

Social Monitoring Report

Project Number: 46375-002
Semestral Report
For the period: January-June 2022
June 2022

Georgia: Secondary Road Improvement Project

Land Acquisition and Resettlement Plan (LARP) for Dzirula – Kharagauli – Moliti
(Section 1) Km 0.000 to Km 24.620

Land Acquisition and Resettlement Plan (LARP) for Section 2 (Moliti-Chumateleti)
Km 24.620 to Km 50.244

Prepared by Construction Supervision Consultant for the Road Department of the Ministry of
Regional Development and Infrastructure and the Asian Development Bank.

This social monitoring report is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

Abbreviations

ADB	Asian Development Bank
AIDS	Acquired Immune Deficiency Syndrome
AIB	Asian Infrastructure Investment Bank
AP	Affected Person
AIDS	Acquired Immune Deficiency Syndrome
CR	Compliance Report
CSC	Construction Supervision Consultant
DP	Displaced Person
EBRD	European Bank for Reconstruction and Development
EMC	External Monitoring Consultant
ETCIC	Eurasian Transport Corridor Investment Center
GEL	Georgian Lari
GoG	Government of Georgia
HH	Households
HIV	Human Immunodeficiency Virus
IA	Implementing Agency
IFC	International Finance Corporation
IP	Indigenous People
IR	Involuntary Resettlement
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
LE	Legal Entity
MFF	Multi-tranche Financing Facility
RDMRDI	Ministry of Regional Development Infrastructure
RD	Roads Department
NGOs	Non-Government Organizations
PAM	Project Administration Manual
PCP	Public Communication Policy
PPE	Personal Protection Equipment

Glossary

Compensation: Payment made in cash or kind to the project affected persons/households at replacement cost of the assets acquired for the project, which includes the compensation provided under the Land Code of the Republic of Georgia (GE Rules for Expropriation of Ownership for Necessary Public Need July 23, 1999, Civil Procedural Code of Georgia, November 14, 1997, Public Register (No 820-11s; December 19, 2008, Recognition of Property Ownership and other subsequent rules that refers stipulated in the Land Acquisition and Resettlement Plan (LARP).

Cut off Dates: These are the dates on which censuses of the project-affected persons and their assets to be affected are commenced in a particular area. Assets like houses/ structures and others, which are created after the cut-off dates, and the persons or groups claiming to be affected, become in eligible for compensation and assistance.

Displaced Person (DP): Any person who has to involuntarily change his/her place of residence and/or workplace or place of business/livelihood from the current location as result of the project. This may include moving out from his/her land or building.

Encroacher: A person who has extended his property into public land; a person who has trespassed on government land, adjacent to his/her own land or asset, to which he/she is not entitled, and derives his/her livelihood or extended his/her property prior to the cutoff date.

Entitlement: Refers to mitigation measures, which includes cash payments at replacement cost or through replacement land equal in value/ productivity to the plot lost and at location acceptable to APs where feasible as stipulated in the LARP. Entitlements include compensation for structure (permanent & temporary), crops, trees, business, wage, etc., for which compensation is already paid.

Household: A household is a group of persons who commonly live together with common in comes and take their meals from a common kitchen.

Income Restoration: Refer store-building the capacity of the project affected household store-establish income sources at least to restore their living standards to the pre-acquisition levels.

Indigenous Peoples: Indigenous Peoples are those who are identified in particular geographic areas based on these four characteristics: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) an indigenous language, often different from the official language of the country or region.

Involuntary Resettlement: The unavoidable displacement of people and/or impact on their livelihood, assets, and common property resulting from development projects that create the need for rebuilding their livelihoods, sources of income, and asset bases.

Legal Entity: Legally registered enterprise established by two or several individuals or companies vested with its separate property, rights, and liability such as a limited liability partnership (LLP), and joint stock company (JSC).

NGO: Non-Government Organizations (NGO) are private voluntary organizations registered with Georgian Government. There are number NGOs working in Georgia performing activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development, etc.

Participation/Consultation: Defined as a continuous two-way communication process consisting of: 'feed-forward' the information on the project's goals, objectives, scope and social impact implications to the project beneficiaries, and their 'feed-back' on these issues (and more) to the policy makers and project designers. In addition to seeking feedback on projects specific issues, the participatory planning approach also serves these objectives in all development projects: public relations, information dissemination and conflict resolution.

Physical Cultural Resources: Defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Physical cultural resources may be located in urban or rural settings, and may be above or below ground, or underwater. Physical cultural resources are important as sources of valuable scientific and historical information, as assets for economic and social development, and as integral parts of a people's cultural identity and practices. Their cultural interest may be at the local, provincial or national level, or within the international community.

Project-Affected Person/Household/Legal Entities: Persons/households/Legal Entities whose livelihood and living standards are adversely affected by acquisition of lands, houses, and other assets, loss of income sources and the like, due to undertaking of the project.

Rehabilitation: Refers to improving the living standards or at least re-establishing the previous living standards, which may include re-building the income earning capacity, physical relocation, rebuilding the social support and economic networks.

Relocation: Moving the project-affected households/Legal Entities to new locations and providing them with housing, water supply and sanitation facilities, lands, schools, and others social and healthcare infrastructure, depending on locations and scale of relocation.

Replacement Cost: The Asian Development Bank's Safeguard Policy Statement (SPS) 2009 describes "replacement cost" as the method valuation of assets that helps determine the amounts insufficient replace lost assets and cover transaction costs. In applying this method valuation, depreciation of structures and assets is not taken into account. For losses that cannot easily be valued or compensated for in monetary terms (e.g. access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempt share made to establish access to equivalent and culturally acceptable resources and earning opportunities. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the placement cost standard.

Land Acquisition & Resettlement Plan (LARP): A time-bound action plan with a budget, setting out resettlement policy, strategy, objectives, options, entitlements, actions, approvals, responsibilities, monitoring, and evaluation.

Severely Affected Households: As per SPS 2009 households/ entities losing more than 10% of his/her income/productive assets called severely affected.

Squatter: Household or person occupying public lands without legal arrangements with the Government of Georgia or any of its concerned agencies is a squatter to the lands.

Stakeholder: Refers to recognizable persons, and formal and informal groups who have direct and indirect stakes in the project, such as affected persons/households, shop owners, traders in roadside markets, squatters, community-based and civil society organizations.

State Land: State lands are public lands those are not recorded in the name of any private citizen/entity of the country. Local & Regional Governments of respective region is the custodian of all state lands within their jurisdiction.

Vulnerable Household: Households with an average per capita income below poverty line are considered vulnerable and are entitled to get the vulnerability allowance. It includes very poor, women headed household, old aged and handicapped.

Table of Contents

1	INTRODUCTION	8
1.1	Objective of the Report	8
1.2.	Background Information.....	8
1.3.	Objective and Coverage of the Monitoring.....	11
1.4.	Methodology Followed under Monitoring Program	11
2.	OVERVIEWS OF THE LARPS AND ASSOCIATED IMPACTS	12
2.1.	LARPs and Allied Documents Preparation	12
2.3.	Conditions for Project Implementation.....	14
2.4.	Institutional Arrangements.....	14
2.5.	Cost and Financing.....	14
3.	LARP IMPLEMENTATION STATUS	15
3.1.	Pending LAR issues	16
4.	GRIEVANCE REDRESS MECHANISM (GRM) & GRIEVANCE REDRESS STATUS.....	16
4.1.	Formation of Grievance Redress Committee (GRC).....	16
4.2	Grievance Resolution Process.....	17
4.4.	Issues Identified during Construction at Project Area	17
5.	OTHER COMPLIANCE ISSUES	21
5.1.	MAINTAINING CORE LABOR STANDARD.....	21
5.3.	Forced or Compulsory Labor	21
5.4.	Discrimination in Respect to Employment.....	21
5.6.	Health and Safety and HIV/AIDS Awareness Program.....	22
5.7.	Accident Record Log	22
6.	SAFEGUARDS COMPLIANCE STATUS	22
6.1	Safeguard Capacity.....	22
6.2.	Project Social Safeguard Performance	22
6.3.	Design changes and associated LAR issues	23
6.4.	Public consultation and participation.....	23
7.	CONCLUSIONS AND NEXT STEPS	26
7.1.	Actions for the next reporting period	27

1 INTRODUCTION

1.1 Objective of the Report

1. This semi-annual social safeguards monitoring report for the secondary Road improvement project in Georgia covers the period from January to June 2022. The objective of the report is to provide an overview of the progress made in the implementation of the land acquisition and resettlement (LAR) tasks, as well as overall social safeguards compliance of the project in the first half of 2022. It provides information on social safeguards activities related to the preparation and implementation of the land acquisition and resettlement plan (LARP) as well as other raised social safeguards issues. It describes the project's performance in dealing with community consultation and stakeholders' participation, impacted assets registration/records and compensation processes, and grievances received and redressed. Lessons learned and the recommendations for the implementation of safeguards component of the project in the next stage of the program are summarized at the end of the report.

1.2. Background Information

2. Georgia, due to its geographic location, provides the shortest transit link between Central Asia and Europe. Transport plays a pivotal role in supporting the national economy, and development of the transport infrastructure is vital to increasing economy of the region through reduced transport costs and increased transit revenue.

3. The project road is a 50.404-km west to east secondary road, starting from E60 in Dzirula and ending at E60 junction at Chumateleti. Most of the project road is within Imereti Region with a few kilometers within Shida-Kartli Region. It is envisioned that this road, when improved, will enhance connectivity to a number of towns and villages at the foothills of the mountain ranges and can act as alternate route to parallel segments along E-60.

4. For implementation purposes, the project was divided into 2 separate sections of about 25 km each:

- First section (Construction Contractor, Black Sea Group”) covers the eastern - 25 km section of the above road from Moliti (km 0+000) to Chumateleti (km 24+620), and
- The second road section (Section-2) covers the eastern region from Km24+620 to Km50+244).The construction contractor of the second section was Akkord Industry Construction Investment Corporation OJSC (Km24+620-Km50+244), which, systematically breached obligations under the contract with the Roads Department of Georgia. According to the decision of the department, in November 2021, RD terminated the contract, and no works have been carried out since then, except of snow clearing works in Feb 2022. Tender procedures are underway in the Roads Department of Georgia to identify the new contractor company.The tentative date of the finalization of the tender procedures is December 2022.

5. The details of the proposed road project are:

- Rehabilitate and pave the project road from Dzirula to Moliti according to Georgian National Standard for Public Motor Roads (SST Gzebi 2009), Geometrical and Structural Requirements with 40 km/h design speed. The pavement within Kharagauli town may

remain as is since this is still in fair to good pavement condition.

- Replace or repair of 9 bridges, construction of 96 pipe culverts and 10 box culverts.
- Construction of side drains and other drainage structures. Provision of retaining walls and river protection measures, where necessary.
- Provision of adequate road signing and Marking. Provision of safety barriers such as guardrail

6. In most parts, the road runs along the Dzirula River and crossing the river from south bank to the north bank at around km 21+700 before the Marelisi Station. The study road section starts at the west end with an elevation of around 210m reaching to about 430m at about km 24+600. From west to east, the road traverses primarily rural and agricultural setting, with the main urban town of Kharagauli between km10 and km13.

7. The project will improve the national connectivity and reliability of the transport network by serving as an alternative route to the highway E60 and the railway. Secondly, it will improve the mobility of the municipality's population. The Government of Georgia as a region that has been isolated due to the poor transport connections has identified the Kharagauli area. The road can no longer fully and efficiently function as either a local road or a strategic alternative for long distance transit traffic.

8. The project will directly benefit people living in the Municipality of Kharagauli (the largest town in the project area) and people from the villages that the road connects. The population currently suffers from the severe lack of employment opportunities. The project will serve the need of the population for new employment opportunities, in both existing and new areas of economic activity. In addition, the project will secure basic access to essential facilities and services. Currently the population is severely underserved in terms of access to medical facilities and schools. The poor condition of the road means that for the majority of villages in the region, ambulance services require more than 3 hours to reach the patient, and a further 3 hours to arrive at the hospital. School children walk upwards of 4km to get to school. There will be both short term and long term positive impacts of the Project. The short term positive impacts include access to markets for agricultural produce, availability of temporary unskilled jobs for villagers; and opportunity to provide food and restaurant services for construction workers. On the other hand, the long term positive impacts include, access to long distance transport services across the border; access to long distance markets (buying and selling through regional trade); easier access to health facilities and medical treatment; increased access to agricultural extension services, increased access to education; increased opportunity for the development of tourism; and diversification of income sources. (See Figure 1)

Figure1: Project map



1.3. Objective and Coverage of the Monitoring

9. The major objective of this SMR is to analyze the implementation status of the LARPs and other associated social safeguards issues includes handing over the road's Right of Way (RoW) to start construction of the road.

10. Verify status of resettlement implementation for the project that complies with the approved LARPs:

- a. verify status of up to date compensation payment to APs;
- b. verify implication of grievance redress mechanism to solve AP 's grievances & status of grievances received from the APs/local people so far;
- c. satisfaction of APs with the process of their compensation & amount of compensated; and
- d. Other social safeguards issues such as damage and access to nearby properties, wage laborers, labor issues, HIV/AIDS, consultation and information dissemination activities, grievances/complains received during construction/resolved etc.

1.4. Methodology Followed under Monitoring Program

11. The monitoring has been conducted mostly relaying on the project documents LARPS, CR, monthly & quarterly reports etc. through review & analyze, compilation of necessary data from aforesaid documents. In addition, consultant also had conducted consultations/meetings among the APs and other project stakeholders of the project through regular site visits. Such consultations & meeting conducted with & assistance of the CSC, Contractors, EMC, RD, PIU of MRDI and relevant other project stakeholders. The findings from the previously mentioned consultations/meetings has been incorporated in this Semi-Annual SMR document in a cumulative manner.

12. The main objective of implementation of the LARPs for Secondary Road 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 Secondary Road LARPs, 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 RD MRDI will ensure the execution of timely 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 LARP and to identify problems as early as possible to facilitate timely 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 mitigation of problems.

13. The project is classified category B for involuntary resettlement as per ADB Safeguard Policy Statement (SPS), 2009¹.

2. OVERVIEWS OF THE LARPS AND ASSOCIATED IMPACTS

2.1. LARPs and Allied Documents Preparation

14. LARP prepared by MRDI, during feasibility stage was further updated/finalized in November 2017 and in May 2018 based on the feasibility study and prepared two implementation - ready LARPs fulfilling requirements of ADB's SPS 2009. These two LARPs were prepared dividing the total 50.404 km west to east secondary road.

- **LARP-1 for Section 1** covering Km 0.000 to Km 24.620
- **LARP-2 for Section 2** covering Km 24.620 to Km 50.244

15. These updated LARPs were approved by ADB in November 2017 and in May 2018. These LARPs are currently under implementation. This has been followed by preparation of LARP compliance monitoring reports (CR) by an External Monitoring Consultant (EMC), deployed by the RD, MRDI to comply the project policy. Until the reporting period, EMC prepared five (5) CRs.

Table 2.1 Summary of handed over sections

	Covered section	Length, km	Number of land plots	Number of AHs	#of land plots	Handover status/date
CR1	LARP Section 1 (km 0.00 to km 10.680 and km 16.340 to km 24.620)	Total 18.98 km.	84	65		July, 2018
CR2	LARP Section 2 (km 24.62 to km 28.45; km 29.90 to km 36.58; km 40.16 to km 43.40 (3.24 km) and km 44.74 to	Total 16.88 km.	48	42		March 24,2019

¹ Prior to civil works implementation, the projects selected for construction or development to be Screened and Classified using ADB's classification system as follows:

➤ Category A: Projects proposed for construction or development, will fall under this category, if, it caused a significant involuntary resettlement impacts with a physical displacement of 200 or more persons from their residences, or 200 or more persons lose 10% or more of their productive or income generating assets, or more persons or 200 or more persons experience a combination of both

➤ Category B: Any proposed subproject that includes involuntary resettlement impacts but are not deemed significant considering loss of shelter/houses or productive or income generating assets will be considered for category B.

Category C: A proposed subproject that has no involuntary resettlement impact.

	km 47.87)					
CR3	LARP Section 1 (km 10.680 to 16.340)	Total 5.66 km.	33	28		April 24,2020
CR4	LARP Section 2 (km 28.8 to km 29.37; km 36,580 to km 38,98; km 39.343 to km 40,160; km 43,360 to km 44,500 ; km 48,160 to km 48, 800 and km 49,136 to km 49,900)	Total 6.33 km.	109	96	#96-112; #138-176;#180. 1-194;#202-216; #230.2-235.1; #247.1-254	March 2021
CR5	LARP Section 2 (km 29+370 - km29+500; km29+691 - km29+900; km47+870 - km48+160; km 48+800 - km49+136)	Total 9.65 km.	15	12	#113, #118, #119, #119.1,#120,121,#230.1, #237-244	December 2021

16. Following approval of LARPs, finances are being provided to the EA. Prior to the distribution of LARP finances to the APs, legalization of APs lands according to the active legislation is being finalized and all APs may sign a contract agreement indicating that they accept the compensation proposed to them. If an AP does not sign the contract, the case is being passed to the appropriate court to initiate expropriation proceedings. This can be done after the compensation amount, determined according to the valuation methodology outlined in the LARP - is deposited in special account, allocated in treasury. Mentioned account is also being established for absentee APs.

17. The main objective of the EMC deployment was to verify whether LARP have been implemented in compliance with the policy adopted in the LARP and compensation payment status. Accordingly, CRs prepared for the LARP, reflecting the results of monitoring and evaluation of the implementation of land acquisition and resettlement (LAR) activities of the road project in accordance and compliance with the LARP.

18. The physical construction activities of the Secondary road I Section started in September 2018 after signing contract between RD and the contractor (Black Sea Group Ltd) on 4 December 2017 and Secondary road II Section started on May 30, 2019 after signing contract between RD and the contractor (Akkord Industry Construction Investment Corporation OJSC) on 4 December 2018 with subsequent approvals of all the CRs in due course by ADB & RDMRDI. On the other hand, the CSC has mobilized and started their

activities. The responsibility of the CSC Social Specialists is to monitor the LARP related & other social safeguards issues covering the total project implementation periods on behalf of the RDMRDI and to produce monitoring reports periodically for the RDMRDI to submit to ADB in addition to monthly & quarterly reports, as well.

2.3. Conditions for Project Implementation

19. Based on ADB policy/practice, the approval of project implementation will be based on the following LAR-related conditions:

- **Signing of Contract Award:** Civil works contract will be awarded after approval of final Land Acquisition and Resettlement Plan.
- **Notice to Proceed to Contractors for any sub-section:** Conditional to the full implementation of secondary Road Improvement Project LARP (legalization of legalizable owners, and full delivery of compensation and rehabilitation allowances), verified by a compliance report submitted by the External Monitor, for the sub-section in question.

2.4. Institutional Arrangements

20. ADB 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 LARP through the Resettlement Unit (RU) under the Resettlement and Environmental Protection Division, RDMRDI. A Land Acquisition and Resettlement (LAR) Commission (LARC) assisted RU in all LAR activities. In addition, LAR Team assisted RU in the rayon level involving also the local self-government bodies. In addition, a number of other government departments played an instrumental role in the updating and implementation of secondary Road Improvement Project LARP. The National Agency of Public Registry (NAPR) within the Ministry of Justice is assisting the Project through registration of land ownership and its transfer through acquisition agreement from landowners to the RDMRDI. The local government at Rayon and village level is also involved.

2.5. Cost and Financing

21. The land acquisition and resettlement cost estimate under the LARPs includes eligible compensation, resettlement allowances and support cost for implementation of corresponding 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 manner. 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 the LARPs are as follows:

- Compensation for agricultural, pasture, and commercial land at replacement value
- Compensation for structures and buildings at their replacement cost
- Compensation for business/employment loss
- Compensation for crops and trees
- Assistance for severely affected AHs

- Assistance for vulnerable groups for their livelihood restoration
- Cost for implementation of LARP.

3. LARP IMPLEMENTATION STATUS

22. Due to minor adjustments of the alignment and other technical reasons, several corrections have been made in the checklists for inventory of losses and integrated LAR compensation matrix without updating the LARP. These changes made at the early stages of implementation of the approved LARP for section 2 are provided in Updated LAR Compensation Table, which is used by RD MRDI as a working tool during the LARP implementation.

23. According to Updated LAR Compensation Table, the project has impact on 292 land plots. Out of this number, in relation with the 289 land plots the LARP implementation procedures have been completed fully and all compensation tallies have been paid in compliance with the Updated LAR Table.

Table 3.2 Summary land acquisition status

Number of lands	Percentage
292 total	100%
289 acquired	98.97%
3 not acquired (including 1 under expropriation) ²	1.03%

24. Here are the problematic issues for the land plots:
- #92 – (Km 28+500) the owner of this land plot is in prison. RD cannot contact him, so the money is located on the treasury account of the RD.
 - #116 - The Land plot is divided in two parts. One of these parts has been acquired, but on the other part of this land plot, the co-owners had dispute with each other. The RD started the expropriation procedures on this land plot. The expropriation procedures finished in April 2022 and RD registered the abovementioned land plot on the state ownership.
 - #200.1 – (Km 40+087) the co-owner of the land plot is in Russia, the RD cannot contact him.
 - #218 – RD acquired the land plot in June 2022 after the AP finished the negotiations with the Georgian Bank.
 - #245 – Minimization-34 square meter
 - #246 – Minimizatio-18 square meter
 - #252 – (Km 49+836) the case is related to the land plot, owned by the private company. The company is not operable and is under the risk of bankruptcy. The affected land plot is mortgage-laden property. The owner complained against the proposed compensation values but the main concern was that due to the mortgage related restrictions, the company would not be able to receive the compensation

² The situational maps of land plots and Km which are not yet acquired (under ongoing expropriation) are attached as an Annex1

amounts even in case if the agreement with RDMRDI is achieved. At present, RD placed the compensation amount on the special account of treasury and the expropriation procedures are on the way. This issue is being considered by various government agencies, so it is difficult to determine the exact date of completion of the expropriation. After completion of the expropriation process, the deposited amounts will be paid to the parties as defined by Court decision.

- #259 – Minimization-4 square meter

3.1. Pending LAR issues

25. There are 3 Land Plots to be acquired for the reporting period. The acquisition on the 3 land plots are pending on the following subsections (Km 28+500, Km 40+087 and Km 49+836), which are not handed over to the contractor: The finalization of the resettlement process of the subsections listed above is expected by the next reporting period (By the end of December 2022).

4. GRIEVANCE REDRESS MECHANISM (GRM) & GRIEVANCE REDRESS STATUS

4.1. Formation of Grievance Redress Committee (GRC)

26. A GRM for the project has already been established and is operational enabling Aps to appeal any disagreeable decision, practice or activity arising from land or other assets compensation, or any other aspect of project implementation. Aps have been fully informed of their rights and of the procedures for addressing complaints, whether verbally or in writing, during consultation, survey etc. and they will also be informed at time of payment of compensation.

27. The GRM consists of the project-specific systems established at the municipal level and a regular system established at RD. Grievance Redress Committees (GRCE) was established at a municipal level as a project-specific instrument and will function for the duration of Project implementation. The Grievance Redress Commission (GRCN) was formed as an informal structure within the RDMRDI to record and ensure grievance review and resolution.

28. The Grievance Redress Commission (GRCN) was formed by the order of the Head of the RD as a permanent and functional informal structure, engaging personnel of RD from all departments to work on LAR issues and complaint resolution. This includes the top management of the RDMRDI, safeguard or LAR units, legal other relevant departments (depending on the specific structure of the IA). The GRCN is involved in Stage 2 of the grievance resolution process. The order states that, if necessary, a representative of local authorities, NGOs, auditors, Aps and any other persons or entities can be included in the Commission as its members.

29. A Grievance Redress Committee (GRCE) is an informal, project-specific grievance redress mechanism established to administer grievances at Stage 1. This informal body has been established at the community level in each affected municipality (village/community authority). During Public Consultations before LARP, implementation representatives of the

local communities have been selected as members of GRCE. The GRCE includes representatives of municipal LAR teams and local communities. The RD representative in the municipal LAR team coordinates the GRCE formation. He/she is responsible for the coordination of GRCE activities and organizing meetings (conveyor). In addition, GRCE comprises representative of Municipality Mayor in Administrative Unit or his/her representative, representatives of Aps, women Aps, and appropriate local NGOs to allow the voices of the affected communities to be heard and ensure a participatory decision-making process.

30. GRCEs were established at the municipality level for the Project with an office order No.224 from RD (ANNEX 2).

31. The Grievance Redress Commission, was established at the RD level as a permanent GRM structure as per Order No. 224. It consists of 21 permanent members, two secretaries and 1 non - permanent members without the right of vote. The list of the members is presented in the Annex3

4.2 Grievance Resolution Process

32. A representative of the resettlement service of the IA is responsible for coordination of the Committee's work and at the same time, he is nominated as a Contact Person, employed under an employment contract, who receives the grievances and handles the grievance logbook. The local authorities at the municipal level, the civil works Contractor, the Supervising Company (Engineer), as well as Aps (through informal meetings) are informed about the Contact Person and his contact details are available in the offices of all mentioned stakeholders.

33. The Contact Person collects and records the grievances, informs all members of the Committee and the management of RD about the essence of the problem, engages the relevant stakeholders in discussions with the aggrieved party and handles the process of negotiation with APs at Stage 1 of the grievance resolution process. The Contact Person prepares the minutes of meetings and collects signatures. If the grievance is resolved at Stage 1, the Contact Person records the resolution of the grievance in his logbook and informs the RD management in writing.

34. If the complainants are not satisfied with the GRCE decisions, they can always apply to the Stage 2 of procedures of the grievance resolution process. In such case, the Contact Person helps the AP lodge an written complaint (the complainant should be informed of his/her rights and obligations, rules and procedures of lodging a complaint, format of complaint, terms of complaint submission, etc.).

35. The Aps were informed about the available GRM. This was achieved through implementing information campaigns, distributing a Project information brochure, keeping all focal points up-to-date and maintaining regular communication with them, allowing multiple entry points for complaints and introducing forms for easier reporting of complaints.

4.4. Issues Identified during Construction at Project Area

36. During ongoing road construction, the local residents relating damage/threats to their

houses, tree cutting, using land beyond acquisition border, excess noise & vibration, dust pollution etc. reported some issues & concerns. These issues were verified with necessary discussions with the concerned house/plot owners. Among concerns/issues found true, contractor has been advised to take necessary mitigation measure for proper solution of such problems with negotiation with the concerned parties & paying compensation, as necessary. If not under the Jurisdiction of Contractor, those cases to be referred to RD for timely & proper mitigations. Summary of cases is presented in tables 4.3, 4.4, 4.5, 4.6 and 4.7 below.

37. Majority of the received complaints by RD are related to “Inclusion in LARP” (5) and “Damage to Infrastructure/Assets” (8). From the total 17 received complaints, 2 are open, 3 are on technical hold and 12 are resolved (9). RD team and the social/resettlement specialist from the contractor company are working to solve the open complaints.

Table 4.3 RD Complaints Log (as of the reporting date)

N	Nature of grievances	No of total grievances	Result		
			Open	Closed	Tech. Hold
1	Damage to Infrastructure/Assets	8	1	4	3
2	Inclusion in LARP	5	0	5	0
3	Disturbance: Noise / Vibration / Dust	1	0	1	0
4	Other	1	0	1	0
5	Crop Compensation	1	0	1	0
6	HSE Concerns	1	1	0	0
	Total	17	2	12	3

38. Majority of the received complaints by the Contractor are related to “HSE Concerns” (28), „Restriction or loss of access“(12) and “Damage to Infrastructure/Assets” (28). From the total 105 received complaints, 41 are open and 62 are resolved. After the tender procedures finalize and the RD will identify the new contractor company, appropriate measures will be taken to resolve the issues

Table 4.4 Contractors' (PYUNCHWA) Complaints Log (as of the reporting date)

N	Nature of grievances	No of total grievances	Result		
			Open	Closed	Tech. Hold
1	Damage to Infrastructure/Assets	30	20	10	0
2	Inclusion in LARP	10	6	3	1
3	Disturbance: Noise / Vibration / Dust	1	0	1	0
4	Crop Compensation	9	1	8	0
5	HSE Concerns	29	3	26	0
6	Restriction or loss of access	13	5	8	0
7	Road Upgrading	2	1	1	0
8	Other	11	6	5	0
	Total	105	42	62	1

Table 4.5 Complaints Log (as of the reporting date) "The Company Black Sea Group" Section I (Km 0+000-24+620)

N	Nature of grievances	No of total grievances	Result		
			Open	Closed	Tech. Hold
1	Damage to Infrastructure/Assets	10	2	8	0
2	Inclusion in LARP	3	1	1	1
4	Crop Compensation	9	1	8	0
5	HSE Concerns	25	1	24	0
6	Restriction or loss of access	8	1	7	0
8	Other	7	2	5	0
	Total	62	8	53	1

Table 4.6 Complaints Log (as of the reporting date) “Akkord Industry Construction Investment Corporation OJSC” Section II (Km 24+620-50244)

N	Nature of grievances	No of total grievances	Result		
			Open	Closed	Tech. Hold
1	Damage to Infrastructure/Assets	9	8	1	0
2	HSE Concerns	3	2	1	0
3	Inclusion in LARP	7	5	2	0
4	Other	2	2	0	0
5	Restriction or loss of access	5	4	1	0
	Total	26	21	5	0

39. There were no registered cases in RD (verbal or written) during the reporting period.

40. During the reporting period, 1 received complaint by the Contractor is related to “Inclusion in LARP”, 1 „Restriction or loss of access“ and two “Damage to Infrastructure/Assets”. From the total 4 received complaints 3 are open and 1 of them resolved. After the tender procedures finalize and the RD will identify the new contractor company, appropriate measures will be taken to resolve the issues.

Table 4.7 Summary of the grievances by category with status of Resolution received in PYUNCHWA during the Reporting Period (01.01.22 – 30.06.22)

N	Nature of grievances	No of total grievances	Result		
			Open	Closed	Tech. Hold
1	Damage to Infrastructure/Assets	2	2	0	0
2	Inclusion in LARP	1	0	1	0
3	Restriction or loss of access	1	1	0	0
	Total	4	3	1	0

5. OTHER COMPLIANCE ISSUES

5.1. MAINTAINING CORE LABOR STANDARD

41. Lot I Section: Dzirula-Moliti km 0+000-km24+620 Contractor Ltd. The company “Black Sea Group” did not carry out construction works during the reporting period, as well as the II Section: Akkord Industry Construction Investment Corporation OJSC (Km24+620-Km50+244), which, systematically breached obligations under the contract with the Roads Department of Georgia. According to the decision of the department, in November 2021, RD terminated the contract, and no works have been carried out since then, except of snow clearing works in Feb 2022. Tender procedures are underway in the Roads Department of Georgia to identify the new contractor company. The tentative date of the finalization of the tender procedures is December 2022.

Table 5.1 Ltd “Black Sea Group” Quantity of Employees

Month	Employee	Georgian	Female
January 2022	no works have been carried out		
February 2022	In February, the contractor organization was carrying out only snow clearing works		
March 2022	no works have been carried out		
April 2022	no works have been carried out		
May 2022	no works have been carried out		
June 2022	no works have been carried out		

5.2. Child Labor in the Project Activities

42. During field monitoring period, no child labor (below the age of 18 years) were found engaged in the project works.

5.3. Forced or Compulsory Labor

43. All workers are deployed according to their eligibility and willingness. The female workers who are mostly engaged in cooking and cleaning are also deployed based on their eligibility and willingness. It must be noted, that no works have been carried out during the reporting period.

5.4. Discrimination in Respect to Employment

44. During monitoring, no discrimination identified among the workers in terms of gender, locality, nation or religion, wages/salary.

5.6. Health and Safety and HIV/AIDS Awareness Program

45. The current monitoring also found that the Contractor has arranged a medical office and employed Doctors for the treatments of the staffs/employees of the contractor.

46. The Contractor has appointed an accident prevention officer at the Site, who is responsible for maintaining safety and protection against accidents. He was found available on site every day.

47. During reporting period, the Contractor's doctor provided information for the workers about HIV/AIDS and Sexually transmitted diseases and the information campaign program as well. Furthermore, Contractor's HSE specialist organized trainings of worker on various issues, such as use of personal protective equipment, fire emergency, driving safety and first aid.

5.7. Accident Record Log

48. No physical injuries or incidents were registered during the reporting period on Dzirula – Kharagauli – Moliti – Pona – Chumateleti Secondary Road Section.

6. SAFEGUARDS COMPLIANCE STATUS

6.1 Safeguard Capacity

49. CSC Consultant mobilized 1 national Safeguard Specialist who is currently continuing works and is assisting/supporting RDMRDI with constant monitoring, in connection to resettlement program implementation with other social safeguards issues of the project. The RDMRDI established a Resettlement Division & Resettlement Unit at the PIU level with requisite officers & staffs from beginning of the project to carry out & support to implement resettlement & rehabilitation of APs and other safeguards issues of the project covering total project implementation periods.

6.2. Project Social Safeguard Performance

50. From the beginning of the project implementation to until the current reporting period, 'PIU's RU team is working. Since, mobilization of CSC consultant's Expert is working on social/resettlement safeguards issues. Both the PIU & CSC (with the input of 22,4 months of field input) experts are conducting required survey/investigations at the project site with necessary consultation with the stakeholders including beneficiary and affected people of the subproject with monitoring considering social safeguard issues. As of the reporting period, all the APs have been paid their due compensation with proper resettlement & rehabilitations for the partial road sections and already handed over to the contractor. The contractors are carrying out physical construction on those sections of the road. The remaining 3 (three) land plots currently under implementation of LARP through paying compensation to the APs. CSC's Resettlement Specialist is constantly monitoring resettlement & social safeguards issues, accordingly, they are preparing &

submitting monthly, quarterly & bi-annual monitoring reports to RDMRDI/PIU regularly. According to the ADB's country safeguards mission in May 2022, it has been noted, that the GRM database is not well maintained and some data is not timely entered into GRM log. The CSC social safeguards specialist works with CC and RD to improve the situation on GRM monitoring and reporting.

6.3. Design changes and associated LAR issues

51. There were no any design changes during the reporting period.

6.4. Public consultation and participation

52. Consultation with potential APs in the project-affected areas was started at the feasibility study of the Project. At the preparation of secondary Road improvement Project LARP in detail design stage, all APs (available on site) were consulted through community level meetings and through individual contact at the time of census, socio-economic survey and detail measurement survey. The consultations continued/will be continued throughout the remaining implementation period.

53. During the reporting period, the Contractor company social/resettlement specialist had several visits and meetings with the local residents to check the condition of the cracks on the previously marked walls in the residential houses, also access road problems identified during the reporting period (see Table 6.1 and ANNEX1).

Table 6.1 Summary of the issues identified during the reporting the period

No.	Problematic issues	Description	Corrective Action	Comment
1	Dumping of construction waste in the village Didvake (January 2022) (Km18+710)	The contractor illegally dumped the waste on the local road in the village of Didvake, which is used by residents and various companies. The Road is currently inaccessible.	Road cleaning works should be carried out.	After the tender procedures finalize and the RD will identify the new contractor company, the local roads cleaning procedures will be carried out.
2	Damage of citizen-owned land plot and perennials (2022) (Km37+735 – Km37+810)	The contractor organization cut down the land plot and perennials (6 trees) on it, during the rehabilitation of the highway. It should be noted,	The AP must be compensated	The Engineer met the citizen. The cadastral code, which was mentioned in the complaint letter, was on the different place. The

Semi-Annual Monitoring Report (January-June 2022): Secondary Road Improvement Project

No.	Problematic issues	Description	Corrective Action	Comment
		that the land plot was not in his ownership during the construction works. The AP registered it in January 23, 2021.		Geometric survey was held at the construction site to determine exact coordinates and whether the contractor company damaged it. As a result of research, it was determined, that the land plot was registered on the state property and the citizen cannot receive the compensation for it. The response letter was sent to the citizen in May 2022
3	Damage of citizen-owned Perennials (2020) (Km15+400– Km15+450)	The contractor organization cut down the perennials (1 nut tree and 1 fig tree)	The AP must be compensated	The nut tree was compensated in previous reporting period, but the Fig will be compensated in September 2022 by the RD.
4	The issue of reinforced concrete wall arrangement along the road (March 2021)(Km12+318-Km12+358)	Citizen, for safety reasons, demanded the installation of a reinforced concrete retaining wall along the road. The supervisor disagreed with the need to arrange the retaining wall. Currently part of the slope is on the verge of collapse.	Appropriate measures must be taken to strengthen the slope	The slope is under the monthly monitoring from the CSC side. The detailed info will be provided in the next SSMR.
5	Damage of infrastructure assets (2020)	The engineer inspected the plasters of the residential house. It turned out, that several of them	The engineer will continue to monitor cracks on the residential house and	If during the active construction phase, as a result of the engineer's observation, it will be revealed, that the

No.	Problematic issues	Description	Corrective Action	Comment
		<p>were damaged. As for the condition of the retaining wall of the highway, which borders his yard, it is also damaged, so the citizen requests the construction of a reinforced concrete retaining wall.</p>	<p>the retaining wall.</p>	<p>cracks are significantly damaged, appropriate measures will be taken by the RD. The detailed info will be provided in the next SSMR.</p>
6	<p>Damage of citizen-owned Perennials(2021) (Km39+925-Km39+975)</p>	<p>The contractor organization damaged perennials. The contractor compensated only 2 tree. Two more trees must be compensated by the contractor.</p>	<p>The AP must be compensated</p>	<p>After the tender procedures finalize and the RD will identify the new contractor company, appropriate measures will be taken to resolve the issue.</p>
7	<p>Loss of access³ (2021) (Km39+925-Km39+975)</p>	<p>The contractor organization cut the ground along the entire length of the yard owned by the citizen to arrange the gabion. The length of the slope is 1,5m. The citizen demands to arrange pedestrian path.</p>	<p>Appropriate measures must be taken to arrange the access road</p>	<p>After the tender procedures finalize and the RD will identify the new contractor company, appropriate measures will be taken to resolve the issue.</p>
8	<p>Damage of the infrastructure assets (Village Fona) (2022)(Km42+265-Km42+318)</p>	<p>During the construction works of the reinforced concrete bridge, the contractor made an agreement with the land owner to use the property</p>	<p>Appropriate measures must be taken: the temporary gravel covershould be removed in time to</p>	<p>After the tender procedures finalize and the RD will identify the new contractor company, appropriate measures will be taken to resolve the issue</p>

³ See the Photo in Annex1 from May 2022

No.	Problematic issues	Description	Corrective Action	Comment
		temporary (6 month). After 6 months, the contractor was obliged to remove the gravel cover and replace it with vegetable soil.	allow the citizen to fence the land plot and use it for agricultural purposes.	
9	Damage of the infrastructure assets. (2022(Km2+870 – 2+900)	During the rain, the accumulated water on the road, flows into his yard, and then into the foundation of the house. The retaining wall of the road is amortized and needs to be rehabilitated. In 2021, the contractor company cleaned the access road of the citizen.	The drainage canals and pavement must be arranged. The Engineer accepted reinforcement of the amortized retaining wall	At this stage, there are no ongoing construction works. After the tender procedures finalize and the RD will identify the new contractor company, asphalt concrete road will be arranged on the mentioned section. Project provides arrangement of drainage canals and pavements.

7. CONCLUSIONS AND NEXT STEPS

54. The Kharagauli Secondary Road Improvement Project implementation is ongoing. The project's social safeguard involvement started from the feasibility study through conducting necessary census and survey of the project affected people to prepare LARP. Two LARPs were prepared for the project, harmonizing ADB's SPS 2009 and GOG policy standards for the land acquisition and resettlement of the APs. The LARPs in due course, were approved and implementation started by RDMRDI since 2017. The implementation of LARPs and project conditionality is complying with provisions to monitor both internally externally. In this connection, LARPs implementation compliance monitoring was conducted and five CRs prepared for the implementation completed parts of the road. This Semi-Annual Social Monitoring Report (covering the period of January–June 2022) prepared by the CSC for RDMRDI by the CSC's International Resettlement Specialist. Meantime, monthly progress monitoring reports are regularly submitted by the NRS since August 2018.

55. In sum, it may be concluded that the RDMRDI teams working hard to make payment (compensation and other additional grants and benefits) to the APs timely with mitigation of grievances. The main difficult was Lot I Section: Dzirula-Moliti km0+000-

km24+620 Contractor Ltd. The company “Black Sea Group” did not carry out construction works during the reporting period, as well as the II Section: Akkord Industry Construction Investment Corporation OJSC (Km24+620-Km50+244), which, systematically breached obligations under the contract with the Roads Department of Georgia. According to the decision of the department, in November 2021, RD terminated the contract. Tender procedures are underway in the Roads Department of Georgia to identify the new contractor company. Until date, the LARP implementation for almost all sections of the road ROW completed with required relocation of affected households before handed over to the contractor for construction.

7.1. Actions for the next reporting period

56. For the next reporting period, covering July-December 2022 is planned to prepare final CR6 for the full Secondary Road Improvement Project. In addition, the GRM cases have to be finalized by the next reporting period. Meantime, after the tender procedures finalize and the RD will identify the new contractor company, continual monitoring of construction to be conducted to mitigate the damages and other social safeguards issues which may arise from the construction process.

ANNEX 1 PHOTO RECORD OF MEETINGS AND CONSULTATIONS WITH THE LOCAL RESIDENTS (JANUARY - JUNE 2022)

January 2022

Village Didvake (Dumping of construction waste in the village Didvake)



February 2022

Village Golatubani (Damage of citizen-owned land plot and perennials)





March 2022

Village Sagandzile (Damage of citizen-owned Perennials)



(Damage of infrastructure assets)



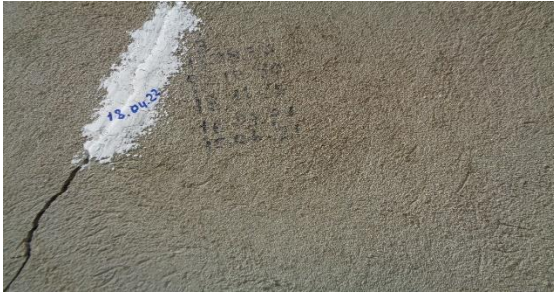
The issue of reinforced concrete wall arrangement along the road



April 2022

Village Golatubani (Damage of infrastructure assets)





May 2022

Village Tsipa (Damage of citizen-owned Perennials and access road)



June2022

Village Sagandzile (Damage of citizen-owned Perennials)



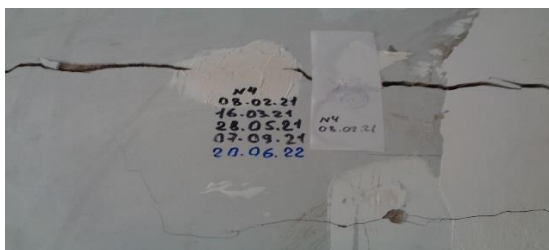
Khashuri, Gabashvili street N36 (Damage of citizen-owned agricultural land plot)



Village Dzirula (Damage of the infrastructure assets)



Village Tsipa (Damage of the infrastructure assets)



ANNEX 2 GRIEVANCE REDRESS COMMITTEE COMPOSITION

	Grievance Redress Committee Member	Position	Name of the Representative of GRCE and Contact Details
1	Representative GRCN of RDMRDI	Member	Name: Mr. Archil Jorbenadze Designation: Coordinator of ADB projects (ETCIC, MRDI) Tel: 591403038 Email: archij62@gmail.com
2	Representative of Resettlement Division at RD	Convener	Mr. Shota Batsikadze Designation: Project Manager of the Resettlement Division (RDMRDI) Tel: 577613302 Email: shota.batsikadze@georoad.ge
3	Representatives of Kharagauli Municipality: Had of Economic Development Division	Member Secretary	Mr. Jaba Beridze Tel: 558785455
4	Representatives of Khasuri Municipality: Had of Supervision Division	Member Secretary	Mr. Teimuraz Lomuashvili Tel: 599770372
5	Moliti Village		
5-i	Representative of Mayor in the Moliti administrative unit	Member	Mr. Spartak Lacabidze Tel: 596117058
5-ii	Representative of APs	Member	Mr. David Lezhava Tel: 577036189

5.iii	Representative of Women APs	Member	Ms. Maka Talakhadze Tel: 577036189
6	Tsipa /Pona Village		
6-i	Representative of Mayor in the Tsipa administrative unit	Member	Mr. Besik Talakhadze Tel: 598523400
6-ii	Representative of APs of Tsipa village	Member	Mr. Vefkhia Beridze Tel: 557 65 46 11
6-iii	Representative of Women APs of Tsipa village	Member	Ms. Rusudan Gurgenidze Tel: 553 52 38 57
6-iv	Representative of APs of Pona village	Member	Mr. Emzari Nozadze Tel: 571 197124
	Representative of Women APs of Pona village		Ms. Meri Nozadze Tel: 595 327 370
7	Chumateleti Village		
7-i	Representative of the Mayor in Surami administrative unit	Member	Mr. Valeri Chaduneli Tel: 599112984
7-ii	Representative of APs of Chumateleti Village	Member	Mr. Zurab Korkotadze Tel: - 599345917
7-iii	Representative of Women APs of Chumateleti Village	Member	Ms. Daria Korkotadze Tel: 599345917

ANNEX 3 Grievance Redress Commission (GRCN)

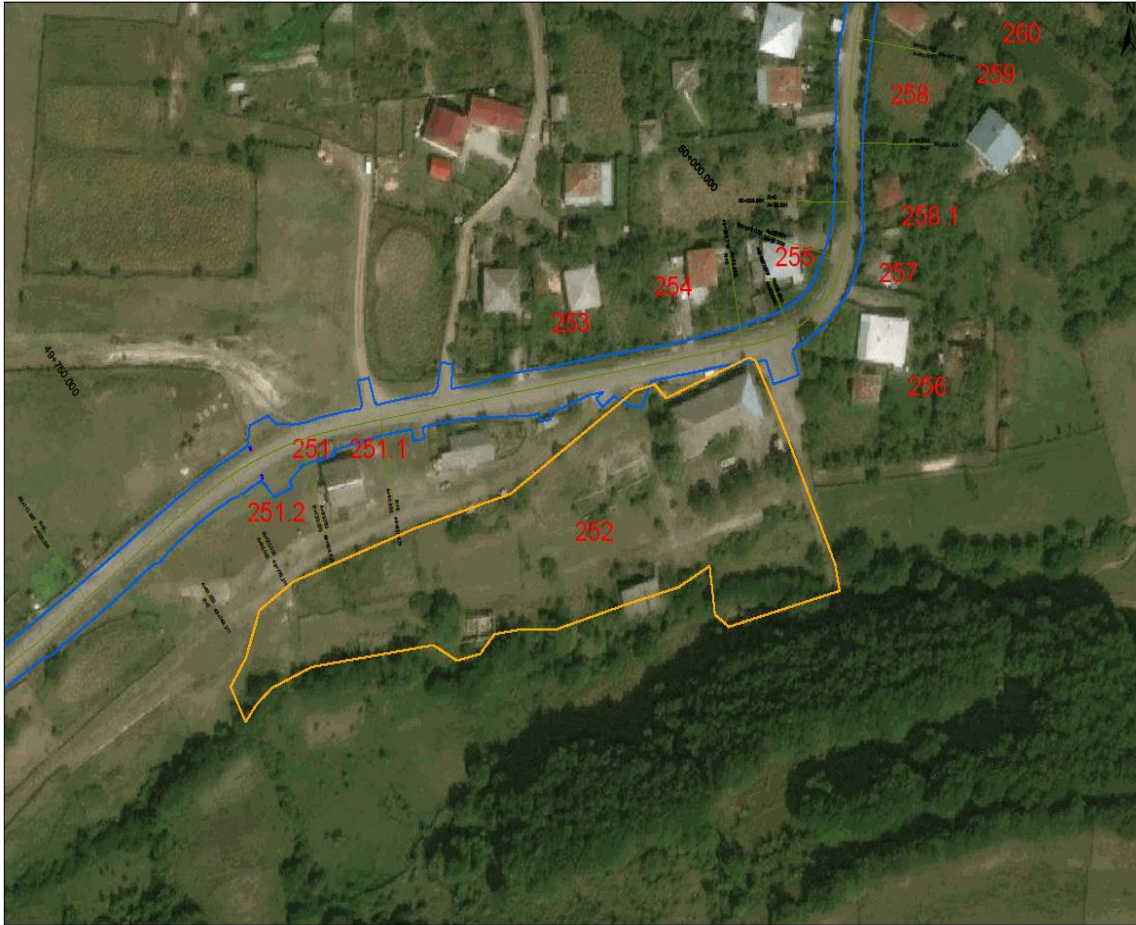
No	Name of Member	Position
1.	Giorgi Tsereteli	Head of commission
2.	Salome Tsurtsumia	Member of commission
3.	Levan Kupatashvili	Member of commission
4.	David Getsadze	Member of commission
5.	Pavle Gamkrelidze	Member of commission
7.	Pikria Kvernadze	Member of commission
8	Vaja Adamia	Member of commission
9	Davit Sajaia	Member of commission
10.	Giorgi Eragia	Member of commission

Semi-Annual Monitoring Report (January-June 2022): Secondary Road Improvement Project

11.	Nodar Agniashvili	Member of commission
12.	Mikheil Ujmajuridze	Member of commission
13.	Gia Sopadze	Member of commission
14.	Tinatin Kolbaia	Member of commission
15.	Davit Kaladze	Member of commission
16.	Eldar Nephariidze	Member of commission
17.	Pavle Gamkrelidze	Member of commission
18.	Giorgi Tsagareli	Not permanent member of commission
19.	Avtandil Kirvalidze	Member of commission
20.	Mariam Begiashvili	Not permanent member of commission
21.	Archil Jorbenadze	Not permanent member of commission

ANNEX 4





Semi-Annual Monitoring Report (January-June 2022): Secondary Road Improvement Project

