

**MINISTRY OF REGIONAL DEVELOPMENT AND
INFRASTRUCTURE OF GEORGIA**

ROADS DEPARTMENT



Road Corridor Investment Program

**Kobuleti Bypass Road, Kobuleti-Batumi Section
and Batumi Bypass Road Design Project**

Land Acquisition and Resettlement Plan

Section 2 : Kobuleti Bypass Road(km 12+400 ~ km 31+259)

LARP-III

FINAL

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ABBREVIATIONS

ACS	– Acquisition And Compensation Scheme
ADB	– Asian Development Bank
AR	– Adjara Republic
CSC	– Construction Supervision Consultant
AH	– Affected Family
AP	– Affected Person
CBO	– Community Based Organization
DMS	– Detailed Measurement Survey
RDRD	– Road Development and Resettlement Division
GoG	– Government of Georgia
GRC	– Grievance Redress Committee
IA	– Implementing Agency
IP	– Indigenous Peoples
EMA	– External Monitoring Agency
km	– Kilometre
LAR	– Land Acquisition and Resettlement
LARC	– Land Acquisition and Resettlement Commission
LARF	– Land Acquisition and Resettlement Framework
LARP	– Land Acquisition and Resettlement Plan
M&E	– Monitoring and Evaluation
MFF	– Multitranches Financing Facility
MOF	– Ministry of Finance
MPR	– Monthly progress report
MRDI	– Ministry of Regional Development and Infrastructure
NAPR	– National Agency of Public Registry
NGO	– Non-Governmental Organization
PEMI	– Persons Experiencing Major Impact
PFR	– Periodic Financing Request
PPR	– Project Progress Report
PPTA	– Project Preparatory Technical Assistance
PRRC	– Property Rights Recognition Commission
R&R	– Resettlement and Rehabilitation
RD	– Roads Department
RDMRDI	– Roads Department of the Ministry of Regional Development and Infrastructure of Georgia
RoW	– Right of Way
RU	– Resettlement Unit
SES	– Socioeconomic Survey
SPS	– Safeguard Policy Statement
TRRC	– Transport Reform and Rehabilitation Centre

NOTE

In this report, “\$” refers to US dollars
\$1.00=1.6577 GEL

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

EXECUTIVE SUMMARY

1. The Government of Georgia (GOG) has received a loan (USD500 million) from the Asian Development Bank (ADB) through a Multitranche Financing Facility (MFF) for implementing the Road Corridors Development Program (the Program) to rehabilitate, improve or construct several roads in various regions of Georgia. The program includes the 48.8-km Adjara Bypass around Kobuleti and Batumi (the Road) which will be financed under tranche 1, 2, and 3 of the Program.

2. This Draft Final LARP III was prepared by the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia (RDMDRI) the Program Implementing Agency (IA) to satisfy the requirements of ADB's Safeguard Policy Statement (SPS) of 2009. This LARP III covers Land Acquisition and Resettlement (LAR) impacts caused by Contract-2 of the Program Road (km 12.4 to km 30.4) which previously was to be financed under Tranche 1 of the Program and is now financed through a supplementary loan under a new Tranche 3.

3. An advanced draft of this LARP not yet reflecting in full the final design was prepared in November 2011 and was the basis for ADB approval of the Program Tranche. Tranche approval was given at the condition that to sign the contract award the LARP had to be fully updated so as to reflect: (i) the final design; (ii) a full review of all impacts and AP census data; (iii) a review (and if needed revision) of the Detailed Measurement Survey (DMS), (iv) an updated valuation of lost assets and costs. The final LARP, for section-2 (contract 2 and tranche 1) was approved in March 2012. This update of LARP for section-2 (contract 2 and tranche 1) was caused by following reasons:

- (a) necessity of redesign 1.4 km of road (km 29.9 to km 30.4) which was excluded from project on the previous step of the project implementation
- (b) necessity of relocation of few HHs which are too close to the road
- (c) necessity of compensation of additional HHs which are affected, after preparation of the communication line replacement design
- (d) necessity of acquisition of additional land parcels according request provided by local municipality

4. In order to maintain traditional structure of LARP, we provide updated figures in the main body of this LARP, while changes as compared with the LARP of 2011 are explained in details in Annex 5.

5. This Draft Final LARP fully fits the requirements of ADB's Safeguards Policy Statement of 2009 (SPS). The information provided in the text is based on the final design (which entailed major alignment modifications of the feasibility design) and also include all state/municipal land users added by request of local municipality.

6. **Impacts Summary:** Land impacts include: i) the acquisition of 212 private plots measuring **352,503** sq m (126 plots amounting to **264,438** sq m are fully legal, while 86 plots amounting to **88,065** are private legalizable) In addition to the private plots also 698 public plots measuring **800,812** sq m will have to be taken by the project. Of these **254** plots (**493,974** sq. m) are legitimately used by private users and will be compensated. The remaining **444** public plots (**306,838** sq m) are unused and will not require compensation. Out of the **466** plots to be compensated, **408** plots amounting to **784,769** sq m of land are agricultural land used for cultivation purposes and 58 plots amounting to **61,707** sq m used for residential purposes. Non-land impacts include 49 buildings (35 residential and 14 non-residential) and several minor

structures. The total crops area affected is **245,186** sq.m and the number of trees affected are **12,329**. Additionally, **37,147** sq.m tea plant is affected. The project will affect in all **333** HHs with total **1,698** people.

7. The project pays particular attention to ensure that women are the recipients of the compensation pertaining to their activities and to ensure that women who are de-facto household heads are clearly listed as beneficiaries of compensation and rehabilitation proceedings under the loan. No impact on indigenous peoples (IPs) was identified and the requirements of the ADB Safeguards Policy Update (2009) will not be triggered in this project.

8. The legal and policy framework of the project on land acquisition and resettlement has been adopted to assist the APs and/or households for their lost land and assets, income and livelihood resources and fully reflect the ADB's SPS (2009) requirements. Regardless of whether land is acquired through negotiations and agreements or expropriation, it is fully under eminent domain for this project. Expropriation of land through eminent domain will be applied if consensual agreement with the APs is not reached. Compensation eligibility is limited by a cut-off date as set for this project on the day of concluding of the AP Census which is **01 December 2011** for 1st part of the road (km 12.4 to km 29.9) and **15 March 2014** for 2nd part of the road (km 29.9 to km 31.3). APs will be entitled to compensation or at least rehabilitation assistance under the Project are (i) all persons losing land irrespective of their title, (ii) tenants and sharecroppers irrespective of formal registration, (iii) owners of buildings, crops, plants, or other objects attached to the land; and (iv) persons losing business, income, and salaries. A summary entitlements matrix is included in Table E-1.

Table E-1: Entitlement Matrix

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AP losing productive land regardless of impact severity	Owner with full registration	Cash compensation at full replacement cost. 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 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.
		APs who are not registered but legitimately use agricultural land not adjacent to residential plots	These will not be registered in NAPR. However the APs will be provided with cash compensation at full replacement cost, according to the Decree of the Government of 01.03.2011 .
		APs that are not legitimate land users or squatters (these are APs who were not land leasers under the old system or occupy a plot illegally)	One time self-relocation allowance in cash equal to 12 months at minimum salary (@311 GEL per month x 12 months=3732GEL / AH).
		Agricultural Tenant	A one time self-relocation allowance in cash equal to 1 year at minimum salary (@311

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
			GEL per month x 12 months=3,721 GEL/AH)¹
Non-Agricultural Land	AP losing their commercial/ residential land	Owner with full registration	Cash compensation at replacement rate or through replacement land equal in value to plot lost and at location acceptable to APs. The cash option has been selected for this project.
		Legalizable Owner (The owners legalizable 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-legalizable land users (without registration/valid documents using land permanently.	A one time self-relocation allowance in cash equal to 1 year at minimum salary (@311GEL per month x 12 months=3721GEL / AH)
Buildings and Structures			
Residential and non residential structures/assets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	Full impact: Cash compensation for building/structures losses at full replacement costs free of depreciation and transaction costs Partial impact: repairs compensation
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Crops	Standing crops affected or affected 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 by default at to 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.
Business/Employment	Business/employment loss	All APs regardless of legal status (including legalizable and Informal Settlers)	Owner: (i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum salary. Permanent worker/employees: indemnity for lost wages equal to 3 months of minimum salary. (@311 GEL per month x 3

¹ The current self-relocation allowance in cash is less than presented above, in order to avoid potential claims it was decided not to reduce the amount.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
			months=933GEL/AH)
Allowances			
Severe Impacts	>10% income loss	All severely affected AHs including informal settlers	Agricultural income: 1 additional crop compensation for 1 year's yield of affected land; Other income: an allowance covering 3 months of minimum salary(@311 GEL per month x 3 months=933GEL/AH)
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 + 311 GEL per month x 3 months =1,133GEL/AH)
Vulnerable People Allowances		AHs below poverty line, headed by Women	Allowance equivalent to 3 months of minimum salary and employment priority in project-related jobs (@311 GEL per month x 3 months=933GEL/AH)
Temporary impacts during construction		All APs	Due compensation to be assessed and paid when the impacts are identified based on the above provisions.

In absence of a minimum salary in Georgia the figures used are based on the minimum subsistence income x month calculated for a family of 5 persons. The most recent information from National Statistics Office of Georgia for October 2011 is 311 GEL per household (of five people).

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

10. The designated official from RU was also an active member in leading role during the census survey. RU staff and local level LAR Team members were informally trained during the feasibility study. Members of LAR institutions will be trained prior to the implementation of LARP-III under the ADB RETA for capacity building of RU staff and its field operatives.²

² Regional Technical Assistance Project RETA-7433 REG: Mainstreaming Land Acquisition and Resettlement Safeguards in the Central and West Asia.

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

12. Consultation with likely APs in the project affected areas was conducted during the feasibility study of the Project. At the preparation of LARP-III in detail design stage, all likely APs (available on site) were consulted through community level meetings and through individual contact at the time of census, socioeconomic survey and detail measurement survey.

13. AHs requiring physical relocation of their housing and structures will be assisted in the form of full replacement cost of their affected structures comprising of replacement value of structures (current fair market value of construction materials), cost of dismantling and shifting of salvaged materials, and cost of restoration at alternative sites. The relocating households will be provided with subsistence allowance for loss of income and workdays during the transitional period. Various allowances are included in the entitlement matrix for rehabilitation of APs and restoration of their livelihood resources.

14. Land users that have continuously and legitimately used public land are not legalizable according to the law but will be nevertheless provided with cash compensation at full replacement cost as provided by the Decree of the Government of Georgia of 1 March 2011 No 494 on “Measures to be Implemented by the Road Department of the Ministry of Regional Development and Infrastructure to Ensure Construction of the Adjara Bypass Road.”

15. All activities related to the land acquisition and resettlement has been scheduled to ensure that compensation is paid prior to displacement and commencement of civil works. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. The resettlement cost estimate under this LARP is **19,082,117GEL (USD)**.

16. LAR tasks under the project will be subject to monitoring. Monitoring will be the responsibility of RDMRDI. Internal monitoring will be carried out routinely by RU/RDMRDI. The results will be communicated to ADB through the quarterly project implementation reports. External monitoring will be carried by the EMA (External Monitoring Agency—which will be selected among NGOs, academic/research institutes or independent consultants or by the Supervision Consultant). Results of external monitoring will be communicated to RU/RDMRDI and ADB through quarterly reports. The RDMRDI (through external help) will carry out a post-implementation evaluation of the LARP-III about a year after completion of its implementation.

I. INTRODUCTION

1.1 Project Background

1. The Government of Georgia (GOG) has received a loan (USD 500 million) from the Asian Development Bank (ADB) through a Multitranche Financing Facility (MFF) for implementing the Road Corridors Development Program (the Program) to rehabilitate, improve or construct several roads in various regions of Georgia. The program includes the 48.4-km Adjara Bypass around Kobuleti and Batumi (the Road) which will be financed under tranche 1, 2, and 3 of the Program.

2. This Draft Final LARP III was prepared by the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia (RDMRDI) the Program Implementing Agency (IA) to satisfy the requirements of ADB's Safeguard Policy Statement (SPS) of 2009. This LARP III covers Land Acquisition and Resettlement (LAR) impacts caused by Contract-2 of the Program Road (km 12.4 to km 31.259) which previously was to be financed under Tranche 1 of the Program and is now financed through a supplementary loan under a new Tranche 3.

3. An advanced draft of this LARP not yet reflecting in full the final design was prepared in November 2011 and was the basis for ADB approval of the Program Tranche. Tranche approval was given at the condition that to sign the contract award the LARP had to be fully updated so as to reflect: (i) the final design; (ii) a full review of all impacts and AP census data; (iii) a review (and if needed revision) of the Detailed Measurement Survey (DMS), (iv) an updated valuation of lost assets and costs.

4. This Draft Final LARP now reflects the required updates and fully fits the requirements of ADB's Safeguards Policy Statement of 2009 (SPS). The information provided in the text is based on the final design (which entailed major alignment modifications of the feasibility design).

5. **Impacts Summary:** Land impacts include: i) the acquisition of 212 private plots measuring **352,503** sq m (126 plots amounting to **264,438** sq m are fully legal, while 86 plots amounting to **88,065** are private legalizable) In addition to the private plots also 698 public plots measuring **800,812** sq m will have to be taken by the project. Of these **254** plots (**493,974** sq m) are legitimately used by private users and will be compensated. The remaining **444** public plots (**306,838** sq m) are unused and will not require compensation. Out of the **466** plots to be compensated, **408** plots amounting to **784,769** sq m of land are agricultural land used for cultivation purposes and 58 plots amounting to **61,707** sq m used for residential purposes. Non-land impacts include 49 buildings (35 residential and 14 non-residential) and several minor structures. The total crops area affected is **245,186** sq m and the number of trees affected are **12,329**. Additionally, **37,147** sq m tea plant is affected. The project will affect in all **333** HHs with total **1,698** people.

1.2 The Impacts Corridor

6. The 18.9 km Kobuleti bypass road, section-2 (contract 2 and tranche 1) has passed through flat area and mountainous area. The final design include construction of road with 18 bridges of which 5 interchange points; 5 interchanges; 2 tunnels and necessary culverts for ensuring services of all other connected roads. The usual width of this road's ROW is 40 meters except interchanges, tunnels and bridges points. The bridges are designed for two lane carriageway and considerations are made in detailed design for future widening to four lanes.

The span length of bridges varies from 27 meters to 50 meters and typical width of bridge is 15 meters.

1.3 Minimizing Land Acquisition and Resettlement

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

- (i) Road alignment route has been well tuned on site to avoid densely settlement areas;
- (ii) Interchanges with local roads have been designed to avoid resettlement. Designs of interchanges were reviewed by resettlement specialists and their recommendations were considered in the final design.
- (iii) Construction of tunnels has greatly contributed in avoiding land acquisition and resettlement impacts.
- (iv) Provision of necessary culverts in final engineering design will keep all other infrastructure services functional and effective avoiding any environment negative impacts.
- (v) Slope cutting has been reduced and massive revetment walls have been included in project design to avoid the risk of landslide in the remote land parcels and thereby avoid acquisition of land in the risk zone.

1.4 LARP Preparation and Finalization

8. This LARP is final and has been prepared as a condition to contract awards signing. It follows feasibility study draft prepared by RDMRDI in 2010. The document complies with relevant Georgian laws, the ADB's Safeguard Policy Statement (2009) and the Program's LARF. LARP preparation entailed: (i) a detailed measurement surveys (DMS), (ii) a detailed asset valuation/documentary research for each affected plot/affected item, (iii) a 100% AH census; and (iv) a socio-economic survey (SES) of 20% of the AHs. Intensive consultations with all the stakeholders including rayon authorities and the likely APs (APs) were conducted during the process.

9. The LARP prepared in the feasibility study was reviewed and compared with the findings of the detailed design works. The document is based on a revised DMS, census and socio economic survey. Detail measurement survey (DMS) and census was concluded on 01 December 2011 for 1st part of the road (km 12.4 to km 29.9) and 15 March 2014 for 2nd part of the road (km 29.9 to km 31.3) and 01 December 2011/15 March 2014 are considered as the **cut-off dates** for compensation eligibility of this project correspondingly. The updates include (i) final impacts and AP figures reflecting design changes; (ii) micro plan for land acquisition and implementation of LARP-III; (iii) update of LAR budget; and (iv) loss and entitlement profile for individual owners of land plots and APs

10. Special Decree of the Government (1 March 2011) No 494 has been issued to provide legal basis for payment of land compensation to APs³ who are not registered but legitimately use agricultural land not adjacent to residential plots: the Decree enables the EA to execute

³ Decree of the Government of Georgia 1 March 2011 on the Measures to be implemented by the Road Department of the Ministry of Regional Development and Infrastructure to Ensure Construction of the Adjara Bypass Road.

compensation payments without prior registering the land ownership rights. The mentioned procedural changes should be reflected in the LARP III

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

1.5 Pending LARP Implementation Tasks

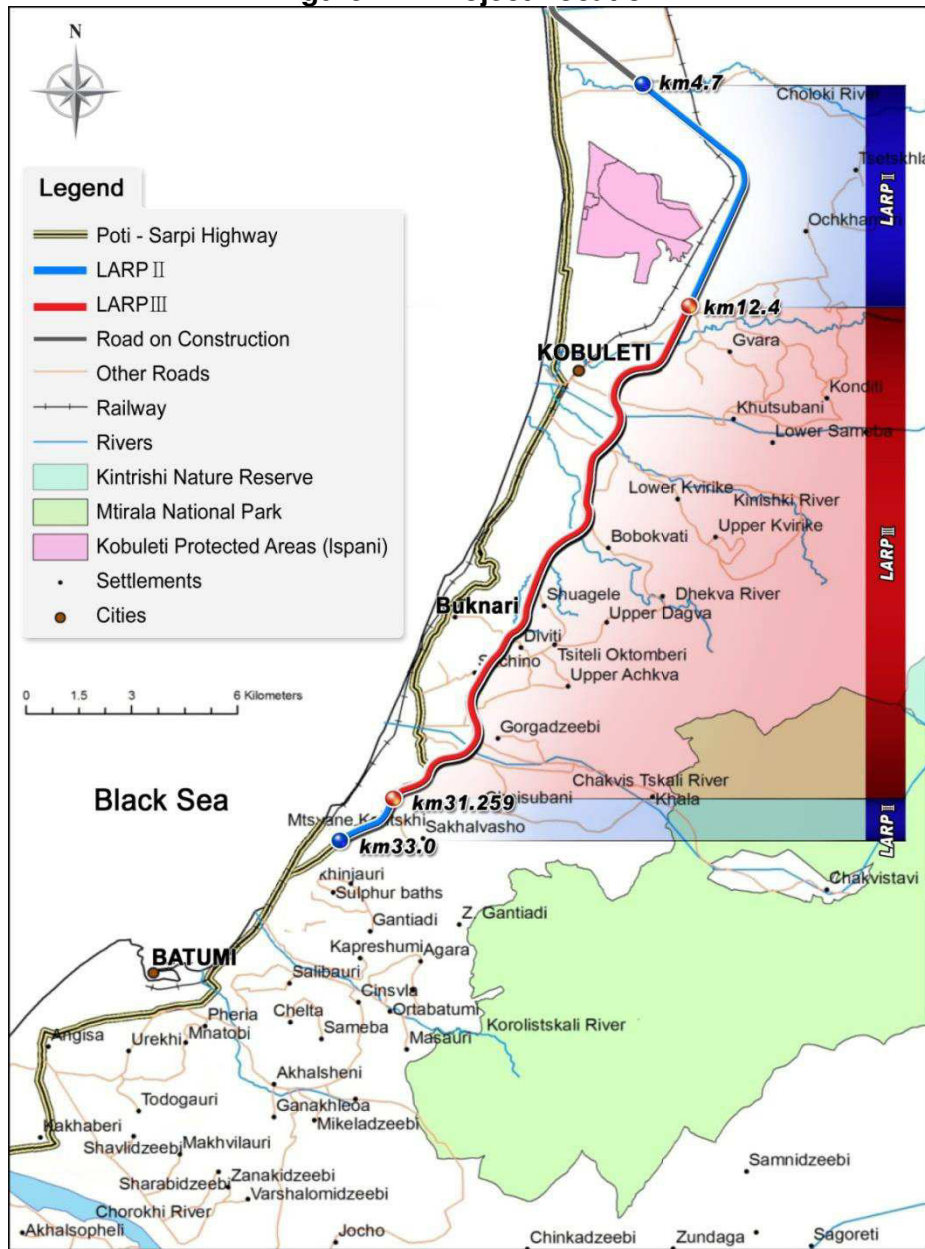
12. Following this LARP approval LARP finances will be provided to the EA. Prior to the distribution of LARP finances to the APs the legalization of APs legalizable according to the active legislation now in progress will be finalized and all APs will sign a contract agreement indicating that they accept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

1.6 LAR-related Conditions for Project Implementation

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

- (i) **Signing of Contract Award:** Conditional to the approval of the Final LARP by ADB and Government. LARP-III reflects final impacts, final AP lists and compensation rates at replacement cost approved by RD.
- (ii) **Notice to Proceed to Contractors:** Conditional to the full implementation of LARP-III (legalization of legalizable owners, and full delivery of compensation and rehabilitation allowances to all APs as vouched by a compliance report prepared by the External Monitoring Agency).

Figure I-1: Project Location



II. CENSUS AND IMPACT ASSESSMENT

2.1 Introduction

14. This impacts assessment details loss of land, structures and other assets for the Kobuleti bypass 18.9 km Section-2 road under Contract-2 Tranche 1. Compensation and rehabilitation measures have been worked out based on these impacts. A detailed inventory of all the impacts has been done following the final alignment as per detailed engineering design for the Kobuleti bypass 18.9 km Section-2 road under Contract-2 Tranche 1.

15. Digitized cadastral maps were collected from Registration Offices of NAPR. The final road alignment was superimposed on the digitized cadastral maps and land survey using DGPS was conducted on site to identify the affected land parcels, demarcation of land parcels including correction in geometric details and quantification of land parcels including affected part. With the cadastral details from land survey, detail measurement survey (DMS) and census. Detail measurement survey (DMS) and census was concluded on 01 December 2011 for 1st part of the road (km 12.4 to km 29.9) and 15 March 2014 for 2nd part of the road (km 29.9 to km 31.3) and 01 December 2011/15 March 2014 are considered as the **cut-off dates** for compensation eligibility of this project correspondingly. Additionally, a socioeconomic survey (SES) of 20% sample from the affected households was carried out in the project affected areas in order to understand the socio-economic condition of the affected population.

2.2 Resettlement Impacts

2.2.1 Impact on Land

16. In all land impacts amount to some 1,153,315 sq.m of land from 910 plots. Figures on Land impacts are provided in accordance to the land classification and legal categories that are relevant to determine compensation modalities and compensation amounts due to their owners/users. Land has been classified in three main types.⁴

- **Type 1:** Private land that is compensable because it is titled or legalizable according to the law. Legalizable land is land occupied by a house or close to a house that is currently untitled but is occupied by users who were legitimate land leasers under the old Soviet land administration system. This land includes 212 plots measuring in all 352,503 sq m.
- **Type 2:** Public land that is compensable because used continuously by users who were legitimate land leasers under the old Soviet land administration system but is not legalizable according to current law because it is not occupied by houses or bordering houses. This land includes 254 plots measuring in all 493,974 sq m.
- **Type 3:** Land that is not compensable because not regularly used or used extemporaneously by users who were not legitimate leasers under the old Soviet land administration system. This land is also non-legalizable as it is not occupied by houses or close to houses. This land includes 444 plots measuring in all 306,838 sq m.

⁴ In order to achieve a better assessment, lands was also categorized by land-use and by location as shown below (the subtypes in the table indicate specific land by location and use: "A": agricultural and "R" residential.).

Type	Sub-type	Sub-type definition		
		Using	KP	Price (sq. m./Gel)
Type 1	A1	Agricultural	0–8	10
	A2	Agricultural	8–14	15
	A3	Agricultural	14+	23
	R1	Residential	4–7	13
	R2	Residential	12–14	18
	R3	Residential	14+	26
Type 2	A1	Agricultural	0–8	10
	A2	Agricultural	8–14	15
	A3	Agricultural	14+	23

17. Land impacts include: i) the acquisition of 212 private plots measuring **352,503** sq m. In addition to the private plots also 698 public plots measuring 800,812 sq m will have to be taken by the project. Of these 254 plots (493,974 sq m) are legitimately used by private users and will be compensated. The remaining 444 public plots (306,838 sq m) are unused and will not require compensation.

Table II–1: Impact on Land by Type

	Area (sq. m.)	Number of plots
Type 1 Land (compensable)		
A1	118,600	59
NG pipeline relocation	2,410	3
RoW	116,190	56
A2	45,475	53
NG pipeline relocation	5,880	6
RoW	39,595	47
A3	126,721	42
NG pipeline relocation	2,309	4
RoW	124,412	38
Sub Total Type 1-A	290,796	154
R1	9,778	16
R2	23,792	19
R3	28,137	23
Sub Total Type 1-R	61,707	58
Sub Total Type 1	352,503	212
Type 2 Land (compensable)		
A1	199,770	57
A2	218,860	144
A3	75,344	53
Sub Total Type 2-A	493,974	254
Sub Total Type 2	493,974	254
Sub Total (compensable)	846,477	466
Type 3 Land (not compensable)	306,838	444
Total	1,153,315	910

18. The current status of ownership of acquired land is provided in Table II–2.

Table II–2: Land Impacts by type of ownership

No.	Legal Status		No. of Plots	Area (sq. m)	AHs	
1	Private Land	Type 1 Land (compensable) Registered	A1	27	74,597	15
			A2	33	30,450	24
			A3	31	119,701	26
			R1	12	8,315	10
			R2	11	14,549	10
			R3	12	16,826	12
			Sub-Total	126	264,438	97
		Type 1 Land (compensable) Legalizeble	A1	32	44,003	23
			A2	20	15,024	20
			A3	11	7,020	10
			R1	4	1,464	4
			R2	8	9,243	8
			R3	11	11,311	11
			Sub-Total	86	88,065	76
Total Private Land			212	352,503	173	
2	State owned Land	Type 2 Land (compensable)	A1	57	199,770	52
			A2	144	218,860	104
			A3	53	75,344	50
			Sub-Total	254	493,974	206
		Type 3 Land (not compensable)	444	306,838	N/A	
Total State Land			698	800,812	N/A	
Total land			910	1,153,315		

2.2.2 Impact on Crops

19. The affected crops are stated in Table II–3.

Table II–3: Impact on Crops

Type	Area (sq. m)	Plots no.
Corn	81,337	42
Beans	2,642	11
Vegetables	12,089	33
Hay/Grass	149,118	123
Total	245,186	209

2.2.3 Impact on Trees

20. The right of way will affect 12,329 fruit trees (of which 246 are standalone grape trees i.e. not vineyards), 37,147 sq m tea plant under private ownership. Although some timber trees are, all of them on the public land which will require for payment of compensation. Table II-4 show the details of the affected trees:

Table II-4: Affected Trees

Type	Number
Mandarin	3,810
Orange	77
Lemon	59
Fig	66
Persimon	269
Medlar	84
Apple	182
Pear	210
Plum	236
Wolnat	1,125
Hazelnat	5,073
Grape	246
Kivi	72
Feixoa	55
Other	765
Total Trees	12,329
Tea (sq.m)	37,147
Total	49,349

2.2.4 Description of impacts on buildings/structures

21. The right of way affected Residential buildings, Supplementary Facility and wall/fences. The details are shown in table II-5:

Table II-5: Impacts on Buildings/Structures

Residential Building				
Constr.	#	Numb. of Storey	Area in Plan (m2)	Total Area (m2)
Block	25	2	3,743	69,133
Block-Wood	4	2	347	601
Wood	6	1	429	596
Total	35	4,968,346	4,519	8,110

Note: All houses affected fully or partially have been considered for full compensation.

Supplementary Facility		
Type	#	Area in Plan (m2)
Garage	1	24
Storage	10	207
Cattle House	3	155
Total	14	386

Table II-6: Impacts on Wall / Fences

Fence/Wall			
Constr.	No	Length Affected	Height (Avrg,m)
Block	1	44	2,5
Concrete-Steel	28	1,577	1,5
N	2	290	1,5
Other	19	1,121	1,3
Total	50	3,032	-

2.2.5 Impact on Business and Employment

22. After corresponding engineering decisions, direct impact on commercial businesses was avoided. Beside commercial businesses 3 companies owning agricultural land are also being affected but the asset and income losses of these latter have been computed in the land impacts assessment and in the crop compensation. No employees of these companies are affected.

23. There is no any impact on agricultural tenants.

2.3 APs and AH Census

24. The total number of AH are 333 and affected people are 1,698. 35 AHs lose residential houses. No business enterprise needs relocation. The total crops area affected is 245,636 sq m and the number of trees affected are 12,202. Additionally, 37,147 sq m. of tea plant is affected.

25. Table II-7 provides more details about the impacts categories in terms of loss of land, loss of structure, and loss of crops and trees.

Table II-7: Affected Households by Impact Category

Impact Category	No. of Affected Households		Net No. Of APs	Remarks
	No. in Category	Absolute (without double counting)		
A. Land				
A1. Agricultural Private Land Used for Agriculture purpose	109	109	556	
A2. Agricultural Private Land Used for non-agriculture purpose (residential)	43	43	219	

Impact Category	No. of Affected Households		Net No. Of APs	Remarks
	No. in Category	Absolute (without double counting)		
A3. Agricultural State Land legitimately used	181	181	923	
Total (A)	333	333	1,698	
B. Crops/Trees				
B1. Only Crops Losses	61	0	0	
B2. Crops and Tree Losses	64	0	0	
B3. Only Tree Losses	102	0	0	
Total (B)	227	0	0	
C. Permanent Structure				
C1. Only Residential Structure	24	0	123	
C2. Residential and Auxiliary Structure	9	0	46	
C3. Only Auxiliary Structure	49	0	250	
Total (C)	82	0	419	
D. Relocated AH				
D1. Relocated AH	31	0	158	
NET TOTAL	n.a.	333	1,698	

2.3.1 Relocation Needs and Strategy

26. As the resettlement strategy for the project is based on a self-relocation strategy and will not involve a planned redistribution of land in relocation areas. The relocates will receive beside proper compensation the appropriate relocation allowance provided by the entitlements matrix. In all the AH to be located and receiving relocation assistance are 31.

2.3.2 Impact on Common Property Resources

27. This Road construction will not affect any community or public property.

2.3.3 Severely affected APs

28. Totally **233** Ahs affected severely (see Table II–8 below for details).

Table II–8: Severely affected APs

Land Type	Total Lend (sqm)	Affected Land (sqm)	Avrg. Impact (%)	Severely affected HHs	Severely affected APs
Type 1 land user	379,380	148,871	39.24	92	470
Type 2 land user	525,582	248,209	47.22	141	721
Total	904,962	397,080	43.88	233	1,291

2.3.4 Vulnerable Households

29. Poor (receiving government subsidies) and women headed are considered as vulnerable households. Households with members with disabilities or people in pension age will receive the allowance only if they are registered as poor. The AHs in the LARP-III section of the project road constitute 9 vulnerable AHs (see Table II–9 below for details).

Table II–9: Vulnerable AHs

Type of Family	Number
Women headed	4
Below poverty line	5
Total	9

2.4 Impact on Indigenous Peoples

30. An assessment of impact on indigenous peoples was undertaken in accordance with ADB's Safeguard Requirements 3 of SPS 2009. The project will primarily affect Georgian people which are almost 99% of the total population. Some of the other Ethnic Minority group is also present in the program area, which are insignificant in number. These are Greece (2 AH) and Ukrainian (1 AH) nationality representatives. These groups are fully integrated into the Country institutional, cultural, and economic processes, and they do not fit the IP definition of ADB. Therefore, ADB's policy on indigenous people will not trigger to this project.

2.5 Gender and Resettlement Impacts

31. Special attention will be given to the impact of resettlement on women and other vulnerable groups during monitoring and evaluation of the LARP-III. The project will have a positive impact on gender, and civil works contracts will include provisions to encourage employment of women during implementation. Additionally, women headed households have been considered as vulnerable and special assistance was provided in the LARP entitlements.

32. Distribution of APs by gender and type of usable land is given in Table II–10 below

Table II–10: APs by gender

	Male	Female	Total
Type 1 land user	382	429	811
Type 2 land user	454	513	967
Total	836	942	1,778

2.6 Summary of Impacts

33. A summary of the major impacts is included in Table II–11 below.

Table II-11: Summary Impact on Land Acquisition and Resettlement

No.	Impacts	Unit	Quantity (sqm)			
			Type 1	Type 2	Type 3	Total
Land Tenure Patterns						
1	Total Land parcels affected	No.	212	254	444	910
2	Total Land area affected	sq m	352,502	493,974	306,838	1,153,315
3	Total Land parcels to be acquired	No.	212	254		466
4	Total land Area to be acquired	Sq m	352,502	493,974		846,477
5	Private legal Plots	No.	126			
		Sq m	264,437			
6	Private Legalizable plots	No.	86			
		Sq m	88,065			
7	State plots	No.		254	444	
		Sq m		493,974	306,838	
8	Private agricultural land used for agriculture purposes	No.				
		Sq m				
9	Private agricultural land used as residential	No.				
		Sq m				
Crop and trees Impacts						
10	Area under Corn	sq m				81,337
11	Area under Beans	sq m				2,642
12	Area under Vegetables	sq m				12,089
13	Area under Hay/Grass	sq m.				149,118
14	Affected Trees	No.				12,329
15	Tea	sq m				37,147
Affected Structures						
16	Residential Structures /Houses	No.				35
17	Supplementary facility	No.				14
18	Industrial & Commercial structures	No.				
19	Wall/Fenc	No.				50
Affected Households						
20	Severely affected Households	No.				233
21	Vulnerable Households	No.				9
22	AH with legal plots	No.	91			91
23	AH with legalizable plots	No.	61			61
24	AH using public land	No.		181		181
25	Total AH	No.	152	181		333
26	Total Affected Persons	No.	775	923		1,698

III. SOCIO-ECONOMIC INFORMATION

3.1 Introduction

34. A census of 100% of the AHs available on site was conducted to enumerate the APs. A sample socio-economic survey was included in the project area covering 102 households which is more than 20% of the total AHs covered in census. The objective of the socioeconomic survey was to gather general information on socioeconomic condition of the affected people. The socioeconomic information of the affected population as per census and socioeconomic survey is presented hereunder.

3.2 Affected Population

3.2.1 Demography

35. The Census identifies that about 53% of the APs are female. The average family size is 5.1. members per household (Table III-1)

Table III-1: Demographic Profile of APs

No.	Age Group	Male		Female		Total	
		AP	%	AP	%	AP	%
1	Children (Below 15 Years)	53	22	41	15	94	18
2	Adult (15 to 65 Years)	176	72	209	76	385	74
3	Senior (65+ Years)	15	6	26	9	41	8
	Total	244	100	276	100	520	100
	%		47		53		100

Source: DMS/AP Census (Detail Design Consultant).

3.2.2 AH Ethnicity

36. The AHs are commonly Georgian (99%). As shown in Table III-2, Ethnic diversity does not mark any difference in overall national development in Georgia and the minorities are mainstreamed as a common nation.

Table III-2: Ethnicity of AHs

No.	Ethnicity	AH	%
1	Georgian	101	99
2	Other	1	1
	Total	102	100

Source: DMS/AP Census (Detail Design Consultant).

3.2.3 Urban Rural Proximity

37. The project road is mostly located in rural areas except Kobuleti. Survey shows that 99% of the AHs reside in rural areas (Table III-3).

Table III-3: Urban Rural Distribution of AHs

Sl. No.	Type of Settlement	AH	%
1	Rural	71	70
2	Urban Village	30	29
3	Urban	1	1
	Total	102	100

Source: DMS/AP Census (Detail Design Consultant).

3.2.4 Level of Education of APs

38. About 20% of the population have university level education, 74% have primary and secondary level education, 6% have pre-school level education (Table III-4)

Table III-4: Level of Education of APs

No.	Category	Male		Female		Total	
		AP	%	AP	%	AP	%
1	Pre-School	22	9	12	4	34	6
2	Primary & Secondary	165	68	218	79	383	74
3	University	57	23	46	17	103	20
4	Illiterate	0	0	0	0	0	0
	Total	244	100	276	100	520	100

Source: DMS/AP Census (Detail Design Consultant).

3.3 Agriculture and Land Resources

3.3.1 Land Holding Status

39. Average land holding comes out to be 0.3 ha per AH (Table III-5)

Table III-5: Landholding Status

No.	Particulars		%
1	Land Holder Households	101	99
2	Landless Households	1	1
	Total	102	100

Average Land Holding: 0.2891 ha per holder household.

Source: DMS/AP Census (Detail Design Consultant).

3.3.2 Major Cropping Pattern

40. Corn, Vegetables and citrus are the major crops being cultivated in the project area. About 25% of the households cultivate citrus in average area 0.23 Ha each. Other crops like vegetables by 19% in average area of 0.07 Ha, corn by 20% in average area of 0.09 Ha (Table III-6)

Table III-6: Major Cropping Pattern

No.	Type of Crops	HH	%of HH	Average cultivated Area (Ha)
1	Corn	35	20.1	0.09
2	Bean	22	15.1	0.07
3	Vegetables	33	19.1	0.01
4	Grape	20	11.3	0.01
5	Fruit	3	0.9	0.01
6	Citrus	36	24.5	0.23
7	Others	17	9.3	0.01

Source: DMS/AP Census (Detail Design Consultant).

3.4 Economy of AHs

3.4.1 Major Economic Activities

41. Agriculture as the primary economic activity reported 65% households. (Table III-7).

Table III-7: Economic Activity of the Households

No.	Type of Activities	Primary		Secondary	
		HH	%	HH	%
1	Agriculture	66	65	27	27
2	Agricultural Labourer	6	6	13	13
3	Small enterprise	5	5	11	11
4	Government Service	19	18	7	7
5	Business and trading	19	19	10	10
6	Daily Wage	8	8	19	19
7	Others	8	8	8	8

Source: DMS/AP (Detail Design Consultant).

3.4.2 Employment Status

42. About 15% working age APs are wage employed, 24% are self-employed and about 15% are economically inactive (Table III-8). About 47% of the APs reported that are unemployed including 44% among males and 47% among the females.

Table III-8: Economic Activity of the Households Members 15+

No.	Gender	Economically inactive		Wage employed		Self-employed		Unemployed		Total	
		AP	%	AP	%	AP	%	AP	%	AP	%
1	Male	19	10	29	15	55	29	88	46	191	100
2	Female	42	18	28	12	47	20	118	50	235	100
Total		61	14	57	13	102	25	206	45	426	100

Source: DMS/AP (Detail Design Consultant).

3.4.3 Annual Income of AHs

43. Agriculture, service and wage employment are major contributors to income of the AHs. The survey found that 14% of the AHs get income from one single sources, 38% from double sources and 48% from three or more sources (Table III–9.).

Table III–9: Average Monthly Household Income against Number of Sources

Number of sources of Income	AH	% of Ahs	Average annual income (GEL)
Single source	14	14	9,567
Double Source	39	38	13,568
Three + sources	49	48	16,920
Total	102	100	

Source: DMS/AP Census (Detail Design Consultant).

44. Table III–10.shows the distribution of AHs getting income from various sources. Average annual income is GEL16,394 per household.

Table III–10: Annual Household Income distribution by Sources

Sources		%	Average annual income from the source (GEL per HH)
Wage employment	40	39	6,423
Agriculture	31	30	4,905
Business/Service	13	13	2,153
Property	2	2	378
Pension	4	4	706
Remittance	6	6	1,034
Other	5	5	795
Total	102	100	16,394

Source: DMS/AP Census (Detail Design Consultant).

3.4.4 Consumption Pattern

45. Food expenditure is incurred 56% of total expenditure and Non-food expenditure constitutes 43% of total and covers clothing, education, health and annual investment on production (Table III–11.)

Table III–11: Average Annual Expenditure

No.	Consumption pattern	% to total expenditure
1	Food	56.7
2	Non-food	43.3
	Total	100.0

Source: DMS/AP Census (Detail Design Consultant).

3.4.5 Household Assets and Durables

46. Possession of durable goods differs from each household depending on the nature of the durable goods. 99% of the households in the project area possess a television and 95% have refrigerators, 65% have washing machine, 33% reported to have a car and none of the sample households have motor cycle, 46% have computer while 15% possesses a radio. 91% households have access to gas for cooking.

47. Possession of domestic animals is represented by poultry and large animals: as 42% households reported to have poultry birds in their possession and 58% households reported to have large animals, (Table III–12)

Table III–12: Possession of durable goods and domestic animals

No.	Item	HH	%
1	Radio	11	11
2	Bicycle	9	9
3	Television	101	99
4	L.P.G Connection/ Gas Cylinder	93	91
5	Computer	27	26
6	Refrigerator	95	93
7	Washing Machine	62	61
8	Motorcycle/Scooter	1	1
9	Car	40	39
10	Air Conditioner	3	3
11	Bot	0	0
12	Large Animals (Cows/Bulls/Bufaloes)	69	68
13	Rams and Goats	1	1
14	Pig/piglets	1	1
15	Poultry	40	39
16	Horse/Donkey	1	1

Source: DMS/AP Census (Detail Design Consultant).

3.4.6 Prevalence of Debt

48. About 46% households stated that they took loan from different sources for various needs. Details are given in Table III–13. About 42% households reported to have loan and the exclusive source is Bank (average amount 8,000GEL).

Table III–13: Indebtedness

No.	Indebtedness	HH	%
1	Yes	47	46
2	No	55	54
Total		102	100

Source: DMS/AP Census (Detail Design Consultant).

3.5 Water and Sanitation

3.5.1 Source of Drinking Water

49. The major source of drinking water is dug-well and piped water supply – 31% of households use water from dug-well and 65% of households use water from piped supply, 4% of households reported other sources (Table III–14).

Table III–14: Source of Drinking Water

No.	Sources	HH	%
1	Piped water supply	66	65
2	Well	32	31
3	Others	4	4
	Total	102	100

Source: DMS/AP Census (Detail Design Consultant).

3.5.2 Sanitation Facilities

50. About 62% of surveyed households use flush toilet and 38% use latrine (Table III–15).

Table III–15: Types of Toilet

No.	Toilet	HH	%
1	Flush toilet	63	62
2	Latrine	39	38
	Total	102	100

Source: DMS/AP Census (Detail Design Consultant).

3.6 Access to Energy and Civic Facilities

3.6.1 Access to Energy for Heating and Cooking

51. Wood is the major source of fuel being used by the households (85%) for heating and cooking. Details are given in Table III–16.

Table III–16: Type of Fuel Use for Heating

No.	Types of Fuel	HH	%
1	Electricity	2	2
2	Wood	87	85
3	Gas	8	8
4	Other	5	5
	Total	102	100

Source: DMS/AP Census (Detail Design Consultant).

3.6.2 Access to Electricity

52. All sample households (100%) are connected with central power supply (Table III–17.)

Table III-17: Connected to Central Power Supply

No.	Whether connected	HH	%
1	Yes	102	100
2	No	0	0
Total		102	100

Source: DMS/AP Census (Detail Design Consultant).

3.6.3 Access to Health Centre

53. About 98% of the households stated that they have easy access to health centres (Table III-18) with average distance 1.8 km.

Table III-18: Access to Health Centre

No.	Easy access to Health Centre	HH	%
1	Yes	100	98
2	No	2	2
Total		102	100

Source: DMS/AP Census (Detail Design Consultant).

3.6.4 Access to School

54. All sample households (100%) reported that they have easy access to school (Table III-19) with average distance 1.6 km.

Table III-19: Access to School

No.	Access to School	HH	%
1	Yes	102	100
2	No	0	0
Total		102	100

Source: DMS/AP Census (Detail Design Consultant).

3.6.5 Access to Road

55. Transport connectivity seems to be in good shape in the project area. 97% of sample households reported that they are well connected with the local roads (Table III-20)

Table III-20: Access to Road

No.	Whether connected to Road	No. of Household	%
1	Yes	99	97
2	No	3	3
Total		102	100

Source: DMS/AP Census (Detail Design Consultant).

IV. LEGAL AND POLICY FRAMEWORK

4.1 General

56. The legal and policy framework of the Project is based on national laws and legislations related to Land Acquisition and Resettlement (LAR) in Georgia and ADB's Safeguard Policy Statement 2009. Based on the analysis of applicable laws and policies and ADB's Policy requirement, project related LAR principles have been adopted.

4.2 Legal Framework

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

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

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

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

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

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

4.2.2 ADB's Policy on Involuntary Resettlement

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

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

4.2.3 Comparison of ADB Policy with Georgian Laws and Legislation

61. Overall, the legislation of Georgia adequately reflects the major provisions of the ADB Safeguards Policy Statement 2009 but a few differences are to be noted. The most significant of these differences is that under Georgian legislation/regulation, emphasis is put on the definition of formal property rights and on how the acquisition of properties for public purposes is to be implemented and compensated while in the case of ADB policy emphasis is put both on the compensation of rightfully owned affected assets and on the general rehabilitation of the livelihood of Affected People (AP) and Households (AH). Because of this, ADB policy complements the Georgian legislation/regulation with additional requirements related to (i) the economic rehabilitation of all AP/AH (including those who do not have legal/formal rights on assets acquired by a project); (ii) the provision of indemnities for loss of business and income, (iii) and the provision of special allowances covering AP/AH expenses during the resettlement process or covering the special needs of severely affected or vulnerable AP/AHs. Also, in addition, the legislation of Georgia does not require any specific measure regarding the need to

prepare LARPs based on extensive public consultations. The differences between Georgia law/regulation and ADB policy are outlined in Table IV–1.

Table IV–1: Comparison of Georgian Laws on LAR and ADB Resettlement Policy

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

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

4.2.4 Resettlement Policy Commitments for the Project

63. The resettlement policy for the project has been designed to (a) cover all APs irrespective of their title to land, (b) compensation for lost assets, and (c) restore or enhance the livelihoods of all categories of APs. The households/persons Affected by the project interventions will receive cash compensation for land and other assets at full replacement cost as per market price at the time of dispossession. Additional measures will be taken to ensure minimum disruption during the project construction period. Thus, households to be Affected physically and affected economically will receive due compensation, relocation assistance, and allowances in accordance with the following guidelines and policy which are also part of the Land Acquisition and Resettlement Framework⁵ of the Program and the Georgian laws on land

⁵ Government of Georgia: Subregional Road Corridors Development Program, Land Acquisition and Resettlement Framework, July 2009.

acquisition and ADB's SPS 2009, core involuntary resettlement principles are developed for this Project which are as follows:

- (i) Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs.
- (ii) Where unavoidable, a time-bound LARP will be prepared and APs will be assisted in improving or at least regaining their pre-program standard of living.
- (iii) Land will be acquired through a contract agreement to the extent possible. Expropriation process will be sought only as the last resort when all possibilities of negotiation fail.
- (iv) Consultation with APs on compensation, disclosure of resettlement information to APs, and participation of APs in planning and implementing of the project will be ensured.
- (v) Vulnerable and severely affected APs will be provided special assistance.
- (vi) Non-titled APs (e.g., informal dwellers or squatters, APs without registration details) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for losses other than land.
- (vii) Legalizable APs (APs possessing ownership documents but with title formalization pending, as well as APs who are not registered but have residential land or agricultural plots adjacent to the residential land) will be legalized and fully compensated for land losses.
- (viii) The land users who are not registered but legitimately use agricultural land not adjacent to residential plots will be provided with cash compensation at full replacement cost, according to the Decree of the Government of 2011. The payments will be executed without registration in NAPR.
- (ix) Provision of income restoration and rehabilitation will be made.
- (x) The LARP will be disclosed to the APs in the local language which is Georgian.
- (xi) Payment of compensation, resettlement assistance and rehabilitation measures at the rates set in this LARP will be fully provided prior to the contractor taking physical acquisition of the land and prior to the commencement of any construction activities on a particular package.
- (xii) Compensation will be provided at least at the rates detailed in this LARP although some modification in excess will be possible during the discussions preceding the signing of the contract
- (xiii) Establishment of appropriate grievance redresses mechanisms to solve APs' grievance, if occurs.

4.2.5 Land Acquisition Process

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

65. The detail design consultant has prepared a separate volume of the LARP-III containing the land acquisition plan, and estimate of compensation and entitlement of individual APs under the subtitle of “Acquisition and Compensation Scheme (ACS). ACS is a detailed programme for execution of LARP-III as per land acquisition and resettlement framework consistent with ADB’s involuntary resettlement policy (SPS 2009).

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

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

68. The detail design consultant has prepared fresh maps of the acquired plots with geometric details required for legalization. RDMRDI will provide these maps to the concerned legalizable owners. The process will be followed by endorsement of these maps and ownership documents by the Sakrebulo and finally getting them registered in the local registration office prior to the receipt of the project compensation. A detailed procedure of legalization of legalizable owners is provided in Annex 2.

4.3 Compensation Eligibility and Entitlements

4.3.1 Eligibility

69. APs entitled for compensation or at least rehabilitation provisions under the Project are:

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

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

4.3.2 Definition of Entitlements

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

- (i) **Agricultural land impacts** will be compensated at full replacement cost. When more than 10% of total agricultural land owned by AP is acquired, AP (owners, leaseholders and sharecroppers) will get an additional allowance for severe impacts equal to one additional crop compensation or 3 months income at minimum salary (in case if crop compensation is not applicable). Legalizable APs will be legalized and paid as titled owners. APs who are not registered but have residential land or agricultural plots adjacent to the residential land will be fully compensated but not legalized. APs that are not legitimate land users or squatters (these are APs who were not land leasers under the old system or occupy a plot illegally) will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum salary.⁶ If the remaining part of a particular plot becomes inaccessible or unviable for cultivation or for any use after the acquisition, then the same can be compensated if the owner offers.
- (ii) **Non-agricultural land (Residential/commercial land)**. Titled settlers will be compensated at full replacement cost free of depreciation. Legalizable settlers will be legalized, registered in NAPR and compensated as titled APs. Non-titled and non-legalizable land users will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum salary.
- (iii) **Houses, buildings, and structures** will be compensated in cash at full replacement cost free of deductions for depreciation, and transaction costs irrespective of the registration status of the affected land. In case of partial impacts and unwillingness of the owner to relocate, compensation will cover only the affected portion of a building and its full rehabilitation to previous use. Full compensation will be paid if partial impacts imperil the viability of the whole building. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.
- (iv) **Crops:** Cash compensation at current market rates for the gross value of 1 year's harvest by default. Crop compensation will be paid both to landowners and tenants based on their specific sharecropping agreements.
- (v) **Trees:** Cash compensation at market price based on type, age and productivity of trees.
- (vi) **Businesses:** If business is lost permanently it will be compensated in cash equal to a 1-year income based on tax declaration or, if unavailable, based on the official maximum income waived from income tax; temporary business losses will be compensated in cash for the business interruption period based on tax declaration or, if unavailable, official maximum income waived from income tax.
- (vii) **Agricultural Tenant:** if agricultural tenants are affected, it will be compensated in the form of assistance equivalent to 1 year of cash return from the land under tenancy as per recorded proof, or in its absence, official minimum subsistence income for 1 year.
- (viii) **Loss of wages/employment:** if employees loss their wages due to the project interventions, they will be compensated in the form of assistance equivalent to 3 months of minimum salary.
- (ix) **Relocation /Shifting Allowance:** APs forced to relocate will receive a relocation subsidy sufficient to cover transport costs and living expenses for 1 month.
- (x) **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.

⁶ In absence of a minimum salary in Georgia the figures used are based on the minimum subsistence income x month calculated for a family of 5 persons. The most recent information from National Statistics Office of Georgia for October 2011 is 311 GEL per household (of five people).

- (xi) **Vulnerable people Livelihood:** Vulnerable AH (below poverty line. women headed or with members with disabilities or pensioners) will be receive an allowance equivalent to 3 months of minimum salary.

4.3.3 Compensation Entitlement Matrix

72. Tasks under the Project will be implemented according to a compensation eligibility and entitlements framework in line with both Georgia laws and regulation and ADB Policy (SPS 2009). A summary entitlements matrix is included in Table IV–2 below.

Table IV–2: Compensation Entitlement Matrix

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AP losing productive land regardless of impact severity	Owner with full registration	Cash compensation at full replacement cost. 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 have residential land or agricultural plots adjacent to the residential land)	The ownership rights of these APs will be recognized, the land registered inNAPR and the APs provided with cash compensation at full replacement cost.
		APs who are not registered but legitimately use agricultural land not adjacent to residential plots	These will not be registered in NAPR. However the APs will be provided with cash compensation at full replacement cost, according to the Decree of the Government of 01.03.2011.
		APs that are not legitimate land users or squatters (these are APs who were not land leasers under the old system or occupy a plot illegally)	One time self-relocation allowance in cash equal to 12 months at minimum salary (@311 GEL per month x 12 months=3732GEL / AH).
		Agricultural Tenant	A one time self-relocation allowance in cash equal to 1 year at minimum salary (@311 GEL per month x 12 months=3721 GEL / AH)
Non-Agricultural Land	AP losing their commercial/ residential land	Owner with full registration	Cash compensation at replacement rate or through replacement land equal in value to plot lost and at location acceptable to APs. The cash option has been selected for this project.
		Legalizable Owner (The owners legalizable 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-legalizable land users (without registration/valid documents using land permanently.	A one time self-relocation allowance in cash equal to 1 year at minimum salary (@311GEL per month x 12 months=3721GEL / AH)
Buildings and Structures			
Residential and non residential structures/assets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	Full impact: Cash compensation for building/structures losses at full replacement costs free of depreciation and transaction costs Partial impact: repairs compensation.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Crops	Standing crops affected or affected 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 by default at to 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.
Business/Employment	Business/employment loss	All APs regardless of legal status (including legalizable and Informal Settlers)	Owner: (i). (<u>permanent impact</u>) cash indemnity of 1 year net income; (ii) (<u>temporary impact</u>) cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum salary. Permanent worker/employees: indemnity for lost wages equal to 3 months of minimum salary. (@311 GEL per month x 3 months=933 GEL / AH)
Allowances			
Severe Impacts	>10% income loss	All severely affected AHs including informal settlers	Agricultural income: 1 additional crop compensation for 1 year's yield of affected land; Other income: an allowance covering 3 months of minimum salary(@311 GEL per month x 3 months=933 GEL / AH)
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 + 311 GEL per month x 3 months =1133GEL/AH)
Vulnerable People Allowances		AHs below poverty line, headed by Women	Allowance equivalent to 3 months of minimum salary and employment priority in project-related jobs (@311 GEL per month x 3 months=933GEL / AH)
Temporary impacts during construction		All APs	Due compensation to be assessed and paid when the impacts are identified based on the above provisions.

In absence of a minimum salary in Georgia the figures used are based on the minimum subsistence income x month calculated for a family of 5 persons. The most recent information from National Statistics Office of Georgia for October 2011 is 311 GEL per household (of five people).

4.3.4 Assistance for severely affected and Vulnerable AH

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

74. The above AH will receive an allowance of 311GEL per month x 3 months=933GEL/AH in all. In absence of an official minimum salary, these figures are taken from the Government of Georgia Statistics Department data on minimum subsistence income for a family of 5 persons in October 2011.

75. Severely affected AH will receive an allowance equivalent to 1 additional crop compensation for 1 year's yield of affected land and/or an allowance equal to 3 months of minimum salary (minimum subsistence income for a family of 5 persons in October 2011), in case the AH is not subject for crop compensation.

4.3.5 Valuation and Compensation Rates

4.3.5.1 Principles and Methodology

76. The principles of valuation of acquired land and assets have been devised as per ADB policy on involuntary resettlement (SPS 2009). The policy states that all loss of the APs have to be compensated at full replacement cost at the time of dispossession of the property for purpose of infrastructure projects. The calculation of replacement costs will be based on (i) fair market value at the time of dispossession, (ii) transaction/legalization costs, (iii) transitional and restoration (land preparation and reconstruction) costs, and (v) other applicable payments. In order to ensure compensation at replacement cost, good practice examples in compliance with ADB policy were followed for determining the replacement cost of acquired assets.

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

4.3.5.2 Determination of Compensation Rates

78. Replacement cost of land has been determined based on existing market rates to the extent possible and adding the applicable transaction cost like registration with the NAPR at the rayon level Registration Office and the rayon PRRC. Market rates were defined taking into account the type of land, its purported use, and location.

79. Replacement cost of houses/buildings was determined based on construction type, cost of materials, transportation, types of construction, land preparation, labour, and other construction costs at current rates. No deduction for depreciation and transaction costs will be applied. If the loss of buildings is less than 15% and is not usable, then compensation was applicable for the repair of the affected structure only.

80. Market value of annual crops has been determined at net market rates at the farm gate for the first year crop. In the eventuality that more than one-year compensation is due to the APs the crops after the first will be compensated at gross market value.

81. Tree market value has been set based on different methods for wood and fruit trees. Wood trees are valued based on growth category and value of wood of the tree at the age the tree was cut. Fruit trees will be compensated differently if they are productive or not yet productive. Productive trees will be compensated based on the future income lost for the years needed to re-grow a tree at the same age/production potential in which was cut. Non productive trees will be compensated based on the value of the investment made to grow the tree to the age in which the tree was cut.

82. The unit compensation rates recommended by the valuation company have been reviewed and approved by the RDMRDI and will be offered to the APs. Detailed methodology for determining valuations and compensation rates is included in **Annex 1**.

V. INSTITUTIONAL ARRANGEMENTS

5.1 Introduction

83. Ministry of Regional Development and Infrastructure (MRDI) is the executing agency (EA) of the Project on behalf of the Government of Georgia and the Roads Department of the MRDI (RDMRDI) is the implementing agency (IA). The Asian Development Bank (ADB) is financing the Project for design, civil works construction and construction supervision. RDMRDI is responsible for road construction as well as land acquisition and resettlement of the APs due to land acquisition and project construction. LARP-III covers the road section located in Kobuleti rayon (km 0.0 – km 18.9) under Contract 2 tranche 1. The compensation/ rehabilitation program described in LARP-III involves distinct processes and dynamics and different actors. RDMRDI has the lead responsibility for road construction, as well as implementation of LARP-III with assistance from consultants.

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

85. LARP-III comprises the 18.9 km road, section 2, under contract 2 which passed through Kobuleti rayon. Concerned Sakrebulo, Gamgeobas, NAPR, Local Administration and PRR Care all involved in LARP-III.

5.2 Land Registration Organizations

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

5.2.1 Gamgeoba of Community

87. Community level Gamgeoba is the executive branch of self-government headed by Gamgebeli. Gamgebeli has the primary role in the process of legalization and registration of land parcels. Gamgebeli confirms ownership of affected land plots, parameters of land plots and endorses the cadastral maps and related data prepared for case of legalization.⁷ Gamgebeli plays important role for legalization of non-rightful owners (owners in possession before the enactment of current law on privatization of land in Georgia without prior permission of the government). Gamgeoba has power to authorize⁸ details of the occupied land parcel and verify its usage pattern as the first hand verification and authorization for further consideration in the

⁷ Owners for legalization of their unregistered land parcels, in normal procedure, use the services of private mapping agencies and experts on payment for preparation of land details (maps and plot parameters). In case of this project, the consultants have been assisting in preparing basic documents like maps and plot details.

⁸ This is not mandatory but one of the possible procedures for legalization of the non-rightful owners. Witnesses' signature confirmed notarially is also legally acceptable for confirmation of non-rightful ownership of land plot.

Property Rights Registration Commission (PRRC) as a basic step for registration with the Public Registry. Neighbours of applicants for legalization have roles in the authorization process.

5.2.2 Sakrebulo

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

5.2.3 Property Rights Recognition Commission

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

5.2.4 Rayon Registration Office

90. NAPR is in charge of the registration of land ownership and its transfer through purchase agreement from landowners to the RDMRDI. Rayon Archives are now transferred in the possession of the Rayon Registration Offices of the NAPR. Rayon Archive is used for cross verification of ownership document and validity of physical possession of land by persons seeking registration as legalizable owner, in the case, owner does not have available documentation proving ownership rights on the adjacent land plot or in case there is any doubt regarding the plot.

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

5.3 Land Acquisition and Resettlement Organizations

5.3.1 RDMRDI of Georgia

92. RDMRDI has the overall responsibility of design, land acquisition and resettlement, construction, construction monitoring and supervision of the Project. This also includes financing and executing land acquisition and resettlement tasks and cross-agency coordination. RDMRDI will exercise its functions through its existing Resettlement Unit (RU), which is subdivision of the Roads Development and Resettlement Division (RDRD), and LAR Commission and Working Group.⁹

⁹ LAR Commission and Working Group have been established by RDMRDI first in 03.05.2007 by the order #40, and since then this mechanism is used for implementing LAR activities.

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

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

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

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

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

5.3.2 TRRC

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

5.3.3 Rayon LAR Team

99. Rayon LAR Team will assist the central LARC and provide assistance to APs in the process of legalization of legalizable owners. Based on the RDMRDI's LARC decision and the

LARP prices, the offer of purchase of land parcels shall be undertaken. If an AP agrees on the acquisition he/she will confirm such agreement in writing by signing the Sales/Purchase Agreement that will be registered with the Public Registry. This agreement will serve as the basis for compensation payment processing and release. If agreement is not reached between the AP and the LAR Team, the later will inform the LARC, which will take decision to start expropriation.

5.3.4 Local Governments

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

5.4 Other Organizations and Agencies

5.4.1 Civil Works Contractor

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

5.4.2 Consultants and Auditors

102. The design consultant will be responsible for preparation and implementation of LARP-III and a construction supervision consultant will be in place to supervise civil works construction.

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

5.4.3 Court of Georgia

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

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

5.4.4 Ministry of Finance

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

5.4.5 Ministry of Justice

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

5.4.6 ADB

107. Besides supervising the Project periodically, ADB will review LARP-III and provide clearance to contract awards signing and initiation of civil works for construction of Section 2 under Contract 2.

5.4.7 Monitoring Agency

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

109. An organization chart showing all the concerned institutions to be involved in the LAR activities is depicted in Figure V-1:

5.5 Capacity Building on LAR

110. Initial level of capacity building exercise in the relevant agencies was carried out during the preparation of LARP at the feasibility study. Close consultations were held with all the concerned departments. RDMRDI has already an established Resettlement Unit under RDRD dealing with roads development, land acquisition and resettlement. During the feasibility study, informal training was provided by the consultant's resettlement specialist to these officials on the

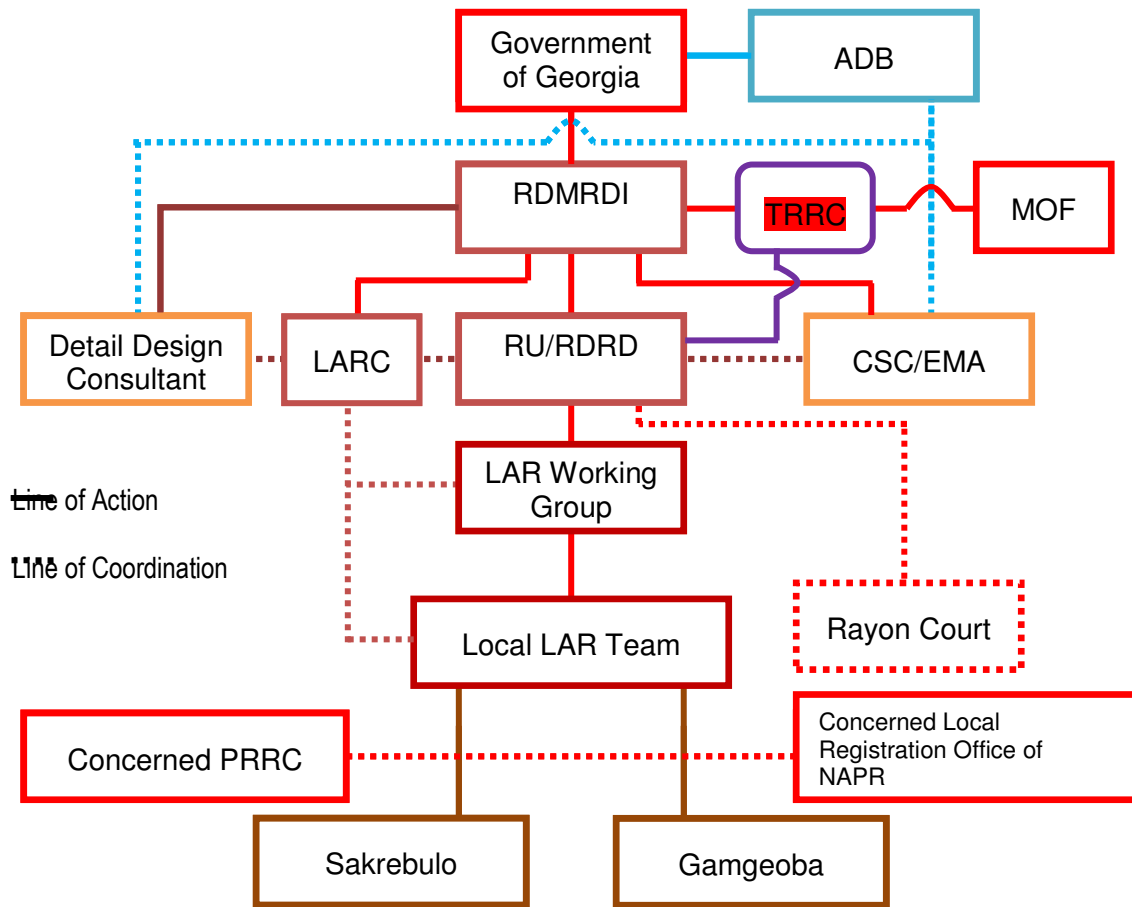
requirements of ADB's policy and how to develop a balanced compensation package fulfilling the requirements of APs, Government, RDMRDI and ADB. Capacity building training was also initiated through a series of consultations and informal training sessions in the local administration level. The representative of RDMRDI at regional level was also responsible for the planning of LAR activities and was responsible for coordinating with the rayon administration. Rayon level LAR Teams were formed at each rayon that will be responsible for LAR activities assisting the LARC of the RDMRDI in the process of LARP implementation.

111. In terms of capacity and manpower resources within RU of the RDRD, some expansion of the capacity on LAR currently available at RDRD has been desired to allow an effective execution of all LAR related tasks for the project. RU of the RDRD is in a process of expansion and new staff members will be hired before the LARP-III implementation starts. All concerned staff both at RU, LARC, at Rayon and field levels involved in LAR activities will undergo training on ADB resettlement policy and management. The training will be provided under the ADB RETA for capacity building of executing agencies on involuntary resettlement.¹⁰ Training will cover the following topics:

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

¹⁰ Regional Technical Assistance Project RETA-7433 REG: Mainstreaming Land Acquisition and Resettlement Safeguards in the Central and West Asia.

Figure V-1: LAR Organization Chart



VI. CONSULTATION AND PARTICIPATION

6.1 Introduction

112. Consultation and participation is a process through which stakeholders influence and share control over development initiatives, and the decisions and resources that affect them. It is a two way process where the executing agencies, policy makers, beneficiaries and AP discuss and share their concerns in a project process. Consultation and participation has been a major principle in the planning and preparation of the detailed design of the Project. ADB SPS (2009) gives high priority on public consultation and participation to enhance the community voice and assure incorporation of community's views in design and implementation of a socially and environmentally compliant project. The Georgian laws also place strong emphasis on consultation and notification to ensure that the APs participate in the process.

113. The focus of these consultations are to ensure that the AP and other stakeholders are informed, educated, consulted and allowed to participate actively in the process of road development and preparation of social and resettlement plan; reducing public resistance to change; helping mitigate and minimize any probable negative impact and bringing in the benefit of the project to the people. The project design and preparation of land acquisition and resettlement plans, therefore, attempted consultation and participation of the AP and communities to incorporate their views, needs and aspirations into the Project components. People were consulted during the feasibility study in 2010. The consultation process has stepped up at detail design through public consultation meetings and individual contacts during land acquisition and resettlement surveys in November 2011.

6.2 Consultation Process and Methodology

114. Consultation with local communities and government bodies in the project process was instrumental for alignment demarcation and selection of route for the Adjara bypass road. The route of the project road underwent several changes to avoid dense settlement, environmentally protected areas, civic amenities, and land acquisition. The public consultation process entailed clearly explaining the project and its impacts to the community through introducing the project and its impacts through leaflets in local language, clearly explaining to the communities in informal and formal consultation meetings and individual level discussion during the census and detailed measurement surveys of land and property.

115. Consultations with the APs in the project affected areas were conducted during the feasibility study stage of LARP preparation in 2010 and during the preparation of the final LARP-III for 18.9km road section-2 under contract 2 in 2011. There was a prefeasibility study, prior to the feasibility study to define the project alignment. During the feasibility study, a number of consultation events were arranged at various stages of social and resettlement preparation i.e., alternative alignment feasibility study, cadastral survey of affected lands, land census survey, socio-economic survey and targeted consultation meetings with APs and local stakeholder organizations and individuals. The methodology includes walk-through informal group discussion, focused group discussion, individual interview, key informant interviews, and informal discussion. The APs, their community, and local government officials were consulted to inform, educate and provide feedback in the project design.

116. Specifically for this LARP-III the APs were consulted through individual contact during the census survey under the feasibility study for identification of APs. At the preparation of LARP-III in detail design stage, all likely AP persons were consulted through community level

meetings and through individual contact at the time of census, socioeconomic survey and detail measurement survey.

117. Various methods used for stakeholder’s consultation and participation with concerned stakeholders are described in Table VI–1.

Table VI–1: Summary on Party consulted and consultation methods

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

6.3 Summary of Consultation during Feasibility Study

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

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

6.4 Consultation meetings with the APs during LARP-III Preparation

119. As part of detailed design work, disclosure and consultation meetings were carried out in the project area during in 19–20 November 2011. These meetings were attended by APs, their community, local government officials, and the social safeguard team comprising international and national consultants of the detailed design consultant. The main objectives of these

meetings were to deliver information to the APs and their community about the project objectives, design and policies on land acquisition, compensation and rehabilitation of APs. The draft policy of compensation and allowances (as per the project Land Acquisition and Resettlement Framework) to the AP were shared and the purpose and procedures of legalization of rightful and non-rightful land rights through leaflets and oral explanation. Valuation methodology and grievance mechanism were also briefed to the participants.

120. A total of 4 consultative meetings with the APs were conducted along the final designed 18.9 km road alignment, Section 2, under Contract 2. The meetings held at Gvara (22 participants), Bobokvati (40 participants), Sachino (37 participants) and Chaqvi (35 participants) villages (total – 134 participants). The matters discussed in these meetings are detailed in Table VI-2.

Table VI-2: Matters Discussed in the Public Consultation Meetings with the AP

Meeting #1 (19.11.2011,10⁰⁰,Gvara, 22 participants)	
General Summary of meetings:	
Main questions concerned to project starting and alienation process time-frame, alienation zone delimitation guideline and principles of assets valuation, employment possibilities at the road construction etc	
Questions	Answers
When the Project will start? When the construction and land purchasing process will start?	At the moment technical part of Project is completed. Preparation works for Environmental protection and Land Acquisition and Resettlement components should be finished in December. After approval of all the components in order to choose construction company tender will be announced. After the tender winner company is fixed construction process will launch. Realization of those procedures may take several months. Land Acquisition/purchase process should be completed before construction starts.
Is there any guideline, which establishes distance between the residential house and road passage from the point of view of dwelling validity?	Road passage meets engineering and technical requirements and is based upon the environment impact assessment. Therefore, if your house is located beyond the road passage, it is suitable for dwelling.
Is it possible to change the size and configuration of non-registered plots?	The size and configuration of non-registered plots were specified in the course of cadastral valuation process. Therefore, if no additional circumstances emerge (e.g. plaintiff, which is unknown at the moment) no changes are expected. In this case the question should be considered due to the existing legislation provisions.
When it will be known which buildings are to be taken down?	Project affected buildings and constructions are already ascertained in the course of inventory.
What are the compensatory amounts for land, buildings and fruit-trees?	At the moment, special group of experts are working for evaluate current market prices of all affected assets. The main compensatory principle is to restore real value of property. Details would be conveyed to all of you by means of special informational booklets, which are to be distributed among you at the soonest possible time.
If remaining land plot is so small, that it is not viable to utilize, what kind of compensation will be paid for that part of land	In this case whole plot will be purchased.
Will the local population be engaged in road construction?	Tender winner construction company had undertaken certain obligations concerning local workers and specialists employment. Number of employees is fixed in the contract. In addition, following to the Land Purchase and Resettlement Plan affected vulnerable families' members will have priority when employed.
May I build a house beyond the road passage in the remaining part of land plot?	The remaining part of land plot beyond the road passage may be used for house construction as well as for any other economical activities following to the existing legislation.
When the negotiations with land will owners start? When the contractual agreements are to be signed?	Negotiations with land owners and signing of agreement will begin before the road construction activities start. Contractor has no right to enter your possessions unless the payment of compensation is not confirmed, or expropriation procedure starts.

Meeting #2 (19.11.2011,13⁰⁰,Bobokvati, 40 participants)	
General Summary of meetings:	
Main questions concerned to project starting and alienation process time-frame, alienation zone delimitation guideline and principles of assets valuation, employment possibilities at the road construction etc	
Questions	Answers
When the Project will start? When the construction and land purchasing process will start?	At the moment technical part of Project is completed. Preparation works for Environmental protection and Land Acquisition and Resettlement components should be finished in December. After approval of all the components in order to choose construction company tender will be announced. After the tender winner company is fixed construction process will launch. Realization of those procedures may take several months. Land Acquisition/purchase process should be completed before construction starts.
Is there any guideline, which establishes distance between the residential house and road passage from the point of view of dwelling validity?	Road passage meets engineering and technical requirements and is based upon the environment impact assessment. Therefore, if your house is located beyond the road passage, it is suitable for dwelling.
When it will be known which buildings are to be taken down?	Project affected buildings and constructions are already ascertained in the course of inventory.
What are the compensatory amounts for land, buildings and fruit-trees?	At the moment, special group of experts are working for evaluate current market prices of all affected assets. The main compensatory principle is to restore real value of property. Details would be conveyed to all of you by means of special informational booklets, which are to be distributed among you at the soonest possible time.
Will the local population be engaged in road construction?	Tender winner construction company had undertaken certain obligations concerning local workers and specialists employment. Number of employees is fixed in the contract. In addition, following to the Land Purchase and Resettlement Plan affected vulnerable families' members will have priority when employed.
What expects the owners whose house is situated near the bridge or overpass?	Following to the existing regulations presence of any kind of buildings under the bridges and overpasses is inadmissible. Therefore, all the property located under the bridges and overpasses will be purchased.
When the negotiations with land will owners start? When the contractual agreements are to be signed?	Negotiations with land owners and signing of agreement will begin before the road construction activities start. Contractor has no right to enter your possessions unless the payment of compensation is not confirmed, or expropriation procedure starts.
Meeting #3 (20.11.2011,10⁰⁰,Sachino, 37 participants)	
General Summary of meetings:	
Main questions concerned to project starting and alienation process time-frame, alienation zone delimitation guideline and principles of assets valuation, employment possibilities at the road construction etc	
Questions	Answers
When the Project will start? When the construction and land purchasing process will start?	At the moment technical part of Project is completed. Preparation works for Environmental protection and Land Acquisition and Resettlement components should be finished in December. After approval of all the components in order to choose construction company tender will be announced. After the tender winner company is fixed construction process will launch. Realization of those procedures may take several months. Land Acquisition/purchase process should be completed before construction starts.
Is there any guideline, which establishes distance between the residential house and road passage from the point of view of dwelling validity?	Road passage meets engineering and technical requirements and is based upon the environment impact assessment. Therefore, if your house is located beyond the road passage, it is suitable for dwelling.
When it will be known which buildings are to be taken down?	Project affected buildings and constructions are already ascertained in the course of inventory.

What are the compensatory amounts for land, buildings and fruit-trees?	At the moment, special group of experts are working for evaluate current market prices of all affected assets. The main compensatory principle is to restore real value of property. Details would be conveyed to all of you by means of special informational booklets, which are to be distributed among you at the soonest possible time.
If remaining land plot is so small, that it is not viable to utilize, what kind of compensation will be paid for that part of land	In this case whole plot will be purchased.
Will the local population be engaged in road construction?	Tender winner construction company had undertaken certain obligations concerning local workers and specialists employment. Number of employees is fixed in the contract. In addition, following to the Land Purchase and Resettlement Plan affected vulnerable families' members will have priority when employed.
What expects the owners whose house is situated near the bridge or overpass?	Following to the existing regulations presence of any kind of buildings under the bridges and overpasses is inadmissible. Therefore, all the property located under the bridges and overpasses will be purchased.
When the negotiations with land will owners start? When the contractual agreements are to be signed?	Negotiations with land owners and signing of agreement will begin before the road construction activities start. Contractor has no right to enter your possessions unless the payment of compensation is not confirmed, or expropriation procedure starts.
Meeting #4 (20.11.2011, 13⁰⁰, Chakvi, 35 participants)	
General Summary of meetings:	
Main questions concerned to project starting and alienation process time-frame, alienation zone delimitation guideline and principles of assets valuation, employment possibilities at the road construction etc	
Questions	Answers
When the Project will start? When the construction and land purchasing process will start?	At the moment technical part of Project is completed. Preparation works for Environmental protection and Land Acquisition and Resettlement components should be finished in December. After approval of all the components in order to choose construction company tender will be announced. After the tender winner company is fixed construction process will launch. Realization of those procedures may take several months. Land Acquisition/purchase process should be completed before construction starts.
Is it possible to change the size and configuration of non-registered plots?	The size and configuration of non-registered plots were specified in the course of cadastral valuation process. Therefore, if no additional circumstances emerge (e.g. plaintiff, which is unknown at the moment) no changes are expected. In this case the question should be considered due to the existing legislation provisions
What are the compensatory amounts for land, buildings and fruit-trees?	At the moment, special group of experts are working for evaluate current market prices of all affected assets. The main compensatory principle is to restore real value of property. Details would be conveyed to all of you by means of special informational booklets, which are to be distributed among you at the soonest possible time.
What expects the owners whose house is situated near the bridge or overpass?	Following to the existing regulations presence of any kind of buildings under the bridges and overpasses is inadmissible. Therefore, all the property located under the bridges and overpasses will be purchased.
May I build a house beyond the road passage in the remaining part of land plot? When the negotiations with land will owners start? When the contractual agreements are to be signed?	The remaining part of land plot beyond the road passage may be used for house construction as well as for any other economical activities following to the existing legislation. Negotiations with land owners and signing of agreement will begin before the road construction activities start. Contractor has no right to enter your possessions unless the payment of compensation is not confirmed, or expropriation procedure starts.
Our land plot is not registered. What kind of preference we may count on?	If you are a legal owner you will be assisted during the registration procedure.

121. As part of redesigning work public information meeting was carried out in the project area during in 14 May 2014. This meeting were attended by APs, local government representatives and the social safeguard team and the representatives of RD. The main objective of the meeting was to deliver information to the APs and their community about the project objectives, design and policies on land acquisition, compensation and rehabilitation of APs. The draft policy for compensation and allowances (as per the project Land Acquisition and Resettlement Framework), the purpose and procedures of legalization of rightful and non-rightful land rights through leaflets and oral explanation were shared to the APs. Valuation methodology and grievance mechanism were also briefed to the participants.

122. The meeting with the APs was conducted along the final designed 17.5–18.9 km road alignment, Section 2, under Contract 2. The meeting was held in Chaqvi (35 participants) village (total – 46 participants). The matters discussed in these meetings are detailed in Table VI–3.

Table VI–3: Matters Discussed in the Public Consultation Meetings with the AP

Meeting #1 (14.05.2014, 13⁰⁰, Chaqvi, 46 participants)	
General Summary of meetings:	
Main questions concerned to project starting and alienation process time-frame, employment possibilities at the road construction etc	
Questions	Answers
When the Project will start?	At the moment technical part of the Project is completed. Upon obtaining the ADB' NO-objection on the Draft final LARP III, RD will start the implementation procedures. Implementation of these procedures may take several months. Land Acquisition/purchase process should be completed before construction starts.
What are the compensation amounts for land, buildings and fruit-trees?	The compensation amounts for land, buildings and fruit-trees have been defined by special group of experts in line with evaluated current market prices of all affected assets. The main compensation principle is to restore real value of property.
If remaining land plot is so small, that it is not viable to utilize, what kind of compensation will be paid for that part of land	In this case whole plot will be purchased.
Will the local population be engaged in road construction?	The construction company possesses certain obligations concerning employment of local workers and specialists. Number of employees is fixed in the contract.
May I build a house beyond the road passage in the remaining part of land plot?	The remaining part of land plot beyond the road passage may be used for house construction as well as for any other economic activities consistent with the existing legislation.
When the negotiations starts?	Upon obtaining the ADB' NO-objection on the Draft final LARP III, RD will start the negotiation procedures with APs

6.5. Changes in LAR approach following the meetings

123. Following these meetings a major modification to the planned compensation program was made. This was to differentiate the value of agricultural land plots based on its use. Agricultural plots intended for residential use will be compensated more than agricultural land plots used only for agriculture. In addition, valuation of different houses also has been confirmed through application of appropriate methodology and practical measures.

6.6. Consultation and Participation Plan

124. RU on behalf of RDMRDI will pursue information disclosure for effective implementation and timely execution of LARP-III. Village level consultations with APs will be conducted during the updating of LARP-III and its implementation process. For the benefit of the community in general and APs in particular, LARP-III will be made available in concerned offices at rayon

Sakrebulo and the community level Gamgeoba. An information leaflet (in Georgian) will be distributed among the APs and their community. A copy of the English version of LAR Leaflet is attached in Annex-3.

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

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

6.7. Disclosure

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

VII. GRIEVANCE REDRESS MECHANISM

7.1 Objectives

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

7.2 Formation of GRC

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

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

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

7.3 Grievance Resolution Process

130. The member secretary of GRCs and Rayon level LAR Team will be regularly available and accessible for APs to address concerns and grievances. The LAR Team will assist the aggrieved APs in formally lodging their claims to the GRC and where applicable to the Working Group of RU at RDMRDI in Tbilisi. The complaints and grievances from the APs will be addressed through the process described below in Table VII–1. The grievance resolution and acquisition processes are presented the flow diagram shown at Figure VII–1.

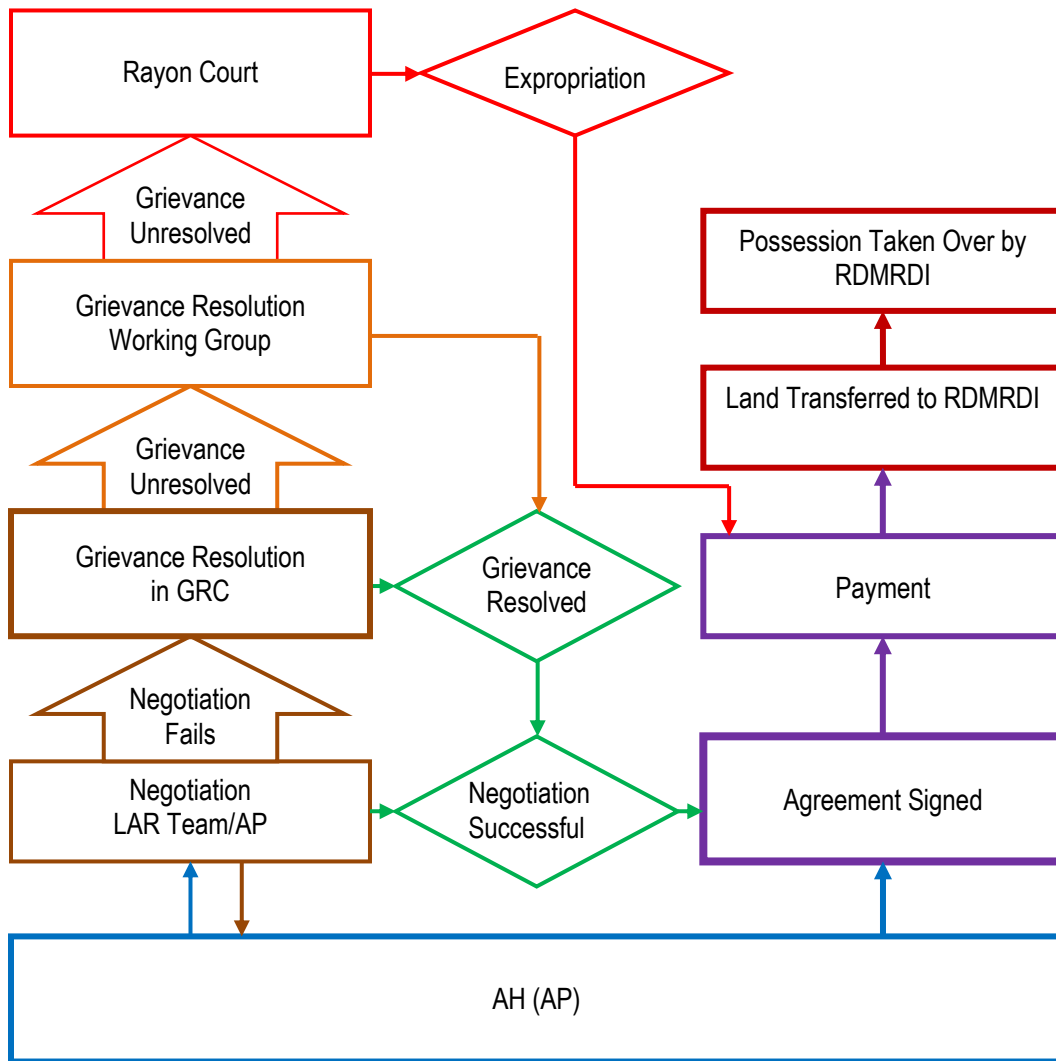
Table VII–1: Grievance Resolution Process

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

7.4 GRC Records and Documentation

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

Figure VII-1: Grievance Resolution and Acquisition Process



VIII. IMPLEMENTATION SCHEDULE

8.1 General

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

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

8.2 LARP-III Approval and Initial Tasks

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

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

8.3 LARP-III Implementation

135. Payment of compensation and allowances under LARP-III will commence after a number of preparatory tasks have been completed. These tasks are:

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

8.4 Post Implementation Evaluation

136. The post-implementation evaluation of the rehabilitation effects of this LARP will be conducted after the completion of the Program together with that of the other LARPs. An independent External Monitoring Agency (EMA) will carry out the evaluation.

8.5 LARP Implementation Time Schedule

137. The time bound LARP implementation is presented in Figure VIII–1. Land purchase agreements and payment of compensation and allowances will go simultaneously and a sequence of one week time from offer of compensation to agreement, agreement to requisition and requisition to payment transfer is considered. A buffer period of one month has been included in the schedule for relocation of housing. Relocation of housing will also go by sections. Under the circumstances, the implementation schedule may include phased approach for civil works construction.

Figure VIII-1: LARP-III Implementation Schedule

LARP Tasks	2014																			
	June				July				August				September				October			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
LAR Institutions Establishment	—																			
ADB final review and approval	—																			
Government approval		●																		
Disclosure			●																	
Contract awards signing				●																
Legalization	—																			
AP agreements signing	—																			
Allocation of LAR budget							●													
Transfer of budget to TRRC								●												
Transfer of budget to AP bank account								—												
Compensation in TRRC acct x unsolved cases								—												
Grievance resolution					—															
Expropriation					—															
Land vacation and Relocation process					—															
Compliance report By EMA					—															
NOL from ADB to start civil works																				
Start of physical construction																	—			
Internal Monitoring					—															
External Monitoring					—															

IX. COSTS AND FINANCING

9.1 General

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

9.2 Itemized Budgets

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

9.2.1 Compensation for Land

140. Compensation of agricultural land has been derived based on the feedback from the affected people and from the independent evaluator. The affected private land is categorized as agricultural and residential. Cost of legalization and residual land unviable for cultivation is included in the costs. The **compensation rates and cost for private land acquisition** given in Table IX-1, IX-2.

Table IX-1: Compensation rates for private land acquisition

Lend Category				Compensation rate (GEL/sqm)
Type	Sub-type	Sub-type definition		
		Using	Km.	
Type 1	A1	Agricultural	0-8	10
	A2	Agricultural	8-14	15
	A3	Agricultural	14-19	23
	R1	Residential	4-6	13
	R2	Residential	12-14	18
	R3	Residential	14-18	26
Type 2	A1	Agricultural	0-8	10
	A2	Agricultural	8-14	15
	A3	Agricultural	14-19	23

Table IX–2: Cost for land acquisition

	Area (sq.m)	Compensation rate (GEL/sqm)	Total
Type 1 Land (compensable)			
A1	118,600		1,161,900
NG piplain relocation	2,410	0	0
RoW	116,190	10	1,161,900
A2	45,475		593,925
NG piplain relocation	5,880	0	0
RoW	39,595	15	593,925
A3	126,721		2,861,476
NG piplain relocation	2,309	0	0
RoW	124,412	23	2,861,476
Sub Total Type 1-A	290,796		4,617,301
R1	9,778	13	127,114
R2	23,792	18	428,256
R3	28,137	26	731,562
Sub Total Type 1-R	61,707		1,286,932
Sub Total Type 1	352,503		5,904,233
Type 2 Land (compensable)			
A1	199,770	10	1,997,700
A2	218,860	15	3,282,900
A3	75,344	23	1,732,912
Sub Total Type 2-A	493,974		7,013,512
Sub Total Type 2	493,974		7,013,512
Sub Total (compensable)	846,477		12,917,745
Type 3 Land (not compensable)	306,838	0	0
Total	1,153,315		12,917,745

9.2.2 Compensation for Building/Structure

141. Compensation of buildings/structures is based on individual assessment of each building/structure. The evaluation of buildings/structures provided by the independent evaluator as per their standard evaluation methodology (**Annex 1**). Details of buildings/structures compensation is given in Table IX–3, Table IX–4, Table IX–5, and in Annex 5.

Table IX–3: Compensation rates for Residential Building

Residential Building					Compensation (GEL)
Constr.	#	Numb. of Storey	Area in Plan (m2)	Total Area (m2)	
Block	25	2	3,743	6,913,3	1,987,850
Block-Wood	4	2	347	601	132,088
Wood	6	1	429	596	124,163
Total	35	–	4,519	8,110	2,244,101

Table IX-4: Compensation cost for Supplementary Facility

Supplementary Facility			Compensation (GEL)
Type	#	Area in Plan (m2)	
Garage	1	24	6,336
Storage	10	207	31,702
Cattle House	3	155	40,976
Total	14	386	79,014

Table IX-5: Compensation cost for Fence/Wall

Fence/Wall				Compensation (GEL)
Constr.	No	Length Affected	Height (Avrg,m)	
Block	1	44	2,5	43,450
Concrete-Steel	28	1,577	1,5	185,734
N	2	290	1,5	11,310
Other	19	1,121	1,3	8,992
Total	50	3,032	-	249,486

9.2.3 Compensation cost for Crops

142. Crop compensation will be paid to all APs in cash at full market rate. The detail on crop compensation is described in Table IX-6 and Table IX-7

Table IX-6: Compensation rates for Crops (GEL/sq m)

Type	Compensation rate (GEL/sq.m)
Corn	0.23
Beans	0.21
Vegetables	0.59
Hay/Grass	0.04

Table IX-7: Compensation cost for Crops

Type	Area (sq. m)	Compensation rate (GEL/sqm)	Total (GEL)
Corn	81,337	0.23	18,708
Beans	2,642	0.21	555
Vegetables	12,089	0.59	7,133
Hay/Grass	149,118	0.04	5,965
Total	245,186	-	32,361

9.2.4 Compensation for Trees

143. Trees compensation varies for non-productive fruit trees (age <5 year) and productive fruit trees. The first will be compensated based on the inputs spent to grow the tree at age of cutting. The second will be compensated based on future income. Compensation rates and the calculation of trees costs are given in Table IX-8 and Table IX-9 below.

Table IX–8: Compensation rates for fruit trees (GEL/Tree)

Type	Age group	Average productivity (kg/year)	Years to be compensated	Market price at farm gate (kg/lari)	Annual expenses (GEL/Tree)	Compensation rate (GEL/Tree)
Mandarin	5-	10	5	1.5	8	35
	5-9	30	10	1.5	30	150
	10-14	60	10	1.5	60	300
	15-19	60	10	1.5	60	300
	20+	40	10	1.5	50	100
Orange	5-	10	5	2	10	50
	5-9	30	7	2	35	175
	10-14	60	7	2	70	350
	15-19	60	7	2	70	350
	20+	40	7	2	60	140
Lemon	5-	3	5	3	3	30
	5-9	5	7	3	7	56
	10-14	15	7	3	24	147
	15-19	15	7	3	24	147
	20+	10	7	3	15	105
Fig	5-	3	5	2	3	15
	5-9	10	7	2	10	70
	10-14	20	7	2	20	140
	15-19	20	7	2	20	140
	20+	10	7	2	10	70
Persimmon	5-	3	5	2	3	15
	5-9	10	7	2	10	70
	10-14	20	7	2	20	140
	15-19	20	7	2	20	140
	20+	10	7	2	10	70
Medlar	5-	3	5	2	3	15
	5-9	10	7	2	12	56
	10-14	20	7	2	25	105
	15-19	20	7	2	25	105
	20+	10	7	2	12	56
Apple	5-	5	5	2	3	35
	5-9	10	10	2	10	100
	10-14	50	10	2	80	200
	15-19	50	10	2	80	200
	20+	35	8	2	60	80
Pear	5-	6	5	2	3	45
	5-9	10	10	2	11	90

Type	Age group	Average productivity (kg/year)	Years to be compensated	Market price at farm gate (kg/lari)	Annual expenses (GEL/Tree)	Compensation rate (GEL/Tree)
	10-14	60	15	2	100	300
	15-19	60	15	2	100	300
	20+	60	13	2	100	260
Plum	5-	3	5	1.5	1	18
	5-9	10	10	1.5	8	70
	10-14	30	10	1.5	32	130
	15-19	25	10	1.5	26	115
	20+	7	10	1.5	5	55
Walnut	5-	2	5	5	3	35
	5-9	4	10	5	10	100
	10-14	20	15	5	80	300
	15-19	30	20	5	130	400
	20+	30	20	5	130	400
Hazelnut	5-	4	5	1.5	4	10
	5-9	7	8	1.5	4	52
	10-14	15	8	1.5	5	140
	15-19	12	8	1.5	5	104
	20+	10	8	1.5	5	80
Grape	5-	10	3	1	5	15
	5-9	15	5	1	10	25
	10-14	30	5	1	15	75
	15-19	30	5	1	15	75
	20+	25	5	1	15	50
Kiwi	5-	10	3	1.5	7	24
	5-9	15	5	1.5	11	58
	10-14	30	5	1.5	20	125
	15-19	30	5	1.5	20	125
	20+	25	5	1.5	20	88
Fajoja	5-	10	3	1.5	7	24
	5-9	15	5	1.5	11	58
	10-14	30	5	1.5	20	125
	15-19	30	5	1.5	20	125
	20+	25	5	1.5	20	88
Other	5-	7	5	1.5	4	33
	5-9	20	5	1.5	8	110
	10-14	20	5	1.5	8	110
	15-19	15	5	1.5	5	88
	20+	11	5	1.5	5	58

Table IX–9: Compensation cost for fruit trees

Type	Number	Comp. rate (Gel, Avrg)	Total (Gel)
Mandarin	3,810	134.71	513,250
Orange	77	150.91	11,620
Lemon	59	113.90	6,720
Fig	66	85.23	5,625
Persimmon	269	69.46	18,685
Medlar	84	62.77	5,273
Apple	182	113.96	20,740
Pear	210	200.02	42,005
Plum	236	79.21	18,694
Walnut	1,125	301.97	339,715
Hazelnat	5,073	72.38	367,204
Grape	246	48.94	12,040
Kivi	72	75.56	5,440
Feixoa	55	98.60	5,423
Other	765	85.01	65,034
Total Trees	12,329	116.59	1,437,468
Tea (sq.m)	37,147	2.00	74,295
Total	49,349	–	1,511,763

9.2.5 Compensation for Business/Employment

144. No compensation for business and employment are in the project

9.2.6 Resettlement Allowances

145. There are various allowances being provided to the AH. These are: (i) Severely Impact Allowance, (ii) Allowance for vulnerable, (iii) relocation allowance and (iv) self-relocation allowance for not legitimate land users or squatters. Following are the description of each category of unit rates proposed for various allowances.

- (i) The unit rate for severely impact allowances have been considered based on loss of more than 10% income sources. In case of affect of agriculture income AHs will get one additional crop compensation covering 1 year yield from affected land and in other cases AHs will get compensation for 3 months of minimum salary which $311 \times 3 = 933$ GEL.
- (ii) The allowance for vulnerable AP is the same (933 GEL) as the one described above for severely affected AH.
- (iii) Relocation allowances have been considered as taking into account the cost for hiring a vehicle to transport the belongings houses and travelling of household members. The rate for hiring a vehicle is taken as GEL200. Household requiring relocation will also be provided livelihood allowance equivalent to three months of

minimum subsistence salary as above described. In all the relocation allowance will be GEL1,133 GEL.

- (iv) Self-relocation allowance for not legitimate land users or squatters have been considered as 12 month minimum salary -311GEL per month x 12 months=3,721GEL

146. Details of calculations on various types of allowances are described in Table IX–10.

Table IX–10: Cost for Allowances

Affected HH	Number of HH	Allowance rate (GEL/HH)	Allowance cost (GEL)
Relocation Allowance	31	1,133	35,123
Severely Affected	233	933	217,389
Vulnerable Allowance	9	933	8,397
Total			260,909

9.3. LARP Management Cost

147. The Construction Supervision Contractor will conduct external monitoring. However, RU, RDMRDI will need to employ one independent monitoring agency for external monitoring of LARP implementation for a period of 2 months (in case the CSC is not in place during updating and implementation of the LARP. Miscellaneous expenses have been kept as a provision to cover the administrative cost as may be incurred during implementation of the LARP. Details of the LARP implementation management cost is given in Table IX–11

Table IX–11: Capacity Building and Management Cost

No.	Item	Unit	Quantity	Unit Cost (GEL)	Total Cost (GEL)
1	Cost for EMA	Months	2	10,000	20,000
2	Miscellaneous Administrative Cost	Months	8	4,000	32,000
Total					52,000

9.4 Summary LAR Cost and Flow of Funds

148. The total LAR cost calculated for the implementation of the project is **19,082,117GEL (?USD)**. The summary LAR cost estimate is given in Table IX–12. All LAR related funds will be spent in one full year before the start of civil works construction. If the implementation of this LARP covers two fiscals, the allocation of funds will be sought accordingly. Transport Reform and Rehabilitation Centre (TRRC) is responsible for financial management of external financed projects. TRRC will get funds directly from the Ministry of Finance allocated for the project and disburse to APs following requisition from RU, RDMRI.

Table IX–12: Summary Estimate of LAR Costs

No.	Item	Cost (GEL)	Cost (USD)
A	Compensation		
1	Compensation for Land	12,917,745	
2	Compensation for Structures/Buildings	2,572,601	
2.1	Residential Buildings	2,244,101	
2.2.	Supplementary Facilities	79,014	
2.3.	Fence/Wall	249,486	
4	Compensation of crop	32,361	
5	Compensation for trees	1,511,763	
Sub Total A		17,034,470	
B	Allowances		
1	Relocation Allowance	35,123	
2	Severely Affected Allowance	217,389	
3	Vulnerable Allowance	8,397	
Sub Total B		260,909	
C	Support Cost for RP Implementation		
1	Cost for EMA	20,000	
2	Miscellaneous Administrative Cost	32,000	
Sub Total C		52,000	
Total LAR Cost (A+B+C)		17,347,379	
Contingency @ 10 % of the Total LAR Cost		1,734,738	
Grand Total		19,082,117	

9.5 Justification of Cost Estimates and Updating LAR Budget

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

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

9.6 Source of Financing

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

X. MONITORING AND REPORTING

10.1 Introduction

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

10.2 Monitoring and Evaluation Indicators

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

10.3 Level of Monitoring

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

10.4 Internal Monitoring

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

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

resettlement specialist. However, the national resettlement specialists will particularly monitor the activities of LAR teams and report to LARC on a monthly basis under the guidance of the international.

10.5 External Monitoring

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

10.5.1 EMA Tasks

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

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

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

10.5.2 Post-Implementation Evaluation

160. The supervision consultants' resettlement specialists will carry out a post-implementation evaluation of this and the other LARPs under the Program after its completion. The compelling reason for this study is to find out if the rehabilitation objectives of the LARPs have been attained or not. The benchmark data of the socioeconomic survey conducted during the preparation of each LARP will be used to compare pre- and post- project conditions. The post- implementation evaluation will recommend appropriate supplemental assistance for the APs should the outcome of the study show that the objectives of the LARPs have not been attained. The final evaluation will also provide recommendations for future LARPs. For this task the Supervision consultants will:

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

10.5.3 Monitoring Indicators

161. Indicators listed in Table X-1, possible among others, will be use us Monitoring Indicators for LARP-III.

Table X-1: Monitoring Indicators

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

VALUATION METHODS

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

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

2. Land plot value are calculated using sell comparison method. Analysed Market Segment which is needed for appraisal works may be identified within the territory scopes of Qobuletyraion. We used Public Register Natinal Agency data about the real a state sell-purchase for the April and May 2011 year (see Table A below). The market value of 1 sq. m of the appraised property has been calculated by the following formula:

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

where

V_{wa} is the weighted average value of the adjusted prices of the comparable analogs,

P_i is the adjusted sale/offer price of each comparable analog,

R_i is the rated weight of the adjusted prices of each comparable analog.

3. As price analogue for residual land lots are rare for Adjara region, it was inevitable to develop different appraisal method to estimate land plot value using only restricted existing information. As a rule residual land plots are located in the urban areas and have more attractive parameters (existence of road, esitanse of different communications and etc) and this make land more expensive then agricultural lands. After the analysis of market we could conclude that residual land plots are nearly 3 lari more expensive then agricultural land in Adjara region.

Table A: Calculation of Average Weighted Value of Agricultural Land

#	Description	Unit transaction/Offer price \$	Information Source	1 sq.m. price	Location	Correction	Corrected price 1 sq.m.	Physical Characteristics	Correction	Corrected price 1 sq. m. Pi	Ri	∑ R	Vi	Vwa 1 sq.m market price GEL
Picket 0-1 1-2 2-3 3-4 4-5 5-6 6-7 7-8 (Gvara, Khucubani, Kvirike)														
1	2,530 sq.m. Land plot	3.30/1sq.m. (transaction)	Public Registry Data, 20/04/2011	3,3	Worse	5	3	Worse	2	5,3	1,0	7,0	0,8	10
2	39,110 sq.m. Land plot	5/1sq.m. (transaction)	Public Registry Data, 11/05/2011	5	Worse	3	8	Analogue	ara	8,0	1,0		1,1	
3	2,958 sq.m. Land plot	2/1sq.m. (transaction)	Public Registry Data, 27/05/2011	2	Worse	7	9	Worse	3	12,0	1,0		1,7	
4	3,302 sq.m. Agricultural Land plot	1.82/1sq.m. (transaction)	Public Registry Data, 05/05/2011	2	Worse	7	9	Worse	2	11	1,0		1,5	

#	Description	Unit transaction/Offer price \$	Information Source	1 sq.m. price	Location	Correction	Corrected price 1 sq.m.	Physical Characteristics	Correction	Corrected price 1 sq. m. Pi	Ri	Σ R	Vi	Vwa 1 sq.m market price GEL
5	501 sq.m. Agricultural Land plot	14/1sq.m. (transaction)	Public Registry Data, 23/05/2011	14	Better	2	12	Analogue	ara	12,0	1,5		2,6	
6	500 sq.m. Agricultural Land plot	10/1sq.m. (transaction)	Public Registry Data, 08/04/2011	10	Analogue	no	10	Analogue	ara	10,0	1,5		2,1	
Picket 8-9 9-10 10-11 11-12 12-13 13-14 (Bobkvati, Shuagele)														
1	3,206 sq.m. Agricultural Land plot	8/1sq.m. (transaction)	Public Registry Data, 19/05/2011	8	Worse	4	12	Worse	2	14,0	1,0	7,0	2	15
2	1,562 sq.m. Agricultural Land plot	10/1sq.m. (transaction)	Public Registry Data, 24/05/2011	10	Worse	3	13	Worse	2	15,0	1,0		2	
3	501 sq.m. Agricultural Land plot	3.2/1sq.m. (transaction)	Public Registry Data, 08/04/2011	3,2	Worse	8	11,2	Worse	4	15,2	1		2	

#	Description	Unit transaction/Offer price \$	Information Source	1 sq.m. price	Location	Correction	Corrected price 1 sq.m.	Physical Characteristics	Correction	Corrected price 1 sq. m. Pi	Ri	Σ R	Vi	Vwa 1 sq.m market price GEL
4	501 sq.m. Agricultural Land plot	14/1sq.m. (transaction)	Public Registry Data, 23/05/2011	14	Analogue	no	14	Analogue	no	14	1,5		3	
5	500 sq.m. Agricultural Land plot	10/1sq.m. (transaction)	Public Registry Data, 08/04/2011	10	Worse	4	14	Worse	2	16,0	1,0		2	
6	3,000 sq.m. Agricultural Land plot	14/1sq.m. (transaction)	Public Registry Data, 08/04/2011	14	Analogue	no	14	Analogue	no	14	1,5		3	
Picket 14-15 15-16 16-17 17-18 18-19 (Chaqvi)														
1	2,980 sq.m. Agricultural Land plot	20/1sq.m. (transaction)	Public Registry Data, 05/04/2011	20	Analogue	no	20	Analogue	no	20	1,5	7,5	4,0	23
2	899 sq.m. Agricultural Land plot	23/1sq.m. (transaction)	Public Registry Data, 12/04/2011	23	Analogue	no	23	Analogue	no	23	1,5		4,6	

#	Description	Unit transaction/Offer price \$	Information Source	1 sq.m. price	Location	Correction	Corrected price 1 sq.m.	Physical Characteristics	Correction	Corrected price 1 sq. m. Pi	Ri	$\sum R$	Vi	Vwa 1 sq.m market price GEL
3	1,470 sq.m. Agricultural Land plot	24/1sq.m. (transaction)	Public Registry Data, 23/05/2011	24	Analogue	no	24	Analogue	no	24	1,5		4,8	
4	900 sq.m. Agricultural Land plot	10/1sq.m. (transaction)	Public Registry Data, 25/05/2011	10	Worse	8	18	Worse	4	22	1,0		2,9	
5	19,046 sq.m. Agricultural Land plot	9/1sq.m. (transaction)	Public Registry Data, 15/04/2011	9	Worse	9	18	Worse	4	22	1,0		2,9	
6	3,563 sq.m. Agricultural Land plot	36/1sq.m. (transaction)	Public Registry Data, 28/04/2011	36	Better	-8	28	Better	-3	25	1,0		3,3	

4. As summary, Table B below present market price for different category of land:

Table B: Land market prices by land category

Lend Category				Compensation rate (GEL/sqm)
Type	Sub-type	Sub-type definition		
		Using	KP	
Type 1	A1	Agricultural	0–8	10
	A2	Agricultural	8–14	15
	A3	Agricultural	14+	23
	R1	Residential	4–6	13
	R2	Residential	12–14	18
	R3	Residential	14+	26
Type 2	A1	Agricultural	0–8	10
	A2	Agricultural	8–14	15
	A3	Agricultural	14+	23

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

a. Direct costs include:

- (i) Salaries of workers;
- (ii) Purchase of construction materials;
- (iii) Preparatory expenses;
- (iv) Rent or purchase of equipment;
- (v) Profit and overhead expenses of the constructor;
- (vi) Expenses incurred to ensure safety measures during the construction/repair;
- (vii) The cost of arranging temporary structures;
- (viii) Temporary communications (electricity, water, gas supply etc.);
- (ix) Warehouse costs;
- (x) Transportation costs;
- (xi) Other costs

b. Indirect costs include:

- (i) Cost of professional services:
 - 1. Compensation of the architect/designer;
 - 2. Compensation for engineering services;
 - 3. Legal expenses;
 - 4. Compensation for valuator's services;
 - 5. Other expenses
- (ii) Expenses incurred to receive permits;
- (iii) Insurance costs;

- (iv) Financing %;
- (v) Guarantee necessary to secure the contract implementation by the contractor building the new building;
- (vi) Other expenses

6. Additionally following sources of information was used:

1. *Building materials price is taken from Building Appraisal Union's „Building materials price“ (1-st Quarter,2011).*
2. *Building Overhead cost % is taken from the Building appraisal union guidance – „About building Overhead, planed accumulation and limited expenses determinations“*
3. *Indirect costs (development, permission etc.) was determined by interview with the developer companies*

Sample of detailed building valuation:

Table C: Physical Characteristics of sample building

Purpose	Residential
Type	Block
Gread	B
Sub-grade	B
Area in Plan (sq m)	150
Floors	2
Rooms	6
Ceiling height	3
Base	Banded reinforced concrete
Holding construction	Block
Internal division	Block
Roofing between floors	Mondolithic reinforced concrete
Construction under roof	Wood
Roof	Asbestos Slates
Electricity	yes
Water-supply	yes
Canalization	no

Table D: Valuation of sample building at replacement cost

#	Description of performed work, materials and other expenses	Unit	quantity	Unit Price (GEL)	Total Value (GEL)
1	Cement M-300	ton	35	140	4900
2	Sand	m ³ .	50	27	1350
3	Block	Pieces.	10600	1,2	12720,0
4	Concrete M-300	m ³ .	70	111	7770,0
5	Armature A-I	ton	3,0	1390	4170,0
6	Fastener wire	kg.	30	1,8	54,0

#	Description of performed work, materials and other expenses	Unit	quantity	Unit Price (GEL)	Total Value (GEL)
7	Steel Beam #14	m.	20	21,2	424,0
8	Steel Beam #20	m.	100	34	3400,0
9	Caliber Board	m ³ .	2,0	390	780,0
10	Construction Nail	kg.	30	4,2	126
11	Nail of Slates	kg.	15	4,7	70,5
12	Garage Metal door	sq.m.	10	150	1500
13	Wooden doors and windows	sq.m.	50	110	5500
14	Wooden Beam 10X20	m.	70	9,5	665
15	Board 30 mm III grade	m ³ .	15	328	4920
16	Electrode	kg.	20	2,8	56
17	Electricity	kvt.	20	0,13	2,6
18	Parquet	sq.m.	150	30	4500
19	Wallpaper	sq.m.	250	12	3000
20	Parquet glue	kg.	50	3	150
21	Wallpaper glue	kg.	10	4	40
22	Asbestos Slate	sq.m.	175	5,5	962,5
23	Construction Glass 3mm	sq.m.	30	9,5	285
24	Glue Emulsion	kg.	30	2,5	75
25	Cable 2X2.5	m.	400	0,95	380
26	Switch	Pieces.	6	3,2	19,2
27	Plug	Pieces.	12	2,5	30
28	Pipe d=15 mm	m.	30	1,4	42
29	Tap	Pieces.	2	5	10
30	Ceramic sink	Pieces.	1	50	50
31	Mosaic stair	Pieces.	15	28	420
32	Concrete railings	m.	16	50	800
33	Gaji	ton	12	65	780
34	Water emulsion Paint	kg.	50	3	150
35	Oil paint	kg.	30	4	120
36	Sapitkhni	kg.	30	0,5	15
37	Ground handling	m ³ .	42,0	10	420,0
	Total				60656,8
	Construction works		20%		12131,4
	Total				72788
	Vehicle and equipment lease cost		15%		10918
	Total				83706
	Unforeseen Expenses		5%		4185

#	Description of performed work, materials and other expenses	Unit	quantity	Unit Price (GEL)	Total Value (GEL)
	Total				87892
	Taxes		20%		2426
	Total				90318
	Overhead costs		16%		1941
	Total				92259
	Planned Accumulation		10%		9226
	Total				101485
	VAT		18%		18267
	Direct costs in total value (GEL)				119752
	Design costs				4500
	Permit costs				450
	other costs				100
	Indirect costs in total value(GEL)				5050
	Total Compensation Value (GEL)				124802
	1 sq.m. Area cost (GEL)				416

7. **Compensations for Annual Crops:** This item has been valued at market price of crops produced per square meter of affected land. The details are given in a table 4.

Table 4: Compensation for the Annual Crops

Crops	Productivity per 1 (Kg/sq m)	Market price of unit of crops (Gel/Kg)	Annual Crops quantities	Profitability (Gel/sq m)
Grains	0.19	1.2	1	0.23
Beans	0.07	3	1	0.21
Vegetables	0.5	1.2	1	0.59
Hay/grass	0.24	0.175	1	0.04
Other	0.25	1.39	1	0.27

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

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

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

- (1) Product of the tree at the productive stage or age of the tree at the moment of cutting (which is defined by tables prepared by the consultants based on figures from the Department of Statistics of Georgia and

recognized academic publications which detail the average productivity of a tree within intervals of 5 years) of the tree at the moment of cutting;

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

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

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

Where:

C - is compensation value of tree.

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

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

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

10. Calculated unit prices for each tree species are provided in Table 5:

Type	Age group	Average productivity (kg/year)	Years to be compensated	Market price at farm gate (kg/lari)	Annual expenses (GEL/Tree)	Compensation rate (GEL/Tree)
Mandarin	5-	10	5	1.5	8	35
	9-May	30	10	1.5	30	150
	14-Oct	60	10	1.5	60	300
	15-19	60	10	1.5	60	300
	20+	40	10	1.5	50	100
Orange	5-	10	5	2	10	50
	9-May	30	7	2	35	175
	14-Oct	60	7	2	70	350
	15-19	60	7	2	70	350
	20+	40	7	2	60	140
Lemon	5-	3	5	3	3	30
	9-May	5	7	3	7	56
	14-Oct	15	7	3	24	147
	15-19	15	7	3	24	147
	20+	10	7	3	15	105

Type	Age group	Average productivity (kg/year)	Years to be compensated	Market price at farm gate (kg/lari)	Annual expenses (GEL/Tree)	Compensation rate (GEL/Tree)
Fig	5-	3	5	2	3	15
	9-May	10	7	2	10	70
	14-Oct	20	7	2	20	140
	15-19	20	7	2	20	140
	20+	10	7	2	10	70
Persimmon	5-	3	5	2	3	15
	9-May	10	7	2	10	70
	14-Oct	20	7	2	20	140
	15-19	20	7	2	20	140
	20+	10	7	2	10	70
Medlar	5-	3	5	2	3	15
	9-May	10	7	2	12	56
	14-Oct	20	7	2	25	105
	15-19	20	7	2	25	105
	20+	10	7	2	12	56
Apple	5-	5	5	2	3	35
	9-May	10	10	2	10	100
	14-Oct	50	10	2	80	200
	15-19	50	10	2	80	200
	20+	35	8	2	60	80
Pear	5-	6	5	2	3	45
	9-May	10	10	2	11	90
	14-Oct	60	15	2	100	300
	15-19	60	15	2	100	300
	20+	60	13	2	100	260
Plum	5-	3	5	1.5	1	18
	9-May	10	10	1.5	8	70
	14-Oct	30	10	1.5	32	130
	15-19	25	10	1.5	26	115
	20+	7	10	1.5	5	55
Walnut	5-	2	5	5	3	35
	9-May	4	10	5	10	100
	14-Oct	20	15	5	80	300
	15-19	30	20	5	130	400
	20+	30	20	5	130	400

Type	Age group	Average productivity (kg/year)	Years to be compensated	Market price at farm gate (kg/lari)	Annual expenses (GEL/Tree)	Compensation rate (GEL/Tree)
Hazelnut	5-	4	5	1.5	4	10
	9-May	7	8	1.5	4	52
	14-Oct	15	8	1.5	5	140
	15-19	12	8	1.5	5	104
	20+	10	8	1.5	5	80
Grape	5-	10	3	1	5	15
	9-May	15	5	1	10	25
	14-Oct	30	5	1	15	75
	15-19	30	5	1	15	75
	20+	25	5	1	15	50
Kiwi	5-	10	3	1.5	7	24
	9-May	15	5	1.5	11	58
	14-Oct	30	5	1.5	20	125
	15-19	30	5	1.5	20	125
	20+	25	5	1.5	20	88
Faijoja	5-	10	3	1.5	7	24
	9-May	15	5	1.5	11	58
	14-Oct	30	5	1.5	20	125
	15-19	30	5	1.5	20	125
	20+	25	5	1.5	20	88
Other	5-	7	5	1.5	4	33
	9-May	20	5	1.5	8	110
	14-Oct	20	5	1.5	8	110
	15-19	15	5	1.5	5	88
	20+	11	5	1.5	5	58

LEGALIZATION OF PRIVATE OWNERSHIP OF LAND IN GEORGIA AUTONOMOUS REPUBLIC ADJARA

A. Introduction

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

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

B. Privatization in Adjara

3. Privatization of state land was initiated in most part of Georgia except in Adjara prior to 2007. In 2007, a Presidential Decree and order (2007 order- 525) was issued that land under the ownership of government/state should be privatized in Adjara.

4. As per the Decree, Property Recognition Commission (PRC) has been established which is functional at the district municipality (Rayon) level across the country. This commission was authorized to provide the legal status of the land to the owners and to recognize the owners. The commission started the administrative procedure based on the individual application of the citizens. The procedure is similar all over the country and includes the following steps:

- (i) Application of the citizens for privatization of the land parcel.
- (ii) The citizens were asked to produce certain documents such as Lease Agreement, Construction Permission, any document related to lease and construction permit prevailed anytime after the Soviet Period (During the state ownership there were the cases of having small individual lease,

- cheques/receipts of the taxes and land fees etc as part of the evidence for having any land under their possession).
- (iii) The citizens were asked to carry out a physical and geometric survey of their respective plots at their own cost prior to approach the commission and during the submissions of application.
 - (iv) Each application was to be supported with the details of this survey of the respective plots.
 - (v) Based on the application and the survey details of the respective plots, the Property Recognition Commission used to go to the site for verification and checking the details on the ground. The checking and verification activity of the Commission was usually done based on the discussion with the owners and having witness of the neighbours.
 - (vi) Following the on-the-site verification, the Property Recognition Commission used to approve or reject the status of ownership of that particular plot.
 - (vii) If approved by the Commission, the owner used to go to the National Agency of Public Registry under the Ministry of Justice to get that particular plot registered.

C. Complexities of Ownership Recognition

5. Ownership recognition experienced multiple difficulties that hindered progress of the process in Adjara. The cases of multiple ownership of the same land parcel are a major setback in the process. No authentication was obtained in some of the cases. The difficulties in the registration process were observed as follows:

- (i) In Adjara, some of the people (the original owner having the original document during the post Soviet Period) used to be absent from using the land for several years. In the absence of the original owner, the same parcel is occupied by another individual and was being used for their need.
- (ii) During the privatization process, the occupant approached to the Commission with the survey details to get the parcel recognized.
- (iii) When the original owner got to know about the land privatization, then he/she also approached the Commission for the same recognition and ownership of the same parcel. This caused the entire process complicated and unreliable.

6. Under the above circumstances, the original owners started suing the Commission and the government. The most problematic zone was especially in the sea side area. Therefore, some of these cases were referred to the court. The court could not take any active action or initiate any discussion to these cases which ultimately resulted in non- recognition of these cases. These cases are still pending in the court and the verdict is still awaited.

D. Steps Taken to Address the Issue

7. However, based on the above experience, there were amendments issued to the Decree.¹¹ The amendments again allowed the registration and recognition process. According to the amendments, land can be recognised and legalized to those persons and parcels, if there is any structure, either permanent or temporary in nature, exist in that particular parcel or in case, if the illegally occupied land parcel is adjacent to the rightfully owned land parcel and is of less area than the rightfully owned land. The owners have to do the proper mapping and avail

¹¹ Vide Presidential orders No. 11 of 14.01.2008; No. 92 of 19.02.2008; No. 152 of 24.03.2008; No. 194 of 15.04.2008; No. 375 of 21.07; No. 585 of 05.12.2008 and No. 46 of 22.01.2010.

authorization from the local administration for recognition of the ownership rights and follow up registration. Therefore, recognition is still open by the Property Recognition Commission, which is linked to the certification of ownership.

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

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

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

- (i) **Legal Owner/Title Holder:** Owners and users of land having their title registered in the Public Registry.
- (ii) **Legalizable Owner:**
 - a. **Rightful Owners** – the owners with old document proof although not having registration in the Public Registry under the Laws of Georgia on Privatization of State-owned Agricultural Land, (July 8, 2005) and The Law of Georgia on Public Register (No820 –lis; December 19 of 2008); (the current legislation).
 - b. **Non-rightful owners** – unauthorised land users having right to legalize landownership rights provided by the current legislation. The legalization of landownership rights, under the current legislation is allowed for following cases:
 - The state owned agricultural or non-agricultural land plot with residential house or supporting structures on it is occupied by the physical or legal person without permission before the current law came in force in 2007.
 - Land plot occupied by person without permission is adjacent to the land parcel rightfully owned or used by this person, taking into account that the illegally occupied land parcel should be of less area than the legally owned adjacent land parcel. However, there are certain restrictions on privatization of land¹²

¹² According to the Law of Georgia On Privatization of Agricultural Land Existing in State Ownership (Article 2, Clause 3), the following categories of State-owned lands are not subject to privatization: (a) Pasturelands other than those leased out before the enactment of this law which under the act issued by the competent state or local government (self-government authority) are duly allotted to the buildings and premises located thereon which are the private property of individuals or legal entities or the property of the state; (b) Cattle transfer routes; (c) The first zone (zone of strict regime) in sanitary protection area around water supply units; (d) Lands of forest funds, which are used for agricultural purposes; (e) Recreational lands; (f) Lands occupied with historical, cultural, natural and cult-religious monuments; (g) Lands of protected territories; (h) Agricultural lands that are used by the Budget-funded institutions and legal persons of public law in form of usufruct. The lands indicated in b, c, d and e may be privatized only if significant projects are implemented, on which government of Georgia, based on the suggestion of the Ministry of Economic Development of Georgia, shall take special decision. At the same time the land indicated in c may be privatized if the conditions of sanitary protection are met. (26.10.2007).

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

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

11. Legalisation of Non-rightful Landownership rights is authorized by Property Recognition Commission (in each Rayon) through reviewing the application documents, evaluating eligibility against the restriction lists given in the law and local land use development plans. In case of positive decision and upon payment by the applicant of relevant amount of money to a special account, if applicable,¹³ the Commission issues certificate on ownership right. Based on that certificate the Rayon Registration Office of NAPR will register the ownership rights on land plot and structures.

F. National Survey

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

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

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

14. Based on this, the survey team proceeded to the sites for field survey which included identification of each plot and verification of the details shown in the National Survey Map (National Cadastre Map) and the reality on the ground. The verification survey process includes

¹³ In Adjara AR (1) Payment for allocation of land less than 3,000 sq m in village settlement for residential use is exempted for all. (2) For agricultural land of area more than 3,000 sq m, the payment is 440GEL per HA. (3) For non-agricultural land in the first zone, the payment is 6GEL per sq m, which is 3.4GEL per sqm in second zone and 2.2GEL per sqm in rest of the areas. Kobuleti Municipality Sakrebulo has approved by its decree of 26.02.2010 zoning of Kobuleti rayon lands in accordance with the legislation.

title searching through review of available documents and discussions with the owners about land parcel boundary and further discussion with the local government, the representative of the NAPR (local archives are currently transferred to NAPR rayon offices) for its cross verification. Based on these methods final details of each parcel and ownership will be confirmed. This will help to identify the legal owners, the legalizable owners (rightful and non-rightful) and the illegal occupants of state owned land. The list of various categories of ownership will be recorded with the help of local government.

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

H. Process for Registration of Legalizable Owners

16. An initial level of discussions were initiated during the Census Survey by the FS consultant with the stakeholders, including the affected people, Property Recognition Commission of each Rayon (Kubuleti, Batumi and Khelvachauri) and the rayon level Registration Offices. The detail design consultant (the Consultant) has checked with relevant agencies and local experts for the land registration process in Georgia, particularly in Adjara region. This also includes the methods on how to conduct registration of un-registered land prior to disbursement of compensation to the affected people. The affected people will be made aware about the situation, the process and the tasks to be done by them for registration of land parcels. It is noted that coordination and combined efforts are required by the APs, the consultant and all the relevant government agencies.

H.1 Registration of Rightful Owners

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

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

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

- (i) **Step 1:** Preparation of fresh and precise cadastral map by the owners through private agencies. The map will include all the dimensions of plots and geometrical details. The cost of preparation of map ranges from 0.06GEL to 0.10GEL per sqm of land to be recognized. The duration for preparation of map will be approximately a week time. However, within the project frame, the consultant will prepare precise cadastral maps for the affected land plots and these maps along with required land descriptions will be given to the legalizable and other land owners free of charge.
- (ii) **Step 2:** In case if the owner does not have available ownership proving documentation (annex-3) or in case there is any doubt regarding the plot, the

owner has to apply to the local community level self-government (Sakrebulo and Gamgeoba) and local Rayoon NAPR Office (where Archives are kept) for the proof and cross verification of the land details.

- (iii) **Step 3:** after the verification from NAPR rayon Office, the owners will take the endorsement from the community municipal office (Gamgeoba)..
- (iv) **Step 4:** Following the authorization from Gamgebeli the owners will approach to the Rayon level Registration Office of the NAPR. The owners will provide all the above proof to the registration office. The registration office will verify the completeness of all required application documents. The owners have to submit both the soft copy and hard copy of the plot maps along with its coordinates for record in the Public Registry office. The registration process will take 4 working days in normal situation and the property recognition fee will be 51GEL per registration. In case of urgency, the owners have to pay 150GEL to get the registration done in one working day and 200GEL, if the registration needs to be done immediately. However, the registration office for affected legalizable owners will not charge the urgency cost and will be able to complete each case in maximum 6 days. After the finalization of registration, the Public Registry office will compile the land records and will update the cadastral details. The updated details will be sent to the central Public Registry for centralized record.
- (v) **In case,** there remains further dispute related to ownership, the case may be referred to the court. The project authority may estimate the price of that particular land and may deposit the amount in the State Budget allocated for the Project. The payment to the real owner will be executed from the State Budget according to the court decision upon confirmation by the Roads Department as LARP implementing agency. The case will be resolved in the Rayon Court.

H.2 Registration of Non-Rightful Owners

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

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

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

- (i) **Step1:** Preparation of fresh and precise cadastral map by the owners through private agencies. The map will include all the dimensions of plots and geometrical details. The cost of preparation of map ranges from 0.06GEL to 0.10GEL per sq m of land to be recognized. The duration for preparation of map will be approximately a week time. However, within the project frame, the consultant will prepare precise cadastral maps for the affected land plots and these maps along with required land descriptions will be given to the legalizable and other land owners free of charge.

- (ii) **Step 2:** The map and its details will be authorized and the land usage pattern will be verified by the neighbours. The community local administration (Gamgeoba) may also certify the authorization.
- (iii) **Step 3:** Following the authorization from the neighbours, the same has to be notarized. Cost of notarian confirmation of neighbours witness will be 15GEL for each case.
- (iv) **Step 4:** The land owner/user will approach to the Property Recognition Commission through Office of Sakrebulo with a package of documents confirming eligibility for legalization of the land plot according to the current legislation. This includes ownership documents (see annex-3) related to the adjacent land plots owned by the applicant rightfully.
- (v) **Step 5:** In case if, the owner does not have available documentation proving ownership rights on the adjacent land plot or in case there is any doubt regarding the plot, the owner will apply to the local NAPR Archives for the proof and cross verification of the land details.
- (vi) **Step 6:** after the verification, the Office of Sakrebulo will endorse the application and authorize the case for recognition.
- (vii) **Step 7:** Following the authorization from Sakrebulo, the owners will approach to the Property Recognition Commission. The owners will provide all the above proof to the Commission. The Commission will verify the documents, make physical verification and organize an open disclosure meeting on site with prior notice to the concerned community peoples. If the documents are clear and the land is free from any dispute from anybody, then the Commission will notify the applicant to deposit payment for the land (if applicable). After payment, or if the payment is not applicable, the commission will issue certificate on ownership right to the owners.
- (viii) **Step 8:** Based on the above steps, the owners will go to the Public Registry at their respective rayon for registration. The owners have to submit both the soft copy and hard copy of the plot maps along with its coordinates. The registration process will take 4 working days in normal situation and the property recognition fee will be 51GEL per registration. In case of urgency, the owners have to pay 150GEL to get the registration done in one working day and 200GEL, if the registration needs to be done immediately. However, the registration office for affected legalizable owners will not charge the urgency cost and will be able to complete each case in maximum 6 days. after the finalization of registration, the Public Registry office will compile the land records and will update the cadastral details. The updated details will be sent to the central Public Registry for centralized record.
- (ix) **In case,** there remains further dispute related to ownership, the case may be referred to the court. The project authority may estimate the price of that particular land and may deposit the amount in the State Budget allocated for the Project. The payment to the real owner will be executed from the State Budget according to the court decision upon confirmation by the Road Department as RAP implementing agency.

I. Actions at Detail Design

21. The most important issue for timely acquisition of land is the coordination between the Roads Department and the respective rayon and municipality level administration (, Rayon and municipal Gamgeoba and PRC). These issues have been identified and brought to the notice of concerned stakeholders by the feasibility study consultant, as well as DD Consultant, through

consultation and review of existing process of privatization. The Consultant is in the process of seeking cooperation from the concerned registration services and local government offices. Services of an experienced survey and audit agency have been being utilized to identify the current owners (users) of affected land parcels as per final engineering design of the road.

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

23. The registration will be completed for the legalizable owners during the implementation of LARP and prior to the disbursement of compensation. The cost involved in the registration process will be reimbursed from the Project during LARP preparation and implementation. The affected legalizable owners have to initiate the land registration at their own cost in the beginning with such assurance from the Roads Department. The above activities are part of Pre- Disbursement of Compensation.

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

**INFORMATION LEAFLET
LAND ACQUISITION AND RESETTLEMENT POLICY
KOBULETI AND BATUMI BYPASS PROJECTS
ADB LOAN No. 2560-GEO
INFORMATION FOR APs**

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

B. Project Background. The Government of Georgia (GOG) has received a loan (USD 500 million) from the Asian Development Bank (ADB) through a Multitranche Financing Facility (MFF) for implementing the Road Corridors Development Program (the Program) to rehabilitate, improve or construct several roads in various regions of Georgia. The program includes the 48.4-km Adjara Bypass around Kobuleti and Batumi (the Road), which will be financed under tranche 1 and 2, of the Program.

Construction activities for the Adjara Bypass under Tranches 1&2 will entail land acquisition and resettlement (LAR.) To satisfy the ADB Safeguards Policies the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia (RDMRDI) the Program Implementing Agency (IA) has prepared for these tranches 3 Land Acquisition and Resettlement Plans (LARP), two of which (LARP1 and LARP2) cover LAR impacts under contract 1 and 3, are finalized and ready for implementation and signing of civil works contract awards. Subsequently LARP-III has been prepared for this 18.9 km Kobuleti bypass road alignment, section-2, under contract 2 and tranche 1.

The LARP was prepared by RDMRD and is final. It is based on detailed design and the requirements of the ADB Safeguards Policies update (2009). Its objective is to plan and implement LAR for this 18.9 km Kobuleti bypass road alignment, section-2, under contract 2 and tranche 1.

C. The Impacts Corridor. The 18.9 km Kobuleti bypass road, section-2 (contract 2 and tranche 1) has passed through flat area and mountainous area. The final design include construction of road with 18 bridges of which 5 interchange points; 5 interchanges; 2 tunnels and necessary culverts for ensuring services of all other connected roads. The usual width of this road's ROW is 40 meters except interchanges, tunnels and bridges points. The bridges are designed for two lane carriageway and considerations are made in detailed design for future widening to four lanes. The span length of bridges varies from 27 meters to 50 meters and typical width of bridge is 15 meters.

Impacts along this road section will entail acquisition of plots subdivided in terms of tenure type as follows:

- **Type 1:** Private land that is compensable because it is titled or legalizable according to the law. Legalizable land is land occupied by a house or close to a house that is currently untitled but is occupied by users who were legitimate land leasers under the old Soviet land administration system.
- **Type 2:** Public land that is compensable because used continuously by users who were legitimate land leasers under the old Soviet land administration system but is

not legalizable according to current law because it is not occupied by houses or bordering houses.

- **Type 3:** Land that is not compensable because not regularly used or used extemporaneously by users who were not legitimate leasers under the old Soviet land administration system. This land is also non-legalizable as it is not occupied by houses or close to houses.

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

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

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

- (i) LAR impacts will be avoided or minimized through all viable alternative project designs;
- (ii) A time-bound action plan will be prepared and implemented to improve or at least regaining the pre-program standard of living of the unavoidable AP;
- (iii) The APs will be consulted and their opinions will be considered in the project design and implementation;
- (iv) Loss of land and assets will be compensated at full replacement cost following current market price at the time of dispossession of land and assets;
- (v) Non-titled APs will be compensated for lost assets other than land and provided with livelihood allowance in lieu of land compensation;
- (vi) All legalizable APs will be legalized and fully compensated for land losses;
- (vii) Vulnerable and severely affected APs will be provided special assistance;
- (viii) Land acquisition and resettlement policy and procedure will be disclosed to APs in local language;
- (ix) Compensation will be provided at least at the rates detailed in this LARP although some modification in excess will be possible during the discussions preceding the signing of the contract
- (x) payment of compensation, resettlement assistance and rehabilitation measures will be fully provided prior to the start of civil works construction; and
- (xi) Appropriate mechanisms will be established to solve APs grievances, if occurs.

F. Compensation Eligibility/Entitlements. LAR will be implemented based on the following stipulations:

Eligibility. APs entitled for compensation or at least rehabilitation under the Project are: (i) all APs losing land either with legal title, legalizable, or without legal status; (ii) tenants whether registered or not; (iii) owners of buildings, crops, plants, or other items attached to the land; and (iv) APs losing business, income, or salaries. Compensation eligibility is limited by a cut-off date

on the day of the beginning of the AP Census and detailed measurement survey (DMS). The compensation entitlement matrix for the project is included below.

Compensation Entitlement Matrix

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AP losing productive land regardless of impact severity	Owner with full registration	Cash compensation at full replacement cost. 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 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.
		APs who are in registered but legitimately use agricultural land not adjacent to residential plots	These will not be registered in NAPR. However the APs will be provided with cash compensation at full replacement cost, according to the Decree of the Government of 01.03.2011.
		APs that are not legitimate land users or squatters (these are APs who were not land leasers under the old system or occupy a plot illegally)	One time self-relocation allowance in cash equal to 12 months at minimum salary (@311 GEL per month x 12 months=3,732GEL / AH.)
		Agricultural Tenant	A one time self-relocation allowance in cash equal to 1 year at minimum salary (@311 GEL per month x 12 months=3,721 GEL / AH)
Non-Agricultural Land	AP losing their commercial/ residential land	Owner with full registration	Cash compensation at replacement rate or through replacement land equal in value to plot lost and at location acceptable to APs. The cash option has been selected for this project.
		Legalizable Owner (The owners legalizable 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-legalizable land users (without registration/valid documents using land permanently).	A one time self-relocation allowance in cash equal to 1 year at minimum salary (@311GEL per month x 12 months=3,721GEL / AH)
Buildings and Structures			
Residential and non residential structures/assets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	Full impact: Cash compensation for building/structures losses at full replacement costs free of depreciation and transaction costs Partial impact: repairs compensation.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Crops	Standing crops affected or affected 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 by default at to 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.
Business/Employment	Business/employment loss	All APs regardless of legal status (including legalizable and Informal Settlers)	Owner: (i). (<u>permanent impact</u>) cash indemnity of 1 year net income; (ii) (<u>temporary impact</u>) cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum salary. Permanent worker/employees: indemnity for lost wages equal to 3 months of minimum salary. (@311 GEL per month x 3 months=933 GEL / AH)
Allowances			
Severe Impacts	>10% income loss	All severely affected AHs including informal settlers	Agricultural income: 1 additional crop compensation for 1 year's yield of affected land; Other income: an allowance covering 3 months of minimum salary(@311 GEL per month x 3 months=933 GEL / AH)
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 + 311 GEL per month x 3 months =1,133GEL/AH)
Vulnerable People Allowances		AHs below poverty line, headed by Women	Allowance equivalent to 3 months of minimum salary and employment priority in project-related jobs (@311 GEL per month x 3 months=933GEL / AH)
Temporary impacts during construction		All APs	Due compensation to be assessed and paid when the impacts are identified based on the above provisions.

¹ In absence of a minimum salary in Georgia the figures used are based on the minimum subsistence income x month calculated for a family of 5 persons. The most recent information from National Statistics Office of Georgia for October 2011 is 311 GEL per household (of five people).

G. Compensation Rates. The table below specifies the compensation rates for affected items. Details are provided in the LARP.

Compensation rates

		Unit	Compensation rate (GEL)
Land	Based on market value (variable)	Sq m	
Legal/legalizableAgricultural			10–23
Legal/legalizableResidential			13–26
Fruit trees	Based on methodology defined on LARP (variable)	Tree	
Non-productive			10–50
Productive			25–400
Buildings	Based on replacement cost (variable)	sq m	
Residential			Evaluated individually
Supplementary Facility			
Fence/Wall			
Crop	Based on market value of product	sq m	
Corn			0.23
Beans			0.21
Vegetables			0.59
Hay/Grass			0.04

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

Grievance Resolution Process

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

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

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

J. Contact Information. For information/advice, please feel free to approach the following contacts:

- (i) Road Department of RDMRD: 12 Kazbegi str., Tbilisi, Georgia
Davit Shavliashvili, Chairman - Phone number: 2313089 and 2380289
e-mail:info@georoad.ge
- (ii) Arsen Chinchaladze--Mobile Phone 595 00 00 95
e-mail:chinchaladzearsen@yahoo.com

Complaints and Grievance Submission Form

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

PROTOCOL OF ADDITIONAL MEETINGS

Additional meetings and consultations were held with APs in the course of developing the final LARP III. The meetings and consultations were held at the buildings of Chakvi, Tsikhisdziri, Bobokvati, Khutsubani, Kvirike and Gvara Municipalities. Total 123 APs participated in this round of the meetings and consultations.

Meeting No 1 (17.08.2012, 1:00 pm, Chakvi, 27 participants)	
General meeting summary: The questions were mostly about the terms of receiving the compensations, Project onset and prospects of employment in the road construction.	
Questions	Answers
When will it be possible to receive the compensation amounts?	The process to give out compensations is planned in September and will be over in October of the current year. A Project Impact Person will receive due compensation in approximately two weeks after signing the relevant agreement immediately from the budget in the account specified by him/her.
To whom do we have to apply relating the possible employment in building activities?	The Building Contractor is obliged to staff 70% of the workers needed for the building with the local personnel. In the field of employment, the Building Contractor will closely cooperate with the local authority organs.
Are the planting compensable or not?	The price of the (annual and perennial) plantings will be compensated as per the brochure.
Won't the roads leading to the villages be blocked?	The access to the local roads will not be limited as a result of the realization of the Project.
Is it allowed to build a house on the plot beyond the road corridor?	Certainly, it is allowed to build a house at such a location under relevant permits and by observing the effective rules.
Meeting No 2 (17.08.2012, 2:00 pm, Tsikhisdziri, 21 participants)	
General meeting summary: The questions were mostly about the terms of receiving the compensations, Project onset, prospects of employment in the road construction and availability to the remaining materials as a result of disassembly.	
Questions	Answers
When will the relevant agreement be concluded and when will we receive the compensation?	The process to give out compensations is planned in September and will be over in October of the current year. A Project Impact Person will receive due compensation in approximately two weeks after signing the relevant agreement immediately from the budget in the account specified by him/her.
To whom do we have to apply relating the possible employment in building activities?	Relating the questions of employment, the Building Contractor will closely cooperate with the local authority organs. Accordingly, the representatives of the local government will provide you the necessary information and will coordinate the process of employment in building.
Is the property other than the land compensable?	Yes, it is. In addition, some individuals will receive different kinds of aids. The kinds of compensations and aids are detailed in the brochure given to you.
To whom will the materials remained after the disassembly belong?	The materials remained after the disassembly of the buildings/premises under the Project Impact belong to their owners.
Is it allowed to build a house on the plot beyond the road corridor?	Certainly, it is allowed to build a house at such a location under relevant permits and by observing the effective rules.
Meeting No 3 (17.08.2012, 3:00 pm, Bobokvati, 32 participants)	
General meeting summary: The questions were mostly about the terms of receiving the compensations, Project onset, prospects of employment in the road construction and possibility to connect the village road to the autobahn.	
Questions	Answers
When are we to receive the compensation amounts and who will pay them?	The process to give out compensations is planned in September and will be over in October of the current year. A Project Impact Person will receive due compensation in approximately two weeks after signing the relevant agreement immediately from the budget in the account specified by him/her.

When will the construction start?	The Building Contractor is already identified, and the construction will start after the PI persons receive the compensations.
To whom do we have to apply relating the possible employment in building activities?	Relating the questions of employment, the Building Contractor will closely cooperate with the local authority organs. Accordingly, the representatives of the local government will provide you the necessary information and will coordinate the process of employment in building.
Will it be possible to drive to the autobahn from the village?	The access to the new road will be provided by providing the local roads infrastructure and joints.
Meeting No 4 (17.08.2012, 4:00 pm, Kvirike, 14 participants)	
General meeting summary: The questions were mostly about the terms of receiving the compensations, Project onset and prospects of employment in the road construction.	
Questions	Answers
When are we to receive the compensation amounts?	The process to give out compensations is planned in September and will be over in October of the current year. A Project Impact Person will receive due compensation in approximately two weeks after signing the relevant agreement immediately from the budget in the account specified by him/her.
To whom do we have to apply relating the possible employment in building activities?	Relating the questions of employment, the Building Contractor will closely cooperate with the local authority organs. Accordingly, the representatives of the local government will provide you the necessary information and will coordinate the process of employment in building.
Are the tea bushes compensable?	Provided the tea plantations are not amortized, the compensation rate for tea bushes is 2 Gel per square metre.
Are the small areas of the remaining plots compensable?	If the area of the remaining plot gets unusable, the plot will be purchased in full.
Meeting No 5 (17.08.2012, 5:00 pm, Khutsubani, 17 participants)	
General meeting summary: The questions were mostly about the terms of receiving the compensations, Project onset and prospects of employment in the road construction.	
Questions	Answers
When will the relevant agreement concluded and when will we receive the compensation?	The process to give out compensations is planned in September and will be over in October of the current year. A Project Impact Person will receive due compensation within two weeks after signing the relevant agreement immediately from the budget in the account specified by him/her.
To whom do we have to apply relating the possible employment in building activities?	Relating the questions of employment, the Building Contractor will closely cooperate with the local authority organs. Accordingly, the representatives of the local government will provide you the necessary information and will coordinate the process of employment in building.
Are the plantings compensable?	The price of the (annual and perennial) plantings will be compensated as per the brochure.
Are the small areas of the remaining plots compensable?	If the area of the remaining plot gets unusable, the plot will be purchased in full.
Is it possible to receive the amount more than it comes to by unit prices fixed in the brochure?	No, the compensation rates are agreed between the Georgian government and ADB and will not change.
Meeting No 6 (17.08.2012, 6:00 pm, Gvara, 12 participants)	
General meeting summary: The questions were mostly about the terms of receiving the compensations, Project onset and prospects of employment in the road construction.	
Questions	Answers
When will the relevant agreement concluded and when will we receive the compensation?	The process to give out compensations is planned in September and will be over in October of the current year. A Project Impact Person will receive due compensation within two weeks after signing the relevant agreement immediately from the budget in the account specified by him/her.
To whom do we have to apply relating the possible employment in building activities?	Relating the questions of employment, the Building Contractor will closely cooperate with the local authority organs. Accordingly, the representatives of the local government will provide you the necessary information and will coordinate the process of employment in building.

Are the tea bushes compensable?	Provided the tea plantations are not amortized, the compensation rate for tea bushes is 2 Gel per square metre.
Are the small areas of the remaining plots compensable?	If the area of the remaining plot gets unusable, the plot will be purchased in full.

Protocols of the information meeting concerning the questions land purchase and resettlement with the project-affected people

On May 14 and 19 of 2014, meeting with the project-affected villages Chaqvi was held. The meeting was attended by residents of the mentioned villages. Mr. Nikos Papunidi, the Consultant in environmental and resettlement issues informed the attendees about the principles of evaluating the environmental damage caused by the Project. In compliance with the public concern, most of the consultation meeting was dedicated to the questions of land purchase and resettlement issues. The principles and procedures of resettlement to be used by the project implementing organization (the Road Department) as guidelines were discussed in details. At the end of the meeting, Mr. Nikos Papunidi replied to the questions of the population. The information booklets were disseminated among the meeting participants (see the signatures below).


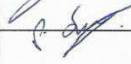
ქობულეთი შემოვლითი გზის მშენებლობის კმ 12+400 - კმ 31+259
საინჟინერო-გეოდეზიური სამსახურის დამსწრეთა სია

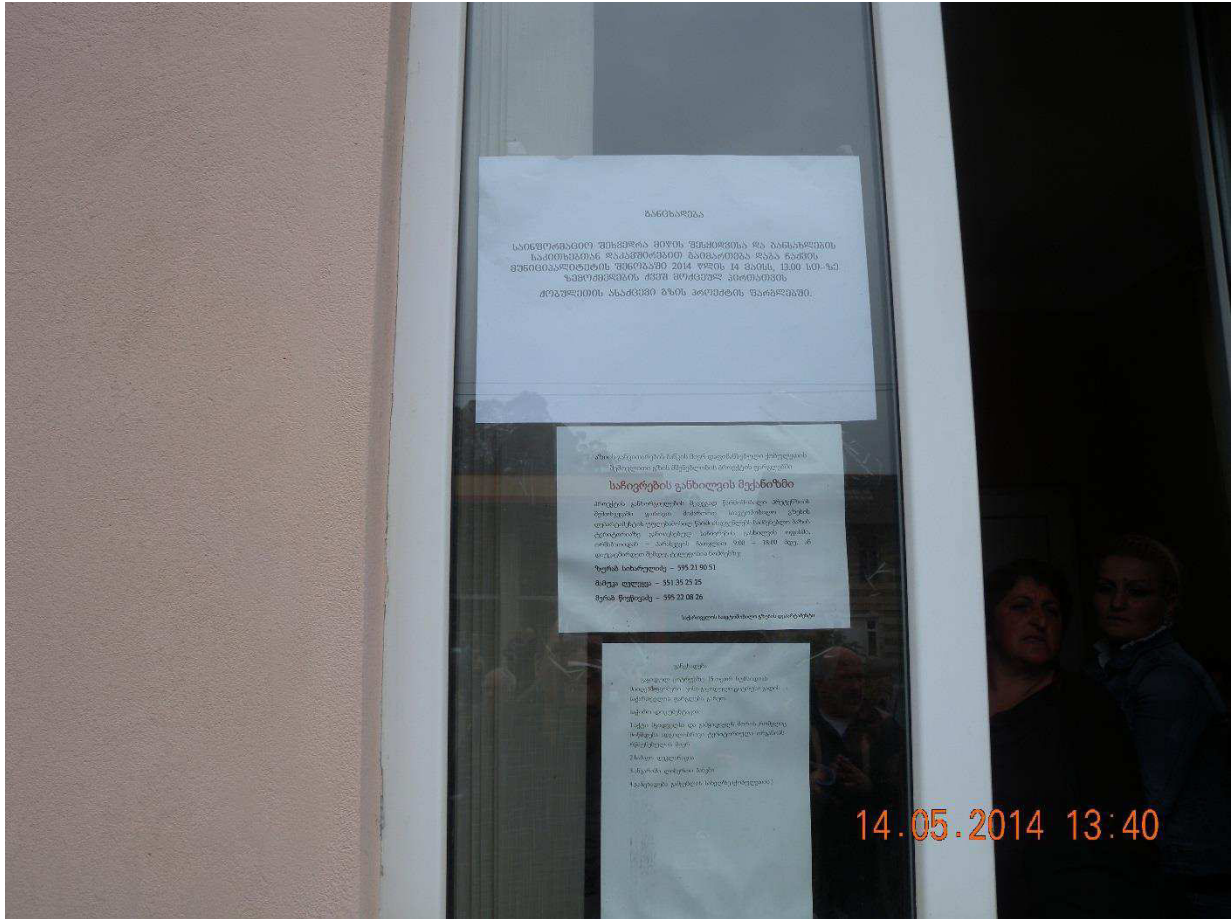
No.	სახელი/გვარი	საკონტაქტო ინფორმაცია	ხელმოწერა
1	ხორონიძე თინათინ	595-91-29-20	ხ. ხორონიძე
2	თქეციანი თინათინ	599-27-36-60	თ. თქეციანი
3	ნუცუაძე ვინაი	591-41-65-49	ნ. ნუცუაძე
4	ხაბუაძე მამია	555-73-88-89	მ. ხაბუაძე
5	ნ. ხაბუაძე	599-27-75-34	ნ. ხაბუაძე
6	ნუცუაძე თინათინ	557-29-80-20	ნ. ნუცუაძე
7	ნუცუაძე თინათინ	557-530-200	ნ. ნუცუაძე
8	მელიქიძე მამია	557-72-96-01	მ. მელიქიძე
9	მელიქიძე მამია	593 38 17 68	მ. მელიქიძე
10	ნუცუაძე თინათინ	577 90 22 84	ნ. ნუცუაძე
11	თქეციანი თინათინ	595-57-37-64	თ. თქეციანი
12	ნუცუაძე ვინაი	558-36-94-19	ნ. ნუცუაძე
13	ნუცუაძე თინათინ	593-18-41-44	ნ. ნუცუაძე
14	ნუცუაძე თინათინ	599 12 -85-51	ნ. ნუცუაძე
15	ნუცუაძე თინათინ	532 60-42-55	ნ. ნუცუაძე
16	ნუცუაძე თინათინ	591 37-74-71	ნ. ნუცუაძე
17	ნუცუაძე თინათინ	599 54 02 86	ნ. ნუცუაძე
18	ნუცუაძე თინათინ	599 29 35 72	ნ. ნუცუაძე
19	ნუცუაძე თინათინ	593-18-04-49	ნ. ნუცუაძე
20	ნუცუაძე თინათინ	592 92-65-99	ნ. ნუცუაძე
21	ნუცუაძე თინათინ	558-16-82-02	ნ. ნუცუაძე
22	ნუცუაძე თინათინ	595 59 49 23	ნ. ნუცუაძე

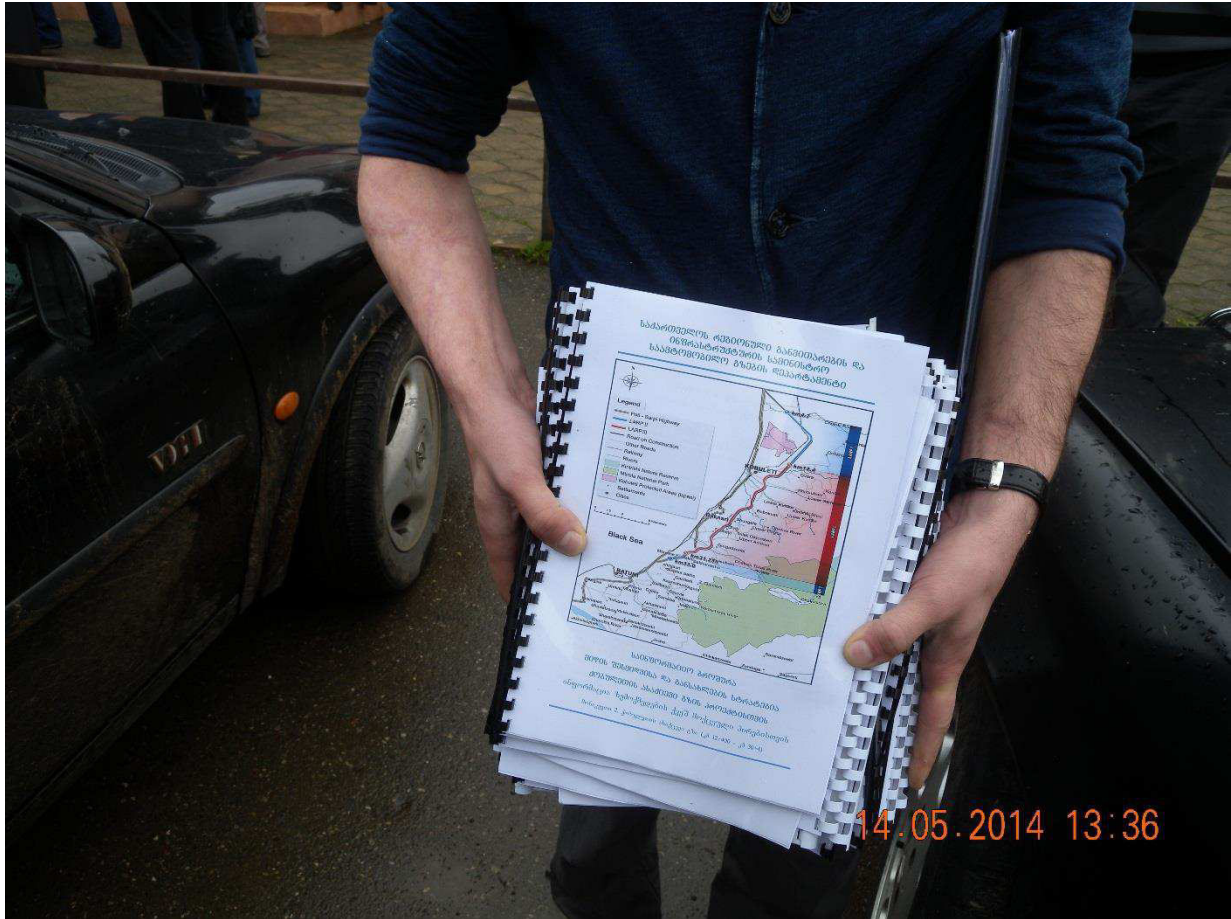
ქობულეთი შემოვლითი გზის მშენებლობის კმ 12+400 - კმ 31+259
საინფორმაციო შეხვედრის დამსწრეთა სია

No.	სახელი/გვარი	საკონტაქტო ინფორმაცია	ხელმოწერა
23	მინაძე	593-61-74.62	მ. მინაძე
24	მცხეთაძე	557 72 38 56	მ. მცხეთაძე
25	დავითაძე	591 98 60 82	მ. დავითაძე
26	გაბაშვილი	592 79-94-10	გ. გაბაშვილი
27	დავითაძე	599 24 55 83	მ. დავითაძე
28	დავითაძე	568 40 99 55	მ. დავითაძე
29	მამუკაძე	592 13-74-74	მ. მამუკაძე
30	დავითაძე	555-47-37-17	მ. დავითაძე
31	დავითაძე	591-970-989	მ. დავითაძე
32	დავითაძე	599-85-63-11	მ. დავითაძე
33	დავითაძე	577 14-57-59	მ. დავითაძე
34	დავითაძე	599 51-53-66	მ. დავითაძე
35	დავითაძე	591 71 67 25	მ. დავითაძე
36	დავითაძე		მ. დავითაძე
37	დავითაძე	593-23-32-08	მ. დავითაძე
38	დავითაძე	555-58-39-52	მ. დავითაძე
39	დავითაძე	593 49-37-51	მ. დავითაძე
40	დავითაძე	591-95-60-66	მ. დავითაძე
41	დავითაძე	593 55 67	მ. დავითაძე
42	დავითაძე	593 55 25 06	მ. დავითაძე
43	დავითაძე	593-39-36-65	მ. დავითაძე
44	დავითაძე	558 28 38 92	მ. დავითაძე

ქობულეთი შემოვლითი გზის მშენებლობის კმ 12+400 - კმ 31+259
საინფორმაციო შეხვედრის დამსწრეთა სია

No.	სახელი/გვარი	საკონტაქტო ინფორმაცია	ხელმოწერა
45	ქაძაიაძე ნეგნხი	595 51 67 98	
46	პატივძე რევი	555 28 63 57	
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The Public Consultation Meetings with the AP

Meeting #1 (14.05.2014, 13 ⁰⁰ , Chaqvi, 46 participants)	
General Summary of meetings:	
Main questions concerned to project starting and alienation process time-frame, employment possibilities at the road construction etc	
Questions	Answers
When the Project will start?	At the moment technical part of the Project is completed. Upon obtaining the ADB' NO-objection on the Draft final LARP III, RD will start the implementation procedures. Implementation of these procedures may take several months. Land Acquisition/purchase process should be completed before construction starts.
What are the compensation amounts for land, buildings and fruit-trees?	The compensation amounts for land, buildings and fruit-trees have been defined by special group of experts in line with evaluated current market prices of all affected assets. The main compensation principle is to restore real value of property.
If remaining land plot is so small, that it is not viable to utilize, what kind of compensation will be paid for that part of land	In this case whole plot will be purchased.
Will the local population be engaged in road construction?	The construction company possesses certain obligations concerning employment of local workers and specialists. Number of employees is fixed in the contract.
May I build a house beyond the road passage in the remaining part of land plot?	The remaining part of land plot beyond the road passage may be used for house construction as well as for any other economic activities consistent with the existing legislation.
When the negotiation starts?	Upon obtaining the ADB' NO-objection on the Draft final LARP III, RD will start the negotiation procedures with APs

Detailed Description and Explanation of Changes (Comparison of Updated LARP of 2014 and approved draft of 2011)

LARP III covers Kobuleti bypass road section km12+400 – km31+259. At the initial stage of the detail design, the notification has been obtained from Local Government related to the allocation of the land fill area on the end point of the project (last 2.5 km). Considering the above mentioned, it was decided to change the alignment, which was defined by the feasibility study.

Upon the completion of the detail design service, the procurement procedures followed and the contract was signed for the civil works. Before the commencement of the civil work, the Local Government notified the Roads Department of Georgia concerning to the replacement of the allocated land fill area. To this end, it was decided to prepare the redesign of the last 2.5 km by contractor in line with the initial alignment, which was defined by the feasibility study. The revision and updating of the LARP was caused as a result of the redesigning and taking into account the following circumstances;

On the one hand, the additional owners presented by the Local Government, who did not possess any documents proving the ownership of the land plots. It was conditioned as the Land Reform in the region did not take place and there was no an appropriate land registration system.

On the second hand, in the process of the implementation the complaints were addressed concerning to the expected negative impact on the houses near the right of the way. To avoid the potential complaints, the houses out of the right of way were measured and prepared the assessment of the expected negative impact.

On the basis of the above mentioned, the revision and updating of LARP was necessary needed.

Please see table V–1 the financial comparison of 2014 and 2011 LARP.

Table V-1

		REVISED LARP	INITIAL LARP	Difference (revised – initial)
No.	Item	Cost (GEL)	Cost (GEL)	
A	Compensation			
1	Compensation for Land	12,917,745	8,559,564	4,358,181
2	Compensation for Structures/Buildings	2,572,601	2,733,268	(160,667)
4	Compensation of crop	32,361	46,942	(14,581)
5	Compensation for trees	1,511,763	1,380,030	131,733
	Sub Total A	17,034,470	12,719,804	4,314,666
B	Allowances			
1	Relocation Allowance	35,123	21,527	13,596
2	Severely Affected Allowance	217,389	266,838	(49,449)
3	Vulnerable Allowance	8,397	10,263	(1,866)
	Sub Total B	260,909	298,628	(37,719)
C	Support Cost for RP Implementation			
1	Cost for EMA	20,000	20,000	0
2	Miscellaneous Administrative Cost	32,000	32,000	0
	Sub Total C	52,000	52,000	0
	Total LAR Cost (A+B+C)	17,347,379	13,070,432	4,276,947
	Contingency @ 10 % of the Total LAR Cost	1,734,738	1,307,043	427,695
	Grand Total	19,082,117	14,377,475	4,704,642

Table V-II shows comparison of quantities of the 2011 and 2014 LARPs