

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

**ROADS DEPARTMENT**



**KVESHETI - KOBİ ROAD**

**LOT 2**

**LAND ACQUISITION AND RESETTLEMENT PLAN  
(LARP)**

**JULY 2019**

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## LIST OF ABBREVIATIONS

ACS	Acquisition and Compensation Scheme
ACM	Acquisition and Compensation Matrix
ADB	Asian Development Bank
AH	Affected Household
AP	Affected Person
CBO	Community Based Organization
CSC	Construction Supervision Consultant
DD	Detailed Design
DMS	Detailed Measurement Survey
EMA	External Monitoring Agency
ETCIC	Eurasian Transport Corridor Investment Center
ESIA	Environmental and Social Impact Assessment
EWHCIP	East West Highway Corridor Improvement Project
FGD	Focus Group Discussion
FS	Feasibility Study
GoG	Government of Georgia
GPS	Global Positioning System
GRCE	Grievance Redress Committee
GRCN	Grievance Redress Commission
GRM	Grievance Redress Mechanism
HH	Household
IA	Implementing Agency
IP	Indigenous Peoples
Km	Kilometer
LARP	Land Acquisition and Resettlement Plan
LARC	Land Acquisition and Resettlement Commission
MOES	Ministry of Economic and Sustainable Development
M&E	Monitoring and Evaluation
MTFF	Multi Tranche Financial Facilities
MOF	Ministry of Finance
MPR	Monthly Progress Report
MRDI	Ministry of Regional Development and Infrastructure
NAPR	National Agency of Public Registry
PIB	Public Information Booklet
PR	Public Relations
PRRC	Property Rights Recognition Commission
NGO	Non-governmental Organization
RD	Roads Department of the Ministry of Regional Development and Infrastructure of Georgia
ROW	Right of Way
SES	Socioeconomic Survey
SPS	Safeguard Policy Statement

In this report “\$” refers to US dollars

1\$=2.43 GEL (20th of April 2018)

<https://www.nbg.gov.ge/index.php?m=582&lng=eng>

## GLOSSARY

<b>Affected Household (AH)</b>	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.
<b>Affected People (AP)</b>	Individuals affected by Project-related impacts.
<b>Eligibility</b>	Means any person(s) who at the Cut-off-date was located within the area affected by the project, its subcomponents, or other subproject parts thereof, and are affected by the project. Eligibility is irrespective of (a) formal legal rights to land, (b) customary claim to land or asset or (c) no recognizable legal right or claim to the land APs are occupying.
<b>Entitlement</b>	Means the range of measures comprising cash or kind compensation, relocation cost, rehabilitation assistance, transfer assistance, income substitution, and relocation which are due to APs, depending on the type, degree and nature of their losses, to restore their social and economic base.
<b>Land Acquisition</b>	Means the process whereby a person is compelled by the Government through the Executing Agency of the Project to alienate all or part of the land s/he owns or possesses in favor of the State due to the implementation of the Project or any of its components in return for consideration.
<b>Replacement Cost</b>	Means the method of valuing assets to replace the loss at market value, or its nearest equivalent, plus any transaction costs such as administrative charges, taxes, registration, and titling costs. Where national law does not meet this standard the replacement cost will be supplemented as necessary. Replacement cost is based on market value before the project or dispossession, whichever is higher. In the absence of functioning markets, a compensation structure is required that enables affected people to restore their livelihoods to levels at least equivalent to those maintained at the time of dispossession, displacement, or restricted access. For loss that cannot easily be valued or compensated for in monetary terms (e.g. access to public services, customers, and supplies; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities.
<b>Rehabilitation</b>	Means the measures required to (i) restore access to public facilities, infrastructure, and services; (ii) cultural property and common property resources; (iii) mitigate loss of access to cultural sites, public services, water resources, grazing, or forest resources including establishment of access to equivalent and culturally acceptable resources and income-earning opportunities; and, (iv) restore the economic and social base of APs seriously affected by the loss of assets, incomes, and employment. All such people will be entitled to rehabilitation assistance measures for restoring incomes and living standards. Such measures must be determined in consultation with APs, including any APs whose rights might not be formally recognized.
<b>Resettlement</b>	Means full or partial, permanent or temporary physical displacement (relocation, loss of residential land/ or shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to parks and protected areas. The definition applies to impacts experienced, regardless of whether it involves actual relocation.
<b>Land Acquisition and Resettlement Plan</b>	Means the time-bound action plan prepared to compensate and/or mitigate the impacts of resettlement..
<b>Relocation</b>	Means the physical shifting of APs from his/her pre-project place or residence, place for work or business premises.
<b>Sakrebulo</b>	This is the representative body of local self-government. The middle level of local government consists of 67 municipalities and six cities in Georgia: Tbilisi,

	<p>Kutaisi, Rustavi, Poti, Batumi and Sukhumi. The representative branch of municipality level is the municipality level Local Councils (Municipality Sakrebulo) and the executive branch is the Representative of the Mayor of the municipality in the administrative unit. 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 Representative of the Mayor of the municipality in the administrative unit. The exclusive responsibilities of self-government include land-use and territorial planning, zoning, construction permits and supervision, housing, and communal infrastructure development.</p>
<b>Severely Affected Household</b>	<p>Include those AHs (i) losing 10% or more than 10% of their productive assets/income generating which is the total land holding of the AH compared to the affected land by the project, (ii) physically displaced HH and (iii) households losing commercial/business establishments.</p>
<b>Informal Settlers</b>	<p>Non-legalizable AHs losing land plot used without authorization, for living and/or provision of source of income for the AH.</p>
<b>Vulnerable Households</b>	<p>Particularly disadvantaged Households who might suffer disproportionately or face the risk of being marginalized from the effects of land acquisition and resettlement. These are; (i) female-headed households with and/or without dependents; (ii) disabled household heads; (iii) poor households as defined by the official poverty line; (iv) elderly households with no means of support; (v) households without security of tenure; (vi) cultural or ethnic minorities; and (vii) refugees or internally displaced people.</p>

## EXECUTIVE SUMMARY

### 1 General Information

1. The Kvesheti – Kobi section is divided into two lots for the construction works. Lot 1 begins at KM 12+720 and ends at KM 22+751. It runs from Tskere tunnel portal to Kobi junction where it connects with the exiting road. The main element of this section is a 9 km tunnel (Tunnel No 5). An emergency gallery parallel to the tunnel, service buildings in both the North and South portals and other related works are being considered as part of the Lot 1 project.

2. The Lot 2 section from Kvesheti to Tskere begins at KM 0+000 and ends at KM 12+700. It includes 2.5 km of tunnels and 1.5 km of bridges. The main elements of this section are:

- (i) Kvesheti bypass road (length 3.2 km),
- (ii) B1 - Bridge (length 27.8m, height 14m high bridge, 2 lane)
- (iii) B2 - Bridge over the Aragvi river (length 435.28m, height 62m, 3 lane)
- (iv) T1 - Tunnel 1 (3 lane, length 1,540.64m =11.07m, Cut and Cover (C&C)+1374m+155.57m C&C) with gallery (1,092m) (New Austrian tunneling method- NATM)
- (v) B3 - Arch bridge over the River Khadistskali (length 426m, height 164m, 3 lane)
- (vi) T2 - Tunnel 2 (length 193.42m, C&C, 3 lane)
- (vii) B4 - Bridge over the left tributary of River Khadistskali river (length 147.80m, height 26m, 3 lane)
- (viii) T3 - Tunnel 3 (388.38m = 4.10 C&C+434m+50.18mC&C)
- (ix) B5 - Bridge (length 322m, height 55m, 3 lane)
- (x) T4 - Tunnel 4 (299m C&C. 3 lane)
- (xi) B6 - Bridge (length 218m, height 48m, 3 lane)
- (xii) five grade junction are planned (pk 0+300, pk 1+700, pk 3+100, pk 7+700, pk10+500) and
- (xiii) three service roads.

3. A separate Land Acquisition and Resettlement Plan (LARP) will be prepared for each Lot. This LARP is concerned with Lot 2 (the Project). It has been prepared by the Roads Department of the Ministry of Regional Development and Infrastructure (RD) of the Government of Georgia for the 10 km Kvesheti-Kobi Road Tunnel Section Lot 1 project which is expected to be financed under a proposed loan from the Asian Development Bank (ADB). The Ministry of Regional Development and Infrastructure (MRDI) is the Project's Executing Agency (EA) and the RD is the Implementing Agency (IA).

4. This LARP is an implementation-ready document based on the final road alignment and impact figures/implementation arrangements. It fully reflects the provisions of relevant Georgian laws and ADB Safeguards Policies Statement of 2009 (SPS 2009).

5. Based on the impacts assessment carried out during the preparation of this LARP as well as on the preliminary data for the Lot 2 LARP, the overall Project comprising both Lots is, as defined by SPS 2009, classified as 'Category A' for involuntary resettlement and as 'Category C' for Indigenous Peoples (IP).

### 2 Census and Impact Assessment

6. The AHs/APs Census Survey and the Detailed Measurement Survey (DMS) of all affected assets was conducted in October and November 2018. The census identified 141 affected households (AHs). However, the SES data was obtained from 125 AHs with 549 APs. The remaining 15 AHs owners are going to be identified by the local authorities, the SES questionnaire completed and the listing of these APs, compensation terms and compensation delivery status, will be discussed in the final compliance report. The surveys considered owners and users of land and buildings, affected crops and fruit trees

as well as the severity of impact and vulnerability of affected people. The 141 households will be affected as follows:

- 241 agricultural land plots
- 21 residential land plots
- 3 commercial land plots
- vegetables on 30,750 m<sup>2</sup> of land
- 2,057 fruit trees
- 8 residential buildings belonging to 6 AHs
- 2 commercial buildings
- 17 auxiliary buildings
- 91 gates and fences
- 1 business (4 APs)
- fodder on 133 plots (199,860m<sup>2</sup>)
- 94 AHs (390 APs) are severely affected
- 25 AHs (119 APs) are vulnerable
- 8 AHs (30 APs) will be relocated (2 AHs losing main commercial and 6 AHs losing main residential buildings)

7. The impacts and the number of AP are summarized in the following table:

**Table 0-1: Summary of Impact**

<b>Impact Category</b>	<b>No. of AHs</b>	<b>No. of APs</b>	<b>Remarks</b>
<b>A. Land</b>			
A1. Agricultural	129	497	
A2 Agricultural/residential land	11	50	5 AHs included in A1
A3. Non-Agricultural	1	2	
<b>Sub-total (A)</b>	<b>141</b>	<b>549</b>	
<b>B. Crops /Trees</b>			
B1. Crops losses	85	309	All AHs included in A
B2. Tree losses	88	358	All AHs included in A
<b>Sub-total (B)</b>	<b>173</b>	<b>667</b>	
<b>C. Permanent Structure</b>			
C1. Residential Structure	6 <sup>1</sup>	22	All AHs included in A; 6 AHs will lose 8 residential buildings
C2. Commercial Structure	2	8	All AHs included in A
C3. Auxiliary Structure (henhouse, toilet, storage, etc.)	17	40	All AHs included in A
C4. Supporting structures (gates and fences)	52	293	All AHs included in A
<b>Sub-Total (C)</b>	<b>77</b>	<b>363</b>	
<b>D. Businesses</b>	<b>1</b>	<b>4</b>	Included under C2
<b>E. Severely affected AHs</b>			
E1. Losing more than 10% of landholding	90	370	All AHs included in A
E2. Losing residential building or business (needs to relocate)	8	34	All AHs included in A
<b>Sub-Total (E)</b>	<b>94</b>	<b>390</b>	

<b>F. Vulnerable AHs</b>	<b>25</b>	<b>119</b>	All AHs included in A
<b>Grand Total</b>	<b>141</b> (without double counting)	<b>549</b> (without double counting)	

8. The census identified 25 AHs (119 APs) belonging to vulnerable groups. One AHs will also need to relocate. These AHs will receive a vulnerability allowance which is equal to three months of the national subsistence minimum for AHs with five members. At the Cut-off date on 22 June 2018, the subsistence minimum was GEL 347.4 per month. The vulnerable households will receive 1,034.4.5 GEL as a vulnerability allowance and an allowance covering transport and livelihood expenses for the transitional period. (200 GEL as vehicle hire charge).

### 3 Socioeconomic Information

9. The Lot 2 Project impacts eight villages – Kvesheti, Arakhveti, Zakatkari, Beniani, Begoni, Sviana, Rostiani and Mugure. There are 550 people (276 males and 274 females) living in these villages. The socioeconomic survey (SES) combined with the census survey in the Project area were conducted between 22 June and 8 August 2018 and updated between September and November 2018. In total, 126 out of 141 AHs were surveyed. There are 15 AHs which were not covered by the SES because the owners could not be located and contacted at the time of preparation of this LARP. These APs do not live at locations of the Project impact. The local authorities are working on this issue and it is expected that the remaining 15 AHs will be located before the LARP implementation starts. The listing, compensation terms and compensation delivery status to these 15 HH will be discussed in the final compliance report. The SES data will be updated when data became available. The DMS for all 141 AHs was completed for all AHs.

10. The permanent residents of these villages typically plant potatoes, corn, vegetables and raspberries. There are 13 AHs reported having planted some vegetables. These vegetables grow successfully in the mountainous terrain. The villagers' major product is hay, which is fed to livestock. There are 72 AHs having hay at their affected land plots. There was no sale of hay reported.

11. The two Project villages have electricity and gas, TV reception from satellite dishes and the mobile phone network works well in the mountains. There are no schools or healthcare facilities. Access to these services is approximately 10 km away and people usually walk these distances. No public transport is available as access to these villages is very difficult.

12. The main Project benefits, as stated by the surveyed people, are better access to all facilities, comfortable road, general economic development and employment opportunities for local population during the construction period. Noise, air pollution, affected private land, homes and businesses, affected informal businesses such as letting back yards to tourists, were stated as the main adverse impacts of the Project.

### 4 Legal Background

13. 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.

14. In general, Georgian legislation adequately reflects the major provisions of ADB Safeguards Policy Statement 2009. The most significant differences are related to the economic rehabilitation of people's livelihoods, compensation and the definition of formal property rights and acquisition of properties for public purposes. ADB SPS 2009 complements the Georgian legislation/regulations with additional requirements related to (i) the economic rehabilitation of all AP/AH (including those who do not have legal/formal rights to the assets acquired by a project); (ii) the provision of indemnities for loss of business and income, and (iii) provision of special allowances covering AP/AH expenses during the

resettlement process or covering the special needs of severely affected and vulnerable AP/AHs. To reconcile the gaps between Georgian laws/regulations, ADB Policy (ADB's SPS 2009), RD has adopted a policy for the Project which ensures compensation at full replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for AHs that will be relocated, suffer business losses, or will be severely affected.

15. The RD has developed a Project-specific eligibility and entitlement matrix which determines eligibility for compensation from the Project Cut-off-date (22 June 2018). The following APs are entitled to compensation for Project-affected assets:

- (i) all APs losing land covered by a legal title/traditional land rights, legalizable land, or land without legal status;
- (ii) tenants and sharecroppers, whether registered or not;
- (iii) owners of buildings, crops, plants or other objects attached to the land, regardless of their legal status; and
- (iv) APs losing businesses, income, and salaries.

## **5 Institutional Arrangements**

16. The Road Department of the Ministry of Regional Development and Infrastructure of Georgia (RD) is the Implementing Agency (IA) and the MRDI is the Executing Agency (EA). RD has lead responsibility for implementation of the Project as well as acquisition of land and implementation of the LARP. RD is assisted by a number of other government departments and private agencies in the design, construction and operation of the Project. Pursuant to active legislations, the 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, verification and certification of land use by village communities, Notaries, Property Rights Recognition Commission (PRRC), and Sakrebulo. Municipality NAPR is also responsible for registering the transfer of acquired land from landowners to the RD. The local governments at the Municipality and Sakrebulo levels are involved in the legalization of legalizable land parcels and therefore, land acquisition and resettlement of APs. The Ministry of Natural Resources and Environmental Protection is responsible for environmental issues.

## **6 Public Consultations, Participation and Documents Disclosure**

17. The Road Department of the Ministry of Regional Development and Infrastructure of Georgia (RD) is the Implementing Agency (IA) and the MRDI is the Executing Agency (EA). RD has lead responsibility for implementation of the Project, acquisition of land and implementation of the LARP and consultations with Project communities. There were 31 consultations, FGD, face -to-face discussions, meeting with various stakeholder. Out of these, there were 12 social safeguard related public consultations, focus group discussions (FGDs) and face-to-face discussion. The participation plan combined for both Lots, have been made and implemented. The aim of consultations was to involve the stakeholders in the decision-making process, especially the people who are either directly benefiting from, or affected by the Project. Communications were conducted mostly in the Georgian language. A total of 174 persons (98 males and 76 females) participated at twelve consultations/FGD in all villages of Lot 1 and Lot 2 of the Project. During the DMS and SES activities, each AP was additionally informed about the LAR processes, applicable entitlements and available GRM. Public consultation with APs' participation at all stages are ongoing. The consultations with APs will continue after the finalization of the LARP, during the LARP and Project implementation and at any point when required.

18. During the LARP preparation, the following activities were completed:

- (i) dissemination of Project information such as the description of the Project, cut-off date, and entitlements stipulated by the Project and GRM, in consultation with all APs, NGOs and other stakeholders during consultations with the Project communities, DMS and SES studies;

- (ii) establishment of the rates/unit prices to be used as the basis for compensation awards;
  - (iii) confirmation of land acquisition and impact on properties identified through the DMS/census, and demarcation and inventory activities, in consultation with APs;
  - (iv) conducted a socioeconomic survey (SES) as part of the LAR processes to: (a) inform APs about possible resettlement options, and, (b) obtain information from APs about services they currently use such as education, healthcare and markets, their distance from such services and their livelihoods; and
  - (v) consulted severely impacted and vulnerable APs about their preferred option for livelihood stabilization and/or rehabilitation assistance (where required).
19. A copy of the final LARP in English will be disclosed on ADB and EBRD's websites website while a copy of the final LARP in Georgian, will be disclosed on the RD website and at the RD offices. The LARP in Georgian will also be disclosed to the APs at the relevant municipality buildings.
20. The Information booklet in English is included in an Annex to this LARP and the booklet in Georgian will be included in the LARP written in Georgian. Once the LARP is finalized, the information booklet in Georgian, will be sent to all APs by a registered mail.

## **7 Grievance Redress Mechanism**

21. The LARP includes in its scope the establishment of an appropriate grievance redress mechanism (GRM). A grievance redress mechanism (GRM) has been established to allow affected persons to appeal any contentious decision, practice or activity arising from the compensation of land or other assets. The scope of the GRM addresses issues related to involuntary resettlement, social and environmental performance and information disclosure. During the public consultations, FGD and face-to-face meetings, the APs were informed about the GRM procedures for addressing complaints whether orally or in writing. Grievance Redress Committees (GRCEs) have been established at the municipality and EA levels. The GRCEs include representatives of the Mayor, village governing bodies and representatives of the APs/broader community (including females APs).
22. Complaints resolution will be first attempted at the municipality level GRCE. If any aggrieved AP is unsatisfied with the GRC decision at the municipality level, the complaint will be raised to the Resettlement Division of RD within two weeks after receiving the decision from the GRCE. The grievance mechanism will not impede access to the country's judicial or administrative remedies. Affected Persons can approach the court of law at any time, independent of grievance redress process.
23. Losses of assets and income as well as adverse impacts on livelihood incurred due to the Project, will be compensated as per the provisions agreed for this Project. The Project-specific Entitlements Matrix is provided in Table 0-2.

**Table 0-2: Entitlements Matrix**

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
<b>Land</b>			
Agricultural Land: Permanent land loss, access or damage.	AP losing productive land regardless of impact severity	<b><u>Registered Owner/Legal:</u></b> Owner with full registration	Cash compensation at full replacement cost based on current market value. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desire.
		<b><u>Legalizable Owner:</u></b> (APs with title formalization pending and APs who are not registered but legitimately use the land and have residential land or agricultural plots adjacent to the residential land)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		<b><u>Non-legal/Informal Settler:</u></b> APs that are not legitimate land users or squatters	Non-legalizable APs losing agricultural land plot will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5 members family for 12 month period where land is actively cultivated, or 3 month period where land is barren/unused.
		Agricultural Tenant	Full Compensation of income of lost crops x the remaining years (up to 4 years) of lease, unless otherwise provided by the lease agreement. In case of tenancy no crop compensation will be given to the land owner, and implementing agency, in consultation with local government, will provide assistance to the tenant with the search of replacement lease/tenancy
Non-Agricultural Land	AP losing their commercial / residential land	<b><u>Registered Owner/Legal:</u></b> (Owner with full registration)	Cash compensation at full replacement cost.
		<b><u>Legalizable Owner:</u></b> (Legalizable owners according to active legislation)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		<b><u>Non-legal/Informal Settler</u></b> (Without registration/valid documents using land permanently.)	Non-legalizable APs losing a land plot, which is the only land plot used for residence or providing the main source of income for the AH, will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5 members family for 12 month period. This only applies to physically displaced APs who do not have other residence.
Temporary Impact on land plot	N/A	N/A	Temporary land impacts will be compensated based on the productive value of the plot during the period of impact and after their use will be re-established by the EA at the pre-impact productive conditions.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
<b>Buildings and Structures</b>			
Residential and non-residential structures/assets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	Cash compensation for loss of building/structures at full replacement costs free of depreciation and transaction costs
<b>Loss Of Community Infrastructure/Common Property Resources</b>			
Loss of common property resources	Community/Public assets	Community/Government	Reconstruction of the loss of resource/asset in consultation with community and restoration of their functions.
<b>Loss of Income and Livelihood</b>			
Crops	Affected standing crops or agricultural land, used permanently for crop cultivation.	All APs regardless of legal status (including legalizable and Informal settlers)	Crop compensation in cash at market rate for gross crop value of expected harvest.
Trees	Trees affected	All APs regardless of legal status (including legalizable and Informal settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees. (based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity).
Business/Employment	Business/employment loss	All APs regardless of legal status (including legalizable and Informal settlers)	<u>Owner:</u> (i) ( <u>permanent impact</u> ) cash indemnity of 1-year net income or in the absence of income proof, or in cases where APs have paid tax based on a flat rate, they will receive compensation equal to 12 months minimum subsistence allowance. (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 subsistence allowance for months of business stoppage; <u>Permanent worker/employees:</u> indemnity for lost wages equal to actual wage for 3 month or in case of absence of tax declaration, one-time minimum subsistence allowance in cash for 3 months. For all the above, some acceptable official documents need to be presented, ie. salary payment document, accountant/financial report.
<b>Allowances</b>			
Severe Impacts	Physical relocation or loss of >10% of productive assets	All severely affected AHs including informal settlers	<b>Agricultural income:</b> 1 additional crop compensation for 1 year's yield of affected land or an allowance covering 3 months of minimum subsistence, whichever is higher - or, for <b>other incomes:</b> an allowance covering 3 months of minimum subsistence.
Livelihood restoration	APs losing more than 10% of their agricultural productive assets	All severely affected households AHs including informal settlers	<b>Agricultural livelihood restoration:</b> Two times annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take, for all severely affected households. If this amount is less

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
			than 3 months minimum subsistence allowance, 3 months of minimum subsistence allowance will be paid instead.
	APs losing more than 10% of their non-agricultural productive assets	All severely affected households including informal settlers	<b>Non-agricultural livelihood restoration:</b> <b>A</b> livelihood restoration package of 3 months of minimum subsistence.
Relocation/Shifting	Transport/transition costs	All AHs to be relocated	An allowance covering transport and livelihood expenses for the transitional period. (200 GEL as vehicle hire charge + minimum subsistence allowance for 3 months.
Vulnerability Allowance		AHs below poverty line, AHs headed by women, AHs headed by disabled people and refugee' households/internally displaced people.	One-time minimum subsistence allowance in cash for 3 months and employment priority in project-related jobs where feasible. Additional assistance in kind will be provided to facilitate relocation or transition – this may include (logistics, relocation planning, assistance with replacement housing search, as appropriate).
Unforeseen impacts during construction, including temporary impacts and impacts on livelihoods not otherwise assessed.	Impacts during construction to properties or assets out of the corridor of impact or RoW	All APs	Due compensation to be assessed and paid when the impacts are identified based on the above provisions and on the requirements of SPS 2009 and EBRD PR 5.
Impacts related to spoil disposal areas and construction camps.	Temporary impacts	APs using affected pasture lands	Any temporary impact caused by the use of land for camp or as a temporary disposal area, will be regulated by private agreements between the Contractor and the land owners.  Should such temporary impacts also affect persons using pasture lands other than the owners, adequate livelihood assistance for loss of hay and grazing grounds will also be assessed and provided during implementation.
	Permanent impacts		Any permanent impact on land caused by the use of land for permanent disposal of unsuitable material or debris remaining after demolition of existing parts of the road, will be adequately compensated as per the provisions set up in the LARP. In addition, adequate livelihood assistance for loss of hay and grazing grounds, if any, will be assessed and provided during implementation.

## 8 Implementation Process

24. The LARP will be an integral part of the Project implementation schedule. All activities related to LAR will be planned so as to ensure that compensation is paid prior to displacement and commencement of civil works. Public consultation, monitoring and grievance redress will be undertaken throughout the implementation of the LARP and during construction.

25. The most important tasks of the LARP implementations are as follows:

- (i) signing of contracts with APs,
- (ii) disclosure and consultation,
- (iii) capacity building and training of LAR institutions, APs and NGOs,
- (iv) grievance resolution,
- (v) requisition to ETCIC for payment of compensation and allowances,
- (vi) transfer of compensation and allowance to APs' bank account and registration of land at the RD,
- (vii) relocation of affected structures/ assets,
- (viii) compliance review and reporting,
- (ix) notice to proceed for Civil works construction; and
- (x) monitoring.

26. The time bound implementation schedule of the LARP (Table 8-1) has been prepared in consultation with the RD.

## 9 Cost and Financing

27. The total implementation cost of the LARP including compensation, rehabilitation allowances as well as administrative costs for LARP implementation and contingency, amounts to **9,305,531** GEL, which is equivalent to USD 3,798,176 (as per the exchange rate of the National Bank of Georgia, on 22 June 2018, 1 USD=2.45 GEL) (<https://www.nbg.gov.ge/index.php?m=582&lng=eng>).

## 10 Monitoring and Evaluation

28. The Project will establish a system for internal and external monitoring. The main purpose of effective monitoring is to ensure that the course and pace of implementation continues as originally planned. The implementation of the LARP will be subjected to both, internal and external monitoring as the Project in its entirety (both Lots) will have a significant amount of involuntary resettlement. The ADB SPS 2009 considers involuntary resettlement impacts significant if 200 or more persons will be physically displaced from their home or lose 10% or more of their productive or income-generating assets. Internal monitoring will be conducted by the RD. External monitoring is assigned to an External Monitor hired by the EA and approved by the ADB and EBRD.

29. RD will monitor the progress of implementation of the LARP and will submit a semi-annual monitoring report to ADB. Monitoring reports will be disclosed on the ADB, EBRD and RD websites. RD will monitor the LARP implementation progress and the semi-annual monitoring report will be submitted by RD to ADB and EBRD.

# 1 GENERAL INFORMATION

30. The Kvesheti – Kobi section is divided into two lots for the construction works. The Lot 1 begins at KM 12+720 and ends at KM 22+751 and it is covered by a separate LARP.

31. The Lot 2 section from Kvesheti to Tskere begins at KM 0+000 and ends at KM 12+700. It includes 2.5 km of tunnels and 1.5 km of bridges. This LARP covers the Lot 2 section: The main elements of this section are:

- (i) Kvesheti bypass road (length 3.2 km),
- (ii) B1 - Bridge (length 27.8m, height 14m high bridge, 2 lane)
- (iii) B2 - Bridge over the Aragvi river (length 435.28m, height 62m, 3 lane)
- (iv) T1 - Tunnel 1 (3 lane, length 1,540.64m =11.07m, Cut and Cover (C&C)+1374m+155.57m C&C) with gallery (1,092m) (New Austrian tunneling method- NATM)
- (v) B3 - Arch bridge over the River Khadistskali (length 426m, height 164m, 3 lane)
- (vi) T2 - Tunnel 2 (length 193.42m, C&C, 3 lane)
- (vii) B4 - Bridge over the left tributary of River Khadistskali river (length 147.80m, height 26m, 3 lane)
- (viii) T3 - Tunnel 3 (388.38m = 4.10 C&C+434m+50.18mC&C)
- (ix) B5 - Bridge (length 322m, height 55m, 3 lane)
- (x) T4 - Tunnel 4 (299m C&C, 3 lane)
- (xi) B6 - Bridge (length 218m, height 48m, 3 lane)
- (xii) five grade junction are planned (pk 0+300, pk 1+700, pk 3+100, pk 7+700, pk10+500) and three service roads.

32. A separate Land Acquisition and Resettlement Plan (LARP) will be prepared for each Lot. This LARP is concerned with Lot 2 (the Project). The Ministry of Regional Development and Infrastructure (MRDI) is the Project's Executing Agency (EA) and the RD is the Implementing Agency (IA).

33. This Land Acquisition and Resettlement Plan (LARP) has been prepared by the Road Department (RD) of the Ministry of Regional Development and Infrastructure (MRDI) of the Government of Georgia for the 12.7 km Kvesheti-Kobi Road Lot 2 (the Project) which is expected to be financed under a proposed loan by the Asian Development Bank (ADB). MRDI is the Project's Executing Agency (EA) and the RD is the Implementing Agency (IA).

34. The LARP is an implementation-ready document based on the final road alignment and impact figures/implementation arrangements. It fully reflects the provisions of relevant Georgian laws, ADB Safeguards Policies Statement of 2009 (SPS 2009).

35. Based on the impacts assessment carried out during the preparation of this LARP as well as on the preliminary data for the Lot 2 LARP, the overall Project comprising both Lots is, as defined by SPS 2009, classified as 'Category A' for involuntary resettlement and as 'Category C' for Indigenous Peoples (IP).

## 1.1 Introduction and Objective

36. This report aimed to describe the development and methodology followed to carry out the Land Acquisition and Resettlement Plan.

37. The Kvesheti-Kobi road section is part of Mtskheta-Stepantsminda-Larsi road, which is the main road connecting Georgia to the Russian Federation. The road starts from Mtskheta and ends at the border of the Russian Federation. The length of the existing road is around 34 km and is characterized by difficult terrain and winter maintenance conditions. During the winter, the height of snow at Jvari

Pass reaches 3–5 meters. In addition, blizzards often close Jvari Pass for traffic for many days during the winter months.

38. The East–West Highway project is a strategic part of the Government’s effort to transform Georgia into a transport and logistics hub for trade between Central Asia and the Far East on one hand, and Turkey and Europe on the other. Connecting the East–West Highway to the main border crossing points is critical for Georgia to enhance its role as a transit country along the Silk Road.

39. This road is financed by ADB and EBRD. The Ministry of Regional Development and Infrastructure (MRDI) is the Executing Agency (EA) for the Project on behalf of the Government of Georgia (GoG), and the Roads Department of the MRDI (RDI) is the implementing agency (IA).

40. The Figure 1 presents both Lots of the proposed Project.

**Figure 1-1 Proposed Kvesheti-Kobi Road**



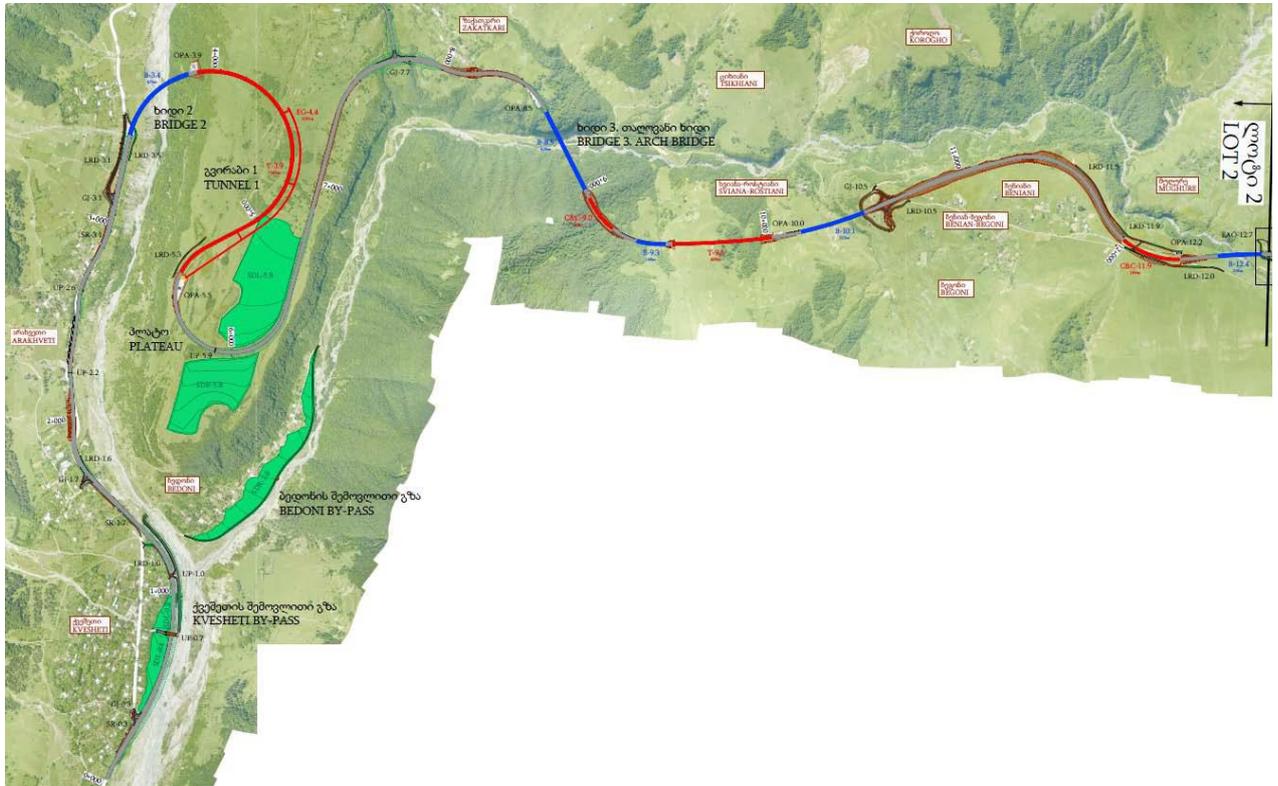
41. The detailed measurement survey (DMS) and census of affected persons for this Lot have been completed based on the detailed and final engineering design and the final delineation of the Right of Way (RoW). This LARP is based on Georgian laws and regulations related to land acquisition and involuntary resettlement, ADB SPS, 2009. This project is classified as Category A for involuntary resettlement as per ADB safeguard Policy (SPS), 2009. There are no indigenous people in the Project area.

## 1.2 LAR-related Project Processing Conditionalities

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

1. **Loan Signing:** conditional on approval of this implementation-ready LARP by ADB, and the Government of Georgia.
2. **Notice to proceed to contractors:** conditional on:
  1. the full and proper implementation of the Final LARP with the full satisfaction of the RD, and ADB;
  2. the execution of due-diligence for disposal areas, construction camps or access roads, and, if necessary, the preparation and implementation of a LARP addendum acceptable to the RD, ADB and
  3. the preparation of an independent compliance report verified and approved by ADB.

Figure 1-2: Lot 2 Alignment



## 2 CENSUS AND IMPACT ASSESSMENT

43. The baseline information on Project impacts was gathered and the AHs/APs were identified/quantified during intensive survey and inventorying activities in the field which started on 22 June 2018 and ended on 8 August 2018. The start of the Census and DMs on 22 June 2018, was established as a Cut-off-date for the Lot 2 of the Project. The gathered information was updated from September to November 2018.

44. Following a preliminary identification of the impacts based on a survey of existing cadastral maps, the LARP preparation team initiated a Detailed Measurement Survey (DMS) in the field. In the course of the implementation of the DMS each affected plot and asset was measured anew. The data obtained through the preliminary cadastral survey was updated and corrected based on the DMS measurements. Additional fine-tuning of the impact data was conducted after the finalization of the detailed engineering design. This work was complemented by a survey of Public Registry records aiming at identifying the legal status of each affected asset.

45. All affected assets were valued by an accredited valuator, in parallel with the DMS activities. Land was valued using an income approach for agricultural land and market value and location of other lands. Buildings were valued at full replacement cost (without discount for depreciation and salvaged materials) based on the cost and transport of materials, labor and construction taxes and fees.

46. Also, in parallel with the conducting of the DMS, all AHs/APs were identified, quantified and interviewed. In the course of the interviews, AHs were evaluated in detail to obtain a full socioeconomic profile of the AHs and to assess its specific impacts.

47. The compensation eligibility Cut-off-date for the Project is 22 June 2018, which marks the start of the DMS and AP census survey.

### 2.1 Impacts Assessment

48. The Project will impact a total of 141 households (AHs) and 549 persons (APs). There are 268 male and 281 female affected persons. In total, 129 AHs (497APs) will lose agricultural land, 11 AHs (50 APs) will lose agricultural/residential land and 1 AHs (2 APs) will lose commercial land. There are two government's land plot which are affected. Six households will lose residential structures and two AHs will lose main business structures. One of the affected business building is a kiosk and the AP will be compensated for loss of the building and loss of the business. The second affected business building is a restaurant which started to operate after the Cut-off-date (22 June 2018). The owner will be compensated at a replacement cost basis for all losses except for the business which did not exist before the Cut-off-date. The summary of impacts is presented in table 2-1 and details on impact by category are presented in the following paragraphs.

49. In total, 141 households will be affected as follows:

- 241 agricultural land plots
- 21 residential land plots
- 3 commercial land plots
- vegetables on 30,750 m<sup>2</sup> of land
- 2,057 fruit trees
- 8 residential buildings owned by 6 AHs
- 2 commercial buildings
- 17 auxiliary buildings
- 91 gates and fence owned by 52 AHs
- 1 business (4 APs)
- fodder on 133 plots (199,860m<sup>2</sup>)
- 94 AHs (390 APs) are severely affected
- 25 AHs (119 APs) are vulnerable

- 8 AHs (30 APs) will be relocated (6 AHs from residential and 2 AHs from the main business premises).

**Table 2-1: Summary of Impact**

Impact Category	No. of AHs	No. of APs	Remarks
<b>A. Land</b>			
A1. Agricultural	129	497	
A2 Agricultural/residential land	11	50	5 AHs included in A1
A3. Non-Agricultural	1	2	
<b>Sub-total (A)</b>	<b>141</b>	<b>549</b>	
<b>B. Crops /Trees</b>			
B1. Crops losses	85	309	All AHs included in A
B2. Tree losses	88	358	All AHs included in A
<b>Sub-total (B)</b>	<b>173</b>	<b>667</b>	
<b>C. Permanent Structure</b>			
C1. Residential Structure	6	22	All AHs included in A
C2. Commercial Structure	2	8	All AHs included in A
C3. Auxiliary Structure (henhouse, toilet, storage, etc.)	17	40	All AHs included in A
C4. Supporting structures (gates and fences)	52	293	All AHs included in A
<b>Sub-Total (C)</b>	<b>77</b>	<b>363</b>	
<b>D. Businesses</b>	<b>1</b>	<b>4</b>	Included under C2
<b>E. Severely affected AHs</b>			
E1. Losing more than 10% of landholding	90	370	All AHs included in A
E2. Losing residential building or business	8	30	All AHs included in A
<b>Sub-Total (E) without double counting</b>	<b>94</b>	<b>390</b>	
<b>F. Vulnerable AHs without double counting</b>	<b>25</b>	<b>119</b>	All AHs included in A
<b>Grand Total</b>	<b>141 (without double counting)</b>	<b>549 (without double counting)</b>	

### 2.1.1 Impact on land

50. The project will affect some agricultural and mixed residential/agricultural land. There are 265 land plots affected by the Project. In total, 141 AHs (549 APs) will lose 265 land plots. Out of these, 241 land plots are agricultural (97 owned, 44 legalizable plots), 21 are residential/agricultural land plots (13 are owned, three are legalizable and five are non-legalizable) and three are commercial land plots (all three plots are legally owned).

51. The loss of solely agricultural land amounts to 273,382 m<sup>2</sup>; the loss of residential/agricultural land amounts to 22,283 m<sup>2</sup> and loss of commercial land amounts to 15,467 m<sup>2</sup>. Residential/agricultural land is registered as agricultural land; however, these plots are classified as residential/agricultural land for the purposes of this LARP based on the current use of the land. People use the land for planting vegetables used primarily for their own consumption.

52. The affected plots are subdivided as follows by legal category of land loss: a) legal lands 266,643 m<sup>2</sup> (213 plots); b) legalizable lands 39,398 m<sup>2</sup> (47 plots); c) non-legal lands 5,091 m<sup>2</sup> (5 plots-the user of the land did not submit required documents. These AHs may present the land documents prior to the implementation of the LARP and get the land legalized). The data presented in Table 2-2 shows impact affected individual land plots while the data on AHs' landholdings, presented in Table 2-2a, shows that

90 AHs will have more than 10 % of their total landholdings affected by the Project. All of these AHs are severely affected and are entitle to an allowance for severely affected households equal to two-year annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take. If this amount is less than 3-months allowance, then the 3 month allowance is paid instead. Severely affected households whose livelihood is not agriculture-based, will receive a livelihood restoration package of 3 months of minimum subsistence. The information on land impacts by use and legal status is presented in Table 2.2 and Table 2-2a below.

**Table 2-2: Impact on Affected Land-plots**

Land type by use	Legal			Legalizable				Non-Legalizable				Total		
	m <sup>2</sup>	No of plots	No of AHs	No of APs	m <sup>2</sup>	No of plots	No of AHs	No of APs	m <sup>2</sup>	No of plots	No of AHs	No of APs	m <sup>2</sup>	No of plots
Agricultural	234,717	197	106	440	38,665	44	23	57	0	0	0	0	273,382	241
Agricultural/residential	16,459	13	6	32	733	3	3	13	5,091	5	2	5	22,283	21
Commercial	15,467	3	1	2	0	0	0	0	0	0	0	0	15,467	3
<b>Total</b>	<b>266,643</b>	<b>213</b>	<b>113</b>	<b>474</b>	<b>39,398</b>	<b>47</b>	<b>26</b>	<b>70</b>	<b>5,091</b>	<b>5</b>	<b>2</b>	<b>5</b>	<b>311,132</b>	<b>265</b>

**Table 2-2 a: Impact on Landholdings**

	Vulnerable (AHs)	Non vulnerable (AHs)	Total	Remark
<b>A. Severely affected (10%+)</b>				
A.1 affected 10-20% of landholding	6	26	32	
A.2 21-50%	7	30	37	
A.3 51-70%	4	6	10	
A.4 71% and more	2	9	11	
<b>B. Relocation (residential or business)</b>	1	7	8	3 AHs from B are included in A.4 1 AH is included in A2.
<b>Total</b>	<b>20 (without double counting)</b>	<b>74 (without double counting)</b>	<b>94 (without double counting)</b>	

## 2.1.2 Impact on crops

53. The Project will affect 30,750 m<sup>2</sup> of cropped land owned by 85 AHs. This total planted area is subdivided by crop and number of plots as follows: a) 360 m<sup>2</sup> (2 plots) corn, b) 828 m<sup>2</sup> (8 plots) beans, c) 2,990 m<sup>2</sup> (9 plots) potatoes, d) 190 m<sup>2</sup> (4 plots) vegetables, e) 180 m<sup>2</sup> (2 plots) raspberries, 300 m<sup>2</sup> (1 plot) pumpkin, 199,860 m<sup>2</sup> (133 plots) hay. The most affected is hay with 133 land plots (199,860 m<sup>2</sup>), followed by potatoes grown on 9 land plots (2,990 m<sup>2</sup>). Other affected crops are corn, beans, vegetables and raspberries. (Table 2-3)

**Table 2-3: Impact on Crops**

No	Agricultural crop	No of AHs (Without double counting)	No of APs (Without double counting)	Area (m <sup>2</sup> )	Number of land plots
1	Corn/სიმინდი	2	4	360	2
2	Beans/ლობიო	6	38	825	8
3	Potatoes/კარტოფილი	3	12	2,990	9
4	Vegetables/ბოსტნეული	-	-	190	4
5	Raspberries/ჟოლო	2	6	180	2
6	Pumpkin/გოგრა	-	-	300	1
7	Hay/თივა	72	249	199,860	133
	<b>Total</b>	<b>85</b>	<b>309</b>	<b>30,750</b>	<b>159</b>

### 2.1.3 Impact on trees

54. The Census found that 88 AHs will lose a total of 2,057 trees. The most affected are plums (709 trees lost by 33 AHs) followed by apples, pears, walnuts and sour plums. The type and quantities of affected trees and the age of the trees, are detailed in the following table.

**Table 2-4: Impact on Trees**

No	Types of trees	No of AHs (Without double counting)	Age of trees				Total number of trees
			<5	5-10	11-20	21+	
1	Walnut /კაკალი	41	46	71	57	79	253
2	Sour plums/ ტყემალი	22	37	95	97	16	245
3	Currant/ მოცხარი	-	0	1	7	0	8
4	Cherry/ალუბალი	2	0	34	24	4	62
5	Quince/კომში	-	0	0	1	2	3
6	Pears/მსხალი	18	67	74	66	82	289
7	Dogwood/შინდი	-	1	1	0	0	2
8	Plum/ქლიავი	33	79	302	294	34	709
9	Hazelnut/თხილი	2	28	15	90	11	144
10	Staphylea/ჯონჯოლი	-	0	0	1	0	1
11	Apples/ვამლი	34	19	46	100	138	303
12	Grapes/ყურძენი	-	0	0	1	0	1
13	Red raspberry/ჟოლო	-	0	37	0	0	37
	<b>Total</b>	<b>88</b>	<b>277</b>	<b>676</b>	<b>738</b>	<b>366</b>	<b>2,057</b>

### 2.1.4 Impact on structures

55. The Project will affect the residential buildings of six and commercial buildings of two households. Six of AHs (22 APs) losing residential buildings and two AHs (8 APs) losing commercial buildings, need to relocate. These APs will receive an allowance for severely affected APs (GEL 1,034.3) due to the loss of their residential/commercial building, as well as other applicable allowances. In addition, the Project will affect 17 auxiliary buildings/structures and 91 gates and fences. The following table details the impact on buildings and structures and AHs who will relocate.

**Table 2-5: Impact on Structures**

Type of building	Number of affected buildings	Number of AHs losing buildings and structures	No of APs	AHs to be relocated
Residential (6 AHs will lose 8 main residential buildings)	8	6	22	6
Commercial (2 AHs lose main business buildings)	2	2	8	2
Auxiliary	17	8	40	
<b>Total</b>	<b>27</b>	<b>13</b> (without double counting)	<b>61</b> (without double counting)	<b>8</b>

### 2.1.5 Impact on severely affected and vulnerable households

56. The Project will severely affect 94 households with 390 APs. These households will lose their residential or/and main commercial building, and/or more than 10% of their land holdings and/or need to relocate. Out of 94 severely affected households, six AHs will lose residential buildings and two AHs will lose their commercial buildings and need to relocate. All severely affected households whose livelihoods are agriculture-based, will receive allowances for severely affected households, relocation allowance for APs to transport their belongings and a livelihood restoration assistance equal to two-year annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take. If this amount is less than 3-months allowance, then the three-month allowance is paid instead. Severely affected households whose livelihood is not agriculture-based, will receive a livelihood restoration package of three-months of minimum subsistence.

57. There are 25 AHs (119 APs) whose members belong to vulnerable groups. In addition, out of these 25 AHs, 22 AHs are, severely affected. These AHs will receive two allowances, for vulnerability and for severity of impact and other assistance as stipulated by the Entitlement Matrix agreed for this Project. In addition, AHs will be offered a logistical assistance with relocation and search for a new residence.

**Table 2-6: Severely Affected Households**

No	Impact	Number of AHs		No of APs (without double counting)	Remarks
		With double counting	Without double counting		
A	Losing more than 10% of landholding	90	90	370	
B	Relocated households (affected residential buildings or business)	8	4	20	4 AHs included under A
<b>Total</b>		<b>98</b>	<b>94</b>	<b>390</b>	

**Table 2-6 a Livestock ownership of severely affected AHs**

	Number of severely affected households with livestock
Cow	26
Pig	3
Sheep/goats	6
Horse/donkeys	2
Poultry	27
Apiary	1

**Table 2-7: Vulnerable Households**

Impact	No of AHs	No of APs	Remarks
1. Below poverty line;	21	100	
2. Internally displaced persons (IDP)	2	11	
3. Person with disability	2	8	
Vulnerable households (without double counting)	25	119	There are 20 AHs which are also severely affected.

### 2.1.6 Indigenous People

58. An assessment of impact on indigenous peoples was undertaken in accordance with ADB's Safeguard Requirements 3 of SPS 2009. The Project will not affect people classifiable as indigenous persons (IP) under SPS 2009, therefore the Project will not trigger ADB's policy on IP.

### 2.2 Livelihood Restoration

59. Data on the main income source and additional sources of income are self-reported and were obtained from 122 out of 141 surveyed households. Out of all AHs, 90 will lose more than 10% of their agricultural, residential or/and commercial land. Majority of the AHs (66.39%) have their income from wages and salaries and half of them are at the same time pensioners or have another source of income.

More than third of AHs reported some source of secondary income (39.34%), while 22 AH (18.03%) do not have any additional income.

60. All severely affected AHs losing more than 10% of their agricultural productive assets will receive livelihood restoration compensation equal to two-year annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take. If this amount is less than 3-months minimum subsistence allowance, then the 3 month allowance is paid instead.. This allowance is in addition to other allowances.

61. Each of the AHs will receive an allowance of 1,034.4 GEL for severely affected households, which amounts to Georgia’s minimum subsistence for three months. The allowance was 347.4 Gel, a subsistence minimum per month for a five-member household for June 2018. The allowance is calculated for a five-member household regardless of the number of persons in a household. AHs which are vulnerable will receive an additional minimum subsistence allowance for three months. Eight AHs need to relocate: six AHs will lose residential and two AHs will lose commercial buildings. These AHs will receive a relocation allowance equal to the three-month subsistence minimum plus 200 GEL to cover vehicle hire cost. As such, AHs will receive multiple allowances to assist with the restoration of their livelihoods as well as in-kind additional assistance to facilitate relocation or transition. These may include assistance with searching land and properties to purchase, logistics, relocation planning, an assistance with search for a replacement housing etc. The need of these households will be identified, and in-kind assistance determined during the LARP implementation period. Severely affected households without crops will receive a livelihood restoration allowance of 3 months of minimum subsistence.as per the entitlements accepted for this project. From the AHs to be relocated, only two have livestock and both AHs will lose less than 10% of landholding. These two AHs have one and two cows respectively. They are likely to re-build on the remaining land.

**Table 2-8: AHs to be Relocated**

No of AHs	No of APs	Male	Female	Impact causing relocation	Impact on landholding %	Allowance for relocation	Allowance for severely affected	Allowance for vulnerability
1	4	2	2	Business building	4%	1,234.4	1,034.4	1,034.4
2	5	2	3	Residential building	86%	1,234.4	1,034.4	
3	7	3	4	Residential building	4%	1,234.4	1,034.4	
4	2	1	1	Residential building	72%	1,234.4	1,034.4	
5	2	1	1	Residential building	26%	1,234.4	1,034.4	
6	4	2	2	Business building	9%	1,234.4	1,034.4	
7	1	0	1	Residential building	3%	1,234.4	1,034.4	
8	5	3	2	Residential building	78%	1,234.4	1,034.4	
	<b>30</b>	<b>14</b>	<b>16</b>					

### 3 SOCIOECONOMIC INFORMATION

62. This Chapter presents the findings on the major socioeconomic characteristics of the affected Project communities. The chapter is based on information from the official Georgian statistics for the region, the data collected by EBRD for the ESIA for the Lot 1 and the data collected through the Socioeconomic Survey and Census undertaken during the preparation of the LARPs. The main objectives of the SES and Census are to understand the existing socioeconomic environment and vulnerability of affected people in the Project area, to use the data for preparation of the LARP budget and to identify groups and persons who may need additional support due to the Project's impact.

63. The Project is located in two municipalities of the Mtskheta-Mtianeti region, Dusheti and Kazbegi. Mtskheta-Mtianeti is a region in eastern Georgia. The town of Mtskheta serves as the regional capital, which extends to its districts and the adjoining mountainous areas. The region is comprised of five municipalities: Akhagori, Dusheti, Tanti, Mtskheta and Kazbegi. Dusheti, the main town in Dusheti municipality, has a population of 25,659. Kazbegi municipality has a population of 3,795 inhabitants. Its main settlement is Stepantsminda, which accounts for about half of the municipality's population.

**Table 3-1: Population in Project Municipalities**

Municipality	Male	Female	Total
Kazbegi	1,859	1,936	3,795
Dusheti	12,785	12,874	25,659
<b>Total</b>	<b>14,644</b>	<b>14,810</b>	<b>29,454</b>

Source: Municipality administration

64. The Lot 2 Project impacts eight villages – Kvesheti, Arakhveti, Zakatkari, Beniani, Begoni, Sviana, Rostiani and Mugure. There are 550 people (276 males and 274 females) living in these villages.

**Table 3-2: Population in Affected Persons' Villages**

Village	Total	Male	Female
Kvesheti	257	122	135
Arakhveti	205	110	95
Zakatkari	57	30	27
Beniani-Begoni	12	5	7
Sviana-Rostiani	18	8	10
Mugure	1	1	0
<b>Total</b>	<b>550</b>	<b>276</b>	<b>274</b>

### 3.1 Socioeconomic Survey Results

65. The socioeconomic survey in the area covered by Lot 2 of the Project was conducted from 22 June 2018 to 8 August 2018 and updated in September, October and November 2018. The SES aimed to sample 100% of all affected households. The resettlement team completed the socioeconomic study with 126 out of 141 households. The owners of 15 AHs have not been located as they do not live at the locations where the land and other assets are acquired. When the local authorities locate these APs, the SES will be completed, the listing, compensation terms and compensation delivery status to these 15 HH will be discussed in the final compliance report. It is anticipated that only land and minor structures (non-residential) will be impacted for these 15 AH. The DMS was completed for all remaining 141 AHs by the assistance of the local authorities.

66. The objective of the socioeconomic survey was to gather general information on the socioeconomic conditions of affected people. The SES Questionnaire included questions which aim to measure the main characteristics of affected households such as type of land use, land holdings, buildings, businesses, family type and size, main demographic data of the household members, self-reported monthly income and total monthly expenditure, sources of income, house facilities, ethnicity, vulnerability, women's status, opinions about the Project, etc. Each questionnaire took around 20 to 30 minutes to complete. The collected data was processed using Microsoft Excel.

67. In total, the Project impacts 141 households with 549 members (268 male and 281 female). During the Socioeconomic Survey of AHs, representatives of 126 AHs were interviewed. Out of these, 112 (89%) were heads of households. There were 4 persons per surveyed household on average.

**Table 3-3: SES Sample**

No of AHs	No of surveyed AHs	Male	Female	Total APs
141	126	268	281	549

Source: SES

68. All Lot 2 Project villages have electricity, gas and a supply of drinking water in house or in front of the houses. There is mobile phone reception in the village and some TV programs are available.

69. Schools, medical facilities and shops are available only in Kvesheti. Families with school age children, move to Kveshwiti during the winter time. Children from Zakatkari village are going in school in Gudauri which is 5-6 kilometers away.

70. There are no hospitals and pharmacy services in the Project area. There is only a small clinic with one doctor in Kvesheti. For all other than basic medical services, people are travelling to Tbilisi.

71. In winter time, only few people live in Khada valley villages because of absence of school, transportation problems and because villages are inaccessible from December till the end of March. Travelling from Khada valley to Kvesheti is almost impossible. In Tckere, usually 3 residents stay during the winter, in Mugure, one resident and in Beniani-Begoni, based on consultations with villagers, it is estimated that a maximum of 10 % of the residents stay in these villages during the winter time. The number of people living in these villages during the winter months depends on the weather condition and access to the village.

72. Affected persons who live in these villages permanently keep some cattle. Sheep and horses can be seen grazing near villages. The APs sow potatoes, corn, vegetables, which can be cultivated successfully under such climatic conditions. The vegetables are used for the households' own consumption and nobody reported selling vegetables.

73. Hay is the main product produced in these villages. Grass is left to grow on some lands so that the villagers can harvest enough hay for the winter. Hay is also used for their own livestock and in these villages, there was no sale of hay reported.

74. The villagers cultivate cherries, pears, walnuts, hazelnuts, quinces, grapes and plums. All harvested fruit is used for personal consumption.

75. More than half (59.57%) surveyed household has a latrine, which is common in this area, while one quarter (25.53%) of the AHs have in-house flash toilet. Mobile phones are used by 69.50% surveyed households. Televisions and satellite antennas are available in 70.21% and 63.83% of the AHs respectively. Electric or gas stoves are available in 98 AHs (69.50%). Refrigerators and washing machines are owned by 59.57% and 58.87 % of households, respectively. Utilities such as hot water systems, in-house flush toilets or an Internet connection are available in 35.46% of surveyed households. There were no other assets listed by the APs.

**Table 3-4: Households Assets and Amenities**

Items	No of AHs	%
Latrine	84	59.57
Flash toilet	36	25.53
Hot water system	50	35.46
TV	99	70.21
TV antenna/dish	90	63.83
Computer	46	32.62
Internet	25	17.73
Mobile phone	98	69.50
Electric/Gas stove	98	69.50
Refrigerator	84	59.57
Washing machine	83	58.87

76. Each of the 141 AHs will lose some land. The total land held by AHs amounts to 1,519,213 m<sup>2</sup> and out of it, 311,132 m<sup>2</sup> (20.48%), needs to be acquired by the Project. There are 90 AHs which will lose more than 10% of their total landholdings. Eight AHs reported agriculture and a source of income while four out of these, reported agriculture as the only source of income. (Table 3-5)

**Table 3-5: Land Holdings**

No of AHs	Impact on landholdings
31	10-20%
36	21-50%
11	51-70%
12	71-99%
<b>Total: 90</b>	

### 3.2 Gender and Household Composition

77. The data on the heads of 126 AHs is presented in the following table. Fifteen of the AHs could not be identified during the LARP preparation. There are 88 (69.84%) of male and 38 (30.12%) of female head of households. Most of the heads of households are concentrated in the 51 plus age category. Only 24 (19.02%) of the heads of households are younger than 50 years. Married head of HH account for 68.25% of all heads of HHs. A total of 25.39% are widowed and 6.35 % divorced or single.

78. A head of HH data shows that 31.75% of head of HH stated pension as their primary source of income and 57.14% stated salary as their source of income. Other sources of income are rent, remittance and agriculture. (Table 3-10 a)

**Table 3-6: Profile of Heads of Households**

Age	Male	Female	Married	Divorced	Single	Widow	Pension	Salary	Rent	Remittance	Business/ Self-employed	Agriculture
27-40	8	1	6	1	1	1	2	4	1	1	0	0
41-50	16	5	17	0	1	3	2	15	1	0	1	2
51-60	27	7	27	1	0	6	6	25	0	1	0	1
61+	37	25	36	3	1	22	30	28	0	1	2	1
	<b>88</b>	<b>38</b>	<b>86</b>	<b>5</b>	<b>3</b>	<b>32</b>	<b>40</b>	<b>72</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>

79. In total, there are 141 AHs with 268 males and 281 females. There are 6 female-headed households in which women live alone. More than 87% (123) of surveyed households have nuclear families. Extended families comprise 17% of all surveyed families. The household size of the surveyed population ranges from one to 18 persons in a household. A total of 74 AHs (52.48%) have up to 4 members in a household. 51 (36.17%) AHs have five to ten members and one AHs have 18 persons in their households. All APs are Georgians who are Orthodox Cristian.

**Table 3-6 a: Type of Families**

Family Type	Number of AHs	Percentage (%)
Nuclear	123	87.23
Extended	18	12.77
<b>Total</b>	<b>141</b>	<b>100.00</b>

### 3.3 Age and Marital Status

80. The age distribution of the surveyed population for this LARP, shows that the 18-35 age group was the most represented (24.59%). When the two age groups, 0-7 and 8-17 are combined, minors account for 19.12% of the surveyed population. The 36-45 age group accounts for 18.40% while 46-55 and 56-65 age groups, account for 11.66% and 11.11%, respectively. The 66 and above age group accounts for 15.12% of the surveyed population. When the groups 18-65 years of age are combined, the working age population amounts to 65.76%. (Table 3-7)

**Table 3-7: Age**

Age	All AH members			
	Male	Female	Total number	Age group (%)
0 - 7	24	24	48	8.74
8-17	32	25	57	10.38
18 - 35	75	60	135	24.59
36 - 45	47	54	101	18.40
46 - 55	31	33	64	11.66
56 - 65	24	37	61	11.11
66 or more	35	48	83	15.12
<b>Total</b>	<b>268</b>	<b>281</b>	<b>549</b>	<b>100.00</b>

81. Married APs account for 49% of all APs. A total of 2.37% of APs are widowed and 8.74 % divorced. Unmarried APs and minors account for 39.89%. (Table 3-8).

**Table 3-8: Marital Status**

Marital status	APs	
	Number	%
Married	269	49.00
Unmarried	219	39.89
Widowed	13	2.37
Divorced	48	8.74
<b>Total</b>	<b>549</b>	<b>100.00</b>

### 3.4 Education

82. The following table shows a high level of literacy among the surveyed population. Almost a half (48.09%) APs have completed secondary education and 35.28% obtained a university degree. A further 12.81% obtained vocational education. There are no illiterate APs among the surveyed population. (Table 3-9)

**Table 3-9: Education Level of APs**

Education level of APs	Number	%
Primary school	17	3.82
Secondary education	214	48.09
Technical/other college	57	12.81

University degree	157	35.28
<b>Total</b>	<b>445</b>	<b>100.00</b>

### 3.5 Employment, Income Sources and Expenses

83. Employment and income data were collected from 490 APs. All data is self-reported. Pensioners are represented with 18.98%. Work in the private sector and work as a civil servant, are accounting for 13.47% and 13.67% respectively. Housewives make up 13.88%. The unemployment rate among the surveyed APs is 21.43%. (Table 3-10).

84. A household level data shows that 70 households stated pension as their primary source of income. Civil servant and private sector are primary source of income for 20 AHs and 16 AHs respectively. There are 7 AHs in which there are no pensioners or employed members of the households. They live from help from other family members or remittance. However, the extent of such help is not stated by the AHs. The data shows that, out of 125 surveyed households, 102 AHs (81.6%) have some secondary source of income. Pensioners are most likely to have a secondary source of income (85.72%) (Table 3-10 a)

**Table 3-10: Type of Employment**

Type of employment	No of APs	%
Pensioner	93	18.98
Civil servant	67	13.67
Private sector employee	66	13.47
Self-employed	46	9.39
Farmer	0	0.00
Housewife	68	13.88
Pupil/Student	45	9.18
Unemployed	105	21.43
<b>Total</b>	<b>490</b>	<b>100.00</b>

**Table 3-10 a: AHs' Primary Source of Income**

Type of occupation	No of AHs-primary occupation	No of AHs-secondary occupation
A1. Pensioner	70	60
A2. Civil servant	20	17
A3.Private sector employee	16	14
A4.Self-employed	9	9
A.5 Farmer	0	0
A.6 Housewife	3	2
A.8 Unemployed	7	0
<b>Total</b>	<b>125</b> (Without double counting)	<b>102</b>

85. Data on income is self-reported and was obtained from 125 out of 126 surveyed households. The data on monthly income ranges from 100 to 13,500 Gel per household. Most of the respondents (36.07%) have income between 600 and 1,500 Gel. Almost a quarter of households have their monthly income above 1,500 Gel per month. A total of 66.39% respondents reported salaries as their source of income, followed by pension (63.93%). Four AHs reported income from business and self-employment and eight AH reported 16-600 Gel/month income from agriculture. More than third of AHs reported some source of secondary income (39.34%), while 18.03% do not have any additional income. The average household income amounts to 1,184.49 Gel per month.

86. Income and expenses were self-reported by surveyed persons. The average monthly expenditure for a household was around 1,144.79 Gel per month. It was difficult to get itemized information on monthly expenses for food, clothing, schooling, healthcare etc., so total monthly expenditures were obtained from the respondents instead. The self-reported monthly income and expenditure for each of the surveyed household, are presented in the following tables:

**Table 3-11: Self-reported Monthly Income and Expenses**

Monthly income (Gel)	No of AHs	%	Monthly expenses (Gel)	No of AHs	%
<300	22	18.03	<300	23	19.01
301-600	26	21.31	301-600	30	24.79
601-1500	44	36.07	601-1500	41	33.88
>1,500	30	24.59	>1,500	27	22.31
<b>Total</b>	<b>122</b>	<b>100.00</b>		<b>121</b>	<b>100.00</b>

**Table 3-12: Sources of Income**

Source of income	No of AHs (Double counting)	No of AHs (Without double counting)	%	Remarks
A1.Salary/wages	77	77	64%	
A2.Business	4	3	3%	1 AHs are included in A1
A3.Agriculture	9	4	3%	5 AHs are included in A1
A4.Rent	2	2	2%	
A5.Remittance	3	2	2%	1 AHs are included in A1
A6.Pension and Government allowances	78	32	27%	46 AHs are included in A1, 1 AHs are included in A2 and 1 AHs are included in A3

87. A total of 54 AHs (44.26%) reported having a bank or a microfinance organizations loan. Information about the purpose of their bank loans was unavailable. The APs who reported more expenditures than income per month explained that they have loans to repay and that they are constantly in debt.

### 3.6 Women in Project Villages

88. During the SES and DMS studies, limited information was gathered on women's activities in the Project villages. All women, regardless of employment status, do housework and care for children and

household members. These who have some land and livestock do agricultural work and mind livestock. Four women reported being employed.

89. Women in Gudaury work as housekeeper in hotels and tourist centres. They also sell knitwork and dairy products to hotels in Gudaury.

### 3.7 Impacts of the Project as Perceived by Surveyed Households

90. There were 120 answers on the perceived effects of the Project in general and 120 answers on the perceived socioeconomic benefits in the Project villages. Thirty-three surveyed APs (27.5%) stated that their attitude towards the Project is negative as well as their opinions about the Project's socioeconomic effect on their community. Thirty-three APs (27.5%) had a neutral attitude and perception on the Project's effect, while 54 APs (45%) stated that they think that the Project is positive for them and for their communities. (Table 3-12)

**Table 3-13: Opinions and Attitudes towards the Project**

Opinion	No of answers	Negative/ (No)	%	Neutral (No)	%	Positive/ (No)	%
Personal attitude towards the Project and the Project's effect on communities	120	33	27.5	33	27.5	54	45

## 4 LEGAL BACKGROUND

### 4.1 General

91. 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 and EBRD PR 5.

### 4.2 Legal Framework

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

92. 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 established due to road construction activities:

- (i) The Constitution of Georgia, August 24, 1995 ( Last update 16 October 2013)
- (ii) The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need, 23 July, 1999 (amend. 2005, 2007, 2010, 2013, 2017)
- (iii) The Civil Code of Georgia, 26 June, 1997 (amend. 2000, 2002, 2003, 2004, 2005, 2006, 207, 2008, 2009, 2010, 2011, 2012, 2013, 2014,2015, 2016, 2017)
- (iv) The Law of Georgia on Notary Actions , 4 December, 2009 (amend. 2010, 2011,2012, 2013, 2014, 2015, 2016)
- (v) Law on Public Health 27 June 2007 (amend. 2009, 2010, 2011, 2012, 2013, 2014, 2015,2016,2017)
- (vi) The Law of Georgia on Ownership Rights to Agricultural Land, 22 March, 1996 (amend. 1997, 1998, 1999, 2000, 2003, 2004, 2007, 2010, 2012, 2014, 2016, 2017)
- (vii) Law on Compensation of Land Substitute Costs and Damages due to Allocating Agricultural Land for Non-Agricultural Purposes 1997 (amend. 2005, 2006, 2007, 2009, 2010, 2011, 2013, 2014, 2015)
- (viii) The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal Entities; 11 June 2007 (amend. 2007,2008,2009 2010, 2011, 2012)
- (ix) Law on state property 2010 (amend 2011, 2012,2013,2014, 2016,2017)
- (x) The Law of Georgia on Public Register- No820 –IIs; 19 December, 2008; (amended 2009 2010, 2011, 2012, 2013, 2014, 2015)
- (xi) In frames of national project, the Law of Legal Power of Land Parcels Systemic and Sporadic Registration and Improvement of Quality of Cadastral Data. 17 June, 2016. (amended 14 December, 2016)
- (xii) The Civil Procedural Code of Georgia, 14 November, 1997(amend. 1998-2015)
- (xiii) The Law of Georgia on State property, 21 June, 2010
- (xiv) Labour Code, 25 May, 2006
- (xv) Tax Code, January 2005;  
Law on Entrepreneurship, 28 October, 1994

93. Overall, the above laws/regulations provide that the principle of compensation at full replacement cost is reasonable and legally supported. The laws also identify the types of damages eligible for compensation and indicate that compensation is to be given both for loss of physical assets and for the loss of income. 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 allow for the application of the following legal mechanisms related to property rights:

- (i) Obtaining the right of way through the payment of due compensation as per the provisions envisaged for the Project, or if this approach fails, through a court decision for expropriation, prior to commencement of civil works.
- (ii) Expropriation which allows for the obtaining of the permanent rights to land and/or other real estate property on the basis of Eminent Domain Law and court decision through the payment of due compensation.

#### **4.2.2 ADB's Policy on Involuntary Resettlement**

94. 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 wellbeing with the project as people would have had without it. Resettlement planning is an integral part of project design for any ADB operation requiring involuntary resettlement, to be dealt with from the earliest stages of the project cycle, considering the following basic principles:

- (i) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- (ii) Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- (iii) Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based, where possible, or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.
- (iv) Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (ii) civic infrastructure and community services, as required.
- (v) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
- (vi) Develop procedures in a transparent, consistent, and equitable manner to ensure that people will maintain the same or better income and livelihood status.

- (vii) Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- (viii) Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- (ix) Disclose a land acquisition and resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
- (x) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- (xi) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- (xii) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

### **4.3 Comparison of ADB SPS 2009 with Georgian Laws and Legislation**

95. Overall, the legislation of Georgia adequately reflects the major provisions of the ADB Safeguards Policy Statement 2009; with some notable differences already reconciled in practice at ADB financed projects. The most significant of these differences is that Georgian legislation/regulations place emphasis on the definition of formal property rights and on how the acquisition of properties for public purposes is to be implemented and compensated, while ADB policy emphasizes both the compensation of rightfully owned affected assets and the general rehabilitation of the livelihood of Affected People (AP) and Households (AH). Because of this, ADB policy complements the Georgian legislation/regulations with additional requirements related to (i) the economic rehabilitation of all AP/AH (including those who do not have legal/formal rights to the assets acquired by a project); (ii) the provision of indemnities for loss of business and income, and (iii) 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. In addition, the legislation of Georgia does not require the preparation of a LARP based on extensive public consultations. The differences between Georgia law/regulations and ADB SPS 2009 and are outlined in Table 4-1.

96. RD has adopted a policy for the Project to reconcile the gaps between Georgian laws/regulations and ADB Policy (ADB's SPS 2009) by ensuring compensation at full replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for AHs who will be relocated, suffer business losses, or will be severely affected.

**Table 4-1 Comparison of Georgian Laws on LAR and ADB and EBRD Resettlement Policies**

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 are an integral part of ADB's policy which is a continuous process at conception, preparation, implementation and finally at the post implementation period.

#### **4.4 Land Acquisition Process**

97. 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. To construct the Project RD will acquire private land under the law of eminent domain wherever possible through the establishment of an agreement with the APs. Negotiations (if any) with APs will not determine the base compensation rates. The land buyer will offer an adequate and fair price for land and/or other assets. RD will ensure that the process of land acquisition with the APs openly addresses the risks of asymmetry of information and bargaining power of the parties involved in such transactions. Expropriation will only be sought in case an AP does not agree with the impact, measurement of the impact or the amount of compensation.

98. Following the acquisition and compensation matrix (ACM), LARC, assisted by the LAR team at the local level, will offer each of the APs the compensation rates defined in this LARP. Upon successful settlement, Land Acquisition Agreements will be signed with legalized/titled owners of acquired land parcels and an Agreement of Entitlement with the non-titled APs. Any APs' grievances will be resolved through the Project's approved grievance redress mechanism.

99. In the event an AP does not accept the rates defined in this LARP even after attempts to resolve the disagreement through the process of the grievance redress mechanism, RD will seek the concurrence of the appropriate authority to proceed with the expropriation process under the eminent domain for acquisition of the land through local courts.

100. The detailed design consultant has prepared updated cadastral maps of the acquired plots with geometric details required for legalization. RD 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 registration at the local registration office prior to the receipt of Project compensation.

#### **4.5 Expropriation**

101. Acquisition of land through expropriation will be pursued under the Project only in extreme cases when arrangement of a compensation amount between APs and RD, fails. Should the contract proposal fail, the expropriation process will commence by undertaking the procedures set out in the Law of Georgia “On the Rules for Expropriation of Ownership for Necessary Public Need”. Under Georgian law, the making of arrangements is seen as an alternative to expropriation, whereas ADB and EBRD policy treat arrangement under the threat of expropriation as involuntary resettlement.

102. Pursuant to the Law of Georgia “On the Rules for Expropriation of Ownership for Necessary Public Need” expropriation shall be carried out based on the order of the Minister of Economy and Sustainable Development of Georgia and a court decision. The order of the Minister of Economy and Sustainable Development of Georgia will determine the case for public needs, and grant the expropriation entity the rights to obtain land. Only the court shall determine the state body or local authorities and/or legal entity under the Public Law/Private Law to which the expropriation rights can be granted. The court decision should also include a detailed inventory of the assets to be expropriated and the provisions on the compensation payable to relevant land owners.

103. Under no condition would the RD occupy the required plots until:

- (i) the proper judicial process as defined by the law is initiated;
- (ii) a court injunction has been obtained and properly communicated to the APs; and
- (iii) The compensation/rehabilitation amounts are deposited in an escrow account.

104. The entire expropriation process, from the moment in which expropriation proceedings are initiated to the moment in which the expropriation injunction from the court is obtained, may last between three to six months.

#### **4.6 Legalization**

105. The RD will provide technical assistance to APs qualifying as legitimate possessors (Legal APs) of project affected land parcels. These APs will be assisted free of charge in the process of legalization of private ownership rights to Project-affected assets, followed by the registration of ownership title. After that, the AP will alienate the Project-affected land parcel to the RD for road project purposes in return for fair compensation calculated according to the unit rate determined in the approved LARPs. The entire legalization process for one plot may last between one week and six months.

## 4.7 Compensation Eligibility and Entitlements

### 4.7.1 Eligibility

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

- (i) all APs losing land covered by legal title/ traditional land rights, legalizable land, or land 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.

107. Compensation eligibility will be limited by a Cut-off-date to be set for each Lot on the day of the beginning of the AP Census and DMS. For the Lot 2 of this Project, the Cut-off date has been set as 22 June 2018. APs who settle in the affected areas after the Cut-off-date will not be eligible for compensation. However, they will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to the Project implementation. The materials from dismantled structures will not be confiscated, and they will not pay any fines or suffer sanctions.

### 4.7.2 Definition of entitlements

108. **Agricultural land impacts** will be compensated at full replacement cost. When 10% or more of total landholding owned by an AP is acquired, the AP (owners, leaseholders and sharecroppers) will get an additional allowance for severe impacts equal to two additional crop compensation or three months' income at minimum subsistence (if crop compensation is not applicable). Legalizable APs' lands/assets will be legalized and they will be paid as titled owners. If the remaining part of a particular plot becomes inaccessible or unviable for cultivation or for any use after the acquisition, then the remaining land will be acquired, if the owners/user so requests.

109. APs that are not legitimate land users or are squatters, will be compensated with a one-time allowance in cash amounting to minimum monthly subsistence allowance for a five-member family for 12-month period where land is actively cultivated, or 3-month period where land is barren/unused.

110. **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 a one-time allowance in cash equal to a minimum subsistence allowance for a five-member family for 12-month period when an AP loses land on which the AP permanently resides, need to relocate and does not have other residence.

111. **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 the 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 the ownership of the AH.

112. **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.

113. **Trees:** Cash compensation at market price of income from the tree based on type, age, tree-productivity for the number of years needed to regrow the tree at the productive stage it was at when cut.

114. **Businesses:** If a business is lost permanently cash indemnity of 1-year net income or in the absence of income proof, one-time minimum subsistence allowance in cash corresponding to the actual months of activity in the year. In case of temporary impact cash indemnity of net income for number of months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence allowance for months of business stoppage; in cases where APs have paid tax based on flat tax rate will receive compensation equal to 3 months minimum subsistence allowance.

115. **Agricultural Tenant:** If agricultural tenants are affected, they will be compensated in the form of assistance equivalent to one year of cash return from the tenanted land as per recorded proof, or in its absence, official minimum subsistence allowance for one year.

116. **Loss of wages/employment:** if employees lose their wages due to the Project, they will be compensated with the equivalent of the actual wage for three months, or in case of absence of tax declaration, official minimum subsistence allowance for three months. The employee should provide some acceptable official documents such as salary payment document or/and accountant/financial report.

117. **Relocation/Shifting Allowance:** Physically displaced households forced to relocate will receive a relocation subsidy comprising an allowance of 200 GEL covering transport expenses, plus an allowance equivalent to three months of minimum subsistence income (GEL 1,057.5) to cover livelihood expenses for the transitional period.

118. **Community Structures and Public Utilities:** will be fully replaced or rehabilitated so as to satisfy their pre-project functions.

119. **Severely Affected Households:** All severely affected households whose livelihoods are agriculture-based, will receive allowances for severely affected households, relocation allowance for APs to transport their belongings and a livelihood restoration assistance equal to two-year annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take. If this amount is less than 3-months allowance, then the three-month allowance is paid instead. Severely affected households whose livelihood is not agriculture-based, will receive a livelihood restoration package of three-months of minimum subsistence.

120. **Vulnerable People Livelihood:** Vulnerable AHs (below poverty line, women headed or AHs with members with disabilities or pensioners) will receive an allowance equivalent to 3 months of minimum subsistence.

121. **Unforeseen impacts during construction,** including temporary impacts and impacts on livelihoods not otherwise assessed: Impact will be identified and assessed and due compensation paid based on the provisions agreed for this Project and in agreement with requirements of SPS 2009 and EBRD PR 5.

122. **Impacts related to spoil disposal areas and construction camps:**

- (i) **Temporary impacts:** Any temporary impact caused by the use of land for camp or as a temporary disposal area, will be regulated by private agreements between the Contractor and the land owners.
- (ii) **Permanent impacts:** Any permanent impact on land caused by the use of land for permanent disposal of unsuitable material or debris remaining after demolition of existing parts of the road, will be adequately compensated as per the provisions set up in the LARP. In addition, adequate livelihood assistance for loss of hay and grazing grounds, if any, will be assessed and provided during implementation.

123. Tasks under the Project will be implemented according to a compensation eligibility and entitlements framework in line with both Georgian laws and regulation and ADB Policy (SPS 2009). A summary entitlements matrix is included in Table 4-3 below.

**Table 4-2 Entitlement Matrix**

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
<b>Land</b>			
Agricultural Land: Permanent land loss, access or damage.	AP losing productive land regardless of impact severity	<b><u>Registered Owner/Legal:</u></b> Owner with full registration	Cash compensation at full replacement cost based on current market value. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desire.
		<b><u>Legalizable Owner:</u></b> (APs with title formalization pending and APs who are not registered but legitimately use the land and have residential land or agricultural plots adjacent to the residential land)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		<b><u>Non-legal/Informal Settler:</u></b> APs that are not legitimate land users or squatters	Non-legalizable APs losing agricultural land plot will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5 members family for 12 month period where land is actively cultivated, or 3 month period where land is barren/unused.
		Agricultural Tenant	Full Compensation of income of lost crops x the remaining years (up to 4 years) of lease, unless otherwise provided by the lease agreement. In case of tenancy no crop compensation will be given to the land owner, and implementing agency, in consultation with local government, will provide assistance to the tenant with the search of replacement lease/tenancy
Non-Agricultural Land	AP losing their commercial/ residential land	<b><u>Registered Owner/Legal:</u></b> (Owner with full registration)	Cash compensation at full replacement cost.
		<b><u>Legalizable Owner:</u></b> (Legalizable owners according to active legislation)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		<b><u>Non-legal/Informal Settler</u></b> (Without registration/valid documents using land permanently.)	Non-legalizable APs losing a land plot, which is the only land plot used for residence or providing the main source of income for the AH, will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5 members family for 12 month period. This only applies to physically displaced APs who do not have other residence.
Temporary Impact on land plot	N/A	N/A	Temporary land impacts will be compensated based on the productive value of the plot during the period of impact and after their use will be re-established by the EA at the pre- impact productive conditions.
<b>Buildings and Structures</b>			
Residential and non-residential structures/assets		All AHs regardless of their legal ownership/ registration	Cash compensation for loss of building/structures at full replacement costs free of depreciation and transaction costs

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
		status (including legalizable and Informal Settlers)	
<b>Loss Of Community Infrastructure/Common Property Resources</b>			
Loss of common property resources	Community/Public assets	Community/Government	Reconstruction of the loss of resource/asset in consultation with community and restoration of their functions.
<b>Loss of Income and Livelihood</b>			
Crops	Affected standing crops or agricultural land, used permanently for crop cultivation.	All APs regardless of legal status (including legalizable and Informal settlers)	Crop compensation in cash at market rate for gross crop value of expected harvest.
Trees	Trees affected	All APs regardless of legal status (including legalizable and Informal settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees. (based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity).
Business/Employment	Business/employment loss	All APs regardless of legal status (including legalizable and Informal settlers)	<u>Owner:</u> (i) ( <u>permanent impact</u> ) cash indemnity of 1-year net income or in the absence of income proof, or in cases where APs have paid tax based on a flat rate, they will receive compensation equal to 12 months minimum subsistence allowance. (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 subsistence allowance for months of business stoppage; <u>Permanent worker/employees:</u> indemnity for lost wages equal to actual wage for 3 month or in case of absence of tax declaration, one-time minimum subsistence allowance in cash for 3 months. For all the above, some acceptable official documents need to be presented, ie. salary payment document, accountant/financial report.
<b>Allowances</b>			
Severe Impacts	Physical relocation or loss of >10% of productive assets	All severely affected AHs including informal settlers	<b>Agricultural income:</b> 1 additional crop compensation for 1 year's yield of affected land or an allowance covering 3 months of minimum subsistence, whichever is higher - or, for <b>other incomes:</b> an allowance covering 3 months of minimum subsistence.
Livelihood restoration	APs losing more than 10% of their agricultural productive assets	All severely affected households AHs including informal settlers	<b>Agricultural livelihood restoration:</b> Two times annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take, for all severely affected households. If this amount is less than 3 months minimum subsistence allowance, 3 months of minimum subsistence allowance will be paid instead.
	APs losing more than 10% of their non-agricultural	All severely affected households including informal settlers	<b>Non-agricultural livelihood restoration: A</b> livelihood restoration package of 3 months of minimum subsistence.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
	productive assets		
Relocation/Shifting	Transport/transition costs	All AHs to be relocated	An allowance covering transport and livelihood expenses for the transitional period. (200 GEL as vehicle hire charge + minimum subsistence allowance for 3 months.
Vulnerability Allowance		AHs below poverty line, AHs headed by women, AHs headed by disabled people and refugee' households/internally displaced people.	One-time minimum subsistence allowance in cash for 3 months and employment priority in project-related jobs where feasible. Additional assistance in kind will be provided to facilitate relocation or transition – this may include (logistics, relocation planning, assistance with replacement housing search, as appropriate).
Unforeseen impacts during construction, including temporary impacts and impacts on livelihoods not otherwise assessed.	Impacts during construction to properties or assets out of the corridor of impact or RoW	All APs	Due compensation to be assessed and paid when the impacts are identified based on the above provisions and on the requirements of SPS 2009 and EBRD PR 5.
Impacts related to spoil disposal areas and construction camps.	Temporary impacts	APs using affected pasture lands	Any temporary impact caused by the use of land for camp or as a temporary disposal area, will be regulated by private agreements between the Contractor and the land owners.  Should such temporary impacts also affect persons using pasture lands other than the owners, adequate livelihood assistance for loss of hay and grazing grounds will also be assessed and provided during implementation.
	Permanent impacts		Any permanent impact on land caused by the use of land for permanent disposal of unsuitable material or debris remaining after demolition of existing parts of the road, will be adequately compensated as per the provisions set up in the LARP. In addition, adequate livelihood assistance for loss of hay and grazing grounds, if any, will be assessed and provided during implementation.

### 4.7.3 Valuation and compensation rates

124. The Valuation methodology of compensation rates for the different affected assets is detailed in the next paragraphs.

125. The detailed methodology for determining valuations and compensation rates is included in Annex 5.

#### **4.7.4 Valuation of land**

126. The land market is not established at these locations, and there is not enough information on the transactions in the public registry. Consequently, the market and revenue approach for valuation of affected land could not be used. In addition, unreasonably low prices are recorded in these purchase contracts. For example: the recorded price of 0.20-0.50 tetri/m<sup>2</sup> for land plots that are directly facing the main road, are particularly characteristic for transactions between natural persons in villages and peripheral territories in Georgia. . (Please see Annex 4). To provide assurance that the valued price responds to the replacement cost of the land in this area, ADB commissioned independent valuations of a random sample of 10 land plots distributed along the road alignment. In each case, the valuation conducted for this LARP exceeded the market value determined by the independently commissioned experts.

#### **4.7.5 Valuation of Impacted Structures**

127. The replacement cost of houses/buildings was determined based on construction type, cost of materials, transportation, types of construction, land preparation, labor, and other construction costs at current rates. No deduction for depreciation and transaction costs will be applied.

#### **4.7.6 Valuation method of annual crops**

128. The market value of annual crops was determined as the net market rates at the farm gate for the first-year crop. In the event that more than one year's compensation is due to the APs, the crops after the first year will be compensated at gross market value.

#### **4.7.7 Valuation method of fruit-bearing trees**

129. Fruit trees will be compensated differently if they are productive or yet to become productive. Productive trees will be compensated based on the future income lost for the years needed to re-grow a tree to the same age/production potential at which it was cut. Productive trees will be compensated based on the price of a seedling plus the income of the productive tree for the years needed to grow from the one-year seedling. The price of the seedling also includes the cost of fertilizers, water and other expenses. Non-productive/wood trees will be compensated based on the value of the investment made to grow the tree to the age at which the tree was cut.

## **5 INSTITUTIONAL ARRANGEMENTS**

### **5.1 Introduction**

130. The Implementing Agency will be the Road Department of the Ministry of Regional Development and Infrastructure of Georgia (RD) and the Ministry of Regional Development and Infrastructure of Georgia (MRDI) will be the Executing Agency (EA) that has the lead responsibility for road construction. The RD has overall responsibility which includes preparation, implementation and financing of all LAR tasks and cross-agency coordination. RD will exercise its functions through its existing resettlement division (RDRD) which will be responsible for the general management of the planning and implementation of all LAR tasks. The regional RD offices will assist the activities of the RDRD with one dedicated officer who will facilitate communication between the RDRD, the local governments and the APs and assist in implementing LAR tasks related to the local administration. RD, a number of other government departments and private agents will play an instrumental role in the design, construction and operation of the Project. The Ministry of Natural Resources and Environmental Protection is responsible for environmental issues, pursuant to active legislation. The Ministry of Justice is responsible for legal matters regarding land ownership, and the National Agency of Public Registry (NAPR) within the Ministry of Justice is in charge of the registration of land ownership and its transfer through purchase agreement from landowners to the Road Department. The local governments at the Sakrebulo and village levels will also be involved.

131. The specific role and responsibility of each state agency participating in the given project is detailed below.

### **5.2 Land Acquisition and Resettlement Organizations**

#### **5.2.1 RD of Georgia**

132. RD 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. RD will exercise its functions through its existing Resettlement Division (RD), which is a subdivision of the Roads Development and Resettlement Division (RDRD), and LAR Commission.

133. A Resettlement Division (RD) under the RDRD, which is led by the Head of the division and staffed by other personnel with specific experience and skills in LAR, is responsible for LAR activities related to the project. RD is responsible for all technical work needed to accomplish all LAR preparation and implementation tasks, and coordination within the RD, as well as the central and local governments.

134. Nine officials are assigned to the central office of the RD for the monitoring and management of resettlement. This project will be monitored by two officials of the central unit.

135. The LAR Commission (LARC) within RD has the authority to finally endorse all LAR-related decisions and actions (i.e. approval of LARP, initiation of compensation payments etc.). The LARC convenes to review issues requiring decisions as needed. The 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 with the power to provide decisions on grievances that cannot be resolved at the regional level. The LARC will ensure that the Project is implemented in accordance with ADB policy requirements and the approved LARP. A Grievance Redress Committee (GRC) at the Representative of the Mayor of the municipality in the administrative unit will be working to resolve the grievances of APs as a means of reducing grievances and avoiding the expropriation process for acquisition of land.

136. The structure of the LARC includes experienced and skilled experts in economics and law who simultaneously occupy responsible positions in RD. Agreement can be reached between RD management and LARC if needed to expand the structure by inviting professionals from different sectors in response to the volume of LAR work for a project. The core team of the LARC is represented by RD, which is supplemented by legal experts, financial experts, engineers and other professionals from other departments of RD.

137. The specific tasks of the RD will be to (i) establish the LARC capacity at the regional level offices of the RD; (ii) ensure proper internal monitoring; (iii) hire, following ADB policy recommendations, the external monitoring agency; (iv) conduct all technical work to accomplish all LAR preparation and implementation tasks; (v) maintain the coordination of all land acquisition and resettlement related activities within the RD, central and local government; and (vi) provide all necessary documentation to ensure the prompt allocation of land acquisition and resettlement compensation amounts to the APs.

### **5.2.2 ETCIC**

138. The Eurasian Transport Corridor Investment Center (ETCIC) as legal entity of Public Law, has been established pursuant to the President's order #161, dated 21 April 2000. ETCIC provides financial management for ADB projects, receiving appropriate funds directly from the Ministry of Finance of Georgia on the Project's account and disburses the amounts to APs. Following requisition from RD, RD. ETCIC will review, scrutinize and transfer the amount of compensation and allowance in the bank account of APs' mentioned in the Compensation and Allowance Ledger prepared, confirmed and produced by the resettlement unit for each AP.

### **5.2.3 Local court LAR team**

139. The Local Court LAR Team will assist the central LARC and provide assistance to APs in the process of legalization of legalizable land. The offer of acquisition of land parcels shall be undertaken based on the RD's LARC decision and the LARP prices. If an AP agrees to the acquisition, he/she will confirm such agreement in writing by signing the Sales/Acquisition 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 latter will inform the LARC, which will make the decision to start expropriation.

140. The RD resettlement division will be responsible for the implementation of the project. The team is composed of two senior officials and two consultants, who will be assigned to the project.

### **5.2.4 Local governments**

141. Local administration have direct jurisdiction for land administration, valuation, verification and acquisition. To confirm the surveys and the asset valuations carried out by the LAR consultants, RD will establish through its consultants local court LAR teams which will have designated officials from the local administrations (Sakrebulo Representative of the Mayor of the municipality in the administrative unit) and representatives of each affected village/community administration (representatives of all affected communities/villages).

## **5.3 Land Registration Organizations**

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

### **5.3.1 Representative of the Mayor of the municipality in the administrative unit**

143. The community level Representative of the Mayor of the municipality in the administrative unit is the executive branch of self-government, which has the primary role in the process of legalization and registration of land parcels. The Representative of the Mayor of the municipality in the administrative unit confirms ownership of affected land plots, the parameters of land plots and endorses the cadastral maps and related data prepared for the legalization case. The Representative of the Mayor of the municipality in the administrative unit plays an important role in the legalization of non-rightful owners (owners in possession before the enactment of the current law on privatization of land in Georgia without prior permission of the government). The Representative of the Mayor of the municipality in the administrative unit has the power to authorize the details of the occupied land parcel and verify its usage pattern for further consideration by the Property Rights Registration Commission (PRRC), as a basic step towards registration with the Public Registry. Neighbors of applicants for legalization have roles in the authorization process.

### **5.3.2 Sakrebulo**

144. Sakrebulo is the representative branch of self-government at the local level. The Sakrebulo now has less involvement in the process of legalization of legalizable land plots. However, the local Sakrebulo assists the PRRC in the process of authorizing the application of non-rightful owners.

### **5.3.3 Property Rights Recognition Commission**

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

146. NAPR is in charge of the registration of land ownership and its transfer by acquisition agreement from landowners to the RD. Local Archives are now in the possession of the Local Registration Offices of the NAPR. The Local Archive is used for cross verification of ownership documents and the validity of physical possession of land by persons seeking registration as a legalizable owner, in the event that the owner does not have available documentation proving ownership rights on the adjacent land plot or if there is any doubt regarding the plot.

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

## **5.4 Other Organizations and Agencies**

### **5.4.1 Civil works contractor**

148. The Civil Works Contractor to be appointed by the RD 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 the ROW will be demarcated to clearly delineate it from the remaining non-acquired parts. The construction activities shall be monitored closely by the RD to ensure compliance with the temporary mitigating measures.

#### **5.4.2 Consultants and auditors**

149. **Design Consultant:** RD has been supported by the detailed design consultant to prepare the LARP. The design consultant has an international social development and resettlement specialist and a national resettlement / social specialist for finalizing the LARP for each construction stage. The design consultant has hired a survey and independent audit agency to conduct a land acquisition and resettlement survey and provide documentation including a census, socioeconomic survey, inventory of losses, and valuation of land and assets for replacement value. The LARP has been prepared based on the findings of the surveys following the final alignment as per the detailed engineering design.

150. **Construction Supervision Consultant (CSC):** will have land acquisition and resettlement specialists to oversee all resettlement related issues that may arise during the construction works.

#### **5.4.3 Court of Georgia**

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

152. Furthermore, in cases where complaints and grievances regarding LARP 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. The supreme court of Georgia is the highest court and its decisions are final.

#### **5.4.4 Ministry of Finance**

153. The budgets for the implementation of LARP will be provided to RD by the Ministry of Finance following its official approval. The LARP budget will be allocated on the accounts of ETCIC which is responsible for the financial management of the project.

#### **5.4.5 Ministry of Justice**

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

#### **5.4.6 Ministry of Economy and Sustainable Development**

155. The Ministry of Economy and Sustainable Development (MOESD) issues a decree confirming the necessity of expropriation and assigning RD as an entity that can be granted the right for expropriation. The decision on expropriation can be resolved in about one month.

### 5.4.7 ADB

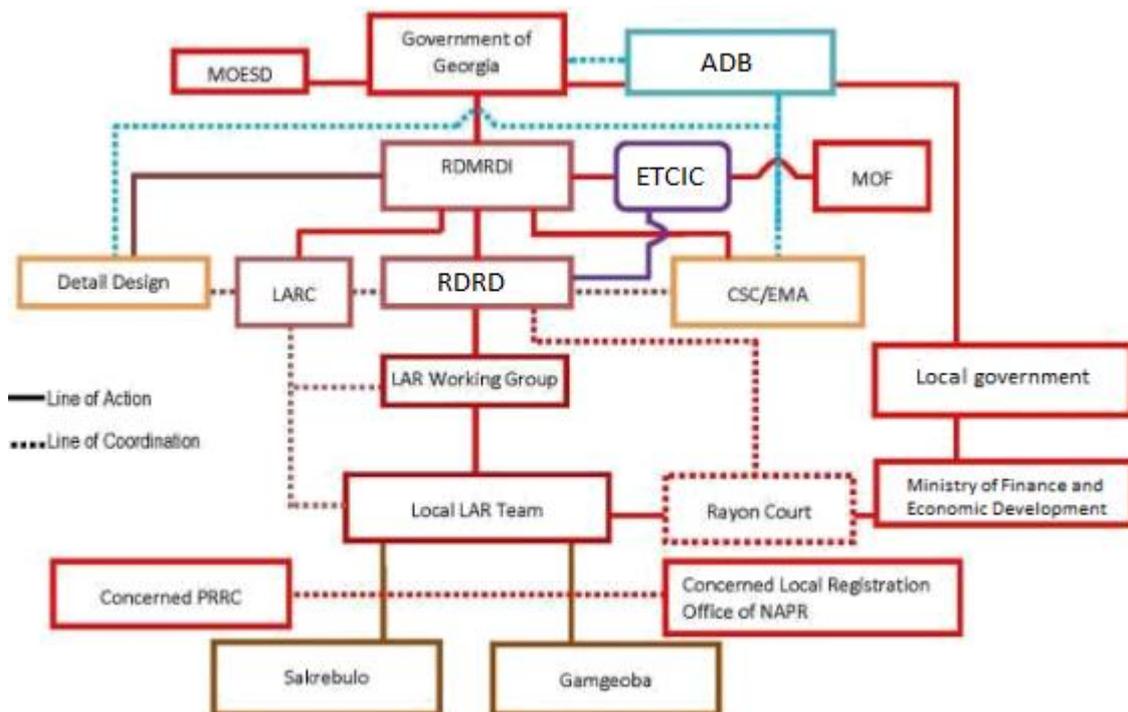
156. Besides supervising the Project periodically, ADB will review the LARP and External and Internal Monitors' compliance reports, and provide clearance for the award of contracts and the signing and initiation of civil works.

### 5.4.8 Monitoring agency

157. RD will appoint an independent external monitoring agency (EMA) for external monitoring and post evaluation of the LARP implementation. External monitoring covers all aspects of LARP implementation, starting from legalization and finishing with payment of all compensation and rehabilitation allowances before starting civil works. The external monitoring will be executed by the hired company or person.

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

**Figure 0-1 Project Implementation Organogram**



## **6 PUBLIC CONSULTATIONS, PARTICIPATION AND DOCUMENTS DISCLOSURE**

159. APs have been consulted and informed in an ongoing, continuous process involving collective AP meetings, discussions with individual APs and the provision of printed materials, during both the preparation of the LARP and its implementation.

### **6.1 Introduction and Objectives of Public Consultations**

160. Information dissemination to APs and other stakeholders is an important part of LARP preparation and implementation. Consultations with APs and the ensuring of their active participation will reduce potential conflicts and minimize the risk of project delays. In order to include local authorities as well as representatives of APs in the planning and decision-making processes, RD and the Consultant will continue a dialogue with rayon and municipality authorities and NGOs, as relevant, during the entire project implementation process. The aim of this is to:

- (i) raise people's awareness about the road corridor, project features, potential losses, implementation arrangements, eligibility and entitlements; grievance procedures and mechanism; land registration process, disclosure, and implementation schedule;
- (ii) fully share information about the proposed subproject components and LARP activities with the APs;
- (iii) obtain information about the needs and priorities of APs, as well as receive information about their reactions to proposed policies and activities;
- (iv) ensure that APs are fully informed about the decisions that will directly affect their incomes and living standards, and that they will have the opportunity to participate in activities and decision-making about issues that will directly affect them;
- (v) ensure that APs are given the contact information of project responsible persons from local authorities/RD that will provide timely and sufficient feedback to their inquiries;
- (vi) obtain the cooperation and participation of the APs and communities in activities necessary for resettlement planning and implementation; and
- (vii) ensure transparency in all activities related to land acquisition and resettlement.

### **6.2 Public Consultation during LARP Preparation and Implementation**

161. Public consultations were held with stakeholders for both Lots of the Project, and every effort was made to ensure that people either directly benefiting from or affected by the subprojects participated. All communications were conducted in the Georgian language. The following activities were conducted during the LARP preparation:

- (i) information dissemination at consultations with the participation of all APs, relevant NGOs and other stakeholders;
- (ii) established the rates/unit prices to be used as the basis for compensation awards, and confirmed land acquisition and impact on properties identified through the DMS/census, demarcation and inventory, in consultation with APs; and
- (iii) conducted a survey as part of the DMS to:
  - (a) inform APs about possible resettlement options, and
  - (b) identify services such as education/health/markets that APs are currently using and their distance from such services.

162. Community consultations were arranged at various locations through public meetings from May 2018 during the detailed design study to October 2018, during the preparation of the final LARP. Consultations involved presentations of the Project and open discussions. The contents of the presentations included various aspects such as project/design features, a video presenting a model of the new road, core resettlement policy principles, project impacts and losses, eligibility and entitlements,

LAR processes and the GRM. This information was shared with the people and their feedback was collected.

163. The first consultations with communities were held on 14 May 2018 in Kvesheti. Focus group discussions on environmental and resettlement issues were conducted in the Project villages in July and August 2018. Additional consultations with communities and APs, focused on the LAR procedure and processes. These were conducted in September in Kobi, Tskere, Beniani and Begoni, Kvesheti, Arakhveti, Bedoni, Mughere and Zakatkari. There were three FGDs on gender conducted in October, with women from the Project villages, and the LAR issues were extracted from the general discussions. In total, there were 31 meetings, consultations, face-to-face discussions and FGDs, conducted by RD and its consultant organization. Out of these, twelve consultations and FGD were dedicated to the resettlement, project impacts, safeguards and other LAR issues. 174 participants (98 males and 76 females). A list of the consultations is presented in the following table and the minutes are presented in Annex 2.

164. During the consultations, participants were mostly supportive of the Project. Presently, the mobility of citizens from the Project villages such as Tskere, Beniani, Begoni and Zakatkari, is heavily constrained by bad roads and inaccessibility of the villages during the winter time. Due to these factors, family members are often separated for 6-7 months during the winter. Only two to three people in Tskere, one in Mugure and in Beniani-Begoni around 10% remain in the villages during the winter. In Zakatkari, more villagers stay in the village during the winter as this village has a better access to the main road than the upper valley villages. The exact numbers are not available as it depends on the weather conditions and accessibility of the village. The participants therefore understood the need for the project and the benefits it will create. Nevertheless, the opponents of the Project, especially in Kvesheti, where the road will affect land and some homes on the river bank, argue that the road will destroy their way of living by obstructing their river view, bringing noise and air pollution, and reducing income from economic activities such as letting rooms and river-front yards to tourists. The Project benefits, as perceived by the participants, are summarized as follows:

165. The main positive effect of the road are the following:

- (i) the new road will be safer;
- (ii) travel will be shorter and more comfortable;
- (iii) dust and noise will be reduced;
- (iv) more opportunities for home economies such as selling woven socks and other produce;
- (v) more opportunities for local hotels and restaurants;
- (vi) development of tourism and income generating activities;
- (vii) more employment for the local population; and
- (viii) access to villages all year round;
- (ix) more people will decide to live permanently in these villages;
- (x) better access to health, education, markets and other facilities;
- (xi) availability of public transport;
- (xii) promotion of overall economic and social development of the project area especially in villages.

166. The participants also expressed their opinions about the adverse effects of the proposed project. The main concerns were related to land acquisition and possible relocation, unavailability of land to purchase in the area and adequate and timely compensation for losses. The main adverse effects of the proposed project are summarized as follows:

- (i) economical and physical displacement;
- (ii) affected livelihood of those who are letting rooms and gardens on the river bank in Kvesheti;
- (iii) unavailability of residential and non-residential land nearby for home reconstruction after displacement;
- (iv) concerns that insufficient compensation may be given for land and buildings;
- (v) concerns that old houses may collapse due to machinery vibrations during the road construction;

- (vi) inability to register some of the land that APs use;
- (vii) more noise and air pollution due to increased traffic; and
- (viii) permanent settling of foreigners in the tourist area.

167. The participants at consultations gave a range of suggestions which they would like to see integrated into the project planning and road design. The suggestions are as follows:

- (i) construction of access roads from villages to the main road;
- (ii) provision of safe pedestrian and animal road crossings (bridges, underpasses);
- (iii) fair compensation for loss of APs' land and other assets;
- (iv) compensation to be given to affected households before the start of construction works;
- (v) compensation for affected businesses even if they are not directly affected;
- (vi) changes in the design to avoid adverse effects on the communities' places of interest such as St George's Cross and memorial;
- (vii) employment opportunities during the construction period for the local population;
- (viii) fencing off the road where it passes through grazing areas;
- (ix) potential places for spoil area; and
- (x) roadside market discussion at Zatkatkari/ Gudauri access road point.

**Table 6-1: List of Consultations**

No	Date	Location	Type of consultations	Males	Females	Total
1	14.05.2018	Kvesheti	APs and wider community members	15	1	16
2	06.07.2018	Kvesheti, Mughere, Zatkatkari	FGDs	8	12	20
3	30.08.2018	Zatkatkari, Arakhveti and Bedoni	FGDs (mixed)	4	5	9
4	30.08.2018	Beniani- Begoni	FGD (mixed)	13	6	19
5	30.08.2018	Kobi and Almasiani	FGDs (mixed)	5	3	8
6	14.09.2018	Tskere	Consultations with APs	1	3	4
7	14.09.2018	Beniani and Begoni	Consultations with APs	4	6	10
8	15.09.2018	Kvesheti	Consultations with APs	20	5	25
9	15.09.2018	Zatkatkari	Face to face discussion with APs	4	2	6
10	15.10.2018	Kvesheti	FGD	3	0	3
11	16.10.2018	Kvesheti	FGD with women	0	30	30
12	09.01.2019	Mleta/Kvesheti	Consultations with communities	24	3	27
	<b>Total</b>			98	76	174

### 6.3 Project Information Booklet

168. To ensure that APs, their representatives, and local government agencies in the Project area are informed about the Project, and that they fully understand the LAR process, compensation entitlements, rehabilitation packages applicable to the Project and available GRM, a Public Information Booklet (PIB)

was prepared and will be distributed to the APs during the final round of consultations to be conducted before finalization of the LARP. (Annex 3)

169. The general contents of the PIB include the following:

- (i) a brief description of the project, implementation schedule,
- (ii) Project impacts, entitlements and rights of APs,
- (iii) institutions responsible for resettlement and time-frame (schedule),
- (iv) information dissemination to and consultations with APs and stakeholders,
- (v) Grievance Redress Mechanism, and
- (vi) requirements for monitoring and evaluation, including independent monitoring.

#### **6.4 Public Disclosure**

170. A Copy of the final LARP in English will be disclosed on ADB and EBRD's websites, while a copy of the final LARP in Georgian will be disclosed on the RD website and at RD offices. The LARP in Georgian will also be disclosed to the APs at the relevant municipality offices. The RD safeguards specialists will be available to the Project communities and APs to answer their questions, if any, and clarify any issue related to the LARP.

171. The Project Information Booklet in English is included in Annex 3 to this LARP and the booklet in Georgian will be included in the LARP in the Georgian language. The information booklet in Georgian will also be distributed at consultations or will be sent to all APs by registered mail once the LARP is finalized.

## 7 GRIEVANCE REDRESS MECHANISM

172. The LARP includes in its scope the establishment of a responsive, readily accessible and culturally appropriate grievance redress mechanism (GRM) capable of receiving and facilitating the resolution of affected persons' concerns and grievances related to the project. An established grievance redress mechanism allows an AP to appeal any decision, practice or activity arising from land or other assets compensation that they disagree with. The scope of the GRM is to address issues related to involuntary resettlement, social and environmental performance, and information disclosure. The established GRM is available to all people whether or not affected by physical or economic displacement.

173. The APs will have the right to file complaints and/or queries on any aspect of the project, including land acquisition and resettlement. Under the adopted grievance mechanism, the APs may appeal any decision, practice or activity related to the project. All possible avenues will be made available to the APs to voice their grievances. The IA will ensure that grievances and complaints on any aspect of the project are addressed in a timely and effective manner.

174. The fundamental objectives of the Grievance Redress Mechanism are:

- (i) To reach mutually agreed solutions satisfactory to both, the Project and the APs, and to resolve any grievances locally, in consultation with the aggrieved party;
- (ii) To facilitate the smooth implementation of the LARP, particularly to cut down on lengthy litigation processes and prevent delays in Project implementation;
- (iii) To facilitate the development process at the local level, while maintaining transparency as well as to establish accountability to the affected people.

175. APs were fully informed of their rights and of the procedures for addressing complaints whether orally or in writing during the consultations and surveys, and will be informed again when the compensation is disbursed. Care will be taken to prevent grievances rather than relying solely on the redress process. This can be achieved 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 EA, and local governments in general. Complaints and grievances will be addressed through the process described in Table 7-4.

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

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

178. A Grievance Redress Committee (GRCE) is an informal, project-specific grievance redress mechanism established to administer grievances at Stage 1. This informal body has been established at the community level in each affected municipality (village/community authority). The GRCE includes representatives of municipal LAR teams and local communities. The RD representative in the municipal LAR team coordinates the GRCE formation. He/she is responsible for the coordination of GRCE activities and organizing meetings (conveyor). In addition, GRCE comprises the village Rtsmunebuli or his/her representative, representatives of APs, women APs, and appropriate local NGOs to allow the voices of the affected communities to be heard and ensure a participatory decision-making process.

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

### 7.1 GRCE at Kazbegi Municipality

180. The GRCE for the Kazbegi municipality will be based in Kobi.

**Table 7-1: GRCE at Kazbegi Municipality**

Name	Position	Telephone/email	Status
Shota Batsikadze	Representative of Resettlement Division at RD	577613302	Conveyor; Contact person
Archil Jorbenadze	Representative of LAR Commission (GRCN) of RDMRDI	591403038	Member
Givi Chkareuli	Representative of Mayor in Kobi village	598240334	Member Secretary
Kakha Chopikashvili	Representative of Kobi village in Sakrebulo of Kazbegi municipality	595555918	Member
Artur Abaev	Representative of APs	555446125	Member
Fatima Koblova	Representative of Kobi population	599567894	Member

### 7.2 GRCE at Dushety Municipality

181. The GRCE for Dushety Municipality will be based in Kvesheti.

**Table 7-2: GRCE at Dushety Municipality**

Name	Position	Telephone/email	Status
Shota Batsikadze	Representative of Resettlement Division at RD	577613302	Conveyor; Contact person
Archil Jorbenadze	Representative of LAR Commission (GRCN) of RDMRDI	591403038	Member
Tengiz Bedoidze	Representative of Mayor in Kvesheti	551102790	Member
Ketevan Kakhurashvili	Elected Representative of Kvesheti village	591113462	Member
Ushangi Zakaidze	Representative of APs	595012903	Member
Vasiko Burduli	Representative of Kvesheti population (Male)	597212120	Member
Marta Mezvrishvili	Representative of Kvesheti population (Female)	555916273	Member

### 7.3 Grievance Redress Commission (GRCN) at Road Department Infrastructure Development

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

**Table 7-3: Grievance Redress Commission (GRCN)**

No	Name of Member	Position
1	Irakli Karseladze	Head of the Commission
2	Aleksandre Tevdoradze	Deputy Head of the Commission
3	Levan Kupatashvili	Member
4	Giorgi Tsereteli	Member
5	Koba Gabunia	Member
6	Salome Tsurtsunia	Member
7	Pikria Kvernadze	Member
8	Davit Sajaia	Member
9	Giorgi Eragia	Member
10	Nodar Agniashvili	Member
11	Mikheil Ujmajuridze	Member
12	Nino Mtsuravishvili	Member
13	Gia Sopadze	Member
14	Akaki Mshvidobadze	Member
15	Davit Kaladze	Member
16	Davit Getsadze	Member
17	Pavle Gamkelidze	Member
18	Girogi Tsagareli	Non-permanent member of commission
19	Mariam Begiashvili	Non-permanent member of commission
20	Archil Jorbenadze	Non-permanent member of commission

#### **7.4 Grievance Resolution Process**

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

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

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

an official complaint (the complainant should be informed of his/her rights and obligations, rules and procedures of lodging a complaint, format of complaint, terms of complaint submission, etc.).

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

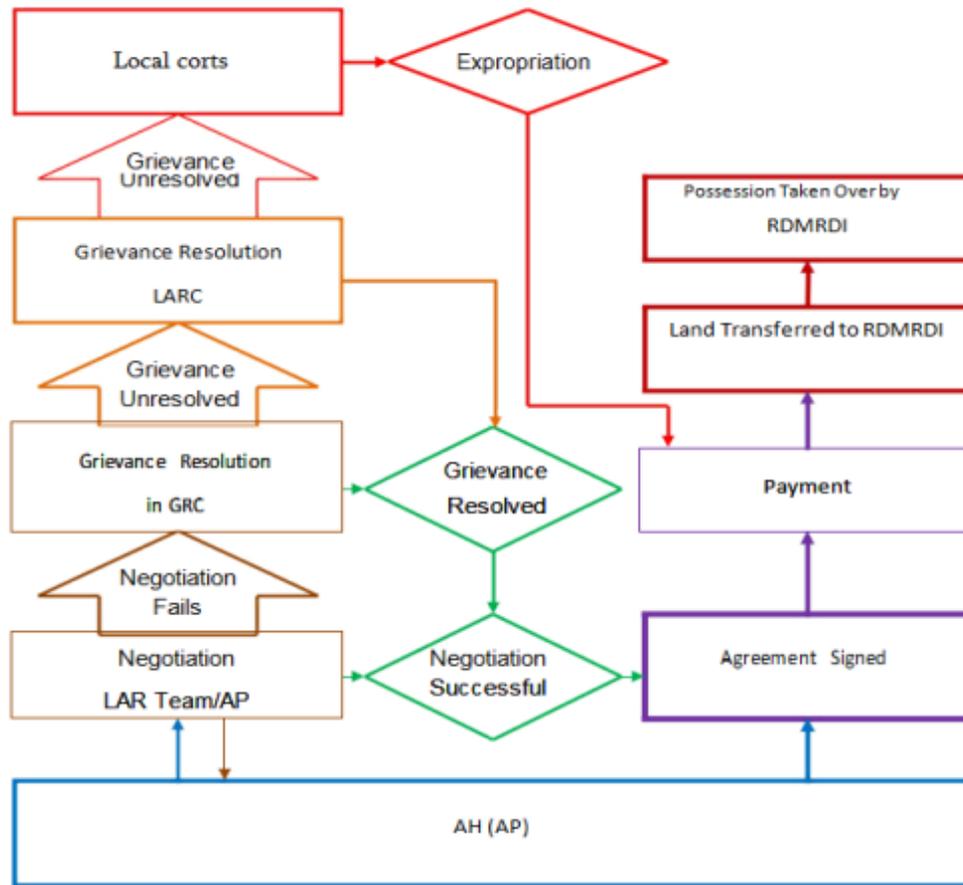
**Table 7-4 Grievance Resolution Process**

Steps	Process
Step 1	The complaint is informally reviewed by the focal point at the village level, which takes all necessary measures to resolve the dispute amicably.
Step 2	<ul style="list-style-type: none"> <li>• If the grievance is not solved at the previous level, the municipality level LAR representative will assist the aggrieved APs to formally lodge the grievances with the respective GRCE at the municipality level. The aggrieved APs will lodge the complaint if there is failure of negotiation at the village level and produce documents supporting his/her claim.</li> <li>• The GRCE member secretary will review the complaint and prepare a Case File for a GRCE hearing and resolution. A formal hearing will be held with the GRCE at a date fixed by the GRCE member secretary in consultation with the conveyor and the aggrieved APs.</li> <li>• On the date of the hearing, the aggrieved AP will appear before the GRCE at the village office and produce evidence in support of his/her claim. The member secretary will note down the statements of the complainant and document all procedures.</li> <li>• The decisions will be issued by the conveyor and signed by other members of the GRCE. The case record will be communicated to the complainant by the LAR Team at the village level.</li> </ul> <p>The grievance redress at this stage shall be completed within 4 weeks.</p>
Step 3	If the aggrieved AP is unsatisfied with the GRCE decision at the municipality level, the next option will be to lodge grievances with the Grievance Redress Commission (GRCN) at the Resettlement Division of the RD at the national level within two weeks after receiving the decision from GRCE. The complainants must produce documents supporting his/her claim. The GRCN will review the GRCE hearing records and convey its decisions to the aggrieved APs within four weeks after receiving the complaint.
Step 4	If the RD decision fails to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law (local courts) without reprisal. The aggrieved AP can take legal action over the amount of compensation or any other issues, e.g. occupation of their land by the contractor without their consent, damage or loss of their property, restrictions on the use of land/assets, environmental concerns such as dust caused by the contractor's machinery, etc.
Step 5	Should the GRM process be exhausted without satisfactory resolution, a DP may bring a grievance to ADB for consideration.

## 7.5 GRC Records and Documentation

186. RD of RD headquarters will keep record of all complaints received for its use as well as for any review by ADB during regular supervisions. The following flowchart describes a grievance redress process for land and other assets acquisition, either acquired by an agreement or resolved through the courts.

**Figure 0-1** Grievance Organization Chart



## 7.6 Special Recommendations to AP for Legalization of Land Plots

187. It is likely that many land parcels to be acquired are not registered or not properly registered. An AP who occupies land plots that are not owned by other private persons or the state and that are legitimately used by the AP but have not been registered under the privatization process, may be legalized. The legalization process is in progress and will be completed by the time of implementation of the LARP. APs can only be compensated after legalization of the land plots.

188. The Roads Department and local governments from the Project area are already assisting the APs by preparing accurate land parcel maps with geometric descriptions which will be provided to them. However, in order complete this efficiently, the Project authorities need APs to cooperate by providing the necessary documents. To facilitate the process, the cost of registration of land parcels has been included the replacement cost of land.

## **8 IMPLEMENTATION PROCESS**

### **8.1 General**

189. The time bound implementation schedule of the LARP has been prepared in consultation with the RD. 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 land parcels identified for acquisition. Titled owners and non-titled but legalizable owners of land parcels to be acquired have been identified in the survey.

190. The present document is the final LARP. RD has reviewed and approved this document including the compensation package and rates and forwarded it to ADB for approval. Tasks for the LARP are divided into (i) final preparation including LARP approval of 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 duration of the project. The LAR milestones include (i) approval of the LARP, (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 implementation.

### **8.2 Detailed Design Stage**

191. The setting up relevant institutions for the LAR activities is in progress. The final LARP based on the detailed design has been prepared and is being submitted for approval of ADB and RD. The detailed and final LARP includes the final impact assessment, detailed measurement surveys, preparation of individual parcel maps, legalization of legalizable owners and updating of compensation rates etc. The final LARP will be disclosed after approval by ADB and EBRD. The following pre-implementation LAR activities are in progress during this detailed design stage:

- (i) Establishment of LAR Institutions;
- (ii) Legalization of legalizable parcels
- (iii) Updating of LAR Budgets
- (iv) Confirmation of updated impact data and of compensation amounts;
- (v) Approval of LARP by ADB and Government and subsequent disclosure

### **8.3 LARP Approval and Initial Tasks**

192. The Resettlement Division of the RD under RD sets up relevant institutions and line up ETCIC (Eurasian Transport Corridor Investment Center), LARC, Working Group/LAR Team, GRC and others for the Project. Upon completion of the LARP by the detailed design consultant, the RU reviews and approves the document including the compensation rates. RD will submit the approved LARP to ADB and EBRD for approval. Meanwhile, RD will implement actions for legalization of legalizable owners listed in the ACS (Acquisition and Compensation Scheme) of the LARP (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 in accordance with the LARP, RD will award civil works contracts (signing of contract awards). The initial LAR activities are:

- (i) Establishment of LAR Institutions and GRM;

- (ii) Legalization of rightful owners of land parcels;
- (iii) Agreement with APs and signing contract agreements;
- (iv) Updating of LAR budgets and ACS;
- (v) Confirmation of updated impact data and compensation amounts;
- (vi) Approval of LARP by ADB, EBRD and the Government.

#### **8.4 LARP Implementation Stage**

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

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

194. Upon approval of the detailed/final LARP, all arrangements needed for the fixing of the compensation and disbursements should be finalized, which includes issuance of Identity cards (IDs), payment of all eligible compensation and assistance; initiation of rehabilitation measures; preparation for delivering the site to contractors for construction and finally commencement of the civil works. The following tasks will be undertaken during the LARP implementation stage:

- (i) Signing of contracts with APs
- (ii) Grievance resolution
- (iii) Requisition to ETCIS for payment of compensation and allowances
- (iv) Transfer of compensation and allowance to APs' bank account and registration of land with NAPR in RD name
- (v) Execution of expropriation cases if required and if applicable
- (vi) Compliance review and reporting
- (vii) Notice to proceed for Civil works construction

#### **8.5 LARP Monitoring Stage**

195. Monitoring of the LARP implementation will be done simultaneously and will be reported in the form of a semiannual monitoring report.

#### **8.6 Implementation Schedule**

196. This is a tentative schedule for LARP implementation for the LOT 2 of the Project. However, a phased implementation mechanism may be considered in order to start the civil works in the completed section and to simultaneously proceed with the implementation of the LARP for other sections. The schedule can be adjusted during the detailed design. The tentative implementation Schedule is presented in Table 8-1.



## 9 COSTS AND FINANCING

197. All LARP preparation and implementation costs, including the cost of compensation and resettlement administration, will be considered in the project budget. The Road Department is responsible for securing the project related funding. For the APs which may not be identified before the LARP implementation, RD will deposit in an escrow account a total amount calculated for compensation of affected assets and any applicable allowances (as per the entitlements adopted for this project). The money will stay in the account until the APs are identified. There is no time limit for the escrow account.

198. Land compensation value was provided by independent evaluator. Land plots have been divided into four categories based on their location and usage.

199. The compensation cost of structures is determined by considering all costs necessary for construction of the same building, at current market prices.

200. The LARP should contain information about the budget, including:

- (i) Unit compensation rates for all affected items and allowances by indicating methodologies.
- (ii) A cost table for all compensation expenses including external monitoring and contingencies;
- (iii) LARP implementation costs.

### 9.1 Compensation for Land

201. The agricultural plots were valued based on the productivity/income method, while residential and other plots were valued based on the market price and plots position in relations with the Project road. The prices of land for this Project area are presented in the following table:

**Table 9-1: Compensation for Land**

	Type of land	Price per 1 m <sup>2</sup> (GEL)	Number of plots	Area	Compensation (GEL)
I	Land with frontage on main road (Kvesheti-Arakhveti)	65	68	49,544	3,220,360
II	Other land plots in Kvesheti-Arakhveti area	40	29	14,869	594,760
III	Land plots in Zakatkari	6.8	62	89,330	607,444
IV	Land in Khada valley	5.6	98	139,781	782,774
V	State land	0	2	12,517	0
VI	Non-legalizable land*	1,034.4*	5	5,091	5,172
	<b>Total</b>		<b>264</b>	<b>311,132</b>	<b>5,210,510</b>

\*AP will not receive compensation for illegally used land but an allowance in cash equal to a minimum monthly subsistence allowance for a 5 members family for 12 month period where land is actively cultivated, or 3 month period where land is barren/unused.

## 9.2 Compensation for Structures

202. The compensation cost of structures is determined by considering all costs necessary for construction of the same building at current market prices. A total compensation for affected buildings and structures amount to **1,618,493 Gel**.

203. Eight residential and two commercial main buildings are impacted by the Project. Compensation rates for them presented in tables below.

**Table 9-2 Compensation for Structures**

Type of Structure	No of Structures	Compensation (Gel)
Residential	8	<b>1,031,025</b>
Commercial	2	230,880
Auxiliary	17	299,420
Supporting structures (gates and fences)	87	57,168
<b>Total</b>	<b>114</b>	<b>1,618,493</b>

**Table 9-2 a Compensation for Residential Buildings**

Land N	Type of Structure	Area	Total Compensation (GEL)
32	Residential	308.45	168,860
37	Residential	24.8	42,140
41	Residential	268.44	157,325
41	Residential	347.96	180,765
66	Residential	82.79	57,640
67	Residential	550	183,405
67	Residential	56.91	45,395
71	Residential	323.78	195,495
<b>Total</b>			<b>1,031,025</b>

## 9.3 Compensation for Annual Crops and Vegetables

204. All affected persons will be paid compensation for their harvest at the full market rate from October 2018. The total compensation for affected crops amounts to **29,951.6 Gel**.

**Table 9-3: Compensation for Crops**

No	Type of crops	Area (m <sup>2</sup> )	Price per m <sup>2</sup> (Gel)	Total compensation (Gel)
1	Corn/სიმინდი	360	0.4	144
2	Bean/ლობიო	825	0.4	330
3	Potato/კარტოფილი	2,990	1.56	4,664.4

4	Hay/თივა	199,860	0.12	23,983.2
5	Vegetables/ბოსტნეული	190	0.5	95
6	Raspberries/ყოლო	180	3.5	630
7	Pumpkin/გოგრა	300	0.35	105
	<b>Total</b>	<b>204,705</b>		<b>29,951.6</b>

#### 9.4 Compensation for Trees

205. The value of perennial plants was determined according to their age. The price of fruit trees was calculated by multiplying the market price of the annual harvest by the number of years needed to grow a new tree up to the age of the existing fruit trees. The total compensation for 2,057 fruit trees amounts to **432,522 Gel**.

**Table 9-4: Compensation for Trees**

Type of trees	Age group (years)	Cost (Gel)	Quantity	Compensation (Gel)
Cerry(Sweet cherry) ბალი/ალუბალი	Seedling (<5)	35	0	0
	5-10	75	34	2,550
	11-20	117	24	2,808
	21+	75	4	300
Staphylea / ჯონჯოლი	Seedling (<5)	16	0	0
	5-10	50	0	0
	11-20	80	1	80
	21+	55	0	0
Walnut/კაკალი	Seedling (<5)	80	46	3,680
	5-10	535	71	37,985
	11-20	1,235	57	70,395
	21+	1,510	79	119,290
Quince/კომში	Seedling (<5)	20	0	0
	5-10	83	0	0
	11-20	162	1	162
	21+	109	2	218
Pear/მსხალი	Seedling (<5)	33	67	2,211
	5-10	122	74	9,028
	11-20	416	66	27,456
	21+	269	82	22,058
Pulm (Variety of plum)/ქლიავი	Seedling (<5)	26	79	2,054
	5-10	46	302	13,892
	11-20	88	294	25,872
	21+	60	34	2,040
Hazelnut/თხილი	Seedling (<5)	30	28	840
	5-10	75	15	1,125
	11-20	90	90	8,100
	21+	55	11	605
Sour plum(Cerry plum)/ტყემალი	Seedling (<5)	23	37	851
	5-10	45	95	4,275
	11-20	143	97	13,871
	21+	73	16	1,168
Apple/ვაშლი	Seedling (<5)	22	19	418
	5-10	109	46	5014
	11-20	298	100	29,800
	21+	172	138	23,736

Type of trees	Age group (years)	Cost (Gel)	Quantity	Compensation (Gel)
Grape/ყურძენი	Seedling (<5)	23	0	0
	5-10	31	0	0
	11-20	40	1	40
	21+	23	0	0
Currant/მოცხარი	Seedling (<5)	14	0	0
	5-10	18	1	18
	11-20	23	7	161
	21+	18	0	0
Dodwood/შინდი	Seedling (<5)	17	1	17
	5-10	24	1	24
	11-20	31	0	0
	21+	24	0	0
Red raspberry/ყივლი	Seedling (<3)	3	0	0
	3-10	10	37	370
	11-20	7	0	0
<b>Total</b>			<b>2,057</b>	<b>432,512</b>

## 9.5 Resettlement Assistance

206. Three types of assistance are provided for the affected families:

- I. **Assistance for severely affected households:** assistance for such households amounts to three months of the minimum subsistence wage for a family with 5 members (347.4\* Gel x 3 months). (<http://geostat.ge>)
- II. **Assistance for socially vulnerable families:** assistance amounts to three months minimum subsistence wage for a family with 5 members (347.4.5 Gel x 3 months).
- III. **Livelihood restoration assistance: Agricultural livelihood restoration:** Two times annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take, for all severely affected households. If this amount is less than 3months allowance (i.e. households close to 10% threshold), then the 3 month allowance is paid instead.
- IV. **Non-agricultural livelihood restoration for severely affected households:** A livelihood restoration package of 3 months of minimum subsistence.
- V. **Assistance for relocation/shifting:** assistance for such families amounts to three months' minimum subsistence wage for a family with 5 members - (347.4 Gel x 3 months), plus 200 Gel for transportation.

207. Information about the detailed calculation of assistance is presented in the table 8-5.

**Table 9-5 Resettlement Assistance**

Type of allowances	Unit price /Gel	Compensation (Gel)
Allowance for vulnerability	1,034.4	25,860
Assistance for relocation	1,234.4	9,875.2
Allowance for severely affected	Various	99,983
Livelihood restoration assistance	Various	207,424
<b>Total</b>		<b>343,142</b>

\* 347.4 GEL is the subsistence minimum for a family with 5 members as of June 2018. geostat.ge)

## 9.6 Resettlement Management Cost

208. The Roads Department will need to employ an independent monitoring agency for external monitoring of LARP implementation for a period of 2 months (unless a construction supervision consultant is not hired during the implementation of the LARP). Miscellaneous expenses have been kept as a provision to cover administrative costs that may be incurred during implementation of the LARP. The cost amounts to **120,000 Gel**. Details of the LARP implementation management cost are given in Table 9-6.

209. The cost of external monitoring shown in the table below is for external monitoring of phase two only, because phase one monitoring will be conducted by RD.

**Table 9-6 Resettlement Management Cost**

Type of expenses	Unit	Quantity	Unit cost (GEL)	Total cost (GEL)
Cost for external monitoring	Months	24	4,000	96,000
Various administrative expenses	Months	24	1,000	24,000
<b>Total</b>				<b>120,000</b>

## 9.7 Cost of Resettlement

210. The total LARP implementation cost for the Lot 2 amounts to **9,305,531 Gel** which is equivalent to \$ 3,798,176 as shown in the following table. Displaced persons will be paid **7,754,609 Gel (\$ 3,165,146)** which includes compensation for losses and applicable allowances. The RD will ensure that the compensation funds for land acquisition and resettlement are allocated in time for implementation of this LARP. The LARP budget also includes 20% of contingencies. The budget also includes miscellaneous expenses for administrative costs that might incur during the implementation of the LARP. This expense has been estimated and included in the budget as a single lump sum.

**Table 9-7 Resettlement Budget**

Type	Unit affected	Unit cost	Total cost (Gel)	Total cost (USD)
Land	311,132	-	5,210,510	2,126,739
Structures	114	-	1,618,493	660,610
Trees	2057	-	432,512	176,536
Crop	204705		29,952	12,225
Livelihood restoration assistance	94	Various	207,424	84,663
Severe impact allowance	126	-	99,983	40,809
Relocation/Shifting allowance	8	Subsistence minimum for 3 months (1034.4 Gel)+ Transportation cost (200 Gel )	9,875	4,031

Type	Unit affected	Unit cost	Total cost (Gel)	Total cost (USD)
Vulnerability allowance	25	Subsistence minimum for 3 months (1034.4 Gel)	25,860	10,555
External and Internal monitoring	-	-	120,000	48,980
<b>Subtotal</b>			<b>7,754,609</b>	<b>3,165,146</b>
Unexpected costs		20%	1,550,922	633,029
<b>Total</b>			<b>9,305,531</b>	<b>3,798,176</b>
Official exchange rate for June 22, 2018 - 1 USD=2.45 GEL				
<a href="https://www.nbg.gov.ge/index.php?m=582&amp;lng=geo">https://www.nbg.gov.ge/index.php?m=582&amp;lng=geo</a>				

## 10 MONITORING AND EVALUATION

211. LAR tasks under the Project will be subjected to internal monitoring. In high risk projects, or other projects, where it is considered necessary, external monitoring will be conducted by an external monitoring specialist/organization. External monitoring will be assigned to a Social Safeguard Consultant (SSC) to be hired by RD and approved by ADB.

### 10.1 Internal Monitoring

212. Internal monitoring will be carried out routinely by RD either directly or through the services of a consultant. The results will be communicated to ADB through the quarterly project implementation reports. Indicators for the internal monitoring are related to process and immediate outputs and results. This information will be collected directly from the regional RD level and reported monthly to RDRD/RD to assess the progress and results of LARP implementation, and to adjust the work program, if necessary. The monthly reports will be consolidated quarterly in the standard supervision reports to ADB. Specific monitoring benchmarks will include:

- (i) Timeliness, information campaign, quality of information and consultation with APs;
- (ii) Status of land acquisition and payments of land compensation;
- (iii) Compensation for affected structures and other assets;
- (iv) Relocation of APs;
- (v) Payments for loss of income;
- (vi) Selection and distribution of replacement land areas; and
- (vii) Income restoration activities; and
- (viii) Results of income restoration activities and compensation provided in terms of measuring the extent to which affected livelihoods were restored, and the identification of factors which prevented satisfactory restoration of livelihoods.

213. The above information will be collected by RD which is responsible for monitoring the day-to-day resettlement activities of the project through the following instruments:

- a) Review of census information for all APs;
- b) Consultation and informal interviews with APs;
- c) In-depth case studies;
- d) Sample survey of APs;
- e) Key informant interviews; and
- f) Community public meetings.

### 10.2 External Monitoring

214. The Project will be classified as category 'A' for the involuntary resettlement. Therefore, an external monitoring will be carried out by an External Monitor. Indicators for External Monitoring tasks will be carried out in two phases.

**Phase One:** This external monitoring phase will be carried out by an independent monitoring agency in parallel with the implementation of the LARP and will be concluded after the LARP is fully implemented by the preparation of a compliance report.

215. During this phase, the External Monitor will (i) conduct the investigations and define the indicators needed for phase two activities and ii) closely monitor the implementation of the LARP. The LARP implementation monitoring will entail the following tasks: (a) review of LARP/information pamphlet disclosure; (b) review of actions taken by the PIU to compensate the APs, with particular attention to the way this action fits the LARP stipulations; (c) review all compensation tallies; (d) verify whether the compensation is provided thoroughly to all APs and in the amounts defined in the LARP and AP

contracts; (e) assess the satisfaction of the APs with the information campaign and with the compensation/rehabilitation package offered to them; (f) review the legalization process and assess its effectiveness; (g) review complaints & grievances; (h) carry out an AP satisfaction survey with a 20% sample of the APs. The SSC will prepare the Compliance Report immediately after the completion of LARP implementation. The Compliance report will section on the following:

- (i) Assessment of the way the compensation has been carried out in relation to LARP stipulations;
- (ii) Verification that all APs were compensated in the amounts stipulated in the LARP;
- (iii) Review of complaint and grievance cases and of their solution;
- (iv) Assessment of the rehabilitation program for severely affected and vulnerable APs (all vulnerable APs to be included in sampling by EM);
- (v) Assessment of the satisfaction of the APs;
- (vi) Lesson learned to be applied to the next projects, and;
- (vii) General assessment of LARP implementation and recommendations to ADB and EBRD regarding the provision of No Objection Letter to start the civil works.

216. **Phase Two:** The LARPs implementation will be assessed within one year of the completion. The following are the main indicators for the assessment to be carried out in this external monitoring phase:

- (i) Socio-economic conditions of the APs in the post-resettlement period;
- (ii) Communications and reactions from APs on entitlements, compensation, options, alternative developments and relocation timetables etc.;
- (iii) Changes in housing and income levels;
- (iv) Rehabilitation of informal settlers;
- (v) Effectiveness of property valuation for rehabilitation purposes;
- (vi) Effectiveness of Grievance procedures; and
- (vii) Level of satisfaction of APs in the post resettlement period.

217. 10.3 Post Implementation Evaluation Post implementation Evaluation entails two tasks:

#### 1) Task 1

218. The first task will be the preparation of a Compliance Report (CR) at the end of the compensation process. The objective of the CR will be to vouch for the proper implementation of the LARP for all affected impacts and APs based on the impact assessment figures, compensation rates and procedures set up in the document. The CR will be prepared immediately after the conclusion of the compensation process by an independent monitoring agency consultant. A CR proving full compliance with the LARP will be a condition for ADB's 'no objection' to start civil works at the road section with resettlement. The CR will entail the following activities:

- a) Comparison of the acquired assets, number of AP compensated, amount stipulated in the LARP and paid to the APs;
- b) Reconciliation of any differences between figures in the LARP and figures in the compensation tallies in case of changes in impact figures and AP number due to changes in the project design or errors in the LARP;
- c) An analysis of eventual complains and their solution;
- d) An AP satisfaction survey to be carried out through interviews with the APs; and
- e) A set of recommendation for the preparation and implementation of future LARPs

#### 2) Task 2

219. Task two will entail the preparation of an Evaluation Report assessing the degree to which the compensation program for the project managed to maintain the pre-project standards of living and incomes of the APs. The report will be prepared one year after the conclusion of the compensation program by an Independent monitoring agency and will be based on comparison of the data and living standards of the APs before and after the compensation program.

## **ANNEXES**

## **Annex 1: Synopsis of Selected Georgian Laws and Regulations on LAR**

### **A. The Constitution of Georgia**

The Constitution determines the essence of private ownership and defines the presumption of inviolability; however, it also regulates issues related to compensation and expropriation of land and real estate for public needs. The Constitution of Georgia ensures access to public information. Pursuant to Article 21 of the Constitution of Georgia “the right of ownership and inheritance is declared and secured”. No party can revoke the universal rights of ownership and inheritance. If there is a public need or urgency, Article 21.3 of the Constitution allows the expropriation of privately owned land/real estate; however, this can only be executed in accordance with a court decision or under the rules identified in the Organic Law <sup>2</sup> on the basis of appropriate and fair reimbursement.

Other articles of the Constitution of Georgia also create a legislative basis in respect of land acquisition and resettlement. These articles regulate the state’s actions for expropriation of land for public needs, i.e. exercising the right of expropriation (power of eminent domain), and the requirements of information disclosure, public consultations, protection of cultural heritage and grievance redress related to land acquisition and resettlement.

The Constitution ensures the right of each citizen to live in a safe and healthy environment and to use the natural and cultural environments. The state undertakes to implement environmental protection measures to secure a safe environment for people. People have the right to obtain "full, true and timely information" in regards to their workplace and environment. Article 42 of the Constitution enables citizens to make claims. It protects citizens and encourages appeal to a court for protection of their rights and freedoms.

### **B. Civil Code of Georgia**

The Civil Code of Georgia regulates private civil relationships and covers property rights and obligations, family law and the law on inheritance. These regulations of the Civil Code enshrine the right to own property, the right to build, servitude and other rights directly applicable to the Project.

#### **Ownership Rights**

The right of ownership entitles its beneficiary to freely possess and use property. It may be limited by legislation or on a contractual basis. Ownership of a land parcel gives the land owner the implicit right to implement construction activities if they are not restricted by any agreement or law. Alienation of real estate is not limited under the Civil Code of Georgia. Pursuant to Article 183 of the Civil Code of Georgia “in order to purchase real property the agreement shall be made in a written format and the ownership right shall be registered on the name of the buyer at the Public Register”. The agreement, on the basis of which one person purchases and the other sells the real property, may be notarized. The agreement also may be certified by the person identified under the law (Article 69 of the Civil Code of Georgia). Presently, the sales agreement of real property may be certified by a representative of the Public Register. The presumption of veracity and completeness of entries operates with respect to the Public Register. Pursuant to Paragraph 1, Article 312, “an entry in the Public Register shall be deemed to be accurate until its inaccuracy is proven.

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<sup>2</sup> In the hierarchy of the laws, the Organic Law stands between the Constitution and other laws, which highlights its significance

## Right to Build.

The owner is allowed to transfer a land plot to another person for temporary use (not exceeding 59 years) for a charge or free of charge. The transferee obtains the right to build a building/construction on or under the land plot, as well as the right to assign and transfer this right through inheritance or tenancy. The construction right may cover such parts of a land plot that are not necessary for the actual construction but allow for better use of the facility constructed on the basis of the construction permit. Termination of the construction right requires consent from the landowner. Based on Article 180 of this Code, if a land parcel lacks access to public roads that are necessary for its adequate use, the owner may claim easement from a neighbor for the purpose of providing the necessary access. The mentioned article may be used for road construction, though the determination of a necessary right of way can be a rather complicated procedure if the road construction involves the obligation to prove the existence of elements of such rights. In the event of a necessary right of way, the implementer of the road project shall have the right to undertake road construction notwithstanding the owner's will.

## Right of Servitude

According to the Civil Code of Georgia, this right means the restriction imposed on a land parcel or real property in favor of the owner (beneficiary) of another land parcel or real property. The beneficiary is granted the right to use a land parcel under restriction with some conditions and /or restricts the undertaking of specific activities or prohibits the landowner from exercising some rights against this land parcel. However, in regards to this project, the terms and conditions for transfer of any right (among them ownership, construction, necessary right of way or servitude) shall be defined against each land parcel in accordance with the identified rule and on the basis of the agreement entered into between the land owner and the party holding the appropriate right to act. This agreement shall be registered at the Public Register.

## C. Law of Georgia on the Protection of Cultural Heritage

In addition to the Constitution of Georgia affirming the State's obligation to protect cultural heritage and requiring each citizen to care for, protect and preserve cultural heritage, the Law of Georgia on Protection of Cultural Heritage defines the legislative principles for the protection of existing cultural heritage in Georgia.

According to the Law, state protection of cultural heritage is undertaken by the Ministry of Culture, Monuments Protection and Sport, the Ministry of Justice of Georgia, local self-government bodies, as well as other state institutions, public and legal entities. On the territories of Abkhazia and Adjara autonomous republics, the corresponding bodies of Abkhazia and Adjara autonomous republics have this responsibility within the scope of authority defined under the legislation of Georgia. It is worth mentioning that the state and local self-government bodies exercise their authorities in the sphere of protection of cultural heritage in accordance with the Constitutional Agreement between the state and the Orthodox Church of Georgia. The Ministry of Culture, Monuments Protection and Sports of Georgia provides general coordination and manages the activities undertaken in this sphere.

The Ministry of Culture, Monuments Protection and Sports may by agreement consider the alienation of state-owned land parcels located within a culturally or archeologically protected area on the condition that measures of protection and care are set. By contrast, Georgian law directly restricts alienation of monuments/land within a culturally or archaeologically protected area under private ownership that can only be alienated under the right to possess and, use despite any conditions of care and protection.

## D. The Law of Georgia on Notary Actions

The stated law defines the types of notary actions and rules of their implementation. The law also defines which institutions and authorized persons other than the Notaries have the right to conduct

Notary actions within the territory of Georgia and abroad. On the basis of Article 42 of the Law, local self-governments have the right to implement Notary actions related to inheritance, confirmation of the accuracy of a copy of an original document, proving the fact of a citizen's life, or proving the fact of a citizen's certain location. The rural population often applies to local self-governments to conduct certain notary actions, especially, when it is required to identify a person and a document, or the notary actions are required to replace the deceased head of the household with a new member. This rule is often utilized in the registration of land parcels when one member of the household is registered in the place of a deceased member. The representatives of the Consulates of Georgia (consuls) and other key persons at the consulates are eligible to conduct notary actions on behalf of the Georgian state beyond the territory of the country. (Article 43). Citizens abroad may apply to the consulate of Georgia in the county of their location.

#### E. The Law of Georgia on Privatization of State-owned Agricultural Land

The Law regulates the privatization of state-owned agricultural land. On the basis of this law, leased or non-leased state-owned agricultural land is subject to privatization. However, the categories of agricultural lands listed below are not subject to privatization:

- grazing lands except grazing lands which were leased before enactment of the law; grazing lands attached to existing structures under ownership of legal entities and/or private persons or state ownership in accordance with the rules refined by the Law;
- Cattle-driving routes;
- Water fund land, except fish breeding in artificial ponds and lands of common water utilized as agricultural lands in accordance with the Law of Georgia on Water
- Forest fund land used under agricultural designation;
- Recreation lands;
- Lands allocated to historical monuments, nature and religious monuments;
- Lands in protected areas;
- Agricultural lands assigned as reform land in Adjara Autonomous Republic;
- Agricultural lands being used by budgetary institutions and legal entities of public law in the form of usufruct.

Privatization of the two categories (forest fund and recreation land) of agricultural land is still allowed, although only for development of resort-recreation infrastructure in accordance with the decision of the Government of Georgia.

#### F. The Law of Georgia on Ownership of Agricultural Land

The current law is completely different from the initial version adopted in 1996. The changes made in this law at different times (among them the amendments on the basis of Law # 389 of 14 July 2000) have significantly changed its initial format and simplified it.

Article 3.1. states that "a land parcel with or without a household structure that is registered at the public register and used for cattle-breeding or cultivation is considered an agricultural land parcel" with the existing household and additional structures or without them. This also applies to shared hay fields, grazing lands or forestry areas and parts of agricultural land that may be subject to "a separate ownership right" (Article 3.2).

The same law indicates that the ownership right to agricultural land is granted to the state, citizen of Georgia, household (komli) and legal person registered in accordance to the legislation of Georgia, which carries out its agricultural activities. The law also declares the state, private and community ownership rights to grazing lands in the high mountain regions (Article 43).

According to the limitations set under this law, a foreign citizen or legal entity registered abroad can only be granted ownership rights to agricultural land parcels through inheritance by will. However,

foreign citizens and legal entities registered abroad are obliged to alienate privately owned agricultural land parcels to a citizen of Georgia, Komli and/or legal entity registered in Georgia according to the legislation of Georgia within six months of obtaining private ownership of the given land parcel. If this legal requirement is neglected, agricultural land parcels can be expropriated by court decision in return for due compensation. The standards identified by the Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need shall also be exercised in such case.

According to Articles 6 and 8, the acquisition of agricultural land is allowed on the basis of ordinary rules and general restrictions. Ordinary rules consider land alienation without any permits and other limitations, and general restrictions consider land alienation only on the basis of the consent of the co-owner of shared property. In the case of agricultural land acquisition, the lessee has the priority right to purchase the land. (Article 10). Alienation is restricted if the area remaining after this action will be less than 5 hectares (Article 9).

The law imposes tax sanctions if land has not been cultivated for two years, for non-payment of land tax and failure to transfer a land lease. In such cases the law does not directly state any type of penalty and only refers to sanctions under the tax legislation (Article 20).

#### G. Law of Georgia on Registration of Rights to Immovable Property

The law defines the rules, terms and conditions for registration of rights to immovable property, and the rights and obligations of parties participating in registration procedures. The goal of this law is to declare and verify ownership rights for immovable property within the territory of Georgia through registration of these rights in the Public Register. The Law describes the rules set for the organization and functioning of the Public Register. Pursuant to the law of ownership right to real property, mortgage, right to build, usufruct, servitude, lease, sub-lease, rent, sub-rent, lending subject to registration (Article 13.2).

This law ensures the successful process of expropriation and the obtaining of necessary rights of way as land and real property must be registered into the public register to provide legal validity to the sales agreement. Pursuant to active legislation, the acquisition (purchase) of private property is legally valid and ownership rights are declared only after its registration into the Public Registry.

#### H. The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need

The “Rules for Expropriation of Ownership for Necessary Public Need” (23 July 1999) specified the expropriation procedures, liabilities and rules. The rules for expropriation of ownership stipulate that a regional (civil) court verdict must be issued on the basis of a presidential decree in the event of expropriation related to road construction.

According to the Constitution of Georgia the expropriation of properties required for the construction of roads is permitted for public needs. The process of expropriation can only be enabled by a court decision. Expropriation is carried out by means of compensation payment which should correspond to the market value and be honest. The Georgian state has the constitutional right to carry out the acquisition of property through expropriation instead of payment of legislative compensation (Clause 21).

#### I. Procedural Civil Code of Georgia

The general courts of Georgia consider cases according to the rules identified under the Procedural Civil Code of Georgia. The requirements of the procedural law are exercised during lawsuits and implementation of separate procedural actions or execution of a court decision.

The Procedural Civil Code of Georgia also regulates cases in which a determination for the defendant is impossible. This may be important for the Project in cases where the landowner is not found and ownership to his/her land parcel cannot be obtained in a legally valid manner.

The above-listed laws and regulations allow the following three mechanisms for legal application of property rights:

- Obtaining the right of way without expropriation through the payment of due compensation (on the basis of arrangement or a court decision) prior to commencement of the activities;
- Expropriation which enables the obtaining of permanent rights to land on the basis of eminent domain law or a court decision by payment of due compensation;
- Expropriation of private properties for urgent public necessity, which enables the obtaining of permanent rights to land for the purpose of national security or accident prevention. Expropriation is to be made on the basis of a presidential decree on expropriation through the payment of due compensation to affected people.

If applied adequately the above listed mechanisms can ensure the appropriate consideration of lawful interests of all parties and the due observation of existing legislations.

## **Annex 2: Consultations with Project Communities**

### **Kvesheti (Lot 1 and 2)**

**Date:** 14 May, 2018  
**Location:** Kvesheti village, Dusheti municipality  
**Purpose:** Consultations with communities  
**Facilitator(s):** Archil Jorbenadze – ADB Project Coordinator and Contracts Monitoring Manager, Nino Mtsuravishvili – Deputy Head of the Resettlement Unit at the Roads Department of Georgia, Rusudan Kuliashvili and Elene Mgaloblishvili - specialists of Gamma Consulting LTD, Tengiz Bedoidze - Governor of Kvesheti village, and members of local communities.

**Attendees:** 16 persons from the Project villages  
**Gender:** 1 females and 15 males.

**Chair Person of the consultations:** Elene Mgaloblishvili

**Secretary of the consultations:** Rusudan Kuliashvili

#### **Overview**

The meeting was opened by the representative of Gamma Consulting LTD, Elene Mgaloblishvili, who talked about the project zone and tunnel location, profile and parameters in detail, as well as the main principles of land acquisition and resettlement, eligibility and the grievance mechanism.

#### **Summary of issues raised**

- (i) legalization of land;
- (ii) safety of graves, shrines, crosses, memorials of the local communities;
- (iii) technical characteristics of the road and tunnels;
- (iv) employment opportunities for the local population;
- (v) vibrations during the construction and safety of houses;
- (vi) access roads to villages during the construction period; and
- (vii) road benefits for the local municipalities;

The following are the participants' questions/suggestions and responses related to the involuntary resettlement:

**Comments and suggestions expressed at the public hearing of Kvesheti-Kobi Road  
Construction and Operation Project**

<b>N</b>	<b>Name of AP</b>	<b>Comment</b>	<b>Answer</b>
1	Valerian Tsamalaidze	If I don't have a registered land parcel, what will happen?	The Roads Department and consulting companies will assist you in the making of drawings and their registration.
2	Zviad Kavtaradze	I have a residential house and a land parcel in Khada village. I don't have any ownership certifying documentation. The recognition commission refused to register this property due to the fact that it is in a recreation zone	Please, send us the number of your statement to find the reason of refusal in the Public Registry. Unfortunately, we have not received any information about this problem until now. We will investigate this issue and inform you.
4	Ushangi Zakaidze	If the project zone interferes with graves and shrines, it would be desirable to relocate the construction zone.	Graves will not be not affected by the Project. What's more, a protective wall will be arranged along these area, by initiative of the project company, in order to prevent damage to this area during the construction process.
5	Mamuka Rostiashvili	What are the road parameters?	The design length of the road is 10.03 km, out of which 9,06 km is accounted for by the tunnel. The width of the access road will be 10 m.
6	Mamuka Rostiashvili	What are the tunnel parameters?	The carriageway will be 3,5 m on each side, sidewalk - 1,5 m, for pedestrians - 0,75 m. In addition, an emergency tunnel is also being considered.
7	Eldari Zakaidze	When will we have the opportunity to view the entire project of the road?	You will be able to see the project on the other section of the road at the public hearing of the given project.
8	Davit Zakaidze	Will the local population be employed on the project?	The local population will be given preference during employment.
9	Giorgi Tsamalaidze	What benefits will be provided by the road project for the municipality?	As you know, this section is closed during most of winter due to much snow and the risks of avalanche. Construction of the mentioned tunnel will ensure the connection of the municipality with the rest of the country throughout the year.
12	Davit Zakaidze	Has the construction company already been revealed?	The tender has not been held yet, so it is not known at the given stage.
15	Gocha Zakaidze	I live quite close to the project zone. If the construction damages my house, what can I and who should I address?	You can submit an application to the Roads Department prior to the construction and demand a property inventory. If your property is damaged due to ongoing works, it will be properly compensated. The main preconstruction survey will be conducted by the contractor regardless of any requests lodged by the APs.
16	Levan Tsamalaidze	What could you say about the potential vibration, will it harm the already damaged houses?	Studying of the mentioned issue is taking place within the framework of EIA. In case of any hazard, corresponding measures will be carried out.
17	Nodari Beniadze	Which road can be used during the works and will the traffic be hampered by the construction process?	A new road connecting to the village will be arranged. Movement will not be restricted.
21	Nino Tsamalaidze	Who funds the construction of the mentioned project?	ADB and EBRD

**List of Attendees at Consultations with Communities of Kvesheti-Kobi Road Construction and Operation Project**

<b>N</b>	<b>Name /Surname</b>	<b>contact information</b>	<b>Employ</b>	<b>Gender</b>
1	Tsamalaidze Nino	593 75 42 18	Pensioner	Female
2	Beniaidze Badri	577 32 70 49	„Mountain Forest Development Agency of Georgia“	male
3	Beniaidze Davit	555 65 90 79	Unemployed	male
4	Javaxishvili Mikhail	599 70 79 98	Unemployed	male
5	Tsamaladze Valerian	579 77 62 35	pensioner	male
6	Beniadze Nikoloz	599 97 34 56	„ Gas Transportation Company“	male
7	Zakhaidze Ushangi	595 01 23 03	„ Gas Transportation Company“	male
8	Zakhaidze Eldari	593 38 13 15	Unemployed	male
9	Khavtaradze Zviadi	591 21 51 19	Unemployed	male
10	Tsamalaidze Giorgi	593 66 50 44	Unemployed	male
11	BeniaiZe Nodari	539 75 59 97	„Military path of Georgia“	male
12	Rostiashvili Mamuka	557 23 98 39	Self-employed	male
13	Zakhaidze Davit	599 99 76 55	Unemployed	male
14	Beniaidze Giorgi	595 04 31 36	„Mountain Forest Development Agency of Georgia“	male
15	Tsamalaidze Levani	591 96 88 35	Unemployed	male
16	Zakhaidze Gocha	597 32 70 47	„Mountain Forest Development Agency of Georgia“	male

## Photographs from the Consultations with Communities Residing along the Kvesheti-Kobi Road Project



### Kvesheti FGDs (Lot 2)

**Date:** 6 July, 2018  
**Location:** Kvesheti administrative building  
**Purpose:** Consultations with communities  
**Facilitator(s):** Amy Sexton (Consultant of EBRD) and Elene Mgaloblishvili, Gamma Consultant  
**Attendees:** 20 people from Zakatkari, Kwesheti and Mughere villages  
**Gender:** 12 females and four males.

#### Overview

The meeting was opened by Elene Mgaloblishvili, who introduced the facilitators and the purpose of the meeting to attendees. A discussion about various aspects of the project and mapping activities with participants was conducted by Amy Sexton.

## Summary of issues raised

- (i) unit price for land, crops, buildings;
- (ii) legalization of land;
- (iii) access roads to villages;
- (iv) cross in Kvesheti;
- (v) underpasses for animals; and
- (vi) job opportunities during the road construction for the local population

Resettlement concerns remain significant; the IR issues will be addressed at planned LAR meetings. Overall, the participants consider the project to be a 'good project', although those whose property may be affected, expressed their concern about the land and other assets losses.

During the community mapping exercise, the participants identified the pastures, forest and hay areas they use, places important to villagers such as St George's cross, access to services such as education, healthcare and municipal transport services, and road safety education in schools. The primary concerns of the participants were to do with issues related to involuntary resettlement such as land registration, compensation for land and other affected assets, and the possibility of avoiding impact by alteration of the road design. The following are the participants questions/suggestions and responses related to the involuntary resettlement:

No	Questions/Comments	Response from Facilitators
1	What happens if there are partially affected land parcels?	It depends on the land plot size and what portion of the overall parcel is affected. If most of the land plot is affected and the remaining land is not viable for use, the whole land plot will be acquired. If the remaining land can be used and the AP does not want it to be acquired, the remaining part of the land will not be acquired.
2	We are not able to register land plots and many people do not have the required documents. What is your approach to these issues?	Non-legalizable land will receive compensation for all non-land losses such as loss of crops, trees, improvements on land and structures built by APs.
3	Our cattle cross wherever they want, but there is one location in Kvesheti that leads directly to where the bridge crosses the river (road beside the school, down to the river, across near the bridge to Khada road).	There are no underpasses planned here. However, the final alignment hasn't been determined yet. <b>NOTE:</b> After the consultation, two additional underpasses are included: one at KP 2.640 and second at KP 5.920.
4	Participants raised the issue of problems with land registration and small land plots. These are important for participants, who are hopeful that the Government can assist in registering land plots.	Roads Department will provide assistance during registration process and will provide cadastral drawings for not registered land plots.
	Participants stated that they are happy the project will be implemented, but for them, it is important that houses are not affected, and that the road is not constructed too close to homes, so they have to relocate.	The road buffer zone was described to the participants. The total amount of required land to be acquired has not yet been confirmed.
5	How will you provide connections to the villages?	Proposed access roads were shown on the map.
6	Will we be able to use our pasture areas after the road is constructed?	Yes. You will be able to use the pasture areas.
7	Where will be the spoil site?	The spoil sites have not been determined yet. Your suggestions for the site after Arakhveti will be discussed.

8	What is the unit price of land, crops, houses etc?	A professional valuator will determine the prices for all acquired assets. The price will be the replacement cost price for an acquired asset.
9	How will the legalizable land be compensated? Before or after registration?	To receive compensation, the land must be legalized/registered first. Our law does not allow payment for unregistered land.
10	We have land at the location where a bridge is planned. Can we use the land under the bridge after the bridge construction?	Territory under bridge which might become damaged during the construction period, will be acquired as per the Entitlement Matrix agreed for this project.
11	There are people who need a job. Will there be any opportunity for locals to get some work? At other projects in Gudauri, or the rope line in Gudauri or the hotels there, some non-locals are employed. Locals should have job opportunities.	Yes, it would be possible to put together a list for the contractor of local people looking for work.



06.07.2018

# PARTICIPANT LIST

համայնական  
հետազոտության մասնակիցներ

NAME-SURNAME	AGE	SEX	BIRTH PLACE	PLACE OF RESIDENCE	OCCUPATION	RELATION TO THE HOUSEHOLD HEAD (e.g. husband/son/brother)
1. Վահագն Բաղդասարյան	49	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
2. Գրիգոր Բաղդասարյան	57	է-է	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
3. Գրիգոր Բաղդասարյան	44	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
4. Գրիգոր Բաղդասարյան	65	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
5. Գրիգոր Բաղդասարյան	65	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
6. Գրիգոր Բաղդասարյան	49	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
7. Գրիգոր Բաղդասարյան	59	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
8. Գրիգոր Բաղդասարյան	48	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
9. Գրիգոր Բաղդասարյան	55	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
10. Գրիգոր Բաղդասարյան	55	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
11. Գրիգոր Բաղդասարյան	57	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
12. Գրիգոր Բաղդասարյան	32	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
13. Գրիգոր Բաղդասարյան	80	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
14. Գրիգոր Բաղդասարյան	77	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն
15. Գրիգոր Բաղդասարյան	84	ձրձր	Երևան	Երևան	Կապույտի քաղաքացի	մխտն



## FGD with Communities of Zakatkari, Arakhveti and Bedoni Villages (Lot 2)

**Date:** 30 August, 2018  
**Location:** Kvesheti administrative building  
**Purpose:** Consultations with communities  
**Facilitator(s):** Archil Jorbenadze (ADB Project Coordinator (RD), Amy Sexton (Consultant of EBRD) and Elene Mgaloblishvili, Gamma Consultant  
**Other participants:** Pilar Pastor (IDOM); Sopho Gigauri (Gamma) and Tengiz Bedoidze – representative of Dusheti Mayor in Kvesheti community.  
**Attendees:** 9 persons from Zakatkari, Arakhveti and Bedoni villages  
**Gender:** (5 female and 4 male).

### Overview

The meeting was opened by Elene Mgaloblishvili who introduced the facilitators and the purpose of the meeting to attendees. Pilar Pastor, the design consultant, described the project and its technical components after which a discussion about the project and mapping activities with participants was conducted by Amy Sexton.

### Summary of issues raised

- (i) pedestrian and cattle crossings,
- (ii) land registration,
- (iii) condition of bridge near Bedoni,
- (iv) access road through Bedoni,
- (v) cattle fences,
- (vi) water sources and pasture areas mapped,
- (vii) compensation for land,
- (viii) possible damages to houses during the construction

During the community mapping exercise, the participants identified the pastures, forest and hay areas they use, places of importance to villagers, access to services such as education, healthcare and municipal transport services; water and gas supply and the safety of these services during the construction period; tourist areas and road safety education in schools. Issues related to involuntary resettlement such as land registration, compensation for land and other affected assets, and the possibility of avoiding impact by alteration of the road design, were the primary concerns of the participants. The following are the participants' questions/suggestions and responses:

No	Questions/Comments	Response from Facilitators
1	Will we have pedestrian and cattle passes near Arakhveti to access the plateau we use for cattle grazing?	Yes. Cattle passes and pedestrian passes are envisaged by the project.
2	How will we access our land plots on the other side of the road?	Overpasses or underpasses for pedestrians are planned and proper animal passes for cows are included in the road design.
3	I have a land plot which I am not able to register, how I will be compensated?	If your land is not legalizable, you will be compensated for all non-land affected assets such as crops, trees, structures etc.
4	What will happen if our water or gas supply is damaged during construction?	The contractor will be responsible for any damage to these services and will any damage.
5	The residents of Bedoni village worry about the conditions of the houses during construction, because as we understood, the access road for construction trucks will go through our village. Our houses are old and build without cement, and vibration will cause damage to the houses. We	We are aware of these issues and we are considering a bypass to avoid impact on these houses.

	think if the access road bypasses our village from the side of river we will not have such problems.	
6	My house is located near the river and away from the road in Kvesheti, after construction of the new road my home will be surrounded by three roads. Why was this design alternative chosen? This new road will worsen my living conditions and that of my neighbors. In total, this is about 12 families. Please take into consideration our situation. Also we have sent a letter to the prime minister about this issue, asking to avoid our resettlement. As an alternative we suggest shifting the road toward the river (suggestion was shown on the map and discussed).	This design was chosen among nine alternatives that designers considered for this project. We will look at the design again and if feasible, alter the design and construct Bedoni access road. The construction of the road at the other side of the river is not technically feasible as the soil is not stable. We will re-visit the design again, amend the design where possible and avoid or minimize the impact on private land and assets.

**Photographs of the FGD**



**List of Attendees**

PARTICIPANT LIST							
No.	NAME-SURNAME სახელი-გვარი	AGE წელი	SEX სქესი	BIRTH PLACE დაბადების ადგილი	PLACE OF RESIDENCE სახლობლი ადგილი	OCCUPATION დასაქმება	RELATION TO THE HOUSEHOLD წევრობის ადგილი
1.	მამია მამიაშვილი	58	მამია	მამია	მამია	მამია	მამია
2.	მამია მამიაშვილი	63	მამია	მამია	მამია	მამია	მამია
3.	მამია მამიაშვილი	65	მამია	მამია	მამია	მამია	მამია
4.	მამია მამიაშვილი	59	მამია	მამია	მამია	მამია	მამია
5.	მამია მამიაშვილი	28	მამია	მამია	მამია	მამია	მამია
6.	მამია მამიაშვილი	24	მამია	მამია	მამია	მამია	მამია
7.	მამია მამიაშვილი	46	მამია	მამია	მამია	მამია	მამია
8.	მამია მამიაშვილი	24	მამია	მამია	მამია	მამია	მამია
9.	მამია მამიაშვილი	24	მამია	მამია	მამია	მამია	მამია
10.							
11.							
12.							
13.							
14.							
15.							

### Khada valley FGD (Lot 2)

- Date:** August 30, 2018
- Location:** Beniani-Begoni (Place of community gatherings).
- Purpose:** Consultations with project communities
- Facilitator(s):** Archil Jorbenadze (ADB Project Coordinator (RD), Amy Sexton (Consultant of EBRD) and Elene Mgaloblishvili, Gamma Consultant
- Other participants:** Pilar Pastor (IDOM); Sopho Gigauri (Gamma) and Tengiz Bedoidze – representative of Dusheti and Mayor of Kvesheti community.
- Attendees:** 19 persons from Zakatkari, Arahveti ad Bedoni villages
- Gender:** 6 females and 13 males

#### Overview

The meeting was opened by Elene Mgaloblishvili, who introduced the facilitators and purpose of the meeting to attendees. Pilar Pastor, the design consultant, described the project and its technical components, after which a discussion about the project and mapping activities with participants lead by Amy Sexton, took place.

#### Summary of issues raised

- (i) access to new road for Tskere community;
- (ii) issues of land registration;
- (iii) safety of buildings during the road construction;
- (iv) cattle fences; and
- (v) water sources and pasture areas mapped.

During the community mapping exercise, the participants identified the pasture, forest and hay areas they use, places of importance to villagers, access to services such as education, healthcare, and municipal transport; water and gas supply and safety of these services during the construction period, tourist areas, and road safety education in schools. However, the issues related to involuntary resettlement such as land registration, compensation for land and other affected assets, and the possibility of avoiding impact by alteration of the road design were the primary concerns of the participants. The following are the participants questions/suggestions and responses:

No	Questions/Comments	Response from Facilitators
1	Will houses in Tskere be safe during the construction?	Yes. The condition of your houses will be documented before the construction starts. If there will be any damage due to the construction, compensation will be paid to the APs as per the Project entitlement matrix which corresponds to

		Georgian national laws and regulations as well as ADB SPS requirements.
2	We have problems with land registration. How will the compensation be paid if we are unable to register land plots?	For non-legalizable land, you will be paid compensation for all non-land assets. Whatever is on the land, for example, fruit trees that you planted, crops, improvement on the land etc, will be compensated at the replacement cost rate.
3	What are the parameters of the road? What is the road width?	The road will be a two-lane road and the total width is 11 m.
4	How will the residents of Tskere and Mugure villages access the new road? During the winter, they will not be able to cross these 3 kilometers to access the new road.	We cannot construct an access road close to the bridge and tunnel due to road safety issues. The only possible place to gain access is the location near the farm house. Your current road will be improved too. The local authorities will have better access to clear the snow during the winter.
5	What will happen to this existing road?	The road will be improved, and it will be easier to access villages and clean the snow.
6	Will it be safe to leave cattle on grazing areas near the road after the road construction? Will there be fences for safety?	Yes. We considered fences to protect the animals crossing the road.
7	Is this project alignment final?	Yes. Only some details such as access roads will be added.

### List of Attendees

ბავსე ბავსე 20.07.2018

PARTICIPANT LIST						
NAME (SURNAME) სახელი (გვარი)	AGE წელი	SEX სქესი	BIRTH PLACE დაბადების ადგილი	PLACE OF RESIDENCE სახლების ადგილი	OCCUPATION დასაქმება	RELATION TO THE HOLDFINDER HEAD დასაქმებულის ურთიერთობის სახელი (სახელი გვარი)
1. ბავსე ბავსე	43	man	ბავსე	ბავსე	მედიკოსი	ბავსე
2. ბავსე ბავსე	42	man	ბავსე	ბავსე	მედიკოსი	ბავსე
3. ბავსე ბავსე	61	man	ბავსე	ბავსე	მედიკოსი	ბავსე
4. ბავსე ბავსე	63	man	ბავსე	ბავსე	მედიკოსი	ბავსე
5. ბავსე ბავსე	47	woman	ბავსე	ბავსე	მედიკოსი	ბავსე
6. ბავსე ბავსე	36	woman	ბავსე	ბავსე	მედიკოსი	ბავსე
7. ბავსე ბავსე	54	woman	ბავსე	ბავსე	მედიკოსი	ბავსე
8. ბავსე ბავსე	62	woman	ბავსე	ბავსე	მედიკოსი	ბავსე
9. ბავსე ბავსე	29	woman	ბავსე	ბავსე	მედიკოსი	ბავსე
10. ბავსე ბავსე	53	woman	ბავსე	ბავსე	მედიკოსი	ბავსე
11. ბავსე ბავსე	22	woman	ბავსე	ბავსე	მედიკოსი	ბავსე
12. ბავსე ბავსე	15	woman	ბავსე	ბავსე	მედიკოსი	ბავსე
13. ბავსე ბავსე	40	woman	ბავსე	ბავსე	მედიკოსი	ბავსე
14. ბავსე ბავსე	50	woman	ბავსე	ბავსე	მედიკოსი	ბავსე
15. ბავსე ბავსე						

PARTICIPANT LIST							
	NAME SURNAME හමුදා නම	AGE වයස	SEX ලිංග	BIRTH PLACE උපත සිදු වූ ස්ථානය	PLACE OF RESIDENCE දැඩි සිටින ස්ථානය	OCCUPATION වෘත්තිය	RELATION TO THE HOUSEHOLD බෙදා හැරීමේ කාණ්ඩයේ ස්ථානය
18	සුභසිරි සිංහ	41	Male	ආරාමික	දැඩි සිටින	විද්‍යාල	පියා
19	සුභසිරි සිංහ	19	Male	ආරාමික	දැඩි සිටින	විද්‍යාල	පුතා
20	සුභසිරි සිංහ	18	Male	ආරාමික	දැඩි සිටින	විද්‍යාල	පුතා
21	සුභසිරි සිංහ	14	Male	ආරාමික	දැඩි සිටින	විද්‍යාල	පුතා
22	සුභසිරි සිංහ	80	Male	දැඩි සිටින	දැඩි සිටින	විද්‍යාල	පුතා
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## Photographs of FGDs



### FGD with Kobi and Almasiani Communities (Lot 1)

<b>Date:</b>	August 30, 2018
<b>Location:</b>	Almasiani (Administrative building)
<b>Purpose:</b>	Consultations with project communities
<b>Facilitator(s):</b>	Archil Jorbenadze (ADB Project Coordinator (RD), Amy Sexton (Consultant of EBRD) and Elene Mgaloblishvili, Gamma Consultant
<b>Other participants:</b>	Pilar Pastor (IDOM), Sopho Gigauri (Gamma) and a representative of Kazbegi Mayor in Kobi community.
<b>Attendees:</b>	8 persons from Kobi and Almasiani communities
<b>Gender:</b>	3 females and 8 males

#### Overview

The meeting was opened by Archil Jorbenadze, who introduced the facilitators and purpose of the meeting. Pilar Pastor, IDOM design engineer, described the project and its technical components and Amy Sexton, EBRD consultant, led the discussion with participants.

#### Summary of issues raised

- (i) spoil disposal areas;
- (ii) cross in Kobi;
- (iii) memorial of fallen soldier in Kobi;

- (iv) gas pipeline;
- (v) water sources and pasture areas mapped.

The community voiced their support to the project. During the community mapping exercise, the participants identified the pasture, forest and hay areas they use, places important to villagers; access to services such as education, healthcare and municipal transport; water and gas supply and safety of these services during the construction period. There will only be one person affected in this area and therefore, the participants were more interested in the temporary impacts during the road construction such as the spoil area and the moving of monuments and other structures important to the communities. The following are the participants questions/suggestions and responses:

No	Questions/Comments	Response from Facilitators
1	We have only one issue which we want you to address: first, we want to be sure that no one will touch the cross and second, if you plan to move the gas pipeline, do not shift it to the opposite side of the river. If you do, we will not be able to build anything there.	The cross will not be affected. There will be no changes to the location of gas pipelines. Some small alterations may happen, but we will stay within the current boundaries.
2	When will the construction work start?	We expected it to begin in late Spring 2019
3	Has it already been decided where the spoil disposal areas will be?	Not yet. We will decide later, and we will seek approval from the Ministry of Environment.
4	We are asking you not to touch our holy cross, but regarding the memorial, I, as a family member of the soldier to whom this memorial is dedicated, have no problem if it needs to be moved temporarily or as suggested by locals, to move it to the park, where we have another memorial.	In case the memorial needs to be moved permanently or temporarily, we will consult you and in agreement with you, make a decision.

### List of Attendees

3rd day: 31. 08. 2018.

PARTICIPANT LIST							
	NAME-SURNAME Խնդրանուն-զանգ	AGE մեկուս	SEX խոսք	BIRTH PLACE Ծննդավայրի անունը	PLACE OF RESIDENCE Բնակավայրի անունը	OCCUPATION Կոչումը	RELATION TO THE HOUSEHOLD HEAD Բնակավայրի ղեկավարի հետ կապը ընտանիքի մեջ, քույր, եղբայր
1.	Բեկուսյան Զարգ	54	ձրի	Կոնստանդնուպոլիս	Լուր Երևան	Բժ. Երևանի Կոնստանդնուպոլիս	Զարգի քույր
2.	Լևոն Բաղդասարյան	50	ձրի	Կոնստանդնուպոլիս	Երևան	Կոնստանդնուպոլիս	
3.	Մանուկ Կոչարյան	60	ձրի	Կոնստանդնուպոլիս	Երևան	Կոնստանդնուպոլիս	
4.	Զոր Դեմիրյան	60	ձրի	Կոնստանդնուպոլիս	Երևան	Կոնստանդնուպոլիս	
5.	Գրիգոր Գրիգորյան	65	ձրի	Կոնստանդնուպոլիս	Երևան	Կոնստանդնուպոլիս	
6.	Բեկուսյան Կոնստանդնուպոլիս	70	ձրի	Կոնստանդնուպոլիս	Երևան	Կոնստանդնուպոլիս	
7.	Գրիգոր Կոնստանդնուպոլիս	45	ձրի	Կոնստանդնուպոլիս	Երևան	Կոնստանդնուպոլիս	
8.	Մանուկ Կոչարյան	56	ձրի	Կոնստանդնուպոլիս	Երևան	Կոնստանդնուպոլիս	
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11.							
12.							
13.							
14.							
15.							

## Photographs from the FGD



## Consultations in Tskere (LOT 1)

**Date:** 14 September 2018  
**Time:** 12:00-13:00  
**Location:** Tskere village  
**Purpose:** Consultations with APs  
**Facilitator(s):** Dragica Veselinovic, ADB Social Safeguard Consultant, Elene Mgaloblishvili, Gamma Consultant  
**Attendees:** 4 residents from Tskere village  
**Gender:** 3 women, 1 man

### Overview

Tskere is a village of few houses and even fewer residents. It is located at the entrance of the nine-kilometer tunnel. The discussion was conducted outside a displaced person's home. Two of the three women live permanently in this village. The other villagers reside there during the summer. All expressed their appreciation for the project and the hope that the road will be built. A single woman, the oldest resident of this village, stated that for the last 60 years she had heard talk about the road being built and that she still does not believe that it will happen. The women said that they would be even

happier if we acquired their land, so that they could purchase dwellings at better places, where life is a bit easier.

The husband of one of the women works in Gadauri during the skiing season. Two women stated that they are scared of wolves, and that being alone and cut off from the rest of the community for almost seven months per year is very difficult. They would like to live here if there were more people around. They hope that after the road is built, more people will live here. During the winter time, the snow gets very high, and skiers often jump over their roofs.

After a while, a male DP, Terel Zakaidze, joined the conversation. His primary concern was the calculation of acquired land. He has 1,370 m2 of affected registered land and 700 m2 of affected non-registered land which he has been using for as long as he can remember. He tried to legalize his land, but the officials always informed him that his documentation is incomplete; however, the officials could not tell him which documents are missing.

No	Questions/Comments	Response from Facilitators
1	<p><b>A woman, the oldest resident of this village:</b> She stated that for the last 60 years she had heard talk about the road being built and that she still does not believe that it will happen. She said the residents would be even happier if their land were acquired so they could purchase dwellings in better places where life is a bit easier.</p>	<p>We are happy to hear that you support the road Project. I hope this time the road will be built.</p>
2	<p><b>Two women:</b> Two women stated that they are scared of wolves and that being alone and cut off from the rest of the community for almost seven months per year is very difficult. They would like to live here if there were more people around and hope that this will be the case after the road is built. During the winter time, the snow gets very high, and skiers often jump over their roofs.</p>	
3	<p><b>Terel Zakaidze, the only man living in Tskere:</b> His primary concern is the calculation of acquired land. He has 1,370 m2 of affected registered land and 700 m2 of non-registered affected land which he has been using for as long as he can remember. He said that he's tried to legalize his land on numerous occasions, but officials have always informed him that his documentation is incomplete. However, he said the officials have always been unable to tell him which documents he is missing.</p>	<p>Gamma will check what is needed to be done in your case. You have Elene's phone number and she will have information for you on Monday.</p>



### **Summary**

This was a small group discussion with three permanent and one temporary resident of Tskere village. The participants stated that they favored the road and tunnel project because it would connect them with the rest of the country and make their lives less isolated in the winter.

List of participants is not available

## **Consultations in Beniani and Begoni (LOT 2)**

**Date:** 14 September, 2018  
**Time:** 14:00 - 16:00  
**Location:** Beniani and Begoni villages (Lot 2)  
**Purpose:** Consultations with communities  
**Facilitator(s):** Dragica Veselinovic, ADB Social Safeguard Consultant, Elene Mgaloblishvili, Gamma Consultant  
**Attendees:** 10 residents from villages of Beniani and Begoni  
**Gender:** Four women and six men  
**Information shared:** GRM information, Entitlements, Legalization procedure

There are 10 families living in these two villages; however, during winter the women go to Kwesheti or Gudauri where the children can go to school and there is access to medical and other services. Most of the village men work in the ski resort in Gudauri. A few stay in the village to take care of the livestock. During winter, the villagers periodically visit their homes. They usually walk 9 km from the main road through snow to reach the village.

No	Questions/Discussions	Answers
1	<b>Mihail Benianidze:</b> The road passes through the middle of my land. I will not be able to access the other part of my land. I would like to use that land. Can you ensure that I have access to my land as I cannot access it through other people's land? (visited the location)	We need to see if the design envisages an underpass at this location. If there are no underpasses, the remaining land needs to be acquired.
2	There is a problem with legalization of land. Some government archives were lost in fire and many of us do not have documents proving that the land is ours. Those of us who have some documents are clinging to them trying to legalize our land.	You are aware that you may legalize your land if you have your neighbors' statements that the land belongs to you? We will pass your concerns to the Ministry and the RD.
3	I have been trying to register my land for almost a year without success. Government officials keep asking for documents for which they know we cannot provide.	We will pass your concerns to the RD
4	Our ancestors protected this land with their lives. That's why we do not want to sell it. It has a different meaning to us. If our government wants to take it, we need to get sufficient compensation, so we can purchase other properties to leave to our children. Otherwise, we will have nothing to leave to the next generations.	
5	Our income comes from selling hay. I own three plots totaling 6,000 m <sup>2</sup> . The road will take 3,000 m <sup>2</sup> of my land, meaning, my income will be halved forever.	You'll be compensated for your losses.
6	The government does not register new land here as this is a recreational zone and land located in the recreational zone is worth more than at other locations. If the government registers our land, then they'd have to pay us more if they wanted for the road. That is why the government does not want to register our land.	We will record your concerns and pass it to the RD. The issue will be investigated during the LARP implementation and will be followed up by an External Monitor.
7	<b>Young woman:</b> I am sick of the fresh air. I need the road, so we can live here.	
8	<b>Young man:</b> I work in Gudauri. I have a car, but I do not have the road.	



Participants at Consultations in Beniani-Begoni Villages

### Summary

The main issues discussed were compensation entitlements, some difficulties in obtaining official registration documents for their land described by a few residents, some potentially negative and some potentially positive impacts that the new road would bring to the villages. The session included a visit to a property where a strip of land will be acquired by the Project.

### List of participants:

Լևոն Բենյանի 555 62 2661 Ի.Բենյանի  
 Լևոն Բեյրյանի 574-19-42-04. Լ.Բեյրյանի  
 Յուրայր Մկրտչյանի 591-215-119 Յ.Կ.  
 Ինդրուկ Բենյանի . . . . . Զ.Բենյանի  
 Էմիլի Բենյանի 1555659 079  
 Նելլ Բենյանի 595 927 925  
 Ժաննա Բեյրյանի 593 31-38-89 Զ.Բենյանի  
 Նարեկ Բեյրյանի 593 58 7396 Ի.Բենյանի

## Consultations in Kvesheti (LOT 2)

**Date:** 15 September 2018  
**Time:** 11:00-14:00  
**Location:** Kvesheti village  
**Purpose:** Consultations with communities  
**Facilitator(s):** Dragica Veselinovic, ADB Social Safeguard Consultant, Elene Mgaloblishvili, Gamma Consultant  
**Attendees:** 25 residents from Kvesheti village  
**Gender:** 5 women, 20 men

### Overview

Displaced persons from Kvesheti village were invited to the local authorities' office for the Socioeconomic survey (SES). There were between 25 and 30 people waiting to complete the questionnaire. Informal discussions were held while people waited. All present residents were informed about RD's plan to conduct a consultation session on 26-27 September 2018, in which changes to the Kvesheti access road will be presented. The APs' discussion/ opinions are presented in the table below.

No	Questions/Discussions	Answers
1	You are saying that you are here to listen to us. Then listen. We have to tell you everything.	We are here to listen to you. We will stay as long as you need us to hear your concerns and suggestions/ solutions.
2	The stories that you hear and read from the reports are not our stories. You are saying that we will be paid a replacement cost for affected assets and land. Just tell us, where can we purchase some land here to rebuild our homes? There is no land here for sale. We cannot even register our own land. We do not want to go from this village.	We are here to listen to your concerns. Your concerns will be passed to RD and reported in the LARP. Also, you may write down your requests and forward to RD and the Ministry for consideration.
3	We do not need more money or any money for that matter. We want our land and homes to stay.	Your opinion will be included in the minutes. You may also lodge an official request to RD for the road to start further from your village.
4	We prepared a technical option for the road to be built on the other side of this river. The Ministry did not even look at that. We know that at some points the soil is not suitable for construction and we were told that this option will be too expensive. So, how much are our lives worth?	I am aware that this is one out of nine options considered for this location. The engineers informed me that it may not be technically feasible to construct this part of the road on the other side of the river. I was informed that you have received this information as well. However, your concerns will be discussed again with the RD.
5	Nobody cares about us. We do not need this road here. Just leave us as we are now. This road here is enough, and leave us if you do not want to even consider our suggestions.	As explained, if Kvesheti residents do not want the road through the village, please prepare the villagers' request for this and forward to RD and the Ministry. In addition, you may forward villagers' request to me too.
6	We are tired of all of you. Each time new people come and ask some questions and leave, while everything remains the same. We are tired, and we do not want to sell our land and homes.	I am sorry to hear that. We need to do many different studies - technical, geological, environmental, social, gender etc. That's why we need to talk to you to give information and to hear your opinions and suggestions.

7	We have a paradise here. You will destroy it. With a new road here, we will have terrible air pollution, excessive noise, cracks in our homes, no land to come out into our gardens to watch the river and relax, no land to leave even our shoes outside. Why do I need my home, which is not affected, if I lose my front yard, my peace and the river view?	If you cannot continue living in your currently unaffected home, you may request that all your land and home be acquired.
8	We rent rooms and our yards to tourists who come with their tents. They settle on the river bank under our trees and listen to the river. This greatly helps us make a living. If you make the road here, you'll destroy us. We are not against the road, we are against the road under our windows and in front of our doors. Please, leave the river at our side and make the road on the other river bank.	As already explained, the construction of the road at the other side of the river was discussed with you and technical explanation given. The soil at the other side of the road is not good for the road construction. When we complete the consultations process and data analysis, we will decide if a livelihood restoration plan will be needed. If so, the plan will be prepared, and its aim will be to assist people to restore their livelihoods.
9	My home is 150 years old and this one is 70 years old. During the construction, these may not withstand the vibrations from the machinery. Why do we need your money if we will die?	Safety of people is the primary concern. If this is the only issue that worries you, this part of the road can be constructed without vibrations, so homes and people will be safe. Your homes will be inspected before the construction; any existing structural and other cracks will be documented. So, if a house proves to be under risk during the construction, mitigation measures will be employed. These could include for example, construction without vibration at these locations, structural repair before the construction, full acquisition if needed, or any other measure that engineers find suitable. The mitigation measure that will be used, will depend on the condition of your house.
10	Our great, great grandfathers lived here in these old homes. No replacement cost can cover that. There is no home you can give me to replace this home.	Your concerns will be reported in the LARP. However, if you do not agree with the land acquisition, please lodge your complaint to RD.
11	Our lives have stopped. Many of us will not survive seeing our homes and our land go. We lived here, we will die here.	
12	If you and ADB really care as you claim, then listen to us and help us. We are not against the road, just do not make it under our windows.	Your concerns will be passed to the RD and the design company. They will re-visit the design and see if possible to avoid or at least minimize the impact by changing/altering the design at these locations.
13	We are tired of you and your talks. Nobody cares about us and our words do not touch you. We do not need your compensation.	I am sorry to hear that. We have to talk to you and listen to you, so you have full information about all aspects of this project.
14	Please help us to have the Ministry look at our proposal. We are not stupid people to be satisfied with their simplified answers such as – it is not possible to build the road on the other side of the river because the geology is not good there. We know more than that. The foreign designers do not know our context and why would they care about our lives. Why is your design secret?	Your government and the designing company discussed 9 different technical solutions, taking into consideration all factors, including the minimization of adverse impacts on people and their properties. They

	I have these maps from a friend of mine. You showed us cartoons presenting your plan. In these cartoons, we, our lives and our homes are non-existent.	came up with the latest version which they found to be the most acceptable considering all these points of view. For the next consultations, the RD will bring the latest design and you will have full information. We will check if some alternation in the design can be done and impacts minimized or avoided.
15	Our government stopped the legalization of legalizable land as the land price after the road construction will increase a lot. They will take the land from us now and sell it at a high price for tourist development later. That is not fair. That will kill us.	The RD will not acquire more land than necessary for the road construction.
16	You have to see our homes and see where they will construct the road.	As per APs' request, three locations where visited.

		
Consultations with residents of Kvesheti village	Resident of Kvesheti village	A residential front yard that will become part of the road
		
A garden near the river that will be acquired for the road project	Upset residents of Kvesheti village	An old house in Kvesheti village

**Summary**

Participants at this session voiced significant opposition to the proposed project. Some said they had been provided with all necessary relevant information, others said they had not. At least two DPs were upset with the project design as they felt that their voices had been ignored. Most of the Project supporters could not voice their opinions and the APs opposing the Project, dominated the discussion.

List of participants is not available

## Consultations in Zakatkari (Lot 2)

**Date:** 15 September 2018  
**Time:** 16:00-18:00  
**Location:** Zakatkari village  
**Purpose:** Consultations with communities  
**Facilitator(s):** Dragica Veselinovic, ADB Social Safeguard Consultant, Elene Mgaloblishvili, Gamma Consultant  
**Attendees:** 6 residents from Zakatkari village  
**Gender:** 2 women, 4 men

### Overview

The consultation in Zakatkari village was attended by six village residents and was held on the roadside. The aim of the meeting was for participants to complete an SES questionnaire. It was also an opportunity to share project information and hear people's views on the project.

No	Questions/Comments	Response from Facilitators
1	An elderly woman whose land is partially affected stated that if her home is affected, she will not move from her home. She stated that she is old and that she will die in her home.	We explained to her that her home is not going to be affected. We visited her home and showed the road boundaries which are at least 50-70 m away from her house.
2	One displaced person stated that the road will bring more 'so called tourists' who will settle and stay in their country. He would not like that to happen.	
3	<b>Zurabi Zukaidze, village resident:</b> He insisted that we visit his home which is more than 120 years old. The road will pass approximately 30 m from his home. He is concerned that his old house may collapse during the construction. He also claims that nobody came to see his house and to reassure him that the house will be safe.	The design will be checked. Mr Zukaidze may visit Gamma's office any time and check the design. The RD will conduct more consultations and present the last version of the design.
4	Other participants stated that they are happy with the road providing that their homes will not be acquired. They stated that the road will bring fast and comfortable access to schools and other services and that they intend to stay in the area permanently.	



### FGDs in Kvesheti (Lot 2)

**Date:** 16, 17 and 30 October 2018  
**Location:** Kvesheti  
**Purpose:** Female FGDs - Gender and social analysis and livelihoods  
**Facilitator(s):** Elene Rusetakaia, Gender Specialist and Elene Mgaloblishvili, Gamma Consultant  
**Attendees:** 30 residents from the villages Kvesheti, Almasiani, Arakhveti, Nagvarevi, Mleta, Bedoni  
**Gender:** 30 women

#### Overview

There were three focus groups discussions (FGD) with women from the villages located along the Project road. The FGS were attended by 30 women, entrepreneurs and hotels' housekeepers from Kvesheti, Almasiani, Arakhveti, Nagvarevi, Mleta and Bedoni villages. The aim of discussions at these groups were gender-related issues, their livelihoods, opinion and suggestions about the project. It was also an opportunity to share project information and hear people's views on the project. The report describes a summary of discussions related to the LAR and livelihoods. Other information related to gender, will be reported in detail in the Gender and Social Analysis report.

The main issues related to the LAR were:

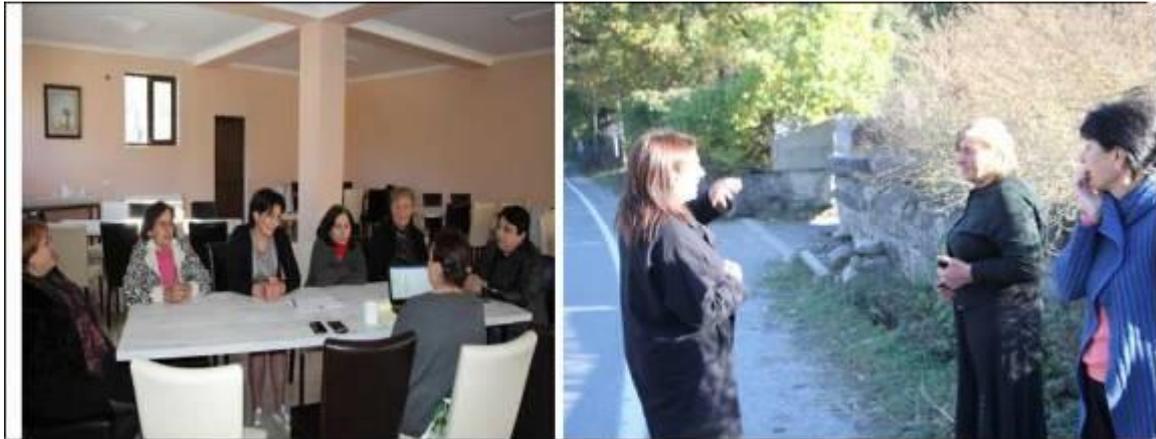
- Adequate compensation for affected assets;
- Legalization/registration of land;
- Compensation for affected businesses even if they are not affected;
- Affected houses, businesses and ceremonial hall in Arakhveti;

The main positive effect of the road are the following:

- The new road will be safer;

- Travel will be shorter and more comfortable;
- Dust and noise will be reduced;
- More opportunities for home economies such as selling woven socks and other produce;
- More opportunities for local hotels and restaurants;
- More employment opportunities for local population during the road construction;
- Internally-migrated residents might get back to the villages and live there;
- Improvement of the local access roads will have positive impacts but opinions of the local population, such as development of other infrastructures, should be included;

### Focus group in Kvesheti, 30 October



Women's FGD in Kvesheti and door to door meetings, 17 October, 2018



Mini market in Kvesheti, 16 October, 2018

Market in Kvesheti, 30 October, 2018



Asian Development Bank

პროცედი: კობი-უქვალურის მენეჯერის გაცემის პირობები  
შეჯამება ფორმის ჩაღვნიება

აგვალმდებარეობა: \_\_\_\_\_ თარიღი: \_\_\_\_\_

საინფორმაციო ტაბელო

№	სახელი, გვარი	სახეობრივი ადგილი	სამუშაო ადგილი	ბალანსი, ჯლ-ფოსტა	ხელმოწერა
1.	ფიგურაძე ანდრე	აქტივების მენეჯერი	ბანკის მენეჯერი	577677036	ა. ფიგურაძე
2.	ფიგურაძე დიმიტრი	აქტივების მენეჯერი	ბანკის მენეჯერი	577617955	დ. ფიგურაძე
3.	ფიგურაძე ივანე	აქტივების მენეჯერი	ბანკის მენეჯერი	575113422	ი. ფიგურაძე



ASIAN DEVELOPMENT BANK

პროცედი: კობი-უქვალურის მენეჯერის გაცემის პირობები  
შეჯამება ფორმის ჩაღვნიება

აგვალმდებარეობა: \_\_\_\_\_ თარიღი: \_\_\_\_\_

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1.	კახიძე ივანე	სოც. მენეჯერი	სოც. მენეჯერი	51	551-16-14-65	ი. კახიძე
2.	ბერიძე დიმიტრი	სოც. მენეჯერი	სოც. მენეჯერი	52	577-6767-04	დ. ბერიძე
3.	ბერიძე დიმიტრი	სოც. მენეჯერი	სოც. მენეჯერი	47	577-34-81-80	ი. ბერიძე



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პროექტი:  
კომბი- გუდაურის მაგისტრალის გაუმჯობესების პროექტი  
შეხვედრა ფოკუს ჯგუფებთან

ადგილმდებარეობა: ..... თარიღი:.....

სარეზიუმეობრივი შეჯამება

№	სახელი, გვარი	საცხოვრებელი ადგილი	სამუშაო ადგილი	ასაკი	ტელეფონი/ელ-ფოსტა	ხელმოწერა
1.	ჭყევენი ჭყევენიძე	თბილისი რაიონი	დასახლები	61	579377700	<i>[Handwritten signature]</i>
2.	ჭყევენი ჭყევენიძე	თბილისი რაიონი	თბილისი მუნიციპალიტეტის მერიის	57	591 11 34 63	<i>[Handwritten signature]</i>
3.	ჭყევენი ჭყევენიძე	თბილისი რაიონი	დასახლები	42	598-555-923	<i>[Handwritten signature]</i>



ASIAN DEVELOPMENT BANK

პროექტი:  
კომბი- გუდაურის მაგისტრალის გაუმჯობესების პროექტი  
შეხვედრა ფოკუს ჯგუფებთან

ადგილმდებარეობა: ..... თარიღი:.....

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1.	კაკაია ნანა	ს. თბილისი რაიონი	ქეიპი-სი, რაიონი	62	599-33-80-73	<i>[Handwritten signature]</i>
2.	კაკაია ნანა	ს. თბილისი რაიონი	საგარეო ურთიერთობების სამსახური	36	551-56-19-54	<i>[Handwritten signature]</i>
3.						

## Focus Group Discussion Conducted on APs' Requests

**Village:** Kvesheti

**Date:** 15.10.2018  
**Location:** Mr. Odishvili house  
**Participants:** 3 men, APs from Kvesheti  
**Information shared:** Design of the project

### Discussion conducted by:

Representatives from RD: Mikheil Ujmajuridze, Nino Mtsuravishvili, Davit Getsadze -Deputy Head Of Project Design Division

Three displaced persons from Kvesheti village requested RD to present information about the project design. RD representatives met with K. Odishvili, Z. Tsiklauri and G. Lagvilava and presented the road design document. The APs were interested in the project's boundaries in order to determine impact on their lands. After the meeting, the APs requested more project-related documents such as transverse and longitudinal cuts. A copy of design was sent to Mr. G. Lagvilava.

Based on the discussion with these affected persons, engineers changed the design at this location and the impact on the land plots No 18 (with a house on it), 19, 20, 20-1 and 23, were fully avoided.



Minimized impact on Mr. G.L's:  
affected narrow strip of land  
next to the river



Avoided impact on Mr. K. O. house



Avoided impact on Mr. Z. land



## Public Consultation in Mleta

<b>Date:</b>	January 9, 2019
<b>Location:</b>	Kvemo Mleta (School Building).
<b>Purpose:</b>	Consultations with project communities
<b>Facilitator(s):</b>	Mikheil Ujmajuridze (Head of Social and environmental issues Division RDMRD) and Elene Mgaloblishvili (Gamma Consulting)
<b>Other participants:</b>	Nino Mtsuravishvili (Deputy Head of Social and environmental issues Division RDMRD), Archil Jorbenadze (ADB Project Coordinator (RDMRD)), Girogi Khodeli (ADB Resettlement Consultant), Marika Gengashvili (ADB resident mission, communication specialist), Sopho Gigauri (Gamma Consulting) and Tengiz Bedoidze – representative of Dusheti and Mayor of Kvesheti community.
<b>Attendees:</b>	27 people
<b>Gender:</b>	3 females and 24 males

### Overview

The meeting was opened by Elene Mgaloblishvili, who introduced the facilitators and purpose of the meeting to attendees, described the project and also introduced entitlement matrix and grievance redress mechanism.

### Summary of issues raised

- (i) issues of land registration;
- (ii) safety of buildings during the road construction;

During the meeting were discussed issues of land registration, including recognition commission's work. Representative of Roads Department Mikheil Ujmajuridze answered questions of attendees, explained process of land legalization and registration and ask participants to contact individually with representatives of RD for assisting during registration process.

PIBs were distributed to the attendees at the beginning of the meeting.

Since some of APs were not able to attend on public consultation because of weather condition, PIBs were left to Representative of Mayor in Kvesheti community, for distribution within APs and to make notes about issues raised by them.

Name	Village	Questions/Comments	Response from Facilitators
Gocha Lagvilava	Kvesheti	Are there any changes made to the project design? If so, can you provide updated version? What is the distance from buffer to the houses? Also, we would like to know if the affected areas are already identified.	It is a final design and it will not be changed any more. Everything is already determined and information will be provided individually. You will get comprehensive responses.
Zurab Burduli (talked on behalf of Venera Zakaidze)	Zakatkari	What are the compensation packages and when will we receive it?	Compensation packages are determined individually, therefore, you will be informed about it individually. As soon as the land plot is registered, we will be able to sing arrangements.
Gocha Lagvilava	Kvesheti	Some land plots are not registered and some are in the process of registration. We heard the rumour that the Department asked recognition commission to drag on the process. Is it true? We don't have documents required for registration of land plots. What will happen in this case?	As for the mentioned rumour, it is not true. In fact, our goal is to speed up the registration process. If there are any ownership documents or proof, land plot shall be recognized as soon as possible. As for the absence of documents, more simplified laws have been adopted in the recognition commission, through which the procedure will be simplified. When everything is done in accordance with acting laws, the process becomes simple.
Vasil Burduli	Arakhveti	I have an ownership recognition document, but recognition commission declined statement and I do not know why. The documents were provided to the public registry. We are also interested in prices. In what condition will my house be after construction?	You can submit your information to the Roads Department for review and suggestions. We have a special service that gives us access to the public registry. We will find out the problem and contact with you. Compensation packages will be determined and will be introduced to you individually. Your case needs to be reviewed individually. Please contact us and we will assist you.
Gocha Lagvilava	Kvesheti	How are you going to solve the problems with land legalization? The process has been slowed down and everyone thinks it is on purpose.	As soon as we heard the abovementioned rumour regarding the recognition Commission, we immediately took measures. I immediately called your mayor. It was about 1 month ago. Currently problem is solved and the process is in progress. I do not know what will happen in the future, but we are ready to assist you within our competence. Everything should be analysed and positive steps shall be taken. Provide information about the problems you face and all the documentations you have; we have access to public registry and we will review negative answers within our competence.
Gocha Lagvilava	Kvesheti	The booklets you have provided are standard. Where can we find more detailed information?	This booklet includes key subjects; In the LARP you will get more detailed information. Resettlement specialist will meet you and discuss the document in detail.
Levan Burduli	Arakhveti	What is the status of the tender? When will the project be launched? When will the compensation be paid? When is the deadline for completion of the project?	Tender procedures are in the process. Resettlement related activities will start from the end of January or early February. The project will be launched from Spring-Summer of 2019 and estimated time to complete is 2022.
Rati Suntidze	Jaghmiani	I could not register the whole land plot. Will I receive the compensation for whole land plot or only for registered part? Can you somehow assist me? What we shall do regarding the	If everything is lawful and you have all the necessary documentation, it should be recognized. The Public Registry will discuss it within 4 working days. Then it will be handed over to the Recognition Commission and if the

Name	Village	Questions/Comments	Response from Facilitators
		registration of the land? Shall we wait for you or shall we do it by ourselves?	problem is not still resolved, the last stage is the court. As for the process of land registration, wait for us and we will provide drawings and assist you within our competence.
Zurab Burduli	Zakatkari	Is anything new on Pasanauri section? Is it already defined?	We have to discuss this issue together with the design department. We will have information in the next week. Please contact with us later.
Zurab Murghuli (Danieli)	Kaishauri	The weather was bad during the DMS and census survey, due to which I was not able to attend it. Some plants have not been recorded on my land plot. How can you assist me?	We will discuss this issue together with DMS team and we will contact you.
Levan Tsamlaidze	Kvesheti	How will the issue of employment be solved? What is the principle used for compensation of lands?	As for employment, the local population will be employed. Land is evaluated by market price, depending on its location.
Giorgi Beniadze	Begoni	I have a house in Bedoni, downstream of Didveli (platou); there is already a landslide zone. If heavy equipment works there, my house will be affected. How can you help me with this issue?	Heavy equipment will work in Bedoni only during the construction phase and only on the floodplain and not on a rural road. If anything is damaged, it will be evaluated and compensated.

### Attendance List

საქართველოს მთავრობის  
საგარეო ურთიერთობების დეპარტამენტი  
საგარეო ურთიერთობების დეპარტამენტი

საგარეო ურთიერთობების დეპარტამენტი  
საგარეო ურთიერთობების დეპარტამენტი

№	სახელი-გვარი Full Name	სამსახური Job Title	სამსახურის მდებარეობა Place of Work	კომპიუტერული ჩანაწერი Computer Record	საქმიანობა Occupation
1	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
2	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
3	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
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5	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
6	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
7	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
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10	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
11	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
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14	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი

საქართველოს მთავრობის  
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საგარეო ურთიერთობების დეპარტამენტი  
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15	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
16	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
17	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
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28	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
29	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი
30	გვარამია გიორგი	1	საგარეო ურთიერთობების დეპარტამენტი	597 101 159	საგარეო ურთიერთობების დეპარტამენტი

## Consultations' Photographs



## **Annex 3: Project Information Booklet**

### **KVESHETI-KOBI ROAD LOT 1 and LOT 2**

#### **Project Information Booklet**

##### **Introduction**

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

The Land Acquisition and Resettlement Plan (LARP) has been prepared by the Road Department (RD) of the Ministry of Regional Development and Infrastructure (MRDI) of Georgia for the 10 km Kvesheti-Kobi Road Tunnel Section Lot 1 (the Project) which is expected to be financed under a proposed loan of the Asian Development Bank (ADB). MRDI is the Project's executing agency (EA) and the RD is the Implementing Agency (IA).

The LARP prepared by RDMRDI is a final implementation-ready document based on the final road alignment and impact figures/implementation arrangements and fully reflects the provisions of relevant Georgian Laws and the provisions of the ADB Safeguards Policies Update of 2009 (SPS 2009) and EBRD Pr5.

Kvesheti-Kobi Road Section is part of Mtskheta-Stepantsminda-Larsi road, which is the main road connecting Georgia to the Russian Federation. The road starts from Mtskheta and ends at the border of the Russian Federation. The length of the section of existing road is around 34 km and is characterized by difficult terrain and winter maintenance conditions. During the winter, the height of snow at Jvari Pass reaches 3-5 meters. Storms and blizzards are commonplace, which is why Jvari Pass is often closed for traffic.

The East-West Highway is a strategic project in the Government's effort to transforming Georgia into a transport and logistics hub for trade between Central Asia and the Far East on one hand, and Turkey and Europe on the other. Connecting the East-West Highway to the main border crossing points is becoming a critical part of Georgia's effort to enhance its role as a transit country along the Silk Road.

The Lot 1 is defined from CH 12+720 to the end of the project area (CH 22+751). It runs from Tskere tunnel portal to Kobi junction for connection with the existing road. The main element of this section is a 9 km tunnel (named tunnel 5). An emergency gallery parallel to the tunnel is being considered as well as service buildings in the north and south portals, with related works.

220. The Lot 2 section from Kvesheti to Tskere includes four tunnels totaling 2.5 km in length and six bridges. It begins at KM 0+000 and ends at KM 12+700. The main elements of this section are:

- (i) Kvesheti bypass road (length 3.2 km),
- (ii) six bridges ranging from 27.8 m to 435.28 m in length,
- (iii) four tunnels ranging from 193.42 m to 1,540.64 m in length,
- (iv) five grade junctions (KM 0+300, KM 1+700, KM 3+100, KM 7+700, KM 10+500), and
- (v) three service roads.

## Project Alignment



## Resettlement Policy Commitments for the Project

The resettlement policy for the project has been designed to (a) cover all APs irrespective of their title to land, (b) provide replacement cost compensation for lost assets, and (c) restore or enhance the livelihoods of all categories of APs. The households/persons affected by the Project will receive cash compensation for land and other assets at full replacement cost as per the market price at the time of dispossession. Additional measures will be taken to ensure minimum disruption during the project construction period. Physically and economically affected households 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 Framework of the Program, and Georgian laws on land acquisition and ADB's SPS 2009:

- Land acquisition, and other involuntary resettlement impacts will be avoided or minimized by exploring all viable alternative project designs
- 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
- Land will be acquired through a contract agreement to the extent possible. The expropriation process will be sought only as a last resort when all possibilities of negotiation fail
- Vulnerable and severely APs will be provided with special assistance
- 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
- 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
- Provision of income restoration and rehabilitation compensation will be made
- The LARP will be disclosed to the APs in the local language which is Georgian
- Payment of compensation, resettlement assistance and rehabilitation measures. The rates set in this LARP will be fully provided prior to the contractor taking physical possession of the land and prior to the commencement of any construction activities on a particular package.
- 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

- Complaints will be reviewed using the existing grievance redress mechanisms
- For projects that entail large-scale involuntary resettlement, resettlement action plans must be prepared and made available to the public. It is desirable that the resettlement action plan include elements laid out in the ADB's SPS 2009
- Appropriate participation of affected people must be promoted in planning, implementation, and monitoring of resettlement action plans
- Preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based
- Provide support for the transition period (between displacement and livelihood restoration)
- In preparing a resettlement action plan, consultations must be held with the affected people and their communities based on sufficient information made available to them in advance. When consultations are held, explanations must be given in a form, manner, and language that are understandable to the affected people.

### Compensation Eligibility and Entitlements

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

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

Tasks under the Project will be implemented according to the following 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 below.

**Entitlement and compensation matrix**

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
<b>Land</b>			
Agricultural Land: Permanent land loss, access or damage.	AP losing productive land regardless of impact severity	<b><u>Registered Owner/Legal:</u></b> Owner with full registration	Cash compensation at full replacement cost based on current market value. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desire.
		<b><u>Legalizable Owner:</u></b> (APs with title formalization pending and APs who are not registered but legitimately use the land and have residential land or agricultural plots adjacent to the residential land)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		<b><u>Non-legal/Informal Settler:</u></b> APs that are not legitimate land users or squatters	Non-legalizable APs losing agricultural land plot will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5 members family for 12 month period where land is

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
			actively cultivated, or 3 month period where land is barren/unused.
		Agricultural Tenant	Full Compensation of income of lost crops x the remaining years (up to 4 years) of lease, unless otherwise provided by the lease agreement. In case of tenancy no crop compensation will be given to the land owner, and implementing agency, in consultation with local government, will provide assistance to the tenant with the search of replacement lease/tenancy
Non-Agricultural Land	AP losing their commercial/ residential land	<b>Registered Owner/Legal:</b> (Owner with full registration)	Cash compensation at full replacement cost.
		<b>Legalizable Owner:</b> (Legalizable owners according to active legislation)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		<b>Non-legal/Informal Settler</b> (Without registration/valid documents using land permanently.)	Non-legalizable APs losing a land plot, which is the only land plot used for residence or providing the main source of income for the AH, will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5 members family for 12 month period. This only applies to physically displaced APs who do not have other residence.
Temporary Impact on land plot	N/A	<u>N/A</u>	Temporary land impacts will be compensated based on the productive value of the plot during the period of impact and after their use will be re-established by the EA at the pre- impact productive conditions.
<b>Buildings and Structures</b>			
Residential and non-residential structures/assets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	Cash compensation for loss of building/structures at full replacement costs free of depreciation and transaction costs
<b>Loss Of Community Infrastructure/Common Property Resources</b>			
Loss of common property resources	Community/Public assets	Community/Government	Reconstruction of the loss of resource/asset in consultation with community and restoration of their functions.
<b>Loss of Income and Livelihood</b>			
Crops	Affected standing crops or agricultural land, used permanently for crop cultivation.	All APs regardless of legal status (including legalizable and Informal settlers)	Crop compensation in cash at market rate for gross crop value of expected harvest.
Trees	Trees affected	All APs regardless of legal status (including legalizable and Informal settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees. (based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity).
Business/Employment	Business/employment loss	All APs regardless of legal status (including legalizable and Informal settlers)	<u>Owner:</u> (i) ( <b>permanent impact</b> ) cash indemnity of 1-year net income or in the absence of income proof, or in cases where APs have paid tax based on a flat rate, they will receive compensation equal to 12 months minimum subsistence allowance.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
			(ii) <b>(Temporary impact)</b> cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence allowance for months of business stoppage; <b>Permanent worker/employees:</b> indemnity for lost wages equal to actual wage for 3 month or in case of absence of tax declaration, one-time minimum subsistence allowance in cash for 3 months. For all the above, some acceptable official documents need to be presented, ie. salary payment document, accountant/financial report.
<b>Allowances</b>			
Severe Impacts	Physical relocation or loss of >10% of productive assets	All severely affected AHs including informal settlers	<b>Agricultural income:</b> 1 additional crop compensation for 1 year's yield of affected land or an allowance covering 3 months of minimum subsistence, whichever is higher - or, for <b>other incomes:</b> an allowance covering 3 months of minimum subsistence.
Livelihood restoration	APs losing more than 10% of their agricultural productive assets	All severely affected households AHs including informal settlers	<b>Agricultural livelihood restoration:</b> Two times annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take, for all severely affected households. If this amount is less than 3 months minimum subsistence allowance, 3 months of minimum subsistence allowance will be paid instead.
	APs losing more than 10% of their non-agricultural productive assets	All severely affected households including informal settlers	<b>Non-agricultural livelihood restoration: A</b> livelihood restoration package of 3 months of minimum subsistence.
Relocation/Shifting	Transport/transition costs	All AHs to be relocated	An allowance covering transport and livelihood expenses for the transitional period. (200 GEL as vehicle hire charge + minimum subsistence allowance for 3 months.
Vulnerability Allowance		AHs below poverty line, AHs headed by women, AHs headed by disabled people and refugee' households/internally displaced people.	One-time minimum subsistence allowance in cash for 3 months and employment priority in project-related jobs where feasible. Additional assistance in kind will be provided to facilitate relocation or transition – this may include (logistics, relocation planning, assistance with replacement housing search, as appropriate).
Unforeseen impacts during construction, including temporary impacts and impacts on livelihoods not otherwise assessed.	Impacts during construction to properties or assets out of the corridor of impact or RoW	All APs	Due compensation to be assessed and paid when the impacts are identified based on the above provisions and on the requirements of SPS 2009 and EBRD PR 5.
Impacts related to spoil disposal areas and construction camps.	Temporary impacts	APs using affected pasture lands	Any temporary impact caused by the use of land for camp or as a temporary disposal area, will be regulated by private agreements between the Contractor and the land owners.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
			Should such temporary impacts also affect persons using pasture lands other than the owners, adequate livelihood assistance for loss of hay and grazing grounds will also be assessed and provided during implementation.
	Permanent impacts		Any permanent impact on land caused by the use of land for permanent disposal of unsuitable material or debris remaining after demolition of existing parts of the road, will be adequately compensated as per the provisions set up in the LARP. In addition, adequate livelihood assistance for loss of hay and grazing grounds, if any, will be assessed and provided during implementation.

### Grievance Redress Mechanism

A grievance mechanism will be available to allow APs to appeal any decision, practice or activity arising from land or other assets compensation, that they disagree with. APs will be fully informed of their rights and of the procedures for addressing complaints whether orally or in writing during consultations, surveys, and at the time of award of compensation. Care will always be taken to prevent grievances rather than going through a redress process. This can be achieved 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 EA, and local governments in general. Complaints and grievances will be addressed through the process described in the table below.

The GRM consists of project-specific systems established at the municipal level and a regular system established at RDMRDI. The Grievance Redress Committee (GRCE) established at the municipal level as a project-specific instrument, will be functional for the whole period of the Project implementation. The Grievance Redress Commission (GRCN) is formed as an informal structure within the RDMRDI to ensure grievance review, resolution and record.

The Grievance Redress Commission (GRCN) is formed by the order of the Head of the RDMRDI as a permanently functional informal structure, engaging personnel of RDMRDI from all departments related to LAR issues and complaint resolution. This includes top management, safeguard or LAR units, legal departments, PR department and other relevant departments (depending on the specific structure of the Implementing Agency - IA). The GRCN is involved in Stage 2 of the grievance resolution process. The order shall also state that if necessary, a representative of local authorities, NGOs, auditors, APs and any other persons or entities can be included in the commission as its members.

A Grievance Redress Committee (GRCE) is an informal, project-specific grievance redress mechanism, established to administer the grievances at Stage 1. This informal body will be established at the community level in each affected municipality (village/community authority). The GRCE shall include representatives of municipal LAR teams and local communities. The RD representative in the Municipal LAR Team shall coordinate the GRCE formation. He/she will then be responsible for the coordination of GRC activities and organizing meetings (Convener).

If considered necessary, GRCEs will be established at the community level with an office order from the RD with provision of the following seven members:

- (i) Representative of Resettlement Unit of IA : Convener; Contact Person
- (ii) Representative Rayon LAR team : Member Secretary
- (iii) Representative of the Mayor of the municipality in the administrative unit (village level) : Member
- (iv) Representative of APs : Member
- (v) Representative of NGO : Member
- (vi) Representative of Civil Works Contractor : Member
- (vii) LAR Specialist of Supervision Consultants : Member

A representative of the resettlement unit of the IA is coordinating the work of the Committee while acting as a contact person for collecting grievances and handling the grievance log. The local authorities at the municipal level, civil works Contractor, Supervising Company (Engineer), as well as APs (through informal meetings) are informed about the contact person and his contact details are available in the offices of all mentioned stakeholders.

The Contact Person collects and records the grievances, informs all members of the Committee and the management of RD regarding the essence of the problem, engages the relevant stakeholders in discussions with the aggrieved party and handles the process of negotiation with APs at Stage 1 of the grievance resolution. The Contact Person prepares the minutes of meetings and collects signatures. In case the grievance is resolved at Stage 1, the Contact Person records the closure of the grievance in his log and informs RDMRDI management about this in writing. If the complainants are not satisfied with the GRC decisions, they can always use the procedures that are part of the Stage 2 grievance resolution process. In that case, the Contact Person helps the AP lodge an official complaint (the plaintiff should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc.).

The APs should be informed about the available GRM. This could be achieved through implementing information campaigns, distributing brochures (e.g. Communication Plan), keeping all focal points up-to-date & maintaining regular communication with them, allowing multiple entry points for complaints, and introducing forms for ease of reporting complaints.

### **Grievance Resolution Process**

<b>Steps</b>	<b>Process</b>
Step 1	The complaint is informally reviewed by the grievance redress committee (GRC), which takes all necessary measures to resolve the dispute amicably.
Step 2	<ul style="list-style-type: none"> <li>• If the grievance is not solved at the previous level, the municipality level LAR representative will assist the aggrieved APs to formally lodge the grievances with the respective GRCE at Municipality level. The aggrieved APs will lodge the complaint if there is failure of negotiation at village level and produce documents supporting his/her claim.</li> <li>• The GRCE member secretary will review the complaint and prepare a Case File for GRCE hearing and resolution. A formal hearing will be held with the GRCE at a date fixed by the GRCE member secretary in consultation with Conveyor and the aggrieved APs.</li> <li>• On the date of hearing, the aggrieved AP will appear before the GRCE at the village office and produce evidence in support of his/her claim. The member secretary will note down the statements of the complainant and document all proof.</li> <li>• The decisions will be issued by the Conveyor and signed by other members of the GRCE. The case record will be communicated to the complainant AP by the LAR Team at the village level.</li> </ul>



<b>Date of Negotiation:</b>	Resolution of Negotiation:
<b>What is the basis of your claim?</b>	
Signature: _____ Date: _____	

## Annex 4 Valuation Methodology

### 1. Land Valuation

NOTE: To provide assurance that the valued price responds to the replacement cost of the land in this area, ADB commissioned independent valuations of a random sample of 10 land plots distributed along the road alignment. In each case, the valuation conducted for this LARP (methodology outlined below) exceeded the market value determined by the independently commissioned experts.

#### Market Approach:

Buffer (Lot 2) of the land plots begins near Pasanauri, in the village of Kvesheti located in the direction of Gudauri, continues till the end of the village of Arakhveti, then crossing the Aragvi River and passes Zakatkari, Gomurni, Beniani and Begoni villages till the village of Tskere.

According to the Public Registry Extract, the land plots to be evaluated are used for agricultural purposes. In addition, due to the fact that the territories to be evaluated are the tourist and suburban zones, where the cost of land substantially increases from year-to-year in parallel with the development of infrastructure and increased tourist flow. This discussion concerns the land plots located on the right side of Aragvi River, along the central road. As for the left side, there is a gorge with small settlements that are accessible only with off-road vehicles. Exception is the village Zakatkari, which is more or less urban zone.

Due to the fact that the land plots on the territory under evaluation is mainly used for commercial or suburban purposes by the population, the Market Approach was selected from International Valuation Standards. As for the second basic method of the International Valuation Standards - the Revenue Approach, information required for its use could not be obtained. It should be noted that the land plot market is not established on this dislocation, and there is not enough information on the transactions in the public registry. In addition, unreasonably low prices are recorded in these purchase contracts. (For example: 0.20 -0.50 tetri for land plots that have fronts towards the road), which is particularly characteristic for transactions between natural persons in villages and periphery in Georgia. Consequently, for the purposes of evaluation, we have used the statements about sales published in the internet space and in special editions.

### LAND VALUATION METHODS

Depending on the fact that information about land transactions does not exist, and unrealistic values are recorded in some purchase/sale agreements, which is particularly characteristic for agreements signed between the population in peripheries, statements published in internet space were used as comparison analogs. One of the basic approaches - the **Market Approach**, defined by the International Valuation Standard(IVS-2017), was used for determining the value of the compensation of land:

<u>Approach</u>	When applying Market Method, the valuer establishes an assumption about the value by comparing the objects of comparison property with the objects of the property of the valuation.
<u>Procedure</u>	„In applying Market Method approach, a evaluator follows a systematic procedure. The evaluator will: – Research the market. – Verify the information. – Select relevant sample objects (land plots) of comparison – Compare the sale properties with the subject property using the elements of comparison... – Reconcile the results into a value indication...“ /International Valuation Guidance GN 1. Real Property Valuation/

Elements of comparison of Elements of comparison determine the specific features of properties and transactions that explain the prices to vary. The market analysis reveals which elements are particularly sensitive.

Sales comparative data analysis involves comparison of the following elements:

Real property rights conveyed...

Financing terms.

Sale conditions.

Expenditures made immediately after purchase...

Market conditions...

Location...

Physical characteristics...

Economic characteristics...

Use...

Non-realty components of sale...

Market or Sales Comparison Approach was used to determine the value of the land plots that fall under influence. This is an appraisal method that evaluates the object in comparison to other objects the market value of which is known (land acquisition is done, i.e. have recently been sold or have been declared for sale).

According to the Public Registry Extract, the land plots to be evaluated are used for agricultural purposes. In addition, due to the fact that the territories to be evaluated are the tourist and suburban zones, where the cost of land substantially increases from year-to-year in parallel with the development of infrastructure and increased tourist flow. This discussion concerns the land plots located on the right side of Aragvi River, along the central road. As for the left side, there is a gorge with small settlements that are accessible only with off-road vehicles. Exception is the village Zakatkari, which is more or less urban zone.

In view of the above circumstances, in terms of the best and most efficient use, lands can be divided into two dislocations and 4 types. Namely:

**First dislocation** - The right bank of Aragvi River, where land plots are located along or adjacent to the central road.

**Second dislocation** - the left bank of Aragvi River, administrative zone of Zakatkari settlement and agricultural land plots located along the gorge till the village Tskere.

Accordingly, land plots under evaluation fall into four types, namely:

**Type I** – Land plots located on the right bank of Aragvi River that have fronts towards the Tbilisi-Gudauri-Stepantsminda highway;

**Type II** – The rest of the land plots located on the right side of Aragvi River;

**Type III** – Agricultural land plots located on the left bank of Aragvi River within the Administrative boundaries of Zakatkari village;

**Type IV** - Agricultural land plots located on the left bank of Aragvi River.

For the evaluation of a land plot, it is necessary to analyze the market segment, as well as the values fixed in accordance with the contracts concluded on similar immovable property and the statements submitted for sale, which were carried out within the boundaries of the above-mentioned territory and the surrounding villages.

In the process of evaluation, in order to determine the market value of land plots, we have obtained data about analogs that are based on the market projections and data of the transactions provided by the National Agency of Public Registry (information source is shown in the Table), which is given in Table №1.

**Table A 1: Analogues for type I for land plots**

Area	Purpose	Address, location of real estate	Price of transaction/proposal unit, m <sup>2</sup> /GEL	Source of information
Land plot of 700.00 m <sup>2</sup>	Agricultural, water, gas, electricity	Pasanauri	1.0 m <sup>2</sup> – 110 GEL	www. ss.ge ID: 444516 29.08.2018.
Land plot of 4557.00 m <sup>2</sup>	Agricultural, fenced, water, gas, electricity	Pasanauri	1.0 m <sup>2</sup> – 118.0 GEL	www. myhome.ge ID: 8722077 19.09.2018.
Land plot of 1000.00 m <sup>2</sup>	Agricultural, water, gas, electricity	Pasanauri	1.0 m <sup>2</sup> – 81.0 GEL	www. eqo.ge ID: 243342 05.06.2018.

*Table A 2: Determination of value for property type I within zone of influence (in GEL, unit 1.00 m<sup>2</sup>).*

N	Comparison elements	Analogue N1	Analogue N2	Analogue N3
	<b>Area m<sup>2</sup></b>	700	4557	1000
	Price of 1 m <sup>2</sup> (GEL)	110,00	118,00	81,00
1	<b>Transfer of property rights</b>	Full	Full	Full
	<i>Correction</i>	0%	0%	0%
	Corrected price	110	118	81
2	<b>Financing conditions</b>	Typical	Typical	Typical
	<i>Correction</i>	0%	0%	0%
	<i>Corrected price</i>	110	118	81
3	<b>Selling conditions</b>	Proposal	Proposal	Proposal
	<i>Correction</i>	-5%	-5%	-5%
	<i>Corrected price</i>	104,5	112,1	76,95
4	<b>Expenses to be paid after acquisition</b>	No	No	No
	<i>Correction</i>	0%	0%	0%
	<i>Corrected price</i>	104,5	112,1	76,95
5	<b>Market conditions (time)</b>	2018	2018	2018
	<i>Correction</i>	0%	0%	0%
	<i>Corrected price</i>	104,5	112,1	76,95
6,1	<b>Location</b>	Analogue	Better	Analogue
	<i>Correction</i>	0%	-20%	0%
	<i>Corrected price</i>	104,50	89,68	76,95
6,2	Access road	Analogue	Analogue	Analogue
	<i>Correction</i>	0%	0%	0%

N	Comparison elements	Analogue N1	Analogue N2	Analogue N3
	<i>Corrected price</i>	104,50	89,68	76,95
7	<b>Physical characteristics</b>			
7,1	Area	Medium	Medium	Medium
	<i>Correction</i>	0%	0%	0%
	<i>Corrected price</i>	104,50	89,68	76,95
7,3	Communications	Better	Better	Better
	<i>Correction</i>	-20%	-15%	-15%
	<i>Corrected price</i>	83,60	76,23	65,41
7,4	Restrictions (servitude, etc.)	None	None	None
	<i>Correction</i>	0%	0%	0%
	<i>Corrected price</i>	83,60	76,23	65,41
8	<b>Economical Characteristics</b>	Better	Better	Better
	<i>Correction</i>	-10%	-10%	-10%
	<i>Corrected price</i>	75,24	68,61	58,87
9	<b>Other components of sale</b>	Analogue	Fanced	Analogue
	<i>Correction</i>	0%	-5%	0%
	<i>Corrected price</i>	75,24	65,17	58,87

Table A 3: Analogues for type III for land plots

Area	Purpose	Address, location of real estate	Price of transaction/proposal unit, m <sup>2</sup> /GEL	Source of information
Land plot of 6140.00 m <sup>2</sup>	agricultural. water, gas, electricity	Pasanauri, Khando	1.0 m <sup>2</sup> – 10 GEL	www. myhome.ge ID: 7532703 03.09.2018 Cadastral code: 71.54.06.065
Land plot of 600.00 m <sup>2</sup>	agricultural. Building, white brick	Pasanauri, village Tsitliankari, water tap water, gas, electricity	1.0 m <sup>2</sup> – 52.40 GEL	www.ss.ge ID: 2338927 11.09.2018
Land plot of 5000.00 m <sup>2</sup>	agricultural. water, gas, electricity	Pasanauri, Mleta, fenced	1.0 m <sup>2</sup> – 12.0 GEL	www. eqo.ge ID: 243342 05.06.2018.

Table A 4 Determination of value for property type III within zone of influence (in GEL, unit 1.00 m<sup>2</sup>).

N	Comparison elements	Analogue N1	Analogue N2	Analogue N3
	<b>Area m<sup>2</sup></b>	6140	600	5000
	<b>Price of 1 m<sup>2</sup> (GEL)</b>	10,00	52,40	12,00
1	<b>Transfer of property rights</b>	Full	Full	Full

N	Comparison elements	Analogue N1	Analogue N2	Analogue N3
	<i>Correction</i>	0%	0%	0%
	<i>Corrected price</i>	10	52,4	12
2	<b>Financing conditions</b>	Typical	Typical	Typical
	<i>Correction</i>	0%	0%	0%
	<i>Corrected price</i>	10	52,4	12
3	<b>Selling conditions</b>	Proposal	Proposal	Proposal
	<i>Correction</i>	-5%	-5%	-5%
	<i>Corrected price</i>	9,5	49,78	11,40
4	<b>Expenses to be paid after acquisition</b>	No	No	No
	<i>Correction</i>	0%	0%	0%
	<i>Corrected price</i>	9,5	49,78	11,40
5	<b>Market conditions (time)</b>	2018	2018	2018
	<i>Correction</i>	0%	0%	0%
	<i>Corrected price</i>	9,5	49,78	11,40
6,1	<b>Location</b>	Better	Better	Better
	<i>Correction</i>	-20%	-30%	-20%
	<i>Corrected price</i>	7,60	34,846	9,12
6,2	Access road	Better	Better	Better
	<i>Correction</i>	-15%	-15%	-15%
	<i>Corrected price</i>	6,46	29,62	7,75
7	<b>Physical characteristics</b>			
7,1	Area	Big	Analogue	Big
	<i>Correction</i>	5%	0%	5%
	<i>Corrected price</i>	6,78	29,62	8,14
7,3	Communications	Better	Better	Better
	<i>Correction</i>	-20%	-20%	-20%
	<i>Corrected price</i>	5,43	23,70	6,51
7,4	Restrictions (servitude, etc.)	None	None	None
	<i>Correction</i>	0%	0%	0%
	<i>Corrected price</i>	5,43	23,70	6,51
8	<b>Economical Characteristics</b>	Analogue	Better	Analogue
	<i>Correction</i>	0%	-30%	0%
	<i>Corrected price</i>	5,43	16,59	6,51
9	<b>Other components of sale</b>	Analogue	Building	Fence
	<i>Correction</i>	0%	-35%	-5%
	<i>Corrected price</i>	5,43	10,78	6,19

### Determination of Land Compensation Costs

As a result of reviewing analogs and studying corrected prices, the value of the evaluated land plots has been determined by calculating the average weighted rate. While agreeing the results of corrected prices, the more significant share will be given to the analogues that are the most comparable with the evaluated object and which required the less corrections.

The market value of the evaluated land plots (using the average weighted rate) was calculated with the following formula:

$$Vwa = \sum_{i=1}^n \left\{ Pi * \left( Ri / \sum_{i=1}^n R \right) \right\}$$

**Vwa** - average weighted rate;

**Pi** – Corrected price of each analog.

**∑ R** – Sum of rated weight of corrected prices of comparable analogs

**Ri** – Rated weight of corrected price of each comparable object.

Therefore, results of calculation of the market value of the evaluated object (land plots) obtained using the average weighted rate is given in Table

<b>Name</b>	<b>Pi</b>	<b>Ri</b>	<b>Vi</b>
Corrected price of analogue №1	75,24	1	30,10
Corrected price of analogue №2	65,17	0,5	13,03
Corrected price of analogue №3	58,87	1	23,55
<b>∑ R</b>		<b>2.5</b>	
<b>Vwa</b>			<b>66.68</b>
<b>Corrected market value of evaluated 1 sq.m land plot in GEL (rounded)</b>			<b>65</b>

Thus, the value of 1 sq.m of land plot type I was determined- **65 GEL**

The base price was determined in relation to the land plot of type I. Based on these data, the ratio between the calculated price and and prices of land plots of other types was determined.

**Table 6**

<b>Calculation of the compensation costs of land plots according to their types and purposes</b>				
Type	Purpose	Basic cost of 1 sq.m land plot, GEL	Correction coefficient	Compensation cost of 1 sq.m land plot, GEL
I	Land plots located on the right bank of Aragvi River with fronts towards the Tbilisi-Gudauri-Stepantsminda highway;	<b>65</b>	<b>1.0</b>	<b>65</b>
II	The rest of the land plots located on the right bank of Aragvi River		<b>0.6</b>	<b>40</b>

Therefore, results of calculation of the market value for type III evaluated object (land plots) obtained using the average weighted rate is given in Table 7.

Name	Pi	Ri	Vi
Corrected price of analogue №1	5,43	1	2,17
Corrected price of analogue №2	10,78	0,5	2,16
Corrected price of analogue №3	6,19	1	2,47
$\sum R$		<b>2.5</b>	
<b>Vwa</b>			<b>6.80</b>
<b>Corrected market value of evaluated 1 sq.m land plot in GEL (rounded)</b>			<b>6.80</b>

The base price was determined in relation to the land plot of type III. Based on these data, the ratio between the calculated price and and prices of land plots of other types was determined.

Calculation of the compensation costs of land plots according to their types and purposes				
Type	Purpose	Basic cost of 1 sq.m land plot, GEL	Correction coefficient	Compensation cost of 1 sq.m land plot, GEL
III	Land plots located on the right bank of Aragvi River with fronts towards the Tbilisi-Gudauri-Stepantsminda highway;	<b>6.80</b>	<b>1</b>	<b>6.80</b>
IV	The rest of the land plots located on the right bank of Aragvi River		<b>0,8</b>	<b>5.60</b>

Thus, as a result of the evaluation procedures, values of land plots are defined as follows:

Calculation of the compensation of land plots according to their types and purposes			
Type	Purpose	Compensation cost of 1 sq.m. land plot	Cost of single servitude of 1 sq.m. land plot
I	Land plots located on the right bank of Aragvi River with fronts towards the Tbilisi-Gudauri-Stepantsminda highway;	<b>65</b>	<b>25</b>
II	The rest of the land plots located on the right bank of Aragvi River	<b>40</b>	<b>8</b>
III	Agricultural land plots located on the left bank of Aragvi River within the Administrative boundaries of Zakatkari village;	<b>6.80</b>	<b>1.40</b>
IV	Agricultural land plots located on the left bank of Aragvi River.	<b>5.60</b>	<b>1.10</b>

## 2. Buildings Valuation

Buildings were valued at replacement cost based on 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 depreciation. The following parameters were used to calculate the direct and indirect costs, 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

## 3. Valuation Method of Annual Crops

This item has been valued using the area of affected crops and the current gross market values of the crop. The details are given in a table A 4.

Compensation for affected annual crops has been calculated by lost income method, which is derived from the data on productivity of each species and the current market price of 1kg of the product. Data on the productivity of different annual crops within the project region is obtained from statistical data published by National Statistics Office of Georgia and from sourcebooks prepared by agrotechnical scientists and accepted by the Ministry of Agriculture of Georgia.

**Table A 3** Example of compensation rates for annual crops

Crops	Unit	Productivity per 1 ha	Market price of unit of crops, GEL	Crop Compensation Price (GEL) per 1 ha
Potato	ton	26	600	15600
Cabbage	ton	22	300	6600
Beans	kg	800	5	4000
Garlic	kg	1600	5	8000

Other vegetables	-	-	-	5000
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#### 4. Valuation Method of Fruit-Bearing Trees

The loss of revenue determination method was used to identify the compensation value of the perennial plants during the period that is essential to growing an analogue seedling to the corresponding age of the existing plants.

The cost of perennial plants was determined according to their age. The price of fruit trees will be calculated by multiplying the annual harvest market price by the years required to grow a new perennial seedling to the same age of the existing trees.

The cost of compensation depends on the age, the expected yield, the cost of the harvest, the number of compensation years, the cost of planting and the estimated cost to reap the harvest, which varies from 15 to 30 percent of the fully acceptable funds. Data was taken from scientific papers, the Internet and sector specialists and considers different types of plant reactions in the climatic conditions of the region.

An example of compensation rates for perennials is shown in table A 5 below:

**Table A 4 Compensation for Trees**

Plants	Age group	Cost of seedling, Gel	Cost of harvest unit, Gel	Number of compensation	Full productivity per year, kg	Harvest compensation for per year (Gel)	Total compensation for adult perennial	Quantity	Compensation
1	2	3	4	5	6	7	8	9	10
Pear	Seedling (<5)	4	1,2	5	7	8,4	33	0	0
	5-10	4	1,2	7	20	24,0	122	0	0
	11-20	4	1,2	7	70	84,0	416	5	2080
	21+	4	1,2	7	45	54,0	269	0	0
Apple	Seedling (<5)	4	1	5	5	5,0	22	0	0
	5-10	4	1	6	25	25,0	109	0	0
	11-20	4	1	6	70	70,0	298	1	298
	21+	4	1	6	40	40,0	172	0	0
Plum	Seedling (<5)	4	0,8	5	8	6,4	26	0	0
	5-10	4	0,8	5	15	12,0	46	0	0
	11-20	4	0,8	5	30	24,0	88	6	528
	21+	4	0,8	5	20	16,0	60	0	0
<b>Total</b>								<b>12</b>	<b>2906</b>