

# Semi- annual Social Safeguards Monitoring Report

(July - December 2019)

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## Georgia: North–South Corridor (Kvesheti–Kobi) Road Project

Project Number: 51257-001 – ADB  
50271 – EBRD

Loan Number: Loan 3803-GEO: North–South Corridor (Kvesheti–Kobi) Road Project - ADB

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## **Abbreviations**

ADB	Asian Development Bank
AIDS	Acquired Immune Deficiency Syndrome
AIIB	Asian Infrastructure Investment Bank
AP	Affected Person
AIDS	Acquired Immune Deficiency Syndrome
CR	Compliance Monitoring
CSC	Construction Supervision Consultant
DP	Displaced Person
EBRD	European Bank for Reconstruction and Development
EMC	External Monitoring Consultant
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	Road Department
NGOs	Non-Government Organizations
PAM	Project Administration Manual
PCP	Public Communication Policy
PPE	Personal Protection Equipment

SMR	Social Monitoring Report
SPRSS	Summary Poverty Reduction and Social Strategy
SPS	Safeguard Policy Statement, 2009
STI	Sexually Transmitted Illnesses
USD	United States Dollar

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## **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-ILs; 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 to 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 replacement 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.

## Contents

<b>1</b>	<b>INTRODUCTION .....</b>	<b>9</b>
1.1	Objective of the report.....	9
1.2	Objective and Coverage of the Monitoring .....	12
1.3	Methodology Followed under Monitoring Program .....	12
1.4	Social Safeguard/Resettlement Categorization .....	12
<b>2</b>	<b>OVERVIEWS OF THE LARPs AND ASSOCIATED IMPACTS .....</b>	<b>12</b>
2.1	LARPs and Allied Documents Preparation.....	12
2.2	LAR-related Conditions for Project Implementation.....	13
2.3	Summary Impact of LARPs.....	13
2.4	Project Policy and Entitlement Matrix.....	<b>Error! Bookmark not defined.</b>
2.5	Institutional Arrangements .....	13
2.6	Consultation Participation & Grievance Redress Mechanism:.....	14
2.7	Cost and Financing .....	14
2.8	Monitoring.....	14
<b>3</b>	<b>LARP IMPLEMENTATION .....</b>	<b>15</b>
3.1	General:.....	15
3.2	LARPs Implementation Status up to the Reporting period: .....	15
3.3	Temporary Impacts.....	15
<b>4</b>	<b>GRIEVANCE REDRESS MECHANISM (GRM) &amp; GRIEVANCE REDRESS STATUS.....</b>	<b>16</b>
4.1	Formation of Grievance Redress Committee (GRC) .....	16
4.2	Grievance Resolution Process.....	18
4.3	Grievances Received & Redressed-Updated Status.....	19
<b>5</b>	<b>OTHER COMPLIANCE ISSUES .....</b>	<b>24</b>
5.1	Maintaining core labor Standard .....	24
5.2	Child labor in the project activities.....	24
5.3	Forced or compulsory labor .....	24
5.4	Discrimination in respect to employment.....	24
5.5	HIV/AIDS Awareness Program .....	24
<b>6</b>	<b>SAFEGUARDS COMPLIANCE STATUS.....</b>	<b>25</b>
6.1	Status of Recruitment/Mobilization of Safeguard Team.....	25
6.2	Project Social Safeguard Performance .....	25
6.3	Compliance with Safeguard Covenants of Loan Agreement .....	25

**7 CONCLUSIONS ..... 25**

Table 2-1 Summary of Project’s LAR Impacts by LARPs..... 13

Table 2-2 – Compensation Entitlement Matrix ..... 26

Table 4-1 – GRCE at Kazbegi Municipality ..... 17

Table 4-2 – GRCE at Dusheti Municipality ..... 17

Table 4-2 – Grievance Redress Commission (GRCN)..... 17

Table 4-4: Summary of the grievances by category with status of Resolution..... 19

Table 4-5: Summary of the pending grievances ..... 30

Table 6-1 - Status of Resettlement and Social Safeguard Issues Related to Loan Covenants as of 31<sup>th</sup>. December 2019..... 35

Figure 1. Project Location Map..... 10



## **1 INTRODUCTION**

### **1.1 Objective of the report**

1. This Semi-Annual Social Safeguards Monitoring Report for North–South Corridor (Kvesheti–Kobi) Road Project in Georgia covers the period from July to December 2019. 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 in the second half of 2019. It provides information on social safeguards activities related to the preparation and implementation of the LAR plans (LARP) as well as other raised 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.

2. Due to its geographic location, Georgia’s plays a role of major transit country. Over the past 10-15 years transport of goods into and through Georgia has increased. However many of the roads are poorly equipped to cope with the volume of traffic and the proportion of heavy vehicles, and factors such as insufficient dual carriageways, routing through inhabited areas and inadequate maintenance create difficulties for haulage companies, truck drivers, Georgian motorists and local residents.

3. The Government of Georgia has launched a program to upgrade the major roads of the country. The program is managed by the Roads Department (RD) of the Ministry of Regional Development and Infrastructure and aims to improve transportation and transit of goods in Georgia and to surrounding countries.

4. As a part of the program, upgrading Jinvali-Larsi section of the E117 is planned. The Jinvali-Larsi corridor crosses the Caucasus mountains and aims to improve transportation to and from Russia. It consists of three sections: Jinvali - Kvesheti, Kvesheti-Kobi and Kobi-Larsi. The Kvesheti-Kobi section is the most challenging one as it includes the 9 km main tunnel that will cross the Caucasus ridge and bypass the existent road that connects Kvesheti to Tskere through Gudauri area and the Jinvali pass. This will cover around 23 km of the highway and will replace the existing Kvesheti to Kobi road section which is around 35 km long and crosses the Jvari Pass at an altitude of around 2,400 m with poor driving safety conditions. Thus, saving the travelling cost, time delay by reducing the travelling distance of 12 km through very difficult mountainous terrain, especially, during the winter and less fuel consumptions resulting in emissions savings.

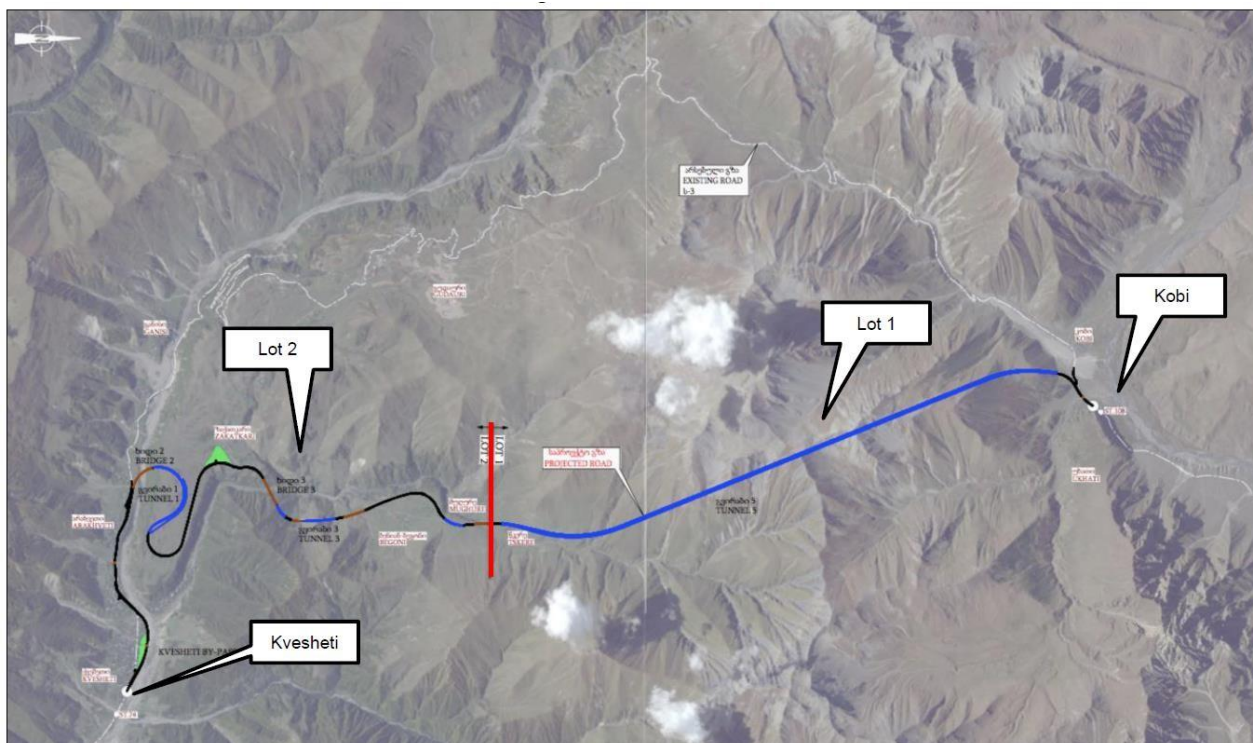
5. The new Kvesheti-Kobi Road Project will guarantee operational continuity during wintertime; Furthermore, locals having year- round access to the healthcare, education institutions, trading centers, etc. that will significantly improve quality of life Kazbegi and Dusheti Munitipalities.

6. The proposed Project spans from the Kvesheti area and Khada Valley in the Dusheti Municipality to the Kobi area in the Kazbegi Municipality. Due to poor accessibility in winter and no first aid facilities the decrease in Kvesheti community is significant. . The road will improve access to the settlements in particular those located higher in the gorge. Improved access together with other benefits, ensured for permanent residents of the mountainous settlements under the national legislation, can be considered as one of the ways for reversing migration from the area

7. Kvesheti Kobi road section with six junctions and three service roads will play an important role in the development of Kazbegi and Dusheti municipalities by facilitating the communities of Kvesheti, Bedoni, Tskere and Kobi by providing year-round access to markets, educational institution, health facilities of capital Tbilisi and increase the tourist attraction in Treghe valley.

8. The length of the new alignment is 22.7 km and will be divided into two construction packages, or 'Lots' as follows (see Figure No.1):

- Lot 1: Tskere – Kobi: Chainage KM 12.7 – KM 22.7 (10 km)
- Lot 2: Kvesheti – Tskere: Chainage KM 0.0 – KM 12.7 (12.7 km)



**Figure 1. Project Location Map**

9. The Government of Georgia has applied for financing from ADB (for Lot 1 and Lot 2) and EBRD (for Lot 1) towards the cost of the Kvesheti-Kobi road project. The captioned Report covers both lots of the Project. The Government will provide counterpart funding to cover taxes and duties, land acquisition and resettlement costs, financing charges, and other miscellaneous costs.

10. There are two separate contractors for each Lot No. 1 and Lot No. 2 as given below:

- Lot No. 1: China Railway Tunnel Group Co. Ltd. (CRTG) - contract signed on 5 September 2019.
- Lot No. 2: China Railway 23rd Bureau Group CO. Ltd) (CRCC) - contract signed on 15 August 2019.

## **1.2 Current Activities**

11. There is no official commencement date announced to the start of the construction activities during the reporting period from July to December 2019<sup>1</sup>. During the Reporting period the contractors for both Lot No. 1 and Lot No. 2 started identification of the alternative options for project related facilities including spoil disposal areas, campsites, batching plants area, explosive areas, crushing plants site etc. and mobilization of staff.

12. Currently project is at pre-construction stage. Contractor performed activities related to permitting, identification of sites for primary facilities and mobilization of staff and equipment which are still all on-going. The following pre-construction activities were undertaken during this monitoring and reporting period:

- Site surveying for controlling of existing benchmarks. There is a difference of 10.35 cm between the existing coordinates and contractor's measurement. Contractor is required to carry out the survey after calibration of the surveying instrument.
- Preparation of yearly activity plans by both the contractors for Lot 1 and Lot 2.
- Evaluation and selection of Tunnel Boring Machine (TBM) from manufacturers.
- Several Joint site visit were carried out by RD, Contractors and "Project Management and Construction Supervision Contractor<sup>2</sup> (PMCS) and meetings were held in RD office for identification and evaluation of alternative site for project primary facilities including campsites, batching plants, crushing plants, spoil disposal areas and explosive storage.
- Construction Contractor (CC), coordinating with the concerned authorities to get the respective approval regarding rehabilitation of access roads, relocation of gas pipelines, use of state and private land, vegetation clearance and tree cutting etc.
- Submission of method statements/ plans by the CC to PMCS for review.

13. There is no official approval for the commencement of construction during the reporting period. Contractor for Lot No. 1 CRTG started fencing, vegetation clearance in an area for the campsite at North portal in October 2019 on the land plots leased by the contractor (lease agreement has been signed and has been provided to ADB as evidence that appropriate agreement has been reached). A letter was written to contractor for Lot No. 1 Reference: 003 /KVKO/UBM-GE Dated: 26.10.2019 by the CSCS (Engineer) to stop any kind of construction activity until completion of necessary approvals and permission by RD.

14. Currently due to heavy snowfall in the project area, it is not possible to carry out any construction activity on the site.

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<sup>1</sup> As per the Contract Conditions of Lot 2 Contractor, the Employer will provide the following sections prior to commencement of the works: PK3+550 – 5+250; PK8+550 – 10+000 of Lot 2. Access to the remaining sections will be handed over within one-year period from the date of the Letter of Acceptance. As for Lot 1, the Contract documents state that the Employer shall hand over section km21+900 – km 22+300 prior to the commencement date and access to other sections will be handed over within 6 months after such commencement.

<sup>2</sup> The Contract for PMCS UBM LTD was awarded on 24 June 2019 for three phases of the Project: 1. Design review to be completed within three months, 2. Construction Supervision and Contract Administration, 3. Defects Notification Period.

### **1.3 Objective and Coverage of the Monitoring**

15. 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 bypass road.

16. The ultimate objectives of the monitoring report are to:

- a. verify status of resettlement implementation for the project that complies with the approved & LARPs.
- b. verify status of up to date compensation payment to APs.
- c. verify implication of grievance redress mechanism to solve AP 's grievances & status of grievances received from the APs/local people so far.
- d. satisfaction of APs with the process of their compensation & amount of compensated; and
- e. Other social safeguards issues such as: wage laborers, labor issues, HIV/AIDS, grievances/complains received during construction/resolved etc.

### **1.4 Methodology Followed under Monitoring Program**

17. The monitoring has been conducted mostly rely on the project documents such as LARPS, LARP addendum, GRM logbook 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. Such consultations & meeting conducted with & assistance of the Contractor, EMC, RD, PIU of MRDI and relevant other project stakeholders. External Monitoring Consultant (EMC) has been mobilized on 30 July 2019.

### **1.5 Social Safeguard/Resettlement Categorization**

18. Prior to civil works implementation, the projects selected for construction or development to be Screened and Classified using ADB's classification system for Involuntary Resettlement safeguards.

19. As per ADB Safeguard Policy Statement the Project falls under **Category A** project, considering the significance involuntary resettlement issues. The project has no impact over indigenous people or the communities.

## **2 OVERVIEWS OF THE LARPs AND ASSOCIATED IMPACTS**

### **2.1 LARPs and Allied Documents Preparation**

20. The Project road passes through a rural area. Most of alignment goes through tunnels. However, several private properties and land parcels will be impacted, many of which are used for agricultural purposes. Resettlement Plans for Lot 1 and Lot 2 have been prepared according to Georgian Laws, the ADB SPS (2009) and EBRD environmental and social policy (2014)..

21. These LARPs are currently under implementation, started from September 2019. No LARP compliance monitoring reports (CR) by an External Monitoring Consultant (EMC) has been issued during the Reporting Period.

## 2.2 LAR-related Conditions for Project Implementation

22. The LAR-related conditionalities for the processing and the implementation of the Project are as follows:

1. **Loan Signing:** conditional on approval of this implementation ready LARP by ADB, and the Government of Georgia.
2. **Notice to proceed to contractors, conditional on:**
  - the full and proper implementation of the Final LARP with the full satisfaction of the RD, EBRD and ADB.
  - the execution of due diligence for disposal areas, construction camps or access roads, and, if necessary, the preparation and implementation of a LARP addendum acceptable to the RD, ADB and
  - the preparation of an independent compliance report verified and approved by ADB
  - Separate Compliance Reports (each for EBRD and ADB) will be prepared for individual sections of road to enable a sectional handover process.

## 2.3 Summary Impact of LARPs

22. A census was performed to identify all households, landowners, land users and assets impacted by project activities. Summary of the affected households identified during the census are provided below:

**Table 2-1 Summary of Project's LAR Impacts by LARPs**

N	Impact category	Lot 1	Lot 2	Total
1	Total affected households	17	141	158
2	Land acquired (in sqm)	31,289	311,132	342,421
3	Agricultural (in sqm)	22,869	273,382	296,251
4	Residential (in sqm)	8,420	15,467	24,887
6	Household to be physically displaced	3	8	11
7	Commercial buildings	-	2	2
8	Business	-	1	1
9	Severely Affected HH <sup>3</sup>	14	94	109
10	Vulnerable HHs	5	25	30

## 2.4 Institutional Arrangements

23. The Implementing Agency will be the Road Department of the Ministry of Regional Development and Infrastructure of Georgia (RD) and the Ministry of Regional Development and Infrastructure of Georgia (MRDI) will be the Executing Agency (EA) that has the lead responsibility for road construction. The RD has overall responsibility which includes preparation, implementation and financing of all LAR tasks and cross-agency coordination. RD will exercise

<sup>3</sup> The number includes 11 physically displaced HHs.

its functions through its existing resettlement division (RDRD) which will be responsible for the general management of the planning and implementation of all LAR tasks. The regional RD offices will assist the activities of the RDRD with one dedicated officer who will facilitate communication between the RDRD, the local governments and the APs and assist in implementing LAR tasks related to the local administration. RDMRDI, a number of other government departments and private agents will play an instrumental role in the design, construction and operation of the Project. The Ministry of Natural Resources and Environmental Protection is responsible for environmental issues, pursuant to active legislation. The Ministry of Justice is responsible for legal matters regarding land ownership, and the National Agency of Public Registry (NAPR) within the Ministry of Justice oversees the registration of land ownership and its transfer through purchase agreement from landowners to the Road Department. The local governments at the Sakrebulo and village levels will also be involved.

## **2.5 Consultation Participation & Grievance Redress Mechanism:**

24. A Grievance Redress Mechanism has already been established from the period of Census starting date and is available locally to allow APs to appeal any disagreeable decision, practice or activity arising from any project preparation and implementation activity. Grievance Redress Committees (GRCs) at local level involving the local government officials, representative of APs, representatives of local NGOs and consultant. APs were fully informed, through consultation meetings and representatives of territorial organs of local government, on their rights and on the procedures for addressing complaints whether verbally or in written during consultation, survey, and time of compensation, as well as throughout project implementation. Care will always be taken to prevent grievances rather than going through a redress process.

25. A public consultation and participation plan has been made and implemented during LARP preparation stage. The aim of consultations was to involve the stakeholders in the decision-making process, especially the people who are either directly benefiting from, or affected by the Project. Communications were conducted mostly in the Georgian language.

## **2.6 Cost and Financing**

26. 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. 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 & Addendum of 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 business/employment loss
- (iv) Compensation for crops and trees
- (v) Assistance for severely affected AHs
- (vi) Assistance for vulnerable groups for their livelihood restoration
- (vii) Cost for implementation of LARP.

## **2.7 Monitoring**

27. The main objective of implementation of the LARPs 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 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 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.

### **3 LARP IMPLEMENTATION**

#### **3.1 General:**

28. Having approval of both the LARPs by ADB ( July 2019), actual implementation of LARPs started in September 2019.

29. There is no official commencement date announced to the start of the construction activities during the reporting period from July to December 2019. On the other hand, the CSC has mobilized in June 14, 2019 and started their activities with the design review. Subsequently, CSC, mobilized their two Social & Resettlement Specialists (National & international) in mid-October 2019. 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.

#### **3.2 LARPs Implementation Status up to the Reporting period:**

30. During July-December 2019 Land Acquisition Contracts have been signed with 14 HHs (0,1% of the total 141 affected HHs) from Lot 2 section.

33. As most of the APs from Lot 1 and Lot 2 have expressed dissatisfaction with the compensation rate offered to them, RD decided to make re-assessment of the determined compensation rate for the land plots by LEPL Levan Samkharauli National Forensics Bureau. The experts together with the Resettlement Specialist from RD's Resettlement Division visited the site in the end of December 2019. The conclusion is expected to be issued by mid-January 2020. Details on LARP implementation process will be provided in the next SSMR.

31. No CRs have been issued during July-December 2019.

#### **3.3 Temporary Impacts**

32. The Contractor for Lot 1 CRTG has hired land plot 7500 sq. m. from local resident for establishment of the Campsite. The Contractor has provided rental agreement. The term of the Contract is 4 years commencing on 15.10.2019.

## **4 GRIEVANCE REDRESS MECHANISM (GRM) & GRIEVANCE REDRESS STATUS**

### **4.1 Formation of Grievance Redress Committee (GRCE)**

33. A GRM for the project already been established currently are working to allow the 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.

34. The GRM consists of the project-specific systems established at the municipal level and a regular system established at RD. Grievance Redress Committees (GRCE) were 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.

35. 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.

36. 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.



37. GRCEs were established at the municipality level for the Project with an office order from the Road Department (RD). The GRCE at the municipality level consists of seven members as listed in the following table:

**Table 4-1 – GRCE at Kazbegi Municipality**

No.	Name	Position	Telephone/email	Status
1	Dimitri Lomidze	Representative of Resettlement Division at RD	577613302	Conveyor; Contact person
2	Archil Jorbenadze	Representative of GRCN of RDMRDI	591403038	Member
3	Givi Chkareuli	Representative of Mayor in Kobi village	598240334	Member Secretary
4	Kakha Chopikashvili	Representative of Kobi village in Sakrebulo of Kazbegi municipality	595555918	Member
5	Fatima Koblova	Representative of Kobi population	599567894	Member

**Table 4-2 – GRCE at Dusheti Municipality**

No.	Name	Position	Telephone/email	Status
1	Dimitri Lomidze	Representative of Resettlement Division at RD	577613302	Conveyor; Contact person
2	Archil Jorbenadze	Representative of GRCN of RDMRDI	591403038	Member
3	Tengiz Bedoidze	Representative of Mayor in Kvesheti	551102790	Member
4	Ketevan Kakhurashvili	Elected Representative of Kvesheti village	591113462	Member
5	Ushangi Zakaidze	Representative of Aps	595012903	Member
6	Vasiko Burduli	Representative of Kvesheti population (Male)	597212120	Member
7	Marta Mezvrishvili	Representative of Kvesheti population (Female)	555916273	Member

38. The Grievance Redress Commission, was established at the RD level as a permanent GRM **structure** as per Order No. 224. It consists of 17 permanent members, two secretaries and three non-permanent members without the right of vote. The list of the members is presented in the following table:

**Table 4-3 – Grievance Redress Commission (GRCN)**

No	Name of Member	Position
1	Irakli Karseladze	Head of the Commission

2	Aleksandre Tevdoradze	Deputy Head of the Commission
3	Levan Kupatashvili	Member
4	Giorgi Tsereteli	Member
5	Koba Gabunia	Member
6	Salome Tsurtsunia	Member
7	Pikria Kvernadze	Member
8	Davit Sajaia	Member
9	Giorgi Eragia	Member
10	Nodar Agniashvili	Member
11	Mikheil Ujmajuridze	Member
12	Nino Mtsuravishvili	Member
13	Gia Sopadze	Member
14	Akaki Mshvidobadze	Member
15	Davit Kaladze	Member
16	Davit Getsadze	Member
17	Pavle Gamkelidze	Member
18	Girogi Tsagareli	Non-permanent member of commission
19	Mariam Begiashvili	Non-permanent member of commission
20	Archil Jorbenadze	Non-permanent member of commission

#### 4.2 Grievance Resolution Process

39. A representative of the resettlement service of the IA is responsible for coordination of the Committee's work and at the same time, he/she is nominated as a Contact Person 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.

40. 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.

41. If the complainants are not satisfied with the GRCE decisions, they can always use the Stage 2 procedures of the grievance resolution process. In such case, the Contact Person helps the AP lodge an official 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.).

42. 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.

#### 4.3 Grievances Received & Redressed During the Reporting Period.

43. A total of 11 persons have submitted 4 categories of grievances to the GRC out of which 1 grievance has been resolved as of December 31, 2019. People now mostly (5 Nos.) are complaining about compensate rate which according to their opinion is not appropriate. To address this issues RD involved Levan Samkharauli National Forensics Bureau who will make re-assessment of establish new rate. 3 APs requested inclusion in the acquisition list due to various reasons. The claims were forwarded to the Designing Consultant for consideration.

**Table 4-4: Summary of the grievances by category with status of Resolution**

N	Nature of grievances	No of total grievances	Result		Remarks
			Measures Taken	Resolved	
1	Compensation Rate	5	5	0	The grievances will be resolved when the Samkharauli Forensics Bureau issues the conclusion in early 2020.
2	Inclusion in LARP	3	3	0	The cases are sent to the Designer Consultant who prepared LARP. The final decision will be made by RD. They are expected to be resolved by next monitoring period.
3	Loss of access road	1	1	0	The case is sent in RD's designing department.
4	Other	2	2	1	In one case AP was requesting LARP which was provided to him.
	<b>Total</b>	<b>11</b>	<b>11</b>	<b>1</b>	



#### 4.4 Pubic consultation and participation

44. The RDMRDI/PIU, CSC, EMA contractor etc. should conduct meaningful consultation with APs, their host communities, and civil society/other stakeholders during project implementation of the project with relevant aspects of social safeguard issues in general and involuntary resettlement impacts in particular. Meaningful consultation is a process that: (i) begins early in the project preparation stage and to be carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making process, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation should be carried out in a manner commensurate with the impacts on affected communities. The RDMRDI and other implementation agencies involved in the project should pay attention to the need of disadvantaged or vulnerable groups, especially those below the poverty line, the landless, the elderly, female headed households, women and children, Indigenous Peoples, and those without legal title to land.

45. Up to this reporting period, series of consultations were conducted since LARP preparation through implementation of the project to date. The project found affected a significant number of households/persons or entities due to land acquisition and resettlement for project. As a result, LARPs were prepared conducting necessary public consultation & ensuring public participation as from initial stage of the project preparation to till implementation of LARP. All these consultation and participation carried out as framed in the approved LARPs of the Project.

46. At this stage of LARP implementation of this project, consultations are conducting adequately & on regular basis among the APs and concerned stakeholders of the project on an individual basis. Such consultations process will also be continued throughout the period of LARP implementation. List of consultations conducted as of this reporting period is presented in the table below.

47. The Construction Contractors are also required to conduct Public Consultations before selection of locations for Campsites, batching plants, disposal areas. No detailed schedule has been provided by the CCs during the reporting period (after the selection of the Commission members from the CC and CSC, schedule of Public Consultations will be determined).

**Table 4-5 - List of Conducted Consultation**

	<b>Date</b>	<b>Location</b>	<b>Type of consultations</b>
1.	04.04.2018	Tetri Aragvi and Khadistskali gorge settlements	One to one meetings with local residents in the project area (aquatic environment)
2.	11.04.2018	Natvani, Baidara and Tergi section in the Kvesheti-Kobi corridor	One to one meetings with local residents in the project area (aquatic environment)

3.	19.04.2018	Tskere, Kobi	One to one meetings with local residents in the project area (biodiversity issues)
4.	08.05.2018	Zakatkari	One to one meetings with local residents in the project area (biodiversity issues)
5.	12.05.2018	Settlements along Kvesheti-Kobi alignment	One to one meetings with local residents in the project area (cultural heritage)
6.	14.05.2018	Kvesheti	Public Consultation (LARP Lot 1)
7.	01.06.2018	Zakatkari	One to one meetings with local residents
8.	04.07.2018	Dusheti	Meeting with Deputy Mayor of Dusheti and other official
9.	04.07.2018	Kobi	Meeting with Mayor of Kazbegi and other official
10.	06.07.2018	Kvesheti	Focus Group Discussion
11.	10.07.2018	Kvesheti	Scoping meeting
12.	10.07.2018	Kobi	Scoping meeting
13.	16.08.2018	Ministry of Environment Protection and Agriculture	Meeting with Stakeholders
14.	30.08.2018	Beniani-Begoni	Focus Group Discussion
15.	30.08.2018	Kvesheti	Focus Group Discussion with Arakhveti and Zakatkairi residents
16.	31.08.2018	Kobi	Focus Group Discussion
17.	05.09.2018	Roads Department	Meeting with Stakeholders
18.	07.09.2018	Mleta	Meeting with Stakeholders

19.	10.09.2018	Georgian Centre for the Conservation of Wildlife/BMZ-KfW Support Program for Protected Areas in the Caucasus	Discussion of issues related to community support programs, wild life info and available data.
20.	10.09.2018	Nacres	Discussion regarding status of their conservation programmes, biodiversity in the area of interest. Grounds for delimitation of Emerald network sites
21.	11.09.2018	MoEPA – Biodiversity department	Discussion about biodiversity
22.	11.09.2018	Caucasus Nature Fund — Programme Office Georgia.	Discussion regarding CNF activities in Georgia, main issues, plans, ways for cooperation during wildlife monitoring
23.	14.09.2018	Tskere	Consultations with Aps
24.	14.09.2018	Benini-Begoni	Consultations with APs
25.	15.09.2018	Zakatkari	Face to face discussion with APs
26.	15.09.2018	Kvesheti	Consultations with APs
27.	16.10.2018	Kvesheti	FGD with Women
28.	16.10.2018	Tskere	Face to face discussion with women
29.	16.10.2018	Beniani-Begoni	Face to face discussion with women
30.	17.10.2018	Kobi	FGD with Women
31.	09.01.2019	Mleta	Public Consultation

## **5 OTHER COMPLIANCE ISSUES**

### **5.1 Maintaining core labor Standard**

48. As per provided information Lot 1 (CRTG) Contractor has involved a total 46 employees in the Project activities out of which 32 are of foreign nationalities and 14 are local.

49. Lot 2 (CRCC) Contractor has involved a total of 31 employees out of which 23 are of foreign nationalities and 8 are local.

### **5.2 Child labor in the project activities**

50. No child labor (below the age of 18 years) were found engaged in the project works.

### **5.3 Forced or compulsory labor**

51. 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.

### **5.4 Discrimination in respect to employment**

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

### **5.5 HIV/AIDS Awareness Program**

53. The Contractor has not yet arranged Campsite and commenced construction activities. There have been no activities in this regard. Hence, this issue will be monitored during the next monitoring period.



## **6 SAFEGUARDS COMPLIANCE STATUS**

### **6.1 Status of Recruitment/Mobilization of Safeguard Team**

54. CSC Consultants mobilized two positions of Resettlement, Social Development Specialists: one National (NRS) and one International (IRS) for the project in October 2019. They are currently continuing their works and are assisting/supporting RDMRDI with constant monitoring, in connection to resettlement program implementation with other social safeguards issues of the project. However, input of the IRS has a provision of 12 months intermittent inputs over the project implementation, while the NRS with 24 months. 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. The Contractor has not yet mobilized Social Safeguards Specialists.

### **6.2 Project Social Safeguard Performance**

55. From the beginning of the project implementation to till the current reporting period, 'PIU's RU team are working. Since, mobilization of CSC consultant's Experts are working on social/resettlement safeguards issues. Both the PIU & CSC 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. CSC's Resettlement Specialists are constantly monitoring resettlement & social safeguards issues.

55. This is the first Semi-Annual Social Monitoring report issued in connection to LARPs implementation & related social safeguards issues of the project.

### **6.3 Compliance with Safeguard Covenants of Loan Agreement**

56. Covenants of the loan agreement between ADB and MRDI that related to resettlement & social safeguards presented in Annex No. 3 in a tabular Matrix form with the status of compliances up to the reporting period.

## **7 CONCLUSIONS AND NEXT STEPS**

57. The Project implementation is ongoing, where resettlement & safeguards compliance is an important and highly valued aspect. A total of two LARPs and one LARF were prepared for the project, harmonizing ADB's SPS 2009, EBRD Environmental and Social Policy 2014 (PR5) and GOG policy standards for the land acquisition and resettlement of the APs. The LARPs in due course, was approved. The LARPs implementation program started by RDMRDI in September 2019. Totally 14 AHs (0.1 %) have signed agreements during the reporting period.

58. As most of the APs from Lot 1 and Lot 2 have expressed dissatisfaction with the compensation rate offered to them it was decided to engage LEPL Levan Samkharauli National Forensics Bureau for re-assessment. The conclusion is expected to be issued by mid-January 2020. Hence, more progress in regards with the acquisition is expected from January 2020.

59. No CRs have been issued during the reporting period.

60. 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 grievance. It is expected that implementation of LARPs will be completed soon tentatively

depending from the schedule of re-evaluation. Once implementation complete, EMC will conduct their compliance monitoring activities and is expected to submit their report after which the Contractor receives notification to proceed. Hopefully, the next (second) Semi-annual Report, which will be due in next June 2020 will cover total picture of the LARP implementation status.

### Annex No. 1 – Compensation Entitlement Matrix

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
<b>Land</b>			
Agricultural Land: Permanent land loss, access or damage.	AP losing productive land regardless of impact severity	<b>Registered Owner/Legal:</b> Owner with full registration	Cash compensation at full replacement cost based on current market value. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desire.
		<b>Legalizable Owner:</b> (APs with title formalization pending and APs who are not registered but legitimately use the land and have residential land or agricultural plots adjacent to the residential land)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.

		<b>Non-legal/Informal Settler:</b> APs that are not legitimate land users or squatters	Non-legalizable APs losing agricultural land plot will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5 members family for 12-month period where land is actively cultivated, or 3-month period where land is barren/unused.
		Agricultural Tenant	Full Compensation of income of lost crops x the remaining years (up to 4 years) of lease, unless otherwise provided by the lease agreement. In case of tenancy no crop compensation will be given to the landowner, and implementing agency, in consultation with local government, will provide assistance to the tenant with the search of replacement lease/tenancy
Non-Agricultural Land	AP losing their commercial/ residential land	<b>Registered Owner/Legal:</b> (Owner with full registration)	Cash compensation at full replacement cost.
		<b>Legalizable Owner:</b> (Legalizable owners according to active legislation)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		<b>Non-legal/Informal Settler</b> (Without registration/valid documents using land permanently.)	Non-legalizable APs losing a land plot, which is the only land plot used for residence or providing the main source of income for the AH, will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5 members family for 12 month period. This only applies to physically displaced APs who do not have other residence.
Temporary Impact on land plot	N/A	N/A	Temporary land impacts will be compensated based on the productive value of the plot
<b>Buildings and Structures</b>			
Residential and non-residential structures/assets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	Cash compensation for loss of building/structures at full replacement costs free of depreciation and transaction costs
<b>Loss Of Community Infrastructure/Common Property Resources</b>			
Loss of common property resources	Community/Public assets	Community/Government	Reconstruction of the loss of resource/asset in consultation with community and restoration of their functions.
<b>Loss of Income and Livelihood</b>			
Crops	Affected standing crops or agricultural land, used permanently for crop cultivation.	All APs regardless of legal status (including legalizable and Informal settlers)	Crop compensation in cash at market rate for gross crop value of expected harvest.
Trees	Trees affected	All APs 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. (based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity).

Business/ Employment	Business/ employment loss	All APs regardless of legal status (including legalizable and Informal settlers)	Owner: (permanent impact) cash indemnity of 1-year net income or in the absence of income proof, or in cases where APs have paid tax based on a flat rate, they will receive compensation equal to 12 months minimum subsistence allowance.  (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 allowance for months of business stoppage;  Permanent worker/employees: indemnity for lost wages equal to actual wage for 3 month or in case of absence of tax declaration, one-time minimum subsistence allowance in cash for 3 months. For all the above, some acceptable official documents need to be presented, ie. salary payment document, accountant/financial report.
<b>Allowances</b>			
Severe Impacts	Physical relocation or loss of >10% of productive assets	All severely affected households including informal settlers	Agricultural income: 1 additional crop compensation for 1 year's yield of affected land or an allowance covering 3 months of minimum subsistence, whichever is higher - or, for other incomes: an allowance covering 3 months of minimum subsistence.
Livelihood restoration	APs losing more than 10% of their agricultural productive assets	All severely affected households AHs including informal settlers	Agricultural livelihood restoration: Two times annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take, for all severely affected households. If this amount is less than 3 months minimum subsistence allowance, 3 months of minimum subsistence allowance will be paid instead.
	APs losing more than 10% of their non-agricultural productive assets	All severely affected households including informal settlers	Non-agricultural livelihood restoration: A livelihood restoration package of 3 months of minimum subsistence.
Relocation/Shifting	Transport/transition costs	All AHs to be relocated	An allowance covering transport and livelihood expenses for the transitional period. (200 GEL as vehicle hire charge + minimum subsistence allowance for 3 months.
Vulnerability Allowance		AHs below poverty line, AHs headed by women, AHs headed by disabled people and 'refugee' households/internally displaced people.	One-time minimum subsistence allowance in cash for 3 months and employment priority in project-related jobs where feasible. Additional assistance in kind will be provided to facilitate relocation or transition – this may include (logistics, relocation planning, assistance with replacement housing search as appropriate).

Unforeseen impacts during construction, including temporary impacts and impacts on livelihoods not otherwise assessed.	Impacts during construction to properties or assets out of the corridor of impact or RoW	All APs	Due compensation to be assessed and paid when the impacts are identified based on the above provisions and on the requirements of SPS 2009 and EBRD PR 5.
Impacts related to spoil disposal areas and construction camps.	Temporary impacts	APs using affected pasture lands	Any temporary impact caused by the use of land for camp or as a temporary disposal area, will be regulated by private agreements between the Contractor and the landowners.
	Permanent impacts		Any permanent impact on land caused by the use of land for permanent disposal of unsuitable material or debris remaining after demolition of existing parts of the road, will be adequately compensated as per the provisions set up in the LARP. In addition, adequate livelihood assistance for loss of hay and grazing grounds, if any, will be assessed and provided during implementation.

**Annex No. 2 - Summary of the pending grievances**

No.	Submission Type	Date	Location	Nature of Grievance	Description of Grievance	Measures Taken	Status
1	Written	09.09.19	Kvesheti (Lot 1)	Compensation Rate	On 09.09.2019 Letter. Mr. [REDACTED] is unsatisfied with compensation rate. Moreover, he wants that his land plot must be reimbursed totally because the rest part of the land will be Useless.	On 02.10.2019 Letter was dispatched From RD to "IDOM Consulting, Engineering, Architecture, SAU" and LTD Gama-Consulting for further (detail) review with CC to the complainant. 30.0302020 The contract was signed; the property has been redeemed.	
2	Written	09.09.19	Arakhveti (Lot 1)	Restriction or loss of access	Mr. [REDACTED] complains that after construction road he will not have access road by car to his house and he demand extra compensation in order to ensure the arrangement works of the internal road.	On 07.11.2019 Letter was dispatched (with internal letter) to Design Service of RD for further detail review. Complaint is under internal review. As soon as decision is made, response letter will be sent to the complainant.	
3	Written	11.09.19	Kvesheti (Lot 1)	Compensation Rate	Mr. [REDACTED] complains that his residential house is very close to the road and will have negative impact in point of view air damages and noise. Also, construction works may cause serious damages to his house. He demands to increase the compensation rate in order to be able to buy new	On 14.08.2019 Letter was sent from RD to Mr. [REDACTED] Department sent the offer letter to Mr. [REDACTED]. On 07.11.2019 Letter was dispatched from RD to "IDOM Consulting, Engineering, Architecture, SAU" and LTD Gama-Consulting for further (detail) review.	

					alternative land for his family. He also complains that the second land plot (cadastral code: ██████████) which belongs him after the road construction he will not have access to the road and in this case he demand compensation.	
4	Written	13.09.19	Zakhaatkari (Lot 1)	Compensation Rate	Mr. ██████████ is unsatisfied with compensation rate. On 10.09.2019 Letter from Mr. ██████████ to Administration of Government of Georgia. Mr. ██████████ complaint letter (with nature of other citizens of Kvesheti). On 13.09.2019 Letter was forwarded by the Administration of Government of Georgia to MRDI.	Process is ongoing. The negotiations are under the process regarding the compensations rates. The compensation rate has changed in 2020 and the cost of the land in this region has raised.
5	Written	16.09.19	Arakhveti (Lot 1)	Inclusion in LARP	Mr. ██████████ is requesting full inclusion in LARP. He wants his land plot to be reimbursed fully because remaining land plot (30% of 100%) will be useless for him.	On 07.11.2019 Letter was Dispatched from RD to "IDOM Consulting, Engineering, Architecture, SAU" and "LTD Gama-Consulting" for further review, with CC to the complainant.
						CSC will conduct monitoring during construction activities

6	Written	17.09.19	Arakveti (Lot 1)	Inclusion in LARP	<p>On 08.08.2019 Mr. [REDACTED] complains that his residential house is located near to the Road of the project and road construction works may cause serious damages to his old house. On 04.09.2019 answer from Mr. [REDACTED] after the partial purchase of land (34 square meters), the damaged house will be very close (7-10 meters) from the road. He is requesting the residential land should be fully redeemed (854 meters) and not partially (34 meters).</p>	<p>The process is ongoing. On 02.09.2019 Response letter was sent from RD to Mr. [REDACTED] On a given section of road construction work underway Within the minimum impact (on 34 square meters of 854 meters) . that it is impossible to identify impact on his house before construction works begins near his area. In case of Worsening living conditions in process of construction work RD will discuss this issue again. On 02.10.2019 Letter from RD to Mr. [REDACTED]. On a given section of road construction work underway Within the minimum impact (on 34 square meters of 854 meters). The width of the projected road is identical to that of the existing road, thus the distance from the closest point of the house to the road edge is unchanged-15 meter. In order to ensure the safety of local residents and promote better living conditions, the project additionally provides to arrange the access road. also, Road Construction Contractor Supervising Company will be carried out constant monitoring and in case of impacts on the buildings, The Roads Department of Georgia will return to discuss this issue again.</p>	
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7	Written	18.10.19	Arakhveti (Lot 1)	Compensation Rate	On 18.10.2019 Letter. Mr. [REDACTED] is unsatisfied with compensation rate. His building (which is located on the ransom land) working as restaurant and it's only one income for his family. He is demanding reassessment in which his building to be valued as Business.	On 07.11.2019 Letter was dispatched from RD to "IDOM Consulting, Engineering, Architecture, SAU" and LTD Gama-Consulting for further (detail) review with CC to the complainant.	
8	Verbal	01.08.19	Khada Valley (Lot 1)	Other	In August 2019 the organization - "Protect Khada Valley" has been starting active protest movement against the Kvesheti-Kobi Project in the social media. In their internet posts, they cite a variety of reasons that could negatively affect for the Khada valley. (Such as: negative impact on nature, viability, living conditions and etc.).	RD made a response statement about this issue in the media.	
9	Written	05.12.19	Arakhveti (Lot 1)	Inclusion in LARP	On 05.12.2019 Letter. Mrs. [REDACTED] saying that land plot which belong her (total area 1364 sq. m.) thought to be fully redeemed and that's why she was agreeing to sell her land after hearing that	On 09.12.2019 The letter was dispatched to the "IDOM Consulting, Engeneering, Architecture, SAU' and "LTD Gama-Consulting" for further review with CC to the Complainant.	

					only 642 sq. m. should be redeemed, says that the remaining land will be unusable for her and demands full inclusion in LARP.		
10	Written	05.09.19	Kvesheti (Lot 1)	Compensation Rate	05.09.2019 Mr. [REDACTED] is unsatisfied with compensation rate and also says that after partially redeem his property will be unusable for living conditions because near his area is planning to build Road Retaining wall. He is demanding his issue to be studied better. 10.03.2020 Letter. Mr. [REDACTED] complains again about compensation rate and is unsatisfied with the response of RD. He is demanding again the issue to be studied better and does not agree with suggested conditions by RD.	11.11.2019 The letter was dispatched to the "IDOM Consulting, Engeneering, Architecture, SAU' and "LTD Gama-Consulting" for further review with CC to the Complainant". 19.02.2020 RD Letter to the complainant. RD explain in its letter that Compensation is calculated the relevant methodology by the licensed evaluator company by which guided by the market price in this area. Also, in order to not deteriorate the living conditions of the population there, the project envisages arrangement of appropriate alternative ways to access the plots.	

**Annex No. 3 - Status of Resettlement and Social Safeguard Issues Related to Loan Covenants as of 31<sup>th</sup>. December 2019**

<b>Covenant</b>	<b>Safeguard Applicability</b>	<b>Status of Compliance</b>
<p><b><u>Implementation Arrangements:</u></b> The Borrower, RDMRDI, the IA shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM &amp; agreement between the parties. Any changes to the PAM shall become effective only after approval of such change by the Borrower and ADB. In the event of discrepancy between the PAM and the Loan Agreement, the provisions of this Loan Agreement shall prevail.</p>	<p><b>Loan Agreement between RDMRDI and ADB</b></p>	<p>Complied with.</p>
<p><b><u>Grievance Redress Mechanism:</u></b></p> <p>RDMRDI shall establish a Grievance Redress Mechanism (GRM), acceptable to ADB, and also to establish local GRC to receive and resolve complaints/grievances or act upon reports from APs or stakeholders any other issues, including grievances due to resettlement.</p>	<p><b>ADB Loan Agreement</b></p>	<p>Following loan covenant, MRDI completed formation of GRM. And GRCE also formed under the GRM. The GRM &amp; GRCE are in place and functioning at the Project &amp; Local levels to resolve complaints/grievance of the stakeholders &amp; APs, as required.</p>
<p><b><u>Resettlement:</u></b></p> <p>The Borrower, RDMRDI shall ensure that:</p> <p>a. The project involves involuntary resettlement shall be carried out in accordance with the Land Acquisition &amp; Resettlement Framework (LARF) agreed upon between the Borrower and ADB, that prepared LARP &amp; other documents with updates based on Borrower's prevailing Acquisition of Property Ordinance with subsequent amendments &amp; ADB's SPS, 2009.</p>	<p><b>ADB Loan Agreement</b></p>	<p>Two LARPs have been prepared by RDMRDI abide by the ADB &amp; GOG policy following detailed design and were approved by ADB.</p>

<b>Covenant</b>	<b>Safeguard Applicability</b>	<b>Status of Compliance</b>
b. The LARP that has been prepared and agreed by the Borrower and ADB, for the project, shall be updated and provided to ADB for review and clearance following detailed design and prior to civil works contract award;	<b>ADB Loan Agreement</b>	LARPs prepared & updated and get approved by ADB prior to civil works contract.
c. Conduct Compliance Monitoring of Implemented LARPs.	<b>As per ADB Loan Agreement</b>	No Compliance Reports have been issued during the reporting period.
d. All affected persons are given adequate opportunity to participate in the resettlement planning and implementation;	<b>ADB Loan Agreement</b>	Complied with
e. The LARPs are disclosed to the affected persons.	<b>ADB Loan Agreement</b>	Complied with
f. additional assistance is provided for vulnerable groups;	<b>ADB Loan Agreement</b>	Complied with
g. works contracts under the Project include requirements to comply with the RPs;	<b>ADB Loan Agreement</b>	Provision included in the bidding documents of the Works contracts.
h. implementation of the LARPs is monitored internally by the PIUs with assistance from CSC and will report monthly, Quarterly & SMR to the RDMRDI who shall report the results semiannually to ADB; and	<b>ADB Loan Agreement</b>	Complied
i. affected person(s) have an opportunity to express grievance at appropriate levels, and that local officials are instructed to resolve disputes and implement measures promptly in accordance with the grievance redress process outlined in the LARF & LARPs	<b>ADB Loan Agreement</b>	Ensured and APs are availing those opportunities duly, as requires & where applicable.