

Ministry of Economic Development of Georgia

Roads Department of Georgia

Resettlement Policy Framework

Final

First East-West Highway Improvement Project

E-60 Highway Agaiani – Sveneti (km43-km80) section

September 2006

RESETTLEMENT POLICY FRAMEWORK

INTRODUCTION

This RPF has been prepared under the PREFERRED ALTERNATIVES, PRELIMINARY DESIGN AND ENVIRONMENTAL SCREENING AND RESETTLEMENT project to meet international standards and specifically, the terms of the World Bank OP 4.12 on Involuntary Resettlement, the policy followed by most international financial institutions. The assignment relates to the Aгаiani-Sveneti portion of the itinerary about 37 km located between kilometre posts (KP) 43 and 80.

The construction of the road and other associated permanent and temporary facilities in Georgia will require an acquisition of approximately 153 hectares¹ of land along the road corridor.

The proposed improvement of Aгаiani – Sveneti section of the East – West Highway will not require a large scale expropriation of private land. RDMED owns a sufficient parcel of land either side of the existing road and the existing 2-lane road can be expanded to a 4-lane road most likely within the current right of way (ROW).

The project is committed to minimising the involuntary resettlement or physical displacement of people. The inventory process is needed to indicate that this is being achieved. A small proportion of the Project Affected Populations (PAPs) and about 27.8 hectares of private lands will be interrupted during the construction of the road.

Losses in income and livelihood caused by the project might be mitigated both through cash compensation and through activities financed by a special fund. The temporary economic dislocation of PAPs will be minimized. At the stage of detail design the studies should be conducted to tailor the mitigation measures to the vulnerabilities of the affected populations.

The report provides guidance on the measures required for ensuring consistency with involuntary assessment and land-acquisition procedures, as well as information on the responsible bodies involved in this process. It establishes conceptual framework for the preparation of involuntary resettlement in relation to the specific project.

This RPF is a draft that will be revised based on the comments received. It contains guidelines to develop a Resettlement Action Plan (RAP) to be prepared by the RDMED. The RAP will detail the affected properties and the compensation measures.

¹ Rough data estimates collected by Bonifica from available documentation. The final figures will be confirmed by Georgia Land Cadastre.

RESPONSIBLE INSTITUTIONS

Within the Georgian Government, the Road Department of the Ministry of Economic Development of Georgia (RDMED) has the lead responsibility for the road construction.

In addition to RDMED, a number of other government departments will play an instrumental role in the design, construction and operation of the East – West Highway. Pursuant to the active legislation of Georgia Ministry of Natural Resources and Environmental Protection is responsible for ecology, soil, and land designation changing issues. On the given phase the issues related to usage of agricultural land for non-agricultural purposes is resolved on the level of said Ministry.

Aside to that, Ministry of Natural Resources and Environmental Protection evaluates the negative impacts on environment and ecological expertise, based on that the environmental protection permits are being issued. Land Management Unit and Geodecy and Cartography Departments are under the Ministry of Natural Resources and Environmental Protection. The Competence of Geodecy and Cartography Units is practical implementation of State Management Policy of geodecy and cartography. To the competence of Land Management Unit belongs rational use of land and implementation of measures against soil erosion and state contril on land purposeful use.

The Ministry of Economic Development similar to the Ministry of Natural Resources and Environmental Protection is compiled by various departments and units that also shall influence and participate in resolving the road construction realted issues. The Law of Georgia on Permits and Lisences considers the procedures construction permits issuance.

It is necessary to conduct discussions between local government units and Ministry of Economic Development prior to commence of the construction activities so that the colission in the legislation negotiation does not create constraints to the issuenace of construction process. Prior to starting construction of objects of significant designation it is necessary to conduct archeological surveys and the report is attached to the project planning file.

The Ministry of Justice shall lead the most signifcant role in registration and declaration of ownership rights to land and real propetry. Declaration and registration of ownership rights to land and real property is undertaken solely by the National Agency of Public Registry at the Ministry of Justice.

Table 1 Governments Administrative Responsibilities

Ministries and Departments	Responsibilities
Ministry of Economic Development of Georgia	Matters pertaining to construction corridor approval, allocation and acquisition Deals with the issues related construction activities
Ministry of Natural Resources and Environmental Protection	Ensures monitoring and resolves the issues related to the changes of the designation of land, based on evaluation of environmental impacts and conducting ecological expertise issues environment protection permit.
National Agency of Public Registry of the Ministry of Justice	Identifies the land plots and ownership rights and their registration into the Public Registry.
Local governing Units and their architectural and Construction service units	Implement the decisions on the land parcelation

Table 4.2 provides a list of government departments involved in the land acquisition process for the East – West Highway construction in Georgia.

The Land /real property acquisition during Highway construction process is regulated by the supreme laws being in the highest position within the hierarch of legislation. These are as follows: Constitution of Georgia and the Law of Georgia on Expropriation of Private Ownership for Public Necessary Needs. The President of Georgia, the Court and Expropriator that is granted the right of expropriator through the Court are involved in this process. However, also other State Institutions such as Ministry of Natural Resources and Environmental Protection, Ministry of Economic Developments and the Ministry of Agriculture shall also get involved.

Table 2. The responsibilities identified under the Legislation of Georgia and the entities involved in the process of expropriation

Measures/activities	Responsible Body
Presidential Decree on Assigning the Right of an Expropriator	The President of Georgia
Right on Undertaking Expropriation	Through the Court Decision
Conducting appraisal (evaluation) of land and real property	Independent expert invited by the Expropriator
Information regarding the yield capacity of given agricultural lands	Ministry of Agriculture

Table 3 Government, State and other Public Institutions that may be involved in highway construction process**The Government of Georgia**

1. Ministry of Economic Development
2. Road Department of Georgia
3. Ministry of Justice
4. National Agency of Public Registry
5. Ministry of Internal Affairs
6. Kaspi Rayon Gamgeoba
7. Kaspi Rayon Sakrebulo
8. Gori Rayon Gamgeoba
9. Gori Rayon Sakrebulo
10. Ministry of Natural Resources and Environmental Protection
11. Ministry of Labor, Health and Social Affairs
12. Tourism Department

13. Ministry of Culture, Monuments Protection and Sports
14. Shida Kartli Governor
15. Ministry of Refugees and Placement

PROJECT POLICY FRAMEWORK

PROJECT AFFECTED AREAS

Geographically and administratively, Georgia is broken down into 12 Regions and 68 Districts. The country's total population is approximately 5 million. The Agaian-Sveneti section of the road will pass through 2 districts in Georgia, from east to west: Kaspi and Gori. However, this portion of the road will be used by residents of Akhlagori district (this district is a part of the Georgian-Ossetian conflict zone).² Agaiani-Sveneti portion of the road has a big importance for the residents of the named districts. The total population of the 2 districts is 151387. Gori – 52217. Kaspi - 99170 (Census 2002).

Those affected directly by the land acquisition activities of the project within supposed approximately 65 meter corridor constitute a very small proportion of the total population of these districts.

A special effort should be made to target the directly affected people with employment opportunities available through the project. The Construction Contractor should be responsible for the recruitment process and priority consideration for employment opportunities should be given to those affected.

The Agaian-Sveneti section of the road will pass through a corridor of approximately 1023 plots that are distributed among two districts.

Table 2.1 Affected Land Plots by Sections

Number of affected land plots

Sections	Number of all land plots	Number of private land plots	Number of State land plots
Section 1	312	25	287
Section 2	218	98	120
Section 3	493	288	205
Total	1023	411	612

Source: Rough data estimates collected by Bonifica from available documentation. The final figures will be confirmed by Georgia Land Cadastre.

Area of affected land plots

Sections	Area of all land plots	Area of private land plots	Area of State land plots
Section 1	64 ha	3 ha	61 ha
Section 2	30 ha	2.8 ha	27.2 ha
Section 3	59.6 ha	22 ha	37.6 ha
Total	153.6 ha	27.8 ha	125.8 ha

Source: Rough data estimates collected by Bonifica from available documentation. The final figures will be confirmed by Georgia Land Cadastre.

A number of kiosks and permanent structures have been observed within the existing ROW, especially after Igoeti, which would need to be demolished. Many, but not all such structures were built with the permission of RDMED, which requires the owners to surrender the space used to accommodate the structure, without compensation, when needed.

²The project will not affect the properties located in Akhlagori district.

Social analysis of alternatives in Igoeti

Social group visited Kaspi district on June 6 2006 and Gogi district on June 8 2006. The main tasks of the visits were:

- Meeting with the local residents whose houses might be eventually demolished due to modernization of Agaiani-Sveneti portion of the East-West road and determination of type/sum of possible compensation for them;
- Determination of the best alternative on Igoeti portion of the road through consultation with local officials and residents.

In the above mentioned meetings the leadership of the two region local authorities participated report is based on the demands of current legislation of Georgia and mentioned above terms of the World Bank OP 4.12 on Involuntary Resettlement.

One of the most important issues of the modernization of Agaiani-Sveneti portion of the East-West road is to determine the best alternative for Igoeti part of the road. Three alternatives are suggested by preliminary road construction plan and one solution was selected for the Detailed Design responding to the highway standards and the minimum environmental and social impact.

The visit revealed some important issues which should be solved at the next stage of the project implementation. In this regard the project consultant's recommendations are as follows:

- The list of households, buildings, state lands provided by RMED should be carefully reviewed and amended, as visits to Gori and Kaspi revealed a lot of errors, especially in type of ownership, presented in these lists.
- It is extremely important to carry out explanatory activities among affected population, as they have no clear understanding of ongoing road modernization process and its possible influence on their households, property and livelihood.
- The project should keep close contacts with local (district, sakrebulo) authorities, as on the one hand they provide valuable information about social and economic situation, and on the other hand can facilitate relations between the Project and local residents.

Social Issues related to Interchanges

As it was mentioned before Agtaiani-Sveneti portion of the road is of a big importance for local residents. Modernization of the road will trigger some inconveniences for them. Previously local residents could have crossed this portion of the road at any place, after the modernization they would be able to do so only in specially designated areas (interchanges), which would be somewhat uncomfortable for them.

One of the goals of the given project is to avoid any kind of possible social conflict. In this end, the project representatives traveled to Gori and Kaspi where they held meetings with the gamgebelies and specialists of the districts.

It is noteworthy that gamgebelies of both districts attach great importance to the modernization project of the existing road. They consider that road upgrade will facilitate improvement of the districts infrastructure, thus positively affecting socio-economic development. The participants of the meetings underlined the need for such a layout of 2-level intersections, which would not hamper movement of local residents.

Local government representatives thoroughly looked into the preliminary plan of intersections provided by the project and made certain corrections. Gori meeting participants visited the site which is foreseen as a location of one of the intersections of Agaiani-Sveneti road and discussed and endorsed it.

It is important to involve in further discussions local NGO and community representatives.

LAND ACQUISITION PROCEDURES AND IMPLEMENTING RESPONSIBILITIES

Principles of land and asset acquisition

The East-West highway project overarching goal in relation to land and asset acquisition should be assist the project affected populations (PAPs) in restoring their livelihoods in comparison to pre-project levels. Specific principles that apply include:

- 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 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 agreement, 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 to enable landowners/users/lessees 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.
- Develop a fair and accessible grievance redress mechanism.
- The Project Affected People (PAP) will receive support of various kinds, as per the principles set out in the Entitlement Matrix, that enables them to restore the same level of livelihood as prior to the Project. 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
- PAP will be notified of the project implementation schedule and consulted regarding the principles of land acquisition and loss of/ damage to assets.
- Resettlement Action Plan (RAP) will be developed as per RPF and Bank OP 4.12 as well as Georgian legislation for each section of the Project itinerary that defines detailed policies and procedures of land acquisition.
- RDMED will set up a unit within the organization responsible for the development and implementation of RAP.
- The details of land acquisition procedure will be spelled out in RAP(s), but they will include:
 - Initial consultation to PAP to notify the project and board impact
 - Census, geographic survey and socioeconomic survey of PAP
 - Determination of PAP and types/ scale of impact
 - Development of compensation package and drafting of RAP
 - Consultation with PAP
 - Negotiation with PAP and payment of compensation
 - Compensation/rehabilitation measures will be implemented as the civil works progress but prior to the start of the construction on a particular section.

Type of loss	Implication	Category of PAP	Entitlement	Follow up
Permanent loss of land	HHs losing agricultural / grazing land	Private owners with or without titles	(i) Cash compensation at replacement cost; or	
	Marginal (loss of land <20% of total landholding) or severe (loss of land >20%) impact		(ii) Replacement land of the same productive value, agreeable to the DP	
Loss of/ damage to assets	Damage to residential/ non-residential structure	Owners of the affected structure	Cash compensation at replacement cost without depreciation	
	Marginal (damage <20% of structure) or severe (damage >20% of structure)		Alternative structure be built if impact is severe	
	Damage to roadside commercial structure (e.g. kiosk, gas stand, restaurant)	Owners of the affected structure	Relocation of the structure to near and safe premise to continue with the same business	Land use agreement with owners be made/ renewed
Loss of income/ productive assets	Loss of standing crops and trees	Owners of the affected crops	Cash compensation equal to the loss of expected harvest due to construction	
		Owners of the affected trees	Cash compensation at market value on the basis of type, age, and productive value. If affected trees are removable, compensation will be equal the transportation cost plus actual loss.	
	Loss of income from sales of crops during construction	Owners of the affected crops	Cash compensation equal to the loss of expected harvest due to construction	Restoration of farm land should complete before next farm season
	Loss of income from roadside business activities	Business owners	Rehabilitation measures including cash compensation at least equal to the lost income due to construction	Specific rehabilitation measures will be developed in RAP
Temporary impact	Loss of access to grazing land	Domestic animal owners	Temporary access will be set up	
	Structures knocked down during construction	Owners of the affected assets	Assets will be restored at the same place after construction	
	Loss of income due to loss of access to business location	Owners of the affected assets	Temporary access will be set up	