

Roads Department of the Ministry of Regional Development and Infrastructure



**Detailed Design for Upgrading Chumateleti – Khevi Section of the E-60 Highway
km 0 – km 8.6**

Final Draft Resettlement Action Plan

**Under the East-West Highway Corridor Improvement Project
Additional Financing (AF)**

March 2018

CURRENCY EQUIVALENTS

\$1.00 = GEL2.58 (as of 24 January 2018)

ABBREVIATIONS

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

NOTE

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

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GLOSSARY

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

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

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

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

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

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

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

Legitimate Possessors: Affected persons who have titles to their properties or are registered as the owners of private property in the NAPR.

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

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

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

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

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

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

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

EXECUTIVE SUMMARY

Located along a transit corridor connecting Europe and Asia, Georgia has the potential to link a number of countries in the region to the Global Economy. Roads from the ports on the Black Sea coasts such as Poti, Sokhumi and Batumi, as well as from Russian Federation and Turkey, basically merge on the E-60 highway to connect to the Baku (Azerbaijan) port on the Caspian Sea. The existing E60 highway has capacity limitations at several locations, not least in the section between Chumateleti and Khevi section which is the highest part of the corridor. Therefore a number of infrastructure projects have been initiated by the Georgian Government to improve the physical as well as the operating climate of the land transport, with the support of international development partners such as the World Bank, EIB, ADB and JICA.

With the support of the World Bank, the Government of Georgia (GOG) is implementing the East West Highway Corridor Improvement Project Additional Financing (EWHCIP AF) project. The objective of this project is to contribute to the implementation of the Government's Four-year Spatial Arraignment Program for Improvement and Preservation of the Road infrastructure for 2017-2021.

The demand in road expenditures is higher than available resources. It is therefore essential to increase efficiency and use available resources optimally that requires suitable strategy for reduction of the gap between current and desired road network standards. This in its turn requires modern and comprehensive planning taking into account:

- Political goals and objectives for the Road Network Development; and
- Optimization of benefits from road expenditures.

A cost and benefit analysis of road expenditures is a fundamental prerequisite for justifying planned roadwork activities. It is used as an important indicator to prioritize sections in need of improvement. Cost-benefit ratio, on the other hand, does take into account decision-makers pre-set goals and objectives of the country's Road Network Development.

The Government's Four-year Spatial Arraignment Program of the Roads Department of Georgia envisages construction and rehabilitation of highway and secondary roads in Georgia during 2017-2020.

The World Bank will continue supporting the Roads Department (RD) of the Ministry of Regional Development and Infrastructure of Georgia (MRDI) by co-financing the implementation of the the Government's Four-year Spatial Arraignment Program and by providing technical assistance to RD for better programming, planning, budgeting, managing and monitoring roads network at the national level.

The AECOM – Temelsu Joint Venture has been appointed by the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia to undertake the detailed design for upgrading the existing Chumateleti-Khevi section of the E-60 Highway, financed by the World Bank under the Fourth East-West Highway Improvement Project (EWHIP-4). The main objective of the assignment is to assist the Employer by undertaking the preparation of the detailed engineering design for the construction of the Chumateleti-Khevi road section, including the preparation of a Resettlement Action Plan (RAP) and bidding documents for the tender for the construction of the Chumateleti-Khevi section. The Government of Georgia has received a loan from the International Bank for Reconstruction and Development (IBRD or BANK) toward the cost of the East-West Highway Improvement Program Additional Financing being implemented by the Government of Georgia to upgrade the E-60 Highway.

The Roads Department of the Ministry of Regional Development and Infrastructure of Georgia (RDMRDI or Client) is the Executing Agency for the Project.

Chumateleti-Khevi section of the highway starts approximately 0.26km before the eastern portal of the existing Rikoti tunnel and ends near the village of Khevi (**km 0 – km 8.6**). This part of the E60 corridor crosses Rikoti pass and will involve the construction of new tunnels and other structures in order to provide traffic capacity expansion. In addition, the project will involve construction of new road alignment in difficult topographic and geological conditions without interrupting the traffic flow. Present RAP covers the 8.6 km length Section of the road from East Portal of Rikoti Tunnel to village Khevi (Kharagauli Municipality) and 0,26km lenth of road before the Easter part of Rikoti tunnel (Khashuri Municipality), including the interchanges in the section between the western portal of Tunnel #3 and the eastern portal of Rikoti Tunnel, and in Khevi to provide access onto the highway and to facilitate U-turn manoeuvres.

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. 57 of the affected land plots (with agregated area of 59,393 sq.m.) have valid registration.

- **Category 2.** 26 land plots of 24,476 sq.m non titled, but legalizable according to current legislation through 1 stage registration in NAPR. Related right establishing documents are available in Archives.

All of these mentioned 2 categories of land plots owned by 57 AHs are subject for compensation.

- **Category 3.** State Owned land plots illegally occupied by private users (squatters). In this sub-section of the road we have 2 land plots (2,257 sq.m.) occupied by squatters. The squatters use illegally occupied land plots adjacent to their registered plots for locating their some of the commercial facilities. Main part of the commercial facilities are located on registered land plots. The squatters will receive compensation for assets located on the land (as per eligibility matrix; chapter 4), but not compensation for the land.

- **Category 4.** 30 State owned land plots of 17,305 sqm not used by private users. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone. Category 3 and 4 land parcels are not subject for compensation.

Given the magnitude of impacts (there are 119 AHs (533PAPs), 114 severely affected and 6 vulnerable AHs, 9 AHs physically relocated), the project under this RAP is classified as “A” for resettlement and preparation of full scale RAP is necessary for project implementation. The project location map is shown in Figure 1.

Table E.1 Summary Impact on Land Acquisition and Resettlement

No.	Impacts	Unit	
Land Tenure Patterns			
1	Total Land parcels affected	No.	115
2	Total land Area to be acquired	Sqm	103,431
3	Category 1. Category 1. Titled private agricultural land plots with valid registration	No.	57
		sq.m	59,393
4	Category 2 . Private Legalizable	No.	26
		sq.m	24,476
5	Category 3. State Owned Used by Private Users (Squatters)	No.	2
		Sqm	2,257
6	Category 4. State Owned Not Used by Private Users	No.	30
		Sqm	17,305
Land Use and Compensation Categories			

7	Type 1; Arable land. The land plots of agricultural status, located close to villages but remotely from the existing mainline road. These land plots are used for agricultural needs; (10 Gel/sqm)	No.	29
		sq.m	24,453
8	Type 2; The land plots of agricultural official status, used as residential land (17 Gel/sqm).	No.	7
		sq.m	16,925
9	Type 3. The land plots of residential official status, (17 Gel/sqm)	No.	19
		sq.m	15,751
10	Type 4. The land plots of non-agricultural status, used as commercial land (33 Gel/sqm)	No.	28
		sq.m	26,740
11	Type 5; State Owned , Used by Private Users – Non Legalizable	No.	2
		sq.m	2 257
12	Type 6 State Owned Not Used by Private Users	No.	30
		sq.m	17,305
Agricultural Patterns			
13	Area under Hay	sq.m	8,571
14	Area under bean	sq.m	3,863
15	Area under maize	sq.m	3 ,63
16	Area under vegetables	sq.m	1,144
17	Area under Strawberries	sq.m	2 ,76
	Area under Garlic	sq.m	280
18	Affected Trees	No	13,952
Affected Structures		No	
Residential Houses		No	10
19	1-storey brick residential house	No	1
20	2-storey residential house with the first floor made of block/brick, the second floor made of wood	No	4
21	2-storey house, made of stone, brick, and blocks	No	3
22	2-storey house, made of brick and blocks Unfinished building (without roof)	No	1
23	3-storey residential house, made of stone, brick, wood, and blocks	No	1
Buildings used by the community			2
24	Post office (non operational)	No	1
25	Kindergarten	No	1
Commercial buildings			24
26	Mini-HPP and pipeline (D=530 * 5 , 1.5 km)	No	1
27	Block -built Office	No	3
28	Shop	No	3
29	Georgian Tandoor bakery Building	No	3
30	Concrete Pillar Workshop	No	1
31	Vulcanizing Service Station (Workshop)	No	1
32	Gas Filling Station	No	1
33	Wooden Eatery	No	3
34	Eatery made of block, reinforced concrete and stone	No	8
35	Auxillary Structures	No	54
37	Small Structures (Fences etc.)	No	187
Affected Businesses and Employees		No	
38	Total businesses		15
39	Shop		3
40	Restaurant, eatery, cafe		6
41	Concrete Pillar Workshop		1
42	Gas Filling Station		0
43	Real Estate Lease		5
44	Employees	No	28
45	Outdoors traders	No	31

46	Seasonal Roadside traders trading with food products (maize, fruits, mushrooms, honey etc.)		28
47	Roadside traders trading with souvenirs		1
48	Beehives location and whole season honey selling		2
Affected Households			
49	Severely affected Households	No.	111
50	Vulnerable Households	No	6
51	Resettled households	No.	9
	AHs losing owned or used land		58
52	AH losing registered plots (needs correction of cadastral drawings and re-registration)	No.	41
53	AH losing legalizable plots (rightful owners, 1 stage registration through NAPR)	No.	21
54	AHs losing non-legalizable land plots (squatters)	No	2
55	AH losing agricultural land plots	No	23
56	AH losing agricultural land plots used as residential		6
57	AH losing residential plots	No	16
58	AH with non-agricultural (commercial) land plots	No.	21
59	AHs losing businesses (in total)	No	15
60	AHs losing businesses with their own land plots and facilities		11
61	AHs losing businesses operating leased facilities		4
62	AH losing Jobs	No	28
63	AHs losing outdoors trading incomes		31
64	AH losing crops		21
65	AH losing trees		40
66	Total AH		116
67	Total Affected Persons	No	511

In overall 116 AHs (511 PAPs) are affected by the project: 58 directly, losing their land plots and associated assets and businesses, 5 AHs are losing businesses where they rent the facilities (out of these 1 AH is renting his own facilities and is doublecounted), 28 employees of businesses are losing their permanent jobs and 31 outdoors traders are losing their seasonal income (out of these 31 traders, 2 are members of the same AH, three AH are already accounted as losing land). Nine AHs are losing their residential houses and are subject for physical relocation. They will be compensated for lost buildings and structures at replacement cost and in addition will receive relocation allowances.

In total 114 AHs have been attributed to severely affected category. A total of 53 AHs out of 58 losing land are severely affected due to loss of more than 10% of their productive land or commercial land and facilities used for their business. Four AHs leasing facilities are also deemed as being severely affected, as they have no guaranteed opportunity to lease other facilities. 28 employees losing their permanent jobs and 29 seasonal roadside vendors/outdoors traders (out of 31) are also deemed as being severely affected¹. The AHs in RAP of the project road constitute 6 vulnerable AHs (14 PAPs). These include 5 extremely poor (rating less than 57000) and one woman headed household.

The project impact extends to directly affected APs comprising 47% male and 53 % females: 102 male and 115 females. Further, 1 of the 49 directly affected AHs is headed by woman. Special

¹ Out of 31 roadside vendors 2 have also legal business and are already accounted as being severely affected. In general, for the outdoors traders their seasonal roadside work is important source of income (small income, but substantial for the family). There are no guarantees at this stage that at the new road they will have opportunity for the same type business and we cannot plan realistic and implementable livelihood restoration program for them. Instead of that we add allowances for severely affected AHs. In total they receive minimum subsistence value for 15 month, which is approximately equal to their 3 years income from their roadside business. This was deemed as fair compensation of their losses.

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.

Tasks under the Project will be implemented according to a compensation eligibility and entitlements framework in line with both Georgia laws and regulation and WB OP 4.12 Policy The WB OP 4.12 on Involuntary Resettlement is accepted by WB and EIB as a reference document for preparing respective RAPs. The Entitlement Matrix is prepared based on provisions of Resettlement Policy Frameworks developed by RDMRDI for the WB financed EAST-WEST HIGHWAY CORRIDOR IMPROVEMENT PROJECT AF in April 5, 2017. A summary entitlements matrix is included in Table E-2.

Table E-2. Compensation Entitlement Matrix

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Permanent loss of all types of land (arable, residential, industrial, commercial)	All land losses independent from impact severity	PAPs (with fully registered title)	PAPs will receive cash compensation at full replacement cost at current market value ² . The unit rates were identified and confirmed during RAP preparation process. If any remaining part of the land owned by the registered owners is no longer appropriate for use, such remaining part will also be purchased subject to the agreement with the owner.
		PAPs (possessors of legalizable land parcel)	Assistance to PAPs in the process of legalization of project affected land parcel being under their possession. Once legalization and registration of ownership title is accomplished, land acquisition will be undertaken and PAP will receive cash compensation at full replacement cost at current market value at unit rate proposed in approved RAP.
		Leaseholder of private or public lands	Free of charge renewal of lease in other plots of equal value/productivity of affected land parcel or cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years). In addition, cash compensation to reimburse the proven investments incurred by the Leaseholder to improve the leased land.
		Leaseholder (not registered)	Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years).
		Non-titled, non-legalizable land users/Squatters	Non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, will be compensated with one-time self-

² Detailed description of replacement cost at current market value is described in the Section: Methodology for valuation and determination of unit rates.

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

³ If there are cases where the tenant/renter has paid rent in advance for a longer period of time, the owner will be requested to reimburse the money to the tenant/renter for the corresponding period if adequate evidence is available.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Commercial structure	Project affected commercial facilities subject to partial/full demolition	Titleholder	Cash compensation at replacement cost at current market value calculated for project affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs. If partial demolition threatens deterioration of structure or raises safety and security concerns the cash compensation, will apply to the entire building and affixed assets.
		Tenant of commercial facility	One-time allowance equal to monthly rental fee (specified in the lease agreement) multiplied by 3; if Lease agreement is not available, monthly subsistence minimum multiplied by 3.
State/Municipality owned buildings affected by project	Project affected state/Municipality owned buildings subject to partial/full demolition	IDPs, refugees, squatters occupying facilities for residential purposes	Accommodation in a government resettlement area or a self-relocation allowance as stipulated in the approved RAP.
Fences/Walls	All PAPs with fences to be affected	All PAPs	Cash compensation at replacement (construction) cost according to the material and linear meter length of affected fence/wall.
Annual Crops	Crops affected	All PAPs (including squatters)	Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided even in case if the crops were harvested
Perennials standing on private land parcels	Project affected Fruit bearing perennials	All PAPs (including squatters)	Cash compensation at market value on the basis of type, age, and productive value of fruit tree; Each fruit bearing tree in addition shall be compensated for purchase of saplings. PAPs will be eligible to dispose logged trees themselves. Construction company ensures free logging and delivery of timber to the residence of PAPs.
	Project affected non-fruit bearing perennials	All PAPs (including squatters)	No cash compensation will be issued for perennials not bearing fruits. PAPs will be eligible to dispose logged trees themselves. However, a cash amount will be allocated per each affected non-fruit bearing tree to allow the PAP to purchase saplings and plant them on the remaining portion or on a newly allocated replacement land parcel. Construction company ensures free logging and delivery of timber to the residence of PAPs.
Perennials (on public/State land)	Standing trees	Perennials standing outside of private land	Construction Company will deliver logged down trees and transfer to the Municipality. Municipality may later distribute to local population below poverty levels.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Perennials standing on the forestry land	Standing non fruit trees	Perennials standing outside of private land	The legal implementation of the mentioned activity requires, that Perennials standing on the forestry land must be delisted from the State forest fund in accordance with the corresponding Decrees of Government of Georgia Construction Company will deliver logged down trees and transfer to the Municipality. Municipality may later distribute to local population below poverty levels.
Income loss			
Lessors/landlords	Loss of income through termination of Lease agreements	All PAPs holding lease/rental agreement	One-time allowance equal to annual rental fee (specified in the lease agreement); if Lease agreement is not available, subsistence minimum* multiplied by 12.
Business Employment	Temporary or permanent loss of business or employment	All PAPs (including squatters)	Business owner: (i) Cash compensation equal to one year income, if loss is permanent; (ii) cash compensation for the period of business interruption, if loss is temporary. Compensation is calculated based on tax declarations. In cases where tax declaration reports are unavailable, or when the monthly income is less than monthly subsistence minimum, then official subsistence minimum** is taken as a basis and this figure is multiplied by 12 month (permanent impact) or by number of months of business interruption (temporary impact). Worker/employees: Indemnity for lost wages for the period of business interruption. In case of permanent stoppage of the business, the employees will receive Indemnity for lost wages for 1 year. In cases where tax declaration reports are unavailable, or when the monthly salary is less than monthly subsistence minimum, then official subsistence minimum multiplied to the number of months of actual stoppage of business is paid or multiplied to 12 month in case of permanent loss of job.
		Agricultural workers losing their contract	Cash indemnity corresponding to their salary for the remaining part of the agricultural year, and where needed livelihood restoration measures.
Additional Rehabilitation Measures			
Technical assistance in legalization, registration procedures		All PAPs with registered title/possessors of legalizable land parcels	Free of charge technical assistance to PAPs during legalization, sub-division of project affected parcel, registration of corrections and/or sales transaction. Project related State taxes, official fees and transactions costs if not waived will be covered by the GOG ⁴ .

⁴ In some cases, the PAPs may be reimbursed transaction related costs they incurred for road project purposes (e.g. VAT,

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Relocation	Transport and transitional livelihood allowances	All PAPs affected by relocation	Provision of sufficient allowance to cover transport expenses and livelihood expenses for three months. For this project the Relocation Allowance is fixed as 300 Gel + 3 month payment of the minimum monthly subsistence for the families consisting of 5 members. 300 + 350 x 3 = 1350 Gel
Community Resources			Access shall be maintained or reinstated; Rehabilitation/substitution of the affected structures/utilities (i.e. bridges, roads, schools, health-centres, potable water supply systems, irrigation channels, etc.)
Vulnerable PAPs		PAPs below poverty line; disabled people; pensioners; widows; Female headed households; impoverished; IDPs; Refugees.	Allowance equivalent to 3 months of minimum subsistence income* and employment priority in project-related
Temporary impact	Loss of access to land parcel	Owners/Users	Temporary access will be set up by Construction Company. In cases of temporary loss of access to land parcel results in loss to crops, the construction company will be compensate APs. All losses and amount of due compensation shall be determined according to the principles of compensation entitlements provided under this RPF and RAP.
	Avoidance of interruption of temporary access road to the business activity	Business units	Temporary access will be set up by Construction Company.
	Temporary loss of income caused by occupying land parcels for the camps and quarries	Owners/users	During camps' site selection process, Construction Company should coordinate with relevant state agencies and give priority to vacant lands not used for agricultural /residential purposes. In case the land parcels selected for camps and quarries will have private land-users, all losses and amount of due, compensation shall be determined according to the principles of compensation entitlements provided under this RPF and relevant RAP.
Any other unforeseen Impacts	As required	Any	Road Department and the construction contractor will address and mitigate/compensate unforeseen resettlement impact during project.

Income Tax, Court/Notary fees, Court costs.

WB 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 RDMRDI. A Land Acquisition and Resettlement (LAR) Commission (LARC) will be assisting RU in all LAR activities and RU will be represented at the field by a Working Group comprising the legal, economics and engineering expertise from other departments of RDMRDI. In addition, RU will be assisted by LAR Team in the rayon level involving also the local self-government bodies. Transport Reform and Rehabilitation Centre (TRRC) has been formed as an independent body for financial management of World Bank financed projects. In addition, a number of other government departments will play an instrumental in the updating and implementation of 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 purchase agreement from landowners to the RDMRDI. The local government at Rayon and village level will also be involved.

The designated official from RU was also an active member in leading role during the census survey. RU staff and local level LAR Team members were informally trained during the work on feasibility study. Members of LAR institutions will be trained prior to the implementation of RAP. A grievance mechanism for initial project was available to allow a AP appealing any disagreeable decision, practice or activity arising from land or other assets compensation. Grievance redress committees (GRCs) at local level involving the local government officials, representative of APs, representative of local NGOs and consultant. APs were fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Care was always taken to prevent grievances rather than going through a redress process.

Consultation with likely APs in the project affected areas was conducted during the preparation of draft RAP August - December 2017. Specific to the project road section in Kharagauli Rayon, people were consulted through individual contact during the census survey under the feasibility study for identification of APs. At the preparation of RAP in detail design stage, all likely APs (available on site) were consulted through community level meetings (December 28 of 2017, meeting with the project-affected land owners in the village Khevi of Kharagauli municipality) and through individual contact at the time of census, socioeconomic survey and detail measurement survey.

RAP requires legalization of the 28 land parcels for 23 legalizable owners. Legalization (Registration of rights) will probably be secured until the end of March 2018.

All activities related to the land acquisition and resettlement have been scheduled to ensure that compensation is paid prior to displacement and commencement of civil works. Public consultation, internal monitoring and grievance redress is being undertaken intermittently throughout the project duration. The resettlement cost estimate under this RAP is **8,544,423 GEL (USD 3,311,792)**.

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 the WB and 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.

18 of August, the date of start up of census studies is declared as a cut-off date for this RAP.

I. INTRODUCTION

1.1 Project Background

Located along a transit corridor connecting Europe and Asia, Georgia has the potential to link a number of countries in the region to the Global Economy. Roads from the ports on the Black Sea coasts such as Poti, Sokhumi and Batumi, as well as from Russian Federation and Turkey, basically merge on the E-60 highway to connect to the Baku (Azerbaijan) port on the Caspian Sea. The existing E60 highway has capacity limitations at several locations, not least in the section between Chumateleti and Khevi section which is the highest part of the corridor. Therefore a number of infrastructure projects have been initiated by the Georgian Government to improve the physical as well as the operating climate of the land transport, with the support of international development partners such as the World Bank, EIB, ADB and JICA.

With the support of the World Bank, the Government of Georgia (GOG) is implementing the East West Highway Corridor Improvement Project Additional Financing (EWHCIP AF) project. The objective of this project is to contribute to the implementation of the Government's Four-year Spatial Arraignment Program for Improvement and Preservation of the Road infrastructure for 2017-2021.

The demand in road expenditures is higher than available resources. It is therefore essential to increase efficiency and use available resources optimally that requires suitable strategy for reduction of the gap between current and desired road network standards. This in its turn requires modern and comprehensive planning taking into account:

- Political goals and objectives for the Road Network Development; and
- Optimization of benefits from road expenditures.

A cost and benefit analysis of road expenditures is a fundamental prerequisite for justifying planned roadwork activities. It is used as an important indicator to prioritize sections in need of improvement. Cost-benefit ratio, on the other hand, does take into account decision-makers pre-set goals and objectives of the country's Road Network Development.

The Government's Four-year Spatial Arraignment Program of the Roads Department of Georgia envisages construction and rehabilitation of highway and secondary roads in Georgia during 2017-2020.

The World Bank will continue supporting the Roads Department (RD) of the Ministry of Regional Development and Infrastructure of Georgia (MRDI) by co-financing the implementation of the the Government's Four-year Spatial Arraignment Program and by providing technical assistance to RD for better programming, planning, budgeting, managing and monitoring roads network at the national level.

The AECOM – Temelsu Joint Venture has been appointed by the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia to undertake the detailed design for upgrading the existing Chumateleti-Khevi section of the E-60 Highway, financed by the World Bank under the Fourth East-West Highway Improvement Project (EWHIP-4). The main objective of the assignment is to assist the Employer by undertaking the preparation of the detailed engineering design for the construction of the Chumateleti-Khevi road section, including the preparation of a Resettlement Action Plan (RAP) and bidding documents for the tender for the construction of the Chumateleti-Khevi section. The Government of Georgia has received a loan from the International Bank for Reconstruction and Development (IBRD or BANK) toward the cost of the East-West Highway Improvement Program Additional Financing being implemented by the Government of Georgia to upgrade the E-60 Highway.

The Roads Department of the Ministry of Regional Development and Infrastructure of Georgia (RDMRDI or Client) is the Executing Agency for the Project.

Chumateleti-Khevi section of the highway starts approximately 0.26km before the eastern portal of the existing Rikoti tunnel and ends near the village of Khevi (**km 0 – km 8.6**). This part of the E60 corridor crosses Rikoti pass and will involve the construction of new tunnels and other structures in order to provide traffic capacity expansion. In addition, the project will involve construction of new road alignment in difficult topographic and geological conditions without interrupting the traffic flow. Present RAP covers the 8.6 km length Section of the road from East Portal of Rikoti Tunnel to village Khevi (Kharagauli Municipality) and 0,26km lenth of road before the Easter part of Rikoti tunnel (Khashuri Municipality), including the interchanges in the section between the western portal of Tunnel #3 and the eastern portal of Rikoti Tunnel, and in Khevi to provide access onto the highway and to facilitate U-turn manoeuvres.

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. 57 of the affected land plots (with aggregated area of 59,393 sq.m.) have valid registration.
- **Category 2.** 26 land plots of 24,476 sq.m non titled, but legalizable according to current legislation through 1 stage registration in NAPR. Related right establishing documents are available in Archives.

All of these mentioned 2 categories of land plots owned by 57 AHs are subject for compensation.

- **Category 3.** State Owned land plots illegally occupied by private users (squatters). In this sub-section of the road we have 2 land plots (2,257 sq.m.) occupied by squatters.
- **Category 4.** 30 State owned land plots of 17,305 sqm not used by private users. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone. Category 3 and 4 land parcels are not subject for compensation. There are no public land plots in the affected area used by leaseholders. The aggregated figures according to land tenure categories are provided in a table 2.1.

Given the magnitude of impacts (there are 116 AHs (511 PAPs), 111 severely affected and 6 vulnerable AHs, 9 AHs physically relocated), the project under this RAP is classified as “A” for resettlement and preparation of full scale RAP is necessary for project implementation. The project location map is shown in Figure 1.

The Impacts Corridor

Present RAP covers the 8.6 km length Section of the road from East Portal of Rikoti Tunnel to village Khevi (Kharagauli Municipality) and 0,26km lenth of road before the Easter part of Rikoti tunnel (Khashuri Municipality). The final 4-lane road corridor will be about 27 m wide to accommodate a 15m carriageway, 3. 5m width shoulder, an embankment of variable width and minimum 6 m of buffer median zone. Due to the variability of the embankment and median zone width, the effective width of the impacts corridor under this contract will vary between 22 and 29 m along the RoW and from 50 to 138 at the intersection sites.

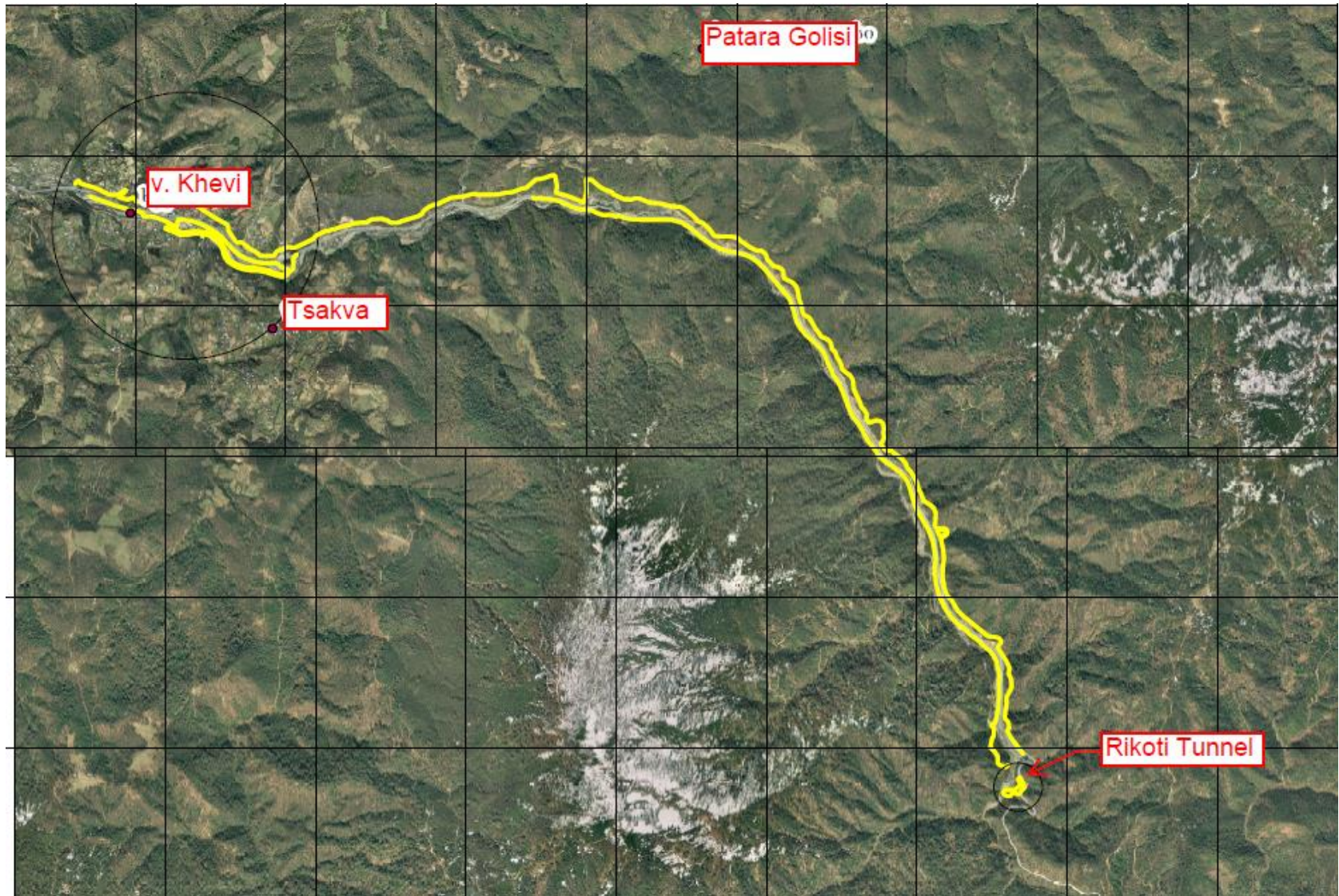


Fig.1.1. Location Project Road section from the East Portal of Rikoti to v. Khevi

1.2 Minimizing Land Acquisition and Resettlement

Due considerations have been given during the design of the new road alignment to minimize the adverse impacts of land acquisition and involuntary resettlement. Efforts have been put to incorporate best engineering solution in avoiding large scale land acquisition and resettlement. The alignment has been optimized in tight collaboration with RD and WB.

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 on Involuntary Resettlement, as well as Resettlement Policy Frameworks developed and disclosed by RDMRDI for the WB financed EAST-WEST HIGHWAY CORRIDOR IMPROVEMENT PROJECT AF in April 5, 2017. The WB OP 4.12 on Involuntary Resettlement is accepted by parties as a reference document for preparing respective RAPs. 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; and (iv) a socio-economic survey (SES) of 90.6% of the AHs. Intensive consultations with all the stakeholders including rayon authorities and the likely APs (APs) were conducted during the process.

The RAP document is based on DMS, census and socio economic survey which were conducted between 18 of August – 28 November 2017. The RAP include (i) Description of impacts, census and social profile of APs; (ii) Land acquisition and compensation scheme (ACS) for land acquisition and implementation of RAP; (iii) update of LAR budget; and (iv) loss and entitlement profile for individual owners of land plots and APs

18 of August is declared as a cutt-oof date for this RAP.

The RAP entailed intensive consultations with the stakeholders through community level meetings (December 28 of 2017, meeting with the project-affected land owners in the village Khevi of Kharagauli municipality) 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 and validate the severity and compensation measures. The assessment of losses and land acquisition is based on the final engineering design as part of the detailed design study.

Pending RAP Implementation Tasks

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 APs legalizable according to current legislation will be finalized and all APs will sign a contract agreement indicating that they accept the compensation provided to them. If an AP does not sign the contract the case will be passed to the appropriate court to initiate expropriation proceedings. This will be done after the compensation amount is deposited in escrow account. Escrow accounts will be also established for absentee APs. There proposed scheme is in compliance with OP/BP 4.12 and national law in the process followed for use of escrow account and is applied by RD in many WB projects during the last 12 years.

1.3 Conditions for Project Implementation

Based on the WB/EIB policy/practice, the approval of project implementation were based on the following RAP-related conditions:

- (i) **Signing of Contract Award:** Conditional to the approval of the RAP by WB 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).

II. CENSUS AND IMPACT ASSESSMENT

2.1 Introduction

This impacts assessment details loss of land, structures and other assets in the 8.6 km length Section of the road from East Portal of Rikoti Tunnel to village Khevi (Kharagauli Municipality) and 0,26km length of road before the Easter part of Rikoti tunnel (Khashuri Municipality). Compensation and rehabilitation measures have been worked out based on these impacts. A detailed inventory of all the impacts has been done following the final alignment as per detailed engineering design.

Digitized cadastral maps were collected from the Khashuri Rayon Registration Offices of NAPR. The final road alignment was superimposed on the digitized cadastral maps and land survey using DGPS was conducted on site to identify the affected land parcels, demarcation of land parcels including correction in geometric details and quantification of land parcels including affected part. With the cadastral details from land survey, detail measurement survey (DMS) and 100% AP Census were undertaken. These surveys for initial project were started on August 18 of 2017 and was terminated on 28 November 2017. A socioeconomic survey (SES) of 97.9% sample households was carried out in the project affected areas in order to understand the socio-economic condition of the affected population. The start date of the DMS and the AP census survey is considered as the compensation eligibility **cut-off date for the project which is therefore 18 August of 2017.**

2.2 Impact on Land, Other Assets and Income

2.2.1 General Classification of affected land

In all land impacts amount to some **103,431** sq.m of land from **115** plots.(see table 2.1 for details). Most of the affected private land plots are of agricultural status plots used for fruit tree growing, crop cultivation or hay production, some of these land plots – for residential needs. 28 land plots are of non-agricultural status (commercial land plots). 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. 57 of the affected land plots (with aggregated area of 59,393 sq.m.) have valid registration.

- **Category 2.** 26 land plots of 24,476 sq.m non titled, but legalizable according to current legislation through 1 stage registration in NAPR. Related right establishing documents are available in Archives.

All of these mentioned 2 categories of land plots owned by 57 AHs are subject for compensation.

- **Category 3.** State Owned land plots illegally occupied by private users (squatters). In this sub-section of the road we have 2 land plots (2,257 sq.m.) occupied by squatters.

- **Category 4.** 30 State owned land plots of 17,305 sqm not used by private users. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone. Category 3 and 4 land parcels are not subject for compensation. There are no public land plots in the affected area used by leaseholders. The aggregated figures according to land tenure categories are provided in a table 2.1.

The land costs and compensation categories within the project area are determined by the land use factor and distance from the existing road. Figures on Land impacts are provided in accordance to the land classification and legal categories that are relevant to determine compensation rates and amounts due to their use modalities and location. As we have mentioned above, all the affected private land plots are agricultural plots used mostly for crop cultivation or hay production. The affected land for this sub-section of the E-60 highway has been classified in 6 main types:

- **Type 1** Land Plots. These are private land parcels used for agricultural purpose and attributed to the agricultural land category according to official classification. Type 1 land

parcels are located close to villages but remotely from the existing mainline road and cost rate is estimated as 10 GEL/sq.m. In total there are 29 affected land plots of type 1 with aggregated area 24,453 sq.m

- **Type 2:** The land plots of agricultural status, used as residential land (17 Gel/sqm). These are actually residential land plots having formally status of agricultural land (typical situation in rural areas). 7 land plots of type 2 (16,925 sq.m.) are affected by the project.
- **Type 3:** The land plots of residential official status, (17 Gel/sqm). 19 land plots of types with aggregated area of 15,751 sq.m. are affected by the project.
- **Type 4: Non-agricultural Land Plots.** These are private land parcels used for commercial purpose and attributed to the non-agricultural land category according to official classification (33 Gel/sq.m). There are 28 non-agricultural land plots (26,740 sqm) affected under this RAP.
- **Type 5:** State Owned land plots illegally occupied by private users (squatters). In this subsection of the road we have two land plots(2 257 sq.m.) occupied by squatters.
- **Type 6: Non- Agricultural State Owned land plots –** 30 State owned land plots of 17,305 sqm not used by private users. Most of these land plots belong to the existing road infrastructure and the rest part constitutes adjacent wind belt zone. Category 3 and 4 land parcels are not subject for compensation. There are no public land plots in the affected area used by leaseholders.Type 5 and 6 land plots (by use modality) correspond to Category 4 and 5 (by tenure). These land parcels are not subject for compensation.

The aggregated figures for the land parcels of different types by land use and compensation rates are given below in the table 2.2.

Table 2.1 : Type of Land Ownership

Tenure Categories	Plots No.	Area (sqm)	AHs
Compensable land			
Category 1. Private Registered	57	59 393	41*
Category 2. Private Legalizable	26	24 476	21**
Subtotal Compensable	65	64889	57***
Non-Compensable land	83	83 869	
Category 3. State Owned , Used by Private Users (squatters) – Non Legalizable	2	2 257	2
Category 4. State Owned Not Used by Private Users	30	17 305	0
TOTAL	115	103 431	58***

* One AH loses 3 land plots of category 1, several AHs lose 2 land plots of category 1 and some land plots are owned by several AHs

** Some AHs lose two or three land plots of category 2, and some land plots of category 2 are owned by several AHs

*** 1 AH loses 1 land plot of category 1 and 1 land plot of category 3

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

Categories by Land Use and Costs	Plots No.	Area (sqm)	AHs
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Compensable land			
Type 1. Arable land. The land plots of agricultural status, located close to villages but remotely from the existing mainline road. These land plots are used for agricultural needs; (10 Gel/sqm)	29	24 453	23*
Type 2. The land plots of agricultural official status, used as residential land (17 Gel/sqm).	7	16 925	6**
Type 3. The land plots of residential official status, (17 Gel/sqm)	19	15 751	16***
Type 4. The land plots of non-agricultural status, used as commercial land (33 Gel/sqm)	28	26 740	21***
Subtotal Compensable	83	83 869	57
Non-Compensable land			
Type 5 State Owned , Used by Private Users – Non Legalizable	2	2 257	2****
Type 6 State Owned Not Used by Private Users	30	17 305	0
Subtotal Non-compensable	32	19 562	2
TOTAL	115	103 431	58****

* Some AHs lose two or three land plots of type 1, and some land plots of type 1 are owned by several AHs

** Some AHs lose two or three land plots of type 2, and some land plots of type 2 are owned by several AHs

*** 1 AH loses 2 land plot of category 3

**** *1 AH loses 1 land plot of category 1 and 1 land plot of category 3

2.2.2 Impact on Crops

Project affects crops identified on the agricultural land, which is used for maize (corn), beans, vegetables, strawberries and hay production. The significant portion of the agricultural land was used for cultivation of beans and maize – 3,863 sq.m. (0,38 ha). Maize and beans are cultivated together the same area. Strawberries are cultivated on 2,476 sqm, vegetables on 1,144 sqm and hay separately on 8,571 sqm.

Out of total 57,129 sq.m of land used for agriculture or residential needs 16,334 sq.m. is used for crop cultivation. Out of the affected 115 land plots 23 are to some extent used for crop cultivation by 21 AHs. Out of 57 AHs losing land 36 AHs do not cultivate crops. Details are given in table 2.3A. This table demonstrates that some crops are cultivated as mixed cultures on the same plot (e.x. maize and beans, are cultivated together on 3,863 sqm). Some AHs cultivate several types of crops on the same land plot. The table shows totals of areas taken by each crop separately, and here the 3,863 sqm used for cultivation of maize and beans is presented twice: separately for maize and beans.

Table 2.3 A: Affected Crops

Crop	Number of Land Plots	Area sq.m	Number of AHs
Hay	7	8,571	7
Beans	7	3 863	7
Maize	7	3 863*	7
Vegetables	10	1,144	10
Strawberries	6	2 476	5**
Garlic	1	280	1
TOTAL	31***	16,334	23**

*Maize and beans are cultivated together, as mixed cultures on 7 land plots with total area of 3863sq.m.,. To avoid double-counting this area is counted only once in total, which shows aggregated area of land used for annual crops

** One household cultivates strawberries on two different land plots

*** On some plots several types of crops are cultivated. In total 31 land plots are used for annual crops.

***Some households are cultivating several types of crops on the same land plot

2.2.3 Impact on Trees

Clearing right of way for construction of the road will cause felling down of 13,952 productive and partially productive fruit trees under private ownership. In total 40 AHs lose 13,952 fruit trees grown on 52 land plots. The affected timber trees are totally state owned and are not included in the inventory list. However, loss of trees including the state owned timber trees will induce some impact on wind belt and greenery plantations and counter program of replanting may be suggested.

Table 2.4: Affected Trees

Type	Groups by Age	n Cost for 1 seedling	wholesale Market price 1 kg., GEL	Years to be compensated	Average productivity in 1 year, kg.	Annual income, GEL	compensation cost without expenses	Total Tree compensation cost inclusive expenses (GEL)	No of trees
						4 x 6	(7x 5) + 3	8 -9	
1	2	3	4	5	6	7	8	10	11
Black Cherry /Sweet Cherry	Seedling (<5)	5	2	5	4	8,0	45	35	21
	5-10	5	2	5	10	20,0	105	75	64
	10-20	5	2	5	16	32,0	165	117	191
	20+	5	2	5	10	20,0	105	75	11
Peach	Seedling (<5)	6	1,5	5	4	6,0	36	27	8
	5-10	6	1,5	5	15	22,5	118,5	85	20
	10-20	6	1,5	5	40	60,0	306	216	22
	20+	6	1,5	5	25	37,5	193,5	137	
Walnut	Seedling (<10)	10	5	5	4	20,0	110	80	41
	5-10	10	5	10	15	75,0	760	535	63
	10-20	10	5	10	30	150	1560	1235	42
	20+	10	5	10	40	200	2010	1510	110
k quince tree	Seedling (<5)	4	1,5	5	3	4,5	26,5	20	13
	5-10	4	1,5	5	15	22,5	116,5	83	21
	10-20	4	1,5	5	30	45,0	229	162	9
	20+	4	1,5	5	20	30,0	154	109	
Pear	Seedling (<5)	4	1,2	5	7	8,4	46	33	17
	5-10	4	1,2	7	20	24,0	172	122	12
	10-20	4	1,2	7	70	84,0	592	416	74
	20+	4	1,2	7	45	54,0	382	269	21
Plum	Seedling (<5)	4	0,8	5	8	6,4	36	26	
	5-10	4	0,8	5	15	12,0	64	46	
	10-20	4	0,8	5	30	24,0	124	88	25
	20+	4	0,8	5	20	16,0	84	60	
Mulb erry	Seedling (<5)	5	1,5	5	4	6,0	35	26	15
	5-10	5	1,5	5	10	15,0	80	58	8

	10-20	5	1,5	5	16	24,0	125	89	19
	20+	5	1,5	5	10	15,0	80	58	2
Hazelnut	Seedling (<5)	2	4	5	2	8,0	44	30	231
	5-10	2	4	5	5	20,0	102	75	55
	10-20	2	4	5	6	24,0	122	90	364
	20+	2	4	5	4	16,0	82	55	5
Tkemali (wild plum)	Seedling (<5)	3	0,8	5	7	5,6	31	23	125
	5-10	3	0,8	5	15	12,0	63	45	182
	10-20	3	0,8	5	50	40,0	203	143	310
	20+	3	0,8	5	25	20,0	103	73	21
Apple	Seedling (<5)	4	1	5	5	5,0	29	22	50
	5-10	4	1	6	25	25,0	154	109	52
	10-20	4	1	6	70	70,0	424	298	69
	20+	4	1	6	40	40,0	244	172	17
Grape	Seedling (<5)	2	1,5	4	5	7,5	32	23	10
	5-10	2	1,5	4	7	10,5	44	31	4
	10-20	2	1,5	4	9	13,5	56	40	1444
	20+	2	1,5	4	5	7,5	32	23	692
Cornelian cherry tree	Seedling (<5)	3	2	5	2	4,0	23	17	11
	5-10	3	2	5	3	6,0	33	24	2
	10-20	3	2	5	4	8,0	43	31	12
	20+	3	2	5	3	6,0	33	24	
Persimon	Seedling (<5)	2	1	5	5	5,0	27	20	8
	5-10	2	1	6	10	10,0	62	44	31
	10-20	2	1	6	30	30,0	182	128	30
	20+	2	1	6	20	20,0	122	86	3
Fig tree	Seedling (<5)	3	1,5	5	5	7,5	40,5	29	8
	5-10	3	1,5	6	10	15,0	93	66	57
	10-20	3	1,5	6	30	45,0	273	192	42
	20+	3	1,5	6	20	30,0	183	129	2
Kiwi	Seedling (<5)	3	1,5	4	5	7,5	33	24	3
	5-10	3	1,5	4	10	15,0	63	45	
	10-20	3	1,5	4	30	45,0	183	129	
	20+	3	1,5	4	20	30,0	123	87	
pomegranate	Seedling (<5)	4	2	5	5	10,0	54	39	
	5-10	4	2	6	10	20,0	124	88	9
	10-20	4	2	6	30	60,0	364	256	3
	20+	4	2	6	20	40,0	244	172	
chestnut	Seedling (<5)	7	1	5	30	30,0	157	112	
	5-10	7	1	10	50	50,0	507	357	

	10-20	7	1	10	120	120,0	1207	1057	4
	20+	7	1	10	125	125,0	1257	1147	2
berries	Seedling (<5)	2	2,5	5	2	5,0	27	20	4966
	5-10	2	2,5	5	3	7,5	39.5	28	3647
	10-20	2	2,5	5	4	10,0	52	37	298
	20+	2	2,5	5	3	7,5	39.5	28	
Bay tree	Seedling (<5)	1	4	5	1	4,0	21	15	
	5-10	1	4	5	2	8,0	41	29	5
	10-20	1	4	5	2	8,0	41	29	4
	20+	1	4	5	1	4,0	21	15	
barbery	Seedling (<5)	5	2,5	5	3	7,50	42.5	31	1
	5-10	5	2,5	5	5	12,50	67.5	49	8
	10-20	5	2,5	5	7	17,50	82.5	66	
	20+	5	2,5	5	5	12,50	67.5	49	
Medlar	Seedling (<5)	4	1,5	6	3	4,5	31	23	5
	5-10	4	1,5	6	10	15,0	94	67	7
	10-20	4	1,5	6	20	30,0	184	130	18
	20+	4	1,5	6	10	15,0	94	67	
M Z. jujuba	Seedling (<5)	5	2,5	5	3	7,50	37,50	30	
	5-10	5	2,5	7	10	25,0	175,0	140	
	10-20	5	2,5	7	35	92,50	647,50	550	1
	20+	5	2,5	7	30	75,0	525.0	445	
Jonjoli (plural capers)	Seedling (<5)	2	1	6	3	7		16	45
	5-10	2	1	6	10	3		50	55
	10-20	2	1	6	15	10		80	119
	20+	2	1	6	12	15		65	85
Olive tree	Seedling (<5)	7	4	4	3	12	48	40	1
	5-10	7	4	6	10	40	240	200	
	10-20	7	4	6	50	200	1200	1000	
	20+	7	4	6	40	160	960	815	
Total trees									13 952

2.2.4 Impact on Buildings/Structures

In total the project affects 36 major structures (residential and commercial buildings), 54 auxiliary buildings (cattle-shed, warehouses, barns, outdoors toilets etc.) and 97 small structures (fences, gates etc.). The affected structures are located on 54 land plots and belong to 42 households. One of the affected buildings belongs to municipal kindergarten, 1 to Georgian Post Office (nonoperational building). Out of 36 major buildings 9 are residential houses used as a dwelling and one is not completed residential house, which is not inhabited. One of the affected buildings is state owned (municipal) kindergarten, however this item has been included in RAP to ensure timely

replacement of the lost facilities before the construction starts. The rest of the buildings attributed to the category of major structures represent commercial facilities of different size (3 shops, 2 workshop, 11 small eateries, 1 gas filling station, 3 Georgian bakeries (tandoor type), 1 post office non-operational building, 1 office building and facilities and pipeline belonging to mini-HPP. Ten residential houses belong to ten different AHs and nine of them are subject for physical relocation.

Under this RAP the affected auxiliary buildings and minor structures, like toilets, barns, cattle-sheds, warehouses etc. are representing parts of larger residential or commercial complexes. Only in two cases we have minor impacts when only fences are affected without any impacts on major or auxiliary structures.

The table below represents details of the impact on structures:

cxrili 2.5: Impact on Buildings and Structures

Major buildings				
No	Buildings	Number of buildings	Measurement/Unit (sq.m)	Price, GEL
Residential Housesd				
1	1-storey brick residential house	1	83.92	76,860
2	2-storey residential house with the first floor made of block/brick, the second floor made of wood	4	735,131.	486,590
3	2-storey house, made of stone, brick, and blocks	3	888.554	549,908
4	2-storey house, made of brick and blocks Unfinished building (without roof)	1	150.912	26,150
5	3-storey residential house, made of stone, brick, wood, and blocks	1	681.48	726,565
Buildings used by the community				
6	Post office (nonoperational)	1	105.926	85,440
7	Kindergarten	1	385.21	241,475
Commercial buildings				
8	Mini-HPP and pipeline (D=530 * 5 , 1.5 km)	1	35.632	354,130
9	Block -built Office	3	1150	362,725
10	Shop	3	242.65	111,635
11	Georgian Tandoor bakery Building	3	182,577	98,470

12	Concrete Pillar Workshop	1	137.58	95,220
13	Vulcanizing Service Station (Workshop)	1	317.089	172,060
14	Gas Filling Station	1	66.99	159,620
15	Wooden Eatery	3	47.53	15,975
16	Eatery made of block, reinforced concrete and stone	8	1 276.204	734,480
Subtotal		36	6 487,385	4,297,303
Auxiliary buildings				
No	Building	Number of structures	Measurement/Unit (sq.m)	Cost, GEL
1	Wooden Water-closet	2	2,553 .	2,100
2	Block -built Water-closet	9	94.136	97,770
3	Wooden Pigsty	3	8,025 .	3,030
4	Block -built Pigsty	1	40.0	25,850
5	Wooden Cowshed	1	31.155	10,300
6	Block -built Cowshed	3	44,496 .	34,390
7	Wooden Henhouse	2	4.192	1,370
8	Wooden Barn	2	17,838	10,930
9	Block -built Barn	1	14.482	8,340
10	Wooden Corncrib	5	18,88 .	11,495
11	Corncrib made of block and wood	1	11.529	9,840
12	Block -built Warehouse	4	198.092	91,565
13	Wooden Warehouse	7	57,905	16,965
14	Wine Cellar	2	32.764	16,870
15	Iron Shed	1	6.887	8,065
16	Wooden Shed	2	18.932	3,195
17	Garage	3	153,410	38,720
18	Arbor	4	195.875	76,550
19	Iron Booth	1	6.73	1,500
20	Laid Foundation	1	74.4	900
Subtotal		54	9 57.872	468,845

Small Structures		
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No	Building	Number of structures	Characteristic/ Units (sq.m)	Cost, GEL	Unit Cost, GEL
1	Fence (iron net on iron pillars)	2	59.1	4 137	70.0
2	Fence (wooden)	32	3,411.7	16 035	4.70
3	Fence (wire grid on wooden pillars)	4	805.5	3 625.0	4.50
4	Fence (barbed-wire on concrete pillars)	1	1200	7 800	6.50
5	Fence (concrete)	3	1 79.53	2 513	14.0
6	Iron Gates	7	6 5,74	4 550	650.0
7	Wooden Gates	5	32	1 750	350.0
8	Ceramic wine vessels (churi)	39		8 505	
9	Concrete foundation	1	74.4 m ³	900	
10	Metal container	2		7 000	
11	Iron reservoir	1		1 500	
	Subtotal	97		58,315	
TOTAL		187		4 824463	

2.2.5 Relocation Needs and Strategy

The project requires physical relocation of 9 AHs residing in the buildings that are subject for demolition. They will be compensated for lost buildings and structures at replacement cost and in addition will receive relocation allowances. Compensation value calculated as replacement cost without depreciation and bank transfer fees exceeds substantially the current market price of the residential houses in the project area. Relocation Policy envisages provision of sufficient allowance to cover transport expenses and livelihood expenses for the transition period. For this project the Relocation Allowance is fixed as 300 Gel + 3 month payment of the minimum monthly subsistence for the families consisting of 5 members, which equals to $300 + 350 \times 3 = 1350$ Gel. The amounts of compensation payments are calculated at replacement cost and exceed the market price of houses in the affected area.

Apart from this, five movable assets of the outdoors traders should be relocated. The relocation allowance given to these PAPs is equal to 300 GEL.

2.2.6 Impacts on Business, Tenants and Employees

The project affects in total 15 business. Out of this 10 are operating businesses and 5 businesses are renting their facilities to the operating companies. Four of lessors are renting their facilities to 4 operating businesses included in the list of 10 operating businesses. The fifth lessor was leasing the gas filling station facilities. The contract with the operating company has been completed in August 2017 and new contract with new operator has not been signed. The reason for completion of the leasing contract is due to the project imposed limitations. Accordingly it has been accepted that the owner of the facilities loses permanently his business connected with renting the facilities.

Six out of this 10 operating businesses are complexes consisting of the roadside restaurant and connected smaller trading kiosks. Three other businesses are represented by roadside shops. One is a small workshop producing concrete pillars.

Permanent loss of business income is subject for cash compensation equal to one year income. Compensation for lost businesses will be given with addition of the sum to be paid by businesses as income tax. Accordingly, the lessors (owners of the facilities) will be compensated for the income loss in amount of 1 year leasing fee, while the operator of the business will receive compensation for income loss in amount of 1 year taxable income of their affected businesses. In case if the business owner can not provide official documents confirming the annual income level or if the income is less than subsidence minimum for the households with 5 members, the minimum subsidence is paid. Compensation for the lost structures will be given to the owner of the facilities

Each of the affected 15 businesses (10 operating companies and 5 lessors) are managed by one household. However, one of the lessors is renting the facilities owned by the household to the company (Edem Ltd), which is owned by the same household. This household has two separated sources of income: one source is renting facilities to the company Edem and second source is income from the business operated by Edem Ltd (as an owner of company). Thus in reality 14 households lose business incomes. In total 14 households are losing 15 businesses and related incomes. In addition to compensation they will receive allowances for severe impact.

With stopping operation of the pillar workshop, restaurants and associated shops/kiosks 28 external employees (28 AHs in addition to those directly affected) will lose their jobs. 5 employees are spouses or other members of the business owner's household and accordingly these households are already accounted among the AHs losing business and compensated for loss of family business. It should be noted that the compensation given for lost business exceeds the aggregated value of lost salaries and income of these family businesses, thus the compensation is deemed as fair.

The affected external employees will receive Indemnity for lost wages for 1 year. Besides, all of the employees losing jobs are attributed to the category of severely affected households, as they lose more than 10% of their household income. Due to the extremely high level of unemployment and lack of jobs on the market, It is difficult to elaborate rational and efficient program of livelihood restoration for the PAPs losing their jobs. Instead of that, the PAPs losing their jobs are attributed to the severely affected AHs and the allowances for severely affected are established at high value. 5250 Gel in total (4200 GEL as compensation for lost wages and 1050 as allowance for severe impacts) will be paid to each employee losing their jobs, and this amount is equal to 3 year salaries of the PAPs losing their jobs.

The details of affected businesses, employees losing their jobs and their families are given in a table 2.6.

Table 2.6: Impact on Business and Employment

#	Type of Business	Number of affected businesses	Number of households losing business	Number of employees hired employees	Number of external hired employees' households	Number of external hired employees' household members
1	2	3	4	5	6	7
1	Shop	3	3	2	2*	7
2	Restaurant, eatery, cafe	6	6	26	26	101
3	Concrete Pillar Workshop	1	1	0 (2**)		
4	Gas Filling Station	0***	0	0	0	0
5	Real Estate Lease	5	5	0	0	0
	Sum Total	15	15	28	28	108

*One of the employees receiving salary is a spouse of the business owner

**Concrete pillar workshop is newly established home- business and two persons engaged in production are the spouse and mother of the owner. They do not receive salaries and there is no income declared by the owner at this stage.

***Gas filling station is not operating business at present. The owner of the facilities used to lease his facilities, but due to the project nobody is currently leasing these facilities. His business is included in p.5 Real Estate Lease.

Apart from the officially registered businesses associated with certain permanent facilities, 31 non-official individual entrepreneurs are also subject for project impact. One of these PAPs losing their incomes will receive cash compensation equal to one year minimum subsistence (4200 GEL), as he works at site during the whole season (trading with souvenirs). Two other AHs working during the whole season (trading with honey) will receive 6 month compensation for reestablishing their business at the new site and additional allowances for relocating their beehives. 28 others are working seasonally maximum during 4 months and will receive cash compensation for 4 month equal to 1400 GEL. Five of the affected PAPs have beehives and other movable structures at site and will need to remove them on other sites. They will receive additional 300 GEL for transportation needs.

Table 2.7: Impact on the Other Type of Private Entrepreneurs

#	Objects	Number of Objects	Number of Traders AH	Number of family members of roadside vendors
1	Roadside traders trading with food products (fruit, maize, mushrooms, honey etc.)	27	26	95
2	Roadside traders trading with souvenirs	1	1	4
3	Beehives location and honey selling	3	3	8
		31	30*	101

*One AH is trading with souvenirs at one place and food products on other site

2.3 APs and Communities

In overall 119 AHs (533 PAPs) are affected by the project: 58 directly, losing their land plots and associated assets and businesses, 4 AHs are losing businesses where they rent the facilities, 28 employees of businesses are losing their permanent jobs and 31 outdoors (or roadside vendors) traders are losing their seasonal income. However, out of the 31 roadside vendors, 2 AHs lose also their legal businesses and are doublecounted. Thus, in total we have 119 AHs.

Out of these, 58 directly affected AHs, 57 AH lose their land plots (57 registered and 26 legalizable plot) and one AH loses non-legalizable land plot used illegitimately. The difference between the number of affected land plots and AHs is due to the fact that some of the AHs lose several land plots. One AH in addition to the registered land loses one more land plot, which is non-legalizable and used illegitimately. In total there are two affected land plots used illegitimately. Both of them are used for locating restaurant facilities (the main part of facilities is located on rightfully owned by businesses adjacent parcels, but some facilities transgress onto the state owned land of the neighboring parcels). 21 AHs lose 28 commercial land plots, 23 AHs lose 29 purely agricultural plots used for crop cultivation and tree growing and 22 AHs lose residential land or agricultural land plots used as residential (26 land plots in total). Many AHs are losing several land plots of different land use category.

Nine AHs are losing their residential houses and are subject for physical relocation. They will be compensated for lost buildings and structures at replacement cost and in addition will receive relocation allowances.

40 AHs lose 13,952 fruit trees grown on 52 land plots. 21 AHs are losing crops cultivated on 23 land plots. 42 households are losing affected structures located on 54 land plots. 15 AHs lose businesses. 11 out of these lose also land and facilities and 4 AHs lose businesses where they rent the facilities. 28 external employees are losing permanent jobs and 31 outdoors traders (roadside vendors) are losing their seasonal income.

2.3.1 Impact on Common Property Resources

The project affects the local kindergarten and nonoperational post office. Compensation for this structure is calculated in the budget, however the form and modality of compensation or other mitigation measures will be finally decided during the negotiations of the Road Department, Kharagauli Municipality and the Ministry of Education. The requirement is that the children should be provided by the alternate kindergarten facilities and to have the services uninterrupted. Road construction do not affect any other community or public property.

2.3.2 Severely Affected and Vulnerable Households

In total 111 AHs have been attributed to severely affected category. A total of 54AHs out of 58 losing land are severely affected due to loss of more than 10% of their productive land or commercial land and facilities used for their business. Three AHs operating leased facilities are also deemed as being severely affected, as they have no guaranteed opportunity to lease other facilities. (Company of one AH is renting facilities leased by his household and he is already accounted as land owner losing more than 10% of land). 28 employees losing their permanent jobs and 26 outdoors traders (out of 31) are also deemed as being severely affected. Five roadside vendors/outdoors traders are already accounted as severely affected as they lose also land or legal businesses.

Poor (receiving government subsistence subsidies) and women headed or disabled AHs without breadwinner are attributed in this RAP to the category of vulnerable households. Households with people in pension age will receive the allowance only if they are registered as poor. In Georgia, the poverty line is determined as a result of sophisticated calculations including production, consumption, cash income and assets valuation. The households with rating less than 57000 are considered as extremely poor and receive subsistence allowance, and AH with rating between 57000 and 70000 are considered as poor and they receive insurance policy allowances. The estimations (rating calculations) are conducted by the Social Services Agency and the rating data is registered. The vulnerable household requires special assistance for resettlement.

The AHs in RAP of the project road constitute 6 vulnerable AHs (14 PAPs). These include 5 extremely poor (rating less than 57000) and one woman headed household. See for details - (Table 2.8).⁵

Table 2.8: Vulnerable AHs

Category of vulnerability	No. of AHs
Extremely Poor AHs with rating below 57000 receiving subsistence allowance)	5
Poor AHs with rating more than 57000 and below 70000 receiving insurance policy	0
Female headed AHs with low income and dependents	1
Total	6

⁵ Households receiving government subsidies are the extreme poor households. The pensioners are mostly elderly people, who have small input in agricultural work and who are not working elsewhere.

2.4 Impact on Indigenous Peoples

An assessment of impact on indigenous peoples was undertaken in accordance with WB OP 4.12. The project primarily affected Georgian people which are almost 99.9% of the total affected population. Some of the other Ethnic Minority group is also present in the program area, which are insignificant in number. These groups are mostly Russian (1 affected AH). These groups are fully integrated into the Country institutional, cultural, and economic processes, and they do not fit the IP definition of WB. Therefore, WB policy on indigenous people will not trigger to this project.

2.5 Gender and Resettlement Impacts

The project impact extends to APs comprising 53.6% male and 46.4% females: 187 male and 162 females. Further, 5 of the 107 AHs are headed by women. 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.

2.6 Summary of Impacts

A summary of Project impacts is included in Table 2.10 below.

No.	Impacts	Unit	
Land Tenure Patterns			
1	Total Land parcels affected	No.	115
2	Total land Area to be acquired	Sqm	103,431
3	Category 1. Category 1. Titled private agricultural land plots with valid registration	No.	57
		sq.m	59,393
4	Category 2 . Private Legalizable	No.	26
		sq.m	24,476
5	Category 3. State Owned Used by Private Users (Squatters)	No.	2
		Sqm	2,257
6	Category 4. State Owned Not Used by Private Users	No.	30
		Sqm	17,305
Land Use and Compensation Categories			
7	Type 1; Arable land. The land plots of agricultural status, located close to villages but remotely from the existing mainline road. These land plots are used for agricultural needs; (10 Gel/sqm)	No.	29
		sq.m	24,453
8	Type 2; The land plots of agricultural official status, used as residential land (17 Gel/sqm).	No.	7
		sq.m	16,925
9	Type 3. The land plots of residential official status, (17 Gel/sqm)	No.	19
		sq.m	15,751
10	Type 4. The land plots of non-agricultural status, used as commercial land (33 Gel/sqm)	No.	28
		sq.m	26,740
11	Type 5; State Owned , Used by Private Users – Non Legalizable	No.	2
		sq.m	2 257
12	Type 6 State Owned Not Used by Private Users	No.	30
		sq.m	17,305
Agricultural Patterns			
13	Area under Hay	sq.m	8,571
14	Area under bean	sq.m	3 863
15	Area under maize	sq.m	3 863
16	Area under vegetables	sq.m	1,144
17	Area under Strawberries	sq.m	2 476

	Area under Garlic	sq.m	280
18	Affected Trees	No	13,952
Affected Structures		No	
Residential Houses		No	10
19	1-storey brick residential house	No	1
20	2-storey residential house with the first floor made of block/brick, the second floor made of wood	No	4
21	2-storey house, made of stone, brick, and blocks	No	3
22	2-storey house, made of brick and blocks Unfinished building (without roof)	No	1
23	3-storey residential house, made of stone, brick, wood, and blocks	No	1
Buildings used by the community			2
24	Post office (nonoperational)	No	1
25	Kindergarten	No	1
Commercial buildings			24
26	Mini-HPP and pipeline (D=530 * 5 , 1.5 km)	No	1
27	Block -built Office	No	3
28	Shop	No	3
29	Georgian Tandoor bakery Building	No	3
30	Concrete Pillar Workshop	No	1
31	Vulcanizing Service Station (Workshop)	No	1
32	Gas Filling Station	No	1
33	Wooden Eatery	No	3
34	Eatery made of block, reinforced concrete and stone	No	8
35	Auxillary Structures	No	54
37	Small Structures (Fences etc.)	No	187
Affected Businesses and Employees		No	
38	Total businesses		15
39	Shop		3
40	Restaurant, eatery, cafe		6
41	Concrete Pillar Workshop		1
42	Gas Filling Station		0
43	Real Estate Lease		5
44	Employees	No	28
45	Outdoors traders	No	31
46	Seasonal Roadside traders trading with food products (maize, fruits, mushrooms, honey etc.)		28
47	Roadside traders trading with souvenirs		1
48	Beehives location and whole season honey selling		2
Affected Households			
49	Severely affected Households	No.	111
50	Vulnerable Households	No	6
51	Resettled households	No.	9
AHs losing owned or used land			58
52	AH losing registered plots (needs correction of cadastral drawings and re-registration)	No.	41
53	AH losing legalizable plots (rightful owners, 1 stage registration through NAPR)	No.	21
54	AHs losing non-legalizable land plots (squatters)	No	2
55	AH losing agricultural land plots	No	23
56	AH losing agricultural land plots used as residential		6
57	AH losing residential plots	No	16
58	AH with non-agricultural (commercial) land plots	No.	21
59	AHs losing businesses (in total)	No	15
60	AHs losing businesses with their own land plots and facilities		11
61	AHs losing businesses operating leased facilities		4
62	AH losing Jobs	No	28

63	AHs losing outdoors trading incomes		31
64	AH losing crops		21
65	AH losing trees		40
66	Total AH		116
67	Total Affected Persons	No	511

***1 AH losing leased facilities is a company owner renting facilities owned by his family; one roadside vendor AH is trading at two separate sites and is doubleaccounted, and three roadside vendors are losing land and are already accounted as land owners;**

III. SOCIO-ECONOMIC INFORMATION

3.1 Introduction

A census of 100% of the directly affected AHs available on site was conducted to enumerate the APs. A sample socio-economic survey was included in the project area covering 48 households which is 97.9% of the total of directly affected AHs losing their land and connected assets and 43% of all AHs, inclusive employeeed and roadside traders. The objective of the socioeconomic survey was to gather general information on socioeconomic condition of the affected people. The socioeconomic information of the affected population as per census and socioeconomic survey is presented hereunder.

3.2 Affected Population

3.2.1 Demography

The project road is in Khashuri and Kharagauli Municipalities as per detail measurement survey. Number of affected people is 112 AHs and 502 PAPs. Out of this 49 AHs are affected directly by land take losing their residential, agricultural or commercial land and associated assets. The rest are indirectly affected persons losing their jobs or trading places and related incomes. From 49 directly affected HH socio-economic studies have been conducted for 48 HH (97.9%).. The study revealed that 47% of the APs (APs) are male and 53% are female, constituting a male/female ratio of 88.7 (88.7males per 100 female). The average family size is 4.5 members per household (Table 3.1).

Table 3.1: Demographic Profile of APs

Age Group	Male		Female		Total		Average/ Household
	No.	%	No.	%	No.	%	
Children (Below 6 Years)	5	4.9	13	11.3	18	8.3	0.4
Children (6–18 Years)	14	13.7	13	11.3	27	12.4	0.6
Adult (19–65 Years male and 19 – 60 years for female)	70	68.6	73	63.5	143	65.9	3.0
Pension age (65 Years and Over males and 60 years and over - female)	13	12.7	16	13.9	29	13.4	0.6
Total	102	100	115	100	217	100	4.5
%	47		53		100		

3.2.2 AH Ethnicity

AHs are all Georgian (100%). No Azri, Armenians, Russian, Jews or Ukrainian are affected in the project. Ethnic diversity does not mark any difference in overall national development in Georgia and the minorities are mainstreamed as a common nation.

Table 3.2: Ethnicity of AHs

SI.No.	Ethnicity	Total No. of Households	%
1	Georgian	48	100
2	Armenian	0	0
3	Polish	0	0
4	Other	0	0
	Total	48	100

3.2.3 Urban Rural Proximity

The project road is mostly located in rural area Between the villages Chumateleti and Khevi. Survey of the 78% households reside in rural areas and 22% resides in urban areas (Table 3.3). Project impact on urban and rural households will tend to change their investment priorities.

Table 3.3: Urban Rural Distribution of AHs

Sl. No.	Type of Settlement	Total No. of Households	%
1	Rural	35	78
2	Town (Urban)	13	22
	Total	48	100

3.2.4 Level of Education of APs

Data from project area in Khashuri and Kharagauli Rayon brought forth that illiteracy is not faced in the area – all APs elder than 6 years study in schools or university or have already got certain education. About a 47% of the population have university level education and 6.5% have got special technical education. All of the rest APs study is secondary schools or have finished school. (Table 3.4).

Table 3.4 Level of Education of APs

Sl.No.	Category	Male		Female		Total	
		No	%	No	%	No	%
1	Pre-School	5	4.9	13	11.4	18	8.3
2	Primary & Secondary	43	41.7	38	33.3	81	37.3
3	Technical – special aducation	10	9.7	4	3.5	14	6.5
4	University	45	43.7	59	51.8	104	47.9
5	Illiterate	0	0.0	0	0.0	0	0.0
	Total	103	100	114	100	217	100

3.3 Agriculture and Land Resources

3.3.1 Land Holding Status

The AHs are all land holder of some quantum. Average land holding comes out to be 1.2ha among the land holders (Table 3.5).

Table 3.5: Land Holding Status

Sl. No.	Particulars	No of Households	%
1	Land Holder Households	48	100
2	Landless Households	0	0
3	Total Households	48	100
	Average Land Holding: 1.2 ha per household		

3.3.2 Major Cropping Pattern

Only 18 (37.5%) out of 48AHs are cultivating crops. Maize and beans are the major crops being cultivated in the project area. About 15% of the households cultivates maize and beans together in an average area of 0.289 ha. Other crops like vegetables is cultivated by about 17% households in an average area of 0.131 ha. Fruit production is a significant agricultural activity in the project area. About 60% of households having land plots grow fruit trees. Details are given in Table 3.6.

Table 3.6: Cropping Patterns

Sl.No.	Type of Crops	No of Household	%	Average cultivated Area (Ha)	Average Yield(GEL)
1	maize	7	15%	0,289	
2	beans	7	15%	0,289	
3	vegetables	8	17%	0,0884	
4	Strawberries	6	13%	0,131	
5	Hay	8	17%	0,792	
Total AHs cultivating crops		94	97		137,962
TOTAL AH		97	100		

3.4 Economy of AHs

3.4.1 Major Economic Activities

Regular Wages (Government Service or Business sector) is the main source of income for most of AHs (primary income for 62% and secondary for 56%). Pension is primary income for 4.2% and secondary source of income for 2.6% of AHs. Agriculture has minor economic significance and is used mostly for self consumption. Only 9% of AHs consider agriculture as a major source of income and 15 as a secondary source. The affected area is located close to the city of Khashuri and this could be reason for low agricultural activity and significant role of permanent wages as a source of income. (8). The details are given in Table 3.7.

Table 3.7: Economic Activity of the Households

Sl.No.	Type of Activities	Primary		Secondary	
		No	%	No	%
1	Agriculture	9	18.8	15	38.5
2	Pension (government aid)	2	4.2	1	2.6
3	Regular Wages (Government Service or Business sector)	30	62.5	22	56.4
4	Small business	7	14.6	1	2.6
5	No Income	0	0	0	0
	TOTAL	48	100	39	81

3.4.2 Annual Income of AHs

Regular wages, pension subsidies, agriculture and wage employment are major contributors to income of the AHs. The survey found that 19% of the AHs get income from one single source, 81% from double or more sources. Table 3.9 shows that the more the number of sources, the more is the

amount of income feeding to a household. Double sources seem to contribute the highest in the project area.

Table 3.8: Average Annual Household Income against Number of Sources

Number of sources of Income	No. of AHs	% of AHs	Average household income (GEL)
Single Source	9	19	9413
Double Sources	39	81	16894
Total	48	100	

Average income per household earning from single source is very low compared to the income from multiple sources (Table 3.9). Average annual income from single sources varies from 2550 (daily wages) to 14240 (permanent wages) GEL per household. Property income, pension and subsidy are in the lower echelon of household income.

Table 3.9: Average Annual Household Income by Sources

Sources of Income	No. AHs (earning from the sources)	Total Income per Month from the sources (GEL)	Average Income per Household per Month from the sources (GEL)	Average Annual Income Per Household from the sources (GEL)
Wage gov/public sector	28	33227	1187	14240
Small Business/Trade	10	7450	745	8940
Agriculture	32	14050	439	5269
Daily Wage /Part time employment	4	850	213	2550
Pension/subsidiary	29	6390	220	2644
Total Households and Income	103	61967	2804	33643

Household Assets and Durables

Possession of durable goods differs from each household depending on the nature of the durable goods. 100% of the households in the project area possess a television, and 83% has got a radio. Almost all PAPs have refrigerators (96 %) and washing machine (94%), as well as access to gas for cooking (98%). About 75% households reported that they have a car.

Possession of domestic animals includes large animals in 27% households, pigs (27%) and poultry in 54% households (Table 3.10).

Table 3.10: Possession of Durable Goods and Domestic Animals

Sl. No.	Item	Households No.	%
1	Radio	40	83
2	Bicycle	2	4
3	Television	48	100
4	gas-stove for cooking	47	98
5	Computer	24	50
6	Refrigerator	46	96
7	Washing Machine	45	94
8	Motorcycle	0	0
9	Car	36	75
10	Air conditioning	7	15
11	Large Animals (Cows/Bulls/Bufaloes)	13	27
12	Pigs	13	27
13	Sheep/goats	0	0
14	Horse/donkey	0	0
15	Poultry	26	54
16	Beehives	4	8

Debts

Out of 48 interviewed households representatives of 19 have reported that they have bank debts (15) or private lender (4). (table 3.11).

Table 3.11: Debts

Sl. No.	Debts	Household number	%
1	Yes	19	39.6
2	Bank	15	31.3
3	Private lender	4	8.3
4	Other	0	0.0
5	No	29	60.4
	TOTAL	48	100.0

3.5 Water and Sanitation

3.5.1 Source of Drinking Water

The major source of drinking water is centralized local source. 100% of households have access to the centralized water supply. Out of the 48 surveyed households, it is noted that only 4 households (8.3%) have access also to springs in addition to the centralized water supply, which they use mostly during the shortages in water supply. (Table 3.12).

Table 3.12: Source of Drinking Water

Sl. No.	Sources	Number of Households	%
1	Piped water supply	44	91.7
2	Well	0	0
3	Spring	4	8.3
	Total	48	100

3.5.2 Sanitation Facilities

30 of the interviewed households 62.5% possess latrine at their house connected to septic reservoirs and 18 households (37.5%) has flash toilet connected to the centralized sewage. (Table 3.13).

Table 3.13: Types of Toilet

Sl. No.	Toilet	Number of Households	%
1	Flush toilet	18	37.5
2	Latrine	30	62.5
3	Total	48	100

3.6 Access to Energy and Civic Facilities

3.6.1 Access to Energy for Cooking

Majority of the inquired AHs (about 90%) use gas stoves for cooking, however, they use wood stoves as well. Electric power is a main significant source of energy. According to the Table 3.14, households using gas also use electric power for cooking at the event of unavailability of gas (especially those using LPG). Details are given in Table 3.14.

Table 3.14: Type of Fuel Use for Cooking

Sl. No.	Types of Fuel	Number of Households	%
1	Wood	43	89.6
2	Gas	45	93.8
3	Diesel/ Kerosene	0	0
4	Electric power	48	100
	Total	246	100

Note: All 45 households using gas also use electric power at the event of temporary unavailability of gas.

3.6.2 Access to Electricity

All of the interviewed 48 households (100%) are connected with central power supply and to the natural gas supply system (Table 3.15).

Table 3.15 Connected to Central Electric Power Supply and Natural Gas Supply Systems

Sl. No.	Whether connected	Electric Power		Natural Gas	
		No of Households	%	No of Households	%
1	Yes	48	100	6	12.5
2	No	0	0	42	87.5
	Total	48	100	48	100

3.6.3 Access to Health Centre

Health facilities in project areas are not in good condition with adequate access to hospitals . 41 % of the households stated that they do not have easy access to health centres (Table 3.16).

Table 3.16: Access to Health Centre

Sl. No.	Easy access to Health Centre	Number of Households	%
1	Yes	7	14.6
2	No	41	85.4
3	Total	48	100

3.6.4 Access to School

All sample households (100%) reported that they have easy access to school (Table 3.17).

Table 3.17: Access to School

Sl. No.	Access to School	Number of Households	%
1	Yes	48	100
2	No	0	0
3	Total	48	100

3.6.5 Access to Road

Transport connectivity seems to be well established in the project area. All of the sample households reported that they are well connected with the local roads (Table 3.18).

Table 3.18 Access to Road

Sl. No.	Whether connected to Road	Number of Households	%
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1	Yes	0	0
2	No	48	100
3	Total	48	100

3.7 Conclusion

Most of inquired household (93%) have estimated themselves as not being wealthy, having incomes not sufficient for good quality medical services and education. Literacy rate in the project area high (in fact 100% of the APs elder than 6 year are studying or have finished at least secondary school) compared to national literacy level. More than 50% of the affected population are female. Literacy rate among the women is higher. Women go side by side with the men in the project area and play important role in family economy. The project will have a positive impact on women through increased mobility and due attention will be given them from the project. Regular jobs in public sector or businesses is the dominant occupation among the APs (42% of primary economic activity). However, role of government subsidies (pension) is also significant (22 % primary and 16% secondary).

93.7% of inquired population (45 out of 48) expressed good attitude towards the project and accepted it as important component of development for the whole country and for their rayon. 8.3% generally accept the project but express their concerns regarding involuntary land acquisition and related changes in their economic activity and social conditions.

IV. LEGAL AND POLICY FRAMEWORK

4.1 General

The legal and policy framework of the Project is based on national laws and legislations related to Land Acquisition and Resettlement (LAR) in Georgia and the World Bank Involuntary Resettlement Policy (OP/BP 4.12). In case of conflict between national laws/regulations and OP/BP 4.12, the latter will prevail. Based on the analysis of applicable laws and policies and Policy requirements of the mentioned IFIs, project related LAR principles have been adopted.

4.2 Legal Framework

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

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

- (i) The Constitution of Georgia, August 24, 1995 (Last update 16 October 2013)
- (ii) The Civil Code of Georgia, June 26, 1997 (amend. 2000, 2002, 2003, 2004, 2005, 2006, 207, 2008, 2009, 2010, 2011, 2012, 2013, 2014,2015, 2016)
- (iii) The Law of Georgia on Notary Actions , December 4 2009 (amend. 2010, 2011,2012, 2013, 2014, 2015)
- (iv) Law on Public Health 27 June 2007 (amend. 2009, 2010, 2011, 2012, 2013, 2014, 2015)
- (v) The Law of Georgia on Ownership Rights to Agricultural Land, March 22, 1996 (amend. 1997, 1998, 1999, 2000, 2003, 2004, 2007, 2010, 2012, 2014, 2016)
- (vi) Law on Compensation of Land Substitute Costs and Damages due to Allocating Agricultural Land for Non-Agricultural Purposes 1997 (amend. 2005, 2006, 2007, 2009, 2010, 2011, 2013, 2014, 2015)
- (vii) The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities; 11 June 2007 (amend. 2007,2008,2009 2010, 2011, 2012)
- (viii) Law on state property 2010 (amend 2011, 2012,2013,2014, 2016)
- (ix) The Law of Georgia on Public Register- No820 –IIs; December 19 of 2008; (amended 2009 2010, 2011, 2012, 2013, 2014, 2015)
- (x) In frames of national project, the Law of Legal Power of Land Parcels Systemic and Sporadic Registration and Improvement of Quality of Cadastral Data. June 17 of 2016. (amended December 14 2016)
- (xi) The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need, July 23, 1999 (amend. 2005, 2007, 2010, 2013, 2017)
- (xii) The Civil Procedural Code of Georgia, November 14, 1997(amend. 1998-2015)
- (xiii) The Law of Georgia on State property, June 21, 2010
- (xiv) Labour Code, May 25, 2006
- (xv) Tax Code, January 2005
- (xvi) Law on Entrepreneurship, October 28, 1994

Overall, the above laws/regulations provide the principle of compensation at full replacement cost is reasonable and legally supported. The laws also identify the types of damages eligible for compensation and indicate that compensation is to be given both for loss of physical assets and for the loss of income. Finally, these laws place strong emphasis on consultation and notification to ensure that the APs participate in the process. Income loss due to loss of harvest and business

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

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

Expropriation

Acquisition of land through expropriation will be pursued under the project only in extreme cases when negotiations between APs and RDMRDI fail. Should the contract proposal fail, the expropriation process will commence by undertaking the procedures set out in the Law of Georgia “On the Rules for Expropriation of Ownership for Necessary Public Need” shall be applied. It is noted that under Georgian law, negotiation is seen as an alternative to expropriation, whereas under OP 4.12 negotiation under threat of expropriation still qualifies as involuntary resettlement.

Pursuant to the Law of Georgia “On the Rules for Expropriation of Ownership for Necessary Public Need” the expropriation shall be carried out based on the order of the Minister of Economy and Sustainable Development of Georgia and a court decision. The order of the Minister of Economy and Sustainable Development of Georgia will determine the case of public needs, and grant the expropriation entity rights to obtain land. Only the court shall determine a state body or local authorities and/or legal entity under the Public Law/Private Law to which the expropriation rights can be granted. The court decision should also include a detailed inventory of the assets to be expropriated and the provisions on the compensation payable to relevant land owners.

Under no condition would the RD occupy the required plots until:

- (i) the proper judicial process as defined by the law is initiated;
- (ii) a court injunction has been obtained and properly communicated to the APs; and
- (iii) the compensation/rehabilitation amounts are deposited in an escrow account.

No land acquisition will take place until the compensation/rehabilitation amounts envisaged in the approved RAP are deposited in an escrow account in a treasury (project account/or the EA’s account). The deposited funds will be paid to PAP upon the court decision on expropriation or in case the PAP decides to drop the case and signs the agreement with the RD.

Legalization

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

4.2.2 World Bank Involuntary Resettlement Policy (OP 4.12)

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

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

The given Policies contain the obligation to provide support and assistance in the course of the compensation and resettlement process, during and following the resettlement process.

Assistance during the compensation and resettlement process shall include:

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

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

Consistent with paragraph 16 of OP 4.12, the following categories of persons will be eligible for different types of mitigation measures under this RPF-RS:

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

Persons covered under a) and b) above are to be provided compensation for land they lose, and other assistance in accordance with the policy. Persons covered under c) above are to be provided with resettlement assistance in lieu of compensation for the land they occupy or use, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy or use the project area prior to a cut-off date established by the appropriate authorities and acceptable to the WB. All persons included in a), b) or c) above are to be provided with compensation sufficient for purchasing alternative assets to those that were lost and that are other than land.

4.2.3 Comparison of Georgian Laws and Procedures on Land Acquisition

and Resettlement and WB's OP 4.12 requirements on Involuntary Resettlement

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

As a result, the Bank's safeguards policy on Involuntary Resettlement complement the Georgian legislation/regulation with additional requirements related to:

- (i) the economic rehabilitation of all AP/AF (including those who do not have legal/formal rights on assets acquired by a project);
- (ii) the provision of indemnities for loss of business and income, and
- (iii) the provision of special allowances covering AP/AH expenses during the resettlement process or covering the special needs of severely affected or vulnerable AP/AHs.

Also, under Georgian law, negotiation is seen as an alternative to expropriation, whereas under OP 4.12 negotiation under threat of expropriation still qualifies as involuntary resettlement. In addition, the legislation of Georgia does not require any specific measure regarding the need to prepare RAP based on extensive public consultations.

The comparison of differences between Georgian law/regulation and WB safeguard policy OP 4.12 and EIB regulations and actions to manage the gaps are outlined below in Table 1. Legal Matrix.

Table 1. Legal Matrix

Georgia Laws and Regulations	WB OP 4.12 and EIB requirements	Corrective Action
Land compensation only for titled landowners.	Lack of title should not be a bar to compensation and/or rehabilitation. Non-titled landowners receive rehabilitation and compensation for any structures and assets they may have on the land.	In practice, legalizable land owners are also compensated after they are issued with the necessary papers. 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 EA will seek the Government's approval for rehabilitation/compensation of such non-titled land users before displacement occurs.
Only registered houses/buildings are compensated for damages/demolition caused by project-related land acquisition	All affected houses/buildings, regardless of legal status, are compensated for damages/demolition caused by project-related land acquisition	It is assumed, that majority of properties will be registered to actual user, with support of the project (legal and registration support). Accordingly, the compensation will be paid to all affected households. In case of damages during construction period, the construction contractor will be responsible for compensation and RD team will supervise the processes. For cases where they cannot be registered, see the Entitlement Matrix (p. 25).
Crop and trees losses compensation provided only to registered landowners.	Crop losses compensation provided to landowners, sharecrop/lease tenants or	Practically all croplands are registered in Georgia either in Public register or in archive records available in the Municipalities.

Georgia Laws and Regulations	WB OP 4.12 and EIB requirements	Corrective Action
	other users such as squatters whether registered or not	In case of leased land plots, the compensation will be paid to renters and other users for their actual losses and be given assistance to access some other land to continue activities.
Compensation for loss of assets is based on market value without deducting depreciation.	Compensation for loss of assets is based on market value without taking into account depreciation and should also include transaction costs such as taxes and registration fees. It should also include other resettlement costs such as cost of preparing land for cultivation.	Compensation will be paid based on market value without taking into account depreciation or value of salvage material; owners are allowed to retain salvaged materials. RD will have in place clear legal procedures to assist PAPs and cover all costs related to title recognition and transaction registration fees. The asset evaluation criteria will be based on replacement value as per OP 4.12.
Executing Agency implementing the Project (EA) is the only pre-litigation final authority to decide disputes and address complaints regarding quantification and assessment of compensation for the affected assets. Complaints are reviewed in compliance with the formal procedures (rules) established by the Administrative Code of Georgia. There is no informal grievance redress mechanism through community participation at the local level.	Complaints & grievances can also be resolved informally through a project-level grievance redress mechanism, which in some cases can have community participation through a Grievance Redress Committees (GRC), Local governments, and NGO and/or local-level community based organizations (CBOs).	The RD resettlement team will have in place a mechanism to receive, register and process grievances from APs. Representatives of municipalities, local authorities and villages will be involved in the process from early stages. This will ensure solution of disputes and claims (if it is possible) at community level, however if solution could not be found, the case will be processed in accordance to local legislation.
Decisions regarding land acquisition and resettlement are discussed only between the landowners and the agency in charge of land acquisition.	The RPF and RAP including information on criteria for valuation of affected assets, entitlements, and compensation/financial assistance are to be publicly disclosed and consulted on during the planning process.	The preparation of the RPF and RAP will be done through engagement with relevant stakeholders and the RPF and RAP will be publicly disclosed and consulted on. However, no personal information of the AP or amounts each individual/household will receive will be disclosed publicly.
No provision for income/livelihood rehabilitation, allowances for severely affected or vulnerable APs, or resettlement expenses.	WB/EIB policy requires rehabilitation for income/livelihood, severe losses, and for expenses incurred by the APs during the relocation process.	RD will have in place clear legal procedures to allow for additional assistance for severely affected and vulnerable households in accordance to the RAP, and for relocation compensation for all households qualified as vulnerable and/severely affected.
No specific plan for public consultation is provided under the Georgian laws.	Public consultation and participation is the integral part of WB/EIB's policy which is a continuous process at conception, preparation,	The public consultation process will be accomplished in accordance to WB requirements and guidelines prior to RAP implementation.

Georgia Laws and Regulations	WB OP 4.12 and EIB requirements	Corrective Action
	implementation and finally at post implementation period.	
Recognition and compensation for business (officially registered) losses resulting from project-related land acquisition based on official tax declaration.	All kind of running business (officially registered or not-vendors etc.) will be compensated in cash equal to 1-year based on tax declaration or, if unavailable (Loss of income from both formal and informal economic activities) based on the official minimum substance income.	RD will ensure that all businesses will be recognized and compensated in accordance to RPF and RAP before displacement occurs.

Georgia Laws and	WB OP 4.12	Corrective Actions
Land compensation only for titled landowners. In practice legalizable land owners are also compensated after they are issued with the necessary papers	Lack of title should not be a bar to compensation and/or rehabilitation. Non-titled landowners receive rehabilitation.	According Entitlement matrix: Owners with full land registration and owners/users of legalizable land will be provided with cash compensation at full replacement cost. Non-legalizable agricultural land users (squatters/encroachers) will not be compensated for the value of the land. However, they will be compensated at replacement value for any loss

To reconcile the gaps between Georgia laws/regulations and WB's OP 4.12 the RDMRDI has drafted this RAP for the Project, ensuring compensation at replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for AHs that may be relocated, suffer business losses, or may be severely affected.

4.3 Principles and Procedures of Land Acquisition Adopted for this Project

4.3.1 General Principles

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:

1. Design and construct the road to avoid residential areas wherever possible to minimize physical relocation of people, and select alignments that minimise acquisition of privately or publicly held productive land;
2. Adopt design standards that minimise the need to impose land use restrictions on adjoining areas;
3. Develop fair and transparent procedures, as defined in the Entitlement Matrix in this RPF for RS, to determine compensation for (i) temporary loss of land/ assets during construction; (ii) permanent acquisition of land and assets; and (iii) restrictions on use of land that may be applied to areas adjoining the corridor;
4. 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.
5. Upon completion of construction, restore land as best as possible to its original condition in the event of temporary disruption so as to enable landowners/users to resume their pre-project activities;
6. 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.
7. Ensure that grievances PAPs may have will be redressed timely, adequately and that solutions in line with principles laid out in this RPF be employed;
8. All PAPs, without regard to their status of legal rights to the land and assets, will receive support of various kinds, as per the principles set out in the Entitlement Matrix, to assist them in their efforts to improve, or at least restore, their livelihoods and standards of living prevailing prior to the Project.
9. Those who illegally occupy land will not be compensated for loss of land, but will receive compensation for loss of other assets and for loss of income such that they are also assisted in their efforts to improve, or at least restore, their livelihoods. Detailed measures to be implemented will be determined based on the census and socio-economic survey to be carried out when Resettlement Action Plan is developed.
10. PAPs will be notified of the project implementation schedule and informed and consulted regarding the principles of land acquisition and loss of or damage to assets.
11. Damages to assets, such as standing crops, trees, fences and kiosks, and loss of income, including loss of harvest, will be minimized, and where inevitable, will be compensated without regard to legal status of ownership according to the Entitlement Matrix provided in this RPF for SRS. Also, the contractor is responsible for repairing any accidental damage of property to non-acquired assets.

Marketing survey 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 a net basis without tax, depreciation or any other deduction.

The details of land acquisition procedure will be spelled out in the RAP to be prepared for road section.

Social impact assessment surveys required during preparation of RAP for each road section should be based on census, inventory of losses (IOL) and detailed measurement survey (DMS)⁶. The summary results of census, IOL and DMS covering the entire road section should be provided in the final RAP⁷.

The table shall reflect the number of PAPs, area of land take, affected assets, lost income, cases of severe impact, PAPs eligible to onetime allowances for severe impact, vulnerability, relocation costs and etc.

The Census shall cover 100% of located PAPs.

In the attempt to cover all affected population groups, including any host populations Consultant shall accomplish the following achievements:

- Establish clear definitions of key concepts (e.g., displaced person, family or household, loss, entitled person), because these concepts are critical to the entire process and have a significant influence on the compensation and resettlement benefits package.
- Identify the right-of-way and project point of impact prior to data collection. Also, conduct participatory rapid appraisal and focus group meetings with affected villages and/or communities to explain the project scope and the purpose of census and surveys.
- Identify all types and categories of losses by gender, age and occupational groups of affected population.
- Identify all affected land parcels and ownership and/or user rights and ensure land acquisition processes can meet project-engineering schedules.
- Provide information to all stakeholders (i.e., the affected persons, host communities, and concerned nongovernment organizations) and ensure that consultation is continual.
- Establish a cut-off date for eligibility in the displaced and/or affected persons list. This is necessary to prevent false claims for compensation or rehabilitation following the disclosure of project plans. A census should be carried out as soon as possible to determine the number of displaced persons, the number of structures and other affected assets, and to determine the cut-off date to minimize influx of people into the affected areas.
- Map the impact area and identify households by numbers to provide additional safeguards against fraudulent claims. Mapping is normally done during the project identification and preparation stages. Mapping can be undertaken during census and survey. Aerial mapping can be a useful adjunct to determine settlement patterns at a given point in time.
- Include all project affected in the inventory of project affected persons irrespective of titles or ownership rights. For example, this can include informal settlers or squatters and indigenous peoples with traditional land rights.
- Consider the use of One-page Notes for the project affected persons. One-page Notes have proved to be useful in many projects. They are issued during census or surveys and should

⁶ An IOL or DMS is dependent on the level of design available. An IOL is usually undertaken based on preliminary design while a DMS is usually undertaken based on detailed design and demarcation of the extent of impact on the ground. Any plans prepared on the basis of an IOL will be updated following detailed design through the completion of a DMS.

⁷ The sample of the table is attached to this RPF, see the Annex1 .

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

- Publish the list of project affected persons for verification by affected communities. Include procedures for appeals in the event of exclusion.
- To the extent feasible, include interdisciplinary skills in the core and involve local government and/or agency staff and displaced persons groups in data collection.
- Where needed, establish a computer database and a program that will facilitate identification of all information on households and individuals for project implementation, and as a baseline for monitoring.
- Provide information on livelihoods/income level of each displaced/severely affected/vulnerable person – information to be used internally and provided as an attachment to RAP for WB/EIB approval.

The entitlement matrix provided in each RAP⁸ should be more specific to address all possible impact and determine relevant compensation entitlements. The resettlement and compensation entitlements will have to be reviewed and improved based on the actual findings of ESIA, public orientation meetings, focus group discussion, feedback from key informant interviews, and the analyses of data collected during DMS, census, title search, inventory of project affected assets and socio-economic survey and/ livelihood survey. Each PAPs should be identified by project affected land parcel units.

DMS, census Of PAPs, and inventory of affected assets shall start from the zero KP⁹ point of the selected road section and proceed through the ending KM point. Each PAP in connection with the project affected land parcel will be enumerated. Location of affected land parcels will be identified by two KPs (start and end of the land parcel boundary) along the ROW. Besides the Inventory Act will specify which side of the ROW (left / right) is the land parcel located. The Field Team will obtain the full names of the PAPs and identify them in correlation with project affected land parcels being owned/possessed or used by specific PAP. Besides, project affected land parcels will also be identified according to their location (name village/Municipality) and Cadastre data land parcel is registered at the NAPR. Copies of any official documents on project affected land parcel available will be collected for analyses and title search.

Field Team will be responsible to obtain data on the area and type of project affected land parcel (and total land holding of PAP/), the type, size and use of any other assets affected (structures, crops, perennials, business, ect.), community property affected, and to determine each type of loss per PAP.

During RAP preparation is a must to ensure that socio-economic conditions, needs, and priorities of project affected women and minorities are addressed accordingly to ensure that land acquisition and resettlement does not disadvantage women. Therefore, data collected during census and socio-economic survey should be disaggregated by gender, age groups, ethnicity and religious beliefs.

Each RAP shall include a RAP implementation budget and identify where the funds will come from. RAP implementation schedule should be linked to the procurement of civil works. Construction of civil works will not commence until compensation has been paid to all present PAPs. Compensation will be determined based on the replacement cost at current market rates and valuation methodology described in this RPF will be used as a guide to incorporate valuation methodology and unit rates per each type of loss identified during surveys and preparation of a specific RAP for each proposed road project.

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

⁸ Please see the Appendix 6.

⁹ KP stands for kilometre point.

- Census, geographic survey and socioeconomic survey of PAP
- Determination of PAP and types/ scale of impact
- Development of compensation package and drafting of RAP
- Consultation with PAP
- Negotiation with PAP and payment of compensation
- If the negotiation with PAP fail, the applicable legislation of property expropriation will be used.
- Compensation/rehabilitation measures will be implemented before land take for project purposes.

According to the applicable land acquisition legislation of Georgia, the complete and accurate registration of privately owned land is a necessary prerequisite for the acquisition of land required for the project by the organizations implementing the necessary infrastructural projects. The Roads Department of the Ministry of Regional Development and Infrastructure of Georgia, will acquire privately owned land through negotiations, as far as possible, based on the informal consultations with the affected persons (including those lacking the legal title of the land). During the negotiations, the adequate and fair price of the land and/or other assets will be offered.

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

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

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

The Roads Department of the Ministry of Regional Development and Infrastructure of Georgia will provide new maps and drawings with cadastral, and legal details, which are necessary for the legalization to interested owners subject to legalization. This process will be continued by the local administration which will verify the ownership certificates according to those maps and the land will be finally registered at the regional registry office of the National Agency of Public Register before the issuance of the project compensation. Procedures of land acquisition for the project are included in Appendix 2.

4.3.2 Acquisition Approach for Remaining Land

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

4.3.3 Expropriation and Legalization

Acquisition of land through expropriation will be pursued under the Program only in extreme cases when negotiations between APs and RD fail. In these cases, however, RD will not occupy the needed plots until: (i) the proper judicial process as defined by the law is initiated; (ii) a court injunction has been obtained and properly communicated to the APs; and (iii) the compensation/rehabilitation amounts are deposited in an escrow account. No land acquisition will take place until the compensation/rehabilitation amounts envisaged in the approved RAP are deposited in an escrow account in a treasury (project account/ or the EA's account). The deposited funds will be paid to PAP upon the court decision on expropriation or in case if the PAP decides to drop the case and sign the agreement with the RD.

APs that do not have proper registration or titles but are legitimate occupants of the plots they lose will be legalized and registered in the land records. After this is done, they will receive full compensation as eligible PAPs.

4.3.4 Establishment of the Cut-off Date

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

The best practice is to use the start date of the census of displaced persons as the cut-off date. Timing is important.

Therefore, the **cut-off date** will be the date when Census, socio-economic survey of PAPs and inventory of project affected assets has been started. If there are delays in actual displacement and land take for project purposes, after one (1) year the census should be updated and a new cut-off date set.

PAPs who settle in the affected areas, or erect any fixed assets, such as structures, crops, fruit trees, and woodlots and other assets, **after the cut-off date will not be eligible for any compensation**. However, they will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures will not be confiscated and they will not pay any fine or sanction. Forced eviction will only be considered following exhaustion of all other efforts.

Therefore, the information regarding the cut-off date and the actual boundaries of the ROW will be well documented and disseminated throughout the project influence area at regular intervals in written forms¹⁰ and verbally during public consultation meetings and non-written forms and in relevant local languages. This will include posted warnings that persons settling in the project area after the cut-off date may be subject to removal without any compensation.

Relevant preventive measures will be undertaken not only during RAP preparation but while RAP implementation and construction process. This practice is to avoid deterioration of livelihood of any individual that may unintentionally turn to encroachers requested to vacate occupied territory without any compensation, if the boundaries of ROW are not defined and provided to relevant government agencies¹¹ (local, regional, national) authorized to manage, monitor and prevent encroachment.

18 of August, the date of start up of census studies is declared as a cut-off date for this RAP.

¹⁰ Project Information Booklets and RAP publicized and available to any interested person, posters displayed in public areas and information boards in the buildings of local Municipalities within project influence areas.

¹¹ Ministry of Economy and Sustainable Development of Georgia, NAPR, etc.

4.4 Compensation Eligibility and Entitlements

4.4.1 Eligibility

Eligibility Criteria for Compensation of PAPs

This RPF determines the eligibility criteria of project affected persons (PAPs) and provisions for compensating all types of losses: land, crops/trees, shelter, structures, business/employment, and workdays/salaries/wages. All PAPs, including land users without title or legitimate possession will be compensated for lost income and assets. Loss of land will be cash compensated at replacement cost at current market value in the amount to allow PAPs to acquire land of the same area, productivity and designation in vicinity of current location, as described in this RPF and relevant RAP prepared later for project.

The criteria for eligibility of compensation are based on PAPs belonging to one of three groups:

1. those who have certified and/or formal rights to use of occupied land;
2. those who do not have formal legal rights to land at the time of the DMS or census completions but have legitimate right to claim to such land or assets—provided that such claims are recognized under the laws of Georgia; (Untitled APs who were legitimate leasers under the old Soviet system either, plots with house or regularly cultivated/used their land, but do not have plots with a house.)
3. those who have no legitimate possession or is not eligible to claim for recognizable legal right to the land they occupy (i.e., land users without registered certificate and informal settlers).

PAPs who are entitled to compensation under this Project include:

1. Persons whose houses or structures are in part, or in total, affected temporarily or permanently by the Project;
2. Persons whose residential dwellings, supplementary structures, fences/walls or commercial premises and/or agricultural land (or other productive land) is in part, or in total, affected (permanently or temporarily) by the Project;
3. Persons whose business is affected temporarily or permanently by the Project;
4. Persons whose employment or hired labor is affected, temporarily or permanently, by the Project;
5. Persons whose crops (annual and perennial) and/or trees are affected in part, or in total, by the Project, and;
6. Persons whose access to community resources, public facilities or property is affected in part, or in total, by the Project.

Where land is to be acquired, landowners (PAPs) with registered Title Certificate, land-users and/or legitimate possessors of land/real property eligible to legalization of ownership rights will receive cash compensation for land at replacement market value in the amount that will allow them to purchase a land parcel of equal size and productive value and be satisfactory to the PAP.

Those PAPs that are not eligible for legalization of ownership rights under any rules or regulations being in force in Georgia are not eligible for compensation for land compensation but will receive compensation for assets attached to project affected land and other assistance as required (especially in the case of vulnerable PAPs).

Households headed by single women with dependents and other vulnerable households¹² will be eligible for further assistance to fully mitigate project impacts. Table 2 below presents the Entitlement Matrix that will be closely followed during preparation of RAP for road project within the framework of this project.

¹² Detailed explanation is provided in the Definition of Terms.

It is worth noting that the Entitlement Matrix presented in this RPF will be used as a basic document, that will be altered in due manner to reflect any nuances detected during DMS, census, socio-economic surveys and inventory project affected assets undertaken during the RAP preparation period and provide relevant mitigation measures or reasonable approach for loss and impact compensation..

4.4.2 Definition of Entitlements

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

These entitlements are detailed below:

Loss of land (agricultural, residential, and commercial) will be cash compensated at replacement cost at current market value identified at the moment of RAP preparation. Alternative land parcel of similar productivity, designation, area and location can be offered as in-kind compensation, if preferred by PAPs. The unit rate per square meter of land will be determined in accordance to the widely adopted International Valuation Standards (IVS). The EA or the Consultant responsible for RAP development will hire independent licensed appraiser to meet the requirement stipulated under this RPF, follow the RPF's valuation methodology and determine unit rates for compensation per each type of loss any PAP may incur as a result of proposed road rehabilitation project.

The amount of cash compensation shall allow PAP to acquire alternative land parcels equal in value and productivity to the parcel released for road project purposes. If during RAP preparation, the need is identified that PAP may have to incur additional costs for preparation of new land parcel to levels similar to those of the affected land, PAPs will receive additional one-time allowance to cover costs.

Additionally, any fees/taxes related to processing legalization of ownership rights to project affected land parcel being under legitimate possession of PAP, costs and fees for sub-division, registration of inaccurate records and at the NAPR registration of transaction of ownership title will also be covered by Executing Agency (RD).

When greater than 10% of an **income generating** land is affected, PAP (land-users, leaseholders and sharecroppers) will receive an additional allowance for severe impacts equal to the market value of a year's gross yield of the land lost or one-time subsistence in the amount ¹³of **minimum subsistence level of income**¹⁴ for the family of five for 12 months, whichever is greater.

NOTE: in each specific road project the nature and character of severe impact may vary from each other. It is most important that such cases are detected, clearly described, and relevant mitigation measures suggested in each RAP.

Loss of shared agricultural land (pasture, grazing) local communities losing access to shared pasture, hay field, grazing will be provided with replacement land of similar size, productivity, and location acceptable to affected community. Provision of such replacement land will be the responsibility of local government. However, the Executing Agency will bear the responsibility to monitor the process and ensure that such replacement land is timely provided to project affected community at the earlier stage of project cycle to prevent deterioration of livelihood within project influence area. If such replacement is not possible, Livelihood Restoration Plan will be prepared and

¹³ Current figure to be obtained.

¹⁴ This figure subjects to update on a monthly basis therefore must be refreshed at the moment of specific RAP preparation. The data is available on the official website of the State Department of Statistics of Georgia. link: http://www.geostat.ge/index.php?action=page&p_id=179&lang=eng

implemented to address the needs of affected community and preserve their livelihood at least similar to pre-project level.

The Executing Agency will cover any costs, land tax or registration fees if applicable according to laws or local regulations in force.

Structures (residential houses, supplementary constructions, fences, walls, commercial facilities, etc.) are cash compensated at replacement cost (i.e. Construction Cost) at current market value calculated for project affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs.

Construction cost calculation considers market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, the cost of any labor and contractor's fees, and the cost of any registration and transfer and any applicable taxes/fees. The compensation for residential houses/commercial buildings will include the cost of lost water and electricity connections.

In case of partial impacts, full cash assistance to restore the remaining structure will apply; if partial impact/demolition of a section of the building threatens deterioration of the structure or raises safety and security concerns, cash compensation will apply to the entire building and affixed assets of the affected structure.

Residual land will be fully compensated (The portion of land that is left after the land is divided and purchased, if is too small for further agricultural/residential use or is difficult to access)

Trees: Cash compensation shall reflect income replacement. Cash compensation will be calculated at current market value and according to type, age, and productive value of project affected fruit tree. Annual yield capacity of a mature fruit bearing tree multiplied to market price of a fruit (kg/GEL) and multiplied to the number of years required to grow a new tree to same productivity age. In addition, each fruit bearing tree shall be compensated for purchase of seedlings. PAPs will be eligible to dispose logged trees themselves. Construction Company will log down project affected trees and ensure free delivery of timber to the residence of PAPs.

Crops: Cash compensation at current market rates for the net annual harvest by default. Crop compensation will be paid to landowners, land users, tenants or other users based on their specific sharecropping agreements being made between these parties, if any.

Businesses owner compensation for permanent business losses will be eligible in cash for one year's income based on a tax declaration or, if unavailable, based on the official minimum annual salary; compensation for temporary business will be eligible for cash covering the income of the interruption period based on a tax declaration or, if available one-time subsistence will be calculated in the amount of consumer basket for a family of five members (350.2 GEL/month) multiplied to three (3) months., (350.2 GEL X 3=1050.60 GEL) (Amounts to be updated monthly based on national indicators for given month).

Business workers and employees: Indemnity for lost wages for the period of business interruption. In cases where tax declaration reports are unavailable, then official minimum monthly salary multiplied to the number of months of actual stoppage of business.

Agricultural land leaseholders and workers: Affected leaseholders will receive either a renewal of the lease in other plots or cash corresponding to the yearly yield of land lost for the remaining years of the lease up to a maximum of 3 years. Sharecroppers will receive their share of harvest at market rates (if impact is temporary) plus one additional crop compensation (if impact is permanent). Agricultural workers, with contracts to be interrupted, will receive an indemnity in cash corresponding

to their salary in cash including portion in-kind compensation for the remaining part of the agricultural year.

Residential land renters/leaseholders and house renters: who have leased land and/or a house for residential purposes will be provided with a cash grant of three (3) months' rent at the prevailing market rate in the area and will be assisted in identifying alternative accommodation.

Relocation subsidy: PAPs forced to relocate will receive a one-time relocation subsidy sufficient to cover transport costs and living expenses for one month. If for project-related reasons the relocation is delayed, such as untimely payment of compensation, the payment of living expenses will be extended to the period under which the person is not able to relocate to a new place.

Additional Rehabilitation Measures

In compliance with OP 4.12 and this RPF each RAP shall consider additional rehabilitation measures to be provided once vulnerable and severely affected PAPs are detected during RAP related surveys (DMS, census, socio-economic survey, title search) and RAP preparation.

Assistance for vulnerable people: In addition to the compensation of lost land and assets vulnerable PAHs will be provided with additional rehabilitation measures; in particular, one-time allowance set to one year payment of the minimum subsistence level in the amount of consumer basket for family of five members (350.2 GEL /month) for 3 months; i.e. $350.2 \text{ GEL} \times 3 = 1050.6 \text{ GEL}$ one time allowance.¹⁵ During implementation, the situation of these vulnerable people will be monitored and additional assistance provided as needed to ensure that the objectives of this RPF are met.

Additionally, other capable members of families with PAPs will be given priority in employment in project-related jobs.

Trainings and other assistance

In addition to the compensation permanently affected Business, worker/employees and land owners/farmers, vulnerable PAHs will be provided with trainings on computer literacy and/or other trainings according the request as part of livelihood restoration activities.

PAPs - holders of severely affected land parcels: PAPs experiencing road project severe impact will also be provided additional assistance: one-time rehabilitation allowance for severe impact will equal market value of annual gross harvested from the affected portion of a land parcel in addition to standard crop compensation, or one-time allowance set to 3 month payment of the subsistence level in the amount of consumer basket for family of five members (350.2 GEL/month) for 3 months; i.e. $350.2 \text{ GEL} \times 3 = 1050.6 \text{ GEL}$ one time allowance.¹⁶

Official Fees and Taxation

In none of these cases, the PAPs will be liable for any taxes and eventual transaction fees.

Fees for Notary service, court related administrative fees, fees for legalization, sub-division and registration at the NAPR will be paid by the Executing Agency; Taxes will be subsidized unless waived by the Government of Georgia.

Additionally, charges to cover bank service fees will be included on top of the amount of cash compensation to be received by PAPs at the banks.

Table 2 Entitlement Matrix

¹⁵ Amounts to be updated monthly based on national indicators for given month .

¹⁶ Amount of consumer basket for family of five members for last month.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Permanent loss of all types of land (arable, residential, industrial, commercial)	All land losses independent from impact severity	PAPs (with fully registered title)	PAPs will receive cash compensation at full replacement cost at current market value ¹⁷ . The unit rates were identified and confirmed during RAP preparation process.. If any remaining part of the land owned by the registered owners is no longer appropriate for use, such remaining part will also be purchased subject to the agreement with the owner.
		PAPs (possessors of legalizable land parcel)	Assistance to PAPs in the process of legalization of project affected land parcel being under their possession. Once legalization and registration of ownership title is accomplished, land acquisition will be undertaken and PAP will receive cash compensation at full replacement cost at current market value at unit rate proposed in approved RAP.
		Leaseholder of private or public lands	Free of charge renewal of lease in other plots of equal value/productivity of affected land parcel or cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years). In addition, cash compensation to reimburse the proven investments incurred by the Leaseholder to improve the leased land.
		Leaseholder (not registered)	Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years).
		Non-titled, non-legalizable land users/Squatters	Non-legalizable APs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH, will be compensated with one-time self-relocation allowances in cash equal to 1 year of subsistence minimum*.
Permanent loss of community land (pastures, grazing land)		Local community losing access to pasture, grazing land	Affected community will be free of charge allocated replacement land of similar size, productivity, and location acceptable to affected community by the local government. If such replacement is not possible, Livelihood Restoration Plan will be prepared and implemented to address the needs of affected community and preserve their livelihood at least similar to pre-project level.
Structures			

¹⁷ Detailed description of replacement cost at current market value is described in the Section: Methodology for valuation and determination of unit rates.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
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 actual impact percentage. 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 provided to PAPs that may face deterioration of livelihood through indirect impact of proposed road project. (e.g. project impact is extended only on residential dwelling subject to full cash compensation at replacement costs and additional one-time allowances to transport salvaged materials and personal belongings. However, other income generating assets (agricultural land/private commercial facilities) may remain outside of project impact; correspondingly, these assets may not be included in the suggested compensation package. PAPs after moving and settling down to a new location may at least temporarily lose income due to lack of access (increased travel time, complicated accessibility) to the above mentioned income generating assets not affected by the proposed project.</p>
		Residential tenants/renters	<p>One-time allowance equals monthly rental fee (specified in the lease agreement) multiplied by 3; if Lease agreement is not available, minimum monthly salary multiplied by 3;¹⁸</p> <p>In addition one-time technical assistance for transportation personal belongings to a new location; or one-time cash allowance to cover costs for transportation personal belongings. RAP developer consultant will determine reasonable amount depending on the project nature and specificity.</p>
Commercial structure	Project affected commercial facilities subject to partial/full demolition	Titleholder	<p>Cash compensation at replacement cost at current market value calculated for project affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs.</p> <p>If partial demolition threatens deterioration of structure or raises safety and security concerns the cash compensation, will apply to the entire building and affixed assets.</p>
		Tenant of commercial facility	<p>One-time allowance equal to monthly rental fee (specified in the lease agreement) multiplied by 3; if Lease agreement is not available, monthly subsistence minimum multiplied by 3.</p>

¹⁸ If there are cases where the tenant/renter has paid rent in advance for a longer period of time, the land will be requested to reimburse the money to the tenant/renter for the corresponding period if adequate evidence is available.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
State/Municipal owned buildings affected by project	Project affected state/Municipality owned buildings subject to partial/full demolition	IDPs, refugees, squatters occupying facilities for residential purposes	Accommodation in a government resettlement area or a self-relocation allowance as stipulated in the approved RAP.
Fences/Walls	All PAPs with fences to be affected	All PAPs	Cash compensation at replacement (construction) cost according to the material and linear meter length of affected fence/wall.
Annual Crops	Crops affected	All PAPs (including squatters)	Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided even in case if the crops were harvested
Perennials standing on private land parcels	Project affected Fruit bearing perennials	All PAPs (including squatters)	Cash compensation at market value on the basis of type, age, and productive value of fruit tree; Each fruit bearing tree in addition shall be compensated for purchase of saplings. PAPs will be eligible to dispose logged trees themselves. Construction company ensures free logging and delivery of timber to the residence of PAPs.
	Project affected non-fruit bearing perennials	All PAPs (including squatters)	No cash compensation will be issued for perennials not bearing fruits. PAPs will be eligible to dispose logged trees themselves. However, a cash amount will be allocated per each affected non-fruit bearing tree to allow the PAP to purchase saplings and plant them on the remaining portion or on a newly allocated replacement land parcel. Construction company ensures free logging and delivery of timber to the residence of PAPs.
Perennials (on public/State land)	Standing trees	Perennials standing outside of private land	Construction Company will deliver logged down trees and transfer to the Municipality. Municipality may later distribute to local population below poverty levels.
Perennials standing on the forestry land	Standing non fruit trees	Perennials standing outside of private land	The legal implementation of the mentioned activity requires, that Perennials standing on the forestry land must be delisted from the State forest fund in accordance with the corresponding Decrees of Government of Georgia Construction Company will deliver logged down trees and transfer to the Municipality. Municipality may later distribute to local population below poverty levels.
Income loss			
Lessors/landlords	Loss of income through termination of Lease agreements	All PAPs holding lease/rental agreement	One-time allowance equal to annual rental fee (specified in the lease agreement); if Lease agreement is not available, subsistence minimum* multiplied by 12.
Business Employment	Temporary or permanent loss of business or	All PAPs (including squatters)	Business owner: (i) Cash compensation equal to one year income, if loss is permanent; (ii) cash compensation for the

Type of Impact	Application	Definition of PAP	Compensation Entitlements
	employment		<p>period of business interruption, if loss is temporary.</p> <p>Compensation is calculated based on tax declarations. In cases where tax declaration reports are unavailable, or when the monthly income is less than monthly subsistence minimum, then official subsistence minimum** is taken as a basis and this figure is multiplied by 12 month (permanent impact) or by number of months of business interruption (temporary impact).</p> <p>Worker/employees:</p> <p>Indemnity for lost wages for the period of business interruption. In case of permanent stoppage of the business, the employees will receive Indemnity for lost wages for 1 year. In cases where tax declaration reports are unavailable, or when the monthly salary is less than monthly subsistence minimum, then official subsistence minimum multiplied to the number of months of actual stoppage of business is paid or multiplied to 12 month in case of permanent loss of job.</p>
		Agricultural workers losing their contract	Cash indemnity corresponding to their salary for the remaining part of the agricultural year, and where needed livelihood restoration measures.
Additional Rehabilitation Measures			
Technical assistance in legalization, registration procedures		All PAPs with registered title/possessors of legalizable land parcels	Free of charge technical assistance to PAPs during legalization, sub-division of project affected parcel, registration of corrections and/or sales transaction. Project related State taxes, official fees and transactions costs if not waived will be covered by the GOG ¹⁹ .
Relocation	Transport and transitional livelihood allowances	All PAPs affected by relocation	Provision of sufficient allowance to cover transport expenses and livelihood expenses for three months. For this project the Relocation Allowance is fixed as 300 Gel + 3 month payment of the minimum monthly subsistence for the families consisting of 5 members. 300 + 350 x 3 = 1350 Gel
Community Resources			Access shall be maintained or reinstated; Rehabilitation/substitution of the affected structures/utilities (i.e. bridges, roads, schools, health-centres, potable water supply systems, irrigation channels, etc.)
Vulnerable PAPs		PAPs below poverty line; disabled people; pensioners; widows;	Allowance equivalent to 3 months of minimum subsistence income* and employment priority in project-related

¹⁹ In some cases, the PAPs may be reimbursed transaction related costs they incurred for road project purposes (e.g. VAT, Income Tax, Court/Notary fees, Court costs).

Type of Impact	Application	Definition of PAP	Compensation Entitlements
		Female headed households; impoverished; IDPs; Refugees.	
Temporary impact	Loss of access to land parcel	Owners/Users	Temporary access will be set up by Construction Company. In cases of temporary loss of access to land parcel results in loss to crops, the construction company will be compensate APs. All losses and amount of due compensation shall be determined according to the principles of compensation entitlements provided under this RPF and relevant RAP.
	Avoidance of interruption of temporary access road to the business activity	Business units	Temporary access will be set up by Construction Company.
	Temporary loss of income caused by occupying land parcels for the camps and quarries	Owners/users	During camps' site selection process, Construction Company should coordinate with relevant state agencies and give priority to vacant lands not used for agricultural /residential purposes. In case the land parcels selected for camps and quarries will have private land-users, all losses and amount of due, compensation shall be determined according to the principles of compensation entitlements provided under this RPF and relevant RAP.
Any other unforeseen Impacts	As required	Any	Road Department and the construction contractor will address and mitigate/compensate unforeseen resettlement impact during project.

* subsistence minimum for the households consisting of 5 members is taken as a basis for compensation, as it is defined each month by the National Statistics Office of Georgia. The latest published figure is of November 2017 and is equal to 350 GEL.

4.4.3 Assistance for Severely affected and Vulnerable AH

In addition to compensation for assets lost, Vulnerable AH are entitled one-time allowance set to be three month payment of the minimum monthly subsistence income level. AHs are considered as vulnerable in case they are registered as poor in the local social services or are women-headed or disabled –headed households without bread-winner. Households with members with disabilities or people in pension age will receive the allowance only if they are registered as poor.

The above AH will receive an allowance of 350GEL x 3 months or 1050 GEL in all. These figures are taken from the National Statistics Office of Georgia Department data on minimum subsistence income for a family of 5 persons in November 2017, (this is the latest figure published by GEOSTAT for the moment of RAP completion)

Severely affected AH will receive an allowance equal to three months of minimum subsistence income, in the same amount as vulnerable AHs.

4.4.4 Valuation and Compensation Rates

Principles and Methodology

(More detailed description of the applied methodology is given in Annex 1.)

Valuation Principles

Valuation of project affected land and assets shall consider the following:

- Applicable current regional schedules for land values obtained from municipal land commissions, if available
- Applicable current schedules for valuing structures, crops, and trees from local municipalities, if available
- Applicable current market prices
- Loss of future income or value.

The calculation of unit value will be done keeping in consideration the current market rate so as to meet with the replacement cost of the land and lost assets etc. An experienced and registered independent local company shall be employed to do the valuation of land, structures, buildings, trees, crops etc. The approach of the evaluator will consider the assessment for each type of land and assets by location. The valuation should be done when the census and DMS (detailed measurement survey) are conducted by the surveying company who prepares the map of affected plots with demarcation of cut-off areas. The valuation company will engage experts for respective areas who will undertake site visits for physical verification of each category of the losses. The expert team will also consider the reference of previous valuation if available and use latest release of market survey. Based on this methodology the unit rate will be determined. The unit rates may be based on the evaluation agency's assessment with their standard methods for calculating the sample assets.

General overview

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

Project Affected Land

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

1. Sales Comparison Approach²⁰
2. Income Capitalization Approach²¹
3. Cost Approach²²

The Sales Comparison Approach

This approach is well established in international practice. **Sales Comparative Approach** is often used if the real property market sub-segment is active and the information on sales transactions is available

²⁰ The Sales Comparison Approach is based upon the theories of supply and demand, balance, and substitution. The theory of substitution holds that the value of a property replaceable in the market tends to be set by the cost of acquiring an equally desirable "substitute" property. The theories of supply, demand, and balance are somewhat inter-related in that supply and demand forces tend to move toward equilibrium in the market.

²¹ Income Capitalization is a valuation method appraisers and real estate investors use to estimate the value of income producing real estate. It is based upon the premise of anticipation i.e., the expectation of future benefits. To an investor, the future cash flows dictate what the present value should be and what he/she is willing to pay for the property. Income capitalization converts anticipated cash flows into present value by "capitalizing" net operating income by a market derived "capitalization rate".

²² The Cost Approach is based on the principle of substitution which asserts that no prudent buyer or investor will pay more for a property than that amount for which the site could be acquired and which improvements that have equal desirability and utility can be constructed without undue delay. It is a method of appraising property based on the depreciated reproduction or replacement cost (new) of improvements, plus the market value of the site. This approach has the most validity/reliability when improvements are new or near-new. For older/aged structures, the cost approach may not be relevant due to the greater subjectivity involved in estimating depreciation. This approach has the most validity/reliability when improvements are new or near-new. For older/aged structures, the cost approach may not be relevant due to the greater subjectivity involved in estimating accrued depreciation.

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

Income Capitalization Approach

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

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

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

The Cost Approach

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

Sales Comparison and Income Capitalization methods are most applicable for evaluation land replacement cost at current market value for project affected land parcels and this method has been applied during the land cost valuation in this RAP (see details in annex 1.)

Project Affected Structures

Construction cost of project affected structures is best to be determined by professional assets Valuer (licensed appraiser). Valuation of structures shall consider size of the structure and Construction materials used. In determining replacement cost or design of replacement structures, depreciation of the asset and the value of salvageable materials shall not be taken into account.

Considering that these project is focused on Highway construction, impact is most likely anticipated towards residential houses, supplementary structures, fences, stone walls, commercial facilities (like shops, so called "kiosks", mini markets, beauty salons, car repair ramps, car wash facilities, etc); often may be affected supplementary structures, such as barn for cattle or poultry, not regularly but sometimes outside toilets and WC are attached to the stone walls standing along the roads.

All project affected structures (residential houses, supplementary structures, commercial facilities etc.) have been site visited. In the presence of property users/owners detailed has been undertaken and construction cost report prepared. Replacement cost will be identified considering market survey and data collection on market price of construction materials, labour force, transportation, permits and other costs related to construction. No deductions will be applied for depreciation, salvaged materials and transaction costs.

During determining cash compensation amounts for each project, affected residential house or supplementary structure being under ownership/possession of individual households construction cost calculation should be added up with additional amount enough to allow PAP hiring local construction group to expedite accomplishment of new structures.

Affected houses are deemed as subject for compensation at replacement cost even if only part of the building is damaged by the project. Valuation of replacement dwellings shall include the cost of sanitation facilities. Valuation also shall include the cost of access to water supply if the displaced structure had access or if the replacement location does not provide access. Estimated costs shall be sought from PAPs and other local residents and from contractors and suppliers in the affected areas. These estimates do not include the cost of land. Incomplete dwelling units (not used as residential houses for the moment of surveys) or structures that have collapsed before project started shall be valued based on replacement cost of materials. Monetary compensation only, not in-kind replacement shall be offered for such units.

Helpful to study current market values through some preliminary research of local construction market in the project region; collection of data on sales prices if advertised on new developments or houses, commercial facilities listed for sale. Shops trading various construction materials locally will be helpful to determine reasonable amount of unit rate per 1 sq.m. of construction cost to evaluate construction cost at current market price and compensate PAPs for project affected structures.

Project Affected Annual Crops

Annual crops will be valued in cash at market rate by default at gross crop value of expected harvest for 3 years (see annex 1).

Project Affected Perennials

Non-fruit bearing, decorative perennials

No cash compensation will be issued for perennials not bearing fruits. However, a cash amount will be allocated per each affected non-fruit bearing tree to allow the PAP to purchase saplings and plant them on the remaining portion or on a newly allocated replacement land parcel.

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

Fruit - bearing perennials

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

Additionally, the Construction Company ensures free delivery of timber to the residence of PAPs.

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

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

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

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

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

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

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

Limitation of the land use/ownership, the servitude

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

V. INSTITUTIONAL ARRANGEMENTS

5.1 Introduction

5.1.1 General Overview

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

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

5.1.2 Roads Department

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

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

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

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

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

5.1.3 Consultants

Different types of consultants will be involved in LAR tasks:

- a) **PPTA consultants:** These include international and/or local LAR capacity and needed survey teams to carry out field-surveys and prepare the RAP.
- b) **Design consultants:** These will include international and local LAR capacity and needed survey teams carry out the same activities for updating/finalizing the RAP of first tranche based on the detailed engineering design and will also prepare RAP.
- c) **Supervision consultants:** These include international and local LAR capacity and needed survey teams and will assist in overall Project supervision.

- d) **Social Safeguards Consultant (SSC):** This consultant was hired to conduct the external monitoring and evaluation of the RAP implementation. In the absence of a supervision consultant, the SSC will continue to carry out the external monitoring and evaluation for all the RAP.
- e) **Independent Asset valuers:** These will be accredited private firms to be hired by the PPTA or Design consultants to carry out the evaluation of affected assets.

5.1.4 Local Governments

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

5.1.5 Other Agencies and Institutions

Several other institutions will participate to LAR preparation/implementation of LAR tasks (see Figure 1 below). These are:

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

Figure 1: Project Implementation Organogram

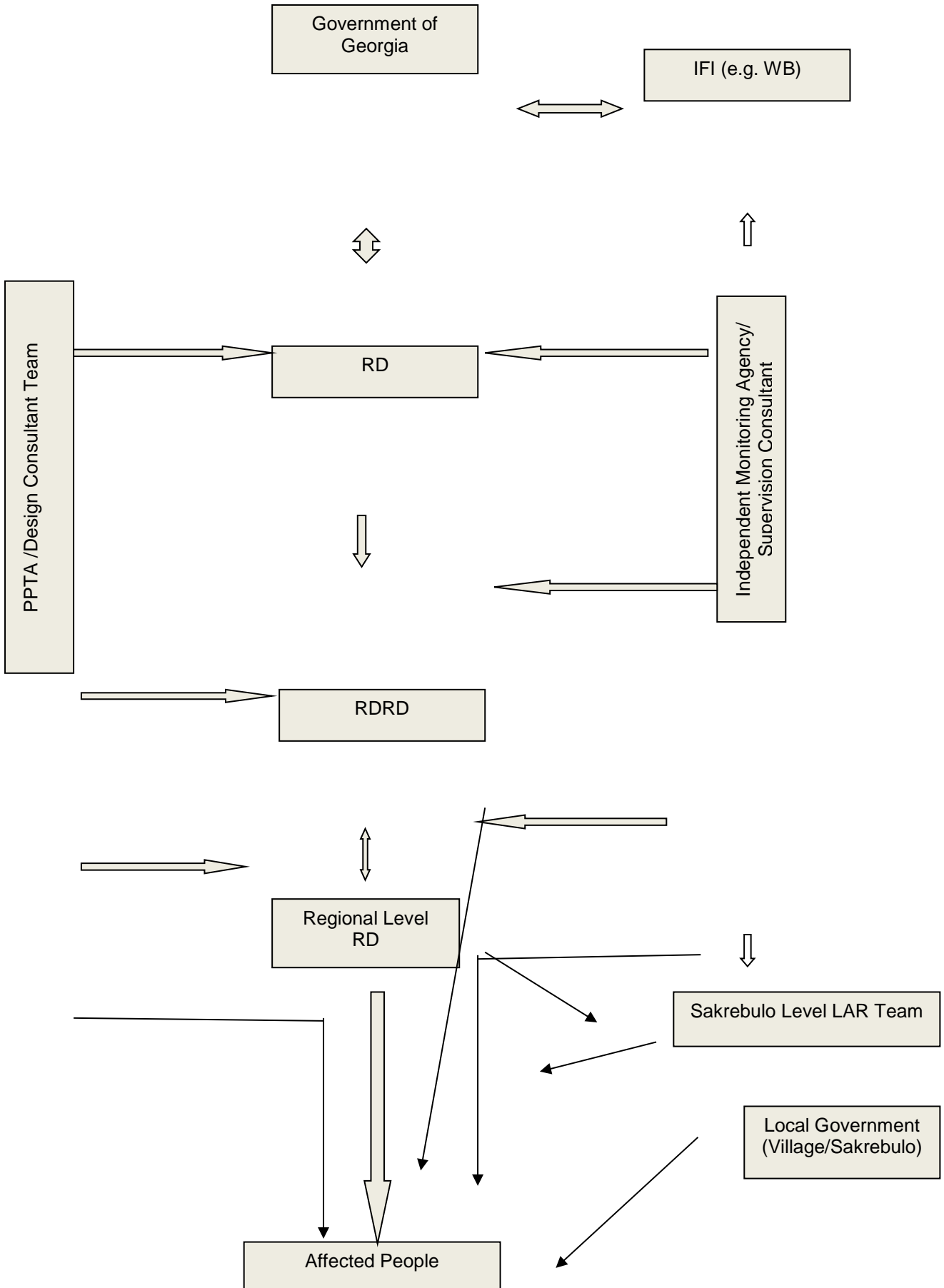


Table 4. Timetable for all resettlement activities according to the responsible agencies tied to overall project implementation process.

Step	Action	Responsibility
A)	RAP PREPARATION	
1	Assessment of Project's social impacts	RD
2	Avoidance of impacts in early project design/concept stage	RD/Design consultants
3	Finalization of Detailed design	Design consultants
4	Prepare surveys forms for Census and DMS, train local Census and DMS teams, and establish coordination with relevant local government agencies.	Consultant
5	Collection of cadastral and land parcel maps of the project area	Consultants/RDRD/NAPR
6	Verify land records in affected areas, update cadastral maps and carry out impacts and valuation surveys – Detailed Measurement Survey (DMS)	Consultant/RDRD/Sakrebulo level LAR Team/
7	Conduct public consultations	Consultant/RDRD/Sakrebulo Level LAR Team
8	Identification of Legal and legalizable APs	Consultant/RDRD/Regional RD
9	Negotiations with APs	Consultant/RDRD/Regional RD
10	Integrate data from Census into the RP.	Consultant
11	Submission of RAP to RD (and WB for approval).	Consultant/RD/WB
12	Disclosure	WB/RD
B)	RAP Finalization (Detailed Design)	
1	Detailed Design	Design Consultant
2	Review of impacts and AP lists based on detailed design	Consultant/ Regional RD/ RDRD/Sakrebulo Level LAR Team
3	Review of prices based on the updated rate	Consultant/ Regional RD/ RDRD/Sakrebulo Level LAR Team
4	Legalization of legalizable APs	Consultant/ Regional RD/ RDRD/Sakrebulo Level LAR Team
5	Preparation of the final RAP	Consultant/RDRD
6	WB Approval	WB
7	RAP disclosure: Distribution of RP and information pamphlets in Georgia in the affected communities; posting of RP in English on the WB and RD website	RDRD/Consultant/Sakrebulo Level LAR team/WB
8	Signing of civil contract award	WB/RDMRDI
C)	RAP IMPLEMENTATION	
1	Approval of Contract awards Signing	WB
2	Detailed Schedule for compensation action plan	RDRD/RD
3	Distribution of Relocation Notices to APs	RD/ RDRD/Regional RD/Sakrebulo Level LAR team
4	Processing Land Acquisition Agreements Land Compensation	RD/RDRD/Regional Level RDMRDI
5	Processing Land Acquisition Agreements on provision Compensation & Assistance/ Rehabilitation	RD/RDRD/ Regional Level RD
6	Demolishing/ Relocation of Affected Structures/Assets	RD
7	Review of RAP Implementation through a compliance report	RD/RDRD/SSC/WB
8	If RAP Implementation found satisfactory, Notice to proceed for Civil works is issued	WB/RD
D)	POST-IMPLEMENTATION TASKS	
1	Before starting civil works prepare Compliance Reports and submit to RD and WB for review and No Objection	SSC
E)	CYCLICAL/CONTINUOUS TASKS	
1	Internal monitoring. Quarterly reporting to WB	RDRD
2	External Monitoring. Semi-annual reporting to WB	SSC/Supervision Consultant
3	Grievances Redress/Law Suites	RDRD/Regional level RD/Court
4	Inter-agency coordination and Communication with AP	RD/RDRD/Regional Level RD

VI. CONSULTATION, AND PARTICIPATION

6.1 Introduction

6.1.1 General overview

Following WB/EIB policies, the RDMRDI will ensure that this RAP is translated into Georgian and distributed to local government agencies. Besides, the RDMRDI will prepare Public Information Booklet (PIB), i.e. reduced version of the final RPF in understandable language and format for PAPs. The Public Information Booklet will be prepared into English and Georgia languages and provided to all PAPs and local governments to be publicly disclosed in the project site. Local government representatives are responsible to make the Public Information Booklet accessible to the local population, including potentially affected communities within the project influence area for review, comments and input made during the disclosure period. All comments and suggestions will be collected through the LAR Team and provided to Consultant, RDMRDI and WB/EIB and if relevant reflected in the final version of the RAP document.

All government agencies involved in RAP preparation and implementation process will be informed about the project, and their assistance will be solicited in the conduct of the inventory of affected assets and the census of PAPs. In addition, prior to RAP finalization and its submission, PAPs will be thoroughly informed on the results of the census and inventory of impacts, and their preferences on compensation and/or other resettlement assistance will be given due consideration. The processes and mechanisms ensuring the active involvement of PAPs and other stakeholders will be detailed in the RAP, which will also include an appendix with dates, list of participants, and minutes of consultation meetings.

6.1.2 Objectives of Public Information and Consultation

Information dissemination to PAPs and involved agencies is an important part of RAP preparation and implementation. Consultation with PAPs and ensuring their active participation will reduce the potential conflicts and minimize the risk of project delays. To ensure that local authorities, as well as representatives of PAPs, will be included in the planning and decision-making processes, RDMRDI and Consultant will continue a dialogue with rayon and municipality authorities and NGOs, as relevant, during the entire project implementation process to ensure:

- Fully sharing information about the proposed subproject components and RAP activities with the PAP;
- Obtaining information about the needs and priorities of PAPs, as well as receiving information about their reactions to proposed policies and activities;
- That PAPs are fully informed about the decisions that will directly affect their incomes and living standards, and that they will have the opportunity to participate in activities and decision-making about issues that will directly affect them;
- PAPs are given contact information of project responsible persons from local authorities/RD that will provide timely sufficient feedback to their inquiries
- Obtaining the cooperation and participation of the PAPs and communities in activities necessary for resettlement planning and implementation;
- Transparency in all activities related to land acquisition and resettlement.

6.2 Consultation during RAP Preparation and Implementation

Public consultation and participation plan were included in the Project to involve the stakeholders, especially the people either directly benefiting from, or affected by the subprojects, through participation in the design, implementation, and monitoring of the subprojects. All communications was in the language most appropriate for involved and engaged parties in the project area. The details of consultation meetings is provided in Annex 4. During RAP preparation and implementation, the Consultant with assistance as required from the RDMRDI will undertake the following:

- Conduct information dissemination and consultation for all PAPs, NGOs and other stakeholders;
- Establish the rates/unit prices to be used as the basis of compensation awards, and confirm land acquisition and impact on properties identified through the DMS/census, demarcation and inventory, in consultation with PAPs;
- Conduct a survey (as part of the IOL/DMS) to:
 - inform them about possible resettlement options;
 - request information from PAPs about their preferences and choices of resettlement options; and,
 - request that PAPs indicate services such as education/ health/markets that they are currently using and their distance from such services;
- Consultation regarding the PAPs preferred option for livelihood stabilization and/or rehabilitation assistance (where required). This applies to PAPs experiencing significant impacts and vulnerable PAPs.

6.3 Public Information Booklet

To ensure that PAPs, their representatives, and local government agencies in subproject areas fully understand the details of the RAP process, and are also informed about the compensation and rehabilitation packages applicable to the Project, a Public Information Booklet (PIB) will be prepared by the consultant.

This PIB will be distributed to all PAPs and communities in the subproject area. The PIB will be translated into Georgian. The general contents of the PIB will include the following:

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

6.4 RPF -RS Disclosure

This RPF-RS in Georgian was disclosed on the RD website and at RD offices. The RPF for RS in Georgian will be disclosed to the APs at the relevant rayon centres and Municipality buildings once road projects are identified. Its English version will be disclosed on the WB and EIB websites after approval by WB and GoG.

Once a RAP for a road project covered by the RPF-RS has been prepared and approved by RDMRDI, and the WB, it will be disclosed at the relevant rayon centres and Municipality buildings. The RPF has been disclosed on RD MRDI web-site in April 5, 2017. A pamphlet in Georgian, summarizing compensation eligibility and entitlement provisions, will be sent to all AP/AHs before the initiation of the compensation/rehabilitation process and before signing contract awards. The consultation process will be continued throughout the project cycle.

VII. GRIEVANCE REDRESS MECHANISM

A grievance mechanism will be available to allow an AP appealing any decision on which they disagree, practice or activity arising from land or other assets compensation. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Care will always be taken to prevent grievances rather than going through a redress process. This can be obtained through careful LAR design and implementation, by ensuring full participation and consultation with the APs, and by establishing extensive communication and coordination between the affected communities, the EA, and local governments in general. Complaint & Grievances will be addressed through the process described below in Table 3.

The GRM consist of project-specific systems established at the municipal level and regular system established at RDMRDI. Grievance Reddress Committee (GRCE) established at municipal level as a project-specific instrument, functional for the whole period of the project implementation. Grievance Redress Commission (GRCN) is formed as an informal structure within the RDMRDI to ensure grievance review, resolution and record.

Grievance Redress Commission (GRCN) is formed by the order of the Head of RDMRDI as a permanently functional informal structure, engaging personnel of RDMRDI from all departments having regard to the LAR issues and complaint resolution. This includes top management, Safeguard or LAR Units, Legal Departments, PR department and other relevant departments (depending on specific structure of the IA). The GRCN is involved at the Stage 2 of grievance resolution process. The Order shall also state that if necessary representative of local authorities, NGOs, auditors, APs and any othe persons or entities can be included in the commission as its members.

A Grievance Redress Committee (GRCE) is an informal, project-specific grievance redress mechanism, established to administer the grievances at Stage 1. This informal body will be established at community level in each affected Municipality (village/community authority). The GRCE shall include representatives of Municipal LAR Teams and local communities. The RD representative in the Municipal LAR Team shall coordinate the GRCE formation. He/she will then be responsible for the coordination of GRC activities and organizing meetings (Convener). In addition, GRCE shall comprise village Rtsmunebuli or his/her representative, representatives of APs, women APs (if any), and appropriate local NGOs to allow voices of the affected communities to be heard and ensure a participatory decision-making process.

If considered necessary, GRCEs will be established at the community level with an office order from the RD with provision of 7 members of following composition:

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

Representative of the Resettlement Unit of IA is coordinating the work of the Commettee and at the same time he/she is nominated as a contact person for collecting the grievances and handling grievance log. The local authorities at the municipal level, civil works Contractor, Supervising Company (Engineer), as well as APs (through informal meetings) are informed about the contact person and his contact details are available in offices of all mentioned stakeholders.

The Contact Person collects and records the grievances, informs all members of the Commettee and the management of RD regarding the essence of the problem, engages the relevant stakeholders in

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

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

At the RAP preparation and implementation stage the APs may raise the land acquisition and resettlement related issues regarding compensation rates, missed items during the inventory of losses, delay of compensation, not sufficient time given for physical relocation, impacts on access roads, potential impacts of noise etc. During the civil works this could be issues of unforeseeable impacts on arable land, infrastructure, buildings etc.

Table 4: Grievance Resolution Process

Steps	Action level	Process
Step 1	Negotiations with APs	The complaint is informally reviewed by the grievance redress committee (GRC), which takes all necessary measures to resolve the dispute amicably. Ten days upon registering the complaints is a deadline for starting negotiations.
Step 2	GRC Resolution	<p>If the grievance is not solved during the negotiations, the GRC will assist the aggrieved APs to formally lodge the grievances to the GRC.</p> <p>The aggrieved APs shall submit their complaints to the GRC within 1 week after completion of the negotiations at the village level. The aggrieved AP shall produce documents supporting his/her claim. The GRC member secretary will review the complaint and prepare a Case File for GRC hearing and resolution. A formal hearing will be held with the GRC at a date fixed by the GRC member secretary in consultation with Convenor and the aggrieved APs.</p> <p>On the date of hearing, the aggrieved AP will appear before the GRC at the Gamgeoba office for consideration of grievance. The member secretary will note down the statements of the complainant and document all details of the claim.</p> <p>Response time for the GRC to acknowledge receipt is 14 days and after date of hearing for Respond/resolve maximum time is 10 days.</p> <p>The decisions from majority of the members will be considered final from the GRC at Stage 1 and will be issued by the Convenor and signed by other members of the GRC. The case record will be updated and the decision will be communicated to the complainant AP.</p>
Step 3	Decision from central RDMRDI	If any aggrieved AP is unsatisfied with the GRC decision, the next option will be to lodge grievances to the RDMRDI at the national level. The RDMRDI shall review the complaint in compliance with the procedures specified in the Administrative Code of Georgia. Response time according the Administrative

Steps	Action level	Process
		<p>Code of Georgia is 30 days, but Internally, according the RD's internal electronic correspondence system, the mandated time for response is 10 days).</p> <p>GRC should assist the plaintiff in lodging an official complaint (the plaintiff should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc).</p> <p>The plaintiff shall be informed of the decision.</p>
Step 4	Court decision	<p>If the RDMRDI decision fails to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court) without any reprisal.</p> <p>The aggrieved AP can take a legal action not only about the amount of compensation but also any other issues, e.g. occupation of their land by the contractor without their consent, damage or loss of their property, restrictions on the use of land/assets, etc.</p>

GRM system is monitored by the Grievance Redress Commission, which has its regular sessions at least once per month. GRM is also monitored periodically by WB/EIB missions.

VIII. IMPLEMENTATION SCHEDULE

8.1 General

The time bound implementation schedule of the RAP has been prepared in consultation with the RDMRDI. All activities related to LAR have been planned to ensure that compensation is paid prior to displacement and commencement of civil works construction. The most important acquisition activity, relating to the privatization process in Georgia, is the legalization of legalizable owners of the identified land parcels for acquisition. The legal status of affected land parcels in the project road in Khashuri and Kharagauli Municipalities has been identified through title search during the land acquisition and resettlement survey and documentation work in August 1518 – November 28 of 2015. The titled and non-titled but legalizable owners of land parcels to be acquired have been identified in the survey.

The present document is the draft of final version of the RAP. RDMRDI has reviewed and approved this document including compensation package and compensation rates and forwarded to the WB/EIB for approval. Tasks for the RAP are divided into (i) Final Preparation including RAP approval various Initial tasks including legalization of legalizable APs and signing of contracts with APs.; (ii) RAP implementation including processing and making payment of compensation and allowances and (iii) evaluation of implementation. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. The LAR milestones include (i) approval of RAP, (ii) signing of contract awards, (iii) letter to proceed for civil works construction and (iv) start of physical civil works. A post –implementation evaluation will be carried out after completion of RAP implementation.

8.2 RAP Approval and Initial Tasks

The Resettlement Unit of the RDRD under RDMRDI sets up relevant institutions and line up TRRC, LARC, Working Group/LAR Team, GRC and the like for the Project. Upon completion of the draft RAP from the detail design consultant, the RU reviews and approve the document including compensation rates. RD will submit the approved RAP WB/EIB for approval. Meanwhile, RD will implement actions for legalization of legalizable owners listed in the ACS of RAP (Annex 4) at the field level. All arrangements will be set for signing the contract agreement with the APs and the process will be executed for land purchase and compensation agreements. The capacity building exercise will be enhanced during this stage. Representatives of the APs and NGOs may be involved in LAR training at this stage. After completion of legalization of all legalizable owners of land parcels under RAP RDMRDI will award civil works contracts (signing of contract awards). The initial LAR activities will be the following:

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

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

8.3 RAP Implementation

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

- (i) Signing of contacts with APs

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

8.4 Post Implementation Evaluation

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

8.5 RAP Implementation Time Schedule

The time bound RAP implementation is presented in Figure 8.1. Land purchase agreements and payment of compensation and allowances will go simultaneously and a sequence of one week time from offer of compensation to agreement, agreement to requisition and requisition to payment transfer is considered. A buffer period of one month has been included in the schedule for relocation of housing. Relocation of housing will also go by sections. Under the circumstances, the implementation schedule may include phased approach for civil works construction.

Figure 8.1: RAP Implementation Schedule

RAP Tasks	2017								2018																											
	November				December				May				June				July				August				September				October				November			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
End of RAP surveys/valuation																																				
LAR Institutions Establishment																																				
AP Consultation																																				
Draft RAP Finalized																																				
WB and EIB final review And approval																																				
Government approval																																				
Disclosure of renewed leaflets and RAP																																				
Legalization																																				
AP agreements signing																																				
Allocation of LAR budget																																				
Transfer of budget to TRRC																																				
Transfer of budget to AP bank account																																				
Compensation deposit in Treasury account x unsolved cases																																				
Grievance resolution																																				

IX. COSTS AND FINANCING

9.1 General

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

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

9.2 Itemized Budgets

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

9.2.1 Compensation for Land

Compensation of agricultural land has been derived based on the feedback from the affected people and from the independent evaluator. The land subject for compensation is categorized in to 4 types such as agricultural land plots used as agricultural or residential land (Type 1 and 2), land plots of residential status (type 3) and non-agricultural (commercial land/ type 4). All 4 types of land are affected under this project. All agricultural land affected in this section is irrigated. Cost of residual land unviable for cultivation is included in the costs. The details are given in Table 9.1.

Table 9.1: Cost for Land Acquisition

Categories by Land Use and Costs	Plots No.	Area (sqm)	Cost per 1 sqm (Gel)	Compensation Cost Gel)
Compensable land				
Type 1. Arable land. The land plots of agricultural status, located close to villages but remotely from the existing mainline road. These land plots are used for agricultural needs; (10 Gel/sqm)	29	24 453	10	244 530
Type 2. The land plots of agricultural official status, used as residential land (17 Gel/sqm).	7	16 925	17	287 725
Type 3. The land plots of residential official status, (17 Gel/sqm)	19	15 751	17	267 767
Type 4. The land plots of non-agricultural status, used as commercial land (33 Gel/sqm)	28	26 740	33	882 420

TOTAL	83	83 869 .	1 682 442
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9.2.1 Compensation for Structures

In total the project affects 34 major structures (residential and commercial buildings), 46 auxiliary buildings (cattle-shed, warehouses, barns, outdoors toilets etc.) and 43 small structures (fences, gates etc.). The structures are compensated at replacement cost without incurring o PAPs depreciation or bank fees. The detailed calculation of the costs is given in technical attachments as an attachment to the inventory forms for each land plots. Besides, the Valuation Report is attached to RAP as a separate volume. Below we provide the summary of valuation:

Major buildings				
No	Buildings	Number of buildings	Measurement/Unit (sq.m)	Price, GEL
Residential Houses				
1	1-storey brick residential house	1	83.92	76 860
2	2-storey residential house with the first floor made of block/brick, the second floor made of wood	4	735,131.	486 590
3	2-storey house, made of stone, brick, and blocks	3	888.554	549 908
4	2-storey house, made of brick and blocks Unfinished building (without roof)	1	150.912	26 150
5	3-storey residential house, made of stone, brick, wood, and blocks	1	681.48	726 565
Buildings used by the community				
6	Post office (non-operational)	1	105.926	85 440
7	Kindergarten	1	385.21	241 475
Commercial buildings				
8	Mini-HPP and pipeline (D=530 * 5 , 1.5 km)	1	35.632	354 130
9	Block -built Office	3	1150	362 725
10	Shop	3	242.65	111 635
11	Georgian Tandoor bakery Building	3	182,577	98 470
12	Concrete Pillar Workshop	1	137.58	95 220

13	Vulcanizing Service Station (Workshop)	1	317.089	172 060
14	Gas Filling Station	1	66.99	159 620
15	Wooden Eatery	3	47.53	15 975
16	Eatery made of block, reinforced concrete and stone	8	1 276.204	734 480
Subtotal		36	6 487,385	4 297 303
Auxiliary buildings				
No	Building	Number of structures	Measurement/Unit (sq.m)	Cost, GEL
1	Wooden Water-closet	2	2,553 .	2 100
2	Block -built Water-closet	9	94.136	97 770
3	Wooden Pigsty	3	8,025 .	3 030
4	Block -built Pigsty	1	40.0	25 850
5	Wooden Cowshed	1	31.155	10 300
6	Block -built Cowshed	3	44,496 .	34 390
7	Wooden Henhouse	2	4.192	1 370
8	Wooden Barn	2	17,838	10 930
9	Block -built Barn	1	14.482	8 340
10	Wooden Corncrib	5	18,88 .	11 495
11	Corncrib made of block and wood	1	11.529	9 840
12	Block -built Warehouse	4	198.092	91 565
13	Wooden Warehouse	7	57,905	16 965
14	Wine Cellar	2	32.764	16 870
15	Iron Shed	1	6.887	8 065
16	Wooden Shed	2	18.932	3 195
17	Garage	3	153,410	38 720
18	Arbor	4	195.875	76 550
19	Iron Booth	1	6.73	1 500
20	Laid Foundation	1	74.4	900
Subtotal		54	9 57,872	468 845

Small Structures					
No	Building	Number of structures	Characteristic/ Units (sq.m)	Cost, GEL	Unit Cost, GEL
1	Fence (iron net on iron pillars)	2	59.1	4 137	70.0
2	Fence (wooden)	32	3 411, 751	16 035	4.70
3	Fence (wire grid on wooden pillars)	4	8 05,5	3 625.0	4.50
4	Fence (barbed-wire on concrete pillars)	1	1 200	7 800	6.50
5	Fence (concrete)	3	1 79,53	2 513	14.0
6	Iron Gates	7	6 5,74	4 550	650.0
7	Wooden Gates	5	32	1 750	350.0

8	Ceramic wine vessels (churi)	39		8 505	
9	Concrete foundation	1	74.4 m ³	900	
10	Metal container	2		7 000	
11	Iron reservoir	1		1 500	
	97	86		58,315	
TOTAL					
		187		4 824463	

9.2.2 Compensation for Business Interruption or job losses

The project affects in total 15 business. Out of this 10 are operating businesses and 5 businesses are renting their facilities to the operating companies. Four of lessors are renting their facilities to 4 operating businesses included in the list of 10 operating businesses. The fifth lessor was leasing the gas filling station facilities. The contract with the operating company has been completed in August 2017 and new contract with new operator has not been signed. The reason for completion of the leasing contract is due to the project imposed limitations. Accordingly it has been accepted that the owner of the facilities loses permanently his business connected with renting the facilities. Permanent loss of business income is subject for cash compensation equal to one year income. Compensation for lost businesses will be given with addition of the sum to be paid by businesses as income tax. In case if the business owner can not provide official documents confirming the annual income level or if the income is less than subsidence minimum for the households with 5 members, the minimum subsidence is paid.

The lessors (owners of the facilities giving them for rent) will be compensated for the income loss in amount of 1 year leasing fee, while the operator of the business will receive compensation for income loss in amount of 1 year taxable income of their affected businesses (or subsidence minimum, as specified above)

28 employees losing jobs and will be compensated by one time cash compensation in amount of the 1 year loss of their wages or one year minimum subsidence in case of the lost wages are lower than subsidence minimum.

The details of business income and job losses and compensation is given in a table

Table: Compensation for lost business incomes and employment

No	Type of business	Annual Taxable Income (Gel)	Compensation for Lost Income (GEL) (Taxable)	No of External Employees	Compensation for 1 employee	Compensation for lost jobs
1	2	3	4			

1	Leasing Eatery Facilities	12000	12000	0		
2	Operating Eatery		5250	7	4200	29400
3	Leasing eatery and shop facilities	3600	5250	0		
4	Operating Eatery and shop facilities	570	5250	6	4200	25200
5	Bread shop and toilet	2400	5250	2	4200	8400
6	Concrete Pillar Workshop		5250	0		
7	Operating Eatery	52	5250	0		
8	Leasing Restaurant	5000	5250			
9	Operating Restaurant	2392	5250	7	4200	29400
10	Operating Shop	996	5250	0		
11	Operating Shop	150	5250	0		
12	Leasing cafe facilities	3000	5250	0		
13	Operating cafe facilities		5250	6	4200	25200
14	Leasing gas filling facilities		35,400	0		
15	Operating Eatery and shop facilities	No confirming documents	5250	0		
	TOTAL		115,650			117,600

Apart from the officially registered businesses associated with certain permanent facilities, 31 non-official individual entrepreneurs are also subject for project impact. One of these PAPs losing their incomes will receive cash compensation equal to one year minimum subsistence (4200 GEL), as he works at site during the whole season (trading with souvenirs). Two other AHs working during the whole season (trading with honey) will receive 6 month compensation for reestablishing their business at the new site and additional allowances for relocating their beehives. 28 others are working seasonally maximum during 4 months and will receive cash compensation for 4 month business interruption equal to 1400 GEL.

Traders	Number	Months	Montly Compensation Rate	Total Compensation
Whole Season	1	12	350	4200
Reestablishment of honey business (6 month)	2	6	350	4200
Seasonal (4 month)	28	4	350	39200
TOTAL				47600

9.2.3 Compensation for Crops

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

Table 9.4: Cost of Affected Crops

Crop	Number of Land Plots	Area sq.m	Compensation for crops harvested on 1 sq,m	Total Crop Compensation
			GEL/sq.m	
Hay	7	8 571	0.12	1 027
Beans	7	3 863	0.70	2 704
Maize	7	3 863	0.40	1 545
Vegetables	10	1 144	2.10	2 403
Strawberries	6	2 476	2.04	3 785
Garlic	1	280	0.8	224
TOTAL	31			11 688

*On some plots several types of crops are cultivated. In total 22 land plots are used for annual crops.

9.2.4 Compensation of Trees

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

Table 9.5: Compensation for Productive Fruit Trees

Type	Groups by Age	n	Cost for 1 seedling wholesale Market price 1 kg., GEL	Years to be compensated	Average productivity in 1 year, kg.	Annual income, GEL	compensation cost without expenses	Total Tree compensation cost inclusive expenses	No of trees	Total compensation cost
						4 x 6	(7x 5) + 3	8 -9		
1	2	3	4	5	6	7	8	10	11	12
Black Cherry /Sweet Cherry	Seedling (<5)	5	2	5	4	8,0	45	35	21	735
	5-10	5	2	5	10	20,0	105	75	64	4800
	10-20	5	2	5	16	32,0	165	117	191	22347
	20+	5	2	5	10	20,0	105	75	11	825
Peach	Seedling (<5)	6	1,5	5	4	6,0	36	27	8	216
	5-10	6	1,5	5	15	22,5	118.5	85	20	1700
	10-20	6	1,5	5	40	60,0	306	216	22	4752
	20+	6	1,5	5	25	37,5	193.5	137		
Walnut	Seedling (<10)	10	5	5	4	20,0	110	80	41	3280
	5-10	10	5	10	15	75,0	760	535	63	33705
	10-20	10	5	10	30	150	1560	1235	42	51870
	20+	10	5	10	40	200	2010	1510	110	166100
k quince tree	Seedling (<5)	4	1,5	5	3	4,5	26.5	20	13	260
	5-10	4	1,5	5	15	22,5	116.5	83	21	1743
	10-20	4	1,5	5	30	45,0	229	162	9	1458
	20+	4	1,5	5	20	30,0	154	109		
Pear	Seedling (<5)	4	1,2	5	7	8,4	46	33	17	561
	5-10	4	1,2	7	20	24,0	172	122	12	1464
	10-20	4	1,2	7	70	84,0	592	416	74	30784
	20+	4	1,2	7	45	54,0	382	269	21	5649
Plum	Seedling (<5)	4	0,8	5	8	6,4	36	26		
	5-10	4	0,8	5	15	12,0	64	46		
	10-20	4	0,8	5	30	24,0	124	88	25	2200
	20+	4	0,8	5	20	16,0	84	60		
Mulberry	Seedling (<5)	5	1,5	5	4	6,0	35	26	15	390
	5-10	5	1,5	5	10	15,0	80	58	8	464

	10-20	5	1,5	5	16	24,0	125	89	19	1691
	20+	5	1,5	5	10	15,0	80	58	2	116
Hazelnut	Seedling (<5)	2	4	5	2	8,0	44	30	231	6930
	5-10	2	4	5	5	20,0	102	75	55	4125
	10-20	2	4	5	6	24,0	122	90	364	32760
	20+	2	4	5	4	16,0	82	55	5	275
Tkemali (wild plum)	Seedling (<5)	3	0,8	5	7	5,6	31	23	125	2875
	5-10	3	0,8	5	15	12,0	63	45	182	8190
	10-20	3	0,8	5	50	40,0	203	143	310	44330
	20+	3	0,8	5	25	20,0	103	73	21	1533
Apple	Seedling (<5)	4	1	5	5	5,0	29	22	50	1100
	5-10	4	1	6	25	25,0	154	109	52	5668
	10-20	4	1	6	70	70,0	424	298	69	20562
	20+	4	1	6	40	40,0	244	172	17	2924
Grape	Seedling (<5)	2	1,5	4	5	7,5	32	23	10	230
	5-10	2	1,5	4	7	10,5	44	31	4	124
	10-20	2	1,5	4	9	13,5	56	40	1444	57760
	20+	2	1,5	4	5	7,5	32	23	692	15916
Cornelian cherry tree	Seedling (<5)	3	2	5	2	4,0	23	17	11	187
	5-10	3	2	5	3	6,0	33	24	2	48
	10-20	3	2	5	4	8,0	43	31	12	372
	20+	3	2	5	3	6,0	33	24		
Persimon	Seedling (<5)	2	1	5	5	5,0	27	20	8	160
	5-10	2	1	6	10	10,0	62	44	31	1364
	10-20	2	1	6	30	30,0	182	128	30	3840
	20+	2	1	6	20	20,0	122	86	3	258
Fig tree	Seedling (<5)	3	1,5	5	5	7,5	40,5	29	8	232
	5-10	3	1,5	6	10	15,0	93	66	57	3762
	10-20	3	1,5	6	30	45,0	273	192	42	8064
	20+	3	1,5	6	20	30,0	183	129	2	258
Kiwi	Seedling (<5)	3	1,5	4	5	7,5	33	24	3	72
	5-10	3	1,5	4	10	15,0	63	45		
	10-20	3	1,5	4	30	45,0	183	129		
	20+	3	1,5	4	20	30,0	123	87		
pomegranate	Seedling (<5)	4	2	5	5	10,0	54	39		
	5-10	4	2	6	10	20,0	124	88	9	792
	10-20	4	2	6	30	60,0	364	256	3	768
	20+	4	2	6	20	40,0	244	172		

chestnut	Seedling (<5)	7	1	5	30	30,0	157	112		
	5-10	7	1	10	50	50,0	507	357		
	10-20	7	1	10	120	120,0	1207	1057	4	4228
	20+	7	1	10	125	125,0	1257	1147	2	2294
berries	Seedling (<5)	2	2,5	5	2	5,0	27	20	4966	99320
	5-10	2	2,5	5	3	7,5	39,5	28	3647	102116
	10-20	2	2,5	5	4	10,0	52	37	298	11026
	20+	2	2,5	5	3	7,5	39,5	28		
Bay tree	Seedling (<5)	1	4	5	1	4,0	21	15		
	5-10	1	4	5	2	8,0	41	29	5	145
	10-20	1	4	5	2	8,0	41	29	4	116
	20+	1	4	5	1	4,0	21	15		
barbery	Seedling (<5)	5	2,5	5	3	7,50	42,5	31	1	31
	5-10	5	2,5	5	5	12,50	67,5	49	8	392
	10-20	5	2,5	5	7	17,50	82,5	66		
	20+	5	2,5	5	5	12,50	67,5	49		
Medlar	Seedling (<5)	4	1,5	6	3	4,5	31	23	5	115
	5-10	4	1,5	6	10	15,0	94	67	7	469
	10-20	4	1,5	6	20	30,0	184	130	18	2340
	20+	4	1,5	6	10	15,0	94	67		
M Z. jujuba	Seedling (<5)	5	2,5	5	3	7,50	37,50	30		
	5-10	5	2,5	7	10	25,0	175,0	140		
	10-20	5	2,5	7	35	92,50	647,50	550	1	550
	20+	5	2,5	7	30	75,0	525,0	445		
Jonjoli (plural capers)	Seedling (<5)	2	1	6	3	7		16	45	720
	5-10	2	1	6	10	3		50	55	2750
	10-20	2	1	6	15	10		80	119	9520
	20+	2	1	6	12	15		65	85	5525
Olive tree	Seedling (<5)	7	4	4	3	12	48	40	1	40
	5-10	7	4	6	10	40	240	200		
	10-20	7	4	6	50	200	1200	1000		
	20+	7	4	6	40	160	960	815		
Total trees:									13 952	804 286

Total cost of 9 889 productive and nonproductive fruit trees trees is 568 689 GEL

9.2.5 Resettlement Allowances

There are three type of allowances being provided to the AH under this RAP. These are: (i) Severe Impact Allowance, and (ii) Allowance for vulnerable and (iii) allowances for physical relocation.

- (i) The allowance for vulnerable AP is 3 months of minimum subsistence income at the unit rate of 350 per month per AH²³ or 1050 GEL for the AH
- (ii) Severely affected AH will receive an allowance equal to 3 months of minimum subsistence income, (whichever figure is greater).
- (iii) Relocation allowance amount is fixed as 300 Gel + 3 month payment of the minimum monthly subsistence for the families consisting of 5 members, which equals to $300 + 350 \times 3 = 1350$ Gel. Allowance for relocating movable assets is fixed as 300 GEL.

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

Table 9.7: Cost for Allowances

No	Item	Unit	Unit rate (GEL)	Quantity	Cost (GEL)
1	Severely Affected AHs	Numbers	1,050	111	116,550
2	Vulnerable Households	Numbers	1,050	6	6,300
3	Relocation of resettled AH	Numbers	1,350	9	12150
4	Relocation of movable assets of traders	Numbers	300	5	1500
Total					136,500

9.3 RAP Management Cost

The Construction Supervision Contractor will conduct external monitoring. However, RU, RDMRDI will need to employ one independent monitoring agency for external monitoring of RAP implementation for a period of 2 months (in case the CSC is not in place during updating and implementation of the RAP. Miscellaneous expenses have been kept as a provision to cover the administrative cost as may be incurred during implementation of the RAP. During the RAP implementation the RD will have to pay 8,007 Gel for registration of 157 land plots. Details of the RAP implementation management cost is given in Table 9.8

Table 9.8 Capacity Building and Management Cost

No.	Item	Unit	Quantity	Unit Cost(GEL)	Total Cost (GEL)
1	Cost for EMA	Months	2	5000	10,000
2	Miscellaneous Administrative Cost	Months	8	2000	16,000
3	Land registration fees		157	51	1734
Total					27,734

9.4 Summary LAR Cost and Flow of Funds

²³ This figures is based on data of the National Statistics Office of Georgia for a family consisting of 5 persons for November 2017.

The total LAR cost calculated for the implementation of this RAP constitutes **8,544,423 GEL 3,311,792 (USD)**. The summary LAR cost estimate is given in Table 9.9. All LAR related funds will be spent in one full year before the start of civil works construction. If the implementation of this RAP covers two fiscals, the allocation of funds will be sought accordingly. Transport Reform and Rehabilitation Centre (TRRC) is responsible for financial management of external financed projects. TRRC will get funds directly from the Ministry of Finance allocated for the project and disburse to APs following requisition from RU, RDMRI.

Table 9.9: Summary Estimate of LAR Costs

No.	Item	Cost in GEL
A	Compensation	
1	Compensation for Land	1 682 442
2	Compensation for Structures/Buildings	4 824 463
3	Compensation of Affected Businesses	115,650
4	Compensation for lost wages	117,600
5	Compensation for lost income of outdoors traders	47,600
6	Compensation of crop	11 688
7	Compensation for non-productive and productive Fruit trees	804 286
	Sub Total A	7,603,729
B	Allowances	
1	Severely AHs	116,550
2	Vulnerable Households	6300
3	Relocation AH	12150
4	Relocation of movable assets	1,500
	Sub Total B	136,500
C	Support Cost for RP Implementation	
1	Cost for EMA	10,000
2	Miscellaneous Administrative Cost	16,000
3	Registration fees for 14 residual land plots subject for registration	1428
	Sub Total C	27,428
	Total R&R Cost (A+B+C)	7,767,657
	Contingency @10 % of the total LAR Cost	776,766
	Grand Total in Gel	8,544,423
	Rate of Currency exchange	2.58

9.5 Justification of Cost Estimates and Updating LAR Budget

Land acquisition and resettlement surveys included a valuation survey of affected land and assets. The survey consulted relevant transactions in case of land and local markets in case of building, trees and crops. In determining allowances to vulnerable households, the existing minimum salary rates have been considered.

As for compensation to crops, the actual market price has been considered for valuation of crops.

The prices are, therefore, replacement value at current market cost and ensures full replacement cost to the affected land, building/structures, crops and trees. Detailed methodology followed for determining replace value of affected assets is given in Annex 1.

9.6 Source of Financing

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

X. MONITORING AND REPORTING

LAR tasks under the Project will be subjected to internal monitoring. In high risk projects, or other projects, where it is considered necessary, external monitoring will be conducted by RDRD/RDMRDI. External monitoring will be assigned to SSC to be hired by RDMRDI and approved by the relevant IFI.

10.1 Internal Monitoring

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

- (i) Timeliness, information campaign, quality of information and consultation with APs;
- (ii) Status of land acquisition and payments on land compensation;
- (iii) Compensation for affected structures and other assets;
- (iv) Relocation of APs;
- (v) Payments for loss of income;
- (vi) Selection and distribution of replacement land areas; and
- (vii) Income restoration activities
- (viii) Results of income restoration activities and compensation provided in terms of measuring extent to which affected livelihoods were restored, identifying gaps, which affected livelihoods were not satisfactory restored.

The above information will be collected by RDRD/RDMRDI which is responsible for monitoring the day-to-day resettlement activities of the project through the following instruments:

- a) Review of census information for all APs;
- b) Consultation and informal interviews with APs;
- c) In-depth case studies;
- d) Sample survey of APs;
- e) Key informant interviews; and
- f) Community public meetings.

10.2 External Monitoring

Where necessary, external monitoring will be carried out by the SSC for the project activities. Indicators for External Monitoring tasks will be carried out in two phases.

Phase One. This external Monitoring phase will be carried out in parallel with the implementation of a RAP and will be concluded after the RAP is fully implemented by the preparation of a compliance report. An acceptable Compliance Report will be condition to start the implementation of physical civil works for the project.

During this phase the SSC will (i) do the investigations and define the indicators needed for phase two activities and ii) closely monitor the implementation of the RAP. RAP implementation monitoring will entail the following tasks: (a) review of RAP/Information pamphlet disclosure; (b) review of action taken by the PIU to compensate the APs with particular attention to the way this action fits RAP stipulations; (c) review all compensation tallies; (d) verify whether the compensation is provided thoroughly to all APs and in the amounts defined in the RP and in the AP contracts; (e) asses the satisfaction of the APs with the information campaign and with the compensation/rehabilitation package offered to them; (f) review the legalization process and assess its effectiveness; (g) review complaints & grievances case; (h) carry out an AP satisfaction survey with a 20% sample of the APs. The SSC will prepare the Compliance Report immediately after the completion of RAP implementation. The Compliance report will include well-argued sections on the following:

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

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

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

10.3 Capacity Building and Training in RAP Implementation

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

Capacity building exercise will be needed at the Sakrebulo level. The designated team at the Sakrebulo level for the LAR activities will be provided with the capacity enhancement related to the LAR planning and implementation and will be made familiar with WB's policy on Involuntary Resettlement. This will be done through on the job training and by participation in the LAR activities. The consultants responsible for the LAR activities in various stages, i.e., feasibility study, detailed design and supervision will work closely with the Sakrebulo level LAR team. A continuous consultation process and informal training through discussion with the Sakrebulo level LAR team and its due involvement in the planning and implementation of LAR activities will be facilitated by the consultant's team.

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

- (i) Principles and procedures of land acquisition;
- (ii) Public consultation and participation;
- (iii) Entitlements and compensation & assistance disbursement mechanisms;
- (iv) Grievance redress; and
- (v) Monitoring of resettlement operations.