



Municipal Development
Fund of Georgia



Asian Development Bank
FIGHTING POVERTY IN ASIA AND THE PACIFIC

Draft Land Acquisition and Resettlement Plan

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ABBREVIATIONS

ADB	-	Asian Development Bank
AP	-	Affected Person
DMS	-	Detailed Measurement Survey
GoG	-	Government of Georgia
GRC	-	Grievance Redress Committee
IA	-	Implementing Agency
LAR	-	Land Acquisition and Resettlement
LARF	-	Land Acquisition and Resettlement Framework
MDFG	-	Municipal Development Fund of Georgia
TCH		Tbilisi City Hall
NGO	-	Non-Governmental Organization
RoW	-	Right of Way
RU	-	Resettlement Unit
SPS	-	Safeguard Policy Statement
ToR	-	Terms of Reference

GLOSSARY

Affected Household	-	All members of a household, residing under one roof and operating as a single economic unit, who are adversely affected by the project or any of its components. It may consist of a single nuclear family or an extended family group.
Affected Person	-	Any legal or natural person affected by project-related changes in use of land, water, natural resources, or income losses.
Beneficiary Community	-	All persons and households situated within the government-owned or acquired property, who voluntarily seek to avail and be part of the project and represented by a community association that is duly recognized by the community residents, accredited by the local government, and legally registered with the appropriate institutions.
Compensation	-	Payment in cash or in kind of the replacement cost of the acquired assets
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.
Severely Affected People	-	In the context of the project, severely affected people include: physically displaced households (those who lose their primary residence); households losing 10% or more of their productive income generating assets; and business owners losing their business partially or temporarily.
Vulnerable People	-	In the context of the project and consistent with the LARF, vulnerable people include affected households below poverty line, households headed by women, disabled people, and internally displaced people (refugees).
Recreation area	-	Populated and/or unpopulated territory of Georgia, with tourism and recreation as its major developmental potential, which includes mutually connected natural and cultural complexes, tourist and resort infrastructural objects and which can be used for the people to have a rest to meet their recreational demands.
Special construction regulation zone	-	Certain special construction regulation zone on the territories of the Capital of the country or capitals of the Autonomous Republics of Georgia in line with the Georgian Law "On the State Supervision of the Architectural-Building Activity"

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1. EXECUTIVE SUMMARY

1. Based on country development strategy and existing masterplans, the Government has prioritized the improvement of transport services in all towns and cities through the country, starting in areas of most urgent or strategic needs. The Government has already invested significantly during last decade, and further investments are on-going in order to: (i) meet the increasing demand and guarantee good mobility conditions for all citizens; (ii) improve inhabitant's quality of life, protect the environmental conditions, and support development of tourism; and (iii) provide world-class infrastructure to allow private companies and investors to find a convenient and efficient environment to thrive.

2. In an effort to improve transport infrastructure in Tbilisi, the Municipal Development Fund of Georgia (MDF) launched Consulting Services for Marshal Gelovani Avenue and Mtkvari River Right Bank Intersection. The Consulting services had been funded by the Asian Development Bank (ADB) and the Municipal Development Fund of Georgia (MDF) is the project executing, implementing and disbursing agency. Location of the Project is given in the **Figure 1**.

3. A Land Acquisition and Resettlement Framework (LARP) was agreed in 2010 between the Municipal Development Fund of Georgia (MDFG), on behalf of the Government of Georgia (GoG), and the Asian Development Bank (ADB) upon the inception of Sustainable Urban Transport Investment Project (SUTIP). This LARP for Marshal Gelovani Avenue' and r. Mtkvari 'Right Bank Avenue intersection was developed by the Dohwa Engineering.

4. This LARP includes: (i) information on number and valuation of affected assets (land plots and structures) and affected households; (ii) information on affected businesses and respective compensation (excluding temporary impacts); (iii) information on vulnerable and severely affected households and respective allowances; (iv) summary of consultations carried out; (v) LARP implementation preliminary budget; (vi) information on respective legal framework, compensation calculation principles, and (vii) grievance redress mechanism.

5. Provision of notice to proceed to contractor(s) and mobilization of contractor(s) will be conditional to full implementation of LARP (full delivery of compensation/ rehabilitation). In case there are changes made after approval of final LARP, MDFG will inform ADB on such impacts, prepare an updated LARP and implement that prior to allow contractor(s) working in Project area. Impacts during construction will be monitored and if required, a supplemental LARP will be prepared.

6. The impacts for the project and number of affected persons is underlined in **Table 1** below.

Table 1: Summary Land Acquisition and Resettlement Impacts

No	Description	Number/Amount
1	Total number of land parcels to be acquired: privately owned lands - state owned lands -	1 14
2	Total area of land to be acquired permanently (in m ²)	632
3	Total number of land fully affected land plots	4
4	Total number of land partially affected land plots	11
5	Total area of agricultural land to be acquired permanently (in m ²)	-

6	Total number of state owned land used by illegal users	0
7	Total area of non-agricultural land to be acquired permanently (in m ²)	632
8	Total area of permanently affected privately-owned land (in m ²)	632
9	Total number of permanently affected legal entities	2
10	Total number of severely affected households	0
11	Total number of permanently affected structures (Banners)	8
12	Total estimated number of APs	2

7. The preparation of the LARP included consultation and participation. The focus of these consultations effectively ensured that APs and other stakeholders would be well informed of the Project and of the LAR process, and could participate in planning. The LARP in Georgian language and the information pamphlet will be fully disclosed in the MDFG web-site.

8. A grievance mechanism is available to allow APs to appeal any disagreeable decision, practice or activity arising from land or other assets compensation.

9. The **Table 2** below provides a summary of the compensation entitlements for various categories of APs.

Table 2: Entitlement and compensation matrix

Type of Loss	Application	Definition of Affected Persons (APs)	Compensation Entitlements
Land			
Permanent loss of Non-agricultural land located in recreation zone	AH losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation at replacement cost.
		Legalizable Owner	These AP will be supported by the IA to obtain legalization and provided with cash compensation at replacement cost.
		Informal settlers (APs with no registration/valid documentation and non legalizable)	One time self-relocation allowance in cash. The relocation allowance is not dependent on the amount of AF members or land characteristics and constitutes fixed amount per family equal to 1 year at minimum salary.
Permanent loss of Non-agricultural land located in "Special	AH losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation at replacement cost.

construction regulation zone”		Legalizable Owner	These AP will be supported by the IA to obtain legalization and provided with cash compensation at replacement cost.
		Informal settlers (APs with no registration/valid documentation and non legalizable)	One time self-relocation allowance in cash The relocation allowance is not dependent on the amount of AF members or land characteristics and constitutes fixed amount per family equal to 1 year at minimum salary.
Buildings and Structures			
Residential and nonresidential structures/assets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers).	Full impact: Cash compensation for loss of building/ structures at full replacement costs free of depreciation and transaction costs Partial impact: compensation for repairs.
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Business/Employment	Business/employment loss	All APs regardless of legal status	Owner: (i). (permanent impact) cash indemnity of 1 year net income and technical and administrative support from the RU to relocate the business in appropriate premises. The amount of relocation will be calculated by an independent evaluator case by case; (ii) (temporary

			impact) cash indemnity of net income for months of business stoppage. Income will be calculated based on tax declaration or in its absence on minimum subsistence income. Permanent worker/employees: (i) indemnity for lost wages equal to 3 months of minimum subsistence income ¹ AND (ii) support to business owner to relocate the business as quickly as possible (see above).
Allowances			
Severe Impacts	>10% land impact Physically displaced households Owners of businesses that have to interrupt activity permanently or temporarily	All severely affected AHs including informal settlers	Agricultural income: additional crop compensation covering 1 year yield from affected land. Other income: additional compensation for 3 months of minimum subsistence income
Relocation/Shifting	Transport/transition costs	All AHs to be relocated and	Assistance to identification of a suitable replacement dwelling Provision of an allowance of 300 GEL covering transport expenses, as well as an allowance equivalent to 3 months of minimum subsistence income to cover livelihood expenses for transitional period
Vulnerable People Allowances		AHs below poverty line (APs registered by the state Social Service	Allowance equivalent to 3 months of minimum subsistence

¹ The minimum subsistence income is calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at the end of the impacts survey (June 2018: 344.8 GEL x month).

http://www.geostat.ge/?action=page&p_id=178&lang=geo

		Agency with less than 100 001 points), households headed by women, disabled people, IDPs	income and employment priority in project-related jobs
Other Losses			
Due compensation to be assessed and paid when the impacts are identified based on the above provisions and on the requirements of SPS 2009.	This applies to impacts that are not of the construction contractor's responsibility, such as, for instance, temporary severance	All APs	Design measures have been taken to eliminate all predictable temporary impacts. If specific claims occur, they will be reviewed through the grievance mechanism, procedures and rates in this LARP, or based on the provisions of SPS 2009, will apply, and any compensation that would be warranted would be paid.
Damages during construction	This applies to damage caused by a construction contractor not complying with its contractual obligations and normal good practice, such as for example, the unintentional destruction of a tree situated in an uncompensated property	All APs	Compensation for such damages during construction is a Contractor responsibility. Compensation will be assessed and paid per procedures and rates in this LARP.

10. The MDFG will implement the LARP, with support from the GoG. Internal resettlement monitoring will be done by the national LAR consultants.

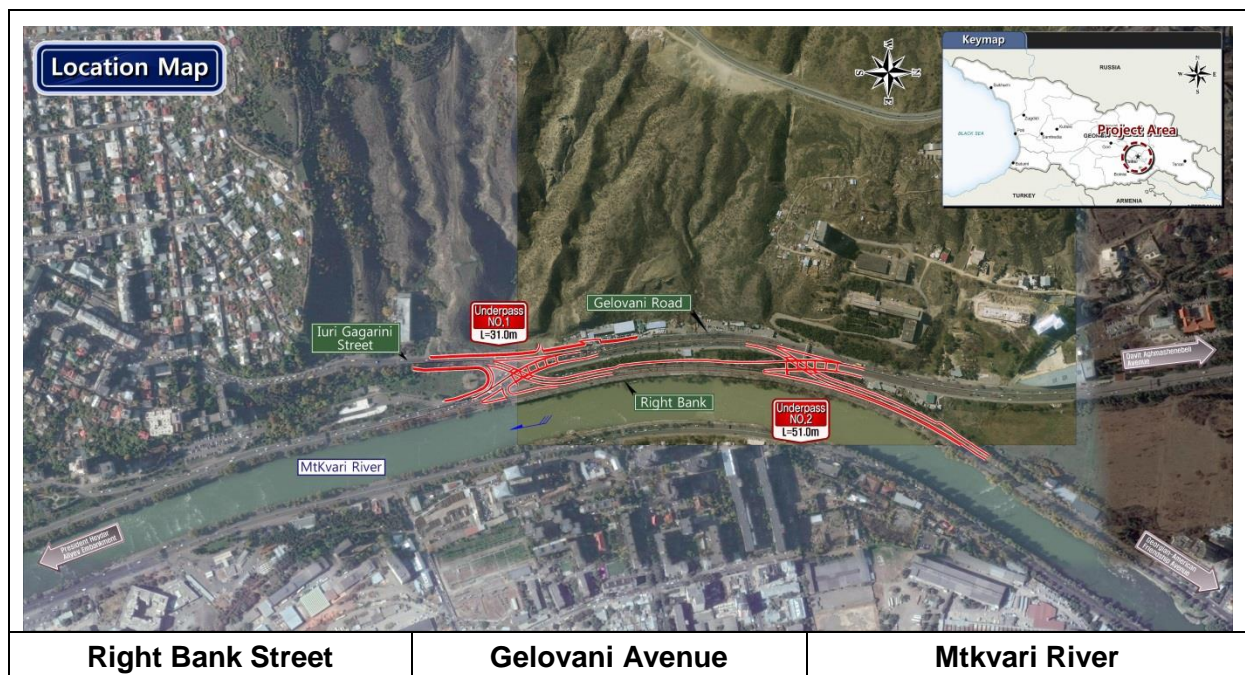
2.1 Background of the project

11. Development of a sustainable urban transport network is a key component for the development of urban areas in Georgia which can enhance the role of Tbilisi as an important business center in the South Caucasus region. Tbilisi is the capital of Georgia with a population of 1,114.6 thousand (source: National Statistics Office of Georgia, 2017) inhabitants. It is located strategically at the crossroads between Eastern Europe and Asia on both banks of the Mtkvari River and has a total area of 726km². The city elevation ranges from 380 ~ 770 meters above sea level and is surrounded by mountains, characteristics that influence the structure of the city.

12. Based on country development strategy and existing masterplans, the Government has prioritized the improvement of transport services in all towns and cities through the country, starting in areas of most urgent or strategic needs. The Government has already invested significantly during the last decade, and further investments are on-going in order to: (i) meet the increasing demand and guarantee good mobility conditions for all citizens; (ii) improve inhabitant's quality of life, protect the environmental conditions, and support development of tourism; and (iii) provide world-class infrastructure to allow private companies and investors to find a convenient and efficient environment to thrive.

13. In an effort to improve transport infrastructure in Tbilisi, the Municipal Development Fund of Georgia (MDF) launched Consulting Services for Marshal Gelovani Avenue and Mtkvari River Right Bank Intersection. The Consulting services had been funded by the Asian Development Bank (ADB) and the Municipal Development Fund of Georgia (MDF) is the project executing, implementing and disbursing agency. Location of the Project is given in **Figure 1** below.

Figure 1: Location of the Project Area



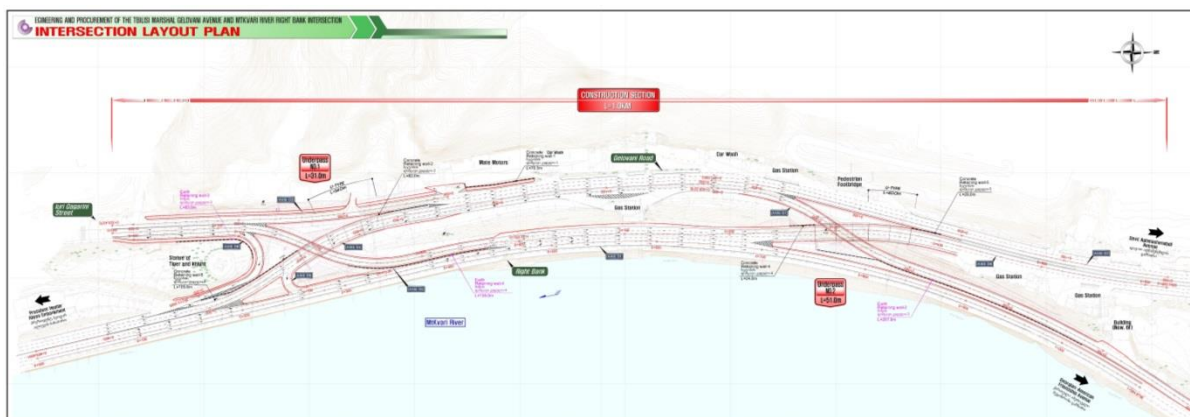


2.2 Description of the project

14. Traffic congestion in the Tbilisi city is a fast-growing issue due to a combination of a poor road network, inadequate signal control at a junction, and insufficient road capacity which is out of phase with the increasing traffic. Currently, Gelovani avenue and right bank intersection is in the grip of traffic congestion and even in the condition of potential traffic accident due to the growing traffic volume, dangerous sharp U-turn movement, and signalized traffic system. The signal system for intersection operates with five (5) phases and the total traffic signal time is over 90 seconds. In spite of the signalized system, the police are supposed to be in the junction area to control and manage congested traffic volume during the morning and evening time.

15. The road and right bank junction to be re-designed are shown in Figure 2 below. The consultancy firm is also required to minimize land acquisition and resettlement and ensure minimal impact on neighboring areas. Most optimal intersection options in terms of cost-effective, constructability, and etc. shall be proposed by the Consultant. It is expected that improved junction system can provide much better traffic circumstances and reduce traffic accidents around the junction area.

Figure 2: Layout of the Gelovani Junction



16. The assignment will be carried out over a period of eight (8) months including preparation of bidding documents.

2.3 Avoidance or Minimize Resettlement

17. Under the drafted design, the project affected 15 land parcels, with 14 of them owned by the state and 1 of them owned privately. The privately owned parcel is owned by a physical

entity. With the aim of avoiding or minimizing resettlement in the project zone, the following actions were realized:

According to the draft design, the project had an impact on three privately owned land plots. Following the negotiations with the design company, changes were made to the project so that the said three parcels are not affected by the project. Consequently, the project implementation will have an impact only on 1 privately-owned land parcel.

There are 7 non-residential buildings located adjacent to the project zone, where the following small and medium business structures are located: (i) two gas stations, (ii) a small market, which is located at one of the gas stations, (iii) oil store, located at the same gas station, (iv) car-washing area located at the same gas station, (v) vehicle fair and (vi) secondary tires store. The project will not have direct impact on these buildings and premises either in the construction, or exploitation phase. The design company was charged with a primary task not to cause any temporal blocking of the access roads to the businesses located adjacent to the project so that no reduction of the business incomes could occur. Consequently, a 7-step traffic management plan developed within the scope of the project (referred to as the Plan) makes it possible to operate all access roads in the project construction phase. At the same time in line with the ADB requirements within the scope of the project, there is a Grievance Redress Committee established, and all legal entities running business adjacent to the project zone informed about their contact information. If the access roads to their businesses are temporarily blocked by the Construction Contractor, they must notify the Grievance Redress Committee about it, and the Committee will respond without delay.

3. SCOPE OF LAND ACQUISITION AND RESETTLEMENT

3.1 Data Collection Methodology

18. The detailed inventory/measurement of affected assets was based on a draft design prepared by Dohwa Engineering and delivered in April-May 2018. An alignment fine-tuning process was carried out as the survey results were becoming available to avoid or minimize some of the most sensitive impacts (see chapter 2.3). Digitized cadastral maps and related information on affected land plots were collected from the National Agency of the Public Registry (NAPR) and the road alignment was superimposed on cadastral maps to identify affected land plots.

19. On the basis of cadastral records, a topographic survey was conducted by consultant “Eco-Spectri” Ltd from end April 2018 to identify the borders of the affected plots, the limits of the road right-of-way, contact affected landowners, identified land users where relevant, and verify all information in the cadastral records pertaining to landowners.

20. Based on these topographic surveying activities and the identification of affected landowners and land users, the survey team conducted a census of Affected Persons (APs). Only two APs come under the project impact. Consequently, an interview with two people would not give a social picture in the project zone. Therefore, the business owners and employees adjacent to the project zone were also interviewed within the scope of the project. These surveys were conducted in the same time window by the same teams.

21. Lastly, a valuation exercise was conducted by valuation company “TIAG Audit „escort” Ltd for all identified affected properties. This was undertaken based on the results of the survey and census, and in the same time frame. All teams were working together in an integrated manner.

22. The end date of the census survey (May 24, 2018) is the eligibility cut-off date for this LARP. Data collected during preparation of LARP for whole project area was revisited. The teams involved in socio-economic study, detailed measurement and valuation collaborated with team of consultants and provided them with the updated information required for development of this LARP.

3.4 Impact Assessment

23. The project zone is the section connecting the international E-60 Highway and the city of Tbilisi. The length of the design section is approximately 1.08 km.

24. There are no residential houses or structures located in the project zone or adjacent to it. The project has no impact on any land parcel with the buildings and structures or fruit trees on it.

25. The project will have an impact on 15 land parcels with the total area of 19 022 m². Of this area, the project will use 11 853 m², making 62.3% of the total area. 14 of the mentioned land parcels are owned by the state and their total area is 14 880 m². As already mentioned, all land plots found in the project zone are non-agricultural plots and majority of them belong to the recreation zone. Under the legislation of Georgia, construction activities are not allowed in recreation zones. Of this area, the project will use 11 221 m². One land parcel is owned privately by two physical entities.

26. The total area of the land parcel owned by the private entities is 4142 m², with the project to use 632 m², making 15.7 % of the total area.

27. The project will also have an impact on 8 advertising banners owned by two legal entities. The City hall of Tbilisi, according to the formal agreement with the companies owning the banners, will allot the relevant land plots to place the banners on them.

28. Within the scope of the project, the banners will be dismantled and installed by the relevant office of Tbilisi City Hall or Construction Contractor. If an owner of the banner refuses to receive the service of Tbilisi City Hall or Construction Contractor, he will be given the compensation for moving the banners fixed under the present document and he will dismantle and move the banners to the new location himself (See the dismantle and installation costs of the banners in Chapter 11.3).

29. There are no buildings and premises or plantings on either of the land parcels.

30. The project will not have impact on any of the land plots with business enterprises on them. As per the work schedule and 7-step traffic regulation plan developed within the scope of project, the access roads to the businesses will not be blocked either temporarily, or permanently. Consequently, under the document developed by the design company, none of the businesses have their operation limited.

31. Despite the developed plan, in case in the construction phase, a business adjacent to the project zone is temporarily stopped, the business owner will receive: cash indemnity of net income for months of business stoppage. Income will be calculated based on tax declaration or in its absence minimum subsistence income. Permanent worker/employees will receive salary based on declaration or in its absence minimum subsistence income of business stoppage².

3.5 Infrastructure in the project zone

32. Under the ground of the international Highway and in its adjacent area, which are located in the project zone, there are a number of infrastructural objects and communications. In the project implementation phase, they will be necessary to disassemble and/or relocate.

33. Some of the infrastructure (power transmission lines, lights, bus stop booths, overpass bridges, etc.) are visually seen, but some of the infrastructure are located under the project zone or in the ground adjacent to the project zone and their location can be fixed only by negotiating with their owners.

34. At the stage of the detailed design preparation, the locations of all units of infrastructure in the project area and adjacent to it are to be fixed and their possible contact with the project in the construction and operation phases must be identified. The degree of environmental impact

² The minimum subsistence income is calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at the end of the impacts survey (June 2018: 344.8 GEL x month). http://www.geostat.ge/?action=page&p_id=178&lang=geo

during the disassembly and/or relocation of the said infrastructure must be identified in order to avoid or mitigate the degree of the expected negative impact.

35. With the aim of identifying the exact location of the infrastructure found in the project zone and physical state of the underground infrastructure, on May 12 of 2018, a meeting was held with Mr. Mikheil Chorgoliani, the Head Specialist of the Department of Infrastructural Projects Management and Designing of Saburtalo District Gamgeoba .

36. During the meeting, all the information about the locations of the underground communications infrastructure in the project zone available to Mr. Mikheil Chorgoliani was obtained from him. It should be noted that as of today, a part of the information is lost. Besides, it is impossible to comment upon the state of the underground communication infrastructure, which is at least 30-40 years old and with a great probability, no relocation of such underground infrastructure is possible following its physical conditions.

3.5.1. Water Drainage System

37. The water drainage channels found in the project zone are owned by the Department of Storm-water and drainage networks of “Tbilservice Group” Ltd. This Department is responsible for the maintenance and operation of these pipes. On May 13 of 2018, a meeting was held with the Head of the said Department, Mr. Nugzar Sikharulidze and his employees

38. The Head of the Department of Storm-water and Drainage Networks of “Tbilservice Group” Ltd., provided us with the thorough information about the situation in the project zone.

39. There are dry gullies formed as a result of the water action on the slope south of the project zone, which, during the rains, are so called watersheds. In order to avoid the hazard of the Highway covering with water during the heavy rains, there were storm water pipes installed on all the dry gullies, which run under the existing alignment (road). There are total 5 such pipes installed in the project zone (**Figure 3**).

Figure 3: Intersection of the project zone with the storm water pipes



40. These pipes have a rectangular shape and have a reinforced concrete structure. The

length of their side is 1,5 m. As of today, all drainage pipes are operable except one. No relocation of these pipes is expected.

3.5.2. Water Supply and Sewage System

41. The water-supply and sewerage systems installed in the project zone are owned by „Georgian Water and Power“. On May 13 of 2018, a meeting was held with the representatives of this company.

42. The water-supply and sewerage systems of Tbilisi were made the property of „Georgian water and „power“ in 2007. Together with the systems, the company received quite scarce information about the locations and physical coordination of the service infrastructure. Consequently, the company representatives have no thorough information about the locations and physical coordination of the pipes.

43. As they explained to us, there are both, sewerage and water-supply systems are found in the project zone.

44. Water sewage pipes are located 5 m deep in the ground and their diameter is approximately 900-1200 mm.

45. Water-supply pipes in the project zone are located both, horizontally and perpendicularly to the land surface. Their depth in the ground varies from 2 to 3 m. The diameter of the sewage pipes also varies from 900 to 1200 mm. Within the scope of the project, 900-mm-diameter pipes will be necessary to relocate or replace altogether. **Figures 4 and 5** show the locations of the water-supply and sewerage pipes as well as of power transmission lines in the project zone.

Figure 4: Locations of the water-supply and sewerage pipes, power transmission lines and lights in the project zone

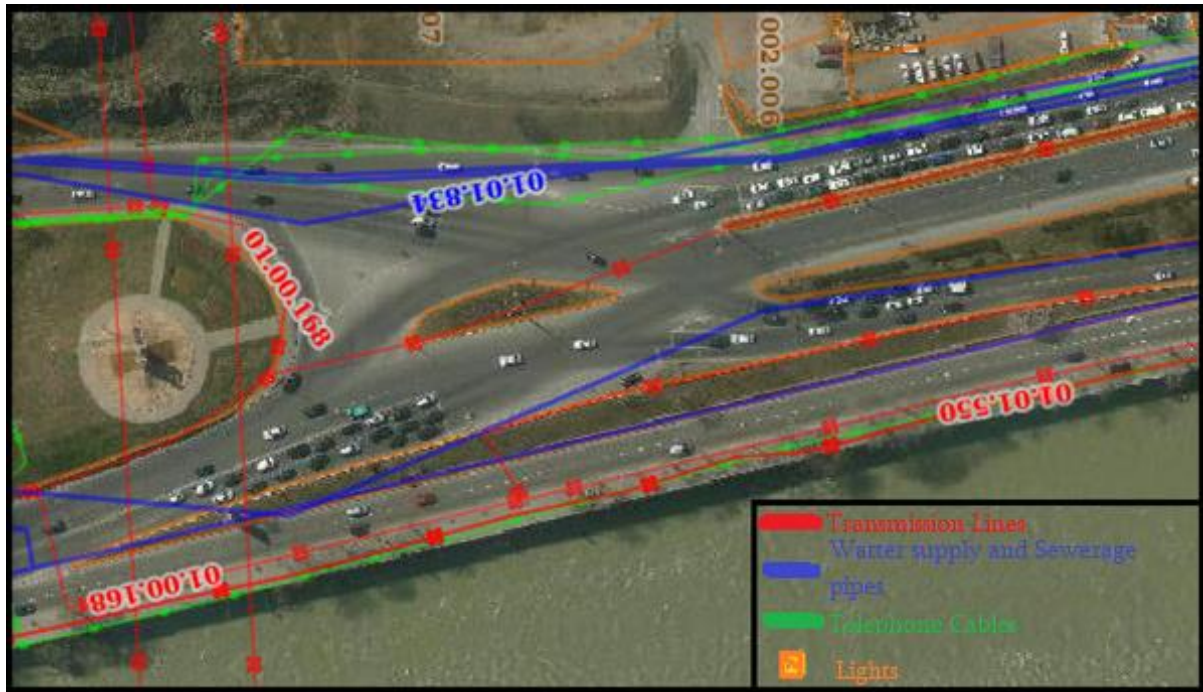


Figure 5: Locations of the water-supply and sewerage pipes, power transmission lines and lights in the project zone



3.5.3 Power transmission lines and lights (lampions)

46. In the project zone, there are lights along the central line and edges of the Highway. The lights are connected to one other with aerial power transmission lines. There are rows of the lights both, in Marshal Gelovani Avenue (**Figure 6**), along its central line and on the right bank

of the Mtkvari River (**Figure 7**). The total number of the lights to be relocated in the project implementation phase is 66, with 26 of them located in Marshal Gelovani street and 30 of them located on the right bank of the Mtkvari River, while 10 other lights are located on the junctions of the two streets (**Figure 8**). Some lights are not only connected with the lights along the street with the power transmission lines, but also receive power from them by means of electrical wires, which cross two project roads in a perpendicular direction (**Figure 9**).

Figure 6: Row of lights in Marshal Gelovani street



Figure 7: Row of lights on the right bank of the River Mtkvari



Figure 8: Lights on the junction of the streets



Figure 9: Connections to the lights from other streets with electrical wires



3.5.4 Overpass bridge and bus stops

47. In the project zone, the aerial bridge in Marshal Gelovani Avenue (**Figures 10 and 11**), as well as the bus stops on the both sides of Marshal Gelovani Avenue with their infrastructure (**Figures 12 and 13**) will be subject to disassembly and relocation.

Figure 10: Bridge across the street



Figure 11: Bridge across the street



Figure 12: Bus stop



Figure 13: Bus stop



48. The infrastructural utilities of found in the project zone will be moved to the relevant state territory by the contractor and does not need a payment of compensation to purchase the land plots (utilities described in chapters: 3.5.1: 3.5.2, 3.5.3 and 3.5.4).

3.5.5 Banners

49. There are 8 advertisement banners in the project zone. All 8 banners are subject to disassembly and relocation. 6 out of the 8 banners are located in Marshal Gelovani Avenue and two banners are located on the right bank of the Mtkvari River (**Figures 14 and 15**). All 8 banners are owned by the private companies, while the land plots are owned by the state.

Figure 14: Banner on the right bank of the River Mtkvari



Figure 15: Banner on the right bank of the River Mtkvari



50. 2 banners in Marshal Gelovani Avenue are placed on the overpass bridge (**Figures 16 and 17**), on one side of it, and one banner is placed in the center mall of the road (**Figure 18**). One banner is placed in Marshal Gelovani Avenue and right bank intersection (**Figure 19**).

Figure 16 : Banner on the Gelovani Avenue



Figure 17: Banner on Marshal Gelovani Avenue



Figure 18: Banner on the overpass bridge



Figure 19: Banner on the overpass bridge



51. Two banners will be placed on the bus stop, on the both sides of the passenger bridge. The said 8 banners are owned by two persons, both legal entities (**Figures 20 and 21**).

Figure 20: Bus stop right side of the Marshal Gelovani avenue (Moving towards Tbilisi)



Figure 21: Bus stop left side of the Marshal Gelovani avenue (Moving towards Tbilisi)



52. Within the scope of the project, the banners will be dismantled and installed by the relevant office of Tbilisi City Hall or Construction Contractor. If an owner of the banner refuses to receive the service of Tbilisi City Hall or Construction Contractor, he will be given the compensation for moving the banners fixed under the present document and he will dismantle and move the banners to the new location himself (See the dismantle and installation costs of the banners in Chapter 11.3).

4. SOCIOECONOMIC INFORMATION AND PROFILE

53. The implementation of the project will have an impact on one land plot which owned by 2 APs. With both of them social survey was conducted.

54. As already mentioned, there are small business objects and offices adjacent to the project zone. A social survey was also held for 15 employees of the said objects to obtain a clearer picture about the social status of the persons under the direct and indirect impacts of the project. At the stage of the social survey, all of them were given the information leaflets prepared within the scope of the project.

55. The objective of this detailed socio-economic survey was to gather general information on socio-economic conditions of the affected people. In addition, social information was gathered on employees.

4.1 Profile of the affected population

56. A sample survey of 17 of direct and indirect effected APs was conducted. Formal and informal interviews were carried out from April 25 – May 5, 2018. Socio-economic survey was carried out based on the list of affected assets and persons. An estimated 1 land plot owned by 2 APs are affected. Results of analysis are presented further in this chapter.

57. In addition to the two project APs, 15 other APs were interviewed. Those 15 people were owners or employees of small and medium businesses adjacent to the project area and they were selected by a random selection principle. There were 2 APs, 5 business owners or managers and 10 employees among the interviewed.

58. There are no residential houses located in the project zone or adjacent to it. There are offices and small enterprises operating in 11 buildings and premises found in the project zone. There are also 2 gas stations in the project zone.

59. On May 4-9 of 2018, 2 AP's, owners of 5 businesses and 10 employees in the project zone were subject to the social survey (**Figures 22 and 23**) with the principal aim to identify their wishes and expectations in the project implementation and operation phases.

Figure 22: Social survey

Figure 23: Social Survey



4.2 Number and Size of Affected Persons

60. Most of the surveyed APs (70.5%) have 3-5 members, while households with less than 3 members comprise 23.6% and those including 6-10 members constitute 5.9%. The average household size is 3.1 (which is less than average in Georgia 3.5). All 17 interviewed parties agreed to provide information on their households, which was used for the analysis. See **Table 3** below.

Table 3. Size of the surveyed households

Size of family	Number	Percent
1 and 2	4	23.6
3-5	12	70.5
6 – 10	1	5.9

4.3 Age, Marital Status and Education Level

61. The age and gender distribution of members affected households (total of 53 people) is shown in the following **Table 4**.

62. From 17 people participated in the social survey, with 4 of the interviewed people being women (25%) and 13 (75%) being men 16 respondents are within 18-65 age group and one is owner 65 age group. 100% of the respondents depend on the existing road economically.

Table 4: Age and gender distribution of surveyed household members

Age of APs	<6 year		7-18 year		19-65 yea		65+ year		Total	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Male	2	3.8%	3	5.65%	22	41.5%	1	1.9%	28	52.8%
Female	3	5.6 %	3	5.65%	19	35.7%	0	0	25	47.2%
Total	5	9.4%	6	11.3%	41	77.4%	1	1.9%	53	100

63. A total of 20.7% (11 persons) affected people are under 18 years of age. This group is either in process of studying or not yet attending the school. In the same time, 24 (45.2%) have higher education, while the remaining 34.1% have completed secondary and vocational.

4.4 Ethnic Composition

64. In terms of ethnic composition, majority of the affected households 49 APs (92.4%) are Georgians. Second largest group 3 APs (5.7%) is represented by Armenians. Third largest group is represented by Azerbaijani 1 AP (1.9%), see **Table 5**. None of these ethnic groups maintain cultural and social identifies separate from the mainstream Georgia’s society fitting the ADB definition of Indigenous Peoples. They have full and equal access to institutions and economic opportunities as the rest of the population and live or own assets within the project impacted area. Based on these data it is concluded that the Project will not trigger the ADB policy on Indigenous People.

Table 5. Ethnicity of surveyed Aps

Ethnicity of AP	Female	Male	Total	
	Number	Number	Number	Percent
Georgian	25	24	49	92.4
Armenian	2	1	3	5.7
Azerbaijani	1	-	1	1.9

4.5 Household Income and Possessions

65. All 17 APs reported to have an income. From which 2 APs have (owners of land plot) a very high income compared to the average income in Georgia. Income of each of them is 12 500 GEL/month. 16 APs rely on one source of income and only 1 AP has two source of incomes from which one in pension. Maximum reported monthly income as we mentioned is 12500 GEL, while minimum was 200 GEL for AP hired in project areas. The average income for 17 APs is 1868 GEL, and average income for 15 APs 450 GEL (excluded 2 APs with high incomes) which is common for Georgia (see **Table 6**).

Table 6: Main sources of income households (for members who have income)

Occupations of affected household members	Number of HH members who have income	%
Daily labor	0	0
Pension	1	5.9
Permanent private sector employment	15 (1 AP has a second income source - pension)	88.2
Permanent government employment	0	0
Business	2	11.8
Agriculture	0	0

Table 7: Reported monthly household income of surveyed APs

Income range (in GEL)	Number of HH	%
100 and below	0	0
100-700	15	88.2
700-1500	0	0

1500 and above	2	11.8
total	17	100

Table 8: Household income and expenditures

	Income (GEL per month)	Expenditures (GEL per month)
Minimum	200	200
Maximum	12500	5000
Average	1868	897

66. 6 respondents (35.3%) have debts with various credit establishments.

67. Lastly possession of household items and vehicles are shown in the **Table 9** below.

Table 9: Possession of Household Items and Vehicles

	Possess (%)	Do not possess (%)
Refrigerator	94.1	5.9
Washing machine	82.4	17.6
Car	47.0	53.0
Motorcycle	0	100
Bicycle	5.9	94.1
Gas cooker	100	0
Heating system	29.4	70.6
Air conditioner	41.2	58.8

3.5 Living conditions

68. Most of the affected APs 16 (94.1) own the apartment buildings and 1 AP lives in his own private house. Every affected person has access to medical services. In the area where APs houses are located there is a school and a kindergarten.

69. All APs are connected to the central water, central sewerage, gas and power supply systems.

5. INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION

70. The preparation of the LARP included consultation and participation. The focus of these consultations was to ensure that APs and other stakeholders would be well informed of the Project and of the LAR process, and could participate in planning. Consultation tasks started after a first alignment was available in end April 2018, and were undertaken in parallel and concurrently with the surveys in May 2018.

71. During July – August by MDF, company DOHWA and Consultant were conducted consultations with affected people and other concerned stakeholders, including civil society, and facilitate their informed participation.

72. The major demand of both, the business owners and majority of the employees was to prevent their businesses from stopping during the project implementation.

73. With business representatives, additional meetings were held with the state and private organizations, which are the owners of infrastructures in the project zone (more detailed information is given in the Chapter 3.5).

74. On July 12, 2018 the project implementing unit individually met with these business managers and/or owners with their businesses located adjacent to the project area. At the meeting, the representatives of project company DOHWA explained to them the goal and objectives of the project and gave a detailed explanation about the developed traffic management plan, which will be used to avoid a limitation of the access roads to their businesses during the construction. They also informed them about the changes planned to realize after the project implementation (**Figures 24, 25, 26 and 27**).

Figure 24: Meeting with Gas station owner



Figure 25: Meeting with small business representatives



Figure 26: Meeting with small business representative



Figure 27: Meeting with Gas station owner



75. After every meeting, the business owners had the opportunity to give questions both, to the project design company and MDF representatives. The main issues, the business representatives were concerned with, are given in **Table 10** below:

Table 10: Question & Answer Session

No	Question	Answer
1	Is their business going to hamper or stop?	The design company was charged with a primary task not to cause any temporal blocking of the access roads to the businesses located adjacent to the project so that no reduction of the business incomes could occur. Consequently, a 7-step plan developed within the scope of the project (referred to as the Plan) makes it possible to operate all access roads in the project construction phase. At the same time, a MDF representative explained to them that in line with the ADB requirements within the scope of the project, there is a Grievance Redress Committee established, and all legal entities running business adjacent to the project zone will be informed about their contact information. If the access roads to their businesses are temporarily blocked by the Construction Contractor, they must notify the Grievance Redress Committee about it, and the Committee will respond without delay.
2	Will the traffic direction have changed following the implementation of the project?	According to the developed project, the traffic direction is planned to change following the implementation of the project. In particular, the vehicles in the project zone will drive in one direction only, from West to Tbilisi. At the same time, it should be noted that the traffic flow will increase, as the present-day flow will be added by the vehicle, which drive along Bakradze street at the moment, which, will continue driving along Marshal Gelovani street through the interchange.
3	If we have additional questions, to whom we may apply?	As already mentioned, today, we only let you know about the general goals and objectives of the project, as well as all activities planned to realize at the project

		implementation stage. As per the ADB's requirement, the team working on the development of the resettlement plan will have close contacts with you up to the moment the document is approved. Within the scope of the project, you get the information leaflets showing their contact information. In addition, a public review will be held within the scope of the project, and you will be notified about this event in advance. Within the scope of the project, in the construction phase, a Grievance Redress Mechanism will be developed with their contact information to be duly communicated to you. You can apply to them with any problem.
4	We are running our business with a bank credit. So, it is much important for us to avoid any long-term blockade of the access roads to our business.	As already mentioned, the present project does not envisage blocking any access roads to the businesses, and no long-term blockade will occur.
5	What will happen if the road is blocked?	With similar problems you can apply to the Grievance Redress Committee. After providing the relevant evidence, the Committee will hire the evaluators, who will assess the damage inflicted to you as a result of the project implementation. In case the evidence is proved you will be given due compensation.

76. The business representatives noted that they were duly informed about the project and stated that they were satisfied with the qualified and thorough answers of the project design company and MDF representative to their questions. The business representatives stated that they support the project and noted that they are grateful for holding the meeting with them and informing them.

77. "Magoil" Ltd. which is the owner of the gas fueling station, rents out the fueling station to company "Rompetrol". The rent agreement between the companies expires on November 19, 2018. The owner of "Magoil" Ltd. does not plan to prolong the agreement unless "Rompetrol" agrees to pay a higher rent.

78. The representatives of MDF and DOHWA, Mr. Jan Jaing informed the fueling station owner about the project details and explained to him the advantages and goal of the project and the traffic plan developed for the construction period.

79. The representative of DOHWA explained to the fueling station owner that the road to the fueling station will not be blocked in the project construction phase, the vehicles will drive freely and will have the access to the fueling station (**Figures 28 and 29**). As a result of the project implementation, a certain change is planned, in particular, the traffic along Marshal Gelovani Avenue will change to a single-line traffic. The vehicles will drive from the entrance point of Tbilisi towards Tbilisi center. The representative of DOHWA also explained that following the project implementation, on Marshal Gelovani Avenue, where there is a fueling station at present, the following traffic directions will operate: (a) from the entrance point of Tbilisi towards Tbilisi center; (b) from Bakradze street towards Tbilisi center.

Figure 28: Meeting with gas station owner



Figure 29: Meeting with gas station owner



80. The fueling station owner stated that he does not object to the project implementation and considers that the present problem of jams is to be solved indeed; however, he put some questions about the project (**Table 11**).

Table 11: Question and answer session

Questions	Answers
During the construction phase, the vehicles will not use the fueling station and will not visit it.	In the construction phase, the traffic in front of the fueling station will not stop and an access road to the fueling station will be maintained.
Is it possible to allot a land plot to me in Bakradze street, where I can build a fueling station?	The MDF representatives explained that the Fund does not issue land plot - construction permits or licenses for operating a fueling station.
Is it possible for you to give me some other land plot instead of the second plot owned by me, with its part under the impact of the project?	The state buys only 77 sq.m. of the land plot what is 7% of the total plot. Consequently, we are unable to buy the whole land plot or give a new plot to you instead, as the impact is minor and the plot will not lose its function.
If the access road is blocked, how will I be compensated for the inflicted damage?	The fueling station is rented out by your company and the income from this business is received as a rent. You have the rent agreement until November 19, 2018. The construction of the interchange starts in the first quarter of 2019. If the road is blocked as a result of the construction, the damage will be compensated. The business owner will receive: cash indemnity of net income for months of business stoppage. Income will be calculated based on tax declaration or in its absence minimum subsistence income.

81. At the end of the meeting, the MDF representatives provided the contact information to the owner of the fueling station and advised that he could contact them with any questions.

82. In July and August, 2018 an additional meeting with the representatives of the business organizations found adjacent to the project zone was held at the office of the Municipal Development Fund (MDF). At the meeting the business organizations representatives were given additional information about the traffic management plan consisting of 7 steps developed at the stage of realizing the construction activities. The goal of the said management plan was to avoid blocking the access roads to the businesses adjacent to the project zone.

83. On July 27 an additional meeting was held with the representatives of gas station Gulf and Ltd “Autoline” (Figures 30 and 31)

Figures 30 and 31: Meeting with the manager of Gulf gas station and representative of “Autoline” Ltd.



84. On 31 of August the meeting was attended by a lawyer of Gulf fueling station and Director of “Tskaro” Ltd. (Figure 32 and 33).

Figure 32: Meeting with the lawyer of Gulf gas station and director of “Tskaro” Ltd.

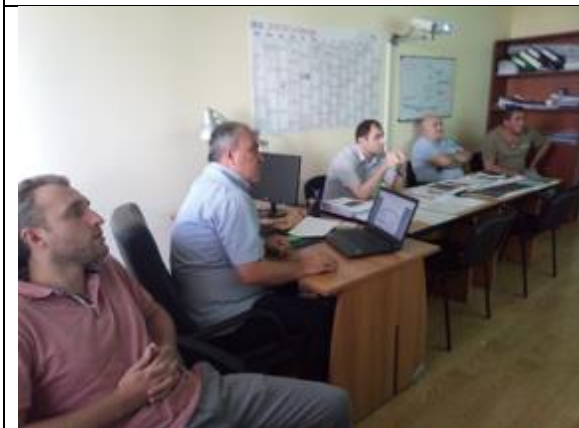


Figure 33: Meeting with owner of Ldt “Megalain”



85. On August 31, 2018, a meeting with the owners of “Magoil” Ltd was held at the office of the Municipal Development Fund (MDF). At the meeting, the owners of the company were informed about the project once again. The owner of “Magoil” Ltd. was explained that a minor

change was made to the project and as a result, the land plot owned by him is not affected at all. Consequently, the land plot of 77 sq.m. owned by him will not be purchased within the scope of the project (**Figures 33**).

86. At the same day (31 August), a visit to the construction object was organized and an additional meeting with the director of “Autoline” Ltd, Individual enterprise “Ramaz Khurtsilava” and manager of Ltd “MMG” (**Figures 34 and 37**).



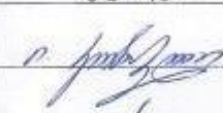

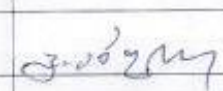
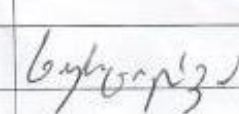
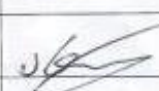
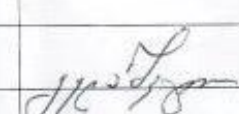
87. During the meetings, the representatives of project consultant company Ltd “Eco-Spectri” and MDF representatives explained to business owners and managers the goal and objectives of the project and gave a detailed explanation about the developed traffic management plan consisting of 7 steps, which will be used to avoid a limitation of the access roads to their businesses during the construction. They also informed them about the changes planned to realize after the project implementation.

88. Signatures of the attendees of the above-mentioned meetings are given in **Figure 38**.

Figure 38. Signatures of attendees

**Interchange planned in Marshal Gelovani Avenue
 Meeting with the concerned entities
 List of attendees**

Meeting place: MDF office Date of meeting: August 31, 2018

N	Name, surname	Address, telephone	Signature
1.	რეზინა ჯანაშიანი (აუტობუსი)	574 119 019	
2.	მეგრე ჯანაშიანი გადამცემი	596 101 870	
3.	ანაბერა აბრამიძე h	599.92.57.57.	
4.	ბუბაბ ბუბუაშვილი დამკვეთი	593.33.33.28	
5.	შინგა ბახუაშვილი დამკვეთი	577.022.682	
6.	ბუბაბ ბუბუაშვილი დამკვეთი	593.31.37.91	

89. After every meeting, the business owners and representatives of companies had the opportunity to give questions to the consulting companies and MDF’s representatives. The main issues, the business representatives were concerned with, are given in **Table 12** below:

Table 12: Question and answer session

No	Question	Answer
1	When will the project start and how long will the construction phase take?	The project is presumably planned to start in the first quarter of 2019 and it will last for 1 year.
2	As far as I understand, the section in Gelovani Avenue where our business is found, will be one-way road following the project realization. Is that so?	The section in Gelovani Avenue where your business is found, will be one-way road following the project realization and your business will be accessible not only for the vehicles driving from the West regions of the country to Tbilisi, but also for the traffic flow from Didube.
3	If the access road to our business is blocked anyway, to whom we can apply?	If the road is blocked as a result of the construction, the damage will be compensated. The business owner will receive: cash indemnity of net income for months of business stoppage. Income will be calculated based on tax declaration or in its absence minimum subsistence income.

90. On September of 8, 2018, the representatives of “Eco-Spectri” Ltd. held another meeting with the management of the private organizations, who own certain infrastructure in the area adjacent to the project zone, in particular JSC “Sashkhape” and its leaseholder “Inspection Center” Ltd. The goal of this meeting was to inform the meeting attendees about the realization of the project (**Figures 39, 40, 41 and 42**).

Figures 39, 40. Meeting with the representatives of “Inspection Center” Ltd.



Figures 41, 42. Meeting with the representatives of “Sashkhape” Ltd.



91. At the meeting, the representatives of design company “Eco-Spectri” Ltd. explained the project goal and objectives to them, and thoroughly explained the traffic management plan which will allow avoiding the access roads to the businesses owned by them during construction phase as well as changes planned following the project implementation.

92. At the meeting, the business owners had the possibility to give questions to the representatives of “Eco-Spectri” Ltd. The major issues the business organizations owners were interested in are given in **Table 13** below.

Table 13: Question and answer session

No	Question	Answer
1	Their businesses will be constrained due to the reduced traffic flow, won't they? In addition, is there any chance that all the described activities will cause temporal stoppage of their businesses?	The primary assignment given to the design company was to avoid blocking the access roads to the businesses adjacent to the project and thus to avoid any reduction of their incomes. Consequently, the traffic management plan consisting of 7 steps developed within the scope of the project allows operating all access roads during the construction phase. At the same time, they were explained that as per the requirement of the Asian Development Bank within the scope of the project, there is a Grievance Redress Committee established within the scope of the project with its contact information provided to all legal entities running business adjacent to the project zone. If the access roads to their businesses is temporarily blocked by the Construction Contractor, they have to inform thereof the Grievance Redress Committee, which will react accordingly.
	To whom we can apply with additional questions?	As already mentioned, today, we simply informed you about the major goals and objectives of the project, as well as all the activities planned to realize during the project implementation. As per the requirement of the Asian Development Bank, the team working on the

		<p>development of the Resettlement Action Plan will have close contacts with you before the document is approved. Within the scope of the project, you were given the information leaflets showing their contact information. Within the scope of the project, a public review will be held and you will be notified of it in advance. There is a grievance redress mechanism developed within the scope of the project, about which you have been already informed. You can apply to the relevant contact person with any problems.</p>
	<p>We have invested heavily to run our businesses by means of bank credits, and besides, we have planned to invest heavily to improve our business infrastructure in the near future. Therefore, it is very important for us to avoid any long-term closure of the access roads to our businesses.</p>	<p>As already mentioned, blocking the access roads to the businesses is not planned by the given project, and closing the access roads for a long time is out of question.</p>

93. The business representatives noted that they were delivered the relevant information about the project and they were satisfied with the accurate and thorough answers to their questions. Besides, they remain with the hope that in case there is a need to solve the arising issues, there will be constant communication with them.

94. Signatures of the attendees of the above-mentioned meetings are given in **Figure 43**.

Figure 43. Signatures of the attendees

მარშალ გელოვანის გამზირზე დაგეგმილი სატრანსპორტო კვანძის პროექტი
 შეხვედრა დაინტერესებულ პირებთან
 დამსწრეთა სია
 შეხვედრის ადგილი: ოცნების ცენტრი შეხვედრის თარიღი: 2 სექტემბერი 2018 წ.

N	სახელი გვარი	მისამართი, ტელეფონი	ხელმოწერა
1.	ვახე ოცნების ვადა info@autotest.ge	თბილისი მთიანეთის რაიონი 128 599102 302	
2.	ნაადე შატყვაძე ოცნების ცენტრი	ოცნების ცენტრი 592. 71. 71. 06	

95. On 13 of July 2018 The representatives of the Municipal Development Fund and Consultant held the meeting with the managers of the companies owning the banners (**Figures 44 and 45**). At the meeting, they were explained the project goals and objectives and way of the project realization and gave a detailed explanation about the developed traffic management plan, which will be used to avoid a limitation of the access roads to their businesses during the construction. They also informed them about the changes planned to realize after the project implementation. Both of them were explained that following the project implementation, neither of the banners could stay in the given area and consequently, it would be necessary to dismantle them and move them to another location.

Figure 44: Meeting with manager of banners owner company



Figure 45: Meeting with manager of Banners owner company



96. The budget necessary for dismantling and installation of the banners, following their present locations and connection to other infrastructural elements will be assigned by the following principle:

1. Banners 1 and 2 (two banners installed on the passenger bridge over the street): as per the project, the existing bridge is planned to disassemble and moved to another location. Consequently, the budget of the bridge and banners movement is envisaged in the project budget and this activity will be accomplished by the Contractor.
2. Banners 3 and 4 (two banners on the bus stop): in an infrastructural respect, these banners are bound to the bus stop and will be moved by the Construction Contractor (banners 1,2, 3 and 4 have one owner).
3. Banners 5, 6, 7 and 8: the disassembly and installation of these banners will be done either by the City Hall or Construction Contractor.

97. After the meeting, the representatives of the companies owning the banners thanked for informing them and stated that they do not object if the banners owned by them are dismantled and moved to other locations.

98. Upon delivery of the final draft of the present LARP report, it will be disclosed in Georgian and English languages through the web page of the MDF of Georgia and discussed with stakeholders. RAP report will be finalized through incorporation of the public feedback and the full account on the consultation process will be attached during the LARP disclosure period, hard copies as well as the electronic version of non-technical summary of LARP will be available at the following address:

- Municipal Development Fund of Georgia – Tbilisi, Agmashenebeli 150.
- Tel. 599 01 91 83 David Arsenashvili

6. GRIEVANCE REDRESS MECHANISMS

99. During implementation of the Project, there might be several issues related to environmental and social hazards and disputes on entitlement processes which may occur due to the Project activities.

100. The official administrative bodies are obliged to respond to the grievances that have been received from population or other interested parties in accordance with the requirements of the Administrative Code of Georgia. However, the described system is not flexible and convenient for affected persons and does not provide efficient pre-litigation mechanisms for grievance resolution.

101. In accordance with the ADB SPS 2009 requirements, a Grievance Redress Mechanism set up for the Project to deal with both the environmental and social issues of the Project. MDF as the Executive Agency (EA) has overall responsibility for project implementation and environmental and social compliance. MDF as the EA will facilitate the grievance resolution by implementing a project-specific Grievance Redress Process (GRP).

102. The GRC will comprise representatives from local authorities, affected parties, and other reputed NGOs or persons, as mutually agreed with the local authorities and affected persons. It will also comprise the Contractor's Social Specialist, Supervising Company's (SC) Resettlement Specialist and EA Safeguard specialist. The role of the GRC is to address the Project related grievances of the affected parties that are unable to be resolved satisfactorily through the initial stages of the Grievance Redress Mechanism (GRM).

103. EA will assist residents of affected territories (Saburtalo municipality) and affected community to identify local representatives to act as Grievance Focal Points (GFP).

104. GFPs are designated personnel from within the community who will be responsible for:

- acting as community representatives in formal meetings between the project team (contractor, SC, EA) and the local community he/she represents
- ii) communicating community members' grievances and concerns to the contractor during project implementation

105. The sufficient number of GFPs for the project is – 4-5 persons.

Goal

106. The rules and procedures of the Grievance Redress Committee (hereinafter referred to as "The Document") regulate the procedures of responding to the grievances/applications filed before the LEPL Municipal Development Fund (hereinafter referred to as "The Fund") by physical or legal entities, who were affected by the project to be realized by the Fund.

107. The goal of the document is to regulate the process and ways of accepting, evaluating, monitoring and resolving the problematic issues, make the MDF more accessible for the project affected persons and ensure the efficient solution of the issues related to the project.

108. The resolution process of the grievances/applications is made up of two stages. The rules and procedures given in the present document are developed to realize the process to resolve the issues by the Grievance Redress Committee at the second stage.

Eligibility to submit grievances/applications

109. Any physical or legal entity (entities), considering that the Fund project being developed or realized has or may have a negative impact on him, is eligible to submit a grievance/application.

110. The grievance/application resolution is a two-stage process. At the first stage, the Fund uses the locally available means, such as considering the issue with a local engineer or contractor, consulting with the supervisor/consultant/contractor locally and/or sending a written application to the local municipality. In case of failure to resolve the grievance/application at the first stage, the grievance/application goes to the second stage, to the Grievance Redress Committee.

111. The grievance/application may be submitted regarding the ongoing Fund projects, which have not been completed yet:

- a) In case the issue could not be resolved at the first stage;
- b) In case the grievance/application is submitted to the second stage immediately.

Submission and registration of a grievance/application

112. As soon as the grievance/application is accepted, it is registered at the Fund chancellery. The concerned person will be given the document proving the submission of the grievance/application. From the chancellery, the grievance/application will be sent to the Executive Director, who, in 5 working days, will send it to the Department of Environment Protection and Resettlement (hereinafter referred to as "The Department").

113. Within 3 working days of the registration of the grievance/application in the e-database, the Department will send the notification (letter and/or e-mail) to the applicant informing him that the grievance/application is accepted for further response. The applicant is also informed about the contact information.

114. Within 15 working days of the registration of the grievance/application in the e-database, the Department:

- a) Will identify the need for submitting any additional information and/or documents by the applicant (hereinafter referred to as "The concerned person") of the grievance/application. In case additional information and/or documents are needed, a written notification will be sent to the concerned person about filling the gap. If the gap is not filled within the specified time, the Fund is authorized to abandon the grievance/application without resolving it, or resolve it and make a relevant decision.
- b) Will obtain relevant and necessary information from the Fund structural departments or project partners.

- c) Will fix the date of the hearing of the issue by the Grievance Redress Committee. If necessary, it will duly inform the applicant of the grievance/application.
- d) Will update the status of the grievance/application in the database.

Consideration of the grievances/applications

115. The grievance/application will be considered by the Grievance Redress Committee (hereinafter referred to as "The Committee").

116. The sessions of the Committee are held at least once a month. Any grievance/application must be considered at the Fund chancellery within two months of the grievance/application registration at the chancellery.

117. The agenda of the Committee session and list of issues must be developed in advance. A brief summary of the agenda of the Committee session and grievance/application must be sent to all members of the Committee at least 3 working days prior to the planned session.

118. The Committee staff must be determined by the Executive Director. At the request of the International Finance Institution, it must be provided with the information about the Committee staff. Each speaker responsible for his report must submit the Committee members a brief summary of the grievance/application and answer the questions of the Committee members (if any).

119. The Committee session is legally capable if it is attended by more than half of its listed members. The final decision is made by the majority of members attending the session. If necessary, a concerned person may be invited to the session to submit the evidence(s) regarding his case.

120. The Committee protocol is signed by the Committee members within 5 days of making a decision. At the request of the International Finance Institution, it is sent the protocol of the session.

121. Within 3 working days of signing the protocol, a notification (regarding the decision) is sent to the concerned person. The final decision must describe the schedule of realizing the decision.

122. The Department will duly update the application status in the database.

Decision realization and completing the case

123. The relevant structural unit of the Fund is responsible for the monitoring of the decision made by the Committee. The Unit of Environment Protection and Resettlement is obliged to provide the Committee with the information about the progress and status of realizing the decisions made during the previous session

124. The term of realization depends on concrete cases, but it must not exceed 100 working days. The unit will also undertake the monitoring of the realization process.

125. The consideration of a grievance/application is considered complete when all actions envisaged by the resolution of the Committee are realized.

126. The unit informs the concerned person about the fact that the redress of a grievance/application, solution of the problem and closing the case are complete and/or the grievance/application was not redressed and the case was closed. If, within three weeks of receiving the notification, the concerned person does not state about newly established facts, the grievance/application redress will be considered officially complete. The scheme of Grievance Redress Mechanism is given in **Figure 46**.

Monitoring and evaluation

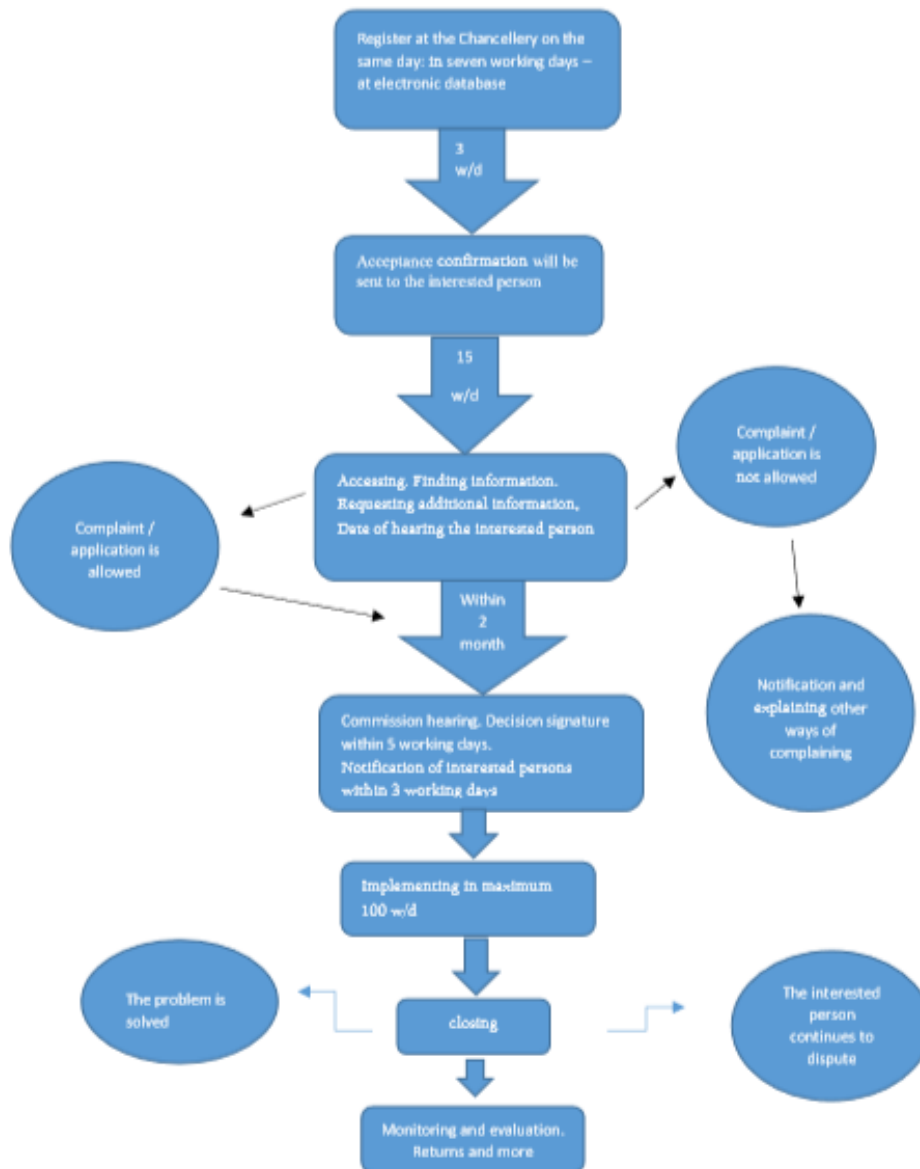
127. The main goal of monitoring and evaluation is to improve the performance of the Grievance Redress Committee. The Resettlement Unit of MDF must register all steps of all grievances/applications and case in the manner as to ensure that the data monitoring and evaluation should be possible. The registration must incorporate the registration of grievance/application, identification of its admissibility, dates of notifying the concerned person, grievance/application redress and realization of the made decisions, including the date of closing the case. The gender of the applicant, language of the grievance/application and manner of its submission must also be specified. The Department must submit the data to the Grievance Redress Committee as annual reports.

128. The Grievance Redress Committee will consider the data annually to evaluate the operability of the system and to identify the following issues:

- a) Cases of failure to comply with the procedures of the grievance/application redress mechanism.
- b) Cases when the grievance/application redress was hampered, particularly when it hampers the construction envisaged by the project.
- c) Most common types of grievances/applications.
- d) Location(s), from where most grievances/applications are filed.

129. The data received as a result of monitoring and evaluation must be used for organizational education, observational analysis and identification of systemic problems and of changes to be made to the rules and procedures as necessary to avoid the precedents of disputable issues in the future.

Figure 46. Grievance Redress Mechanisms



6.1 Grievance Log

130. The Grievance Logs will be developed. The records in Grievance logs include the following information:

- Name and contact details of the claimant
- Date of receiving claim
- Form of claim – (oral or written)
- To whom the claim has been addressed initially (entry point)
- The brief description of the essence of claim
- The stages, dates and participants of negotiations with the AP with GRC
- Minutes of meetings

131. The copies of the records/documents may be also kept in the municipal office.

7. Legal Framework

132. This LARP is based on existing legal framework and procedures for land acquisition in Georgia and ADB Safeguard Policy Statement (2009), as well as Land Acquisition and Resettlement Framework prepared in April 2010. The following section describes these policies, land acquisition processes, entitlements and eligibility for compensation and other resettlement entitlements.

7.1 Georgian Legislation

133. This section provides a brief summary of the normative and legislative acts in Georgia regulating the issues of land acquisition and resettlement, obtaining State ownership rights to privately owned land parcels based on the public needs, social issues caused due to road constructions activities:

- Constitution of Georgia, 1995 Law of Georgia on Motor Roads, 1994;
- Organic Law of Georgia, Local Self-Government Code, 2014;
- Civil Code of Georgia, 1997;
- Law of Georgia on Cultural Heritage, 2007;
- Law of Georgia on Notary, 2009;
- Law of Georgia on State Property, 2010;
- Law of Georgia on Ownership Rights to Agricultural Land, 1996;
- Law of Georgia on Legalization of Property, 2007;
- Law of Georgia on Public Register, 2008;
- Law of Georgia on Recognition of the Property Ownership Rights Regarding the; Land Plots Owned (Used) by Physical Persons or Legal entities, 2007;
- Law of Georgia on Rules for Expropriation of Ownership for Necessary Public Need, 1999;
- Civil Procedural Code of Georgia, 1997;
- Law of Georgia on Social Assistance, 2006;
- Law of Georgia on Social Protection of Disabled Persons, 1995;
- Law of Georgia on Internally Displaced Persons from Occupied Territories – Refugees, 2014

134. Constitution of Georgia. The Constitution determines the essence of private ownership and defines presumption of inviolability and also regulates the issues related to compensation and expropriation of land and immovable property for necessary public need. The Constitution of Georgia ensures the publicity of information. Pursuant to Article 21 of the Constitution of Georgia “the right of ownership and inheritance is declared and secured”. Nobody is eligible to cancel the universal right of ownership and legacy. Throughout of the necessary public need or if the urgent necessity has emerged, the Article 21.3 of the Constitution allows the expropriation of the private ownership however, only according to the Court Decision or under the rules identified in the organic law on basis of the appropriate and fair reimbursement.

135. Other articles of the Constitution of Georgia also establish legislative basis in respect with the resettlement measures related to motor road construction. This considers the State actions for expropriation of land for urgent public need, i.e. exercising the right of expropriation (power of eminent domain), also information disclosure and public consultations, protection of cultural heritage and grievance redress related to land acquisition and resettlement of population. The stated regulations create the set of procedures that allow obtaining the permit on road construction from private owners.

136. In the process of construction and rehabilitation of motor roads, the significant attention shall be paid to the protection and care of cultural heritage so that they are not damaged and deteriorated. In accordance to the Article 34 of the Constitution of Georgia, "each and every citizen of Georgia is obliged to care for the protection and maintenance of cultural heritage. The State protects cultural heritage by the Law".

137. The Constitution ensures the right of a citizen to live in safe and healthy environment and use natural and cultural environment. The State undertakes environment protection measures to secure safe environment for people. People have the right to obtain "full, true and timely information" in regard with their work place and residential environment.

138. The Article 42 of the Constitution makes the citizens eligible to claim, in particular protects them and encourages appealing to the court for protection of their rights and freedom.

139. Law of Georgia on Motor Roads defines the status of the roads and use of roads. The law divides the roads into three categories: international, domestic and local roads, as well as sets right-of-way on the land, which is located 100 meters from the road. The road owner's means: road department of Georgia, Municipal authorities and others who are the owners of the roads.

140. The road agencies and other organizations that are building roads and highways are given with the right for permanent or temporary use of the lands based on the Georgian legislation.

141. Organic Law of Georgia, Local Self-Government Code. The code defines the legal basis for self-government's operation, authorities of local self-government bodies, their establishment and duty rules, their finances and properties, relations with citizens, state authorities, as well as with public and private legal entities. Local self-government is carried out by municipalities: in self-governed cities and in self-governed communities. The law establishes the categories of municipal property, the way of establishment and property rights (with the exception of natural resources, as their use, ownership and management is regulated by the Georgian legislation), as well as municipal property privatization issues.

142. Municipalities have their own property that could include non-agricultural lands, agricultural lands (with or without buildings), as well as shares and stocks. Property of municipality consists of two categories: the basic (inalienable) property and the additional property. The basic (inalienable) property can only be used for the public functional use by municipality and for carrying out duties. The basic (inalienable) property is inalienable, besides the exceptional cases. The additional property is inalienable. If it is necessary property of municipality can be transferred free of charge to the State.

143. Civil Code of Georgia regulates private civil relationships, and evolves property rights, the law of obligations, family law and the law on inheritance. Regulations of the Civil Code that are particularly relevant to the property law section, where the ownership, construction and servitude rights are discussed, and other type rights directly related to the project are elaborated below.

- **Ownership Right.** The ownership right entitles its beneficiary to freely possess and use the property. The ownership right can be limited based on legislation or other agreement. Ownership on the land parcel gives implicit right to the land owner to implement construction activities if it is not restricted by any agreement or law.
- **Construction Right.** The owner is allowed to transfer a land plot to another person for temporary use (not to exceed 59 years) for charge or free of charge. The transferee obtains the right to build a building/construction on or under the land plot, as well as to

assign and transfer this right under inheritance or tenancy, borrowing or renting. The construction right may cover such part of a land plot that is not necessary for the actual construction but allows a better use of the facility constructed on the basis of the construction permit. Termination of the construction right requires consent from the landowner.

- **Necessary Right-of-Way.** Another possibility is the use of “Necessary Right-of-Way”, a legal alternative to expropriation, which is regulated by the Civil Code of Georgia (Article 180). Per Civil Code, Necessary Right-Of-Way can be invoked “if a land plot lacks access to public roads, electricity, oil, gas and water supply lines that are necessary for its adequate use”. The owner may then claim for using a neighbour’s land parcel “for the purpose of providing the necessary access”. “Necessary Right-Of-Way” is granted by a District Court based on an application by the “neighbour” that must contain a justification of the urgency. Compensation may either be amicably agreed or be decided by the judge further to the decision granting “Necessary Right-of-Way”. Fundamentally “Necessary Right-Of-Way” is intended to allow a landowner to obtain right of way through a neighbouring land parcel for utilities serving his/her land parcel. It can be used where amicable agreements cannot be reached due to refusal or absence of affected landowners.

Servitude. Servitude Right on the property establishes the limits on land parcel or on other property in favour to other land parcel or owner of the property (beneficiary). The Beneficiary is granted with the right to use land parcel under restriction with some conditions on land parcel under restriction and/or restrict concrete activities or prohibit land owner in regard of this land under significant rights. However, in regard with this project, any rights (among them ownership, construction, inevitable road or servitude) the terms and conditions for transfer the right for construction shall be defined against each land parcel in accordance to the identified rules and on the basis of registered agreement entered by a landowner and the party holding the corresponding right of construction.

144. Law of Georgia on the Protection of Cultural Heritage. In addition to the constitution of Georgia affirming the State’s obligation to protect cultural heritage and requiring each citizen to care for, protect and preserve cultural heritage, the Law of Georgia on Protection of Cultural Heritage defines the legislative principals for protection of existing cultural heritage in Georgia.

145. According to the Law, State protection of cultural heritage is undertaken by the Ministry of Culture and Monuments Protection, Ministry of Justice of Georgia, local self-government bodies, as well as other State Institutions, Public and Legal Persons of Private Law. It is worth to be mentioned that the State and local self-government bodies exercise their authorities in the sphere of protection of cultural heritage in accordance to the Constitutional Agreement between the State and the Orthodox Church of Georgia. The Ministry of Culture and Monuments Protection of Georgia provides general coordination and manages the activities undertaken in this sector.

146. In respect with the ownership rights, the Law identifies some differentiations. Namely, the alienation of the State-owned land parcel - located within the zone of State-owned monument, considered as cultural value, or located within archeologically protected area - with the right to possess and use the Law considers the agreement with the Ministry of Culture, Monuments Protection and Sports with the terms and conditions of protecting and care being identified ahead. On the other hand, the Law directly restricts alienation of the monuments under private

147. Ownership that can only be alienated under the right to possess, and use and with the terms and conditions to care-and protect.

148. Law of Georgia on Notary. The stated law defines the types of notary activities and rules of their implementation. The law also defines which institutions and authorized persons, except the Notaries, have the right to conduct notarial activities within the territory of Georgia and beyond it. According to the Article 42 of the Law, the local self-governments have the right to implement notarial activities related to inheritance, verification of accuracy of the copy with the original document, proving the fact that a citizen is alive, proving the fact of a citizen's certain location. Rural population often applies to local self-governments to obtain certain notarial services. Especially, when it is required to identify a person and a document, or the notarial services are required to replace the deceased head of the household with another member. This rule is often utilized in registration of the land parcels, when as the owner of the land parcel the other member of the household is registered in place of the deceased member. The representatives of the Consulates of Georgia (consuls) also other key persons at the Consulates are eligible to conduct notarial activities on behalf of the State of Georgia beyond the territory of the country (Article 43). Citizens being abroad may apply to the Consulate of Georgia in the county of their location.

149. Law of Georgia on State Property. This Law regulates issues connected to the Georgian state property management and usage transfer. This law does not apply to state property that includes useful materials that were left after reconstruction, repair or demolition of transferred in ownership property owned by the Georgian autonomous republics and local self- government and public legal persons. The law covers property which cannot be sold, including: water resources, territorial waters, continental shelf, state forest fund (except populated areas located in forests), air space, State Reserves, National Parks, Natural Monuments, recreation areas identified by the Government of Georgia and/or identified specific construction areas; objects of historical, cultural and artistic value, cultural and art facilities, as well as lands on which these objects are located, pasture (except for leased pastures until July 30, 2005), cattle trails, first section of sanitary protection zone of water supply units (maximum-security zone). The law of state property establishes rules of transferring ownership of state property and privatization. It also determines the competences of state authorities and local self-government in the privatization process.

150. Law of Georgia on Ownership Rights to Agricultural Land. The current law is completely different from the initial version adopted in 1996. The changes made to this law in different times (among them the amendments on the basis of the Law #389 dated July 14, 2000) have significantly changed its initial format and simplified to extent possible the procedures considered under the Law. The sphere of regulation of the Law mainly extends over the agricultural lands. Article 3.1. Defines that "a land parcel with or without household structure that is registered at the public register and used for cattle-breeding and plant cultivation is considered as an agricultural land parcel" with existing household and additional structures or without them. The law also refers to the share of a member of household community within the shared hay fields, grazing lands or forestry areas and the part of the agricultural land that may be the object "of separate ownership right" (Article 3.2).

151. The Law determines that the ownership right to agricultural land is granted to the State, physical person, household community (Komli) and legal entity registered in accordance to the legislation of Georgia, which carries out its activities in agricultural sphere. Besides, the Law declares the form of village and household community (Komli) ownership to state-owned grazing lands, private and form of community ownership in high mountain regions (Article 4.3).

152. According to the Articles 6 and 8, acquisition of agricultural land is allowed on the basis of ordinary rules and general restrictions. Ordinary rule considers land alienation without any permits and other limitations, and general restrictions consider land alienation only on the basis of the consent of co-owner of shared property.

153. Law of Georgia on legalization of property mainly refers to the lands, which are in private ownership, but are not registered in public register. The main purpose of this law is to additionally establish guaranties of defending private rights (article 21 of the Constitution, which presumes rights of private ownership) and develop international agreements. According to the article 2, State agencies and officials are obliged to ensure the protection of private property rights and immunity. According to the law, property legalization means the confirmation of ownership on property, which only can be dispossessed in cases determined in the Article 21.

154. The Law on Legalization of Property applies to any property owned by the state or by the local government. This applies to properties for which ownership was purchased or the reason of purchasing the property appeared from legal act or deal before 22 July 2007. All the state agencies and officials are prohibited to purchase the property under the jurisdiction of the law or to control, to study, to observe in any other forms. Registration fee for the administrative boundaries of the city for one square meter of land is 15 GEL.

155. Property is legalized by the National Agency of Public Register under the control of Ministry of Justice. The procedures related to the legalization are regulated by the Law on Public Register.

156. Law of Georgia on Public Register regulates rights and obligations of National Agency of Public Register under the control of Ministry of Justice, in the process of property registration, also sets rules for registration of real and personal property. Article 11 defines which types of rights are registered in real estate register. According to this article real estate rights register records property, structure, usufruct, servitude, mortgage, rent, leasing, subleasing, borrowing, rights provided for use by the public law. According to the Article 16, movable property and Intangible Benefit of Property is registered in public register. According to this article, movable property and Intangible Benefit of Property registers pledge (excluding financial pledge), leasing, bank guarantee. Public register law also sets out the procedures and conditions for the registration of companies.

157. Public register law is not limited only to the rules of registration, its regulation area involves land registration and changes in land use, for example, changing the status of agricultural land to non-agricultural land.

158. Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal Entities. The main purpose of this law is to support land market development and mastering lands owned by government. This law defines the legal ownership and main terms and conditions about recognition of ownership rights on illegally occupied lands. It also defines rights of involved state agencies in this process.

159. The law applies to illegally occupied agricultural or non-agricultural lands owned by private and legal entities. Article 2 establishes the lands on which property rights can be recognized. In particular, it can be a piece of land on which the house or other building is located. Recognition of private property by the law takes place after paying a fee, but it also can be free of charge.

160. Lands are recognized free of charge only when they were held legally, but they were not recognized by the government in the past, in other cases recognition of land required fee. Ownership rights on payable or on non-payable lands are recognized by the commissions formed in municipalities.

161. Law of Georgia on Rules for Expropriation of Ownership for Necessary Public Need. Existing laws provide that compensation for lost assets, including land, structures, trees

and standing crops, should be at current market price without depreciation. They also identify types of damages eligible to compensation and indicate that both loss of physical assets and loss of income should be compensated. Income loss due to loss of harvest and business closure should be compensated to cover net loss.

162. Land acquisition for public interest may include eminent domain procedures, through a two-phase process as follows:

- **Phase 1:** A negotiated settlement is sought in a first phase, based on a first compensation proposal at market/replacement value.
- **Phase 2:** If no agreement is reached, land acquisition is further pursued through a judicial expropriation process (the implementing agency applies to Court to order expropriation and to fix compensation).

163. The Minister of Economy and Sustainable Development issues expropriation applications for each property where no agreement could be reached, based on dossiers filed by the implementing agency. On this basis, the implementing agency applies to Court, which, in a first stage, validates whether the application is justified by public interest and whether the appropriate procedures have been followed. Following this ruling validating the fact that eminent domain proceedings (expropriation) can be followed, the Court in a second stage appoints an expert to assess the compensation amount.

164. In the case of this project, eminent domain is applicable and expropriation will be sought where no amicable agreement is reached.

165. Civil Procedural Code of Georgia. The general courts of Georgia consider the cases according to the rules identified under the Procedural Civil Code of Georgia. The requirements of the procedural law are exercised during the lawsuit, during implementation of separate procedural actions or execution of the court decision.

166. The Procedural Civil Code of Georgia also regulates those cases when determination of the defendant is impossible. This may be important for the Project in the cases when the landowner is not found and correspondingly ownership to his/her land parcel cannot be obtained in legally valid manner, i.e. it is impossible to enter corresponding agreement with the landowner or him/her cannot sign other type of document.

167. The above listed laws and regulations give the possibility of applying the following two mechanisms for legal application of the property rights:

- Obtaining the road right of way without expropriation through the payment of due compensation (on the basis of negotiations or a court decision) prior to commencement of the activities;
- Obtaining the necessary right of way through paying due compensation based on the court decision.

168. If applied adequately the above listed mechanisms can ensure the appropriate consideration of lawful interests of all parties and the due observation of the existing legislations.

169. **Law of Georgia on Social Assistance.** The law regulates issues connected with the receiving of the Social welfare, determines types of the social support. It also defines the authority of administrative bodies in the field of social aid (Article 1). The law applies to the vulnerable persons permanently legally residing in Georgia. Article 2 sets list of socially unprotected people: persons in need of special care, poor families and the homeless.

170. Article 4 defines terms, which explains nature of social aid and identifies persons who should receive this aid. According to this article social support can be provided in form of monetary or non-monetary benefit for persons in need of special care, poor families and the homeless. Poor families consist of persons or groups of people whose socio-economic status is lower than minimum level set by Georgian government. A homeless person does not have a permanent place of residence, and he/she is registered with the local authority as homeless. Persons in need of special care include orphans and children deprived of parental care, persons with disabilities, adults with disabilities are who are deprived of family care, persons with lost breadwinner. According to the law a disabled person is a person who has been granted such status by the Law on Medical-social Expertise. Social security financing sources include Georgian state budget, budgets of Units of local self-government, the money paid by the beneficiary or his/her representatives, and contributions (Article 24).

171. Law of Georgia on Social Protection of Persons with Limited Abilities. According to Article 1 legal status of persons with limited abilities In Georgia is regulated by Declaration of the United Nations about "Rights of Persons with Limited Abilities from 9 December 1975, Constitution of Georgia and this law. The person With Limited Abilities is person of strong physical, mental, intellectual or sensory impairment, which may interfere with the interaction of a variety of obstacles to the full and effective participation in public life on equal terms with others (Article 2). According to the Article 8 it is not allowed of the design localities, educational, cultural and sports facilities, as well as infrastructure construction and reconstruction of buildings and structures, if these objects are not suitable for people with disabilities and needs.

172. Government provides the necessary conditions for education and professional training for persons with limited abilities. Persons with limited abilities are socially supported by funds, pension, social assistance technical and other facilities (Article 24). Social security pensions and allowances are regulated by Georgian legislation on security pensions and allowances for persons with limited abilities.

173. Law of Georgia on Internally Displaced Persons from Occupied Territories – Refugees. According to the Article 2, the status of refugees is given to people who are citizens of Georgia or noncitizens without citizenship status of Georgia, who were forced to leave their permanent place of residence due to occupation, armed conflict, communal violence and / or mass violations of human rights which became threat for person or person's family members lives or freedom by the other country. Any kind of discrimination of refugees is inadmissible. Refugee status is granted by the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees (Article 8). According to the Article 14 refugees are not being evicted from their legal owned residential areas except the cases considered by the law when: (a) written document is formed with refugee about financial or non-financial compensation in accordance with his/her land area; (b) Refugee will be given relevant living area, which does not worsen his/her living conditions; (c) Natural or other disaster takes place, which will be compensated and is regulated by the general rule.

174. All refugees have their family unity respect right. Uniting or dividing refugee families without their will is inadmissible (Article 13). Refugee settlement, registration, and other social issues are organized by the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees (Article 19).

Conditions for Expropriation and Legalization

175. The above-listed laws and regulations give the possibility of applying the following three mechanisms for legal application of the property rights: (i) Obtaining the road right of way without expropriation through the payment of due compensation prior to commencement of

the activities; (ii) Expropriation which gives the possibility of obtaining permanent right to land and/or necessary road on the basis of Eminent Domain Law or a court decision through the payment of due compensation; (iii) Expropriation of private properties for urgent public necessity, which gives the possibility of obtaining permanent rights on land and/or necessary road for the purpose of national security or accident prevention. Expropriation is to be made on the basis of the Presidential Decree on Expropriation through the payment of due compensation to affected people.

176. Expropriation. Land acquisition through expropriation entails lengthy procedures, which are often resisted. Such an approach will thus be pursued only in extreme cases if there is no agreement between APs and MDFG. In these cases, the Project will not occupy the needed plots until: (i) the proper judicial process as defined by the law is initiated; (ii) a court injunction is obtained and communicated to the APs; and (iii) the compensation/rehabilitation amounts are deposited in an escrow account.

177. Using the Mechanism of Necessary Road means the right to demand necessary road by court in specific cases when owner's location is unknown or/and person can't be located, or there are some liabilities which interrupts land acquisition process.

178. According to the Article 180 of Civil Code, if land is not necessarily needed for proper use of public roads, electricity, oil, gas and water supply networks, then the owner has right to demand from neighbor that he/she was the one whose land will be used for these necessary connections. Those neighbors on whose lands are necessary roads or wiring should be compensated. There is a certain mechanism set by the Georgian civil trial code about how the public message can be delivered to respondent whose location is unknown.

179. According to the Article 78 of Procedural Code in this case the message will be published publicly. After 7 days following its publication, the court notice will be considered as delivered. After making this information public, the trial has legal right to review this case and make a decision. In case of using the necessary road mechanism, compensation will be transferred to an escrow account. Compensation will be transferred to the owner of land once his/her location will be identified or after the person will do all the obligations connected to the land transaction.

7.2 Involuntary Resettlement requirements under the ADB's SPS (2009)

180. The ADB Policy on Involuntary Resettlement is based on the following principles:

a. Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.

b. Carry out meaningful consultations with APs, host communities, and concerned nongovernment organizations. Inform all APs of their entitlements and resettlement options. 138. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and indigenous peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of APs and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.

c. Improve, or at least restore, the livelihoods of all APs through:

- (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods,
 - (ii) prompt replacement of assets with access to assets of equal or higher value,
 - (iii) prompt compensation at full replacement cost for assets that cannot be restored, and
 - (iv) additional revenues and services through benefit sharing schemes where possible.
- d. Provide physically and economically displaced persons with needed assistance, including the following:
- (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities;
 - (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and
 - (iii) civic infrastructure and community services, as required.
- e. Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
- f. Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
- g. Ensure that APs without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- h. Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- i. Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to APs and other stakeholders.
- j. Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- k. Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- l. Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

7.3 Comparison of Georgia Laws and Regulations with ADB's SPS

181. Overall, the legislation of Georgia is generally compatible with the major provisions of the ADB SPS (2009) but a few gaps are to be noted. The most significant of these differences are (1) that under Georgian legislation/regulation, only formal property owners are eligible to compensation, while the SPS (2009) provides that both formally owned affected assets and those that are held under no legal title should be compensated, and (2) that the SPS puts emphasis on the general rehabilitation of the livelihood of Affected People (AP) and Households (AH), which is not addressed in Georgian legislation. Also, Georgian law does not include a formal and comprehensive process of consultation with affected people, nor does it require the preparation, submission and disclosure of resettlement planning documents.

182. The ADB safeguards policy on Involuntary Resettlement complements 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, (iii) and the provision of special allowances covering AP/AH expenses during the resettlement process or covering the special needs of severely affected or vulnerable AP/AH. Key differences between Georgia law/regulation and ADB policy are outlined in the **Table 14** below.

Table 124. Comparison of Georgia Laws/Regulations on LAR and ADB Resettlement Policy

Georgia Laws and Regulations Land compensation only for titled landowners. In practice legalizable land owners are also compensated after they are issued with the necessary papers.	ADB SPS (2009) Lack of title should not be a bar to compensation and/or rehabilitation. Non-titled landowners receive rehabilitation.
Only registered houses/buildings are compensated for damages/demolition caused by a project.	All affected houses/buildings are compensated for buildings damages/demolition caused by a project.
Crop losses compensation provided only to registered landowners.	Crop losses compensation provided to all relevant APs including landowners, sharecrop/lease tenants and land cultivators without title whether registered or not.
Decisions regarding LAR are discussed only between the landowners and the Land Acquisition Authorities.	Information on quantification, affected items value assets, entitlements, and compensation/financial assistance amounts are to be disclosed to the APs prior to appraisal.
No provision for income/livelihood rehabilitation, allowances for severely affected or vulnerable APs, or resettlement expenses.	ADB policy requires rehabilitation for income/livelihood, severe losses, and for expenses incurred by the APs during the relocation process.
No specific plan for public consultation is provided under the Georgian laws.	Public consultation and participation is the integral part of ADB's policy which is a continuous process at conception, preparation, implementation and finally at post implementation period.

184. To bridge any gaps between Georgia laws/regulations and ADB's SPS (2009), MDFG has drafted an overarching LAR Framework for the whole MDFG project, which was endorsed by the Government, and is a tool for ensuring compensation at replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for AFs that

may be relocated, suffer business losses, or may be severely affected. This LARP is prepared in compliance with the previously submitted and officially endorsed LARF.

8. LARF PRINCIPLES AND ENTITLEMENTS APPLICABLE FOR THE PROJECT

185. Based on Georgian laws on land acquisition and the Safeguards Policy Statement (2009), the core principles applicable to LAR induced by the Project are as follows:

- Affected People will be assisted in improving or at least restoring their pre-project standards of living;
- Information and consultation will be carried out to fully inform Affected Households about the LAR process and allow them to provide inputs to LAR planning;
- The final LARP will be disclosed to the public and a summary information pamphlet in Georgian will be disseminated to all AHs;
- A grievance redress mechanism will be established;
- Formally held properties will be compensated at replacement value per Georgian law and the SPS;
- Unregistered APs will be supported to register their properties where this is permissible under Georgian law;
- Non-viable remainders of land may be compensated in full subject to a request to this effect being lodged to the Implementation Agency and to review of this request;
- Physically displaced, vulnerable and severely affected AHs will be provided specific assistance according to principles in the LARF to secure alternative dwelling;
- Compensation entitlements will be provided to AHs before the occurrence of impacts (prior to commencement of construction activities);
- The execution and the achievement of the livelihood restoration objectives of the LARP will be monitored and divulged.

8.1 Entitlements to Compensation

185. Compensation eligibility is limited by a cut-off date (24 May 2018). APs have been informed about cut-off date through information booklets provided them during the social survey process. APs who settle in the affected areas after the cut-off date are not eligible for compensation. If such situations occur, interested individuals will be given reasonable advance notice, requested to vacate premises and dismantle affected structures prior to Project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

186. **Table 15** below provides the entitlement and compensation matrix applicable to the Project.

Table 15. Entitlement and compensation matrix

Type of Loss	Application	Definition of Affected Persons (APs)	Compensation Entitlements
Land			
Permanent loss of Non-agricultural land located in recreation zone	AH losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation at replacement cost.
		Legalizable Owner	These AP will be supported by the IA to obtain legalization and provided with

			cash compensation at replacement cost.
		Informal settlers (APs with no registration/valid documentation and non legalizable)	One time self-relocation allowance in cash. The relocation allowance is not dependent on the amount of AF members or land characteristics and constitutes fixed amount per family equal to 1 year at minimum salary.
Permanent loss of Non-agricultural land located in "Special construction regulation zone"	AH losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation at replacement cost.
		Legalizable Owner	These AP will be supported by the IA to obtain legalization and provided with cash compensation at replacement cost.
		Informal settlers (APs with no registration/valid documentation and non legalizable)	One time self-relocation allowance in cash The relocation allowance is not dependent on the amount of AF members or land characteristics and constitutes fixed amount per family equal to 1 year at minimum salary.
Buildings and Structures			
Residential and nonresidential structures/assets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers).	Full impact: Cash compensation for loss of building/ structures at full replacement costs free of depreciation and transaction costs Partial impact: compensation for repairs.
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in

			consultation with community and restoration of their functions
Loss of Income and Livelihood			
Business/Employment	Business/employment loss	All APs regardless of legal status	Owner: (i). (permanent impact) cash indemnity of 1 year net income and technical and administrative support from the RU to relocate the business in appropriate premises. The amount of relocation will be calculated by an independent evaluator case by case; (ii) (temporary impact) cash indemnity of net income for months of business stoppage. Income will be calculated based on tax declaration or in its absence on minimum subsistence income. Permanent worker/employees: (i) indemnity for lost wages equal to 3 months of minimum subsistence income ³ AND (ii) support to business owner to relocate the business as quickly as possible (see above).
Allowances			
Severe Impacts	>10% land impact Physically displaced households Owners of businesses that have to interrupt activity permanently or temporarily	All severely affected AHs including informal settlers	Agricultural income: additional crop compensation covering 1 year yield from affected land. Other income: additional

³ The minimum subsistence income is calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at the end of the impacts survey (June 2018: 344.8 GEL x month).

http://www.geostat.ge/?action=page&p_id=178&lang=geo

			compensation for 3 months of minimum subsistence income
Relocation/Shifting	Transport/transition costs	All AHs to be relocated and	Assistance to identification of a suitable replacement dwelling Provision of an allowance of 300 GEL covering transport expenses, as well as an allowance equivalent to 3 months of minimum subsistence income to cover livelihood expenses for transitional period
Vulnerable People Allowances		AHs below poverty line (APs registered by the state Social Service Agency with less than 100 001 points), households headed by women, disabled people, IDPs	Allowance equivalent to 3 months of minimum subsistence income and employment priority in project-related jobs
Other Losses			
Due compensation to be assessed and paid when the impacts are identified based on the above provisions and on the requirements of SPS 2009.	This applies to impacts that are not of the construction contractor's responsibility, such as, for instance, temporary severance	All APs	Design measures have been taken to eliminate all predictable temporary impacts. If specific claims occur, they will be reviewed through the grievance mechanism, procedures and rates in this LARP, or based on the provisions of SPS 2009, will apply, and any compensation that would be warranted would be paid.
Damages during construction	This applies to damage caused by a construction contractor not complying with its contractual obligations and normal good practice, such as for example, the unintentional	All APs	Compensation for such damages during construction is a Contractor responsibility. Compensation will be assessed and paid per procedures and rates in this LARP.

	destruction of a tree situated in an uncompensated property		
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9. INSTITUTIONAL ARRANGEMENTS

9.1 Role of MDFG

186. The timely and effective implementation of the LARP will require the involvement of several agencies and units. MDFG will be tasked to follow-up with resettlement activities. It should be noted, that MDF resettlement team has a great experience in realizing ADB-funded projects and they realize the ADB requirements well. Thus, it is recommended that MDFG will continue operation of the dedicated Resettlement Unit.

188. Since quarter IV of 2014, a Resettlement Unit (RU) was established at MDFG comprising of the following professionals on a full-time basis for the period of LARP implementation:

- Resettlement Unit manager;
- Resettlement specialist (implementation);
- Public engagement specialist / grievance redress focal point;
- Data manager / database specialist.

189. The key tasks of the Resettlement Unit are the followings:

- Collaborate with Project related parties responsible for data collection and LARP preparation to ensure that all relevant data is available (including the list of APs based on the results of the survey and census, cadastral maps and land/property records, title verification details, property valuation details, establishment of compensation rates, etc.);
- Maintain regular coordination and communication with relevant state agencies and partners;
- Follow up and provide support to the GoG during drafting and adoption of the decree on land/property acquisition for project purposes;
- Follow up and provide support during notification of APs on upcoming land/property acquisition;
- Prepare documents for negotiation of compensation with the APs;
- Prepare documents for formalizing agreements with APs and processing of compensation payments;
- Conduct regular consultations and exchange of information with APs on the implementation of the LARP;
- Submit the LARP to ADB for review/approval;
- Disclose the LARP and the information leaflets;
- Plan and manage LARP implementation and the distribution of compensation;
- Acquisition of commercial land plots with significant commercial ventures (fuel stations, restaurants, etc.);
- Acquisition of agricultural land plots and compensation of trees and perennial crops;
- Legalization of informal owners;
- Deal with absentee landowners and refusals (triggering expropriation);
- Initiate expropriation cases and coordinate with the relevant state agencies;
- Deal with vulnerable people and severely affected people;
- Facilitate conduct of field surveys, and re-registration of the remaining portions of the APs land plots;
- Coordinate with the appropriate state agencies to provide all needed documentation and ensure prompt allocation of LAR budgets to the APs;
- Assist in receiving, recording, resolving and reporting of grievances related to land / property acquisition process and other issues related to the project and coordinate with Project related consultants and contractors;
- Ensure proper internal monitoring;

- Monitor/supervise the temporary land acquisitions done by contractors engaged for the project;
- Prepare regular reports on the progress of LARP-related activities; and,
- Monitor construction related changes to land acquisition, inform ADB on RAP related impacts and follow up with preparation of supplemental LARP(s), as required.

9.2 Resettlement Unit (Job Description and Requirements)

190. The Resettlement Unit Manager is an experienced MDFG professional, including experience in liaising with International Finance Institutions, and excellent communication skills. The Resettlement Unit Manager should have good command of the English language.

191. The tasks of the Resettlement Specialist responsible for LARP implementation include the following:

- Coordination of resettlement, support to identification of alternative housing by APs, liaison with responsible authorities, and monitoring of actual relocation by APs;
- Participation to negotiations;
- Coordination of support to vulnerable people, including, but not limited to IDPs (identification of relocation solutions, liaison with responsible authorities, monitoring during relocation and thereafter);
- Verification of data communicated by survey and valuation consultants before the establishment of compensation agreements;
- Preparation and implementation of the livelihood restoration plan, as needed;
- Collaboration with external consultants, provision of support and information to them, as needed;
- Participation in internal coordination meetings, as needed;
- Participation in engagement meetings and grievance redress committee meetings, as needed;
- Preparation of quarterly monitoring reports;
- Coordination of involvement and works of the IM, review of IM reports before their communication to ADB for potential factual inaccuracies;
- Participation in liaison with ADB and Government stakeholders at the request of the Project Management and as needed.

192. The Resettlement Consultant is an experienced resettlement specialist with 10 years of experience or more, excellent social and communication skills, and fully conversant with ADB policy requirements and Georgian expropriation legislation. The Resettlement Consultant should preferably have a good command of the English language.

193. The Public Engagement Specialist / Grievance Redress Focal Point coordinates public consultation, disclosure, and grievance management. His/her tasks include the following:

- Organisation of public meetings and focus groups, including identification of venues, notices to participants, establishment of agenda, establishment of minutes and photographic records, signatures of lists of attendance;
- Responsibility for disclosure and dissemination of all documents, particularly the LARP Executive Summary;
- Negotiations of compensation with AHs;
- Information to local authorities on Project and LAR policies;
- Grievance management: o Logging of all grievances,

194. The Public Engagement Specialist / Grievance Redress Focal Point is an experienced specialist with 10 years of experience or more in similar assignments, and excellent social and communication skills. He/she should be fluent in Georgian, while knowledge of Russian and English language would be an asset.

195. The Data Manager / Database Specialist is responsible for all aspects of compensation and AP data management, including the following:

- Establishment of the MDFG database of affected people and compensation administration, based on data provided by socio-economic survey, census, valuation consultants, as is also reflected in the LARP;
- Management of the database, updates to circumstances of APs, establishment of compensation agreements from the database;
- Oversight of the grievance database;
- Monitoring of compensation payments and update to database accordingly;
- Preparation of information required for quarterly monitoring reports and on as needed basis.

196. The Data Manager / Database Specialist is an experienced specialist with 5 years of experience or more in data management / database establishment and operation. Prior experience of the specific issues (legal, economic, social) raised in LAR programs would be beneficial.

9.3 Role of Other Agencies and Institutions

197. A number of other institutions have a role in the preparation and/or implementation of the LAR for Projects under the Program, among these the most notable are:

198. Government of Georgia at central level:

1. Tbilisi City Hall. The given project is realized on the territory owned by Tbilisi City Hall. Consequently, within the scope of its competence, Tbilisi City Hall will support the project at all stages of the planning and implementation of the project.

2. The Municipal Development Fund of Georgia will be the Executing Agency (EA) having the lead responsibility for road construction, as well as the implementation of this LARP. MDF with the assistance of the consultants will develop and implement the LARP for project based on the policy and procedures set out in the RPF. In addition to the MDF, a number of other government departments and private agents will play an instrumental role in the design, construction and operation of the project.

3. Ministry of Finance (MoF): The finances for the implementation of the LARPs will be provided by MoF to MDFG upon presentation of the LARP and relative budgets. As the implementation of the LARPs is a condition to start the civil works it will be essential that compensation is issued in full and all affected persons are satisfied.

4. MoF executes payments immediately. It is recommended that MDFG should liaise with MoF early in the process to clarify their procedural requirements. Also, the MoF may take the lead in establishing administering escrow accounts to be established for expropriation and absentees. Requirements in this respect should also be clarified by MDFG in liaison with MoF;

5. Ministry of Economy and Sustainable Development (MoESD): the MoESD is responsible for the establishment and communication to competent District Courts of the lists of properties to be expropriated. Similarly, it is recommended that MDFG should liaise with MoESD early in the process to clarify associated procedural requirements;
6. NAPR: NAPR will handle legalization process for unregistered properties;
7. Courts: where expropriation has to be used (refusals and absentees), the competent District court will review expropriation cases based on legal due process, undertake a hearing, will possibly commission an independent expert to support the review of the case and a fresh valuation of the property, and decide whether the land can be expropriated and at what price;
8. ADB: besides supervising periodically the Project, ADB will review LARP and clear contract awards signing and initiation of civil works based on the Compliance Report established by the IM, and review LAR monitoring progress and results.

10. IMPLEMENTATION SCHEDULE

198. The time for implementation of resettlement plan will be scheduled as per the overall Project implementation. All activities related to the land acquisition and resettlement must be planned to ensure that compensation is paid prior to displacement of APs and commencement of civil works. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. However, the schedule is subject to modification depending on the progress of the Project activities.

199. As part of advance actions, the capacity of the MDFG shall be enhanced to ensure proper implementation of LAR activities. Capacity building will include overall support to established Resettlement Unit with dedicated staff to be responsible for LARP implementation and grievance redress, support from ADB national LAR Consultant.

200. The compensation/rehabilitation program involves different actors in implementation. These actors include:

- MDFG as the Implementation Agency (IA),
- Tbilisi City hall
- Municipal governments (Saburtalo Gangeoba),
- The Government of Georgia at central level,
- The National Agency of Public Registry,
- The ADB, and
- Contractors and consultants.

201. Upon the approval of final LARP, all the arrangements for delivering the compensation and the disbursement have to be done. These include payment of all eligible assistance, rehabilitation measures, site preparation for delivering the site to civil works contractor and finally commencement of the civil works.

202. MDFG takes the lead in implementation of the LARP. MDFG coordinates interventions of other parties as needed. MDFG operates a Resettlement Unit staffed by experienced personnel for the purpose of LARP implementation. MDFG has already implemented several LARPs and has good experience in undertaking land acquisition to ADB standards.

203. Internal monitoring will be the responsibility of MDFG (with support from consultants) and will start once the implementation of LARP starts and will continue till the completion of the project. MDFG will be responsible for internal monitoring over LARP implementation, preparation LARP finalization and implementation process. LARP implementation schedule is given in the **Table 16**.

Table 16. LARP Implementation Schedule

No	Work Description	Responsible Agency
A. LARP finalization		
A1	Review of initial LARP for the project, update and review data on impact assessment and valuation	Dohwa (Consultants), MDFG, LAR Consultants, ADB
A2	Final LARP preparation	Dohwa (Consultants), MDF, LAR Consultants
A3	Final LARP review / approval / disclosure	MDFG/ ADB

A4	Established Resettlement Unit	MDFG
A5	Established Grievance Redress Committee	MDFG
B. LARP Implementation		
B1	Draft compensation agreements (1. Sale/Purchase Agreement for Land and attached real property; and 2. Compensation Agreement for all other cases), and draft minutes of disagreement with legal support (internal or external)	MDFG
B2	Liaise with Ministry of Economy and Sustainable Development (MoESD) on expropriation/ eminent domain and legal instruments to be prepared in this respect	MDFG
B3	Establish escrow account for expropriation	MDFG
B4	Negotiations with affected people and finalization of compensation agreements	MDFG
B5	Establishment of lists of disagreement and individual minutes of disagreement	MDFG
B6	Communication of lists of disagreement to MoESD for initiation of expropriation proceedings	MDFG
B7	Discuss and agree with ADB the format and content of quarterly monitoring reports	MDFG
B8	Mobilize LARP budget from Ministry of Finance	MDFG
B9	Effect compensation payment to APs and reflect status of payments in database	MDFG
B10	Monitor expropriation proceedings	MDFG
B11	Obtain and review IM Compliance Report	MDFG
B12	Review of LARP monitoring reports	ADB

11. RESETTLEMENT BUDGET AND FINANCING PLAN

11.1 Compensation for land parcels

204. As already mentioned, only one privately-owned land parcel in the project zone will be under the impact and small portions will be cut from both land parcels.

205. The status of the parcel is “Non-agricultural land”. Despite this, there are no buildings and premises or fruit trees on them. The parcel is not fenced.

206. As it became known during the meeting with the land parcel owners (Two owners), they purchased the parcels for business purposes. However, after they registered their parcels as “Non-agricultural land”, following the decree of the Government of Georgia of 2008 and 2009, their parcels were assigned to: (i) the recreational zone. Consequently, as of today, under the law, it is impossible to run any kind of business on them. Due to this, the present market value of these parcels is nominal.

11.2. Severe Impact Allowance

207. As already mentioned, only one privately-owned land parcel in the project zone will be under the impact. For the project will be purchased 15% of the land they owned. The owners will get additional 1042 GEL compensation. This is the allowance equivalent to 3 months of minimum subsistence income for a family of five.

$344.8 \text{ GEL} \times 3 \text{ month} = 1042$

11.3 Registration fees

208. During the registration of the land plots in new owners’ names necessary to implement the project, the registration fees will be assigned from the project budget. 51 GEL will be assigned for the land plots to fully purchase by the project, while the registration fee for the land plots to purchase partially, include the fees for the land plot demarcation and registration of the part of the plot and amount to 153 GEL.

209. Consequently, within the scope of the project, the registration fees are as follows:

- $51 \text{ GEL} \times 4 = 204 \text{ GEL}$
- $153 \text{ GEL} \times 11 = 1683 \text{ GEL}$

210. The total registration fee within the scope of the project is 1887 GEL.






11.4 Costs of the installation and disassembly of the banners

211. The funds necessary to dismantle and install the banners were calculated by an independent evaluator.

212. In our case, the costs of moving the affected banners include the costs of their disassembly, transportation and installation. In addition, for large banners point cast-in-place reinforced concrete foundations are necessary to provide.

213. As already mentioned, within the scope of the Resettlement Plan, banners will be dismantled and transported to a new location of installation. Based on the accomplished evaluation, the costs of the banners disassembly and installation are given in the Table 17 below.

Table 17. Cost estimation for banners

Photo	Address	Compensation
	a small banner installed on the lighting post on Marshal Gelovani Avenue	100 GEL
	a banner on Marshal Gelovani Avenue	3565 GEL
	a banner installed on the crossing point of Marshal Gelovani Avenue and Bakradze street	2300 GEL
	a banner installed Bakradze street	750 GEL
	Banner Located on the Bus stop – right side of the Marchal Gelovani avenue (Moving towards Tbilisi)	315 GEL

	Banner Located on the Bus stop – right side of the Marshal Gelovani avenue (Moving towards Tbilisi)	315 GEL
	Banner located on the bridge.	1800 GEL
	Banner located on the bridge.	1800 GEL

214. Total of 9130 Gel are allotted for the disassembly and installation of the banners within the scope of the Resettlement Plan.

11.5 LARP Budget

215. According to the calculation, a budget of approximately GEL **270 310** (USD **108 996**) will be required for LARP implementation activities. This includes the cost for compensation of land losses as well as resettlement monitoring and evaluation, and costs related to operation of Resettlement Unit.

216. Civil works for the Project will commence after the full implementation of the compensation program described in this LARP including preparation of compliance report. All compensation amounts to be issued within the scope of the project are given in **Table 18**.

Table 18: LARP Budget

No.	Issue	Basic amount in GEL	Basic Amount in USD \$
A	Compensation		

No.	Issue	Basic amount in GEL	Basic Amount in USD \$
1	Compensation for Land 632 m ² X 350 GEL	221 200	
2	Costs of the installation and disassembly of the banners	10 945	
	Sub-total A	232 145	
1	Vulnerable People Allowance	-	
2	Severe impact allowance	1026	
	Sub-total B	1026	
1	Registration Expenses 153 GEL X 11 plots 51GEL X 4 plots	1887	
	Sub-total C	1887	
	Total Costs (A + B + C)	235 053	
1	Contingencies (15%)	35 257	
	Total + Contingencies	270 310.00	108 996.00

12. MONITORING AND REPORTING

12.1 Introduction

217. LAR tasks under the Project will be subjected to internal monitoring. Internal monitoring will be conducted by MDFG.

218. The IM will be selected among NGOs, academic Institutions, or consulting firms. ADB will advise MDFG on the IM's terms of reference once Project implementation has begun.

12.2 Internal Monitoring

219. Internal monitoring will be carried out routinely by MDFG either directly or through the services of a consultant. The results will be communicated to ADB through the quarterly project implementation reports. Indicators for the internal monitoring will be those related to process and immediate outputs and results. This information will be collected directly from the field level by MDFG to assess the progress and results of LARP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the standard supervision reports to ADB. Specific monitoring benchmarks will be:

- Information campaign and consultation with APs;
- Status of land acquisition and payments on land compensation;
- Income restoration activities.

220. The above information will be collected by MDFG, which is responsible for monitoring the day-to-day resettlement activities of the project through the following instruments:

- Review of census information for all APs;
- Consultation and informal interviews with APs.

ANNEX 1. BUDGET

N	Owner	Cadaster Code	Address	Type of ownership	Designation of the land parcel	Total area of the land parcel/apartment under the project impact	Area of the land parcel needed to purchase for the project (sq.m.)	Market value of 1 sq.m. land parcel (GEL)	Gross impact on the land parcel (%)	Compensation for the cut land parcel (GEL)	Severe Impact Allowance	Total compensation for the property under the project impact (GEL)
1	State	-	Marshal Gelovani Avenue, plot 1/104	State property	Non-agricultural	782	13	0.00	1.7%	0.00	-	0.00
2	State	-	Marshal Gelovani Avenue, plot 1/105	State property	Non-agricultural	372	126	0.00	33.1%	0.00	-	
3	State	-	Marshal Gelovani Avenue, plot 1/152	State property	Non-agricultural	279	128	0.00	45.9%	0.00	-	0.00
4	State	-	Marshal Gelovani Avenue 2. Plot01/182	State property	Non-agricultural	454	335	0.00	73.8%	0.00	-	0.00

5	State	-	Marshal Gelovani Avenue, plot 1/215	State property	Non-agricultural	566	45	0.00	8.0%	0.00	-	0.00
6	State	-	Marshal Gelovani Avenue, plot 002/012	State property	Non-agricultural	966	209	0.00	20.9%	0.00	-	0.00
7	State	-	Right bank of the Mtkvari River, 3	State property	Non-agricultural	3027	1158	0.00	38.2%	0.00	-	0.00
8	State	-	Marshal Gelovani Avenue, plot 04/008	State property	Non-agricultural	2877	132	0.00	4.5%	0.00	-	0.00
9	State	-	Marshal Gelovani Avenue, plot 04/013	State property	Non-agricultural	8604	5048	0.00	58.7%	0.00	-	0.00
10	Private	-	Adjacent to Gagarin street and right bank of the Mtkvari River	Private property	Non-agricultural	4142	632	350.00	15.7%	221 200.00	1026	222 226.00
11	State	-	Marshal Gelovani Avenue, plot 01/011	State property	Non-agricultural	3451	525	0.00	15.2%	0.00	-	0.00
12	State	-	Marshal Gelovani	State property	Non-agricultural	436	436	0.00	100%	0.00	-	0.00

			Avenue, slope 6									
13	State	01.10.11.002.012	Marshal Gelovani Avenue, plot 02/012	State property	Non- agricultural	966	966	0.00	100%	0.00	-	0.00
14	State	01.10.11.002.013	Marshal Gelovani Avenue, plot 02/013	State property	Non- agricultural	285	285	0.00	100%	0.00	-	0.00
15	State	01.10.11.002.016	Marshal Gelovani Avenue, plot 02/016	State property	Non- agricultural	1815	1815	0.00	100%	0.00	-	0.00
Total						19022	11853	-	-	221 200	1026	222 226.00

ANNEX 2: EVALUATION REPORT

Auditor's Report

**Of the valuation of the market price of the affected land parcels within the
scope of Marshal Gelovani Road Rehabilitation Project in Tbilisi**

Client:

Date issued:

July 12, 2018

Tbilisi

2018

To: Mr. Irakli Kaviladze

Dear Irakli,

Under the agreement concluded between you and “TIAG Auditescort” Ltd., real /movable property valuer Mindia Tabaghua accomplished the works to identify the market price of the affected land parcels within the scope of Marshal Gelovani Road Rehabilitation Project in Tbilisi.

Physical and legal properties of the valuation object are given in the relevant sections and annexes of the present document. The valuation was done as of May 15, 2018.

As a result of accomplished auditor’s procedures, by considering the circumstances given in the present Auditor’s Report, it was established that the market price of 1 sq.m. of the land parcels subject to valuation is:

Three Hundred and Fifty (350.00) Georgian GEL.

Valuation was done in compliance with the Standards of 2017 published by the International Valuation Standards Committee.

The Valuer certifies:

- The results given in the Auditor’s Report are based on the auditor’s knowledge;
- The analysis and conclusions are limited only by the limiting conditions and assumptions therein;
- The Valuer did not have any interest in the property to appraise;
- The Valuer’s compensation does not depend on any aspect of the Auditor’s Report;
- The valuation was done in compliance with the Code of Ethics and behavioral standards;
- The Valuer’s knowledge meets the necessary requirements;
- The Valuer has relevant experience and is familiar with the location of the valuation property;
- The auditor personally inspected the valuation property.

The present Auditor’s Report was drafted only for your reference regarding the value of the property to appraise. It is confidential and therefore, its publication, wholly or partially, or making any reference to it, or publication of the data contained therein or Valuer’s name or professional affiliation without the Valuer’s written consent is prohibited except in cases envisaged by the Agreement or Auditor’s Report.

Company Director

Zubiko Shavdatuashvili

Valuation certificates

The valuation was done by Valuer Mindia Tabaghua, who:

- Holds Certificate of Competency of a Real Property Valuer, issued by the Expertise Institute for Valuation of Assets of Georgia (Certificate # №016) of LEPL “The United National Body of Accreditation – Accreditation Center” of the Ministry of Economics and Sustainable Development of Georgia (Accreditation no. GEO-268-20809614-2.4-0076) ISO/IEC 17024:2010);
- Holds Certificate of Competency of a Real Property Appraiser, issued by the Valuers and Experts Professional Development Center (Certificate # P-0129) of LEPL “The United National Body of Accreditation – Accreditation Center” of the Ministry of Economics and Sustainable Development of Georgia (Accreditation no. GAC-PC-0007) ISO/IEC 17024:2012/2014;
- Is an Auditor registered by the Service for Accounting, Reporting and Auditing Supervision (Registration №SARAS-A -631520);
- Is a member of the Expertise Institute for Valuation of Assets of Georgia.

The present Auditor’s Report was drafted with the participation of Mr. Tariel Dzagnidze, a construction expert.

We, the undersigned confirm:

- The analysis given in the present Report is based on certain assumptions and limiting conditions and gives conclusions, which are our, the Valuers’ personal and impartial professional opinions and conclusions made based on them;
- All data in the Auditor’s Report are accurate and correspond to the reality;
- Neither now, nor in the future, will the Valuers have any interest in the real estate, whose market price is given in the present Auditor’s Report;
- We, the Valuers, have sufficient knowledge, qualification and experience to accurately fix the market price of the valuation property;
- The valuation process: obtaining and analyzing the information and identifying the market price, was done in compliance with the international valuation standards.

Valuers:

Mindia Tabaghua

Limiting conditions and assumptions

The process of valuation was accompanied by the following limiting conditions and the assumptions made by the Valuer following the said conditions. The assumptions and limiting conditions given below are an integral/important part of the present Auditor's Report and must be considered as one document:

1. For the present valuation purposes, the Valuer has assumed that any information given in the materials provided by the Client (maps, photos) are correct and comply with the reality.

2. For the valuation purposes, it is assumed that the valuation property is not encumbered with any limitations or debt liability, in particular, all four land parcels are subject to construction limitations and/or they are located in the recreation zone. By considering these circumstances, following the principle of use and expectation, their price is essentially less. On the Cliental demand and in agreement with the Client, we consider this circumstance as essential for the valuation purposes.

3. The Valuer assumes an absence of any concealed facts (except those given in the Auditor's Report), which could have had an impact on the price of the valuation object and assumes no responsibility for the presence of such factors. The valuation methods are envisaged by the Agreement and the price is calculated in the order envisaged by the International Valuation Standards.

4. The Valuer was not obliged and he did not do any geological survey of the valuation land parcel and consequently, for the purposes of the present valuation, it is assumed that the geological conditions of the given land parcel meet seismic and other requirements.

5. The valuation activity cannot be deemed an exact science; all opinions are subjective and depend on an individual approach. Even in case of using the same databases or the same assumptions, the experts' opinions may vary depending on the individual decisions. Consequently, it is impossible to have any standard formula of undisputed valuation. Consequently, the Auditor's Report gives a personal opinion of the auditor in respect of the value/price index fixed by him and cannot be deemed a guarantee that the valuation property will be alienated exactly at the appraisal price.

6. The final price index is the outcome of the analysis of the obtained information and is not the guarantee for the absence of other proposals or facts of transactions on the market, which differ with their price indices.

7. No relevant study was completed and it is assumed that there are no ore deposits under the valuation land parcel.

1. Valuation Methods

In order to identify the value of compensation for the damage inflicted to the land owners, one of the basic approaches, the **Market Method (the sales comparison approach)**, envisaged by the International Valuation Standards (IVS-2017), was used:

Approach: **With the Market Method**, the Valuer gives his opinion about the value/price by comparing the comparison properties to the valuation properties.

Procedure

- „In applying the sales comparison approach, a Valuer follows a systematic procedure. The Valuer will:
- Research the market ...
- Verify the information...
- Select relevant units of comparison...
- Compare the sale properties with the subject property using the elements of comparison...
- Reconcile the results into a value indication.... “

/ International Valuation Guidance Note 1. Real Property Valuation. GN 1. Real Property Valuation/

Elements of comparison *Elements of comparison* are the specific characteristics of properties and transactions that cause the prices paid for real estate to vary. Market analysis identifies which elements are especially sensitive.

Elements of comparison include the comparison of the following elements:

- *Property rights conveyed ...*
- *Financing terms....*
- *Conditions of sale....*
- *Costs to be borne immediately after the purchase...*
- *Market conditions...*
- *Location....*
- *Physical characteristics...*
- *Economic characteristics ...*
- *Use ...*
- *Immovable components of sales...”*

So, the market or sales comparative analysis method in evaluation of the price of the valuation object relies on its direct comparison to a similar object sold in the near past.

In line with the above-mentioned standard, I accomplished the following consecutive actions to identify the market price of the valuation property by using the market method: gathering and analyzing the market data about the similar to the valuation properties, detailed market survey, obtaining reliable information about the factors influencing the price of the valuation object. The obtained information was re-examined to make oneself sure of its accuracy and essence of motivation beyond all transactions; the relevant unit of comparison was identified and comparative analysis was done; the valuation objects were compared with the selected

comparison objects with the purpose of correcting their sales prices or excluding the comparison objects from the list and reduce the corrected indices of the value of the comparison to a single value or put them within the market range. The market value of the valuation objects was identified.

2. Calculation of the market prices of the land parcels with a sales comparison method

Market, or sales comparison method was used to fix the monetary value of the affected land parcels. This method implies comparing the valuation object to other objects with their market values known (i.e. the land parcel in question was sold or bought).

The valuation land parcels are located in Tbilisi, Saburtalo District, Marshal Gelovani Avenue and cover the area adjacent of monument “Tiger and Fellow” up to David Agmashenebeli monument.

The valuation land parcels with their functions, designation and parameters are similar: they are non-agricultural plots with a commercial function and are located along the central avenue. However, at this point, one important circumstance should be noted, in particular, all four land parcels are subject to construction limitations and/or they are located in the recreation zone. By considering these circumstances, following the principle of use and expectation, their price is essentially less. On the Cliental demand and in agreement with the Client, we did not take this circumstance into account for the valuation purposes, but consider the valuation objects as free from any encumbrance.

In order to evaluate the land parcels, the relevant market segment and values under the agreements and contracts concluded for similar real estate must be analyzed what was done on the territories of the above-said villages and their adjacent villages must be considered.

With the purpose of fixing the market values in the course of evaluation, we obtained the data about similar properties based on the present market proposals (the source of information is given in the table) given in Table #1.

Table N1

Area	Designation	Address/location	Transaction unit price, Gel	Source of information
4200.00 sq.m.	Non-agricultural, commercial	Tbilisi, adjacent to monument “Tiger and Fellow”, in Marshal Gelovani Avenue	1.0 sq.m.. – 1100 GEL	www.myhome.ge ID: 7513188 13.05.2018
4200.0 sq.m.	Non-agricultural, commercial	Tbilisi, intersection of Marshal Gelovani Avenue and Gagarin street	1.0 sq.m. – 1200 GEL	www.myhome.ge ID: 7893403 11.05.2017 Cadastre Code 01.10.11.002.007
1020.00 sq.m.	Non-agricultural, commercial	Tbilisi, Marshal Gelovani Avenue, adjacent to BELUX store	1.0 sq.m. – 1500 GEL	www.myhome.ge ID: 8336517 29.04.2017
6000.00 sq.m.	Non-agricultural, commercial	Tbilisi, Marshal Gelovani Avenue	1.0 sq.m. – 1220 GEL	www.myhome.ge ID: 8387126 18.04.2017

Table N2. Corrections to the land parcels of the I type to be evaluated located in the impact zone (Gel, unit: 1.00 sq.m.)

N	Elements of comparison	Analog N1	Analog N2	Analog N3	Analog N4
	Area, sq.m.	4200	4200	1020	6000
	Price of 1 sq.m.(GEL)	1100,00	1200,00	1500,0	1220,0
1	Property rights conveyed	Full	Full	Full	Full
	<i>Correction</i>	0%	0%	0%	0%
	<i>Corrected price</i>	1100	1200	1500	1220
2	Financing terms	Typical	Typical	Typical	Typical
	<i>Correction</i>	0%	0%	0%	0%
	<i>Corrected price</i>	1100	1200	1500	1220
3	Conditions of sale	Offer	Offer	Offer	Offer
	<i>Correction</i>	-5%	-5%	-5%	-5%
	<i>Corrected price</i>	1045	1140	1425,00	1159,00
4	Costs to be borne immediately after the purchase	Full	Full	Full	Full
	<i>Correction</i>	0%	0%	0%	0%
	<i>Corrected price</i>	1045	1140	1425,00	1159,00
5	Market conditions (time)	2018	2017	2017	2017
	<i>Correction</i>	0%	0%	0%	0%
	<i>Corrected price</i>	1045	1140	1425,00	1159,00
6,1	Location	Similar	Similar	Similar	Similar
	<i>Correction</i>	0%	0%	0%	0%
	<i>Corrected price</i>	1045,00	1140	1425,00	1159,00
6,2	Access road	Similar	Similar	Similar	Similar
	<i>Correction</i>	0%	0%	0%	0%
	<i>Corrected price</i>	1045,00	1140,00	1425,00	1159,00
7	Physical characteristics				
7,1	Plot area	Similar	Similar	Similar	Similar
	<i>Correction</i>	0%	0%	0%	0%
	<i>Corrected price</i>	1045,00	1140,00	1425,00	1159,00
7,3	Communications	Analog	Analog	Analog	Analog
	<i>Correction</i>	0%	0%	0%	0%
	<i>Corrected price</i>	1045,00	1140,00	1425,00	1159,00
7,4	Economic characteristics	Similar	Similar	Similar	Similar
	<i>Correction</i>	0%	0%	0%	0%
	<i>Corrected price</i>	1045,00	1140,00	1425,00	1159,00
8	Improvements	Analog	Analog	Analog	Analog
	<i>Correction</i>	0%	0%	0%	0%
	<i>Corrected price</i>	1045,00	1140,00	1425,00	1159,00
10	Use	None	None	None	None
	<i>Correction</i>	-70%	-70%	-70%	-70%
	<i>Corrected price</i>	313,50	342,00	427,50	347,70

3. Fixing the land compensation values

After considering the analogues and studying the data and corrected prices, the value of the unit land was fixed by calculating the mean weighted value. When agreeing the results of the corrected prices, the analogues being most comparative to the objects to be evaluated and with least corrections were given the highest specific weight.

The market value of the unit land to be evaluated (by using the weighted value) was calculated by us with the following formula:

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

V_{wa} - is the mean weighted value;

P_i – is the corrected price of each analogue;

∑ R – is the sum of the rated weights of the corrected prices of the analogues of comparison;

R_i - is the rated weight of the corrected price of each object of comparison.