

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

**E60 HIGHWAY, SECTION F4**



**(SHORAPANI- ARGVETA)**

**Subsection:**

**changed Design of Tunnel 6**

**ADDENDUM No. 2 TO THE LAND ACQUISITION AND  
RESETTLEMENT PLAN (LARP)**

**January 2022**

**(Revised June 2022)**

## Addendum to the Land Acquisition and Resettlement Plan

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Project Number: 53178-001  
January 2022

GEO: East–West Highway (Shorapani–Argveta Section) Improvement Project

Prepared by the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia for the Asian Development Bank.

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## **ABBREVIATIONS**

<b>ACS</b>	Acquisition and compensation scheme
<b>ACM</b>	Acquisition and Compensation matrix
<b>ADB</b>	Asian Development Bank
<b>AH</b>	Affected Household
<b>AP</b>	Affected Person
<b>CBO</b>	Community based organization
<b>CSC</b>	Construction supervision consultant
<b>DD</b>	Detail Design
<b>DMS</b>	Detailed measurement survey
<b>EMC</b>	External monitoring consultant
<b>ESID</b>	Environmental and social issues division
<b>ETCIC</b>	Eurasian Transport Corridor Investment Center
<b>ESIA</b>	Environmental and Social Impact Assessment
<b>EWHCIP</b>	East West Highway Corridor Improvement Project
<b>FS</b>	Feasibility Study
<b>GoG</b>	Government of Georgia
<b>GPS</b>	Global Positioning System
<b>GRCE</b>	Grievance Redress Committee
<b>GRCN</b>	Grievance Redress Commission
<b>GRM</b>	Grievance Redress Mechanism
<b>HH</b>	Household
<b>IA</b>	Implementing agency
<b>IP</b>	Indigenous peoples
<b>Km</b>	Kilometer
<b>LAR</b>	land acquisition and resettlement
<b>LARC</b>	land acquisition and resettlement commission
<b>MOES</b>	Ministry of Economic and Sustainable Development
<b>M&amp;E</b>	monitoring and evaluation
<b>MTFF</b>	Multi Tranche Financial Facilities
<b>MOF</b>	Ministry of Finance
<b>MPR</b>	monthly progress report
<b>MRDI</b>	Ministry of Regional Development and Infrastructure

<b>NAPR</b>	National Agency of Public Registry
<b>PIB</b>	Public Information Booklet
<b>PR</b>	Public Relation
<b>PRRC</b>	Property Rights Recognition Commission
<b>NGO</b>	Non-Governmental Organization
<b>LARP</b>	Land acquisition and resettlement plan
<b>RDMRDI</b>	Roads Department of the Ministry Regional Development and of Infrastructure of Georgia
<b>ROW</b>	Right-of -Way
<b>SES</b>	Socioeconomic survey
<b>SPS</b>	Safeguard Policy Statement

## GLOSSARY OF TERMS

<b>Affected Household (AH)</b>	All members of a household residing under one roof and operating as a single economic unit, who are adversely affected by the Project. It may consist of a single nuclear family or an extended family group.
<b>Affected People (AP)</b>	Individuals affected by Project-related impacts.
<b>Eligibility</b>	Means any person(s) who at the cut-off-date was located within the area affected by the project, its sub-components, or other subproject parts thereof, and are affected by the project. Eligibility is irrespective of (a) formal legal rights to land, or (b) customary claim to land or asset, or (c) no recognizable legal right or claim to the land APs are occupying.
<b>Entitlement</b>	Means the range of measures comprising cash or kind compensation, relocation cost, rehabilitation assistance, transfer assistance, income substitution, and relocation which are due to APs, depending on the type and degree nature of their losses, to restore their social and economic base.
<b>Land acquisition</b>	Means the process whereby a person is compelled by the Government through the Executing Agency of the Project to alienate all or part of the land s/he owns or possesses in favor of the State in the implementation of the Project or any of its components in return for consideration.
<b>Replacement cost</b>	Means the method of valuing assets to replace the loss at market value, or its nearest equivalent, plus any transaction costs such as administrative charges, taxes, registration, and titling costs. Where national law does not meet this standard the replacement cost will be supplemented as necessary. Replacement cost is based on market value before the project or dispossession, whichever is higher. In the absence of functioning markets, a compensation structure is required that enables affected people to restore their livelihoods to levels at least equivalent to those maintained at the time of dispossession, displacement, or restricted access. For losses that cannot easily be valued or compensated for in monetary terms (e.g. access to public services, customers, and supplies; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities.
<b>Rehabilitation</b>	Means the measures required to (i) restore access to public facilities, infrastructure, and services; (ii) cultural property and common property resources; (iii) mitigate loss of access to cultural sites, public services, water resources, grazing, or forest resources including establishment of access to equivalent and culturally acceptable resources and income-earning opportunities; and, (iv) restore the economic and social base of APs seriously affected by the loss of assets, incomes, and employment. All such people will be entitled to rehabilitation assistance measures for restoring incomes and living standards. Such measures must be determined in consultation with APs, including any APs whose rights might not be formally recognized.

<b>Resettlement</b>	Means full or partial, permanent or temporary physical displacement (relocation, loss of residential land/ or shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to parks and protected areas. The definition applies to impacts experienced, regardless of whether it involves actual relocation.
<b>Land acquisition and resettlement plan</b>	Means the time-bound action plan prepared to compensate and/or mitigate the impacts of resettlement.
<b>Re-location</b>	Means the physical shifting of APs from his/her pre-project place or residence, place for work or business premises.
<b>Sakrebulo</b>	This is the representative body of local self-government. The middle level of local government consists of 67 municipalities and six cities in Georgia: Tbilisi, Kutaisi, Rustavi, Poti, Batumi and Sukhumi. The representative branch of municipality level is the municipality level Local Councils (Municipality Sakrebulo) and the executive branch is represented by Municipality 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.
<b>Severely affected household</b>	Include those AHs (i) losing 10% or more than 10% of their productive assets/income generating which is the total land holding of the AH compared to the affected land by the project <sup>1</sup> , (ii) physically displaced HH and (iii) households losing commercial/business establishments.
<b>Informal Settlers</b>	Non-legalizable AHs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH
<b>Vulnerable Households</b>	Particularly disadvantaged Households who might suffer disproportionately or face the risk of being marginalized from the effects of land acquisition and resettlement. These are; (i) female-headed households with and/or without dependents; (ii) disabled household heads; (iii) poor households as defined by the official poverty line; (iv) elderly households with no means of support; (v) households without security of tenure; (vi) cultural or ethnic minorities; and (vii) refugees or internally displaced people.



## 1. INTRODUCTION

1. The Government of Georgia (GOG) has received a loan from the Asian Development Bank (ADB) through a Multi tranche Financing Facility (MFF) for implementing the Road Corridors Development Program (the Program) to rehabilitate, improve or construct several roads in various regions of Georgia. The program includes the Khevi– Ubisa-Shorapani-Argveta section (E60 Highway Route) which will be financed under different funds.
2. This section F4 was originally under consideration for funding from JICA, according to JICA guidelines for environmental and social Considerations (April, 2010) and a LARP was produced as implementation-ready and approved by Roads Department of Georgia and JICA. Then, in 2019 it was decided that construction of F4 section will be financed by ADB and the LARP, following a due diligence and gap analysis, was updated to comply with ADB’s Safeguard Policy Statement (SPS 2009) provisions.
3. This second Addendum<sup>1</sup> to the LARP was prepared by RD and it is based on a detailed measurement survey conducted on November 1-20 2021, according to the requirements of the ADB’s SPS 2009 as well to the Resettlement Policy Framework prepared for the East – West Highway Corridor Improvement Project AF- Upgrading and construction of Khevi-Argveta Section F4 of the E-60 Highway approved in April 2017.
4. The total length of Section F4 is of 14+747.78 km on the Tbilisi-Argveta carriageway (TA) and of 14+729.87 on the Argveta-Tbilisi carriageway (AT). In FS the length was of 15+800 km.
5. Based on the suggestion of Supervision Company “JV of UBM ULUSLARARASI BİRLEŞMİŞ MÜŞAVİRLER MÜŞAVİRLİK HİZMETLERİ A.Ş. and SMEC International PTY LTD” (Letter N 0318-CSAE60F4-UBM-GE, 31.05.2021), RD was agreed (Letter N 2-06/9007; 08.06.2021) that design of Right of Way of the Tunnel N 6 have to be changed because the technical conditions of this section of Right of Way have to be improved. This addendum covers precise description of impacts and inventory of losses related to all additional LAR impacts caused by the redesign at Tunnel N 6.

### Project description of the Section F4

6. Overall, the Shorapani-Argveta section represents an important section of the motorway; it is located in complicated topographic and geological conditions. This section represents the extension of Zestaphoni-Kutaisi motorway. Design section starts at km 185 of Tbilisi-Senaki-Leselidze motorway and ends at km 200 of the sameroad in Argveta. This section is directly connected to Argveta interchange which is under construction.
7. Road axis has been designed separately for two independent right and left lanes. The axis is located on the outer edge of the paved section (1.0 m) of the central reserve: Tbilisi-Argveta direction TA, Argveta-Tbilisi direction AT.
8. The alignment passes hilly-mountainous relief from km 0+000 to km 1+300, on the left side of the existing road both as exposed road and through two tunnels. The alignment runs in the gorge of the river Dzirula from km 1+300 to km 3+000, crosses the river Dzirula several times. The alignment runs on the left side of the existing road, crosses the river Borilmela,

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<sup>1</sup> Generally this LARP is the third Addendum to LARP. The first Addendum was prepared for the JICA version, after which the project documents including LARP were revised to ADB standards in 2019. The first addendum to the LARP for the ADB purposes was prepared in 2020, which is published on ADB website.

enters the tunnel and joins the existing road in Shorapani from km 3+000 to km 4+300. Design road follows the existing road from km 4+300 to km 5+640.

9. Widening of the road takes place at the expense of cutting into the slope on the left, then the alignment turns to the right, crosses the river Kvirila and the railway two times, then the alignment develops northward of Zestaphoni through three tunnels. From km 9+670 to the end of the route design road bypasses Zestaphoni, joins the interchange under construction at km 14+720 at the village Argveta located on Zestaphoni-Kutaisi motorway.
10. There are 12 bridges for this section and one Underpass. The first, the second and the forth bridge are Steel bridges with big spans (smallest in 48 m). The first and the second bridges are crossing the turns of the Dzirula River. The forth steel bridge is crossing Kvirila River. The third, fifth and sixth bridges are not crossing a flowing river but small streams. They are reinforced concrete structures with pre-stressed beams. Currently, there are 11 tunnels for this section. According to the original design there were 6 big tunnels and 6 small ones. The new design proposed that the variation in the Tunnel 6 envisages the construction of the road instead of tunnel.

Figure 1-1 F4 Alignment



Note: Yellow line = existing road; Red line = new alignment

### Tunnel N 6 Redesign and Associated Impacts

11. The design variation was triggered by the request of the locals due to poor soil stability risk and potential vibration impacts, thus detailed construction site investigation at area of Tunnel N6 was conducted by the Contractor. After the carefully research and analysis of the initial design drawings, geological survey data and actual conditions on site, it was concluded that geological conditions of the site was more suitable for open excavation than for the tunnel drilling. The soil was weak and the geological conditions of the Tunnel N6 has characteristics of weak bearing capacity and poor stability<sup>2</sup>. Therefore, for the purposes of minimizing social impact the variation was deemed reasonable grounded with the idea that open excavation

<sup>2</sup> The EIA, provision 801 is also confirming that Tunnel N6 (TUN 4.0.06 AT/TA) have less overburden and the potential vibration impacts could be greater than at the other tunnels.

would minimize both social and environmental impacts in terms of minimizing vibration. In addition, there are about 16 old residential buildings right above the tunnel N6. Considering depreciated conditions of houses, the risk of collapsing or cracking them was very high. Therefore, for the purposes of minimizing social impact the variation was deemed reasonable grounded with the idea that open excavation would directly cause resettlement of these houses and replacement of deprecated structures with decent living conditions. With the poor bearing conditions, drilling the tunnel N6 would trigger loss of underground water that would worsen the living conditions of the households. The new design proposes that the variation in the Tunnel 6 envisages the construction of the road instead of tunnels. In particular, the mentioned section will be excavated. The maximum height of the land excavation (cut) from the level of the project road is up to 22 meters. Throughout the length of the open excavation, protective measures will be implemented for slope stability. As the land will be excavated, it is planned to construct the overpass and access roads (in strict compliance with the safety standards) for local people to access to both sides of the road.

12. Based on the design variation (open excavation instead of the tunnel), all houses within 25 meters from the highway were included in the RoW and to be resettled as defined per EIA Standard, D7. A total of 69 properties (57 land plots and 12 apartments) will be affected by the new design. According to the proposed redesign the ROW includes access roads and overpasses for local usage. The ROW consists of two lines highway, embankments and access roads from both sides. Accordingly, this Addendum to the LARP reflects the impact on land and other assets caused by construction of access road and overpasses as well. As a result of the design variation, the level of vibration caused by the road construction will be much lower than that expected in case of construction of the tunnel, thus no significant impacts are expected in this area by noise and vibration during construction which could trigger additional land acquisition and resettlement.<sup>3</sup>

Figure 1-2 The Visual scheme of variation on Tunnel N 6

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<sup>3</sup> Additional baseline air, noise and vibration data was conducted by the construction contractor in the territory of Tunnel N6 in July, 2021. The pre-construction studies of building-structures have already been carried out within 50 meters from the territory of Tunnel N6 on both sides, and all buildings are marked with plasters along with photo records. A permanent monitoring of the buildings and structural condition will be carried out in accordance with the Crack Management and Monitoring Plan developed for the Project.

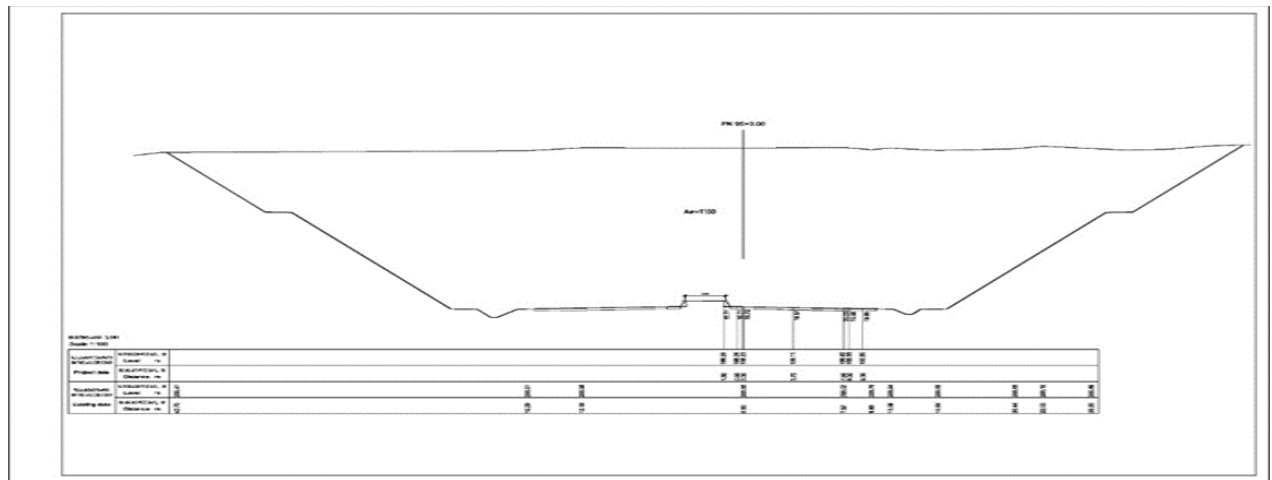
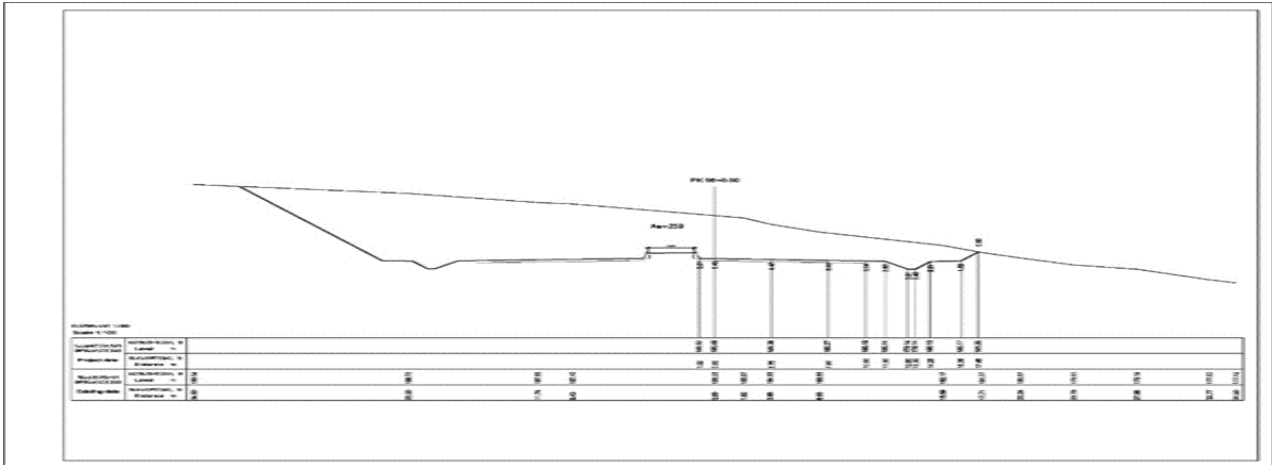
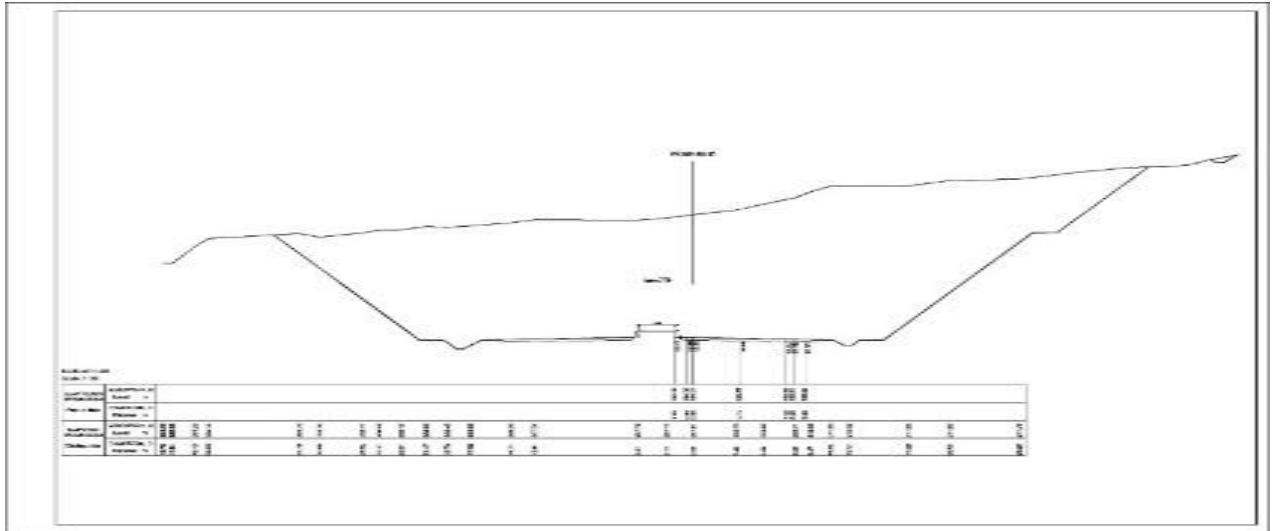
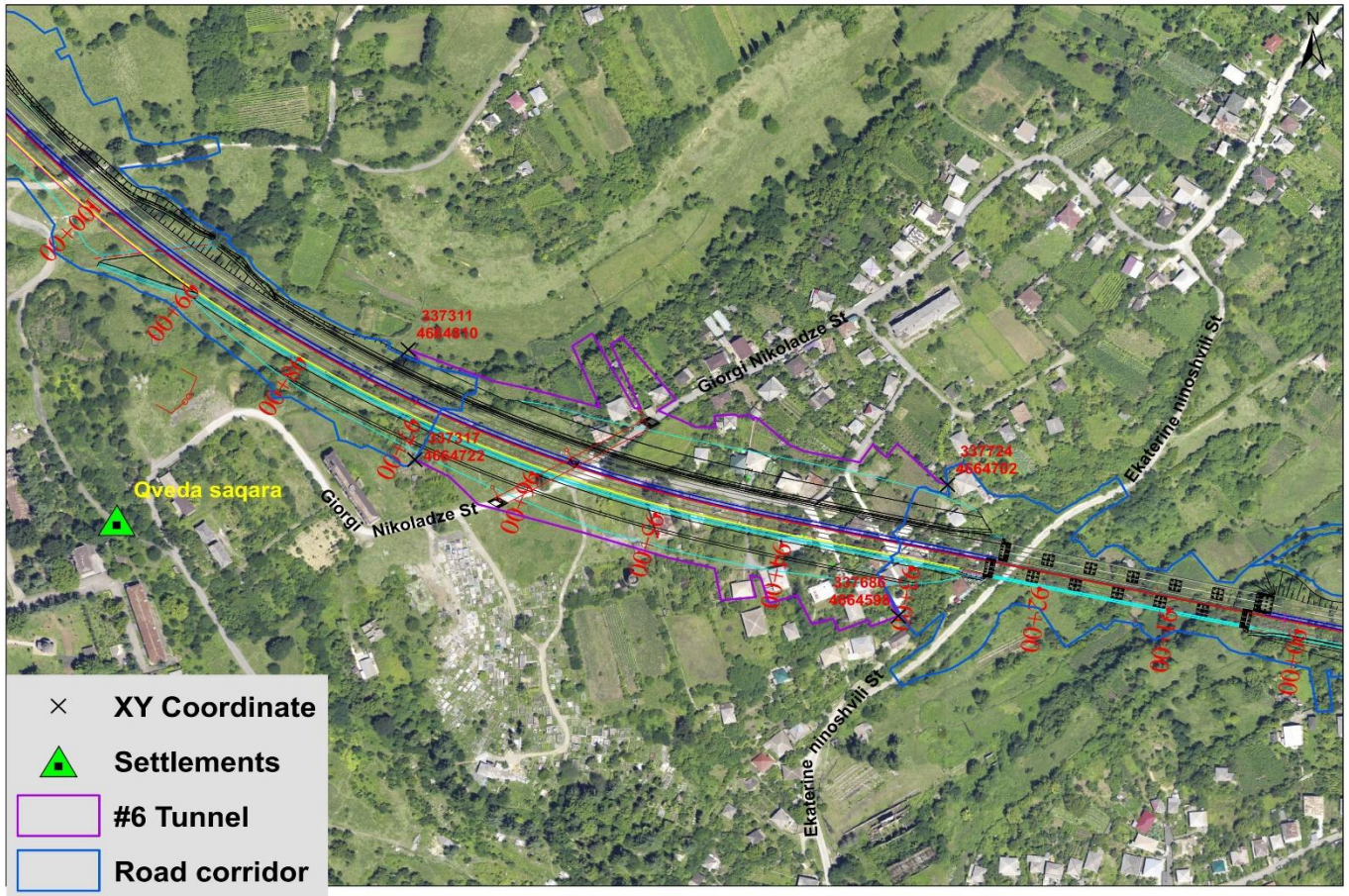


Figure 1-3 the New impact on land due to the changes on Tunnel N 6



**LARP Preparation and completion**

13. This 2<sup>nd</sup> Addendum to the LARP has been prepared according to the Georgian Laws, the ADB, Safeguard Policy Statement (2009) and the Resettlement Policy Framework of the East West Highway Improvement Corridor Project. The resettlement procedures according to the main LARP of F4 Section of Highway is almost 95% completed (except 2 land plots under expropriation) and the changed section of Tunnel N6 is subject to implementation. The detailed table of segments cleared with approval of Completion reports is presented below:

*Table 1.1 Segments of F4 section cleared according to the Completion Reports*

Description	No of CR	Segment under CR	Start Km	End Km	Length (Km) of Segment	Date of ADB approval
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Entire Section F4 covered under the approved LARP	n/a	n/a	0.00	14.7	14.7	October 2019
Compliance Report No 1(CR 1)	CR 1	Segment 1 Segment 2 Segment 3 Segment 4 Segment 5 (Addendum 2020) Segment 6	0.00 2.50 5.64 7.05 8.30 13.68	1.70 5.58 7.02 8.10 10.05 14.72	1.70 3.08 1.38 1.05 1.75 1.04	October 2020
		Segment 7	10.14	11.00	0.86	April 2021
Sub-total CR1 7 Segments			Sub-total CR1 10.86km			
Compliance Report No 2(CR2)	CR2	Segment 8 Segment 9 Segment 10 Segment 11 Segment 12	1.700 5.580 7.020 8.100 11.000	2.500 (except land plot 32.17.32.186) 5.640 (except land plot 32.19.32.313) 7.050 8.300 12.980	0.8 0.06 0.03 0.2 1.98	May 2021
Sub-total CR2 5 Segments			Sub-total CR2 3.07km			
Compliance Report No (CR3)	CR3	Segment 13 Segment 14	10.05 12.98	10.14 13.68	0.09 0.70	January 2022
Sub-total CR3 2 Segments			Sub-total CR3 0.79km			

1According to ADB SPS (2009) “no indigenous peoples” (IPs) per SPS (Safeguard Policy Statement) 2009, definition have been identified and will not be triggered in this project. These groups are fully integrated into the Country institutional, cultural, and economic processes, and they do not fit the IP definition of ADB.

## 2. CENSUS AND IMPACT ASSESSMENT

14. A detailed measurement survey (DMS) on the localization of Tunnel N6, impact assessment and evaluation measures to be delivered to the AP has been done between November 11-20 2021 the way to figure out the amount and magnitude of the compensation. The DMS was conducted by Company “Terragraphic LTD.” and an Independent Professional Assessor according to the international standard on property valuation.
15. A detailed inventory of all the impacts has been done following the latest alignment as per

final detailed engineering design for the Tunnel N6 sub-section, which includes the access roads from both sides of ROW<sup>4</sup>. Digitized cadastral maps were collected from Registration Offices of NAPR. The final road alignment was superimposed on the digitized cadastral maps and land survey using GPS on site to identify precisely the affected land parcels, demarcation of land parcels including correction in geometric details and quantification of land parcels. The compensation eligibility cut-off date is the start date of DMS, which was started on 11<sup>th</sup> of November, 2021 and finalized on 20<sup>th</sup> of November 2021.

## Impact Assessment

16. The Project will additionally impact 36 households (AHs) and 137 persons (APs). There are 58 female and 79 male affected persons. In total, 8 AHs will lose only the agricultural land and 28 AHs will lose agricultural and residential land. These 28 AHs are also subject to physical relocation. The summary of impacts is presented in table 2.7 and details on impact by each category are presented in the following paragraphs, the impacts by category and number of AHs and APs are presented below:

Table 2.1 Impacts summary per AHs/APs

Impact Category	No. of AHs	No. of APs	Remarks
<b>A. Land</b>			
A1. Agricultural	8	30	
A2 residential land	20	76	
A3. Commercial	8	31	
<b>Sub-total (A)</b>	<b>36</b>	<b>137</b>	
<b>B. Crops /Trees</b>			
B1. Crops losses	0	0	
B2. Tree losses	29		8 All AHs included in A
<b>Sub-total B (without double counting)</b>	<b>29</b>	<b>95</b>	
C1. Houses and flats	28	106	
C2. Supporting structures (gates and fences)	7	27	All AHs included in A2
C3. Other assets (Small Shop Building)	1	4	All AHs included in A2
<b>Sub-Total C (without double counting)</b>	<b>36</b>	<b>137</b>	
<b>E. Severely affected AHs</b>			
E1. Losing more than 10% of income generating asset	34	130	All AHs included in A2 and A1
E2. Losing residential buildings/flats	28	106	
<b>Sub-Total E (without double counting)</b>	<b>34</b>	<b>130</b>	All AHs including E1 and E2
<b>F. Vulnerable AHs</b>	<b>26</b>	<b>100</b>	All AHs included in A
<b>Grand Total</b>	<b>36 (without double counting)</b>	<b>137 (without double counting)</b>	

<sup>4</sup> No utility relocation activities are planned under the changed design.

## 2.1 Affected Land Plots

17. According to the survey results, mentioned road sub-section affects 57 land plots, 17 residential houses and 12 flats located in one residential block house in vicinity to the ROW. From the mentioned 57 land plots (36,157 sq.m.), 26 are legalizable and 31 land plots are in private ownership (in total 36 AHs).. There is no impact on state or community owned land.
18. Project affected land plots have been grouped in following categories according to ownership types, based on legal right on ownership:
- **I category:** Project affected private land plots, registered in Public Register: 31 with total affected area of 29,135 m<sup>2</sup>.
  - **II category:** Legalizable project affected land plots: 26 land plots with affected area of 7,022 m<sup>2</sup>.
  - **III category:** Non legalizable; ownership is not subject for legalization- 0 land plot;
  - **VI category:** State land (is not occupied arbitrarily by population) 0 plot.
19. The information on usage types of affected land plots is given in Table 2.2 below.

*Table 2.2 Impact on affected land*

Type of land	Number	Size (sq.m.)
Agricultural Area	17	17,030
Residential Area	22	5,553
Commercial Area	18	13,574
Total	57	36,157

In the cases where the lands parts remaining after direct impact on the land plots are subject to acquisition (residual or orphan land plots), all such cases will be reviewed individually, the land owner will refer to RD and the relevant response will be provided to the citizen. LARP's entitlement matrix explains general approach regarding to the residual land:

" If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desire." so it means that if any remaining part of the land owned by the registered owners is no longer appropriate for further use, such remaining part will also be purchased subject to the agreement with the owner.

## 2.2 Impact on Crops and Trees

20. According to the inventory survey, there are no crops and vegetables affected by the project. According to survey, there are 2666 trees on 46 land plots, owned by 30 HHs. Based on entitlement matrix compensation is calculated at market rate on the basis of type, age and productive value of the trees. (Based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity). No impact on wood/decorative trees were identified during the field survey and inventory process.

The quantity of trees per type and age is presented in table 2.3 below:

*Table 2.3 Impact on fruit-bearing trees*

Type of trees	Age of the trees					Total number of trees
	Seedlings <5	5-10	10-15	15-20	21+	



Walnut	32	14	9	9	32	96
Sour plum (cherry plum)	14	1	1	2	2	20
Lemon	2	6	2	0	0	10
Persimmon	3	23	20	18	16	80
Pomegranate	11	35	11	14	3	74
Peach	16	38	14	3	1	72
Cherry (sweet cherry)	6	5	0	3	3	17
Cherry	57	57	42	1	4	161
Quince	34	35	4	19	20	112
Pear	6	7	5	10	17	45
Plum	101	62	63	31	2	259
Variety of Plum	58	34	37	39	58	226
Tangerine	9	32	4	4	2	51
Orange	3	3	1	0	0	7
Jujube	1	4	1	0	0	6
Mulberry	10	23	17	13	8	71
Hazelnut	10	38	77	72	8	205
Biwa	12	7	10	6	1	36
Apple	10	14	37	10	17	88
Grape	19	20	51	186	145	421
Fig	21	25	10	4	20	80
Barberries	4	10	8	0	3	25
Raspberry	253	0	0	0	0	253
Blackberry	40	3	0	0	0	43
Currant	0	2	0	0	0	2
Laurel	65	83	12	25	3	188
Feijoa	2	9	0	0	0	11
Medlar	0	1	0	0	0	1
Kiwi	2	2	0	0	0	4
Almond	0	0	0	2	0	2
<b>Total</b>	<b>801</b>	<b>593</b>	<b>436</b>	<b>471</b>	<b>365</b>	<b>2,666</b>

### 2.3 Impact on Structures and HHs under the Physical Relocation.

21. Under the impact of this project there are 212 buildings which will be demolished during the construction of the road. From this 212 there are 17 residential houses, 78 auxiliaries (cattle-sheds, toilet, storage and etc.), 69 fences and Gates, 1 small abandoned shop and 12 flats from block house, as well as 10 wells an, 25 vine jurs26 HHs lose auxiliary structures, and no moveable structure is affected. The total size of buildings under the impact is 19,376 sq.m. From 12 flats 3 are registered as private ownership and 9 are under legalization, from 12 private

houses all 12 are registered as private ownership.

*Table 2.4 Impact on Structures*

Type of building	Number	sq.m.
Residential Houses	17	4,466
Abandoned Shop (not operational)	1	15
12 Flats in 1 Block House	12	833
Wells	10	100
Auxiliary Buildings	78	725
Vine Jar	25	10,390
Fences and Gates	69	2,847
<b>Total</b>	<b>212</b>	<b>19,376</b>

**Physical relocation**

22. There are 28 HHs under the physical relocation (17 residential houses and 12 flats), special physical relocation assistance will be provided for these AHs, which includes transportation fees. Also, the AH who owns non-operational shop building will be also provided with relocation assistance. According to the information provided by owners of 12 flat and 17 private houses, they plan to purchase the private houses in the city of Zetafoni or in nearby villages. The private houses are available on local market, the success of relocation process and compensation provided will be verified by EMC in Compliance Report.

**2.4 Impact on Business**

23. According to the survey, the project will not impact any kind of business facility and employees, the small abandoned small shop building is not operational, so no business loss allowance will be provided to the owner.

**2.5 Impact on Common Property**

24. Project won't impact on the objects of public or cultural importance (including bus stops).

**2.6 Impact on severely affected and vulnerable households**

25. Under this Addendum to the LARP there are 26 affected vulnerable HHs. If during the Addendum to the LARP implementation there will be identified that among impacted families are more vulnerable APs, the dedicated allowance will be paid for them too, from contingency costs of LARP budget. Project will severely affect 34 households with 100 APs, including 28 AHs subject to relocation. and/or are subject to relocation.

*Table 2.5 Vulnerability*

Vulnerability Category	Number of HH
Women Headed HH	3
Disabled household heads	2
Below poverty line	2
Elderly households with no means of support	19

Total (without double-counting)	26
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26. All 28 HHs under the physical relocation lose both: agricultural land plot and also house or flat. Mostly, land plots are under 100% of impact (49). The decision regarding the residual lands (if any) will be made during the implementation process individually, case by case.

The percentage distribution of severe impact on land is presented below:

*Table 2.6 Severe Impact on land*

Severity if impact	Number of land plots	Number of AHs
Less than 10% of land is affected	2	1
10-30% of land is affected	1	1
30-50% land is affected	4	2
More than 50% is affected	1	1
100% land is affected:	49	29
- without physical residential relocates		
- physical relocates		

## 2.7 Summary of Impacts

*Table 2.7 Summary of impacts*

N	Impacts	Unit	
Land Tenure Patterns			
1.	Total Land parcels affected	№	57
2.	Total land Area to be acquired	Sq.m	36,157
2.1	Category 1. Private Registered Plots	№	31
		Sq.m	29,135
2.2	Category 3. Private Legalizable	№	26
		sq.m	7,022
2.3	Category 4. State Owned Illegally Used by Private Users (Non-legalizable).	№	0
		Sqm	-
2.4	Category 5. State Owned (Not Used by Private Users)	№	0
		Sq.m	-
Land Type			
2.5	Type1. Agricultural land	№	17
		Sq.m	17.030
2.6	Type 2. Residential Land	№	22
		Sq.m	5,553
2.7	Type 3. Commercial Land	№	18

		Sq.m	13,574
3	Affected Trees	Nº	2,666
Affected Structures			
4	Residential houses	Nº	17
5	Abandoned shop Building	Nº	1
6	Flats	Nº	12
7	Vine- jars	Nº	25
8	Wells	Nº	10
9	Auxiliary buildings	Nº	78
10.	Gates and Fences	Nº	69
Affected Households			
11	Severely affected Households	Nº	34
12	Vulnerable Households	Nº	26
13	Relocated households	Nº	28
14	AHs losing non-legalizable land plots	Nº	0
15	AH losing Jobs	Nº	0
16	Total AH	Nº	36
17	Total Affected Persons	Nº	137

### 3. SOCIO-ECONOMIC INFORMATION

#### 3.1 General Overview

27. Imereti is one of the historic-geographic regions of Georgia. It is surrounded by Likhi Ridge from the east, by Tskhenistskali river from west, by Caucasian Ridge from the north and by Meskheta Mountains from the south. There are following municipalities in Imereti region: cities- Kutaisi, Tkibuli, Tskaltubo, Baghdati, Vani, Zestaphoni, Terjola, Samtredia, Sachkhere, Khoni and Kharagauli.

Figure 3-1 Imereti Region



- 28. According to feasibility study, the project impact area covers Zestaphoni municipality and its villages: Ilemi, Argveta, Futi, Tseva, Shoropani, Dzirula, Zemo Sakara, Kvemo Sakara and Zestaphoni city.
- 29. Zestaphoni municipality area is located on Kolkheti Lowland and Imereti Upland. Its area totals 42 300 ha, out of which 7027 ha is occupied by agricultural land plots and 16 500 ha — by forest.

#### 3.2 Population and Demography

30. As for official data of January, 2016, the populations of Zestaphoni municipality comprise 58,041 people.

Table 3.1: Distribution of population in Georgia, Imereti and Zestaphoni municipality according to years (1000 people)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Georgia	4,394	4,382	4,385	4,436	4,469	4,497	4,483	4,490	3,713	3,720	3,718
Imereti	697	694	693	700	704	707	703	703	533	532	529
Zestaphoni Municipality	75	75	75	75	75	75	75	75	57	57	57

Source: (www.geostat.ge )

Table 3.2: Population in villages, boroughs and Zestaphoni city within the project affected zone according to 2014 data (People)

Location	Total Number of Population	Man	Woman
Zestaphoni municipality	58041	37124	20917
Zestaphoni city	20814		
Shoropani	1258	596	662
Argveta	1329	652	677
Dzirula	84	37	47
Ilemi	525	253	272
Puti	1564	780	784
Kveda Tseva	178	91	87
Kveda Sakara	1989	944	945
Zeda Sakara	2099	1008	1091

Source: (www.geostat.ge)

Table 3.3: Population distribution in the municipality of Zestaphoni (People)

Number of Population			No of pensioners	No of vulnerable people	No of IDPs
Man	Woman	Both			
37124	20917	58041	12700	8200	780

Source: (www.geostat.ge)

Table 3.4: Ethnical distribution

Ethnicity	Ethnical distribution of population %
Georgian	99,4
Abkhaz	0,1
Russian	0,3
Armenian	0,1
Osetian	0,1

Source: (www.geostat.ge) 2014

### 3.3 Socio-Economic Profile of AHs/APs

31. In the process of preparation of this Addendum to the LARP the census of affected households was carried out. ***The socio-economic information of the affected persons as per census and socioeconomic survey conducted in March 9-16, 2021 is presented below. Interviews with AHs were conducted by phone, the specially elaborated questionnaire was used for semi-structured interviews.***

### 3.4 Demography

32. During socio-economic survey of the affected AHs, the interviews were conducted with 34 AHs and information about 130 APs was collected<sup>5</sup>, of which 59% was female and 41% was male. The average family size is 3.8 members per household (Table 3.5).

33. Vulnerability and gender During LARP implementation, female headed households with and/or without dependents will be considered vulnerable if there are no other means of livelihood, there are three Female Headed Households in this LARP Addendum, also Disabled household heads (2), HHs Below Poverty Line (2) and Elderly households with no means of support (19) were also considered as vulnerable. The information regarding vulnerability were assessed during the inventory and census process.

*Table 3.5 Characteristics of APs*

Number of interviewed households	Average number of family members of interviewed households	Number of APs in interviewed AHs	males	females
34	3.8	130	77	53

34. APs distribution by the age and sex is given in table 3.6 below.

*Table 3.6 Age and sex of APs*

Gender	Age				
	0-6	6-18	19-24	25-64	Over 65
Male	9	11	7	34	16
Female	6	5	3	31	8
Total	15	16	10	65	24

### 3.4 Education

35. The level of education in the area is particularly high since those of secondary education account for 33% of the interviewees followed by almost 30.5% of the population with a high level of education.

*Table 3.7 Education level of APs*

	None	Nursery	Primary	Incomplete secondary	Secondary	Vocational	Incomplete Higher	Higher

<sup>5</sup> The other 2 AHs could not be contacted for the SES interview. Vulnerability status of those 2 AHs was already known during the preparation of LARP addendum, but once again to be confirmed during the implementation process.

Male	0	2	3	9	19	8	5	17
Female	0	4	1	12	23	9	3	15
Total	0	6	4	21	42	17	8	32
%	0%	4.5%	3%	17%	32%	13%	6%	24.5%

### 3.5 Occupation

36. Employment among the AP's is the most characteristic element with a total percentage of 39% of employed APs. Then there are pensioners (27%), students (8%) followed by the unemployed (18%). During census implementation, Elderly households with no means of support were considered vulnerable if there are no other means of livelihood.

*Table 3.8 Occupation of APs over 18 years old*

	Occupation							
	Public sector	Private sector	Self employed	Unemployed	Student	Pensioner	Housewife	Other
Female	7	5	6	7	5	15	6	0
Male	5	9	7	11	3	12	0	1
N of APs	12	14	13	18	8	27	6	1
% of APs	12%	14%	13%	18%	8%	27%	6%	1%

### 3.6 Income Sources of AHs

37. In table 3.9 is shown of income of AHs, main source of income of families is wage/salary and/or pension. During the survey AHs were able to indicate several sources of family income.

*Table 3.9 Main source of income*

Name of Village	Main Source of Income		
	Wage/salary	Pension	Income from Agricultural land Cultivation.
Zestaphoni	23	11	0

*Table 3.10 Monthly Income of APs*

Zestafoni	Class of Monthly income			
	UP to 299 GEL	From 300 to 599	From 600 to 999	Over 1000
Total	8	7	12	7
%	35%	13%	17%	35%

38. There is no APs whose income is less than average consumer income defined by Geostat. (Less than approximately 200 Gel per month).

### 3.7 Agriculture



39. From interviewed 34 AHs, 7 are breeding animals. Table 3.11 provides detailed information on how many affected households are breeding different type of animals.

*Table 3.11 Animal breeding and households*

Livestock	Number of HHs	Number of HHs (Without double counting)	Remarks
A1. Cow, Ox and buffalo	5	5	
A2. Horse or donkey	1	1	
A3. Pigs	7	7	
A4. Sheep	0	0	
A4. Chicken or Turkey	4	2	2 AHs are included in A1.
A5. Other	1	0	

40. During the interviews HHs were specified that the continue breeding will be problem in future, because the resettled HHs plan to purchase houses in the same area. The same approach has the agricultural land owners- they plan to buy the agricultural land plots also in the same area.

41. Table 4.8 provides information on how many AHs grow one-year harvest, information presented in the table below is based on all land plots in ownership of the AHs.

*Table 3.12 Cultivation of Crops*

Crops	Number of HHs	Number of HHs (Without double counting)	Remarks
B1. Corn	10	10	
B2. Fruit	10	4	6 AHs are included in B1.
B3. Potatoes	8	2	5 AHs are included in B1 and 1 AH is included in B2.
B4. Vegetables	8	2	97AHs are included in B1 and 1 AH is included in B2.
B5. Walnut/Hazelnut	15	2	12 AHs are included in B1 and 1 AH is included in B2.
B6. Grapes	13	0	12 AHs are included in B1 and 1 AH is included in B2.
B7. Hay	0	0	
B8. Other	0	0	

*Table 3.13 AHs selling farm products*

Product Sell	Families
Dairy product	1
Honey	1
Handmade items	1
Fruit	3
Corn	0
Nuts	0
Vegetables	1
Flour	0

### 3.8 Debts

42. Out of 34, providing the information regarding the loans, 18 have reported having a bank/MFO debts (table 3.14).

*Table 3.14 Debts*

Sl. No.	Debts	Household number	%
1	Yes	18	53
2	Bank	18	100
3	Private lender	0	0
5	No	16	47
	TOTAL	34	100

### 3.9 Water and Sanitation

#### 3.9.1 Source of Drinking Water

43. The major source of drinking water is centralized local source. 82% of households have access to the centralized water supply. Out of the 34 surveyed households, it is noted that only 2 households (5%) use also to spring water and 4 have their own wells (13%) (Table 3.15).

*Table 3.15 Source of Drinking Water*

Sl. No.	Sources	Number of Households	%
1	Piped water supply	28	82
2	Well	4	13
3	Spring	2	5

#### 3.9.2 Sanitation Facilities

44. 26 of the interviewed households (76%) possess latrine at their house connected to septic reservoirs and 8 households (24%) has flush toilet connected to the centralized sewage. (Table 3.16).

*Table 3.16 Types of Toilet*

Sl. No.	Toilet	Number of Households	%
1	Central Sewage system / flush toilet	8	24
2	Latrine	26	76
3	Total		

### 3.10 Access to Energy and Civic Facilities

45. All inquired AHs (100%) reported to have a connection to both electricity and gas, however,

none of them use wood stoves as main source of energy supply. Details are given in Table 3.17.

Table 3.17 Type of Fuel Use for Cooking

Sl. No.	Types of Fuel	Number of Households	%
1	Electricity	34	100
2	Gas	32	98.5
3	Bottled Gas	2	1.5
4	Wood	0	0
	Total	34	100

### 3.11 Land Holding Status

46. The AHs are all land holder of some quantum- 32 HHs own minimum one land plot (Table 3.18).

Table 3.18 Land Holding Status:

Sl. No.	Particulars	No of Households	%
1	Land Holder Households	30	95%
2	Landless Households	2	5%
3	Total Households	32	100

47. Out of 34 interviewed AHs 32 AHs have land under ownership: 35% AHs hold 1 land plot, 2 land plots are owned by 52% of AHs, 8% hold 3 land plots, while 5% hold 4 or more land lots. The minimum size of land plot owned by HHs is 50 sq.m. and maximum 5482 sq.m. The average size of land plot owned by HHs is 1008 sq.m.

## 4. LEGAL AND POLICY FRAMEWORK

### 4.1 General

48. The legal and policy framework of the Project is based on national laws and legislations related to Land Acquisition and Resettlement (LAR) in Georgia and ADB's Safeguard Policy Statement 2009.

### 4.2 Legal Framework

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

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

- On the Civil Procedural Code of Georgia (reg. # 060.000.000.05.001.000.301; 14.11.1997; last amendment 02.08.2011);

- On the Procedures for Expropriation of Property for Necessary Public Needs (reg. # 020.060.040.05.001.000.670; 23.07.1999; last amendment 15.07.2020);
- On the General Administrative Code of Georgia (reg. # 020.000.000.05.001.000.616; 25.06.1999; last amendment 02.08.2021);
- On the Administrative Procedural Code of Georgia (reg. #030.000.000.05.001.000.672; 23.07.1999; last amendment 30.03.2021);
- On the Constitution of Georgia (reg. # 010.010.000.01.001.000.116; 24.08.1995; last amendment 29.06.2020);
- On the Civil Code of Georgia (reg. # 040.000.000.05.001.000.223; 26.06.1997; last amendment 02.08.2021);
- On the Ownership Rights to Agricultural Land (reg. # 370030000.04.001.017924; 25.06.2019; last amendment 25.06.2019);
- On the recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or legal entities (reg. # 370.060.000.05.001.003.003; 11.07.2007; last amendment 15.07.2020);
- On the state property 2010 (reg. # 040.110.030.05.01.004.174; 21.07.2010; last amendment 02.08.2021);
- On the Public Register (reg. # 040.150.000.05.001.003.390; 19.12.2008; last amendment 02.11.2021);
- On the frames of national project, the Law of Legal Power of Land Parcels Systemic and Sporadic Registration and Improvement of Quality of Cadastral Data (reg. # 040150000.05.001.018150; 03.06.2019; last amendment 02.03.2021);
- On the Rules for Expropriation of Ownership for Necessary Public Need (reg. # 020.060.040.05.001.000.288; 11.11.1997; last amendment 15.07.2020);
- On the Civil Procedural Code of Georgia (reg. # 060.000.000.05.001.000.301; 14.11.1997; last amendment 02.08.2021);
- On the Tax Code of Georgia (reg. # 200000000.05.001.016012; 17.09.2010; last amendment 02.11.2021);
- On the Entrepreneurship (reg. # 240000000.05.001.020373; 02.08.2021; last amendment 02.08.2021).

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

compensated to cover net loss. The above-listed laws and regulations give the possibility of applying the following mechanisms for legal application of the property rights:

- 1) Obtaining the right on way without expropriation through the payment of due compensation (on the basis of a contract of agreement or a court decision) prior to commencement of the activities.
  - 2) Expropriation which gives the possibility of obtaining permanent right to land and/or other real estate property on the basis of Eminent Domain Law or a court decision through the payment of due compensation.
51. Land will be acquired, first on the basis of negotiated settlement with individual affected entities. Should the contract negotiation not yield an agreement, the expropriation process under the eminent domain will start. Under the existing Law in Georgia, the President will issue an order for expropriation based on the request from relevant state agencies. Relevant regional court will assess the presidential order and determine the case of public needs, and grant the expropriation entity rights to obtain land. The court will also appoint a third party to assess the market value of lost assets and determine the compensation payable to relevant land owners accordingly to the value of assets thus found.

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

52. Three important elements of ADB's involuntary resettlement policy are: (i) compensation to replace lost assets, livelihood, and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. For any ADB operation requiring involuntary resettlement, resettlement planning is an integral part of project design, to be dealt with from the earliest stages of the project cycle, taking into account the following basic principles:
- (i) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
  - (ii) Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
  - (iii) Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that

cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.

- (iv) Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
- (v) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
- (vi) Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
- (vii) Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- (viii) Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- (ix) Disclose a land acquisition and resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
- (x) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- (xi) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- (xii) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

#### **4.2.3 Comparison of ADB Policy with Georgian Laws and Legislation**

53. Overall, the legislation of Georgia adequately reflects the major provisions of the ADB

Safeguards Policy Statement 2009 but a few differences are to be noted. The most significant of these differences is that under Georgian legislation/regulation, emphasis is put on the definition of formal property rights and on how the acquisition of properties for public purposes is to be implemented and compensated while in the case of ADB policy emphasis is put both on the compensation of rightfully owned affected assets and on the general rehabilitation of the livelihood of Affected People (AP) and Households (AH). Because of this, ADB policy complements the Georgian legislation/regulation with additional requirements related to (i) the economic rehabilitation of all AP/AH (including those who do not have legal/formal rights on assets acquired by a project); (ii) the provision of indemnities for loss of business and income, (iii) and the provision of special allowances covering AP/AH expenses during the resettlement process or covering the special needs of severely affected or vulnerable AP/AHs. Also, in addition, the legislation of Georgia does not require any specific measure regarding the need to prepare LARPs based on extensive public consultations. The differences between Georgia law/regulation and ADB policy are outlined in Table 4.1.

*Table 4.1 Comparison of Georgian Laws on LAR and ADB Resettlement Policy*

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

	finally, at post implementation period
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54. To reconcile the gaps between Georgia laws/regulations and ADB Policy (ADB's SPS 2009), RDMRDI has adopted this policy for the Project, ensuring compensation at full replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for AHs those will be relocated, suffer business losses, or will be severely affected.

#### 4.2.4 Resettlement Policy Commitments for the Project

55. The resettlement policy for the project has been designed to (a) cover all APs irrespective of their title to land, (b) provide replacement cost compensation for lost assets, and (c) restore or enhance the livelihoods of all categories of APs. The households/persons affected by the project interventions will receive cash compensation for land and other assets at full replacement cost as per market price at the time of dispossession. Additional measures will be taken to ensure minimum disruption during the project construction period. Physically and economically affected households will receive due compensation, relocation assistance, and allowances in accordance with the following guidelines and policy which are also part of the Land Acquisition and Resettlement Framework 5 of the Program and the Georgian laws on land acquisition and ADB's SPS 2009:

- Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs.
- Where unavoidable, a time-bound LARP will be prepared and APs will be assisted in improving or at least regaining their pre-program standard of living.
- Land will be acquired through a contract agreement to the extent possible. Expropriation process will be sought only as the last resort when all possibilities of negotiation fail.
- Vulnerable and severely APs will be provided special assistance.
- Non-titled APs (e.g., informal dwellers or squatters, APs without registration details) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for losses other than land.
- Legalizable APs (APs possessing ownership documents but with title formalization pending, as well as APs who are not registered but have residential land or agricultural plots adjacent to the residential land) will be legalized and fully compensated for land losses.
- The land users who are not registered but legitimately use agricultural land not adjacent to residential plots will be provided with cash compensation at full replacement cost, according to the Decree of the Government of 2011. The payments will be executed without registration in NAPR.
- Provision of income restoration and rehabilitation compensation will be made.
- The LARP will be disclosed to the APs in the local language which is Georgian.
- Payment of compensation, resettlement assistance and rehabilitation measures the rates set in this LARP will be fully provided prior to the contractor taking physical acquisition of the land and prior to the commencement of any construction activities on a particular package.



- Compensation will be provided at least at the rates detailed in this LARP although some modification in excess will be possible during the discussions preceding the signing of the contract
- Complaints will be reviewed using the existing grievance redress mechanisms.
- Appropriate participation of affected people must be promoted in planning, implementation, and monitoring of land acquisition and resettlement plans.
- Preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based.
- Provide support for the transition period (between displacement and livelihood restoration).
- In preparing a land acquisition and resettlement plan, consultations must be held with the affected people and their communities based on sufficient information made available to them in advance. When consultations are held, explanations must be given in a form, manner, and language that are understandable to the affected people.

#### **4.2.5 Land Acquisition Process**

56. Complete and accurate registration of private land as per current laws governing land acquisition in Georgia is the precondition for proceeding with acquisition of private land by agencies requiring land for land-based infrastructure development. RDMRDI for construction of the Khevi-Argveta road section F4 will acquire private land under eminent domain through negotiated settlement wherever possible, based on meaningful consultation with APs, including those without legal title to assets. The land buyer will offer adequate and fair price for land and/or other assets. RDMRDI will ensure that the process of land acquisition with the APs openly address the risks of asymmetry of information and bargaining power of the parties involved in such transactions. Only in case there is no agreement to land acquisition, expropriation will be sought.
57. The land survey consultant has prepared an estimate of compensation and entitlement of individual APs under the subtitle of Acquisition and Compensation Matrix (ACM). ACM is a detailed program for execution of LARP as ADB's involuntary resettlement policy (SPS 2009).
58. Following the ACM, LARC, assisted by LAR Team at rayon level will offer to each of the APs the compensation rates defined in this LARP. Upon successful settlement, Land Acquisition Agreements will be signed with legalized/titled owners of acquired land parcels and Agreement of Entitlement with the non-titled APs. Any grievances of the APs will be resolved through approved grievance redress mechanism of the Project.
59. In case an AP does not accept the rates defined in this LARP even after attempts to resolve through the grievance redressing mechanism exercise, RDMRDI will seek concurrence of the appropriate authority in the management for proceeding with Expropriation Process under the eminent domain for acquisition of the land through Rayon courts.
60. The detail design consultant has prepared fresh maps of the acquired plots with geometric details required for legalization. RDMRDI will provide these maps to the concerned legalizable owners. The process will be followed by endorsement of these maps and ownership documents by the Sakrebulo and finally getting them registered in the local

registration office prior to the receipt of the project compensation. A detailed procedure of legalization of legalizable owners is provided in Annex 1.

### 4.3 Compensation Eligibility and Entitlements

#### 4.3.1 Eligibility

61. APs entitled for compensation or at least rehabilitation provisions under the Project are:
- All APs losing land either covered by legal title/traditional land rights, Legalizable, or without legal status;
  - Tenants and sharecroppers whether registered or not;
  - Owners of buildings, crops, plants, or other objects attached to the land; and
  - APs losing business, income, and salaries.
62. Compensation eligibility will be limited by a cut-off date to be set for each subproject on the day of the beginning of the AP Census and DMS.
63. For the new impacts under this LARP Addendum, the cut-off date is the start date of DMS which was started 11th of November, 2021 and finalized 20th of November 2021.
64. APs who settle in the affected areas after the cut-off date will not be eligible for compensation. They, however will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

#### 4.3.2 Definition of Entitlements

65. **Agricultural land impacts** will be compensated at full replacement cost. When 10% or more of total agricultural land owned by AP is acquired, AP (owners, leaseholders and sharecroppers) will get an additional allowance for severe impacts equal to 2 additional crop compensation or six-month subsistence wage for an average consumer<sup>6</sup> (in case if crop compensation is not applicable). Legalizable APs will be legalized and paid as titled owners. APs who are not registered but have residential land or agricultural plots adjacent to the residential land will be fully compensated but not legalized. APs that are not legitimate land users or squatters will be compensated with one-time allowances in cash equal to an average monthly subsistence wage for a period of 12 months. If the remaining part of a particular plot becomes inaccessible or unviable for cultivation or for any use after the acquisition, then the remaining land will be acquired, if the owners/user so requests.
66. **Non-agricultural land (Residential/commercial land)**. Titled settlers will be compensated at full replacement cost free of depreciation. Legalizable settlers will be legalized, registered in NAPR and compensated as titled APs. Non-titled and non-legalizable land users will be compensated with a one-time allowance in cash equal to subsistence wages for 1 year.
67. **Houses, buildings, and structures** will be compensated in cash at full replacement cost

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<sup>6</sup> The Geostat does not calculate the minimum subsistence for 5 members family since December 2020, instead to this the following basis is used in this Addendum to the LARP: six-month subsistence wage for an average consumer (the detailed background and analysis are provided in Annex 5). The entitlement matrix has been updated accordingly.

free of deductions for depreciation, and transaction costs irrespective of the registration status of the affected land. In case of partial impacts and unwillingness of the owner to relocate, compensation will cover only the affected portion of a building and its full rehabilitation to previous use. Full compensation will be paid if partial impacts imperil the viability of the whole building. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.

68. **Crops:** Cash compensation at current market rates for the gross value of 1 year's harvest by default. Crop compensation will be paid both to landowners and tenants based on their specific sharecropping agreements.
69. **Trees:** Cash compensation at market price of income from tree based on type, age, tree-productivity for the number of years needed to regrow the tree at the productive stage when it was cut.
70. **Businesses:** If business is lost permanently cash indemnity of 1-year net income or in the absence of income proof, one-time average subsistence wage for an average customer in cash for one year. In case of temporary impact cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, subsistence wage for an average consumer for months of business stoppage;
71. **Agricultural Tenant:** if agricultural tenants are affected, it will be compensated in the form of assistance equivalent to 1 year of cash return from the land under tenancy as per recorded proof, or in its absence, official subsistence wage for an average consumer for 1 year.
72. **Loss of wages/employment:** if employee loss their wages due to the project interventions, they will be compensated with equivalent to actual wage for 6 months or in case of absence of tax declaration official subsistence wage for an average consumer for 6 months.
73. **Relocation/Shifting Allowance:** Physically displaced households forced to relocate will receive a relocation subsidy comprising an wages of 200 GEL covering transport expenses, plus an wages equivalent to six-month subsistence wage for an average consumer to cover livelihood expenses for transitional period.
74. **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
75. **Vulnerable people Livelihood:** Vulnerable AH (particularly disadvantaged Households who might suffer disproportionately or face the risk of being marginalized from the effects of land acquisition and resettlement. These are; (i) female-headed households with and/or without dependents; (ii) disabled household heads; (iii) poor households as defined by the official poverty line; (iv) elderly households with no means of support; (v) households without security of tenure; (vi) cultural or ethnic minorities; and (vii) refugees or internally displaced people.) will receive an allowance equivalent to six-month subsistence wage for an average consumer subsistence.
76. Tasks under the Project will be implemented according to a compensation eligibility and entitlements framework in line with both Georgia laws and regulation and ADB Policy (SPS 2009). A summary entitlements matrix is included in Table 4.2 below.

Table 4.2 Entitlement and compensation matrix

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Land			
Agricultural Land: Permanent land loss, access or damage.	AP losing productive land regardless of impact severity	<u>Registered Owner/Legal:</u> Owner with full registration	Cash compensation at full replacement cost based on current market value. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desire.
		<u>Legalizable Owner:</u> (APs with title formalization pending and APs who are not registered but legitimately use the land and have residential land or agricultural plots Adjacent to the residential land)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost. Registration costs will be paid by the Project.
		<u>Non-legal/Informal Settler:</u> APs that are not legitimate land users or 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 allowances in cash equal to 1 year of subsistence wage for an average consumer <sup>7</sup>
		Agricultural Tenant	Full Compensation of income of lost crops x the remaining years (up to 4 years) of lease. In case of tenancy no crop compensation will be given to the land owner.
Non-Agricultural Land	AP losing their commercial/residential land	<u>Registered Owner/Legal:</u> (Owner with full registration)	Cash compensation at full replacement cost.
		<u>Legalizable Owner:</u> (The owners legalizable according to active legislation)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost. Registration costs will be paid by the Project.
		<u>Non-legal/Informal Settler</u> (Without registration/valid documents using land permanently.)	Non-legalizable APs losing land plot, which is the only land plot used for residence or providing main source of income for AH, will be compensated with one-time self-relocation allowances in cash equal to 1 year of subsistence wage for an average customer.
Temporary Impact on land plot	N/A	<u>N/A</u>	Temporary land impacts will be compensated based on the productive value of the plot during the period of impact and after their use will be re-established by the EA at the pre- impact productive conditions.

<sup>7</sup> Six-month subsistence wage for an average customer: the amount will be checked and updated, if required, at the time of compensation, to reflect current rate.

Buildings and Structures			
Residential and non-residential structures/assets		All AHs regardless of their legal ownership/registration status (including legalizable and Informal Settlers)	Cash compensation for building/structures losses at full replacement costs free of depreciation and transaction costs.
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost resource/asset in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Crops	Standing crops affected or affected agricultural land, used permanently for crop cultivation.	All APs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at market rate by default at to gross crop value of expected harvest.
Trees	Trees affected	All APs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees. (Based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity).
Business/ Employment	Business/ employment loss	All APs regardless of legal status (including legalizable and Informal Settlers)	<p><u>Owner:</u></p> <p>(i) (permanent impact) cash indemnity of 1-year net income or in the absence of income proof, One time an average consumer subsistence allowance in cash up to 12 months;</p> <p>(ii) (Temporary impact) cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, an average consumer subsistence allowance for months of business stoppage; Permanent worker/employees:</p> <ul style="list-style-type: none"> <li>• indemnity for lost wages equal to one-time six-month subsistence wage for an average customer. Business income shall also cover all individual value-added activities beyond direct consumption/sale of agricultural produce (i.e. informal business activities at household level which are currently unaccounted for due to the lack of economic activity data for the affected populations). There will be a verification process during the LARP implementation to fully account for such activities.</li> </ul>

Allowances			
Severe Impacts	>10% income loss	All severely affected AHs including informal settlers	Agricultural income: 1 additional crop compensation for 1 year's yield of affected land and/or, for other incomes: an allowance covering six-month subsistence wage for an average customer
Relocation/Shifting	Transport/transition costs	All AHs to be relocated	An allowance covering transport and livelihood expenses for the transitional period. (200 GEL as vehicle hire charge + six-month subsistence wage for an average customer).
Vulnerable People Allowances		Particularly disadvantaged Households who might suffer disproportionately or face the risk of being marginalized from the effects of land acquisition and resettlement. These are; (i) female-headed households with and/or without dependents; (ii) disabled household heads; (iii) poor households as defined by the official poverty line; (iv) elderly households with no means of support; (v) households without security of tenure; (vi) cultural or ethnic minorities; and (vii) refugees or internally displaced people.	Six-month subsistence wage for an average consumer and employment priority in project-related jobs where feasible. Additional assistance in kind will be provided to facilitate relocation or transition — this may include (logistics, relocation planning, assistance with replacement housing search, as appropriate).
Unforeseen impacts during construction, including temporary impacts and impacts on livelihoods not otherwise assessed.	Impacts during construction to properties or assets out of the corridor of impact or RoW.	All APs	Due compensation to be assessed and paid when the impacts are identified based on the above provisions and on the requirements of SPS 2009.
Impacts related to spoil disposal areas and construction camps.	Temporary or permanent impacts	APs using affected pasture lands	Adequate livelihood assistance for loss of hay and grazing grounds, if any, will be assessed and provided during implementation.

### 4.3.3 Assistance for severely affected and Vulnerable AH

77. Vulnerable households are households 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. Below poverty line, women headed households, households with members with disabilities or lonely pensioner is considered as vulnerable. The vulnerable household requires special assistance for resettlement.
78. Vulnerable AHs are entitled to an allowance equivalent to six-month subsistence wage for an average consumer and employment priority in project-related jobs. AHs are considered as vulnerable in case they are registered as poor in the local social services or are women-headed. In absence of an official subsistence, these figures are taken from the Government of Georgia Statistics Department data six-month subsistence wage for an average consumer. Severely affected AH will receive an allowance equivalent to: 1 additional crop compensation for 1 year's yield of affected land for agricultural income - or, for other incomes: an allowance covering six-month subsistence wage for an average customer.

### 4.3.4 Valuation and Compensation Rates for land plots and Structures.

79. Valuation of compensation rates of different affected assets is various. Methodology used for determination of the compensation amount payable for damage to land owners summarized below, while the detailed methodology is provided in Annex 4.

**Method N1 Cost Replacement approach** — which contains full expenses of constructing (creating) analogous property, includes:

- Direct costs:
  - Cost of material;
  - Construction expenses:
    - Workers' wages;
    - Construction profit and overhead costs;
    - Transportation costs;
    - And other expenses necessary for construction activities.
- Indirect costs:
- Professional service costs:
  - Architect/designer service costs;
  - Legal service costs;
  - Other expenses.
- Permit costs:
- Insurance costs;
- Other expenses.

80. Cost (replacement) approach in its turn includes 3 methods:
- 1) Method of square (cubic) meters;
  - 2) Element (cost estimation) method;
  - 3) Resource method.
81. In the given case, cost replacement - element (cost estimation) method has been used for calculation of the value of the project affected structures.
82. We draw up cost estimation for construction (arrangement) of the structures in replace to the structures, located on the project affected private land parcels. The type and amount of the construction material, used for the construction of the particular buildings and structures are given in this cost estimation. As for the cost of the construction materials, they are taken according to the Construction Resource Prices, published by the Construction Assessors Union. The prices given in the mentioned publication were checked through the survey of market prices, when the conformity of main construction material was checked. In the result it was proved that the prices, given in the Construction Resource Prices corresponded to the existing market prices.
83. The construction (arrangement) expenses of the structures on the private land plots are fully reflected in the attached valuation report. The 12 flats and 17 private houses were valued as per replacement cost principle.
84. **Method N.2 Sales Comparison Approach** — direct comparison of the appraisal object with other object, the market price of which is known (it is sold or similar action istaken). Following actions are taken while using this approach:
- a. Obtaining market data, analyses and classification, which gives the possibility to determine analogous property;
  - b. Determination of the comparable elements, used for comparison of the object of the estimated property with analogues;
  - c. Determination of the type and the degree of differences between selected comparable elements;
  - d. Adjustment of prices of the defined comparable elements of analogues;
  - e. Adjustment of all analogue prices in relation to the estimated property according to the defined comparable elements;
  - f. Determination of the market price of the estimated property according to the adjusted prices of analogues.
85. Amendments are introduced according to comparable elements with following order:
- a. Transfer of property rights;
  - b. Financial conditions;
  - c. Selling conditions;
  - d. Further expenses related to the sale;
  - e. Market sale dynamics (sale date);
  - f. Location;
  - g. Physical characteristics;
  - h. Economic characteristics;



- i. Usage;
  - j. Absence of movable property.
86. In the given case sales comparison approach has been used for calculation of the market prices on land plots.
  87. Market prices of land parcels and other immovable property are calculated according to the official exchange rate of GEL stated by the National Bank of Georgia for the given period of time.
  88. The comparable transaction analysis approach was used to determine the value of the land plot for the subject property presented in the report. This approach is based on a comparison of the object being valued with the price of sold similar land plot. This is the most popular and accepted method of land valuation. The valuer can also analyze the bids for sale and other market information, but the main focus should be on the actual sales data of similar plots that are feasible under typical market condition.
  89. The fundamental principle of this method is the substitution principle, which states that in the market, the investor (buyer) will not pay more than what a comparable piece of real estate with the same benefit is worth. Benefit means a set of characteristics of an object that determine its purpose, capabilities, and methods of use (conditions), also the amount and terms of income received. The result of using this method is the conversion of the price of an object to be valued into a market value through the transformation of the prices of comparable objects sold or offered.
  90. Using this method, the valuer goes through the following steps:
    1. collection, classification, and analysis of market data, allowing for the identification of similar lands that are relevant and comparable to the land to be valued;
    2. determines the instruments by which the land to be valued is compared with analogues;
    3. determines the nature and degree of difference between the established (selected) comparison elements with comparable and measurable plots with one another;
    4. The prices of all established comparison elements in similar plots are adjusted according to the nature and quality of the differences between all the analogues with respect to the object being compared.
    5. The prices of all similar plots are adjusted for the land plot to be evaluated according to the established comparison elements;
    6. Determines the market value of the land to be valued by substantiating the adjusted prices of similar assets.

#### **4.3.5 Calculation methods of Compensation Costs for Perennials**

91. Determination method of the loss revenue has been used for identification of compensation value of the perennial plants during the period that is essential for growing the analogue seedling to the corresponding age of the existing plants.
92. Cost of perennial plants is determined in accordance with their age. Price of fruit trees will be calculated by multiplying of the annual harvest market price to those years that is essential for growing the new perennial seedling to the same age of existing trees.

Estimation of fruit trees is performed by the following formula:

$$Q = pY [af - x]^1, [x - 1]^2, [as - 1]^3 \text{ as } < x < af,$$

Where:

Q – Compensation value of perennial trees;

P– Retail price of fruit/product that is set in accordance with the current market prices;

Y – Yield rate that is determined according to the Department of Statistics and monograph "Georgian Fruit-Growing" Vol. II (1973) and Vol. IV (1978) by Mr. Gogotur Agladze – Doctor of science of agriculture, member of the Academy of Science of Agriculture of Georgia and Russian Federation, the state prize laureate of Georgia, yield rate is also defined by data summarizing. Results are given in the table #5.

X – Current age of perennials that is determined by visual inspection and interview with owners.

**as** – full fruit bearing starting age is determined according to the table #6 that is compiled based on results of interviews conducted by specialists.

**af** – last age of fruit bearing is determined according to the table #6 that is compiled based on results of interviews conducted by specialists.

1 – Number of years remaining until completion of fruit bearing for each specific tree species;

2 – Number of years that a tree needs to achieve the proper age;

3 – Number of years that a tree needs to achieve the age of full fruit bearing.

**Note: Out of 1,2 and 3 options, only one is used, these options are used according to relevance, (prioritizing of less years), in order to define compensation value of the loss income for each specific tree.**

93. Based on the above given formula, compensation value of perennial plants has been calculated by considering the principle of the loss income (sum of values of a certain tree total harvest during the period of growing a new tree to the age of an existing one).

## **5. INSTITUTIONAL ARRANGEMENTS**

### **5.1 Introduction**

94. 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 LARP. RDMRDI with the assistance of the consultants was developed and will implement the Addendum to the LARP for each project based on the policy and procedures set out by the ADB. 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 Environmental Protection and Agriculture 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 Self-Government Body and village level will also be involved.
95. The specific role and responsibility of each State Agency participating in the given project is detailed below.

### **5.2 Land Registration Organizations**

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

#### **5.2.1 Representative of Mayor in Local Community**

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

#### **5.2.2 Local Self-Government Body**

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

#### **5.2.3 Property Rights Recognition Commission**

99. Under the Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities; 2007, the Government of Georgia has established the PRRC (Property Rights Recognition Commission) at the Rayon level for recognition of ownership rights of non-rightful owners for registration. PRRC verifies and

authorizes application of ownership for registration with the NAPR. PRRC authorizes application of only those APs, who are not registered but have residential land or agricultural plots adjacent to the residential land (“non-rightful land owners”, according to definition of Georgian regulations).

#### **5.2.4 Rayon Registration Office**

100. NAPR is in charge of the registration of land ownership and its transfer through acquisition agreement from landowners to the RDMRDI. Rayon Archives are now transferred in the possession of the Rayon Registration Offices of the NAPR. Rayon Archive is used for cross verification of ownership document and validity of physical possession of land by persons seeking registration as legalizable owner, in the case, owner does not have available documentation proving ownership rights on the adjacent land plot or in case there is any doubt regarding the plot.
101. Rayon Registration Office of the NAPR is the Rayon level authority for executing registration of land parcels in the name of the applicants based on package of application documents provided by rightful owners (APs possessing ownership documents but with title formalization pending) or by non-rightful owners after receiving appropriate certificate from PRRC as the case may be. The owners submit both soft copy and hard copy of plot maps with geometric details for record in the Rayon and Central NAPR. Rayon NAPR is involved in the updating and implementation of LARP.

### **5.3 Land Acquisition and Resettlement Organizations**

#### **5.3.1 RDMRDI of Georgia**

102. RDMRDI has the overall responsibility of design, land acquisition and resettlement, construction, construction monitoring and supervision of the Project. This also includes financing and executing land acquisition and resettlement tasks and cross-agency coordination. RDMRDI will exercise its functions through its existing Resettlement Unit (RU), which is subdivision of the Environmental and Social Issues Division, and LAR Commission.
103. A Resettlement Unit (RU) under the RDRD headed by a Head of the Unit and staffed with other personnel having specific experience and skills in LAR is responsible for LAR activities related to the project. RU is responsible for all technical work to accomplish all LAR preparation and implementation tasks and coordination within the RDMRDI, as well as at central and local government levels.
104. As for the monitoring and management resettlements 9 officials are assigned to the central office of RD. This project will be monitored by 2 officials of the central unit.
105. LAR Commission (LARC) within RDMRDI has the authority to finally endorse all LAR related decisions and actions (i.e. approval of LARP, initiation of compensation payments etc.). LARC sits for reviewing issues for decision on as and when necessary basis. LARC will oversee and monitor implementation of the LARP to ensure that all APs are duly compensated and that mitigating measures are instituted by the Civil Works Contractor as a result of temporary impacts. It is also the final pre-litigation authority to provide decision on grievances those cannot be resolved at the regional level. LARC will ensure that the Project is implemented in accordance with the ADB policy requirements and the approved LARP. A Grievance Redress Committee (GRC) at the Mayor Representative’s level of the Rayons will be working to resolve the grievances of APs as a means of reducing grievances and avoiding expropriation process for acquisition of land.

106. The structure of the LARC includes experienced and skilled experts of economics and law, who simultaneously take responsible positions in RDMRDI. In case of need, on the basis of agreement with RDMRDI management and LARC the structure can be expanded inviting professionals of different sectors in response of the volume of LAR work for a project. The core team of the LARC is represented by RU, which is supplemented by legal experts, financial experts, engineers and the like from other departments of RDMRDI.
107. The specific tasks of the RU will be to (i) establish LARC capacity at the regional level offices of the RDMRDI; (ii) ensure proper internal monitoring; and (iii) hire, following ADB policy recommendation the external monitoring agency; (iv) conduct all technical work to accomplish all LAR preparation and implementation tasks; (v) maintain the coordination of all land acquisition and resettlement related activities within the RDMRDI, as well as at central and local government levels; and (vi) provide all necessary documentation to ensure the prompt allocation of land acquisition and resettlement budgets to the APs.
108. As for the monitoring and management resettlements 9 officials are assigned to the central office of RD. This project will be monitored by 2 officials of the central unit.

### **5.3.2 TRRC**

109. Transport Reform and Rehabilitation Centre (TRRC), a special independent agency, has been established within RDMRDI for financial management of ADB and World Bank financed projects. TRRC will get funds directly from the Ministry of Finance allocated for the project and disburse it to APs following requisition from RU, RDMRDI. TRRC will review, scrutinize and transfer the amount of compensation and allowances in the bank account of APs mentioned in the Compensation and Allowance Ledger prepared, confirmed and produced by RU of RDMRDI for each AP. 103. The main field of the Center's activities is to provide consulting services for international finance institutions (the World Bank, Asian Development Bank, Japanese International Cooperation Agency, etc.).

### **5.3.3 Rayon LAR Team**

110. Rayon LAR Team will assist the central LARC and provide assistance to APs in the process of legalization of legalizable owners. Based on the RDMRDI's LARC decision and the LARP prices, the offer of acquisition of land parcels shall be undertaken. If an AP agrees on the acquisition, he/she will confirm such agreement in writing by signing the Sales/Acquisition Agreement that will be registered with the Public Registry. This agreement will serve as the basis for compensation payment processing and release. If agreement is not reached between the AP and the LAR Team, the later will inform the LARC, which will take decision to start expropriation.
111. Tbilisi team of RU will be responsible on implementation of the project. The project manager was already assigned to the project.

### **5.3.4 Local Governments**

112. Local administration especially at Rayon level has direct jurisdiction for land administration, valuation, verification and acquisition. To confirm the surveys and the asset valuations carried out by the LAR consultants, RDMRDI through its consultants will establish Rayon Level LAR Teams which will have designated officials from the regional administration (Mayor Representative in the village) and representatives of each affected village/community administration (representatives of all affected community/village).

### **5.3.5 Other Organizations and Agencies**

#### **5.3.5.1 Civil Works Contractor**

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

#### **5.3.5.2 Consultants and Auditors**

114. The design consultant is responsible for preparation of LARP and a construction supervision consultant will be in place to supervise civil works construction.

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

116. **Construction Supervision Consultant:** Construction supervision consultant (CSC) has land acquisition and resettlement specialists to oversee all resettlement related issues that may arise during the construction works, as well as is responsible for overall social safeguards monitoring of the project.

### **5.3.6 Court of Georgia**

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

118. Furthermore, in cases where complaints and grievances regarding LARP implementation and compensation are not solved at the various levels as prescribed in the agreed Grievance Redress Mechanism, the APs will have the right to appeal the case to the court. Supreme court of Georgia as a last resort. Its decision shall be final and executor.

### **5.3.7 Ministry of Finance**

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

### **5.3.8 Ministry of Justice**

120. 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 acquisition agreement from landowners to the Road Department.

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

121. 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.

### **5.3.10 ADB**

122. Besides supervising the Project periodically, ADB will review LARP and External and Internal Monitor's compliance reports, and provide clearance to contract awards signing and initiation of civil works.

### **5.3.11 Monitoring Agency**

123. RDMRDI was already appointed an independent external monitoring consultant (EMC)) for external monitoring and ex-post evaluation of the LARP implementation, including this LARP Addendum implementation. The external monitoring consultant was hired as individual. External monitoring covers all aspects of LARP implementation, starting from legalization and finishing with payment of all compensation and rehabilitation allowances before starting civil works.

## **6. CONSULTATION AND PARTICIPATION**

### **6.1 General overview**

124. Following ADB policies, the RDMRDI will ensure Addendum to the LARP is translated into Georgian and distributed to local government agencies. Besides, Public Information Booklet (PIB) was prepared, i.e. reduced version of the final Addendum to the LARP in understandable language and format for APs. The Public Information Booklet was prepared in English and Georgian languages and was provided to all APs during the public consultation meeting and also to local governments and was 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 were already collected through the LAR Team and provided to Consultant, RDMRDI and ADB and if relevant reflected in the final version of LARP Addendum.
125. All government agencies involved in LARP preparation and implementation process were informed about the project, and their assistance was solicited in the conduct of the inventory of affected assets and the census of APs. In addition, prior to LARP finalization and its submission, APs were thoroughly informed on the results of the census and inventory of impacts, and their preferences on compensation and/or other resettlement assistance was/will be given due consideration. The processes and mechanisms ensuring the active involvement of APs and other stakeholders were detailed in the LARP and this LARP Addendum, which also includes an appendix with dates, list of participants, and minutes of consultation meetings.

### **6.2 Objectives of Public Information and Consultation**

- 126 Information dissemination to APs and involved agencies is an important part of LARP preparation and implementation. Consultation with APs 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 APs, will be included in the planning and decision-making processes, RDMRDI and Consultant was/will continue a dialogue with regional and municipality authorities and NGOs, as relevant, during the entire project implementation process to ensure:
  - (i) Fully sharing information about the proposed subproject components, redesign or project scope change (if any) and Addendum (s) to the LARP activities with the APs;
  - (ii) Obtaining information about the needs and priorities of APs, as well as receiving information about their reactions to proposed policies and activities;
  - (iii) That APs is 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;
  - (iv) APs are given contact information of project responsible persons from local authorities/RD that will provide timely sufficient feedback to their inquiries:
    - o Obtaining the cooperation and participation of the APs and communities in activities necessary for resettlement planning and implementation;
    - o Transparency in all activities related to land acquisition and resettlement.



### **6.3 Consultations during LARP Addendum Preparation and Implementation**

127. All communications were in the language most appropriate for involved and engaged parties in the project area. During the LARP Addendum preparation and implementation the RD MRDI was undertaken the following:
1. Conduct information dissemination and consultation for all APs, NGOs and other stakeholders;
  2. 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 APs;
  3. Conduct a survey as part of the DMS to:
    - inform them about possible resettlement options;
    - request information from APs about their preferences and choices of resettlement options; and,
    - request that APs indicate services such as education/health/markets that they are currently using and their distance from such services;
  4. Consultation regarding the APs preferred option for livelihood stabilization and/or rehabilitation assistance (where required). This applies to APs experiencing significant impacts and vulnerable APs.
128. The Public Consultation Meeting was Conducted in the Building of Local Municipality in Zestaphoni, on January 18, 2021 at 3.15 p.m. 50 persons, including physically relocated APs, participated in consultation meetings, of which 38 men and 12 women. In addition, the AHs were provided with project-related information during the census and SES. Also, the cut-off date, which is the start date of DMS, which was started 11th of November, 2021 and finalized 20th of November 2021, were communicated with APs. The related information, Minutes of Meeting and photo evidence of public consultation held in Zestaphoni Municipal Building is presented in Annex 3.
129. After the presentation, the participants expressed their interest in various issues, to which the Department's representatives gave comprehensive answers. The main questions were regarding the unit prices of land and assets, legalization and registration processes, what is the time period for leaving the house after the contract signed? How many meters from the road edge is allowed to live? etc.

### **6.4 Public Information Booklet**

130. To ensure that APs, their representatives, and local government agencies in subproject areas fully understand the details of the Addendum to the LARP preparation process, and are also informed about the compensation and rehabilitation packages applicable to the Project, a Public Information Booklet (PIB) was prepared by RD.
131. This PIB was distributed to all APs and communities in the subproject area. The PIB was translated into Georgian. The general contents of the PIB was included the following:
- Brief description of the project, implementation schedule;
  - Project impacts, entitlements and rights of APs;
  - Explanation regarding the establishment of cut-off date and eligibility criteria.

- Resettlement and rehabilitation policies for all types of impacts;
- Institutions responsible for resettlement and time-frame (schedule);
- Information dissemination to and consultations with APs and stakeholders;
- What to do if APs have a question or a problem;
- Outline of the grievance redress procedure; and
- Requirements for monitoring and evaluation, including independent monitoring.

## **6.5 LARP Addendum Disclosure**

132. The Final Addendum to the LARP in Georgian will be disclosed on the RD website and at RD offices. The Georgian Final Addendum to the LARP will be disclosed to the APs at the relevant administrative center and Municipality building once Addendum to the LARP will be cleared by ADB. Its English version will be disclosed on the ADB website after approval by ADB and GoG.
133. A pamphlet in Georgian, summarizing compensation eligibility and entitlement provisions, was distributed 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.

## 7. GRIEVANCE REDRESS MECHANISM

134. 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 7.2.
135. The GRM consist of project-specific systems established at the municipal level and regular system established at RDMRDI. Grievance Redress 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.
136. 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 Implementing Agency - 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 other persons or entities can be included in the commission as its members.
137. 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).
138. GRCEs was established at the community level with an office order from the RD with provision of 7 members of following composition listed below: A Grievance Redress Committee (GRC) has been established at the community level (village/community authority) to resolve complaints and grievances through community participation. The Local Grievance Redress Committee (GRC) was established on June 14, 2016, to receive written as well as verbal grievances. The GRC has been formed with representatives from RDMRDI, local Municipality, APs, women APs, to allow voices of the affected communities to be heard and ensure a participatory decision-making process. 34 grievances were received started from the period of October 2018, most of the grievances were regarding indirect social impact during the construction period, such as dust, noise and vibration. Currently, CSC, in coordination with RD prepared a Cracks Management Plan and Communication Plan which will address concerns from population during the construction following systematic procedures.

*Table 7.1 Committee Composition*

Name	Position	Telephone/Email	Stats
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Nana Bregadze	Representative of Resettlement Unit RD.	593 33 33 73	Conveyor; Contact person
Tinatin Kolbaia	Deputy Head of the Environment and Social Affairs Service of the Roads Department	591 935333	Member
Archil Jorbenadze	Representative of GRCN of RDMRDI	591403038	Member
Maka Tsitadze	Local resident	599240663	Member
Vladimer Chokhanelidze	Local resident	593111930	Member
Davit Nioradze	Advisor to the Mayor	593163177	Member
Mikheil Bregvadze	Specialist of Internal Audit and Monitoring Service at the municipality	599103818	Member

139. Representative of the Resettlement Unit 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.
140. 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 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 complainant should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc).
141. 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 7.2 Grievance Resolution Process*

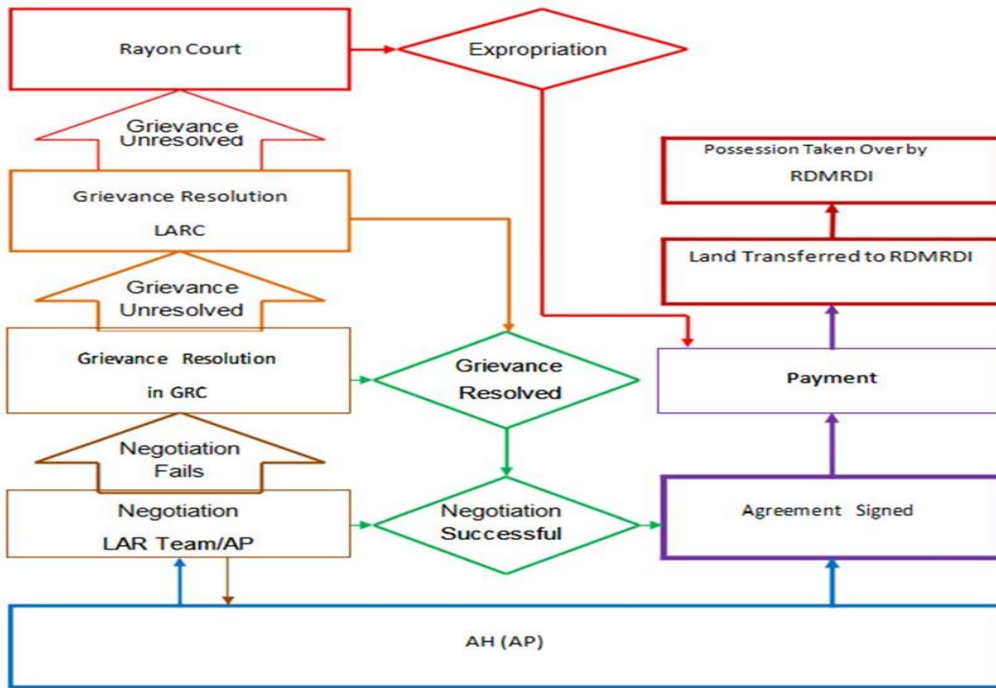
Steps	Action level	Process
Step 1 (Stage 1)	Negotiations with APs	The complaint is informally reviewed by the grievance redress committee (GRC), which takes all necessary measures to resolve the dispute amicably.
Step 2 (Stage 1)	GRC Resolution	<ul style="list-style-type: none"> <li>If the grievance is not solved during the negotiations, the GRC will assist the aggrieved APs to formally lodge the grievances to the GRC.</li> <li>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</li> </ul>

		<p>held with the GRC at a date fixed by the GRC member secretary in consultation with Convener and the aggrieved APs.</p> <ul style="list-style-type: none"> <li>• On the date of hearing, the aggrieved AP will appear before the GRC at the Local Municipality office for consideration of grievance. The member secretary will note down the statements of the complainant and document all details of the claim.</li> <li>• Response time for the GRC to acknowledge receipt is 14 days and after date of hearing for Respond/resolve maximum time is 10 days. The decisions from majority of the members will be considered final from the GRC at Stage 1 and will be issued by the Convener and signed by other members of the GRC. The case record will be updated and the decision will be communicated to the complainant AP.</li> </ul>
Step 3 (Stage 2)	Decision from central RDMRDI	<ul style="list-style-type: none"> <li>• 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).</li> <li>• GRC should assist the complainant in lodging an official complaint (the complainant should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc.).</li> <li>• The complainant shall be informed of the decision.</li> </ul>
Step 4	Court decision	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>

## 7.1 GRC Records and Documentation

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

Figure 7-1 Grievance Organization Chart



## **8. IMPLEMENTATION SCHEDULE**

### **8.1 General**

143. The time bound implementation schedule of the LARP has been prepared in consultation with the RDMRDI. All activities related to LAR have been planned to ensure that compensation is paid prior to displacement and commencement of civil works construction. The most important acquisition activity, relating to the privatization process in Georgia, is the legalization of legalizable owners of the identified land parcels for acquisition. The titled and non-titled but legalizable owners of land parcels to be acquired have been identified in the survey.
144. The present document is the LARP Addendum N3. RDMRDI has prepared, reviewed and approved this document including compensation package and compensation rates and forwarded to ADB for review and approval. Tasks for the LARP Addendum implementation are divided into (i) various Initial tasks including legalization of legalizable APs and signing of contracts with APs; (ii) LARP implementation including processing and making payment of compensation and allowances and (iii) evaluation of implementation. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. The LAR milestones include (i) approval of LARP by ADB, (ii) approval of LARP implementation Compliance Report prepared by the External Monitoring Consultant, (iii) letter to proceed for civil works construction and (iv) start of physical civil works. A post-implementation evaluation will be carried out after completion of LARP implementation.

### **8.2 LARP Addendum Approval and Initial Tasks**

145. The Resettlement Unit of the RD under RDMRDI sets up relevant institutions and line up ETCIC (Eurasian Transport Corridor Investment Center), LARC, Working Group/LAR Team, GRC and the like for the Project. Upon completion of the LARP from the detail design consultant, the RU reviews and approves the document including compensation rates. RD will submit the approved LARP to ADB for approval. Meanwhile, RD will implement actions for legalization of legalizable owners listed in the ACS (Acquisition and Compensation scheme) of LARP (ACS-I) at the field level. All arrangements will be set for signing the contract agreement with the APs and the process will be executed for land purchase and compensation agreements. After completion of legalization of all legalizable owners of land parcels under LARP, RDMRDI will send the letter to civil works contractor to start the construction activities on this part of road section. The initial LAR activities are the following:
- Establishment of LAR Institutions and GRM (completed);
  - Legalization of Rightful owners of land parcels;
  - Agreement with APs and signing contract agreements;
  - Obtain of LAR Budgets and ACS for this Addendum implementation;
  - Confirmation of updated impact data and of compensation amounts;
  - Approval of LARP by ADB and Government.

### **8.3 LARP Implementation**

146. It is planned to start the LARP addendum implementation as soon as the LARP addendum is approved by ADB. Payment of compensation and allowances under LARP Addendum will commence after a number of preparatory tasks have been completed. These tasks

are:

- Signing of contracts with APs
- Disclosure and consultation
- Capacity building training of LAR institutions, APs and NGOs
- Grievance resolution
- Requisition to ETCIC for payment of compensation and allowances
- Transfer of compensation and allowance to APs' bank account and registration of land in PR on RDMRDI name
- Relocation of affected structures/ assets
- Compliance review and reporting
- Issue of eminent domain by RDMRDI
- Notice to proceed for Civil works construction
- Monitoring

### **8.3.1 Expropriation**

147. 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 ESS5 negotiation under threat of expropriation still qualifies as involuntary resettlement.
148. 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.
149. Under no condition would the RD occupy the required plots until:
- (i) the proper judicial process as defined by the law is initiated;
  - (ii) a court injunction has been obtained and properly communicated to the APs; and
  - (iii) the compensation/rehabilitation amounts are deposited in an escrow account.
150. No land acquisition will take place until the compensation/rehabilitation amounts envisaged in the approved Addendum to the LARP 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 AP decides to drop the case and signs the agreement with the RD.

### **8.3.2 Legalization**



151. The RD will provide technical assistance to APs qualifying as legitimate possessors of project affected land parcels. These APs will be assisted free of charge in the process of legalization of private ownership rights to project affected assets, followed 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 LARP. The detailed explanation of legalization process is explained in annex 1.

#### 8.4 Post Implementation Evaluation

152. Post Implementation Evaluation entails two tasks:

**Task 1:** The first task will be the preparation of a Compliance Report (CR) at the end of the compensation process. The objective of the CR will be to vouch for the proper implementation of the LARP addendum for all affected impacts and APs based on the impact assessment figures, compensation rates and procedures set up in the document. The CR will be prepared immediately after the conclusion of the compensation process by an external monitoring consultant which is already prepared CR for other sub-sections (EMC). A CR proving full compliance with the LARP addendum will be a condition for ADB's 'no objection' to start civil works at the access road sections with resettlement. Separate CR (s) will be prepared by EMC after the completion of this LARP Addendum implementation and approved by ADB prior to handover of the site (tunnel 6 section) to the Contractor. The CR will entail the following activities:

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

**Task 2:** Task two will entail the preparation of an Evaluation Report assessing the degree to which the compensation program for the project managed to maintain the pre-project standards of living and incomes of the APs. The report will be prepared one year after the conclusion of the compensation program by an EMC and will be based on comparison of the data and living standards of the APs before and after the compensation program.

#### 8.5 LARP Implementation Time Schedule

153. The time bound LARP implementation is presented in Table 8.1. Land purchase agreements and payment of compensation and allowances will go simultaneously and a sequence of one-week time from offer of compensation to agreement, agreement to requisition and requisition to payment transfer is considered. A buffer period of three month has been included in the schedule for relocation of housing, this timeline was communicated with APs during the public consultation. Relocation of housing will also go by sections. Under the circumstances, the implementation schedule may include phased (part by part) approach for civil works construction to be agreed with the Contractor.



Table 8.1 LARP Addendum  
Implementation Schedule

Item	Months 2022																			
	April				May				June				July				August			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Completion of Addendum to the LARP preparation																				
Public consultations/ongoing engagement's																				
Addendum to the LARP review and approval by ADB																				
Addendum to the LARP disclosure on RD and ADB websites																				
Preparation of Individual Contracts with APs																				
Budget allocation																				
Assets acquisition/signing of contracts with APs																				
Transfer of compensation to the accounts of APs																				
Depositing of compensation amount and initiating expropriation process, where needed																				
Issue of eminent domain by RDMRDI																				
Grievance Redress																				
Relocation of APs (minimum three-month period will be given for relocation).																				
Internal monitoring																				
External monitoring /preparation of Compliance Report																				
Compliance Report review and approval by ADB																				
Start of construction works																				

## 9. COSTS AND FINANCING

154. All costs for Addendum to the LARP preparation and implementation, including cost of compensation and resettlement administration, will be considered in the project budget and will be covered by Government of Georgia.
155. Land compensation value, as well as costs and compensation unit prices for perennials, houses, flat and other assets has been provided by independent evaluator in November 2021. There are no market price changes detected during the last one-year period. The unit prices and individual compensation packages were already discussed with affected HHs and they also found that data provided in the valuation report is sufficient and adequate for purchasing the replacement land and assets. The detailed valuation methodology is provided in Annex 4.
156. Addendum to the LARP contains the information about the budget, including:
- Unit compensation rates for all affected items and allowances by indicating methodologies and entitlement matrix.
  - A cost table for all compensation expenses including external monitoring and contingencies;
  - LARP implementation costs.

### 9.1 Compensation for Land

157. For the purposes of valuation, administrative address and usage type of land were defined as a criteria for the division of the land plots and was therefore divided into 4 types:
- I Price category:** Residential Land Plots located in Zestafoni - 19 GEL
- II Price category:** Agricultural Land plots located in Zestafoni - 19 Gel
- III Price category:** Agricultural Land Plots located nearby to Zestafoni - 10 Gel
- IV Price category:** - Non-Agricultural Land plots located in Zestaponi - 19 Gel
158. The unit cost for residential, agricultural, and commercial land is the same, because the agricultural land located in city Zestafoni can be used as commercial (the status can be easily changed) and residential at the same time. The valuator took this characteristic of the location into account.

*Table 9.1 Compensation for land*

		Price per 1 m <sup>2</sup> (GEL)	Area	Compensation (GEL)
1	Residential Land Plots located in Zestafoni.	19	5,553	105,507
2	Agricultural Land plots in located in Zestafoni	19	7,220	137,180
3	Agricultural Land Plots located nearby to Zestafoni	10	9,810	98,100
4	Non-Agricultural Land plots located in Zestaponi	19	13,574	257,906
	Total		36,157	598,693

### 9.2 Compensation for Structures

159. The compensation cost of structures is determined by considering all costs necessary for construction of the same building, based on current market prices of materials without deduction of depreciation cost as per replacement cost principle of ADB SPS 2009 . The unit price for each house, flat and auxiliary building was calculated individually, based on materials used and condition. Detailed information about compensation of main residential buildings/flats, auxiliary and supporting structures is presented below in tables 9.2 to 9.8.

*Table 9.2 Compensation for Houses<sup>8</sup>*

N	Location	Land Plot Number	Surface of main house, sqm	Unit cost, sqm	Compensation (Gel)
1	Zestafoni	005	261.9	1059	277,324
2	Zestafoni	006	283.9	1210	343,598
3	Zestafoni	007	275.8	982	270,974
4	Zestafoni	008	343.1	727	249,586
5	Zestafoni	009	370	856	316,856
6	Zestafoni	010	269.2	870	234,098
7	Zestafoni	011	225	1541	346,829
8	Zestafoni	016	325.6	1042	339,227
9	Zestafoni	019	293.1	905	265,333
10	Zestafoni	023	306.7	1523	467,135
11	Zestafoni	025	335.1	1342	449,770
12	Zestafoni	026	246.1	1228	302,280
13	Zestafoni	027	91.7	1656	151,832
14	Zestafoni	028	80.4	1587	127,622
15	Zestafoni	030	142.8	1338	191,015
16	Zestafoni	031	374.9	793	297,338
17	Zestafoni	032	209	1456	304,223
Total					4,935,040

*Table 9.3 Compensation for Flats*

N	Location	Number	Surface o Flat, sqm	Unit Cost, sq.m.	Compensation (Gel)
1	Zestafoni	021-11	98	1461	143,190
2	Zestafoni	021-12	39	1439	56,123
3	Zestafoni	021-13	154	1416	218,116
4	Zestafoni	021-21	58	1509	87,505
5	Zestafoni	021-22	137	1435	196,585
6	Zestafoni	021-23	36	1394	50,179

<sup>8</sup> including the one house under construction which is located in the same land with old one (parcel N 027)

7	Zestafoni	021-24	40	1391	55,626
8	Zestafoni	021-31	137	1437	196,937
9	Zestafoni	021-32	25	1686	42,161
10	Zestafoni	021-33	36	1417	51,032
11	Zestafoni	021-34	40	1504	60,183
12	Zestafoni	021-35	34	1480	50,317
Total					1,207,954

*Table 9.4 Compensation for Auxiliary structures*

N	Location	Land Plot Number	Auxiliary N1	N2	N3	N4	Compensation (Gel)
1	Zestafoni	005	1,496	0	0	0	1,496
2	Zestafoni	006	11,738	19,408		0	31,146
3	Zestafoni	007	14,795	15	2,110	0	18,472
4	Zestafoni	008	375	0	0	0	375
5	Zestafoni	009	13,842	12,260	0	0	26,102
6	Zestafoni	009-01	1,932	0	0	0	1,932
7	Zestafoni	010	24,073	0	0	0	24,073
8	Zestafoni	010-01	1,054	750	0	0	1,804
9	Zestafoni	011	8,450	8,333	0	0	16,783
10	Zestafoni	016	18,599	15,510	0	0	34,109
11	Zestafoni	016-01	650	0	0	0	650
12	Zestafoni	023	79,056	1,002	0	0	80,058
13	Zestafoni	024	451	2,110	0	0	2,561
14	Zestafoni	025	32,572	0	0	0	32,572
15	Zestafoni	026	2,110	0	0	0	2,110
16	Zestafoni	027	3,167	0	0	0	3,167
17	Zestafoni	028	425	2,110	0	0	25,35
18	Zestafoni	030	15,144	10,779	1,028	110	29,061
19	Zestafoni	031	6,478	2,110	0	0	8,588
20	Zestafoni	032	11,683	11,025	2,110	0	24,818
21	Zestafoni	035	3,670	0	0	0	3,670
22	Zestafoni	038	200	0	0	0	200
23	Zestafoni	050	3,151	0	0	0	3,151
24	Zestafoni	051	6,913	2,204	0	0	9,117
25	Zestafoni	057	0	2,776	0	0	2,776
<b>Total</b>							<b>361,326</b>

Table 9.5 Compensation for Fences and Gates<sup>9</sup>

N	Location	Land Plot Number	Number of Structures	Compensation (Gel)
1	Zestafoni	002	2	19252
2	Zestafoni	003	1	830
3	Zestafoni	004	1	2135
4	Zestafoni	005	3	15147
5	Zestafoni	006	3	19823
6	Zestafoni	007	2	7457
7	Zestafoni	008	2	6988
8	Zestafoni	009	2	4269
9	Zestafoni	009-01	2	4557
10	Zestafoni	010	2	13709
11	Zestafoni	010-01	1	1557
12	Zestafoni	011	2	15297
13	Zestafoni	012	1	2542
14	Zestafoni	013	1	3207
15	Zestafoni	014	1	1391
16	Zestafoni	015	2	4715
17	Zestafoni	016	2	6294
18	Zestafoni	016-01	1	751
19	Zestafoni	018	1	2305
20	Zestafoni	019	2	8865
21	Zestafoni	023	3	12039
22	Zestafoni	024	2	8298
23	Zestafoni	025	2	4155
24	Zestafoni	026	2	4734
25	Zestafoni	027	2	4560
26	Zestafoni	028	2	4257
27	Zestafoni	028-01	2	2355
28	Zestafoni	029	2	195
29	Zestafoni	030	2	11714
30	Zestafoni	031	1	8747
31	Zestafoni	032	3	10774
32	Zestafoni	037	1	1972
33	Zestafoni	038	1	2366
34	Zestafoni	039	1	1085
35	Zestafoni	042	1	589
36	Zestafoni	044	1	265

<sup>9</sup> The same approach of replacement cost without depreciation has been applied during the valuation also for the fences and gates.

37	Zestafoni	045	1	265
38	Zestafoni	051	1	564
39	Zestafoni	055	1	535
40	Zestafoni	056	1	492
41	Zestafoni	058	1	873
42	Zestafoni	059	1	614
43	Zestafoni	061	1	417
<b>Total</b>			<b>69</b>	<b>227,045</b>

*Table 9.6 Compensation for other minor buildings (shed, pill and other building located on agricultural land plots) not related to the houses/flats*

N	Location	Land plot	Compensation (Gel)
1		005	1819
2	Zestafoni	006	3697
3	Zestafoni	007	3755
4	Zestafoni	008	5634
5	Zestafoni	009	4084
6	Zestafoni	009-01	938
7	Zestafoni	010	12029
8	Zestafoni	011	5231
9	Zestafoni	016	7123
10	Zestafoni	019	1817
11	Zestafoni	023	9289
12	Zestafoni	024	2550
13	Zestafoni	025	6202
14	Zestafoni	026	3384
15	Zestafoni	027	650
16	Zestafoni	028	3431
17	Zestafoni	030	4765
18	Zestafoni	031	4468
19	Zestafoni	032	1124
20	Zestafoni	038	150
<b>Total</b>			<b>236,027</b>

160. The unit rate for most well is 5000 Gel, but there are two different prices for wells, the unit price for wine-jars depends on size and quality and was determined individually. The vine jars are immovably structure in Georgia, because located in the ground, so valuation approach was the same as for other buildings and assets under relocation.

*Table 9.7 Compensation for Wells and Wine-Jars*

N	Location	Land plot with Wells	N	Land Plots with Wine-Jars	N	Compensation for wells (Gel)	Compensation for Wine-Jars (Gel)
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1	Zestafoni	006	1	005	4	4146	1920
2	Zestafoni	007	1	006	3	1000	1452
3	Zestafoni	010	1	007	6	5000	2448
4	Zestafoni	011	1	008	1	5000	360
5	Zestafoni	016	1	010	2	5000	720
6	Zestafoni	023	1	028	8	5000	3600
7	Zestafoni	025	1	030	4	5000	1800
8	Zestafoni	026	1	031	1	5000	440
9	Zestafoni	028	1	032	3	5000	1440
10	Zestafoni	030	1	-		5000	-
Total							<b>59,326</b>

*Table 9.8 Total compensation for Buildings and Structures*

	Type of structure	Quantity	Compensation
1	Private Houses	17	4,935,040
2	Flats	12	1,207,954
3	Commercial building (Abandoned Shop Building)	1	14,756
4	Auxiliary Buildings	42	361,326
5	Fences and Gates	69	227,045
5	Various Minor Buildings	36	236,027
6	Wells	10	45,146
7	Vine-Jars	25	14,180
Total	Various	212	7,041,474

### 9.3 Compensation for Loss of Business and other Incomes

161. There is no business affected under this Addendum to the LARP, therefore no cost for business compensation is determined.

### 9.4 Compensation for Crops

162. The annual crops are not affected by this Addendum to the LARP, therefore no cost for annual crops is determined.

### 9.5 Compensation for Trees

163. Value of perennials was determined according to their age. Price of fruit trees was calculated by multiplying the market price of annual harvest to that number of years that is needed for growing new tree planting up to the age of the existing fruit trees, including the cost for the seedlings. The number of trees is 2,666 and total price is 285,264 Gel.

Table 9.9 Compensation for Trees

Plants	Age group	Cost of seedling, Gel	Cost of harvest unit, Gel	Number of compensation years	Full productivity per year, kg	Amount received from the harvest sale	Costs associated with growing Perennials	Harvesting costs	Income earned per year, including expenses	Total compensation for adult perennial seedling with considering the cost	Quantity	Compensation Cost, GEL
1	2	3	4	5	6	7	8	9	10	11	12	13
Cherry (sweet cherry)	Seedling (<5)	7	2	5	3	6	0.9	1.5	7.0	42	6	252
	5-10	7	2	5	10	30	4.5	7.5	15.0	82	5	410
	10-15	7	2	5	14	42	6.3	12	25.0	132	0	0
	15-20	7	2	5	16	45	7.2	12	30.0	157	3	471
	20<	7	2	5	10	30	4.5	7.5	15.0	82	3	246
Cherry	Seedling (<5)	6	1.5	5	5	7.5	1.1	1.9	6.4	38	57	2166
	5-10	6	1.5	5	10	15	2.3	3.8	12.8	70	57	3990
	10-15	6	1.5	5	15	22.5	3.4	5.6	19.1	102	42	4284
	15-20	6	1.5	5	45	67.5	10.1	16.9	35.0	181	1	181
	20<	6	1.5	5	10	15	2.3	3.8	12.8	70	4	280
Apple	Seedling (<5)	6	2	5	5	10	1.5	2.5	8.5	49	10	490
	5-10	6	2	6	20	40	6.0	10	10.0	66	14	924
	10-15	6	2	6	55	110	16.5	27.5	30.0	186	37	6882
	15-20	6	2	6	50	100	15.0	25	35.0	216	10	2160
	20<	6	2	6	40	80	12.0	20	20.0	126	17	2142
Pear	Seedling (<5)	6	1.5	5	4	6	0.9	2	5.1	32	6	192
	5-10	6	1.5	7	15	22.5	3.4	6	19.1	140	7	980
	10-15	6	1.5	7	40	60	9.0	15	51.0	363	5	1815
	15-20	6	1.5	7	45	67.5	10.1	17	57.4	408	10	4080
	20<	6	1.5	7	20	30	4.5	8	25.5	185	17	3145
Plum	Seedling (<5)	6	1	5	8	8	1.2	2.0	6.8	40	101	4040
	5-10	6	1	5	20	20	3.0	5.0	15.0	81	62	5022
	10-15	6	1	5	30	30	4.5	7.5	20.0	106	63	6678
	15-20	6	1	5	25	25	3.8	6.3	21.0	111	31	3441
	20<	6	1	5	20	20	3.0	5.0	16.0	86	2	172
Variety of Plum (Wild Plum)	Seedling (<5)	5	1	5	8	8	1.2	2	6.8	39	58	2262
	5-10	5	1	5	15	15	2.3	3.8	12.0	65	34	2210
	10-15	5	1	5	35	35	5.3	8.8	12.0	65	37	2405
	15-20	5	1	5	45	45	6.8	11.3	38.3	196	39	7644
	20<	5	1	5	25	20	3.8	6.3	16.3	86	58	4988
Peach	Seedling	6	2	5	2	4	0.6	1	3.4	23	16	368

	(<5)											
	5-10	6	2	5	3	10	0.9	1.5	9.1	52	38	1976
	10-15	6	2	5	4	30	1.2	2	28.8	150	14	2100
	15-20	6	2	5	4	35	1.2	2	33.8	175	3	525
	20<	6	2	5	3	20	0.9	1.5	19.1	102	1	102
Walnut	Seedling (<5)	12	5	8	4	20	3.0	5	17.0	148	32	4736
	5-10	12	5	8	15	75	11.3	18.8	63.8	522	14	7308
	10-15	12	5	8	25	125	18.8	31.3	106.3	862	9	7758
	15-20	12	5	8	35	175	26.3	43.8	148.8	1202	9	10818
	20<	12	5	8	50	250	37.5	62.5	188.0	1516	32	48512
Hazelnut	Seedling (<5)	2	5	5	2	10	1.5	2.5	8.5	45	10	450
	5-10	2	5	5	4	20	3.0	5.0	15.0	77	38	2926
	10-15	2	5	5	5	25	3.8	6.3	18.0	92	77	7084
	15-20	2	5	5	6	30	4.5	7.5	20.0	102	72	7344
	20<	2	5	5	4	20	3.0	5.0	17.0	87	8	696
Grape	Seedling (<5)	2.5	2	5	5	10	1.5	2.5	7.0	38	19	722
	5-10	2.5	2	5	7	14	2.1	3.5	10.0	53	20	1060
	10-15	2.5	2	5	10	20	3.0	5	12.0	63	51	3213
	15-20	2.5	2	5	12	24	3.6	6	15.0	78	186	14508
	20<	2.5	2	5	5	10	1.5	2.5	8.0	43	145	6235
Laurel	Seedling (<5)	2	4	5	2	8	1.2	2	6.8	36	65	2340
	5-10	2	4	5	3	12	1.8	3	10.2	53	83	4399
	10-15	2	4	5	3	12	1.8	3	10.2	53	12	636
	15-20	2	4	5	3	12	1.8	3	10.2	53	25	1325
	20<	2	4	5	2	8	1.2	2	6.8	36	3	108
Fig	Seedling (<5)	5	1.5	5	5	7.5	1.1	1.9	6.4	37	21	777
	5-10	5	1.5	5	10	15	2.3	3.8	12.8	69	25	1725
	10-15	5	1.5	5	15	22.5	3.4	5.6	19.1	101	10	1010
	15-20	5	1.5	5	30	45	6.8	11.3	38.3	196	4	784
	20<	5	1.5	5	20	30	4.5	7.5	25.5	133	20	2660
Mulberry	Seedling (<5)	6	1.5	5	3	4.5	0.7	1.1	3.8	25	10	250
	5-10	6	1.5	5	10	15	2.3	3.8	10.0	56	23	1288
	10-15	6	1.5	5	12	18	2.7	4.5	12.0	66	17	1122
	15-20	6	1.5	5	16	24	3.6	6.0	20.4	108	13	1404
	20<	6	1.5	5	10	15	2.3	3.8	15.0	81	8	648
Pomegranate	Seedling (<5)	4	2	5	4	8	1.2	2	6.8	38	11	418
	5-10	4	2	6	10	20	3.0	5	15.0	94	35	3290
	10-15	4	2	6	12	24	3.6	6	40.0	244	11	2684
	15-20	4	2	6	15	30	4.5	7.5	45.0	274	14	3836
	20<	4	2	6	10	20	3.0	5	35.0	214	3	642
Persimmon	Seedling (<5)	4	1.5	5	5	7.5	1.1	1.9	5.0	29	3	87
	5-10	4	1.5	6	10	15	2.3	3.8	8.0	52	23	1196
	10-15	4	1.5	6	15	22.5	3.4	5.6	20.0	124	20	2480
	15-20	4	1.5	6	20	30	4.5	7.5	22.0	136	18	2448

	20<	4	1.5	6	15	22.5	3.4	5.6	18.0	112	16	1792
Quince	Seedling (<5)	6	1.5	5	3	4.5	0.7	1.1	3.8	25	34	850
	5-10	6	1.5	5	15	22.5	3.4	5.6	19.1	102	35	3570
	10-15	6	1.5	5	25	37.5	5.6	9.4	31.9	165	4	660
	15-20	6	1.5	5	30	45	6.8	11.3	38.3	197	19	3743
	20<	6	1.5	5	20	30	4.5	7.5	25.5	134	20	2680
Barberries	Seedling (<5)	8	2.5	5	4	10	1.5	2.5	8.5	51	4	204
	5-10	8	2.5	5	6	15	2.3	3.8	12.8	72	10	720
	10-15	8	2.5	5	8	20	3.0	5.0	17.0	93	8	744
	15-20	8	2.5	5	8	20	3.0	5.0	17.0	93	0	0
	20<	8	2.5	5	5	12.5	1.9	3.1	10.6	61	3	183
Jujube	Seedling (<5)	6	2.5	5	5	12.5	1.9	3.1	10.6	59	1	59
	5-10	6	2.5	7	10	25	3.8	6.3	21.3	155	4	620
	10-15	6	2.5	7	20	50	7.5	12.5	42.5	304	1	304
	15-20	6	2.5	7	35	87.5	13.1	21.9	74.4	527	0	0
	20<	6	2.5	7	25	62.5	9.4	15.6	53.1	378	0	0
Biwa	Seedling (<5)	5	1.5	5	5	7.5	1.1	1.9	6.4	37	12	444
	5-10	5	1.5	5	15	22.5	3.4	5.6	19.1	101	7	707
	10-15	5	1.5	5	40	60	9.0	15.0	51.0	260	10	2600
	15-20	5	1.5	5	45	67.5	10.1	16.9	57.4	292	6	1752
	20<	5	1.5	5	30	45	6.8	11.3	38.3	196	1	196
Lemon	Seedling (<5)	5	1.5	5	5	7.5	1.1	1.9	6.4	37	2	74
	5-10	5	1.5	5	15	22.5	3.4	5.6	19.1	101	6	606
	10-15	5	1.5	5	30	45	6.8	11.3	38.3	196	2	392
	15-20	5	1.5	5	35	52.5	7.9	13.1	44.6	228	0	0
	20<	5	1.5	5	20	30	4.5	7.5	25.5	133	0	0
Tangerine	Seedling (<5)	6	2	5	5	10	1.5	2.5	8.5	49	9	441
	5-10	6	2	5	15	30	4.5	7.5	25.5	134	32	4288
	10-15	6	2	5	20	40	6.0	10.0	34.0	176	4	704
	15-20	6	2	5	25	50	7.5	12.5	42.5	219	4	876
	20<	6	2	5	30	60	9.0	15.0	51.0	261	2	522
Orange	Seedling (<5)	7	2	5	5	10	1.5	2.5	8.5	50	3	150
	5-10	7	2	5	15	30	4.5	7.5	25.5	135	3	405
	10-15	7	2	5	25	50	7.5	12.5	42.5	220	1	220
	15-20	7	2	5	35	70	10.5	17.5	59.5	305	0	0
	20<	7	2	5	30	60	9.0	15.0	51.0	262	0	0
Raspberry	Seedling (<5)	2	2.5	5	3	7.5	1.125	1.9	6.4	34	253	8602
	5-10	2	2.5	5	4	10	1.5	2.5	8.5	45	0	0
	10-15	2	2.5	5	6	15	2.25	3.8	12.8	66	0	0
	15-20	2	2.5	5	6	15	2.25	3.8	12.8	66	0	0
	20<	2	2.5	5	3	7.5	1.125	1.9	6.4	34	0	0
Currant	Seedling (<5)	2	2	3	3	6	0.9	1.5	5.1	17	0	0
	5-10	2	2	5	2	4	0.6	1.0	3.4	19	2	38

	10-15	2	2	5	3	6	0.9	1.5	5.1	28	0	0
	15-20	2	2	5	4	8	1.2	2.0	6.8	36	0	0
	20<	2	2	5	4	8	1.2	2.0	6.8	36	0	0
Blackberry	Seedling (<5)	2	2.5	5	2	5	0.75	1.3	4.25	23	40	920
	5-10	2	2.5	5	4	10	1.5	2.5	8.5	45	3	135
	10-15	2	2.5	5	6	15	2.25	3.8	12.8	66	0	0
	15-20	2	2.5	5	5	12.5	1.875	3.1	10.6	55	0	0
	20<	2	2.5	5	3	7.5	1.125	1.9	6.4	34	0	0
Sour Cherry-Plum	Seedling (<5)	5	2.5	5	3	7.5	1.1	1.9	6.4	37	14	518
	05-Oct	5	2.5	5	15	37.5	5.6	9.4	31.9	164	1	164
	Oct-15	5	2.5	5	30	75	11.3	18.8	63.8	324	1	324
	15-20	5	2.5	5	30	75	11.3	18.8	63.8	324	2	648
	20<	5	2.5	5	15	37.5	5.6	9.4	31.9	164	2	328
Feijoa	Seedling (<5)	8	3	5	5	15	2.3	3.8	12.8	72	2	144
	5-10	8	3	5	15	45	6.8	11.3	38.3	199	9	1791
	10-15	8	3	5	20	60	9.0	15.0	51.0	263	0	0
	15-20	8	3	5	25	75	11.3	18.8	63.8	327	0	0
	20<	8	3	5	18	54	8.1	13.5	45.9	238	0	0
Medlar	Seedling (<5)	4	1.5	5	3	4.5	0.675	1.125	3.825	23	0	0
	5-10	4	1.5	5	10	15	2.25	3.75	12.75	68	1	68
	10-15	4	1.5	5	15	22.5	3.375	5.625	19.125	100	0	0
	15-20	4	1.5	5	20	30	4.5	7.5	25.5	132	0	0
	20<	4	1.5	5	10	15	2.25	3.75	12.75	68	0	0
Kiwi	Seedling (<5)	3	2	5	3	5	0.9	1.5	4.1	24	2	48
	5-10	3	2	5	15	15	4.5	7.5	10.5	56	2	112
	10-15	3	2	5	30	30	9	15	21	108	0	0
	15-20	3	2	5	30	20	9	15	11	58	0	0
	20<	3	2	5	15	10	4.5	7.5	5.5	31	0	0
Almond	Seedling (<5)	8	9	7	4	36	5.4	9	17	127	0	0
	5-10	8	9	7	20	180	27	45	35	253	0	0
	10-15	8	9	7	25	225	33.75	56.25	62	442	0	0
	15-20	8	9	7	35	315	47.25	78.75	68	484	2	968
	20<	8	9	7	45	405	60.75	101.3	55	393	0	0

## 9.6 Resettlement Assistance

164. Three types of assistance are provided for the affected households:

- 1) Assistance for severe affected households: assistance for such households amounts to six-month subsistence wage for an average consumer (198 Gel x 6 months).
- 2) Assistance for socially vulnerable households: assistance for such households is six-month subsistence wage for an average consumer (198 Gel x 6 months).

- 3) Assistance for relocation/shifting: assistance for such households is three-month subsistence wage for an average consumer- (198 Gel x 6 months), plus 200 Gel for transportation.
- 4) Besides the cash compensation, RD will assist the vulnerable and severe affected households during the displacement process, namely, the resettlement project manager will provide the these HHs with the information regarding land and assets registration process, also, the valid information about the purchasing the property in the same living area (such as prices, location, availability, etc.) will be searched and provided to them upon request. The local municipality representatives also were informed that in case of any difficulties during the replacement process they may be asked to support vulnerable and severe affected HHs.

165. Information about detailed calculation of assistance is given in the table 9.10

*Table 9.10 Resettlement Assistance*

Assistance	Unit price (Gel)	Number	Total compensation
Severe affected households	1,118	34	38,012
Socially vulnerable households	1,118	26	30,888
Relocation/Shifting	1,318	29	38,222
Total			107,122

\* 198 GEL is a subsistence wage for an average consumer as of December 2021. **The detailed explanation how this subsistence wage was elaborated is presented in annex 5.**

### 9.7 Resettlement management cost

166. Roads Department already employed one independent EMC for external monitoring of LARP and Addendums. Miscellaneous expenses have been kept as a provision to cover the administrative cost as may be incurred during implementation of the LARP. Details of the LARP implementation management cost is given in Table 9.11

*Table 9.11*

	Unit	Quantity	Unit cost	Total cost
Cost for external monitoring	Months	3	5,000	15,000
Various administrative expenses	Months	3	1,000	3,000
				18,000

### 9.8 Cost of resettlement

167. The budget of Addendum to the Land acquisition and resettlement plan covers: proper compensation, resettlement allowance and unexpected costs, which is 10% of the total cost. The total LARP Addendum implementation cost amounts to 8,855 548 Gel which is equivalent to 2,870,518 (Official exchange rate for April 6, 2022 - 1 USD=3.085 GEL). Cost of the LARP

Addendum will be covered by additional budget which was specially allocated by RD and requested from the Ministry of Finance.

*Table 9.12 Resettlement Budget*

Name	Unit cost	Amount	Total cost(Gel)
Land parcels	Various	36,157	598,693
Structures	Various	203	7,041,474
Trees	Various	2666	285,264
Crop	Various	-	-
Severe impact allowance	Subsistence for 6 months (198x6)	35	38,012
Relocation/Shifting allowance	Subsistence for 6 months (198x6) + Transportation cost (200 Gel)	29	38,222
Vulnerability allowance	Subsistence for 6 months (198x6)	26	30,888
Business and employment compensation	-	-	-
External and Internal monitoring	-		18,000
<b>Sum</b>			<b>8,050,499</b>
Unexpected costs	10%		805,049.9
<b>Total</b>			<b>8,855,548</b>

## **10. MONITORING AND REPORTING**

168. LAR tasks according to ADB policy requires an external monitoring for the project categorized as Category A for IR. External Monitor is already engaged by RDMRDI.

### **10.1 Internal Monitoring**

169. 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 ADB 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 LARP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the standard supervision reports to ADB. Meantime, semi-annual social safeguard monitoring reports prepared and submitted to ADB shall reflect detailed information on LAR status. 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.

170. 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.

### **10.2 External Monitoring**

171. External monitoring will be carried out by the EMC for the project activities. Indicators for External Monitoring tasks will be carried out in two phases.



**Phase One.** This external Monitoring phase will be carried out by assigned EMC in parallel with the implementation of a LARP and will be concluded after the LARP is 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.

During this phase the EMC will (i) do the investigations and define the indicators needed for phase two activities and ii) closely monitor the implementation of the LARP. LARP implementation monitoring will entail the following tasks: (a) review of LARP/Information pamphlet disclosure; (b) review of action taken by the PIU to compensate the APs with particular attention to the way this action fits LARP stipulations; (c) review all compensation tallies; (d) verify whether the compensation is provided thoroughly to all APs and in the amounts defined in the 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 EMC will prepare the Compliance Report immediately after the completion of LARP 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 RDMRDI.

**Phase Two.** Within one year from the completion of the LARP, the whole construction will be assessed. The RDMRDI will hire phase two external monitoring agency/consultant. (The cost for EMA for 12 months has already included to total cost of the project).

172. 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.

## **ANNEX 1 – LEGALIZATION OF PRIVATE OWNERSHIP OF LAND IN GEORGIA**

### **a. Introduction**

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

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

### **b. Status on registration on pure land and reality in present situation**

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

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

**Legal Owner/ Title Holder:** Owners and users of land having their title registered in the Public Registry.

Legalizable Owner:

**Rightful Owners** — the owners with old document proof although not having registration in the Public Registry under the Laws of Georgia on Privatization of State-owned Agricultural Land, (July 8, 2005) and The Law of Georgia on Public Register (No820 –lis; December 19 of 2008); (the current legislation).

**Non-rightful owners** - unauthorized land users having right to legalize landownership rights provided by the current legislation. The legalization of landownership rights, under the current legislation is allowed for following cases:

The state owned agricultural or non-agricultural land plot with residential house or supporting structures on it - occupied by the physical or legal person without permission before the current law came in force in 2007.

Land plot occupied by person without permission is adjacent to the land parcel rightfully owned or used by this person, taking into account that the illegally occupied land parcel should be of less area than the legally owned adjacent land parcel.

However, there are certain restrictions on privatization of land<sup>6</sup> (attachment-2).

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

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

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

### **c. National survey**

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

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

(Rayon Map/Archives) regarding the issues related to the exact ownership, boundary of each plot and its due recognition.

#### **d. Land Acquisition and resettlement surveys and documentation for the project**

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

Based on this, the survey team proceeded to the sites for field survey which included identification of each plot and verification of the details shown in the National Survey Map (National Cadaster Map) and the reality on the ground. The verification survey process includes title searching through review of available documents and discussions with the owners about land parcel boundary and further discussion with the local government, the representative of the NAPR (local archives are currently transferred to NAPR rayon offices) for its cross verification. Based on these methods final details of each parcel and ownership will be confirmed. This will help to identify the legal owners, the legalizable owners (rightful and non-rightful) and the illegal occupants of state owned land. The list of various categories of ownership will be recorded with the help of local government.

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

### **H.1 - REGISTRATION OF RIGHTFUL OWNERS**

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

- Documents confirming rightful ownership of the land plot (annex 3).
- Precise cadastral maps of the land plot.
- Document confirming payment of the fee for the property recognition (51 Gel).
- Identification documents of the applicant.

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

**Step 1** Preparation of fresh and precise cadastral map by the owners through private agencies. The map will include all the dimensions of plots and geometrical details. The cost of preparation of map ranges from 0.06 GEL to 0.10 GEL per sqm of land to be recognized. The duration for preparation of map will be approximately a week time. However, within the project frame, the consultant will prepare precise cadastral maps for the affected land plots and these maps along with required land descriptions will be given to the legalizable and other land owners free of charge.

**Step 2** In case the owner does not have available ownership proving documentation (annex-3) or in case there is any doubt regarding the plot, the owner has to apply to the local community level self-

government (Sakrebulo and Gamgeoba) and local Rayoon NAPR Office (where Archives are kept) for the proof and cross verification of the land details.

**Step 3** After the verification from NAPR rayon Office, the owners will take the endorsement from the community municipal office (Gamgeoba).

**Step 4** Following the authorization from Gamgebeli the owners will approach to the Rayon level Registration Office of the NAPR. The owners will provide all the above proof to the registration office. The registration office will verify the completeness of all required application documents. The owners have to submit both the soft copy and hard copy of the plot maps along with its coordinates for record in the Public Registry office. The registration process will take 4 working days in normal situation and the property recognition fee will be 51 GEL per registration. In case of urgency, the owners have to pay 150 GEL to get the registration done in one working day and 200 GEL, if the registration needs to be done immediately. However, the registration office for affected legalizable owners will not charge the urgency cost and will be able to complete each case in maximum 6 days. After the finalization of registration, the Public Registry office will compile the land records and will update the cadastral details. The updated details will be sent to the central Public Registry for centralized record.

**In case**, there remains further dispute related to ownership, the case may be referred to the court. The project authority may estimate the price of that particular land and may deposit the amount in the State Budget allocated for the Project. The payment to the real owner will be executed from the State Budget according to the court decision upon confirmation by the Roads Department as LARP implementing agency. The case will be resolved in the Rayon Court.

## **H.2 - REGISTRATION OF NON-RIGHTFUL OWNERS**

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

- (i) Document confirming the fact of non-rightful ownership/use of the land plot (see annex 3) or attestation of witness (neighbors etc.).
- (ii) Precise cadastral maps of the land plot
- (iii) Information needed for determination of the fee for property recognition
- (iv) Copies of the identification documents of the applicant

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

- Step 1** Preparation of fresh and precise cadastral map by the owners through private agencies. The map will include all the dimensions of plots and geometrical details. The cost of preparation of map ranges from 0.06 GEL to 0.10 GEL per sqm of land to be recognized. The duration for preparation of map will be approximately a week time. However, within the project frame, the consultant will prepare precise cadastral maps for the affected land plots and these maps along with required land descriptions will be given to the legalizable and other land owners free of charge.
- Step 2** The map and its details will be authorized and the land usage pattern will be verified by the neighbors. The community local administration (Gamageoba) may also certify the authorization.
- Step 3** Following the authorization from the neighbors, the same has to be notarized. Cost of notarian confirmation of neighbors witness will be 15 GEL for each case.
- Step 4** The land owner/user will approach to the Property Recognition Commission through Office of Sakrebulo with a package of documents confirming eligibility for legalization of the land plot according to the current legislation. This includes ownership documents (see annex-3) related to the adjacent land plots owned by the applicant rightfully.
- Step 5** In case if, the owner does not have available documentation proving ownership rights on the adjacent land plot or in case there is any doubt regarding the plot, the owner will apply to the local NAPR Archives for the proof and cross verification of the land details.
- Step 6** After the verification, the Office of Sakrebulo will endorse the application and authorize the case for recognition.
- Step 7** Following the authorization from Sakrebulo, the owners will approach to the Property Recognition Commission. The owners will provide all the above proof to the Commission. The Commission will verify the documents, make physical verification and organize an open disclosure meeting on site with prior notice to the concerned community peoples. If the documents are clear and the land is free from any dispute from anybody, then the Commission will notify the applicant to deposit payment for the land (if applicable). After payment, or if the payment is not applicable, the commission will issue certificate on ownership right to the owners.
- Step 8** Based on the above steps, the owners will go to the Public Registry at their respective rayon for registration. The owners have to submit both the soft copy and hard copy of the plot maps along with its coordinates. The registration process will take 4 working days in normal situation and the property recognition fee will be 51 GEL per registration. In case of urgency, the owners have to pay 150 GEL to get the registration done in one working day and 200 GEL, if the registration needs to be done immediately. However, the registration office for affected legalizable owners will not charge the urgency cost and will be able to complete each case in maximum 6 days. After the finalization of registration, the Public Registry office will compile the land records and will update the cadastral details. The updated details will be sent to the central Public Registry for centralized record.

**In case** there remains, further dispute related to ownership; the case may be referred to the court. The project authority may estimate the price of that particular land and may deposit the amount in the State Budget allocated for the Project. The payment to the real owner will be executed from the State Budget according to the court decision upon confirmation by the Road Department as LARP implementing agency.

#### **e. Actions at Detail Design**

The most important issue for timely acquisition of land is the coordination between the Roads Department and the respective rayon and municipality level administration (Rayon and municipal Gamageoba and PRRC). These issues have been identified and brought to the notice of concerned stakeholders by the

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

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

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

## **ANNEX 2. INFORMATION BOOKLET (Updated)**

### **1. CONSTRUCTION OF KHEVI-UBISA-SHORAPANI-ARGVETA SECTION (E60 HIGHWAY ROUTE)**

#### **Public Information Booklet Project Description**

The original project design was prepared by IRD and SPEA consulting and it is based on a preliminary survey appraisal conducted on November 16th 2017, according to the requirements of JICA policies as well to the Resettlement Policy Framework prepared by the East–West Highway Corridor Improvement Project AF- Upgrading and construction of Khevi-Argveta Section F4 of the E-60 Highway approved on May 2017. The original land acquisition and resettlement plan were updated in August 2019 to ensure full alignment with the ADB’s safeguard policy statement, SPS (2009). This Addendum to the LARP is prepared also in compliance with the ADB’s safeguard policy statement, SPS (2009).

The total length of Section F4 is of 14+747.78 km on the Tbilisi-Argveta carriageway (TA) and of 14+729.87 on the Argveta-Tbilisi carriageway (AT). Design section starts at km 185 of Tbilisi- Senaki-Leselidze motorway and ends at km 200 of the same road in Argveta. This section is directly connected to Argveta interchange which is under construction.

Widening of the road takes place at the expense of cutting into the slope on the left, then the alignment turns to the right, crosses the river Kvirila and the railway two times, then the alignment develops northward of Zestaphoni through three tunnels.

Five long span bridges and one short span bridge will be constructed during the project works. The total length of the five bridges is 4,912 meters, the longest of which is 941 meters. The bridges are grouped into the following main typologies:

Steel-concrete bridges - bridges 1,2,4: maximum span length up to 60 m for bridges 1 and 2 and up to 72 meters for bridges 4-AT and 4-TA.

Precast concrete bridges – bridges 3 and 5: maximum span up to 34m

Six tunnels will be constructed with double tubes with length from 399 m to 1166 m.

To construct the roadbed in the project section concrete retaining walls and reinforced concrete support structures will be required on several sections due to the difficult relief conditions of the project section.

The following types of culverts will be constructed:

Underpasses for rural roads, which are construction of cast in situ reinforced concrete structures of closed contours cross sections 6.0x4.5 m - 6 units for passing rural roads is envisaged in the design.

Cattle passes, which ensure cattle cross the project road. Construction of cast in situ reinforced concrete structures of closed contours cross sections 4.0x2.5 m - 4 units is envisaged in the design.

Culverts, for which cast in situ reinforced concrete culverts cross section 2.0x2.5 m - 17units, 4.0x2.5m - 2 units is envisaged in the design to provide water discharge from ravines and canals.

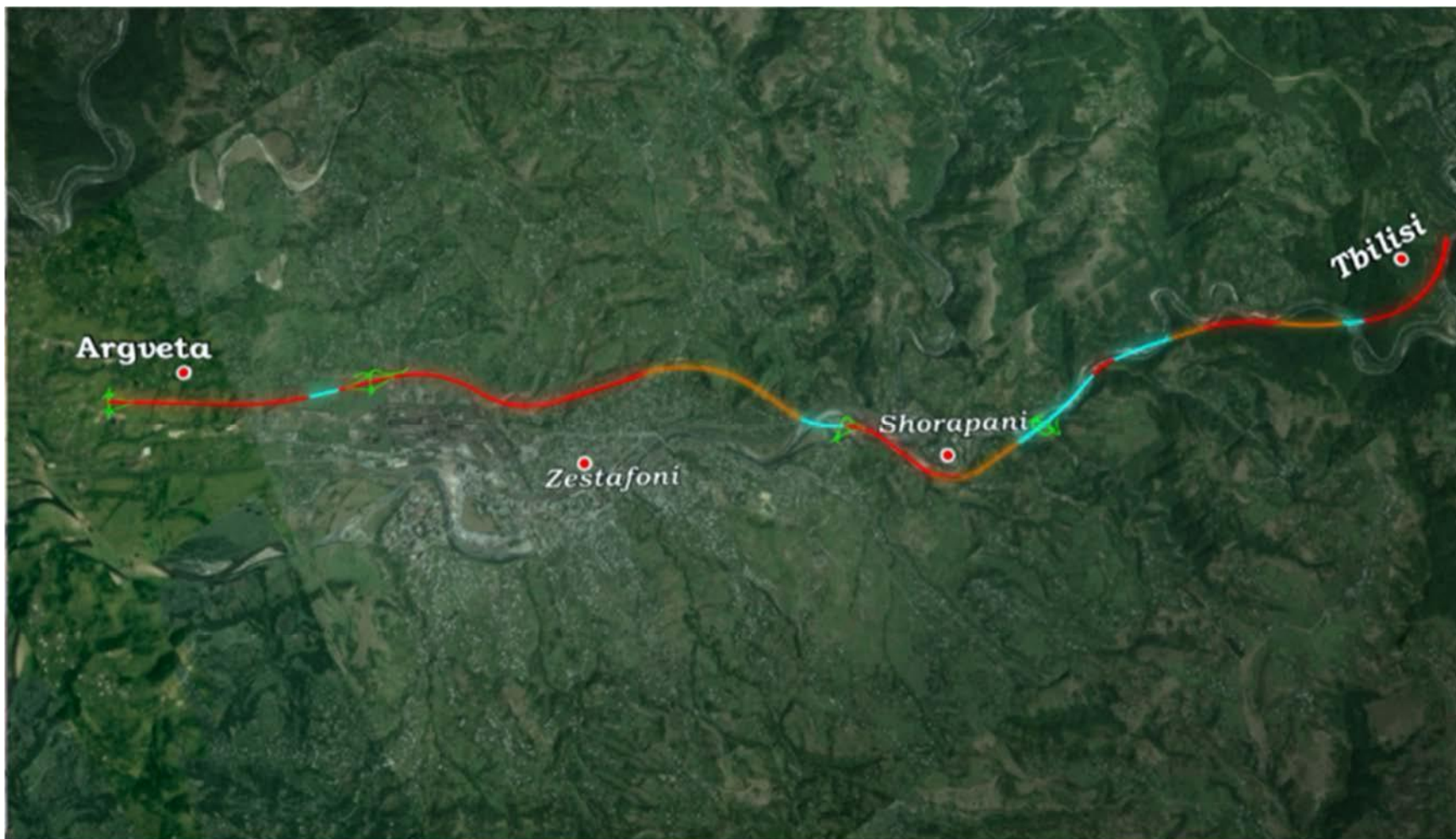
Eight underpasses will be constructed using reinforced concrete culverts. One overpass will be constructed at km 11+854 with a length of 40 meters.

Two different pavement structures will be used: Concrete pavement structure for the motorway and interchanges; and Asphalt pavement structure for all Slip Roads and all Minor Roads and bridges.



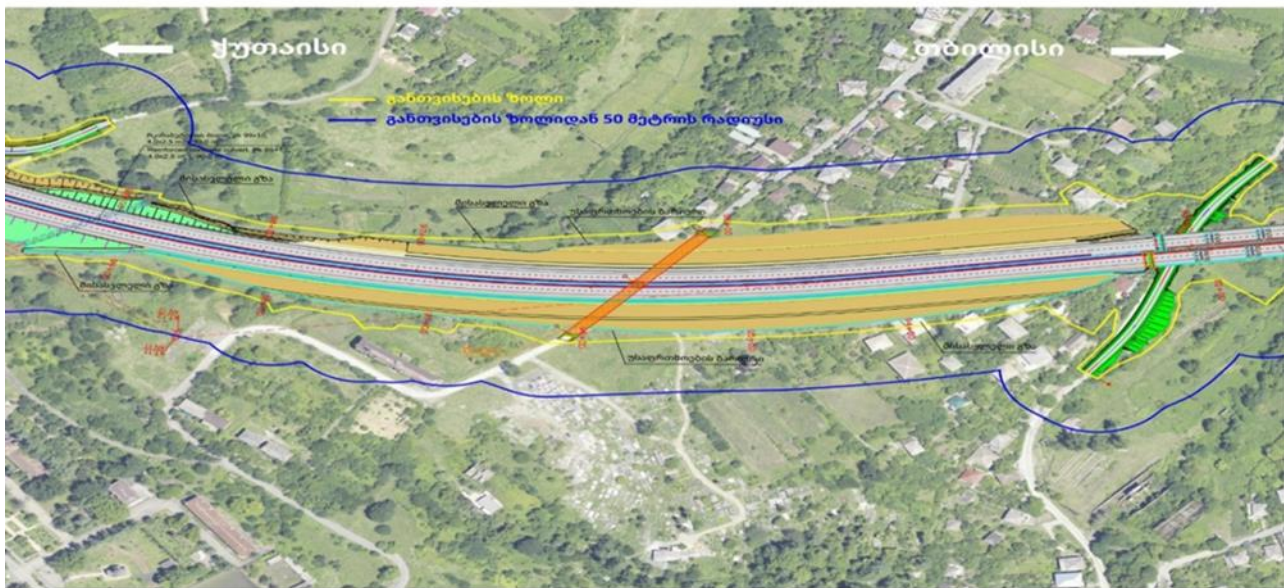
Project Alignment is shown below:

### F4 Alignment



## 2. New design resulted by the variation in Tunnel 6

The variation in the Tunnel 6 envisages the construction of the road instead of tunnels. In particular, the mentioned section will be excavated. The maximum height of the land excavation (cut) from the level of the project road is up to 22 meters. Throughout the length of the open excavation, protective measures will be implemented for slope stability. As the land will be excavated, it is planned to construct the overpass and access roads (in strict compliance with the safety standards) for local people to access to both sides of the road. Based on the design variation, a total of 69 facilities (57 land plots and 12 apartments in buildings) were affected by the new project. Before the commencement of the construction works, a description and fixation of the pre-construction technical condition of the buildings-structures within a radius of 250 meters from the right of the way will be provided. Cracks in buildings-structures will be fixed with plaster and the overall condition of the buildings will be examined, both outside and inside.



## 3. Comparison of ADB Policy with Georgian Laws and Legislation

Overall, the legislation of Georgia adequately reflects the major provisions of the ADB Safeguards Policy Statement 2009, but a few differences are to be noted. The most significant of these differences is that under Georgian legislation/regulation, emphasis is put on the definition of formal property rights and on how the acquisition of properties for public purposes is to be implemented and compensated while in the case of ADB policy emphasis is put both on the compensation of rightfully owned affected assets and on the general rehabilitation of the livelihood of Affected People (AP) and Households (AH). Because of this, ADB policy complements the Georgian legislation/regulation with additional requirements related to (i) the economic rehabilitation of all AP/AH (including those who do not have legal/formal rights on assets acquired by a project); (ii) the provision of indemnities for loss of business and income, (iii) and the provision of special allowances covering AP/AH expenses during the resettlement process or covering the special needs of severely affected or vulnerable AP/AHs. Also, in addition, the legislation of Georgia does not require any specific measure regarding the need to prepare LARPs based on extensive public consultations. The differences between Georgia law/regulation and ADB policy are outlined in Table 3-1.

Table 3.1 Comparison of Georgian Laws on LAR, and ADB Policy

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

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

#### 4. Right to Compensation and Compensation Packages

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

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

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

*Table 4.1 Entitlement and compensation matrix*

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Land			

Agricultural Land: Permanent land loss, access or damage.	AP losing productive land regardless of impact severity	<b>Registered Owner/Legal:</b> Owner with full registration	Cash compensation at full replacement cost based on current market value. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desire.
		<b>Legalizable Owner:</b> (APs with title formalization pending and APs who are not registered but legitimately use the land and have residential land or agricultural plots adjacent to the residential land)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost. Registration costs will be paid by the Project.
		<b>Non-legal/Informal Settler:</b> APs that are not legitimate land users or 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 allowances in cash equal to 1 year of six-month subsistence wage for an average customer
		Agricultural Tenant	Full Compensation of income of lost crops x the remaining years (up to 4 years) of lease. In case of tenancy no crop compensation will be given to the land owner.
Non-Agricultural Land	AP losing their commercial/residential land	<b>Registered Owner/Legal:</b> (Owner with full registration)	Cash compensation at full replacement cost.
		<b>Legalizable Owner:</b> (The owners legalizable according to active legislation)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost. Registration costs will be paid by the Project.
		<b>Non-legal/Informal Settler</b> (Without registration/valid documents using land permanently.)	Non-legalizable APs losing land plot, which is the only land plot used for residence or providing main source of income for AH, will be compensated with one time self-relocation allowances in cash equal to 1 year of subsistence wage for an average customer.
Temporary Impact on land plot	N/A	N/A	Temporary land impacts will be compensated based on the productive value of the plot during the period of impact and after their use will be re-established by the EA at the pre-impact productive conditions.
<b>Buildings and Structures</b>			
Residential and non-residential structures/as sets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	Cash compensation for building/structures losses at full replacement costs free of depreciation and transaction costs
<b>Loss Of Community Infrastructure/Common Property Resources</b>			
Loss of common property resources	Community/ Public Assets	Community/Government	Reconstruction of the lost resource/asset in consultation with community and restoration of their functions

<b>Loss of Income and Livelihood</b>			
Crops	Standing crops affected or affected agricultural land, used permanently for crop cultivation.	All APs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at market rate by default at to gross crop value of expected harvest.
Trees	Trees affected	All APs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees. (Based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity).
Business/ Employment	Business / employment loss	All APs regardless of legal status (including legalizable and Informal Settlers)	<p><u>Owner:</u></p> <p>(i) <u>(permanent impact) cash indemnity of 1 year net income or in the absence of income proof. One time average consumer subsistence allowance in cash up to 12 months;</u></p> <p>(ii) <u>(Temporary impact) cash indemnity of net income for months of business stoppage. Assessment to be based on</u></p> <p>(iii) <u>tax declaration or, in its absence, average consumer subsistence allowance for months of business stoppage; Permanent worker/employees: indemnity for lost wages equal to One time six-month subsistence wage for an average consumer shall also cover all individual value-added activities beyond direct consumption/sale of agricultural produce (i.e. informal business activities at household level which are currently unaccounted for due to the lack of economic activity data for the affected populations). There will be a verification process during the LARP implementation to fully account for such activities.</u></p>
<b>Allowances</b>			
Severe Impacts	>10% income loss	All severely affected AHs including informal settlers	<b>Agricultural income:</b> 1 additional crop compensation for 1 year's yield of affected land and/or, for <b>other incomes:</b> an allowance six-month subsistence wage for an average customer.
Relocation/ Shifting	Transport/ transition costs	All AHs to be relocated	An allowance covering transport and livelihood expenses for the transitional period. (200 GEL as vehicle hire charge + six-month subsistence wage for an average customer.
Vulnerable People Allowances		Particularly disadvantaged Households who might suffer disproportionately or face the risk of being marginalized from	One time six-month subsistence wage for an average consumer and employment priority in project-related jobs where feasible.

		<p>the effects of land acquisition and resettlement. These are;</p> <ul style="list-style-type: none"> <li>(i) female-headed households with and/or without dependents;</li> <li>(ii) disabled household heads;</li> <li>(iii) poor households as defined by the official poverty line;</li> <li>(iv) elderly households with no means of support;</li> <li>(v) households without security of tenure;</li> <li>(vi) cultural or ethnic minorities; and</li> <li>(vii) refugees or internally displaced people.</li> </ul>	<p>Additional assistance in kind will be provided to facilitate relocation or transition – this may include (logistics, relocation planning, assistance with replacement housing search, as appropriate).</p>
<p>Unforeseen impacts during construction, including temporary impacts and impacts on livelihoods not otherwise assessed</p>	<p>Impacts during construction to properties or assets out of the corridor of impact or RoW</p>	<p>All APs</p>	<p>Due compensation to be assessed and paid when the impacts are identified based on the above provisions and on the requirements of SPS 2009.</p>
<p>Impacts related to spoil disposal areas and construction camps</p>	<p>Temporary or permanent impacts</p>	<p>APs using affected pasture lands</p>	<p>Adequate livelihood assistance for loss of hay and grazing grounds, if any, will be assessed and provided during implementation.</p>

<sup>7</sup> six-month subsistence wage for an average customer: the amount will be checked and updated, if required, at the time of compensation, to reflect current rate.

## 5. Grievance Redress Mechanism

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.

The GRM consist of project-specific systems established at the municipal level and regular system established at RDMRDI. Grievance Redress 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.

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 Implementing Agency - 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 of the persons or entities can be included in the commission as its members.

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).

The GRCEs was established at the community level with an office order from the RD with provision of 7 members of following composition:

*Table 5.1*

<b>Name</b>	<b>Position</b>	<b>Telephone/email</b>	<b>Status</b>
Nana Bregadze	Representative of Resettlement Unit RD.	593 33 33 73	Conveyor; Contact person
Tinatin Kolbaia	Deputy Head of the Environment and Social Affairs Service of the Roads Department	591 935333	Member
Archil Jorbenadze	Representative of GRCN of RDMRDI	591403038	Member
Maka Tsitadze	Local resident	599240663	Member
Vladimer Chokhanelidze	Local resident	593111930	Member
Davit Nioradze	Advisor to the Mayor	593163177	Member
Mikheil Bregvadze	Specialist of Internal Audit and Monitoring Service at the municipality	599103818	Member

Representative of the Resettlement Unit 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.

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 the grievance is resolved at the stage 1, the Contact Pers

on 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 complainant should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc.).

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

*Table 5.2 Grievance Resolution Process*

Step s	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	<ul style="list-style-type: none"> <li>• If the grievance is not solved during the negotiations, the GRC will assist the aggrieved APs to formally lodge the grievances to the GRC.</li> <li>• 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 Convener and the aggrieved APs.</li> <li>• On the date of hearing, the aggrieved AP will appear before the GRC at the Gamgeoba office for consideration of grievance. The member secretary will note down the statements of the complainant and document all details of the claim.</li> <li>• Response time for the GRC to acknowledge receipt is 14 days and after date of hearing for Respond/resolve maximum time is 10 days.</li> <li>• The decisions from majority of the members will be considered final from the GRC at Stage 1 and will be issued by the Convener and signed by other members of the GRC. The case record will be updated and the decision will be communicated to the complainant AP.</li> </ul>
Step 3	Decision from central RDMRDI	<ul style="list-style-type: none"> <li>• 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).</li> <li>• GRC should assist the complainant in lodging an official complaint (the complainant should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc).</li> <li>• The complainant shall be informed of the decision.</li> </ul>
Step 4	Court decision	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>

## 6. Public Hearings and Contact Information

Public hearing was held to discuss the construction of Khevi-Argveta road section, where any stakeholder had the possibility to receive full information about the project and make comments/ask questions.

Contact Information:

**Roads Department of Georgia**



Deputy Head of Environmental and Social Issues Division- Tinatin Kolbaia;  
Tel: +995 591935333  
Email: Tinatin.kolbaia@georoad.ge

## **ANNEX 3. MINUTES OF PUBLIC CONSULTATION MEETING**

### **Minutes of Meetings**

#### **KHEVI-UBISA-SHORAPANI-ARGVETA SECTION (E60 HIGHWAY ROUTE)**

**Provision of information to the population regarding the variation in the design of Tunnel 6 on the Shorapani-Argveta section of the E-60 highway and the minutes of the public consultation meeting on the resettlement procedures of the persons affected by the design variation**

**Zestaphoni City  
January 18, 2022**

**Place of public consultation:** City of Zestaponi, administrative building of Zestaponi Municipality.

**Chairman of the meeting:** Salome Tsurtsunia

**Secretary of the meeting:** Nino Shubashishvili

**The meeting was attended by:**

- **Giorgi Gvaramadze** - Head of the Resettlement Unit of Division of Environmental and Social Issues;
- **Nodar Agniashvili** - Deputy Head of Projects Management Division of Donor Organizations Funded Construction, Modernization and Reconstruction Projects;
- **Mariam Begiashvili** - Social Safeguards Consultant of Environmental and Social Issues Division, World Bank;
- **Vasil Gvelesiani**- Mayor of Zestaponi Municipality;
- **Joni Gelashvili** - Social/Resettlement Specialist (UBM);
- **Giorgi Khodeli**- Representative of Asian Development Bank (ADB);
- **Vakhtang Ghambashadze**- Chairman of Zestaponi Municipality Assembly;
- **Shalva Chikhladze** - GHEC Contractor/ Representative of Contractor;
- **Guo Fengho** – GHEC Contractor/ Representative of Contractor;
- **Liu Iez** – GHEC Contractor/ Representative of Contractor;
- **Zhoh Chen** - GHEC Contractor/Representative of Contractor.

**Public consultation commencement time:** 15:00, January 18, 2022

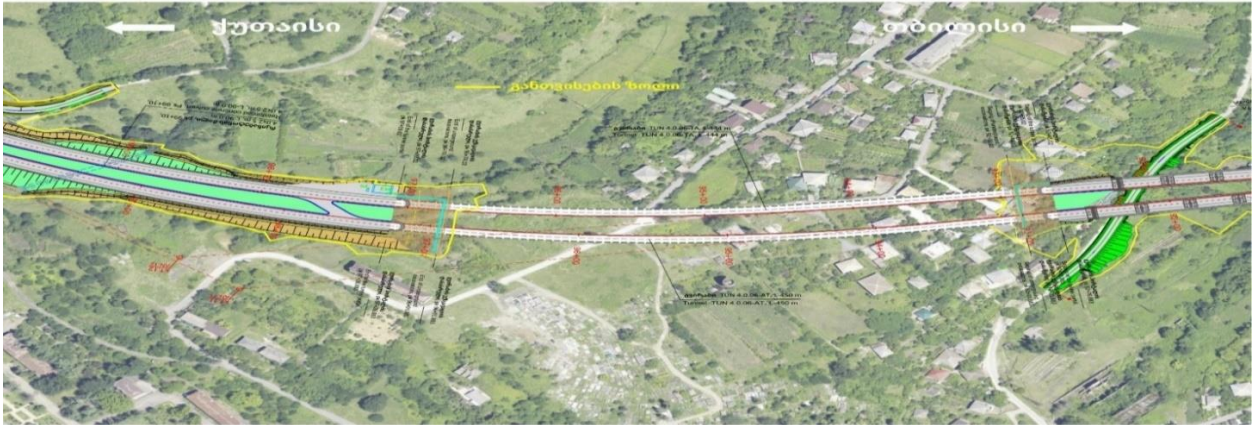
**Agenda:** To inform the population regarding the variation in the design of Tunnel 6 on Shorapani-Argveta section of the E-60 international highway and to provide them with the information related to the resettlement procedures for the persons affected by the design variation.

The presentation was made by the Deputy Chairman of the Roads Department of Georgia - Salome Tsurtsunia.

The public meeting was attended by the persons affected by the design variation. The total number of attendees was 50 persons, 12 women and 38 men.

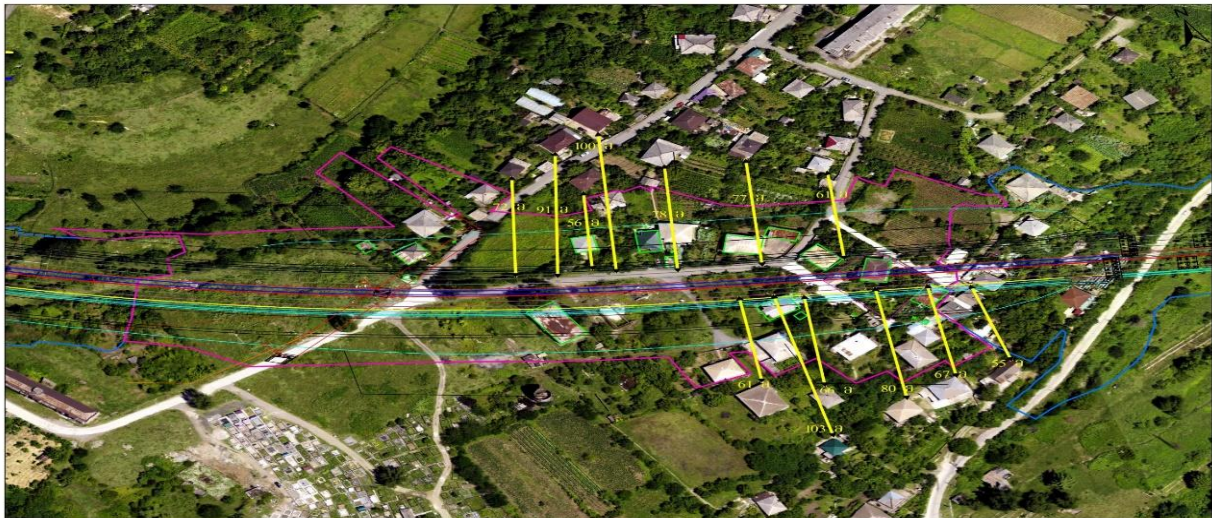
The project is funded by the Asian Development Bank and is implementing by the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia.

**The initial design of the Tunnel 6**



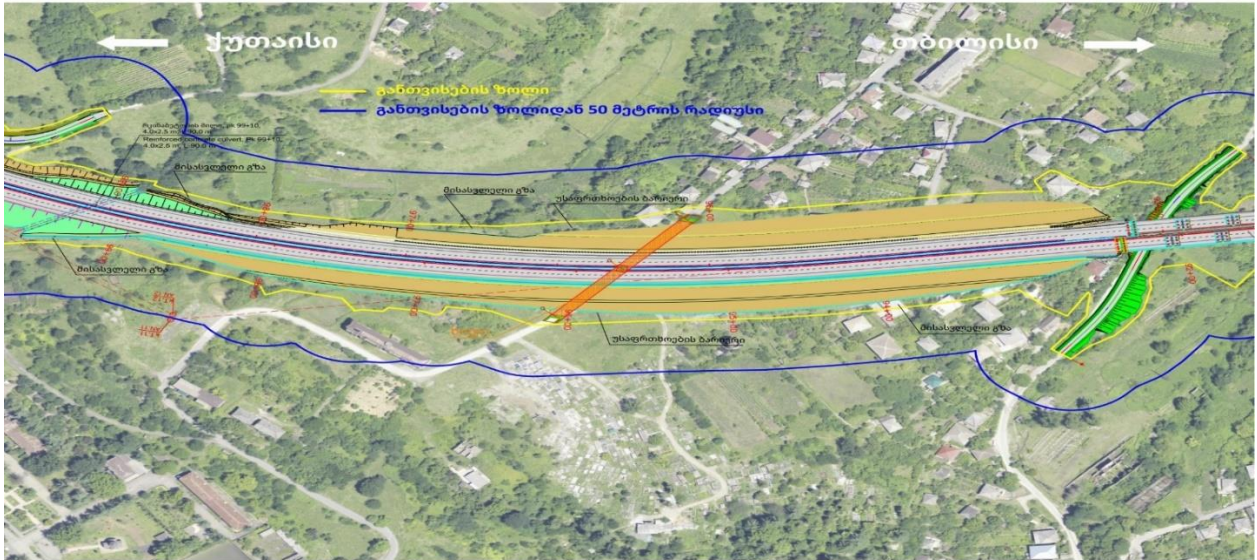
The speaker introduced design to the participants and informed them that the variation in the Tunnel 6 envisages the construction of the road instead of tunnels. In particular, the mentioned section will be excavated. The maximum height of the land excavation (cut) from the level of the project road is up to 22 meters. Throughout the length of the open excavation, protective measures will be implemented for slope stability. As the land will be excavated, it is planned to construct the overpass and access roads (in strict compliance with the safety standards) for local people to access to both sides of the road. Based on the design variation, a total of 69 facilities (57 land plots and 12 apartments in buildings) were affected by the new project. The Deputy Chairman also clarified that before the commencement of the construction works, a description and fixation of the pre-construction technical condition of the buildings-structures within a radius of 250 meters from the right of the way will be provided. Cracks in buildings-structures will be fixed with plaster and the overall condition of the buildings will be examined, both outside and inside.

**Location of houses from the road axis.**



The speaker explained that the description-inventory and property evaluation of the affected land plots and assets were carried out in November-December, 2021. The description-inventory was conducted together with property owners. The value of land plots and other assets is determined by the prices of the fourth quarter of 2021. The right of the way is 25 meters from both ends of the road.

**New design resulted by the variation in Tunnel 6**



During the public meeting, the Deputy Chairman of the Department - Salome Tsurtsunia made a presentation to the population regarding the following issue:

- Original content of the project;
- Content of the project as a result of the variation;
- Scope of the right of the way;
- The right to receive compensation under the land acquisition and resettlement plan;
- Types of compensation according to the resettlement plan;
- Preconstruction procedure;
- Construction safety;
- Vibration;
- Mitigation measures - air quality (dust) and noise;
- Grievance redress mechanism;
- Monitoring procedures.

After the presentation, the participants expressed their interest in various issues, to which the Department’s representatives gave comprehensive answers. (Answers to the questions that require technical clarification, such as an area of a particular land plot, identification of possible missing of some objects in the inventory process, are also written down and provided to citizens in the writing form).

Table 1. Questions and Answers

№	Author of the comment (First Name, Last Name)	Question	Response
1.	Nino Robakidze	14 sq.m. of property is in the right of the way. Currently no one lives there, the house is in the name of this person’s uncle. After the construction is completed, there will be no access road, no water and no neighbours.	The department will instruct the construction supervision company to investigate the matter on site and, if it exists, eliminate it, but if these problems can not be resolved, only then will the affected person be resettled. *The issue was investigated and the design was changed. The property is not under the impact of ROW anymore and is not subject of resettlement.

2.	Marina Tskitishvili	How long will it take for the resettled persons to leave the houses after the contract is signed?	According to the existing practice, 3 months is the period when a citizen can find another place to live. However, each issue must be considered individually, taking into account the needs and timing of the project.
3.	Marina Tskitishvili	The citizen mentioned that the prices of apartments/land plots in Zestaponi and its surroundings have increased and she is interested if the Roads Department is informed about it?	According to existing practice, short-term price increases have taken place following the introduction of resettlement procedures, which will be regulated soon by the local real estate market.
4.	Ekaterine Doghadze	The land plot and the building located on it are not in the right of the way. When will such houses be described?	After the approval of the design, the description and monitoring of all buildings within a radius of 250 meters from the right of the way will be carried out. The decision on any kind of compensation will be made only on the basis of the monitoring results.
5.	Zeinab Machitidze	How many meters from the road is not allowed for people to live?	A 25 meters section from the edge of the carriageway of the project road is the section defined in the EIA as an additional protection zone.
6.	Nana Gorgadze	Does not have information regarding the compensation amount of her property located in the right of the way.	Technical details of several land plots and property on it are being clarified. After the verification, the affected person will be informed.
7.	Lia Saralidze	Did not receive the evaluation document.	Technical details of several land plots and property on it are being clarified. After the verification, the affected person will be informed.
8.	Ekaterine Doghadze	Does not have a registered land plot and will she be able to receive compensation in such case?	Unregistered land plot is not compensated for the value of the land and if the citizen is not able to register the land plot, in this case compensation is paid for the assets on the land plot.
9.	Giorgi Jugheli	Whether his property is in the right of the way	The citizen is informed about the condition of his property on site, in accordance with the right of the way.
10.	Naziko Svanidze	She is interested what is the difference between a purchase agreement and a compensation agreement?	The purchase agreement is registered and protected by the National Agency of Public Registry. As for the compensation agreement, the amount is transferred based on the Mutual Comparison Act and the Compensation Agreement. The abovementioned agreement is not registered in the Public Registry.
11.	Nana Gegeshidze	Requests to carry out description-inventory once again.	In order to re-perform the description-inventory, the citizen must submit an application to the Department, which then will be send to the consulting company for re-examination. *After the public consultation meeting, in the same evening, the AP Nana Gegeshidze called to project manager, the inventory of assets was explained and she agreed on compensation and signed agreement.

12.	Izo Kiknavelidze	Whether her property is involved in the resettlement action plan.	The citizen is informed about the condition of his property on site, in accordance with the right of the way.
13.	Giorgi Manjavidze	Is a house in poor and good condition with the same square footage, valued equally?	Despite the identical square footage, the house/asset is valued according to its specific characteristics, which is further reflected in the calculation of the compensation amount and the amount of compensation.
14.	Giorgi Manjavidze	The land is evaluated at GEL 19. However, in our opinion, today it is impossible to buy land at this price because the price in the real estate market exceeds the offered amount.	The value of the land plot is determined by an independent appraisal company/expert by the method of determining the market value, in which the method of analysis of comparable transactions was used, as well as the analysis of proposals submitted for sale, and officially recorded sales.

**Photos: Public meeting held in Zestaponi Municipality regarding the variation in Tunnel 6 on Shorapani-Argveta section of E-60 international highway**



**List of attendees:**

E-60 ჩქაროსნული საავტომობილო გზის მორაპანი-არგვეთას სამშენებლო გზის (F4) პროექტი				
N	სახელი და გვარი	მოქალაქე/დეპარტამენტის წარმომადგენელი/კონტრაქტორი	საკონტაქტო ინფორმაცია	ხელმოწერა
1	სერგეი გიგინია	პეტიტების იმპროვიზირებული	555 141501	ს. გიგინია
2	გიორგი ვასილიძე	ქარსეველი გარეკლი 1.02201	595783311	გიორგი ვასილიძე
3	ვლად გვარამია	ბელტაგონის მანქანათმშენებელი	599156030	ვლად გვარამია
4	ვლად გვარამია	ბასილი-1 მანქანათმშენებელი	599-041801	ვლად გვარამია
5	გიორგი კვიციანი	გენერალის მემორიალური საავტომობილო გზის მშენებლის მშენებელი	599166066	გიორგი კვიციანი
6	ნინო სანიძე	ბ.ქ.რ.ე.	555 930978	ნ. სანიძე
7	მარა სურგულაძე	ბიჭვინტის რაიონის სოფლის მეურნეობის დეპარტამენტი	595 371450	მ. სურგულაძე
8	გიორგი მჭედია	ბელტაგონის მანქანათმშენებელი	595500630	გიორგი მჭედია
9	მხედრიანი მარტინი	ბელტაგონის მანქანათმშენებელი	599103218	მ. მხედრიანი
10	მხედრიანი მარტინი	ბელტაგონის მანქანათმშენებელი	555 56-5516	მ. მხედრიანი
11	ვლად გვარამია	ბელტაგონის მანქანათმშენებელი	59316-2068	ვ. გვარამია
12	გიორგი მჭედია	ბელტაგონის მანქანათმშენებელი	579-55-1602	გიორგი მჭედია
13	გიორგი მჭედია	ბელტაგონის მანქანათმშენებელი	593-26-02-33	გიორგი მჭედია
14	მარა სურგულაძე	ბიჭვინტის რაიონის სოფლის მეურნეობის დეპარტამენტი	557-96-8896	მ. სურგულაძე
15	ვლად გვარამია	ბელტაგონის მანქანათმშენებელი	599-05-99-10	ვ. გვარამია
16	ვლად გვარამია	ბელტაგონის მანქანათმშენებელი	557-59-70-23	ვ. გვარამია
17	ნინო სანიძე	ბ.ქ.რ.ე.	557-3755-75	ნ. სანიძე

18	მარა სურგულაძე	ბიჭვინტის რაიონის სოფლის მეურნეობის დეპარტამენტი	598-45-8510	მ. სურგულაძე
19	ნინო ვასილიძე	ბიჭვინტის რაიონის სოფლის მეურნეობის დეპარტამენტი	598-44-2903	ნ. ვასილიძე
20	დავით სანიძე	ბიჭვინტის რაიონის სოფლის მეურნეობის დეპარტამენტი	558 362805	დავით სანიძე
21	გიორგი მჭედია	ბელტაგონის მანქანათმშენებელი	598 56134	გიორგი მჭედია
22	ვლად გვარამია	ბელტაგონის მანქანათმშენებელი	598-64-2517	ვ. გვარამია
23	გიორგი მჭედია	ბელტაგონის მანქანათმშენებელი	598 577858	გიორგი მჭედია
24	ვლად გვარამია	ბელტაგონის მანქანათმშენებელი	593 951355	ვ. გვარამია
25	ვლად გვარამია	ბელტაგონის მანქანათმშენებელი	579052069	ვ. გვარამია
26	ნინო სანიძე	ბ.ქ.რ.ე.	555 315219	ნ. სანიძე
27	დავით სანიძე	ბიჭვინტის რაიონის სოფლის მეურნეობის დეპარტამენტი	554584373	დავით სანიძე
28	გიორგი მჭედია	ბელტაგონის მანქანათმშენებელი	598176826	გიორგი მჭედია
29	დავით სანიძე	ბიჭვინტის რაიონის სოფლის მეურნეობის დეპარტამენტი	577 202140	დავით სანიძე
26	დავით სანიძე	ბიჭვინტის რაიონის სოფლის მეურნეობის დეპარტამენტი	555-38-2883	დავით სანიძე
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E-60 ჩქაროსნული საავტომობილო გზის მორაპანი-არგვეთას სამშენებლო გზის (F4) პროექტი

N	სახელი და გვარი	მოქალაქე/დეპარტამენტის ნომრის/დღეგრძელი/კონტრაქტორი	საკონტაქტო ინფორმაცია	ხელმოწერა
1	ნოზი სონა	დამსახურებელი	595 219048	ს. ი.
2	ჭიჭი ნიკოლოზი	დამსახურებელი	599 587189	ს. ი.
3	ჭიჭი სოსო	UBM	514 129933	ს. ი.
4	ჭიჭი სოსო	UBM	577 187167	ს. ი.
5	ჭიჭი სოსო	UBM	599 969995	ს. ი.
6	ჭიჭი გელა	UBM	577 585025	ს. ი.
7	გუა ფანგო	GHEC	591034871	ს. ი.
8	Shatua chikhladze	GHEC (contractor)	558365371	ს. ი.
9	ლი ლი	GHEL	551133579	ს. ი.
10	რუსი	GHEL	599978359	ს. ი.
11	ZHON CHEN	GHEC	559902542	ს. ი.
12	გიორგი ბერიძე	გიორგი ბერიძე	598300201	ს. ი.
13	გიორგი ბერიძე	გიორგი ბერიძე	593-16-32-77	ს. ი.
14	გიორგი ბერიძე	გიორგი ბერიძე	593 6644 79	ს. ი.
15	გიორგი ბერიძე	გიორგი ბერიძე	549300411	ს. ი.
16	გიორგი ბერიძე	გიორგი ბერიძე	597383478	ს. ი.
17	გიორგი ბერიძე	გიორგი ბერიძე	514641818	ს. ი.

18	გიორგი ბერიძე	გიორგი ბერიძე	599391419	ს. ი.
19	გიორგი ბერიძე	ADP	599353508	ს. ი.
20	გიორგი ბერიძე	გიორგი ბერიძე	595 188232	ს. ი.
21	გიორგი ბერიძე	გიორგი ბერიძე	577235626	ს. ი.
22	გიორგი ბერიძე	გიორგი ბერიძე	599251623	ს. ი.
23	გიორგი ბერიძე	გიორგი ბერიძე	551-552890	ს. ი.
24	გიორგი ბერიძე	გიორგი ბერიძე	595290190	ს. ი.
25	გიორგი ბერიძე	გიორგი ბერიძე	1850 1076791	ს. ი.
26	გიორგი ბერიძე	გიორგი ბერიძე	18001030571	ს. ი.
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## **Annex 4. Detailed Valuation Report**

Roads Department of Georgia  
Ministry of Regional Development and Infrastructure of Georgia

### **Valuation Report On market prices of real estate impacted by Shorapani-Argveta Road Construction Project**

Performed by: Terra Graphic

Valuation Date: 12 November 2021

Review of the methodology: 17 November 2021

Tbilisi  
2021

➤ We, undersigned confirm that:

The analysis performed for the valuation of the market value of real estate is given in the relevant parts of the conclusion, the determination of the market value of the property is based on the professional knowledge and experience of the Valuator.

The valuator confirms the following:

The analysis presented in the report is based on certain assumptions and restrictive conditions and represents the personal, impartial, and professional opinions of our valutors and the conclusions drawn based on them;

- The valuator had no vested interest in the property being valued;
- The valuator 's remuneration does not depend on any aspect of the conclusion;
- The valuation is conducted in compliance with the Code of Ethics and standards of conduct;
- The education of the valuator satisfies the key standards;
- The valuator has appropriate experience and is familiar with the location of the property to be valued;
- The property to be evaluated was personally inspected by the valuator;
- The valuation is performed solely to provide the customer with information about the market value of the valued property, not for any other reason;
- The valuator is not required to appear in court or to accept responsibility for the results of valuation in any way other than what is mentioned in the report.
- The valuator assumes no responsibility for changes in market conditions and will not be liable to review this report to reflect any events or conditions that have arisen since that valuation, as the valuation includes the valuator's professional opinion regarding the value set for the valuation date and can not be taken as a guarantee that the said valuation will not undergo further change.
- The valuation process - information collection, analysis, and market value determination were carried out in accordance with international valuation standards.

## **Terms**

## **Property rights**

According to international valuation standards, property rights are associated to owning real estate. They include the right to use the land for development, lease, sale, agricultural, or mineral extraction purposes, as well as the right to change its topography, distribution, waste disposal, or the non-exercise of all the above rights. In terms of property rights, a variety of restrictions, such as easements, construction density, zoning, and others, may be applied

## **Bases of value**

It is critical that the basis (or bases) of value be appropriate to the terms and purpose of the valuation assignment, as a basis of value may influence or dictate a valuer's selection of methods, inputs, and assumptions, and the ultimate opinion of value. Based on the purpose of this valuation report, the market value is the basis of value.

## **The highest and best use**

The highest and best use is the use of an asset that is physically possible, legally permissible and financially feasible:

The determination of the highest and best use involves consideration of the following:

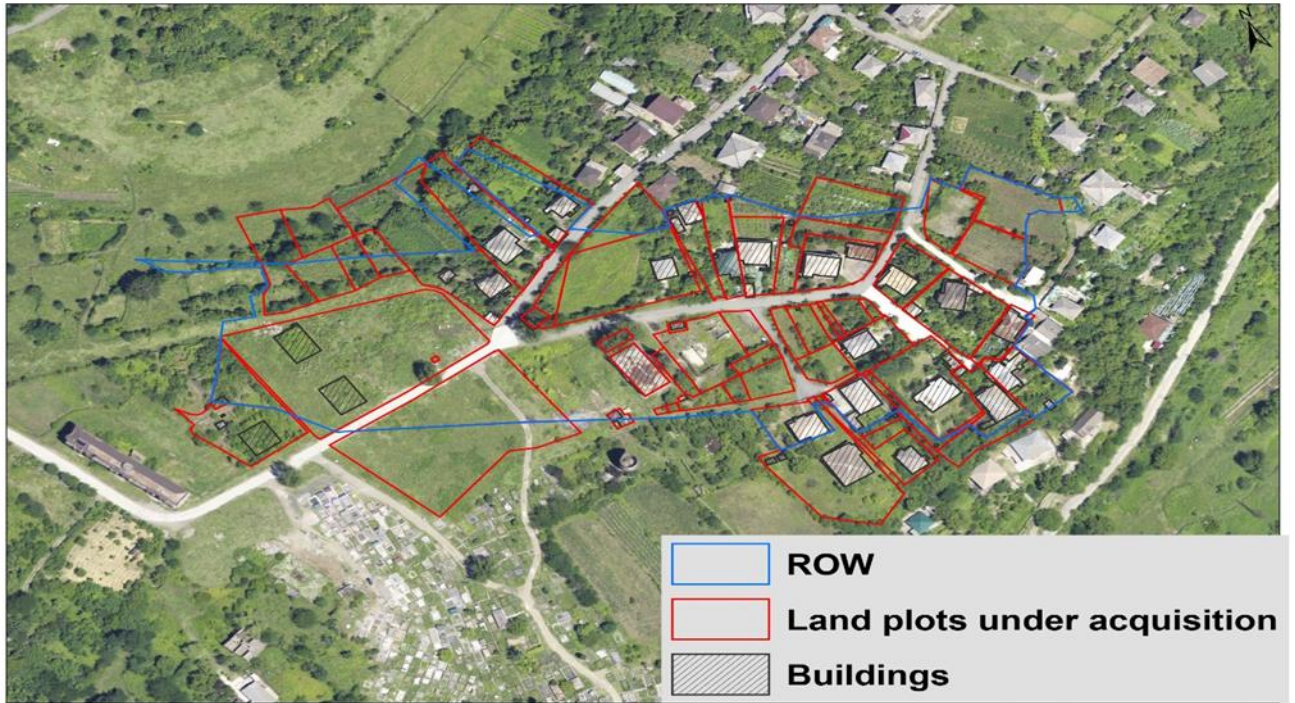
- 1) To establish whether a use is physically possible, regard will be had to what would be considered reasonable by participants (i.e. location, property size, etc.).
- 2) The use that is legally permissible involves any legal restrictions on the use of the asset that will be considered by the market participants while valuating the asset (e.g. town planning/zoning designations);
- 3) The requirement that the use be financially feasible takes into account whether an alternative use that is physically possible and legally permissible will generate a sufficient return for a participant, after taking into account the costs of conversion to that use, over and above the return on the existing use.

The highest and best use is determined from a participant perspective, despite how it is used by the organization. Although the application of non-financial assets by the organization is deemed as the highest and best use, if the market or other factors do not show that there is a different alternative use by the market participants, which maximizes the asset value,

## **Market Value**

Market Value is the estimated (calculated) amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Planimetric map



### Work performed

The following actions were taken during the preparation of the valuation report:

- Collection and analysis of the initial information. This stage includes the analysis of economic, social, and other factors that affect the value of the property;
- Analysis of the highest and best use of the property to be valued;
- Gathering and verifying market information in terms of approaches and methods needed to determine the value;
- Valuation of the to-be-valued property;
- Drafting a report based on a summary valuation;

The customer provided the valuator with the list of the objects to be valued with cadastral codes and relevant numeration within the project. The valuation list includes:

- Land plot
- Building-structures
- Perennials

A total of 57 land plots were valued. The valuator classified the objects to be evaluated into two categories (household and agricultural). Each category was divided into two types (A and B), and plots with varied characteristics were assigned two values. A list of assets that could be used for comparative analysis in accordance with international valuation standards was compiled on the basis

of brokerage sites, the public registry sales database and information obtained on-site. Transactions from the sales database made from January 1, 2019 to the current date, as well as ongoing offers, were reviewed. Information obtained from brokerage sites and on-site information was scarce or not available. Analogues were selected based on the principle of maximum relevance. The valuation was carried out according to the market approach provided by international standards (comparative method of comparing analogues). Residential and/or commercial attractiveness, terrain, accessibility, and other important features were considered. The plot was valued as vacant, without any improvements.

As real estate market prices are established and the relevant information is provided in US dollars, the valuator determined the value in the designated currency and the national currency data at the exchange rate set by the National Bank for 17.11.2021: 1 USD - 3.1498 GEL.

### **Restrictions and assumptions**

The following types of restrictive conditions accompanied the valuation process, and from these conditions, the following types of assumptions were made/accepted by the valuator. The following assumptions and restrictions are integral/important parts of the conclusion and should be considered together:

1. For the purposes of this valuation, the valuer has assumed that any information provided by the Customer is accurate and realistic.
2. The plots identified in the valuation act (see numbers below) are not registered, but the valuer has valued the property based on the information provided.
3. The valuer assumes no responsibility for the existence of any hidden elements (other than those disclosed in the report) that may affect the value of the subject property. The contract specifies the valuation methods, and the value is derived in the sequence prescribed by the international valuation standard.
4. The valuer was not in charge and was not required to conduct a geological survey of the land plot that comprised the property to be valued. Therefore, for the purposes of this valuation, it is assumed that the geological condition of the land meets seismic and other requirements.
5. Valuation activity cannot be considered an exact science; all conclusions are subjective and depend on an individual approach. Even when the same database circumstances and assumptions are used, expert opinions may differ as a result of individual decisions. Consequently, there is no such thing as a conventional method for undeniable valuation. As a result, while this conclusion includes the valuer's expert opinion about the value identified by him/her, it is not a guarantee that the valued property will be alienated from hand to hand at the exact value determined.
6. The final value for money represents the result of the analysis of the information obtained and does not guarantee that there may be no other offers or transaction facts in the market that differ in terms of amount.
7. No relevant study has been conducted; It is considered that there is no supply of any minerals under the valued land plot.

### **Valuation methodology**

In valuation practice, three basic methodologies are employed to determine the market value of real estate:

- Cost-based approach entails the following: Determination of the market value of the land plot (as vacant), plus the cost of new construction of a similar (analogue) building and less depreciation (physical, functional, and economic).
- The market approach entails the following: direct comparison of the object to be valued with similar assets that have been sold out or are declared for sale.

- The Income Approach: uses direct capitalization or the discounted cash flow method to calculate the present value of the income generated by real estate.

### 1. Valuation of land plots

Land is the most important component of real estate since it has fixed boundaries, area, location, legal status, and other features that are registered with governmental organizations. The following characteristics distinguish the land plot from the other constituent pieces of the real estate:

- Land, unlike other components of real estate, is a natural resource that is nearly impossible to restore;
- When valuing, it is necessary to take into account the multi-purpose use of the land;
- As the primary source of production (agricultural and forestry lands are the primary sources of raw materials and food products);
- As the socio-economic development space – basis for the location of various real-estate objects;
- Unlike other real estate valuations, concepts such as functional depreciation, as well as economic and physical life span are not used in calculating the value of a plot of land, as the period of exploitation of the plot of land is unlimited.

Georgian legislation defines two categories of land use:

1. Non-agricultural;
2. Agricultural.

In modern valuation practice, the following approaches are used to determine the market worth of a plot of land:

1. Comparable transaction analysis method;
2. Extraction (separation) method;
3. Distribution method;
4. The capitalized lease method;
5. Residual Land Value method;
6. Development (acquisition) method;
7. Method of land subdivision

The comparable transaction analysis approach was used to determine the value of the land plot for the subject property presented in the report. This approach is based on a comparison of the object being valued with the price of sold similar land plot. This is the most popular and accepted method of land valuation. The valuer can also analyze the bids for sale and other market information, but the main focus should be on the actual sales data of similar plots that are feasible under typical market condition.

The fundamental principle of this method is the substitution principle, which states that in the market, the investor (buyer) will not pay more than what a comparable piece of real estate with the same benefit is worth. Benefit means a set of characteristics of an object that determine its purpose, capabilities, and methods of use (conditions), also the amount and terms of income received. The result of using this method is the conversion of the price of an object to be valued into a market value through the transformation of the prices of comparable objects sold or offered.

Using this method, the valuer goes through the following steps:

2. collection, classification, and analysis of market data, allowing for the identification of similar lands that are relevant and comparable to the land to be valued;
3. determines the instruments by which the land to be valued is compared with analogues;

4. determines the nature and degree of difference between the established (selected) comparison elements with comparable and measurable plots with one another;
7. The prices of all established comparison elements in similar plots are adjusted according to the nature and quality of the differences between all the analogues with respect to the object being compared.
8. The prices of all similar plots are adjusted for the land plot to be evaluated according to the established comparison elements;
9. Determines the market value of the land to be valued by substantiating the adjusted prices of similar assets.

Household plot  
Type A1



A 1-Type consists of household plots in Zestaponi, on the territory of Nikoladze Street. A residential house and auxiliary buildings are located in an intensively built-up residential neighborhood. Homestead plots of similar type and function located in Zestaponi itself, suitable for homestead use, were selected as comparable analogue homestead land plots.

**Market value. Per 1 sq.m. of the land plot, 19 GEL (6 \* 3.1489) was determined. Accordingly, the following objects were estimated at 19 GEL: N, 002, 003, 004, 005, 006, 007, 008, 009, 009-01, 010,010-01, 011, 012, 013, 013-01, 014, 015, 016, 016-01, 017, 018, 019, 019-01, 020, 023, 024, 025, 026, 027, 28, 028-01, 029, 030, 031, 032, 037, 038, 039, 050, 051, 055, 056, 057, 058,**



**059, 060, 061, 062, 063, 064**

**Table N1  
Comparison process**

Characteristics	Analogue N1	Analogue N2	Analogue N3	Analogue N4
Address	Zestaponi, 38, Ketevan Tsamebuli street	Zestaponi, near Marjanishvili Street	Village Kveda Sakara, Zestaponi	Zestaponi, 66 Ketevan Tsamebuli street
Cadastral code	32.10.32.528	32.10.32.541	32.03.46.072	32.10.32.556
Property type	Agricultural	Agricultural	Agricultural	Agricultural
Transaction type	Sell	Sell	Sell	Sell
Source	Public Registry	Public Registry	Public Registry	Public Registry
ID or contact details:				
Date	16-02-21	24-09-21	12-06-20	20-07-21
Price excluding VAT	\$3,000	\$3,300	\$3,290	\$1,100
Area sq.m.	470	600	783	187
Price per sq.m	\$6.38	\$5.50	\$4.20	\$5.88
Transfer of ownership	In full	In full	In full	In full
Adjustment	0%	0%	0%	0%



<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Terms of financing	Typical	Typical	Typical	Typical
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Terms of sales	sales	sales	sales	sales
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Post-sale costs	No	No	No	No
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Market conditions (time)	current	current	current	current
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Location residential or/and commercial attractiveness	Similar	Similar	Similar	Similar
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
<i>Access road</i>	Similar	Similar	Similar	Similar
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Physical characteristics Area sq.m	470	600	783	187
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Configuration	Similar	Similar	Similar	Similar
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Communication	Similar	Similar	Similar	Similar
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Terrain	Similar	Similar	Similar	Similar
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Economical characteristics	Similar	Similar	Similar	Similar
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Use	-	-	-	-
Adjustment	0%	0%	0%	0%
<i>Adjusted price</i>	\$6.38	\$5.50	\$4.20	\$5.88
Non-immovable components of the property	No	No	No	No
Adjustment	0%	0%	0%	0%
Price after all adjustments	\$6.38	\$5.50	\$4.20	\$5.88
weight coefficient	0.3	0.25	0.2	0.25
Weighted price	\$1.91	\$1.38	\$1.02	\$1.47
Valued price of 1 sq.m	\$6.00			
GEL	19.00			

Explanation of adjustment:

1. **Valuation criteria: location** - Analogue N3, It is characterized by poor location, following which it was adjusted by 10%.
2. **Valuation criteria: Access road** - the access road of analogue N3 is worse compared to the object to be valued, following which it was adjusted by 10%

Agricultural Lands  
Type R1





This type includes agricultural land plots located in the vicinity of the village of Zeda Sakara, Zestaponi Municipality. There is vegetation cover on some of the land plots along the road. In the village of Zeda Sakara, information about analogues for the evaluation date is not available either on the Internet nor in the sales database produced by the Public Registry. Therefore the valuer found information about comparable agricultural analogies in the vicinity of Tbilisi-Senaki-Leselidze Highway, village of Argveta of Zestaponi Municipality.

The market value of 1 sq.m. of land plot was set at GEL 10. Accordingly, the object N022, 033, 035, 042, 043, 044, 045 is valued at 10 GEL.

**Table N2.**  
**Comparison process**

Characteristics	Analogue N1	Analogue N2	Analogue N3	Analogue N4
Adress	Village of Argveta, Zestaponi	Village of Argveta, Zestaponi	Village of Argveta, Zestaponi	Village of Argveta, Zestaponi
Cadastral code	32.03.34.131	32.03.34.514 32.03.34.515	32.03.49.322	32.03.49.286
Type of property	Agricultural	Agricultural	Agricultural	Agricultural
Type of transaction	Selling	Selling	Selling	Selling
Source	Public Registry	Public Registry	Public Registry	Public Registry
ID or contact				
Date	04-06-20	16-08-21	01-06-21	24-06-21
Price excluded VAT	\$5,511	\$4,321	\$2,141	\$12,678
Area sq.m	1679	1350	706	4000
Price per sq.m	\$3.28	\$3.20	\$3.03	\$3.17
<b>Transfer of ownership</b>	Total	Total	Total	Total
Adjust	0%	0%	0%	0%

price	Adjusted	3.28	\$3.20	\$3.03	\$3.17
<b>Terms of financing</b>					
	Adjust	Typical	Typical	Typical	Typical
	Adjusted price	0%	0%	0%	0%
		\$3.28	\$3.20	\$3.03	\$3.17
<b>Terms of selling</b>					
	Adjust	Selling	Selling	Selling	Selling
	Adjusted price	0%	0%	0%	0%
		\$3.28	\$3.20	\$3.03	\$3.17
<b>Post-selling costs</b>					
	Adjust	No	No	No	No
	Adjusted price	0%	0%	0%	0%
		\$3.28	\$3.20	\$3.03	\$3.17
<b>Market Conditions (time)</b>					
	Adjust	Current	Current	Current	Current
	Adjusted price	0%	0%	0%	0%
		\$3.28	\$3.20	\$3.03	\$3.17
<b>Location</b>					
	Adjust	Better	Better	Better	Better
	Adjusted price	-5%	-5%	-5%	-5%
		\$3.12	\$3.04	\$2.88	\$3.01
<b>Access roads</b>					
	Adjust	Similar	Similar	Similar	Similar
	Adjusted price	0%	0%	0%	0%
		\$3.12	\$3.04	\$2.88	\$3.01
<b>Physical characteristics</b>					
Area sq.m	Adjust	1679	1350	706	4000
	Adjusted price	0%	0%	0%	0%
		\$3.12	\$3.04	\$2.88	\$3.01
<b>Configuration</b>					
	Adjust	Similar	Similar	Similar	Similar
	Adjusted price	0%	0%	0%	0%
		\$3.12	\$3.04	\$2.88	\$3.01
<b>Communication</b>					
	Adjust	Similar	Similar	Similar	Similar
	Adjusted price	0%	0%	0%	0%
		\$3.12	\$3.04	\$2.88	\$3.01
<b>Relief</b>					
	Adjust	Similar	Similar	Similar	Similar
	Adjusted price	0%	0%	0%	0%
		\$3.12	\$3.04	\$2.88	\$3.01
<b>Economic characteristics</b>					
	Adjust	Similar	Similar	Similar	Similar
	Adjusted price	0%	0%	0%	0%
		\$3.12	\$3.04	\$2.88	\$3.01
<b>Usage</b>					
	Adjust	-	-	-	-
	Adjusted price	0%	0%	0%	0%
		\$3.12	\$3.04	\$2.88	\$3.01

<b>Non-immovable property components</b>	No	No	No	No
Adjust	\$0	\$0	\$0	\$0
<b>Price after all adjustments</b>	\$3.12	\$3.04	\$2.88	\$3.01
<b>Weighted rate</b>	0.25	0.25	0.25	0.25
<b>Weighted prices</b>	\$0.78	\$0.76	\$0.72	\$0.75
<b>Estimated cost of 1sq.m</b>	\$3.05			
<b>GEL</b>	10.00			

Definition of correction:

1. Evaluation Criterion: Location - Analogue N1,2,3,4 is distinguished by better location characteristics. As a result of which 5% was adjusted.

2. Description and evaluation of the real property (building-structures)





The cost (replacement) method was used to determine the compensation value of the project affected real property (building-structures). Costs include all types of expenses: direct (materials, salary) costs, indirect (transport, installation) costs, overhead costs and profit.

The market value of the building-structures is calculated on the basis of the present value of the materials required for similar construction, construction work and other costs and without deduction of depreciation, the buildings are valued individually. The value was obtained by compiling the local cost-estimate documentation and reducing the value obtained on this basis to 1 m<sup>2</sup>. Local cost-estimate documentation represents the cost estimates of the objects, which are compiled according to the types of construction works to be performed and the costs to be subject to the evaluation, based on the volumes, which were submitted after processing the measurement and shop drawings. Local cost estimates for construction work are compiled based on the following data:

- Building-structures, their components and construction parameters were determined in accordance with the drawings;
- Cost-estimated norms applicable to types of works and structural elements.

### 3. Methodology for calculating compensation amounts for perennial plantation

Compensations to be paid for perennials have been estimated applying the income losses method which considers the period required for a sampling of the same perennial species to reach the age of the existing plant. Perennials are valued according to their age. The price of fruit trees is calculated as market value of annual yield multiplied by number of years required for the growth of new perennial plantations up to the age of existing trees.

Evaluation of fruit trees is carried out by the following formula:

$$Q = N + pY + 0,15pY - 0,25pY [af - x]1, [x - 1]2, [as - 1]3 \text{ as} < x < af,$$

Where:

**Q** - Compensation amount for perennial trees;

**N** - Unit price;

**P**- Unit price of fruits /products, which is determined by current market prices.

**Y**- Assessment of yield, which is established based on the result of the specialist surveys, corroborated with the results of the site inspection data;

**0,15pY**- Planting and maintenance costs for plantation until they reach fruit bearing age;

**0,25pY** - expenses on harvesting, warehousing, etc.;

**X** - The current age of perennials based on visual inspection of the plants and a survey of the owner;

**As**- The earliest full bearing age established based on experts' opinion;

**Af**- the latest fruiting age according to experts' opinion;

**1**- The number of years remained before particular tree species reaches the latest fruiting age;

**2**- Years required for a sapling to reach the age of the existing tree;

**3**- Years required for a tree to reach full bearing age

**Note:** One of Options 1, 2 and 3 is used according to their relevance (whereas priority is given to fewer years option) to calculate compensation to be paid for income losses for a particular tree.

**Note:** The replacement cost of a fruit bearing tree is calculated based on market price of fruit lost throughout years required to grow a replaced tree to the fruiting age (5 or 8 years for tree-plants). In order to calculate final amount of the compensation, obtained value is multiplied by number of years needed for the given tree species to reach fruit bearing age. For example, this is 8 years for walnut and quince, and 5 years for other trees.

### Compensation for perennial plantation

Table N3

Species	Age group	Sapling , GEL	Price of Yield, GEL	Number of compensation years	Total annual productivity, kg	Amount received from selling	Costs connected with the growing of the trees	Harvesting costs	Annual Profit including expenses	Total compensation for mature perennials
1	2	3	4	5	6	7	8	9	10	11
Cherry	Young tree-plants(<5)	7	2	5	3	6	0.9	1.5	7.0	42
	5-10	7	2	5	10	30	4.5	7.5	15.0	82
	10-15	7	2	5	14	42	6.3	12	25.0	132

	15-20	7	2	5	16	45	7.2	12	30.0	157
	20<	7	2	5	10	30	4.5	7.5	15.0	82
Sour Cherry	Young tree-plants(<5)	6	1.5	5	5	7.5	1.1	1.9	6.4	38
	5-10	6	1.5	5	10	15	2.3	3.8	12.8	70
	10-15	6	1.5	5	15	22.5	3.4	5.6	19.1	102
	15-20	6	1.5	5	45	67.5	10.1	16.9	35.0	181
	20<	6	1.5	5	10	15	2.3	3.8	12.8	70
Apple	Young tree-plants(<5)	6	2	5	5	10	1.5	2.5	8.5	49
	5-10	6	2	6	20	40	6.0	10	10.0	66
	10-15	6	2	6	55	110	16.5	27.5	30.0	186
	15-20	6	2	6	50	100	15.0	25	35.0	216
	20<	6	2	6	40	80	12.0	20	20.0	126
Pear	Young tree-plants(<5)	6	1.5	5	4	6	0.9	2	5.1	32
	5-10	6	1.5	7	15	22.5	3.4	6	19.1	140
	10-15	6	1.5	7	40	60	9.0	15	51.0	363
	15-20	6	1.5	7	45	67.5	10.1	17	57.4	408
	20<	6	1.5	7	20	30	4.5	8	25.5	185
Plum	Young tree-plants(<5)	6	1	5	8	8	1.2	2.0	6.8	40
	5-10	6	1	5	20	20	3.0	5.0	15.0	81
	10-15	6	1	5	30	30	4.5	7.5	20.0	106
	15-20	6	1	5	25	25	3.8	6.3	21.0	111
	20<	6	1	5	20	20	3.0	5.0	16.0	86
Wild plum	Young tree-plants(<5)	5	1	5	8	8	1.2	2	6.8	39
	5-10	5	1	5	15	15	2.3	3.8	12.0	65
	10-15	5	1	5	35	35	5.3	8.8	12.0	65
	15-20	5	1	5	45	45	6.8	11.3	38.3	196
	20<	5	1	5	25	20	3.8	6.3	16.3	86
Cornelian cherry	Young tree-plants(<5)	5	2	5	2	4	0.6	1	3.4	22
	5-10	5	2	5	3	6	0.9	1.5	5.1	31
	10-15	5	2	5	4	8	1.2	2	6.8	39



	15-20	5	2	5	4	8	1.2	2	6.8	39
	20<	5	2	5	3	6	0.9	1.5	5.1	31
Peach	Young tree-plants(<5)	6	2	5	2	4	0.6	1	3.4	23
	5-10	6	2	5	3	10	0.9	1.5	9.1	52
	10-15	6	2	5	4	30	1.2	2	28.8	150
	15-20	6	2	5	4	35	1.2	2	33.8	175
	20<	6	2	5	3	20	0.9	1.5	19.1	102
	Young tree-plants(<5)	12	5	8	4	20	3.0	5	17.0	148
Walnut	5-10	12	5	8	15	75	11.3	18.8	63.8	522
	10-15	12	5	8	25	125	18.8	31.3	106.3	862
	15-20	12	5	8	35	175	26.3	43.8	148.8	1202
	20<	12	5	8	50	250	37.5	62.5	188.0	1516
	Young tree-plants(<5)	2	5	5	2	10	1.5	2.5	8.5	45
Hazelnut	5-10	2	5	5	4	20	3.0	5.0	15.0	77
	10-15	2	5	5	5	25	3.8	6.3	18.0	92
	15-20	2	5	5	6	30	4.5	7.5	20.0	102
	20<	2	5	5	4	20	3.0	5.0	17.0	87

Grape/ Rkatsiteli vine	Young tree-plants(<5)	2.5	2	5	5	10	1.5	2.5	7.0	38
	5-10	2.5	2	5	7	14	2.1	3.5	10.0	53
	10-15	2.5	2	5	10	20	3.0	5	12.0	63
	15-20	2.5	2	5	12	24	3.6	6	15.0	78
	20<	2.5	2	5	5	10	1.5	2.5	8.0	43
Laurel	Young tree-plants(<5)	2	4	5	2	8	1.2	2	6.8	36
	5-10	2	4	5	3	12	1.8	3	10.2	53
	10-15	2	4	5	3	12	1.8	3	10.2	53
	15-20	2	4	5	3	12	1.8	3	10.2	53
	20<	2	4	5	2	8	1.2	2	6.8	36
Fig	Young tree-plants(<5)	5	1.5	5	5	7.5	1.1	1.9	6.4	37
	5-10	5	1.5	5	10	15	2.3	3.8	12.8	69
	10-15	5	1.5	5	15	22.5	3.4	5.6	19.1	101
	15-20	5	1.5	5	30	45	6.8	11.3	38.3	196
	20<	5	1.5	5	20	30	4.5	7.5	25.5	133
Mulberry	Young tree-plants(<5)	6	1.5	5	3	4.5	0.7	1.1	3.8	25
	5-10	6	1.5	5	10	15	2.3	3.8	10.0	56
	10-15	6	1.5	5	12	18	2.7	4.5	12.0	66
	15-20	6	1.5	5	16	24	3.6	6.0	20.4	108
	20<	6	1.5	5	10	15	2.3	3.8	15.0	81
Pomegranate	Young tree-plants(<5)	4	2	5	4	8	1.2	2	6.8	38
	5-10	4	2	6	10	20	3.0	5	15.0	94
	10-15	4	2	6	12	24	3.6	6	40.0	244
	15-20	4	2	6	15	30	4.5	7.5	45.0	274
	20<	4	2	6	10	20	3.0	5	35.0	214
Persimmon/ date plum	Young tree-plants(<5)	4	1.5	5	5	7.5	1.1	1.9	5.0	29
	5-10	4	1.5	6	10	15	2.3	3.8	8.0	52
	10-15	4	1.5	6	15	22.5	3.4	5.6	20.0	124
	15-20	4	1.5	6	20	30	4.5	7.5	22.0	136
	20<	4	1.5	6	15	22.5	3.4	5.6	18.0	112
Quince	Young tree-plants(<5)	6	1.5	5	3	4.5	0.7	1.1	3.8	25

	5-10	6	1.5	5	15	22.5	3.4	5.6	19.1	102
	10-15	6	1.5	5	25	37.5	5.6	9.4	31.9	165
	15-20	6	1.5	5	30	45	6.8	11.3	38.3	197
	20<	6	1.5	5	20	30	4.5	7.5	25.5	134
Plum (Chanchuri)	Young tree-plants(<5)	5	1	5	5	5	0.8	1.3	4.3	26
	5-10	5	1	5	15	15	2.3	3.8	12.8	69
	10-15	5	1	5	20	20	3.0	5.0	17.0	90
	15-20	5	1	5	35	35	5.3	8.8	29.8	154
	20<	5	1	5	10	10	1.5	2.5	8.5	48
Barberry	Young tree-plants(<5)	8	2.5	5	4	10	1.5	2.5	8.5	51
	5-10	8	2.5	5	6	15	2.3	3.8	12.8	72
	10-15	8	2.5	5	8	20	3.0	5.0	17.0	93
	15-20	8	2.5	5	8	20	3.0	5.0	17.0	93
	20<	8	2.5	5	5	12.5	1.9	3.1	10.6	61
Jujube	Young tree-plants(<5)	6	2.5	5	5	12.5	1.9	3.1	10.6	59
	5-10	6	2.5	7	10	25	3.8	6.3	21.3	155
	10-15	6	2.5	7	20	50	7.5	12.5	42.5	304
	15-20	6	2.5	7	35	87.5	13.1	21.9	74.4	527
	20<	6	2.5	7	25	62.5	9.4	15.6	53.1	378
Loquat	Young tree-plants(<5)	5	1.5	5	5	7.5	1.1	1.9	6.4	37
	5-10	5	1.5	5	15	22.5	3.4	5.6	19.1	101
	10-15	5	1.5	5	40	60	9.0	15.0	51.0	260
	15-20	5	1.5	5	45	67.5	10.1	16.9	57.4	292
	20<	5	1.5	5	30	45	6.8	11.3	38.3	196
Lemon	Young tree-plants(<5)	5	1.5	5	5	7.5	1.1	1.9	6.4	37
	5-10	5	1.5	5	15	22.5	3.4	5.6	19.1	101
	10-15	5	1.5	5	30	45	6.8	11.3	38.3	196
	15-20	5	1.5	5	35	52.5	7.9	13.1	44.6	228
	20<	5	1.5	5	20	30	4.5	7.5	25.5	133
Tangerine	Young tree-plants(<5)	6	2	5	5	10	1.5	2.5	8.5	49

	5-10	6	2	5	15	30	4.5	7.5	25.5	134
	10-15	6	2	5	20	40	6.0	10.0	34.0	176
	15-20	6	2	5	25	50	7.5	12.5	42.5	219
	20<	6	2	5	30	60	9.0	15.0	51.0	261

Orange	Young tree-plants(<5)	7	2	5	5	10	1.5	2.5	8.5	50
	5-10	7	2	5	15	30	4.5	7.5	25.5	135
	10-15	7	2	5	25	50	7.5	12.5	42.5	220
	15-20	7	2	5	35	70	10.5	17.5	59.5	305
	20<	7	2	5	30	60	9.0	15.0	51.0	262
Raspberry	Young tree-plants(<5)	2	2.5	5	3	7.5	1.125	1.9	6.4	34
	5-10	2	2.5	5	4	10	1.5	2.5	8.5	45
	10-15	2	2.5	5	6	15	2.25	3.8	12.8	66
	15-20	2	2.5	5	6	15	2.25	3.8	12.8	66
	20<	2	2.5	5	3	7.5	1.125	1.9	6.4	34
Currants	Young tree-plants(<5)	2	2	3	3	6	0.9	1.5	5.1	17
	5-10	2	2	5	2	4	0.6	1.0	3.4	19
	10-15	2	2	5	3	6	0.9	1.5	5.1	28
	15-20	2	2	5	4	8	1.2	2.0	6.8	36
	20<	2	2	5	4	8	1.2	2.0	6.8	36
Blackberry	Young tree-plants(<5)	2	2.5	5	2	5	0.75	1.3	4.25	23
	5-10	2	2.5	5	4	10	1.5	2.5	8.5	45
	10-15	2	2.5	5	6	15	2.25	3.8	12.8	66
	15-20	2	2.5	5	5	12.5	1.875	3.1	10.6	55
	20<	2	2.5	5	3	7.5	1.125	1.9	6.4	34
Sour cherry plum	Young tree-plants(<5)	5	2.5	5	3	7.5	1.1	1.9	6.4	37
	05-Oct	5	2.5	5	15	37.5	5.6	9.4	31.9	164
	Oct-15	5	2.5	5	30	75	11.3	18.8	63.8	324
	15-20	5	2.5	5	30	75	11.3	18.8	63.8	324
	20<	5	2.5	5	15	37.5	5.6	9.4	31.9	164
Feijoa	Young tree-plants(<5)	8	3	5	5	15	2.3	3.8	12.8	72
	5-10	8	3	5	15	45	6.8	11.3	38.3	199
	10-15	8	3	5	20	60	9.0	15.0	51.0	263
	15-20	8	3	5	25	75	11.3	18.8	63.8	327

	20<	8	3	5	18	54	8.1	13.5	45.9	238
Medlar	Young tree-plants(<5)	4	1.5	5	3	4.5	0.675	1.125	3.825	23
	5-10	4	1.5	5	10	15	2.25	3.75	12.75	68
	10-15	4	1.5	5	15	22.5	3.375	5.625	19.125	100
	15-20	4	1.5	5	20	30	4.5	7.5	25.5	132
	20<	4	1.5	5	10	15	2.25	3.75	12.75	68
Kiwi	Young tree-plants(<5)	3	2	5	3	5	0.9	1.5	4.1	24
	5-10	3	2	5	15	15	4.5	7.5	10.5	56
	10-15	3	2	5	30	30	9	15	21	108
	15-20	3	2	5	30	20	9	15	11	58
	20<	3	2	5	15	10	4.5	7.5	5.5	31
Almond	Young tree-plants(<5)	8	9	7	4	36	5.4	9	17	127
	5-10	8	9	7	20	180	27	45	35	253
	10-15	8	9	7	25	225	33.75	56.25	62	442
	15-20	8	9	7	35	315	47.25	78.75	68	484
	20<	8	9	7	45	405	60.75	101.3	55	393

### Photos



**Used international valuation standards:**

The evaluation report was prepared in accordance with International Valuation Standards IVS 2017

General Standards:

- IVS 101 Scope of work;
- IVS 102 Investigation and compliance;
- IVS 103 Reporting;
- IVS 104 Bases of value;
- IVS 105 Valuation approaches and methods.

**LTD Terra Graphic**

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**Valuer: Tamar Pkhakadze**

