



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

SFG2169



**Detailed Design and Bidding Documents
for Upgrading the Section between Agara Bypass - Gomi Bypass
(Zemo Osiauri)
km 114 – km 126 of the E 60 Highway**

**Updated Resettlement Action Plan
RAP
updated**

**Section Agara Bypass – Gomi Bypass (Zemo Osiauri)
(km 114 – km 126)**



Eptisa Servicios de Ingenieria, S.L.

**UPDATED BY
“INTERPROJECT” LTD
Subcontractors:
“ATOS Audit Company” LTD
and
“Aligator” LTD**

7 March 2017



CURRENCY EQUIVALENTS

\$1.00= GEL1.7560 (as of 10 November 2014)

\$1.00= GEL2.7412 (as of 20 December 2016)

ABBREVIATIONS

ACS	-	acquisition and compensation scheme
ADB	-	Asian Development Bank
CSC	-	construction supervision consultant
AH	-	affected family
AP	-	Affected Person
CBO	-	community based organization
DMS	-	detailed measurement survey
RDRD	-	Road Development and Resettlement Division
GoG	-	Government of Georgia
GRC	-	grievance redress committee
IA	-	implementing agency
IFI	-	International Financial Institution
IP	-	indigenous peoples
EMA	-	external monitoring agency
km	-	Kilometre
LAR	-	land acquisition and resettlement
LARC	-	land acquisition and resettlement commission
LARF	-	land acquisition and resettlement framework
RAP	-	Resettlement action plan
M&E	-	monitoring and evaluation
MFF	-	multitranches financing facility
MOF	-	Ministry of Finance
MPR	-	monthly progress report
MRDI	-	Ministry of Regional Development and Infrastructure
NAPR	-	National Agency of Public Registry
NGO	-	non-governmental organization
PEMI	-	persons experiencing major impact
PFR	-	periodic financing request
PPR	-	project progress report
PPTA	-	project preparatory technical assistance
PRRC	-	Property Rights Recognition Commission
R&R	-	resettlement and rehabilitation
RD	-	Roads Department
RDMRDI	-	Roads Department of the Ministry of Regional Development and Infrastructure of Georgia
RoW	-	right of way
RS	-	resettlement service
SES	-	socioeconomic survey
SPS	-	safeguard policy statement
ETCIC	-	Transport Reform and Rehabilitation Centre
WB	-	World Bank

NOTE

In this report, "\$" refers to US dollars.



Table of Contents

EXECUTEIVE SUMMARY	6
I. INTRODUCTION	15
II. CENSUS AND IMPACT ASSESSMENT.....	19
III. SOCIO-ECONOMIC INFORMATION.....	33
IV. LEGAL AND POLICY FRAMEWORK.....	40
V. INSTITUTIONAL ARRANGEMENTS.....	52
VI. CONSULTATION, AND PARTICIPATION.....	59
VII. GRIEVANCE REDRESS MECHANISM	62
VIII. IMPLEMENTATION SCHEDULE.....	65
IX. COSTS AND FINANCING.....	70
X. MONITORING AND REPORTING.....	79

List of Figures

FIGURE 1.1 PROJECT LOCATION	18
FIGURE 5.1 LAR ORGANIZATION CHART	58
FIGURE 7.1 GRIEVANCE RESOLUTION AND ACQUISITION PROCESS	64

Annexes

- Annex 1 Valuation Methodology
- Annex 2 Legalization Procedure in Georgia
- Annex 3 Information Leaflet
- Annex 4 Minutes of public consultation

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXECUTIVE SUMMARY

1. Due to its geographical position Georgia has gained the status of an important transport corridor connecting Europe and Asia and the development of the transport infrastructure has become a national priority. The Government of Georgia requested the World Bank to support modernization of the East-West Transport Corridor. Two projects for the improvement of the E-60 East-West Highway have already been completed with the assistance from the World Bank and the Third East-West Highway Improvement project is under implementation. Future investments will complete improvement of the Highway from Ruisi to the already rehabilitated Rikoti tunnel. For this purpose the Government of Georgia asked the World Bank assistance for the preparation and implementation of the Fourth East-West Highway Improvement Project (EWHIP) which covers the section of the highway between Agara Bypass and Gomi bypass (Zemo Osiauri) km 114 - 126. A Resettlement Policy Framework (RPF) was developed for the Third East - West Highway Improvement project (last update in April 2015), which covers entire section of highway from Ruisi till Rikoti tunnel. Accordingly, the provisions of this RPF, as well as safeguard regulations of WB and in particular, the OP 4.12 (Involuntary Resettlement Policy) should be complied with.

The RAP covers 12 km length section of Agara Bypass - Gomi Bypass (Zemo Osiauri) corresponding to km 114 – km 126 of the E-60 Highway, which is located within the Kareli and Khashuri Rayons.

The initial RAP has been finalized in November 2013, preparation of this RAP entailed intensive consultations with the stakeholders, especially the APs and their community were conducted to understand the extent of impact and validate the severity and compensation measures. The assessment of losses and land acquisition is based on the final engineering design as part of the detailed design study. This RAP has been approved in December 2013 by the Government and WB, disclosed in December 3 2013, (<http://www.georoad.ge/old/index.php?que=eng/projects>) and partially implemented during 2013 - 2015.

According the initial RAP the project was impacted 1,082,678 sq.m of total land area, 519 land plots, 270 HH and 1107 persons.

The implementation of social safeguard measures was completed satisfactory on the three sub-sections (km 114.0 - km 120.0 and km 122-km 126.0) by the end of May, 2015 and is pending on the fourth sub-section (km 120.0 - km 122.0), due the revision of design.

However, further development of the project required the recent change and specifications of the initial design, considering the widening of the road corridor due to inclusion of the access roads and road facilities in the design, as well as spatial reorganization of the interchange two, resulted in a change of the resettlement impacts and it is required to update the RAP. The RAP was updated in September 2014 (new surveys have been conducted in July 2014). This updated RAP was received by RDMRDI and results was shared with WB. According this RAP 13 households needed to be resettled. This impact was unacceptable for local population and RAP was again subject of update. This updated RAP was impacted 1,365,515 sq.m of total land area, 527 land plots, 286 HH and 1 1175 persons.

The detail description of current reasons of RAP update is presented below :

- 1.The change of the road corridor and spatial reorganization of the interchange two on the 2 km subsection of Agara-Gomi (Zemo Osiauri) km 120.0 – km 122.0;

2. The severe affect of the project on population, according to original project 13 household needed to be resettled. This was unacceptable for local population, km 120.0 – km 122.0.

3. Re-design of bridges: km 122.0 -123.0 (Last sub-section).

The surveys have been conducted in October-November 2015 and in December 2016.

2. The present updated RAP includes description and valuation of the updated RAP prepared in 2014, and the new part of RAP partly developed in 2015 and also reflects current changes. The present Updated RAP comprises all impacts as for current design.

According to updated RAP - project affect spreads on 565 land plots with a total affected area 1 048,297sq.m. In terms of tenure the affected land plots are distributed in accordance with the following legal categories:

Category 1. 216 titled private land plots with full registration 341 005 sq.m;

Category 2. 139 titled private land plots 136,419 sq.m rightfully owned and requiring legalization through 1 stage process of registration in NAPR (legalizable land plots). These land plots have been transferred to the owners during the land reform but the formal procedures needed for registration in NAPR have not been completed

Category 3. 19 State owned land plots of 5,845 sq.m are illegally used by private users. These land plots are not legalizable according to Georgian legislation.

Category 4. 191 State owned land plots of 568,028 sqm not used by private users. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone. Category 3 and 4 land parcels are not subject for compensation¹. There are no public land plots in the affected area used by leaseholders. In this category 1 land plots were added with a total affected area 6484 sq.m. There was no other kind of changes.

3. Given the magnitude of impacts (there are 270 AHs, 242 severely affected APs and 4 relocated residents), preparation of full scale RAP is required. The project location map is shown in Figure 1.1

Table E.1 Summary Impact on Land Acquisition and Resettlement

No.	Impacts	Unit	RAP of 2013	of RAP of 2014	Planned to be Added	Subtracted	Change	Final updated
	Land Tenure Patterns							
1	Total Land	No.	519	527	71	33	42	565

¹ According to entitlement matrix, non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income. 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 minimum subsistence income. However, in frames of this project all the users of 19 illegally occupied land plots own in addition one or two other land plots (registered or legalizable). The encroached land plots are not the main sources of income and are used by these AHs as additional opportunity to expand agricultural activities beyond the lands legally owned by them. Accordingly the AHs will not receive compensation for the encroached 26 land plots or self-relocation allowances, but will be compensated for the loss of annual crops, trees and immovable assets.

	parcels affected							
2	Total land Area to be acquired	Sqm	1,082,678	1,036,515	32,990	24,010	5,802	1,048,297
3	Category 1. Private Registered Plots	No.	151	203	26	13	7	216
		sq.m	324,269	334,058	8,363	7,165	5,749	341,005
4	Category 2. Private (Rightfully owned) Legalizable through NAPR (1 stage legalization)	No.	152	113	42	16	-7	139
		sq.m	186,269	132,539	17,348	13,521	53	136,419
5	Category 3. State Owned, Used by Private Users – Non Legalizable	No.	26	21	2	4	-	19
		sq.m	10,602	8,374	795	3,324	-	5,845
6	Category 4. State Owned	No.	190	190	1	-	-	191
	Not Used by Private Users	Sqm	561,544	561,544	6,484	-	-	568,028
Land Use and Compensation Categories								
7	Type 1; Private agricultural (remote from the existing section of highway) (3 Gel/sq.m)	No.	113	118	25	3	20	140
		sq.m	214,785	187,455	6,060	293	1,189	194,411
8	Type 2; Private agricultural (located along the existing section of highway) (4 Gel/sq.m)	No.	176	172	36	12	21	196
		sq.m	246,353	203,534	12,136	2,557	1,445	214,558
9	Type 3; Private agricultural land (type 2) used for residential needs (4.5 Gel sq.m)	No.	3	15	7	14	1	8
		sq.m	2,787	19,280	7,515	17,836	3,168	12,127
10	Type 4; Non-Agricultural Commercial (remote from the existing section	No.	3	4			-	4
		sq.m	56	9,269				9,269

	of highway;) (5 Gel/sq.m)							
11	Type 5 Non-Agricultural Commercial (The same as type 4)	No.	8	7				7
	Private non-agricultural land used for commercial needs Land owned by business entities and subject for 18% VAT payments. 5.9 Gel/sq.m	sq.m	46,551	47,059				47,059
12	Type 6. State Owned , Used by Private Users – Non Legalizable	No.	26	21	2	4		19
		sq.m	10,602	8,374	795	3,324		5,845
13	Type 7. Non-agricultural State Owned (not used by private users); not compensable	No.	190	190	1			191
		Sqm	561,544	561 544	6,484			568,028
Agricultural Patterns								
14	Area under wheat cultivation	sq.m	248,174	190,595.5	4198	731	1,404	195,466.50
15	Other cereal crops	sq.m	-	18, 585		105	-619	17,861
16	Area under maize cultivation	sq.m	24,499	47,192.50	1656,5	2295	426	46,980
17	Area under vegetables cultivation	sq.m	59,221	4,258	1749,6	60	+836,4	6,784
18	Area under beans	sq.m	16,027	7,938	2220,6	93	+1768,4	11,834
19	Area under hay/grass	sq.m	80,264	83,017	0	2950	-7230	72,837
20	Area under alfalfa	sq.m	30,799	3,378				3,378
21	Affected Trees	No.	1264	2 861	1338	966	309	3542
Affected Structures								
22	Compelx buildings on Gas Filling Stations	No.	1	1				1
23	Complex of	No.	1	1				1

	buildings: hotel/shop/cafe							
24	Residential House	No.	3	13	4	13	2	6
25	Ancillary Buildings	No.	-	10	15	9	4	20
26	Minor Ancillary Structures	No.	-	31	26	14	5	45
27	Relocation of reservoirs	No.	20	20				20
28	Relocation of Construction materials processing facilities	No.		1				1
Affected Businesses								
29	Gas Filling Station (operation income)	No.	1	1				1
30	Hotel/café/shop	No.	1	1				1
31	Company renting facilities	No.	-	1				1
32	Company producing construction materials (washing sand)	No.	-	1				1
Affected Households								
33	Severely affected Households	No.	224	238	32	28		242
34	Vulnerable Households	No.	42	24	5	9		20
35	Resettled households	No.	2	13	3	13		4
36	AH losing Jobs	No.	14	14				14
37	Total AH	No.	270	286	16	32		270
38	Total Affected Persons	No.	1107	1175	109	129		1155

The direct project impact extends to 1155 peoples (270 AHs) comprising 47.4% male and 52.6% females: 496 male and 658 females. Further, 12 of the 267 AHs are headed by women. In addition 2 AHs lose their jobs (1 female and 1 male). Special attention will be given to the impact of resettlement on women and other vulnerable groups during monitoring and evaluation of the RAP. The project will have a positive impact on gender, and civil works contracts will include provisions to encourage employment of women during implementation. List of women seeking for employment and their CVs will be provided to Construction

Contractor. Additionally, women headed households have been considered as vulnerable and special assistance was provided in the RAP entitlements in amount equivalent to 3 months of minimum subsistence income. Women will be encouraged to establish NGOs or other informal organizations to monitor gender-sensitive issues related to project. The RDMRDI is requested to include women representatives in Grievance Redress Commission.

4. The legal and policy framework of the project on land acquisition and resettlement has been adopted to assist the APs and/or households for their lost land and assets, income and livelihood resources. Expropriation of land through eminent domain will not be applied unless approach for acquisition through negotiated settlement fails. Compensation eligibility is limited by a cut-off date as set for this project on the day of the beginning of the AP Census which is 15 December 2012. and for updated RAP – 1 July 2014. For newly added land plots is October 2015 and December 2016. APs will be entitled for compensation or at least rehabilitation assistance under the Project are (i) all persons losing land irrespective of their title, (ii) tenants and sharecroppers irrespective of formal registration, (iii) owners of buildings, crops, plants, or other objects attached to the land; and (iv) persons losing business, income, and salaries. A summary entitlements matrix is included in Table E-2.

Table E-2. Compensation Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AF losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation in cash at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible. The option selected for the Program is cash compensation. If residual plots becomes unusable the project will acquire it in full if so the AP desires.
		Legalizable Owner	These AP will be legalized and provided with cash compensation at full replacement cost.
		Non-legalizable owners (squatters/encroachers)	Non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income.
Non-Agricultural Land	AF losing their commercial/residential land	Owner with full registration	Cash compensation at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible.
		Legalizable Owner	APs will be legalized and provided with cash compensation at full replacement cost..
		Non-legalizable owners (squatters/encroachers)	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 minimum subsistence income.
Buildings and Structures			

Residential and non residential structures/assets		All AFs regardless of legal ownership/ registration status (including legalizable and Informal Settlers)	All impacts will be considered as full impacts disregarding the actual impact percentage. Impacts will be compensated in cash at full replacement costs free of depreciation and transaction costs.
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Crops	Standing crops affected or loss of planned crop incomes**	All AFs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided even in case if the crops were harvested
Trees	Trees affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age market price of product o and the productive life of the trees.
Business/Employment	Business/employment loss	All AFs regardless of legal status (including legalizable and Informal Settlers)	Owner: (i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence income. Permanent worker/employees: indemnity for lost wages equal to 3 months of minimum subsistence income and trainings on computer literacy..
Allowances			
Severe Impacts	>10% income loss	All severely affected AFs losing more than 10% of affected agricultural land plot (including informal settlers)	two-year yield from affected land Other income: 1 additional compensation for 3 months of minimum subsistence income. 297 GEL per month x 3 months=891 GEL per AH)
Relocation	Transport/transition costs	All AFs to be relocated	Provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. 200 GEL as vehicle hire charge + 297GEL as minimum subsistence income x 3 months = 1,091 GEL per AH
Vulnerable People Allowances		AFs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income* and employment priority in project-related jobs 297 GEL as minimum subsistence income per month for 3months= 891 GEL per AH)
Temporary Loss			
Temporary impact during construction		All AFs	Due compensation will be assessed and paid based on the approved RPF during construction. All land required for temporary use is to be obtained by the civil works Contractor through voluntary negotiations (e.g., willing buyer-willing seller basis). The maximum period for temporary use is defined as 2 years. Compensation rates to be paid should not be less than compensation at current market rates for the gross value of 4 year's harvest of crops on the affected lands. It is also required that lands (or other assets) be fully cleared and restored following use

Unforeseen resettlement impacts, if any		All impacts related to temporary or permanent land take, the need for which is not envisaged within DD and RAP and is related to activities of Contractor.	Road Department and the construction contractor will address and mitigate/compensate unforeseen resettlement impact during project
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* Minimum subsistence income to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National

Statistics Office of Georgia at time of RAP approval

** Income expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land was permanently used for crop cultivation, but for the year, when the inventory of losses was conducted, no crops have been planted (due to need of rest to this land or illness of the farmer or any justifiable reason), the land parcel still will be considered as designed for crop cultivation and relevant compensations will be paid

5. Ministry of Regional Development and Infrastructure (MRDI) is the executing agency (EA) of the Project on behalf of the Government of Georgia and the Roads Department of the MRDI (RDMRDI) is the implementing agency (IA). The World Bank (WB) will be financing the Project for civil works construction and construction supervision. RDMRDI is responsible for road construction as well as land acquisition and resettlement of the APs due to land acquisition and project construction. RDMRDI is assisted by a number of other government departments and private agencies in the design, construction and operation of the Project. The National Agency of Public Registry recognizes and further registers the right to property of the legal land owners under the effective legislation.. The local government at Rayon and village levels are involved in the legalization of legalizable land parcels and subsequently land acquisition and resettlement of APs. The Ministry of Environmental Protection is responsible for environmental issues.
6. A grievance mechanism will be available to allow a AP appealing any disagreeable decision, practice or activity arising from land or other assets compensation. Grievance redress committees (GRCs) at local level involving the local government officials, representative of APs, representative of local NGOs and consultant. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Care will always be taken to prevent grievances rather than going through a redress process.
7. Consultation with likely APs in the project affected areas was conducted at early stages of project development during the feasibility study in 2009 and later during the preparation of draft RAP for section Agara Bypass – Gomi Bypass (Zemo Osiauri) in 2013/2014. Specific to the section Agara Bypass – Gomi Bypass (Zemo Osiauri) - km 114 - 126 of the project road in Khashuri Rayon, people were consulted through individual contact during the census survey under the feasibility study for identification of APs. The consultation process has finished and all likely APs have been consulted through community level meetings and through individual contact (see annex 4).
8. Payment of compensation and cash allowances for Additional land plots will be accomplished until 1 April 2017. All activities related to the land acquisition and resettlement have been scheduled to ensure that compensation is paid prior to displacement and commencement of civil works. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. The resettlement cost estimate under this RAP was 7,975,215 GEL (USD 4,591,373). After the update 2016 the RAP Resettlement estimate amount is 7,883 912.98.68 GEL (USD 2,876,080).

9. Land acquisition and resettlement tasks under the project will be subject to monitoring. Monitoring will be the responsibility of RDMRDI. Internal monitoring will be carried out routinely by RU/RDMRDI. The results will be communicated to the WB through the quarterly project implementation reports. External monitoring will be carried out by Social Safeguards Consultant on a regular basis, and its results communicated to RU/RDMRDI and Financing WB through quarterly reports. The RDMRDI (through help of the Social Safeguards Consultant) will carry out a post-implementation evaluation of the RAP about a year after completion of its implementation.

I. INTRODUCTION

1.1 Project Background

10. Due to its geographical position Georgia has gained the status of an important transport corridor connecting Europe and Asia and the development of the transport infrastructure has become a national priority. The Government of Georgia requested the World Bank to support modernization of the East-West Transport Corridor. Two projects for the improvement of the E-60 East-West Highway have already been completed with the assistance from the World Bank and the Third East-West Highway Improvement project is under implementation. Future investments will complete improvement of the Highway from Ruisi to the already rehabilitated Rikoti tunnel. For this purpose the Government of Georgia asked the World Bank assistance for the preparation and implementation of the Fourth East-West Highway Improvement Project (EWHIP) which covers the section of the highway between Agara Bypass and Gomi bypass (Zemo Osiauri) km 114 - 126. A Resettlement Policy Framework (RPF) was developed for the Third East – West Highway Improvement project (last update in April 2015), which covers entire section of highway from Ruisi till Rikoti tunnel. Accordingly, the provisions of this RPF, as well as safeguard regulations of WB and in particular, the OP 4.12 (Involuntary Resettlement Policy) should be regarded.

According to updated RAP - project affect spreads on 565 land plots with a total affected area 1 048,297 sq.m. In terms of tenure the affected land plots are distributed in accordance with the following legal categories:

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Category 3. 19 State owned land plots of 5,845 sq.m are illegally used by private users. These land plots are not legalizable according to Georgian legislation.

Category 4. 191 State owned land plots of 568,028 sqm not used by private users. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone. Category 3 and 4 land parcels are not subject for compensation². There are no public land plots in the affected area used by leaseholders. In this category 1 land plots were added with a total affected area 6484 sq.m. There was no other kind of changes.

11. Given the magnitude of impacts (there are 270 AHs, 242 severely affected APs and 3 relocated residents), preparation of full scale RAP is required. The project location map is presented below Figure 1.1

² According to entitlement matrix, non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income. 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 minimum subsistence income. However, in frames of this project all the users of 19 illegally occupied land plots own in addition one or two other land plots (registered or legalizable). The encroached land plots are not the main sources of income and are used by these AHs as additional opportunity to expand agricultural activities beyond the lands legally owned by them. Accordingly the AHs will not receive compensation for the encroached 26 land plots or self-relocation allowances, but will be compensated for the loss of annual crops, trees and immovable assets.

1.2 The Impacts Corridor

12. Section II entails the reconstruction and upgrading of 12 km of the existing road from 2-lane to 4-lane standard. The existing road section from Ruisi to Rikoti is two-lane carriageway road with a paved width of about 9.00 m. The shoulder width varies between 2.50 m and 3.00 m. The final 4-lane road corridor will be about 28.50 m wide to accommodate a 15m carriageway, 3.75m width shoulder, an embankment of variable width and minimum 6 m of buffer median zone. Where the existing road is maintained and included in the new highway infrastructure, the impact related to the upgrading of the 2-lane road to 4-lane is limited to the widening zones (1 additional carriageway, median zone, shoulders etc.) and sites of intersections. Due to the variability of the embankment and median zone width, the effective width of the impacts corridor under this contract will vary between 22 and 29 m along the RoW and from 50 to 138 at the intersection sites. For the subsections where entirely new road is constructed the impact corridor of the RoW varies from 53 to 70m.
13. There were changes in initial design: The change of the road corridor and spatial reorganization of the interchange two on the 2 km subsection and re-design of bridges.

1.3 Minimizing Land Acquisition and Resettlement

- 14 Due considerations have been given during the design of the road widening alignment and intersections layout to minimize the adverse impacts of land acquisition and involuntary resettlement. Efforts have been put to incorporate best engineering solution in avoiding large scale land acquisition and resettlement. Following are the specific measures adopted for the selection of the route:
- (i) The short sections of the existing road required improvement of geometric characteristics and involved some minor realignment. Realignment for these sections has been well tuned on site to avoid most densely settled areas;
 - (ii) Intersections with local roads have been designed to avoid resettlement
 - (iii) Designs of intersections were reviewed by resettlement specialists and their recommendations were considered in the final design.

However, the recent change of the design, considering the widening of the road corridor due to inclusion of the access roads and road facilities in the design, as well as spatial reorganization of the interchange, resulted in a change of the resettlement impacts and it is required to update the RAP.

1.4 RAP Preparation

15. During the preparation of this RAP for Agara Bypass – Gomi Bypass section, the early draft RAP prepared for RDMRDI by Kocks Consult GmbH within the feasibility study for Sveneti-Rikoti Section (2009) was reviewed and compared with the findings of the detailed design works. The initial RAP for Agara Bypass – Gomi Bypass (Zemo Osiauri) is based on DMS, census and socio economic survey which were conducted between 15 December 2012 – 29 January 2013. The updates include (i) update of impacts and AP figures reflecting design changes; (ii) micro plan for land acquisition and implementation of RAP (iii) update of LAR budget; and (iv) loss and entitlement profile for individual owners of land plots and APs. The survey and valuation of additional land plots were conducted in July 2015, 21-23 of October 2015 and in December 2016.

16. The RAP for Sveneti-Rikoti section prepared in 2009 required revision due to the fundamental fact that this RAP was only preliminary by default and was mostly developed based on the existing cadastral data rather than precise DMS and census survey. Besides, substantial changes have been introduced in the design: the alignment has substantial deviations from the feasibility alignment. In addition, the most recent changes in the legislation related to the procedures for recognition and registration of the land ownership rights and expropriation procedures (see annex II) should be also reflected in new RAP.

The RAP covers 12 km length section of Agara Bypass - Gomi Bypass (Zemo Osiauri) corresponding to km 114 – km 126 of the E-60 Highway, which is located within the Kareli and Khashuri Rayons. The initial RAP has been prepared in 2013 (Agara Bypass – Gomi Bypass): preparation of this RAP entailed intensive consultations with the stakeholders, especially the APs and their community were conducted to understand the extent of impact and validate the severity and compensation measures. The assessment of losses and land acquisition is based on the final engineering design as part of the detailed design study. This RAP has been approved in 2013 by the Government and WB and partially implemented during 2013 - 2014. However, further development of the project required changes of the initial design. The mentioned changes only affected part of the road (km 6.0 – km 8.0 and km 8.00-12.0). According recent changes of the design, resulted in a change of the resettlement impacts and it is required to update the RAP. New survey has been conducted in July-October 2014. The Final Survey was done in October November 2015 and in December 2016.

The need for updating the RAP had resulted from three reasons:

1. The change of the road corridor and spatial reorganization of the interchange two on the 2 km subsection of Agara-Gomi (Zemo Osiauri) km 120.0 – km 122.0;
 2. The severe affect of the project on population, according to original project 13 household needed to be resettled. This was unacceptable for local population, km 120.0 – km 122.0.
 3. Re-design of bridges: km 122.0 -123.0 (Last sub-section).
17. The number of new affected land plots is only 9,8% of total affected private land plots. The final Updated RAP reflects all impacts caused by changed design.

1.5 Pending RAP Implementation Tasks

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

Figure 1.1 Project Location

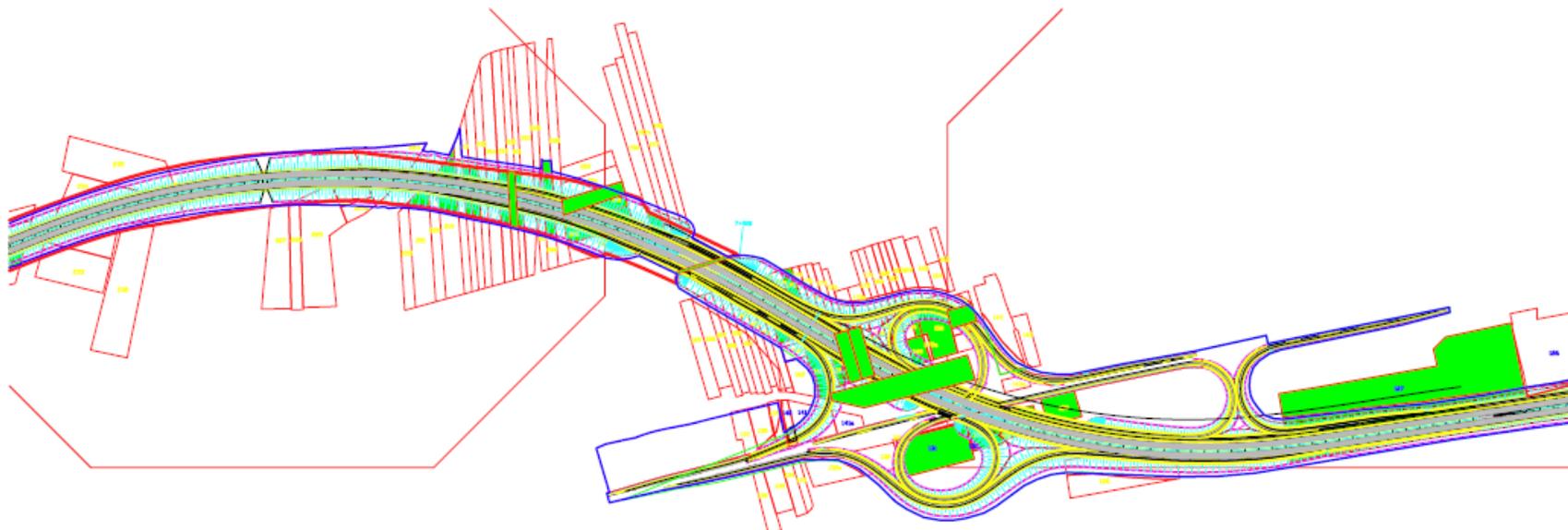


Fig. 1.2 Example of the Design Change and related change of resettlement impacts (Interchange section)
Legend: red line corresponds to old RoW and the blue line – to the new revised RoW

II. CENSUS AND IMPACT ASSESSMENT

2.1 Introduction

19. This impacts assessment details loss of land, structures and other assets in the 12-km section of Agara Bypass – Gomi Bypass (Zemo Osiauri) road in Khashuri Rayon of Georgia. Compensation and rehabilitation measures have been worked out based on these impacts. A detailed inventory of all the impacts has been done following the final alignment of the centerline as per detailed engineering design of Agara Bypass – Gomi Bypass (km 114 – km 126).
20. Digitized cadastral maps were collected from the Khashuri Rayon Registration Offices of NAPR. The final road alignment was superimposed on the digitized cadastral maps and land survey using DGPS was conducted on site to identify the affected land parcels, demarcation of land parcels including correction in geometric details and quantification of land parcels including affected part. With the cadastral details from land survey, detail measurement survey (DMS) and 100% AP Census were undertaken. These surveys were conducted started on 15 December 2012 and was terminated on 29 January 2013. Additionally, a socioeconomic survey (SES) of 88% sample households was carried out in the project affected areas in order to understand the socio-economic condition of the affected population. The start date of the DMS and the AP census survey is considered as the compensation eligibility cut-off date for the initial project which is therefore 15 December 2012. Due to the changes of the alignment and spatial configuration of the interchange new survey has been conducted in July 2014 to reflect the situation with the affected land plots and value the losses. The last (final) surveys were conducted in October 2015 and in December 2016.

2.2 Impact on Land, Other Assets and Income

2.2.1 General Classification of affected land

21. According to updated RAP - project affect spreads on 565 land plots with a total affected area 1 048,297 sq.m. In terms of tenure the affected land plots are distributed in accordance with the following legal categories:

Category 1. 216 titled private land plots with full registration 341 005 sq.m;

Category 2. 139 titled private land plots 136,419 sq.m rightfully owned and requiring legalization through 1 stage process of registration in NAPR (legalizable land plots). These land plots have been transferred to the owners during the land reform but the formal procedures needed for registration in NAPR have not been completed

Category 3. 19 State owned land plots of 5,845 sq.m are illegally used by private users. These land plots are not legalizable according to Georgian legislation.

Category 4. 191 State owned land plots of 568,028 sqm not used by private users. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone. Category 3 and 4 land parcels are not subject for compensation³. There are no public land plots in the affected area used by

³ According to entitlement matrix, non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income. 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 minimum subsistence income. However, in frames of this project all the users of 19 illegally occupied land plots own in addition one or two other land plots (registered or legalizable). The encroached land plots are not the main sources of income and are used by these AHs as additional opportunity to expand agricultural activities beyond

leaseholders. In this category 1 land plots were added with a total affected area 6484 sq.m. There was no other kind of changes.

Category 3 and 4 land parcels are not subject for compensation⁴. There are no public land plots in the affected area used by leaseholders. The aggregated figures according to land tenure categories are provided in a table 2.1.

- 22 The land costs and compensation categories within the project area are determined by the land use factor and distance from the existing road. Figures on Land impacts are provided in accordance to the land classification and legal categories that are relevant to determine compensation rates and amounts due to their use modalities and location. The affected land has been classified in 7 main types:
- **Types 1 and 2: Agricultural Land Plots.** These are private land parcels used for agricultural purpose and attributed to the agricultural land category according to official classification. Type 1 land parcels are located remote from the existing mainline road and their cost rate is estimated as 3 GEL/sq.m , while type 2 land parcels are adjacent to the existing road and related cost rate is defined as 4 GEL/sq.m. In total there are 101 affected land plots of type 1 with aggregated area 185,234 sq.m and 172 land plots of type 2 with total affected area of 203,534 sq.m. Due to changes - I category of affected land plots were increased and became 140 units, and affected area now is 194,411 sq.m. II category of affected land plots became 196 units and affected area now is 214 558 sq.m.
 - **Type 3** is similar to the type 2: this is the agricultural land (according to formal categorization) located close to the existing road, but the land parcels are used for residential needs. The price of this land is estimated as 4.5 GEL per sq.m. There are 15 affected parcels of type 3 land with aggregated area of 19,280 sq.m. Due to changes - this category of affected land parcels were reduced and became 8 units, and affected area now is 12 127 sq.m.
 - **Type 4 and 5 Commercial Non-agricultural Land Plots.** These are private land parcels used for commercial purpose and attributed to the non-agricultural land category according to official classification. Originally these land parcels were agricultural land plots similar to type 2. In order to use this land for commercial needs status was officially changed in accordance with the Georgian regulations and the difference in price in fact reflects the additional fees to be paid by the land owners for the official procedures of changing land category from agricultural to non-agricultural. The price of parcels is 5 GEL. However, in case if the parcel is owned by Business entities, they have to pay 18% VAT from compensation transactions (as the transactions are executed formally as for sale-purchase agreement). Therefore the Business entities are given extra price (5.9 GEL), in order that they receive 5 GEL per sq.m without deductions. To distinguish these cases, the commercial land owned by private owners is defined as type 4 (cost is 5 GEL per sq.m) and land owned by business entities is defined as type 5 land (cost is 5.9 Gel per sq.m.). There are only 4 land plots of Type 4 within the zone of impact and aggregated area of affected commercial land is 9,269 sq.m. 7 of the affected

the lands legally owned by them. Accordingly the AHs will not receive compensation for the encroached 26 land plots or self-relocation allowances, but will be compensated for the loss of annual crops, trees and immovable assets.

⁴ According to entitlement matrix, non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income. 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 minimum subsistence income. However, in frames of this project all the users of 21 illegally occupied land plots own in addition one or two other land plots (registered or legalizable). The encroached land plots are not the main sources of income and are used by these AHs as additional opportunity to expand agricultural activities beyond the lands legally owned by them. Accordingly the AHs will not receive compensation for the encroached 26 land plots or self-relocation allowances, but will be compensated for the loss of annual crops, trees and immovable assets.

commercial land parcels is owned by business entities (type 5 land) an total area of affected type 5 land is equal to 47,059sq.m.

- **Type 6. Non-legalizable land plots illegally used by private persons.** 21 State owned agricultural land plots of 8,374sq.m are illegally used by private users. These land plots are not legalizable according to Georgian legislation. Type 6 corresponds to category 2 land parcels. Due to changes - this category of affected land parcels were reduced and became 18 units, and affected area now is 5 845 sq.m.
- **Type 7: Non- Agricultural State Owned land plots** - 190 public land plots of 561,544 sqm. Most of these land plots belong to the existing road and railroad infrastructure and the rest part constitutes adjacent wind belt zone. Type 7 land plots (by use modality) correspond to Category 4 (by tenure). These land parcels are not subject for compensation. Due to changes - this category of affected land parcels were increased and became 191 units, and affected area now is 568 028 sq.m.

23. The aggregated figures for the land parcels of different categories are given below in the tables 2.1 and 2.2. The tables show separately the affected parcels, under the RAP of 2014 and the new land parcels corresponding to the present updated RAP (2015 -2016).

Table 2.1 : Type of Land Ownership

Tenure Categories	RAP of 2014		Revised Part of RAP 2015/2016		Total Updated RAP	
	Plots No.	Area (sqm)	Plots No.	Area (sqm)	Plots No.	Area (sqm)
Compensable land						
1. Private Registered	203	334,058	13	6,947	216	341,005
2. Private (rightfully owned) Legalizable through NAPR	113	132,539	26	3,880	139	136,419
Subtotal Compensable	316	466597	39	10,827	338	477,424
Non-Compensable land						
3. State Owned , Used by Private Users – Non Legalizable	21	8374	-2	-2529	19	5,845
4. State Owned Not Used by Private Users	190	561,544	1	6,484	191	568,028
Subtotal Non-compensable	211	569,918	-1	3,955	210	573,873
TOTAL	527	1,036515	38	14,782	548	1,051297

Table 2.2: Type of Land Use and Land Groups by Compensation Rates

Land Category/ use and Group		RAP of 2014		Revised Part of RAP 2015/2016		Total Updated RAP	
		Plots No.	Area (sqm)	Plots No.	Area (sqm)	Plots No.	Area (sqm)
Type 1 , 2, 3, 4 and 5 (compensable Land)							
Type 1 Agricultural (3 Gel/sq.m)	Private agricultural irrigated land used for annual crops and fruit tree gardens (remote from the existing section of highway;)	118	187455	22	6,956	140	194,411
Type 2 Agricultural (4 Gel/sq.m)	Private agricultural irrigated land used for annual crops and fruit tree gardens (located along the existing section of highway, within a distance of 100m from centeline)	172	203,534	24	11,024	196	214,558
Type 3 Agricultural (4.5 Gel/sq.m)	Private agricultural irrigated land used for Residential Needs(located along the existing section of highway, within a distance of 100m from centeline)	15	19,280	-7	-7,153	8	12,127
Type 4 Non- Agricultural Commercial (5 Gel/sq.m)	Private non-agricultural land used for commercial needs (remote from the existing section of highway;)	4	9,269	-	-	4	9,269
Type 5 Non- Agricultural Commercial (5.9 Gel/sq.m)	Private non-agricultural land used for commercial needs (remote from the existing section of highway;) Land owned by business entities and subject for 18% VAT payments	7	47,059	-	-	7	47,059
Total Compensable Land (Type 1 + Type 2 + Type 3 + type 4 + type 5)		316	466597	39	10,827	338	477 424
Type 6 State Land Used by Squaters and Type 7 Not Used State Land (non compensable)							
Type 6. State Owned , Used by Private Users – Non Legalizable	State Owned , Used by Private Users as agricultural land; Non Legalizable	21	8374	-2	-2529	19	5845
Type 7 State Owned Not Used by Private Users	State Owned Non- Agricultural land parcels not used by private users and not compensable. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone.	190	561,544	1	6,484	191	568,028
Grand Total		527	1,036,515	38	14,782	565	1,048,2974

2.2.2 Impact on Crops

24. Affected crops identified on the acquired agricultural land are wheat, maize, beans, alfalfa, other cereal crops, hay/grass and vegetables. The largest portion of the agricultural land is used for cultivation of wheat 195,466.5 sq.m. (19,55 ha) and hay/grass 72 837 sq. m (7.3 ha). Then comes maize (46,980sq.m). The total figures are given in table . Out of 327 agricultural land plots 10 are used only for tree growing and 241 for crop cultivation. Besides, 3 non-agricultural land plots are used temporarily for harvesting crops.

Table 2.3: Affected Crops

Crop	Under Implementation RAP of 2014		Revised Part of RAP 2015/2016		Total Updated RAP	
	Number of Land Plots	Area sq.m	Number of Land Plots	Area sq.m	Number of Land Plots	Area sq.m
Wheat	109	190595,5	4	4871	113	195,466.5
Other cereal crops	13	18,585	-1	-724	12	17861
Maize	27	47192,5	0	-212,5	27	46980
Vegetables	6	4,258	3	2526	9	6,784
Beans	10	7938	5	3896	15	11,834
Hay/Grass	83	83,017	-12	-10180	71	72,837
Alfalfa	6	3378	0	0	6	3,378
Total	254	354,964	-1	176.5	253	355,140.5

Impact on Trees

Clearing right of way for construction of the road will cause felling down of 3348 productive and partially productive fruit trees under private ownership. 2184 trees are under the compensation within the RAP of 2014 and the rest 1138 will be compensated as part of the revised final RAP. The affected timber trees are totally state owned and are not included in the inventory list. However, loss of trees including the state owned timber trees will induce some impact on wind belt and greenery plantations and counter program of replanting may be suggested within the EIA. Due to changes in project design 24 household no longer losses the land plots accupied by the fruit trees. Now according to updated RAP 26 households losses 28 unit of land plots with fruit trees. From these land plots 6 of them also is used for the harvesting annual crops. The details of the impacts on trees is given in the table 2.4

Table 2.4 Affected Trees

Type	Groups by Age	Average productivity in 1 year, kg.	Cost for 1 tree, GEL	No of trees 2014	Total 2014	Added	Subtracted	Change	Total 2016
Apple	4	Partially Productive	291	0		17			
	6	80	363						
	7	80	363	12	12	1			
	10	80	363	66	81	5			
	12	80	363	2	2	5			
	15	80	363	3	4	35			
	20	80	363						
	Sub Total				83	99	63	17	10
Walnut	2	Partially Productive	61	5	5	3			
	5	Partially Productive	171	16	16	11			
	10	40	565	6	9	16			
	13	40	565	7	8				
	20	40	565	24	25	10			
	25	40	565	13	20	15			
	30	40	565			18			
	40	40	565						

	Sub Total			71	83	73	47	52	161
Plum	2	Partially Productive	51	7	17	4			
	4	Partially Productiv	99	36	39	7			
	7	80	195	62	64	70			
	10	80	195	127	137	83			
	15	80	195	122	138	114			
	20	80	195	25	119	67			
	25	80	195		55	26			
	Sub Total			379	569	371	184	96	852
Tkemali	3	Partially Productive	93	2	3				
	5	50	183	18	18	7			
	10	50	183	60	60	6			
	15	50	183	41	42	25			
	20	50	183	3	4	17			
	25	50	183	1	1				
	Sub Total			125	128	55	36	-6	141
Peach	5	40	172	9	9	16			
	15	40	172		1	4			
	Sub Total			9	10	20	2	8	36
Apricot	5	40	147						
	Sub Total				0	0			0
Black Cherry	4		21	20	20	8			
	10	16	75	19	32	56			
	15	16	75		7	4			
	Sub Total			39	59	68	13	6	120
Pear	10	70	381	15	15	12			
	25	70	381	3	3	4			
	Sub Total			18	18	16	15	5	24
Hazelnut	3		24	1	1	25			
	15	6	56	49	49	22			
	Sub Total			50	50	47	47	6	56
Quince	2	Partially Productive	42		6				
	10	30	159	16	17	7			
	15	30	159	7	7	15			
	Sub Total			23	24	22	19	2	29
Mulberry	5			4	4	3			
	10	16	79,8	5	15	5			
	15	16	79,8	8	10	10			
	20	16	79,8	3	131				
	40	16	79,8						
	Sub Total			20	160	18	16	4	166

Sweet Cherry	2			4	4	1			
	10	16	75	14	16	18			
	20	16	75	14	14	15			
	Sub Total			32	34	34	28	1	41
Grape	2			148	148				
	5	9	14,6	52	52	37			
	10	9	14,6	47	47	9			
	15	9	14,6	126		84			
					126	188			
	20	9	14,6	53	53	80			
	25	9	14,6		20				
	Sub Total			426	446	398	406	112	550
Jonjoli	10		75	18	18	10			
	12			29	29	24			
	15			20	20	19			
	Sub Total			67	67	53	62	9	67
(Alucha) Wild Plum	42344		183	4	4	5			
	Sub Total			4	4	5	4		5
Cornelian cherry tree	42156		75	5	5	4			
	Sub Total			5	5	4	5	4	8
Raspberries bushes	20		15	60	60	50			
	Sub Total			60	60	50	60		50
Currant bush	20		15	3	3	30			
	Sub Total			3	3	30	3		30
Almond tree	20		75	1	1	1			
	Sub Total			1	1	1	1		1
Persimmon	6		75	1	1	1			
	Sub Total			1	1	1	1		1
Fig tree	8					2			
	Sub Total					2			2
Medlar Japanese	3					1			
	Sub Total					1			1
Pomegranate	4					1			
	Sub Total					1			1
Chestnuts	5					5			
	Sub Total					5			5
Total				1416	1821	1338	966	309	2502

Impact on Buildings/Structures

Type of affected Structures

25. 13 residential houses were originally supposed to be affected by the project. All of these residential houses were to be compensated at replacement cost in line with the RPF provisions. However, due to changes in project design in 2014, these 13 residential houses were outside the resettlement corridor with no impact to them. The

latest design update of 2016, 6 residential houses owned by 4 AHs are under the project impact. Also, due to changes the next a number of affected structures has been reduced. In total, 16 structures and 36 fences are affected. The updated RAP of 2016, will impact additionally 2 HHs (11 PAPs) which need to be physically resettled. These affected houses are located within the area of interchange two (2). As it was impossible to continue living in the house, the RD decided to relocate physically the affected HH. The second HH was severely impacted as the house was damaged by construction works (the house started to get cracks, entry to the house will be blocked), hence the RD decided to relocate this AH.

26. 26 The road construction affected 2 operational commercial buildings/structures owned by 2 AHs (see Table 2.5). The AHs having income from the affected commercial facilities received 1 year income compensation for losing business and compensation for the structures at replacement cost.

27. Residual construction materials after demolition of the buildings will be deemed as a property of AH and they will be only requested to remove these materials after completion of dismantling works. The details of the impacts on structures is given in the table 2.5

Table 2.5: Permanent Impacts on Buildings
RAP of 2014

No.	Item	Type of construction	Number of Storey	No. Structure	Unit	Quantity	AH
19 - 31KM							
1	Boutique Hotel and Shop (Complex)						1
1.1	Hotel building	1 st floor – concrete; 2 nd and 3 rd - wooden	3	1	Sqm	388.4	
1.2	Shop	Concrete/hollow blocks/wood	1	1	Sqm	51.4	
1.3	Storehouse shed	Concrete/hollow blocks	1	1	Sqm	16	
1.4	Storehouse shed	Concrete/hollow blocks	1	1	Sqm	7.2	
1.5	Water Well			1	m	6	
1.6	Water Reservoir			1	t	4	
1.7	Water tape and washing site			1			
1.8	Fence	Wooden		1			
1.9	Relocation of a shed			1			
2	Gas Filling Station Complex						1
2.1	Administrative Building	Concrete/hollow blocks	2	1	Sqm	308.98	
2.2	Boiler Building (not finished)	Concrete/hollow blocks	1	1	Sqm	130.8	
2.3	Reception of gas cylinders and enamel and painting maint workshops	Concrete/hollow blocks	1	1	Sqm	200	
2.4	Watch building	Concrete/hollow blocks	1	1	Sqm	18.8	
2.5	Transformer Building	Concrete/hollow blocks	1	1	Sqm	25.7	

2.6	Water Pumping Station and Fire protection Facilities	Concrete/hollow blocks	1	1	Sqm	28.4	
2.7	Gas Cilinder Filling Station Shed	Open construction - roofing on concrete and metal columns	1	1	Sqm	160	
2.8	Gas Filling Station Shed for filling vehicles	Open construction - roofing on concrete and metal columns	1	1	Sqm	90	
2.9	Fire Protection Pond			1	Sqm	280	
2.10	Railway bridge			1	m	80	
2.11	Railway section dead end	Railway rails		1	m	1,433	
2.12	System of Gas Storage Reservoirs			10	m ³	100	
2.13	Electric power network			1			
2.14	Weightbridge			1			
2.15	Lightning protection with grounding			4			
2.16	Well						
2.17	Gate						
2.18	Fencing	Concrete Slabs attached to still pipes		1	m ²	1470	
2.19	Design documentation and implementation of vertical planning and landscaping						

Revised Part of RAP

No.	Type of construction	According to RAP 2014		Added		Subtracted		Changed		Updated Rap 2	
		AHs	Cost	AHs	Cost	AHs	Cost	AHs	Cost	AHs	Cost
3.1	1 Storey Residential Houses with supporting facilities	10	555194.9	3	277331.23	10	555194.9	0		3	277331.23
3.2	2 storey Residential Houses with supporting facilities	3	241769.0	1	140584	3	241769			1	140584
4.1	Ancillary buildings	8	26947.1	16	44266.43	7	10270	3	7605.7	17	68549.23
5.1	Minor Ancillary Structures	28	21375.0	23	39900.57	16	8112.1	6	17978.49	35	71141.96
	TOTAL COMPENSATION FOR STRUCTURES		845286.00		502082.23		815346		25584.19		557606.42

28. Besides the mentioned impacts, 2 AHs (Oil Storage Company and company producing construction materials) were affected temporarily and partly. 20 reservoirs of the Oil Company and fence were relocated from the affected small part of their land parcel (to be acquired for the project needs) to the adjacent place within the residual land plot (major part of the affected land, which will remain in the Company's ownership). The other company rents a land plot, where the facilities are disposed. This company were compensated for the temporary interruption of the business. Both companies were paid for relocation of their facilities at new location.

Table 2.6: Relocation of Facilities

	Company and activities		Cost of relocation (GEL)
1	VVV Ltd (Oil storage)	20 reservoirs of the Company and fence	57000
2	"Sakartvelos Sashenimasalebi" Ltd/ Sand washing	Relocation of Facilities	77434
TOTAL			134434

2.2.4.2 Relocation Needs and Strategy

29. Initially according to RAP of 2014 13 AHs needed to be resettled, to avoid such an impact, it was decided to change the design of project, After redesign of the project, these 13 AHs now are outside of resettlement impact, Now there are only 6 residential houses under the resettlement corridor and these houses belongs to 4 Ahs (located on 4 land plots). These AHs will have to be relocated. Residual construction materials after demolition of the buildings will be deemed as a property of AH and they will be only requested to remove these materials after completion of dismantling works. The replacement cost given to the relocated AHs is significantly higher than the market price in this place. Both AHs expressed their will to receive cash compensation in order to get a chance for selecting the replacement house on a market. The compensation costs are calculated without any depreciation and in fact the AHs have a chance to get new residential buildings of a better quality instead of their old structures. Besides that, the relocated AHs are eligible for provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. (200 GEL as vehicle hire charge + 297GEL as minimum subsistence income x 3 months = 1,091 GEL per AH)

2.2.4.3 Business Impacts

30. RAP was affected 4 actually active businesses: 1 Company is running operational gas filling station, used for filling gas-cylinders. The Company has officially confirmed annual income of 12,500 GEL. The business income is gradually declining during the recent years due to gasification of the area. According to RPF and RAP provisions, the owner of the gas filling station will be paid for losing assets (buildings), and will receive compensation for business loss in amount of 1 year net income. The other affected business is a complex consisting of small roadside hotell (4 rooms), café and small shop (for food products). 1 company rents their land plot and premises and will lose the rent fee incom. They will be compensated in amount of 1 year rent fee. The other (4th) company that is operating at the rented land plot and premises(producess construction materials/ washed sand etc.), will get compensation for 6 month of business interruption (6 month is sufficient for relocating their business at new site). This complex belongs to 1 company owned by one AH. Confirmed annual income is 14100 GEL. In total 4 AHs are losing business related incomes.

The details are given on a table 2.7

Table 2.7: Impacts on Business

RAP of 2014

	Item	Type of Affected Business	No AH
1	Gas filling station	Operational – low income generating;	1
2	Small Hotel/Café/Shop	Operational – low income generating;	1
	TOTAL		2

Revised Part of RAP

	Company/Activities	Type of Impact	No AH	Compensation Costs
1	Gomi Ltd/– Rents facilities;	Losing Rent (1 year compensation)	1	16 567.8
2	Sakartvelos Sashenmasalebi/ Sand washing and	Relocation of business at new site (6 month business interruption)	1	54250.4
	TOTAL		2	70818

2.2.4.4 Impact on Employment and Agricultural Tenants

31. Road construction will not affect any agricultural tenants. The project had impact on 5 employees of the Gas Filling Station (1 female and 4 males), who will lose their jobs. The road construction affected also 9 employees (7 female and 2 male) of the Hotel/café/shop, Including the owner (who works as a director). These 14 employees will receive compensation for job losses equal to 3 months of minimum subsistence income. Besides, one woman (accountant) already received special training to become a user of ORIS software for accountants.

2.2.4.5 Impact on Common Property Resources

32. Road construction will not affect any community or public property.

2.2.3 Severely Affected and Vulnerable Households

33. In total 270 AHs are affected: 257 directly – losing land and assets and 14 employees in addition lose their jobs.

34. AHs are considered to be severely affected within the part of RAP of 2014 under the implementation and 94 AHs in addition are deemed as severely affected in Revised part of the RAP of 2014. According the updated RAP, 26 AHs were added and 28 AHs were subtracted. The project will affect 2 business facilities (gas filling station and complex of hotel/café/shop) and the 2 entities are considered to be severely affected as they lose major source of income. 214 AHs will be severely affected due to loss of more than 10% of their productive agricultural land. Thus, 216 severely affected includes 2 companies and 214 households losing agricultural land. Besides that, 14 AHs are losing their jobs and related incomes, which currently constitutes more than 10% income for their families (according the RAP of 2014) According updated RAP in total 242AHs (968 persons) are considered as being severely affected by road construction.

35. Poor (receiving government subsistence subsidies) and women headed households, are considered as vulnerable households. Households with members with disabilities or people in pension age will receive the allowance only if they are registered as poor. In Georgia, the poverty line is determined as a result of sophisticated

calculations including production, consumption, cash income and assets valuation. The households with rating less than 57000 are considered as extremely poor and receive subsistence allowance, and AH with rating between 57000 and 70000 are considered as poor and they receive insurance policy allowances. The estimations (rating calculations) are conducted by the Social Services Agency and the rating data is registered. The vulnerable household requires special assistance for resettlement.

According to updated RAP 20 AHs are vulnerable (103 APs): See for details - (Table 2.8).

Table 2.8: Vulnerable AHs

Category of vulnerability	No. of AHs RAP 2014	No. of AHs Added in RAP	No. of AHs Subtracted	Updated RAP
Extremely Poor AHs with rating below 57000 receiving subsistence allow.)	8	0	5	3
Poor AHs with rating from 57000 to 70000 receiving insurance policy	4	4	2	6
Female headed AHs with low income and dependents	6*	1	2	5
Total	18	5	9	20

* 1 of woman headed Ahs is also accounted as extremely poor

2.2.4 Impact on Indigenous Peoples

36. An assessment of impact on indigenous peoples was undertaken in accordance with WB OP 4.12 and ADB's Safeguard Requirements 3 of SPS 2009. The project will affect only Georgian people. No Ethnic Minority groups are affected.

2.2.5 Gender and Resettlement Impacts

37 The direct project impact extends to 1155 peoples (270 AHs) comprising 47.5% male and 52.5% females: 496 male and 658 females. Further, 12 of the 270 AHs are headed by women. In addition 2 AHs lose their jobs (1 female and 1 male). Special attention will be given to the impact of resettlement on women and other vulnerable groups during monitoring and evaluation of the RAP. The project will have a positive impact on gender, and civil works contracts will include provisions to encourage employment of women during implementation. List of women seeking for employment and their CVs will be provided to Construction Contractor. Additionally, women headed households have been considered as vulnerable and special assistance was provided in the RAP entitlements in amount equivalent to 3 months of minimum subsistence income. Women will be encouraged to establish NGOs or other informal organizations to monitor gender-sensitive issues related to project. The RDMRDI is requested to include women representatives in Grievance Redress Commission.

Summary of Impacts

38 A summary of Project impacts is included in Table 2.9 below.

Table 2.9 Summary Impact on Land Acquisition and Resettlement

No.	Impacts	Unit	RAP of 2013	RAP of 2014	Planned to be Added	Subtracted	Change	Final updated
Land Tenure Patterns								
1	Total Land parcels affected	No.	519	527	71	33	42	565
2	Total land Area to be acquired	Sqm	1,082,678	1,036,515	32,990	24,010	5,802	1,048,297
3	Category 1. Private Registered Plots	No.	151	203	26	13	7	216
		sq.m	324,269	334 058	8,363	7,165	5,749	341,005
4	Category 2. Private (Rightfully owned) Legalizable through NAPR (1 stage legalization)	No.	152	113	42	16	-7	139
		sq.m	186269	132,539	17,348	13,521	53	136,419
5	Category 3. State Owned , Used by Private Users – Non Legalizable	No.	26	21	2	4	-	19
		sq.m	10,602	8,374	795	3,324	-	5,845
6	Category 4. State Owned	No.	190	190	1	-	-	191
	Not Used by Private Users	Sqm	561,544	561,544	6,484	-	-	568,028
Land Use and Compensation Categories								
7	Type 1; Private agricultural (remote from the existing section of highway) (3 Gel/sq.m)	No.	113	118	25	3	20	140
		sq.m	214,785	187,455	6060	293	1189	194,411
8	Type 2; Private agricultural (located along the existing section of highway) (4 Gel/sq.m)	No.	176	172	36	12	21	196
		sq.m	246,353	203,534	12,136	2,557	1,445	214,558
9	Type 3; Private agricultural land (type 2) used for residential needs (4.5 Gel sq.m)	No.	3	15	7	14	1	8
		sq.m	2,787	19,280	7,515	17,836	3,168	12,127
10	Type 4; Non-Agricultural Commercial (remote from the existing section of highway;) (5 Gel/sq.m)	No.	3	4			-	4
		sq.m	56	9,269				9,269
11	Type 5 Non-Agricultural	No.	8	7				7

	Commercial (The same as type 4)							
	Private non-agricultural land used for commercial needs Land owned by business entities and subject for 18% VAT payments. 5.9 Gel/sq.m	sq.m	46,551	47,059				47,059
12	Type 6. State Owned , Used by Private Users – Non Legalizable	No.	26	21	2	4		19
		sq.m	10,602	8,374	795	3,324		5,845
13	Type 7. Non-agricultural State Owned (not used by private users); not compensable	No.	190	190	1			191
		Sqm	561,544	561 544	6,484			568,028
Agricultural Patterns								
14	Area under wheat cultivation	sq.m	248,174	190,595.5	4198	731	1,404	195,466.50
15	Other cereal crops	sq.m	-	18, 585		105	-619	17,861
16	Area under maize cultivation	sq.m	24,499	47,192.50	1656,5	2295	426	46,980
17	Area under vegetables cultivation	sq.m	59,221	4,258	1749,6	60	+836,4	6,784
18	Area under beans	sq.m	16,027	7,938	2220,6	93	+1768,4	11,834
19	Area under hay/grass	sq.m	80,264	83,017	0	2950	-7230	72,837
20	Area under alfalfa	sq.m	30,799	3,378				3,378
21	Affected Trees	No.	1264	2 861	1338	966	309	3542
Affected Structures								
22	Complex buildings on Gas Filling Stations	No.	1	1				1
23	Complex of buildings: hotel/shop/cafe	No.	1	1				1
24	Residential House	No.	3	13	4	13	2	6
25	Ancillary Buildings	No.	-	10	15	9	4	20
26	Minor Ancillary Structures	No.	-	31	26	14	5	45
27	Relocation of reservoirs	No.	20	20				20
28	Relocation of Construction materials processing facilities	No.		1				1
Affected Businesses								
29	Gas Filling Station (operation income)	No.	1	1				1
30	Hotel/café/shop	No.	1	1				1

31	Company renting facilities	No.	-	1				1
32	Company producing construction materials (washing sand)	No.	-	1				1
Affected Households								
33	Severely affected Households	No.	224	238	32	28		242
34	Vulnerable Households	No.	42	24	5	9		20
35	Resettled households	No.	2	13	3	13		4
36	AH losing Jobs	No.	14	14				14
37	Total AH	No.	270	286	16	32		270
38	Total Affected Persons	No.	1107	1175	109	129		1155

III.SOCIO-ECONOMIC INFORMATION

3.1 Introduction

39 A census of 100% of the AHs available on site was conducted to enumerate the APs. A sample socio-economic survey conducted in February 2013 was included in the project area covering 227 households which is approximately 88% of the total AHs under the direct impact of project (losing land or assets) and covered in census. The objective of the socioeconomic survey was to gather general information on socioeconomic condition of the affected people. The socioeconomic information of the affected population as per census and socioeconomic survey is presented hereunder.

3.2 Affected Population

3.2.1 Demography

40 The project road is in Kareli and Khashuri Rayon, as per detail measurement survey, will be displacing (physically and economically) 270 (256 losing land and assets and 14 losing jobs) households comprising of 1155 persons. Census of 227 AHs identifies that 47.9% of APs are male and 52.1% females: 439 male and 477 females. The average family size is 4.035 members per household (Table 3.1).

Table 3.1: Demographic Profile of APs

Age Group	Male		Female		Total		Average/ Household
	No.	%	No.	%	No.	%	
Children (Below 6 Years)	31	7.1	30	6.3	61	6.7	0.3
Children (6–18 Years)	72	16.4	65	13.6	137	15.0	0.6
Adult (19–65 Years male and 19 – 60 years for female)	288	65.6	294	61.6	582	63.5	2.6
Pension age (65 Years and Over males and 60 years and over - female)	48	10.9	88	18.4	136	14.8	0.6
Total	439	100	477	100	916	100	4.0
%	47.9		52.1		100		

3.2.2 AH Ethnicity

41 AHs are almost all Georgian (98.68%). Only 1 AH is Russian and 2 Ossetians. No Armenians, Azeri, Greeks, Jews or Ukrainian are affected in the project. Ethnic diversity does not mark any difference in overall national development in Georgia and the minorities are mainstreamed as a common nation.

Table 3.2: Ethnicity of AHs

Sl.No.	Ethnicity	Total No. of Households	%
1	Georgian	224	98.68
3	Russian	1	0.44
6	Ossetian	2	0.88
	Total	227	100

3.2.3 Urban Rural Proximity

42 The project road is mostly located in rural areas in the villages named Akhalsopeli, Gomi, Sative, Osiauri and Agarebi. Survey of the 100% households shows that 94% of the AHs reside in rural areas and less than 6% reside in urban areas - Khashuri, Borjomi and Zestaponi (Table 3.3). Project impact on urban and rural households will tend to change their investment priorities.

Table 3.3: Urban Rural Distribution of AHs

Sl. No.	Type of Settlement	Total No. of Households	%
1	Rural	213	93.8
2	Town (Urban)	14	6.2
	Total	227	

3.2.4 Level of Education of APs

43 Data from project area in Kareli Rayon brought forth that illiteracy is almost equal among the women and male population. In all, about 11% people are illiterate (lack of functional education). About a quarter (21%) of the population have university level education and more than a half (56%) have primary and secondary level education (Table 3.4).

Table 3.4 Level of Education of APs

Sl.No.	Category	Male		Female		Total	
		No	%	No	%	No	%
1	Pre-School	9	2.3	11	2.7	20	2.5
2	Primary & Secondary	215	55.6	228	56.3	443	55.9
3	Technical – special education	39	10.1	35	8.6	74	9.3
4	University	82	21.2	84	20.7	166	21.0
5	Illiterate	42	10.9	47	11.6	89	11.2
	Total	387	100	405	100	792	100

3.3 Agriculture and Land Resources

3.3.1 Land Holding Status

44. The AHs are all land holder of some quantum. Average land holding comes out to be 1.4 ha among the land holders (Table 3.5).

Table 3.5: Land Holding Status

Sl. No.	Particulars	No of Households	%
1	Land Holder Households	227	100
2	Landless Households	0	0
	Total Households	227	100
Average Land Holding: 1.4 ha per household			

3.3.2 Major Cropping Pattern

45. Vegetables are the major crops being cultivated in the project area. About 52% of the households those reported having land, cultivates vegetable in an average area of 1.3 ha each and about 5% households cultivates maize in average area 1.3 ha each. Other crops like bean is cultivated by about 14% households in an average area of 1.6 ha. Fruit production is another major agricultural activity in the project area. About 35% of households have fruit gardens and produce fruits for selling. Details are given in Table 3.6.

Table 3.6: Major Cropping Pattern

Sl.No.	Type of Crops	No of Household	%	Average cultivated Area (Ha)	Average Yield(Ton)	Average Yield(GEL)
1	wheat	36	16	1,2	4	0.4
2	maize	11	5	1,3	5	0.4
3	beans	32	14	1,6	0.8	0.36
4	vegetables	118	52	1,3	25	0.5
5	fruits	79	35	1,3	21	0.5
6	Others	23	10	0,9	5	0.4

3.4 Economy of AHs

3.4.1 Major Economic Activities

46. Agriculture is the main sector of economic activities and feeds majority of the APs as 30% of the households depend on this source for livelihood. Government service also goes side by side as 34% of the households reported service as the primary source of income. The third contributors are daily wage and others (5%). The details are given in Table 3.7.

Table 3.7: Economic Activity of the Households

Sl.No.	Type of Activities	Primary		Secondary	
		No	%	No	%
1	Agriculture	69	30	86	38
2	Government Service	77	34	34	15
3	Daily Wage/small business	11	5	7	3
4	Pension (government aid)	69	31	100	44
5	Others	-	0	-	0

3.4.2 Employment Status

47. Unemployment is significant in the project area as revealed in the survey. About 50% of the APs are unemployed including 56% among males and 44% among the females. About 52% APs are wage employed,

35% are self-employed and about 24% are economically inactive (Table 3.8). Though the head of the households are employed but most of the remaining adult members are found to be unemployed.

Table 3.8: Economic Activity of the Households Members

Sl.No.	Gender	Economically inactive		Wage employed		Self-employed		Unemployed		Total	
		No	%	No	%	No	%	No	%	No	%
1	Male	225	49	35	42	13	72	163	56	436	51,3
2	Female	235	51	48	58	5	28	126	44	414	48,7
	Average	460	54	83	52	18	35	289	50	850	100

3.4.3 Annual Income of AHs

48. Agriculture, business and wage employment are major contributors to income of the AHs. The survey found that 38% of the AHs get income from one single source, 55% from double sources. Table 3.9 shows that the more the number of sources, the more is the amount of income feeding to a household. Due to income from Business, double sources seem to contribute the highest in the project area.

Table 3.9: Average Annual Household Income against Number of Sources

Number of sources of Income	No. of AHs	% of AHs	Average household income (GEL)
Single Source	38	40.8	246
Double Sources	55	59.2	435
Total	93	100	

49. Average income per household earning from single source is very low compared to the income from multiple sources (Table 3.9). Table 3.10 shows the distribution of AHs getting income from various single sources. Average annual income from single sources varies from 1848 to 3770 GEL per household. Property income, pension and subsidy are in the lower echelon of household income.

Table 3.10: Average Annual Household Income by Sources

Sources of Income	No. AHs (earning from the sources)	Total Income per Month from the sources (GEL)	Average Income per Household per Month from the sources (GEL)	Average Annual Income Per Household from the sources (GEL)
Wage gov/public sector	21	5895	281	3368
Wage employment	5	1571	314	3770
Agriculture	70	14154	202	2426
Business/Service	1	200	200	2400
Irregular Income	5			3172
Pension/subsidiary	50	7700	154	1848
Total Households and Income	152	29520	1151	16984

Consumption Pattern

50. The total annual average expenditure per household is 5515 GEL out of which the major expenditure is incurred for the food (61.5%). Non-food expenditure constitutes 38.5% and covers payments for communal services (17.5%) and other expenses (21%). Details about the expenditure are described in Table 3.11.

Table 3.11: Average Annual Expenditure

Sl. No.	Consumption Pattern	Average Annual Expenditure GEL	% to total expenditure
1	Food	3392	61.50
2	Non-food	2123	38.50
	Average	5515	100.00

3.4.4 Household Assets and Durables

51. Possession of durable goods differs from each household depending on the nature of the durable goods. 98% of the households in the project area possess a television, while only 12% have got a radio. 76% have refrigerators, 65% of the households have washing machine and 90% have access to gas for cooking. 27% households reported that they have a car, 2% reported bicycle and 17% have computer in their house.
52. Possession of domestic animals includes large animals in 46% households and poultry in 46% households (Table 3.12).

Table 3.12: Possession of Durable Goods and Domestic Animals

Sl. No.	Item	Households No.	%
1	Radio	12	12.0
2	Bicycle	2	2.0
3	Television	98	98.0
4	gas-stove for cooking	90	90.0
5	Computer	17	17.0
6	Refrigerator	76	76.0
7	Washing Machine	65	65.0
8	Motorcycle	0	0.0
9	Car	27	27.0
10	Air conditioning	0	0.0
11	Large Animals (Cows/Bulls/Buffaloes)	46	46.0
12	Pigs	24	24.0
13	Sheep/goats	1	1.0
14	Horse/donkey	3	3.0
15	Poultry	46	46.0

3.4.5 Prevalence of Debt

53. Debt prevalence is significant among the sample households. 66 households out of 100 interviewed reported to have debt and the source is formal bank (43), private lender (17) and other sources (6 cases). (Table 3.13).

Table 3.13: Indebtedness

Sl. No.	Indebtedness	Number of Households	%
1	Yes	66	66.0
2	Bank	43	43.0
3	Private lender	17	17.0
4	Other	6	6.0
5	No	34	34.0
	Total	100	100

3.5 Water and Sanitation

3.5.1 Source of Drinking Water

54. The major source of drinking water is non-centralized local source. Out of the 100 surveyed households, it is noted that 25 households (25%) is connected to the central water supply pipeline system. 75 of inquired households (75%) use water from dug well and 1 household use water from natural springs (Table 3.15).

Table 3.15: Source of Drinking Water

Sl. No.	Sources	Number of Households	%
1	Piped water supply	25	25
2	Well	75	65
3	Spring	1 ¹	1
	Total	100	100

Note: 3 AHs having access to springs have also Piped water supply

3.5.2 Sanitation Facilities

55. 90% of the interviewed households possess latrine at their house connected to septic reservoirs, and only 10% household has reported having flush toilet connected with the centralised sewerage system (Table 3.16).

Table 3.16: Types of Toilet

Sl. No.	Toilet	Number of Households	%
1	Flush toilet	10	10.0
2	Latrine	90	90.0
3	Total	100	100

3.6 Access to Energy and Civic Facilities

3.6.1 Access to Energy for Cooking

56. 90 out of 100 of inquired households (90%) use gas stoves for cooking. However, wood is still significant source of fuel being used by the 84 households (84%). According to the Table 3.17, households using gas also use fuel wood at the event of unavailability of gas (especially those using LPG). 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	Wood	84	84.0
2	Gas	90	90.0 ¹
3	Diesel/ Kerosene		0.0
4	Electric power		0.0
	Total	100	100.0

Note: 35 households using gas also use fuel wood at the event of unavailability of gas

3.6.2 Access to Electricity

57. All of the interviewed 100 households (100%) are connected with central power supply. Only 42% are connected to the natural gas supply system (Table 3.18).

Table 3.18 Connected to Central Electric Power Supply and Natural Gas Supply Systems

Sl. No.	Whether connected	Electric Power		Natural Gas	
		No of Households	%	No of Households	%
1	Yes	100	100	42	42.0
2	No	0	0	58	58.0
	Total	100	100	100	100

3.6.3 Access to Health Centre

58. Health facilities in project areas are in good condition with adequate access to hospitals . 100% of the households stated that they have easy access to health centres (Table 3.19).

Table 3.19: Access to Health Centre

Sl. No.	Easy access to Health Centre	Number of Households	%
1	Yes	100	100
2	No	0	0
	Total	100	100

3.6.4 Access to School

59. All sample households (100%) reported that they have easy access to school (Table 3.20).

Table 3.20: Access to School

Sl. No.	Access to School	Number of Households	%
1	Yes	100	100
2	No	0	0
	Total	100	100

3.6.5 Access to Road

60. Transport connectivity seems to be well established in the project area. Most of the sample households reported that they are well connected with the local roads (Table 3.21). However, 19 households (19.0%) have reported that the road connecting their house to the main roads is not in a good shape.

Table 3.21: Access to Road

Sl. No.	Whether connected to Road	Number of Households	%
1	Yes	81	81.0
2	No	19	19.0
	Total	100	100

3.7 Conclusion

61. Most of inquired household (98%) have estimated themselves as not being wealthy, having incomes not sufficient for good quality medical services and education. Literacy rate in the project area is not low (90%) compared to national literacy level. A little more than 50% of the affected population are women (52.1). Literacy rate among the women is similar (88.4% compared to 89.1% among males). Women go side by side with the men in the project area and play important role in family economy. The project will have a positive impact on women through increased mobility and due attention will be given them from the project. civil works contracts will include provisions to encourage employment of women during implementation. List of women seeking for employment and their CVs will be provided to Construction Contractor. Additionally,

women headed households have been considered as vulnerable and special assistance was provided in the RAP entitlements in amount equivalent to 3 months of minimum subsistence income. Additional consultations are planned with affected women to identify any specific for women problems arising in conjunction with the project, especially land take related impacts. Women will be encouraged to establish NGOs or other informal organizations to monitor gender-sensitive issues related to project. The RDMRDI is requested to include women representatives in Grievance Redress Commission. Agriculture is the dominant occupation among the APs (30% primary and 30% secondary economic activity). However, role of government services is also significant (35% primary and 18% secondary). Vulnerability like pension and state subsidy consumption reveals that 62% of the AHs have a pensioner in the household.

62. 83.33% of inquired population expressed good attitude towards the project and accepted it as important component of development for the whole country and for their rayon. 16% generally accept the project but express their concerns regarding involuntary land acquisition and related changes in their economic activity and social conditions.

IV. LEGAL AND POLICY FRAMEWORK

4.1 General

63. 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 the World Bank Involuntary Resettlement Policy (OP/BP 4.12). Based on the analysis of applicable laws and policies and Policy requirements of the mentioned IFIs, project related LAR principles have been adopted.

4.2. Legal Framework

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

64. In Georgia, the legislative acts given below regulate the issues of obtaining State ownership rights to privately owned land parcels based on the necessary public needs caused due to road constructions activities:
- (i) The Constitution of Georgia, August 24, 1995(Last update 16 October 2013);
 - (ii) The Civil Code of Georgia, June 26, 1997 (amend. 2000, 2002, 2003, 2004, 2005, 2006, 207, 2008, 2009, 2010, 2011, 2012, 2013, 2014);
 - (iii) The Law of Georgia on Protection of Cultural Heritage, 8 May 2007 (amend. 2008, 2010, 2011, 2013, 2014);
 - (iv) The Law of Georgia on Notary Actions, December 4 2009 (amend. 2010, 2011,2012, 2013, 2014, 2015);
 - (v) Law on Public Health 27 June 2007 (amend. 2009, 2010, 2011, 2012, 2013, 2014, 2015)
 - (vi) Law on Compensation of Land Substitute Costs and Damages due to Allocating Agricultural Land for Non-Agricultural Purposes 1997 (amend. 2005, 2006, 2007, 2009, 2010, 2011, 2013, 2014, 2015)
 - (vii) The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities; 11 June 2007 (amend. 2007,2008,2009 2010, 2011, 2012)
 - (viii) Law on state property 2010 (amend 2011, 2012,2013,2014)

- (ix) The Law of Georgia on Public Register- No820 –IIs; December 19 of 2008; (amended 2009 2010, 2011, 2012, 2013, 2014, 2015)
- (x) The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need, July 23, 1999 (amend. 2005, 2007, 2010, 2013)
- (xi) The Civil Procedural Code of Georgia, November 14, 1997(amend. 1998-2015)
- (xii) The Law of Georgia on State property, June 21, 2010
- (xiii)Labor Code, May 25, 2006
- (xiv)Tax Code, January 2005
- (xv) Law on Entrepreneurship, October 28, 1994

65. Overall, the above laws/regulations provide the principle of compensation at full replacement cost is reasonable and legally supported. The laws also identify the types of damages eligible for compensation and indicate that compensation is to be given both for loss of physical assets and for the loss of income. Finally, these laws place strong emphasis on consultation and notification to ensure that the APs participate in the process. Income loss due to loss of harvest and business closure will be compensated to cover net loss. The above-listed laws and regulations give the possibility of applying the following mechanisms for legal application of the property rights:

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

66. Land was acquired through eminent domain, first on the basis of negotiated settlement with individual affected entities. Should the negotiation fails, the expropriation process under the eminent domain will start and the expropriation procedures set out in the Law of Georgia “On the Rules for Expropriation of Ownership for Necessary Public Need” shall be applied. Under the existing Law in Georgia and in accordance with 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.

4.2.2. Involuntary Resettlement requirements under the World Bank Involuntary Resettlement Policy (OP 4.12)

67 The The three important elements of WB’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 WB or 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: Specific World Bank requirements concerning

resettlement are contained in the Operational Policy (OP. 4.12) on Involuntary Resettlement that is based on the following principles:

- (i) Involuntary resettlement should be avoided in all cases where feasible, and where it is not possible to avoid resettlement, it should be kept at a minimum;
- (ii) Where it is necessary to carry out resettlement, it should be treated as a development programme providing efficient resources for a new investment to a displaced person;
- (iii) Persons affected by resettlement shall be fully informed and shall have the opportunity to participate in procedures with a view to protecting and exercising the rights which they are entitled to;
- (iv) Displaced persons shall be assisted in their efforts to improve their income and standards of living, or at least to restore them to and keep them at pre-displacement levels;
- (v) The obligation to assist displaced persons and to provide them with appropriate protection shall exist regardless of how they have acquired property and possession, i.e. regardless of their legality (thus, also when displaced persons have no legal basis and they are unlawful users);

Displaced persons shall be ensured full payment of replacement costs and a compensation for the property taken, in the amount which enables the compensation or replacement of the property taken with a new one.

The given Policies contain the obligation to provide support and assistance in the course of the compensation and resettlement process, during and after the resettlement process and also included in the Entitlement Matrix (see below).

Assistance during the compensation and resettlement process shall include:

- Assistance during the relocation of personal belongings;
- Maintenance, transport, and/or sale of materials from the old facility;
- Transport of household members with medical assistance where required; and
- Assistance with the entering into possession of new real property.

As part of the quoted World Bank Policies, particular attention is paid to vulnerable groups of the population. These are groups of people who, under the impact of the Project, by virtue of gender, ethnicity, age, physical or mental disability, economic status, or social status may be more adversely affected by resettlement caused by the Project than other population groups, or who may be limited in their ability to claim or take advantage of resettlement assistance.

Consistent with paragraph 16 of OP 4.12, the following categories of persons will be qualified for compensation based on land ownership:

- a) Persons who have legal, formal rights on land (including legal title or customary and statutory rights of occupancy recognized under the Law),
- b) Persons who do not have formal legal rights on land at the time the census begins but have a claim to such land or assets provided that such claims are recognized under the national law or become recognized through a process identified in the resettlement and compensation plan,
- c) Persons who have no claim to land they are occupying or using.

Persons covered under a) and b) above are to be provided compensation for land they lose, and other assistance in accordance with the policy. Persons covered under c) above are to be provided with resettlement assistance in lieu of compensation for the land they occupy or use, and other assistance, as

necessary, to achieve the objectives set out in this policy, if they occupy or use the project area prior to a cut-off date established by the appropriate authorities and acceptable to the Bank (4 March 2015). All persons included in a), b) or c) above are to be provided with compensation for loss of assets other than land.

4.2.3. Comparison of Georgian Laws and Procedures on Land Acquisition and Resettlement and WB's OP 4.12 requirements on Involuntary Resettlement

68 Overall, the legislation of Georgia adequately reflects the major provisions of the WB OP 4.12, but a few differences are to be noted. The most significant difference is that under Georgian legislation the emphasis is put on the definition of formal property rights and on how the acquisition of properties for public purposes is to be implemented and compensated while in the case of OP 4.12 emphasis is put both on the compensation of rightfully owned affected assets and on the general rehabilitation of the livelihood of affected People (AP) and Households (AH).

Because of this, the Bank's safeguards policy on Involuntary Resettlement complement 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, under Georgian law negotiation is seen as an alternative to expropriation, whereas under OP 4.12 negotiation under threat of expropriation still qualifies as involuntary resettlement. In addition, the legislation of Georgia does not require any specific measure regarding the need to prepare RAPs based on extensive public consultations.

The differences between Georgia law/regulation and WB policy are outlined in Table 4.1.

Georgia Laws and Regulations	WB OP 4.12	Bridging Measure
Land compensation only for titled landowners. In practice legalizable land owners are also compensated after they are issued with the necessary papers	Lack of title should not be a bar to compensation and/or rehabilitation. Non- titled landowners receive rehabilitation.	According Entitlement matrix: Owners with full land registration and owners/users of legalizable land will be provided with cash compensation at full replacement cost. Non- legalizable agricultural land users (squatters/encroachers) will not be compensated for the value of the land. However, they will be compensated at replacement value for any loss of assets on the land built before the cut-off date.
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	According Entitlement matrix: All AHs regardless of legal ownership/ registration status (including legalizable and Informal Settlers) will be compensated in cash at full replacement costs free of depreciation and transaction costs. Additionally, all such Ahs will receive allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months

Crop losses compensation provided only to registered landowners.	Crop losses compensation provided to landowners and sharecroppers/lease tenants and any informal users, whether registered or not	According Entitlement matrix: For all AHs regardless of legal status (including legalizable and Informal Settlers) crop will be compensated in cash at gross market value of actual or expected harvest
Land Acquisition Committee in RDMRDI 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).	Complaints & grievances will be resolved informally through community participation as described in the RAP
Decisions regarding land acquisition and resettlement are discussed only between the landowners and the Land Acquisition Authorities.	PAPs are to be fully informed and have the opportunity to participate in procedures with a view to protecting and exercising the rights which they are entitled to in line with the above stated provisions of OP 4.12.	PAPs will be fully informed and have the opportunity to participate in procedures with a view to protecting and exercising the rights as described in the RAP
No provision for income/livelihood rehabilitation, allowances for severely affected or vulnerable APs, or resettlement expenses.	WB policy requires rehabilitation for income/livelihood, severe losses, and for expenses incurred by the APs during the relocation process.	Rehabilitation for income/livelihood, severe losses, and for expenses incurred by the APs during the relocation process will be provided according to Entitlement matrix.
No specific plan for public consultation is provided under the Georgian laws	Public consultation and participation is a continuous process at conception, preparation, implementation and post implementation	Public consultation and participation will be a continuous process as described in the RAP

69 To reconcile the gaps between Georgia laws/regulations and WB Policy, 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. Principles and Procedures of Land Acquisition

70 The overarching objective of the Project in relation to land and asset acquisition is to assist the project affected populations (PAPs) in restoring their livelihoods at least to the level equal to the pre-project level. Specific principles that apply include:

- Construct the road to avoid residential areas wherever possible to minimize physical relocation of people, and select alignments that minimize acquisition of privately or publicly held productive land;
- Adopt design standards that minimize the need to impose land use restrictions on adjoining areas;
- Develop fair and transparent procedures, as defined in the Entitlement Matrix in this RAP to determine compensation for (i) temporary loss of land/ assets during construction; (ii) permanent acquisition of land and assets; and (iii) restrictions on use of land that may be applied to areas adjoining the corridor;
- Acquire land (or right to use land) through negotiated agreements and with the use of the power of eminent domain only as a last resort. Even if PAPs agree to negotiate and reach an agreement, they are still covered under this RAP and WB due diligence requirement.
- Upon completion of construction, restore land as best as possible to its original condition in the event of temporary disruption so as to enable landowners/users/lessees to resume their pre-project activities;

- Keep affected people and communities fully informed about the project, the process that will be followed to acquire and compensate for land, and their related rights and avenues for redress.
 - Ensure that grievances PAPs may have will be redressed adequately and that solutions in line with principles laid out in this RAP be employed;
 - All PAPs, without regard to legal status of property, will receive support of various kinds, as per the principles set out in the Entitlement Matrix, to assist them in their efforts to maintain their livelihoods and standards of living prevailing prior to the Project. Those who illegally own land will not be compensated for loss of land, but will receive compensation for loss of other assets which had been established on their own finance, and for loss of income such that they are also assisted in their efforts to maintain their livelihoods. PAPs will be notified of the project implementation schedule and consulted regarding the principles of land acquisition and loss of or damage to assets.
 - Damages to assets, such as standing crops, trees, fences and kiosks, and loss of income, including loss of harvest, will be minimized, and where inevitable, will be compensated without regard to legal status of ownership according to the Entitlement Matrix provided in this RAP.
 - The contractor is responsible for repairing any accidental damage of property to non-acquired assets.
71. Marketing research was conducted during RAP preparation to assess the prevailing market prices of land, construction materials for affected structures, crops and other relevant items, and was used to determine compensation. This will additionally ensure that the market prices plus any transaction costs will allow PAPs to purchase replacement land.
- Loss of income and assets will be compensated on replacement value, which includes market value plus taxes and transaction costs, and without tax, depreciation or any other deduction.
- The final RAP will be submitted to and cleared by the Bank prior to the execution of civil works for relevant sections.
72. The details of land acquisition procedure will be spelled out in the RAP, inclusive of the following:
- Initial consultation with PAP to notify the project and its impact
 - Census, geographic survey and socioeconomic survey of PAP
 - Determination of PAP and types/ scale of impact
 - Development of compensation package and drafting of RAP
 - Consultation with PAP
 - Negotiation with PAP and payment of compensation
 - If the negotiation with PAP fail, the applicable legislation of property expropriation will be used.
 - Compensation/rehabilitation measures will be implemented before land take for project purposes.
73. According to the applicable land acquisition legislation of Georgia, the complete and accurate registration of privately owned land is a necessary prerequisite for the acquisition of land required for the project by the organizations implementing the necessary infrastructural projects. The Roads Department of the Ministry of Regional Development and Infrastructure of Georgia, will acquire privately owned land through negotiations, as far as possible, based on the informal consultations with the affected persons (including those lacking the legal title of the land). During the negotiations, the adequate and fair price of the land and/or other assets will be offered.

The Roads Department of the Ministry of Regional Development and Infrastructure of Georgia, will ensure the open process of negotiations with the affected persons, and will do its best endeavors to succeed. Just in case, if the negotiations fail, the applicable legislation of property expropriation land will be used for the expropriation of land.

74. The Land Acquisition and Resettlement working group of the Roads Department which is assisted by the district Land Acquisition and Resettlement team will hold talks with the affected persons about compensation. In the case of successful negotiations, sale and purchase agreements will be signed with the legalized owners of purchased parcels of land, while the entitlement agreement on assets and income compensation/rehabilitation will be signed with the affected persons. All complaints of the relocation affected persons will be determined by the grievance mechanism provided by the project (see section 8 below)

In the case of failed negotiations despite the grievance mechanism involved, the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia will petition the district court for the expropriation process.

75. The Roads Department of the Ministry of Regional Development and Infrastructure of Georgia will provide new maps and drawings with cadastral, and legal details, which are necessary for the legalization to interested owners subject to legalization. This process will be continued by the local administration which will verify the ownership certificates according to those maps and the land will be finally registered at the regional registry office of the National Agency of Public Register before the issuance of the project compensation. Procedures of land acquisition for the project are included in Appendix 1.

4.3 Compensation Eligibility and Entitlements

4.3.1 Eligibility

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

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

77. In particular for concerns land assets the eligibility to land compensation for this project has been elaborated as follows:

- a. Titled APs will be fully compensated
- b. Untitled APs who were legitimate leasers under the old Soviet system and have either plots with a house or adjacent to a plot with a house will be legalized and then compensated.
- c. Untitled APs who were not legitimate leasers under the old Soviet system and who use or cultivate the land they occupy only extemporaneously will not be legalized nor compensated. They however, are still eligible for crop or income compensation.

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

4.3.2 Definition of Entitlements

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

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

- **Agricultural land impacts** will be compensated at replacement value either with replacement plots of the same value of the land lost and at location acceptable to APs where feasible, or in cash free of transaction costs at current market rates or (if no land markets are active) based on the reproduction cost of the affected land. The cash at market rates option has been selected for the Program. When >10% of an AP agricultural land is affected, AP (owners, leaseholders and sharecroppers) will get an additional allowance for severe impacts equal to the market value of a 2 year's gross yield of the land lost. In case of severe impact on other income, the APs will be paid additional compensation corresponding to 3 months of minimum subsistence income. Transaction taxes/fees will be paid by the EA or waived. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income. Residual non-affected sections of a plot that becomes inaccessible or unviable to use after acquisition will also be compensated.
- **Non agricultural land (Residential/commercial land).** Legal settlers will be compensated at replacement rate either with replacement plots of same value as plots affected and at location acceptable to APs where feasible, or in cash at current market rates, free of transaction cost. The cash at market rates option has been selected for the Program. Renters/leaseholders will receive a 3 months' rent allowance. 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 minimum subsistence income. This allowance is to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval
- **Houses, buildings, and structures.** In order to address potential damages of vibrations or discomfort caused by road traffic, these items will be compensated in full for the whole building irrespective of the specific degree of impact. Compensation will be provided in cash at replacement cost free of deductions for depreciation, transaction costs or salvaged materials. All relevant APs are entitled to this provision by default irrespective of the registration status of the affected item. Salvaged materials after demolition of the building are deemed to be owned by the AH.
- **Crops:** Cash compensation at current market rates for the gross value of 1 year's harvest by default⁵. Crop compensation will be paid both to landowners and tenants based on their specific sharecropping agreements.
- **Trees:** Cash compensation at market rate based on type, age and productivity of trees.

⁵ Compensation by default means that crop compensation will be paid irrespective of whether the crops were already harvested or not at the time of impact. This covers also compensations for income expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land was permanently used for crop cultivation, but for the year, when the inventory of losses was conducted, no crops have been planted (due to need of rest to this land or illness of the farmer or any justifiable reason), the land parcel still will be considered as designed for crop cultivation and relevant compensations will be paid

- **Businesses:** If business is lost permanently it will be compensated in cash equal to a 1-year income based on tax declaration or, if unavailable, based on the official minimum subsistence income. Temporary business losses will be compensated in cash for the business interruption period based on tax declaration or, if unavailable, official minimum subsistence income.
- **Affected business workers/employees:** Indemnity for lost wages for the period of business interruption up to a maximum of 3 months.
- **Relocation allowance:** APs forced to relocate will receive a relocation subsidy sufficient to cover transport costs and living expenses for 3 months.
- **Vulnerable Peoples Allowance:** Vulnerable people (APs below poverty line and women or elder headed households without any other bread-winner member of family) will be given an allowance corresponding to 3 months of minimum subsistence income and priority in employment in project-related jobs. The allowance is to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval
- **Severe Impacts Allowance;** APs losing >10% of agricultural land or >10% of non-agricultural income will receive a severe impacts allowance. When >10% of an AP agricultural land is affected, AP (owners, leaseholders and sharecroppers) will get an additional allowance for severe impacts equal to the market value of a 2 year's gross yield of the land lost. In case if this value is less than 3 months subsistence minimum, than the severely affected APs will receive allowance equal to 3 months minimum subsistence. For cases of severe impact on non-agricultural income, the APs will be paid additional compensation corresponding to 3 months of minimum subsistence income. This allowance is to be calculated based on a minimum subsistence income for 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval
- **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
- **Temporary impact during construction:** All land required for temporary use is to be obtained by the civil works Contractor through voluntary negotiations (e.g., willing buyer-willing seller basis). The maximum period for temporary use is defined as 2 years. Compensation rates to be paid should not be less than compensation at current market rates for the gross value of 4 year's harvest of crops on the affected lands. It is also required that lands (or other assets) be fully cleared and restored following use

4.3.3 Compensation Entitlement Matrix

80. Tasks under the Project will be implemented according to a compensation eligibility and entitlements framework in line with both Georgia laws and regulation, WB OP 4.12. A summary entitlements matrix specific for this project is included in **Table 4.2** below.

Table 4-2: Compensation Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AF losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation in cash at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible. The option selected for the Program is cash compensation. If residual plots becomes unusable the project will acquire it in full if so the AP desires.
		Legalizable Owner	These AP will be legalized and provided with cash compensation at full replacement cost.
		Non-legalizable owners (squatters/encroachers)	Non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income.
Non-Agricultural Land	AF losing their commercial/residential land	Owner with full registration	Cash compensation at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible.
		Legalizable Owner	APs will be legalized and provided with cash compensation at full replacement cost.
		Non-legalizable owners (squatters/encroachers)	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 minimum subsistence income.
Buildings and Structures			
Residential and non-residential structures/assets		All AFs regardless of legal ownership/ registration status (including legalizable and Informal Settlers)	All impacts will be considered as full impacts disregarding the actual impact percentage. Impacts will be compensated in cash at full replacement costs free of depreciation and transaction costs.
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Crops	Standing crops affected or loss of planned crop incomes**	All AFs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided even in case if the crops were harvested
Trees	Trees affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age market price of product o and the productive life of the trees.
Business/Employment	Business/employment loss	All AFs regardless of legal status (including legalizable and Informal Settlers)	Owner: (i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence income.

			Permanent worker/employees: indemnity for lost wages equal to 3 months of minimum subsistence income and trainings on computer literacy..
Allowances			
Severe Impacts	>10% income loss	All severely affected AFs losing more than 10% of affected agricultural land plot (including informal settlers)	two-year yield from affected land Other income: 1 additional compensation for 3 months of minimum subsistence income. 297 GEL per month x 3 months=891 GEL per AH)
Relocation	Transport/transition costs	All AFs to be relocated	Provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. 200 GEL as vehicle hire charge + 297GEL as minimum subsistence income x 3 months = 1,091 GEL per AH
Vulnerable People Allowances		AFs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income* and employment priority in project-related jobs 297 GEL as minimum subsistence income per month for 3months= 891 GEL per AH)
Temporary Loss			
Temporary impact during construction		All AFs	Due compensation will be assessed and paid based on the approved RPF during construction. All land required for temporary use is to be obtained by the civil works Contractor through voluntary negotiations (e.g., willing buyer-willing seller basis). The maximum period for temporary use is defined as 2 years. Compensation rates to be paid should not be less than compensation at current market rates for the gross value of 4 year's harvest of crops on the affected lands. It is also required that lands (or other assets) be fully cleared and restored following use
Unforeseen resettlement impacts, if any		All impacts related to temporary or permanent land take, the need for which is not envisaged within DD and RAP and is related to activities of Contractor.	Road Department and the construction contractor will address and mitigate/compensate unforeseen resettlement impact during project

* Minimum subsistence income to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National

Statistics Office of Georgia at time of RAP approval

** Income expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land was permanently used for crop cultivation, but for the year, when the inventory of losses was conducted, no crops have been planted (due to need of rest to this land or illness of the farmer or any justifiable reason), the land parcel still will be considered as designed for crop cultivation and relevant compensations will be paid

4.3.4 Assistance for Severely affected and Vulnerable AH

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

82. The above AH will receive an allowance of 297 GEL x month x 3 months or 891GEL in all. (These figures are taken from the National Statistics Office of Georgia Department data on minimum subsistence income for a family of 5 persons in December 2012.
83. Severely affected AH will receive an additional crop compensation covering two-year yield from affected land or an allowance equal to 3 months of minimum subsistence income, in case the AH is not subject for crop compensation (or when crop compensation value is less than 891 GEL).

4.3.5 Valuation and Compensation Rates

4.3.5.1 Principles and Methodology

84. The principles of valuation of acquired land and assets have been devised as per WB OP 4.12 on involuntary resettlement. The policy states that all loss of the APs have to be compensated at full replacement cost at the time of dispossession of the property for purpose of infrastructure projects. The calculation of replacement costs will be based on (i) fair market value at the time of dispossession, (ii) transaction/legalization costs, (iii) transitional and restoration (land preparation and reconstruction) costs, and (v) other applicable payments. In order to ensure compensation at replacement cost, good practice examples in compliance with WB OP 4.12 were followed for determining the replacement cost of acquired assets.
85. The calculation of unit value is done keeping in consideration the current market rate so as to meet with the replacement cost of the land and lost assets etc. An experienced and registered independent local company was employed to do the valuation of land, structures, buildings, trees, crops etc. The approach of the evaluator was to make the assessment for each type of land and assets by location. The valuation was done when the census and DMS were conducted by the same company who prepared the map of affected plots with demarcation of cut-off areas. The valuation company engaged its experts for its respective areas who made site visits for physical verification of each category of the losses. The expert team also took into consideration the reference of previous valuation if available and also used their recommended periodic release of market survey. Based on this methodology the unit rate was derived. The unit rates used in this report are based on the evaluation agency's assessment with their standard methods for calculating the sample assets.

4.3.5.2 Determination of Compensation Rates

86. Replacement cost of land has been determined based on existing market rates to the extent possible and adding the applicable transaction cost like registration with the NAPR at the rayon level Registration Office and the rayon PRRC. Market rates were defined taking into account the type of land, its purported use, and location.
87. Replacement cost of houses/buildings was determined based on construction type, cost of materials, transportation, types of construction, land preparation, labour, and other construction costs at current rates. No deduction for depreciation and transaction costs will be applied.
88. Market value of annual crops has been determined at net market rates at the farm gate for the first year crop. In the eventuality that more than one-year compensation is due to the APs the crops after the first will be compensated at gross market value.
89. Tree market value has been set based on different methods for wood and fruit trees. Wood trees are valued based on growth category and value of wood of the tree at the age the tree was cut. Fruit trees will be compensated differently if they are productive or not yet productive. Productive trees will be compensated based on the future income lost for the years needed to re-grow a tree at the same age/production potential in

which was cut. Non productive trees will be compensated based on the value of the investment made to grow the tree to the age in which the tree was cut.

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

V. INSTITUTIONAL ARRANGEMENTS

5.1 Introduction

91. Ministry of Regional Development and Infrastructure (MRDI) is the executing agency (EA) of the Project on behalf of the Government of Georgia and the Roads Department of the MRDI (RDMRDI) is the implementing agency (IA). The World Bank (WB) will be financing the Project for civil works construction and construction supervision. RDMRDI is responsible for road construction as well as land acquisition and resettlement of the APs due to land acquisition and project construction.
92. RDMRDI is assisted by a number of other government departments and private agencies in the design, construction and operation of the Project. The National Agency of Public Registry recognizes and further registers the right to property of the legal land owners under the effective legislation. The local government at Rayon and village levels are involved in the legalization of legalizable land parcels and subsequently land acquisition and resettlement of APs. The Ministry of Environmental Protection is responsible for environmental issues.
93. RAP comprises the road section in Kareli and Khashuri Rayon of Shida Kartli Region. Khashuri and Kareli Sakrebulo, Gamgeoba, Registration Office and PRRC are all involved in RAP. Local Sakrebulos and Rtsmunebuli of villages are involved for local level LAR activities.

5.2 Land Registration Organizations

94. Under clause 1 of Article 4 of the Law of Georgia on Entitlement of Ownership Rights to Lands Possessed (Employed) by Physical and Legal Persons of Private Law, the representative body of relevant local self-government is authorized to recognize the right of property to land occupied without permit and discharges its authority through the commission. The commission discharges its functions under the formal administration procedure set forth in the VIII Chapter of the General Administration Code of Georgia and under the rule set forth by the said law. Under article 4¹ of the same law, the body authorized to recognize the right of property to land legally owned (employed) is LEPL National Agency of Public Registry subordinate to the Ministry of Justice of Georgia and discharging the said authority under the rule set by the law. After the decision of the commission about the recognition of the land property right and relevant cadastre drawing are submitted, the National Agency of Public Registry registers the right of property to the land plots in question.

5.2.1 Rtsmunebuli and Gamgeoba at Village (Community) Level

95. Community level Gamgeoba is the executive branch of self-government headed by Rtsmunebuli. Rtsmunebuli has the primary role in the process of legalization and registration of land parcels. Rtsmunebuli confirms ownership of affected land plots, parameters of land plots and endorses the cadastral maps and related data prepared for case of legalization⁶. Gamgebeli plays important role for legalization of non-rightful owners

⁶ Owners for legalization of their unregistered land parcels, in normal procedure, use the services of private mapping agencies and experts

(owners in possession before the enactment of current law on privatization of land in Georgia without prior permission of the government). Gangeoba has power to authorize⁷ 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. Neighbours of applicants for legalization have roles in the authorization process. Rtsmunebulis of the villages will be involved in RAP process of updating and implementation.

5.2.2 Sakrebulo

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

5.2.3 Property Rights Recognition Commission

97. Under the Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities; 2007, the Government of Georgia has established the PRRC at the Rayon level for recognition of ownership rights of non-rightful owners (owners of land plots occupied without permit) 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 National Agency of Public Registry and Rayon Registration Offices

98. The National Agency of Public Registry plays an important role both, in developing and realizing the resettlement action plan. At the stage of developing the resettlement action plan, when the land owners/users are identified and their property rights are specified, the documents proving the property are to be obtained. Some of these documents (books of homesteads and the like) were kept with the archives in the past. At present, the regional archives are at the disposal of the territorial registration offices of the National Agency of Public Registry. The materials preserved with the archives of the territorial registration offices are an important source for the owners who have to legalize⁸ their rights to property, but have no full supporting documentation at hand, to obtain¹ the documents proving their land property rights

The role of the National Agency of Public Registry in realizing the resettlement action plan is even more important, as under the Law of Georgia “On Public Registry”, the National Agency of Public Registry is the registering body discharging the public and legal authorization set forth by the law, which registers the property right of the lands of the affected persons (PAPs) (termed as the “Primary registration” as per the resettlement action plan terminology) and registering the legal act of transferring the property right from the owner to the state (“Secondary registration”).

99. The territorial registration offices of the National Agency of Public Registry closely cooperate with the teams working on developing and realizing the resettlement action plan. Such cooperation in the first instance, means

on payment for preparation of land details (maps and plot parameters). In case of this project, the consultants have been assisting in preparing basic documents like maps and plot details.

⁷ This is not mandatory but one of the possible procedures for legalization of the non-rightful owners. Witnesses' signature confirmed notarially is also legally acceptable for confirmation of non-rightful ownership of land plot.

⁸ “Legalization” means recognition of the right of property set/envisaged by Decree No. 525 of the President of Georgia of September 15, 2007 “On the rule to recognize the Ownership Rights to Lands Possessed (Employed) by Physical and Legal Persons of Private Law and approving the form of the certificate of the right to property”.

making the documents preserved with the archives of the territorial registration offices of the Agency available.

5.3 Land Acquisition and Resettlement Organizations

5.3.1 RDMRDI of Georgia

100. 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 Service which will be responsible for the general management of the planning and implementation of all LAR tasks, and LAR Commission and Working Group⁹.

101. The Resettlement Service having specific experience and skills in LAR is responsible for LAR activities related to the project, 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 and will be responsible for:

screening the projects and ensuring that the RAPs are properly prepared and sent to WB for review;

- (i) supervising the consultants that prepare the RAPs and assist in their implementation;
- (ii) establishing needed LAR capacity at each regional level office where LAR is relevant;
- (iii) ensuring proper internal monitoring; and
- (iv) hire, following WB recommendation, the external monitoring agency.

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

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

5.3.2. Consultants

Different types of consultants will be involved in LAR tasks:

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

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

consultants to carry out the evaluation of affected assets.

102. LAR Commission (LARC) within RDMRDI has the authority to finally endorse all LAR related decisions and actions (i.e. approval of RAP, 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 RAP 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 WB OP 4.12 and ADB policy requirements and the approved RAP. A Grievance Redress Committee (GRC) at the Gamgeoba level of the Rayons will be working to resolve the grievances of APs as a means of reducing grievances and avoiding expropriation process for acquisition of land.
103. The structure of the LARC and Working Group includes experienced and skilled experts of economics and law, who simultaneously take responsible positions in RDMRDI. In case of need, on the basis of agreement with RDMRDI management and LARC the structure of the Working Group can be expanded inviting professionals of different sectors in response of the volume of LAR work for a project. The core team of the Working Group is represented by RU, which is supplemented by legal experts, financial experts, engineers and the like from other departments of RDMRDI.
104. The specific tasks of the Working Group and RU will be to (i) updating RAP following appropriate procedures as per RPF/LARF and send to donor IFI for approval, (ii) supervise preparation of RAP for construction contracts and implement it after concurrence from donor IFI; (iii) establish LAR capacity at the regional level offices of the RDMRDI; (iv) ensure proper internal monitoring; and (v) hire, following the donor IFI recommendation the external monitoring agency.
105. RU will also provide all necessary documentation to ensure the prompt allocation of land acquisition and resettlement budgets to the APs and will maintain the coordination of all land acquisition and resettlement related activities.

5.3.3. Eurasian Transport Corridor Investment Center (ETCIC)

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

5.3.4 Rayon LAR Team

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

5.3.5 Local Governments

108. Local administration especially at Rayon level has direct jurisdiction for land administration, valuation, verification and acquisition. To confirm the surveys and the asset valuations carried out by the LAR

consultants, RDMRDI through its consultants will establish Rayon Level LAR Teams which will have designated officials from the Rayon administration (Rayon Sakrebulo; Gamgebeli) and representatives of each affected village/community administration (representatives of all affected community/village level Sakrebulo and Gamgebelis). The Rayon level LAR Teams have been formed in the district of Kareli who are working closely with the consultants and RDMRDI. LAR Team of Kareli rayon is participating in RAP preparation and implementation.

5.4 Other Organizations and Agencies

5.4.1 Civil Works Contractor

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

5.4.2 Consultants and Auditors

110. The design consultant will be responsible for preparation and implementation of RAP and a construction supervision consultant will be in place to supervise civil works construction.

- (i) **Design Consultant:** The design consultant has an international social development and resettlement specialist and a national resettlement / social specialist for finalizing RAP 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. RAP has been prepared based on findings of the surveys following the final alignment as per detailed engineering design.
- (ii) **Social Safeguards Consultant:** Social Safeguards Consultant (SSC) will oversee implementation of RAP and will prepare compliance reports before the civil works start.
- (iii) Local Resettlement Consultant will assist RD Resettlement Unit during the RAP implementation and oversee all resettlement related issues that may arise during the construction.

5.4.3 Court of Georgia

111. The Court of Georgia shall be the last resort for issues and concerns regarding the implementation of the RAP. 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.

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

5.4.4 Ministry of Finance

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

5.4.5 Ministry of Justice

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

5.4.6 Donor WB

115. Besides supervising the Project periodically, the WB will review RAP and provide clearance to contract awards signing and initiation of civil works for construction under Fourth East-West Highway Improvement Project (EWHIP).

5.2.4 External Monitoring Agency

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

117. An organization chart showing all the concerned institutions to be involved in the LAR activities is depicted in Figure 5.1:

5.5 Capacity Building on LAR

118. Initial level of capacity building exercise in the relevant agencies was carried out during the preparation of RAP at the feasibility study. Close consultations were held with all the concerned departments. RDMRDI has already an established Resettlement Unit under REPD dealing with land acquisition and resettlement. During the feasibility study, informal training was provided by the consultant's resettlement specialist to the officials on the requirements of WB OP 4.12 policy and how to develop a balanced compensation package fulfilling the requirements of APs, Government, RDMRDI, donor IFIs. Capacity building training was also initiated through a series of consultations and informal training sessions in the local administration level. The representative of RDMRDI at regional level was also responsible for the planning of LAR activities and was responsible for coordinating with the rayon administration. Rayon level LAR Teams were formed at each rayon that will be responsible for LAR activities assisting the LARC of the RDMRDI in the process of RAP implementation.

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

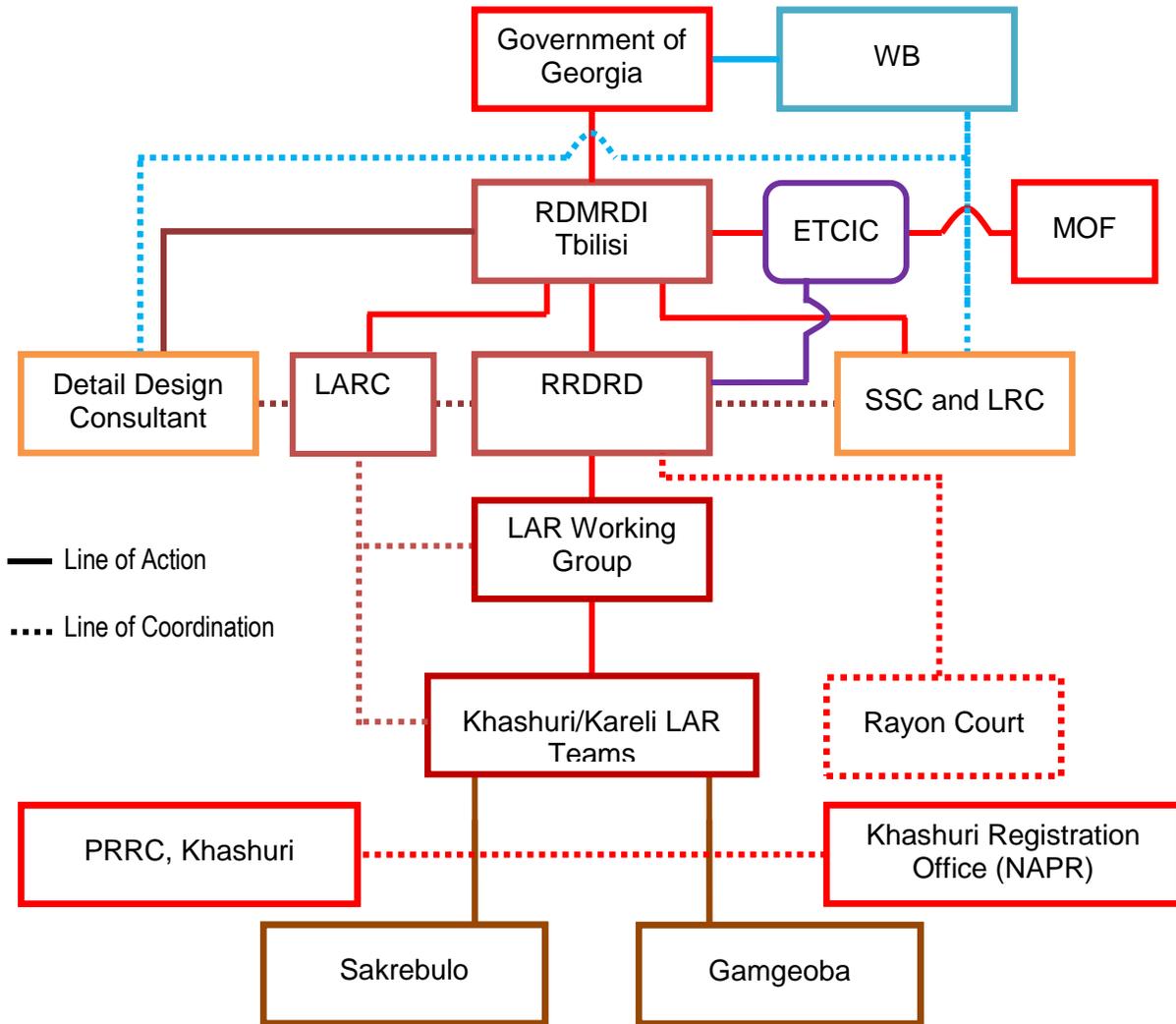
Training will cover the following topics:

- (i) Principles and procedures of land acquisition (WB and GOG);
- (ii) Stakeholders of the project
- (iii) Organizations involved in the process of land acquisition and resettlement and their roles

¹⁰ So far as RDMRDI is implementing also ADB financed projects, training under ADB financed programs is available and will complement the WB financed capacity building efforts. Regional Technical Assistance Project RETA-7433 REG: Mainstreaming Land Acquisition and Resettlement Safeguards in the Central and West Asia.

- (iv) Public consultation and participation process;
- (v) Entitlements and compensation and assistance disbursement mechanisms;
- (vi) Grievance redress; and
- (vii) Monitoring of resettlement operations.

Figure 5.1 LAR Organization Chart



VI. CONSULTATION, AND PARTICIPATION

6.1 Introduction

120. Consultation and participation is a process through which stakeholders influence and share control over development initiatives, and the decisions and resources that affect them. It is a two way process where the executing agencies, policy makers, beneficiaries and AP discuss and share their concerns in a project process. Consultation and participation has been a major principle in the planning and preparation of the detailed design of the Project. WB OP 4.12 gives high priority on public consultation and participation to enhance the community voice and assure incorporation of community's views in design and implementation of a socially and environmentally compliant project. The Georgian laws also place strong emphasis on consultation and notification to ensure that the AP participate in the process.
121. The focus of these consultations are to ensure that the AP and other stakeholders are informed, educated, consulted and allowed to participate actively in the process of road development and preparation of social and resettlement plan; reducing public resistance to change; helping mitigate and minimize any probable negative impact and bringing in the benefit of the project to the people. The project design and preparation of land acquisition and resettlement plans, therefore, attempted consultation and participation of the AP and communities to incorporate their views, needs and aspirations into the Project components. People were consulted during the feasibility study in 2009. The consultation process has stepped up at detail design through public consultation meetings and individual contacts during land acquisition and resettlement surveys in December 2012 – February 2013 . The public consultations have been completed in January 12 2017. Detailed information on consultation meetings is given in annex 4.

6.2 Consultation Process and Methodology

122. Consultation with local communities and government bodies in the project process was instrumental for alignment demarcation and selection of route, intersection and underpass sites for the Agara Bypass – Gomi Bypass section of Highway. The route of the project road underwent several adjustments to avoid dense settlement, environmentally protected areas, civic amenities, and land acquisition. The public consultation process entailed clearly explaining the project and its impacts to the community through introducing the project and its impacts through leaflets in local language, clearly explaining to the communities in informal and formal consultation meetings and individual level discussion during the census and detailed measurement surveys of land and property.
123. Consultation with the APs in the project affected areas were conducted during the feasibility study stage of RAP preparation in 2009 and during the preparation of the RAP for in 2012 – 2013 and of final updated RAP in January 2017. The methodology includes walk-through informal group discussion, focused group discussion, individual interview, key informant interviews, and informal discussion. The APs, their community, and local government officials were consulted to inform, educate and provide feedback in the project design.
124. Specifically for this RAP the APs were consulted through individual contact during the census survey under the feasibility study for identification of APs. At the preparation of RAP in detail design stage, all likely AP persons were consulted through community level meetings and through individual contact at the time of census, socioeconomic survey and detail measurement survey.

125. Various methods used for stakeholder’s consultation and participation with concerned stakeholders are described in Table 6.1.

Table 6.1: Summary on Party consulted and consultation methods

Stakeholders	Purpose	Method
Likely APs and their community	To inform the APs, get their views on likely impacts, eligibility and entitlements, as well as procedures for compensation, relocation and rehabilitation.	Meetings with all AH during the implementation of the socio-economic survey. Focus group discussions and village meetings
Roads Department (RDMRDI) including its Resettlement Unit	To collect government's policy, guidelines priorities on the project, and to seek advise for work.	Frequent individual meetings with the officials of RDMRDI
National Agency for Public Registry under the ministry of Justice	To collect the cadastral map and to know the details of the affected parcels and people	Consultation and discussion with officials
Local Government at Rayon Level (District Municipality), Rtsmunebuli	To seek their cooperation for carrying out the impact assessment survey and to sort out the problem related to missing plots (Legalizable Owners)	Individual meetings with the officials of respective rayons and discussions
Property Recognition Commission in the Rayon Level and Sakrebulo	To seek their cooperation for carrying out the impact assessment survey and to sort out the problem related to missing plots (Legalizable Owners)	Meeting and training

6.3 Summary of Consultation during Feasibility Study

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

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

6.4 Consultation meetings with the APs during RAP Preparation

Consultation Process is completed: meetings in all affected municipalites have been carried out and information leaflets distributed. The protocols of these meetins are reflected in the Final RAP to be completed with the completion of the Detailed Design (Annex 4).

6.5 Changes in LAR approach following the meetings

127. Following this meeting appropriate modification to the planned compensation program will be made. This was to more precisely differentiate the value of fruit trees taking into account that this is the region where fruit production is one of the core businesses.

6.6 Consultation and Participation Plan

128. RU on behalf of RDMRDI will pursue information disclosure for effective implementation and timely execution of RAP. Village level consultations with APs will be conducted during the implementation process. For the benefit of the community in general and APs in particular, RAP will be made available in concerned offices at rayon Sakrebulo and the community level Gamgeoba. An information leaflet (in Georgian) will be distributed among the APs and their community. A copy of the English version of RAP Leaflet is attached in Annexure-3.

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

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

6.7 Disclosure

130. Electronic version of the Final updated RAP will be placed on RDMRDI web-site. The summary of RAP will be translated into local language (Georgian) and will be disclosed to APs at local level. The copy of the RAP (Georgian version) will be available at the concerned offices of Kareli Municipality. The final RAP will be submitted to the WB for approval and signing of contract awards will follow after completion of legalization of the legalizable owners of the land parcels under acquisition.

Newly updated RAP (Electronic Version) will be placed on RDMRDI web-site, Translated version of RAP in Georgian will be disclosed to APs at local level and will be available at offices of KHASHURI Municipality.

VII. GRIEVANCE REDRESS MECHANISM

7.1 Objectives

131. 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 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.

132. 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 RDMRDI representative in the Municipal LAR Team shall coordinate the GRCE formation. He/she will then be responsible for the coordination of GRC activities and organizing meetings (Convener). In addition, GRCE shall comprise village Rtsmunebuli or his/her representative, representatives of APs, women APs (if any), and appropriate local NGOs to allow voices of the affected communities to be heard and ensure a participatory decision-making process.

If considered necessary, GRCEs will be established at the community level with an office order from the RDMRDI with provision of 6 members of following composition:

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

Representative of the Resettlement Unit of IA is coordinating the work of the Committee and at the same time he 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 IPs (through informal meetings) are informed about the contact person and his contact details are available in offices of all mentioned stakeholders.

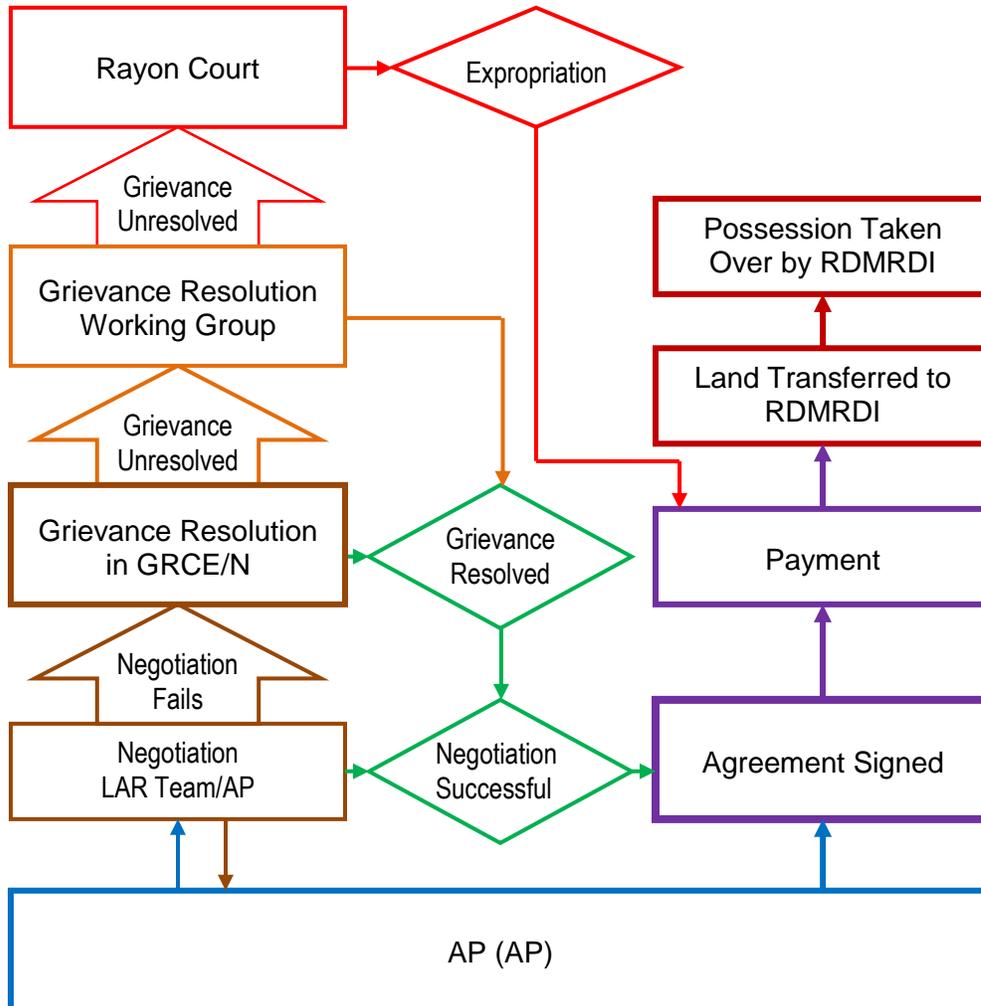
133. The Contact Person collects and records the grievances, informs all members of the Committee and the management of RDMRDI regarding the essence of the problem, engages the relevant stakeholders in discussions with the applicant of grievance, handles the process of negotiation with AP at the stage 1 of the grievance resolution. The Contact Person prepares the minutes of meetings and ensures signatures. In case if the grievance is resolved at the stage 1, the Contact Person records the fact of closing the grievance in his log and informs RDMRDI management about this in written. If the complainants are not satisfied with the GRC decisions, they can always use the procedures of Stage 2 of grievance resolution process. In that case the Contact Person helps the AP in lodging an official complaint (the plaintiff should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc).
134. 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 7.1: Grievance Resolution Process

Steps	Action level	Process
Step 1	Negotiations with APs	The complaint is informally reviewed by the grievance redress committee (GRCE), which takes all necessary measures to resolve the dispute amicably.
Step 2	GRCN Resolution	If the grievance is not solved during the negotiations, the GRCE will assist the aggrieved APs to formally lodge the grievances to the GRCN. The aggrieved APs shall submit their complaints to the GRCN within 1 week after completion of the negotiations at the village level. The aggrieved AP shall produce documents supporting his/her claim. The GRCN member secretary will review the complaint and prepare a Case File for GRCN hearing and resolution. A formal hearing will be held with the GRCN at a date fixed by the GRCN member secretary in consultation with Convenor and the aggrieved APs. On the date of hearing, the aggrieved AP will appear before the GRCN 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. The decisions from majority of the members will be considered final from the GRCE at Stage 1 and will be issued by the Convenor and signed by other members of the GRCN. The case record will be updated and the decision will be communicated to the complainant AP.
Step 3	Decision from central RDMRDI	If any aggrieved AP is unsatisfied with the GRCN 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. GRCN should assist the plaintiff in lodging an official complaint (the plaintiff should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc). The plaintiff shall be informed of the decision.

Step 4	Court decision	<p>If the RDMRDI decision fails to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court) without any reprisal.</p> <p>The aggrieved AP can take a legal action not only about the amount of compensation but also any other issues, e.g. occupation of their land by the contractor without their consent, damage or loss of their property, restrictions on the use of land/assets, etc.</p>
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Figure 7.1 Grievance Resolution and Acquisition Process



VIII. IMPLEMENTATION SCHEDULE

8.1 Partial Implementation of the Initial RAP

The initial RAP for 12 km length section of the Highway Agara Bypass - Gomi Bypass (Zemo Osiauri) was finalized in 2013. This RAP has been approved in 2013 by the Government and WB and partially implemented during 2013 - 2014. However, further development of the project required certain changes of the initial design, to ensure the access to the residual land plots of the affected households and to optimize the technical features of the interchange. The mentioned changes only affected parts of the road (km8.0 – km 12.0 and km 8.00 – km 12.00), This change caused the RAP update and update of implementation schedule.

8.2 Preparation and Implementation of the RAP for redesigned sections of the highway (Revised Part of RAP 2014 and final RAP 2016)

135. The time bound implementation schedule of the RAP has been prepared in consultation with the RDMRDI. All activities related to LAR have been planned to ensure that compensation is paid prior to displacement and commencement of civil works construction. The most important acquisition activity, relating to the privatization process in Georgia, is the legalization of legalizable owners of the identified land parcels for acquisition. The legal status of affected land parcels in the project road in Khashuri Rayon has been identified through title search during the land acquisition and resettlement survey and documentation work in December 2012 – January 2013 and January – August 2014. The titled and non-titled but legalizable owners of land parcels to be acquired have been identified in the survey. Last (Final) surveys were conducted in October-November 2016.
136. The present document is the final version of the RAP¹¹. RDMRDI has reviewed and approved this document including compensation package and compensation rates and forwarded to the WB for approval. Tasks for the RAP are divided into (i) Final Preparation including RAP approval various Initial tasks including legalization of legalizable APs and signing of contracts with APs.; (ii) RAP 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 RAP, (ii) signing of contract awards, (iii) letter to proceed for civil works construction and (iv) start of physical civil works. A post –implementation evaluation will be carried out after completion of RAP implementation.

8.3 RAP Approval and Initial Tasks

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

¹¹ Preliminary version of RAP was developed at the Feasibility stage;

of land parcels under RAP, RDMRDI will award civil works contracts (signing of contract awards). The initial LAR activities will be the following:

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

The above mentioned procedures were already implemented, civil works are almost finishing on the section. On additional land plots the same procedures will be implemented.

8.4 RAP Implementation

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

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

8.5 Post Implementation Evaluation

139. The post-implementation evaluation will be conducted after one year of completion of the RAP implementation and upon start of the civil works construction. An independent External Monitoring Agency (EMA) will carry out the evaluation. The EMA will carry out interim monitoring on a quarterly basis. In case, if the CSC is engaged at the stages when external monitoring is required, the CSC may have the responsibility for the external monitoring and post implementation evaluation.

8.6 RAP Implementation Time Schedule

140. The time bound RAP implementation is presented in Figure 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 one month has been included in the schedule for relocation of housing. Relocation of housing will also go by sections. Under the circumstances, the implementation schedule may include phased approach for civil works construction.

	Expropriation procedures implementation in case of fail to negotiate with PAP.		X	
3.	Construction phase			
	Acquiring the right on the building territory			X
	Starting the construction works			X
	Grievance resolution and monitoring			X

IX. COSTS AND FINANCING

9.1 General

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

- (i) Compensation for agricultural, pasture, and commercial land at replacement value
- (ii) Compensation for structures and buildings at their replacement cost
- (iii) Compensation for crops and trees
- (iv) Assistance for severely affected AH
- (v) Assistance for vulnerable groups for their livelihood restoration
- (vi) Cost for implementation of RAP.

9.2 Itemized Budgets

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

9.2.1 Compensation for Land

143. Compensation of agricultural land has been derived based on the feedback from the affected people and from the independent evaluator. The land is categorized in to two types such as agricultural and non-agricultural (commercial or residential). All agricultural land affected in this section is irrigated. Cost of legalization and residual land unviable for cultivation is included in the costs. The costs for various categories of land loss are given in Table 9.1.

Table 9.1: Cost for Land Acquisition (including unviable plots)

Land Category/ use and Group19 - 31KM		RAP of 2014		Revised Part of RAP 2015/2016		Total Updated RAP of 2015/2016		Cost (GEL)
		Plots No.	Area (sqm)	Plots No.	Area (sqm)	Plots No.	Area (sqm)	
Type 1 , 2, 3, 4 and 5 (compensable Land)								
Type 1 Agricultural (3 Gel/sq.m)	Private agricultural irrigated land used for annual crops and fruit tree gardens (remote from the existing section of highway;)	118	187,455	22	6,956	140	194,411	583,233
Type 2 Agricultural (4 Gel/sq.m)	Private agricultural irrigated land used for annual crops and fruit tree gardens (located along the existing section of highway, within a distance of 100m from	172	203,534	24	11,024	196	214,558	858,232

	centeline)							
Type 3 Agricultural (4.5 Gel/sq.m)	Private agricultural irrigated land used for Residential Needs(located along the existing section of highway, within a distance of 100m from centeline)	15	19,280	-7	-7,153	8	12,127	54,571.5
Type 4 Non-Agricultural Commercial (5 Gel/sq.m)	Private non-agricultural land used for commercial needs (remote from the existing section of highway;)	4	9269			4	9,269	46,345
Type 5 Non-Agricultural Commercial (5.9 Gel/sq.m)	Private non-agricultural land used for commercial needs (remote from the existing section of highway; Land owned by business entities and subject for 18% VAT payments	7	47,059	-	-	7	47,059	277,648.1
Total Compensable Land (Type 1 + Type 2 + Type 3 + type 4 + type 5)		299	464,376	39	10,827	355	477424	1,820,029.6

9.2.1 Compensation for Structures

144. Compensation of structures is based on the current market price of materials, transportation and construction works needed for construction of similar materials. Condition of basement, bearing structures, roof, materials, decoration, sanitation, water and power supply, external lighting systems are considered. Most of the structures are cemented in nature. Detailed valuation is given in technical annexes. Some details break up is given in Table 9.2. Provided costs include expenses on relocation of the movable facilities.

Table 9.2: Cost of Affected Structures

Under Implementation RAP of 2013

No.	Item	Type of construction	Number of Storey	No. Structure	Unit	Quantity	Cost
1	Boutique Hotel and Shop (Complex)						1
1.1	Hotel building	1 st floor – concrete; 2 nd and 3 rd - wooden	3	1	Sqm	388.4	107,600
1.2	Shop	Concrete/hollow blocks/wood	1	1	Sqm	51.4	18,000
1.3	Storehouse shed	Concrete/hollow blocks	1	1	Sqm	16	7,630
1.4	Storehouse shed	Concrete/hollow blocks	1	1	Sqm	7.2	4,230
1.5	Water Well			1	m	6	1000
1.6	Water Reservoir			1	t	4	1000
1.7	Water tape and washing site			1			500
1.8	Fence	Wooden		1			6500
1.9	Relocation of a shed			1			500
Subtotal 1:							146,960
2	Gas Filling Station Complex						1

2.1	Administrative Building	Concrete/hollow blocks	2	1	Sqm	308.98	161,600
2.2	Boiler Building (not finished)	Concrete/hollow blocks	1	1	Sqm	130.8	41,7500
2.3	Reception of gas cylinders and enance and painting maintworkshops	Concrete/hollow blocks	1	1	Sqm	200	56,850
2.4	Watch building	Concrete/hollow blocks	1	1	Sqm	18.8	13,150
2.5	Transformer Building	Concrete/hollow blocks	1	1	Sqm	25.7	16,670
2.6	Water Pumping Station and Fire protection Facilities	Concrete/hollow blocks	1	1	Sqm	28.4	9,600
2.7	Gas Cilinder Filling Station Shed	Open construction - roofing on concrete and metal columns	1	1	Sqm	160	59,100
2.8	Gas Filling Station Shed for filling vehicles	Open construction - roofing on concrete and metal columns	1	1	Sqm	90	18,800
2.9	Fire Protection Pond			1	Sqm	280	24,750
2.10	Railway bridge			1	m	80	50,900
2.11	Railway section dead end	Railway rails		1	m	1,433	1,300,000
2.12	System of Gas Storage Reservoirs			10	m ³	100	1,393,000
2.13	Electric power network			1			18,000
2.14	Weightbridge			1			3,000
2.15	Lightning protection with grounding			4			14,000
2.16	Well						4,000
2.17	Gate						2,500
2.18	Fencing	Concrete Slabs attached to still pipes		1	m ²	1470	59,350
2.19	Design documentation and implementation of vertical planning and landscaping						200,000
Subtotal 2							3,447,020
TOTAL COST OF STRUCTURES Under Implementation RAP of 2013							3,593,980

Revised Part of RAP 2015-2016

No.	Type of construction	According to RAP 2014		Added		Subtracted		Changed		Updated Rap	
		AHs	Cost	AHs	Cost	AHs	Cost	AHs	Cost	AHs	Cost
3.1	1 Storey Residential Houses with supporting facilities	10	555194.9	3	277331.23	10	555194.9	0		3	277331.23
3.2	2 storey Residential	3	241769.0	1	140584	3	241769			1	140584

	Houses with supporting facilities										
4.1	Ancillary buildings	8	26947.1	16	44266.43	7	10270	3	7605.7	17	68549.23
5.1	Minor Ancillary Structures	28	21375.0	23	39900.57	16	8112.1	6	17978.49	35	71141.96
	TOTAL COMPENSATION FOR STRUCTURES		845286.00		502082.23		815346		25584.19		557606.42

TOTAL COST FOR COMPENSATION OF STRUCTURES: **4,151,586.42** GEL.

Besides the mentioned impacts, 2 AH (Oil Storage Company and company producing construction materials) will be affected temporarily and partly. 20 reservoirs of the Oil Company and fence will be relocated from the affected small part of their land parcel (to be acquired for the project needs) to the adjacent place within the residual land plot (major part of the affected land, which will remain in the Company's ownership). The other company rents a land plot, where the facilities are disposed. This company will be compensated for the temporary interruption of the business. Both companies will be paid for relocation of their facilities at new location.

Table 2.6: Relocation of Facilities

	Company and activities		Cost of relocation (GEL)
1	VVV Ltd (Oil storage)	20 reservoirs of the Company and fence	57,000
2	"Sakartvelos Sashenimasalebi" Ltd/ Sand washing	Relocation of Facilities	77,434
TOTAL			134,434

9.2.2 Compensation for Income Losses (Business and Job losses)

145. LAR affected 4 actually active businesses: 1 Company is running operational gas filling station, used for filling gas-cylinders. The Company has officially confirmed annual income of 12,500 GEL. The business income is gradually declining during the recent years due to gasification of the area. According to RPF and RAP provisions, the owner of the gas filling station will be paid for losing assets (buildings), and will receive compensation for business loss in amount of 1 year net income. The other affected business is a complex consisting of small roadside hotell (4 rooms), café and small shop (for food products). 1 company rents their land plot and premises and will lose the rent fee incom. They will be compensated in amount of 1 year rent fee. The other (4th) company that is operating at the rented land plot and premises(producess construction materials/ washed sand etc.), will get compensation for 6 month of business interruption (6 month is sufficient for relocating their business at new site). This complex belongs to 1 company owned by one AH. Confirmed annual income is 14100 GEL. In total 4 AHs are losing business related incomes. Details of compensation are provided in the table 9.3.

Table 9.3: Compensation of Income Losses

RAP of 2014

1	Business Losses	Annual Income Rate GEL	Years Compensated	Cost
				(In GEL)
	Gas Filling Station	12,500	1	12,500
	Small Hotel/Café/Shop	14,100	1	14,100
	Total Business Compensation			26,600
2.	Job Losses	Amount of Employees	Compensation Rates	Cost
	Employees of Gas filling Station and Butic Hotel	14	891 GEL*	12,474
	Total Compensation for job losses			12,474

* indemnity for lost wages equal to 3 months of minimum subsistence income for the family consisting of 5 persons (297 Gel for December 2012).

Revised Part of RAP 2014

	Company/Activities	Type of Impact	No AH	Compensation Costs
1	Gomi Ltd/- Rents facilities;	Losing Rent (1 year compensation)	1	16 567.8
2	Sakartvelos Sashenmasalebi/ Sand washing and	Relocation of business at new site (6 month business interruption)	1	54250.4
	TOTAL		2	70818

9.2.3 Compensation for Crops

146. Crop compensation will be paid to all APs in cash at full market rate. The major crop found in the project road is cereals, vegetable and hay/grass. The detail on crop compensation is described in Table 9.4.

Table 9.4: Cost of Affected Crops

Crop	RAP of 2014		Revised Part of RAP 2015/2016		Total Updated RAP of 2015/2016		Cost
	Number of Land Plots	Area sq.m	Number of Land Plots	Area sq.m	Number of Land Plots	Area sq.m	GEL
Wheat 0.4 Gel/sq.m	109	190,595.5	4	4871	113	195,466.5	78,186.6
Other cereal crops 0.4 Gel/sq.m	13	18,585	-1	-724	12	17,861	7,144.4
Maize 0.4 Gel/sq.m	27	47,192.5	0	-212.5	27	46,980	18,792
Vegetables 0.5 Gel/sq.m	6	4,258	3	2526	9	6,784	3,392
Beans 0.4 Gel/sq.m	10	7,938	5	3896	15	11,834	4,733.6
Hay/Grass 0.105 Gel/sq.m	83	83,017	-12	-10,180	71	72,837	7,647.9
Alfalfa 0,1575 Gel/sq.m	6	3,378			6	3378	532
Total	254	354,964	-1	176.5	253	355140.5	120,428.5

9.2.4 Compensation of Trees

147. The 1 year non-productive fruit trees will be compensated at the price of 1 year seedling. Partially productive trees will be compensated at aggregated cost of seedling price and fruit income calculated based on productivity of partially productive tree and compensation years needed to grow up the same age tree from the seedling of age starting productivity. For example, 4 years old walnut will be compensated at the cost of the 1 year seedling plus the income of partially productive tree (for 2 years needed to grow up 4 years old tree, from the 2 year seedling, when the tree starts to bring fruits). The fully productive trees will be compensated based on price of seedling plus income of fully productive tree for the years needed to grow up fully productive tree from the 1 year seedling. Tables with the calculation of trees costs are given in Table 9.5 below

Table 9.6: Compensation for Productive Fruit Trees

Type	RAP of 2014				Updated RAP of 2015/2016			
	Changes		Final		Changes		Final	
	No of trees	Cost	Total trees	Total cost	No of trees	Cost	Total tree	Total cost
Apple	83	30129	99	35937	56	7008	155	54537
Walnut	71	31291	83	38071	79	31003	162	71005
Plum	379	69441	569	104763	283	47453	852	153030
Tkemali	125	22695	128	23154	13	1944	141	24499
Peach	9	1548	10	1720	26	2512	36	4232
Apricot					0	266	0	0
Black Cherry	39	1845	59	3345	61	3243	120	8733
Pear	18	6858	18	6858	6	2222	24	8892
Hazelnut	50	2768	50	2768	6	-260.8	56	1767.2
Quince	23	3657	24	3816	5	2263	29	4143
Mulberry	20	1327.2	160	12499.2	6	1610	166	13266.2
Sweet Cherry	32	2184	34	2334	7	155	41	2259
Grape	426	4680.4	446	4972.4	104	8747.9	550	8298.7
Jonjoli	67	5025	67	5025	0	2403	67	3417
(Alucha) Wild Plum	4	732	4	732	1	-42	5	690
Cornelian cherry	5	375	5	375	3	60	8	381
Raspberries bushes	60	900	60	900	-10	1650	50	2550
Currant bush	3	45	3	45	27	1485	30	1530
Almond tree	1	75	1	75	0	56	1	51
Persimmon	1	75	1	75	0	-24	1	51
Fig tree					2	51	2	102

Medlar Japanese					1	51	1	51
Pomegranate					1	51	1	51
Chestnuts					5	255	5	255
Total	1416	185650.6	1821	247464.6	682	114162.1	2503	363791.1

Total cost o compensation for 3317 trees is 363 791.1 Gel.

9.2.5 Resettlement Allowances

148. There are three type of allowances being provided to the AH. These are: (i) Severe Impact Allowance, and (ii) Allowance for vulnerable and (iii) Relocation Allowance. The costs for relocation of movable business facilities have been incorporated in the compensation cost for structures. Following are the description of each category of unit rates proposed for various allowances.

- (i) The allowance for vulnerable AP is three months of minimum subsistence income at the unit rate of 297 per month per AH or 891 GEL for the AH. Total allowances for 24 vulnerable AHs was equal to 21,384GEL. After the update 2, this allowances will be distributed to 20 AHs.

Total alawances for severe impact after the update 2016– is **254 506**

- (ii) 4 AHs are relocated from their residential house and they are eligible for provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. 200 GEL as vehicle hire charge + 297GEL as minimum subsistence income x 3 months = 1,091 GEL per AH. In total 14,183 GEL will paid under this item. Total amount is **4364** Gel.

149. According to entitlement matrix, non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, should be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income. Non-legalizable APs losing land plot, which is the only land plot used for residence or providing main source of income for AH, should be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income. However, in frames of this project all the users of 19 illegally occupied agricultural land plots own in addition one or two other land plots (registered or legalizable). The encroached land plots are not the main sources of income and are used by these AHs as additional opportunity to expand agricultural activities beyond the lands legally owned by them. Accordingly the AHs will not receive compensation for the encroached 25 land plots or self-relocation allowances, but will be compensated for the loss of annual crops, trees and immovable assets

150. Details of calculations on various types of allowances are described in **Table 9.7**.

Table 9.7: Cost for Allowances

No.	Item	Unit	Unit rate (GEL)	RAP of 2014		RAP of 2015/2016	
				Quantity	Cost (GEL)		
1	Severely Affected AHs	Numbers	equivalent to crop compensation or 891 Gel	238	243,412	242	254,506
2	Vulnerable Households	Numbers	891	24	21,384	20	17820
3	Relocated AH	numbers	1,091 GEL per AH	13	14,183	4	4364
Total					269,774		276 690

* indemnity for lost wages equal to 3 months of minimum subsistence income for the family consisting of 5 persons (297 Gel for December 2012). This figure is maintained in new RAP update.

9.3 RAP Management Cost

151. The Construction Supervision Contractor will conduct external monitoring. However, RU, RDMRDI will need to employ one independent monitoring agency for external monitoring of RAP implementation for a period of 2 months (in case the CSC is not in place during updating and implementation of the RAP. Miscellaneous expenses have been kept as a provision to cover the administrative cost as may be incurred during implementation of the RAP. Details of the RAP implementation management cost is given in Table 9.8

Table 9.8 Capacity Building and Management Cost

No.	Item	Unit	Quantity	Unit Cost(GEL)	Total Cost (GEL)	Added	Total
1	Cost for EMA (Social Safeguards Consultant)	Months	24	4000	96,000	24000	120000
2	Miscellaneous Administrative Cost	Months	24	1000	24,000	6000	30000
	Total				120,000	30000	150000

9.4 Summary LAR Cost and Flow of Funds

152. The total LAR cost calculated for the implementation of this RAP constitutes **7,883,912.98GEL (USD 2,876,080.91)**. The summary LAR cost estimate is given in Table 9.9. All LAR related funds will be spent in one full year before the start of civil works construction. If the implementation of this RAP covers two fiscals, the allocation of funds will be sought accordingly. Transport Reform and Rehabilitation Centre (ETCIC) is responsible for financial management of external financed projects. ETCIC will get funds directly from the Ministry of Finance allocated for the project and disburse to APs following requisition from RU, RDMRI.

Table 9.9: Summary Estimate of LAR Costs

No.	Item	Cost in GEL	Newly Added in GEL	Updated RAP total in GEL
A	Compensation			
1	Compensation for Land	1780591.10	32775.5	1820029.6
2	Compensation for Structures/Buildings	4439266.00	-287679.58	4151586.42
3	Relocation of reservoirs and facilities	134434.00	0.00	134434.00
3	Compensation of Affected Businesses	97418.00	0.00	97418.00
4	Compensation of job losses	12474.00	0.00	12474.00
5	Compensation of crop	117102.00	3326.5	120428.5
6	Compensation for productive and partially productive Fruit Trees	247465.00	116326.1	363791.1
7	Registration fees for residual land plots subject for registration	31671.00	8670.00	40341.00
	Sub Total A	6,860,421.00	-126581.48	6,740,502.62
B	Allowances			
1	Severely affected AHs	234207.00	11070.00	254,506.00
2	Vulnerable Households	21384.00	-3564.00	17820.00
3	Relocation Allowance	14183.00	-9819.00	4364.00

	Sub Total B	269,774.00	-2313.00	276,690
C	Support Cost for RP Implementation			
2	Cost for EMA (Social Safeguards Consultant)	96000.00	24000.00	120000.00
3	Miscellaneous Administrative Cost	24000.00	6000.00	30000.00
	Sub Total C	120,000.00	30000.00	150000.00
	Total R&R Cost (A+B+C)	7,250,195.00	-98,894.48	7,167,193.62
	D. 10% Contingency	725,020.00	-9890	716,719.36.06
	Grand Total	7,975,215.0	-108,784.32	7,883,912.98
	Rate of Currency USD	1.7370	2.7412	
	Grand Total in USD	4,591,373.0	-39,684.93	2,876,080.91

9.5 Justification of Cost Estimates and Updating RAP Budget

153. Land acquisition and resettlement surveys included a valuation survey of affected land and assets. The survey consulted relevant transactions in case of land and local markets in case of building, trees and crops. In determining allowances to vulnerable households, the existing minimum salary rates have been considered.
154. A detail measurement survey was conducted to assess the affected buildings and structures and subsequently a detailed market survey for valuation of construction costs for each type of affected structure.
155. As for compensation to crops, the actual market price has been considered for valuation of crops.
156. The prices are, therefore, replacement value at current market cost and ensures full replacement cost to the affected land, building/structures, crops and trees. Detailed methodology followed for determining replace value of affected assets is given in Annex 1.

9.6 Source of Financing

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

X. MONITORING AND REPORTING

10.1 Introduction

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

10.2 Monitoring and Evaluation Indicators

159. Compliance of the RAP policy and targets in the implementation process will be monitored against set indicators. These indicators and benchmarks will be judged for implementation process, outcomes and impacts.

10.3 Level of Monitoring

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

10.4 Internal Monitoring

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

162. The report of internal monitoring will contain: (i) accomplishment to-date, (ii) objectives attained and not attained during the period, (iii) problems encountered, and (iv) suggested options for corrective measures. The internal monitoring report will primarily be prepared by the RU resettlement specialists. The international resettlement specialist with CSC will assist LARC in preparing the overall resettlement status in the PPR in consultation with the national resettlement specialist. However, the national resettlement specialists will particularly monitor the activities of LAR teams and report to LARC on a monthly basis under the guidance of the international.

10.5 External Monitoring

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

10.5.1 EMA Tasks

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

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

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

10.5.2 Post-Implementation Evaluation

166. The supervision consultants’ resettlement specialists will carry out a post-implementation evaluation of the RAP about a year after completion of its implementation. The compelling reason for this study is to find out if the objectives of the RAP have been attained or not. The benchmark data of socioeconomic survey of severely affected APs conducted during the preparation of the RAP will be used to compare the pre and post project conditions. The post- implementation evaluation will recommend appropriate supplemental assistance for the

APs should the outcome of the study show that the objectives of the RAP have not been attained. For this task the Supervision consultants will:

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

10.5.2 Monitoring Indicators for Task 2

167. Task 2 will be based among others on the monitoring indicators listed in table in Table

10.1. TABLE 10.1: MONITORING INDICATORS FOR TASK 2

Monitoring Indicator	Basis for Indicators
Basic Information on AP Households	Location Composition and structure: ages, educational and skill levels Gender of household head Ethnic group Access to health, education, utilities, and other social services Housing type Land and other resource ownership and utilization patterns Occupations and employment patterns Income sources and levels Agricultural production data (for rural households) Participation in neighbourhood or community groups Access to cultural sites and events Value of all asset forming entitlements and resettlement entitlements
Benefit Monitoring	What changes have occurred in terms of patterns of occupation, production, and resource use compared to the pre-project situation? What changes have occurred in income and expenditure patterns compared to the pre-project situation? What have been the changes in cost of living compared to the pre-project situation? Have APs' incomes kept pace with these changes? What changes have taken place in key social and cultural parameters relating to living standards?
Restoration of Living Standards	Were house compensations made free of depreciation, fees or transfer costs to the APs?

Monitoring Indicator	Basis for Indicators
	<p>Have perceptions of community been changed?</p> <p>Have the AP achieved replacement of key social and cultural elements?</p>
Restoration of Livelihood	<p>Were compensation payments free of deduction for depreciation, fees or transfer costs to the AP?</p> <p>Were compensation payments sufficient to replace lost assets?</p> <p>Was sufficient replacement land available of suitable standard?</p> <p>Did transfer and relocation payments cover these costs?</p> <p>Did income substitution allow for re-establishment of enterprises and production?</p> <p>Have enterprises affected received sufficient assistance to re-establish themselves?</p> <p>Do jobs provided restore pre-project income levels and living standards?</p>
Levels of AP Satisfaction	<p>How much does the AP know about resettlement, procedures and entitlements?</p> <p>Do they know if these have been met?</p> <p>How do the AP assess the extent to which their own living standards and livelihoods have been restored?</p> <p>How much does the AP know about grievance and conflict resolution procedures?</p> <p>How did resettlement implementers deal with unforeseen problems?</p>
Effectiveness of Resettlement Planning	<p>Were the AP and their assets correctly enumerated?</p> <p>Were land speculators assisted?</p> <p>Was the time frame and budget sufficient to meet objectives?</p> <p>Were entitlements too appropriate (wide or narrow)?</p> <p>Were vulnerable groups identified and assisted?</p>
Other Impacts	<p>Were there unintended environmental impacts?</p> <p>Were there unintended impacts on employment or incomes?</p>

Annex 1

Valuation Methods, Valuation of Losses and Compensations Valuation of the Cost of Buildings and Structures

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

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

Calculation of the Market Value Using Sale Comparison Method

The plots to be evaluated are located in the villages of Khashuri district. The above mentioned land plots are situated at the both sides of the planned RikoTi – Ruisi highway. The plots to be evaluated are compactly located for 12 km length. The land plot prices are almost the same along the area. The plots were united in 3 groups, which are similar in their parameters (use, parameters, physical location, etc.) and their market value will be similar. The groups were divided as agricultural land and non-agricultural (commercial) land.

The environment to be necessarily analyzed for evaluation purposes (market segment) was identified within the above mentioned villages.

The market segment of the property to be assessed is characterized by arable, pasture and commercial (non-agricultural) use.

During the evaluation process and with the aim to identify the market value of the land plots to be assessed we obtained data on the analogues. The information is based upon the proposals on the existing market (source of information is indicated everywhere), which is given in Table 1.

Table 1 - Data on Analogues to Be Compared

#	Area	Land Use Category	Location, Address	Cost of contract or offer, GEL/sq.m	Source of information
1	1000	Agricultural	Close to the road	2.3	www.nev.saqme.ge advertisement KA011725390081613, Response #36973 06/03/2013
2	605	Agricultural	Remote from the road, Khashuri subarbs	0.3.	www.nev.saqme.ge advertisement KA011725390081613, Response #36973 06/03/2013
3	3909	Agricultural	Close to the road 500 m	0.2	www.nev.saqme.ge advertisement KA011725390081613, Response #36973 06/03/2013
4	558	Agricultural	Close to the road 200 m, Khashuri subarbs	0.5	www.nev.saqme.ge advertisement KA011725390081613, Response #36973 06/03/2013
5	5159	Non-agricultural	Adjacent to the road, industrial area	0.3	www.nev.saqme.ge advertisement KA011725390081613, Response #36973 06/03/2013
6	3954	Agricultural	Remote from the road	0.3	www.nev.saqme.ge advertisement KA011725390081613, Response #36973 06/03/2013
7	905	Agricultural	Remote from the road	1.1	www.nev.saqme.ge advertisement KA011725390081613, Response #36973 06/03/2013
8	2321	Agricultural	Remote from the road	0.9	www.nev.saqme.ge advertisement KA011725390081613, Response #36973 06/03/2013

Notes:

1. During the selection it was assumed that the selected analogues were similar to the objects to be assessed in physical characteristics.
2. The information on analogues was obtained from the internet, media and broker firms, because there is no exchange market of real estate in Georgia and sale-purchase has sporadic nature and is based upon the reached agreement.

Table 2 - Correctives for Plots to Be Evaluated (Prices in USD, Measure – 1 sq. m.)

Criteria for comparing	Analogue #1	Analogue #2	Analogue #3	Analogue #4	Analogue #5	Analogue #6	Analogue #7	Analogue #8
Price per m2	2.3	0.3	0.2	0.5	0.3	0.3	1.1	0.9
Expenses of Sale	similar	similar	similar	similar	similar	better	better	better
C Location	No	No	No	No	No	1.5	1.5	1.5
Corrected Price per m2	2.3	0.3	0.2	0.5	0.3	0.5	1.7	1.4
Location	Slightly better	better	Slightly better	similar	similar	better	better	better
Correction	1.3	1.5	1.3	No	No	1.5	1.5	1.5
Corrected Price per m2	3.0	0.5	0.3	0.5	0.3	0.7	2.5	2.0
Physical characteristics	similar	similar	better	similar	better	better	similar	better
Correction	No	No	1.5	No	1.5	1.5	No	1.5
Corrected Price per m2	3.0	0.5	0.4	0.5	0.5	1.0	2.5	3.0
Partial Purchase	better	better	better	better	better	better	better	better
Correction	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Corrected Price per m2	5.4	0.8	0.7	0.8	0.8	1.8	4.5	5.5

Correction could be explained as follows:

- In 2 analogues the element of further expenses related to sale was amended by 10 %, because, as a rule, 10 % increase is included in the proposal price. The margin covers presumable deduction and broker interest.
- The second correction was applied due to plot location (distance from automobile roads, etc.).
- The third correction is due to physical characteristics (destination, use, parameters, structure, etc.).
- The fourth correction takes into account division of parcels and purchase of only part of the entire land plot
- Table 2 also takes into account corrective indexes related to assets attached to the land and land use patterns (commercial, residential, agricultural etc.)

We have identified the correction amount based upon the demand-delivery conditions existing on the real estate market of Georgia and analysis of prices.

Calculation of the Market Prices

Reconciliation of the adjusted prices of compared assets was carried out based on a calculation of the average weighted value. During the reconciliation of the adjusted prices more value was attached to those analogues that were the most comparable to the valuated asset so that the smallest adjustment was necessary.

With the use of the average weighted value, the price of the valuated asset was calculated by means of the following formula:

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

Where:

V_{wa}- is the average weighted value;

P_i - is the adjusted selling (offered) price of each comparable analogue;

∑ R – is the sum of the rating weight of the adjusted price of comparable analogue;

R_i – is the rating weight of the adjusted price of each comparable analogue.

Thus, calculation of the market prices of per m² area of valuated property, carried out with the use of average weighted value is given shown in Table 3.

Table 3 - Average Weighted Market Prices

Name	P _i	R _i	V _i
Price of corrected analogue #1	5.4	2.00	1.0
Price of corrected analogue #2	0.8	1.20	0.1
Price of corrected analogue #3	0.7	1.00	0.1
Price of corrected analogue #4	0.8	1.00	0.1
Price of corrected analogue #5	0.8	1.00	0.1
Price of corrected analogue #6	1.8	1.50	0.3
Price of corrected analogue #7	4.5	1.50	0.6
Price of corrected analogue #8	5.5	1.50	0.8
∑ R		10.70	
V_{wa}			3
Market value of m² of arable land plot GEL			3

Calculation of land parcel compensation costs according to land use category.

Type	Basic cost for 1 sq.m of the land plot GEL	Correction factors	Correction index	Corrected Price	Land use pattern	Correction index	Compensation cost for 1 sq.m of the land plot GEL
1	3	Land plots located close to the highway	1.3	4	cultural Land Plots close to the road and used for residential needs	1.12	4.5
2					cultural Land Plots close to the road	1.0	4
3					Non-agricultural (Commercial) lands close to the road	1.3	5
4	3	Land plots located remote from the highway	1	3	cultural Land Plots remote from the road	1.0	3
					Non-agricultural (Commercial) lands close to the road	1.3	4

Notes:

1. Only land plots of those type and use are listed in the table, which are under the project impact.
2. The amounts fixed in the matrix will be further used for the calculation of the compensation value of the land plots.
3. Corrective indexes are determined based on analysis of market and reflects impact of location, landuse and other characteristics
4. The given values are rounded

2. **Buildings Valuation.** Buildings have been valued at replacement cost based on the direct and indirect costs at market value necessary for the construction of a comparable building i.e. what

construction of a building of similar parameters would cost today. No deductions were made for amortization. The parameters for calculating the direct and indirect costs are the following as applicable to individual cases.

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

- b. Indirect costs include:
 - (i) Cost of professional services:
 - 1. Compensation of the architect/designer;
 - 2. Compensation for engineering services;
 - 3. Legal expenses;
 - 4. Compensation for valuator's services;
 - 5. Other expenses
 - (ii) Expenses incurred to receive permits;
 - (iii) Insurance costs;
 - (iv) Financing %;
 - (v) Guarantee necessary to secure the contract implementation by the contractor building the new building;
 - (vi) Other expenses

3. **Compensations for Annual Crops.** This item has been valued at market ha, area of affected crops and current gross market values of the crop. The details are given in a table 4.

Table 4: Compensation for the Annual Crops

Crops	Unit	Productivity per 1 ha	Market price of unit of crops, GEL	Crop Compensation Price (GEL) per 1 ha	Crop Compensation Price (GEL) per 1 sq.m
Potato	tone	24	300	7200	0.72
Cabbage	tone	22	250	5500	0.55

Beans	kg	800	5	4000	0.4
Garlic	kg	1600	5	8000	0.8
Tomatoes	tone	20	300	6000	0.6
Maize	kg	5000	0,8	4000	0.4
Wheat	kg	4000	1	4000	0.4
Strawberry	kg	4000	1,2	4800	0.48
Hay	Bunch	300	3,5	1050	0.105
Other vegetables	-	-	-	5000	0.5

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

- A. **Wood Trees:** Wood trees have been valued based on growth category and value of wood of the tree at the age the tree was cut.
- B. **Non Productive Fruit Trees.** These items have been valued based on the value of the investment made to grow the tree to the age in which the tree was cut.
- C. **Fruit Trees in Productive Age:** The value of these items has been defined according to the following parameters:
 - 1) Product of the tree at the productive stage or age of the tree at the moment of cutting (which is defined by tables prepared by the consultants based on figures from the Department of Statistics of Georgia and recognized academic publications which detail the average productivity of a tree within intervals of 5 years) of the tree at the moment of cutting;
 - 2) Average value of future produce lost at farm gate market price (defined based on the numbers of productive years from the year a tree is cut to the year when a tree will stop production), and;
 - 3) Number of years needed to re-grow the tree at the productive stage (age) in which it was cut.

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

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

Where:

C - is compensation value of tree.

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

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

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

Calculated unit prices for each tree species are provided in a table 5:

Table 5. Calculation of Compensation Costs for Productive Trees (Cost per 1 Tree)

Type	Cost for 1 seedling	Years of becoming fully productive	Years needed to grow fully productive tree (Years to be compensated)	Average productivity of fully productive tree in 1 year, kg.	wholesale Market price 1 kg., GEL	Annual income, GEL	Compensation for years of growing fully productive tree	Cost for 1 tree, GEL
Apple	3	6	5	80	0.9	72	360	363
Walnut	5	11	10	40	1.4	56	560	565
Plum	3	5	4	80	0.6	48	192	195
Tkemali	3	5	4	50	0.9	45	180	183
Peach	4	4	3	40	1.4	56	168	172
Appricot	3	4	3	40	1.2	48	144	147
Black Cherry	3	4	3	16	1.5	24	72	75
Pear	3	7	6	70	0.9	63	378	381
Hazelnut	3	6	5	6	1.8	10.8	54	57
Quince	3	5	4	30	1.3	39	156	159
Mullberry	3	5	4	16	1.2	19.2	76.8	79.8
Sweet Cherry	3	4	3	16	1.5	24	72	75
Grape	2	3	2	9	0.7	6.3	12.6	14.6

Annex 2

LEGALIZATION OF PRIVATE OWNERSHIP OF LAND IN GEORGIA

A. Introduction

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

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

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

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

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

- (i) **Legal Owner/ Title Holder:** Owners and users of land having their title registered in the Public Registry.
- (ii) **Legalizable Owner:**
 - a. **Rightful Owners** – the owners with old document proof although not having registration in the Public Registry under the Laws of Georgia on Privatization of State-owned Agricultural Land, (July 8, 2005) and The Law of Georgia on Public Register (No820 –Iis; December 19 of 2008); (the current legislation).
 - b. **Non-rightful owners** - unauthorised land users having right to legalize landownership rights provided by the current legislation. The legalization of landownership rights, under the current legislation is allowed for following cases:

- The state owned agricultural or non-agricultural land plot with residential house or supporting structures on it - occupied by the physical or legal person without permission before the current law came in force in 2007.
- Land plot occupied by person without permission is adjacent to the land parcel rightfully owned or used by this person, taking into account that the illegally occupied land parcel should be of less area than the legally owned adjacent land parcel.

However, there are certain restrictions on privatization of land¹² (attachment-2).

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

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

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

C. National Survey

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

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

8. 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

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

¹³ In Adjara AR (1) Payment for allocation of land less than 3000 sqm in village settlement for residential use is exempted for all. (2) For agricultural land of area more than 3000 sqm, the payment is 440 GEL per HA. (3) For non-agricultural land in the first zone, the payment is 6 GEL per sqm, which is 3.4 GEL per sqm in second zone and 2.2 GEL per sqm in rest of the areas. Kobuleti Municipality Sakrebulo has approved by its decree of 26.02.2010 zoning of Kobuleti rayon lands in accordance with the legislation.

as per final engineering design is being superimposed on the updated cadastral map of Registered land plots obtained from Rayon NAPR and aerial photo (orthophoto) of concerned area. Each of the affected Registered land plots in the project right of way are being identified along with its dimensions on the orthophoto. The affected plots are being listed up and cadastral details collected from Rayon NAPR, and local government offices as applicable.

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

10. 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.

E. Process for Registration of Legalizable Owners

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

H.1 Registration of Rightful Owners

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

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

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

- (i) **Step 1:** Preparation of fresh and precise cadastral map by the owners through private agencies. The map will include all the dimensions of plots and geometrical details. The cost of preparation of map ranges from 0.06 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.

- (ii) **Step 2:** In case if the owner does not have available ownership proving documentation (annex-3) or in case there is any doubt regarding the plot, the owner has to apply to the local community level self-government (Sakrebulo and Gamgeoba) and local Rayoon NAPR Office (where Archives are kept) for the proof and cross verification of the land details.
- (iii) **Step 3:** after the verification from NAPR rayon Office, the owners will take the endorsement from the community municipal office (Gamgeoba)..
- (iv) **Step 4:** Following the authorization from Gamgebeli the owners will approach to the Rayon level Registration Office of the NAPR. The owners will provide all the above proof to the registration office. The registration office will verify the completeness of all required application documents. The owners have to submit both the soft copy and hard copy of the plot maps along with its coordinates for record in the Public Registry office. The registration process will take 4 working days in normal situation and the property recognition fee will be 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.
- (v) **In case**, there remains further dispute related to ownership, the case may be referred to the court. The project authority may estimate the price of that particular land and may deposit the amount in the State Budget allocated for the Project.. The payment to the real owner will be executed from the State Budget according to the court decision upon confirmation by the Roads Department as RAP implementing agency. The case will be resolved in the Rayon Court.

H.2 Registration of Non-Rightful Owners

14. 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 (neighbours etc.).
- (ii) Precise cadastral maps of the land plot
- (iii) Information needed for determination of the fee for property recognition
- (iv) Copies of the identification documents of the applicant

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

- (i) **Step1:** Preparation of fresh and precise cadastral map by the owners through private agencies. The map will include all the dimensions of plots and geometrical details. The cost of preparation of map ranges from 0.06 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.
- (ii) **Step 2:** The map and its details will be authorized and the land usage pattern will be verified by the neighbours. The community local administration (Gamgeoba) may also certify the authorization.
- (iii) **Step 3:** Following the authorization from the neighbours, the same has to be notarized. Cost of notarian confirmation of neighbours witness will be 15 GEL for each case.
- (iv) **Step 4:** The land owner/user will approach to the Property Recognition Commission through Office of Sakrebulo with a package of documents confirming eligibility for legalization of the land plot according

to the current legislation. This includes ownership documents (see annex-3) related to the adjacent land plots owned by the applicant rightfully.

- (v) **Step 5:** In case if, the owner does not have available documentation proving ownership rights on the adjacent land plot or in case there is any doubt regarding the plot, the owner will apply to the local NAPR Archives for the proof and cross verification of the land details.
- (vi) **Step 6:** after the verification, the Office of Sakrebulo will endorse the application and authorize the case for recognition.
- (vii) **Step 7:** Following the authorization from Sakrebulo, the owners will approach to the Property Recognition Commission. The owners will provide all the above proof to the Commission. The Commission will verify the documents, make physical verification and organize an open disclosure meeting on site with prior notice to the concerned community peoples. If the documents are clear and the land is free from any dispute from anybody, then the Commission will notify the applicant to deposite payment for the land (if applicable). after payment, or if the payment is not applicable, the commission will issue certificate on ownership right to the owners.
- (viii) **Step 8:** Based on the above steps, the owners will go to the Public Registry at their respective rayon for registration. The owners have to submit both the soft copy and hard copy of the plot maps along with its coordinates. The registration process will take 4 working days in normal situation and the property recognition fee will be 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.
- (ix) **In case,** there remains further dispute related to ownership, the case may be referred to the court. The project authority may estimate the price of that particular land and may deposit the amount in the State Budget allocated for the Project.. The payment to the real owner will be executed from the State Budget according to the court decision upon confirmation by the Road Department as RAP implementing agency.

F. Actions at Detail Design

16. 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 Gangeoba and PRC). These issues have been identified and brought to the notice of concerned stakeholders by the feasibility study consultant, as well as DD Consultant, through consultation and review of existing process of privatization. The Consultant is in the process of seeking cooperation from the concerned registration services and local government offices. Services of an experienced survey and audit agency have been being utilized to identify the current owners (users) of affected land parcels as per final engineering design of the road.

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

18. The registration will be completed for the legalizable owners during the implementation of RAP and prior to the disbursement of compensation. The cost involved in the registration process will be reimbursed from the Project during RAP preparation and implementation. The affected legalizable owners have to

initiate the land registration at their own cost in the beginning with such assurance from the Roads Department. The above activities are part of Pre- Disbursement of Compensation.

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

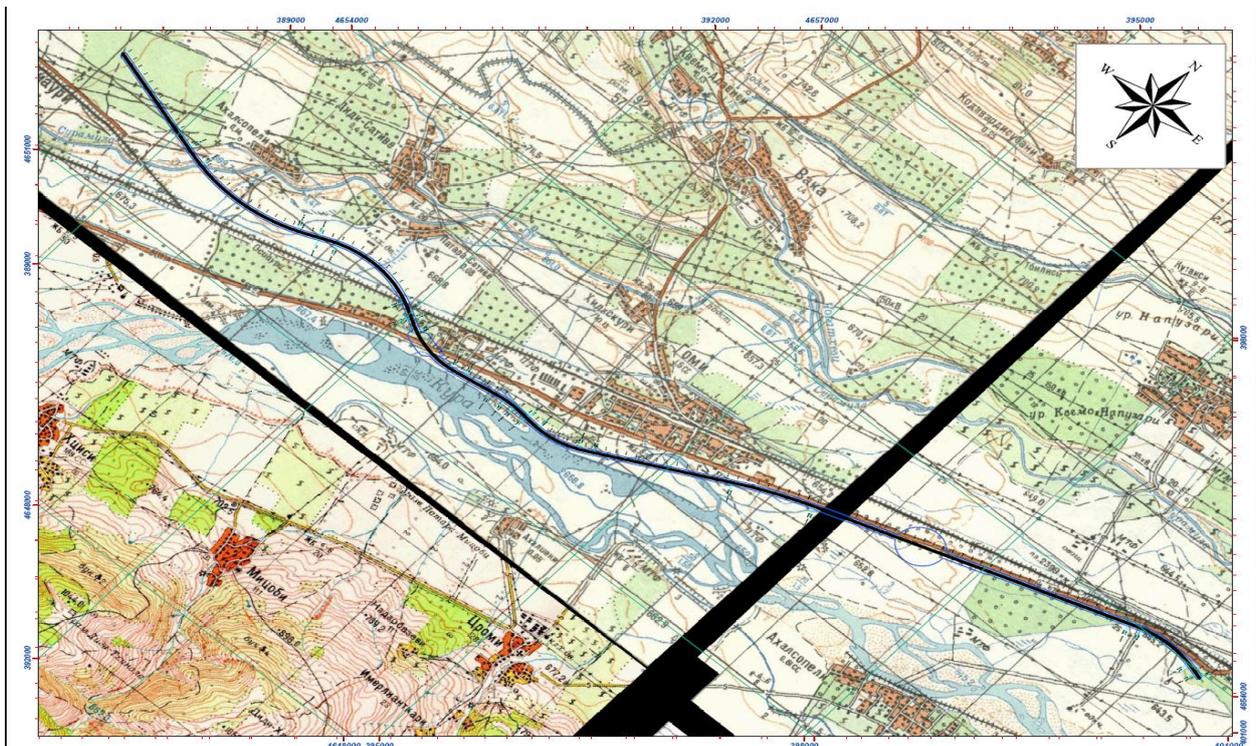
Annex 3
INFORMATION LEAFLET
LAND ACQUISITION AND RESETTLEMENT POLICY
PROJECT: RUISI - RIKOTI SECTION OF E-60 HIGHWAY
Information for APs

A. Introduction

1. Due to its geographical position Georgia has gained the status of an important transport corridor connecting Europe and Asia and the development of the transport infrastructure has become a national priority. The Government of Georgia requested the World Bank to support modernization of the East-West Transport Corridor. Two projects for the improvement of the E-60 East-West Highway have already been completed with the assistance from the World Bank and the Third East-West Highway Improvement project is under implementation Future investments will complete improvement of the Highway from Ruisi to the already rehabilitated Rikoti tunnel. For this purpose the Government of Georgia asked the World Bank assistance for the preparation and implementation of the Fourth East-West Highway Improvement Project (EWHIP) which covers the section of the highway between Agara Bypass and Gomi bypass (Zemo Osiauri) km 114 - 126. A Resettlement Policy Framework (RPF) was developed for the Third East – West Highway Improvement project (last update in 2012), which covers entire section of highway from Ruisi till Rikoti tunnel. Accordingly, the provisions of this RPF, as well as safeguard regulations of WB and in particular, the OP 4.12 (Involuntary Resettlement Policy) should be regarded.

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

169 Present Draft RAP covers 12 km length section of Agara Bypass - Gomi Bypass (Zemo Osiauri) correspondinh to km 114 – km 126 of the E-60 Highway, which is located within the Kareli and Khashuri Rayons. plots divided in terms of tenure type as follows:



According to updated RAP - project affect spreads on 565 land plots with a total affected area 1 048,297 sq.m. In terms of tenure the affected land plots are distributed in accordance with the following legal categories:

Category 1. 216 titled private land plots with full registration 341 005 sq.m;

Category 2. 139 titled private land plots 136,419 sq.m rightfully owned and requiring legalization through 1 stage process of registration in NAPR (legalizable land plots). These land plots have been transferred to the owners during the land reform but the formal procedures needed for registration in NAPR have not been completed

Category 3. 19 State owned land plots of 5,845 sq.m are illegally used by private users. These land plots are not legalizable according to Georgian legislation.

Category 4. 191 State owned land plots of 568,028 sqm not used by private users. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone. Category 3 and 4 land parcels are not subject for compensation¹⁴. There are no public land plots in the affected area used by leaseholders. In this category 1 land plots were added with a total affected area 6484 sq.m. There was no other kind of changes.

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

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

C. Resettlement Policy and Principles

5. Land for construction of the new road will be acquired under the laws of Georgia. and the WB OP 4.12. All AP will be compensated at the replacement rates and receive adequate allowances according to severity of impacts and vulnerability status. The detail design consultant has investigated all alternatives to avoid built-up areas and environmentally protected areas in order to minimize impacts. Land acquisition for the project is based on the following principles:

- Construct the road to avoid residential areas wherever possible to minimize physical relocation of people, and select alignments that minimise acquisition of privately or publicly held productive land;
- Adopt design standards that minimise the need to impose land use restrictions on adjoining areas;
- Develop fair and transparent procedures, as defined in the Entitlement Matrix in this RPF, to determine compensation for (i) temporary loss of land/ assets during construction; (ii) permanent acquisition of land and assets; and (iii) restrictions on use of land that may be applied to areas adjoining the corridor;
- Acquire land (or right to use land) through negotiated agreements and with the use of the power of eminent domain only as a last resort.
- Upon completion of construction, restore land as best as possible to its original condition in the event of temporary disruption so as to enable landowners/users/lessees to resume their pre-project

¹⁴ According to entitlement matrix, non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income. 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 minimum subsistence income. However, in frames of this project all the users of 19 illegally occupied land plots own in addition one or two other land plots (registered or legalizable). The encroached land plots are not the main sources of income and are used by these AHs as additional opportunity to expand agricultural activities beyond the lands legally owned by them. Accordingly the AHs will not receive compensation for the encroached 26 land plots or self-relocation allowances, but will be compensated for the loss of annual crops, trees and immovable assets.

activities;

- Keep affected people and communities fully informed about the project, the process that will be followed to acquire and compensate for land, and their related rights and avenues for redress.
- Ensure that grievances PAPs may have will be redressed adequately, and that solutions in line with principles laid out in this RPF be employed;
- All Project Affected People (PAP), without regard to legal status of property, will receive support of various kinds, as per the principles set out in the Entitlement Matrix, to assist them in their efforts to maintain their livelihoods and standards of living prevailing prior to the Project. Those who illegally own land will not be compensated for loss of land, but will receive compensation for loss of other assets which had been established on their own finance, and for loss of income such that they are also assisted in their efforts to maintain their livelihoods. . Detailed measures to be implemented will be determined based on the census and socio-economic survey to be carried out when Resettlement Action Plan is developed.
- PAP will be notified of the project implementation schedule and consulted regarding the principles of land acquisition and loss of or damage to assets.
- Damages to assets, such as standing crops, trees, fences and kiosks, and loss of income, including loss of harvest, will be minimized, and where inevitable, will be compensated without regard to legal status of ownership according to the Entitlement Matrix provided in this RPF.

Resettlement Action Plan (RAP) will be developed as per Bank OP 4.12 and RPF developed for East – West Highway Improvement project (last update in 2012),as well as Georgian legislation for each section of the Project itinerary that defines detailed compensation packages and implementation schedule. Since, as discussed above, there are gaps between OP 4.12 and Georgian legislation and practice on expropriation, any land acquisition required for the Project will be carried out as per the principles and procedures laid out in this RPF.

A market survey will be conducted to assess the prevailing market prices of land, construction materials for affected structures, crops and other relevant items, which will be used as the unit prices to determine compensation. This will additionally ensure that the market prices will allow PAPs to purchase replacement land.

Loss of income and assets will be compensated on a net basis without tax, depreciation or any other deduction.

The final RAP should be submitted to and cleared by the Bank prior to the execution of civil works for relevant sections.

The details of land acquisition procedure will be spelled out in RAP(s), but they will include:

- Initial consultation with PAP to notify the project and board impact
- Census, geographic survey and socioeconomic survey of PAP
- Determination of PAP and types/ scale of impact
- Development of compensation package and drafting of RAP
- Consultation with PAP
- Negotiation with PAP and payment of compensation
- Expropriation process where negotiation fails
- Compensation/rehabilitation measures will be implemented as the civil works progress but prior to the start of the construction on a particular section.

D. Compensation Eligibility and Entitlements

7. Eligibility. APs entitled to compensation or at least rehabilitation provisions under the Project are:

- (i) All APs losing land either with legal title or traditional land rights, Legalizable, or without legal status;

- (ii) Tenants and sharecroppers whether registered or not;
- (iii) Owners of buildings, crops, plants, or other objects attached to the land; and
- (iv) APs losing business, income, and salaries.

8. In particular the eligibility to land compensation for this project has been elaborated as follows:

- a. Titled APs will be fully compensated
- b. Untitled APs who were legitimate leasers under the old Soviet system and have either plots with a house or adjacent to a plot with a house will be legalized and then compensated.
- c. Untitled APs who were legitimate leasers under the old Soviet system and have regularly cultivated/used their land but do not have plots with a house or adjacent to a plot with a house will not be legalized but will be compensated.
- d. Untitled APs who were not legitimate leasers under the old Soviet system and who use or cultivate the land they occupy only extemporaneously will not be legalized nor compensated. They however, are still eligible for crop or income compensation.

9. 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.

10. **Entitlements.** The provisions for APs losing land, houses, income and rehabilitation subsidies are defined below in table 1.

Table 1: Compensation Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AF losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation in cash at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible. The option selected for the Program is cash compensation. If residual plots becomes unusable the project will acquire it in full if so the AP desires.
		Legalizable Owner	These AP will be legalized and provided with cash compensation at full replacement cost.
Non-Agricultural Land	AF losing their commercial/residential land	Owner with full registration	Cash compensation at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible.
		Legalizable Owner	APs will be legalized and provided with cash compensation at full replacement cost..
		Renter/Leaseholder	Rental allowances in cash for 3 months
Buildings and Structures			
Residential and non residential structures/assets		All AFs regardless of legal ownership/ registration status (including legalizable and Informal Settlers)	All impacts will be considered as full impacts disregarding the actual impact percentage. Impacts will be compensated in cash at full replacement costs free of depreciation and transaction costs.
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Crops	Standing crops affected or	All AFs regardless of legal status	Crop compensation in cash at gross market value

	loss of planned crop incomes**	(including legalizable and Informal Settlers)	of actual or expected harvest. Compensation for this item will be provided even in case if the crops were harvested
Trees	Trees affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees.
Business/Employment	Business/employment loss	All AFs regardless of legal status (including legalizable and Informal Settlers)	Owner: (i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence income. Permanent worker/employees: indemnity for lost wages equal to 3 months of minimum subsistence income and trainings on computer literacy...
Allowances			
Severe Impacts	>10% income loss	All severely affected AFs losing more than 10% of affected agricultural land plot (including informal settlers)	Agricultural income: two-year yield from affected land. Other income: 1 additional compensation for 3 months of minimum subsistence income. 297 GEL per month x 3 months=891 GEL per AH)
Relocation/Shifting	Transport/transition costs	All AFs to be relocated	Provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. 200 GEL as vehicle hire charge + 297GEL as minimum subsistence income x 3 months = 1,091 GEL per AH
Vulnerable People Allowances		AFs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income* and employment priority in project-related jobs 297 GEL as minimum subsistence income per month for 3months= 891 GEL per AH)
Temporary Loss			
Temporary impact during construction		All AFs	Due compensation will be assessed and paid based on the approved RPF during construction. All land required for temporary use is to be obtained by the civil works Contractor through voluntary negotiations (e.g., willing buyer-willing seller basis). The maximum period for temporary use is defined as 2 years. Compensation rates to be paid should not be less than compensation at current market rates for the gross value of 4 year's harvest of crops on the affected lands. It is also required that lands (or other assets) be fully cleared and restored following use
Unforeseen resettlement impacts, if any		All impacts related to temporary or permanent land take, the need for which is not envisaged within DD and RAP and is related to activities of Contractor.	Road Department and the construction contractor will address and mitigate/compensate unforeseen resettlement impact during project

* Minimum subsistence income to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval

** Income expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land was permanently used for crop cultivation, but for the year, when the inventory of losses was conducted, no crops have been planted (due to need of rest to this land or illness of the farmer or any justifiable reason), the land parcel still will be considered as designed for crop cultivation and relevant compensations will be paid

E. Complaints and Grievance Redress Mechanism

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

1. Stage 1 – The member secretary of GRCs and Rayon level LAR Team will be regularly available and accessible for APs to address concerns and grievances. The APs shall be informed of the details of contact persons to whom complaints were submitted. The contractor Rtsmunebuli and Sakrebulo shall be warned that all complaints they may receive from APs shall be immediately submitted to the contact persons of GRC (coordinator and secretary), which will then organize a meeting and informally review the complaint with the aggrieved AP. If the AP is not satisfied, the GRC shall assist him/her in lodging an official complaint to the relevant body (i.e. Roads Department). The complaints and grievances from the APs will be addressed through the process described below in Table 7.1
- 2.

Table 2: Grievance Resolution Process

Steps	Action level	Process
Step 1	Negotiations with APs	The complaint is informally reviewed by the GRC, which takes all necessary measures to resolve the dispute amicably.
Step 2	GRC Resolution	<p>If the grievance is not solved during the negotiations, the GRC will assist the aggrieved APs to formally lodge the grievances to the GRC.</p> <p>The aggrieved APs shall submit their complaints to the GRC within 1 week after completion of the negotiations at the village level. The aggrieved AP shall produce documents supporting his/her claim. The GRC member secretary will review the complaint and prepare a Case File for GRC hearing and resolution. A formal hearing will be held with the GRC at a date fixed by the GRC member secretary in consultation with Convenor and the aggrieved APs.</p> <p>On the date of hearing, the aggrieved AP will appear before the GRC at the Gamgeoba office for consideration of grievance. The member secretary will note down the statements of the complainant and document all details of the claim.</p> <p>The decisions from majority of the members will be considered final from the GRC at Stage 1 and will be issued by the Convenor and signed by other members of the GRC. The case record will be updated and the decision will be communicated to the complainant AP.</p>
Step 3	Decision from central RDMRDI	<p>If any aggrieved AP is unsatisfied with the GRC decision, the next option will be to lodge grievances to the RDMRDI at the national level. The RDMRDI shall review the complaint in compliance with the procedures specified in the Administrative Code of Georgia.</p> <p>GRC should assist the plaintiff in lodging an official complaint (the plaintiff should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc).</p> <p>The plaintiff shall be informed of the decision.</p>
Step 4	Court decision	<p>If the RDMRDI decision fails to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court).</p> <p>The aggrieved AP can take a legal action not only about the amount of compensation but also any other issues, e.g. occupation of their land by the contractor without their consent, damage or loss of their property, restrictions on the use of land/assets, etc.</p>

F. Special Recommendations to APs for Legalization of legalizable plots

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

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

G. Contact Information

12. For any information and advice, please feel free to approach the following contacts:

- (i) Road Department of RDMRDI: 12 Kazbegi str., Tbilisi, Georgia
- (ii) Mikheil Ujmajuridze-Mobile Phone 5 77 613305 e-mail: mishaujmajuridze@gmail.com

Complaints and Grievance Submission Form

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

Akhalsofeli, Agarebi 12.01. 2016

E-60 HIGHWAY UPGRADING PROJECT
 AGARA -ZEMO OSIAURI (KM114 to KM126) SECTION

Information regarding public consultation meetings conducted with population lives in villiage Akhalsopeli and Agarebi (Owners affected by re-design of interchange and two bridges)

სახელი გვარი	საკონტაქტო ინფორმაცია	ხელმოწერა
ჭინჭელი გეგმაძვარი	555-34-24-50	
ღარიბი გელაშვილი	597.73-35-14	
მუხომედი მუსაგია	599-52-44-72	
ლომინი ლომინი	592-55-06-78	
ვლადიმერ ვლადიმერ	551-50-81-66	
ჭავჭავაძე ვარიშვილი	597-97-76-31	
ბახუაძე გიორგი	24-89-56	
ბახუაძე ვინცა	598 1009 07 .	
ვლადიმერ ლომინი	598 7799 07	
ჭინჭელი გეგმაძვარი	591959116	
ლომინი ლომინი		
ღარიბი გელაშვილი		
მუხომედი მუსაგია		

თარიღი, ჩატარების ადგილი: 12 იანვარი, 2017, სოფ. ახალსოფელი

სახელი გვარი	საკონტაქტო ინფორმაცია	ხელმოწერა
<p>შანიძე ვახტანგ</p> <p>დედა გოგონაძე</p> <p>ყაბუღი. თბილისი</p> <p>ახალი ავიატორი.</p>	<p>598.77.89.08</p> <p>577940098</p>	<p>მ. აგონიძე</p> <p>მ. გოგონაძე</p> <p>ყ. თათაძე</p> <p>მ. ანდრეასი</p>

თარიღი, ჩატარების ადგილი: 12. იანვარი, 2017 ლგ. ავიატორი





