization through 1 stage process of registration in NAPR (legalizable land plots). These land plots have been transferred to the owners during the land reform but the formal procedures needed for registration in NAPR have not been completed. **Category 3.** 30 land plots of 42,412 sq.m non titled, but legalizable according to current legislation⁴ through 2 stage process (stage 1: recognition of ownership rights by PRRC; stage 2: Registration in NAPR). All of these mentioned 3 categories of land plots are subject for compensation. **Category 4.** 28 State Owned land plots of 19,276sq.m Illegally Occupied by Private Users and cultivated for agricultural needs⁵. **Category 5.** 63 State owned land plots of 622,899 sqm not used by private

4. According to the The Law of Georgia on Public Register (No820 –lis; December 19 of 2008): unauthorised land users are attributed to category of Non-rightful owners (having right to legalize landownership rights) in case when following conditions are met:

- The state owned agricultural or non-agricultural land plot with residential house or supporting structures on it – is occupied by the physical or legal person without permission before the current law came in force in 2007.
- Land plot occupied by person without permission is adjacent to the land parcel rightfully owned or used by this person, taking into account that the illegally occupied land parcel should be of less area than the legally owned adjacent land parcel.

⁵ These 28 land plots are registered 10 years ago as the ownership of State owned company Georgian Railways (GR) and are attributed to the railway RoW. 27 local employees (or ex-employees) of Georgian Railway have been allowed to used these land plots temporarily for agricultural needs, with full understanding that the land will be taken back by the GR or the Government when the need will arise.

users. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone. Category 4 and 5 land parcels are not subject for compensation. Users of the category 4 land will receive only compensations for loss of crops and assets attached to the illegally occupied land. There are no public land plots in the affected area used by leaseholders. The aggregated figures according to land tenure categories are provided in a table 2.1.

28. The land costs and compensation categories within the project area are determined by the land use factor and distance from the existing road. Figures on Land impacts are provided in accordance to the land classification and legal categories that are relevant to determine compensation rates and amounts due to their use modalities and location. The affected land has been classified in 5 main types:

- **Types 1 and 2: Agricultural Land Plots.** These are private land parcels used for agricultural purpose and attributed to the agricultural land category according to official classification. Type 1 land parcels are located remote from the existing mainline road and their cost rate is estimated as 3 GEL/sq.m , while type 2 land parcels are adjacent to the existing road and related cost rate is defined as 4 GEL/sq.m. In total there are 154 affected land plots of type 1 with aggregated area 108,058sq.m and 237 land plots of type 2 with total affected area of 361,074 sq.m.
- **Type 3: Commercial Non-agricultural Land Plots.** These are private land parcels used for commercial purpose and attributed to the non-agricultural land category according to official classification. There are only 7 land plots of Type 3 within the zone of impact and aggregated area of affected residential land is 17,773. 6 of the affected commercial land parcels are used for fuelling stations. Type 3 land is compensable and market value has been determined as 5 Gel per sq.m. Originally these land parcels were agricultural land plots similar to type 2. In order to use this land for commercial needs status was officially changed in accordance with the Georgian regulations and the difference in price in fact reflects the additional fees to be paid by the land owners for the official procedures of changing land category from agricultural to non-agricultural. 4 of the commercial land plots are registered in NAPR and 3 are legalisable.
- **Type 4:** 28 State Owned land parcels of 19,276sq.m Illegally Occupied by Private Users.
- **Type 5: Non- Agricultural State Owned land plots** - 63 public land plots of 622,899 sqm. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone. Type 4 and 5 land plots (by use modality) correspond to Category 4 and 5 (by tenure). These land parcels are not subject for compensation.

29. The aggregated figures for the land parcels of different categories are given below in the table 2.2.

Table 2.1 : Type of Land Ownership

Tenure Categories	0 – 11KM			11 – 19KM			Total: 0 –19KM		
	No	sq.m	AH	No	sq.m	AH	No	sq.m	AH
1. Private Registered	40	85,277	35 ¹	21	89,951	16 ³	61	175,228	51
2. Private (rightfully owned) Legalizable through NAPR	184	154,076	160 ²	123	115,188	122 ⁴	307	269,264	282
3. Private (Nonrightfully owned) Legalizable through PRRC+ NAPR				30	42,412	29 ⁵	30	42,412	29
4. State Owned Illegally Occupied by Private Users (non legalizable)				28	19,276	27 ⁶	28	19,276	27
5. State Owned Not Used by Private Users	13	320,057		50	302,842		63	622,899	
TOTAL	237	559,410	195	252	569,669	174 ⁷	489	1,129,079	369

1. Out of total 35 AH 1 AH owns 3 registered land plots and 3 AHs own 2 registered plots each

2. Out of 160 AH 20 AH own 2 legalizable land plots and 2 AH owns 3 plots

3. 1 AH owns 5 registered land plots and 1 more AH owns 2 registered land plots

4. 1 AH has 2 land plots in rightful ownership

5. 1 AH has 2 land plots in non-rightful ownership

6. 1 AHs use 2 non-legalizable land plots

7. 19 AHs own 2 land plots, 2AH own 3 land plots and 1 AH owns 5 land plots; 2 and more land plots used by each of these AH mostly belong to different categories (this explains why the total number of AHs is less than sum in column of AHs). Out of 122 rightful owners 1 is already counted among Registered AHs. Out of 29 Non-rightfull owners 14 are already counted as Rightfull owners; Out of 27 non-legalizable AHs 1 is already counted as registered, 2 as rightful and 2 as non-rightfull).

In total 20 AHs are double counted in this column;

Table 2.2: Type of Land Use and Land Groups by Compensation Rates

Land Category/ use and Group		Area (sqm)	No of AH	Plots No.	Area (sqm)	No of AH	Plots No.	Area (sqm)	No of AH	Plots No.
Type 1 , 2 and 3 (compensable Land)		0 – 11KM			11 – 19KM			Total: 0 –19KM		
Type 1 Agricultural (3 Gel/sq.m)	Private agricultural irrigated land used for annual crops and fruit tree gardens (remote from the existing section of highway)				108,058	137 ³	154	108,058	137 ³	154
Type 2 Agricultural	Private agricultural irrigated land used for annual crops and fruit	236,458	191¹	218	124,616	15 ⁴	19	361,074	206	237

(4 Gel/sq.m)	tree gardens (located along the existing section of highway)									
Type 3 Non-Agricultural Commercial (5 Gel/sq.m)	Private non-agricultural land used for commercial needs (fuelling stations). Initially these land parcels were agricultural land plots similar to type 2. In order to use this land for commercial needs status was officially changed and the difference in price in fact reflects the additional expenses paid according to official procedures of changing land category from agricultural to non-agricultural.	2,895	6	6	14,878	1^b	1	17,773	7^b	7
Total Compensable Land (Type 1 + Type 2 + Type 3)		239,353	195²	224	247,552	152^b	174	486,905	347^b	398
Type 4 and 5 Land (non compensable)										
Type 4 State Owned Used by Private Users	State Owned Illegally Occupied by Private Users				19,276	27 ⁷	28	19,276	27 ⁷	28
Type 5 State Owned Not Used by Private Users	State Owned Non- Agricultural land parcels not used by private users and not compensable. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone.	320,057	0	13	302,842	0	50	622,899	0	63
Total Non-Compensable Land (type 4 + type 5)		320,057	0	13	322,118	27	78	665,454	27⁷	91
Grand Total		559,410	195	237	569,669	174^b	252	1,129,079	369	489

1. Out of 191 AHs 21 AH owns 2 agricultural land plots each and 3 AH own 3 agricultural land plots

2. Out of 195 AHs, 21 AH owns 2 agricultural land plots each and 3 AH own 3 agricultural land plots. Out of 6 AH owning commercial land plots, 2 own also agricultural land plots and are already counted. In total 195 AH owns 224 land plots

3. Out of 137 AHs 1 owns 5 land plots and 13 own 2 land plots of type 1;

4. Out of 15 AH 4 own 2 land plots of type 2

5. Out of 152 AHs 1 AH owning commercial land – also owns 1 agricultural land.

6. See notes 2 and 5

7. 1 AHs use 2 non-legalizable land plots , that's why 27 AH use 28 land plots. 5 AHs using non-legalizable plots own at the same time Type 1 land plots.

8. 5 AHs out of 27 using non-legalizable plots own at the same time Type 1 land plots and are doublecounted (see note 6).

2.2.2 Impact on Crops

30. Affected crops identified on the acquired agricultural land are wheat, maize, beans, vegetables, strawberry, potato and hay. The largest portion of the agricultural land is used for cultivation of wheat 145,889sq.m (14.59ha) and vegetables – 112,734 sqm (11.27 ha). The total crop area used for hay production is 106,835sq.m, (10.68 ha), followed by maize 62,886 sqm (6.29ha), strawberry 22116sqm (2.21 ha), beans 16,971 sqm (1.69 ha) and by potatoes – 9452 sq.m (0.94 ha). Out of total 488,408 sqm of agricultural land (type 1,2 and 4) 464,480 sq.m sq.m is used for crop cultivation and rest 23,928 sq.m for fruit tree plantations only. In addition to this the owners of 3 commercial nonagricultural land plots with nonfunctional fuelling stations use small patches of their land as orchards for cropping (aggregate area is 844sq.m).

31. Out of 369 AH only 14 do not cultivate crops. A total of 355 households will be affected for loss of crops (Table 2.3). 23 AH cultivate 2 types of crops, 4 cultivate 3 type and 1 cultivates 4 type of crops. The change in land use from agriculture to road will permanently reduce the agriculture production in the impact area.

2.2.3 Impact on Trees

32. Clearing right of way for construction of the road will cause felling down of 2839 productive and partially productive and 25 non-productive fruit trees under private ownership. The affected timber trees are totally state owned and are not included in the inventory list. However, loss of trees including the state owned timber trees will induce some impact on wind belt and greenery plantations and counter program of replanting may be suggested. 125 AHs are losing trees. Out of this amount 114 are losing also crops and 11 – only trees.

Table 2.3: Impact on Crops

No.	Item	0 – 11KM				11 – 19KM				Total: 0 –19KM			
		No of AH	No of Plots	Unit	Quantity	No of AH	No of Plots	Unit	Quantity	No of AH	No of Plots	Unit	Quantity
1	wheat	19	22 ¹	sqm	23,766	15	23	sqm	122,123	34	45	sqm	145,889
2	maize	32	32	sq.m	46,259	29	31	sq.m	16,627	61	63	sqm	62,886
3	beans	11	11	sq.m	15,453	2	2	sq.m	1,518	13	13	sqm	16,971
4	vegetables	83	88 ²	Sqm	106,610	13	14	Sqm	6,124	96	102	sqm	112,734
5	Hay/grass	25	29 ³	sq.m	26998	105 hay 1 grass	111 2plots	sq.m	79,066hay + 771 grass	131	142	sqm	106,835
6	Potatoes	3	3	sq.m	1,024	13	14	sq.m	8428	16	17	sqm	9452
7	strawberry	38	40 ⁴	Sqm	21,238	2	2	Sqm	878	40	42	sqm	22116
Total		186 ⁵	215 ⁶	sq.m	241348 ⁷	169 ⁸	193 ⁹	sq.m	235,535 ¹⁰	355	408	sqm	476,883 ¹¹

1. Out of 19 AHs 3 cultivate wheat on 2 land plots
2. Out of 83 AHs 5 are cultivating vegetables on 2 land plots
3. Out of 25 AHs using land plots for hay production 2 AHs use 3 land plots each for hay
4. Out of 38 AHs 2 are cultivating strawberries on 2 land parcels
5. 186 AHs cultivate crops. Out of this amount 16 cultivate 2 types of crops, 3 cultivate 3 type and 1 cultivates 4 type of crops. (211 – 25 = 186)
6. In total 215 land plots are cultivated under crops. Out of this amount 5 plots are used for cultivation of 2 type crops, 1 is used for 3 type crops and 1 is used for cultivation of 4 type crops. (225 – 10 = 215)
7. 5 AHs are using 10,240sq.m of agricultural land for cultivating maize together with beans. Accordingly, within 241348sq.m this area is calculated twice; This aggregated figure includes 844sq.m of small subsection of commercial land plots used as small orchards, so far as fueling stations are not working. The area of agricultural land used for crop cultivation is 241,348 - 10,240 - 844 = 230,463 sq.m
8. Out of total 174 AH 169 are cultivating crops; 9 AH cultivates 2 types of crops and 1 cultivates 3 type of crops.
9. Out of 201 agricultural land plots only 193 are used for crop cultivation; 6 of these land plots are used for cultivation of 2 types of crops, the rest – for 1 type of crop;
10. 2 AH uses 1518 sq.m of land for cultivating beans and mize at the same land. Therefore total agricultural land used is 235,535 sq.m – 1518 = 234017 sq.m .
11. Taking into account notes 7 and 10, the total area of agricultural land used for crop cultivation is 230,463 sq.m (0 -11KM) + 234017sq.m (11 – 19KM)= 464,480 sq.m

Table 2.4: Affected Trees

		0 – 11KM				11 – 19KM				Sum 0 – 19KM			
Tree Type	Unit	Productive	Partially Productive	Non-productive	Total	Productive	Partially Productive	Non-productive	Total	Productive	Partially Productive	Non-productive	Total
Apple	Tree	736	0	0	736	4	889	9	902	1629	0	9	1638
Pear	Tree	30	0	0	30	0	0	0	0	30	0	0	30
Plum	Tree	163	0	0	163	227	0	10	237	390	0	10	400
Tkemali (Cherry-plum)	Tree	156	0	10	166	22	0	9	31	178	0	19	197
Black cherry	Tree	38	0	10	48	90	0	6	96	128	0	16	144
Apricot	Tree	39	0	0	39	10	0	0	10	49	0	0	49
Peach	Tree	60	0	0	60	47	0	4	51	107	0	4	111
Walnut	Tree	127	0	10	137	27	5	15	47	154	5	25	184
Hazelnut	Tree	2	0	0	2	3	0	0	3	5	0	0	5
Quince	Tree	19	0	0	19	2	0	1	3	21	0	1	22
Sweet Cherry	Tree	38	0	0	38	0	0	0	0	38	0	0	38
Mulberry	Tree	7	0	0	7	10	0	3	13	17	0	3	20
Grape	Tree	15	0	0	15	11	0	0	11	26	0	0	26
Partial Total trees		1430	0	30	1460	1342	5	57	1404	2772	5	87	2864
Overall total trees		1460				1404				2864			

2.2.4 Impact on Buildings/Structures

2.2.4.1 Type of affected Structures

33. No residential houses are affected by the project. The road construction will affect 5 commercial buildings/structures owned by 5 AHs (Table 2.5). Actually only 2 buildings are located inside the design RoW and will be destroyed: 1 refueling station and 1 flower-shop. 3 more refueling stations are located on the land adjacent to the RoW. The design corridor cuts 30 – 60% of these commercial land parcels, but the structures are located on the residual land out of the RoW. However, the fuelling stations will finally lose functionality and there is no further prospect for reviving this business. It should be noted, that currently only 1 of the 4 affected fuelling stations is operational. The rest 3 stations, as well as flower-shop are not in operation at least during last 5 years. Out of these 3 owners of stations 1 still receives some income for lease of the station. The leaseholder is not operating leased facilities and does not lose any income due to the project. All of the 5 owners of affected commercial structures will receive compensation for buildings. The owners of fuelling stations will receive allowances for relocation of movable facilities. The AH having income from the affected commercial facilities will receive 1 year income compensation for interruption of business. The owner of 1 fuel station in operation and owner of 1 leased but not operable station have been considered as eligible for such compensation.

34. Besides the abovementioned, the impact on structures comprises:

- demolition of 45 fences (3405m in total), 17 wells (88m in aggregate), 1 yard toilet , 1 pool and 2 cattle-sheds;
- relocation of irrigation system

Table 2.5: Impacts on Buildings

No.	Item	Type of construction	Number of Storey	No. Structure	Unit	Quantity
0 – 11KM						
1	Fuelling Station in v. Aradeti	Concrete/hollow blocks	1	1	Sqm	246.7
2	Flower- Shop in v. Bebnisi	Concrete/hollow blocks	1	1	Sqm	74.16
3	Fuelling Station in v. Bebnisi	Concrete/hollow blocks	1	1	Sqm	121.35
4	Fuelling Station in v. Ruisi	Concrete/hollow blocks	1	1	Sqm	188.62
5	Fuelling Station in v. Sagolasheni	Concrete/hollow blocks	1	1		142.28
	Total			5		

11 – 19KM						
6.	Fencing	wire fence		45	m	3405
7.	Wells			17	m	88
8.	Toilet	sheet metal		1		
9.	irrigation ditch	relocation is needed		1		
10	Pool	Concrete		1	m ³	16.2
11	Cattle shed	concrete, brick, wood		1	m	7.15 x 3.85
12	Cattle shed	concrete, wood, slate roofing		1	m	10.29 x17.19
13	Ancillary building	Concrete, slate roofing, wooden door		1	m	5.34 X 7.22 H= 1.84
Total						
	Total			68		
	GRAND TOTAL			73		

2.2.5 Relocation Needs and Strategy

35. The AH affected by demolition of their fuelling stations are 4. These 4 AH will have to relocate their movable facilities. The owner of the flower-shop has no facilities to relocate. Residual construction materials after demolition of the buildings will be deemed as a property of AH and they will be only requested to remove these materials after completion of dismantling works.

2.2.6 Business Impacts

36. LAR will affect 2 actually active businesses: 1 AH running operational fuelling station has officially confirmed annual income of 54,500 Gel and 1 more AH has income for leasing his property (non-operable fuelling station) equal to 5,400 Gel per year. The leased station is not in operation and the leaseholder never had income from that property. Therefore, the leaseholder is not affected by the project and he is not considered as eligible for compensation. The AH owning the rest commercial structures – 2 fuelling stations and 1 flower-shop are not operating their facilities and have no related incomes. According to present RAP they will be paid for losing assets (buildings), owners of fuelling stations will receive some relocation allowances for removing movable facilities (included in the costs of building), but no business interruption compensations will be paid to these AH.

Table 2.6: Impacts on Business

	Item	Type of Affected Business	No
1	Fuelling Station in v. Aradeti	The FS is leased. Not operated. Not decorated. Medium level of devastation;	1
2	Fuelling Station in v. Ruisi	Operating fuel station; Refurbished;	1
	TOTAL		2

2.3 APs and Communities

37. Overall the AH are 369 AHs (1439 APs). Of these, 51 AH will lose registered land plots (61 registered plots) and 311 AH will lose legalizable land plots (337 plots). Registered land plots: 1 AH will lose 5 registered agricultural land plots, 2 AH lose 1 registered commercial land each, 1 AH loses 1 registered commercial and 1 registered agricultural land plots, 1 AH loses 1 registered commercial and 2 registered agricultural land plots, 3 AH lose 2 registered agricultural plots each and the rest 43 lose 1 registered agricultural plot. Legalizable land plots: 2 AH lose 1 legalizable commercial land plot each, 1 AH loses 1 commercial and 1 agricultural legalizable land plot and the rest 308 AHs lose 333 legalizable agricultural land plots).

38. Out of 369 AH only 22 do not lose land, which they own and they are not subject for land compensation. In terms of land use and compensation categories, out of total 347 AH losing land 340 lose only agricultural land, 4 lose only commercial and 3 lose commercial and agricultural land plots.

39. Table 2.8 provides more details about the impacts categories in terms of loss of land, loss of structure, and loss of crops and trees.

Table 2.7 Affected Households by Impact Category

Impact Category	No. of Ahs		Net No. Of APs	Remarks
	No. in Category	Absolute (without double counting)		
A. Land				
A1. Agricultural Land	343	343	1337	340 A1 only and 3 also A2
A2. Commercial Land	7	4		3 of A2 already counted in A1
Sub-total (A)	350	347	1353	
B. Crops /Trees				
B1. Cops Losses	355	355	n.a..	241 only B1 and 114 also in B2
B2. Tree Losses	125 ¹	11	n.a..	114 AH are Included in B1
Sub-total (B)	480	366	1427	241AH lose only crops, 114 AH lose crops and trees, 11AH lose only trees + 366AH losing crops and trees
B3. No Tree No Crop Losses	3	3	12	366AH losing crops and trees (B1+B2) + 3 AH that do not lose trees or crops (B3) = 369 AH in total
C. Permanent Structures				
C1. Fuelling Station	4	4	15	
C2. Flower-Shop	1	1	4	
C3 Fencing	41			
C4 Wells	10			
C5 Toilet	1			
C6 irrigation system	1			
C7 Pool	1			
C8 Ancillary buildings (Shed)	3			
Sub-Total (C)	67	57 ²	1199	
C3 Relocated AH	0	0	0	
D. Total		369	1439	

¹ 114 AH are Included in B1 (losing crops and trees at the same time)

² 4 AHs are losing 2 structures and 3 AH lose 3 structures

2.3.1 Impact on Employment and Agricultural Tenants

40. Road construction will not affect any employees or agricultural tenants.

2.3.2 Impact on Common Property Resources

41. Road construction will not affect any community or public property.

2.3.3 Severely Affected and Vulnerable Households

42. The project will not affect residential houses and will not cause physical displacement. Affected business facilities (fuelling stations and flower-shop) except 1 station are not operational for many years and the impact on these businesses is not considered as severe. The AH running 1 operational fuelling station will receive cash indemnity of 1 year confirmed annual income and thus will be compensated for the business interruption. However, a total of 212 AHs will be severely affected due to loss of more than 10% of their productive land.

43. Poor (receiving government subsistence subsidies) and women headed, are considered as vulnerable households. Households with members with disabilities or people in pension age will receive the allowance only if they are registered as poor. In Georgia, the poverty line is determined as a result of sophisticated calculations including production, consumption, cash income and assets valuation. The households with rating less than 57000 are considered as extremely poor and receive subsistence allowance, and AH with rating between 57000 and 70000 are considered as poor and they receive insurance policy allowances. The estimations (rating calculations) are conducted by the Social Services Agency and the rating data is registered. The vulnerable household requires special assistance for resettlement.

The AHs in RAP-I section of the project road constitute 82 vulnerable AHs. These include 57 extremely poor (rating less than 57000), 17 poor (less than 70000) and 19 women headed households, out of which 10 are already counted as poor and 1 as extremely poor. See for details - (Table 2.8).⁶

Table 2.8: Vulnerable AHs

Category of vulnerability	No. of AHs
Extremely Poor AHs with rating below 57000 receiving subsistence allowance)	57
Poor AHs with rating more than 57000 and below 70000 receiving insurance policy	17
Female headed AHs with low income and dependents	19 ¹
Total	82 ¹

1. 10 of the female headed AH is extremely poor (subsistence allowance) and 1 is poor (insurance policy). These 11 AHs are already counted as vulnerable.

⁶ Households receiving government subsidies are the extreme poor households. The pensioners are mostly elderly people, who have small input in agricultural work and who are not working elsewhere.

2.4 Impact on Indigenous Peoples

44. An assessment of impact on indigenous peoples was undertaken in accordance with WB OP 4.12 and ADB's Safeguard Requirements 3 of SPS 2009. The project will primarily affect Georgian people which are almost 99.9% of the total affected population. Some of the other Ethnic Minority group is also present in the program area, which are insignificant in number. These groups are mostly Russian (1 affected AH). These groups are fully integrated into the Country institutional, cultural, and economic processes, and they do not fit the IP definition of WB. Therefore, IFI's policy on indigenous people will not trigger to this project.

2.5 Gender and Resettlement Impacts

45. The project impact extends to APs comprising 47% female and 53% males: 763 male and 676 females. Further, 19 of the 195 AHs are headed by women. Special attention will be given to the impact of resettlement on women and other vulnerable groups during monitoring and evaluation of the RAP-I. The project will have a positive impact on gender, and civil works contracts will include provisions to encourage employment of women during implementation. Additionally, women headed households have been considered as vulnerable and special assistance was provided in the RAP entitlements.

2.6 Summary of Impacts

46. A summary of Project impacts is included in Table 2.10 below.

Table 2.9 Summary Impact on Land Acquisition and Resettlement

No.	Impacts	Unit	
Land Tenure Patterns			
1	Total Land parcels affected	No.	489 plots
2	Total land Area to be acquired	Sqm	1,129,079
3	Category 1. Private Registered Plots	No.	61
		sq.m	175,228
4	Category 2. Private (Rightfully owned) Legalizable through NAPR (1 stage legalization)	No.	307
		sq.m	269,264
5	Category 3. Private (Nonrightfully owned) Legalizable through PRRC+ NAPR (2 stage legalization)	No.	30
		sq.m	42,412
	Category 4. State Owned Illegally Occupied by Private Users (non legalizable)	No.	28
		Sqm	19,276
	Category 5. State Owned Not Used by Private Users	No.	63
		Sqm	622,899
Land Use and Compensation Categories			
6	Type 1; Private agricultural (remote from the existing section of highway) (3 Gel/sq.m)	No.	154
		sq.m	108,058
7	Type 2; Private agricultural (located along the existing section of highway) (4 Gel/sq.m)	No.	237
		sq.m	361,074
8	Type 3; Private non-agricultural land used for commercial needs (5 Gel sq.m)	No.	7
		sq.m	17,773
	Type 4; State Owned agricultural land (Illegally used by Private Users) ; not compensable	No.	28
		Sqm	19,276
	Type 5; Non-agricultural State Owned (not used by private users); not compensable	No.	63 public
		Sqm	622,899
Agricultural Patterns			

9	Area under wheat cultivation	sq.m	145,889
10	Area under maize cultivation	sq.m	62,886
11	Area under beans cultivation	sq.m	16,971
12	Area under vegetables cultivation	sq.m	112,734
13	Area under hay/grass cultivation	sq.m	106,835
14	Area under potatoes cultivation	sq.m	9452
15	Area under strawberry cultivation	sq.m	22116
16	Affected Trees	No	2764
Affected Structures			
17	Fuelling Stations	No.	4
18	Flower - Shop	No.	1
	Fencing	No.	45
		m	3405
	Wells	No.	17
	Toilet	No.	1
	Irrigation system	No.	1
	Pool	No.	1
	Ancillary buildings (Shed)	No.	3
			10
Affected Businesses			
19	Operated Fuelling Station (operation income)	No.	1
20	Leased not operated Fuelling Station (leasing income)	No.	1
Affected Households			
21	Severely affected Households	No.	212
22	Vulnerable Households	No	82
23	Resettled households	No.	0
24	AH with registered plots	No.	51
25	AH with legalizable plots (rightful owners, 1 stage registration through NAPR)	No.	282 ¹
	AH with legalizable plots (non-rightful owners, 2 stage registration through PRRC + NAPR)	No	29 ¹
	AH illegally using State owned land (non-legalizable)	No	27 ¹
26	AH with agricultural land plots	No	343
27	AH with non-agricultural (commercial) land plots	No.	7 ²
28	Total AH	No	369
29	Total Affected Persons	No	1439

1. Out of 282 rightfull owners 1 is already counted among Registered AHs. Out of 29 non-rightfull owners 14 are already counted as Rightfull owners; Out of 27 non-legalizable AHs 1 is already counted as registered, 2 as rightfull and 2 as non-roghtfull). In total 20 AHs are double counted in this column;

2. Out of this 7 AH 3 also lose agricultural land and already are counted

III. SOCIO-ECONOMIC INFORMATION

3.1 Introduction

47. A census of 100% of the AHs available on site was conducted to enumerate the APs. A sample socio-economic survey was included in the project area covering 84 households which is approximately 22.7% of the total AHs covered in census. The objective of the socioeconomic survey was to gather general information on socioeconomic condition of the affected people. The socioeconomic information of the affected population as per census and socioeconomic survey is presented hereunder.

3.2 Affected Population

3.2.1 Demography

1. The project road is in Kareli Rayon, as per detail measurement survey, will be displacing (physically and economically) 369 households comprising of 1439 persons. Census of 369 AHs identifies that a little more than 50% of the APs (APs) are male constituting a male/female ratio of 111 (111 males per 100 female). The average family size is 3.89 members per household (Table 3.1).

Table 3.1: Demographic Profile of APs

Age Group	Male		Female		Total		Average/ Household
	No.	%	No.	%	No.	%	
Children (Below 6 Years)	21	5.25	21	5.85	42	5.54	0,22
Children (6–18 Years)	79	19.75	60	16.71	139	18.31	0,71
Adult (19–65 Years male and 19 – 60 years for female)	268	67	213	59.33	481	63.37	2,47
Pension age (65 Years and Over males and 60 years and over - female)	32	8	65	18.11	97	12.78	0,50
Total	400	100	359	100	759	100	3.89
%	52.7		47.3		100		

3.2.2 AH Ethnicity

2. AHs are almost all Georgian (99.5%). Only 1 AH is Russian. None of the other usual ethnic minority groups in Georgia including Armenians, Jews or Ukrainian are affected in the project. Ethnic diversity does not mark any difference in overall national development in Georgia and the minorities are mainstreamed as a common nation.

Table 3.2: Ethnicity of AHs

Sl.No.	Ethnicity	Total No. of Households	%
1	Georgian	194	99.5
2	Armenian	0	0
3	Russian	1	0.5
4	Other	0	0
	Total	195	100

3.2.3 Urban Rural Proximity

3. The project road is mostly located in rural areas in the villages named Aradeti, Sagolasheni, Ruisi, Bebnisi and Urbnisi. Survey of the 100% households shows that 95% of the AHs reside in rural areas and less than 4% reside in urban areas (Table 3.3). Project impact on urban and rural households will tend to change their investment priorities.

Table 3.3: Urban Rural Distribution of AHs

Sl. No.	Type of Settlement	Total No. of Households	%
1	Rural	185	95.4
2	Town (Urban)	9	4.6
	Total	194	

3.2.4 Level of Education of APs

4. Data from project area in Kareli Rayon brought forth that illiteracy is almost equal among the women and male population. In all, about 17% people are illiterate (lack of functional education). About a quarter (18%) of the population have university level education and more than a half (55%) have primary and secondary level education (Table 3.4).

Table 3.4 Level of Education of APs

Sl.No.	Category	Male		Female		Total	
		No	%	No	%	No	%
1	Pre-School	-	-	-	-	-	-
2	Primary & Secondary	113	55	112	55	225	54,9
3	Technical – special aducation	20	10	29	14	49	12
4	University	37	18	30	15	67	16,3
5	Illiterate	35	17	34	16	69	16,8
	Total	205		205			410

3.3 Agriculture and Land Resources

3.3.1 Land Holding Status

5. The AHs are all land holder of some quantum. Average land holding comes out to be 1.2ha among the land holders (Table 3.5).

Table 3.5: Land Holding Status

Sl. No.	Particulars	No of Households	%
1	Land Holder Households	195	100
2	Landless Households	0	0
3	Total Households	195	100
	Average Land Holding: 1.2 ha per household		

3.3.2 Major Cropping Pattern

6. Vegetables are the major crops being cultivated in the project area. About 44% of the households those reported having land, cultivates vegetable in an average area of 1.3 ha each and about 16% households cultivates maize in average area 1.3 ha each. Other crops like bean is cultivated by about 7% households in an average area of 1.6 Ha. Fruit production is another major agricultural activity in the project area. About 35% of households have fruit gardens and produce fruits for selling. Details are given in Table 3.6.

Table 3.6: Major Cropping Pattern

Sl.No.	Type of Crops	No of Household	%	Average cultivated Area (Ha)	Average Yield(Ton)	Average Yield(GEL)
1	wheat	23	11	1,2	4	0.4
2	maize	32	16	1,3	5	0.4
3	beans	12	7	1,6	0.8	0.36
4	vegetables	91	44	1,3	25	0.5
5	Others	48	22	0,9	5	0.4

3.4 Economy of AHs

3.4.1 Major Economic Activities

7. Agriculture is the main sector of economic activities and feeds majority of the APs as 30% of the households depend on this source for livelihood. Government service also goes side by side as 35% of the households reported service as the primary source of income. The third contributors are daily wage and others (8). The details are given in Table 3.7.

Table 3.7: Economic Activity of the Households

Sl.No.	Type of Activities	Primary		Secondary	
		No	%	No	%
1	Agriculture	38	30	35	30
2	Government Service	44	35	21	18
3	Daily Wage/small business	8	6	3	2
4	Pension (government aid)	36	29	59	50
5	Others	-	0	-	0

3.4.2 Employment Status

8. Unemployment is significant in the project area as revealed in the survey. About 50% of the APs are unemployed including 56% among males and 44% among the females. About 52% APs are wage employed, 35% are self-employed and about 24% are economically inactive (Table 3.8). Though the head of the households are employed but most of the remaining adult members are found to be unemployed.

Table 3.8: Economic Activity of the Households Members

Sl.No.	Gender	Economically inactive		Wage employed		Self-employed		Unemployed		Total	
		No	%	No	%	No	%	No	%	No	%
1	Male	225	49	35	42	13	72	163	56	436	51,3
2	Female	235	51	48	58	5	28	126	44	414	48,7
	Average	460	54	83	52	18	35	289	50	850	100

3.4.3 Annual Income of AHs

9. Agriculture, business and wage employment are major contributors to income of the AHs. The survey found that 37% of the AHs get income from one single source, 63% from double sources. Table 3.9 shows that the more the number of sources, the more is the amount of income feeding to a household. Due to income from Business, double sources seem to contribute the highest in the project area.

Table 3.9: Average Annual Household Income against Number of Sources

Number of sources of Income	No. of AHs	% of AHs	Average household income (GEL)
Single Source	74	37	400
Double Sources	121	63	580.5
Total	195	100	

10. Average income per household earning from single source is very low compared to the income from multiple sources (Table 3.9). Table 3.10 shows the distribution of AHs getting income from various single sources. Average annual income from single sources varies from 2868 to 6480 GEL per household. Property income, pension and subsidy are in the lower echelon of household income.

Table 3.10: Average Annual Household Income by Sources

Sources of Income	No. AHs (earning from the sources)	Total Income per Month from the sources (GEL)	Average Income per Household per Month from the sources (GEL)	Average Annual Income Per Household from the sources (GEL)
Wage gov/public sector	45	16605	369	4428
Wage employment	31	13130	422	5064
Agriculture	122	29105	239	2868
Business/Service	11	5940	540	6480
Property Income	1	450	450	5400
Pension/subsidiary	105	9875	94	1128
Total	315	75105		
Total Households and Income	194	75105	387	4544

3.4.4 Consumption Pattern

11. The total annual average expenditure per household is 3314/- GEL out of which the major expenditure is incurred for the food (80.7%). Non-food expenditure constitutes 24% and covers payments for communal services (18%) and other expenses (1.3%). Details about the expenditure are described in Table 3.11.

Table 3.11: Average Annual Expenditure

Sl. No.	Consumption Pattern	Average Annual Expenditure GEL	% to total expenditure
1	Food	2676	80.70
2	Non-food	638	19.30
	Average	3314	100.00

3.4.5 Household Assets and Durables

12. Possession of durable goods differs from each household depending on the nature of the durable goods. More than 97% of the households in the project area possess a television, while only 2% have got a radio. A little more than 68% have refrigerators, 50% of the households have washing machine and 83% have access to gas for cooking. About 37.5% households reported that they have a car, 4% reported bicycle, 6.25 motorcycle and 8.3% have computer in their house.

13. Possession of domestic animals includes large animals in 50% households and poultry in 14% households (Table 3.12).

Table 3.12: Possession of Durable Goods and Domestic Animals

Sl. No.	Item	Households No.	%
1	Radio	1	2.08
2	Bicycle	2	4.16
3	Television	47	97.9
4	gas-stove for cooking	40	83.33
5	Computer	4	8.33
6	Refrigerator	33	68.75
7	Washing Machine	24	50
8	Motorcycle	3	6.25
9	Car	18	37.5
10	Air conditioning	0	0
11	Large Animals (Cows/Bulls/Buffaloes)	24	50
12	Pigs	7	14.5
13	Sheep/goats	0	0
14	Horse/donkey	2	4.16
15	Poultry	31	64.58

3.4.6 Prevalence of Debt

14. Debt prevalence is significant among the sample households. 30 households out of 48 interviewed reported to have debt and the source is formal bank (19), private lender (8) and other sources (3 cases). (Table 3.13).

Table 3.13: Indebtedness

Sl. No.	Indebtedness	Number of Households	%
1	Yes	30	62.5
2	Bank	19	39.5
3	Private lender	8	16.6
4	Other	3	6.25
5	No	18	37.5
	Total	48	100

3.5 Water and Sanitation

3.5.1 Source of Drinking Water

15. The major source of drinking water is non-centralized local source. Out of the 48 surveyed households, it is noted that only 1 households (2%) residing in urban area is connected to the central water supply pipeline system. 46 of inquired households (95.8%) use water from dug well and 3 households (6.25%) use water from natural springs. Only one household (2.08%) reported other undefined source (Table 3.15).

Table 3.15: Source of Drinking Water

Sl. No.	Sources	Number of Households	%
1	Piped water supply	1	2.08
2	Well	46	95.8
3	Spring	3 ¹	6.25
4	Others	1	2.08
	Total	48	100

Note: 3 AHs having acces to springs have also wells

3.5.2 Sanitation Facilities

16. 47 of the interviewed households (97%) possess latrine at their house connected to septic reservoirs, and only 1 household residing in urban area has reported having flush toilet connected with the centralised sewerage system (Table 3.16).

Table 3.16: Types of Toilet

Sl. No.	Toilet	Number of Households	%
1	Flush toilet	1	2.08
2	Latrine	47	97.92
3	Total	48	100

3.6 Access to Energy and Civic Facilities

3.6.1 Access to Energy for Cooking

17. 35 out of 48 of inquired households (72.9%) use gas stoves for cooking. However, wood is still significant source of fuel being used by the 38 households (79.16%). According to the Table 3.17, households using gas also use fuel wood at the event of unavailability of gas (especially those using LPG). Details are given in Table 3.17.

Table 3.17: Type of Fuel Use for Cooking

Sl. No.	Types of Fuel	Number of Households	%
1	Wood	38	79.16
2	Gas	35	72.91 ¹
3	Diesel/ Kerosene	0	0
4	Electric power	0	0
	Total	23	100.0

Note: 35 households using gas also use fuel wood at the event of unavailability of gas

3.6.2 Access to Electricity

18. All of the interviewed 48 households (100%) are connected with central power supply. Only 12.5% are connected to the natural gas supply system (Table 3.18).

Table 3.18 Connected to Central Electric Power Supply and Natural Gas Supply Systems

Sl. No.	Whether connected	Electric Power		Natural Gas	
		No of Households	%	No of Households	%
1	Yes	48	100	6	12.5
2	No	0	0	42	87.5
	Total	48	100	48	100

3.6.3 Access to Health Centre

19. Health facilities in project areas are in good condition with adequate access to hospitals . 100% of the households stated that they have easy access to health centres (Table 3.19).

Table 3.19: Access to Health Centre

Sl. No.	Easy access to Health Centre	Number of Households	%
1	Yes	48	100
2	No	0	0
3	Total	48	100

3.6.4 Access to School

20. All sample households (100%) reported that they have easy access to school (Table 3.20).

Table 3.20: Access to School

SI. No.	Access to School	Number of Households	%
1	Yes	48	100
2	No	0	0
3	Total	48	100

3.6.5 Access to Road

21. Transport connectivity seems to be well established in the project area. Most of the sample households reported that they are well connected with the local roads (Table 3.21). However, 16 households (16.7%) have reported that the road connecting their house to the main roads is not in a good shape.

Table 3.21: Access to Road

SI. No.	Whether connected to Road	Number of Households	%
1	Yes	40	83.3
2	No	8	16.7
3	Total	48	100

3.7 Conclusion

22. Most of inquired household (98%) have estimated themselves as not being wealthy, having incomes not sufficient for good quality medical services and education. Literacy rate in the project area is not low (83%) compared to national literacy level. A little more than 50% of the affected population are women. Literacy rate among the women is similar (84% compared to 83% among males). Women go side by side with the men in the project area and play important role in family economy. The project will have a positive impact on women through increased mobility and due attention will be given them from the project. Agriculture is the dominant occupation among the APs (30% primary and 30% secondary economic activity). However, role of government services is also significant (35% primary and 18% secondary). Vulnerability like pension and state subsidy consumption reveals that 62% of the AHs have a pensioner in the household.

23. 83.33% of inquired population (40 out of 48) expressed good attitude towards the project and accepted it as important component of development for the whole country and for their rayon. 16% generally accept the project but express their concerns regarding involuntary land acquisition and related changes in their economic activity and social conditions.

IV. LEGAL AND POLICY FRAMEWORK

4.1 General

24. The legal and policy framework of the Project is based on national laws and legislations related to Land Acquisition and Resettlement (LAR) in Georgia and the World Bank Involuntary Resettlement Policy (OP/BP 4.12). Based on the analysis of applicable laws and policies and Policy requirements of the mentioned IFIs, project related LAR principles have been adopted.

4.2 Legal Framework

4.2.1 Georgia's Laws and Regulations on Land Acquisition and Resettlement

25. In Georgia, the legislative acts given below regulate the issues of obtaining State ownership rights to privately owned land parcels based on the necessary public needs caused due to road constructions activities:

- (i) The Constitution of Georgia, August 24, 1995
- (ii) The Civil Code of Georgia, June 26, 1997
- (iii) The Law of Georgia on Protection of Cultural Heritage, 2007
- (iv) The Law of Georgia on Notary Actions, December 4 2009;
- (v) The Law of Georgia on Privatization of State-owned Agricultural Land, July 8, 2005
- (vi) The Law of Georgia on Ownership Rights to Agricultural Land, March 22, 1996
- (vii) The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities; 2007
- (viii) The Law of Georgia on Public Register (No820 –IIs; December 19 of 2008;
- (ix) The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need, July 23, 1999
- (x) The Civil Procedural Code of Georgia, November 14, 1997

26. The existing Laws provide that compensation for lost assets, including land, structures, trees and standing crops, should be based on the current market price without depreciation. Overall the above laws/regulations provide that the principle of replacement cost compensating at market value is reasonable and legally acceptable. The laws also identify the types of damages eligible to compensation and indicate that compensation is to be given both for loss of physical assets and for the loss of incomes. Finally, these laws place strong emphasis on consultation and notification to ensure that the APs participate in the process. Income loss due to loss of harvest and business closure will be compensated to cover net loss. The above-listed laws and regulations give the possibility of applying the following mechanisms for legal application of the property rights:

- (i) Obtaining the right on way without expropriation through the payment of due compensation (on the basis of a contract of agreement or a court decision) prior to commencement of the activities.
- (ii) Expropriation which gives the possibility of obtaining permanent right to land and/or other real estate property on the basis of Eminent Domain Law or a court decision through the payment of due compensation.

27. Land will be acquired through eminent domain, first on the basis of negotiated settlement with individual affected entities. Should the contract fails, the expropriation process under the eminent domain will start. Under the existing Law in Georgia, the president will issue an order for expropriation based on the request from relevant state agencies. Relevant regional court will assess the presidential order and determine the case of public needs, and grant the expropriation entity rights to obtain land. The court will also appoint a third party to assess the market value of lost assets and determine the compensation payable to relevant land owners accordingly to the value of assets thus found.

4.2.2 WB's Policy on Involuntary Resettlement

28. The three important elements of WB's involuntary resettlement policy are (i) compensation to replace lost assets, livelihood, and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. For any WB or ADB operation requiring involuntary resettlement, resettlement planning is an integral part of project design, to be dealt with from the earliest stages of the project cycle, taking into account the following basic principles:

- (i) Involuntary resettlement is to be avoided or at least minimized.
- (ii) Compensation/Rehabilitation provisions will ensure the maintenance of the APs' pre-project standards of living.
- (iii) APs should be fully informed and consulted on LAR compensation options.
- (iv) APs' socio-cultural institutions should be supported/used as much as possible.
- (v) Compensation will be carried out with equal consideration of women and men.
- (vi) Lack of legal title should not be a bar to compensation and/or rehabilitation.
- (vii) Particular attention should be paid to households headed by women and other vulnerable groups, such as Indigenous Peoples, and appropriate assistance should be provided to help them improve their status.
- (viii) LAR should be conceived and executed as a part of the project, and the full costs of compensation should be included in project costs and benefits.
- (ix) Compensation and resettlement subsidies will be fully provided prior to clearance of right of way/ ground leveling and demolition.

4.2.3 Comparison of WB Policy with Georgian Laws and Legislation

29. Overall, the legislation of Georgia adequately reflects the major provisions of the WB OP 4.12 Safeguards Policy but a few differences are to be noted. The most significant of these differences is that under Georgian legislation/regulation, emphasis is put on the definition of formal property rights and on how the acquisition of properties for public purposes is to be implemented and compensated while in the case of WB policy emphasis is put both on the compensation of rightfully owned affected assets and on the general rehabilitation of the livelihood of Affected People (AP) and Households (AH). Because of this, WB policy complements the Georgian legislation/regulation with additional requirements related to (i) the economic rehabilitation of all AP/AH (including those who do not have legal/formal rights on assets acquired by a project); (ii) the provision of indemnities for loss of business and income, (iii) and the provision of special allowances covering AP/AH expenses during the resettlement process or covering the special needs of severely affected or vulnerable AP/AHs. Also, in addition, the legislation of Georgia does not require any specific measure regarding the need to prepare RAPs based on extensive public consultations. The differences between Georgia law/regulation and WB policy are outlined in Table 4.1.

Table 4.1: Comparison of Georgian Laws on LAR and ADB Resettlement Policy

Georgia Laws and Regulations	WB OP 4.12
Land compensation only for titled landowners In practice legalizable land owners are also compensated after they are issued with the necessary papers	Lack of title should not be a bar to compensation and/or rehabilitation. Non-titled landowners receive rehabilitation.
Only registered houses/buildings are compensated for damages/demolition caused by a project	All affected houses/buildings are compensated for buildings damages/demolition caused by a project
Crop losses compensation provided only to registered landowners.	Crop losses compensation provided to landowners and sharecrop/lease tenants whether registered or not
Land Acquisition Committee in RDMRDI is the only pre-litigation final authority to decide disputes and address complaints regarding quantification and assessment of compensation for the affected assets.	Complaints & grievances are resolved informally through community participation in the Grievance Redress Committees (GRC), Local governments, and NGO and/or local-level community based organizations (CBOs).
Decisions regarding land acquisition and resettlement are discussed only between the landowners and the Land Acquisition Authorities.	Information on quantification, affected items value assets, entitlements, and compensation/financial assistance amounts are to be disclosed to the APs prior to appraisal.
No provision for income/livelihood rehabilitation, allowances for severely affected or vulnerable APs, or resettlement expenses.	WB policy requires rehabilitation for income/livelihood, severe losses, and for expenses incurred by the APs during the relocation process.
No specific plan for public consultation is provided under the Georgian laws	Public consultation and participation is the integral part of WB's policy which is a continuous process at conception, preparation, implementation and finally at post implementation period

30. To reconcile the gaps between Georgia laws/regulations and WB Policy, RDMRDI has adopted this policy for the Project, ensuring compensation at full replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for AHs those will be relocated, suffer business losses, or will be severely affected.

4.2.4 Resettlement Policy Commitments for the Project

31. The resettlement policy for the project has been designed to (a) cover all APs irrespective of their title to land or asset registration status, (b) compensation for lost assets, and (c) restore or enhance the livelihoods of all categories of APs. The households/persons Affected by the project interventions will receive cash compensation for land and other assets at full replacement cost as per market price at the time of dispossession. Additional measures will be taken to ensure minimum disruption during the project construction period. Thus, households to be Affected physically and affected economically will receive due compensation, relocation assistance, and allowances in accordance with the following guidelines and policy which are also part of the Resettlement Policy Framework (RPF)⁷ of the Program and the Georgian laws on land acquisition, as well as WB OP 4.12. Core involuntary resettlement principles are developed for this Project which are as follows (see the abstracts from RPF in Box 1 below):

Box 1:

- Construct the road to avoid residential areas wherever possible to minimize physical relocation of people, and select alignments that minimise acquisition of privately or publicly held productive land;

⁷ Government of Georgia: Subregional Road Corridors Development Program, Land Acquisition and Resettlement Framework, July 2009, Updated in December 2011;.

- Adopt design standards that minimise the need to impose land use restrictions on adjoining areas;
- Develop fair and transparent procedures, as defined in the Entitlement Matrix in this RPF, to determine compensation for (i) temporary loss of land/ assets during construction; (ii) permanent acquisition of land and assets; and (iii) restrictions on use of land that may be applied to areas adjoining the corridor;
- Acquire land (or right to use land) through negotiated agreements and with the use of the power of eminent domain only as a last resort.
- Upon completion of construction, restore land as best as possible to its original condition in the event of temporary disruption so as to enable landowners/users/lessees to resume their pre-project activities;
- Keep affected people and communities fully informed about the project, the process that will be followed to acquire and compensate for land, and their related rights and avenues for redress.
- Ensure that grievances PAPs may have will be redressed adequately, and that solutions in line with principles laid out in this RPF be employed;
- All Project Affected People (PAP), without regard to legal status of property, will receive support of various kinds, as per the principles set out in the Entitlement Matrix, to assist them in their efforts to maintain their livelihoods and standards of living prevailing prior to the Project. Those who illegally own land will not be compensated for loss of land, but will receive compensation for loss of other assets which had been established on their own finance, and for loss of income such that they are also assisted in their efforts to maintain their livelihoods. . Detailed measures to be implemented will be determined based on the census and socio-economic survey to be carried out when Resettlement Action Plan is developed.
- PAP will be notified of the project implementation schedule and consulted regarding the principles of land acquisition and loss of or damage to assets.
- Damages to assets, such as standing crops, trees, fences and kiosks, and loss of income, including loss of harvest, will be minimized, and where inevitable, will be compensated without regard to legal status of ownership according to the Entitlement Matrix provided in this RPF.

Resettlement Action Plan (RAP) will be developed as per this RPF and Bank OP 4.12 as well as Georgian legislation for each section of the Project itinerary that defines detailed compensation packages and implementation schedule. Since, as discussed above, there are gaps between OP 4.12 and Georgian legislation and practice on expropriation, any land acquisition required for the Project will be carried out as per the principles and procedures laid out in this RPF.

A market survey will be conducted to assess the prevailing market prices of land, construction materials for affected structures, crops and other relevant items, which will be used as the unit prices to determine compensation. This will additionally ensure that the market prices will allow PAPs to purchase replacement land.

Loss of income and assets will be compensated on a net basis without tax, depreciation or any other deduction.

The final RAP should be submitted to and cleared by the Bank prior to the execution of civil works for relevant sections.

The details of land acquisition procedure will be spelled out in RAP(s), but they will include:

- Initial consultation with PAP to notify the project and board impact

- Census, geographic survey and socioeconomic survey of PAP
- Determination of PAP and types/ scale of impact
- Development of compensation package and drafting of RAP
- Consultation with PAP
- Negotiation with PAP and payment of compensation
- Expropriation process where negotiation fails
- Compensation/rehabilitation measures will be implemented as the civil works progress but prior to the start of the construction on a particular section.

4.2.5 Land Acquisition Process

32. Complete and accurate registration of private land as per current laws governing land acquisition in Georgia is the precondition for proceeding with acquisition of private land by agencies requiring land for land based infrastructure development. RDMRDI for construction of the Rikoti-Ruisi section of the East-West Highway will acquire private land under eminent domain through negotiated settlement wherever possible, based on meaningful consultation with APs, including those without legal title to assets. The land buyer will offer adequate and fair price for land and/or other assets. RDMRDI will ensure that the process of land acquisition with the APs openly address the risks of asymmetry of information and bargaining power of the parties involved in such transactions. Only in case there is no agreement to land acquisition, expropriation will be sought.

33. The detail design consultant has prepared a separate volume of the RAP-I containing the land acquisition plan, and estimate of compensation and entitlement of individual APs under the subtitle of "Acquisition and Compensation Scheme (ACS). ACS is a detailed programme for execution of RAP-I as per land acquisition and resettlement framework consistent with WB OP 4.12 on involuntary resettlement.

34. Following the ACS, LAR Working Group assisted by LAR Team at rayon level will offer to each of the APs the compensation rates defined in this RAP. Upon successful settlement, Land Purchase Agreements will be signed with legalized/titled owners of acquired land parcels and Agreement of Entitlement with the non-titled APs. Any grievances of the APs will be resolved through approved grievance redress mechanism of the Project.

35. In case an AP does not accept the rates defined in this RAP even after a through the grievance redressing mechanism exercise, RDMRDI will seek concurrence of the appropriate authority in the management for proceeding with Expropriation Process under the eminent domain for acquisition of the land through Rayon courts.

36. The detail design consultant has prepared fresh maps of the acquired plots with geometric details required for legalization. RDMRDI will provide these maps to the concerned legalizable owners. The process will be followed by endorsement of these maps and ownership documents by the Sakrebulo and finally getting them registered in the local registration office prior to the receipt of the project compensation. A detailed procedure of legalization of legalizable owners is provided in Annex 1.

4.3 Compensation Eligibility and Entitlements

4.3.1 Eligibility

37. APs entitled for compensation or at least rehabilitation provisions under the Project are:
- (i) All APs losing land either covered by legal title/traditional land rights, Legalizable, or without legal status;
 - (ii) Tenants and sharecroppers whether registered or not;
 - (iii) Owners of buildings, crops, plants, or other objects attached to the land; and
 - (iv) APs losing business, income, and salaries.

38. In particular for concerns land assets the eligibility to land compensation for this project has been elaborated as follows:

- Titled APs will be fully compensated
- Untitled APs who were legitimate leasers under the old Soviet system and have either plots with a house or adjacent to a plot with a house will be legalized and then compensated.
- Untitled APs who were legitimate leasers under the old Soviet system and have regularly cultivated/used their land but do not have plots with a house or adjacent to a plot with a house will not be legalized but will be compensated.
- Untitled APs who were not legitimate leasers under the old Soviet system and who use or cultivate the land they occupy only extemporaneously will not be legalized nor compensated. They however, are still eligible for crop or income compensation.

39. Compensation eligibility will be limited by a cut-off date to be set for each subproject on the day of the beginning of the AP Census and DMS. APs who settle in the affected areas after the cut-off date will not be eligible for compensation. They, however will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

4.3.2 Definition of Entitlements

40. Entitlement provisions for APs losing land, houses, and income and rehabilitation subsidies will include provisions for permanent or temporary land losses, buildings losses, crops and trees losses, a relocation subsidy, and a business losses allowance based on tax declarations and/or existing minimum market rates. These entitlements are detailed below:

Entitlement provisions for APs losing land, houses, and income and rehabilitation subsidies will include provisions for permanent or temporary land losses, buildings losses, crops and trees losses, a relocation subsidy, and a business losses allowance based on tax declarations and/or lump sums. These entitlements are detailed below:

- **Agricultural land impacts** will be compensated at replacement value either with replacement plots of the same value of the land lost and at location acceptable to APs where feasible, or in cash free of transaction costs at current market rates or (if no land markets are active) based on the reproduction cost of the affected land. The cash at market rates option has been selected for the Program. When >10% of an AP agricultural land is affected, AP (owners, leaseholders and sharecroppers) will

get an additional allowance for severe impacts equal to the market value of a 2 year's gross yield of the land lost. In case of severe impact on other income, the APs will be paid additional compensation corresponding to 3 months of minimum subsistence income. Transaction taxes/fees will be paid by the EA or waived. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to 1 year of equal to 3 months of minimum subsistence income. Residual non-affected sections of a plot that becomes inaccessible or unviable to use after acquisition will also be compensated.

- **Non agricultural land (Residential/commercial land).** Legal settlers will be compensated at replacement rate either with replacement plots of same value as plots affected and at location acceptable to APs where feasible, or in cash at current market rates, free of transaction cost. The cash at market rates option has been selected for the Program. Renters/leaseholders will receive a 3 months' rent allowance. Non-titled/non-legalizable land users will be compensated with a 1 time self relocation allowance in cash equal to 1 year of minimum subsistence income. This allowance is to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval
- **Houses, buildings, and structures.** In order to address potential damages of vibrations or discomfort caused by road traffic, these items will be compensated in full for the whole building irrespective of the specific degree of impact. Compensation will be provided in cash at replacement cost free of deductions for depreciation, transaction costs or salvaged materials. All relevant APs are entitled to this provision by default irrespective of the registration status of the affected item.
- **Crops:** Cash compensation at current market rates for the gross value of 1 year's harvest by default⁸. Crop compensation will be paid both to landowners and tenants based on their specific sharecropping agreements.
- **Trees:** Cash compensation at market rate based on type, age and productivity of trees.
- **Businesses:** If business is lost permanently it will be compensated in cash equal to a 1-year income based on tax declaration or, if unavailable, based on the official minimum subsistence income. Temporary business losses will be compensated in cash for the business interruption period based on tax declaration or, if unavailable, official minimum subsistence income.
- **Affected business workers/employees:** Indemnity for lost wages for the period of business interruption up to a maximum of 3 months.
- **Relocation allowance:** APs forced to relocate will receive a relocation subsidy sufficient to cover transport costs and living expenses for 3 months.
- **Vulnerable Peoples Allowance:** Vulnerable people (APs below poverty line and women or elder headed households without any other bread-winner member of family) will be given an allowance corresponding to 3 months of minimum subsistence income and priority in employment in project-related jobs. The allowance

⁸ Compensation by default means that crop compensation will be paid irrespective of whether the crops were already harvested or not at the time of impact. This covers also compensations for income expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land was permanently used for crop cultivation, but for the year, when the inventory of losses was conducted, no crops have been planted (due to need of rest to this land or illness of the farmer or any justifiable reason), the land parcel still will be considered as designed for crop cultivation and relevant compensations will be paid

- is to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval
- **Severe Impacts Allowance;** APs losing >10% of agricultural land or >10% of non-agricultural income will receive a severe impacts allowance. When >10% of an AP agricultural land is affected, AP (owners, leaseholders and sharecroppers) will get an additional allowance for severe impacts equal to the market value of a 2 year's gross yield of the land lost. In case of severe impact on other income, the APs will be paid additional compensation corresponding to 3 months of minimum subsistence income. This allowance is to be calculated based on a minimum subsistence income for 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval
 - **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
 - **Temporary impact during construction:** All land required for temporary use is to be obtained by the civil works Contractor through voluntary negotiations (e.g., willing buyer-willing seller basis). The maximum period for temporary use is defined as 2 years. Compensation rates to be paid should not be less than compensation at current market rates for the gross value of 4 year's harvest of crops on the affected lands. It is also required that lands (or other assets) be fully cleared and restored following use

4.3.3 Compensation Entitlement Matrix

41. Tasks under the Project will be implemented according to a compensation eligibility and entitlements framework in line with both Georgia laws and regulation, WB OP 4.12 and ADB Policy (SPS 2009). A summary entitlements matrix is included in **Table 4.2** below.

Table 4-2: Compensation Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AF losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation in cash at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible. The option selected for the Program is cash compensation. If residual plots becomes unusable the project will acquire it in full if so the AP desires.
		Legalizable Owner	These AP will be legalized and provided with cash compensation at full replacement cost.
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 12 months at minimum subsistence income* .312 GEL per 1 month x 12 months=3744 GEL x AH).
Non-Agricultural Land	AF losing their commercial/residential land	Owner with full registration	Cash compensation at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible.
		Legalizable Owner	APs will be legalized and provided with cash compensation at full replacement cost..
		Renter/Leaseholder	Rental allowances in cash for 3 months
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 1 year at minimum subsistence income 312 GEL1 per month x 12 months=3744 GEL x AH).

Buildings and Structures			
Residential and non residential structures/assets		All AFs regardless of legal ownership/ registration status (including legalizable and Informal Settlers)	All impacts will be considered as full impacts disregarding the actual impact percentage. Impacts will be compensated in cash at full replacement costs free of depreciation and transaction costs.
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Crops	Standing crops affected or loss of planned crop incomes**	All AFs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided by default both if the crops was harvested or not at time of impact
Trees	Trees affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees.
Business/Employment	Business/employment loss	All AFs regardless of legal status (including legalizable and Informal Settlers)	Owner: (i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence income. Permanent worker/employees: indemnity for lost wages equal to 3 months of minimum subsistence income.
Allowances			
Severe Impacts	>10% income loss	All severely affected AFs including informal settlers	Agricultural income: 2 additional crop compensation covering 1 year yield from affected land. Other income: 1 additional compensation for 3 months of minimum subsistence income. 312 GEL per month x 3 months=936 GEL per AH)
Relocation/Shifting	Transport/transition costs	All AFs to be relocated	Provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. 200 GEL as vehicle hire charge + 312GEL as minimum subsistence income x 3 months = 1,136 GEL per AH
Vulnerable People Allowances		AFs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income* and employment priority in project-related jobs 312 GEL as minimum subsistence income per month for 31 months=936 GEL per AH)
Temporary Loss			
Temporary impact during construction		All AFs	Due compensation will be assessed and paid based on this RPF during construction. All land required for temporary use is to be obtained by the civil works Contractor through voluntary negotiations (e.g., willing buyer-willing seller basis). The maximum period for temporary use is defined as 2 years. Compensation rates to be paid should not be less than compensation at current market rates for the gross value of 4 year's harvest of crops on the affected lands. It is also required that lands (or

			other assets) be fully cleared and restored following use
Unforeseen resettlement impacts, if any			Road Department and the construction contractor will address and mitigate/compensate unforeseen resettlement impact during project

* Minimum subsistence income to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval

** Income expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land was permanently used for crop cultivation, but for the year, when the inventory of losses was conducted, no crops have been planted (due to need of rest to this land or illness of the farmer or any justifiable reason), the land parcel still will be considered as designed for crop cultivation and relevant compensations will be paid

4.3.4 Assistance for Severely affected and Vulnerable AH

42. Vulnerable AH are entitled to an allowance equivalent to 3 months of minimum subsistence income and employment priority in project-related jobs. AHs are considered as vulnerable in case they are registered as poor in the local social services or are women-headed Households with members with disabilities or people in pension age will receive the allowance only if they are registered as poor.

43. The above AH will receive an allowance of 312 GEL x month x 3 months or 936GEL in all. These figures are taken from the National Statistics Office of Georgia Department data on minimum subsistence income for a family of 5 persons in December 2011).

44. Severely affected AH will receive an allowance equivalent to 2 additional crop compensation for 1 year's yield of affected land or an allowance equal to 3 months of minimum subsistence income, in case the AH is not subject for crop compensation.

4.3.5 Valuation and Compensation Rates

4.3.5.1 Principles and Methodology

45. The principles of valuation of acquired land and assets have been devised as per WB OP 4.12 on involuntary resettlement. The policy states that all loss of the APs have to be compensated at full replacement cost at the time of dispossession of the property for purpose of infrastructure projects. The calculation of replacement costs will be based on (i) fair market value at the time of dispossession, (ii) transaction/legalization costs, (iii) transitional and restoration (land preparation and reconstruction) costs, and (v) other applicable payments. In order to ensure compensation at replacement cost, good practice examples in compliance with WB OP 4.12 were followed for determining the replacement cost of acquired assets.

46. The calculation of unit value is done keeping in consideration the current market rate so as to meet with the replacement cost of the land and lost assets etc. An experienced and registered independent local company was employed to do the valuation of land, structures, buildings, trees, crops etc. The approach of the evaluator was to make the assessment for each type of land and assets by location. The valuation was done when the census and DMS were conducted by the same company who prepared the map of affected plots with demarcation of cut-off areas. The valuation company engaged its experts for its respective areas who made site visits for physical verification of each category of the losses. The expert team also took into consideration the reference of previous valuation if available and also used their recommended

periodic release of market survey. Based on this methodology the unit rate was derived. The unit rates used in this report are based on the evaluation agency's assessment with their standard methods for calculating the sample assets.

4.3.5.2 Determination of Compensation Rates

47. Replacement cost of land has been determined based on existing market rates to the extent possible and adding the applicable transaction cost like registration with the NAPR at the rayon level Registration Office and the rayon PRRC. Market rates were defined taking into account the type of land, its purported use, and location.
48. Replacement cost of houses/buildings was determined based on construction type, cost of materials, transportation, types of construction, land preparation, labour, and other construction costs at current rates. No deduction for depreciation and transaction costs will be applied.
49. Market value of annual crops has been determined at net market rates at the farm gate for the first year crop. In the eventuality that more than one-year compensation is due to the APs the crops after the first will be compensated at gross market value.
50. Tree market value has been set based on different methods for wood and fruit trees. Wood trees are valued based on growth category and value of wood of the tree at the age the tree was cut. Fruit trees will be compensated differently if they are productive or not yet productive. Productive trees will be compensated based on the future income lost for the years needed to re-grow a tree at the same age/production potential in which was cut. Non productive trees will be compensated based on the value of the investment made to grow the tree to the age in which the tree was cut.
51. The unit compensation rates recommended by the valuation company have been reviewed and approved by the RDMRDI and will be offered to the APs. Detailed methodology for determining valuations and compensation rates is included in **Annex-1**.

V. INSTITUTIONAL ARRANGEMENTS

5.1 Introduction

52. Ministry of Regional Development and Infrastructure (MRDI) is the executing agency (EA) of the Project on behalf of the Government of Georgia and the Roads Department of the MRDI (RDMRDI) is the implementing agency (IA). The World Bank (WB) will be financing the Project for civil works construction and construction supervision. RDMRDI is responsible for road construction as well as land acquisition and resettlement of the APs due to land acquisition and project construction. On the basis of rayon (district) administration, two RAPs have been prepared for Stage 1 construction of the Project following the feasibility level RAP prepared in 2009 for Section 1 of the Project. RAP-I covers the subsection located in Kareli Rayon (km 95 – km 114). The compensation/ rehabilitation program described in RAP-I involves distinct processes and dynamics and different actors. RDMRDI has the lead responsibility for road construction, as well as implementation of RAP-I with assistance from consultants.

53. RDMRDI is assisted by a number of other government departments and private agencies in the design, construction and operation of the Project. Pursuant to the active legislations, National Agency of Public Registry (NAPR) within the Ministry of Justice is in charge of the recognition of ownership rights of rightful owners, registration of land ownership, with process verification and certification from Village Communities, Notaries, Property Rights Recognition Commission (PRRC), and Sakrebulo. Rayon NAPR is also responsible for registering transfer of acquired land from landowners to the RDMRDI. The local government at Rayon and village levels are involved in the legalization of legalizable land parcels and subsequently land acquisition and resettlement of APs. The Ministry of Environmental Protection is responsible for environmental issues.

54. RAP-I comprises the road section in Kareli Rayon of Shida Kartli Region. Kareli Sakrebulo, Gamgeoba, Registration Office and PRRC are all involved in RAP-I. Local Sakrebulo and Rtsmunebuli of villages Urbnisi, Ruisi, Bebnisi, SaRolaSeni and Aradeti, Breti, Mokhisi and settlement Agara are involved for local level LAR activities.

5.2 Land Registration Organizations

55. Government agencies active at various levels in the process of legalization of privately owned land parcels are described hereunder.

5.2.1 Rtsmunebuli and Gamgeoba at Village (Community) Level

56. Community level Gamgeoba is the executive branch of self-government headed by Rtsmunebuli. Rtsmunebuli has the primary role in the process of legalization and registration of land parcels. Rtsmunebuli confirms ownership of affected land plots, parameters of land plots and endorses the cadastral maps and related data prepared for case of legalization⁹. Gamgeobeli plays important role for legalization of non-rightful owners (owners in possession before the enactment of current law on privatization of land in Georgia without prior permission of the government). Gamgeoba has power to authorize¹⁰ details of the occupied land parcel and verify its usage pattern as the first hand verification and authorization for further consideration in the Property Rights Registration Commission (PRRC) as a basic step for registration with the Public Registry. Neighbours of applicants for legalization have roles in the authorization process. Rtsmunebulis of the villages Aradeti/Sagolasheni/Mreti, Ruisi, Urbnisi and Bebnisi will be involved in RAP-I process of updating and implementation.

5.2.2 Sakrebulo

57. Sakrebulo is the representative branch of self-government at rayon and village level. The village/rayon level Sakrebulo has now less involvement in the process of legalization of legalizable land plots. However, Rayon Sakrebulo assists the PRRC in the process of authorization of application of non-rightful owners.

5.2.3 Property Rights Recognition Commission

58. Under the Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities; 2007, the Government of Georgia has established the PRRC at the Rayon level for recognition of ownership rights of non-rightful owners for registration. PRRC verifies and authorizes application of ownership for registration with the NAPR. PRRC authorizes application of only those APs, who are not registered but have residential land or agricultural plots adjacent to the residential land (“non-rightful land owners”, according to definition of Georgian regulations).

5.2.4 Rayon Registration Office

59. NAPR is in charge of the registration of land ownership and its transfer through purchase agreement from landowners to the RDMRDI. Rayon Archives are now transferred in the possession of the Rayon Registration Offices of the NAPR. Rayon Archive is used for cross verification of ownership document and validity of physical possession of land by persons

⁹ Owners for legalization of their unregistered land parcels, in normal procedure, use the services of private mapping agencies and experts on payment for preparation of land details (maps and plot parameters). In case of this project, the consultants have been assisting in preparing basic documents like maps and plot details.

¹⁰ This is not mandatory but one of the possible procedures for legalization of the non-rightful owners. Witnesses' signature confirmed notarially is also legally acceptable for confirmation of non-rightful ownership of land plot.

seeking registration as legalizable owner, in the case, owner does not have available documentation proving ownership rights on the adjacent land plot or in case there is any doubt regarding the plot.

60. Rayon Registration Office of the NAPR is the Rayon level authority for executing registration of land parcels in the name of the applicants based on package of application documents provided by rightful owners (APs possessing ownership documents but with title formalization pending) or by non-rightful owners after receiving appropriate certificate from PRRC as the case may be. The owners submit both soft copy and hard copy of plot maps with geometric details for record in the Rayon and Central NAPR. Kareli rayon office of NAPR is involved in the updating and implementation of RAP-I.

5.3 Land Acquisition and Resettlement Organizations

5.3.1 RDMRDI of Georgia

61. RDMRDI has the overall responsibility of design, land acquisition and resettlement, construction, construction monitoring and supervision of the Project. This also includes financing and executing land acquisition and resettlement tasks and cross-agency coordination. RDMRDI will exercise its functions through its existing Resettlement Unit (RU), which is subdivision of the Roads Development and Resettlement Division (RDRD), and LAR Commission and Working Group¹¹.

62. A Resettlement Unit (RU) under the RDRD headed by a Head of the Unit and staffed with other personnel having specific experience and skills in LAR is responsible for LAR activities related to the project. The RU is a core team of the Working Group. RU is responsible for all technical work to accomplish all LAR preparation and implementation tasks and coordination within the RDMRDI, as well as at central and local government levels.

63. LAR Commission (LARC) within RDMRDI has the authority to finally endorse all LAR related decisions and actions (i.e. approval of RAP, initiation of compensation payments etc.). LARC sits for reviewing issues for decision on as and when necessary basis. LARC will oversee and monitor implementation of the RAP-I to ensure that all APs are duly compensated and that mitigating measures are instituted by the Civil Works Contractor as a result of temporary impacts. It is also the final pre-litigation authority to provide decision on grievances those cannot be resolved at the regional level. LARC will ensure that the Project is implemented in accordance with the WB OP 4.12 and ADB policy requirements and the approved RAP-I. A Grievance Redress Committee (GRC) at the Gamgeoba level of the Rayons will be working to resolve the grievances of APs as a means of reducing grievances and avoiding expropriation process for acquisition of land.

64. The structure of the LARC and Working Group includes experienced and skilled experts of economics and law, who simultaneously take responsible positions in RDMRDI. In case of need, on the basis of agreement with RDMRDI management and LARC the structure of the Working Group can be expanded inviting professionals of different sectors in response of the volume of LAR work for a project. The core team of the Working Group is represented by RU, which is supplemented by legal experts, financial experts, engineers and the like from other departments of RDMRDI.

¹¹ LAR Commission and Working Group have been established by RDMRDI first in 03.05.2007 by the order #40, and since then this mechanism is used for implementing LAR activities.

65. The specific tasks of the Working Group and RU will be to (i) updating RAP following appropriate procedures as per RPF/LARF and send to donor IFI for approval, (ii) supervise preparation of RAP for construction contracts and implement it after concurrence from donor IFI; (iii) establish LAR capacity at the regional level offices of the RDMRDI; (iv) ensure proper internal monitoring; and (v) hire, following the donor IFI recommendation the external monitoring agency.

66. RU will also provide all necessary documentation to ensure the prompt allocation of land acquisition and resettlement budgets to the APs and will maintain the coordination of all land acquisition and resettlement related activities.

5.3.2 TRRC

67. Transport Reform and Rehabilitation Centre (TRRC), a special independent agency, has been established within RDMRDI for financial management of ADB and World Bank financed projects. TRRC will get funds directly from the Ministry of Finance allocated for the project and disburse it to APs following requisition from RU, RDMRDI. TRRC will review, scrutinize and transfer the amount of compensation and allowances in the bank account of APs mentioned in the Compensation and Allowance Ledger prepared, confirmed and produced by RU for each AP.

5.3.3 Rayon LAR Team

68. Rayon LAR Team will assist the central LARC and provide assistance to APs in the process of legalization of legalizable owners. Based on the RDMRDI's LARC decision and the RAP prices, the offer of purchase of land parcels shall be undertaken. If an AP agrees on the acquisition he/she will confirm such agreement in writing by signing the Sales/Purchase Agreement that will be registered with the Public Registry. This agreement will serve as the basis for compensation payment processing and release. If agreement is not reached between the AP and the LAR Team, the later will inform the LARC, which will take decision to start expropriation.

5.3.4 Local Governments

69. Local administration especially at Rayon level has direct jurisdiction for land administration, valuation, verification and acquisition. To confirm the surveys and the asset valuations carried out by the LAR consultants, RDMRDI through its consultants will establish Rayon Level LAR Teams which will have designated officials from the Rayon administration (Rayon Sakrebulo; Gamgebeli) and representatives of each affected village/community administration (representatives of all affected community/village level Sakrebulos and Gamgebelis). The Rayon level LAR Teams have been formed in the district of Kareli who are working closely with the consultants and RDMRDI. LAR Team of Kareli rayon is participating in RAP-I preparation and implementation.

5.4 Other Organizations and Agencies

5.4.1 Civil Works Contractor

70. A Civil Works Contractor to be appointed by the RDMRDI to undertake the construction will be responsible for mitigating impacts resulting from the construction activities. Based on the RAP and the Technical Design, the parcel of land that will be identified and acquired as part of road ROW will be demarcated to clearly delineate it from the remaining non-acquired parts. The construction activities shall be monitored closely by the RDMRDI to ensure compliance to the temporary mitigating measures.

5.4.2 Consultants and Auditors

71. The design consultant will be responsible for preparation and implementation of RAP-I and a construction supervision consultant will be in place to supervise civil works construction.

- (i) **Design Consultant:** The design consultant has an international social development and resettlement specialist and a national resettlement / social specialist for finalizing RAP for each construction stage. The design consultant has hired a survey and independent audit agency for land acquisition and resettlement survey and documentation including census, socioeconomic survey, inventory of losses, and valuation of land and assets for replacement value. RAP-I has been prepared based on findings of the surveys following the final alignment as per detailed engineering design.
- (ii) **Construction Supervision Consultant:** Construction supervision consultant (CSC) will have land acquisition and resettlement specialists to oversee implementation of RAP-I before the civil works start and all resettlement related issues that may arise during the construction

5.4.3 Court of Georgia

72. The Court of Georgia shall be the last resort for issues and concerns regarding the implementation of the RAP-I. In case there is no agreement between the RDRD and the APs concerning the acquisition of private properties, the RDMRDI with the mandate for expropriation based on existing legislations will submit to the Court a request for expropriation. Upon its approval and following prescribed procedure, RDMRDI will then take over the concerned property after having been given by the Court the right of the Expropriator.

73. Furthermore, in cases where complaints and grievances regarding RAP-I implementation and compensation are not solved at the various levels as prescribed in the agreed Grievance Redress Mechanism, the APs will have the right to appeal the case to the Court as a last resort. Its decision shall be final and executory.

5.4.4 Ministry of Finance

74. The budgets for the implementation of RAP-I will be provided to RDMRDI by the Ministry of Finance following its official approval. The RAP-I budget will be allocated on the accounts of TRRC that is responsible for the financial management of the project.

5.4.5 Ministry of Justice

75. The Ministry of Justice is responsible for legal matters regarding land ownership, and National Agency of Public Registry (NAPR) within the Ministry of Justice is in charge of the registration of land ownership and its transfer through purchase agreement from landowners to the Road Department.

5.4.6 Donor WB

76. Besides supervising the Project periodically, the WB will review RAP-I and provide clearance to contract awards signing and initiation of civil works for stage 1 construction under tranche 1.

5.4.7 External Monitoring Agency

77. RDMRDI will appoint an independent external monitoring agency (EMA) for external monitoring and ex-post evaluation of the RAP-I implementation. External monitoring covers all aspects of RAP-I implementation, starting from legalization and finishing with payment of all compensation and rehabilitation allowances before starting civil works. External monitoring could be executed by the CSC in case if CSC is available during RAP-I implementation.

78. An organization chart showing all the concerned institutions to be involved in the LAR activities is depicted in Figure 5.1:

5.5 Capacity Building on LAR

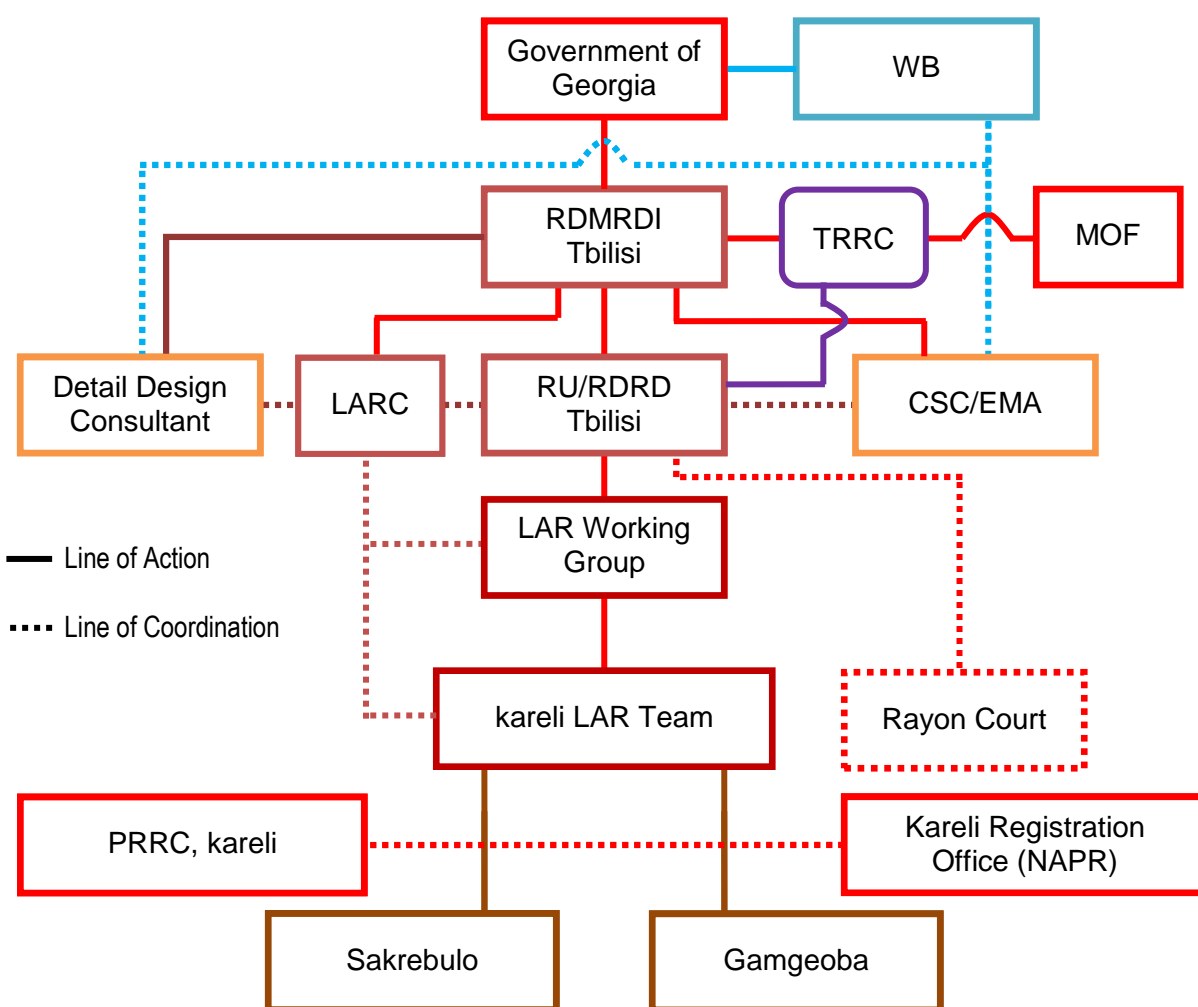
79. Initial level of capacity building exercise in the relevant agencies was carried out during the preparation of RAP at the feasibility study. Close consultations were held with all the concerned departments. RDMRDI has already an established Resettlement Unit under RDRD dealing with roads development, land acquisition and resettlement. During the feasibility study, informal training was provided by the consultant's resettlement specialist to these officials on the requirements of WB OP 4.12 policy and how to develop a balanced compensation package fulfilling the requirements of APs, Government, RDMRDI, donor IFIs. Capacity building training was also initiated through a series of consultations and informal training sessions in the local administration level. The representative of RDMRDI at regional level was also responsible for the planning of LAR activities and was responsible for coordinating with the rayon administration. Rayon level LAR Teams were formed at each rayon that will be responsible for LAR activities assisting the LARC of the RDMRDI in the process of RAP implementation.

80. In terms of capacity and manpower resources within RU of the RDRD, some expansion of the capacity on LAR currently available at RDRD has been desired to allow an effective execution of all LAR related tasks for the project. RU of the RDRD is in a process of expansion and new staff members will be hired before the RAP-I implementation starts. All concerned staff both at RU, LARC, at Rayon and field levels involved in LAR activities will undergo training on WB resettlement policy and management. The training will be provided under the ADB RETA or similar WB programs for capacity building of executing agencies on involuntary resettlement.¹² Training will cover the following topics:

¹² So far as RDMRDI is implementing also ADB financed projects, training under ADB financed programs is available and will complement the WB financed capacity building efforts. Regional Technical Assistance Project RETA-7433 REG: Mainstreaming Land Acquisition and Resettlement Safeguards in the Central and West Asia.

- (i) Principles and procedures of land acquisition (WB and GOG);
- (ii) Stakeholders of the project
- (iii) Organizations involved in the process of land acquisition and resettlement and their roles
- (iv) Public consultation and participation process;
- (v) Entitlements and compensation and assistance disbursement mechanisms;
- (vi) Grievance redress; and
- (vii) Monitoring of resettlement operations.

Figure 5.1 LAR Organization Chart



VI. CONSULTATION, AND PARTICIPATION

6.1 Introduction

81. Consultation and participation is a process through which stakeholders influence and share control over development initiatives, and the decisions and resources that affect them. It is a two way process where the executing agencies, policy makers, beneficiaries and AP discuss and share their concerns in a project process. Consultation and participation has been a major principle in the planning and preparation of the detailed design of the Project. WB OP 4.12 gives high priority on public consultation and participation to enhance the community voice and assure incorporation of community's views in design and implementation of a socially and environmentally compliant project. The Georgian laws also place strong emphasis on consultation and notification to ensure that the AP participate in the process.

82. The focus of these consultations are to ensure that the AP and other stakeholders are informed, educated, consulted and allowed to participate actively in the process of road development and preparation of social and resettlement plan; reducing public resistance to change; helping mitigate and minimize any probable negative impact and bringing in the benefit of the project to the people. The project design and preparation of land acquisition and resettlement plans, therefore, attempted consultation and participation of the AP and communities to incorporate their views, needs and aspirations into the Project components. People were consulted during the feasibility study in 2009. The consultation process has stepped up at detail design through public consultation meetings and individual contacts during land acquisition and resettlement surveys in May – July 2011.

6.2 Consultation Process and Methodology

83. Consultation with local communities and government bodies in the project process was instrumental for alignment demarcation and selection of route, intersection and underpass sections for the RikoTi - Ruisi road (Section 1). The route of the project road underwent several adjustments to avoid dense settlement, environmentally protected areas, civic amenities, and land acquisition. The public consultation process entailed clearly explaining the project and its impacts to the community through introducing the project and its impacts through leaflets in local language, clearly explaining to the communities in informal and formal consultation meetings and individual level discussion during the census and detailed measurement surveys of land and property.

84. Consultation with the APs in the project affected areas were conducted during the feasibility study stage of RAP preparation in 2009 and during the preparation of the final RAP for section 1 in 2011. The methodology includes walk-through informal group discussion, focused group discussion, individual interview, key informant interviews, and informal discussion. The APs, their community, and local government officials were consulted to inform, educate and provide feedback in the project design.

85. Specifically for this RAP the APs were consulted through individual contact during the census survey under the feasibility study for identification of APs. At the preparation of RAP-I in detail design stage, all likely AP persons were consulted through community level meetings and through individual contact at the time of census, socioeconomic survey and detail measurement survey.

86. Various methods used for stakeholder's consultation and participation with concerned stakeholders are described in Table 6.1.

Table 6.1: Summary on Party consulted and consultation methods

Stakeholders	Purpose	Method
Likely APs and their community	<ul style="list-style-type: none"> To inform the APs, get their views on likely impacts, eligibility and entitlements, as well as procedures for compensation, relocation and rehabilitation. 	<ul style="list-style-type: none"> Meetings with all AH during the implementation of the socio-economic survey. Focus group discussions and village meetings
Roads Department (RDMRDI) including its Resettlement Unit	<ul style="list-style-type: none"> To collect government's policy, guidelines priorities on the project, and to seek advise for work. 	<ul style="list-style-type: none"> Frequent individual meetings with the officials of RDMRDI
National Agency for Public Registry under the ministry of Justice	<ul style="list-style-type: none"> To collect the cadastral map and to know the details of the affected parcels and people 	<ul style="list-style-type: none"> Consultation and discussion with officials
Local Government at Rayon Level (District Municipality), Rtsmunebuli	<ul style="list-style-type: none"> To seek their cooperation for carrying out the impact assessment survey and to sort out the problem related to missing plots (Legalizable Owners) 	<ul style="list-style-type: none"> Individual meetings with the officials of respective rayons and discussions
Property Recognition Commission in the Rayon Level and Sakrebulo	<ul style="list-style-type: none"> To seek their cooperation for carrying out the impact assessment survey and to sort out the problem related to missing plots (Legalizable Owners) 	<ul style="list-style-type: none"> Meeting and training

6.3 Summary of Consultation during Feasibility Study

87. The major findings of the consultations held at various locations during the feasibility study are summarized below.

- (i) The likely APs and their community are aware about the project.
- (ii) APs losing their properties expected a proper compensation package.
- (iii) The structure owners request adequate compensation to rebuild their structure at alternative site. They should get advance notice for relocation.
- (iv) Measures should focus on installing speed limit, children signs as well as putting pedestrian areas, adequate footpaths.
- (v) Government should provide the alternative land to the landless people for their relocation.
- (vi) The compensation should be based on the fair assessment.
- (vii) Contractors should be advised by the project authority to employ the local people.

6.4 Consultation meetings with the APs during RAP-I Preparation

88. As part of detailed design work, disclosure and consultation meetings were carried out in the project area in May early June and September 2011. These meetings were attended by APs, their community, local government officials, and the social safeguard team comprising international and national consultants of the detailed design consultant. The main objectives of these meetings were to deliver information to the APs and their community about the project objectives, design and policies on land acquisition, AP compensation and rehabilitation. The draft policy of compensation and allowances (as per the project Resettlement Policy

Framework) to the AP were shared and the purpose and procedures of legalization of rightful and non-rightful land rights through leaflets and oral explanation. Valuation methodology and grievance mechanism were also briefed to the participants.

89. A total of 5 open consultative meetings with the APs were conducted along the proposed route of the project road (section 1; km 0 – 19). The meetings were held in the Gamgeoba offices of v. Ruisi, v. Aradeti/Sagolasheni, Urbnisi/Bebnisi, v. Breti and Agara settlement. The matters discussed in these meetings are detailed in Table 6.2.

Table 6.2: Matters Discussed in the Public Consultation Meetings with the AP

Meeting Location	Date	Participants No.	Matters discussed	
Ruisi	14/5/11	46	<p>General Summary of meeting: The major concerns of the participant likely APs and community leaders at this meeting were to understand if the non-titled persons occupying land will be compensated for the non-land assets, extent of compensation for short-term and long-term trees, employment in construction, severance, access to new road, status of project process, land price and the method of acquisition.</p> <p>The participants expect that fair compensation of land will be offered from the project considering the importance of land in terms of location and current use. Long-term trees should be considered for higher price. Construction contractors should employ local people. Road design should consider the severance issue and the local people should have access to the new road.</p>	
			Questions	Answers
			What is the land compensation price?	At present the research/evaluation process of identification of market rate for land compensation is underway taking into account investors and government's interests. Evaluation methodology implies identification of market price on the basis of real negotiations related to the existing legal documents confirming ownership rights and acquisition of land plots. Final price will be identified when the representative of Roads Department will come to each affected landowner to sign the contract.
			How the long-term trees/plants will be compensated?	Compensation value of long-term trees/plants will be defined according to the cash compensation at market rate on the basis of type, age and productive value of the trees.
			This year we already have cultivated land, how the compensation will be implemented?	In any case, crop compensation for 1 year will be given to APs in cash at market rate by default at to gross crop value of expected harvest, even in case if you already taken this year crop before starting the land acquisition process.
			If AP would not like to sell the land plot what will happen in this case?	There is Eminent Domain Law in place, according to this law, based on court decision, the landowner will receive fair compensation and land will become property of State in accordance with expropriation rules defined in Eminent Domain Law. AP may request allocation of similar land plot instead of getting cash compensation (if it is possible).
			In case of negotiations failed related with price, what will be the next stage?	In case, there remains further dispute related to ownership, the case may be referred to the Rayon court and conclusion regarding ownership right will be made according to the court decision. But, before the court it can be

Meeting Location	Date	Participants No.	Matters discussed
			<p>solved by negotiations. At the information booklets you can find Claims and Comments Submission Forms.</p> <p>In case when only part of the whole land parcel is affected, is the residual land parcel subject for compensation?</p> <p>When the owner of the land is died how the compensation will be implemented?</p>
			<p>The viability of the residual land parcel will be estimated by the independent auditor. In case of residual land parcel is considered unviable, the owner will be asked to make a choice: to get cash compensation for the residual land or to keep the land under the ownership.</p> <p>The auditing company will inform the Roads Department about this kind of cases and if it is confirmed that the residual land parcel is unviable, the Government will acquire this residual land parcel. Land compensation for land is restricted and is possible only in that case when there is a land available in reserve.</p> <p>There will not be a problem with land registration process on heir apparent after submission of the relevant documents to NAPR.</p>
			<p>What is the width of the road?</p> <p>On average the width of the 49 km. road is 30 m. The mentioned section of the road will be upgraded from 2-lane to 4-lane highway. Detailed measurement will be shown in RAP, which will be disclosed as soon as it will be prepared.</p>
			<p>When we have cultivated land parcel acquired by rent/lease and gather in the harvest, how the compensation will be implemented?</p> <p>Land will not be compensated in case of land rent. In this case adequate land parcel will be allocated at other place for rent as well as 1 year crop compensation will be provided in cash at market rate by default at to gross crop value of expected harvest. In case of long term rent of land parcel (when several people lease the land parcels during 10-40 years), village Gamgeoba will issue relevant inquiries and the issue related with the possible legalization of land parcels will be raised at central and rayon governmental levels. In case, when the mentioned land parcels will be legalized, land compensation will be implemented after the completion of relevant procedures and registration of land at National Agency for Public Register.</p>
			<p>Is it envisaged by the project any kind of compensation/allowances for vulnerable people?</p> <p>If AHs receive Governments subsidies, or have status of the family, which is "under the poverty line", or headed by the single-mother, etc, and there are official information/documents related to the above-mentioned status, all these persons will receive additional allowances.</p>
v.Bebnisi	28/5/11	33	<p>General Summary of meeting: Participants at v. Bebnisi Gamgeoba office raised some issues like standing crops, registration status for compensation, method of determining land price for compensation, special price of land intended for structure construction, rate of agricultural land, employment in construction, and the road design.</p> <p>There are AHs having no tenure documents at hand land living this village. They were uncertain, how their land will be compensated. They appealed that registration records should be consulted for type of land for valuation.</p> <p>One specific issue was on what will be done if an AP does not agree on compensation rates</p>

Meeting Location	Date	Participants No.	Matters discussed	
			Questions	Answers
			Will additional access roads be envisaged under the project to reach land parcels?	Highway should not prevent internal communications. This issue is taken into account on the project level. In particular, highway will consist of several overpasses and underpasses which will ensure normal functioning of bypass roads of the villages and easy/free movement of people, cars and cattle on the opposite side of the highway.
			How the price for the land parcel will be determined?	CONSULTANT of the Roads Department will come to each APs and will prepare precise and accurate land parcel maps with detailed measurement and geometric descriptions. They will prepare a special matrix, where everything will be defined. After defining the compensation price contract will be prepared. In the mentioned case contract will be signed between the Roads Department and the landowner. For each landowner inventory will be made together with landowner, which will be signed after reviewing and agreement by the landowner.
			In case of negotiations failed related with price, what will be the next stage?	In case, there remains further dispute related to ownership, the case may be referred to the Rayon court and conclusion regarding ownership right will be made according to the court decision. But, before the court it can be solved by negotiations. At the information booklets you can find Claims and Comments Submission Forms.
			How the issue of channels will be solved during project construction phase?	If during project construction channels are damaged, they will be rehabilitated or moved to other places.
			Is it envisaged by the project any kind of compensation/allowances for vulnerable people?	If AHs receive Governments subsidies, or have status of the family, which is "under the poverty line", or headed by the single-mother, etc, and there are official information/documents related to the above-mentioned status, all these persons will receive additional allowances.
v.Breti (Sakrebulo for v. Aradeti/Sagolasheni)	4/6/11	29	General Summary of meeting: Participants in general had good understanding of the project need for country. The questions raised mainly were related to compensation prices and valuation methodology. The concerns have been expressed that many owners have not formalized their succession rights after the death of the initial owners (usually parents or spouse). Persons leasing land ¹ from the other owners asked for what type compensation are they eligible. (Note 1: after final identification of the AHs no leaseholders are amongst them)	
			Questions	Answers
			What is the price of 1 sq. m. land plot?	At present the research/evaluation process of identification of market rate for land compensation is underway. Evaluation methodology implies identification of market price on the basis

Meeting Location	Date	Participants No.	Matters discussed
			of real negotiations related to the existing legal documents confirming ownership rights and acquisition of land plots.
			What are the categories of the land parcels? There are several categories, in particular: agricultural land, non-agricultural land, cropland, grazing land and hay land. The issue of irrigation also will be taken into account, etc. The prices of the land will be classified according to the categories of the land.
			When we have cultivated land parcel acquired by rent/lease and gather in the harvest, how the compensation will be implemented? Land will not be compensated in case of land rent. In this case adequate land parcel will be allocated at other place for rent as well as 1 year crop compensation will be provided in cash at market rate by default at to gross crop value of expected harvest. In case of long term rent of land parcel (when several people lease the land parcels during 10-40 years), village Gamgeoba will issue relevant inquiries and the issue related with the possible legalization of land parcels will be raised at central and rayon governmental levels. In case, when the mentioned land parcels will be legalized, land compensation will be implemented after the completion of relevant procedures and registration of land at National Agency for Public Register.
			When the owner of the land is died how the compensation will be implemented? There will not be a problem with land registration process on heir apparent after submission of the relevant documents to NAPR.
			What is the width of the road? On average the width of the 49 km. road is 30 m. The mentioned section of the road will be upgraded from 2-lane to 4-lane highway. Detailed measurement will be shown in RAP, which will be disclosed as soon as it will be prepared.

Place of event: Kareli rayon, Settlement Agara, Office of Gamgeoba.

Date and time of event: September 10, 2011, 12:00 a.m.

Question-and-Answer session:

No.	Question/Comment	Author	Expert comment
1.	In case when only part of the whole land parcel is affected, is the residual land parcel subject for compensation?	Local population	The viability of the residual land parcel will be estimated by the independent auditor. In case of residual land parcel is considered unviable, the owner will be asked to make a choice: to get cash compensation for the residual land or to keep the land under the ownership. The auditing company will inform the Roads Department about this kind of cases and if it is confirmed that the residual land parcel is unviable, the Government will acquire this residual land parcel. Land compensation for land is restricted and is possible only in that

			case when there is a land available in reserve.
2.	What is the land compensation price?	Local Population	At present the research/evaluation process of identification of market rate for land compensation is underway taking into account investors and government's interests. Evaluation methodology implies identification of market price on the basis of real negotiations related to the existing legal documents confirming ownership rights and acquisition of land plots. Final price will be identified when the representative of Roads Department will come to each affected landowner to sign the contract.
3.	I am a non-rightful owner of the land parcel and cultivating this land, how the compensation will be implemented in this case?	Local population	Non-legalizable APs (squatters) will not receive compensation for land, but they receive compensation for standing crops affected, for trees, assets and for business loss. ⁸
4.	How the long-term trees/plants will be compensated?	Local population	Compensation value of long-term trees/plants will be defined according to the cash compensation at market rate on the basis of type, age and productive value of the trees.
5.	If AP would not like to sell the land plot what will happen in this case?	Local population	There is Eminent Domain Law in place, according to this law, based on court decision, the landowner will receive fair compensation and land will become property of State in accordance with expropriation rules defined in Eminent Domain Law. AP may request allocation of similar land plot instead of getting cash compensation (if it is possible).
6.	In case of negotiations failed related with price, what will be the next stage?	Local population	In case, there remains further dispute related to ownership, the case may be referred to the Rayon court and conclusion regarding ownership right will be made according to the court decision. But, before the court it can be solved by negotiations. At the information booklets you can find Claims and Comments Submission Forms.
7.	When the owner of the land is died how the compensation will be implemented?	Local population	There will not be a problem with land registration process on heir apparent after submission of the relevant documents to NAPR.
8.	What is the width of the road?	Local population	On average the width of the 49 km. road is 30 m. The mentioned section of the road will be upgraded from 2-lane to 4-lane highway. Detailed measurement will be shown in RAP, which will be disclosed as soon as it will be prepared.
9.	We are interested if any kind of compensation/allowances for vulnerable people is envisaged by the project.	Local population	If AHs receive Governments subsidies, or have status of the family, which is "under the poverty line", or headed by the single-mother, etc, and there are official information/documents related to the above-mentioned status, all these persons will receive additional allowances.
10.	My land parcel is not registered, but it is recorded in Archives (village Household Register), is it necessary	Local population	In that case you are considered as rightful owner and will receive full compensation for land. Your ownership rights will be registered in NAPR before signing the sales-purchase agreement with the Road

	to register the land plot?		Department. Yes it is necessary to register – but the Road Department will provide you with the cadastral drawings required for registering your land parcel.
--	----------------------------	--	---

6.5 Changes in LAR approach following the meetings

90. Following this meeting a certain modification to the planned compensation program was made. This was to more precisely differentiate the value of fruit trees taking into account that this is the region where fruit production is one of the core businesses.

6.6 Consultation and Participation Plan

91. RU on behalf of RDMRDI will pursue information disclosure for effective implementation and timely execution of RAP-I. Village level consultations with APs will be conducted during the implementation process. For the benefit of the community in general and APs in particular, RAP-I will be made available in concerned offices at rayon Sakrebulo and the community level Gamgeoba. An information leaflet (in Georgian) will be distributed among the APs and their community. A copy of the English version of LAR Leaflet is attached in Annexure-7.1.

92. For continued consultations, the following steps are envisaged in the project:

- (i) Final RAP-I will be disclosed upon receiving approval from the WB
- (ii) RDMRDI will organize public meetings and will apprise the communities about the progress in the implementation of resettlement, and social activities.
- (iii) RDMRDI through its RU will organize public meetings to inform the community about the compensation and assistance to be paid. Regular update of the progress of the resettlement component of the project will be placed for public display at the local level RDMRDI office and at local Rayon Office.
- (iv) All monitoring and evaluation reports of RAP-I component of the project will be disclosed to the community.
- (v) Key features of the entitlements will be disclosed along the project corridor.
- (vi) RDMRDI will conduct information dissemination sessions at Gamgeoba and solicit the help of the local community leaders to encourage the participation of the APs in RAP-I implementation.
- (vii) Attempts will be made to ensure that vulnerable groups understand the process and to take their specific needs into account.

6.7 Disclosure

93. Electronic version of the Final draft RAP-I will be placed on RDMRDI web-site. The summary of RAP-I will be translated into local language (Georgian) and will be disclosed to APs at local level. The copy of the RAP-I (Georgian version) will be available at the concerned offices of Kareli Municipality. The final RAP-I will be submitted to the WB for approval and signing of contract awards will follow after completion of legalization of the legalizable owners of the land parcels under acquisition.

VII. GRIEVANCE REDRESS MECHANISM

7.1 Objectives

94. A grievance mechanism will be established to allow a AP appealing any disagreeable decision, practice or activity arising from land or other assets compensation. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Care will always be taken to prevent grievances rather than going through a redress process. This can be done through careful LAR design and implementation, by ensuring full participation and consultation with the APs, and by establishing extensive communication and coordination between the affected communities, the RDMRDI, and local governments in general.

7.2 Formation of GRC

95. A Grievance Redress Committee (GRC) will be established at the community level in each Gamgeoba (village/community authority) to resolve complaints and grievances informally through community participation. The GRC will be formed with representatives from RDMRDI, local Gamgeoba, APs, women APs (if any), and appropriate local NGOs to allow voices of the affected communities to be heard and ensure a participatory decision-making process. GRC decisions will be on a majority basis and will be publicized among the local communities. If the complainants are not satisfied with the GRC decisions, they can always file their cases in court.

96. GRCs will be established at the community level at Gamgeoba with an office order from the Ministry of Regional Development and Infrastructure (MRDI) with provision of 6 members of following composition:

(i) Representative of LAR Commission of RDMRDI	: Convener
(ii) Representative Rayon LAR team	: Member Secretary
(iii) Gamgebeli – concerned Gamgeoba (village level)	: Member
(iv) Representative of APs	: Member
(v) Representative of Women APs	: Member
(vi) Representative local NGO	: Member
(vii) LAR Specialist of Supervision Consultants	: Member

7.3 Grievance Resolution Process

97. The member secretary of GRCs and Rayon level LAR Team will be regularly available and accessible for APs to address concerns and grievances. The LAR Team will assist the aggrieved APs in formally lodging their claims to the GRC and where applicable to the Working Group of RU at RDMRDI in Tbilisi. The complaints and grievances from the APs will be addressed through the process described below in Table 7.1. The grievance resolution and acquisition processes are presented the flow diagram shown at Figure 7.1.

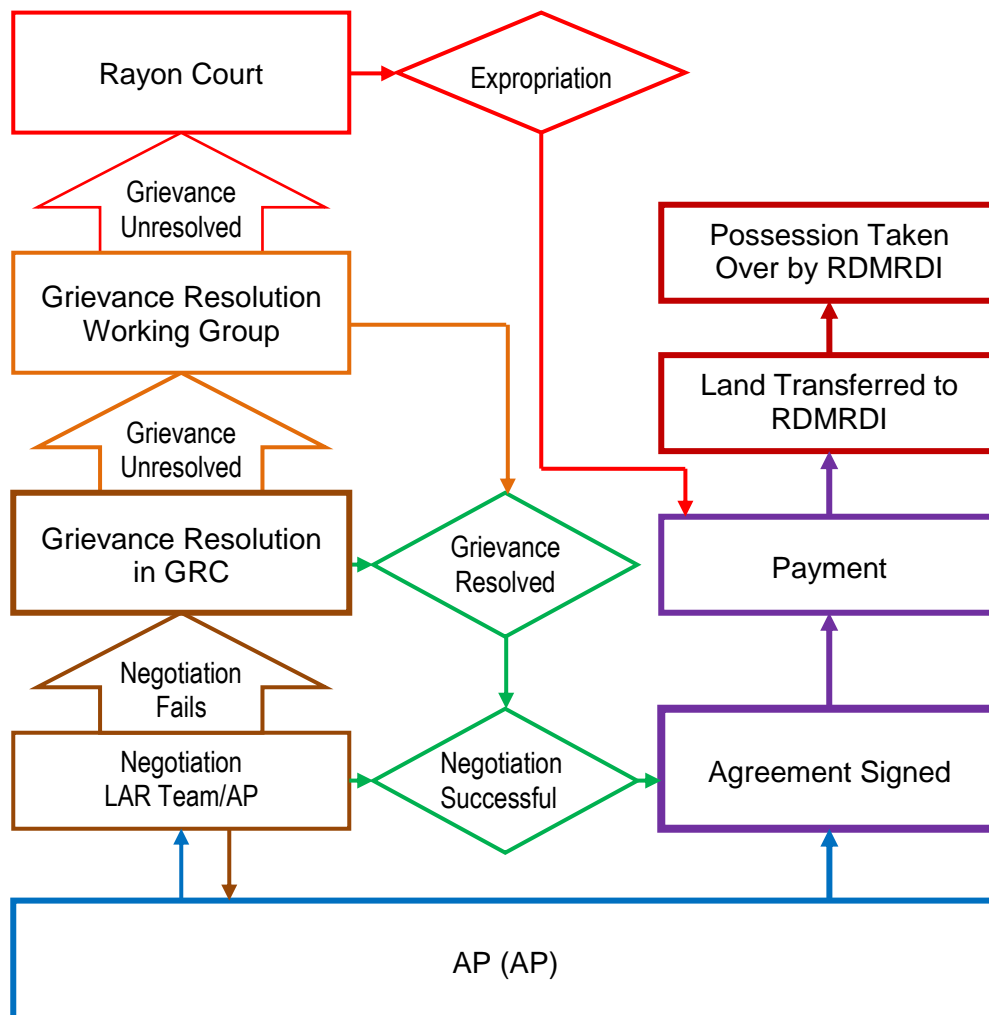
Table 7.1: Grievance Resolution Process

Steps	Action level	Process
Step 1	Contract agreement	When during the contract discussion any grievances arise, solutions acceptable to both Rayon's LAR Team and the APs will be sought. If any aggrieved AP is not satisfied with the solutions, the next option will be to lodge grievances to the GRC.
Step 2	GRC Resolution	If the grievance is not solved at the previous level, the LAR Team will assist the aggrieved APs to formally lodge the grievances with the respective GRC. The GRC member secretary will review the complaint and prepare a Case File for GRC hearing and resolution. A formal hearing will be held with the GRC at a date fixed by the GRC member secretary in consultation with Convenor and the aggrieved APs. On the date of hearing, the aggrieved AP will appear before the GRC at the Gamgeoba office for consideration of grievance. The member secretary will note down the statements of the complainant and document all details of the claim. The decisions from majority of the members will be considered final from the GRC and will be issued by the Convenor and signed by other members of the GRC. The case record will be updated and the decision will be communicated to the complainant AP by the LAR Team at the village level.
Step 3	Decision from central RDMRDI	If any aggrieved AP is unsatisfied with the GRC decision, the next option will be to lodge grievances to the Working Group of RU at RDMRDI at the national level. The complainants, must produce documents supporting his/her claim. The Working Group will review the GRC hearing records and convey its decisions to the aggrieved APs within 2 weeks after receiving the complaint.
Step 4	Decision from court	If the grievance redress system fails to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court). In case, if the ruling by the court is below the market price assessed through the open market survey earlier, RDMRDI will provide additional funds to ensure that compensation provided reflects full replacement cost.

7.4 GRC Records and Documentation

98. RU of RDMRDI headquarters will keep record of complaints received for its use as well as for review by the WB during regular supervisions.

Figure 7.1 Grievance Resolution and Acquisition Process



VIII. IMPLEMENTATION SCHEDULE

8.1 General

99. The time bound implementation schedule of the RAP has been prepared in consultation with the RDMRDI. All activities related to LAR have been planned to ensure that compensation is paid prior to displacement and commencement of civil works construction. The most important acquisition activity, relating to the privatization process in Georgia, is the legalization of legalizable owners of the identified land parcels for acquisition. The legal status of affected land parcels in the project road in Kareli Rayon has been identified through title search during the land acquisition and resettlement survey and documentation work in May–October 2011. The titled and non-titled but legalizable owners of land parcels to be acquired have been identified in the survey.

100. The present document is the draft of final version of the RAP¹³. RDMRDI has reviewed and approved this document including compensation package and compensation rates and forwarded to the WB for approval. Tasks for the RAP-I are divided into (i) Final Preparation including RAP approval various Initial tasks including legalization of legalizable APs and signing of contracts with APs.; (ii) RAP implementation including processing and making payment of compensation and allowances and (iii) evaluation of implementation. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. The LAR milestones include (i) approval of RAP, (ii) signing of contract awards, (iii) letter to proceed for civil works construction and (iv) start of physical civil works. A post – implementation evaluation will be carried out after completion of RAP implementation.

8.2 RAP-I Approval and Initial Tasks

101. The Resettlement Unit of the RDRD under RDMRDI sets up relevant institutions and line up TRRC, LARC, Working Group/LAR Team, GRC and the like for the Project. Upon completion of the draft RAP from the detail design consultant, the RU reviews and approve the document including compensation rates. RD will submit the approved RAP-I WB for approval. Meanwhile, RD will implement actions for legalization of legalizable owners listed in the ACS of RAP-I (ACS-I) at the field level. All arrangements will be set for signing the contract agreement with the APs and the process will be executed for land purchase and compensation agreements. The capacity building exercise will be enhanced during this stage. Representatives of the APs and NGOs may be involved in LAR training at this stage. After completion of legalization of all legalizable owners of land parcels under RAP-I, RDMRDI will award civil works contracts (signing of contract awards). The initial LAR activities will be the following:

- (i) Establishment of LAR Institutions;
- (ii) Legalization of Rightful owners of land parcels;
- (iii) Legalization of the Non-rightful owners of land parcels;
- (iv) Agreement with APs and signing contract agreements;
- (v) Updating of LAR Budgets and ACS-I;
- (vi) Confirmation of updated impact data and of compensation amounts;
- (vii) Approval of RAP by WB and Government.

¹³ Preliminary version of RAP was developed at the Feasibility stage;

8.3 RAP-I Implementation

102. Payment of compensation and allowances under RAP-I will commence after a number of preparatory tasks have been completed. These tasks are:

- (i) Signing of contacts with APs
- (ii) Disclosure and consultation
- (iii) Capacity building training of LAR institutions, APs and NGOs
- (iv) Grievance resolution
- (v) Requisition to TRRC for payment of compensation and allowances
- (vi) Transfer of compensation and allowance to APs' bank account and registration of land in PR on RDMRDI name
- (vii) Relocation of affected structures/ assets
- (viii) Compliance review and reporting
- (ix) Notice to proceed for Civil works construction
- (x) Monitoring

8.4 Post Implementation Evaluation

103. The post-implementation evaluation will be conducted after one year of completion of the RAP-I implementation and upon start of the civil works construction. An independent External Monitoring Agency (EMA) will carry out the evaluation. The EMA will carry out interim monitoring on a quarterly basis. In case, if the CSC is engaged at the stages when external monitoring is required, the CSC may have the responsibility for the external monitoring and post implementation evaluation.

8.5 RAP Implementation Time Schedule

104. The time bound RAP implementation is presented in Figure 8.1. Land purchase agreements and payment of compensation and allowances will go simultaneously and a sequence of one week time from offer of compensation to agreement, agreement to requisition and requisition to payment transfer is considered. A buffer period of one month has been included in the schedule for relocation of housing. Relocation of housing will also go by sections. Under the circumstances, the implementation schedule may include phased approach for civil works construction.

IX. COSTS AND FINANCING

9.1 General

105. The land acquisition and resettlement cost estimate under RAP-I includes eligible compensation, resettlement allowances and support cost for implementation of LAR tasks. The support cost, which includes administrative expense, is part of the overall project cost. Contingency provisions (@ 10% of the total cost) have also been included to take into account variations from this estimate at the negotiation for contract agreement level. In case of any over-run in cost, RDMRDI will provide additional funds as needed in a timely fashion. RDMRDI through the approval of Ministry of Finance will be responsible for allocating the LAR Budget in advance as part of their overall annual budget planning. Items of LAR cost estimate under RAP-I are as follows:

- (i) Compensation for agricultural, pasture, and commercial land at replacement value
- (ii) Compensation for structures and buildings at their replacement cost
- (iii) Compensation for crops and trees
- (iv) Assistance for severely affected AH
- (v) Assistance for vulnerable groups for their livelihood restoration
- (vi) Cost for implementation of RAP-I.

9.2 Itemized Budgets

106. The following section deals with calculations for various types of compensation and allowances as per the entitlements and as per the rates determined at current market cost. Compensation will be provided at least at the rates detailed in this RAP although some modification in excess will be possible during the discussions preceding the signing of the contract.

9.2.1 Compensation for Land

107. Compensation of agricultural land has been derived based on the feedback from the affected people and from the independent evaluator. The land is categorized in to two types such as agricultural and commercial. All agricultural land affected in this section is irrigated. Cost of legalization and residual land unviable for cultivation is included in the costs. The costs for various categories of land loss are given in Table 9.1.

Table 9.1: Cost for Land Acquisition (Only land Type 1 and 2 including unviable plots)

Land Category/ use and Group		Area (sqm)	Cost of 1 sqm. (Gel)	Total Cost (Gel)
Compensable Land				
Type 1 Agricultural	Private agricultural irrigated land used for annual crops and fruit tree gardens (remote from the existing section of highway)	108,058	3 Gel/sq.m	324,174
Type 2 Agricultural	Private agricultural irrigated land used for annual crops and fruit tree gardens (located along the existing section of highway)	361,074	4 Gel/sq.m	1,444,296
Type 3 Non- Agricultural Commercial		17,773	5 Gel/sq.m	88,865
Total Compensable Land (Type 1 + Type 2+ Type 3)				1,857,335

9.2.2 Compensation for Business Interruption

109. The project implementation affects only two businesses. One is operating fuel station in village Ruisi. This structure falls within the RoW of designed road and should be replaced. The movable facilities will be relocated by owner. As a compensation for structure the owner is paid full replacement cost for the building, inclusive costs needed for relocation of movable facilities. As a specific item of compensation for interrupted business, the AH will receive cash indemnity in amount of officially confirmed (by tax declaration) 1 year net income. The second lost income subject for compensation is related to the fuelling station in v. Aradeti. The station is leased by its owner and despite the fact that the station is not operated by the leaseholder, still the owner receives leasing payments and this is significant income source for him. As a compensation for structure the owner is paid full replacement cost for the building, inclusive costs needed for relocation of movable facilities. As a specific item of compensation for lost income source, the AH will receive cash indemnity in amount of officially confirmed 1year leasing charge. Details of compensation are provided in the table 9.3.

Table 9.3: Compensation of Affected Businesses

No.	Item	Type of construction	Annual Income Rate GEL	Years	Cost
					(In GEL)
1	Fuelling Station in v. Aradeti	The FS is leased. Not operated. Not decorated. Medium level of devastation;	5400	1	5400
2	Fuelling Station in v. Ruisi	Operating fuel station; Refurbished;	54500	1	54500
	Total				59,900

9.2.3 Compensation for Crops

110. Crop compensation will be paid to all APs in cash at full market rate. The major crop found in the project road is cereals, vegetable, strawberry and hay/grass. The detail on crop compensation is described in Table 9.4.

Table 9.4: Cost of Affected Crops

No.	Item	Unit	Productivity x sqm	Quantity sq.m	Unit Rate (GEL sqm)	Cost (In GEL)
1	wheat	Sqm	1 kg	145,889	0.4	58,355.6
2	maize	Sqm	1 kg	62,886	0.4	25,154.4
3	beans	Sqm	1 kg	16,971	0.4	6,788.4
4	vegetables	Sqm	1 kg	112,734	0,5	56,367
5	Hay/grass	Sqm	1 kg	106,835	0,105	11,217.6
6	Potatoes	Sqm	1 kg	9452	0.72	6,805.4
7	strawberry	Sqm	1 kg	22116	0,48	10,615.7
	Total					175,304

9.2.4 Compensation of Trees

111. Trees compensation varies for non-productive fruit trees and productive fruit trees. The 1 year non-productive fruit trees will be compensated at the price of 1 year seedling. Partially productive trees will be compensated at aggregated cost of seedling price and fruit income calculated based on productivity of partially productive tree and compensation years needed to grow up the same age tree from the seedling of age startin productivity. For example, 4 years old walnut will be compensated at the cost of the 1 year seedling plus the income of partially productive tree (for 2 years needed to grow up 4 years old tree, from the 2 year seedling, when the tree starts to bring fruits). The fully productive trees will be compensated based on price of seedling plus income of fully productive tree for the years needed to grow up fully productive tree from the 1 year seedling. Tables with the calculation of trees costs are given in Table 9.5 and 9.6 below

Table: 9.5: Non-Productive Trees (based on Actual Tree Age)

Tree type	Trees No.	Cost for 1 year Seedling (GEL)	Total Cost of 1 year Seedlings (GEL)	Expenses on growing the tree of actual age (GEL)	Total Cost
Walnut	25	5	125	3020	3145
Apple	9	3	27	9024	9051
Peach	4	4	16	448	464
Tkemali	19	3	57	1920	1977
Black Cherry	16	3	48	196	244
Plum	10	3	30	960	990
Quince	1	3	3	39	42
Mulberry	3	3	9	134	143
Total	87	-	315	15741	16056,00
Total cost			16056,00 GEL		

Table 9.6: Compensation for Productive Fruit Trees

Type	Groups by Age	Average productivity in 1 year, kg.	Cost for 1 seedling	wholesale Market price 1 kg., GEL	Annual income, GEL	Years to be compensated	Cost for 1 tree, GEL	No of trees	Total cost x tree compensation (Gel)
Apple	4	<i>Partially Productive</i>	3	0,9	72	4	291	889	258699
	5	80	3	0,9	72	5	363	191	69333
	6	80	3	0,9	72	5	363	194	70422
	7	80	3	0,9	72	5	363	162	58806
	9	80	3	0,9	72	5	363	14	5082
	11	80	3	0,9	72	5	363	20	7260
	12	80	3	0,9	72	5	363	137	49731

	20	80	3	0,9	72	5	363	22	7986
	Sub Total							1629	527319
Wallnut	9	<i>Partially Productive</i>	5	1,4	56	8	453	5	2265
	10	40	5	1,4	56	10	565	38	21470
	11	40	5	1,4	56	10	565	11	6215
	12	40	5	1,4	56	10	565	77	43505
	14	40	5	1,4	56	10	565	14	7910
	15	40	5	1,4	56	10	565	8	4520
	25	40	5	1,4	56	10	565	6	3390
	Sub Total							159	89275
	Plum	6	80	3	0,6	48	4	195	222
7		80	3	0,6	48	4	195	27	5265
10		80	3	0,6	48	4	195	66	12870
13		80	3	0,6	48	4	195	45	8775
20		80	3	0,6	48	4	195	30	5850
Sub Total								390	76050
Tkemali									
	5	50	3	0,9	45	4	183	35	6405
	6	50	3	0,9	45	4	183	24	4392
	7	50	3	0,9	45	4	183	6	1098
	8	50	3	0,9	45	4	183	15	2745
	9	50	3	0,9	45	4	183	12	2196
	10	50	3	0,9	45	4	183	82	15006
	Sub Total							174	31842
Peach	6	40	4	1,4	56	3	172	47	8084
	12	40	4	1,4	56	3	172	60	10320
	Sub Total							107	18404
Apricot	4	40	3	1,2	48	3	147	25	3675
	5	40	3	1,2	48	3	147	11	1617
	6	40	3	1,2	48	3	147	9	1323
	10	40	3	1,2	48	3	147	4	588
	Sub Total							49	7203
Black Cherry	5	16	3	1,5	24	3	75	34	2550
	7	16	3	1,5	24	3	75	53	3975
	10	16	3	1,5	24	3	75	38	2850
	20	16	3	1,5	24	3	75	3	225
	Sub Total							128	9600
Pear	7	70	3	0,9	63	6	381	30	11430
	Sub Total							30	11430
elnu t	6	6	2	1,8	10,8	5	56	2	112

	9	6	2	1,8	10,8	5	56	2	112
	18	6	2	1,8	10,8	5	56	1	56
	Sub Total		3					5	280
Quince	7	30	3	1,3	39	4	159	5	795
	10	30	3	1,3	39	4	159	12	1908
	11	30	3	1,3	39	4	159	4	636
	Sub Total		3					21	3339
Mulberry	6	16	3	1,2	19,2	4	79,8	9	718,2
	10	16	3	1,2	19,2	4	79,8	7	558,6
	20	16	3	1,2	19,2	4	79,8	1	79,8
	Sub Total		3					17	1356,6
Sweet Cherry	5	16	3	1,5	24	3	75	38	2850
	Sub Total		3					38	2850
Grape	3	9	2	0,7	6,3	2	14,6	8	116,8
	4	9	2	0,7	6,3	2	14,6	15	219
	9	9	2	0,7	6,3	2	14,6	3	43,8
	Sub Total		2					26	379,6
Total								2773	779328,2

Total cost of productive and nonproductive trees is **795,384 = GEL**

9.2.5 Resettlement Allowances

112. There are two type of allowances being provided to the AH. These are: (i) Severe Impact Allowance, and (ii) Allowance for vulnerable. The costs for relocation of movable business facilities have been incorporated in the compensation cost for structures. Following are the description of each category of unit rates proposed for various allowances.

- (i) The allowance for vulnerable AP is three months of minimum subsistence income at the unit rate of 312 per month per AH¹⁴ or 936 GEL for the AH
- (ii) The unit rate for severe impact allowances have been considered based on crop compensation given to the AH or three months of minimum subsistence income, in case if crop compensation is not applicable. In reality, all the severely affected AHs received crop compensation and accordingly the allowance was given as additional crop compensation.

113. Details of calculations on various types of allowances are described in **Table 9.7**.

¹⁴ This figures is based on data of the Georgia Department of Statistics for a family of June 2011.

Table 9.7: Cost for Allowances

No.	Item	Unit	Unit rate (GEL)	Quantity	Cost (GEL)
1	Severely Affected AHs	Numbers	equivalent to crop compensation or 936	212	198,432
2	Vulnerable Households	Numbers	936	82	76,752
Total					275,184

9.3 RAP Management Cost

114. The Construction Supervision Contractor will conduct external monitoring. However, RU, RDMRDI will need to employ one independent monitoring agency for external monitoring of RAP implementation for a period of 2 months (in case the CSC is not in place during updating and implementation of the RAP. Miscellaneous expenses have been kept as a provision to cover the administrative cost as may be incurred during implementation of the RAP. Details of the RAP implementation management cost is given in Table 9.8

Table 9.8 Capacity Building and Management Cost

No.	Item	Unit	Quantity	Unit Cost(GEL)	Total Cost (GEL)
1	Cost for EMA	Months	2	5000	10,000
2	Miscellaneous Administrative Cost	Months	8	2000	16,000
Total					26,000

9.4 Summary LAR Cost and Flow of Funds

115. The total LAR cost calculated for the implementation of this RAP-1 constitutes **3,888,400 GEL (USD 2,356,606)**. The summary LAR cost estimate is given in Table 9.9. All LAR related funds will be spent in one full year before the start of civil works construction. If the implementation of this RAP covers two fiscals, the allocation of funds will be sought accordingly. Transport Reform and Rehabilitation Centre (TRRC) is responsible for financial management of external financed projects. TRRC will get funds directly from the Ministry of Finance allocated for the project and disburse to APs following requisition from RU, RDMRI.

Table 9.9: Summary Estimate of LAR Costs

No.	Item	Cost in GEL	Cost in USD
A	Compensation		
1	Compensation for Land	1,857,335	
2	Compensation for Structures/Buildings	308,452	
3	Compensation of Affected Businesses	59,900	
4	Compensation of crop	175,304	
5	Compensation for 87 non-productive Fruit trees	16,056	
6	Compensation for 2773 productive and partially productive Fruit Trees	779,328	
7	Registration fees for 747 residual land plots subject for registration	37,350	
	Sub Total A	3,233,725	
B	Allowances		
2	Severely AHs	198,432	
4	Vulnerable Households	76,752	
	Sub Total B	275,184	
C	Support Cost for RP Implementation		

Table 9.9: Summary Estimate of LAR Costs

No.	Item	Cost in GEL	Cost in USD
2	Cost for EMA	10,000	
3	Miscellaneous Administrative Cost	16,000	
Sub Total C		26,000	
Total R&R Cost (A+B+C)		3,534,909	
Contingency @10 % of the total LAR Cost		353491	
Grand Total		3,888,400	2,356,606

9.5 Justification of Cost Estimates and Updating LAR Budget

116. Land acquisition and resettlement surveys included a valuation survey of affected land and assets. The survey consulted relevant transactions in case of land and local markets in case of building, trees and crops. In determining allowances to vulnerable households, the existing minimum salary rates have been considered.

117. 4 out of 5 affected business facilities are not operational during many years and the owners currently do not see any prospect of future development of their business (3 fuel stations and 1 flower shop). These AHs will be paid for affected structures inclusive costs of relocation of movable facilities. One of the mentioned AH has rented his facility and despite the fact that the leaseholder is not operating the fuelling station, the owner will be compensated for lost income in amount of 1 year leasing charge. The owner of the functional fuelling station (the 5th of the affected structures) in addition to the cost of structure will receive 1 year cash indemnity for interrupted business in amount recorded in tax declaration. A detail measurement survey was conducted to assess the affected buildings and structures and subsequently a detailed market survey for valuation of construction costs for each type of affected structure.

118. As for compensation to crops, the actual market price has been considered for valuation of crops.

119. The prices are, therefore, replacement value at current market cost and ensures full replacement cost to the affected land, building/structures, crops and trees. Detailed methodology followed for determining replace value of affected assets is given in Annex 1.

9.6 Source of Financing

120. All funds for compensation and allowances commensurate to RAP-I will be provided from the Government of Georgia's public fund. RDMRDI will ensure the allocation of funds for compensation to be paid for land acquisition and resettlement. RDMRDI will get the budget approved from the Ministry of Finance and allocate in advance the funds for implementation of RAP-I.

X. MONITORING AND REPORTING

10.1 Introduction

121. The main objective of implementation of RAP-I is to improve or at least restore the social and livelihood resources of the APs at their pre-project level. The process of implementation should ensure that this objective is achieved over a reasonable time with allocated resources. Therefore, monitoring of the process of updating RAP-I, its implementation and delivery of institutional and financial assistance to the APs has been designed as an integral part of the overall functioning and management of the Project. RU of RDMRDI will ensure the execution of timely monitoring of the monitoring and evaluation (M&E) indicators (process, delivery and impact indicators) of LAR tasks. The purpose of the Monitoring and Evaluation (M&E) is to provide feedback to all stakeholders on progress made in view of a timely and comprehensive implementation of the RAP and to identify problems as early as possible to facilitate well-timed adjustment of implementation arrangements. The objectives are to: (i) ensure that the standard of living of APs are restored or improved; (ii) ascertain whether activities are in progress as per schedule and the timelines are being met; (iii) assess whether the compensation, rehabilitation measures are sufficient; (iv) identify problems or potential issues; and (v) identify methods to rapidly mitigate problems.

10.2 Monitoring and Evaluation Indicators

122. Compliance of the RAP-I policy and targets in the implementation process will be monitored against set indicators. These indicators and benchmarks will be judged for implementation process, outcomes and impacts..

10.3 Level of Monitoring

123. Monitoring of LAR task in the Project will be carried out at two levels. The Head of RU will carry out regular internal monitoring for the RDMRDI with inputs from LAR teams at field operation. External monitoring will be commissioned by RDMRDI employing an independent external monitoring agency. External monitoring could be executed by the construction supervision consultant (CSC) in case, if CSC is available at the time of RAP implementation. The CSC will also carry out supervision and monitoring to assist RDMRDI and WB in relation with the resettlement impacts at the civil works stage.

10.4 Internal Monitoring

124. Internal monitoring will be carried out routinely by RU during implementation of the RAP. The results will be communicated to the LARC and WB monthly. Indicators for internal monitoring will be those related to process, immediate outputs and impacts. This information will be collected directly from the RU representatives in the rayon level LAR Teams and Working Group and reported to LARC to assess the progress and results of RAP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the standard supervision reports to the WB.

125. The report of internal monitoring will contain: (i) accomplishment to-date, (ii) objectives attained and not attained during the period, (iii) problems encountered, and (iv) suggested options for corrective measures. The internal monitoring report will primarily be prepared by the RU resettlement specialists. The international resettlement specialist with CSC will assist LARC in preparing the overall resettlement status in the PPR in consultation with the national resettlement specialist. However, the national resettlement specialists will particularly monitor

the activities of LAR teams and report to LARC on a monthly basis under the guidance of the international.

10.5 External Monitoring

126. According to the tasks, external monitoring will be carried out by an External Monitoring Agency (EMA) to be selected among NGOs, academic/research institutes or independent consultants or by the Supervision Consultant. The tasks assigned to the EMA will be the external monitoring of RAP implementation and the preparation at its end of a compliance report which will be the basis for WB to provide "No Objection" to the start of civil works. The tasks assigned to the Supervision consultants will be the external monitoring of the compensation of unforeseen impacts that may occur during construction and the Post-compensation evaluation of the degree of AP rehabilitation achieved a year after the RAP was implemented.

10.5.1 EMA Tasks

127. For each subproject involving land acquisition/resettlement, the EMC will closely monitor the implementation of the RAP and engage in the following tasks: (i) review of RAP and Information pamphlet disclosure; (ii) review of action taken by the PIU to compensate the APs with particular attention to the way this action fits the stipulation of the RAP; (iii) review all compensation tallies; (iv) verify whether the compensation is provided thoroughly to all APs and in the amounts defined in the RAP and in the AP contracts; (v) assess the satisfaction of the APs with the information campaign and with the compensation/rehabilitation package offered to them; (vi) review the legalization process and assess its effectiveness; (vii) review complaints & grievances case; (viii) carry out an AP satisfaction survey with a 20% sample of the APs. Immediately after the implementation of the RAP the EMC will prepare the Compliance Report. The report will include well argued sections on the following:

- (i) Assessment of the way the compensation has been carried out in relation of the stipulations of the RAP;
- (ii) Verification that all APs have been compensated in the amounts stipulated in the RAP
- (iii) Assessment of the accuracy of survey and asset valuation
- (iv) Assessment of the effectiveness and thoroughness of the Legalization process
- (v) Review of complaint and grievance cases and of their solution
- (vi) Assessment of the rehabilitation program for severely affected and vulnerable APs
- (vii) Assessment of the satisfaction of the APs
- (viii) Lesson learned to be applied to the next projects, and;
- (ix) General assessment of RAP implementation and recommendations to WB regarding the provision of "No Objection" Letter to start the civil works.

128. The EMA will carry out its activities in close communication with the PIU and will engage in desk activities and field activities and for this s/he will hire an appropriate number of assistants to carry out the AP satisfaction survey and to review the compensation tallies. The monitoring activities assigned to the consultant will start immediately after Government approval of the RAPs and will last until RAP implementation is concluded.

10.5.2 Post-Implementation Evaluation

129. The supervision consultants' resettlement specialists will carry out a post-implementation evaluation of the RAP-I about a year after completion of its implementation. The compelling reason for this study is to find out if the objectives of the RAP-I have been attained or not. The benchmark data of socioeconomic survey of severely affected APs conducted during the preparation of the RAP-I will be used to compare the pre and post project conditions. The post- implementation evaluation will recommend appropriate supplemental assistance for the APs should the outcome of the study show that the objectives of the RAP-I have not been attained. For this task the Supervision consultants will:

- (i) Review as needed the survey indicators
- (ii) Assess the livelihood impact of the land acquisition/resettlement on the APs through formal and informal surveys with the population in project areas affected and non-affected. The EMC shall conduct a formal survey of a representative sample of men and women APs to determine changes that have occurred on the APs. In parallel the EMC will also compare the situation of the APs with non-affected neighbors similar in terms of livelihood level to the APs. Focus group discussions and other unstructured data gathering methods and consultation with APs, officials and community leaders will also be used in carrying out the evaluation to supplement the findings from the formal survey. Finally the assessment will look into potential differential impact or benefit that men and women have APs experienced from the resettlement activities. The result of the surveys will serve as the end term review report of the EMC for the Project.
- (iii) Assess again satisfaction on the valuation of assets and entitlements, timing of payments, fund availability and disbursements. In the same post-RAP survey, the EMC shall ascertain the satisfaction of APs on the valuation of assets, as well as, the scope and timing of assistance provided under the RAP.
- (iv) Assess the long-term efficiency, effectiveness and sustainability of the land acquisition/resettlement program, drawing lessons for future resettlement policy formulation and planning and future RAP planning and implementation. Should the outcome of the study show that the RAP objectives have not been attained, the EMC will recommend appropriate supplemental assistance for the APs.
- (v) Preparation of the valuation report. Prior to submission of the post-RAP report, the EMC shall ensure that informal and formal meetings are held with the men and women representatives from the APs, community leaders and other key officials and seek feedback on the contents/analysis in the review report. Highlights of these consultations will also be attached as annex to the report.

10.5.3 Monitoring Indicators for Task 2

130. Task 2 will be based among others on the monitoring indicators listed in table in Table 1.

Table 10.1: Monitoring Indicators for Task 2

Monitoring Indicator	Basis for Indicators
Basic Information on AP Households	<ul style="list-style-type: none"> • Location • Composition and structure: ages, educational and skill levels • Gender of household head • Ethnic group • Access to health, education, utilities, and other social services • Housing type • Land and other resource ownership and utilization patterns • Occupations and employment patterns • Income sources and levels

Table 10.1: Monitoring Indicators for Task 2

Monitoring Indicator	Basis for Indicators
	<ul style="list-style-type: none"> • Agricultural production data (for rural households) • Participation in neighbourhood or community groups • Access to cultural sites and events • Value of all asset forming entitlements and resettlement entitlements
Benefit Monitoring	<ul style="list-style-type: none"> • What changes have occurred in terms of patterns of occupation, production, and resource use compared to the pre-project situation? • What changes have occurred in income and expenditure patterns compared to the pre-project situation? • What have been the changes in cost of living compared to the pre-project situation? • Have APs' incomes kept pace with these changes? • What changes have taken place in key social and cultural parameters relating to living standards?
Restoration of Living Standards	<ul style="list-style-type: none"> • Were house compensations made free of depreciation, fees or transfer costs to the APs? • Have perceptions of community been changed? • Have the AP achieved replacement of key social and cultural elements?
Restoration of Livelihood	<ul style="list-style-type: none"> • Were compensation payments free of deduction for depreciation, fees or transfer costs to the AP? • Were compensation payments sufficient to replace lost assets? • Was sufficient replacement land available of suitable standard? • Did transfer and relocation payments cover these costs? • Did income substitution allow for re-establishment of enterprises and production? • Have enterprises affected received sufficient assistance to re-establish themselves? • Do jobs provided restore pre-project income levels and living standards?
Levels of AP Satisfaction	<ul style="list-style-type: none"> • How much does the AP know about resettlement, procedures and entitlements? • Do they know if these have been met? • How do the AP assess the extent to which their own living standards and livelihoods • Have been restored? • How much does the AP know about grievance and conflict resolution procedures? • How did resettlement implementers deal with unforeseen problems?
Effectiveness of Resettlement Planning	<ul style="list-style-type: none"> • Were the AP and their assets correctly enumerated? • Were land speculators assisted? • Was the time frame and budget sufficient to meet objectives? • Were entitlements too appropriate (wide or narrow)? • Were vulnerable groups identified and assisted?
Other Impacts	<ul style="list-style-type: none"> • Were there unintended environmental impacts? • Were there unintended impacts on employment or incomes?

Annex 1

Valuation Methods, Valuation of Losses and Compensations Valuation of the Cost of Buildings and Structures

1. **Land Valuation;** Land has been valued at replacement cost based on the average market value. That is based on the average sale value of comparable land in type, location and features. Based on the average market sales, adjustments were made according to the comparison parameters, in the following sequence as applicable:

- (i) Transfer of ownership rights for the real estate property;
- (ii) Financial conditions;
- (iii) Sale conditions;
- (iv) Further costs related to sale;
- (v) Sales dynamics at the market (the sale date);
- (vi) Location;
- (vii) Physical parameters;
- (viii) Economic parameters;
- (ix) Use;
- (x) Existence of real estate property.

Calculation of the Market Value Using Sale Comparison Method

The plots to be evaluated are located in the villages of Urbnisi, Ruisi, Aradeti, Sagolasheni, Breti, Agara and Bebnisi of Kareli district. The above mentioned villages are situated at the both sides of the planned RikoTi – Ruisi highway. The plots to be evaluated are compactly located for 19 km length. The land plot prices are almost the same along the area. The plots were united in 3 groups, which are similar in their parameters (use, parameters, physical location, etc.) and their market value will be similar. The groups were divided as agricultural land and non-agricultural (commercial) land.

The environment to be necessarily analyzed for evaluation purposes (market segment) was identified within the above mentioned villages.

The market segment of the property to be assessed is characterized by arable, pasture and commercial (non-agricultural) use.

During the evaluation process and with the aim to identify the market value of the land plots to be assessed we obtained data on the analogues. The information is based upon the proposals on the existing market (source of information is indicated everywhere), which is given in Table 1.

Table 1 - Data on Analogues to Be Compared

#	Area	Land Use Category	Location, Address	Cost of contract or offer, lari	Source of information
1	584 sq.m	Agricultural	v. Urbnisi, near the road	3 GEL/sq.m.	www.nev.saqme.ge advertisement #94567 22/06/2011
2	860 sq.m	Agricultural	v. Urbnisi, near the road	3 GEL/sq.m	www.nev.saqme.ge advertisement #94567 22/06/2011
3	3069 sq.m	Non-agricultural	v. Ruisi, near the road	0,5 GEL/sq.m	www.nev.saqme.ge advertisement #94564 22/06/2011
4	2000 sq.m	Agricultural	v. Ruisi, near the road	1 GEL/sq.m	Information from land owner. Purchased without registration
5	200 sq.m.	Agricultural	v. Ruisi, near the road	5 GEL/sq.m	www.nev.saqme.ge advertisement №94564 22/06/2011
6	401 sq.m	Agricultural	v. Ruisi, near the road	5 GEL/sq.m.	www.nev.saqme.ge advertisement №94564 22/06/2011
7	510 sq.m	Agricultural	v. Ruisi, near the road	5 GEL/sq.m	www.nev.saqme.ge advertisement №94564 22/06/2011
8	2424 sq.m	Agricultural	v. Ruisi, near the road	1 GEL/sq.m	Information from land owner. Purchased without registration

Notes:

1. During the selection it was assumed that the selected analogues were similar to the objects to be assessed in physical characteristics.
2. The information on analogues was obtained from the internet, media and broker firms, because there is no exchange market of real estate in Georgia and sale-purchase has sporadic nature and is based upon the reached agreement.

Table 2 - Correctives for Plots to Be Evaluated (Prices in USD, Measure – 1 sq. m.)

შედარების ელემენტები	Analogue #1	Analogue #2	Analogue #3	Analogue #4	Analogue #5	Analogue #6	Analogue #7	Analogue #8
Price per m2	3	3	0,5	1	5	5	5	1
Expenses of Sale	Buyer	Buyer	Buyer	No Expenses	Buyer	Buyer	Buyer	No Expenses
Correction	No	No	No	90%	No	No	No	90%
Corrected Price per m2	3	3	0,5	0,9	5	5	5	0,9
Location	similar	similar	better	better	similar	similar	similar	better
Correction	No	No	1	1	No	No	No	1
Corrected Price per m2	3,0	3,0	0,6	1,1	5,0	5,0	5,0	1,1
Physical characteristics	similar	similar	better	better	similar	similar	similar	better
Correction	No	No	2	2	No	No	No	2
Corrected Price per m2	3,0	3,0	0,9	1,6	5,0	5,0	5,0	1,6
Partial Purchase	similar	similar	better	better	similar	similar	similar	better
Correction	ara	ara	2	2	ara	ara	ara	2
Corrected Price per m2	3,0	3,0	1,6	2,9	5,0	5,0	5,0	2,9

Correction could be explained as follows:

- In all analogues the element of further expenses related to sale was amended by 10 %, because, as a rule, 10 % increase is included in the proposal price. The margin covers presumable deduction and broker interest.
- The second correction was applied due to plot location (distance from automobile roads, etc.).
- The third correction is due to physical characteristics (destination, use, parameters, structure, etc.).

We have identified the correction amount based upon the demand-delivery conditions existing on the real estate market of Georgia and analysis of prices.

Calculation of the Market Prices

Reconciliation of the adjusted prices of compared assets was carried out based on a calculation of the average weighted value. During the reconciliation of the adjusted prices more value was attached to those analogues that were the most comparable to the valuated asset so that the smallest adjustment was necessary.

With the use of the average weighted value, the price of the valuated asset was calculated by means of the following formula:

$$V_{wa} = \sum_{i=1}^n \left(P_i \times \frac{R_i}{\sum_{i=1}^n R} \right)$$

Where:

V_{wa} - is the average weighted value;

P_i - is the adjusted selling (offered) price of each comparable analogue;

$\sum R$ - is the sum of the rating weight of the adjusted price of comparable analogue;

R_i - is the rating weight of the adjusted price of each comparable analogue.

Thus, calculation of the market prices of per m² area of valuated property, carried out with the use of average weighted value is given shown in Table 3.

Table 3 - Average Weighted Market Prices

Name	Pi	Ri	Vi
Price of corrected analogue #1	3,0	1,50	0,4
Price of corrected analogue #2	3,0	1,50	0,4
Price of corrected analogue #3	1,6	1,00	0,2
Price of corrected analogue #4	2,9	1,00	0,3
Price of corrected analogue #5	5,0	1,50	0,7
Price of corrected analogue #6	5,0	1,50	0,7
Price of corrected analogue #7	5,0	1,50	0,7
Price of corrected analogue #8	2,9	1,00	0,3
$\sum R$		10,50	
Vwa			4
Market value of m2 of arable land plot GEL			4

Calculation of land parcel compensation costs according to land use category.

N ^o	Land Category	Basic cost for 1 sq.m of the land plot GEL	Correction index	Compensation cost for 1 sq.m of the land plot GEL
1	Agricultural Land Plots	4	1,0	4
2	Non-agricultural (commercial) Land Plots		1,3	5

Notes:

- Only land plots of those type and use are listed in the table, which are under the project impact.
- The amounts fixed in the matrix will be further used for the calculation of the compensation value of the land plots.

2. **Buildings Valuation.** Buildings have been valued at replacement cost based on the direct and indirect costs at market value necessary for the construction of a comparable building i.e. what construction of a building of similar parameters would cost today. No deductions were made for amortization. The parameters for calculating the direct and indirect costs are the following as applicable to individual cases.

- Direct costs include:
 - Salaries of workers;
 - Purchase of construction materials;
 - Preparatory expenses;
 - Rent or purchase of equipment;
 - Profit and overhead expenses of the constructor;
 - Expenses incurred to ensure safety measures during the construction/repair;
 - The cost of arranging temporary structures;
 - Temporary communications (electricity, water, gas supply etc.);
 - Warehouse costs;
 - Transportation costs;
 - Other costs
- Indirect costs include:
 - Cost of professional services:
 - Compensation of the architect/designer;
 - Compensation for engineering services;
 - Legal expenses;
 - Compensation for valuator's services;
 - Other expenses
 - Expenses incurred to receive permits;
 - Insurance costs;
 - Financing %;
 - Guarantee necessary to secure the contract implementation by the contractor building the new building;
 - Other expenses

3. **Compensations for Annual Crops.** This item has been valued at market ha, area of affected crops and current gross market values of the crop. The details are given in a table 4.

Table 4: Compensation for the Annual Crops

Crops	Unit	Productivity per 1 ha	Market price of unit of crops, GEL	Crop Compensation Price (GEL) per 1 ha	Crop Compensation Price (GEL) per 1 sq.m
Potato	tone	24	300	7200	0.72
Cabbage	tone	22	250	5500	0.55
Beans	kg	800	5	4000	0.4
Garlic	kg	1600	5	8000	0.8
Tomatoes	tone	20	300	6000	0.6
Maize	kg	5000	0,8	4000	0.4
Wheat	kg	4000	1	4000	0.4
Strawberry	kg	4000	1,2	4800	0.48
Hay	unch	300	3,5	1050	0.105
Other vegetables	-	-	-	5000	0.5

4. **Compensations for Perennial Plants.** These items have been valued differently for wood trees; productive trees in production age and productive trees not yet productive.

B Wood Trees: Wood trees have been valued based on growth category and value of wood of the tree at the age the tree was cut.

C Non Productive Fruit Trees. These items have been valued based on the value of the investment made to grow the tree to the age in which the tree was cut.

A Fruit Trees in Productive Age: The value of these items has been defined according to the following parameters:

- 1) Product of the tree at the productive stage or age of the tree at the moment of cutting (which is defined by tables prepared by the consultants based on figures from the Department of Statistics of Georgia and recognized academic publications which detail the average productivity of a tree within intervals of 5 years) of the tree at the moment of cutting;

- 2) Average value of future produce lost at farm gate market price (defined based on the numbers of productive years from the year a tree is cut to the year when a tree will stop production), and;
- 3) Number of years needed to re-grow the tree at the productive stage (age) in which it was cut.

The valuation of the tree obtained will be discounted for: the value of yearly productive inputs (the future income to be compensated are virtual and therefore should not involve productive inputs costs). The formula to compensate one productive tree will thus be:

$$C=(K*V*L)$$

Where:

C - is compensation value of tree.

K – is average annual productivity of 1 tree according to age categories

V – is market price at farm gate of 1 kg product

L – is years to be compensated (years needed for growing up a tree of the same rate of productivity as the one cut.

Calculated unit prices for each tree species are provided in a table 5:

Table 5. Calculation of Compensation Costs for Productive Trees (Cost per 1 Tree)

Type	Cost for 1 seedling	Years of becoming fully productive	Years needed to grow fully productive tree (Years to be compensated)	Average productivity of fully productive tree in 1 year, kg.	wholesale Market price 1 kg., GEL	Annual income, GEL	Compensation for years of growing fully productive tree	Cost for 1 tree, GEL
Apple	3	6	5	80	0.9	72	360	363
Walnut	5	11	10	40	1.4	56	560	565
Plum	3	5	4	80	0.6	48	192	195
Tkemali	3	5	4	50	0.9	45	180	183
Peach	4	4	3	40	1.4	56	168	172
Apricot	3	4	3	40	1.2	48	144	147
Black Cherry	3	4	3	16	1.5	24	72	75
Pear	3	7	6	70	0.9	63	378	381
Hazelnut	3	6	5	6	1.8	10.8	54	57
Quince	3	5	4	30	1.3	39	156	159
Mullberry	3	5	4	16	1.2	19.2	76.8	79.8
Sweet Cherry	3	4	3	16	1.5	24	72	75
Grape	2	3	2	9	0.7	6.3	12.6	14.6

Annex 2

LEGALIZATION OF PRIVATE OWNERSHIP OF LAND IN GEORGIA

A. Introduction

1. Correct and accurate initial registration of ownership rights is the necessary condition for undertaking voluntary acquisition or mandatory expropriation of real property. Pursuant to article 312 of the Civil Code of Georgia the records at the Public Registry are considered accurate until their inaccuracy is not proved. Therefore, throughout the presumption of the article 312 of the Civil Code of Georgia the inaccurate data available at the Public Registry shall be corrected with precise data. Therefore, landowners shall carry out precise demarcation and legalization of his/her land parcel(s) through proper procedure. The land owners have to apply to the Public Registry with necessary documents as proof of the ownership and description of land, Cadastral Map with precise survey data and documents verifying ownership right (Receive-Delivery Act, or Registration Certificate, or the extract from the land distribution list issued by the local self-government body, or the statement on the landowner's registration as a tax payer in 1992-2001 years).

2. After the disintegration of the Soviet Union, all land in Georgia came under the state ownership. The Government of Georgia (GOG) started privatization of land in 2004 as an essential part of the economic reform in the country. The GOG applies various methods to privatize state-owned property including competitive bidding, auctions, lease, redemption and direct sale. However, lands under private occupation with traditional rights are being legalized through registration with National Agency for Public Registry (NAPR) of the Ministry of Justice. The pattern of privately owned lands in Georgia is determined by allocation of land plots after the independence from Soviet system. In the Soviet times the agricultural lands were used by collective farms financed by the State. During the privatization process the lands of collective farms were divided into small parcels and distributed among households who no longer receive agricultural subsidy from the State.

B. Status on Registration on Pure Land and Reality in Present Situation

3. The registration for pure land (land parcel without having structure) has not been - stopped. However, in practice, most of the owners are not initiating any new land registration for the pure land because; there is no requirement for them for new registration as buying and selling of pure land is not so prevalent in present situation. Also, these owners are using their respective plots based on the mutual understanding among the neighbours.

4. In reality, some of these land parcels and owners can still be converted into legal owners provided the initiation for land registration for pure land is taken by the owners. These cases under the current situation are considered as Legalizable Owners. Currently, there is no problem associated with urban and residential plots. Also, there is some cases pending in the court related to land registration, which needs to be addressed. The current ownership of land can be broadly categorized as follows:

- (i) **Legal Owner/ Title Holder:** Owners and users of land having their title registered in the Public Registry.
- (ii) **Legalizable Owner:**

- a. **Rightful Owners** – the owners with old document proof although not having registration in the Public Registry under the Laws of Georgia on Privatization of State-owned Agricultural Land, (July 8, 2005) and The Law of Georgia on Public Register (No820 –lis; December 19 of 2008); (the current legislation).
- b. **Non-rightful owners** - unauthorised land users having right to legalize landownership rights provided by the current legislation. The legalization of landownership rights, under the current legislation is allowed for following cases:
 - The state owned agricultural or non-agricultural land plot with residential house or supporting structures on it - occupied by the physical or legal person without permission before the current law came in force in 2007.
 - Land plot occupied by person without permission is adjacent to the land parcel rightfully owned or used by this person, taking into account that the illegally occupied land parcel should be of less area than the legally owned adjacent land parcel.

However, there are certain restrictions on privatization of land¹⁵ (attachment-2).

- (iii) **Non-Legalizable Landowners:** Illegal/Squatters having no right to legalize landownership rights under the current legislation. Persons having no document of possessing the land in concern before the enactment of the current law in 2007 are not legalizable.

5. Legalisation of Rightful Landownership rights is executed directly by Rayon Registration Offices of NAPR. The applicants should submit old documents proving the ownership rights and precise cadastral maps of the land plot and structures on it.

6. Legalisation of Non-rightful Landownership rights is authorized by Property Recognition Commission (in each Rayon) through reviewing the application documents, evaluating eligibility against the restriction lists given in the law and local landuse development plans. In case of positive decision and upon payment by the applicant of relevant amount of money to a special account, if applicable,¹⁶ the Commission issues certificate on ownership right. Based on that certificate the Rayon Registration Office of NAPR will register the ownership rights on land plot and structures.

¹⁵ According to the Law of Georgia On Privatization of Agricultural Land Existing in State Ownership (Article 2, Clause 3), the following categories of State-owned lands are not subject to privatization: (a) Pasturelands other than those leased out before the enactment of this law which under the act issued by the competent state or local government (self-government authority) are duly allotted to the buildings and premises located thereon which are the private property of individuals or legal entities or the property of the state; (b) Cattle transfer routes; (c) The first zone (zone of strict regime) in sanitary protection area around water supply units; (d) Lands of forest funds, which are used for agricultural purposes; (e) Recreational lands; (f) Lands occupied with historical, cultural, natural and cult-religious monuments; (g) Lands of protected territories; (h) Agricultural lands that are used by the Budget-funded institutions and legal persons of public law in form of usufruct. The lands indicated in b, c, d and e may be privatized only if significant projects are implemented, on which government of Georgia, based on the suggestion of the Ministry of Economic Development of Georgia, shall take special decision. At the same time the land indicated in c may be privatized if the conditions of sanitary protection are met. (26.10.2007).

¹⁶ In Adjara AR (1) Payment for allocation of land less than 3000 sqm in village settlement for residential use is exempted for all. (2) For agricultural land of area more than 3000 sqm, the payment is 440 GEL per HA. (3) For non-agricultural land in the first zone, the payment is 6 GEL per sqm, which is 3.4 GEL per sqm in second zone and 2.2 GEL per sqm in rest of the areas. Kobuleti Municipality Sakrebulo has approved by its decree of 26.02.2010 zoning of Kobuleti rayon lands in accordance with the legislation.

C. National Survey

7. In 2003-2004, USAID, along with some International Donors carried out a national level survey of land all over Georgia. These donors started the mapping of land for whole of Georgia. The mapping was done through an independent survey by physical verification of the land parcels and consultation with the owners. The positive aspect of the USAID survey was that it recognized the plots. However, the ownership details and the parcel boundary were not demarcated on the ground by the survey. Also, the details of ownership were not updated because most of the people do not initiate any registration for pure land. Therefore, there is a difference between the USAID survey and the map existing during the privatization process (Rayon Map/Archives) regarding the issues related to the exact ownership, boundary of each plot and its due recognition.

D. Land Acquisition and Resettlement Surveys and Documentation for the Project

8. As the land acquisition and resettlement (LAR) activities at the feasibility study (FS) level were based on tentative alignments and existing imprecise cadastral maps, and since there was no detail estimate of losses and ownership at FS, fresh land acquisition and resettlement surveys have been being carried out through detail measurement survey, valuation survey, census survey and socioeconomic survey. The road alignment as per final engineering design is being superimposed on the updated cadastral map of Registered land plots obtained from Rayon NAPR and aerial photo (orthophoto) of concerned area. Each of the affected Registered land plots in the project right of way are being identified along with its dimensions on the orthophoto. The affected plots are being listed up and cadastral details collected from Rayon NAPR, and local government offices as applicable.

9. Based on this, the survey team proceeded to the sites for field survey which included identification of each plot and verification of the details shown in the National Survey Map (National Cadastre Map) and the reality on the ground. The verification survey process includes title searching through review of available documents and discussions with the owners about land parcel boundary and further discussion with the local government, the representative of the NAPR (local archives are currently transferred to NAPR rayon offices) for its cross verification. Based on these methods final details of each parcel and ownership will be confirmed. This will help to identify the legal owners, the legalizable owners (rightful and non-rightful) and the illegal occupants of state owned land. The list of various categories of ownership will be recorded with the help of local government.

10. The FS noted that the some of the owners of affected land parcels have the land documents (old documents) as proof of ownership obtained during the post soviet period. These land owners did not Register their land parcels in the rayon level registration office as it was not mandatory for them. As general estimation registered land owners in Georgia constitute 10-15% of all the legalizable pool of land owners/users.

E. Process for Registration of Legalizable Owners

11. An initial level of discussions were initiated during the Census Survey by the FS consultant with the stakeholders, including the affected people, Property Recognition Commission of Kareli Rayon and the rayon level Registration Offices of NAPR. The detail design consultant (the Consultant) has checked with relevant agencies and local experts for the land registration process in Georgia, particularly in Kareli Rayon. This also includes the methods

on how to conduct registration of un-registered land prior to disbursement of compensation to the affected people. The affected people will be made aware about the situation, the process and the tasks to be done by them for registration of land parcels. It is noted that coordination and combined efforts are required by the APs, the consultant and all the relevant government agencies.

H.1 Registration of Rightful Owners

12. Recognition of ownership rights in relation with the rightfully owned/used land plot is executed through registration of ownership right directly in the Public Registry. For that purpose, the applicant has to submit:

- (i) Documents confirming rightful ownership of the land plot (annex 3).
- (ii) Precise cadastral maps of the land plot.
- (iii) Document confirming payment of the fee for the property recognition (51 Gel).
- (iv) Identification documents of the applicant.

13. The process and procedure for registration of Rightful Owners needs complete the steps described as follows:

- (i) **Step 1:** Preparation of fresh and precise cadastral map by the owners through private agencies. The map will include all the dimensions of plots and geometrical details. The cost of preparation of map ranges from 0.06 GEL to 0.10 GEL per sqm of land to be recognized. The duration for preparation of map will be approximately a week time. However, within the project frame, the consultant will prepare precise cadastral maps for the affected land plots and these maps along with required land descriptions will be given to the legalizable and other land owners free of charge.
- (ii) **Step 2:** In case if the owner does not have available ownership proving documentation (annex-3) or in case there is any doubt regarding the plot, the owner has to apply to the local community level self-government (Sakrebulo and Gamgeoba) and local Rayoon NAPR Office (where Archives are kept) for the proof and cross verification of the land details.
- (iii) **Step 3:** after the verification from NAPR rayon Office, the owners will take the endorsement from the community municipal office (Gamgeoba)..
- (iv) **Step 4:** Following the authorization from Gamgebeli the owners will approach to the Rayon level Registration Office of the NAPR. The owners will provide all the above proof to the registration office. The registration office will verify the completeness of all required application documents. The owners have to submit both the soft copy and hard copy of the plot maps along with its coordinates for record in the Public Registry office. The registration process will take 4 working days in normal situation and the property recognition fee will be 51 GEL per registration. In case of urgency, the owners have to pay 150 GEL to get the registration done in one working day and 200 GEL, if the registration needs to be done immediately. However, the registration office for affected legalizable owners will not charge the urgency cost and will be able to complete each case in maximum 6 days. after the finalization of registration, the Public Registry office will compile the land records and will update the cadastral details. The updated details will be sent to the central Public Registry for centralized record.

- (v) **In case**, there remains further dispute related to ownership, the case may be referred to the court. The project authority may estimate the price of that particular land and may deposit the amount in the State Budget allocated for the Project.. The payment to the real owner will be executed from the State Budget according to the court decision upon confirmation by the Roads Department as RAP implementing agency. The case will be resolved in the Rayon Court.

H.2 Registration of Non-Rightful Owners

14. For recognition of the ownership rights on non-rightfully owned land plot the owner/user should submit to Property Recognition Commission application letter through the Office of Sakrebulo with the following supplementary documentation:

- (i) Document confirming the fact of non-rightful ownership/use of the land plot (see annex 3) or attestation of witness (neighbours etc.).
- (ii) Precise cadastral maps of the land plot
- (iii) Information needed for determination of the fee for property recognition
- (iv) Copies of the identification documents of the applicant

15. The process and procedure for registration of Non-Rightful Owners needs the following steps as described below:

- (i) **Step 1:** Preparation of fresh and precise cadastral map by the owners through private agencies. The map will include all the dimensions of plots and geometrical details. The cost of preparation of map ranges from 0.06 GEL to 0.10 GEL per sqm of land to be recognized. The duration for preparation of map will be approximately a week time. However, within the project frame, the consultant will prepare precise cadastral maps for the affected land plots and these maps along with required land descriptions will be given to the legalizable and other land owners free of charge.
- (ii) **Step 2:** The map and its details will be authorized and the land usage pattern will be verified by the neighbours. The community local administration (Gangeoba) may also certify the authorization.
- (iii) **Step 3:** Following the authorization from the neighbours, the same has to be notarized. Cost of notarian confirmation of neighbours witness will be 15 GEL for each case.
- (iv) **Step 4:** The land owner/user will approach to the Property Recognition Commission through Office of Sakrebulo with a package of documents confirming eligibility for legalization of the land plot according to the current legislation. This includes ownership documents (see annex-3) related to the adjacent land plots owned by the applicant rightfully.
- (v) **Step 5:** In case if, the owner does not have available documentation proving ownership rights on the adjacent land plot or in case there is any doubt regarding the plot, the owner will apply to the local NAPR Archives for the proof and cross verification of the land details.
- (vi) **Step 6:** after the verification, the Office of Sakrebulo will endorse the application and authorize the case for recognition.
- (vii) **Step 7:** Following the authorization from Sakrebulo, the owners will approach to the Property Recognition Commission. The owners will provide all the above

proof to the Commission. The Commission will verify the documents, make physical verification and organize an open disclosure meeting on site with prior notice to the concerned community peoples. If the documents are clear and the land is free from any dispute from anybody, then the Commission will notify the applicant to deposit payment for the land (if applicable). after payment, or if the payment is not applicable, the commission will issue certificate on ownership right to the owners.

- (viii) **Step 8:** Based on the above steps, the owners will go to the Public Registry at their respective rayon for registration. The owners have to submit both the soft copy and hard copy of the plot maps along with its coordinates. The registration process will take 4 working days in normal situation and the property recognition fee will be 51 GEL per registration. In case of urgency, the owners have to pay 150 GEL to get the registration done in one working day and 200 GEL, if the registration needs to be done immediately. However, the registration office for affected legalizable owners will not charge the urgency cost and will be able to complete each case in maximum 6 days. after the finalization of registration, the Public Registry office will compile the land records and will update the cadastral details. The updated details will be sent to the central Public Registry for centralized record.
- (ix) **In case**, there remains further dispute related to ownership, the case may be referred to the court. The project authority may estimate the price of that particular land and may deposit the amount in the State Budget allocated for the Project.. The payment to the real owner will be executed from the State Budget according to the court decision upon confirmation by the Road Department as RAP implementing agency.

F. Actions at Detail Design

16. The most important issue for timely acquisition of land is the coordination between the Roads Department and the respective rayon and municipality level administration (, Rayon and municipal Gamgeoba and PRC). These issues have been identified and brought to the notice of concerned stakeholders by the feasibility study consultant, as well as DD Consultant, through consultation and review of existing process of privatization. The Consultant is in the process of seeking cooperation from the concerned registration services and local government offices. Services of an experienced survey and audit agency have been being utilized to identify the current owners (users) of affected land parcels as per final engineering design of the road.

17. All the legalizable owners (rightful and non-rightful) are being identified through extensive title search. Fresh and precise maps of land parcels (with standard coordinates) and geometric details will be provided to the legalizable owners in CD-ROM and printed copies. A generic instruction leaflet has been distributed to the affected persons on the process of legalization of legalizable land parcels. The survey agency is also counselling the AP persons on the process and its urgency for timely receipt of compensation for their acquired land. All legalizable owners will be provided with the detailed cadastral maps and case-specific instructions on further steps for legalisation.

18. The registration will be completed for the legalizable owners during the implementation of RAP and prior to the disbursement of compensation. The cost involved in the registration process will be reimbursed from the Project during RAP preparation and implementation. The

affected legalizable owners have to initiate the land registration at their own cost in the beginning with such assurance from the Roads Department. The above activities are part of Pre- Disbursement of Compensation.

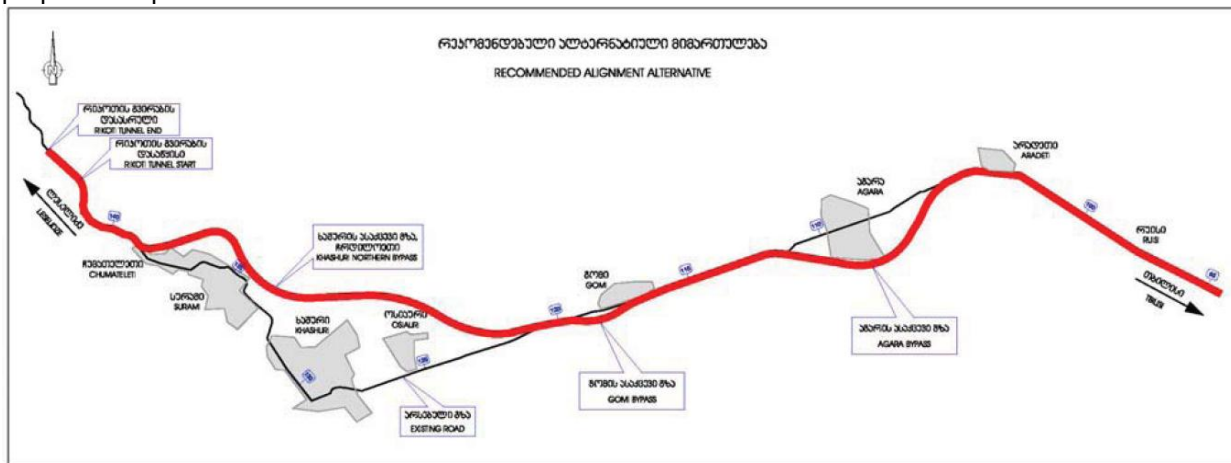
19. Once the payment of compensation is complete for the affected land/assets, the acquired land will be transferred (Registered) in the name of Roads Department and the remaining portion will belong to the affected owners. This registration is basically the change of ownership after the acquisition. However, if the road alignment divides the plot into many parts then each of the remaining part need to be remapped and needs to be re-Registered. This will clearly demarcate the acquired land as the property of RD and the remaining belongs to the affected owners.

Annex 3
INFORMATION LEAFLET
LAND ACQUISITION AND RESETTLEMENT POLICY
PROJECT: RUISI - RIKOTI SECTION OF E-60 HIGHWAY
Information for APs

A. Introduction

1. The Government of Georgia has requested the World Bank's assistance in upgrading several segments of the East-West highway. The section between Ruisi and Rikoti of approximately 49 km is a two-lane carriageway road, which passes through mountainous and flat terrain. The upcoming investment is intended for upgrading the section from 2-lane to 4-lane highway. This project is financed through a loan by the World Bank to the Government of Georgia and aims to upgrade several segments of the East-West highway. The road passes through populated villages and the city of Khashuri, where extensive traffic delays are frequent and traffic safety is an issue due to high density of traffic along dense urban settlements and urban roads. The detailed design covers the section Ruisi up to the start of the Rikoti Tunnel (km 95 to km 143) and does not cover any works to the Rikoti Tunnel itself or to any of its installations. The detailed design and bidding documents will be implemented within the scope of World Bank program to be financed under the Second East-West Highway Improvement Project. However the donor IFI for the project implementation is still under the consideration: The project is financed by WB.

2. The entire project alignment is divided on 3 subsections and the project development will be arranged in 3 phases. First phase will cover subsection 1 (km 95 - km 114). The second (km 114 - km 121) and third (km 121 to km 143) subsections of the highway will be constructed as phase 2 and 3. Construction activities for the Ruisi - Rikoti section of the East-West highway will entail land acquisition and resettlement (LAR) and need the preparation of LAR Plans (RAP) satisfying the WB Safeguards Policies requirements. To satisfy WB requirements the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia (RDMRDI) the Program Implementing Agency (IA) has to prepare 3 separate RAPs for each subsection.



This Leaflet is an instrument to disclose to the APs the compensation policy/procedures developed in the Land Acquisition and resettlement Plan (RAP) for the project.

3. This RAP I is final and has been prepared as a condition to contract awards signing. It follows feasibility study and preliminary Resettlement Action Plan prepared by RDMRDI in 2009. The document complies with relevant Georgian laws, provisions of the WB OP 4.12 on Involuntary Resettlement, as well as the Resettlement Policy Framework developed by RDMRDI in 2009 for the "Third East West Highway Improvement Project" and later updated in December 2011. Present RAP1 covers the section of Ruisi - Rikoti (km 95 - km 114) and is located within the Kareli Rayon. Impacts along these road sections will entail acquisition of 1,129,079 sq.m of land from 489 plots divided in terms of tenure type as follows:

- **Category 1.** 61 titled private land plots with full registration 175,228 sq.m;
- **Category 2.** 307 titled private land plots 269,264sq.m rightfully owned and requiring legalization through 1 stage process of registration in NAPR (legalizable land plots). These land plots have been transferred to the owners during the land reform but the formal procedures needed for registration in NAPR have not been completed.
- **Category 3.** 30 land plots of 42,412 sq.m non titled, but legalizable according to current legislation through 2 stage process (stage 1: recognition of ownership rights by PRRC; stage 2: Registration in NAPR). All of these mentioned 3 categories of land plots are subject for compensation.
- **Category 4.** 28 State Owned land plots of 19,276sq.m Illegally Occupied by Private Users and cultivated for agricultural needs.
- **Category 5.** 63 State owned land plots of 622,899 sqm not used by private users.

B. Planning/Implementing the Compensation Rehabilitation Program for the Project

4. To plan/implement the compensation and rehabilitation program for this project in a way fitting WB policy, the Road Department has prepared a RAP. The RAP in Georgian has been deposited for public consultation at the road department offices and at your Sacrebulo office. The Document details the impacts, the compensation eligibility and entitlements, the compensation rates for different affected items and the procedures for the land acquisition and resettlement implementation as summarized in the following sections. .

C. Resettlement Policy and Principles

5. Land for construction of the new road will be acquired under the laws of Georgia. and the WB OP 4.12 or ADB Safeguards Policy Update (2009). All AP will be compensated at the replacement rates and receive adequate allowances according to severity of impacts and vulnerability status. The detail design consultant has investigated all alternatives to avoid built-up areas and environmentally protected areas in order to minimize impacts. Land acquisition for the project is based on the following principles:

- Construct the road to avoid residential areas wherever possible to minimize physical relocation of people, and select alignments that minimise acquisition of privately or publicly held productive land;
- Adopt design standards that minimise the need to impose land use restrictions on adjoining areas;
- Develop fair and transparent procedures, as defined in the Entitlement Matrix in this RPF, to determine compensation for (i) temporary loss of land/ assets during construction; (ii) permanent acquisition of land and assets; and (iii) restrictions on use of land that may be applied to areas adjoining the corridor;
- Acquire land (or right to use land) through negotiated agreements and with the use of the power of eminent domain only as a last resort.
- Upon completion of construction, restore land as best as possible to its original condition in the event of temporary disruption so as to enable landowners/users/lessees to resume their pre-project activities;
- Keep affected people and communities fully informed about the project, the process that will be followed to acquire and compensate for land, and their related rights and avenues for redress.
- Ensure that grievances PAPs may have will be redressed adequately, and that solutions in line with principles laid out in this RPF be employed;
- All Project Affected People (PAP), without regard to legal status of property, will receive support of various kinds, as per the principles set out in the Entitlement Matrix, to assist them in their efforts to maintain their livelihoods and standards of living prevailing prior to the Project. Those who illegally own land will not be compensated for loss of land, but will receive compensation for loss of other assets which had been established on their own finance, and for loss of income such that they are also assisted in their efforts to maintain their livelihoods. . Detailed measures to be implemented will be determined based on the census and socio-economic survey to be carried out when Resettlement Action Plan is developed.

- PAP will be notified of the project implementation schedule and consulted regarding the principles of land acquisition and loss of or damage to assets.
- Damages to assets, such as standing crops, trees, fences and kiosks, and loss of income, including loss of harvest, will be minimized, and where inevitable, will be compensated without regard to legal status of ownership according to the Entitlement Matrix provided in this RPF.

Resettlement Action Plan (RAP) will be developed as per this RPF and Bank OP 4.12 as well as Georgian legislation for each section of the Project itinerary that defines detailed compensation packages and implementation schedule. Since, as discussed above, there are gaps between OP 4.12 and Georgian legislation and practice on expropriation, any land acquisition required for the Project will be carried out as per the principles and procedures laid out in this RPF.

A market survey will be conducted to assess the prevailing market prices of land, construction materials for affected structures, crops and other relevant items, which will be used as the unit prices to determine compensation. This will additionally ensure that the market prices will allow PAPs to purchase replacement land.

Loss of income and assets will be compensated on a net basis without tax, depreciation or any other deduction.

The final RAP should be submitted to and cleared by the Bank prior to the execution of civil works for relevant sections.

The details of land acquisition procedure will be spelled out in RAP(s), but they will include:

- Initial consultation with PAP to notify the project and board impact
- Census, geographic survey and socioeconomic survey of PAP
- Determination of PAP and types/ scale of impact
- Development of compensation package and drafting of RAP
- Consultation with PAP
- Negotiation with PAP and payment of compensation
- Expropriation process where negotiation fails
- Compensation/rehabilitation measures will be implemented as the civil works progress but prior to the start of the construction on a particular section.

D. Compensation Eligibility and Entitlements

7. **Eligibility.** APs entitled to compensation or at least rehabilitation provisions under the Project are:

- (i) All APs losing land either with legal title or traditional land rights, Legalizable, or without legal status;
- (ii) Tenants and sharecroppers whether registered or not;
- (iii) Owners of buildings, crops, plants, or other objects attached to the land; and
- (iv) APs losing business, income, and salaries.

8. In particular the eligibility to land compensation for this project has been elaborated as follows:

- Titled APs will be fully compensated
- Untitled APs who were legitimate leasers under the old Soviet system and have either plots with a house or adjacent to a plot with a house will be legalized and then compensated.
- Untitled APs who were legitimate leasers under the old Soviet system and have regularly cultivated/used their land but do not have plots with a house or adjacent to a plot with a house will not be legalized but will be compensated.
- Untitled APs who were not legitimate leasers under the old Soviet system and who use or cultivate the land they occupy only extemporaneously will not be legalized nor compensated. They however, are still eligible for crop or income compensation.

9. Compensation eligibility will be limited by a cut-off date to be set for each subproject on the day of the beginning of the AP Census and DMS. APs who settle in the affected areas after the cut-off date will not be eligible for compensation. They, however will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

10. **Entitlements.** The provisions for APs losing land, houses, income and rehabilitation subsidies are defined below in table 1.

Table 1: Compensation Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AF losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation in cash at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible. The option selected for the Program is cash compensation. If residual plots becomes unusable the project will acquire it in full if so the AP desires.
		Legalizable Owner	These AP will be legalized and provided with cash compensation at full replacement cost.
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 12 months at minimum subsistence income* .312GEL per 1 month x 12 months=3744 GEL x AH).
Non-Agricultural Land	AF losing their commercial/ residential land	Owner with full registration	Cash compensation at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible.
		Legalizable Owner	APs will be legalized and provided with cash compensation at full replacement cost..
		Renter/Leaseholder	Rental allowances in cash for 3 months
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 1 year at minimum subsistence income 312 GEL1 per month x 12 months=3744 GEL x AH).
Buildings and Structures			
Residential and non residential structures/assets		All AFs regardless of legal ownership/ registration status (including legalizable and Informal Settlers)	All impacts will be considered as full impacts disregarding the actual impact percentage. Impacts will be compensated in cash at full replacement costs free of depreciation and transaction costs.
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Crops	Standing crops affected or loss of planned crop incomes**	All AFs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided by default both if the crops was harvested or not at time of impact
Trees	Trees affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees.
Business/Employment	Business/employment loss	All AFs regardless of legal status (including legalizable and Informal Settlers)	Owner: (i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence income. Permanent worker/employees: indemnity for lost wages equal to 3 months of minimum subsistence income.
Allowances			
Severe Impacts	>10% income loss	All severely affected AFs including informal settlers	Agricultural income: 2additional crop compensation covering 1 year yield from affected land. Other income: 1 additional compensation for 3 months of minimum subsistence income. 312 GEL per month x 3

			months=936 GEL per AH)
Relocation/Shifting	Transport/transition costs	All AFs to be relocated	Provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. 200 GEL as vehicle hire charge + 312GEL as minimum subsistence income x 3 months = 1,136 GEL per AH
Vulnerable People Allowances		AFs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income* and employment priority in project-related jobs 312 GEL as minimum subsistence income per month for 31 months= 936 GEL per AH)
Temporary Loss			
Temporary impact during construction		All AFs	Due compensation will be assessed and paid based on this RPF during construction.
Unforeseen resettlement impacts, if any			Road Department and the construction contractor will address and mitigate/compensate unforeseen resettlement impact during project

* Minimum subsistence income to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval

** Income expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land was permanently used for crop cultivation, but for the year, when the inventory of losses was conducted, no crops have been planted (due to need of rest to this land or illness of the farmer or any justifiable reason), the land parcel still will be considered as designed for crop cultivation and relevant compensations will be paid

E. Compensation Rates

9. The table below specifies the compensation rates for affected items. Details are provided in the RAP.

Table 9.1: Cost for Land Acquisition (including unviable plots)

Item		Unit	unit value (GEL)
Agricultural Land used ntial	Along the whole section	Sqm	4
Non-Agricultural (commercial) land	Around villages Alamabri, Mukhaestate, Ochkhamuri	Sqm	5
wheat	Market value of product x sqm	sqm	0.4
maize	Market value of product x sqm	sqm	0.4
beans	Market value of product x sqm	sqm	0.36
vegetables	Market value of product x sqm	sqm	0.5
Hay/grass	Market value of product x sqm	sqm	0.3
Potatoes	Market value of product x sqm	sqm	1.0
strawberry	Market value of product x sqm	sqm	0.6
Fruit trees non productive	Based on inputs spent to grow the tree (variable)		
Fruit trees productive	Based on future income x years to re-grow the tree (variable)		
Buildings	Based on replacement cost (materials, labor, transport(variable)		
Allowances	As specified in the entitlements matrix		

F. Complaints and Grievance Redress Mechanism

9. A grievance mechanism will be available to allow an AP to appeal any disagreeable decision, practice or activity arising from land or other assets compensation. A Grievance Redress Committee (GRC) will be established community level in each local Gamgeoba to solve grievances informally through community participation. The GRCs will include representatives from RDMRDI, local Gamgeoba, APs, women APs (if any), and local NGOs. The grievance resolution process is detailed below.

Table 2: Grievance Resolution Process

Steps	Action level	Process
Step 1	Contract agreement	At the negotiation level, if any grievances arise, solutions acceptable to both Rayon's LAR Team and the APs will be sought. If any aggrieved AP is not satisfied with the solutions, the next option will be to lodge grievances to the GRC.
Step 2	GRC Resolution	If the grievance is not solved at during the contract agreement negotiation level, then the LAR Team will assist the aggrieved APs to formally lodge the grievances with the respective GRC.. Member secretary of the GRC will scrutinize the complaints and prepare Case File for the GRC hearing and resolution. A formal hearing will be held before the GRC at a date fixed by the member secretary of GRC in consultation with the Convenor and the aggrieved APs. On the date of hearing, the aggrieved AP will appear before the GRC at the Gamgeoba office for consideration of his/her claim. The member secretary will note down the statements of the complainant and document all details of the claim. The decisions from majority of the members will be considered final from the GRC and will be issued by the Convenor and signed by other members of the GRC. The case record will be updated and the decision will be communicated to the complainant AP by the LAR Team at the village level.
Step 3	Decision from central RDMRDI	If any aggrieved AP is not satisfied with the GRC decision, the next option will be to lodge grievances to the Working Group of RU at RDMRDI at the national level. The AP, in the complaint, must produce documents supporting his/her claim.. The Working Group will review the proceedings of the GRC hearing and convey it's decisions to the aggrieved APs within 2 weeks after receiving the complaint.
Step 4	Decision from court	If a grievance redress system fail to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court). In case, if the ruling by the court is below the market price assessed through the open market survey earlier, RDMRDI will provide additional funds to ensure that compensation provided reflects full replacement cost.

F. Special Recommendations to APs for Legalization of legalizable plots

10. It is likely that many land parcels to be acquired are not registered or not properly registered. AP who occupies plots that are not owned by others or the state and that are legitimately used by them but have not been registered under the privatization process may be legalized. The legalization process is in progress and will be completed soon. Only after legalization these AP can be compensated.

11. The Roads Dept. and local governments of project areas are already assisting the APs by preparing accurate land parcel maps with geometric descriptions which will be provided to them. However in order to do so in the best possible way the Project authorities need the APs collaboration for the following:. As soon as the documentation is available register your land parcels to avoid complexity and delays in land acquisition and receipt of compensation. To facilitate, the cost of registration of land parcels has been included the replacement cost of land.

G. Contact Information

12. For any information and advice, please feel free to approach the following contacts:
- (i) Road Department of RDMRDI: 12 Kazbegi str., Tbilisi, Georgia
 - (ii) Mamuka Lejava, Chairman - Phone number: 313089 and 380289
 - (ii) Zaur Apshinashvili--Mobile Phone 8.99.308812 e-mail: apshinashvilizauri@yahoo.com
 - (iv) Givi Vardzelashvili – Rtsmunebuli of v. Ruisi- Mobile Phone:: 5.95.565673
 - (v) Robinzon Berikashvili - Rtsmunebuli of v. Bebnisi- Mobile Phone: 5.99.938492
 - (vi) Ramaz Akhalkatsi - Rtsmunebuli of v. Aradeti-Sagolasheni - Mobile Phone: 5.99.533745
 - (vi) Gia Tsavelidze - Rtsmunebuli of v. Urbnisi - Mobile Phone:: 5.99.788300

Complaints and Grievance Submission Form

Achara #	
Name, Last name	
Contact Information	<input type="checkbox"/> Mail: Please indicate the postal address: _____ _____ _____ <input type="checkbox"/> Telephone: _____ <input type="checkbox"/> E-mail: _____
Please indicate the preferable means of communication (Mail, Telephone, E-mail)	
The language desirable for the communication	<input type="checkbox"/> Georgian <input type="checkbox"/> English <input type="checkbox"/> Russian
Describe the grievance/claim: What is the complaint about? What is the claim?	
Date of Negotiation:	Resolution of Negotiation:
What is the basis of your claim?	
Signature: _____	
Date: _____	

