

Municipal Development Fund of Georgia



Partial Compliance Report #1

on

Sustainable Urban Transport Investment Program

(SUTIP – 2879-GEO) 3063

Tbilisi – Rustavi Urban Link – Section 2 Part A

SUB-SECTIONS: KM 4+100 to KM 4+400

KM 4+700 to KM 5+100

KM 8+600 to KM 9+700

KM 9+950 to KM 10+750

Prepared by

External Monitoring Specialist– Murman Katsitadze

(ADB LOAN NO. 2879 / 2880)

February 2017

ABBREVIATIONS

ADB	Asian Development bank
IA	Implementing Agency
Km	Kilometer
AP	Affected Person
AH	Affected Household
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
LE	Legal Entity
HH	Household
EA	Executing Agency
MDFG	Municipal Development Fund of Georgia
SPS	ADB Safeguard Policy Statement, 2009
MFF	Multitranchise Facility
SPS	Safeguard Policy Statement
SUTIP	Sustainable Urban Transport Investment Project
Sq. m.	Square Meter
PK	Picket
GEL	Georgian Lari
NAPR	National Agency of State Property
USD	United States Dollar

I. Introduction

1. Sustainable Urban Transport Investment Program is financed through the Asian Development Bank (ADB) Multitranchise Financing Facility (MFF) and implemented by Municipal Development Fund of Georgia (MDFG) with an overall purpose to improve connectivity, reduce traffic congestion and promote sustainable, safe, reliable and efficient transport. Section 2 with total length of 6.8 km passes through housing and industrial areas, and generates significant displacement impacts as a result. Section 2 was sub-divided into two parts: Part A (KM 4+000 to KM 5+300 and KM 6+800 to KM 10+755: the road section without impacts on tenement houses, where LARP can be quickly finalized) and Part B KM 5+300 to KM 6+800 (the section of the road with tenement houses impact, where the impacts are being reassessed following finalization of the structural study of buildings)

2. Draft LARP for the whole Section 2 was prepared by Dohwa Engineering in April 2014. However, to facilitate LARP finalization and implementation later it was decided to split that into two parts and proceed with finalizing the LARP for Part A (KM 4+000 to KM 5+300 and KM 6+800 to KM 10+755). This LARP for Section 2 Part A was developed by the Municipal Development Fund of Georgia (MDF) with support from consultants based on the data from “implementation-ready” version of LARP for whole Section 2. Details on socio-economic survey and valuation were taken from the initial implementation-ready document, then updated to reflect the impacts on Section 2 Part A only.

3. The impacts under the LARP 2A are summarized in the Table 1 below:

Table 1. Summary Impact

No.	Description	Number/Amount Total	Number/Amount for particular sections
1	Total number of land parcels to be acquired: <ul style="list-style-type: none">- privately owned lands- state owned lands- state owned lands used by private (non-legalizable and included in the above 43 plots)- lands with unknown owner	192 43 13 2	115 22 4 1
2	Total area of land to be acquired permanently (in m ²)	264,629.0	122.438
3	Total number of land fully affected land plots	119	59
4	Total number of land partially affected land plots	118	78
5	Total area of agricultural land to be acquired permanently (in m ²)	82,126.0	42706
6	Total area of non-agricultural land to be acquired permanently (in m ²)	182,503.0	79732
7	Total area of permanently affected privately-owned land (in m ²)	183,443.0	87475
8	Total area of permanently affected state-owned land	79,320.0	34963

	(in m ²)		
9	Total area of permanently affected leased land (in m ²)	3,132.0	670
10	Total number of permanently affected households losing property	145	105
11	Total number of permanently affected legal entities	21	10
12	Total number of temporarily affected legal entities	2	0
13	Total number of employees losing job	198	29
14	Total number of vulnerable households	40	4
15	Total number of severely affected households	192	100
16	Total number of permanently affected structures	511	328
17	Total estimated number of APs	905	542

4. According to the calculation, a budget of GEL 39,818,626.10 (USD 22,676,707.56) is required for LARP implementation activities. This includes the cost for compensation of losses, transaction costs such as registration of new land plots / structures, re-registration of remaining portions of land plots, expenses required for notary services, bank account opening and closing fees, bank operational fees and charges, other administrative expenses, as well as resettlement monitoring and evaluation

5. The GoG is responsible for full the execution of the implementation ready LARP.). The budget breakdown is shown in table 2.

Table 2. Compensation budget breakdown

	Particulars/Items	Number of APs	Quantity	Estimated Budget Total	Estimated Budget for Particular section
1.	Compensation for privately-owned land (195 plots)				
	a. agricultural land	108 HH, 1 LE	75,467 sq.m.	4,920,123.00	2,763,595
	b. non-agricultural land	37 HH, 20 LE, 2 unknown	109,842 sq.m.	7,818,770.00	3,791,954
2.	Compensation for trees and perennial plants (108 plots)	100 HH, 8 LE	91 units (nonproductive) 4,729 units (fruit trees and perennial plants)	4,380.00 317,139.00	123,620
3.	Compensation for structures	118 HH, 18LE, 2 unknown	511 units	14,813,223.00	6,698,302
4.	Compensation for	18 HH, 13	30 units	1,998,684.00	90,6483

	Particulars/Items	Number of APs	Quantity	Estimated Budget Total	Estimated Budget for Particular section
	business losses	LE	(permanently affected)		
5.	Compensation for employment losses	198 employees	198 units	178,200.00	28,800
6.	Relocation and transition allowance				
	a. Relocation of housing	41 HH, 3 LE	47 units	42,300.00	14,400
	b. Relocation of business structures	18 HH, 13 LE	30 units	27,000.00	9,000
7.	Allowance to vulnerable APs	40 HH	3 months	36,000.00	3,600
8.	Allowance to severely affected persons	192 HH and LE	3 months	172,800.00	90,000
9.	Income tax (20% of total cost of lines 1, 2, 3)			5,574,727.00	2,675,494
10.	Implementation				
	a. Salaries of RU (12 months * GEL 10000)		12 months	120,000.00	N/A
	b. Operational costs of RU (12 months * GEL 5000)		12 months	60,000.00	N/A
	c. Administrative costs for resettlement implementation (237 plots * 65 GEL)		237 units	15,405.00	N/A
	d. Legal support			40,000.00	N/A
	e. Independent Monitor			60,000.00	N/A
Total				36,198,751.00	17,105,248
Contingencies (10%)				3,619,875.10	N/A
Total + Contingencies				39,818,626.10	N/A

II. Objective of the Partial compliance report and Methodology

6. The objective of the Partial compliance report #1 is to provide assurance that all LAR activities per the approved LARP have been implemented in full compliance with the laws of Georgia and the principles of ADB's SPS 2009 for, KM 8+600 to KM 9+700 and km 9+950 – km 10+750.

7. The external monitoring for the Project was done based on (i) ADB's Safeguards Policy Statement, 2009 (ii) relevant laws, policies, and regulations in Georgia; and (iii) the general principle that Affected Persons' (AP) livelihood should be better or at least remain at the present level after completion of the Project.

8. The Land Acquisition and Resettlement Monitoring Specialist (LARMS) was monitoring the implementation of LARP for Part A ((i) KM 4+100 to KM 4+400, (ii) KM 4+700 to KM 5+100, (iii) KM 8+600 to KM 9+700 and (iv) km 9+950 – km 10+750). Please see annex 1.

9. The EA started implementation of the LARP for the abovementioned section on 2014 October and is still ongoing for the remaining sections not covered under the Report. LARMS stated monitoring and evaluation in October 1 and 2 2016 (Table 3 shows List of Interviewed APs) , and following specific benchmarks were applied:

- (i) Information campaign and consultation with APs;
- (ii) Status of land acquisition and payments on land compensation;
- (iii) Compensation for affected structures and other assets;
- (iv) Payments for loss of income;
- (v) Income restoration activities.

Table 3 List of Interviewed APs

Section	Plot No	Compensation Considered Under LARP	Actual Payment	Awareness	Contract signature / Payment	Note
KM 4+100 – Km 4+400	5	321 738	321 738	Yes attended public meetings	Yes	satisfied
	6	25 702	25 702	Yes attended public meetings	Yes	satisfied
KM 8+600 – Km 9+700	197	96 700	96 700	Yes attend public meetings	Yes	Satisfied
	208	44 466	44 466	Yes attended public meetings	Yes	satisfied
	209	20 665	20 665	Yes attended public meetings	Yes	satisfied
	214	72 196	72 196	Yes attended public meetings	Yes	satisfied
	215	125 390	125 390	Yes attended public meetings	Yes	satisfied
	224	123 937	123 937	Did not attend public meetings	Yes	satisfied

Section	Plot No	Compensation Considered Under LARP	Actual Payment	Awareness	Contract signature / Payment	Note
	230	70 435	70 435	Yes attended public meetings	Yes	satisfied
	233	10 966	10 966	Yes attended public meetings	Yes	satisfied
	234	15 600	15 600	Yes attended public meetings	Yes	satisfied
	256	22 084	11 504	Did not attend public meetings	Yes	satisfied
	241	10 500	10 500	Yes attended public meetings	Yes	satisfied
	244	48 988	48 988	Did not attend public meetings	Yes	satisfied
	248	12 800	0	Yes attended public meetings	No	had several unsuccessful attempts to prove ownership of the Land
	261	52 879	52 879	Yes attended public meetings	Yes	satisfied
	265	41 615	39 515	Yes attended public meetings	Yes	satisfied
	268	202 363	159 896	Did not attend public Meetings	Yes	satisfied
	269	149 921	186 268	Did not attend public Meetings	Yes	satisfied
	286	295 944	295 944	Yes attend public meetings	Yes	AP requests to get secondary building materials of the house that she owned before.

Section	Plot No	Compensation Considered Under LARP	Actual Payment	Awareness	Contract signature / Payment	Note
						expressed overall satisfaction
	290	239 341	239 341	Yes attend public meetings	Yes	AP requests to get secondary building materials of the house that she owned before. expressed overall satisfaction
	292	46 131	46 131	Yes attend public meetings	Yes	satisfied
Km9+950 – Km 10+750	310	75 094	82113	Yes attend public meetings	Yes	The Amount was increased due to reevaluation of the property as requested by the AP. satisfied

10. The LARMS was involved to determine if the actual impact is fully compensated as required by LARP. Review and comparison of the final LARP, signed contracts and compensation records satisfied the objective. LARMS also assessed the awareness of LARP and Information pamphlet disclosure. AP satisfaction was studied through a satisfaction survey based on a focus group of the 23 APs (20 of them was selected randomly and three of them was chosen from Grievance log) LARMS reviewed of complaints and grievances cases as well.

11. As a result of in-field interviews, the LARMS determined that the representatives of local community and government bodies were provided with consultations, public meetings, formal and informal discussions as considered appropriate under the LARP.

12. During monitoring, the LARMS had an opportunity to converse with local persons. Mostly, answers emphasized the positive attitude and expectations of local population, particularly considering the potential for employment during the road construction activities, possibility for further economic growth in the area and the safety issues.

13. The APs were informed and encouraged to attend Public Disclosure meeting. Besides, all important and necessary information was provided to APs on the goals and objectives of the Project and about the eligibility to fair compensation for losses incurred as a result of Project impacts.

III. Results/Contract signature

14. At the stage of the Report preparation LARP was carefully studied, the activities undertaken by MDFG during the land acquisition and resettlement process and the level of compliance of the stipulations under the ADB SPS (2009) was carefully reviewed.

15. LARMS reviewed the status of ownership title of privately owned project affected land parcels and the validity of sales transaction registrations at the National Agency of Public Registry.

16. LARMS Interviewed 23 AHs who signed the agreements were interviewed (see annex 2 standard template of the questioner), in order to determine satisfaction level on October 2016 APs and local population were aware about existence and functions of the Grievance Redress Mechanism. Please see table 3 Grievances received and its resolution for the sections covered under compliance report.

Table 3 Grievances received and its resolution for the sections covered under compliance report

Plot #	Grievance	MDF Response	Note
29	AP requests MDF to buy the rest land	Request was rejected as GRC was not provided with necessary documentation to prove that this land is Non-viable.	AP agreed MDFs decision and signed the agreement on initial amount
273 274	AP requests to get survey and recalculation of compensation	Recalculation was done by license evaluator	
282	AP requests MDF to buy the whole land (House and Auxiliary Buildings) or revise RoW to provide more space for garden.	based on the actual option the reduction of RoW Followed	

Plot #	Grievance	MDF Response	Note
239	AP requests the amount of his compensation to be increased and MDF to buy his property, that is out of the ROW	Rejected as there was no bases on the APs claim	
299, 286, 288, 278, 293, 290	AP requests to get secondary building materials of the house that she owned before.	The Request was rejected as full compensation was paid to the AP	
289	Since 1 auxiliary Building was missing, AP requests to get survey and recalculation of compensation	Accepted	Contract signed Payment Done
193	AP requests new survey and recalculation of compensation for his Property	Accepted	Contract signed Payment Done
274, 8	AP requested to pay taxes	accepted	
264	As affected land was divided into two parts and was registered in Public Registry, AP requests to get re-survey and recalculation of compensation for each property individually	Agreed	Agreement signed Payment done
218	AP requested to get compensation for the LAND and to keep the fence and Gate for Him/Her.	agreed	Agreement signed Payment done
310	Re-calculation request	Agreed	Agreement signed Payment done

Plot #	Grievance	MDF Response	Note
301	AP requests to get compensation for vulnerable and to be listed in "vulnerable list"	Approved	

17. The results of the assessment, carried out during preparation of the Report the LARMS, are as follows: (i) before the contract signature several meetings and discussions were held with the APs. (ii) APs were fully informed regarding the valuation methodology and methods for calculation of the compensation. (iii) APs were provided with an opportunity to express their views and obtain clarifications, as needed.

18. During interview of the APs it was confirmed that they agreed with the valuation methodology and the proposed compensation amount, based on which the final agreements were prepared and signed between APs and MDFG and the compensations were provided to all the APs within 2 weeks after contract signing for all cases.

19. There were several cases, when owners did not agree upon compensation amount. The re-inventory was done and the owners accepted the updated compensation package and signed the agreements willingly and voluntarily.

20. Tables 4.1, 4.2 4.3 and 4.4 below shows comparison of planned and actual payments under the LARP according to sub sections and related maps.

Table 4.1. Comparison Table Planed Vs. Actual (KM 4+100 to KM 4+400)

#	Plot #	Compensation considered under LARP (GEL)	Actual Payment (GEL)	Difference	Comment
1	5	321 738	321 738	0	
2	6	25 702	25 702	0	
3	8	350 703	350 703	0	
4	9	4 532	0	(4 532)	The telephone booth is not functioning and is registered as state property, therefore no resettlement activities are needed
5	10	415 683	415 683	0	

6	10a	123 799	123 799	0	
---	-----	---------	---------	---	--



Table 4.2. Comparison Table Planed Vs. Actual (KM 4+700 to KM 5+100)

#	Plot #	Compensation considered under LARP (GEL)	Actual Payment (GEL)	Difference	Comment
1	18	179 835	179 835	0	
2	19	1 204 302	1 377 112	172 810	The Amount was increased due to re-evaluation of the property as requested by the AP
3	20	2 990 558	2 990 557	(1)	difference caused by rounding of figures
4	21	3 780	3 780	0	
5	24	93 954	93 954	0	
6	24a	278	278	0	
7	29	678 286	861 729	183 443	The Amount was increased due to reevaluation of the property as requested by the AP
8	30a	42 319	42 319	0	
9	30b	191 594		(191 594)	Under LARP the owner of the land plot was not identified. Consequently the land plot was registered as a state property.



Table 4.3. Comparison Table Planed Vs. Actual (KM 8+600 to KM 9+700)

#	Plot #	Compensation considered under LARP (GEL)	Actual Payment (GEL)	Difference	Comment
1	197	96 700	96 700	0	
2	198	20 000	20 000	0	
3	199	27 442	36 542	9 100	This land plot was separated into two parcels: 199.a. and 199b. The payable amount was calculated by the Independent Auditor according to public registry ownership document
4	200	2 000	2 000	0	
5	201	12 100	12 100	0	
6	202	14 629	14 629	0	
7	203	14 420	14 420	0	
8	204	488 067	488 067	0	
9	205	7 973	(7 973)	0	Expropriation process was completed on December 8, 2016, Case #3-260-16. Based on court decision it is subject to instant enforcement. Amount payable to the AP is allocated under escrow account. The property has been registered as a state property.
10	206	61 848	(61 848)	0	
11	208	44 466	44 466	0	
12	209	20 665	20 665	0	
13	210	80 193	80 193	0	
14	211	162 738	162 738	0	
15	212	76 696	76 696	0	
16	213	75 596	75 596	0	
17	214	72 196	72 196	0	

#	Plot #	Compensation considered under LARP (GEL)	Actual Payment (GEL)	Difference	Comment
18	215	125 390	125 390	0	
19	216	128 078	128 078	0	
20	217	9 288	9 288	0	
21	218	18 640	18 640	0	
22	219	22 275	22 275	0	
23	220	7 288	7 288	0	
24	221	6 840	6 840	0	
25	222	9 500	9 500	0	
26	223	64 762	64 762	0	
27	223s	1 353	1 353	0	
28	224	123 937	123 937	0	
29	225	86 233	86 233	0	
30	227	74 633	74 633	0	
31	228	83 377	83 377	0	
32	230	70 435	70 435	0	
33	231	16 642	16 642	0	
34	232	75 924	75 924	0	
35	233	10 966	10 966	0	
36	234	15 600	15 600	0	
37	235	6 310	6 310	0	
38	236	3 000	3 000	0	
39	237	23 457	23 457	0	
40	239	513 724	513 724	0	

#	Plot #	Compensation considered under LARP (GEL)	Actual Payment (GEL)	Difference	Comment
41	239a	152	0	(152)	Due to the small amount the AP does not take interest in receiving compensation.
42	240	146 674	146 674	0	
43	241	10 500	10 500	0	
44	242	96 061	96 061	0	
45	243	11 743	11 743	0	
46	244	48 988	48 988	0	
47	245	5 922	5 922	0	
48	246	14 876	14 876	0	
49	247	26 138	26 138	0	
50	248	12 800	0	(12 800)	The AP is unable to prove ownership of the Land and failed to register it in his ownership at the Public Registry. The plot is abandoned and not cultivated.
51	250	75 734	75 734	0	
52	251	42 001	42 001	0	
53	252	32 460	21 660	(10 800)	199 sq.m. was purchased instead of 307 as it was considered under LARP.
54	254	63 718	63 718	0	
55	255	32 388	32 388	0	
56	256	22 084	11 504	(10 580)	Based on the registry documents, Part of the Land Plot is under state property, therefore 10580 Gel was not paid as it represented share of the state. The case was confirmed by AP

#	Plot #	Compensation considered under LARP (GEL)	Actual Payment (GEL)	Difference	Comment
57	259	54 300	54 300	0	
58	261	52 879	52 879	0	
59	262	29 400	29 400	0	
60	264	28 070	25 839	(2231)	Upon the request of the AP the land plot was split into two parts based on the re-evaluation of the impacted area for each parcels. The total compensation amount to both APs was reduced.
61	265	41 615	39 515	(2100)	The excerpt from the public registry verifying the ownership was submitted for only 288 sq.m, therefore 21 sq.m was subtracted with the value of 2100 GEL.
62	266	75 600	75 600	0	
63	267	87 596	80 684	(6 912)	based on the request of the APs 236 sq.m was purchased, for which the compensation was paid, as for the rest 64 sq.m it was relocated (land was provided for land). AP expressed its satisfaction
64	268	202 363	159 896	(42 467)	Plot N268 was partially owned by the AP holding plot N269. As a result of registrations in public registry the plot N269 was merged with the part of plot N268 (owned by the AP which owned initial plot N269). as a result of the registration plot 269 was increased and the plot 268 was reduced accordingly.
65	269	149 921	186 268	36 347	

#	Plot #	Compensation considered under LARP (GEL)	Actual Payment (GEL)	Difference	Comment
66	270	163 078	163 078	0	
67	271	42 090	42 090	0	
68	272	33 808	33 718	90	Instead of 169 sq.m 167 sq.m ownership documents was presented.
69	273	3 313	3 313	0	
70	274	20 130	24 862	4 732	Business loss compensation was increased
71	275	19 923	21 485	1 562	218 sq.m land was purchased instead of 182 sq.m.
72	276	9 490	8 950	(540)	192 sq.m land was purchased instead of 204 sq.m
73	277	16 197	16 197	0	
74	278	215 262	215 262	0	
75	279	25 780	16 375	(9 405)	355 sq.m was purchased instead of 564 sq.m
76	280	160 233	160 233	0	
77	281	1 635	1 635	0	
78	282	31 725	21 937	(9 788)	At the request of the AP construction buffer was decreased on land plot (based on the study of the Design Company), therefore compensation sum decreased.
79	284	43 302	43 302	0	
80	285	28 946	28 946	0	
81	286	295 944	295 944	0	
82	287	93 706	93 706	0	
83	288	253 173	253 173	0	

#	Plot #	Compensation considered under LARP (GEL)	Actual Payment (GEL)	Difference	Comment
84	289	100 137	112 181	12 044	After the re-evaluation price of building resulted in 108176 GEL instead of 95682 GEL.
85	290	239 341	239 341	0	
86	291	56 092	56 092	0	
87	292	46 131	46 131	0	
88	293	484 727	484 727	0	
89	294	19 580	0	(19 580)	The AP is unable to prove ownership of the Land and failed to register it in his ownership at the Public Registry. The plot is abandoned and not cultivated.
90	295	4 560	4 560	0	
91	296	20 410	20 410	0	
92	297	44 605	44 605	0	
93	298	189 142	189 142	0	
94	299	48 732	48 732	0	
95	300	23 212	23 212	0	



Table 4.4. Comparison Table Planed Vs. Actual (KM 9+950 to KM 10+750)

#	Plot #	Compensation considered under LARP (GEL)	Actual Payment (GEL)	Difference	Comment
1	310	75 094	82113	7019	The Amount was increased due to re-evaluation of the property as requested by the AP
2	311	41 223	41 223	0	
3	312	3 555	3 555	0	
4	313	49 455	49 455	0	
5	314	13 430	13 430	0	Expropriation process was completed on December 8, 2016, Case #3-260-16. Based on court decision it is subject to instant enforcement. Amount payable to the AP is allocated under escrow account. It is registered as a state property at the Public Registry.
6	315	12 620	12 620	0	
7	316	75 600	75 600	0	
8	318	919 778	919 778	0	



IV. Conclusions

21. MDFG carried out the resettlement procedures in accordance with the approved LARP and ADB SPS (2009) requirements for the sections (i) KM 4+100 to KM 4+400, (ii) KM 4+700 to KM 5+100, (iii) KM 8+600 to KM 9+700 and (iv) km 9+950 – km 10+750.

22. The Partial Compliance Report #1 provides detailed descriptions of the monitoring results of LARP, and assessment of the level of compliance of the implementation procedures with the stipulations determined in the LARP and corresponding safeguard document.

23. The undertaken activities and the results achieved during the LARP implementation process, permit determining the LARP implementation results on the sections stated above as Positive

24. Based on the information provided above, I, External Monitoring Specialist, confirm that MDFG carried out the resettlement procedures in accordance with requirements of ADB SPS (2009) for the following sections: (i) KM 4+100 to KM 4+400, (ii) KM 4+700 to KM 5+100, (iii) KM 8+600 to KM 9+700 and (iv) km 9+950 – km 10+750.