



Ministry of Regional Development and Infrastructure of Georgia

Roads Department of Georgia

Resettlement Policy Framework

**Upgrading and Construction of Jinvali-Larsi and Kvesheti-kobi Roads
(Jinvali-Larsi Road 10,3 km long, Kvesheti-kobi Road 12,72 km long)**

July 2018

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Glossary

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

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

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

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

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

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

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

Legitimate Possessors: Affected persons who have titles to their properties or are registered as the owners of private property in the NAPR **Rehabilitation:** Compensatory measures other than payment of the replacement cost of acquired assets which are provided under this Policy Framework aimed at improving, or at least restoring, livelihoods and living conditions to pre-displacement levels. .

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

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

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

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

self-government include land-use and territorial planning, zoning, construction permits and supervision, housing, and communal infrastructure development.

Severely Affected: Households (including informal settlers) that lose more than 10% of their income generating land as a result of project-related land acquisition.

Vulnerable groups—People who by virtue of gender, ethnicity, age, physical or mental disability, Economic disadvantage, or social status may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

Abbreviations

ACS	–	acquisition and compensation scheme
AH	–	affected Household
AP	–	Affected Person
CBO	–	community based organization
DMS	–	detailed measurement survey
GoG	–	Government of Georgia
GRC	–	grievance redress committee
IA	–	implementing agency
IFI	–	International Financial Institution
IP	–	indigenous peoples
EMA	–	external monitoring agency
km	–	Kilometre
LAR	–	land acquisition and resettlement
LARC	–	land acquisition and resettlement commission
RPF	–	resettlement Policy framework
RAP	–	Resettlement action plan
M&E	–	monitoring and evaluation
MOF	–	Ministry of Finance
MPR	–	monthly progress report
MRDI	–	Ministry of Regional Development and Infrastructure
NAPR	–	National Agency of Public Registry
NGO	–	non-governmental organization
ESIA		Environmental and Social Impact Assessment
RD	–	Roads Department
RDMRDI		Roads Department of the Ministry of Regional Development and Infrastructure of Georgia
RoW	–	right of way
RD	–	resettlement Division
SES	–	socioeconomic survey
WB	–	World Bank

1. Executive Summary

1. Located along a transit corridor connecting Europe and Asia, Georgia has the potential to link a number of countries in the region to the Global Economy. Roads from the break of bulk points on the Black Sea coasts such as Poti, Sokhumi and Batumi, as well as from Russian Federation and Turkey. Therefore, a number of infrastructure projects have been initiated by the Georgian Government to improve the physical as well as the operating climate of the land transport, with the support of international development partners such as the World Bank, EIB, ADB and JICA.
2. Kevesheti-Kobi Road Section is part of Mtskheta-Stepantsminda-Larsi Road, which represents main road connecting Georgia to Russian Federation. Road starts from Mtskheta and ends at the Border of Russian Federation. Length of the section in the existing road is around 34 km and is characterized with difficult geographical and winter maintenance conditions. During the winter, height of snow at Jvari Pass there is 3-5 meters. Difficulty is not only snow, there is wind storms and snow falls, that's why during the winter many days Jvari Pass is closed for the traffic movement.
3. The East -West Highway is a strategic project in the Government's effort of transforming Georgia into a transport and logistics hub for trade between Central Asia and the Far East on the 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 to enhance its role as a transit country along the Silk Road.
4. The main objective of this activity, Detailed Design for Kevesheti-Kobi Road is the following: prepare all relevant documents necessary for the approval, tendering and construction of the Works, which will ensure the road continuity despite the difficult geographical and winter maintenance section from Kevesheti to Kobi.
5. This Resettlement Policy Framework (RPF) is prepared for Kevesheti-Kobi Road Section, ("the Project"), which is part of Mtskheta-Stepantsminda-Larsi Road. The master RPF document was developed and disclosed in March 2017 under the EWHCI Project AF (Additional Financing). The RPF is subject to review and clearance by the RD and WB. This RPF document was developed and will be disclosed in 2018. This RPF has been developed during the preparation of **Pre - Feasibility Study and Feasibility Study for Jinvali - Larsi Road and Detailed Design for the Construction of Kvesheti - Kobi Road Section**; this activity was financed by the WB. The objective of the Project is to contribute to the implementation of the Government's Four-year Spatial Arrangement Program for Improvement and Preservation of the Road infrastructure in Georgia for 2017-2021.
6. This RPF builds on the lessons learned from the preparation and implementation of land acquisition and involuntary resettlement instruments associated to other projects in the road sector, including WB-financed projects in Georgia such as: East-West Highway Corridor Improvement Project (EWHP) and East-West Highway Corridor Improvement Project AF (EWHP AF) ¹, the Third Secondary and Local Roads Project III² and SRAMP³.

¹ See RPFs for the EWHP (April 2015) and the EWHP AF (March 2017) <http://documents.worldbank.org/curated/en/2015/05/24495632/georgia-east-west-highway-corridor-improvement-project-resettlement-policy-framework>; http://www.georoad.ge/uploads/files/Georgia-EWHCIP-AF_Updated-RPF_FINAL.pdf;

² See RPF for SLRP III (March 2014) <http://www.georoad.ge/uploads/files/SLRP%20III%20RPF51.pdf> and

7. Therefore, this RPF will serve as the main guiding document for the development of Resettlement Action Plans (RAPs) for each road sub-section proposed for rehabilitation within the framework of **Pre - Feasibility Study and Feasibility Study for Jinali - Larsi Road and Detailed Design for the Construction of Kvesheti - Kobi Road Section** supported by WB.
8. The RPF should be read in conjunction with the World Bank's OP 4.12 Involuntary Resettlement Policy and effective legislation of Georgia. The RPF provides the guidance on how to prepare and implement RAPs, how to set out project goals and project implementation schedule, census and socio-economic survey, inventory of project affected asset, cut-off date and eligibility criteria for project affected people (PAPs), legal framework and institutional involvement, determines valuation methodology and approach to determine unit rates per each type of loss to be cash compensated, establishes compensation entitlements, participation and consultation procedures, and grievance redress mechanism which will be employed to compensate, and restore the livelihoods and living standards of PAPs.
9. The document outlines the resettlement principles and procedures ensuring that resettlement needs are identified, and the Roads Department (RD) of the Ministry of Regional Development and Infrastructure of Georgia (MRDI), the executing agency (EA), adopts and implements the procedures for land acquisition, involuntary resettlement, and potential loss of access to physical and economic livelihoods in compliance with the Government's applicable laws and regulations and the World Bank's policy OP 4.12 on Involuntary Resettlement.
10. This RPF provides guidance for the preparation and implementation of Resettlement Action Plans and seeks to clearly define the principles and approaches to be utilized while treating land-related road rehabilitation projects in compliance with legislation of Georgia and WB safeguard guidelines for Involuntary Resettlement and good international practices.
11. The RPF will be uploaded to the web sites of the Roads Department and WB, and it was made available in electronic and printed format to project stakeholders impacted by the project and involved in the implementation of Jinali - Larsi and Kvesheti - Kobi Roads construction. The main objective of the RPF is to assist RDMRDI at the phase of RAP preparation aimed at identifying the types, nature, and magnitude of potential economic and/or physical displacement impacts and providing adequate measures to address these impacts to ensure that potential PAPs are:
 - a. Informed about their rights and options pertaining to resettlement;
 - b. Included in the consultation process and given the opportunity to participate in the selection of technically and economically feasible alternatives; and
 - c. Provided with prompt and effective compensation at full replacement cost³ for losses of land, assets, or access to assets and livelihoods because of sub-project works.

³SRAMP [http://www.georoad.ge/uploads/files/Georgia%20SRAMP%20-%20Roads%20Sector%20Master%20RPF%20final-Nov%2010%20MB1%20\(2\).pdf](http://www.georoad.ge/uploads/files/Georgia%20SRAMP%20-%20Roads%20Sector%20Master%20RPF%20final-Nov%2010%20MB1%20(2).pdf)

³ Please find the detail explanation on the meaning of the replacement cost in the Definitions of Terms.

2 Introduction

Project Background

12. With the support of the World Bank, the Government of Georgia (GOG) is implementing the **Pre - Feasibility Study and Feasibility Study for Jinali - Larsi Road and Detailed Design for the Construction of Kvesheti - Kobi Road** project. The objective of this project is to contribute to the implementation of the Government's Four-year Spatial Arraignment Program for Improvement and Preservation of the Road infrastructure for 2017-2021.
13. The demand in road expenditures is higher than available resources. It is therefore essential to increase efficiency and use available resources optimally that requires suitable strategy for reduction of the gap between current and desired road network standards. This in its turn requires modern and comprehensive planning taking into account:
 - a. Political goals and objectives for the Road Network Development; and
 - b. Optimization of benefits from road expenditures.
14. A cost and benefit analysis of road expenditures is a fundamental prerequisite for justifying planned roadwork activities. It is used as an important indicator to prioritize sections in need of improvement. Cost-benefit ratio, on the other hand, does take into account decision-makers pre-set goals and objectives of the country's Road Network Development.
15. The Government's Four-year Spatial Arraignment Program of the Roads Department of Georgia envisages construction and rehabilitation of highway and secondary roads in Georgia during 2017-2021.
16. The World Bank will continue supporting the Roads Department (RD) of the Ministry of Infrastructure and Regional Development of Georgia (MRDI) by co-financing the implementation of the the Government's Four-year Spatial Arraignment Program and by providing technical assistance to RD for better programming, planning, budgeting, managing and monitoring roads network at the national level.

Project Scope of Works

17. The road section to be upgraded between **Jinali - Larsi Road (Lot 1) and Kvesheti - Kobi Road (lot 2) Section** is classified as a road of the "international importance", with the design speed fixed at 80 km/h.
18. The Lot 1 is defined from chainage 12+720 to the end of the project area (CH 22+751), specifically runs from Tskere tunnel portal to Kobi junction for the connection with the exiting road. The main element of this section is a 9 km long bidirectional tunnel. The project considers an emergency gallery parallel to the tunnel, technical buildings both in North and South portals and related works.
19. The placement of the Tskere portal has been very challenging. Although the main tunnel is more than 8.8 km-long, protection structures (cut&cover) have been adopted to guarantee no problems regarding avalanches for winter conditions at portals, which increase the total length of the tunnel up to 9 km. It is not possible to avoid the alignment curvature at the first stretch of the tunnel (chainage 13 to 15) due to the geological constraints. The tunnel is set inside the basaltic rock to avoid the thrust fault; moving it inside the

ancient glacier deposits (to make straight the alignment) would increase the risks regarding the fault, the water (at the contact soil located at the edge of the ancient glacier deposits) and the squeezing. Even though the elevation profile of the tunnel is lower than the stream level, it is considered not to have relevant problems of water for the tunnel (the basalt rock quality and the stream flow ensure it).

20. The main tunnel surrounds the volcanic cones and contact aureoles by the east side, the design indicates the best place depending on the orography and the geology conditions and under 2,000 m asl. The total length is 8,860 m and the southern portal tunnel have been located closer to Tsekere population at 1,832 m a.s.l, the northern portal tunnel in the Terek valley is closed to Kobi at 1,982 m a.s.l.
21. The main features of the layout are described hereunder; the route is **10.03 km** long including 9.06 km long tunnel (named tunnel 5). The lot 1 begins in the entrance to tunnel 5, in Tskere.
22. Lot 2 is defined from the beginning of the project area (CH 0+000) to chainage 12+720, from Kvesheti junction to Tskere before the tunnel portal. The main elements of this section are Kvesheti bypass, a 1.5 km long bidirectional tunnel (tunnel 1) and a 426 m long arch bridge at Khada valley (bridge 3).
23. Lot 2 is **12.72 km** long, and includes 2.5 km of tunnels and 1.5 km of bridges. It begins in Kvesheti with the by-pass of Kvesheti and goes up to the plateau crossing the Aragvi river by a bridge 2 (435 m long). Beyond bridge 2 there is the entrance portal for tunnel 1 in the slope of the plateau that reaches the top of the plateau with a constant 4% grade. From there it enters the Khada valley over the project's highest bridge (164 m high, arch bridge, bridge 3) located on the Khada river. It then crosses to the left bank of the river and proceeds to two more bridges and three more tunnels (one drilled tunnel and two cuts and covers) up to the plateau at Begoni. From this point bridge 6 crosses the river changing to the right bank up to Tskere, the ending point for Lot 2.

Magnitude of project impact

24. In general, the approach to be undertaken under the World Bank-financed projects promises positive impact and potential for future benefits for road users. Preliminary results of the feasibility study for the **Jinvali - Larsi Road (Lot 1) and Kvesheti - Kobi** road sections indicate that the selected alignment minimizes social impacts and resettlement needs. Nevertheless, the exact magnitude of the impact on land taking cannot be determined yet, detailed design for the of **Jinvali - Larsi Road (Lot 1) and Kvesheti - Kobi Road** sections is underway. The RPF thus sets out the guiding principles for development of the Resettlement Action Plans (RAPs) which will be developed for the section upon completion of the detailed design by June-August 2018. Each RAP will provide a detailed description of compensation and rehabilitation measures in compliance with the policy and principles set out in this RPF.
25. The magnitude of impact will be clear after detailed field and desk studies necessary for RAPs will be conducted, the final results will be obtained from the field surveys and the output of data analyses., but according the feasibility study It is expected that **Jinvali - Larsi Road (Lot 1) and Kvesheti - Kobi Roads** project will have the following kind of potential impacts (positive and negative):
 - a. Impact on agricultural (302 land plots) 2 commercial and about 20 residential land plots (registered, legalizable, state owned, used by private users);

- b. Impact on Houses, Buildings and Structures (20 Houses), 2 commercials and 10 supplementary buildings;
 - c. Impact on annual crops (70 750 sq.m.) and 90 fruit bearing perennials;
 - d. Allowances will be provided for business and HH relocation; HH with severe impact, vulnerable groups;
 - e. Compensation for businesses owners, workers and employees, as well as for agricultural land leaseholders and workers will be provided.
 - f. Land registration fees will be also paid.
26. Appropriate RAPs will be prepared to address all project related types of impact and suggests detailed description of actions to be undertaken during RAPs implementation to ensure that each and every project affected person is cash compensated. Those in need will also be provided within additional rehabilitation measures as stipulated in the Entitlement Matrix of this RPF, and to foresee that all these actions are undertaken in accordance to the entitlements agreed under the RPF.

Project stakeholders

27. The spectrum of project stakeholders will be rather wide, commencing with individual farmers and household owners, legitimate possessors and users of the project affected land parcels, eligible for cash compensation, including commercial entities, owners of road side businesses, local government, road users and local communities that may not necessarily release their assets for project purposes in lieu of reasonable cash compensation but still gaining /sharing project benefits.
28. Local government and state institutions that will be involved in RAPs preparation process as the agencies responsibility for a number of tasks to be accomplished during RAPs preparation and implementation on behalf of the government of Georgia. Chapter 8. Consultation, Participation and Information Disclosure describes the procedures and actions to be undertaken during RPF and RAPs disclosure, implementation and monitoring and evaluation of RAPs results, as well as project construction period.

Vulnerable to impoverishment

29. During RAPs preparation phase, census of PAPs and detailed measurement surveys (DMS) will reveal all vulnerable PAPs and any specific cases of severe project impact, potentially creating the risk of impoverishment of an affected household. These cases, if such confirmed during census, socio-economic surveys will be addressed in the RAPs and relevant mitigation and/or rehabilitation measures provided as stipulated in this RPF.
30. Based on the current practice applied to date, VPs (vulnerable persons) are those can be determinate any person who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement and includes; (i) female-headed households with dependents; (ii) poor households (below poverty line- in case they are officially registered as poor in the local social services); (iii) landless; (iv) elderly households with no means of support;
31. Households with members with disabilities or people in pension age to will receive the allowance only if they fall under category of poor (are registered as poor).

Gender Impact and Mitigation Measures

32. Women have important economic roles in project areas and engage in a very wide range of income making activities in the agricultural and marketing sector. The project will pay particular attention to ensure that women who are de-facto household heads are clearly listed as beneficiaries of compensation and rehabilitation proceedings under the loan. In order to ensure the gender informed assessment and consultation processes the following actions will be considered:
33. Impact assessment of PAPs indicating the total number of families and people must be gender-disaggregated to pinpoint how many women are likely to be affected by the Project and establish their pre-Project conditions.
34. Women will be major participants in the consultation processes to determine and negotiate for compensation entitlements and implement the RAPs.
35. Special attention will be given to the impact of resettlement on women and other vulnerable groups during the monitoring and evaluation of the RAPs.

Measures taken to minimize project adverse impacts

36. A project's resettlement planning begins during the feasibility studies and continues through final design studies and sometimes into project implementation. It may be possible at each point to avoid or minimize population displacement. This is achieved by analysing design alternatives that will yield the same or similar project benefits while requiring less land acquisition, less disruption of livelihood, and less resettlement plan implementation cost.
37. The design of each proposed road section will be prepared in accordance with required standards. During RAPs preparation, several actions will be undertaken. After scoping and feasibility survey several alternatives of road design alignment will be prepared.
38. Each alignment will be overlaid on to the official cadastre data, to determine potential impact on private property. On site, surveys will be undertaken per each alignment to assess approximate magnitude of land acquisition, affected structures (residential and commercial facilities), supplementary structure, perennials and annual crops, business stoppage etc.
39. Alternative alignments will be assessed in respect with project impacts and the possibility of minimizing adverse impacts, to select the most efficient option in terms of minimum impacts in line with reasonableness of constructions' costs.
40. This will be done to avoid or minimize adverse impacts to the structures alongside the road. If the removal of structures cannot be avoided, the horizontal alignment may foresee shifting centreline or shrinking the width of ROW to reasonably limit land acquisition and avoid removal of structures located along the roadside.
 - a. Measures to be taken to minimize adverse impacts will be described in RAPs prepared and for specific road section project and publicly disclosed.

3 Legal Regulatory Framework

Georgia's Laws and Regulations on Land Acquisition and Resettlement

41. 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:
- a. The Constitution of Georgia, August 24, 1995 Last update 16 October 2013)
 - b. The Civil Code of Georgia, June 26, 1997 (amend. 2000, 2002, 2003, 2004, 2005, 2006, 207, 2008, 2009, 2010, 2011, 2012, 2013, 2014,2015, 2016,2017)
 - c. The Law of Georgia on Notary Actions, December 4 2009 (amend. 2010, 2011,2012, 2013, 2014, 2015,2016)
 - d. Law on Public Health 27 June 2007 (amend. 2009, 2010, 2011, 2012, 2013, 2014, 2015.2016,2017)
 - e. The Law of Georgia on Ownership Rights to Agricultural Land, March 22, 1996 (amend. 1997, 1998, 1999, 2000, 2003, 2004, 2007, 2010, 2012, 2014, 2016,2017)
 - f. 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)
 - g. 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)
 - h. Law on state property 2010 (amend 2011, 2012,2013,2014, 2016,2017)
 - i. The Law of Georgia on Public Register- No820 –IIs; December 19 of 2008; (amended 2009 2010, 2011, 2012, 2013, 2014, 2015)
 - j. In frames of national project, the Law of Legal Power of Land Parcels Systemic and Sporadic Registration and Improvement of Quality of Cadastral Data. June 17 of 2016. (amended December 14, 2016)
 - k. The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need, July 23, 1999 (amend. 2005, 2007, 2010, 2013,2017)
 - l. The Civil Procedural Code of Georgia, November 14, 1997(amend. 1998-2015)
 - m. The Law of Georgia on State property, June 21, 2010
 - n. Labor Code, May 25, 2006
 - o. Tax Code, January 2005
 - p. Law on Entrepreneurship, October 28, 1994
42. Overall, the above laws/regulations provide 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 give the possibility of applying the following mechanisms for legal application of the property rights:

43. Obtaining the right of way without expropriation through the payment of due compensation on the basis of negotiations, or in case negotiations fail through a court decision for expropriation, prior to commencement of the activities.
44. Expropriation which gives the possibility of obtaining permanent right to land and/or other real estate property on the basis of Eminent Domain Law and court decision through the payment of due compensation.

Expropriation

44. Acquisition of land through expropriation will be pursued under the project only in extreme cases when negotiations between APs and RDMRDI fail. 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” shall be applied. It is noted that under Georgian law, negotiation is seen as an alternative to expropriation, whereas under OP 4.12 negotiation under threat of expropriation still qualifies as involuntary resettlement.
45. Pursuant to the Law of Georgia “On the Rules for Expropriation of Ownership for Necessary Public Need” the 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 of public needs, and grant the expropriation entity rights to obtain land. Only the court shall determine a 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.
47. Under no condition would the RD occupy the required plots until:
 - a. the proper judicial process as defined by the law is initiated;
 - b. a court injunction has been obtained and properly communicated to the APs; and
 - c. the compensation/rehabilitation amounts are deposited in an escrow account.
48. No land acquisition will take place until the compensation/rehabilitation amounts envisaged in the approved RAPs are deposited in an escrow account in a treasury (project account/or the EA’s account). The deposited funds will be paid to PAP upon the court decision on expropriation or in case the PAP decides to drop the case and signs the agreement with the RD.

Legalization

49. The RD will provide technical assistance to PAPs qualifying as legitimate possessors of project affected land parcels. These PAPs will be assisted free of charge in the process of legalization of private ownership rights to project affected assets, followed with the registration of ownership title. Following, the PAP will alienate project affected land parcel to the RDMRDI for road project purposes in return for fair compensation amount calculated according to the unit rate determined in the approved RAPs.

4 World Bank Involuntary Resettlement Policy (OP 4.12)

WORLD BANK REQUIREMENTS ON INVOLUNTARY RESETTLEMENT

50. Specific World Bank requirements concerning resettlement are contained in the Operational Policy (OP. 4.12) on Involuntary Resettlement that is based on the following principles:
51. Involuntary resettlement should be avoided in all cases where feasible, and where it is not possible to avoid resettlement, it should be kept at a minimum;
52. Where it is necessary to carry out resettlement, it should be treated as a development programme providing efficient resources for a new investment to a displaced person;
53. Persons affected by resettlement shall be fully informed and shall have the opportunity to participate in procedures with a view to protecting and exercising the rights which they are entitled to;
54. Displaced persons shall be assisted in their efforts to improve their income and standards of living, or at least to restore them to and keep them at pre-displacement levels;
55. The obligation to assist displaced persons and to provide them with appropriate protection shall exist regardless of how they have acquired property and possession, i.e. regardless of their legality (thus, also when displaced persons have no legal basis and they are unlawful users);
56. Displaced persons shall be ensured full payment of replacement costs and a compensation for the property taken, in the amount, which enables the compensation or replacement of the property taken with an alternative.
57. The given Policies contain the obligation to provide support and assistance in the course of the compensation and resettlement process, during and following the resettlement process.
58. Assistance during the compensation and resettlement process shall include:
 - a. Assistance during the relocation of personal belongings;
 - b. Maintenance, transport, and/or sale of materials from the old facility;
 - c. Transport of household members with medical assistance where required; and
 - d. Assistance with the entering into possession of new real property.
59. As part of the quoted World Bank Policies, particular attention is paid to vulnerable groups of the population. These are groups of people who, under the impact of the Project, by virtue of gender, ethnicity, age, physical or mental disability, economic status, or social status may be more adversely affected by resettlement caused by the Project than other population groups, or who may be limited in their ability to claim or take advantage of resettlement assistance.
60. Consistent with paragraph 16 of OP 4.12, the following categories of persons will be eligible for different types of mitigation measures under this RPF:
61. Persons who have legal formal rights to land (including legal title or customary and statutory rights of occupancy recognized under the Law),

- 62. Persons who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets provided that such claims are recognized under the national law or become recognized through a process identified in the resettlement and compensation plan,
- 63. Persons who have no claim to land they are occupying or using.
- 64. Persons covered under a) and b) above are to be provided compensation for land they lose, and other assistance in accordance with the policy. Persons covered under c) above are to be provided with resettlement assistance in lieu of compensation for the land they occupy or use, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy or use the project area prior to a cut-off date established by the appropriate authorities and acceptable to the WB All persons included in a), b) or c) above are to be provided with compensation sufficient for purchasing alternative assets to those that were lost and that are other than land.

Comparison of Relevant Georgian Laws and WB’s OP 4.12 requirements on Involuntary Resettlement

- 65. Overall, the legislation of Georgia adequately reflects the major provisions of the WB OP 4.12, but a few differences are to be noted. The most significant difference is that under Georgian legislation the emphasis is put on the definition of formal property rights and on how the acquisition of properties for public purposes is to be implemented and compensated while in the case of OP 4.12 emphasis is put both on the compensation of rightfully owned affected assets and on the general rehabilitation of the livelihood of Affected People (AP) and Households (AH).
- 66. As a result, the Bank’s safeguards policy on Involuntary Resettlement complement the Georgian legislation/regulation with additional requirements related to:
 - a. the economic rehabilitation of all AP/AF (including those who do not have legal/formal rights on assets acquired by a project);
 - b. the provision of indemnities for loss of business and income, and
 - c. 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.
- 67. Also, under Georgian law, negotiation is seen as an alternative to expropriation, whereas under OP 4.12 negotiation under threat of expropriation still qualifies as involuntary resettlement. In addition, the legislation of Georgia does not require any specific measure regarding the need to prepare RAP based on extensive public consultations.
- 68. The comparison of differences between Georgian law/regulation and WB safeguard policy OP 4.12 and actions to manage the gaps are outlined below in Table 1. Legal Matrix.

Table 1. Legal Matrix

Georgia Laws and Regulations	WB OP 4.12	Gap Filling Measures
Land compensation only for titled landowners.	Lack of title should not be a bar to compensation and/or rehabilitation. Non-titled	In practice, legalizable land owners are also compensated after they are issued with the necessary papers. RD will support those without legal titles so

Georgia Laws and Regulations	WB OP 4.12	Gap Filling Measures
	landowners receive rehabilitation and compensation for any structures and assets they may have on the land.	they can be titled and compensated before displacement occurs. In those cases, where for some reason land users cannot be titled, the EA will seek the Government's approval for rehabilitation/compensation of such non-titled land users before displacement occurs.
Only registered houses/buildings are compensated for damages/demolition caused by project-related land acquisition	All affected houses/buildings, regardless of legal status, are compensated for damages/demolition caused by project-related land acquisition	It is assumed, that majority of properties will be registered to actual user, with support of the project (legal and registration support). Accordingly, the compensation will be paid to all affected households. In case of damages during construction period, the construction contractor will be responsible for compensation and RD team will supervise the processes. For cases where they cannot be registered, see the Entitlement Matrix (p. 25).
Crop and trees losses compensation provided only to registered landowners.	Crop losses compensation provided to landowners, sharecrop/lease tenants or other users such as squatters whether registered or not	Practically all croplands are registered in Georgia either in Public register or in archive records available in the Municipalities. In case of leased land plots, the compensation will be paid to renters and other users for their actual losses and be given assistance to access some other land to continue activities.
Compensation for loss of assets is based on market value without deducting depreciation.	Compensation for loss of assets is based on market value without taking into account depreciation and should also include transaction costs such as taxes and registration fees. It should also include other resettlement costs such as cost of preparing land for cultivation.	Compensation will be paid based on market value without taking into account depreciation or value of salvage material; owners are allowed to retain salvaged materials. RD will have in place clear legal procedures to assist PAPs and cover all costs related to title recognition and transaction registration fees. The asset evaluation criteria will be based on replacement value as per OP 4.12.
Executing Agency implementing the Project (EA) is the only pre-litigation final authority to decide disputes and address complaints regarding quantification and assessment of compensation for the affected assets. Complaints are reviewed	Complaints & grievances can also be resolved informally through a project-level grievance redress mechanism, which in some cases can have community participation through a Grievance Redress Committees (GRC), Local governments, and	The RD resettlement team will have in place a mechanism to receive, register and process grievances from APs. Representatives of municipalities, local authorities and villages will be involved in the process from early stages. This will ensure solution of disputes and claims

Georgia Laws and Regulations	WB OP 4.12	Gap Filling Measures
in compliance with the formal procedures (rules) established by the Administrative Code of Georgia. There is no informal grievance redress mechanism through community participation at the local level.	NGO and/or local-level community based organizations (CBOs).	(if it is possible) at community level, however if solution could not be found, the case will be processed in accordance to local legislation.
Decisions regarding land acquisition and resettlement are discussed only between the landowners and the agency in charge of land acquisition.	The RPF and RAP including information on criteria for valuation of affected assets, entitlements, and compensation/financial assistance are to be publicly disclosed and consulted on during the planning process.	The preparation of the RPF and RAP will be done through engagement with relevant stakeholders and the RPF and RAP will be publicly disclosed and consulted on. However, no personal information of the AP or amounts each individual/household will receive will be disclosed publicly.
No provision for income/livelihood rehabilitation, allowances for severely affected or vulnerable APs, or resettlement expenses.	WB policy requires rehabilitation for income/livelihood, severe losses, and for expenses incurred by the APs during the relocation process.	RD will have in place clear legal procedures to allow for additional assistance for severely affected and vulnerable households in accordance to the RAP, and for relocation compensation for all households qualified as vulnerable and/severely affected.
No specific plan for public consultation is provided under the Georgian laws.	Public consultation and participation is the integral part of WB's policy which is a continuous process at conception, preparation, implementation and finally at post implementation period.	The public consultation process will be accomplished in accordance to WB requirements and guidelines prior to RAP implementation.
Recognition and compensation for business (officially registered) losses resulting from project-related land acquisition based on official tax declaration.	All kind of running business (officially registered or not-vendors etc.) will be compensated in cash equal to 1-year based on tax declaration or, if unavailable (Loss of income from both formal and informal economic activities) based on the official minimum substance income.	RD will ensure that all businesses will be recognized and compensated in accordance to RPF and RAP before displacement occurs.
PAPs are to be informed all resettlement issues/ compensation options. Such as:	Active legislation does not require public consultation.	Communities within project influence area will be involved in priority selection process, consulted and informed on resettlement and compensation and

Georgia Laws and Regulations	WB OP 4.12	Gap Filling Measures
land registration/legalisation, eligibility, allowances to be provided and etc.		options. Besides, Public consultations process will be conducted and Information Booklets will be distributed to PAPs. RAPs will be officially disclosed to public.
Cut of date for the project has to be established.	Active legislation does not require to establish the cut of date.	<p>Establish a cut-off date for eligibility in the displaced and/or list of affected persons. This is necessary to prevent false claims for compensation or rehabilitation following the disclosure of project plans. A census should be carried out as soon as possible to determine the number of displaced persons, the number of structures and other affected assets, and to determine the cut-off date to minimize influx of people into the affected areas.</p> <p>The cut-off date will be the date when Census, socio-economic survey of PAPs and inventory of project affected assets has been started. If there are delays in actual displacement and land take for project purposes, after one (1) year the census should be updated and a new cut-off date set.</p>

- a. To reconcile the gaps between Georgia laws/regulations and WB Policy, RDMRDI has adopted this RPF for the entire Project, ensuring compensation at full replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for those PAPs who will be relocated, suffer business losses, or will be severely affected.
- b. In case of conflict between the two sets of laws/policies, the Bank's OP/BP 4.12 on Involuntary Resettlement will prevail.

5 Socio-economic profile

69. Each RAP should have socio-economic profile of the affected area that will have main economic activities listed, education level and major sources of income defined, employment level as well as the vulnerability level of PAPs identified – determined by the number of people receiving government assistance. Thus a good coverage of the livelihoods of the affected area should be given, that will provide sufficient feedback for the proposed livelihood restoration activities.
70. During preparation of RAPs, socio-economic study with the involvement of potentially affected people will be needed. These generally include the results of a census of the PAPs covering:
- a. Current occupants of the affected area as a basis for design of the RAPs and to clearly set a cut-off date, the purpose of which is to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
 - b. Standard characteristics of affected households, including a description of production systems, labour, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
 - c. Magnitude of the expected loss, total or partial, of assets, and the extent of displacement, physical or economic;
 - d. Information on vulnerable groups or persons, for whom special provisions may have to be made; and
 - e. The aim of Census and Socio-economic survey is to provision update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement, and to measure impacts (or changes) in their livelihood and living conditions.

Objectives of Compensation Policy

71. The implementation of resettlement activities is linked to the implementation of the investment component of the project to ensure that displacement or restriction of access does not occur before necessary measures for resettlement are in place.
72. As stipulated in OP 4.12 and as described in this RPF all project related impacts should be identified through the relevant studies undertaken during RAP preparation and addressed accordingly, meaning that all project affected persons will be provided with relevant compensation and other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, effective taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons.

Establishment of the Cut-off Date

73. Compensation eligibility is limited to PAPs by a **cut-off date**.

74. The best practice is to use the start of the census as the date of the cut-off date.
75. Therefore, the cut-off date will be the date when Census, socio-economic survey of PAPs and inventory of project affected assets has been started. If there are delays in actual displacement and land take for project purposes, after one (1) year the census should be updated and a new cut-off date set.
76. **PAPs who settle in the affected areas, or erect any fixed assets**, such as structures, crops, fruit trees, and woodlots and other assets, **after the cut-off date will not be eligible for any compensation**. However, they will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures will not be confiscated and they will not pay any fine or sanction. Forced eviction will only be considered following exhaustion of all other efforts.
77. Therefore, the information regarding the cut-off date and the actual boundaries of the ROW will be well documented and disseminated throughout the project influence area at regular intervals in written forms⁴ and verbally during public consultation meetings and non-written forms and in relevant local languages. This will include posted warnings that persons settling in the project area after the cut-off date may be subject to removal without any compensation.
78. Relevant preventive measures will be undertaken not only during RAPs preparation but while RAPs implementation and construction process. This practice is to avoid deterioration of livelihood of any individual that may unintentionally turn to encroachers requested to vacate occupied territory without any compensation, if the boundaries of ROW are not defined and provided to relevant government agencies⁵ (local, regional, national) authorized to manage, monitor and prevent encroachment.
 - a. *RAPs prepared for road section will determine the cut-off date and this date will be clearly stated in RAPs.*

Eligibility Criteria for Compensation of PAPs

79. This RPF determines the eligibility criteria of project affected persons (PAPs) and provisions for compensating all types of losses: land, crops/trees, shelter, structures, business/employment, and workdays/salaries/wages. All PAPs, including land users without title or legitimate possession will be compensated for lost income and assets. Loss of land will be cash compensated at replacement cost at current market value in the amount to allow PAPs to acquire land of the same area, productivity and designation in vicinity of current location, as described in this RPF and relevant RAP prepared later for project.
80. The criteria for eligibility of compensation are based on PAPs belonging to one of three groups:
 81. those who have certified and/or formal rights to use of occupied land;
 82. those who do not have formal legal rights to land at the time of the DMS or census completions but have legitimate right to claim to such land or assets—provided that such claims are recognized under the laws of Georgia; (Untitled APs who were legitimate leasers under the old Soviet system either, plots with house or regularly cultivated/used their land, but do not have plots with a house.)

⁴ Project Information Booklets and RAP publicized and available to any interested person, posters displayed in public areas and information boards in the buildings of local Municipalities within project influence areas.

⁵ Ministry of Economy and Sustainable Development of Georgia, NAPR, etc.

83. those who have no legitimate possession or is not eligible to claim for recognizable legal right to the land they occupy (i.e., land users without registered certificate and informal settlers).
84. PAPs who are entitled to compensation under this Project include:
- a. Persons whose houses or structures are in part, or in total, affected temporarily or permanently by the Project;
 - b. Persons whose residential dwellings, supplementary structures, fences/walls or commercial premises and/or agricultural land (or other productive land) is in part, or in total, affected (permanently or temporarily) by the Project;
 - c. Persons whose business is affected temporarily or permanently by the Project;
 - d. Persons whose employment or hired labor is affected, temporarily or permanently, by the Project;
 - e. Persons whose crops (annual and perennial) and/or trees are affected in part, or in total, by the Project, and;
 - f. Persons whose access to community resources, public facilities or property is affected in part, or in total, by the Project.
85. Where land is to be acquired, landowners (PAPs) with registered Title Certificate, land-users and/or legitimate possessors of land/real property eligible to legalization of ownership rights will receive cash compensation for land at replacement market value in the amount that will allow them to purchase a land parcel of equal size and productive value and be satisfactory to the PAP.
86. Those PAPs that are not eligible for legalization of ownership rights under any rules or regulations being in force in Georgia are not eligible for compensation for land compensation but will receive compensation for assets attached to project affected land and other assistance as required (especially in the case of vulnerable PAPs).
87. Households headed by single women with dependents and other vulnerable households⁶ will be eligible for further assistance to fully mitigate project impacts. Table 2 below presents the Entitlement Matrix that will be closely followed during preparation of RAPs for road project within the framework of this project.
88. It is worth noting that the Entitlement Matrix presented in this RPF will be used as a basic document, that will be altered in due manner to reflect any nuances detected during DMS, census, socio-economic surveys and inventory project affected assets undertaken during the RAPs preparation period and provide relevant mitigation measures or reasonable approach for loss and impact compensation.

Compensation Entitlements

89. Entitlement provisions for PAPs losing land, houses, assets, business, income, and rehabilitation subsidies, will include provisions for permanent and temporary loss of land, residential house and commercial buildings, annual crops and trees, relocation subsidy, and business loss allowance based on tax declarations and/or lump sums as determined in the RAP.
- a. These entitlements are detailed below:

⁶ Detailed explanation is provided in the Definition of Terms.

90. **Loss of land (agricultural, residential, and commercial)** will be cash compensated at replacement cost at current market value identified at the moment of RAPs preparation. Alternative land parcel of similar productivity, designation, area and location can be offered as in-kind compensation, if preferred by PAPs. The unit rate per square meter of land will be determined in accordance to the widely adopted International Valuation Standards (IVS). The EA or the Consultant responsible for RAPs development will hire independent licensed appraiser to meet the requirement stipulated under this RPF, follow the RPF's valuation methodology and determine unit rates for compensation per each type of loss any PAP may incur as a result of proposed road rehabilitation project.
91. The amount of cash compensation shall allow PAP to acquire alternative land parcels equal in value and productivity to the parcel released for road project purposes. If during RAPs preparation, the need is identified that PAP may have to incur additional costs for preparation of new land parcel to levels similar to those of the affected land, PAPs will receive additional one-time allowance to cover costs.
92. Additionally, any fees/taxes related to processing legalization of ownership rights to project affected land parcel being under legitimate possession of PAP, costs and fees for sub-division, registration of inaccurate records and at the NAPR registration of transaction of ownership title will also be covered by Executing Agency (RD).
93. When greater than 10% of an **income generating** land is affected, PAP (land-users, leaseholders and sharecroppers) will receive an additional allowance for severe impacts equal to the market value of a year's gross yield of the land lost or one-time subsistence in the amount ⁷of **minimum subsistence level of income**⁸ for the family of five for 12 months, whichever is greater.
94. NOTE: in each specific road project the nature and character of severe impact may vary from each other. It is most important that such cases are detected, clearly described, and relevant mitigation measures suggested in each RAP.
95. **Loss of shared agricultural land (pasture, grazing)** local communities losing access to shared pasture, hay field, grazing will be provided with replacement land of similar size, productivity, and location acceptable to affected community. Provision of such replacement land will be the responsibility of local government. However, the Executing Agency will bear the responsibility to monitor the process and ensure that such replacement land is timely provided to project affected community at the earlier stage of project cycle to prevent deterioration of livelihood within project influence area. If such replacement is not possible, Livelihood Restoration Plan will be prepared and implemented to address the needs of affected community and preserve their livelihood at least similar to pre-project level.
96. The Executing Agency will cover any costs, land tax or registration fees if applicable according to laws or local regulations in force.

⁷ Current figure to be obtained.

⁸ This figure subjects to update on a monthly basis therefore must be refreshed at the moment of specific RAP preparation. The data is available on the official website of the State Department of Statistics of Georgia. link: http://www.geostat.ge/index.php?action=page&p_id=179&lang=eng

97. **Structures (residential houses, supplementary constructions, fences, walls, commercial facilities, etc.)** are cash compensated at replacement cost (i.e. Construction Cost) at current market value calculated for project affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs.
98. Construction cost calculation considers market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, the cost of any labor and contractor's fees, and the cost of any registration and transfer and any applicable taxes/fees. The compensation for residential houses/commercial buildings will include the cost of lost water and electricity connections.
99. In case of partial impacts, full cash assistance to restore the remaining structure will apply; if partial impact/demolition of a section of the building threatens deterioration of the structure or raises safety and security concerns, cash compensation will apply to the entire building and affixed assets of the affected structure.
100. **Residual land will be fully compensated** (The portion of land that is left after the land is divided and purchased, if is too small for further agricultural/residential use or is difficult to access)
101. **Trees:** Cash compensation shall reflect income replacement. Cash compensation will be calculated at current market value and according to type, age, and productive value of project affected fruit tree. Annual yield capacity of a mature fruit bearing tree multiplied to market price of a fruit (kg/GEL) and multiplied to the number of years required to grow a new tree to same productivity age.
102. In addition, each fruit bearing tree shall be compensated for purchase of seedlings. PAPs will be eligible to dispose logged trees themselves. Construction Company will log down project affected trees and ensure free delivery of timber to the residence of PAPs.
103. Based on the current practice applied to date cash compensation will be provided for fruit bearing trees only. Traditionally, in Georgia, not fruit bearing trees from privately used/owned yards and gardens, were used as a timber for heating and food preparation only (not for selling). Because of this, in all RAPs/LARPs under Donor's funded projects were stipulated that: cash compensation will be not provided for not fruit bearing trees, this approach was discussed and agreed many times with PAPs. Instead of cash compensation, construction company always has responsibility to log down all project affected trees (including non-productive) and provide them to PAPs.
104. **Crops:** Cash compensation at current market rates for the net annual harvest by default.
105. Crop compensation will be paid to landowners, land users, tenants or other users based on their specific sharecropping agreements being made between these parties, if any.
106. **Businesses owner** compensation for permanent business losses will be eligible in cash for one year's income based on a tax declaration or, if unavailable, based on the official minimum annual salary; compensation for temporary business will be eligible for cash covering the income of the interruption period based on a tax declaration or, if available one-time subsistence will be calculated in the amount of consumer basket for a family of five members (348.7 GEL/month-January 2018 data) multiplied to three (3) months., (348.7 GEL X 3=1046.1 GEL) (Amounts to be updated monthly based on national indicators for given month).

107. **Business workers and employees:** Indemnity for lost wages for the period of business interruption. In cases where tax declaration reports are unavailable, then official minimum monthly salary multiplied to the number of months of actual stoppage of business.
108. **Agricultural land leaseholders and workers:** Affected leaseholders will receive either a renewal of the lease in other plots or cash corresponding to the yearly yield of land lost for the remaining years of the lease up to a maximum of 3 years. Sharecroppers will receive their share of harvest at market rates (if impact is temporary) plus one additional crop compensation (if impact is permanent). Agricultural workers, with contracts to be interrupted, will receive an indemnity in cash corresponding to their salary in cash including portion in-kind compensation for the remaining part of the agricultural year.
109. **Residential land renters/leaseholders and house renters:** who have leased land and/or a house for residential purposes will be provided with a cash grant of three (3) months' rent at the prevailing market rate in the area and will be assisted in identifying alternative accommodation.
110. **Relocation subsidy:** PAPs forced to relocate will receive a one-time relocation subsidy sufficient to cover transport costs and living expenses for one month. If for project-related reasons the relocation is delayed, such as untimely payment of compensation, the payment of living expenses will be extended to the period under which the person is not able to relocate to a new place.

Additional Rehabilitation Measures

111. In compliance with OP 4.12 and this RPF each RAP shall consider additional rehabilitation measures to be provided once vulnerable and severely affected PAPs are detected during RAPs related surveys (DMS, census, socio-economic survey, title search) and RAPs preparation.
112. **Assistance for vulnerable people:** In addition to the compensation of lost land and assets vulnerable PAHs will be provided with additional rehabilitation measures; in particular, one-time allowance set to one-year payment of the minimum subsistence level in the amount of consumer basket for family of five members (348.7 GEL /month) for 3 months; i.e. $348.7 \text{ GEL} \times 3 = 1046.1 \text{ GEL}$ one time allowance.⁹ During implementation, the situation of these vulnerable people will be monitored and additional assistance provided as needed to ensure that the objectives of this RPF are met.
113. Additionally, other capable members of families with vulnerable PAPs will be given priority in employment in project-related jobs.

Trainings and other assistance

114. In addition to the compensation permanently affected Business, worker/employees and land owners/farmers, vulnerable PAHs will be provided with trainings on computer literacy and/or other trainings according the request as part of livelihood restoration activities.
115. **PAPs - holders of severely affected land parcels:** PAPs experiencing road project severe impact will also be provided additional assistance: one-time rehabilitation allowance for severe impact will equal market value

⁹ Amounts to be updated monthly based on national indicators for given month.

of annual gross harvested from the affected portion of a land parcel in addition to standard crop compensation, or one-time allowance set to one year payment of the subsistence level in the amount of consumer basket for family of five members (348.7 GEL/month) for 3 months; i.e. 348.7 GEL X 3 = 1046.1 GEL one time allowance.¹⁰

Official Fees and Taxation

116. In none of these cases, the PAPs will be liable for any taxes and eventual transaction fees.
117. Fees for Notary service, court related administrative fees, fees for legalization, sub-division and registration at the NAPR will be paid by the Executing Agency; Taxes will be subsidized unless waived by the Government of Georgia.
118. Additionally, charges to cover bank service fees will be included on top of the amount of cash compensation to be received by PAPs at the banks.

Table 2 Entitlement Matrix

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Permanent loss of all types of land (arable, residential, industrial, commercial)	All land losses independent from impact severity	PAPs (with fully registered title)	PAPs will receive cash compensation at full replacement cost at current market value ¹¹ . The unit rate will be confirmed in the RAP. If any remaining part of the land owned by the registered owners is no longer appropriate for use, such remaining part will also be purchased subject to the agreement with the owner.
		PAPs (possessors of legalizable land parcel)	Assistance to PAPs in the process of legalization of project affected land parcel being under their possession. Once legalization and registration of ownership title is accomplished, land acquisition will be undertaken and PAP will receive cash compensation at full replacement cost at current market value at unit rate proposed in approved RAP.
		Leaseholder of private or public lands	Free of charge renewal of lease in other plots of equal value/productivity of affected land parcel or cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years). In addition, cash compensation to reimburse the proven investments incurred by the Leaseholder to improve the leased land.

¹⁰ Amount of consumer basket for family of five members for last month.

¹¹ Detailed description of replacement cost at current market value is described in the Section: Methodology for valuation and determination of unit rates.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
		Leaseholder (not registered)	Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years).
		Non-titled, non-legalizable land users/Squatters	Non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, will be compensated with one-time self-relocation allowances in cash equal to 1 year of minimum subsistence income.
Permanent loss of community land (pastures, grazing land)		Local community losing access to pasture, grazing land	Affected community will be free of charge allocated replacement land of similar size, productivity, and location acceptable to affected community by the local government. If such replacement is not possible, Livelihood Restoration Plan will be prepared and implemented to address the needs of affected community and preserve their livelihood at least similar to pre-project level.
Structures			
Residential house	Project affected residential dwellings subject to partial/full demolition	PAPs with registered ownership title; PAPs declared as legitimate possessors	All impacts will be considered as full impacts disregarding the actual impact percentage. Impacts will be compensated in cash at full replacement costs free of depreciation and transaction costs. In addition, Livelihood Restoration initiatives will be provided to PAPs that may face deterioration of livelihood through indirect impact of proposed road project. (e.g. project impact is extended only on residential dwelling subject to full cash compensation at replacement costs and additional one-time allowances to transport salvaged materials and personal belongings. However, other income generating assets (agricultural land/private commercial facilities) may remain outside of project impact; correspondingly, these assets may not be included in the suggested compensation package. PAPs after moving and settling down to a new location may at least temporarily lose income due to lack of access (increased travel time, complicated accessibility) to the above mentioned income generating assets not affected by the proposed project.
		Residential tenants/renters	One-time allowance equals monthly rental fee (specified in the lease agreement) multiplied by 3; if Lease agreement is not available, minimum monthly salary multiplied by 3; ¹² In addition, one-time assistance for transportation personal belongings to a new location; or one-time cash allowance to

¹² If there are cases where the tenant/renter has paid rent in advance for a longer period of time, the land will be requested to reimburse the money to the tenant/renter for the corresponding period if adequate evidence is available.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
			cover costs for transportation personal belongings. one-time allowance calculated in the amount of consumer basket for a family of five members (348.7 GEL/month-January 2018 data) multiplied to three (3) months., (348.7 GEL X 3=1046.1 GEL) (Amounts to be updated monthly based on national indicators for given month.
Commercial structure	Project affected commercial facilities subject to partial/full demolition	Titleholder	Cash compensation at replacement cost at current market value calculated for project affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs. If partial demolition threatens deterioration of structure or raises safety and security concerns the cash compensation, will apply to the entire building and affixed assets.
		Tenant of commercial facility	One-time allowance equal to monthly rental fee (specified in the lease agreement) multiplied by 3; if Lease agreement is not available, minimum monthly salary multiplied by 3.
State/Municipality owned buildings affected by project	Project affected state/Municipality owned buildings subject to partial/full demolition	IDPs, refugees, squatters occupying facilities for residential purposes	Accommodation in a government resettlement area; or a self-relocation allowance in the maximum amount (of 1500 GEL) to cover lodging stipulated in the approved RAP
Fences/Walls	All PAPs with fences to be affected	All PAPs	Cash compensation at replacement (construction) cost according to the material and linear meter length of affected fence/wall.
Annual Crops	Crops affected	All PAPs (including squatters)	Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided even in case if the crops were harvested
Perennials standing on private land parcels	Project affected Fruit bearing perennials	All PAPs (including squatters)	Cash compensation at market value on the basis of type, age, and productive value of fruit tree; Each fruit bearing tree in addition shall be compensated for purchase of saplings. PAPs will be eligible to dispose logged trees themselves. Construction company ensures free logging and delivery of timber to the residence of PAPs.
	Project affected non-fruit bearing perennials	All PAPs (including squatters)	No cash compensation will be issued for perennials not bearing fruits, because they do not generate any kind of income for PAPs. Non-bearing fruits perennials are used for HH heating.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
			Construction company ensures free logging and delivery of timber to the residence of PAPs.
Perennials (on public/State land)	Standing trees	Perennials standing outside of private land	Construction Company will deliver logged down trees and transfer to the Municipality. Municipality may later distribute to local population below poverty levels.
Perennials standing on the forestry land	Standing non fruit trees	Perennials standing outside of private land	The legal implementation of the mentioned activity requires, that Perennials standing on the forestry land must be delisted from the State forest fund in accordance with the corresponding Decrees of Government of Georgia Construction Company will deliver logged down trees and transfer to the Municipality. Municipality may later distribute to local population below poverty levels.
Income loss			
Lessors/landlords	Loss of income through termination of Lease agreements	All PAPs holding lease/rental agreement	One-time allowance equal to monthly rental fee (specified in the lease agreement) multiplied by 3; if Lease agreement is not available, minimum monthly salary multiplied by 3.
Business Employment	Temporary or permanent loss of business or employment	All PAPs (including squatters)	Business owner: (i) Cash compensation equal to one-year income, if loss is permanent; (ii) cash compensation for the period of business interruption, if loss is temporary. Worker/employees: Indemnity for lost wages for the period of business interruption. In cases where tax declaration reports are unavailable, then official minimum monthly salary multiplied to the number of months of actual stoppage of business.
		Agricultural workers losing contract	Cash indemnity corresponding to their salary for the remaining part of the agricultural year, and where needed livelihood restoration measures.
Additional Rehabilitation Measures			
Technical assistance in legalization, registration procedures		All PAPs with registered title/possessors of legalizable land parcels	Free of charge technical assistance to PAPs during legalization, sub-division of project affected parcel, registration of corrections and/or sales transaction. Project related State taxes, official fees and transactions costs if not waived will be covered by the GOG ¹³ .
Physical Relocation	Transport and transitional	All PAPs affected by relocation	Provision of sufficient allowance to cover transport expenses and livelihood expenses for three months. For RAPs under this RPF the Relocation Allowance is fixed as 300 Gel + 3- month payment

¹³ In some cases, the PAPs may be reimbursed transaction related costs they incurred for road project purposes (e.g. VAT, Income Tax, Court/Notary fees, Court costs).

Type of Impact	Application	Definition of PAP	Compensation Entitlements
	livelihood allowances		of the minimum monthly subsistence for the families consisting of 5 members. 348.7 GEL X 3=1046.1 GEL 300 + 348.7 GEL X 3= 1346.1 Gel (Amounts to be updated monthly based on national indicators for given month).
Community Resources			Access shall be maintained or reinstated; Rehabilitation/substitution of the affected structures/utilities (i.e. bridges, roads, schools, health-centres, potable water supply systems, irrigation channels, etc.)
Vulnerable PAPs		PAPs below poverty line; disabled people; pensioners; widows; Female headed households; impoverished; IDPs; Refugees.	Allowance equivalent to 3 months of minimum subsistence income** and employment priority in project-related
Temporary impact	Loss of access to land parcel	Owners/Users	Temporary access will be set up by Construction Company. In cases of temporary loss of access to land parcel results in loss to crops, the construction company will compensate APs. All losses and amount of due compensation shall be determined according to the principles of compensation entitlements provided under this RPF and relevant RAP.
	Avoidance of interruption of temporary access road to the business activity	Business units	Temporary access will be set up by Construction Company.
	Temporary loss of income caused by occupying land parcels for the camps and quarries	Owners/users	During camps' site selection process, Construction Company should coordinate with relevant state agencies and give priority to vacant lands not used for agricultural /residential purposes. In case the land parcels selected for camps and quarries will have private land-users, all losses and amount of due, compensation shall be determined according to the principles of compensation entitlements provided under this RPF and relevant RAP.
Any other	As required	Any	Road Department and the construction contractor will address and

Type of Impact	Application	Definition of PAP	Compensation Entitlements
unforeseen Impacts			mitigate/compensate unforeseen resettlement impact during project.

6 RAP Preparation and Implementation Strategy

RAP Objectives

119. The overarching objective of the RPF in relation to land and asset acquisition is to avoid physical or economic displacement, and when it cannot be avoided compensation and mitigation measures should be planned and implemented to ensure that PAPs are provided with fair compensation and reasonable assistance to improve, or at least restore their living standards and livelihoods to pre-project levels.
120. Each RAP shall comprise three important elements: (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 restoration of livelihood to achieve at least the same level of well-being with the Project as without it.
121. RAP prepared within the framework of the project should base on the following principles:
 - a. Involuntary resettlement is to be avoided or at least minimized;
 - b. Compensation must ensure the maintenance of the PAPs' pre-project living standards;
 - c. PAPs should be fully informed and consulted on compensation options;
 - d. PAPs' socio-cultural institutions should be supported as much as possible;
122. Compensation will be carried out with equal consideration of women and men;
123. Lack of formal legal land title should not be a hindrance to compensation;
124. Particular attention should be paid to households headed by women and other vulnerable groups and appropriate assistance should be provided to help them improving their living standards;
125. Land acquisition and resettlement should be conceived and executed as a part of the project, and the full costs of compensation should be included in project costs and benefits; and
126. Compensation/rehabilitation assistance will be paid prior to commencement of civil works, i.e. before an impact occurs.
127. RAP will hold informed, inclusive consultations with all PAPs and stakeholders during, preparation of the instrument as well as its implementation. Information will be documented in the RAP main body and details with evidences (photographs, list of participants etc. is presented an annex);
128. GRM will be available to all PAPs who have a complaint. The RPF adopts the following procedures to be applied:
 - Design and construct the road to avoid residential areas wherever possible to minimize physical relocation of people, and select alignments that minimise acquisition of privately or publicly held productive land;
 - Adopt design standards that minimise the need to impose land use restrictions on adjoining areas;
 - Develop fair and transparent procedures, as defined in the Entitlement Matrix in this RPF for RS, to determine compensation for (i) temporary loss of land/ assets during construction; (ii) permanent

acquisition of land and assets; and (iii) restrictions on use of land that may be applied to areas adjoining the corridor;

- Acquire land (or right to use land) through negotiated agreements and with the use of the power of eminent domain only as a last resort.
 - Upon completion of construction, restore land as best as possible to its original condition in the event of temporary disruption so as to enable landowners/users to resume their pre-project activities;
 - Keep affected people and communities fully informed about the project, the process that will be followed to acquire and compensate for land, and their related rights and avenues for redress.
 - Ensure that grievances PAPs may have will be redressed timely, adequately and that solutions in line with principles laid out in this RPF be employed;
 - All PAPs, without regard to their status of legal rights to the land and assets, will receive support of various kinds, as per the principles set out in the Entitlement Matrix, to assist them in their efforts to improve, or at least restore, their livelihoods and standards of living prevailing prior to the Project.
 - Those who illegally occupy land will not be compensated for loss of land, but will receive compensation for loss of other assets and for loss of income such that they are also assisted in their efforts to improve, or at least restore, their livelihoods. Detailed measures to be implemented will be determined based on the census and socio-economic survey to be carried out when Resettlement Action Plan is developed.
 - PAPs will be notified of the project implementation schedule and informed and consulted regarding the principles of land acquisition and loss of or damage to assets.
 - Damages to assets, such as standing crops, trees, fences and kiosks, and loss of income, including loss of harvest, will be minimized, and where inevitable, will be compensated without regard to legal status of ownership according to the Entitlement Matrix provided in this RPF for SRS. Also, the contractor is responsible for repairing any accidental damage of property to non-acquired assets.
129. Resettlement Action Plans (RAPs) will be developed as per this RPF and the applicable international standards as well as Georgian legislation. Since, as discussed above, there are gaps between WB OP/BP 4.12 and Georgian legislation and practice on expropriation, any land acquisition required for the Project will be carried out as per the principles and procedures laid out in this RPF.
130. A market survey will be conducted to assess the prevailing market prices of land, construction materials for affected structures, crops and other relevant items, which will be used as the unit rates to determine compensation. This will additionally ensure that the market prices plus any transaction costs will allow PAPs to purchase replacement land.
131. Loss of income and assets will be compensated on a net basis without tax, depreciation or any other deduction.
132. The details of land acquisition procedure will be spelled out in the RAPs to be prepared for road section.

133. Social impact assessment surveys required during preparation of RAPs for each road section should be based on census, inventory of losses (IOL) and detailed measurement survey (DMS)¹⁴. The summary results of census, IOL and DMS covering the entire road section should be provided in the final RAP¹⁵
134. The table shall reflect the number of PAPs, area of land take, affected assets, lost income, cases of severe impact, PAPs eligible to onetime allowances for severe impact, vulnerability, relocation costs and etc.
135. The Census shall cover 100% of located PAPs.
136. In the attempt to cover all affected population groups, including any host populations Consultant shall accomplish the following achievements:
- Establish clear definitions of key concepts (e.g., displaced person, family or household, loss, entitled person), because these concepts are critical to the entire process and have a significant influence on the compensation and resettlement benefits package.
 - Identify the right-of-way and project point of impact prior to data collection. Also, conduct participatory rapid appraisal and focus group meetings with affected villages and/or communities to explain the project scope and the purpose of census and surveys.
 - Identify all types and categories of losses by gender, age and occupational groups of affected population.
 - Identify all affected land parcels and ownership and/or user rights and ensure land acquisition processes can meet project-engineering schedules.
 - Provide information to all stakeholders (i.e., the affected persons, host communities, and concerned nongovernment organizations) and ensure that consultation is continual.
 - Establish a cut-off date for eligibility in the list of displaced and/or affected persons. This is necessary to prevent false claims for compensation or rehabilitation following the disclosure of project plans. A census should be carried out as soon as possible to determine the number of displaced persons, the number of structures and other affected assets, and to determine the cut-off date to minimize influx of people into the affected areas.
 - Map the impact area and identify households by numbers to provide additional safeguards against fraudulent claims. Mapping is normally done during the project identification and preparation stages. Mapping can be undertaken during census and survey. Aerial mapping can be a useful adjunct to determine settlement patterns at a given point in time.
 - Include all project affected in the inventory of project affected persons irrespective of titles or ownership rights. For example, this can include informal settlers or squatters and indigenous peoples with traditional land rights.
 - Consider the use of One-page Notes for the project affected persons. One-page Notes have proved to be useful in many projects. They are issued during census or surveys and should be updated after the

¹⁴ An IOL or DMS is dependent on the level of design available. An IOL is usually undertaken based on preliminary design while a DMS is usually undertaken based on detailed design and demarcation of the extent of impact on the ground. Any plans prepared on the basis of an IOL will be updated following detailed design through the completion of a DMS.

¹⁵ The sample of the table is attached to this RPF, see the Annex1 .

completion of the census with all the information on individual households relevant to compensation and entitlements.

- Publish the list of project affected persons for verification by affected communities. Include procedures for appeals in the event of exclusion.
 - To the extent feasible, include interdisciplinary skills in the core and involve local government and/or agency staff and displaced person groups in data collection.
 - Where needed, establish a computer database and a program that will facilitate identification of all information on households and individuals for project implementation, and as a baseline for monitoring.
 - Provide information on livelihoods/income level of each displaced/severely affected/vulnerable person – information to be used internally and provided as an attachment to RAP for WB approval.
137. The entitlement matrix provided in each RAPs¹⁶ should be more specific to address all possible impact and determine relevant compensation entitlements. The resettlement and compensation entitlements will have to be reviewed and improved based on the actual findings of ESIA, public orientation meetings, focus group discussion, feedback from key informant interviews, and the analyses of data collected during DMS, census, title search, inventory of project affected assets and socio-economic survey and/ livelihood survey. Each PAPs should be identified by project affected land parcel units.
138. DMS, census Of PAPs, and inventory of affected assets shall start from the zero KP¹⁷ point of the selected road section and proceed through the ending KM point. Each PAP in connection with the project affected land parcel will be enumerated. Location of affected land parcels will be identified by two KPs (start and end of the land parcel boundary) along the ROW. Besides the Inventory Act will specify which side of the ROW (left / right) is the land parcel located. The Field Team will obtain the full names of the PAPs and identify them in correlation with project affected land parcels being owned/possessed or used by specific PAP. Besides, project affected land parcels will also be identified according to their location (name village/Municipality) and Cadastral data land parcel is registered at the NAPR. Copies of any official documents on project affected land parcel available will be collected for analyses and title search.
139. Field Team will be responsible to obtain data on the area and type of project affected land parcel (and total land holding of PAP/PAH¹⁸), the type, size and use of any other assets affected (structures, crops, perennials, business, ect.), community property affected, and to determine each type of loss per PAP.
140. During RAPs preparation is a must to ensure that socio-economic conditions, needs, and priorities of project affected women and minorities are addressed accordingly to ensure that land acquisition and resettlement does not disadvantage women. Therefore, data collected during census and socio-economic survey should be disaggregated by gender, age groups, ethnicity and religious beliefs.
141. Each RAP shall include a RAP implementation budget and identify where the funds will come from. RAP implementation schedule should be linked to the procurement of civil works. Construction of civil works will not commence until compensation has been paid to all present PAPs. Compensation will be determined based on the replacement cost at current market rates and valuation methodology described in this RPF will

¹⁶ Please see the Appendix 6.

¹⁷ KP stands for kilometre point.

¹⁸ To determine the cases of severe impact, important to obtain complete information whether PAP owns/uses any other land parcels for income generating purposes.

be used as a guide to incorporate valuation methodology and unit rates per each type of loss identified during surveys and preparation of a specific RAP for each proposed road project.

Acquisition Approach for Remaining Land

142. The overall approach to land acquisition is to ensure that in case of land take, and the remaining land parcel is losing its current designation and becomes economically unviable or unusable, whether it is residential, commercial or agricultural, in agreement with PAPs instead of project affected portion entire land parcel will be acquired and full cash compensation paid according to the unit rates stipulated in the RAPs.

Expropriation and Legalization

143. Acquisition of land through expropriation will be pursued under the Program only in extreme cases when negotiations between APs and RD fail. In these cases, however, RD will not occupy the needed 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. No land acquisition will take place until the compensation/rehabilitation amounts envisaged in the approved RAP are deposited in an escrow account in a treasury (project account/ or the EA's account). The deposited funds will be paid to PAP upon the court decision on expropriation or in case if the PAP decides to drop the case and sign the agreement with the RD.
144. APs that do not have proper registration or titles but are legitimate occupants of the plots they lose will be legalized and registered in the land records. After this is done, they will receive full compensation as eligible PAPs.

Valuation Methodology

Valuation Principles

- a. Valuation of project affected land and assets shall consider the following:
 - i. Applicable current regional schedules for land values obtained from municipal land commissions, if available
 - ii. Applicable current schedules for valuing structures, crops, and trees from local municipalities, if available
 - iii. Applicable current market prices
 - iv. Loss of future income or value.
- b. The calculation of unit value will be done keeping in consideration the current market rate so as to meet with the replacement cost of the land and lost assets etc. An experienced and registered independent local company shall be employed to do the valuation of land, structures, buildings, trees, crops etc. The approach of the evaluator will consider the assessment for each type of land and assets by location. The valuation should be done when the census and DMS (detailed measurement survey) are conducted by the surveying

company who prepares the map of affected plots with demarcation of cut-off areas. The valuation company will engage experts for respective areas who will undertake site visits for physical verification of each category of the losses. The expert team will also consider the reference of previous valuation if available and use latest release of market survey.

- c. Based on this methodology the unit rate will be determined. The unit rates may be based on the evaluation agency's assessment with their standard methods for calculating the sample assets.

General overview

145. Valuation methodology and determination unit rates for compensation loss of assets and income associated to land acquisition and easement will be calculated by an independent valuation expert to be recruited by the Consultant in line with the requirements of OP 4.12 and the methodologies describe below.

Project Affected Land

146. Land replacement cost at current market value will be determined by the licensed appraiser based on the International Valuation Standards (IVS). These standards offer three appraisal methods:

- Sales Comparison Approach¹⁹
- Income Capitalization Approach²⁰
- Cost Approach²¹

The Sales Comparison Approach

147. This approach is well established in international practice. ***Sales Comparative Approach*** is often used if the real property market sub-segment is active and the information on sales transactions is available to determine comparable properties and undertake comparative analyses of the prices of land parcels sold

¹⁹ The Sales Comparison Approach is based upon the theories of supply and demand, balance, and substitution. The theory of substitution holds that the value of a property replaceable in the market tends to be set by the cost of acquiring an equally desirable "substitute" property. The theories of supply, demand, and balance are somewhat inter-related in that supply and demand forces tend to move toward equilibrium in the market.

²⁰ Income Capitalization is a valuation method appraisers and real estate investors use to estimate the value of income producing real estate. It is based upon the premise of anticipation i.e., the expectation of future benefits. To an investor, the future cash flows dictate what the present value should be and what he/she is willing to pay for the property. Income capitalization converts anticipated cash flows into present value by "capitalizing" net operating income by a market derived "capitalization rate".

²¹ The Cost Approach is based on the principle of substitution which asserts that no prudent buyer or investor will pay more for a property than that amount for which the site could be acquired and which improvements that have equal desirability and utility can be constructed without undue delay. It is a method of appraising property based on the depreciated reproduction or replacement cost (new) of improvements, plus the market value of the site. This approach has the most validity/reliability when improvements are new or near-new. For older/aged structures, the cost approach may not be relevant due to the greater subjectivity involved in estimating depreciation. This approach has the most validity/reliability when improvements are new or near-new. For older/aged structures, the cost approach may not be relevant due to the greater subjectivity involved in estimating accrued depreciation.

(and/or listed for sale) for the moment of appraisal. Sales Comparison approach derives a value indication by comparing the subject being appraised to similar properties that have sold recently. This is one of the best methods for estimating value when ample supply of recent sales of properties with similar characteristics is available. The sales comparison approach relies upon development of a value estimate from prices paid in the open market for properties with adequate exposure to ensure that the prices represent fair market value. The appraiser analyzes market sales quantitatively, qualitatively, or both in deriving a value indication.

Income Capitalization Approach

148. **The Income Capitalization Approach** is a valuation method appraisers and real estate investors use to estimate the value of income producing real estate. It is based upon the premise of **anticipation** i.e., the expectation of future benefits. This method of valuation relates value to two things:

- The "market rent" that a property can be expected to earn; and,
- The "reversion" (resale) when a property is sold.

149. The future cash flows dictate what the present value should be and what he/she is willing to pay for the property. Income capitalization converts anticipated cash flows into present value by "capitalizing" net operating income by a market derived "capitalization rate".

The Cost Approach

150. The Cost Approach is based on the principle of *substitution* which asserts that no prudent buyer or investor will pay more for a property than that amount for which the site could be acquired and which improvements that have equal desirability and utility can be constructed without undue delay. It is a method of appraising property based on the depreciated reproduction or replacement cost (new) of improvements, plus the market value of the site.

151. *Sales Comparison and Income Capitalization methods are most applicable for evaluation land replacement cost at current market value for project affected land parcels and this method has been applied during the land cost valuation in upcoming RAPs.*

Project Affected Structures

152. Construction cost of project affected structures is best to be determined by professional assets

153. Valuer (licensed appraiser). Valuation of structures shall consider size of the structure and construction materials used. In determining replacement cost or design of replacement structures, depreciation of the asset and the value of salvageable materials shall not be taken into account.

154. Considering that these project is focused on Highway construction, impact is most likely anticipated towards residential houses, supplementary structures, fences, stone walls, commercial facilities (like shops, so called "kiosks", mini markets, beauty salons, car repair ramps, car wash facilities, etc); often may be affected

supplementary structures, such as barn for cattle or poultry, not regularly but sometimes outside toilets and WC are attached to the stone walls standing along the roads.

155. All project affected structures (residential houses, supplementary structures, commercial facilities etc.) will be site visited. In the presence of property users/owners detailed inspection will be undertaken and construction cost²² report prepared. Replacement cost will be identified considering market survey and data collection on market price of construction materials, labour force, transportation, permits and other costs related to construction. No deductions will be applied for depreciation, salvaged materials and transaction costs.
156. During determining cash compensation amounts for each project, affected residential house or supplementary structure being under ownership/possession of individual household construction cost calculation should be added up with additional amount enough to allow PAP hiring local construction group to expedite accomplishment of new structures.
157. For the partial impact (if the loss is less than 15% then compensation is paid for the repair of the affected structure), unless such partial loss renders the structure unusable and loses its function, in such case it will be compensated in full. Valuation of replacement dwellings shall include the cost of sanitation facilities. Valuation also shall include the cost of access to water supply if the displaced structure had access or if the replacement location does not provide access. Estimated costs shall be sought from PAPs and other local residents and from contractors and suppliers in the affected areas. These estimates do not include the cost of land. Incomplete dwelling units (not used as residential houses for the moment of surveys) or structures that have collapsed before project started shall be valued based on replacement cost of materials. Monetary compensation only, not in-kind replacement shall be offered for such units.
158. Helpful to study current market values through some preliminary research of local construction market in the project region; collection of data on sales prices if advertised on new developments or houses, commercial facilities listed for sale. Shops trading various construction materials locally will be helpful to determine reasonable amount of unit rate per 1 sq.m. of construction cost to evaluate construction cost at current market price and compensate PAPs for project affected structures.

Project Affected Annual Crops

159. Annual crops will be valued Crop compensation in cash at market rate by default at gross crop value of expected harvest for 3 years.

Project Affected Perennials

²²If the number of project affected structures is not large and the structures are not rather similar, then each of them can be evaluated separately. To do so an architectural drawing of the existing structure will be prepared first; then based on the drawing the construction cost report will be prepared. The report is mainly a table with following columns: description of item, number of items, price of item, total per item. Besides the construction should consider labour force (man/days), social tax, income tax, construction company profit and VAT; plus cost of transportation disposal and construction materials, service fee for architectural drawings fees to obtain construction permits. Pursuant to the OP 4.12 no depreciation or salvaged materials cost should be deducted from the amount of cash compensation determined as replacement (construction cost) of project affected structure.

Non-fruit bearing, decorative perennials

160. No cash compensation will be issued for perennials not bearing fruits. No cash compensation will be issued for perennials not bearing fruits, because they do not generate any kind of income for PAPs. Non-bearing fruits perennials are used for HH heating. PAPs will be eligible to dispose logged trees themselves.

161. Construction Company ensures free logging and delivery of timber to the residence of PAPs

Fruit - bearing perennials

162. Cash compensation at market value based on type, age, and productive value of fruit tree. In addition, compensation for each fruit bearing tree will be available for the purchase of saplings and planting on the remaining portion or on a newly allocated replacement land parcel..

163. The unit rate for replacement value of project affected fruit-bearing perennials will be calculated based on the methodology described in the RPF. The average productivity (kg/yr/tree) of each mature fruit bearing perennial will be determined during the inventory of project-affected trees in discussion with PAPs and representatives of local government.

164. The number of years required for saplings of 2-3 years to reach the same productivity has been determined based on the available scientific research materials. Please see table 3.

165. The market price (GEL/kg) for each type of fruit will be obtained during census, socio-economic survey, and data collection at the local agricultural market.

166. The Unit rates per each type of fruit tree affected by proposed road project will be calculated according to the following formula:

- Average yield capacity of mature tree (kg/yr/tree) X by the number of years required for 2-3 years sapling to grow to the same productive lever (No of yrs) X Market price of a fruit (GEL/kg).

Table 3. Yield capacity of fruit bearing perennials (according to age and species)

#	Perennial Species	semi-productive age (Yrs)	Average Semi-productive yield capacity (kg/yr/tr)	Maturity age (Yrs)	Average Yield capacity in Mature age (kg/yr/tr)
1	Wall nut	8-10	3-4	22-25	40-45
2	Apple	3-7	3-5	10-12	80
3	Sour cherry	2-3	2-3	6-7	15-16
4	Peach	3-4	3-4	6-7	40-50
5	Quince	5	3	8-10	30
6	Apricot	4	2-3	10-12	40
7	Mulberry	5-6	3-4	10-11	15-16

Limitation of the land use/ownership, the servitude

167. The land owners shall be compensated for the hampered agricultural activities or delay in using their lands, as well as for plantings, agricultural crops and/or real property during the construction and operation on the land under the servitude (limitation of title).

7 Public Consultation, Participation and Documents Disclosure

General overview

168. Following WB policies, the RDMRDI will ensure that this RPF and when prepared every RAP is translated into Georgian and distributed to local government agencies. Besides, the RDMRDI will prepare Public Information Booklet (PIB), i.e. reduced version of the final RPF in understandable language and format for PAPs. The Public Information Booklet will be prepared into English and Georgia languages and provided to all PAPs and local governments to be publicly disclosed in the project site. Local government representatives are responsible to make the Public Information Booklet accessible to the local population, including potentially affected communities within the project influence area for review, comments and input made during the disclosure period. All comments and suggestions will be collected through the LAR Team and provided to Consultant, RDMRDI and WB and if relevant reflected in the final version of the document (RPF and RAPs).
169. All government agencies involved in RAPs preparation and implementation process will be informed about the project, and their assistance will be solicited in the conduct of the inventory of affected assets and the census of PAPs. In addition, prior to RAP finalization and its submission, PAPs will be thoroughly informed on the results of the census and inventory of impacts, and their preferences on compensation and/or other resettlement assistance will be given due consideration. The processes and mechanisms ensuring the active involvement of PAPs and other stakeholders will be detailed in the RAPs, which will also include an appendix with dates, list of participants, and minutes of consultation meetings.

Objectives of Public Information and Consultation

170. Information dissemination to PAPs and involved agencies is an important part of RAP preparation and implementation. Consultation with PAPs and ensuring their active participation will reduce the potential conflicts and minimize the risk of project delays. To ensure that local authorities, as well as representatives of PAPs, will be included in the planning and decision-making processes, RDMRDI and Consultant will continue a dialogue with rayon and municipality authorities and NGOs, as relevant, during the entire project implementation process to ensure:
- Fully sharing information about the proposed subproject components and RAP activities with the PAP;
 - Obtaining information about the needs and priorities of PAPs, as well as receiving information about their reactions to proposed policies and activities;
 - That PAPs 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;
 - PAPs are given contact information of project responsible persons from local authorities/RD that will provide timely sufficient feedback to their inquiries;

- Obtaining the cooperation and participation of the PAPs and communities in activities necessary for resettlement planning and implementation;
- Transparency in all activities related to land acquisition and resettlement.

Consultation during RPF Preparation

171. During RPF preparation process, public hearing meeting on Kvesheti-Kobi Road Construction and Operation Project was held in Kvesheti village of Dusheti municipality on May 14, 2018. The meeting attendees were RDMRDI representatives, Consultants, local population and Municipality Representatives.
172. Public hearing meeting was opened by the representative of Gamma Consulting LTD – Elene Mgaloblishvili, who talked about the project zone, the tunnel location, its profile and parameters in detail. Consultant on resettlement issues also informed the attending public about the principles of involuntary resettlement applicable to the project in compliance with the Georgian legislation and additional requirements of WB OP 4.12. Eligibility criteria, valuation methodology, compensation principles and allowances to be paid to vulnerable and severely affected households have been explained. At the end of the report, Consultant replied to the questions of the population. Consultant replied to the questions of the population and also explained the potential magnitude of impact. More details about public consultation meeting is provided in Annex 3.
173. **During RAPs preparation** process next stage of public consultation will be conducted. Consultant with assistance as required from the RDMRDI will undertake the following:
174. Conduct information dissemination and consultation for all PAPs, NGOs and other stakeholders;
175. Establish the rates/unit prices to be used as the basis of compensation awards, and confirm land acquisition and impact on properties identified through the DMS/census, demarcation and inventory, in consultation with PAPs;
176. Conduct a survey (as part of the IOL/DMS) to:
- inform them about possible resettlement options;
 - request information from PAPs about their preferences and choices of resettlement options; and,
 - request that PAPs indicate services such as education/ health/markets that they are currently using and their distance from such services;
177. Consultation regarding the PAPs preferred option for livelihood stabilization and/or rehabilitation assistance (where required). This applies to PAPs experiencing significant impacts and vulnerable PAPs.

Consultation during RAPs implementation and monitoring

178. During RAPs implementation and monitoring process next stage of public consultation will be conducted. The RDMRDI will undertake the following:
- RD’s representatives have to conduct consultations (focus groups and individual meetings) with stakeholders who didn’t attend on first and second stage of Public Consultation meetings.

- Individual consultation will be held with the owners of the residential houses, business owners, vendors, severely affected and vulnerable HHs.
- During the consultations, Stakeholders will be provided additionally with RAP leaflet and Information about project impact, RAP scope and budget, as well as with cadastral drawings and information about land registration.
- Additionally, consultation regarding the already selected option for livelihood stabilization and/or rehabilitation assistance (where required) will be provided.

Public Information Booklet

179. To ensure that PAPs, their representatives, and local government agencies in subproject areas fully understand the details of the RAP process, and are also informed about the compensation and rehabilitation packages applicable to the Project, a Public Information Booklet (PIB) will be prepared by the consultant.
180. This PIB will be distributed to all PAPs and communities in the subproject area. The PIB will be translated into Georgian. The general contents of the PIB will include the following:
- Brief description of the project, implementation schedule;
 - Project impacts, entitlements and rights of PAPs;
 - Resettlement and rehabilitation policies for all types of impacts;
 - Institutions responsible for resettlement and time-frame (schedule);
 - Information dissemination to and consultations with PAPs and stakeholders;
 - What to do if PAPs have a question or a problem;
 - Outline of the grievance redress procedure; and
 - Requirements for monitoring and evaluation, including independent monitoring.

RPF - Disclosure

181. RPF and all RAPs will be approved/cleared by the Government of Georgia and the WB prior to disclosure. Any subsequent changes to these instruments will need to follow the same approval disclosure protocols.
182. This RPF in Georgian will be disclosed on the RD website and at RD offices. The RPF in Georgian was disclosed to the APs at the relevant rayon centres and Municipality buildings. Its English version will be disclosed on the WB website after approval by WB and GoG. The minutes of meeting, list of participants and photos are provided in Annex 3.
183. Once a RAP for a road project covered by the RPF has been prepared and approved by RDMRDI, and the WB, it will be disclosed at the relevant rayon centres and Municipality buildings. A pamphlet in Georgian, summarizing compensation eligibility and entitlement provisions, will be sent to all AP/AHs before the initiation of the compensation/rehabilitation process and before signing contract awards. The consultation process will be continued throughout the project cycle.

8 Grievance Redress Mechanism

184. A grievance mechanism will be available to allow an AP appealing any decision on which they disagree, practice or activity arising from land or other assets compensation. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Care will always be taken to prevent grievances rather than going through a redress process. This can be obtained 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. Complaint & Grievances will be addressed through the process described below in Table 3.
185. The GRM consist of project-specific systems established at the municipal level and regular system established at RDMRDI. Grievance Reddress Committee (GRCE) established at municipal level as a project-specific instrument, functional for the whole period of the project implementation. Grievance Redress Commission (GRCN) is formed as an informal structure within the RDMRDI to ensure grievance review, resolution and record.
186. Grievance Redress Commission (GRCN) is formed by the order of the Head of RDMRDI as a permanently functional informal structure, engaging personnel of RDMRDI from all departments having regard to the LAR issues and complaint resolution. This includes top management, Safeguard or LAR Units, Legal Departments, PR department and other relevant departments (depending on specific structure of the IA). The GRCN is involved at the Stage 2 of grievance resolution process. The Order shall also state that if necessary representative of local authorities, NGOs, auditors, APs and any othe persons or entities can be included in the commission as its members.
187. 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 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). In addition, GRCE shall comprise village Rtsmunebuli or his/her representative, representatives of APs, women APs (if any), and appropriate local NGOs to allow voices of the affected communities to be heard and ensure a participatory decision-making process.
188. If considered necessary, GRCEs will be established at the community level with an office order from the RD with provision of 7 members of following composition:

Representative of Resettlement Unit of IA	:	Convener; Contact Person
Representative Rayon LAR team	:	Member Secretary
Gamgebeli – concerned Gamgeoba (village level)	:	Member
Representative of APs	:	Member
Representative of NGO	:	Member
Representative of Civil Works Contractor	:	Member
LAR Specialist of Supervision Consultants	:	Member

189. Representative of the Resettlement Service of IA is coordinating the work of the Committee and at the same time he/she is nominated as a contact person for collecting the grievances and handling 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 offices of all mentioned stakeholders.
190. 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 applicant of grievance, handles the process of negotiation with AP at the stage 1 of the grievance resolution. The Contact Person prepares the minutes of meetings and ensures signatures. In case if the grievance is resolved at the stage 1, the Contact Person records the fact of closing the grievance in his log and informs RDMRDI management about this in written. If the complainants are not satisfied with the GRC decisions, they can always use the procedures of Stage 2 of grievance resolution process. In that case the Contact Person helps the AP in lodging 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).
191. 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, Introducing forms for ease of reporting complaints.

Table 4: Grievance Resolution Process

Steps		Action level	Process
Step 1		Negotiations with APs	The complaint is informally reviewed by the grievance redress committee (GRC), which takes all necessary measures to resolve the dispute amicably.
Step 2		GRC Resolution	<p>If the grievance is not solved during the negotiations, the GRC will assist the aggrieved APs to formally lodge the grievances to the GRC.</p> <p>The aggrieved APs shall submit their complaints to the GRC within 1 week after completion of the negotiations at the village level. The aggrieved AP shall produce documents supporting his/her claim. The GRC member secretary will review the complaint and prepare a Case File for GRC hearing and resolution. A formal hearing will be held with the GRC at a date fixed by the GRC member secretary in consultation with Convenor and the aggrieved APs.</p> <p>On the date of hearing, the aggrieved AP will appear before the GRC at the Gangeoba office for consideration of grievance. The member secretary will note down the statements of the complainant and document all details of the</p>

Steps		Action level	Process
			<p>claim.</p> <p>Response time for the GRC to acknowledge receipt is 14 days and after date of hearing for Respond/resolve maximum time is 10 days.</p> <p>The decisions from majority of the members will be considered final from the GRC at Stage 1 and will be issued by the Convenor and signed by other members of the GRC. The case record will be updated and the decision will be communicated to the complainant AP.</p>
Step 3		Decision from central RDMRDI	<p>If any aggrieved AP is unsatisfied with the GRC decision, the next option will be to lodge grievances to the RDMRDI at the national level. The RDMRDI shall review the complaint in compliance with the procedures specified in the Administrative Code of Georgia. Response time according the Administrative Code of Georgia is 30 days, but Internally, according the RD's internal electronic correspondence system, the mandated time for response is 10 days).</p> <p>GRC should assist the plaintiff in lodging 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).</p> <p>The plaintiff shall be informed of the decision.</p>
Step 4		Court decision	<p>If the RDMRDI decision fails to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court) without any reprisal.</p> <p>The aggrieved AP can take a legal action not only about the amount of compensation but also 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, etc.</p>

9 Framework of Institutional Arrangements

General Overview

192. The RPF involves distinct processes and dynamics and different actors. The Road Department of the Ministry of Regional Development and Infrastructure of Georgia (RDMRDI) will be the Executing Agency

(EA) having the lead responsibility for road construction, as well as the implementation of this RPF and subsequently the RAPs. RDMRDI with the assistance of the consultants will develop and implement the RAP for each project based on the policy and procedures set out in the RPF. In addition to the RDMRDI, a number of other government departments and private agents will play an instrumental role in the design, construction and operation of the project. Pursuant to the active legislation, the Ministry of Natural Resources and Environmental Protection is responsible for environmental issues. The Ministry of Justice is responsible for legal matters regarding land ownership, and National Agency of Public Registry (NAPR) within the Ministry of Justice is in charge of the registration of land ownership and its transfer through purchase agreement from landowners to the Road Department. The local government at Sakrebulo and village level will also be involved.

193. The specific role and responsibility of each State Agency participating in the given project is detailed below.

Roads Department

194. RD has overall responsibility for the MFF. This includes preparation, implementation and financing of all LAR tasks and cross-agency coordination. RD will exercise its functions through its existing resettlement division (RD) which will be responsible for the general management of the planning and implementation of all LAR tasks.

195. The RDMRDI staffed with a sufficient number of LAR specialists, will be tasked with all LAR coordination tasks at central and local government level and will be responsible for:

- screening the projects and ensuring that the RAP is properly prepared and sent to WB for review;
- supervising the consultants that prepare the RAP and assist in implementation;
- establishing needed LAR capacity at each regional level office where LAR is relevant;
- ensuring proper internal monitoring; and
- hiring, following WB recommendation, the external monitoring agency.

196. RD will also provide all needed documentation to ensure the prompt allocation of LAR budgets to the APs and will maintain the coordination of all LAR related activities.

197. RD local offices. The Regional RD offices will assist the activities of the RD with one dedicated officer who will facilitate the communication between the RD, the local governments and the APs and assist in implementing LAR tasks related to the local administration.

Consultants

198. Different types of consultants will be involved in LAR tasks:

1. **PPTA consultants:** These include international and/or local LAR capacity and needed survey teams to carry out field-surveys and prepare the RAP.

2. **Design consultants:** These will include international and local LAR capacity and needed survey teams carry out the same activities for updating/finalizing the RAP of first tranche based on the detailed engineering design and will also prepare RAP.
3. **Supervision consultants:** These include international and local LAR capacity and needed survey teams and will assist in overall Project supervision.
4. **Social Safeguards Consultant (SSC):** This consultant will be hired to conduct the external monitoring and evaluation of the RAP implementation. In the absence of a supervision consultant, the SSC will continue to carry out the external monitoring and evaluation for all the RAP.
5. **Independent Asset valuers:** These will be accredited private firms to be hired by the PPTA or Design consultants to carry out the evaluation of affected assets.

Local Governments

199. Local government especially at Sakrebulo level has direct jurisdiction for land administration, valuation, verification and acquisition. To confirm the surveys and the asset valuations carried out by the LAR consultants RD through its consultants will establish in Sakrebulo where RAPs are to be implemented a Sakrebulo Level LAR team which will have designated officials from the Sakrebulo administration. The LAR team at Sakrebulo level will have close coordination with the village administration for the LAR activities. Effective inter-agency coordination at Sakrebulo and village level will be assigned to the regional level RD.

Other Agencies and Institutions

200. Several other institutions will participate to LAR preparation/implementation of LAR tasks (see Figure 1 below). These are:
201. **Ministry of Finance.** RAPs implementation budgets will be provided to RDI by the Ministry of Finance following the official approval of the final RAPs.
202. **Ministry of Justice.** The Ministry of Justice is responsible for legal matters regarding land ownership, and National Agency of Public Registry within the Ministry of Justice is in charge of land registration and transfer through purchase agreement from landowners to the Road Department.
203. **Local Courts.** In case of expropriation issues, RD will have to rely on the Sakrebulo court, which based on due legal process will have to review the expropriation cases, carry out a hearing and decide whether the land can be expropriated and at what price. In order to expedite the expropriation process RDMRI will negotiate with the courts a fast-tracked action plan.
204. **Ministry of Economy and Sustainable Development.** Ministry of Economy and Sustainable Development (MOESD) issues a decree confirming necessity for expropriation and assigning RD as an entity that can be granted the right for expropriation. Decision on the expropriation will be resolved in about 1 month.
205. **International Financial Institutions (IFI) – e.g. World Bank.** Where applicable, besides regular supervision of the project activities, the IFI also reviews RAPs and clear contract awards signing and initiation of civil works to all subprojects with RAP developed.

Figure 1: Project Implementation Organogram

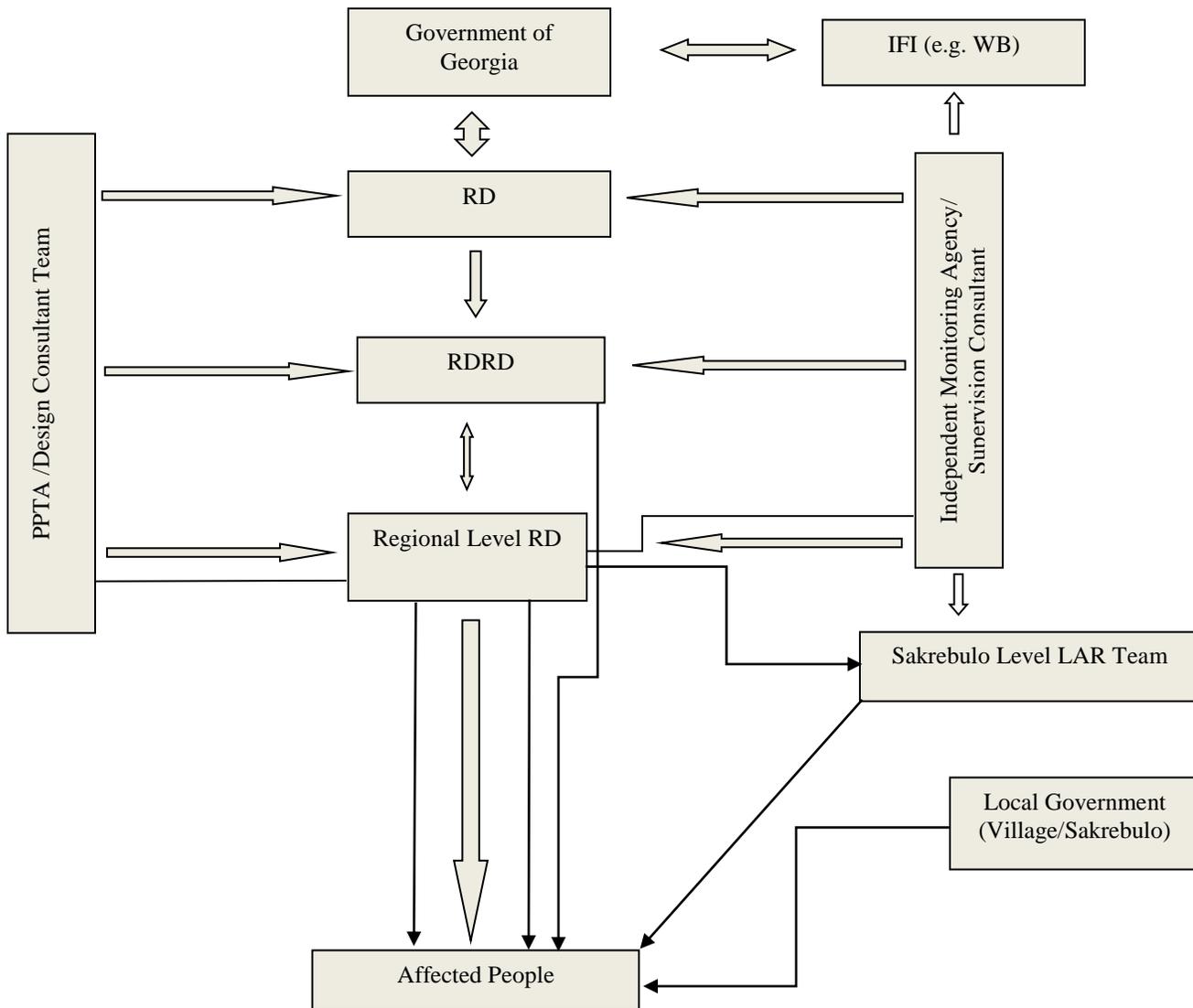


Table 5. Timetable for all resettlement activities according to the responsible agencies tied to overall project implementation process.

Step	Action	Responsibility
A)	RAP PREPARATION	
1	Assessment of Project's social impacts	RD
2	Avoidance of impacts in early project design/concept stage	RD/Design consultants

3	Finalization of Detailed design	Design consultants
4	Prepare surveys forms for Census and DMS, train local Census and DMS teams, and establish coordination with relevant local government agencies.	Consultant
5	Collection of cadastral and land parcel maps of the project area	Consultants/RDRD/NAPR
6	Verify land records in affected areas, update cadastral maps and carry out impacts and valuation surveys – Detailed Measurement Survey (DMS)	Consultant/RDRD/Sakrebulo level LAR Team/
7	Conduct public consultations. The RAP will hold informed, inclusive consultations with all PAPs and stakeholders during its preparation as well its implementation (information will be documented in the RAP main body and details of evidences such as photographs, list of participants, etc. in an Annex).	Consultant/RDRD/Sakrebulo Level LAR Team
8	Identification of Legal and legalizable APs	Consultant/RDRD/Regional RD
9	Negotiations with APs	Consultant/RDRD/Regional RD
10	Integrate data from Census into the RP.	Consultant
11	Submission of RAP to RD (and WB for approval).	Consultant/RD/WB
12	Disclosure	WB/RD
B)	RAP Finalization (Detailed Design)	
1	Detailed Design	Design Consultant
2	Review of impacts and AP lists based on detailed design	Consultant/ Regional RD/ RDRD/Sakrebulo Level LAR Team
3	Review of prices based on the updated rate	Consultant/ Regional RD/ RDRD/Sakrebulo Level LAR Team
4	Legalization of legalizable APs	Consultant/ Regional RD/ RDRD/Sakrebulo Level LAR Team
5	Preparation of the final RAP	Consultant/RDRD
6	WB Approval	WB
7	RAP disclosure: Distribution of RP and information pamphlets in Georgia in the affected communities; posting of RP in English on the WB and RD website	RDRD/Consultant/Sakrebulo Level LAR team/WB
8	Signing of civil contract award	WB/RDMRDI
C)	RAP IMPLEMENTATION	
1	Approval of Contract award Signing	WB
2	Detailed Schedule for compensation action plan	RDRD/RD
3	Distribution of Relocation Notices to APs	RD/ RDRD/Regional RD/Sakrebulo Level LAR team

4	Processing Land Acquisition Agreements Land Compensation	RD/RDRD/Regional Level RDMRDI
5	Processing Land Acquisition Agreements on provision Compensation & Assistance/ Rehabilitation	RD/RDRD/ Regional Level RD
6	Demolishing/ Relocation of Affected Structures/Assets	RD
7	Review of RAP Implementation through a compliance report	RD/RDRD/SSC/WB
8	If RAP Implementation found satisfactory, Notice to proceed for Civil works is issued	WB/RD
D)	POST-IMPLEMENTATION TASKS	
1	Before starting civil works prepare Compliance Reports and submit to RD and WB for review and No Objection	SSC
E)	CYCLICAL/CONTINUOUS TASKS	
1	Internal monitoring. Quarterly reporting to WB	RDRD
2	External Monitoring. Semi-annual reporting to WB	SSC/Supervision Consultant
3	Grievances Redress/Law Suites	RDRD/Regional level RD/Court
4	Inter-agency coordination and Communication with AP	RD/RDRD/Regional Level RD

10 Monitoring and Evaluation

206. 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 RDRD/RDMRDI. External monitoring will be assigned to SSC to be hired by RDMRDI and approved by the relevant IFI.

Internal Monitoring

207. Internal monitoring will be carried out routinely by RDRD/RDMRDI either directly or through the services of a consultant. The results will be communicated to WB through the quarterly project implementation

reports. Indicators for the internal monitoring will be those related to process and immediate outputs and results. This information will be collected directly from regional RDMRDI level and reported monthly to RDRD/RDMRDI to assess the progress and results of RAP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the standard supervision reports to the relevant IFI (e.g. WB). Specific monitoring benchmarks will include:

- Timeliness, information campaign, quality of information and consultation with APs;
- Status of land acquisition and payments on land compensation;
- Compensation for affected structures and other assets;
- Relocation of APs;
- Payments for loss of income;
- Selection and distribution of replacement land areas; and
- Income restoration activities
- Results of income restoration activities and compensation provided in terms of measuring extent to which affected livelihoods were restored, identifying gaps, which affected livelihoods were not satisfactory restored.
- The above information will be collected by RDRD/RDMRDI which is responsible for monitoring the day-to-day resettlement activities of the project through the following instruments:
- Review of census information for all APs;
- Consultation and informal interviews with APs;
- In-depth case studies;
- Sample survey of APs;
- Key informant interviews; and
- Community public meetings.

External Monitoring

208. Where necessary, external monitoring will be carried out by the SSC for the project activities. Indicators for External Monitoring tasks will be carried out in two phases.
209. **Phase One.** This external Monitoring phase will be carried out in parallel with the implementation of a RAPs and will be concluded after the RAPs are fully implemented by the preparation of a compliance report. An acceptable Compliance Report will be condition to start the implementation of physical civil works for the project.
210. During this phase the SSC will (i) do the investigations and define the indicators needed for phase two activities and ii) closely monitor the implementation of the RAPs. RAPs implementation monitoring will entail the following tasks: (a) review of RAPs/Information pamphlet disclosure; (b) review of action taken

by the PIU to compensate the APs with particular attention to the way this action fits RAP stipulations; (c) review all compensation tallies; (d) verify whether the compensation is provided thoroughly to all APs and in the amounts defined in the RP and in the 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 case; (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 RAP implementation. The Compliance report will include well-argued sections on the following:

- Assessment of the way the compensation has been carried out in relation to RP stipulations;
- Verification that all APs were compensated in the amounts stipulated in the RP;
- Review of complaint and grievance cases and of their solution;
- Assessment of the rehabilitation program for vulnerable Aps;
- Assessment of the satisfaction of the Aps;
- Lesson learned to be applied to the next projects, and;
- General assessment of RP implementation and recommendations to WB regarding the provision of No Objection Letter to start the civil works.

211. **Phase Two.** Within one year from the completion, the whole of RAPs implementation will be assessed. The following are main indicators for the investigations to be carried out in this external Monitoring phase:

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

Capacity Building and Training in RAP Implementation

212. To allow an effective execution of all LAR related tasks some expansion of the capacity on LAR currently available at RDRD/RD may be needed. RD will carry out a capacity need assessment and will define the capacity building activities and if needed the additional experts required. Financing for these capacity building initiatives will be included under the capacity building component of the Project.

213. Capacity building exercise will be needed at the Sakrebulo level. The designated team at the Sakrebulo level for the LAR activities will be provided with the capacity enhancement related to the LAR planning and implementation and will be made familiar with WB's policy on Involuntary Resettlement. This will be done

through on the job training and by participation in the LAR activities. The consultants responsible for the LAR activities in various stages, i.e., feasibility study, detailed design and supervision will work closely with the Sakrebulo level LAR team. A continuous consultation process and informal training through discussion with the Sakrebulo level LAR team and its due involvement in the planning and implementation of LAR activities will be facilitated by the consultant’s team.

214. All concerned staff both at RD, Sakrebulo and field level involved in LAR activities will undergo a week-long orientation and training in WB resettlement policy and management. At the very beginning of Project implementation, the training will be provided by a consultant hired by RD, later it will be provided by RD. Training will cover the following topics:

- Principles and procedures of land acquisition;
- Public consultation and participation;
- Entitlements and compensation & assistance disbursement mechanisms;
- Grievance redress; and
- Monitoring of resettlement operations.

11 RAP Implementation Schedule

215. The sample of RAP implementation schedule to be included in each RAP is described in table below. The tasks and implementation timeframe will be identified according to complexity and volume of work of each separate project implementation milestones.

Table 5. Sample of RAP Implementation Schedule

Tasks	MONTHS											
	1	2	3	4	5	6	7	8	9	10	11	
RAP Preparation	—————											
Draft RAP public discussions and finalization			●									
MoT/WB RAP Approval				●								
RAP Disclosure				—————								

218. Objectives:

- Land acquisition and resettlement will be minimized or avoided where possible. Where resettlement is unavoidable, the procedures and requirements outlined in this Framework will be followed. Resettlement Action Plans (RAPs) will be designed to minimize adverse impacts.
- Affected persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to levels prevailing prior to the beginning of project implementation.
- All project affected persons (PAPs) will be meaningfully consulted and be active participants in the negotiated settlements and will have access to adequate and accessible grievance redress mechanisms. Consultations will consider gender issues and take into account the needs of stakeholders who may be considered vulnerable.
- The level of detail of information and effort to identify and manage impacts should always be commensurate with the magnitude of those impacts and related risks of each specific road section project, since the requirements of the RPF can be scaled to the needs of the project²³.

219. Guiding principles:

- EA will aim to achieve negotiated agreements on land acquisition with all PAPs based on the principles set out in this Framework. EA will negotiate fairly and openly with all PAPs to reach mutually acceptable agreements on compensation. Expropriation or easement imposition will only be undertaken as a last resort where negotiation fails.
- All land acquisition and resettlement activities will be managed through RAP, particularly when there is physical displacement which means relocation or loss of shelter or structure and/or when there is loss of economic displacement which means loss of income or livelihood. Implementation results will be documented, monitored and, after completion, evaluated.
- Involuntary resettlement should be conceived as an opportunity for improving the livelihoods of the affected people and undertaken accordingly.
- Engagement and compensation will be carried out with equal consideration of women and men.
- Particular attention should be paid to households headed by women and other vulnerable groups, and appropriate assistance should be provided to help them improve their status.
- Land acquisition and resettlement action plan should be conceived and executed as a part of the project, and the full costs of compensation should be included in project costs and benefits.
- Compensation and resettlement subsidies will be fully provided prior to clearance of right of way/ ground leveling and demolition.
- Upon completion of construction, restore land as best as possible to its original condition in the event of temporary disruption so as to enable landowners/users/lessees to resume their pre-project activities;
- All PAPs, without regard to legal status of property, will receive support of various kinds, as per the principles set out in the Entitlement Matrix include in this RPF.
- Lack of legal title should not be a bar to compensation and/or rehabilitation.

²³ A basic road rehabilitation with insignificant impact on local population and their assets may not need as much mitigation effort as a new road.

222. Items of LAR cost estimate under RAP will be as follows:

- Compensation for agricultural, pasture, and commercial land at replacement value
- Compensation for structures and buildings at their replacement cost
- Compensation for crops and trees
- Assistance for severely affected AH
- Assistance for vulnerable groups for their livelihood restoration
- Cost for implementation of RAP.

The Sample of Summary Estimate of LAR Costs is presented in Table below:

No.	Item	Cost in GEL
A	Compensation	
1	Compensation for Land	
2	Compensation for Structures/Buildings	
3	Compensation of Affected Businesses	
4	Compensation for lost wages	
5	Compensation for lost income of outdoors traders	
6	Compensation of crop	
7	Compensation for non-productive and productive Fruit trees	
	Sub Total A	
B	Allowances	
1	Severely AHs	
2	Vulnerable Households	
3	Relocation AH	
4	Relocation of movable assets	
	Sub Total B	
C	Support Cost for RP Implementation	
1	Cost for EMA	
2	Miscellaneous Administrative Cost	
3	Registration fees for 14 residual land plots subject for registration	
	Sub Total C	
	Total R&R Cost (A+B+C)	
	Contingency @10 % of the total LAR Cost	
	Grand Total in Gel	
	Rate of Currency exchange	

Annexes:

Annex 1. Sample of Table

Summary Impact on Land Acquisition and Resettlement

	Impacts	Unit	
Land Tenure Patterns			
1	Total Land parcels affected	No.	
2	Total land Area to be acquired	Sqm	
3	Category 1. Private Registered Plots	No.	
		sq.m	
4	Category 2. Private (Rightfully owned) Legalizable through NAPR (1 stage legalization)	No.	
		sq.m	
5	Category 3. State Owned , Occupied by Private Users without perrmision – Non Legalizable	No.	
		sq.m	
6	Category 5. State Owned Not Used by Private Users	No.	
		Sqm	

Land Use and Compensation Categories			
7	Type 1; Private agricultural (located along the existing section of local road) (XX Gel/sq.m)	No.	
		sq.m	
8	Type 2; State owned agricultural (illegally occupied by private users) non-legalizable	No.	
		sq.m	
9	Type 3; State owned non-agricultural land (not occupied by private users); are not subject for compensation	No.	
		sq.m	
Agricultural Patterns			
10	Area under Hay/Grass	sq.m	
11	Area under Potato	Sq.m	
12	Affected Trees	No.	
Affected Structures			
13	Auxiliary buildings	No.	
14	Fencing	No.	
Project Affected Households			
15	Severely affected Households	No.	
16	Vulnerable Households	No	
17	Resettled households	No.	
18	PAH with registered plots	No.	
19	PAH with legalizable plots (rightful owners, 1 stage registration through NAPR)	No.	
20	PAH s using State Owned , Non Legalizable Land	No.	
21	PAH losing crops	No	
22	PAH losing trees with non-agricultural land plots	No.	
23	PAH losing Jobs	No	
24	Total PAH	No	
25	Total Project Affected Persons	No	

Annex 2. RAP Preparation outline

Project Description

1. General overview
2. Description of the project road section

Potential impact of the Project

- b. Scope of the project impact
- c. Impact on land
- d. Impact on buildings and structures
- e. Impact on harvest and perennial plants
- f. Effect on business
- g. Other impacts

Objectives and Outcomes of the project

Socio-economic study of the project area

- national context
- local context
- socio-economic analysis of project affected people
- demographic profile
- homestead
- income and expenditures
- basic services
- attitude towards the project and expectations
- socially vulnerable households

Legal Framework

Georgian legislation

Institutional (organizational) responsibility

Resettlement Activities

- a) Preparation of final RAP
- b) Implementation of RAP

Methods of assessment. Assessment of loss and compensation

- a) Assess the value of building and structures
- b) Calculation of market price of land plots using sales comparison method
- c) Calculation method for compensation of perennial plants
- d) Calculation of compensation for annual plants
- e) Compensation of business

Integration of the project

- a) Identification of stakeholders
- b) Information dissemination, public discussions, participation and consultations

Grievance procedures

Implementation monitoring and Evaluation

RAP implementation schedule

Resettlement costs and budget

Annexes

Annex 1 Valuation Methodology

Annex 2 Legalization Procedure

Annex 3 Information Leaflet

Annex 4 Minutes of public consultation

Annex 3. Minutes of the meeting

Minutes of Meeting on

Preparation of Pre - Feasibility Study and Feasibility Study for Jinvali - Larsi Road and

Detailed Design for the Construction of Kvesheti - Kobi Road Section

Kvesheti

14.05.2018

Public hearing meeting on Kvesheti-Kobi Road Construction and Operation Project was held in Kvesheti village of Dusheti municipality on May 14, 2018.

The meeting attendees were as follows: Archil Jorbenadze –Project Coordinator and Contracts Monitoring Manager, Nino Mtsuravishvili – Deputy Head of Resettlement Unit at Roads Department of Georgia, Rusudan Kuliashvili and Elene Mgaloblishvili - specialists of Gamma Consulting LTD, as well as local population 16 person (1 female and 15 male) and Tengiz Bedoidze - Governor of Kvesheti village.

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

the Consultant on resettlement issues informed the attending public about the principles of involuntary resettlement applicable to the project in compliance with the Georgian legislation and additional requirements of WB OP 4.12. Eligibility criteria, valuation methodology, compensation principles and allowances to be paid to vulnerable and severely affected households have been explained. At the end of the report, Consultant replied to the questions of the population. The details of questions and answers for different villages are given below

Elene Mgaloblihvili – representative of Gamma Consulting LTD closed and summarized the meeting, after which question-answer mode was held with local population. Questions asked during the public hearing, the list of attendees and the photo material of the meeting is presented below

Chair Person of the Public Hearing: Elene Mgaloblishvili

Secretary of the Public Hearing: Rusudan Kuliashvili

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

N	Authors of comments and suggestions	Content of comments and suggestions	Answer
1	Valerian Tsamalaдзе	If I don't have registered any land parcel, what will happen in such case?	Roads Department and consulting companies will assist you in making 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 a recreation zone	The consultant will investigate the reason of refusal in the Public Registry, we have not had any information about this problem till now. The consultant will investigate this issue and inform you.
4	Ushangi Zakaidze	If the project zone has any touch with the graves and shrines, the construction territory will be desirable to be relocated	According to the project, territory of graves is not affected, even more, protection wall will be arranged along this territory by the initiative of the project company, in order to prevent damage of this area during the construction process.
5	Mamuka Rostiashvili	What are the road parameters?	Design length of the road is 10.03 km, out of which 9,06 km will be the tunnel. Width of the access road will be 10 m.
6	Mamuka Rostiashvili	What are the tunnel parameters?	Carriageway will be 3,5 m on each side, sidewall - 1,5 m, for pedestrians - 0,75 m. In addition, arrangement of emergency tunnel is also scheduled.
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 local population be employed within the project?	Local population will be given preference during employment.
9	Giorgi Tsamalaдзе	What benefits will be provided by the road project for the municipality?	As you know this section is closed during the most period of

			winter due to much snow and the risks of snow avalanche. Construction of the mentioned tunnel will ensure the connection of municipality with the rest part of the country throughout the year.
12	Davit Zakaidze	Has the construction company already revealed?	The tender has not been held yet, accordingly 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 do in such case and whom I address to?	You can submit an application to the Road Department prior to the construction and demand the property inventory, if your property is damaged due to ongoing works, it will be properly compensated.
16	Levan Tsamalaidze	What could you say about the potential vibration, will it harm the already damaged houses?	Studying of the mentioned issue is going on 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?	New road connecting to the village will be arranged. The movement will not be restricted.
21	Nino Tsamalaidze	Who funds the construction of the mentioned project?	ADB and EBRD

List of Attendees of Public Hearing of Kvsheti-Kobi Road Construction and Operation Project

N	Name /Surname	contact information	Employ	Gender
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

ქვეშეთი კობის საავტომობილო გზის მშენებლობისა და ექსპლუატაციის პროექტის საჯარო განხილვაზე დამსწრეთა სია

N	სახელი/ გვარი	საკონტაქტო ინფორმაცია	დასაქმება	სქესი
1	ნინო წამყვითი	593 75 42 18	პენსიონეტი (II კე. ინველი)	მდედრობითი
2	ზაფხი ზენიძე	597 32 70 49	სახელმწიფო სექტორი	ქართობითი
3	ღვთის ზენიძე	555 659 079	"მთლიან ხელმძღვანელს განვითარების საფეხო უზრუნველყოფის"	ქართობითი
4	ზინკა ჯეჯეშვილი	599 70 79 98	უზრუნველყოფის (სოფ. დაწესებულება)	ქართობითი
5	ვალერიან წამყვითი	579 77 62 35	პენსიონეტი (სოფ. დაწესებულება)	ქართობითი
6	ნიკოლოზ ზენიძე	599 97 34 56	"გზის ტრანსპორტის უზრუნველყოფის"	ქართობითი
7	უზრუნველყოფის ხაჩიძე	595 01 29 03	"გზის ტრანსპორტის უზრუნველყოფის"	ქართობითი
8	ზაფხი ჯორჯიანი	593 38 13 15	უზრუნველყოფის	ქართობითი
9	ზვიად თავადაძე	591 215 119	უზრუნველყოფის (სოფ. დაწესებულება)	ქართობითი
10	ვალერიან წამყვითი	593 66 50 44	უზრუნველყოფის (სოფ. დაწესებულება)	ქართობითი
11	ნოდარ ზენიძე	593 755 997	სახელმწიფო სექტორი	ქართობითი
12	მამია ხოციაშვილი	557 239 839	"გზის ტრანსპორტის უზრუნველყოფის"	ქართობითი
13	ღვთის ზაფხიძე	599 99 76 55	უზრუნველყოფის	ქართობითი
14	ვალერიან ზენიძე	595 04 31 36	"მთლიან ხელმძღვანელს განვითარების საფეხო უზრუნველყოფის"	ქართობითი
15	გიორგი წამყვითი	591 96 88 35	უზრუნველყოფის	ქართობითი
16	გიორგი ზაფხიძე	597 32 70 47	"მთლიან ხელმძღვანელს განვითარების საფეხო უზრუნველყოფის"	ქართობითი
17	თენგიზ ზენიძე	5	სოფ. ქვეშეთის განვითარების	ქართობითი

Photo Material of Public Hearing of Kvesheti-Kobi Road Construction and Operation Project

