

Semi-annual Social Safeguards Monitoring Report

(January – June 2020)

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
PIU	Project Implementation Unit

PPE	Personal Protection Equipment
PR	Performance Requirement of EBRD
RD	Road Department
RoW	Right of Way
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 820-11s; 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: People who have trespassed onto Public/ Private/ Community land to which they are not authorized. If such people arrived before the entitlements cut-off date, they are eligible for compensation.

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.

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Contents

1	INTRODUCTION	10
1.1	Resettlement Monitoring and Evaluation	10
1.2	Social Monitoring Report (Internal).....	10
1.3	Background of the Project	10
1.4	Project Description	11
1.5	Project Contracts and Management.....	14
1.6	Current Status of Civil Work and other Project Activities.....	15
2.	Methodology Followed under Monitoring Program	16
3.	OVERVIEWS OF THE LARPs AND ASSOCIATED IMPACTS	17
1.1	LARPs and Allied Documents Preparation	17
1.2	LAR-related Conditions for Project Implementation	17
1.3	Summary Impact of LARPs.....	18
1.4	Institutional Arrangements.....	18
1.5	Consultation Participation & Grievance Redress Mechanism:.....	19
1.6	Cost and Financing	19
1.7	Monitoring	19
2	LARP IMPLEMENTATION	20
2.1	General:.....	20
2.2	LARPs Implementation Status up to the Reporting period:.....	20
2.3	Temporary Impacts.....	20
3	GRIEVANCE REDRESS MECHANISM (GRM) & GRIEVANCE REDRESS STATUS	21
3.1	Formation of Grievance Redress Committee (GRCE)	21
3.2	Grievance Resolution Process.....	23
3.3	Grievances Received & Redressed During the Reporting Period.	23
3.4	Pubic consultation and participation during LARP preparation and implementation	24
3.1	Pubic consultation and participation during construction period.....	25
4	THE SOCIAL SAFEGUARDS COMPLIANCE ISSUES	25
4.1	Maintaining core labor Standard	25
4.2	Child labor in the project activities	26
4.3	Forced or compulsory labor.....	26
4.4	Discrimination in respect to employment	26

4.5	HIV/AIDS Awareness Program	26
5	SAFEGUARDS COMPLIANCE STATUS	26
5.1	Status of Recruitment/Mobilization of Safeguard Team	26
5.2	Project Social Safeguard Performance.....	26
5.3	Compliance with Safeguard Covenants of Loan Agreement	27
6	CONCLUSIONS AND NEXT STEPS.....	27
	Annex No. 1 – Compensation Entitlement Matrix	28
	Annex No.2 - Status of Resettlement and Social Safeguard Issues Related to Loan Covenants as of 30 June 2020	32
	Annex No. 3 – Maps for monitoring LARP implementation	34
	Table 2-1 Summary of Project’s LAR Impacts by LARPs.....	18
	Table 3-1 – Progress of Implementation LARP for Lot 1	20
	Table 3-2 – Progress of Implementation LARP for Lot 2.....	20
	Table 4-1 – GRCE at Kazbegi Municipality	21
	Table 4-2 – GRCE at Dusheti Municipality.....	22
	Table 4-3 – Grievance Redress Commission (GRCN).....	22
	Table 4-4: Summary of the grievances by category with status of Resolution.....	24
	Table 4-5 - List of Conducted Consultation meetings	Error! Bookmark not defined.
	Figure 1. Project Location Map.....	12

1 INTRODUCTION

1.1 Resettlement Monitoring and Evaluation

1. Resettlement Monitoring and Evaluation is an integral part of the social safeguard requirements (Involuntary Resettlement and Indigenous Peoples) including the land acquisition and resettlement (LAR) process covering the preparation, implementation and monitoring of Land Acquisition & Resettlement Plans (LARP). This is a requirement under ADB's Safeguard Policy Statement 2009 (SPS) and the corresponding loan and project agreements. The objective of monitoring is to review and assess the implementation of LARP and to confirm i) implementation of LARP, ii) payment of compensation to DPs and livelihood restoration support, iii) effectiveness and adequacy of compensation entitlements and any improvements in the livelihood of those poor and vulnerable, iv) any deviation, gaps or safeguards noncompliance pertaining to (a) payment of compensation to DPs prior to start of construction work, and (b) safeguards monitoring and any corrective actions needed to address safeguards noncompliance in implementation.

1.2 Social Monitoring Report (Internal)

2. This Semi-Annual Social Safeguards Monitoring Report for North–South Corridor (Kvesheti–Kobi) Road Project, Georgia covers the implementation period from January to June 2020. 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.

19. The ultimate objectives of this 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.

1.3 Background of the Project

3. 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.

4. 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. . 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.

5. As for the residents of the Khadistskali gorge – currently the villages are poorly accessible in winter. According to official statistics (ref census 2002 and 2014) the decrease in Kvesheti community is significant. The decisive factor of decrease in population is the poor accessibility in winter especially for the localities at the higher altitude. The residents have to walk a long distance (for Tskere – around 7km) for basic food and medication. No first aid facilities are available in the area. The road will improve access to the settlements in particular those located higher in the gorge. Better 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.

1.4 Project Description

6. The Kvesheti-Kobi section is the most challenging one as it includes 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.

7. 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 Municipalities. 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.

8. 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.

9. 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)

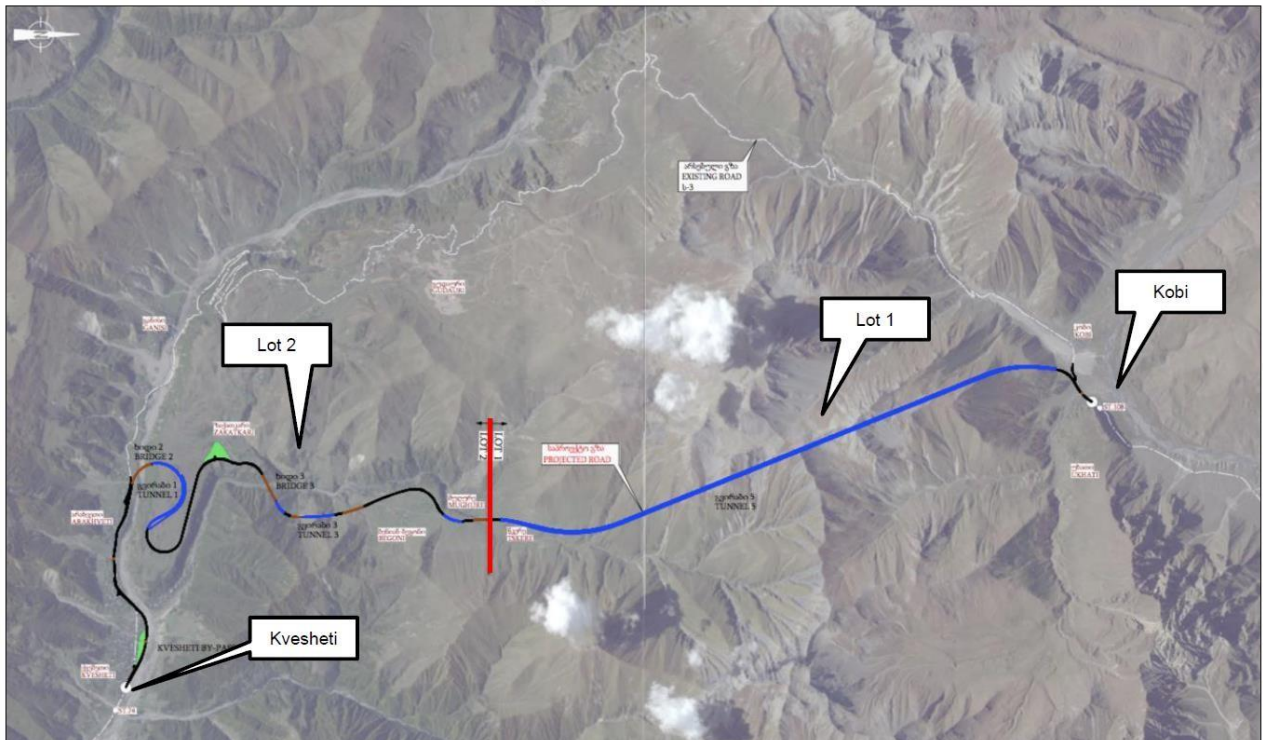


Figure 1. Project Location Map

Lot 1 Summary

10. The Tskere-Kobi portion of the Project road, also referred to as 'Lot 1', includes 8.86 km long tunnel with two cut and cover sections and a junction connecting to the existing road near Kobi. More specifically Lot 1 includes:

- 178 m long section of road from Tskere to the south portal of Tunnel 5;
- Tunnel 5: 8.86 km long bidirectional, 2 lane tunnels (max. gradient 2.35%);
- Two cut and cover (C&C) sections of Tunnel 5 (200m –south portal and 8m – north portal) to protect from avalanches and move entrance portal farther from the Tskere;
- 9.062 km emergency gallery parallel to Tunnel 5 and 17 connections to the main tunnel (6.4 meters wide);
- Technical buildings next to the north and south portals – the buildings include facilities building, pumping station and ventilation room;
- 0.8 km long section of road connecting the north portal of the tunnel with existing road. The alignment has been adapted to the current road with a maximum gradient of 4.2 % to keep on using the existing bridge (bridge length 42m, height 6m); and
- 214 m long local road diversion.

Lot 2 Summary

11. The Kvesheti – Tskere section, or ‘Lot 2’ includes 2.5 km of tunnels and 1.5 km of bridges. The main elements of this section are:

- Kvesheti bypass road (length 3.2 km),
- Bridge 1 (length 27.8m, height 14m, 2 lane)
- Bridge 2 over the Aragvi river (length 435.28m, height 62m, 3 lanes)
- Tunnel 1 (length 1540.64m, 2 lanes) with gallery (1092m) (New Austrian tunneling method- NATM)
- Bridge 3 – Arch bridge over the River Khadistskali (length 426m, height 164m, 3 lane)
- Tunnel 2 (length 193.42m, C&C, 3 lane)
- Bridge 4 over the left tributary of River Khadistskali river (length 147.80m, height 26m, 3 lane)
- Tunnel 3 (length 388.38m)
- Bridge 5 (length 322m, height 55m, 3 lane)
- Tunnel 4 (length 299m, C&C, 3 lane)
- Bridge 6 (length 218m, height 48m, 3 lane)
- Five grade junctions are planned (KM0.3, KM1.7, KM3.1, KM7.7, KM10,5) and 3 service roads.

12. Technical features of the alignment considered during detail design include:

Lot#1

Road class	International
Design speed	80 km/hr.
Outside Total width (paved)	12 m
Lane width	3.5 m
Min shoulder	2.5 m
Min road side	1 m
Structures Total width	15 m
Lane width	3.5 m
Min clearance	2.5 m
Min way side	1.5 m
Tunnel Total width	12.5 m
Lane width	3.5 m
Min shoulder	1.5 + 1m median
Min sidewalk	0.75 m
Number of Junction	05

Lot#2

Road class	International
Design speed	80 km/hr.
Outside Total width (paved)	12 m

Lane width	3.5 m
Min shoulder	2.5 m
Min road side	1m
Structures total width	15m
Lane width	3.5 m
Min clearance	2.5 m
Min wayside	1.5 m
Tunnel Total width	12.5 m
Lane width	3.5 m
Min shoulder	1.5 + 1m median
Number of Junctions	01
Min sidewalk	0.75 m
Number of Junctions	01

1.5 Project Contracts and Management

13. Information related to the project execution is given in Table 1.1:

Table 1.1: Project Information

Employer	Road Department of Georgia, Ministry of Regional Development and Infrastructure of Georgia
Funding Source	Asian Development Bank (ADB) European Bank for Reconstruction and Development (EBRD)
“Project Management and Construction Supervision Contractor (PMSCS) (Engineer)”	UBM
Contractor	Lot# 1: CRTG (China Railway Tunnel Group Co. Ltd.) Lot# 2: CRCC(China Railway 23rd Bureau Group CO. Ltd)
Contract Number	KKRP/CW/CP-01R, 02R
Contract date	Lot# 1 05.09.2019 Lot# 2 15.08.2019
Commencement Date of Works	Not announced during the reporting Period of January – June 2020
Contract Period	Lot#1: 48 months Lot#2: 36 months
Original Completion date	Not announced during the reporting period
Expired time	0 month
Remaining time	Lot #1 48 months Lot#2 36 months
Defects Notification Period	2 years
Contract Price (GEL)	Lot#1: 909,024,280.61 GEL Lot#2: 316,370,802.91 GEL

1.6 Current Status of Civil Work and other Project Activities

14. There is no official commencement date announced to the start of the construction activities during the reporting period from January to June 2020. Due to disruptions caused by spread of COVID-19 pandemic the Parties have agreed to postpone the commencement date until the end of July 2020.

15. All the activities were negatively affected by COVID19 situation. Since 21 March 2020 emergency state and curfew was imposed in Georgia. By the Ordinance of Georgian Government all public meetings involving more than three people were prohibited. Furthermore, from 14 April till 11 May it was forbidden to travel from/to Tbilisi. Curfew ended on 21 May 2020 and both Contractors started preparation to engage in active consultations to get permission from local population on locations of Campsites and other Project facilities.

16. Currently project is at pre-construction stage. Both Contractors performed activities related to permitting, identification of sites for primary facilities and mobilization of staff and equipment which are still all on-going and were continuously obstructed due to spread of COVID19. Both Contractors proceeded preparation and submission of the following Plans for the Engineers approval:

- Code of Conduct.
- Labor and Working Conditions Management Plan.
- Local Content Management Plan.
- Accommodation Option Risk Assessment Plan.
- Camp Management Plan.
- Layout plans of the Campsites, batching plants and spoil disposal areas.

17. Both Contractors were 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.

18. The following activities were undertaken during this monitoring and reporting period by Lot 1 Contractor:

- It was reported in the previous Semi-annual Report that during site surveying for controlling of existing benchmarks a difference of 10.35 cm was observed between the existing coordinates and the Contractor's measurement. This difference does not affect LARP boundaries. However, as reported by the Contractor his chief surveyor is stuck in China due to COVID19 pandemic. Therefore, the Parties have agreed to conduct repeated survey in September 2020.
- Construction of Campsite, laboratory and installation of laboratory equipment.

¹ 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.

- Research of local market to identify potential suppliers of construction materials.
- Preparation for the Site Clearance Works. Mainly such preparation is expressed in conducting site surveys for identification of affected utilities and in communication with utility owner companies for preparation of relevant relocation engineering designs for all affected utilities. Such design preparation is ongoing with very close coordination with the involved Parties.

19. As for Lot 2, the Contractor was focused on getting approval from the locals for the location of the Campsites, spoil disposal areas, batching plants and other facilities. However, the progress consultations was severely affected due to COVID-19 situation as emergency state and curfew was imposed at the territory of Georgia limiting the number of the group gathering up to three people.

20. Several Joint site visits were carried out by RD, Contractors and "Project Management and Construction Supervision Consultant² (PMSCS). Progress meetings were held in PMSCS's office in order to track the process of submission and approval of required plans, identification and evaluation of alternative site for project primary facilities including campsites, batching plants, crushing plants, spoil disposal areas and explosive storage.

2. Methodology Followed under Monitoring Program

21. Due to spread of COVID19 and restrictions imposed by the Georgian Government all the consultation meetings among the APs and other Project stakeholders were postponed.

22. Key aspects of the monitoring methodology adopted are as under:

- Desk Review and Analysis of Project Documents:** The review of compensation payment data provided by the RD covering the period from January – June, 2020 and approved LARPs. The review was made to know what was actually done in the field as compared to what was reflected in the approved documents.
- Consultation Meetings:** As mentioned above curfew ended on 21 May 2020 after which only several consultations meetings were conducted which are summarized in the captioned report. Such consultations meetings conducted with & assistance of the Contractor, EMC, RD, PIU of MRDI and relevant other project stakeholders. EMC has been mobilized on 30 July 2019.
- Semi Structured Interviews:** The semi structured Interviews were conducted from the APs regarding their satisfaction about the LARP implementation, level of awareness about the compensation assessment & disbursement & grievance redress mechanism, uses of compensation amounts and participation in the consultation meetings. This methodology was useful for studying about challenges, pending issues, about complaints and non-compliance hence based on which recommendations were made to ensure the safeguard compliance as per approved LARPs and ADB's SPS, 2009.
- Direct Observation Method:** The direct observation was made during the field visit. The direct observation helped to find out the reliability and accuracy in the data and information provided by the RD/Consultant and to verify the initiation of civil work until the compensation disbursement is fully made to APs. The direct observation extremely helped

² The Contract for PMSCS 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.

to come up with the appropriate observations and conclusions about the LARP implementation.

- e. **Participatory Approach:** A participatory approach to consultations and communication was adopted that included a two-way communication approach respondent were given the opportunity to express their views or any concerns about the project. Individual and group meetings were also be held to identify and list down the current status of payments and non-compliance.
- f. **Data Processing and Analysis:** The following steps were undertaken to ensure proper data review and analysis; data gathered during field visits and consultations was processed by category of indicators for analysis purposes, and all analyzed data was tabulated for interpretation and deriving conclusions and recommendations.

3. OVERVIEWS OF THE LARPs AND ASSOCIATED IMPACTS

1.1 LARPs and Allied Documents Preparation

24. 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) and were approved in July 2019.

25. These LARPs are currently under implementation, started from September 2019.

26. During the Reporting Period two LARP compliance monitoring reports (CRs) were issued by an External Monitoring Consultant (EMC) and approved by ADB/EBRD (both CRs were approved by ADB on 28 March 2020):

1. CR No. 1-1 for Lot 1 covering the section km 12+720 - km 22+751 which is LAR free.
2. CR No. 2-1 for Lot 2 covering the sections km 0+400 km 0+800; km 2+100 km 2+500; km 3+600 - km 5+300; km 8+550 - km 10+0500.

27. Along the road segment km 0+400 - km 0+800 where LARP implementation is foreseen for only one informally used land plot No.16 where attempts for registration are ongoing and the plot is being disputed by the co-users; compensation for the land plot to be delivered for the rightful user once the dispute is solved will be placed on escrow account. The land plot will not be accessed by the contractor until the due compensation is delivered to the one of the co-users.

1.2 LAR-related Conditions for Project Implementation

28. 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. Approval can be sectional so long as LARP is fully implemented for that specific section.
 - 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 (One for both EBRD and ADB) will be prepared for individual sections of road to enable a sectional handover process. Zaiban786

1.3 Summary Impact of LARPs

29. 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 1-1 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 ³	14	94	109
10	Vulnerable HHs	5	25	30

1.4 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 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.

³ The number includes 11 physically displaced HHs.

1.5 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.

1.6 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.

1.7 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.

2 LARP IMPLEMENTATION

2.1 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 January to June 2020. 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.

2.2 LARPs Implementation Status up to the Reporting period:

30. LARP implementation started in September 2019. However, 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 per square meter 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 was issued in January 2020 and land acquisition was re-commenced by updated rate in March 2020.

31. The progress of implementation of Land Acquisition and Resettlement Plans is summarized in Tables below and the maps with detailed indication of LAR status are provided in Annex 3.

Table 2-1 – Progress of Implementation LARP for Lot 1

N	Impact Category	Total Number	Offer sent	Offer rejected	Acquired
1	Affected land plots	29	19	7	5

Table 2-2 – Progress of Implementation LARP for Lot 2

N	Impact Category	Total Number	Offer sent	Offer rejected	Acquired
1	Affected land plots	253	178	13	65

32. Progress of land acquisition was obstructed by spread of COVID19 and restrictions imposed by Georgian Government for prevention of pandemic.

2.3 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.

33. The Contractor for Lot 2 has also started negotiations with local people for hiring their land plots for various facilities such as Construction Campsites, Batching Plants, etc. However, they have not yet provided Land Leasing Agreements with locals.

3 GRIEVANCE REDRESS MECHANISM (GRM) & GRIEVANCE REDRESS STATUS

3.1 Formation of Grievance Redress Committee (GRCE)

34. 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.

35. 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.

36. 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.

37. 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.

38. 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 3-1 – 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
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Table 3-2 – 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

39. 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 3-3 – 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 Tsursumia	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 Tzagareli	Non-permanent member of commission
19	Mariam Begiashvili	Non-permanent member of commission
20	Archil Jorbenadze	Non-permanent member of commission

3.2 Grievance Resolution Process

40. 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.

41. 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.

42. 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.).

43. 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.

3.3 Grievances Received & Redressed During the Reporting Period.

44. A total of 16 persons have submitted 4 categories of grievances to the GRC out of which 3 grievances have been resolved as of June 30, 2020. People now mostly (6 Nos.) are complaining about compensation 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. 6 APs requested inclusion in the acquisition list due to various reasons. Four claims were forwarded to the Designing Consultant for consideration. One claim will be discussed by GRC at the Commission meeting and one claim will be forwarded to the Consultant for monitoring.

Table 3-4: 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	6	6	2	The grievances were expected to be resolved when the Samkharauli Forensics Bureau issued the conclusion in January 2020, however only two of the claimants accepted compensation.
2	Inclusion in LARP	6	6	0	Three cases relate to inclusion remaining portion of the land plot in LARP and they are sent to the Designer Consultant. One case relates to impact during construction activities as according to Claimant's statement the house is location close to the Project road. This case will be monitored during construction.
3	Loss of access road	1	1	0	The case is sent in RD's designing department.
4	Other	3	3	1	In one case AP was requesting LARP which was provided to him.
	Total	16	12	3	

3.4 Pubic consultation and participation during LARP preparation and implementation

45. 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.

46. 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.

47. During the LARPs implementation, the consultations and meetings were carried out with APs and other stakeholders mostly on an individual basis. However, public Consultations were obstructed due to spread of COVID19. By the Ordinance of Georgian Government all public meetings involving more than three people were prohibited. Furthermore, from 14 April till 11 May it was forbidden to travel from/to Tbilisi. Curfew ended on 21 May 2020, but several restrictions have remained valid through mid-June 2020. List of consultations conducted throughout the LARP preparation and implementation period is presented in the SSMR for the previous reporting period (July-Dec 2019).

3.1 Pubic consultation and participation during construction period

48. The Construction Contractor's are also required to engage in active consultations with local residents to get their permission on location of the Campsites, Batching Plants, Spoil Disposal Areas and various facilities required for construction activities. Despite the Engineer's numerous requests none of the Contractors have provided schedule of planned Public Consultations. Main reason of this was restrictions imposed by Georgian Government for prevention of spread of COVID19.

49. The Contractor for Lot 1 has conducted public consultation in vil. Kobi on 27-28 April for location of the Campsite and spoil disposal areas at the Northern Portal of the tunnel.

50. The Contractor for Lot 2 have conducted public consultation in vil. Zaqatkari on 20 May for construction of access road to the Campsite No. 2 for which private land plots are required. The local residents requested the Contractor instead of rent payment to widen existing local road to the village. The Contractor was required to clarify the provided information i.e. provide detailed maps indicating the area and the ownership status of the land plots required for the access road to the Campsite No. 2 and for widening of the local road to the village. The awareness was made by the RD through the LARP's Consultant during the preparation of LARP. Now, the RD will ensure through Contractor and concerned department (with the facilitation of CSC) that all local residents have information about how much area of their land plots are required for these activities. Unfortunately, due to COVID-19 pandemic the awareness activities could not be launched, Now, the Contractor was instructed to proceed with active public consultation on the subject matter and was informed that approval will be issued only after providing the proper consultation and disclosure documents. The status of awareness raising will be presented in the coming SMR to be prepared for the period July – December 2020.

4 THE SOCIAL SAFEGUARDS COMPLIANCE ISSUES

4.1 Maintaining core labor Standard

51. As per provided information Lot 1 (CRTG) Contractor has employed a total 26 employees in the Project activities out of which 17 are of foreign nationalities and 9 are local. There are 5 females (1 Chinese and 4 local) involved in the Project activities.

52. Lot 2 (CRCC) Contractor has not provided detailed information about employment. As per field monitoring almost all employees are Chinese. Only 4 local employees were observed at the Project office. Only three females were observed during site visit out of which 2 are Chinese and 1 is local.

4.2 Child labor in the project activities

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

4.3 Forced or compulsory labor

54. 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.

4.4 Discrimination in respect to employment

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

4.5 HIV/AIDS Awareness Program

56. 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.

5 SAFEGUARDS COMPLIANCE STATUS

5.1 Status of Recruitment/Mobilization of Safeguard Team

57. The CSC has the position of International and National Resettlement Specialist with their intermittent input of 24 months and 8 months, respectively. These Experts have been mobilized since October 2019. They are assisting/supporting RDMRDI in the monitoring of LARP implementation and other social safeguards issues that arise during the construction activities, especially in the context with the establishing of the campsite and batching plant, dumping area, and other required facilities to be set up before the construction work. Keeping in view the available and required the input of the expert, the National Resettlement Specialist works typically for five days each month while the International Resettlement Expert gives his inputs as and when needed. IRS was in Georgia during the reporting period; in fact, he was stuck up owing to the suspension of international flights and went back to home country in July 2020, now expecting his return to Georgia once the flight operation is restored, possibly next year.

Additionally, the RDMRDI has taken up on board the Resettlement Division & Resettlement Unit at the PIU level, and all the requisite positions are filled. The concerned officials are working since the beginning of the project to facilitate the APs in addressing their grievances related to the project activities. It is also to notify here; the commencement of the civil work is not made yet.

5.2 Project Social Safeguard Performance

58. 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 second Semi-Annual Social Monitoring report issued in connection to LARPs implementation & related social safeguards issues of the project.

5.3 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.

6 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 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 70 AHs (25 %) have signed agreements as of 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 was issued in January 2020 and Road Department proceeded land acquisition with updated rates.

59. Two CRs have been issued during the reporting period. The commencement of the civil work is not made yet.

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 for the next monitoring period. 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 Semi-annual Report (July-December 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
Land			
Agricultural Land: Permanent land loss, access or damage.	AP losing productive land regardless of impact severity	Registered Owner/Legal: 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.
		Legalizable Owner: (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.
		Non-legal/Informal Settler: 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	Registered Owner/Legal: (Owner with full registration)	Cash compensation at full replacement cost.
		Legalizable Owner: (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.
		Non-legal/Informal Settler (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
Buildings and Structures			

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
Loss Of Community Infrastructure/Common Property Resources			
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.
Loss of Income and Livelihood			
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.
Allowances			
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/transitio n 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 - Status of Resettlement and Social Safeguard Issues Related to Loan Covenants as of 30 June 2020

Covenant	Safeguard Applicability	Status of Compliance
<p>Implementation Arrangements: The Borrower, RDMRDI, the IA shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM & 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>Loan Agreement between RDMRDI and ADB</p>	<p>Complied with.</p>
<p>Grievance Redress Mechanism:</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>ADB Loan Agreement</p>	<p>Following loan covenant, MRDI completed formation of GRM. And GRCE also formed under the GRM. The GRM & GRCE are in place and functioning at the Project & Local levels to resolve complaints/grievance of the stakeholders & APs, as required.</p>
<p>Resettlement:</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 & Resettlement Framework (LARF) agreed upon between the Borrower and ADB, that prepared LARP & other documents with updates based on Borrower's prevailing Acquisition of Property Ordinance with subsequent amendments & ADB's SPS, 2009.</p>	<p>ADB Loan Agreement</p>	<p>Two LARPs have been prepared by RDMRDI abide by the ADB & GOG policy following detailed design and were approved by ADB.</p>

Covenant	Safeguard Applicability	Status of Compliance
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;	ADB Loan Agreement	LARPs prepared & updated and get approved by ADB prior to civil works contract.
c. Conduct Compliance Monitoring of Implemented LARPs.	As per ADB Loan Agreement	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;	ADB Loan Agreement	Complied with
e. The LARPs are disclosed to the affected persons.	ADB Loan Agreement	Complied with
f. additional assistance is provided for vulnerable groups;	ADB Loan Agreement	Complied with
g. works contracts under the Project include requirements to comply with the RPs;	ADB Loan Agreement	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	ADB Loan Agreement	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	ADB Loan Agreement	Ensured and APs are availing those opportunities duly, as requires & where applicable.

Annex No. 3 – Maps for monitoring LARP implementation

