



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



**4<sup>th</sup> East West Highway Improvement Project  
UPGRADING OF RUSTAVI - RED BRIDGE and  
RUSTAVI - SADAKHLO ROADS  
Land Acquisition and Resettlement Plan**

**Rustavi - Red Bridge Road  
(Lots 1 and 2)**



August 2020

# Table of Contents

- Glossary ..... 6
- Abbreviations..... 7
- Executive Summary..... 9
- 1 Introduction..... 23
  - 1.1 General Overview of Project ..... 23
  - 1.2 Measures to Avoid Adverse Impacts of Project ..... 24
  - 1.3 Minimizing Land Acquisition and Resettlement..... 26
  - 1.4 RAP Preparation..... 26
  - 1.5 Pending RAP Implementation..... 27
  - 1.6 Conditions for Project Implementation ..... 27
- 2 Assessment of Project Impacts..... 28
  - 2.1 Overview..... 28
  - 2.2 Impact on Land..... 28
  - 2.3 Impact on leaseholders (agricultural lands) ..... 30
  - 2.4 Impact on Buildings and Structures ..... 31
  - 2.5 Impact on Perennials..... 31
  - 2.6 Impact on Crops..... 32
  - 2.7 Impact on Business ..... 32
  - 2.8 Other Impacts ..... 33
    - 2.8.1 Severely Affected Households ..... 33
    - 2.8.2 Relocation ..... 36
    - 2.8.3 Vulnerable Households ..... 36
    - 2.8.4 Gender Issues and Minorities..... 37
    - 2.8.5 Impact on Public Assets ..... 37
    - 2.8.6 Summarized Data on Private Assets ..... 37
- 3 Socio-Economic Analysis of Project..... 40
  - 3.1 General Overview ..... 40
  - 3.2 Context of Kvemo Kartli Region ..... 40
  - 3.3 Local Context..... 41
    - 3.3.1 Demographical Data..... 41
    - 3.3.2 Assets of Project Impacted Persons ..... 43

3.3.3	Economic Status of Project Affected Persons .....	43
3.3.4	Health Care and Education .....	45
3.3.5	Local Services and Level of Satisfaction .....	45
4	Legal Framework .....	48
4.1	Georgian Legislation.....	48
4.2	Rules and Regulations of the World Bank and European Investment Bank.....	50
4.3	Comparative Analysis and Filling of Gaps .....	51
4.4	Principles and Procedures of Land Acquisition.....	55
5	Compensation Policy.....	58
5.1	Objectives of Compensation Policy and Eligibility Criteria .....	58
5.2	Definition of Entitlements .....	65
5.3	Additional Rehabilitation Measures.....	67
6	Institutional Arrangements.....	69
6.1	General Overview .....	69
6.2	State Agencies.....	69
6.3	Consultants .....	71
7	Activities Linked to Resettlement Process.....	72
7.1	Implementation Steps and Responsible Entities.....	72
7.2	RAP Implementation .....	74
8	Public Consultations and Participation.....	75
8.1	Presentation of Resettlement Action Plan .....	75
8.2	Consultations .....	76
9	Grievance Redress Mechanism .....	77
10	Monitoring and Evaluation of Implementation.....	79
10.1	Internal Monitoring .....	80
10.2	External Monitoring.....	80
11	Implementation Budget .....	82
11.1	General Overview .....	82
11.2	Cost Estimates.....	83
11.2.1	Compensation for Lands.....	83
11.2.2	Lease Compensation .....	83
11.2.3	Compensation for Structures .....	84

11.2.4	Compensation for Trees .....	91
11.2.5	Compensation for Annual Crops .....	98
11.2.6	Valuation of Businesses .....	99
11.2.7	Assistance/ Allowances .....	100
11.3	Consolidated Budget.....	100
	Annex 1 Valuation Methods, Valuation of Losses and Compensations .....	102
	Annex 3. Minutes of Public Consultation Meetings.....	145

## List of Tables

Table E 1.	Entitlement Matrix.....	12
Table E 2	Summary of Project impacts .....	19
Table 2.1.	Land plots by their compensation status.....	28
Table 2.2.	Distribution of private land plots by their legal status .....	30
Table 2.3.	Impact on leaseholders.....	30
Table 2.4.	Distribution of structures by households.....	31
Table 2.5.	Fruit bearing trees affected by the Project.....	31
Table 2.6.	Impact on Harvest .....	32
Table 2.7.	Affected Businesses.....	32
Table 2.8.	Severely Affected Households .....	34
Table 2.9.	Households which will be resettled .....	36
Table 2.10.	Vulnerable Households .....	36
Table 2.11.	Summary of project impacts .....	37
Table 3.1.	Per capita income and expenditure of population in Kvemo Kartli Region .....	40
Table 3.2.	Age-sex structure of population.....	41
Table 3.3.	Distribution of persons over 15 by their employment status.....	42
Table 3.4.	Distribution of hired workers by occupation sectors .....	42
Table 3.5.	Distribution of hired workers by education level.....	42
Table 3.6.	Distribution of Land Parcels by Crops .....	43
Table 3.7.	Self-assessment of economic condition by respondents .....	43
Table 3.8.	Structure of incomes .....	44
Table 3.9.	Structure of expenditures.....	44
Table 3.10.	Affordability to the essential educational resources for households having school children .....	45
Table 3.11.	Assessment of the quality of public services.....	45
Table 3.12.	Perceived changes in the quality of public services for the last 5 years.....	47
Table 3.13.	Satisfaction with general matters.....	47
Table 4.1.	Comparison of Georgian legislation and WB regulations.....	52
Table 5.1.	Entitlement Matrix.....	59
Table 7.1.	Activities required for the RAP implementation and responsible entities .....	72

Table 7.2. RAP Implementation Schedule in ..... 74

Table 9.1. Grievance Redress Process ..... 78

Table 11.1. Compensation for Lands ..... 83

Table 11.2. Lease Compensation ..... 83

Table 11.3. Compensation for Structures ..... 84

Table 11.4. Compensation for Trees ..... 92

Table 11.5. Compensation for Annual Crops ..... 98

Table 11.6. Compensation for Business ..... 99

Table 11.7. Allowances ..... 100

Table 11.8. Sample of the consolidated budget of LAR costs ..... 100

**List of Figures**

Figure 1.1. Map of Rustavi - Red Bridge Road Section ..... 25

Figure 6.1. Organizational diagram ..... 70

## Glossary

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

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

**Beneficiary Community:** All affected persons, who represent a community association that is duly recognized by local residents, accredited by the local government, and legally registered with the appropriate authorities.

**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.

**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 compensation.

**Legitimate Possessors:** Affected persons who have titles to their properties or are registered as the owners of private property in the National Agency of Public Registry (NAPR).

**Rehabilitation:** Compensatory measures other than payment of the replacement cost of acquired assets which are provided under this Resettlement Action Plan aimed at improving, or at least restoring, livelihoods and living conditions to pre-displacement levels.

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

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

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

**Sakrebulo:** This is the representative body of local self-government.

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

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

## Abbreviations

ACS - acquisition and compensation scheme  
AH - affected household  
AP - affected person  
CBO - community based organization  
DMS - detailed measurement survey  
GoG - Government of Georgia  
GRC - Grievance Redress Committee  
GRM - Grievance Redress Mechanism  
IA - Implementing Agency  
IFI - International Financial Institution  
IP - indigenous peoples  
IOL - inventory of losses  
EMA - external monitoring agency  
km – kilometre  
KP - kilometre point  
LAR - land acquisition and resettlement  
LARC - Land Acquisition and Resettlement Commission  
RPF - Resettlement Policy Framework  
RAP - Resettlement Action Plan  
M&E - monitoring and evaluation  
MOF - Ministry of Finance  
MPR - monthly progress report  
MRDI - Ministry of Regional Development and Infrastructure  
ESID - Environmental and Social Issues Division  
RESID - Regional Environmental and Social Issues Division  
NAPR - National Agency of Public Registry  
NGO - non-governmental organisation  
ESIA - environmental and social impact assessment  
PAP - Project Affected Person  
PAH - Project Affected Household  
RDMRDI - Roads Department of the Ministry of Regional Development and Infrastructure of Georgia

SSC - Social Safeguards Consultant  
RoW - right of way  
RD - Resettlement Division  
RU - resettlement unit  
SES - socio-economic survey  
WB - World Bank  
EIB - European Investment Bank  
ADB - Asian Development Bank  
JICA - Japan International Cooperation Agency



## Executive Summary

Georgia is located along a transit corridor connecting Europe and Asia, and thus has a potential to link a number of countries in the region to the Global Economy. Therefore, the Government of Georgia (GoG) has initiated throughout the country a number of infrastructure projects with the support of international development partners such as the WB, EIB, ADB and JICA.

Rustavi-Red Bridge and Algeti-Sadakhlo Road represents a main highway connecting Georgia, Azerbaijan and Armenia.

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

Respectively, the main objective of the detailed design of Rustavi-Red Bridge and Algeti-Sadakhlo Road is to prepare all relevant documentation necessary for the approval, tendering and construction of the road project.

The given Resettlement Action Plan (RAP) is prepared for Rustavi-Red Bridge LOT 1 and 2 (31,9 km) of Rustavi-Red Bridge and Algeti-Sadakhlo Road Project (“the Project”). The Project is financed by the World Bank <sup>3</sup> (WB) and European Investment Bank (EIB). The goal of the Project is to contribute to the fulfilment of the Government’s Four-year Spatial Arraignment Program for Improvement and Maintenance of the Road Infrastructure in Georgia for 2017-2021.

### Lot 1

The present design is for the sections Rustavi to Red Bridge and Rustavi to Sadakhlo at the eastern end of the East-West highway from the Turkish border through Batumi, Kutaisi, and Rustavi to the borders of Azerbaijan and Armenia. The road will be a four-lane grade separated motorway designed according to TEM standards.

The section from Rustavi to Algeti intersection (named “LOT-1”) is 21.0 km long. The section from Algeti interchange to Red Bridge at the Azerbaijan border is 10.9 km long (named “LOT-2”), and the section from Algeti interchange to Sadakhlo at the Armenian border is 30 km long (named “LOT- 3” and “Lot -4”), see the map in Figure 1-1.

The road geometry is based on 120 km/h design speed. Presently the maximum speed on Georgian motorways is 110 km/h.

---

<sup>3</sup> WB financed preparation of Resettlement Policy Framework.

Rigid pavement of unreinforced concrete was found most suitable in the feasibility study. Asphalt concrete pavement is used on bridges, overpasses, and access road connections.

On LOT-1 there are four grade separated intersections. There are four local roads crossing the motorway through box culverts. The section has 11 bridges - seven of the bridges are flyovers at the four interchanges.

The estimated construction time of the entire project is 30 months.

## **Lot 2**

The present design is for the eastern ends from Rustavi to Red Bridge and from Rustavi to Sadakhlo of the East-West highway from the Turkish border through Batumi, Kutaisi, and Rustavi to the borders of Azerbaijan and Armenia. The section from Rustavi to the Algeti interchange (named "LOT-1") is 21.0 km long. The section from Algeti interchange to Red Bridge at the Azerbaijan border is 10.9 km long and is named "LOT2". The road from Sadakhlo interchange to Sadakhlo at the Armenian border is 30 km long (named "LOT-3" and "LOT-4", respectively), see the map in Figure 1-1.

The LOT-2 starts from the Algeti interchange. There are two interchanges with overpass bridges and one twin bridge. There are two major underpasses, 8.0m\*4.5m, 13 pipe culverts in the main road and 23 pipe culverts for drainage in the intersection ramps.

The road geometry is based on 120 km/h design speed. Presently the maximum speed on Georgian motorways is 110 km/h.

Rigid pavement of unreinforced concrete was found most feasible in the feasibility study. Asphalt concrete pavement is used at bridges, overpasses, and access road connections.

The estimated construction time of LOT-2 is 24 months.

This RAP builds on lessons learned from the preparation and implementation of land acquisition and involuntary resettlement instruments associated to other projects in the road sector, including WB-financed projects in Georgia such as: East-West Highway Corridor Improvement Project (EWHP) and East-West Highway Corridor Improvement Project AF (EWHP AF)<sup>4</sup>, the Third Secondary and Local Roads Project III<sup>5</sup> and SRAMP<sup>1</sup>.

This document outlines resettlement principles and procedures which would ensure that resettlement needs are identified, and the Roads Department (RD) of the Ministry of Regional Development and Infrastructure of Georgia (MRDI) as well as the Implementing Agency (IA) adopt and implement

---

<sup>4</sup> See RPFs for the EWHP (April 2015) and the EWHP AF (March 2017)

<http://documents.worldbank.org/curated/en/2015/05/24495632/georgia-east-west-highway-corridor-improvement-project-resettlement-policy-framework>;

[http://www.georoad.ge/uploads/files/Georgia-EWHCIP-AF\\_Updated-RPF\\_FINAL.pdf](http://www.georoad.ge/uploads/files/Georgia-EWHCIP-AF_Updated-RPF_FINAL.pdf)

<sup>5</sup> See RPF for SLRP III (March 2014) <http://www.georoad.ge/uploads/files/SLRP%20III%20RPF51.pdf>

procedures for land acquisition, involuntary resettlement, and potential loss of access to physical and economic resources in compliance with applicable rules and regulations set up by the GoG, WB and EIB.

This RAP seeks to clearly define principles and approaches to be applied while treating land-related road rehabilitation projects in order to ensure the compliance to legislation of Georgia and WB OP 4.12 guidelines and EIB ESS Standards<sup>6</sup>.

The RAP will be uploaded to web sites of the Roads Department and EIB, and made available in digital and printed format to stakeholders affected by the Project as well as parties involved in the implementation of Rustavi-Red Bridge and Algeti- Sadakhlo Roads Project. The main objective of the RAP is to identify types, nature and scale of potential impacts due to economic and/or physical displacement, and to provide adequate measures to address these impacts.

The RAP will ensure that potential project affected persons (PAPs) are:

- Fully informed about resettlement rules and procedures;
- Engaged in the consultation process and given the opportunity to choose technically and economically feasible alternatives; and
- Provided prompt and effective compensation at full replacement cost for losses of land, assets, or access to assets and livelihoods incurred due to the project works.

The RAP determines eligibility criteria for the PAPs and provisions for compensating all types of losses: land, crops/ trees, shelter, structures, business/ employment, and workdays/ salaries/ wages. All PAPs, including land users without legal title, will be compensated for lost income and assets. Land loss should be compensated in cash, at full replacement cost based on current market value in order to allow PAPs to acquire a land of the same area, productivity and category, in vicinity of current location, as described in the RPF mentioned above and in this RAP.

Also noteworthy to mention that the spectrum of project stakeholders will be rather wide and comprise: individual farmers and households, legitimate possessors and users of the project affected land parcels, owners of road side businesses, local government, road users and local communities.

Local government and state entities have been involved in the preparation of the RAP and will participate in the implementation process. Specifically, local government and state institutions, within their competence, will be responsible for all tasks to be accomplished on behalf of the government of Georgia during the implementation of the RAP.

The RAP has been elaborated based on relevant surveys in order to avoid or minimize physical displacement of population that was achieved through the analysis of different project alternatives. An

---

<sup>6</sup> EIB Environmental and Social Standards; Link: <https://www.eib.org/en/publications/environmental-and-social-standards>

actual location of each impacted land parcel was analysed in respect to official data of the land cadastre to determine potential impact on private property. Land parcels surveyed *in situ* were assessed with regard to the scale of impacts: on land, structures (residential, commercial and auxiliary facilities), perennials and annual crops, business, etc.

The surveys commenced on April 8, 2019 and were accomplished on May 31, 2019. The start dated of the Detailed Measurements Surveys (DMS), i.e. April 8, 2019 has been taken as the cut-off date for the eligibility for compensations proposed for this road project.

Table E1 provides the Entitlement Matrix defined in the frames of the given RAP.

**Table E 1. Entitlement Matrix**

Type of Impact	Application	Description of PAP	Compensation Entitlements
Permanent loss of all categories of land (arable, residential, industrial, commercial)	Any land losses independent from impact severity	PAPs (with fully registered title)	PAPs will receive cash compensation at full replacement cost at current market value. The unit rate will be specified in the RAP. If any remaining part of the land owned by the registered owners is no longer appropriate for use, such remaining part will also be purchased subject to the agreement with the owner.
		PAPs (possessors of legalizable land parcel)	Assistance to PAPs in the process of legalization of project affected land parcel under their possession. Once legalization and registration of ownership title is accomplished, land will be acquired and PAP will receive cash compensation at full replacement cost at current market value, at unit rate defined in the approved RAP.
		Leaseholder of private or public lands	Free of charge renewal of lease in other plots with value/ productivity equal to affected land parcel, or cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years). In addition, cash compensation to reimburse proven investments incurred by the Leaseholder to improve the leased land.
		Leaseholder (not registered)	Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years).
		Non-titled, non-legalizable land users/squatters	Non-legalizable APs losing agricultural land plot, which is the only land plot

Type of Impact	Application	Description of PAP	Compensation Entitlements
			used by AH and provides main source of income for AH, will be compensated with one-time self-relocation cash allowances equal to 1 year of minimum subsistence income. according to current data provided on official website of the National Statistics Office of Georgia – GEOSTAT. <sup>7</sup>
Permanent loss of community land (pastures, grazing lands)		Local community losing access to pasture and grazing land	The local government will allocate free of charge a replacement land of similar size, productivity, and location acceptable to affected community.  If such replacement is not possible, a Livelihood Restoration Plan will be prepared and implemented to address needs of the affected community and maintain their livelihood at least to pre-project level.
<b>Structures</b>			
Residential house	Project affected residential dwellings subject to partial/full demolition	PAPs with registered ownership title; PAPs declared as legitimate possessors	All impacts will be considered as full impacts, disregarding the percentage of actual impact. Impacts will be compensated in cash, at full replacement costs, free of depreciation and transaction costs.  In addition, livelihood restoration initiatives will be offered to PAPs that may suffer deterioration of livelihood through indirect impact of the proposed road project (e.g. project impact is extended only over a residential dwelling subject to full cash compensation at replacement costs, and additional one-time allowances to transport salvaged materials and personal belongings. However, other income generating assets (agricultural land/private commercial facilities) may appear outside of ROW and not to be impacted by the project; correspondingly these assets may not be included in the offered compensation package. After moving and settling down to a new location, PAPs may at least temporarily lose income due to lack of access (increased travel time, complicated accessibility) to the mentioned income generating assets not affected by the proposed project).

<sup>7</sup> <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>

Type of Impact	Application	Description of PAP	Compensation Entitlements
		Residential tenants/ renters	<p>One-time allowance equalling to: 3 times the monthly rental free (specified in the lease agreement); or if a lease agreement is not available, 3 times the minimum monthly salary;<sup>8</sup></p> <p>In addition, one-time assistance for transportation of personal belongings to a new location; or one-time cash allowance to cover costs of transportation of personal belongings. One-time allowance is calculated as the amount of consumer basket for a family of five members* multiplied by three (3) months (378.9 GEL/month-May 2019 data) multiplied to three (3) months., (378.9 GEL X 3= 1136.7 GEL) (Amounts to be updated monthly based on national indicators for given month).</p>
Commercial structures and installations	Project affected commercial facilities subject to partial/full demolition	Titleholder	<p>Cash compensation for project affected structures and other fixed assets calculated as a full replacement cost at current market value, free of salvageable materials, depreciation and transaction costs.</p> <p>If partial demolition causes deterioration of a structure or raises safety and security concerns, the cash compensation will apply to the entire building and affixed assets.</p>
		Tenant of commercial facility	<p>One-time allowance equalling to: 3 times the monthly rental fee (specified in the lease agreement); or if a lease agreement is not available, 3 times the minimum monthly salary (378.9 GEL/month-May 2019 data) multiplied to three (3) months., (378.9 GEL X 3= 1136.7 GEL) (Amounts to be updated monthly based on national indicators for given month)<sup>9</sup>.</p>
State/ municipality owned buildings affected by the project	Project affected state/municipality owned buildings subject to partial/full demolition	IDPs, refugees, squatters occupying facilities for residential purposes	<p>Accommodation in resettlement areas offered by the government; or a self-relocation allowance in the maximum amount (1500 GEL) to cover lodging stipulated in the approved RAP.</p>

<sup>8</sup> In cases when a tenant/renter has paid rent in advance for a longer period of time, the landlords will be requested to reimburse the money to the tenant/renter for the corresponding period if adequate evidence is available.

<sup>9</sup> <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>

Type of Impact	Application	Description of PAP	Compensation Entitlements
Fences/ walls	All PAPs with fences to be affected	All PAPs	Cash compensation at replacement (construction) cost according to building material and linear meter of affected fence/ wall.
Annual crops	Affected crops	All PAPs (including squatters)	Crop compensation in cash, at gross market value of actual or expected harvest. Compensation for this item will be provided even if the crops has been harvested**
Perennials standing on private land parcels	Fruit bearing perennials affected by the project	All PAPs (including squatters)	Cash compensation at market value, on the basis of type, age and productive value of fruit tree. Besides, each fruit bearing tree will be compensated for purchase of saplings. PAPs will be eligible to dispose logged trees themselves. Construction company ensures free logging and delivery of timber to the residence of PAPs. Withdrawal requires appropriate permission
	Non-fruit bearing perennials affected by the project	All PAPs (including squatters)	Cash compensation will not be issued for perennials not bearing fruits, because they do not generate any kind of income for PAPs. Non-fruits bearing perennials are used for HH heating. PAPs will be eligible to dispose logged trees themselves. Construction company ensures free logging and delivery of timber to the residence of PAPs.
Perennials (on public/State land)	Standing trees	Perennials standing outside of private land parcels	The construction company will deliver logged trees to the municipal government. The municipal government may later distribute timber among local population below poverty threshold.
Perennials standing on the forestry land	Standing non-fruit bearing trees	Perennials standing outside of private land parcels	Perennials standing on the forestry land must be delisted from the State Forest Fund in accordance with corresponding decrees of Government of Georgia to enable legal implementation of the above mentioned activity. The construction company will deliver logged trees to the municipal government. The municipal government may later distribute timber among local population below poverty threshold.
<b>Income loss</b>			
Lessors/ landlords	Loss of income due to termination of lease agreements	All PAPs holding lease/ rental agreement	One-time allowance equalling to: 3 times the monthly rental fee (specified in the lease agreement); or if a lease agreement is not available, 3 times the minimum monthly salary. (378.9 GEL/month-May 2019 data) multiplied to three (3)

Type of Impact	Application	Description of PAP	Compensation Entitlements
			months., (378.9 GEL X 3= 1136.7 GEL) (Amounts to be updated monthly based on national indicators for given month) <sup>10</sup> .
Business employment	Temporary or permanent loss of business or employment	All PAPs (including squatters)	<b>Business owner:</b> (i) Cash compensation equal to one-year income, if loss is permanent; (ii) cash compensation for the period of business interruption, if loss is temporary. <b>Worker/employee:</b> Indemnity for lost salary/wage for the period of business interruption. In cases where tax declarations are unavailable, then they will be paid the official minimum monthly salary multiplied by the number of months of actual stoppage of the business.
		Agricultural workers losing contract	Cash indemnity corresponding to their salary for the remaining period of the agricultural year, and, where needed, livelihood restoration measures.
<b>Additional Rehabilitation Measures</b>			
Technical assistance in legalization and registration procedures		All PAPs with registered title/ possessors of legalizable land parcels	Free of charge technical assistance to PAPs during legalization, division of project affected parcel, registration of incurred corrections and/or sales transaction.
Physical Relocation	Transport and transitional livelihood allowances	All PAPs affected by relocation	Provision of sufficient allowance to cover transportation expenses and livelihood expenses for three months. Relocation Allowance is set at 300 GEL + 3 months payment of the minimum monthly subsistence for the family of 5 members*.
Community resources			Access shall be maintained or reinstated; Rehabilitation/substitution of the affected structures/utilities (i.e. bridges, roads, schools, health care centres, potable water supply systems, irrigation channels, etc.).
Vulnerable PAPs		PAPs below poverty line; disabled people; pensioners; widows; female headed households; impoverished; IDPs; Refugees.	Allowance equivalent to 3 months of minimum subsistence income for the family of 5 members* and priority employment in project-related jobs.

<sup>10</sup> <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>



Type of Impact	Application	Description of PAP	Compensation Entitlements
Severely affected PAHs	>10% of APs' land is taken,	owners, leaseholders and sharecroppers	1 additional crop compensation for 1 year's yield of affected land or allowance equivalent to 3 months of minimum subsistence income for the family of 5 members* (whichever is greater) and priority employment in project-related jobs.
Temporary impact	Loss of access to land parcel	Owners/Users	Temporary access will be arranged by the construction company. When temporary loss of access to land parcel results in loss to crops, the construction company will provide compensation to APs. All losses and amount of due compensation shall be determined according to compensation entitlement principles defined under the RPF and this RAP.
	Avoidance of interruption of temporary access road to the business activity	Business units	Temporary access will be arranged by the construction company.
	Temporary loss of income due to use of land parcels for the camps and quarries	Owners/Users	During camps' site selection process, the construction company should coordinate with relevant state authorities and give priority to vacant lands not used for agricultural /residential purposes. If land parcels selected for camps and quarries have private land-users, all losses and due amount to be compensated will be determined according to compensation entitlement principles defined in the RPF and this RAP.
Any other unforeseen impacts	As required	Any	The Roads Department and the construction contractor will address and mitigate/compensate unforeseen resettlement impact occurring during the project implementation. Utilities will be relocated by the contractors in cooperation with the owners.

\* Minimum subsistence income will be calculated for the 5-member family, based on monthly-updated values indicated by the National Statistics Office of Georgia by the RAP approval date.

\*\* Incomes expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land parcel was permanently used for crop cultivation, but crops have not been planted for the year of losses inventory (in order to rest this land, or due to illness of the farmer, or any other justifiable reason), the land parcel will be still considered as designated for crop cultivation and relevant compensations will be paid.

The WB<sup>11</sup> and EIB are the funding agencies and RDMRDI is the Implementing Agency (IA) of the Project. RDMRDI has the lead responsibility for road construction, as well as implementation of this RAP through the Resettlement Unit (RU) under the Roads Development and Resettlement Division in

<sup>11</sup> WB funded preparation of RPF.

RDMRDI. A Land Acquisition and Resettlement (LAR) Commission (LARC) will assist RU in all LAR activities, and RU will be represented at the field by a Working Group comprising legal, economics and engineering expertise from other departments of RDMRDI. In addition, RU will be assisted by LAR Team of the rayon level involving also local self government bodies. Transport Reform and Rehabilitation Centre (TRRC) has been formed as an independent body for financial management of World Bank and European Investment Bank financed projects. In addition, a number of other government departments will play an instrumental role in the updating and implementing the RAP. The National Agency of Public Registry (NAPR) within the Ministry of Justice will be assisting the Project through registration of land ownership and its transfer through the purchase agreement from landowners to the RDMRDI. The local government at Rayon and Municipality level will also be involved.

The LAR tasks under the Project are subject to internal monitoring. If considered necessary, the ESID/RDMRDI will conduct external monitoring of high risk projects, or any other project. The external monitoring will be assigned to the SSC to be hired by RDMRDI and approved by the World Bank and European Investment Bank. The internal monitoring will be carried out by ESID/RDMRDI, either directly or via consultant. Findings will be communicated to the WB/EIB as a part of project's quarterly progress reports. Where necessary, the SSC will carry out the external monitoring. Indicators for the external monitoring tasks are split into two phases. If the RAP implementation is behind the schedule, and actual displacement and land take process for project purposes is delayed, the census should be updated after one year and a new cut-off date should be set.

PAPs, who settle in the affected areas or erect there any fixed assets (e.g. structures, fruit trees, etc.) after the cut-off date, will not be eligible for any compensation. However, they will be given sufficient advance notice to vacate premises and dismantle affected structures before the project implementation is launched. Their dismantled structures will not be confiscated, and they will not pay any fine or sanction. Forced eviction will be considered only if all other efforts are exhausted.

Respectively, the information regarding the cut-off date and actual boundaries of the ROW will be well documented, and disseminated throughout the project impact zone at regular intervals and in relevant local languages, in written form<sup>12</sup> and verbally, during public consultation meetings. Communications will include warnings that persons settling in the project area after the cut-off date may be subject to displacement without any compensation.

Relevant preventive measures will be undertaken both during RAP preparation and implementation process. This is necessary to avoid deterioration of livelihood of any individual that may unintentionally turn to encroachers.

---

<sup>12</sup> Information Booklets and RAP will be available to any interested person; posters will be displayed in public spaces and information boards will be installed in local public offices of municipalities located within the project impact zone.

Various alternatives have been analysed during the RAP preparation in order to identify possibilities for the minimization of the project’s adverse impacts and select the most balanced option, which at the same time would ensure cost effectiveness of the construction. Besides, census and socio-economic surveys of PAPs as well as inventory of project affected assets and detailed measurement surveys (DMS) were undertaken during the preparation of the RAP in order to identify all vulnerable PAPs and any severe impact of the project.

Demographic and socio-economic surveys of PAPs were carried out in a gender-disaggregated manner to determine the number of women who are likely to be affected by the Project and establish their pre-project condition. Furthermore, women were key participants of the consultation processes. Specifically, they were essentially engaged into discussions around compensation entitlements. Particularly should be highlighted the requirement of the RAP to pay a special attention to the analysis of the condition of women and other vulnerable groups during the monitoring and evaluation of the RAP implementation.

In terms of tenure, the affected land plots are distributed in accordance with the following legal categories:

- Category 1. Titled private agricultural land plots with valid registration. 185 of the affected land plots (with aggregated area of 1,697,952 sq.m.) have valid registration.
- Category 2. 13 land plots of 10,010 sq.m non titled, but legalizable according to current legislation through 1 stage registration in NAPR. Related right establishing documents are available in Archives.
- Category 3. State Owned land plots illegally occupied by private users (squatters). In this subsection of the road we have 120 land plots (507,592 sq.m.) occupied by squatters.
- Category 4. 138 State owned land plots of 1,386,810s q.m 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 4 land parcels are not subject for land compensation.

Table E2 summarizes main impacts of the project in terms of land acquisition and resettlement.

**Table E 2      Summary of Project impacts**

Total budget of the RAP is **14,370,612.14** GEL.

Impacts		Unit	Number
<b>Landuse</b>			
1	<b>Project impacted land plots, total</b>	N	456
2	<b>Land take for the Project, total</b>	m <sup>2</sup>	3602364
3	<b>Category 1:</b> Private registered land parcels	N	185

Impacts		Unit	Number
		m <sup>2</sup>	1697952
4	<b>Category 2:</b> Private legalizable land parcels	N	13
		m <sup>2</sup>	10010
5	<b>Category 3.</b> State owned lands occupied by squatters – non-legalizable	N	120
		m <sup>2</sup>	507592
6	<b>Category 4.</b> State owned lands not used by private users	N	138
		m <sup>2</sup>	1386810
<b>Land plots subject to compensation by categories, total</b>			
7	<b>A1:</b> Agricultural, Category 1 (0.19 GEL/sq. m)	N	9
		m <sup>2</sup>	425801
8	<b>A1:</b> Agricultural, Category 2 (1.1 GEL/sq. m)	N	150
		m <sup>2</sup>	1230096
9	<b>R1:</b> Residential, Category 1 (14 GEL/sq. m)	N	1
		m <sup>2</sup>	4371
10	<b>R1:</b> Residential, Category 2 (5.5 GEL/sq. m)	N	3
		m <sup>3</sup>	1914
11	<b>R3:</b> Residential, Category 3 (126 GEL/sq. m)	N	7
		m <sup>3</sup>	3169
12	<b>C1: Commercial,</b> Category 1 (142.5 GEL/sq. m)	N	19
		m <sup>3</sup>	26499
13	<b>C1: Commercial,</b> Category 2 (38.5 GEL/sq. m)	N	9
		m <sup>2</sup>	16112
<b>Affected Agricultural Lands</b>			
14	Arable	m <sup>2</sup>	1586805
15	Pastures and hay-lands	m <sup>2</sup>	437551
16	Affected trees	N	9943
17	Impact on leaseholders (agricultural lands)	N	7

<b>Impacts</b>		<b>Unit</b>	<b>Number</b>
		m2	126010
<b>Affected Structures</b>			
	Residential	N	4
18	1 storey wooden dwelling house	N	1
19	2 storey Block Residential house	N	1
20	2 storey Block Residential house	N	1
21	1 storey Residential house with concrete panel	N	1
	Commercial buildings	N	20
22	Car service Station (Workshop)	N	6
23	Car washing service	N	2
24	Shop	N	5
25	Warehouse	N	2
26	Farm	N	1
27	Eatery	N	2
28	TIR Park Office house	N	1
29	Food production	N	1
30	Various (auxiliary) facilities	N	22
31	Fencing	m	2456.6
32	Other structure	N	51
<b>Affected Businesses and Employees</b>			
33	Affected Businesses	N	23
34	Auto service Station (Workshop)	N	-
35	Farm	N	16
36	TIR Park	N	25
37	Eatery	N	12
38	Car washing service	N	7
<b>Project Affected Households</b>			
39	Severely affected PAHs	N	85
40	Displaced PAHs	N	4
41	Vulnerable PAHs	N	99

Impacts		Unit	Number
42	PAHs with registered plots	N	110
43	PAHs with legalizable plots	N	7
44	PAHs using the state owned land	N	89
45	PAHs losing agricultural land	N	165
46	PAHs losing trees	N	2
47	Total PAHs	N	215
48	Total PAPs	N	879

In overall 215 PAHs (879 PAPs) are affected by the project: 117 directly, losing their land plots.

The Project impacts 23 businesses and of them only 7 businesses submitted tax declarations. According to provided tax declarations, 60 employees are affected by the Project.

4 PAHs are losing their residential houses and are subject to physical relocation. They will be compensated for lost buildings and structures at full replacement cost, and in addition will receive relocation allowances.

In total 85 PAHs have been attributed to the severely affected category.

The Project affects 7 PAHs which have a leasing agreement and lose income from agricultural land.

The project impact extends to directly affected PAPs comprising 475 male (54%) and 405 female (46%). Further, 23 affected PAHs are headed by woman. 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. Additionally, women headed households have been considered as vulnerable and special assistance was provided in the RAP entitlements.

All activities related to the land acquisition and resettlement have been scheduled in a manner to ensure that compensation is paid prior to displacement and commencement of civil works. Public consultation, internal monitoring and grievance redress is being undertaken intermittently throughout the project duration. The resettlement cost estimate under this RAP is **14,370,612.14** GEL.

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

# 1 Introduction

## 1.1 General Overview of Project

The Government of Georgia (GoG) supported by the World Bank and European Investment Bank is preparing the Feasibility Study and detail design for the Rustavi-Red Bridge and Algeti-Sadakhlo Roads Project. The purpose of the Project is to fulfil the Government's Four-year Spatial Arraignment Program for Improvement and Maintenance of the Road Infrastructure for 2017-2021.

The Four-Year Spatial Arraignment Program elaborated by the Roads Department under the GoG envisages the construction and rehabilitation of highways and secondary roads in Georgia during 2017-2021. The road section of Rustavi-Red Bridge and Algeti Road to be upgraded is classified as an international road, which is designed at 120 km/hr speed. The total length of the project road is 61 km, which is split into two sections: the first one comprises the road section from Rustavi to Red Bridge (31.9 km), and the second one from Algeti interchange to Sadakhlo (29.3 km).

Rustavi - Red Bridge Section: The project covers 31.9 km long road section in total. This is an expressway, which crosses mountainous terrain and descends to a plain lowland. The road configuration has a rigid pavement of 22 - 25m average width. The road drainage system is provided in the middle of the road. The motorway is 4x3.75m wide and has 2.5m wide hard shoulder, lighting system and 4m wide median with a steel safety barrier. This section is provided with 13 bridges, average length of each 99m. The bridges are designed at strategic locations to discharge water. Besides, the Project envisages the replacement of relevant communications, utility shifting, electrification and bridge furniture.

In terms of tenure the affected land plots are distributed in accordance with the following legal categories:

- Category 1. Titled private agricultural land plots with valid registration. 185 of the affected land plots (with aggregated area of 1,697,952 sq.m.) have valid registration.
- Category 2. 13 land plots of 10,010 sq.m non-titled, but legalizable according to current legislation through 1 stage registration in NAPR. Related right establishing documents are available in Archives.

- Category 3. State Owned land plots illegally occupied by private users (squatters). In this subsection of the road we have 120 land plots (507,592 sq.m.) occupied by squatters.
- Category 4. 138 State owned land plots of 1,386,810 sq.m 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 4 land parcels are not subject for compensation.

## 1.2 Measures to Avoid Adverse Impacts of Project

The RAP determines eligible criteria for the project affected persons (PAPs) and provisions for compensating all types of losses: land, crops/ trees, shelter, structures, business/ employment, and workdays/ salaries/ wages. All PAPs, including land users without legal title, will be compensated for lost income and assets.

The RAP has been elaborated based on technical surveys in order to avoid or minimize physical displacement of population that was achieved through the analysis of different project alternatives.

An actual location of each impacted land parcel was analysed in respect to official data of the land cadastre to determine potential impact on private property. Each land parcel has been surveyed *in situ* to assess the scale of the project's impacts: on land, structures (residential, commercial and auxiliary facilities), perennials and annual crops, business, etc.

The analysis of alternatives was used to estimate possibilities for the mitigation and/or minimization of the project's adverse impacts and select the most balanced option, which at the same time would ensure cost effectiveness of the construction.



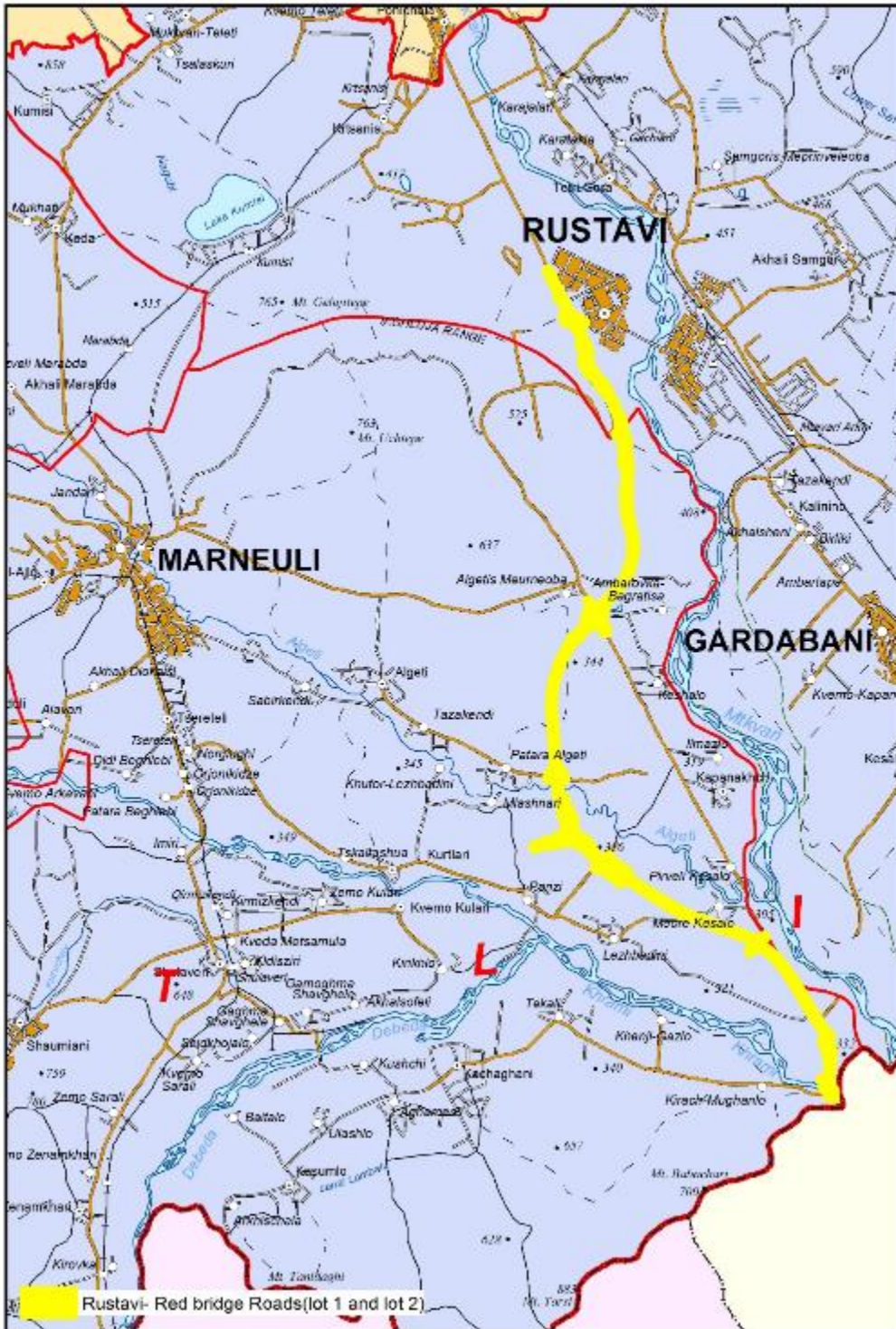


Figure 1.1. Map of Rustavi - Red Bridge Road Section

Besides, census and socio-economic surveys of PAPs as well as inventory of project affected assets and detailed measurement surveys (DMS) were undertaken during the preparation of the RAP in order to identify all vulnerable PAPs and any severe impact of the project.

Demographic and socio-economic surveys of PAPs were carried out in a gender-disaggregated manner to determine the number of women who are likely to be affected by the Project and establish their pre-project condition. Furthermore, women were key participants of the consultation processes. Specifically, they were essentially engaged into discussions around compensation entitlements. Particularly should be highlighted the requirement of the RAP to pay a special attention to the analysis of the condition of women and other vulnerable groups during the monitoring and evaluation of the RAP implementation.

### **1.3 Minimizing Land Acquisition and Resettlement**

Due considerations have been given during the design of the new road alignment to minimize 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. The alignment has been optimized in tight collaboration with RD and EIB.

### **1.4 RAP Preparation**

This RAP has been prepared as a condition to contract awards signing. The document complies with relevant Georgian laws and provision of the WB OP 4.12 and EIB ESS 6 on Involuntary Resettlement. RAP preparation entailed:

- (i) a detailed measurement surveys (DMS)
- (ii) a detailed asset valuation/documentary research for each affected plot/affected item
- (iii) a 100% AH census;
- (iv) a socio-economic survey (SES) of 54% of the AHs.

Intensive consultations with all the stakeholders including rayon authorities and the likely APs were conducted during the RAP preparation process.

The RAP document is based on DMS, census and socio economic survey which were conducted between 8 of April – 31 May 2019. The RAP includes (i) Description of impacts, census and social profile of APs; (ii) Land acquisition and compensation scheme for land acquisition and implementation of RAP; (iii) preparation and update of LAR budget; and (iv) Loss of individual landowners and rights profile.

April 8, 2019 is defined as a cut-off date for this RAP. The RAP preparation process entailed intensive consultations with the stakeholders through community level meetings (May 31 of 2019, meeting with the project-affected land owners in Rustavi and Marneuli municipalities) and through individual contact at the time of census, socioeconomic survey and detail measurement survey. Consultations with the APs and their community were conducted to understand the extent of impact, validate the impact severity and relevance of compensation measures. The assessment of losses and land acquisition is based on the final engineering design as part of the detailed design study.

## **1.5 Pending RAP Implementation**

Following this RAP approval RAP finances will be provided to the Executing Agency (EA). Prior to the distribution of RAP finances to the APs the legalization of AP's' land plots 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 be also established for absentee APs. The proposed scheme is in compliance approved RPF, EIB ESS and and national law with regard to application of escrow account and has been applied by RD in many road rehabilitation projects funded by different IFIs during the last 12 years.

## **1.6 Conditions for Project Implementation**

Based on the established practise and EIB ESS policy the approval of project implementation has to meet the following RAP-related conditions:

- (i) Signing of Contract Award: Conditional to the approval of the RAP by EIB and Government. RAP reflects final impacts, final AP lists and compensation rates at replacement cost approved by RD.
- (ii) Notice to Proceed to Contractors: Conditional to the full implementation of RAP (legalization of legalizable owners, and full delivery of compensation and rehabilitation allowances).

## 2 Assessment of Project Impacts

### 2.1 Overview

This RAP is prepared based on the results of DMS executed in the project impact area, inventory of project affected assets, census of PAPs and socio-economic survey.

31. The surveys commenced on April 8, 2019 and completed on May 31, 2019. The start date of the Detailed Measurements Surveys (DMS), i.e. April 8, 2019 has been taken as the cut-off date for the eligibility for compensations proposed in the frames of the Project.

### 2.2 Impact on Land

Total 3602219 sq. m of land is required for the project needs. Of them, 507592 sq. m (14.1%) is not subject to compensation (owned by the state, however could be occupied by private persons<sup>13</sup>); 1667080 sq. m (46,3%) is under the private ownership and should be compensated for. The remaining 1427547 sq. m is unused.

Table 2.1. Land plots by their compensation status

#	Category	Type of Compensation	Total Area (sq. m)	Area Subject to Compensation (sq. m)	Number of Plots	Number of Households
1	Agricultural	A1 (GEL/sq. m)	9945843	425801	9	8
2		A2 (GEL/sq. m)	5949623	1230096	150	83
3	Residential	R1 (GEL/sq. m)	4371	4371	1	1
4		R2 (GEL/sq. m)	3697	1914	3	3
5		R3 (GEL/sq. m)	5801	3169	7	7
6	Commercial	C1 (GEL/sq. m)	44514	26499	19	6
7		C2 (GEL/sq. m)	29882	16112	9	8

<sup>13</sup> Based on practical experience and expected legal amendments in land title registration procedures initiated by GoG, the basic assumption is that these 120 State land plots currently being used by private persons, may legitimately be transferred into private ownership and registered with the NAPR. APs, presenting title registered at the NAPR, even after the cut-off date, will still be eligible to make a claim for compensation for land and attached assets. Correspondingly, relevant changes will be made to the LAR budget. APs will qualify for title holder APs and be eligible for full cash compensation as described in the Entitlement Matrix of this RAP.

8	State lands used by private persons	Not subject to compensation	2300080	507592	120	89
9	State lands, unused	Not subject to compensation	1386810	1386810	138	

Table 2.1 describes categories of land parcels subject to compensation.

A1 - this category comprises Iaghluja pastures which are situated nearby Rustavi-Red Bridge motor road between Rustavi City and Algeti farm. It has a hilly relief covered by barren vegetation. Landuse - only for pasture.

A2 - agricultural (arable) lands which lay along a conventional vertical axis from the north to the south on territories of villages: Kapanakhcha, Ambarovka, Algeti, Azizkendi, Didi Mughanlo and further, again along another conventional axis pointing towards the east. Land parcels are characterized by a flat relief. They are used for growing annual crops. Certain farming signs are notable. Manly dirty roads are available for access.

R1 - this area is comprised within boundaries of a land parcel registered under Cadastral Code 02.04.05.126. It is situated next to Rustavi-Red Bridge main road. It is surrounded by Iaghluja pastures and non-agricultural lands intended for industrial development. Homestead (residential) land use is not identified in adjacent territories. This land plot has a flat relief. A residential house and auxiliary facilities are attached to this parcel.

R2 - homestead land parcels which are situated in Kirach-Mughanlo village, adjacent to the Red Bridge border checkpoint, nearby the Khrami River. They fall within an intensively developed residential zone. These land parcels contain residential houses and auxiliary facilities.

R3 - homestead land parcels of Rustavi City which are situated between Tbilisi Street and Rustavi-Red Bridge road. These parcels contain residential housed and auxiliary facilities.

C1 - comprises land parcels which are situated in Rustavi City, between Tbilisi Street and Rustavi-Red Bridge road. These parcels are commercially attractive due to their location. Some of them contain small commercial facilities occupied by car care services.

C2 - this category comprises commercially attractive lands that adjoin Rustavi-Red Bridge highway. Some of them are already used for commercial purposed, and other are not yet employed.

Private lands are represented by 198 parcels (1707962 sq.m.) which are owned by 115 households. Additional 89 families utilize 120 plots (507,592 sq. m), which are under the state/ municipal ownership. Detailed data are given in Table 2.1 and Table 2.2.

**Table 2.2. Distribution of private land plots by their legal status**

#	Species	Legal status	Total area (sq. m)	Area Subject to Compensation (sq. m)	Number of Plots	Number of HHs
1	Agricultural	Registered title	15895346	1655777	157	91
2		Legalizable	120	120	2	1 <sup>14</sup>
3	Residential	Registered title	6557	2755	5	5
4		Legalizable	7312	6699	6	6
5	Commercial	Registered title	71205	39420	23	14
6		Legalizable	3191	3191	5	1

### 2.3 Impact on leaseholders (agricultural lands)

**Table 2.3. Impact on leaseholders**

---

<sup>14</sup> Legalizable agricultural land plots (2) are under possession of legal entity.

## 2.4 Impact on Buildings and Structures

The project affects 4 residential houses, 20 commercial buildings, 22 auxiliary facilities and 42 fences and 51 other structures. These structures belong to 49 households (see Table 2.4).

**Table 2.4. Distribution of structures by households**

#	Species	Number	Floor area (for buildings) / Length (for fencing)	Number of Owner HHs
1	Residential house	4	617,5	4
2	Commercial building	20	3595,6	9
3	Auxiliary facility	22	1584,7	12
4	Fencing	42	2456,6	16
5	Other structure	51		12

## 2.5 Impact on Perennials

The project will impact 9943 fruit bearing trees of various age and species (see Table 2.5). Besides, 276 non-fruit bearing trees will be affected by the project.

**Table 2.5. Fruit bearing trees affected by the Project**

#	Species	Age group (years)					Total
		<5	5-10	10-15	15-20	20>	
1	Cherry	16	0	7	0	0	23
2	Sour cherry	61	1	0	0	0	62
3	Apple	33	2	6	0	0	41
4	Pear	5	2	1	0	0	8
5	Plum	65	1	9	0	0	75
6	Wild plum	190	3	5	2	0	200
7	Cornelian cherry	8	2	0	0	0	10
8	Peach	25	0	0	0	0	25
9	Walnut	70	5	3	4	2	84
10	Hazelnut	19	6	0	0	0	25
11	Grape	451	11	4083	2000	2608	9153
12	Laurel	1	1	0	0	0	2
13	Fig	5	1	7	0	0	13

14	Mulberry	39	7	16	15	3	80
15	Pomegranate	31	4	7	0	0	42
16	Persimmon	2	0	9	0	0	11
17	Quince	17	1	1	0	1	20
18	Apricot	42	0	5	2	0	49
19	Wild apricot (Cherami)	11	2	1	0	0	14
20	Damson plum (Chanchuri)	3	1	1	0	0	5
21	Almond	1	0	0	0	0	1
<b>Total</b>		<b>1095</b>	<b>50</b>	<b>4161</b>	<b>2023</b>	<b>2614</b>	<b>9943</b>

## 2.6 Impact on Crops

The Project will affect 266 agricultural land plots of 2024356 sq. m total area, which are likely to be under crops. According to inventory data, maize is a main crop grown there - see Table 2.6.

**Table 2.6. Impact on Harvest**

#	Species	Affected Area (sq. m)	Number of Plots	Number of Households
1	Arable	1584389	254	168
2	Pastures and hay-lands	396669	12	11
<b>Total</b>		<b>2024356</b>	<b>266</b>	<b>176</b>

## 2.7 Impact on Business

The Project impacts 23 businesses, of which 7 businesses have presented their tax declarations - see Table 2.7.

**Table 2.7. Affected Businesses**



The impact scale on various groups of PAPs is different, and respectively, the RAP should be implemented considering these impact scales. At the same time, special attention should be devoted to particularly sensitive groups of PAPs, i.e. vulnerable people.

## **2.8 Other Impacts**

The impact scale on various groups of PAPs is different, and respectively, the RAP should be implemented considering these impact scales. At the same time, special attention should be devoted to particularly sensitive groups of PAPs, i.e. vulnerable people.

### **2.8.1 Severely Affected Households**

The DMS has shown that 85 households are going to loss >10% of their land plot, and consequently they should be taken for severely affected persons (see Table 2.8).

**Table 2.8. Severely Affected Households**

## **2.8.2 Relocation**

Through considerable efforts were made to avoid resettlement of local population, still 4 impacted households should undergo physical relocation - see Table 2.9.

**Table 2.9. Households which will be resettled**

## **2.8.3 Vulnerable Households**

The Census carried out in the Project Impact Area has revealed 99 households classified as vulnerable in the frames of the given RAP (see Tables 2.10).

**Table 2.10. Vulnerable Households**

## 2.8.4 Gender Issues and Minorities

Issues linked to gender, ethnic and religious minorities have not been identified within the Project's impact zone. Despite the fact great majority of PAPs are ethnic Azerbaijanis<sup>15</sup>, they have been integrated to lifestyle of Georgia long ago and do not feel themselves alienated in any context.

## 2.8.5 Impact on Public Assets

The Project will not impact any known cultural and historical monuments and public infrastructure. However, during the public consultations local population expressed their concerns regarding potential restrictions of access roads (either temporary or permanent) as this may cause certain problems during livestock driving. Besides, water supply network might be damaged/ destroyed in some cases. The analysis and solving of these issues is under the responsibility of the Design Consultant and the Construction Contractor.

## 2.8.6 Summarized Data on Private Assets

Table 2.11 summarizes main data on the project impacted assets.

**Table 2.11. Summary of project impacts**

Impacts		Unit	Number
<b>Landuse</b>			
1	<b>Project impacted land plots, total</b>	N	456
2	<b>Land take for the Project, total</b>	m <sup>2</sup>	3602364
3	<b>Category 1:</b> Private registered land parcels	N	185
		m <sup>2</sup>	1697952
4	<b>Category 2:</b> Private legalizable land parcels	N	13
		m <sup>2</sup>	10010
5	<b>Category 3.</b> State owned lands occupied by squatters – non-legalizable	N	120
		m <sup>2</sup>	507592
6	<b>Category 4.</b> State owned lands not used by private users	N	138
		m <sup>2</sup>	1386810
<b>Land plots subject to compensation by categories, total</b>			
7	<b>A1:</b> Agricultural, Category 1 (0.19 GEL/sq. m)	N	9

<sup>15</sup> Public Information Booklet will also be available in the Azeri language.

Impacts		Unit	Number
		m <sup>2</sup>	425801
8	A1: Agricultural, Category 2 (1.1 GEL/sq. m)	N	150
		m <sup>2</sup>	1230096
9	R1: Residential, Category 1 (14 GEL/sq. m)	N	1
		m <sup>2</sup>	4371
10	R1: Residential, Category 2 (5.5 GEL/sq. m)	N	3
		m <sup>3</sup>	1914
11	R3: Residential, Category 3 (126 GEL/sq. m)	N	7
		m <sup>3</sup>	3169
12	C1: Commercial, Category 1 (142.5 GEL/sq. m)	N	19
		m <sup>3</sup>	26499
13	C1: Commercial, Category 2 (38.5 GEL/sq. m)	N	9
		m <sup>2</sup>	16112
<b>Affected Agricultural Lands</b>			
14	Arable	m <sup>2</sup>	1586805
15	Pastures and hay-lands	m <sup>2</sup>	437551
16	Affected trees	N	9943
17	Impact on leaseholders (agricultural lands)	N	7
		m <sup>2</sup>	126010
<b>Affected Structures</b>			
	Residential	N	4
18	1 storey wooden dwelling house	N	1
19	2 storey Block Residential house	N	1
20	2 storey Block Residential house	N	1
21	1 storey Residential house with concrete panel	N	1
	Commercial buildings	N	20
22	Car service Station (Workshop)	N	6
23	Car washing service	N	2

<b>Impacts</b>		<b>Unit</b>	<b>Number</b>
24	Shop	N	5
25	Warehouse	N	2
26	Farm	N	1
27	Eatery	N	2
28	TIR Park Office house	N	1
29	Food production	N	1
30	Various (auxiliary) facilities	N	22
31	Fencing	m	2456.6
32	Other structure	N	51
<b>Affected Businesses and Employees</b>			
33	Affected Businesses	N	23
34	Auto service Station (Workshop)	N	-
35	Farm	N	16
36	TIR Park	N	25
37	Eatery	N	12
38	Car washing service	N	7
<b>Project Affected Households</b>			
39	Severely affected PAHs	N	85
40	Displaced PAHs	N	4
41	Vulnerable PAHs	N	99
42	PAHs with registered plots	N	110
43	PAHs with legalizable plots	N	7
44	PAHs using the state owned land	N	89
45	PAHs losing agricultural land	N	165
46	PAHs losing trees	N	2
47	Total PAHs	N	215
48	Total PAPs	N	879

### 3 Socio-Economic Analysis of Project

#### 3.1 General Overview

The given socio-economic review of the project impacted area is based on results of the census and selective socio-economic survey of PAPs carried out from April 8, 2019 to May 31, 2019. The selective socio-economic survey covered 116 PAHs, i.e. 54 % of all PAHs.

#### 3.2 Context of Kvemo Kartli Region

The project impact zone comprises Marneuli Municipality, which belongs to Kvemo Kartli Region. Demographic and economic features are rather inhomogeneous throughout Kvemo Kartli Region, and only main characteristics are brief overviewed here (see also <https://www.geostat.ge/regions>).

The total population of Kvemo Kartli Region comprises 433 thousand persons, major portion of them inhabiting in Rustavi City, the regional centre and municipality centres including Gardabani, Marneuli, Bolnisi, Tetritskaro, Dmanisi and Tsalka. Main demographic indexes of Kvemo Kartli Region are as follows (per 1000 people): live births - 0.014, mortality rate - 0.010, infant mortality rate - 0.129. As of 2018, main causes of the death are (% of all deaths): diseases of the circulatory system - 35%; cancer - 14%; injury, poisoning and other external causes - 4%; diseases of the respiratory system - 4%. The average population density comprises 67 persons/sq.km in the region.

General economic data of Kvemo Kartli population are provided in Table 3.1, which shows the structure of income and expenditure per capita.

**Table 3.1. Per capita income and expenditure of population in Kvemo Kartli Region**

Income per Capita	GEL
<b>1. Total income (2+3)</b>	<b>231,3</b>
<b>2. Cash income and transfers from:</b>	<b>211,6</b>
Hired labour	98,3
Self-employment	27,6
Selling of agricultural products	15,6
From assets (leasing, interest on savings)	0,2
Pensions, scholarships, allowances	36,7
Transfers from abroad	16,4
Financial assistance	16,9
<b>3. Non-cash income</b>	<b>19,6</b>
<b>4. Other monetary funds</b>	<b>20,2</b>
Sale of assets	0,6
Borrowings, or consumption of savings	19,6
<b>5. Total cash (2+4)</b>	<b>231,8</b>
<b>6. Total cash and non-cash income (3+5)</b>	<b>251,5</b>

Expenditure per Capita	GEL
<b>1. Total consumer expenditure (2+3)</b>	<b>199,4</b>
<b>2. Consumer expenditure in cash</b>	<b>179,8</b>
Food, beverage and tobacco	72,9
Cloths and footwear	7,2
Household goods	7,7
Health care	21,4
Residential house, water, electricity, natural gas and other fuel	21,0
Transport	21,8
Education	4,2
Other consumer expenditure	23,6
<b>3. Non-cash expenditure</b>	<b>19,6</b>
<b>4. Non-consumer expenditure in cash</b>	<b>41,4</b>
Agricultural inputs	4,0
Transfers	4,1
Savings or lending	30,9
Purchasing of property	2,4
<b>5. Total cash expenditure (2+4)</b>	<b>221,2</b>
<b>6. Total expenditure (3+5)</b>	<b>240,8</b>

The health care system of Kvemo Kartli Region is characterized by the following indexes (as of 2017, per 1000 population): number of physicians - 1.5; number of nurses - 1; number of hospital beds - 1; number of visits to in-patient and out-patient facilities per year - 611.

In 2018, the number of public school students comprised 158 per 1000 population, while the average number of students per school was 258.

### 3.3 Local Context

The findings of the PAHs survey are as follows:

#### 3.3.1 Demographical Data

Average household size is 5.2 people, of which 2.8 are male and 2.4 are female. The distribution of population by age and sex is represented in Table 3.2.

**Table 3.2. Age-sex structure of population**

Age	Male	Female	Total
15-	27,0%	19,2%	23,3%
16-65	64,9%	71,3%	67,9%
65+	8,2%	9,4%	8,8%
	100,0%	100,0%	100,0%



Heads of all interviewed families are ethnic Azerbaijanis and they identify themselves as Muslims. 97% of respondents stated that their families have been living in this territory over 20 years. 98% of respondents asserted that they do not receive social allowance for poverty.

Data on the employment status of family members over 15 are provided in Table 3.3 below, which is based on information obtained from respondents (interviewed families comprise 230 men and 232 women in total):

**Table 3.3. Distribution of persons over 15 by their employment status**

(According to respondents' assessment)

	Male	Female
Secondary/ high school student	7,4%	10,0%
Pensioner	13,9%	17,0%
Hired worker	75,7%	60,3%
Engaged in business	3,0%	0,4%
Housewife	0,0%	12,2%

Table 3.4 and Table 3.5 provide the distribution of hired labour by occupation field and education level respectively (there are 170 men and 136 women in the interviewed HHs in total).

**Table 3.4. Distribution of hired workers by occupation sectors**

	Male	Female
Education	2,4%	8,8%
Agriculture	92,3%	92,6%
Other sectors	5,4%	0,0%

Table 3.5 provides data on the distribution of hired workers by their education level:

**Table 3.5. Distribution of hired workers by education level**

	Male	Female
Primary school	7,6%	8,7%
Secondary school	75,0%	79,7%
Technical and vocational education	1,7%	0,7%
Higher education	15,7%	10,9%

### 3.3.2 Assets of Project Impacted Persons

On average residential houses are 45-year old 2-storey permanent buildings of brick/ block/ stone. They include 6 rooms, and the floor area totals 170 sq. m. All houses are provided by power (supply is reliable). 47.4% of houses have natural gas supply (again reliable). 81% of houses have piped water - half of them enjoy uninterrupted supply, and others have scheduled supply. 34% of respondents think that the quality of water is poor, and others believe that water is of satisfactory quality in general. Great majority of households (92%) does not have access to the irrigation system. Natural gas is used to heat 18% of houses; however, all households still mainly depend on firewood for heating. None of residential houses are connected the municipal sewage system (instead they use cesspits).

All of the interviewed persons asserted that the house they occupy belongs to their family (the owner is he/she or his/her family member). Besides, as they informed, 25.0% of houses are repaired no later than 5 years ago, 27,6% - 6-10 years ago, 19.8% - 11-15 years ago, and 27.6% - over 15 years ago. Only 19.8% of respondents states that their house does not need refurbishment, whilst houses of other respondents require renovation of different scale. The interviewed persons assess their living conditions as: bad - 20.7%, satisfactory - 73.3%, and good - 6.0%.

According to estimates given by respondents, on average one household possesses/ uses 1836 sq. m of homestead, 2336 sq. m of arable land, and 45730 sq. m of pasture (as community owned pasture). Table 3.6 provides data on the distribution of lands by crops.

**Table 3.6. Distribution of Land Parcels by Crops**

Cereals	12,8%
Beans	2,2%
Vegetables	27,4%
Grass and fodder	56,3%
Fruit	1,0%
Grape	0,3%

On average, one household owns 3 cattle, 10 sheep and 8 poultry. 92% of interviewed families does not collect/obtains natural resources, whilst other harvest mushrooms, edible plants, etc.

### 3.3.3 Economic Status of Project Affected Persons

Respondents describe their economic status as the following (see Table 3.7)

**Table 3.7. Self-assessment of economic condition by respondents**

We have sufficient money for food, but have to loan money to buy cloths/ footwear	31,0%
We have sufficient money for food and cloths/ footwear, but have to make savings or borrow money to buy household appliances/ items	12,9%

We have sufficient money for food, cloths/ footwear, household appliances/ items, but have to make savings or borrow money to buy a car or apartment	15,5%
We are able to purchase anything we wish at any time	3,4%
Do not know/ no answer	37,1%

The average monthly income of interviewed HHs is 2629 GEL. The structure of their incomes and expenditures is represented in Tables 3.8 and 3.9:

**Table 3.8. Structure of incomes**

Salary (public sector)	3,4%
Pension	2,2%
Social allowance	0,1%
Salary/ wage (from private sector)	6,3%
Income from crop growing	52,1%
Income from livestock breeding	34,8%
Outdoor trade	1,0%

**Table 3.9. Structure of expenditures**

Food	47,9%
Utility fees	6,5%
Transport	4,4%
Health Care	2,2%
Education	1,8%
Other	37,2%

About 56% of interviewed persons informed that main source of their family income is not seasonal. Besides, respondents stated that during the last five years period their income has: reduced 28.4%, remained at the same level 62.1%, increased 9.5%.

Interviewed people asserted that they produce/ grow 73% of products consumed (they do not hunt and fish). At the same time, neither of interviewed households perceive that their nutrition is inadequate, and 25% of households believe that their nutrition is good. Around 94% of families assert they pay utility fees in due time.

46% of PAHs state that they have loans (15000 GEL on average). 93% of loans are obtained from commercial banks, and others are taken from microfinance organizations or private persons.

The interviewed persons think that during the last five years their economic situation has: worsened 26.7%, not changed 61.2%, improved 12.1%.

### 3.3.4 Health Care and Education

According to respondents, their family members have to address for medical assistance: during the last week -18.1%; during the last month - 16.4%; 2-6 months ago - 29.3%; 6-12 months ago - 19.0%; over one year ago - 17.2%. The reason why they addressed for the assistance was: injury - 3.4%; illness - 88.8%; medical check - 4.3%; childbirth -1.7%; other - 1.7%. The medical assistance was sought at: hospital - 83.6%; polyclinic -12.1%; ambulatory/medical room - 2.6%; other - 1.7%. They reached the medical facility using: ambulance - 1.7%; car / bus - 96.6%; other - 1.8%. According to the respondents' assessment, the distance to the nearest health care facility comprises: 3.5km to polyclinic; 17.0km to local hospital; and 22.2km to city hospital.

Out of 116 households interviewed, 57 (or 49.1%) informed that they have school-age child, who attends school. Others do not have children of school-age. Table 3.10 describes the affordability of essential educational resources for these 57 households. According to the interviewed HHs, the average distance to educational facilities comprise: 14km to the kindergarten; 1.2km to the secondary school; 19.9km to the vocational school; and 59.8km to the high school.

**Table 3.10. Affordability to the essential educational resources for households having school children**

	Payment for Education	Educational Items	Additional Classes	School Uniform
Absolutely not affordable	0,0%	0,0%	0,0%	0,0%
Hardly affordable	15,8%	38,6%	28,1%	22,8%
Readily affordable	19,3%	61,4%	59,6%	8,8%
n/a	64,9%	0,0%	12,3%	68,4%
Total	100,0%	100,0%	100,0%	100,0%

### 3.3.5 Local Services and Level of Satisfaction

39% of the interviewed households think that the quality of public services is bad; around 7% of HHs evade the answer; and remaining 54% considers that the quality of public services is at least satisfactory. The obtained replies by public services are provided in Table 3.11.

**Table 3.11. Assessment of the quality of public services**

	Bad	Satisfactory	Good	Very Good	Do not know/ cannot assess
Local Government	8,6%	38,8%	43,1%	7,8%	5,2%
Banks/ cash machines	70,7%	7,8%	9,5%	1,7%	10,3%
Fighting against crime and police	3,4%	37,9%	54,3%	1,7%	2,6%
Clean-up service	46,6%	25,9%	18,1%	1,7%	7,8%

Entertainments	81,9%	2,6%	0,9%	0,9%	13,8%
Roads	25,9%	31,9%	40,5%	0,0%	1,7%
Communications	25,9%	31,9%	31,9%	1,7%	8,6%
Postal service	30,2%	37,9%	23,3%	0,9%	7,8%
Sewage	75,0%	6,0%	4,3%	1,7%	12,9%
Recreational zones	75,9%	8,6%	0,9%	0,9%	13,8%
Trade facilities	22,4%	28,4%	37,9%	2,6%	8,6%
Public transport	19,0%	35,3%	42,2%	1,7%	1,7%
Water supply	33,6%	30,2%	34,5%	0,0%	1,7%
Water quality	31,0%	31,0%	35,3%	0,0%	2,6%

**Table 3.12. Perceived changes in the quality of public services for the last 5 years**

	Worsen	Same	Improved	Do not know/ cannot assess
Local Government	10,3%	70,7%	7,8%	11,2%
Banks/ cash machines	12,1%	60,3%	6,9%	20,7%
Fighting against crime and police	9,5%	69,0%	10,3%	11,2%
Clean-up service	13,8%	60,3%	8,6%	17,2%
Entertainments	15,5%	56,9%	4,3%	23,3%
Roads	8,6%	73,3%	9,5%	8,6%
Communications	6,0%	64,7%	8,6%	20,7%
Postal service	8,6%	67,2%	6,0%	18,1%
Sewage	12,1%	58,6%	5,2%	24,1%
Recreational zones	12,1%	60,3%	1,7%	25,9%
Trade facilities	5,2%	69,0%	7,8%	18,1%
Public transport	6,9%	74,1%	10,3%	8,6%
Water supply	10,3%	69,0%	8,6%	12,1%
Water quality	11,2%	69,8%	8,6%	10,3%

About 10% of the interviewed HHs (averaged over all services) mentioned that the quality of public services has decreased during the last five years period; 16% of HHs did not answer this question; and the remaining 74% stated that public services has not worsened for the last five years. Table 3.12 provides break down of obtained data by services.

According to information provided by respondents, the average distance to the nearest local and main roads is respectively 0.38 km and 2.69km.

Only 6-7% of interviewed people are satisfied with general matters such are employment, household income, and overall situation in their settlement (see Table 3.13).

**Table 3.13. Satisfaction with general matters**

	Unsatisfied	Neutral	Satisfied	NA
Employment	60,3%	31,9%	6,0%	1,7%
Household income	42,2%	50,9%	6,9%	0,0%
Local situation in overall	39,7%	53,4%	6,9%	0,0%

More in-depth analysis shows that top priority issues include: unemployment - 52,6%; insufficient incomes - 16.4%; water supply - 12.1%; health care - 6.9%; high interest rate on loans - 5.2%; others - 6.9%.

Respondents unanimously stated that there are no public, historical or cultural sites located in their vicinity.

## 4 Legal Framework

### 4.1 Georgian Legislation

Effective legislative acts of Georgia, which regulate private ownership rights and procedures for obtaining the state ownership rights over privately owned lands for public needs emerging due to road construction, are listed below:

- i. Constitution of Georgia, August 24, 1995 (Last update on 23 March, 2018)
- ii. Civil Code of Georgia, June 26, 1997 (Last update on 09, September, 2019)
- iii. Law of Georgia on Notary Actions, December 4, 2009 (Last update on 03, March, 2018)
- iv. Law on Public Health, 27 June, 2007 (Last update on 19, February, 2019)
- v. Organic Law of Georgia on Agricultural Land Ownership, 25 March 2019
- vi. Law of Georgia on Recognition of Property Rights of the Parcels of Land Possessed (Used) by Natural Persons and Legal Entities, 11 June, 2007, (Last update on 20, July, 2018)
- vii. Law on State Property, 2010 (Last update on 28, June, 2019)
- viii. Law of Georgia on State Registry - # 820 –IIs; December 19, 2008 (Last update on 25, June, 2019)
- ix. In frames of the National Project, the Law on Entitlement of Systemic and Sporadic Registration of Land Parcels and Improvement of Cadastral Data Quality. June 17, 2016 (Last update on 25, June, 2019)
- x. Law of Georgia on the Procedure for Expropriation of Property upon the Urgent Necessity of Ensuring Public Needs, July 23, 1999 (Last update on 29, June, 2018)
- xi. Civil Procedural Code of Georgia, November 14, 1997 (Last update on 20, September, 2019)
- xii. Labour Code, May 17, December, 2010 (Last update on 03, May, 2019)
- xiii. Tax Code, January 2010 (Last update on 02, October, 2019)
- xiv. Law on Entrepreneurship, October 28, 1994 (Last update on 25, June, 2019)

In overall, the above listed laws provide a reasonable and legally justified principle for the compensation at full replacement cost. The legislation also defines types of losses subject to compensation and highlights that both the loss of physical assets and income shall be compensated. At the same time, the listed laws do not strongly emphasize the need for consultation and information disclosure which are

required to ensure participation of APs in the process. Income loss due to damage of crops and interruption of business shall be compensated in a manner to cover net loss. The listed laws and regulations provide a legal basis for the utilization of the following mechanisms to secure the property right:

- A. Obtaining the right-of-way without expropriation, through the payment of due compensation on the basis of negotiation, or if negotiations fail through the court decision, and prior construction works are commenced;
- B. Expropriation which grants a permanent right to land and/or other real estate on the basis of Eminent Domain or court decision, through the payment of due compensation;
- C. Pursuant to the Law of Georgia on the Procedure for Expropriation of Property upon the Urgent Necessity of Ensuring Public Needs, the expropriation can be carried out based on an order issued by the Minister of Economy and Sustainable Development of Georgia and court decision. The order of the Minister of Economy and Sustainable Development of Georgia should ascertain the public need and grant the right for expropriation of lands.
- D. Only the court is entitled to determine state or local authorities and/or legal entities of the Public Law/Private Law which can be granted the right for expropriation. The court decision should also include a detailed inventory of assets to be expropriated and provisions about the compensation payable to relevant land owners.

The RD would not occupy required land parcels under any circumstances unless:

- Legally established proper judicial process is initiated;
- APs receive respective notification from the Appellate Court and familiarizes with it;
- Compensation/ rehabilitation amounts are deposited in an escrow account.

The land will not be acquired until the compensation/rehabilitation amounts defined in the approved RAP are deposited in an escrow account in the Treasury (account of the Project, or IA). Deposited funds are to be paid to PAPs based on the court decision on expropriation, or if PAPs sign the agreement with the RD.

The RD will provide technical assistance to PAPs qualifying as legitimate possessors of project affected land parcels. These PAPs will get free of charge legal assistance during legalization of their ownership right in order to ensure the registration of the ownership title. Further, PAPs will alienate project affected land parcels to the Roads Department for the implementation of the road project in return of fair compensation defined according to the Project's RAP.



## 4.2 Rules and Regulations of the World Bank and European Investment Bank

Specific resettlement requirements of the World Bank and European Investment Bank are provided in the Operational Policy (OP 4.12) - Involuntary Resettlement that is based on the following principles:

- Involuntary resettlement should be avoided where feasible, or minimized where avoidance is not practicable;
- Where resettlement is unavoidable, it should be conceived as a development program which provides efficient resources for a new investment to a displaced person;
- Displaced persons should be meaningfully consulted and should have an opportunity to participate in resettlement procedures to protect and exercise rights they are entitled;
- Displaced persons should be assisted in their efforts to improve their income and standards of living, or at least to restore them to pre-displacement levels;
- The obligation to assist displaced persons and provide them with appropriate protection shall be ensured regardless the way they acquired property and regardless of their ownership right (even if displaced persons do not have legal basis and they are unlawful users);
- Displaced persons should be paid replacement costs and compensation in the amount which compensates for the property taken, or enables to replace it with an alternative.

This Policy requires to provide support during the compensation and relocation, and following the relocation.

The support to be delivered during the compensation and relocation process shall include:

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

This policy of the World Bank pays particular attention to vulnerable groups of the population. These are groups of people who, by virtue of gender, ethnicity, age, physical or mental disabilities, economic or social status, might be more severely affected by the project related resettlement than other population groups, or who may be limited in their ability to claim or take advantage of resettlement assistance.

According to Paragraph 16 of OP 4.12, the following categories of PAPs will be eligible to benefit from various mitigation measures under the RPF and this RAP:

- i. PAPs who have formal legal rights to land (including legal title, or customary/ traditional rights of occupancy recognized under the Law);

- ii. PAPs who do not have formal legal rights to land or assets at the time the census begins, but have a claim to a land or assets that is recognized under the national law or recognizable through a process identified in a respective resettlement and compensation plan;
- iii. PAPs who do not have a claim to land they occupy or use.
- iv. PAPs covered under the first two paragraphs (i, ii) above should be compensated for a land lost and provided other assistance in accordance with the policy.
- v. PAPs covered under the third paragraph (iii) above should 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 relevant authorities and acceptable to the WB/EIB.
- vi. All PAPs included in paragraphs (i), (ii) or (iii) above should be provided with compensation sufficient to purchase assets (other than land) alternative to those they lost.

### 4.3 Comparative Analysis and Filling of Gaps

In general, the legislation of Georgia adequately reflects main provisions of the WB OP 4.12 and EIB ESS regarding the resettlement strategy, but some small gaps are still present. The most significant difference is that Georgian legislation puts main emphasis on the definition of formal property rights and acquisition and compensation procedures for assets taken for public needs, while OP 4.12 and EIB ESS accentuate both the compensation of rightfully owned affected assets and rehabilitation of livelihoods of APs and AHs.

Therefore, the Bank's safeguards policy on Involuntary Resettlement complement the Georgian legislation/ regulation with the additional requirements concerning:

- i. Economic rehabilitation of all APs/AHs (including those who do not have a title on assets to be acquired by a project);
- ii. Indemnities for loss of business and income;
- iii. Special allowances to cover expenses incurred by APs/AHs during the resettlement process, or address special needs of severely affected or vulnerable APs/AHs.

Furthermore, Georgian legislation takes negotiation as an alternative to expropriation, whereas negotiations under threat of expropriation are qualified by OP 4.12 as involuntary resettlement. Besides, Georgian law does not require any specific measure regarding the need to prepare RAP based on extensive public consultations.

The comparison of differences between Georgian law/regulation and WB safeguard policy OP 4.12 and EIB ESS requirements <sup>16</sup>regulations and actions to manage the gaps are outlined below in Table 4.1.

**Table 4.1. Comparison of Georgian legislation and WB/EIB regulations**

<b>Laws and Regulations of Georgia</b>	<b>WB OP 4.12 and EIB ESS</b>	<b>Gap Filling Measures</b>
Land compensation only to titled landowners.	Lack of title should not bar compensation and/or rehabilitation. Non-titled landowners receive rehabilitation and compensation for any structure and asset attached to the land.	In practice, legalizable land owners will be also compensated after they are issued with the necessary documentation. The RD will support those without legal titles so they can be titled and compensated before displacement occurs.  In those cases, where for some reason land users cannot be titled, the IA will seek the GoG's approval for rehabilitation/ compensation of such non-titled land users before displacement occurs.
Only registered houses/ buildings are compensated for damages/demolition caused by project-related land acquisition.	All affected houses/ buildings, regardless their legal status, are compensated for damages/ demolition caused by project-related land acquisition.	It is assumed that majority of land parcels will be registered to actual user with support of the project (legal and registration assistance). Accordingly, the compensation will be paid to all affected households. In case of damages incurred during the construction period, the construction contractor will be responsible for compensation and the RD team will supervise this process.
Compensation for crops and trees lost is provided only to registered landowners.	Compensation for crop losses is provided to landowners, sharecroppers/ lease tenants or other users such as squatters whether registered or not.	In Georgia practically all croplands are registered in Public Registry, or information about them are available in municipality archives. In case of leased land plots, the compensation will be paid to renters and other users based on their actual losses; besides, they will be assisted

<sup>16</sup> [https://www.eib.org/attachments/strategies/environmental\\_and\\_social\\_practices\\_handbook\\_en.pdf](https://www.eib.org/attachments/strategies/environmental_and_social_practices_handbook_en.pdf)

Laws and Regulations of Georgia	WB OP 4.12 and EIB ESS	Gap Filling Measures
		to access some other land to continue activities.
Compensation for assets lost is based on current market value without deducting depreciation.	Compensation for assets lost is based on market value without taking into account depreciation, and should also include transaction costs such as taxes and registration fees. It should also include other resettlement costs such as expenses to prepare land for cultivation.	Compensation will be paid based on market value, without deducting depreciation or cost of salvage material. Besides, owners are allowed to retain salvaged materials. The RD will have in place clearly defined legal procedures to assist PAPs and cover all costs related to title recognition and transaction registration fees. Assets evaluation criteria are based on replacement value, as per approved RAP.
The Project Implementing Agency (IA) is the only pre-litigation final authority, which solves disputes and addresses complaints regarding the quantification and assessment of compensation for affected assets. Complaints are reviewed in compliance with formal procedures (rules) established by the Administrative Code of Georgia. There is no informal grievance redress mechanism through community participation at the local level.	Complaints and grievances can also be resolved informally, through a project-level grievance redress mechanism, which in some cases can provide for community participation via a Grievance Redress Committees (GRC), local authorities, and NGOs and/or local community based organizations (CBOs).	The resettlement team of the RD will have in place a Grievance Redress Mechanism to receive, register and process grievances of PAPs.  Representatives of municipalities, local authorities and villages will be involved in the process from early stages. This will ensure settling disputes and claims (where possible) at community level; however, if solution could not be found, the case will be proceeded in accordance with the national law.
Decisions regarding land acquisition and resettlement are discussed only between landowners and an agency in charge of land acquisition.	The RPF and RAP which comprise information on affected assets evaluation criteria, entitlements and compensation/financial assistance, are to be publicly discussed and consulted on during the planning process.	The RPF and RAP will be prepared through the engagement with relevant stakeholders, and the RPF and RAP will be disclosed and consulted on. However, personal information of APs or compensation amounts each person/ household receives will not be publicly disclosed.
No provision for income/livelihood rehabilitation, allowances for severely affected	WB/EIB policy requires the rehabilitation for income/livelihood, severe losses	The RD will have in place clearly defined legal procedures to allow for additional assistance and

<b>Laws and Regulations of Georgia</b>	<b>WB OP 4.12 and EIB ESS</b>	<b>Gap Filling Measures</b>
or vulnerable APs, or resettlement expenses.	and expenses incurred by the APs during the relocation process.	compensation of relocation costs for all households qualified as severely affected and/or vulnerable.
Georgian legislation does not provide for any specific plan for public consultations.	Public consultations and participation is an integral part of the WB/EIB policy, and is deemed to be a continuous process throughout conception, preparation, implementation and finally post-implementation stages of the project.	The public consultation process will be accomplished in accordance with the WB/EIB requirements and guidelines, prior to the RAP implementation.
Recognition and compensation for (officially registered) business losses resulting from project-related land acquisition, based on official tax declaration.	All types of running business (officially registered, or not-vendors, etc.) will be paid monetary compensation equal to 1 year income, based on their tax declaration, or if unavailable (loss of income both from formal and informal economic activities) based on officially established minimum substance income.	The RD will ensure that all businesses are recognized and compensated in accordance with the RPF and RAP before displacement occurs.
The active legislation does not stipulate for public consultations.	PAPs should to be informed about all resettlement issues/ compensation options, such as land registration/ legalization, eligibility, assistance/ allowances to be provided, etc.	Communities present within the project influence area will be involved in prioritization process, and will be consulted and informed about relocation, compensation and available options. Besides, public consultations will be conducted, and information booklets will be distributed among PAPs. The RAP will be officially made available to public.
The active legislation does not require the establishment of the cut-off date.	A cut-off date shall be established for the project	The establishment of the cut-off date is needed to enable the formation of the displaced and/or affected persons list. Specifically, this is necessary to prevent false claims for compensation or rehabilitation once project plans are disclosed. A census should be carried out as soon as possible to determine the number of

Laws and Regulations of Georgia	WB OP 4.12 and EIB ESS	Gap Filling Measures
		relocatable persons and affected structures/other assets as well as to establish the cut-off date to minimize influx of people to the affected areas. The date when the census, socio-economic survey of PAPs and inventory of project affected assets is started will be used as the cut-off date. If actual relocation and land take for the project purposes are behind the schedule, the census should be updated after one (1) year, and a new cut-off date should be set.

To reconcile the gaps between Georgian legislation and WB/EIB Policy, the RDMRDI has adopted for the Project the strategy described in this RAP which will ensure: compensation of all assets at full replacement cost; the rehabilitation of informal settlers; and the provision of subsidies and/ or allowances to PAPs who are subject to relocation, suffer business losses, or would be severely affected. In case of conflict between Georgian legislation and EIB ESS regulations the Bank’s regulations on Involuntary Resettlement will prevail and the gap filling measures will be taken as stated above in Table 4.1.

#### 4.4 Principles and Procedures of Land Acquisition

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 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 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 EIB/ 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.

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 the relevant sections.

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, topographic 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.

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 endeavours to succeed. Just in case, if the negotiations fail, the applicable legislation of property expropriation land will be used for the expropriation of land.

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.

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.

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.



## 5 Compensation Policy

### 5.1 Objectives of Compensation Policy and Eligibility Criteria

As stipulated in approved RPF and described in this RAP, all project related impacts should be identified through relevant studies undertaken during the RAP preparation. As a result, all PAPs will be provided with relevant compensation and other assistance. Besides, land and attached assets could be taken only after compensations are paid and relocation assistance/ allowance is provided to displaced persons.

The RAP determines the eligibility criteria of project affected persons (PAPs) and types of losses they may suffer, including: land, crops/trees, buildings and structures, business/ employment. All PAPs including non-legalizable landowners will be compensated for lost income and assets. Loss of land will be compensated in a manner to enable PAPs to restore their living conditions at least to the pre-project level.

The eligibility criteria for compensation include PAPs belonging to one of the following three groups:

- Those who have ascertained and/or formal rights to use of occupied land;
- Persons who do not have formal legal rights to land by the DMS or census completion dates, but have legitimate right to claim land or assets, provided that such claims are recognized by the law of Georgia (untitled APs who were legitimate leasers under the old Soviet system, or have either plots with an attached house, or regularly cultivated/used land but do not have plots with a house);
- PAPs who do not have legitimate assets, or are not eligible to claim recognition of their legal right to the land they occupy (e.g., land users without registered title and informal settlers).

PAPs who are eligible for compensation under this Project are:

- Persons whose houses or structures are partly or wholly, temporarily or permanently affected by the project;
- Persons whose agricultural plots are partly or wholly by the Project permanently or temporarily);
- Persons whose business is affected temporarily or permanently by the Project;
- Persons whose employment status or hired labour is temporarily or permanently affected by the Project;
- Persons whose crops (annual and perennial) are partly or wholly affected by the Project;
- Persons whose access to community resources, public facilities or assets is partly or wholly limited by the Project.

Where land is to be acquired, landowner PAPs having registered title, or legalizable right to the land are eligible for cash compensation at current market value.

Those PAPs whose ownership is not legalizable are not eligible for land compensation, but still will receive compensation for assets attached to the project affected land. Vulnerable households are eligible for assistance/ allowance intended for the mitigation of project impacts.

Compensation rates (e.g., land price per sq. m, price of buildings and trees, lost incomes) will be determined according to the International Valuation Standards (IVS). For the establishment of compensation rates the IA or the Consultant responsible for the RAP development will hire an independent licensed valuator, who will follow the RAP’s valuation methodology and thus determine compensation rates for each type of loss incurred in the frames of the project.

Land take through expropriation will be used only in exceptional cases, when negotiations between APs and the RD fail. In such cases, however, the RD will not occupy required land parcels unless:

- i. Legally established proper judicial process is initiated;
- ii. A court injunction is obtained and properly communicated to the APs;
- iii. Compensation/ rehabilitation amounts are deposited in an escrow account.

The land will not be taken until compensation/rehabilitation amounts defined in the approved RAP are deposited in an escrow account in the Treasury (account of the Project, or IA). Deposited funds will be paid to PAPs upon the court decision on expropriation, or if PAPs decide to drop the case and sign the agreement with the RD.

Table 5.1 below provides the Entitlement Matrix which will be strictly followed during the implementation of the given RAP.

For the purpose of the RAP, the official minimum income is the minimum subsistence amount per 5-member family, which is established by the National Statistics Office of Georgia (GeoStat).

**Table 5.1. Entitlement Matrix**

Type of Impact	Application	Description of PAP	Compensation Entitlements
Permanent loss of all categories of land (arable, residential, industrial, commercial)	Any land losses independent from impact severity	PAPs (with fully registered title)	PAPs will receive cash compensation at full replacement cost at current market value. The unit rate will be specified in the RAP. If any remaining part of the land owned by the registered owners is no longer appropriate for use, such remaining part will also be purchased subject to the agreement with the owner.

Type of Impact	Application	Description of PAP	Compensation Entitlements
		PAPs (possessors of legalizable land parcel)	Assistance to PAPs in the process of legalization of project affected land parcel under their possession. Once legalization and registration of ownership title is accomplished, land will be acquired and PAP will receive cash compensation at full replacement cost at current market value, at unit rate defined in the approved RAP.
		Leaseholder of private or public lands	Free of charge renewal of lease in other plots with value/ productivity equal to affected land parcel, or cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years). In addition, cash compensation to reimburse proven investments incurred by the Leaseholder to improve the leased land.
		Leaseholder (not registered)	Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years).
		Non-titled, non-legalizable land users/squatters	Non-legalizable APs losing agricultural land plot, which is the only land plot used by AH and provides main source of income for AH, will be compensated with one-time self-relocation cash allowances equal to 1 year of minimum subsistence income. according to current data provided on official website of the National Statistics Office of Georgia – GEOSTAT. <sup>17</sup>
Permanent loss of community land (pastures, grazing lands)		Local community losing access to pasture and grazing land	The local government will allocate free of charge a replacement land of similar size, productivity, and location acceptable to affected community.  If such replacement is not possible, a Livelihood Restoration Plan will be prepared and implemented to address needs of the affected community and maintain their livelihood at least to pre-project level.
Structures			

<sup>17</sup> <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>

Type of Impact	Application	Description of PAP	Compensation Entitlements
Residential house	Project affected residential dwellings subject to partial/full demolition	PAPs with registered ownership title; PAPs declared as legitimate possessors	<p>All impacts will be considered as full impacts, disregarding the percentage of actual impact. Impacts will be compensated in cash, at full replacement costs, free of depreciation and transaction costs.</p> <p>In addition, livelihood restoration initiatives will be offered to PAPs that may suffer deterioration of livelihood through indirect impact of the proposed road project (e.g. project impact is extended only over a residential dwelling subject to full cash compensation at replacement costs, and additional one-time allowances to transport salvaged materials and personal belongings. However, other income generating assets (agricultural land/private commercial facilities) may appear outside of ROW and not to be impacted by the project; correspondingly these assets may not be included in the offered compensation package. After moving and settling down to a new location, PAPs may at least temporarily lose income due to lack of access (increased travel time, complicated accessibility) to the mentioned income generating assets not affected by the proposed project).</p>
		Residential tenants/ renters	<p>One-time allowance equalling to: 3 times the monthly rental free (specified in the lease agreement); or if a lease agreement is not available, 3 times the minimum monthly salary;<sup>18</sup></p> <p>In addition, one-time assistance for transportation of personal belongings to a new location; or one-time cash allowance to cover costs of transportation of personal belongings. One-time allowance is calculated as the amount of consumer basket for a family of five members* multiplied by three (3) months (378.9 GEL/month-May 2019 data) multiplied to three (3) months., (378.9 GEL X 3= 1136.7 GEL) (Amounts to be updated monthly based on national indicators for given month)..</p>

<sup>18</sup> In cases when a tenant/renter has paid rent in advance for a longer period of time, the landlords will be requested to reimburse the money to the tenant/renter for the corresponding period if adequate evidence is available.

Type of Impact	Application	Description of PAP	Compensation Entitlements
Commercial structures and installations	Project affected commercial facilities subject to partial/full demolition	Titleholder	Cash compensation for project affected structures and other fixed assets calculated as a full replacement cost at current market value, free of salvageable materials, depreciation and transaction costs.  If partial demolition causes deterioration of a structure or raises safety and security concerns, the cash compensation will apply to the entire building and affixed assets.
		Tenant of commercial facility	One-time allowance equalling to: 3 times the monthly rental fee (specified in the lease agreement); or if a lease agreement is not available, 3 times the minimum monthly salary (378.9 GEL/month-May 2019 data) multiplied to three (3) months., (378.9 GEL X 3= 1136.7 GEL) (Amounts to be updated monthly based on national indicators for given month) <sup>19</sup> .
State/ municipality owned buildings affected by the project	Project affected state/municipality owned buildings subject to partial/full demolition	IDPs, refugees, squatters occupying facilities for residential purposes	Accommodation in resettlement areas offered by the government; or a self-relocation allowance in the maximum amount (1500 GEL) to cover lodging stipulated in the approved RAP.
Fences/ walls	All PAPs with fences to be affected	All PAPs	Cash compensation at replacement (construction) cost according to building material and linear meter of affected fence/ wall.
Annual crops	Affected crops	All PAPs (including squatters)	Crop compensation in cash, at gross market value of actual or expected harvest. Compensation for this item will be provided even if the crops has been harvested**
Perennials standing on private land parcels	Fruit bearing perennials affected by the project	All PAPs (including squatters)	Cash compensation at market value, on the basis of type, age and productive value of fruit tree. Besides, each fruit bearing tree will be compensated for purchase of saplings. PAPs will be eligible to dispose logged trees themselves. Construction company ensures free logging and delivery of timber to the residence of PAPs. Withdrawal requires appropriate permission

<sup>19</sup> <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>

Type of Impact	Application	Description of PAP	Compensation Entitlements
	Non-fruit bearing perennials affected by the project	All PAPs (including squatters)	Cash compensation will not be issued for perennials not bearing fruits, because they do not generate any kind of income for PAPs. Non-fruits bearing perennials are used for HH heating. PAPs will be eligible to dispose logged trees themselves. Construction company ensures free logging and delivery of timber to the residence of PAPs.
Perennials (on public/State land)	Standing trees	Perennials standing outside of private land parcels	The construction company will deliver logged trees to the municipal government. The municipal government may later distribute timber among local population below poverty threshold.
Perennials standing on the forestry land	Standing non-fruit bearing trees	Perennials standing outside of private land parcels	Perennials standing on the forestry land must be delisted from the State Forest Fund in accordance with corresponding decrees of Government of Georgia to enable legal implementation of the above mentioned activity. The construction company will deliver logged trees to the municipal government. The municipal government may later distribute timber among local population below poverty threshold.
<b>Income loss</b>			
Lessors/ landlords	Loss of income due to termination of lease agreements	All PAPs holding lease/ rental agreement	One-time allowance equalling to: 3 times the monthly rental fee (specified in the lease agreement); or if a lease agreement is not available, 3 times the minimum monthly salary. (378.9 GEL/month-May 2019 data) multiplied to three (3) months., (378.9 GEL X 3= 1136.7 GEL) (Amounts to be updated monthly based on national indicators for given month) <sup>20</sup> .
Business employment	Temporary or permanent loss of business or employment	All PAPs (including squatters)	<b>Business owner:</b> (i) Cash compensation equal to one-year income, if loss is permanent; (ii) cash compensation for the period of business interruption, if loss is temporary. <b>Worker/employee:</b> Indemnity for lost salary/wage for the period of business interruption. In cases where tax declarations are unavailable, then they will be paid the official minimum monthly salary multiplied by the number of months of actual stoppage of the business.

<sup>20</sup> <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>

Type of Impact	Application	Description of PAP	Compensation Entitlements
		Agricultural workers losing contract	Cash indemnity corresponding to their salary for the remaining period of the agricultural year, and, where needed, livelihood restoration measures.
<b>Additional Rehabilitation Measures</b>			
Technical assistance in legalization and registration procedures		All PAPs with registered title/ possessors of legalizable land parcels	Free of charge technical assistance to PAPs during legalization, division of project affected parcel, registration of incurred corrections and/or sales transaction.
Physical Relocation	Transport and transitional livelihood allowances	All PAPs affected by relocation	Provision of sufficient allowance to cover transportation expenses and livelihood expenses for three months. Relocation Allowance is set at 300 GEL + 3 months payment of the minimum monthly subsistence for the family of 5 members*.
Community resources			Access shall be maintained or reinstated; Rehabilitation/substitution of the affected structures/utilities (i.e. bridges, roads, schools, health care centres, potable water supply systems, irrigation channels, etc.).
Vulnerable PAPs		PAPs below poverty line; disabled people; pensioners; widows; female headed households; impoverished; IDPs; Refugees.	Allowance equivalent to 3 months of minimum subsistence income for the family of 5 members* and priority employment in project-related jobs.
Severely affected PAHs	>10% of APs' land is taken,	owners, leaseholders and sharecroppers	1 additional crop compensation for 1 year's yield of affected land or allowance equivalent to 3 months of minimum subsistence income for the family of 5 members* and priority employment in project-related jobs.
Temporary impact	Loss of access to land parcel	Owners/Users	Temporary access will be arranged by the construction company. When temporary loss of access to land parcel results in loss to crops, the construction company will provide compensation to APs. All losses and amount of due compensation shall be determined according to compensation entitlement principles defined under the RPF and this RAP.
	Avoidance of interruption of temporary access road to the business activity	Business units	Temporary access will be arranged by the construction company.
	Temporary loss of income due to use of land parcels for the camps and quarries	Owners/Users	During camps' site selection process, the construction company should coordinate with relevant state authorities and give priority to vacant lands not used for agricultural /residential purposes. If land

Type of Impact	Application	Description of PAP	Compensation Entitlements
			parcels selected for camps and quarries have private land-users, all losses and due amount to be compensated will be determined according to compensation entitlement principles defined in the RPF and this RAP.
Any other unforeseen impacts	As required	Any	The Roads Department and the construction contractor will address and mitigate/compensate unforeseen resettlement impact occurring during the project implementation. Utilities will be relocated by the contractors in cooperation with the owners.

\* Minimum subsistence income will be calculated for the 5-member family, based on monthly-updated values indicated by the National Statistics Office of Georgia by the RAP approval date.

\*\* Incomes expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land parcel was permanently used for crop cultivation, but crops have not been planted for the year of losses inventory (in order to rest this land, or due to illness of the farmer, or any other justifiable reason), the land parcel will be still considered as designated for crop cultivation and relevant compensations will be paid.

## 5.2 Definition of Entitlements

Entitlements for compensation of losses incurred are detailed below:

### *Land (agricultural, residential, and commercial)*

Land loss will be compensated in cash, at full replacement cost based on current market value defined during the RAP preparation. Alternative land parcels of similar productivity, designation, area and location can be offered as in-kind compensation, if preferred by PAPs and when such an opportunity is available.

The amount of cash compensation shall allow PAPs to acquire alternative land parcels equal in value and productivity to parcels alienated for the purpose of the road project. If during the RAP preparation the need for PAPs to incur additional costs for preparation of new land parcel is revealed, PAPs will be receive additional allowance to cover these costs.

Furthermore, the IA will cover any fees and taxes incurred due to legalization of ownership rights to project affected land parcel being under legitimate possession of PAPs (including costs and fees for sub-division, registration of ownership title and transaction of ownership title at the NAPR).



If the land remaining after the acquisition for the project is too small for agricultural or residential use, the entire land parcel should be acquired.

### **Structures**

Residential houses, auxiliary facilities, fences, walls, commercial buildings, etc. will be compensated in cash, at full replacement cost, free of depreciation and transaction costs.

The construction cost will be calculated considering: market price of materials required to build a replacement structure of an area and quality similar to or better than those of the affected structure; transportation expenses to deliver building materials to the construction site; the cost of any work and contractor; and any fees and taxes of registration and transfer. The compensation for residential houses/commercial buildings includes the cost for the restoration of communications (water and electricity supply, etc.).

### **Perennial Plantations**

Cash compensation will be based at current market value as well as variety, age and productive value of affected trees. In this case, the compensation rate is defined using the following procedure: annual yield of a mature fruit-bearing tree is multiplied by market price of the fruit (kg/GEL) and multiplied by the number of years required to grow a new tree to the productive age. In addition, each fruit-bearing tree shall be compensated for the purchase of seedlings.

According to the current practices, cash compensation is allocated for fruit-bearing trees only. Instead of cash compensation for non-productive trees, the construction company will be responsible to log all project affected non-productive trees belonging to PAPs and transfer them to owner PAPs. The same applied to fruit bearing trees.

Respectively, PAPs will be entitled to manage timber generated due to logging of trees affected trees (whether fruit bearing or not). The construction company will fell project affected trees owned by PAPs and ensure free delivery of timber to locations indicated by owner PAPs.

### **Annual crops**

Cash compensation for annual crops is defined based on current market value of the the total annual yield. Crop compensation will be paid both to landowners and tenants, based on specific sharecropping agreements made between them, if any.

### **Business and Employment**

Permanent loss of business will be compensated in cash equal to a 1-year income based on a tax declaration or, if unavailable, based on the official minimum subsistence income. Temporary loss of

business will be compensated in cash for the business interruption period based on a tax declaration or, if unavailable, based on the official minimum subsistence income.

The indemnity for salaries/ wages lost due to business interruption will be paid in cash, its amount determined based on tax declarations, or if such reports are unavailable, based on official minimum monthly salary multiplied by the number of months of actual stoppage of business, but no more than 1 year.

### **Leaseholders**

Affected leaseholders will receive either a new land plot under the leasing, or cash compensation equal to the annual income from the lost land for the remaining years of the leasing agreement, but maximum for 3-year period. Sharecroppers will receive cash compensation for their share of the yield at market value (if impact is temporary) plus cash compensation for additional one-year harvest (when impact is permanent).

Labour engaged in these leasing relations whose employment contracts will be interrupted, will be paid an indemnity in cash corresponding to their salary/ wage (including portion of in-kind income) for the remaining period of the agricultural year.

Tenants who have leased a house (possibly together with a land parcel) for residential purposes will receive three (3) months' rental payment equal to market value in the respective territory and will be assisted in identifying alternative accommodation.

## **5.3 Additional Rehabilitation Measures**

### ***Vulnerability Assistance***

In compliance with OP 4.12, as well as the project RPF, this RAP provides for additional support measures for vulnerable AHs identified during survey activities carried out during the RAP preparation.

Respectively, all vulnerable families will receive assistance/ allowance in the amount defined in the Entitlement Matrix. A vulnerable household is eligible to receive only one type of assistance/ allowance allocated for vulnerability even if it meets more than one vulnerability criteria.

### **Assistance/ Allowance for Severely Affected People**

When >10% of APs' land is taken, APs (owners, leaseholders and sharecroppers) will receive an additional allowance for severe impact equal to the market value of one-year gross yield from the land, or allowance equal to minimum subsistence income for the family of five for 3 months period, whichever is greater.

**Relocation Allowance:**

Relocated PAPs will receive a one-time relocation subsidy sufficient to cover transport costs and living expenses for one month. If the relocation is delayed due to project-related reasons, e.g. untimely payment of compensations, the payment of living expenses will be extended to cover the period when the AP is not able to move to a new place.

***Taxes and Fees***

Under no circumstances PAPs will be liable to pay any taxes or final transaction fees. Fees for the notary service, court related administrative fees as well as fees for legalization, sub-division of lands and registration at the NAPR will be paid by the IA. Taxes and fees will be subsidized unless waived by the GoG. Charges for bank services will be added to the cash compensation to be received by PAPs at the banks.

***Other Assistance***

Permanently affected businesses, workers/employees, landowners and vulnerable persons will be delivered computer literacy or other trainings, as requested.

Vulnerable AHs will be monitored and additional assistance will be provided if needed to ensure that they are rehabilitated to a practicable level. Additionally, capable members of vulnerable families will be given priority during recruitment for project-related jobs.

When shared agricultural lands are lost, e.g. local population losses shared pastures and haylands, replacement land of similar size, productivity and location acceptable to affected community will be provided. Such a replacement of the land will be the responsibility of local government. However, the Implementing Agency carries the responsibility to monitor this process.

## 6 Institutional Arrangements

### 6.1 General Overview

The Roads Department under the Ministry of Regional Development and Infrastructure of Georgia (RDMRDI) is the Implementing Agency (IA) which has the lead responsibility for the road construction and implementation of the RAP.

Assisted by consultants, the RDMRDI has developed this RAP based on the adopted policy and procedures, and will ensure its implementation. Other government departments and private agents will participate together with the RDMRDI in the design, construction and operation of the project road. The local government of *Sakrebulo* and village level will be also engaged.

The EIB will ensure regular supervision over the project implementation. Besides, whenever necessary, the EIB will follow the RAP implementation process and initiation of the construction works.

Figure 6.1 shows the organogram for the RAP implementation.

### 6.2 State Agencies

Roles and responsibilities of State Agencies immediately participating in the project are described below.

#### *Roads Department*

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

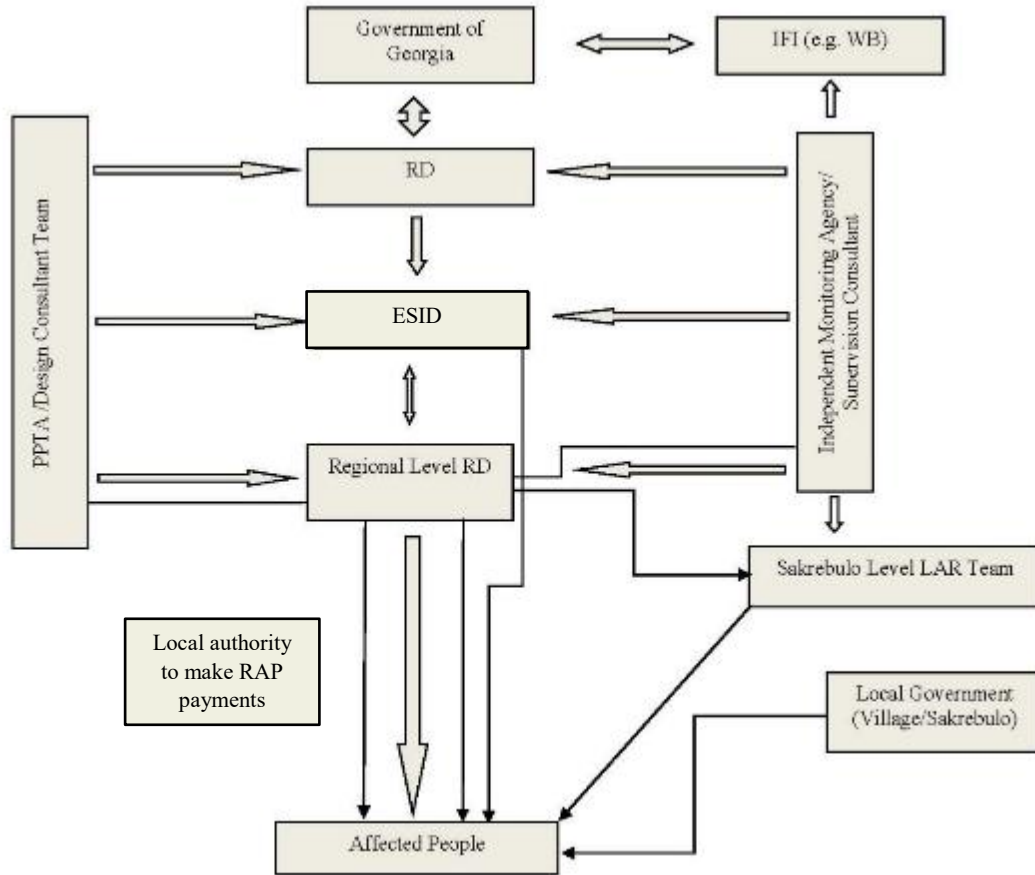
The RDMRDI staffed with a sufficient number of LAR specialists will ensure coordination of all LAR tasks at the level of the state and local governments, and will be responsible for:

- Screening of projects and ensuring that the RAP is properly prepared and submitted to the EIB for review;
- Supervising consultants who prepare the RAP and assist with its implementation;
- Establishing adequate LAR capacity at each regional office, where LAR is relevant;
- Ensuring internal monitoring;
- Hiring an external monitoring agency, as recommended by EIB.

The ESID will also provide to APs all documentation needed for prompt distribution of LAR budget and ensure the coordination of all LAR related activities.

**Local Offices of the RD**

The regional offices of the RD will support one of dedicated officers assisting the RESID who will promote the communication between the ESID, local authorities and APs, and facilitate to the implementation of LAR tasks related to the local self-governance/local authority.



**Figure 6.1. Organizational diagram**

**Local Government**

Local government, especially at *Sakrebulo* level, has an immediate jurisdiction for land administration, valuation, verification and acquisition. To verify surveys and asset valuation carried out by the PPTA consultants, the RD through its consultants will establish a *Sakrebulo* level LAR team in the *Sakrebulo*. This team will include designated officials from the administration of *Sakrebulo*. The *Sakrebulo* level LAR team will closely coordinate with village administrations for the LAR activities. Effective inter-

agency coordination at *Sakrebulo* and village level will be among functions of the regional office of the RD.

### ***Other State Agencies***

**Ministry of Finance.** RAPs implementation budgets will be allocated to the RDI by the Ministry of Finance following the official approval of the final RAPs.

**Ministry of Justice.** This Ministry is responsible for legal matters concerning to the land ownership, while the National Agency of Public Registry under the Ministry of Justice is in charge of the registration of land entitlements and land transfer from landowners to the Road Department.

**Local Courts.** Whenever expropriation is required, the RD is requested to rely on the *Sakrebulo* court, which through due legal process will consider the expropriation case, carry out a hearing, and decide whether the land can be lawfully expropriated and at what price. In order to expedite the expropriation process the RDMRI will negotiate with courts about the rapid action plan.

**Ministry of Economy and Sustainable Development (MOESD).** This Ministry issues a decree which confirms the necessity for expropriation and designates the RD as an entity that can be granted the right for expropriation. The decision on the expropriation should be made in about 1-month period.

## **6.3 Consultants**

Different categories of consultants will be involved in LAR tasks:

- PPTA consultants: These include international and/or local LAR capacity and survey teams needed to carry out field-surveys and prepare the RAP.
- Design consultants: These will include international and local LAR capacity and survey teams needed to carry out the same activities to update/finalize the first tranche RAP based on the detailed design. Besides, they will prepare the RAP.  
Supervision consultants: These include international and local LAR capacity and necessary survey teams. They will assist with overall supervision of the Project.
- Social Safeguards Consultant (SSC): This consultant will be hired to conduct the external monitoring and evaluation of the RAP implementation. In the absence of the supervision consultant, the SSC will deliver the external monitoring and evaluation for all the RAPs.
- Independent Asset Valuers: Accredited private companies, which will be hired by the PPTA or Design consultants to evaluate affected assets.

## 7 Activities Linked to Resettlement Process

### 7.1 Implementation Steps and Responsible Entities

Table 7.1 describes activities that are necessary for the RAP implementation and indicates respective responsible entities.

**Table 7.1. Activities required for the RAP implementation and responsible entities**

Step	Action	Responsible Entity
<b>A</b>	<b>RAP Preparation</b>	
1	Assessment of Project's social impacts	RD
2	Avoidance of impacts in early stage of the project design/ concept	RD/ Design consultants
3	Finalization of detailed design	Design consultants
4	Preparation of surveys forms for the Census and DMS, training of local Census and DMS teams, and coordination with relevant local authorities.	Consultant
5	Collection of cadastral maps and land tenure documents on land parcels located within the project affected area	Consultants/ ESID/NAPR
6	Verification of land registration records in affected areas, updating of cadastral maps and implementation of impacts and valuation surveys – Detailed Measurement Surveys (DMS)	Consultant / ESID / Sakrebulo level LAR Team
7	Conducting of public consultations. Informing all PAPs and stakeholders through public consultations during RAP preparation and implementation periods (information to be documented in the RAP's main text, while details of evidences such as photographs, list of participants, etc. will be given in annexes).	Consultant / ESID / Sakrebulo level LAR Team
8	Identification of titled and legalizable APs	Consultant / ESID / Regional Office of RD
9	Negotiations with APs	Consultant / ESID / Regional Office of RD
10	Integration of data obtained during the Census into the RAP	Consultant
11	Submission of the RAP to the RD (and /EIB for approval).	Consultant / RD / EIB
12	Draft RAP Public Disclosure	EIB/RD
<b>B</b>	<b>Finalization of RAP (Detailed Design)</b>	
1	Detailed design	Design consultant
2	Review of impacts and AP lists based on the detailed design	Consultant / Regional Office of RD, ESID / Sakrebulo level LAR Team

<b>Step</b>	<b>Action</b>	<b>Responsible Entity</b>
3	Review of prices, based on the updated rates if any	Consultant / Regional Office of RD, ESID / Sakrebulo level LAR Team
4	Legalization of legalizable APs	Consultant / Regional Office of RD, ESID / Sakrebulo level LAR Team
5	Preparation of the final RAP	Consultant/ ESID
6	Approval by the /EIB	/EIB
7	Disclosure of the RAP: distribution of the RAP and information pamphlets in affected communities throughout the project influence area in Georgia; posting of the RAP in English on official websites of the /EIB; Georgian and English RAs on the RD website	ESID / Consultant/ Sakrebulo Level LAR team/EIB
8	Signing of the awarded civil contract	WB/RDMRDI
<b>C</b>	<b>RAP Implementation</b>	
1	Approval of the signed awarded contract	EIB
2	Detailed schedule for the Compensation Action Plan	ESID/RD
3	Distribution of the Relocation Notices among APs	RD
4	Processing of Land Acquisition Agreements on Land Compensation	RD / ESID /Sakrebulo level LAR team RDMRDI
5	Processing of Compensation Agreements on Provision of Compensation and Assistance/ Rehabilitation	RD
6	Demolishing/ relocation of affected structures/ assets	RD
7	Review of the RAP implementation through a compliance report	RD/ESID/SSC//EIB
8	If the RAP implementation is found satisfactory, the Notice to proceed with civil works is issued.	WB/RD
<b>D</b>	<b>Post-Implementation Tasks</b>	
1	Preparation of the compliance reports, and submission to the RD and WB/EIB for review and No Objection before civil works are launched	SSC
<b>E</b>	<b>Cyclic/ Permanent Tasks</b>	
1	Internal Monitoring. Quarterly reporting to the EIB.	ESID
2	External Monitoring. Semi-annual reporting to the EIB.	SSC/ Supervision Consultant
3	Grievances redressing / law suites.	ESID/ Regional office of RD/ Court
4	Inter-agency coordination and communication with APs	RD / ESID / Regional Office of RD



## 7.2 RAP Implementation

Table 7.2 below provides the RAP implementation schedule. The tasks and timeframe of their implementation are identified considering peculiarities of the RAP implementation region, the complexity of the tasks and volume of works to be done.

**Table 7.2. RAP Implementation Schedule in**

Months	1	2	3	4	5	6	7	8	9	10
<b>RAP Preparation</b>										
Public discussions and finalization of the										
MoT/RAP approval										
Disclosure of the RAP										
Approval of PAPs List by GoG										
Mobilization period										
<b>RAP Implementation</b>										
Opening personal bank accounts for										
Paying compensations to										
Internal monitoring reports										
Independent monitoring report										
Construction supervision										
External Monitoring										

## 8 Public Consultations and Participation

### 8.1 Presentation of Resettlement Action Plan

Dissemination of information among PAPs and involved agencies is an important part of the RAP implementation. Consultations with PAPs and ensuring their active participation will facilitate to the reduction of potential conflicts and minimization of the project's interruption risk.

This RAP has been approved by the Government of Georgia and the EIB. Any further changes and amendment should be approved following the same procedure.

Once approved Georgian version of this RAP will be disclosed on the official website of the RD and made available in local offices of municipalities where APs are residing. In addition, its English version will be posted on the RD and EIB website.

Furthermore, the RDMRDI will prepare Public Information Booklet (PIB), i.e. brief version of the final RAP targeted to PAPs and local self-government in order to fully inform them about the details of the RAP implementation process as well as compensations and rehabilitation packages envisaged in the frames of the Project. The Public Information Booklet will be prepared in English, Georgian and Azeri languages, and provided to all PAPs, public offices and local authorities. Representatives of the local government are responsible to make the Public Information Booklet accessible to local population.

This report will also be submitted for PAPs at additional public meetings where they will receive general information on asset assessment and compensations. Individual information on Assessment of assets owned by the PAPs will be transferred to the PAPs individually. The minutes of the additional meetings and the results of the individual discussions will be added to the final report.

The RDMRDI and Consultant will continue a dialogue with local authorities and representatives of PAPs with them throughout the project implementation process in order to engage them in the planning and decision-making processes, and ensure:

- PAPs are shared comprehensive information about the proposed project and the RAP;
- Information about needs and priorities of PAPs as well as their attitude to the proposed policy and activities is collected;
- PAPs are fully informed about decisions that directly influence their incomes and living standards, and they have the opportunity to participate in activities and decision-making regarding issues that will affect them directly;
- Local authorities/RD provide PAPs a contact information of the project's responsible persons who will ensure timely and sufficient feedback to their inquiries;

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

## 8.2 Consultations

During the RAP preparation, the Social Experts Team (on the Consultant side) hold some local meetings with PAPs; besides, on May 31, 2019, this team arranged two public meetings to inform public about approaches and principles of the RAP.

During the public meetings, Resettlement Experts exhaustively elaborated on the strategic importance of the Project, informed attendants about principles of the RAP and provided explanations regarding allowances considered for socially vulnerable and severely affected households. Some PAPs accentuated economic losses that they may suffer due to loss of access to their lands. They were explained that the Design Consultant is tasked to avoid such cases, but if this could not be achieved, the provision of adequate compensation will be discussed. Minutes of the public consultations are given in Annex 3. The concern regarding the availability of cattle/ sheep tracks was expressed during some local level meetings, as locals think that this issue could significantly impact existing farming practices in the region.

The next stage of public consultations will be conducted during the RAPs implementation and monitoring process. Specifically, the RDMRDI will undertake the following measures:

- Representatives of the RD should conduct additional consultations (focus groups and individual meetings) with stakeholders who have not attended previous public consultation meetings.
- Individual consultation will be held with landlords of the residential houses, business owners, vendors, and severely affected and vulnerable AHs.
- During the consultations additional copies of the RAP booklet will be distributed among stakeholders, who will be also relevantly informed about project impacts, the RAP and its budget as well as cadastral drawings and land registration.
- Besides, consultation regarding the livelihood stabilization and/or rehabilitation assistance (where required) will be provided.

## 9 Grievance Redress Mechanism

A grievance mechanism will be available to allow PAPs to complain about any disagreeable decisions, practices or activities connected to compensation of land or other assets. PAPs will be comprehensively informed about their rights and procedures which enable them to submit their complaints/ grievances verbally or in written form during consultations, survey and compensation process.

All efforts should be made to avoid grievances rather than going through the redress process. This could be achieved through: careful design and implementation of the LAR process; meaningful consultations with APs and their effective engagement in these processes; and extensive communication and coordination between the IA and affected communities as well as local authorities.

The Grievance Redress Mechanism (GRM) comprises project-specific systems established at the municipal level and regular system set up at the RDMRDI. The Grievance Redress Committee (GRCE) is established at the municipal level act as a project-specific instrument, which will be functional throughout the project implementation period. The Grievance Redress Commission (GRCN) is formed as an informal structure within the RDMRDI to ensure review, resolution and registration of grievances.

The GRCN is formed through the order of the RDMRDI, as a permanent functional informal structure which includes leading personnel of the RDMRDI connected to LAR issues and complaint resolution. The GRCN becomes involved at Stage 2 of the grievance resolution process. The above mentioned order should also state that representative of local authorities, NGOs and any other parties can be included in the commission when necessary.

The Grievance Redress Committee (GRCE) is an informal, project-specific grievance redress mechanism, which is established to administer grievances at Stage 1. This informal body will be created at a community level, with the following composition:

Representative of Resettlement Unit of IA	:	Consultant, contact person
Representative of Rayon LAR Team	:	Member Secretary
<i>Gamgebeli</i> - concerned <i>Gamgeoba</i> (village level)	:	Member
Representative of APs	:	Member
Representative of NGO	:	Member
Representative of Construction Contractor	:	Member
LAR Specialist of Supervision Consultants	:	Member

Operations of the Committee are coordinated by the representative of the Resettlement Unit of the IA, who at the same time will be a contact person ensuring collection of grievances and handling of the grievance log. Municipality level authorities, Construction Contractor, Supervising Company (Engineer) and APs (via informal meetings) are informed about the contact person, and his/her contact details are available in offices of all mentioned stakeholders.

The contact person collects and registers grievances, informs all members of the Committee and the RD management about the essence of the problem, engages relevant stakeholders in the discussion of a grievance, and conducts negotiations with APs at Stage 1 of the grievance resolution process. The contact person prepares minutes of meetings and ensures signatures. When the grievance is resolved at Stage 1, the contact person makes record on the grievance closure in the grievance logbook and in writing form informs the RDMRDI management about this fact. If complainants are not satisfied with the GRC decisions, they can always use procedures of Stage 2 of the grievance resolution process. In that case the Contact Person helps APs in lodging an official complaint (the complainant should be informed about his/her rights and obligations, rules and procedures for filing a complaint, format of complaint, etc.).

APs should be informed about the available GRM. This could be achieved through information campaigns, distribution of brochures (e.g. Communication Plan), keeping all focal points up-to-date and maintaining regular communication with them, allowing multiple entry points for complaints and introducing simplified forms for submission of complaints. The GRM will be available to all PAPs who have a complaint.

**Table 9.1. Grievance Redress Process**

Stages	Action Level	Process
Stage 1	Negotiations with APs	The complaint is informally reviewed by the Grievance Redress Committee (GRC), which takes all necessary measures to resolve the dispute amicably.
Stage 2	GRC Resolution	<p>If the grievance cannot be solved on the previous stage, the GRC will assist aggrieved APs to formally lodge the grievances to the GRC. Aggrieved APs will be supported to file their complaints to the GRC within 1 week after the completion of the unsuccessful negotiations at the village level and submit documents supporting his/her claim.</p> <p>The GRC member secretary will review the complaint and prepare a case file for the GRC hearing. A formal hearing will be held with the GRC at a date fixed by the GRC member secretary in consultation with the convenor and the aggrieved AP. On the date of hearing, the aggrieved AP will appear before the GRC at the <i>Gamgeoba</i> office and provide evidences in support of his/her grievance. The member secretary will record statements of the complainant and note down all supporting evidences.</p>

Stages	Action Level	Process
		<p>14 days response time is allocated for the GRC to acknowledge receipt, and maximum 10 days after the hearing date to respond on/ resolve the grievance.</p> <p>The decision made by majority of members will be considered as final decision of the GRC at Stage 1. This decision is 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>
Stage 3	Decision from the central RDMRDI	<p>If the aggrieved AP is unsatisfied with the GRC decision, he/she has a power and will be supported to lodge the grievance to the RDMRDI at the national level.</p> <p>The RDMRDI will review the complaint in compliance with the procedures specified in the Administrative Code of Georgia. According to the Administrative Code of Georgia, the response time is 30 days; however, the RD's internal electronic correspondence system establishes 10 days period for the response.</p> <p>The GRC should assist the complainant in lodging an official complaint (the complainant should be informed of his/her rights and obligations, rules and procedures for filing a complaint, format of complaint, etc.).</p> <p>The complainant will be informed about the decision made.</p>
Stage 4	Court decision	<p>If the RDMRDI decision is unsatisfactory to the aggrieved AP, he/she can pursue further action by submitting their case to the relevant court of law (Rayon Court), without any reprisal.</p> <p>The aggrieved AP can take a legal action not only about the compensation amount, but any other issues as well, such as the 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>

## 10 Monitoring and Evaluation of Implementation

The LAR tasks under the Project are subject to internal monitoring. The ESID/RDMRDI will conduct external monitoring of high risk projects, or any other project. The external monitoring will be assigned to the SSC to be hired by RDMRDI and approved by the World Bank and EIB.

## 10.1 Internal Monitoring

The internal monitoring will be carried out by ESID/RDMRDI, either directly or via consultant. Findings will be communicated to the WB/EIB as a part of project's quarterly progress reports.

Indicators set for the internal monitoring will be those related to the process and immediate results/outcomes of the project. This information will be collected directly at the regional RDMRDI level and reported monthly to the ESID/RDMRDI to assess the progress and results of the RAP implementation, and to adjust the work program if necessary.

Monthly progress reports will be consolidated quarterly in standard supervision reports. Specific focus of the monitoring will include:

- Timeliness, information campaign, quality of information provided to APs and consultations with them;
- Status of the land acquisition and payments of the land compensation;
- Compensation for affected structures and other assets;
- Relocation of APs;
- Payments for the income loss;
- Land replacement and distribution;
- Measures for the restoration of incomes.
- Results of income restoration measures and compensations paid in terms of measuring extent to which affected livelihoods have been restored and identifying gaps due to which affected livelihoods could not be satisfactorily restored.

All this information will be collected by the ESID/RDMRDI which is responsible for the daily monitoring of resettlement activities of the project using the following instruments:

- Review of the census information concerning all APs;
- Consultations and informal interviews with APs;
- In-depth case studies;
- Sample survey of APs;
- Interviews with key informants;
- Public meetings with communities.

## 10.2 External Monitoring

The SSC will carry out the external monitoring. Indicators for the external monitoring tasks are split into two phases.

### Phase One.

This phase of the external monitoring will be carried out in parallel to the RAP implementation and completed once the compliance report is properly finalized. The accepted compliance report will be the pre-condition of the commencing physical civil works planned for the project. During this phase the SSC will:

- (i) Implement investigations and define activities needed for the phase two;
- (ii) Closely monitor the implementation of the RAP.

The monitoring of the RAPs implementation envisages the following objectives:

- (a) To control the distribution of the RAP's/Information Booklet;
- (b) To verify if actions taken by the PIU to compensate APs are in compliance with the RAP;
- (c) To review all compensation cases;
- (d) To verify whether all APs received compensation in amount stipulated in the RP;
- (e) To assess the satisfaction level of APs with the information campaign;
- (f) To review the legalization process and assess its effectiveness;
- (g) To review all complaints and grievances;
- (h) To carry out an APs satisfaction survey covering 20% of APs.

The SSC will prepare the Compliance Report immediately after the completion of the RAP implementation. The Compliance Report will cover the following topics:

- Assessment the compliance of the actual compensation process to the RP requirements;
- Verification whether all APs were compensated in the amounts stipulated in the RP;
- Review of complaints/ grievances and their resolution;
- Assessment of the rehabilitation program for severely affected and vulnerable APs;
- Assessment of the satisfaction level of APs;
- Lessons learned to be applied to future projects;
- Overall assessment of the RAP implementation and recommendations to the WB/EIB regarding the provision of No Objection Letter to start construction works.

### **Phase Two.**

The RAP implementation will be assessed within one year from its completion. Main indicators defined for investigations to be carried out on this phase of the external monitoring are the following:

- Socio-economic conditions of APs during the post-resettlement period;
- Communications and reactions of APs on entitlements, compensation, offered options, etc.;
- Changes in housing conditions and income levels;
- Rehabilitation of informal settlers;
- Effectiveness of property valuation for rehabilitation purposes;
- Efficiency of grievance redress procedures;
- Satisfaction level of APs in the post-resettlement period.



# 11 Implementation Budget

## 11.1 General Overview

Costs for the preparation and implementation of the RAP, including expenses incurred for compensations and LAR administration are an integral part of the Project budget and be contributed as a counterpart fund by the Government of Georgia and in particular the RD. The RAP includes a budget section, which provides information about:

- (i) Unit compensations rates for all affected items and allowances;
- (ii) Methodology used for the calculation of unit compensation rates;
- (iii) All compensation expenses including administration costs. Costs of the external monitoring could be considered under the Loan Agreement for SLRP III.

Being the project owner, the RDMRDI is responsible for the timely allocation of funds needed to implement the RPs. Allocations will be reviewed twice a year, based on the budget requirements of the RAP. As per the LAR finances flow, the budget for compensation and rehabilitation will be directly disbursed by the RDMRDI to APs.

The guiding principles to be strictly adhered to during the RAP implementation are as follows:

- The IA will aim to achieve negotiated agreements on land acquisition with all PAPs based on the principles set out in this RAP. The IA will act fairly and openly with all PAPs to achieve a mutually acceptable agreement regarding the compensation. The expropriation will only be used as a last resort, where negotiation fails.
- All land acquisition and resettlement activities will be fulfilled based the RAP particularly when there is physical displacement which means the relocation or loss of shelter or structure and/or when there is economic displacement which means the loss of income or livelihood. Implementation results will be documented, monitored and evaluated after the completion.
  - Involuntary resettlement should ensure the improvement of livelihoods of affected people is undertaken accordingly.
  - Engagement and compensation will be carried out with equal consideration of women and men.
  - Particular attention will be paid to households headed by women and other vulnerable groups which should be supported with the aim to improve their status.
  - Land acquisition and resettlement action plan should be conceived as a part of the project, and full costs of the compensation should be included in the project costs.
  - Compensation and resettlement subsidies will be fully provided before the construction works are commenced.
  - Upon completion of the construction lands will be restored to the practicable level to its original condition in order to enable landowners / users / leaseholders to resume their pre-project activities.

- Despite the legal status of property, all PAPs will receive support of various kinds, as per the principles set out in the Entitlement Matrix.
- Lack of legal title should not be a bar to compensation and/or rehabilitation.

## 11.2 Cost Estimates

### 11.2.1 Compensation for Lands

The table below provides consolidated data on the planned land compensations total amount of which comprises **6,722,491.49 GEL**.

Table 11.1. Compensation for Lands

#	Species	Type of Compensation	Area subject to compensation (sq. m)	Compensation Rate (GEL/sq.m.)	Compensation (GEL)
1	Agricultural	A1	425801	0.19	80,902.19
2		A2	1230096	1.1	1,353,105.6
3	Residential	R1	4371	14	61,194
4		R2	1914	5.5	10,527
5		R3	3169	126	399,294
6	Commercial	C1	26499	142.5	3,776,107.5
7		C2	16112	38.5	105,374.5
Total Compensation for Lands					<b>6,722,491.49</b>

### 11.2.2 Lease Compensation

Leaseholders were revealed on project affected plots, which per Project Entitlement Matrix are subjected to compensation, see Table 11.2.

Table 11.2. Lease Compensation

### 11.2.3 Compensation for Structures

The table below provides amounts of compensations intended for buildings and structures. The total amount of this type of compensation comprises **4,777,485 GEL**. Detailed valuations by individual structures are given in the valuator's report.

Table 11.3. Compensation for Structures

#### **11.2.4 Compensation for Trees**

The price of fruit-bearing trees is calculated based on the age and species of the tree. The total cost of all fruit-bearing trees comprises **590,681 GEL**.

Table 11.4. Compensation for Trees

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)	Number of trees	Total Compensation (GEL/Tree)
1	2	3	4	5	6	7	8	9	10	11	12	13
Cherry	Small Tree (<5)	5	2	5	3	6	0.9	1.5	7	40	16	640
	5-10	5	2	5	10	30	4.5	7.5	15	80	0	0
	10-15	5	2	5	14	42	6.3	12	25	130	7	910
	15-20	5	2	5	16	45	7.2	12	30	155	0	0
	20<	5	2	5	10	30	4.5	7.5	15	80	0	0
Sour cherry	Small Tree (<5)	3	1.5	5	5	7.5	1.125	1.875	6.375	35	61	2135
	5-10	3	1.5	5	10	15	2.25	3.75	12.75	67	1	67
	10-15	3	1.5	5	15	22.5	3.375	5.625	19.125	99	0	0
	15-20	3	1.5	5	45	67.5	10.125	16.875	35	178	0	0
	20<	3	1.5	5	10	15	2.25	3.75	12.75	67	0	0
Apple	Small Tree (<5)	4	2	5	5	10	1.5	2.5	8.5	47	33	1551
	5-10	4	2	5	20	40	6	10	10	54	2	108
	10-15	4	2	5	55	110	16.5	27.5	30	154	6	924
	15-20	4	2	5	50	100	15	25	35	179	0	0
	20<	4	2	5	40	80	12	20	20	104	0	0

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)	Number of trees	Total Compensation (GEL/Tree)
1	2	3	4	5	6	7	8	9	10	11	12	13
Pear	Small Tree (<5)	4	1.5	5	4	6	0.9	1.5	5.1	30	5	150
	5-10	4	1.5	5	15	22.5	3.375	5.625	19.125	100	2	200
	10-15	4	1.5	5	40	60	9	15	51	259	1	259
	15-20	4	1.5	5	45	67.5	10.125	16.875	57.375	291	0	0
	20<	4	1.5	5	20	30	4.5	7.5	25.5	132	0	0
Plum	Small Tree (<5)	4	1	5	8	8	1.2	2	6.8	38	65	2470
	5-10	4	1	5	20	20	3	5	15	79	1	79
	10-15	4	1	5	30	30	4.5	7.5	20	104	9	936
	15-20	4	1	5	25	25	3.75	6.25	21	109	0	0
	20<	4	1	5	20	20	3	5	16	84	0	0
Wild plum	Small Tree (<5)	3	1	5	8	8	1.2	2	6.8	37	190	7030
	5-10	3	1	5	15	15	2.25	3.75	12	63	3	189
	10-15	3	1	5	35	35	5.25	8.75	12	63	5	315
	15-20	3	1	5	45	45	6.75	11.25	38.25	194	2	388
	20<	3	1	5	25	20	3.75	6.25	16.25	84	0	0

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)	Number of trees	Total Compensation (GEL/Tree)
1	2	3	4	5	6	7	8	9	10	11	12	13
Cornelian cherry	Small Tree (<5)	3	2	5	2	4	0.6	1	3.4	20	8	160
	5-10	3	2	5	3	6	0.9	1.5	5.1	29	2	58
	10-15	3	2	5	4	8	1.2	2	6.8	37	0	0
	15-20	3	2	5	4	8	1.2	2	6.8	37	0	0
	20<	3	2	5	3	6	0.9	1.5	5.1	29	0	0
Peach	Small Tree (<5)	5	2	5	2	4	0.6	1	3.4	22	25	550
	5-10	5	2	5	3	10	0.9	1.5	9.1	51	0	0
	10-15	5	2	5	4	30	1.2	2	28.8	149	0	0
	15-20	5	2	5	4	35	1.2	2	33.8	174	0	0
	20<	5	2	5	3	20	0.9	1.5	19.1	101	0	0
Walnut	Small Tree (<5)	10	5	8	4	20	3	5	17	146	70	10220
	5-10	10	5	8	15	75	11.25	18.75	63.75	520	5	2600
	10-15	10	5	8	25	125	18.75	31.25	106.25	860	3	2580
	15-20	10	5	8	35	175	26.25	43.75	148.75	1200	4	4800
	20<	10	5	8	50	250	37.5	62.5	188	1514	2	3028

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)	Number of trees	Total Compensation (GEL/Tree)
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>Hazelnut</b>	Small Tree (<5)	1	5	5	2	10	1.5	2.5	8.5	44	19	836
	5-10	1	5	5	4	20	3	5	15	76	6	456
	10-15	1	5	5	5	25	3.75	6.25	18	91	0	0
	15-20	1	5	5	6	30	4.5	7.5	20	101	0	0
	20<	1	5	5	4	20	3	5	17	86	0	0
<b>Grape</b>	Small Tree (<5)	2	2	5	5	10	1.5	2.5	7	37	451	16687
	5-10	2	2	5	7	14	2.1	3.5	10	52	11	572
	10-15	2	2	5	10	20	3	5	12	62	4083	253146
	15-20	2	2	5	12	24	3.6	6	15	77	2000	154000
	20<	2	2	5	5	10	1.5	2.5	8	42	2608	109536
<b>Laurel</b>	Small Tree (<5)	1	4	5	2	8	1.2	2	6.8	35	1	35
	5-10	1	4	5	3	12	1.8	3	10.2	52	1	52
	10-15	1	4	5	3	12	1.8	3	10.2	52	0	0
	15-20	1	4	5	3	12	1.8	3	10.2	52	0	0
	20<	1	4	5	2	8	1.2	2	6.8	35	0	0
<b>Fig</b>	Small Tree (<5)	3	1.5	5	5	7.5	1.125	1.875	6.375	35	5	175



Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)	Number of trees	Total Compensation (GEL/Tree)
1	2	3	4	5	6	7	8	9	10	11	12	13
	5-10	3	1.5	5	10	15	2.25	3.75	12.75	67	1	67
	10-15	3	1.5	5	15	22.5	3.375	5.625	19.125	99	7	693
	15-20	3	1.5	5	30	45	6.75	11.25	38.25	194	0	0
	20<	3	1.5	5	20	30	4.5	7.5	25.5	131	0	0
Mulberry	Small Tree (<5)	5	1.5	5	3	4.5	0.675	1.125	3.825	24	39	936
	5-10	5	1.5	5	10	15	2.25	3.75	10	55	7	385
	10-15	5	1.5	5	12	18	2.7	4.5	12	65	16	1040
	15-20	5	1.5	5	16	24	3.6	6	20.4	107	15	1605
	20<	5	1.5	5	10	15	2.25	3.75	15	80	3	240
Pomegranate	Small Tree (<5)	3	2	5	4	8	1.2	2	6.8	37	31	1147
	5-10	3	2	5	10	20	3	5	15	78	4	312
	10-15	3	2	5	12	24	3.6	6	40	203	7	1421
	15-20	3	2	5	15	30	4.5	7.5	45	228	0	0
	20<	3	2	5	10	20	3	5	35	178	0	0
Persimmon	Small Tree (<5)	2	1.5	5	5	7.5	1.125	1.875	5	27	2	54
	5-10	2	1.5	5	10	15	2.25	3.75	8	42	0	0
	10-15	2	1.5	5	15	22.5	3.375	5.625	20	102	9	918
	15-20	2	1.5	5	20	30	4.5	7.5	22	112	0	0
	20<	2	1.5	5	15	22.5	3.375	5.625	18	92	0	0

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)	Number of trees	Total Compensation (GEL/Tree)
1	2	3	4	5	6	7	8	9	10	11	12	13
Quince	Small Tree (<5)	4	1.5	5	3	4.5	0.675	1.125	3.825	23	17	391
	5-10	4	1.5	5	15	22.5	3.375	5.625	19.125	100	1	100
	10-15	4	1.5	5	25	37.5	5.625	9.375	31.875	163	1	163
	15-20	4	1.5	5	30	45	6.75	11.25	38.25	195	0	0
	20<	4	1.5	5	20	30	4.5	7.5	25.5	132	1	132
Apricot	Small Tree (<5)	4	2	5	3	6	0.9	1.5	5.1	30	42	1260
	5-10	4	2	5	10	20	3	5	17	89	0	0
	10-15	4	2	5	15	30	4.5	7.5	25	129	5	645
	15-20	4	2	5	30	60	9	15	30	154	2	308
	20<	4	2	5	10	20	3	5	20	104	0	0
Wild apricot (Cherami)	Small Tree (<5)	4	1.5	5	5	7.5	1.125	1.875	6.375	36	11	396
	5-10	4	1.5	5	15	22.5	3.375	5.625	16	84	2	168
	10-15	4	1.5	5	25	37.5	5.625	9.375	20	104	1	104
	15-20	4	1.5	5	35	52.5	7.875	13.125	30	154	0	0
	20<	4	1.5	5	10	15	2.25	3.75	18	94	0	0
Damson plum (Chanchuri)	Small Tree (<5)	3	1	5	5	5	0.75	1.25	4.25	24	3	72

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)	Number of trees	Total Compensation (GEL/Tree)
1	2	3	4	5	6	7	8	9	10	11	12	13
	5-10	3	1	5	15	15	2.25	3.75	12.75	67	1	67
	10-15	3	1	5	20	20	3	5	17	88	1	88
	15-20	3	1	5	35	35	5.25	8.75	29.75	152	0	0
	20<	3	1	5	10	10	1.5	2.5	8.5	46	0	0
Almond	Small Tree (<5)	8	9	7	4	36	5.4	9	17	127	1	127
	5-10	8	9	7	20	180	27	45	35	253	0	0
	10-15	8	9	7	25	225	33.75	56.25	62	442	0	0
	15-20	8	9	7	35	315	47.25	78.75	68	484	0	0
	20<	8	9	7	45	405	60.75	101.25	55	393	0	0
<b>Total</b>											<b>9943</b>	<b>590,681</b>

### 11.2.5 Compensation for Annual Crops

The total compensation planned for annual crops is **826,772.59 GEL**- please see the table below.

Table 11.5. Compensation for Annual Crops

#	Species	Affected Area (sq. m)	Compensation Rate (GEL/sq.m.)	Compensation (GEL)
1	Arable			
	Maize	1586805	0.51	809270.55
2	Pastures and hay-lands	437551	0.04	17502.04
<b>Total</b>		<b>2024356</b>		<b>826,772.59</b>

### 11.2.6 Valuation of Businesses

The table below provides consolidated data on compensations planned for business loss. The total amount of this category of compensations comprises **422,544.17 GEL**.

**Table 11.6. Compensation for Business**

### 11.2.7 Assistance/ Allowances

Table 11.7. Allowances

### 11.3 Consolidated Budget

The consolidated budget of the RAP is presented in the table below, and totals **14,370,612.14 GEL**.

Table 11.8. Sample of the consolidated budget of LAR costs

N	Item	Cost (GEL)
A	<b>Compensations</b>	

N	Item	Cost (GEL)
1	Compensation for Lands	6,722,491.49
2	Compensation for Structures	4,777,485.00
3	Compensation for fruit bearing trees	590,681.00
4	Compensation for crops	826,772.59
5	Compensation for Business	422,544.17
6	Lease compensation	184,710.78.02
	<b>Sub-Total A</b>	<b>12,749,293.25</b>
<b>B</b>	<b>Assistance/ Allowances</b>	
1	For sever impact	96,619.5
2	For relocation	5,746.8
3	For vulnerability	112,533.3
	<b>Sub-Total B</b>	<b>214,899.60</b>
<b>C</b>	<b>Implementation costs</b>	
1	EMA cost	50,000
2	Miscellaneous administrative costs	50,000
	<b>Sub-Total C</b>	<b>100,000</b>
Total Cost (A+B+C)		<b>13,064,192.85</b>
Contingencies (10 %)		<b>1,306,419.29</b>
Grand Total in GEL		<b>14,370,612.14</b>

## Annex 1 Valuation Methods, Valuation of Losses and Compensations

### Valuation of Structures

*Land and structures occurring within the project impact area were valuated individually, based on below described principles. Valuations were made by an independent licensed valuator. The detailed report of the valuator is submitted to the Roads Department.*

1. **Land Valuation:** Land has been valuated at a replacement cost, based on average market rates. Market rates are calculated considering an average commercial price of a land of similar category, location and characteristics. Comparison parameters were adjusted based on average market rates and considering the following order of precedence:

- 1 Transfer of ownership right on real estate;
- 2 Financial terms;
- 3 Sales terms;
- 4 Other sales costs;
- 5 Sales dynamics at market (date of selling);
- 6 Location;
- 7 Physical characteristics;
- 8 Economic characteristics;
- 9 Use;
- 10 Presence of real assets.

## 2. Computation of land market rates for parcels situated along KP 31.9

a) The following formula is used to evaluate assets based on weighted average value:

$$V_{wa} = \frac{\sum(P_i \times R_i)}{\sum R_i}$$

where:

$V_{wa}$  – weighted average market rate per 1 sq.m. land

$P_i$  – correlated (adjusted) sales price of similar parcel

$R_i$  – ranking weight of adjusted price for each similar parcel

$\sum R$  – sum of ranking weights

b) Weighted average market rate ( $V_{wa}$ ) better represents an actual market price of impacted parcels than a simple average of adjusted prices of respective plots ( $\sum P_i / n$ ).

c) Market rates of 1m<sup>2</sup> area of land to be valued which are calculated using weighed average values are given in the below provided tables.

Tables 1, 2 and 3 deliver information about market rates of homestead parcels;

Tables 4 and 5 describe arable lands (pasture lands);

Tables 6 and 7 contain information on commercial lands.

d) Market rates of agricultural and commercial land parcels were estimated based on land price in the same spatial zone. Agricultural lands are less expensive than commercial lands.



TABLE 1-1 OUTCOMES OF COMPARATIVE ANALYSIS IMPLEMENTED FOR ANALOGICAL PROPERTIES

#	Description	Address	Agreed Rates (Agreement/ Offer), \$	Source of Information	1 sq.m. Price, USD	Sales costs	Adjustment	Adjusted Price per 1 sq.m.	Dynamics of Market Price	Adjustment	Adjusted Price per 1 sq.m.	Location	Adjustment	Adjusted Price per 1 sq.m.	Physical Characteristics	Adjustment	Adjusted Price per 1 sq.m.	Ri	Σ R	Vi	Land Price, \$ per sq.m
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	600 sq.m. homestead parcel	Rustavi City, territory of Gori Street, cadastral code 02.04.05.19 5	5 USD /1sq.m (selling)	Public Registry 31.12.2018	5	Selling	no	5	31.1 2.20 18	no	5	Similar	no	5	Similar	no	5	0.25	1	1.25	5
2	600 sq.m. homestead	Rustavi City, territory of Gori Street, cadastral code 02.04.05.26 5	4,39 USD /1sq.m. (Selling)	Public Registry 23.02.2018	4.39	Selling	no	4.39	23.0 2.20 18	no	4.39	Similar	no	4.39	Similar	no	4.39	0.25		1.10	

3	400 sq.m. homestead parcel	Rustavi City, adjacent to Tbilisi Street, cadastral code 02.04.04.52 3	10 USD /1sq.m. (Selling)	Public Registry 20.06.2017	10	Selling	no	10	20.0 6.20 17	no	10	Better	3	7	Similar	no	7	0.25	1.75
4	450 sq.m. homestead	Rustavi City Cadastral code 02.02.04.44 6	4.12 USD /1sq.m. (Selling)	Public Registry 14.01.2019	4.12	Selling	no	4.12	14.0 1.20 19	no	4.12	Similar	no	4.12	Similar	no	4.12	0.25	1.03

**Table 1-2 Outcomes of comparative analysis implemented for analogical properties**

#	Description	Address	Agreed Rates (Agreement/ Offer), \$	Source of Information	1 sq.m. Price, USD	Sales costs	Adjustment	Adjusted Price per 1 sq.m.	Dynamics of Market Price	Adjustment	Adjusted Price per 1 sq.m.	Location	Adjustment	Adjusted Price per 1 sq.m.	Physical Characteristics	Adjustment	Adjusted Price per 1 sq.m.	Ri	Σ R	Vi	Land Price, \$ per sq.m
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	1050 sq.m. homestead parcel	Marneuli district, vill. Kirach-Mughanlo Cadastral code 83.11.11.839	1.93 USD /1sq.m (Selling)	Public Registry 08/02/2018	1.93	Selling	no	1.93	08.0 2.20 18	no	1.93	Similar	no	1.93	Similar	no	1.93	0.3 3	1	0.58	2
2	1500 sq.m. homestead parcel	Marneuli district, vill. Kirach-Mughanlo Cadastral code 83.11.21.015	2.15 USD /1sq.m. (Selling)	Public Registry 19/10/17	2.15	Selling	no	2.15	19.1 0.20 17	no	2.15	Similar	no	2.15	Similar	no	2.15	0.3 3		0.64	
3	1202 sq.m. homestead parcel	Marneuli district, vill. Sadakhlo	2.16 USD /1sq.m. (Offer)	Offer place.ge 995727	2.16	Offer	0.22	1.94	10.0 4.20 19	no	1.94	Similar	no	1.94	Similar	no	1.94	0.1		0.19	

4	1610 sq.m. homestead parcel	Marneuli district, vill. Aghmamedlo, Cadastral code 83.12.15.241	1.86 USD /1sq.m. (Selling)	Public Registry 15.01.2019	1.86	Selling	no	1.86	15.0 1.20 19	no	1.86	Similar	no	1.86	Similar	no	1.86	0.1	0.19
5	1190 sq.m. homestead parcel	Marneuli district, vill. Aghmamedlo, Cadastral code 83.12.16.173	2.21 USD /1sq.m. (Selling)	Public Registry 26.11.2018	2.21	Selling	no	2.21	26.1 1.20 18	no	2.21	Similar	no	2.21	Similar	no	2.21	0.1	0.22
6	1800 sq.m. homestead parcel	Marneuli district, vill. Aghmamedlo, Cadastral code 83.12.03.942	2.05 USD /1sq.m. (Selling)	Public Registry 12.11.2018	2.05	Selling	no	2.05	12.1 1.20 18	no	2.05	Similar	no	2.05	Similar	no	2.05	0.1	0.20

**Table 1-3 Outcomes of comparative analysis implemented for analogical properties**

#	Description	Address	Agreed Rates (Agreement/ Offer), \$	Source of Information	1 sq.m. Price, USD	Sales costs	Adjustment	Adjusted Price per 1 sq.m.	Dynamics of Market Price	Adjustment	Adjusted Price per 1 sq.m.	Location	Adjustment	Adjusted Price per 1 sq.m.	Physical Characteristics	Adjustment	Adjusted Price per 1 sq.m.	Ri	Σ R	Vi	Land Price, \$ per sq.m
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	600 sq.m. homestead parcel	Rustavi City, adjacent to Paliashvili Str. Cadastral code 02.04.01.383	43 USD /1sq.m (Selling)	Public Registry 07.05.2018	43	Selling	no	43	07.05.2018	no	43	Similar	no	43	Similar	no	43	0.2	1	8.60	46
2	600 sq.m. homestead parcel	Rustavi City, Petre Melikishvili Str. Cadastral code 02.04.02.171	43.72 USD /1sq.m (Selling)	Public Registry 05.03.2019	43.72	Selling	no	43.72	05.03.2019	no	43.72	Similar	no	43.72	Similar	no	43.72	0.2		8.74	
3	402 sq.m. homestead parcel	Rustavi City, Gogi Dolidze Str. Cadastral code 02.04.04.650	47.01 USD /1sq.m (Selling)	Public Registry 19.11.2018	47.01	Selling	no	47.01	19.11.2018	no	47.01	Similar	no	47.01	Similar	no	47.01	0.2		9.40	

4	400 sq.m. homestead parcel	Rustavi City Cadastral code 02.04.04.505	50 USD /1sq.m (Selling)	Public Registry 22.10.2018	50	Selling	no	50	22.10.2018	no	50	Similar	no	50	Similar	no	50	0.2	10
5	400 sq.m. homestead parcel	Rustavi City	55 USD /1sq.m (Offer)	Offer myhome.ge 9267102	55	Offer	5.5	49.50	10.05.2019	no	49.50	Similar	no	49.50	Similar	no	49.50	0.1	4.95
6	400 sq.m. homestead parcel	Rustavi City	48.75USD /1sq.m. (Offer)	Offer myhome.ge 9319599	48.75	Offer	4.87	43.88	02.05.2019	no	43.88	Similar	no	43.88	Similar	no	43.88	0.1	4.39

**Table 1-4 Outcomes of comparative analysis implemented for analogical properties**

#	Description	Address	Agreed Rates (Agreement/ Offer), \$	Source of Information	1 sq.m. Price, USD	Sales costs	Adjustment	Adjusted Price per 1 sq.m.	Dynamics of Market Price	Adjustment	Adjusted Price per 1 sq.m.	Location	Adjustment	Adjusted Price per 1 sq.m.	Physical Characteristics	Adjustment	Adjusted Price per 1 sq.m.	Economic Use	Adjustment	Adjusted Price per 1 sq.m.	Ri	Σ R	Vi	Land Price, \$ per sq.m
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1	31 ha hayland	Gardabani, territory of vill. Lemshveniera Cadastral code 81.20.07.326	629.03 USD /1ha (offer)	Public Registry 12.02.2019	629.03	Selling	no	629.03	12.0 2.20 19	no	629.03	Worse	94.36	723.39	Similar	no	723.39	Similar	no	723.39	0.4	1	289.35	700
2	524 ha hayland	Dedoplistskaro, Shiraki	650 USD /1ha (offer)	Offer place.ge 926666	650	Offer	65	585	05.0 5.20 19	no	585	Worse	117	702	Similar	no	702	Similar	no	702	0.1		70.20	
3	370 ha hayland	Ninotsminda	600 USD /1ha (offer)	Offer myhome.ge 9122488	600	Offer	60	540	23.0 3.20 19	no	540	Worse	89.1	683.10	Similar	no	683.10	Similar	no	683.10	0.1		68.31	
4	187 ha hayland	Ninotsminda	500 USD /1sq.m. (Offer)	Offer place.ge 771002	500	Offer	50	450	06.0 3.20 19	no	450	Worse	119.25	569.25	Similar	no	569.25	Similar	no	569.25	0.1		56.93	

5	320 ha hayland	Ninotsminda	600 USD /1sq.m. (Offer)	Offer myhome.ge 8728026	600	Offer	60	540	15.0 3.20 19	no	540	Wors e	143	683.10	Simi lar	no	683. 10	Si mi lar	no	683 .10	0. 1	68.3 1	
6	40 ha Hayland	Tetrtskaro District	1000 USD /1sq.m. (Offer)	Offer eqo.ge 135679	1000	Offer	100	900	02.0 5.20 19	no	900	Simil ar	no	900	Simi lar	no	900	ye s	18 0	720	0. 1	72	
7	700 ha hayland	Tetrtskaro District	650 USD /1sq.m. (Offer)	Offer myhome.ge 7348356	650	Offer	65	585	08.0 3.20 19	no	585	Wors e	117	702	Simi lar	no	702	Si mi lar	no	702	0. 1	70.3 2	



**Table 1-5 Outcomes of comparative analysis implemented for analogical properties**

#	Description	Address	Agreed Rates (Agreement/Offer), \$	Source of Information	1 sq.m. Price, USD	Sales costs	Adjustment	Adjusted Price per 1 sq.m.	Dynamics of Market Price	Adjustment	Adjusted Price per 1 sq.m.	Location	Adjustment	Adjusted Price per 1 sq.m.	Physical Characteristics	Adjustment	Adjusted Price per 1 sq.m.	Ri	Σ R	Vi	Land Price, \$ per sq.m
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	10076 sq.m. arable parcel	Marneuli district, vill. Kapanakhchi Cadastral code 83.06.11.797	0.40 USD /1sq.m (Selling)	Public Registry 29.01.2018	0.40	Selling	no	0.40	29.0 1.20 18	no	0.40	Similar	no	0.40	Similar	no	0.40	0.07	1	0.03	0.40
2	4800 sq.m. arable parcel	Marneuli district, vill. Algeti Cadastral code 83.06.11.077	0.39 USD /0sq.m (Selling)	Public Registry 19.03.2019	0.39	Selling	no	0.39	19.0 3.20 19	no	0.39	Similar	no	0.39	Similar	no	0.39	0.07		0.03	
3	10600 sq.m. arable parcel	Marneuli district, vill. Algeti Cadastral code 83.06.11.088	0.37 USD /1sq.m (Selling)	Public Registry 19.03.2019	0.37	Selling	no	0.37	19.0 3.20 19	no	0.37	Similar	no	0.37	Similar	no	0.37	0.07		0.03	

4	3229 sq.m. arable land	Marneuli district, vill. Ambarovka Cadastral code 83.06.10.933	0.50 USD /1sq.m (Selling)	Public Registry 26.07.2018	0.50	Selling	no	0.50	26.07.2018	no	0.50	Similar	no	0.50	Similar	no	0.50	0.07	0.03
5	6016 sq.m. arable land	Marneuli district, vill. Kesalo Cadastral code 83.06.10.946	0.40 USD /1sq.m (Selling)	Public Registry 04.06.2018	0.40	Selling	no	0.40	04.06.2018	no	0.40	Similar	no	0.40	Similar	no	0.40	0.07	0.03
6	16000 sq.m. arable land	Marneuli district, vill. Algeti Cadastral code 83.06.11.990	0.36 USD /1sq.m (Selling)	Public Registry 20.11.2017	0.36	Selling	no	0.36	20/11/2017	no	0.36	Similar	no	0.36	Similar	no	0.36	0.07	0.03
7	11221 sq.m. arable land	Marneuli district, vill. Algeti Cadastral code 83.06.11.850	0.53 USD /1sq.m (Selling)	Public Registry 03.04.2018	0.53	Selling	no	0.53	03.04.2018	no	0.53	Similar	no	0.53	Similar	no	0.53	0.07	0.04
8	1800 sq.m. arable land	Marneuli district, vill. Kesalo Cadastral code 83.06.10.930	0.45 USD /1sq.m (Selling)	Public Registry 14.02.2018	0.45	Selling	no	0.45	14.02.2018	no	0.45	Similar	no	0.45	Similar	no	0.45	0.07	0.03
9	8400 sq.m. arable land	Marneuli district, vill. Didi Mughanlo Cadastral code 83.07.08.130	0.35 USD /1sq.m (Selling)	Public Registry 27.03.2019	0.35	Selling	no	0.35	27.03.2019	no	0.35	Similar	no	0.35	Similar	no	0.35	0.07	0.02

10	150000 sq.m. arable land	Marneuli district, vill. Lezhbadiani Cadastral code 83.07.05.744	0.40 USD /1sq.m. (Selling)	Public Registry 06.06.2018	0.40	Selling	no	0.40	06.06.2018	no	0.40	Similar	no	0.40	Similar	no	0.40	0.07	0.03	
11	1706 sq.m. arable land	Marneuli district, vill. Lezhbadiani Cadastral code 83.07.20.904	0.47 USD /1sq.m. (Selling)	Public Registry 05.06.2018	0.47	Selling	no	0.47	05.06.2018	no	0.47	Similar	no	0.47	Similar	no	0.47	0.07	0.03	
12	20000 sq.m. arable land	District Marneuli, vill. Kirach-Mughanlo Cadastral code 83.11.12.889	0.50 USD /1sq.m. (Offer)	myhome.ge 9308827	0.50	Offer	0.05	0.45	15.04.2019	no	0.45	Similar	no	0.45	Similar	no	0.45	0.05	0.02	
13	1500 sq.m. arable land	District Marneuli, vill. Kapanakhchi Cadastral code 83.06.20.006	0.51 USD /1sq.m. (Selling)	Public Registry 20.08.2018	0.51	Selling	no	0.51	20.08.2018	no	0.51	Similar	no	0.51	Similar	no	0.51	0.07	0.04	
14	270000 sq.m. arable land	District Marneuli, vill. Kapanakhchi	0.40 USD /1sq.m. (Offer)	saqme.ge 2601939	0.40	Offer	no	0.04	16.04.2019	no	0.36	Similar	no	0.36	Similar	no	0.36	0.05	0.02	
15	2000000 sq.m. arable land	District Marneuli, vill. Kapanakhchi	0.40 USD /1sq.m. (Offer)	saqme.ge 2618173	0.40	Offer	no	0.04	24.04.2019	no	0.36	Similar	no	0.36	Similar	no	0.36	0.05	0.02	

**Table 1-6 Outcomes of comparative analysis implemented for analogical facilities**

#	Description	Address	Agreed Rates (Agreement/Offer), \$	Source of Information	1 sq.m. Price, USD	Sales costs	Adjustment	Adjusted Price per 1 sq.m.	Dynamics of Market Price	Adjustment	Adjusted Price per 1 sq.m.	Location	Adjustment	Adjusted Price per 1 sq.m.	Physical Characteristics	Adjustment	Adjusted Price per 1 sq.m.	Ri	Σ R	Vi	Land Price, \$ per sq.m
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	1500 sq.m. commercial parcel	Rustavi City Cadastral code 81.05.00.339	55 USD /1sq.m (Offer)	myhome.ge 9121672	55	Offer	5.5	49.50	10.0 5.20 19	no	49.50	Worse	4.9 5	54.45	Similar	no	54.4 5	0.15	1	8.17	52
2	4000 sq.m. commercial parcel	Rustavi City Cadastral code 02.01.03.606	50 USD /1sq.m (Offer)	myhome.ge 8554698	50	Offer	5	45	03.0 5.20 19	no	45	Worse	4.5	49.50	Similar	no	49.5 0	0.15		7.43	
3	22000 sq.m. commercial parcel	Rustavi City	49 USD /1sq.m (Offer)	saqme.ge 2364447	49	Offer	4.9	44.10	09.0 4.20 19	no	44.10	Worse	4.4 1	48.51	Similar	no	48.5 1	0.15		7.28	
4	490 sq.m. commercial parcel	Rustavi City	61.22 USD /1sq.m (Offer)	saqme.ge 2148629	49	Offer	6.12	55.10	10.0 5.20 19	no	55.10	Better	2.7 5	52.35	Similar	no	52.3 5	0.35		13.09	
5	490 sq.m. commercial parcel	Rustavi City	50 USD /1sq.m (Offer)	Offer place.ge 889551	50	Offer	5	45	12.0 4.20 19	no	45	Worse	4.5	49.50	Similar	no	49.5 0	0.15		7.43	
6	21000 sq.m. commercial parcel	Rustavi City	55 USD /1sq.m. (Offer)	Offer myhome.ge 8765496	55	Offer	5.5	49.50	10.0 5.20 19	no	49.50	Worse	4.9 5	54.45	Similar	no	54.4 5	0.15		8.17	

**Table 1-7 Outcomes of comparative analysis implemented for analogical facilities**

#	Description	Address	Agreed Rates (Agreement/Offer), \$	Source of Information	1 sq.m. Price, USD	Sales costs	Adjustment	Adjusted Price per 1 sq.m.	Dynamics of Market Price	Adjustment	Adjusted Price per 1 sq.m.	Location	Adjustment	Adjusted Price per 1 sq.m.	Physical Characteristics	Adjustment	Adjusted Price per 1 sq.m.	Economic Use	Adjustment	Adjusted Price per 1 sq.m.	Ri	Σ R	Vi	Land Price, \$ per sq.m
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1	450 sq.m. commercial parcel	Marneuli District, territory of former DOSAAF Cadastral code 83.02.11.271	17.78 USD /1sq.m (Offer)	Offer locally 599 26 26 92	17.78	Offer	1.78	16	20.0 4.20 19	no	16	Better	2.4	13.60	Similar	no	13.60	Similar	no	13.60	0.17	1	2.31	10
2	400 sq.m. homestead parcel	Marneuli District, 26 May Str. Cadastral code 83.02.12.030	17.50 USD /1sq.m (Offer)	Offer locally 551 07 47 17	17.50	Offer	1.75	15.75	20.0 4.20 19	no	15.75	Better	2.36	13.39	Similar	no	13.39	Similar	no	13.39	0.17		2.28	
3	10000 sq.m. commercial parcel	Tbilisi-Marneuli Highway	14 USD /1sq.m (Offer)	saqme.ge 2455355	14	Offer	1.4	12.60	09.0 4.20 19	no	12.60	Better	1.26	11.34	Similar	no	11.34	Similar	no	11.34	0.17		1.93	
4	5000 sq.m. commercial parcel	Tbilisi-Marneuli Highway	10 USD /1sq.m (Offer)	gancxadebebi.ge 332490	10	Offer	1	9	23.0 1.20 19	no	9	Better	0.9	8.10	Similar	no	8.10	Similar	no	8.10	0.17		1.38	

5	20000 sq.m. homestead parcel	Tbilisi-Marneuli Highway	10 USD /1sq.m (Offer)	Offer myhome.ge 7475356	10	Offer	1	9	01.05.2019	no	9	Worse	0.9	8.10	Similar	no	8.10	Similar	no	8.10	0.17	1.38
6	8207 sq.m. homestead parcel	Gardabani, vill. Gamarjveba Cadastral code 81.07.05.201	8.57 USD /1sq.m (Offer)	Offer myhome.ge 9007443	8.57	Offer	0.86	7.71	05.05.2019	no	7.71	Similar	no	7.71	Similar	no	7.71	Yes	1.23	8.94	0.15	1.34

Notes regarding the tables above:

1. Minimum difference between actual market rates and announced/offered rates is around 10% in Georgia. According to statistics, offered rates are at least 10-15 per cent higher than market rates in Georgia. In Tables 2 to 7, Adjustment 1 concerns offers given in Column 8 and is based on the above mentioned 10%.
2. Adjustment indicated in Column 14 is related to the location of land parcels listed in Tables 4, 6 and 7. The location of listed replacement plots is worse or better than valuated plots, and respectively their price is adjusted/ corrected by 5, 10, 15, 20 %.
3. As of replacement lands listed in Tables 1 to 7, the adjustment of 10% is related to offers meantime when the price of replacement land in Column 7 matches to the one registered in the Public Registry. Respectively, adjustments were made considering that in terms of the siting other assets are similar to valuated properties which are located in the same territory. 'Similar' means that the valuated asset does not differ from analogical and there is no need for price adjustment.

**3. Valuation of Buildings:** Buildings are valued considering direct and indirect costs that are currently required to construct a replacement structure of the same parameters. This does not include depreciation. Direct and indirect costs are calculated case by case, and their types are listed below:

a. Direct costs:

- 1 Labour wages;
- 2 Procurement of building materials;
- 3 Preparation costs;
- 4 Renting or purchasing of necessary equipment;
- 5 Profit of the building and overheads;
- 6 Costs of safety measures required for the construction / rehabilitation works;
- 7 Costs of temporary facilities;
- 8 Costs of temporary utilities (power supply, water supply, gas supply, etc.);
- 9 Warehousing costs;
- 10 Transportation expenses;
- 11 Other costs.

b. Indirect costs:

Costs of professional services:

- a. Fees of architect/ designer;
- b. Fees of engineering services;
- c. Fees of legal services;
- d. Fees of valuator;
- e. Other costs;

Expenses needed to obtain permits;

Insurance costs;

Interest %;

Contractual warranty for the construction of a new building by a constructor;

Other costs.



#### 4. Compensation for Perennial Plantations

##### Calculation of Compensation for Annual Crops

The compensation amount for annual crops will be established based on the area of impacted land plot and market value of crops.

Details are provided in Table 4.1.

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

The following formula has been used to value fruit trees:

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

where:

Q – compensation amount for trees;

N – unit price

P – unit price of fruits/ products as of current market rates;

Y - assessment of Yield, which is established based on the result of the survey of expert opinion, corroborated with the results of the site inspection data;

0,15pY – planting and tendering costs for perennials incurring until they reach fruit bearing age

0,25pY – expenses on harvesting, warehousing, etc.;

X – current age of the perennial based on visual estimation and information provided by an owner.

as - the earliest full bearing age established based on experts' opinion.

af - the latest fruiting age according to experts' opinion.

1 – number of years remained before particular tree species reaches the latest fruiting age;

2 – years required for a sapling to reach the age of the existing tree;

3 – years required for a tree to reach full bearing age.

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

Note: The replacement cost of a fruiting tree is calculated based on market price of yield lost throughout years required to grow a replacement tree to the fruiting age (5 or 8 years, depending on tree species). Total kgs of harvest is multiplied by market rate to determine the annual price. Then in order to calculate final amount of the compensation, obtained value is multiplied by number of years needed for the given tree species to reach fruit bearing age. This is 8 years for walnut and quince, and 5 years for other trees.

Table 4.1. Calculation of Compensation for Annual Crops

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)
1	2	3	4	5	6	7	8	9	10	11
Cherry	Small Tree (<5)	5	2	5	3	6	0.9	1.5	7	40
	5-10	5	2	5	10	30	4.5	7.5	15	80
	10-15	5	2	5	14	42	6.3	12	25	130
	15-20	5	2	5	16	45	7.2	12	30	155
	20<	5	2	5	10	30	4.5	7.5	15	80
Sour cherry	Small Tree (<5)	3	1.5	5	5	7.5	1.125	1.875	6.375	35
	5-10	3	1.5	5	10	15	2.25	3.75	12.75	67

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)
1	2	3	4	5	6	7	8	9	10	11
	10-15	3	1.5	5	15	22.5	3.375	5.625	19.125	99
	15-20	3	1.5	5	45	67.5	10.125	16.875	35	178
	20<	3	1.5	5	10	15	2.25	3.75	12.75	67
Apple	Small Tree (<5)	4	2	5	5	10	1.5	2.5	8.5	47
	5-10	4	2	5	20	40	6	10	10	54
	10-15	4	2	5	55	110	16.5	27.5	30	154
	15-20	4	2	5	50	100	15	25	35	179
	20<	4	2	5	40	80	12	20	20	104
Pear	Small Tree (<5)	4	1.5	5	4	6	0.9	1.5	5.1	30
	5-10	4	1.5	5	15	22.5	3.375	5.625	19.125	100
	10-15	4	1.5	5	40	60	9	15	51	259
	15-20	4	1.5	5	45	67.5	10.125	16.875	57.375	291
	20<	4	1.5	5	20	30	4.5	7.5	25.5	132
Plum	Small Tree (<5)	4	1	5	8	8	1.2	2	6.8	38
	5-10	4	1	5	20	20	3	5	15	79
	10-15	4	1	5	30	30	4.5	7.5	20	104
	15-20	4	1	5	25	25	3.75	6.25	21	109
	20<	4	1	5	20	20	3	5	16	84

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)
1	2	3	4	5	6	7	8	9	10	11
Wild plum	Small Tree (<5)	3	1	5	8	8	1.2	2	6.8	37
	5-10	3	1	5	15	15	2.25	3.75	12	63
	10-15	3	1	5	35	35	5.25	8.75	12	63
	15-20	3	1	5	45	45	6.75	11.25	38.25	194
	20<	3	1	5	25	20	3.75	6.25	16.25	84
Cornelian cherry	Small Tree (<5)	3	2	5	2	4	0.6	1	3.4	20
	5-10	3	2	5	3	6	0.9	1.5	5.1	29
	10-15	3	2	5	4	8	1.2	2	6.8	37
	15-20	3	2	5	4	8	1.2	2	6.8	37
	20<	3	2	5	3	6	0.9	1.5	5.1	29
Peach	Small Tree (<5)	5	2	5	2	4	0.6	1	3.4	22
	5-10	5	2	5	3	10	0.9	1.5	9.1	51
	10-15	5	2	5	4	30	1.2	2	28.8	149
	15-20	5	2	5	4	35	1.2	2	33.8	174
	20<	5	2	5	3	20	0.9	1.5	19.1	101

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)
1	2	3	4	5	6	7	8	9	10	11
Walnut	Small Tree (<5)	10	5	8	4	20	3	5	17	146
	5-10	10	5	8	15	75	11.25	18.75	63.75	520
	10-15	10	5	8	25	125	18.75	31.25	106.25	860
	15-20	10	5	8	35	175	26.25	43.75	148.75	1200
	20<	10	5	8	50	250	37.5	62.5	188	1514
Hazelnut	Small Tree (<5)	1	5	5	2	10	1.5	2.5	8.5	44
	5-10	1	5	5	4	20	3	5	15	76
	10-15	1	5	5	5	25	3.75	6.25	18	91
	15-20	1	5	5	6	30	4.5	7.5	20	101
	20<	1	5	5	4	20	3	5	17	86
Grape	Small Tree (<5)	2	2	5	5	10	1.5	2.5	7	37
	5-10	2	2	5	7	14	2.1	3.5	10	52
	10-15	2	2	5	10	20	3	5	12	62
	15-20	2	2	5	12	24	3.6	6	15	77
	20<	2	2	5	5	10	1.5	2.5	8	42
Laurel	Small Tree (<5)	1	4	5	2	8	1.2	2	6.8	35

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)
1	2	3	4	5	6	7	8	9	10	11
	5-10	1	4	5	3	12	1.8	3	10.2	52
	10-15	1	4	5	3	12	1.8	3	10.2	52
	15-20	1	4	5	3	12	1.8	3	10.2	52
	20<	1	4	5	2	8	1.2	2	6.8	35
Fig	Small Tree (<5)	3	1.5	5	5	7.5	1.125	1.875	6.375	35
	5-10	3	1.5	5	10	15	2.25	3.75	12.75	67
	10-15	3	1.5	5	15	22.5	3.375	5.625	19.125	99
	15-20	3	1.5	5	30	45	6.75	11.25	38.25	194
	20<	3	1.5	5	20	30	4.5	7.5	25.5	131
Mulberry	Small Tree (<5)	5	1.5	5	3	4.5	0.675	1.125	3.825	24
	5-10	5	1.5	5	10	15	2.25	3.75	10	55
	10-15	5	1.5	5	12	18	2.7	4.5	12	65
	15-20	5	1.5	5	16	24	3.6	6	20.4	107
	20<	5	1.5	5	10	15	2.25	3.75	15	80
Pomegranate	Small Tree (<5)	3	2	5	4	8	1.2	2	6.8	37
	5-10	3	2	5	10	20	3	5	15	78
	10-15	3	2	5	12	24	3.6	6	40	203
	15-20	3	2	5	15	30	4.5	7.5	45	228
	20<	3	2	5	10	20	3	5	35	178

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)
1	2	3	4	5	6	7	8	9	10	11
Persimmon	Small Tree (<5)	2	1.5	5	5	7.5	1.125	1.875	5	27
	5-10	2	1.5	5	10	15	2.25	3.75	8	42
	10-15	2	1.5	5	15	22.5	3.375	5.625	20	102
	15-20	2	1.5	5	20	30	4.5	7.5	22	112
	20<	2	1.5	5	15	22.5	3.375	5.625	18	92
Quince	Small Tree (<5)	4	1.5	5	3	4.5	0.675	1.125	3.825	23
	5-10	4	1.5	5	15	22.5	3.375	5.625	19.125	100
	10-15	4	1.5	5	25	37.5	5.625	9.375	31.875	163
	15-20	4	1.5	5	30	45	6.75	11.25	38.25	195
	20<	4	1.5	5	20	30	4.5	7.5	25.5	132
Apricot	Small Tree (<5)	4	2	5	3	6	0.9	1.5	5.1	30
	5-10	4	2	5	10	20	3	5	17	89
	10-15	4	2	5	15	30	4.5	7.5	25	129
	15-20	4	2	5	30	60	9	15	30	154
	20<	4	2	5	10	20	3	5	20	104
Wild apricot (Cherami)	Small Tree (<5)	4	1.5	5	5	7.5	1.125	1.875	6.375	36

Species	Age Group	Sapling, GEL	Price of Yield, Gel	Number of Compensation Years	Total Annual Productivity, kg	Income from Selling (GEL)	Tree Tendering Costs (GEL)	Harvesting Costs (GEL)	Annual Profit Inclusive Expenses (GEL)	Total Compensation per Mature Tree (GEL)
1	2	3	4	5	6	7	8	9	10	11
	5-10	4	1.5	5	15	22.5	3.375	5.625	16	84
	10-15	4	1.5	5	25	37.5	5.625	9.375	20	104
	15-20	4	1.5	5	35	52.5	7.875	13.125	30	154
	20<	4	1.5	5	10	15	2.25	3.75	18	94
Damson plum (Chanchuri)	Small Tree (<5)	3	1	5	5	5	0.75	1.25	4.25	24
	5-10	3	1	5	15	15	2.25	3.75	12.75	67
	10-15	3	1	5	20	20	3	5	17	88
	15-20	3	1	5	35	35	5.25	8.75	29.75	152
	20<	3	1	5	10	10	1.5	2.5	8.5	46
Almond	Small Tree (<5)	8	9	7	4	36	5.4	9	17	127
	5-10	8	9	7	20	180	27	45	35	253
	10-15	8	9	7	25	225	33.75	56.25	62	442
	15-20	8	9	7	35	315	47.25	78.75	68	484
	20<	8	9	7	45	405	60.75	101.25	55	393



## Resettlement Action Plan

### Rustavi-Red Bridge

#### Introduction

Thanks to its geographical location, Georgia has gained the status of an important transport corridor bridging Europe to Asia, and the development of the transport infrastructure became a national priority. The Government of Georgia requested the World Bank and European Investment Bank to support modernization of the East-West Transport Corridor. The World Bank and European Investment Bank plans to assist with the preparation of detailed design for modernization of the road between Tbilisi City and border of Azerbaijan and 62 km long section of Tbilisi-Sadakhlo Road. The Roads Department of Georgia (RDMID) is an implementing, executing and funding agency of the Project. The RDMID acts on behalf of the Ministry of Infrastructure. The purpose of the Project is to improve transporting along Tbilisi-Sadakhlo and Tbilisi-Red Bridge, facilitate to daily movement and freightage between regions, and increase road safety through environmentally sound and sustainable development.



The purpose of the Project is to improve transporting along Tbilisi-Sadakhlo and Tbilisi-Red Bridge, facilitate to daily movement and freightage between regions, and increase road safety through environmentally sound and sustainable development.

The Resettlement Policy Framework (RPF) has been elaborated for the East West Highway Improvement Project. Respectively, stipulations of the RPF and the World Bank's safeguard policies, specifically OP 4.12 (Involuntary Resettlement) shall be adhered to.

This Information Booklet is an instrument to inform affected persons about compensation policy / procedures designed in the frames of the Resettlement Action Plan.

The Resettlement Action Plan is prepared for the road section of Rustavi-Red Bridge (border of Azerbaijan), which is located in Rustavi City and Marneuli Municipality. The number of impacted land plots is defined as following:

According to the RAP, the Project will impact 456 land plots with the total area of 3,602,364 sq. m. The distribution of affected lands by

their ownership types and legal categories is as follows:

#### Rustavi-Red Bridge Road Project Corridor

Category 1. Titled private agricultural land plots with valid registration. 185 of the affected land plots (with aggregated area of 1,697,952 sq.m.) have valid registration.

Category 2. 13 land plots of 10,010 sq.m non titled, but legalizable according to current legislation through 1 stage registration in NAPR. Related right establishing documents are available in Archives.

Category 3. State Owned land plots illegally occupied by private users (squatters). In this subsection of the road we have 120 land plots (507,592 sq.m.) occupied by squatters.

Category 4. 138 State owned land plots of 1,386,810s q.m 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 4 land parcels are not subject for land compensation. <sup>21</sup>.

### **Planning of Project's Compensation and Resettlement Program**

The Roads Department of Georgia will prepare a Resettlement Action Plan. Hard copy of this plan in Georgian language will be available for public consultations at the Roads Department of Georgia. Digital version of the plan will be posted on the official website of the Roads Department. The plan will comprehensively discuss impacts of the project, entitlements and benefits, compensations intended for different categories of affected persons, and land acquisition and resettlement procedures.

### **Resettlement Policy and Principles**

Land for the construction of the new road will be acquired in compliance with Georgian legislation and WB OP 4.12 and EIB regulations. All APs will receive cash compensation and adequate assistance/ allowance depending to impact severity and vulnerability status. The Detailed Design Consultant has studied all project alternatives to avoid damage of build-up areas and nature protected areas in order to reduce potential impacts. The following principles will be applied for the land acquisition for the project:

- To construct the road in a manner to avoid impact on residential areas, minimize physical relocation of people where possible, and to select the road alignment which minimized the need for taking of private and public lands;
- To adopt design standards that minimize the need for landuse restrictions in adjacent areas;
- To adopt fairness and transparency procedures defined in the RAP to determine compensations for (i) temporary loss of land/ assets; (ii) permanent acquisition of land and assets; and (iii) landuse restriction in areas adjoining with the project corridor that could be used during the construction.
- To acquire lands (or obtain the right for land use) based on negotiations, and use the power of eminent domain only as a last resort.
- Upon completion of the construction, to restore temporarily disturbed land as best as possible to its original condition so as to enable landowners/ users / leaseholders to resume their pre-project activities;

---

<sup>21</sup> According to the Entitlement Matrix, non-legalizable APs losing agricultural land plot, which is the only land plot owned by the affected household and provides main source of income for the households, will be compensated with one-time cash allowance equal to 1 year of minimum subsistence income. In case of this Project, 19 land plots are identified to be illegally occupied; however, all of their users have another 1 or 2 parcels (registered, or legalizable). Furthermore, grabbed land plots are not main source of their income and these families used these parcels for additional agricultural activities. Respectively, these families are not eligible to claim compensation for 26 parcels that they occupy illegally and self-relocation allowances, but they will be compensated for the damaged incurred due to loss of annual crops, trees and fixed assets.

- To keep affected people and public fully informed about the Project, the process of the land acquisition and compensation, and their respective rights and eligibilities.
- To ensure that grievances are reviewed and properly redressed in compliance with the principles stipulated in the RPF and RAP prepared for this road project;
- Despite legal status of affected assets, all PAPs will receive support of various types, as per the principles set out in the Entitlement Matrix to help them to maintain their income and living standards at least to the pre-project level. Squatters will not be compensated for land loss, but will receive indemnity for the loss of other assets, where they have invested their money and for loss of incomes so that they are assisted to maintain their livelihoods. Measures to be implemented will be detailed on the bases of outcomes of the census and socio-economic survey carried out during the preparation of the Resettlement Action Plan.
- PAPs will be notified the project implementation schedule and consulted regarding the land acquisition principles and compensations intended for assets lost or damage incurred.
- 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 according to the Entitlement Matrix provided in the RPF and RAP.

The Resettlement Action Plan (RAP) will be elaborated for each road section of the Project, based on requirements of OP 4.12, the RPF and Georgian legislation. This document will provide detailed description of compensation packages and implementation schedule of actions planned. As there are gaps between OP 4.12, Georgian legislation and expropriation practices, any land acquisition for the Project will be in line with the principles and procedures defined in the RPF.

A market survey will be conducted to obtain market prices of land, building materials of affected structures, crops and other relevant assets to use them for the establishment of compensation amounts. This will ensure that PAPs are enabled to purchase replacement land.

Loss of income and assets will be compensated on a net basis, free of tax, depreciation or any other deduction.

The final Resettlement Action Plan shall be submitted to the World Bank and approved prior to commencing the construction works.

Details of the land acquisition procedure will be described in the RAP, which will include:

- Initial consultations with PAPs regarding the Project and expected impacts
- Census of PAPs, detailed measurement surveys and socio-economic survey
- Identification of PAPs and impact types/ scale
- Establishment of the compensations package and development of the RAP
- Consultations with PAPs
- Negotiations with PAPs and payment of compensations
- Expropriation process where negotiations fail
- Compensation / rehabilitation measures that will be delivered as construction works progress, but prior commencing works along particular section of the road.

## Eligibility and Entitlements

Eligibility. Following categories of APs are eligible to claim compensation or at least receive rehabilitation assistance from the Project:

- (i) All titled or legalizable APs who will lose legal title or customary/ traditional rights on land;
- (ii) Leaseholders and sharecroppers whether registered or not;
- (iii) Owners of buildings, annual crops, plantations or any other assets attached to the project affected land;
- (iv) APs who lose their business, income and salaries/ wages.

Entitlements envisaged in the frames of the Project are as follows:

- APs with registered title will be fully compensated for losses incurred
- Untitled APs who were legitimate leaseholders under the old Soviet system and have plots with the attached house, or house installed on the adjacent plot will be first legalized and paid compensation.
- Untitled APs who were legitimate leaseholders under the old Soviet system and regularly used land but do not have plots with an attached house, or a house on the adjacent plots are not legalizable, but will be compensated for affected assets and income loss but not for land.
- Untitled APs who were not legitimate leaseholders under the old Soviet system, but regularly cultivate or use land, are not legalizable and eligible for compensated. However, they will still receive compensation for lost crops and incomes.

The eligibility for compensation is limited by the cut-off date, which for each sub-project is established as the commencing date of APs census and DMS (**April 8, 2019**). PAPs who settle in affected areas, or erect there any fixed assets after the cut-off date will not be eligible for any compensation. However, they will be given sufficient advance notice to vacate premises and dismantle affected structures before the project implementation is launched. Their dismantled structures will not be confiscated, and they will not pay any fine or sanction. Forced eviction will be considered only if all other efforts are exhausted.

Table 1 provides the comparison of Georgian legislation and the WB safeguard policy OP 4.12 and EIB ESS requirements <sup>22</sup> and actions to manage the gaps, whilst Table 2 describes entitlements for the loss of lands, residential houses and incomes as well as assistances/ allowances planned for the rehabilitation of PAPs.

**Table 1: Comparison of Georgian legislation and WB regulations**

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

<sup>22</sup> [https://www.eib.org/attachments/strategies/environmental\\_and\\_social\\_practices\\_handbook\\_en.pdf](https://www.eib.org/attachments/strategies/environmental_and_social_practices_handbook_en.pdf)

<b>Laws and Regulations of Georgia</b>	<b>WB OP 4.12 and EIB ESS requirements</b>	<b>Gap Filling Measures</b>
	structure and asset attached to the land.	<p>be titled and compensated before displacement occurs.</p> <p>In those cases, where for some reason land users cannot be titled, the IA will seek the GoG's approval for rehabilitation/ compensation of such non-titled land users before displacement occurs.</p>
Only registered houses/ buildings are compensated for damages/demolition caused by project-related land acquisition.	All affected houses/ buildings, regardless their legal status, are compensated for damages/ demolition caused by project-related land acquisition.	It is assumed that majority of land parcels will be registered to actual user with support of the project (legal and registration assistance). Accordingly, the compensation will be paid to all affected households. In case of damages incurred during the construction period, the construction contractor will be responsible for compensation and the RD team will supervise this process.
Compensation for crops and trees lost is provided only to registered landowners.	Compensation for crop losses is provided to landowners, sharecroppers/ lease tenants or other users such as squatters whether registered or not.	In Georgia practically all croplands are registered in Public Registry, or information about them are available in municipality archives. In case of leased land plots, the compensation will be paid to renters and other users based on their actual losses; besides, they will be assisted to access some other land to continue activities.
Compensation for assets lost is based on current market value without deducting depreciation.	Compensation for assets lost is based on market value without taking into account depreciation, and should also include transaction costs such as taxes and registration fees. It should also include other resettlement costs such as expenses to prepare land for cultivation.	Compensation will be paid based on market value, without deducting depreciation or cost of salvage material. Besides, owners are allowed to retain salvaged materials. The RD will have in place clearly defined legal procedures to assist PAPs and cover all costs related to title recognition and transaction

<b>Laws and Regulations of Georgia</b>	<b>WB OP 4.12 and EIB ESS requirements</b>	<b>Gap Filling Measures</b>
		registration fees. Assets evaluation criteria are based on replacement value, as per OP 4.12.
<p>The Project Implementing Agency (IA) is the only pre-litigation final authority, which solves disputes and addresses complaints regarding the quantification and assessment of compensation for affected assets. Complaints are reviewed in compliance with formal procedures (rules) established by the Administrative Code of Georgia. There is no informal grievance redress mechanism through community participation at the local level.</p>	<p>Complaints and grievances can also be resolved informally, through a project-level grievance redress mechanism, which in some cases can provide for community participation via a Grievance Redress Committees (GRC), local authorities, and NGOs and/or local community based organizations (CBOs).</p>	<p>The resettlement team of the RD will have in place a Grievance Redress Mechanism to receive, register and process grievances of PAPs.</p> <p>Representatives of municipalities, local authorities and villages will be involved in the process from early stages. This will ensure settling disputes and claims (where possible) at community level; however, if solution could not be found, the case will be proceeded in accordance with the national law.</p>
<p>Decisions regarding land acquisition and resettlement are discussed only between landowners and an agency in charge of land acquisition.</p>	<p>The RPF and RAP which comprise information on affected assets evaluation criteria, entitlements and compensation/financial assistance, are to be publicly discussed and consulted on during the planning process.</p>	<p>The RPF and RAP will be prepared through the engagement with relevant stakeholders, and the RPF and RAP will be disclosed and consulted on. However, personal information of APs or compensation amounts each person/ household receives will not be publicly disclosed.</p>
<p>No provision for income/livelihood rehabilitation, allowances for severely affected or vulnerable APs, or resettlement expenses.</p>	<p>WB/EIB policy requires the rehabilitation for income/livelihood, severe losses and expenses incurred by the APs during the relocation process.</p>	<p>The RD will have in place clearly defined legal procedures to allow for additional assistance and compensation of relocation costs for all households qualified as severely affected and/or vulnerable.</p>
<p>Georgian legislation does not provide for any specific plan for public consultations.</p>	<p>Public consultations and participation is an integral part of the WB/EIB policy, and is deemed to be a continuous process throughout conception, preparation, implementation and</p>	<p>The public consultation process will be accomplished in accordance with the WB/EIB requirements and guidelines, prior to the RAP implementation.</p>

<b>Laws and Regulations of Georgia</b>	<b>WB OP 4.12 and EIB ESS requirements</b>	<b>Gap Filling Measures</b>
	finally post-implementation stages of the project.	
Recognition and compensation for (officially registered) business losses resulting from project-related land acquisition, based on official tax declaration.	All types of running business (officially registered, or not-vendors, etc.) will be paid monetary compensation equal to 1 year income, based on their tax declaration, or if unavailable (loss of income both from formal and informal economic activities) based on officially established minimum substance income.	The RD will ensure that all businesses are recognized and compensated in accordance with the RPF and RAP before displacement occurs.
The active legislation does not stipulate for public consultations.	PAPs should to be informed about all resettlement issues/ compensation options, such as land registration/ legalization, eligibility, assistance/ allowances to be provided, etc.	Communities present within the project influence area will be involved in prioritization process, and will be consulted and informed about relocation, compensation and available options. Besides, public consultations will be conducted, and information booklets will be distributed among PAPs. The RAP will be officially made available to public.
The active legislation does not require the establishment of the cut-off date.	A cut-off date shall be established for the project	The establishment of the cut-off date is needed to enable the formation of the displaced and/or affected persons list. Specifically, this is necessary to prevent false claims for compensation or rehabilitation once project plans are disclosed. A census should be carried out as soon as possible to determine the number of relocatable persons and affected structures/other assets as well as to establish the cut-off date to minimize influx of people to the affected areas. The date when the census, socio-economic survey of PAPs and inventory of project affected assets is started will be used

<b>Laws and Regulations of Georgia</b>	<b>WB OP 4.12 and EIB ESS requirements</b>	<b>Gap Filling Measures</b>
		as the cut-off date. If actual relocation and land take for the project purposes are behind the schedule, the census should be updated after one (1) year, and a new cut-off date should be set.



**Table 2. Entitlement Matrix**

Type of Impact	Application	Description of PAP	Compensation Entitlements
Permanent loss of all categories of land (arable, residential, industrial, commercial)	Any land losses independent from impact severity	PAPs (with fully registered title)	PAPs will receive cash compensation at full replacement cost at current market value. The unit rate will be specified in the RAP. If any remaining part of the land owned by the registered owners is no longer appropriate for use, such remaining part will also be purchased subject to the agreement with the owner.
		PAPs (possessors of legalizable land parcel)	Assistance to PAPs in the process of legalization of project affected land parcel under their possession. Once legalization and registration of ownership title is accomplished, land will be acquired and PAP will receive cash compensation at full replacement cost at current market value, at unit rate defined in the approved RAP.
		Leaseholder of private or public lands	Free of charge renewal of lease in other plots with value/ productivity equal to affected land parcel, or cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years). In addition, cash compensation to reimburse proven investments incurred by the Leaseholder to improve the leased land.
		Leaseholder (not registered)	Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years).
		Non-titled, non-legalizable land users/squatters	Non-legalizable APs losing agricultural land plot, which is the only land plot used by AH and provides main source of income for AH, will be compensated with one-time self-relocation cash allowances equal to 1 year of minimum subsistence income. according to current data provided on official website of the National Statistics Office of Georgia – GEOSTAT. <sup>23</sup>

<sup>23</sup> <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>

Type of Impact	Application	Description of PAP	Compensation Entitlements
Permanent loss of community land (pastures, grazing lands)		Local community losing access to pasture and grazing land	<p>The local government will allocate free of charge a replacement land of similar size, productivity, and location acceptable to affected community.</p> <p>If such replacement is not possible, a Livelihood Restoration Plan will be prepared and implemented to address needs of the affected community and maintain their livelihood at least to pre-project level.</p>
<b>Structures</b>			
Residential house	Project affected residential dwellings subject to partial/full demolition	PAPs with registered ownership title; PAPs declared as legitimate possessors	<p>All impacts will be considered as full impacts, disregarding the percentage of actual impact. Impacts will be compensated in cash, at full replacement costs, free of depreciation and transaction costs.</p> <p>In addition, livelihood restoration initiatives will be offered to PAPs that may suffer deterioration of livelihood through indirect impact of the proposed road project (e.g. project impact is extended only over a residential dwelling subject to full cash compensation at replacement costs, and additional one-time allowances to transport salvaged materials and personal belongings. However, other income generating assets (agricultural land/private commercial facilities) may appear outside of ROW and not to be impacted by the project; correspondingly these assets may not be included in the offered compensation package. After moving and settling down to a new location, PAPs may at least temporarily lose income due to lack of access (increased travel time, complicated accessibility) to the mentioned income generating assets not affected by the proposed project).</p>
		Residential tenants/ renters	<p>One-time allowance equalling to: 3 times the monthly rental free (specified in the lease agreement); or if a lease agreement is not available, 3 times the minimum monthly salary;<sup>24</sup></p> <p>In addition, one-time assistance for transportation of personal belongings to a</p>

<sup>24</sup> In cases when a tenant/renter has paid rent in advance for a longer period of time, the landlords will be requested to reimburse the money to the tenant/renter for the corresponding period if adequate evidence is available.

Type of Impact	Application	Description of PAP	Compensation Entitlements
			new location; or one-time cash allowance to cover costs of transportation of personal belongings. One-time allowance is calculated as the amount of consumer basket for a family of five members* multiplied by three (3) months (378.9 GEL/month-May 2019 data) multiplied to three (3) months., (378.9 GEL X 3= 1136.7 GEL) (Amounts to be updated monthly based on national indicators for given month)..
Commercial structures and installations	Project affected commercial facilities subject to partial/full demolition	Titleholder	Cash compensation for project affected structures and other fixed assets calculated as a full replacement cost at current market value, free of salvageable materials, depreciation and transaction costs.  If partial demolition causes deterioration of a structure or raises safety and security concerns, the cash compensation will apply to the entire building and affixed assets.
		Tenant of commercial facility	One-time allowance equalling to: 3 times the monthly rental fee (specified in the lease agreement); or if a lease agreement is not available, 3 times the minimum monthly salary (378.9 GEL/month-May 2019 data) multiplied to three (3) months., (378.9 GEL X 3= 1136.7 GEL) (Amounts to be updated monthly based on national indicators for given month) <sup>25</sup> .
State/ municipality owned buildings affected by the project	Project affected state/municipality owned buildings subject to partial/full demolition	IDPs, refugees, squatters occupying facilities for residential purposes	Accommodation in resettlement areas offered by the government; or a self-relocation allowance in the maximum amount (1500 GEL) to cover lodging stipulated in the approved RAP.
Fences/ walls	All PAPs with fences to be affected	All PAPs	Cash compensation at replacement (construction) cost according to building material and linear meter of affected fence/ wall.
Annual crops	Affected crops	All PAPs (including squatters)	Crop compensation in cash, at gross market value of actual or expected harvest. Compensation for this item will be provided even if the crops has been harvested**

<sup>25</sup> <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>

Type of Impact	Application	Description of PAP	Compensation Entitlements
Perennials standing on private land parcels	Fruit bearing perennials affected by the project	All PAPs (including squatters)	Cash compensation at market value, on the basis of type, age and productive value of fruit tree. Besides, each fruit bearing tree will be compensated for purchase of saplings. PAPs will be eligible to dispose logged trees themselves. Construction company ensures free logging and delivery of timber to the residence of PAPs. Withdrawal requires appropriate permission
	Non-fruit bearing perennials affected by the project	All PAPs (including squatters)	Cash compensation will not be issued for perennials not bearing fruits, because they do not generate any kind of income for PAPs. Non-fruits bearing perennials are used for HH heating. PAPs will be eligible to dispose logged trees themselves. Construction company ensures free logging and delivery of timber to the residence of PAPs.
Perennials (on public/State land)	Standing trees	Perennials standing outside of private land parcels	The construction company will deliver logged trees to the municipal government. The municipal government may later distribute timber among local population below poverty threshold.
Perennials standing on the forestry land	Standing non-fruit bearing trees	Perennials standing outside of private land parcels	Perennials standing on the forestry land must be delisted from the State Forest Fund in accordance with corresponding decrees of Government of Georgia to enable legal implementation of the above mentioned activity. The construction company will deliver logged trees to the municipal government. The municipal government may later distribute timber among local population below poverty threshold.
<b>Income loss</b>			
Lessors/ landlords	Loss of income due to termination of lease agreements	All PAPs holding lease/ rental agreement	One-time allowance equalling to: 3 times the monthly rental fee (specified in the lease agreement); or if a lease agreement is not available, 3 times the minimum monthly salary. (378.9 GEL/month-May 2019 data) multiplied to three (3) months., (378.9 GEL X 3= 1136.7 GEL) (Amounts to be updated monthly based on national indicators for given month) <sup>26</sup> .

<sup>26</sup> <https://www.geostat.ge/en/modules/categories/49/subsistence-minimum>

Type of Impact	Application	Description of PAP	Compensation Entitlements
Business employment	Temporary or permanent loss of business or employment	All PAPs (including squatters)	<b>Business owner:</b> (i) Cash compensation equal to one-year income, if loss is permanent; (ii) cash compensation for the period of business interruption, if loss is temporary. <b>Worker/employee:</b> Indemnity for lost salary/wage for the period of business interruption. In cases where tax declarations are unavailable, then they will be paid the official minimum monthly salary multiplied by the number of months of actual stoppage of the business.
		Agricultural workers losing contract	Cash indemnity corresponding to their salary for the remaining period of the agricultural year, and, where needed, livelihood restoration measures.
<b>Additional Rehabilitation Measures</b>			
Technical assistance in legalization and registration procedures		All PAPs with registered title/ possessors of legalizable land parcels	Free of charge technical assistance to PAPs during legalization, division of project affected parcel, registration of incurred corrections and/or sales transaction.
Physical Relocation	Transport and transitional livelihood allowances	All PAPs affected by relocation	Provision of sufficient allowance to cover transportation expenses and livelihood expenses for three months. Relocation Allowance is set at 300 GEL + 3 months payment of the minimum monthly subsistence for the family of 5 members*.
Community resources			Access shall be maintained or reinstated; Rehabilitation/substitution of the affected structures/utilities (i.e. bridges, roads, schools, health care centres, potable water supply systems, irrigation channels, etc.).
Vulnerable PAPs		PAPs below poverty line; disabled people; pensioners; widows; female headed households; impoverished; IDPs; Refugees.	Allowance equivalent to 3 months of minimum subsistence income for the family of 5 members* and priority employment in project-related jobs.
Severely affected PAHs	>10% of APs' land is taken,	owners, leaseholders and sharecroppers	1 additional crop compensation for 1 year's yield of affected land or allowance equivalent to 3 months of minimum subsistence income for the family of 5 members* and priority employment in project-related jobs.
Temporary impact	Loss of access to land parcel	Owners/Users	Temporary access will be arranged by the construction company. When temporary loss of access to land parcel results in loss to crops, the construction company will provide compensation to APs. All losses

Type of Impact	Application	Description of PAP	Compensation Entitlements
			and amount of due compensation shall be determined according to compensation entitlement principles defined under the RPF and this RAP.
	Avoidance of interruption of temporary access road to the business activity	Business units	Temporary access will be arranged by the construction company.
	Temporary loss of income due to use of land parcels for the camps and quarries	Owners/Users	During camps' site selection process, the construction company should coordinate with relevant state authorities and give priority to vacant lands not used for agricultural /residential purposes. If land parcels selected for camps and quarries have private land-users, all losses and due amount to be compensated will be determined according to compensation entitlement principles defined in the RPF and this RAP.
Any other unforeseen impacts	As required	Any	The Roads Department and the construction contractor will address and mitigate/compensate unforeseen resettlement impact occurring during the project implementation. Utilities will be relocated by the contractors in cooperation with the owners.

\* Minimum subsistence income will be calculated for the 5-member family, based on monthly-updated values indicated by the National Statistics Office of Georgia by the RAP approval date.

\*\* Incomes expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land parcel was permanently used for crop cultivation, but crops have not been planted for the year of losses inventory (in order to rest this land, or due to illness of the farmer, or any other justifiable reason), the land parcel will be still considered as designated for crop cultivation and relevant compensations will be paid.

### Grievances and Grievance Redress Mechanism

A grievance mechanism will be available to allow PAPs to complain about any disagreeable decisions, practices or activities connected to the compensation of land or other assets. A Grievance Redress Committee (GRC) will be established with the aim of grievance resolution in each *Gamgeoba* of the affected community, with participation of the community members. GRC will include representatives of the RDMRDI, local *Gamgeoba*, APs, women APs (if any) and local NGOs. The grievance redress process is as follows:

Stage 1 - the GRC member secretary and Sakrebulo level LAR team will be available to APs for the grievance resolution at any time. APs should be informed about contact persons who will receive their complaints/ grievances. The representative of the contractor and Sakrebulo should be notified that they should immediately deliver all claims/ grievances they receive from APs to contact persons of the GRC (Convenor and Secretary), who shall promptly arrange meetings for unofficial settlement of grievances. If any aggrieved AP is unsatisfied by the solution, the GRC will help the AP to file an official grievance to the relevant entity (i.e. the Roads Department). Complaints and grievances of APs will be addressed through the following procedure:

**Table 3: Grievance Redress Process**

Stage	Action Level	Redress Process
Stage 1	Negotiation with APs	The complaint is informally reviewed by the Grievance Redress Committee (GRC), which takes all necessary measures to resolve the dispute amicably.
Stage 2	GRC Resolution	If the grievance is not solved during the negotiations, the GRC will assist aggrieved APs to formally lodge their grievances to the GRC.  The aggrieved APs shall submit their complaints to the GRC within 1 week after completion of the village level negotiations. The aggrieved AP shall provide documents supporting his/her claim. The GRC member secretary will review the complaint and prepare a case file for the 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 the Convenor and aggrieved APs. On the date of hearing, the aggrieved AP will appear before the GRC at the <i>Gamgeoba</i> Office for consideration of the grievance. The member secretary will note down statements of the complainant and document all details of the claim. The GRC has 14 days response time to acknowledge receipt, and maximum 10 days after the hearing date to respond on/ resolve the grievance. The decision made by majority of members will be considered as final decision of 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.
Stage 3	Decision from the central RDMRDI	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

Stage	Action Level	Redress Process
		<p>with procedures specified in the Administrative Code of Georgia. According to the Administrative Code of Georgia, the response time is 30 days; however, the RD's internal electronic correspondence system establishes 10 days period for the response.</p> <p>The GRC should assist the claimant in lodging an official complaint (the claimant should be informed of his/her rights and obligations, rules and procedures for filing a complaint, format of a complaint, terms of complaint submission, etc.).</p> <p>The claimant shall be communicated the decision made.</p>
Stage 4	Court decision	<p>If the RDMRDI decision is unsatisfactory to the aggrieved AP, he/she can pursue further action by submitting their case to the relevant court of law (Rayon Court), without any reprisal.</p> <p>The aggrieved AP can take a legal action not only about the compensation amount, but any other issues as well, such as the 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>

#### Special Recommendations to APs on Registration of Legalizable Land Plots

Probably many affected land plots are not registered or properly registered. APs who occupy lands that are not owned by other persons or the state, and are legitimate users, but have not registered their title through the privatisation, are considered legalizable. These APs will receive the land compensation only after legalization.

The Roads Department and local authorities of the project affected area will assist APs through the precise mapping and detailed measurement surveys of land plots. However, to facilitate to this process, APs should cooperate with the Project authorities. Please, register your land plots as soon as the documentation is made available to you in order to avoid any complications during the land acquisition and compensation process. To make this task easier, the land registration fee is included in the replacement cost of the land.

#### Contact Information

For any information and advice please refer to the following contact persons:

(I) Roads Department of the Ministry of Regional Development and Infrastructure of Georgia: 0160, 12 Kazbegi Str., Tbilisi, Georgia

(ii) Mikheil Ujmajuridze, mobile phone: (+995) 577 613305 e-mail: [mishaujmajuridze@gmail.com](mailto:mishaujmajuridze@gmail.com)



Grievances and Grievance Form

#	
Full Name, Surname	
<p>Contact Information</p> <p>Please, fill in how you want to be contacted (post, telephone, e-mail)</p>	<p><input type="checkbox"/> Post: please indicate your postal address:          _____          _____          _____</p> <p><input type="checkbox"/> Telephone: _____</p> <p><input type="checkbox"/> E-mail: _____</p>
Preferred contact language	<p><input type="checkbox"/> Georgian</p> <p><input type="checkbox"/> English</p> <p><input type="checkbox"/> Russian</p>
Description of Grievance/ Claim:	What happened? What you claim?
Negotiation Date:	Decision after the negotiation:
What is the reason of your claim?	
<p>Signature: _____</p> <p>Date: _____</p>	

## Annex 3. Minutes of Public Consultation Meetings

### Public Meeting #1

Rustavi 31.05.2019.

During the preparation of the Resettlement Action Plan for Rustavi-Red Bridge and Rustavi-Sadakhlo Roads Project a public consultation meeting was held with project affected persons to inform them about the importance of the project and their rights. Participants of the meeting raised the following questions:

**Question 1:** What rules are used for the valuation of assets?

**Answer:** The project affected assets will be appraised by an independent licensed valuator, according to international standards.

**Question 2:** I have underground communications on my land plot. Will be they valued and compensated?

**Answer:** If it is proved that underground communications is under your possession, they will be compensated.

**Question 3:** Aside the compensation at market value that we will receive, will it be considered in terms of compensation that we sell assets involuntarily and may have certain plans about them?

**Answer:** The Resettlement Action Plan envisages several types of indemnities. For example, assets will be paid for at the replacement cost, compensation will be free of taxes and transaction costs, different allowances will be paid, etc. More detailed information is provided in the Resettlement Action Plan.

**Question 4:** The land plot adjacent to the project corridor will loss the access. Will the access road to this land be made available?

**Answer:** The Design Consultant of the Project is working on such issues. If this could not be achieved and the land plot becomes unusable, it will be acquired in whole.

**Question 5:** If the project affects only small portion of the land parcel, is it possible that the entire land is taken?

**Answer:** If the project affects more than 20% of the land, or makes it economically unviable, then whole land parcel will be acquired.

**Question 6:** What does the current construction corridor comprise? Will only road be accommodated in this corridor, or any other needs are also defined?

**Answer:** This construction corridor will accommodate the highway and auxiliary infrastructure of the highway. Besides, certain areas are needed to carry out road construction works.

**Question 7:** We wonder when you are going to start land acquisition?

**Answer:** According to plans, the acquisition process should start in the end of June.

**Question 8:** We carry out economic activities in the building, which is comprised within the construction corridor. We are leaseholders. We wonder if any compensations are envisaged for persons who are in similar situation.

**Answer:** The Resettlement Action Plan includes compensations for leaseholders (see Booklet).

**Question 9:** Will a valuator take into consideration the quality of building materials during the valuation of buildings?

**Answer:** The quality of building materials will be accounted for when valuating buildings.

**Question 10:** How will fruit trees be valued, and will we have opportunity to take timber and salvaged building materials?

**Answer:** Trees inventoried before the cut-off date will be evaluated and you will be eligible to take timber; besides, materials salvaged during demolition of your buildings remain with you.

## Public Meeting #2

Marneuli 31.05.2019.

During the preparation of the Resettlement Action Plan for Rustavi-Red Bridge and Rustavi-Sadakhlo Roads Project a public consultation meeting was held with project affected persons to inform them about the importance of the project and their rights. Participants of the meeting raised the following questions:

**Question 1:** How will the price of square meter of land be defined?

**Answer:** The compensation rate for the land depends on category (agricultural, residential, and commercial) and location of the land, and characteristics of the local land market.

**Question 2:** Who will value assets impacted by the project?

**Answer:** Valuation will be done by an independent licensed valuator, according to international standards.

**Question 3:** Who will restore the irrigation system if it damaged during the construction?

**Answer:** If the damage occurs during the construction process, the construction contractor will ensure the rehabilitation.

**Question 4:** What will be the action of the project implementer if the project splits a land plot? Will be the land acquired entirely?

**Answer:** If the project affects more than 20% of the land, or it is proved that residual plot have become economically unviable, then whole land parcel will be acquired.

**Question 5:** What will happen if the landowner rejects to alienate a land plot, because thinks that the compensation amount is not adequate?

**Answer:** The Grievance Redress Mechanism will be available during the project implementation. If this instrument fails to settle the land related claims, the case can be submitted to the court.

**Question 6:** Will local population be employed in the project related jobs?

**Answer:** As we are informed, the construction company will be liable to recruit 70% of workforce from locals.

**Question 7:** When will the land acquisition start?

**Answer:** Land acquisition starts in July of this year.

**Question 8:** When will construction works commenced and how long will they last?

**Answer:** Tendering process is ongoing to select a construction company. Construction works are likely to start in 2020 and last for 2 years.