

Draft Land Acquisition and Resettlement Framework

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Georgia: Livable Cities Investment Project for Balanced Development

Prepared by the Municipal Development Fund, Tbilisi Development Fund, Tbilisi City Hall, Government of Georgia for the Asian Development Bank.

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GLOSSARY

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

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

Beneficiary Household/Person (BH/BP) – a household and its members whose property/assets will be involved in the Project rehabilitation works and who will benefit from the Project as such (rehabilitation of their houses will be carried out free of charge for them, their living conditions will be improved, cost of the real estate will be increased etc.), but who are not subject to relocation or any other involuntary resettlement impact subject to mitigation and/or compensation as per entitlement matrix of the project and SPS.¹

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

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

Improvements: Structures constructed (dwelling unit, fence, waiting sheds, animal pens, utilities, community facilities, stores, warehouses, etc.), and crops/plants planted by people, households, institutions, or organizations.

Host population: Community residing near the area where the Project beneficiaries are proposed to be voluntarily resettled within the framework of the given project.

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

Legitimate Possessors: Physical/legal persons who occupy and use land and/or assets without registered title, however are eligible to claim for valid title under the current legislation.

Informal Settlers: Affected persons who do not held the ownership title to land/assets they occupy, neither are eligible to claim for valid title under the current legislation.

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

Rehabilitation: Compensatory measures other than payment of the replacement cost of acquired assets which are provided under this Policy Framework aimed at improving, or at least restoring, livelihoods and living conditions of affected households to pre-displacement levels. Such measures must be determined in consultation with affected persons, including those whose rights might not be formally recognized.

Replacement Cost: Method of valuing assets to replace the loss at fair market value, or its

¹ This is applicable for region subprojects by MDF.

nearest equivalent, plus any transitional and restoration costs such as administrative charges, taxes, registration, title costs and any other applicable payments. Where national law doesn't meet this standard the replacement cost will be supplemented as necessary. Where market value of land, based on recent arms length transactions between willing buyers and sellers is not able to be determined, the value may be calculated, based on its productive potential and location. The replacement cost of houses and structures is based on current fair market price of building materials and labour without depreciation or deductions for salvaged building material., The market value of crops, trees, and other commodities includes transaction costs to be able to replace these assets.

Resettlement: Means full or partial, permanent or temporary physical displacement (relocation, loss of residential land/ or shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to parks and protected areas. The definition applies to impacts experienced, regardless of whether it involves actual relocation.

Resettlement Plan: A time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation.

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

Severely Affected: Households (including informal settlers) that (i) lose 10% or more of their income generating land/assets as a result of project-related land acquisition, (ii) physically displaced AH and (iii) households losing commercial/business establishments.

Vulnerable groups: Particularly disadvantaged Households who by virtue of gender, ethnicity, age, physical or mental disability, Economic disadvantage, or social status may be more adversely affected by resettlement than others, and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits. These are: (i) female-headed households, (ii) households of elderly people with no means of support, (iii) households with disabled people, (iv) poor households as defined by the official poverty line, and (v) refugees or internally displaced people.

ABBREVIATIONS

ADB	Asian Development Bank
AH	Affected Household
AP	Affected Person
BH	Beneficiary Household
BP	Beneficiary Person
CBO	Community Based Organization
CR	Compliance Report
DMS	Detailed Measurement Survey
EA	Executing Agency
EM	Entitlement Matrix
ESIA	Environment and Social Impact Assessment
GOG	Government of Georgia
GRC	Grievance Redress Committee
IA	Implementing Agency
IEE	Initial Environmental Examination
IFI	International Financial Institution
IMPO	Investment Program Management Office
IP	Indigenous People
IR	Involuntary Resettlement
LAR	Land Acquisition and Resettlement
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
LCIP	Livable Cities Investment Program
MDFG	Municipal Development Fund of Georgia
MLARO	Municipality Land Acquisition and Resettlement Office
MoF	Ministry of Finance
MRDI	Ministry of Regional Development and Infrastructure
MSME	Micro, Small and Medium Enterprises
NAPR	National Agency of Public Registry
NGO	Non-Governmental Organization
ROW	Right of Way
SDDR	Social Due Diligence Report
SES	Socio-economic Survey
SPS	Safeguards Policy Statement (ADB 2009)
TDF	Tbilisi Development Fund
TRTA	Transactions Technical Assistance

Executive Summary

1. This Land Acquisition and Resettlement Framework (LARF) is prepared by the Municipal Development Fund of Georgia (MDFG) of the Ministry of Regional Development and Infrastructure of Georgia (MRDI) and the Tbilisi Development Fund (TDF) of the Tbilisi City Hall (TCH) with support of transaction technical assistance (TRTA) consultants engaged by the Asian Development Bank (ADB) for ADB funded Livable Cities Investment Project (LCIP) for Balanced Development (LCIP). This is prepared to adequately address the ADB Safeguard Policy Statement (SPS 2009) requirements and is to be endorsed by the Georgian Government. The LARF is subject to review and clearance by the GOG and ADB.
2. The main objective of the LARF is to assist MDFG/TDF at the phase of LARPs preparation aimed at identifying the types, nature, and magnitude of potential economic and/or physical displacement impacts and providing adequate measures to address these impacts to ensure that potential APs are:
 - a) Informed about their rights and options pertaining to resettlement;
 - b) Involved in meaningful consultation process and given the opportunity to participate in project planning and selection of technically and economically feasible alternatives; and
 - c) Provided with prompt and effective compensation at full replacement cost² for losses of land, assets, or access to assets and livelihoods because of Subproject works.
3. This LARF for MDFG/TDF has been developed within the framework of the project financed by the ADB. The objective of the project is rehabilitation, reconstruction, expansion and development of the urban clusters including water supply, sewerage and sanitation (including off-network solutions), urban transport and mobility (including non-motorized and public transport), solid waste management, economic corridors, cultural and historical heritage conservation, flood control and drainage, urban safety and resilience, improved universal access to public facilities and services, and support for urban regeneration of public spaces and green areas.
4. This LARF builds on the lessons learned from the preparation and implementation of land acquisition and involuntary resettlement instruments associated with other projects funded by ADB and examples of practical experience obtained during implementation of LARPs in other sectors.
5. This LARF will serve as the main guiding document for the selection, screening, impact assessment and development of Social Due Diligence Reports or/and Land Acquisition and Resettlement Plans (LARPs) upon completion of detailed design for each Subproject proposed within the framework of Preparing Livable Cities Investment Project for Balanced Development by ADB (annex 1 – Template of Social Due Diligence Report).
6. The LARF should be read in conjunction with the ADB Safeguards Policy Statement (SPS 2009) on Involuntary Resettlement and effective legislation of Georgia. The LARF provides the guidance on how to prepare and implement LARPs, how to set out project goals and project implementation schedule, census and socio-economic survey, inventory of project affected asset, cut-off date and eligibility criteria for project affected persons (APs), legal

² Please find the detail explanation on the meaning of the replacement cost in the Definitions of Terms.

framework and institutional involvement, determines valuation methodology and approach to determine unit rates per each type of loss to be cash compensated, establishes compensation entitlements, participation and consultation procedures, and grievance redress mechanism and monitoring process, all of which will be employed to ensure compensation, and restoration of the livelihoods and living standards of APs.

7. The document outlines the resettlement principles and procedures ensuring that resettlement needs are identified, and the MDFG of the Ministry of Regional Development and Infrastructure of Georgia (MRDI) and TDF of Tbilisi City Hall, the implementing agencies (IAs), adopt and implement the procedures for land acquisition, involuntary resettlement, and potential loss of access to physical and economic livelihoods in compliance with the Government's applicable laws and regulations, ADB SPS 2009 and the best international practice.

8. The final approved LARF will be uploaded to the web sites of MDFG/TDF (in Georgian) and ADB (in English).

Chapter 1. Project Overview

Introduction

9. This Land Acquisition and Resettlement Framework (LARF) is prepared by the Municipal Development Fund of Georgia (MDFG) of the Ministry of Regional Development and Infrastructure of Georgia (MRDI) and the Tbilisi Development Fund (TDF) of the Tbilisi City Hall (TCH) with support of transaction technical assistance (TRTA) consultants engaged by the Asian Development Bank (ADB) within ADB funded Livable Cities Investment Project for Balanced Development (LCIP). This is prepared to adequately address the requirements of ADB Safeguard Policy Statement (SPS 2009) and is subject to endorsement by the Georgian Government. The objective of preparing this LARF is to describe policy principles, procedures, and institutional arrangements through which the involuntary resettlement impacts of new and amended subprojects can be assessed and mitigated by the Implementing Agency in compliance with the ADB policy (SPS 2009) and national legislation.

10. The Asian Development Bank and the Government of Georgia (GoG) reoriented urban sector operations to provide integrated and programmatic solutions in Georgia for developing livable cities that are economically competitive, socially inclusive, and environmentally resilient³⁴. Since November 2016, ADB has supported the government to mainstream an integrated and participatory approach to urban development by improving strategic planning of selected urban area clusters to achieve a more balanced regional development by preparing Integrated Urban Action Plans (IUAPs). Building on this, the government has prioritized crucial urban investments for ADB to take forward through feasibility studies and safeguards due diligence. These include integrated solutions that bring co-benefits to the citizens in the development of the urban clusters including water supply, sewerage and sanitation (including off-network solutions), urban transport and mobility (including non-motorized and public transport), solid waste management, economic corridors, cultural and historical heritage conservation, flood control and drainage, urban safety and resilience, among others. Additionally, Government of Georgia announced educational sector development as of vital importance. Moreover, the strategic document prepared by Ministry of Education, Science, Culture and Sport of Georgia - Preschool Strategy 2019 – 2021 aims to increase access to high quality preschool education, which could not be achieved without relevant pre-school infrastructure and environment. Based on the above-mentioned Government of Georgia vigorously began investing in educational infrastructure, mostly in kindergarten and school buildings. Ultimate goal of the project is to improve and create quality pre-school/kindergarten infrastructure.

11. To expedite balanced regional development, support for basic urban services and transport have been prioritized, particularly in small towns and regional cities that are potential hubs for tourism, agribusiness, and regional trade as key drivers of economic growth. Governance and capacity building will need to be integrated into the ensuing projects to achieve more robust results and ensure operational and financial sustainability of infrastructure projects.

12. The government has proposed to process the Livable Cities Investment Project (LCIP) for Balanced Development to improve urban and tourism infrastructure and services across

⁴ ADB's Urban Operational Plan 2012-2020 fosters the growth of Competitive, Inclusive, and Green Cities to improve the performance of cities on the Economic, Equity, and Environment (3Es) fronts. It focuses on 3 innovative approaches to guide the development of livable cities, which is a long-term process, achieved best through integrated planning and implementation of investment.

Georgia. LCIP will help improve the livability of the urban area clusters three interlinked outputs: (i) improved adequacy and efficiency of urban infrastructure and services, (ii) improved accessibility, connectivity and attractiveness of regional tourism clusters, and (iii) enhanced institutional capacity for implementing and managing urban infrastructure and services, (iv) improved access to quality pre-school infrastructure, improved environment: new playgrounds increasing gross motor skills of children, safe buildings - considering fire alarm and safety systems, clean and updated sanitary infrastructure including water closet and kitchen, (v) improved planning of the Kindergarten building, increased space per child and per teacher, energy efficient kindergarten buildings, (vi) improvement of educational and working conditions for children and teachers in kindergarten, (vii) Improved access to inclusive child-friendly quality education, and (viii) Social impact – increased income of population during the implementation (employment of workers), and after the construction.

13. Construction of the sport complexes have high importance for maintaining and implementing a healthy lifestyle for the population, which will also reduce youth drug addiction and alcoholism. New sports complexes will lead to the success of the athletes, which will be especially important for the young people living in regions, as the representatives of the communities often have significant success in the international arena in a various type of sport, including water polo, synchronized swimming, etc.

14. All infrastructure projects will be designed considering accessibility and universal design principles as per the Inclusive Cities: Urban Area Guidelines prepared under the ADB TA-9220 and endorsed by the Parliament of Georgia in June 2020. These Guidelines are in line with the Law of Georgia for Persons with Disabilities was adopted in December 2020 and the Resolution No.732 Technical Regulation - "National Accessibility Standards" came into force on 1 March 2021.

15. The program is assessed as “**Medium**” risk, because (i) while none of subprojects are expected to be categorized as *category A* for involuntary resettlement (IR), and (ii) the risk for MDFG is assessed as “**Low**” given the existing experience and capacity to handle ADB requirements on IR and social safeguards, (iii) the risk was assessed as “**Substantial**” for TDF, since it has less experience and capacity for procurement, safeguards and financial management for ADB-financed programs. Trainings and project management support will be provided to TDF.

Project background

16. Tbilisi, the capital city of Georgia, generates about 70% of the national GDP, with just half of the country's urban population. The city's population also increased from 47% to 51% of the country's total between 2007 and 2017, while secondary cities in the regions experienced declines in urban population during the same period. The trend is associated with issues such as out-migration, unbalanced economic growth, limited employment opportunities and poor livability of these urban regions. ADB undertook a National Urban Assessment (NUA) in 2015 that identified the need for balanced regional development to unlock the potential for inclusive economic growth through urban development by adopting multiple strategies, new initiatives, and innovative funding mechanisms at the national and regional level through integrated urban investment planning.

17. Improvement of infrastructure is essential for many aspects of balanced regional development. For example, kindergartens and schools with facilities in poor condition usually are less competitive in attracting education professionals. Most of kindergarten buildings in rural

areas in Georgia are in poor structural condition, without access for children with special needs and with old planning standards that are far from being comfortable for children and staff. Buildings in poor condition could pose high risk in terms of health and safety, especially for children as early years of children's life are very important for their health and development. The modern infrastructure and comfortable environment will have positive effect on children's growth, education process and increase motivation of personnel working in kindergartens. Based on above mentioned, Government of Georgia gives high priority to investments in pre-school and school infrastructure, mostly through Municipal Development Fund of Georgia. From 2018, Government of Georgia announced educational sector as of national importance and decided to conduct a number of reforms by investing 6% of the GDP (quarter of the budget) in the sector. the reforms were combined with development of infrastructure and environment of vital importance. Ministry of Education, Science, Culture and Sport of Georgia prepared the Preschool Strategy 2019 – 2021. Aim of the document is to enhance access to high quality preschool education and prepare children for the school. According to the document, government should increase access to high quality preschool education up to 95% by 2023. Additionally, based on the research conducted by UNICEF in the regions of Georgia we have quite low preschool enrolment rates, especially concerning to children with special needs, however by joining to UN Sustainable Development Goals, Government of Georgia took responsibility to ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.

18. The project is aligned with the following impact: Sustainable economic growth, improved livability and balanced development promoted in the regions and Tbilisi in Georgia and has 3 outputs:

- **Output 1: Inclusive and climate-resilient urban infrastructure and services rehabilitated and constructed** including upgrading of regional city centers and Tbilisi neighborhoods, urban design of public spaces and parks, pedestrian paths, road rehabilitation, storm water drainage, Mtkvari river rehabilitation, and community buildings such as library and e-learning center, kindergartens, and sports complexes, incorporating inclusive cities guidelines;
- **Output 2: Accessibility, connectivity, mobility of regional clusters and Tbilisi improved**, including the rehabilitation of cultural sites, heritage structures, traffic management measures, mobility and public transport expansion covering 550 km of Tbilisi Metro cabling (baseline: 388 km) and installation of 32 ventilators, provision and installation of software and equipment for the academic center and research laboratory (BridgeLab) of the Georgian Technical University, one bridge constructed in Tbilisi, and metro station access improvement incorporating universal design and accessibility guidelines; and
- **Output 3: Institutional framework and capacity for sustainability enhanced** through urban management partnerships and trainings to strengthen institutional framework and capacity of MRDI, MDFG, TCH, TDF and local governments for tourism development, service delivery, municipal finances, business development facility to support MSME development including women's entrepreneurship, private sector participation and development.

Subproject Selection

19. The project will be implemented through ADB's sector loan modality. The government shall ensure that the loan is only used for the financing of eligible subprojects, and that all subprojects are selected and approved in accordance with the agreed subproject selection

criteria and approval process.

20. A Land Acquisition and Resettlement Plan (LARP) will be prepared for each subproject with IR impacts while a social due diligence report (SDDR)⁴ will be prepared if a subproject is not likely to have IR impacts.

21. A detailed project selection criteria aligned with the government project prioritization criteria as per the Public Investment Management Guidelines (Appendix to Government Decree No. 191), approved on 22 April 2016 by the Government of Georgia,⁵ is included in the project administration manual (PAM) to ensure future subprojects will maintain alignment with the sample projects that have been used for prior review.

22. The sector loan modality requires an appraisal of a typology of subprojects that serve as a sample for future subprojects. ADB conducted the technical due diligence of two groups of subprojects: (i) regional and (ii) Tbilisi. Regional subprojects were divided into primary and secondary categories. The primary category consisted of standardized engineering designs proposed for small (75 students), medium (90 students) and large (180 students) kindergartens across three climactic zones applicable in several regions, as well as engineering designs for swimming pool in Kutaisi and sports complexes in Zugdidi, Akhaltsikhe, and Rustavi. The secondary category included upgrading of Velistsikhe urban center, a touristic route for Telavi, a e-learning center and library in Zugdidi, and the renovation of historic structures of cultural heritage importance in Svaneti region, in Usghuli and Laghami villages near Mestia, that is the largest town in Svaneti. All regional subprojects underwent reviews of the detailed engineering designs. The design for the Dighomi Park project in Tbilisi was after the review developed to improve accessibility and integration of nature-based solutions for riverbank stabilization. For all the selected subprojects, the social due diligence has been conducted based on detailed design and relevant safeguards documents prepared (see table 1).

Table 1. Status of Subprojects Selected⁶

Subproject	Status 07 May 2021	Remaining activities until approval
MDFG/MRDI		
Velistsikhe	Implementation-ready LARP finalized and adopted by ADB	N/A
Telavi	SDDR finalized and adopted by ADB	N/A
Zugdidi	SDD finalized and adopted by ADB	N/A
Mestia	Implementation-ready LARP finalized and adopted by ADB	N/A
Kindergartens	17 SDDRs prepared and adopted by ADB	3 SDDRs to be finalized before 15 June 2021
Sport facilities	4 SDDRs prepared and adopted by ADB	
TDF/TCH		
Dighomi Park	Draft LARP is prepared as an agreement among stakeholders on mitigation measures is pending.	To be updated upon completion of public consultations planned for July 2021

⁴ See the details in Chapter 6 (the section “Objective and Content of Social Due Diligence Report” specifies the requirements on SDDR preparation).

⁵ Government of Georgia. 2016. Government Decree No. 191. Tbilisi.

⁶ See the full list of Subprojects attached as Annex 2.

Magnitude of project impact and vulnerability

23. This LARF will provide guidance for elaboration of LARPs for Subprojects to be undertaken by MDFG/TDF within the framework of the preparation and implementation of LCIP. If/when the specific project impacts are identified, they will be detailed and addressed in LARP(s), separately prepared for each proposed Subproject selected within the framework of this program.

24. Approach to be followed under the ADB financed projects should bring positive impact and potential for future benefits for APs. Project specific LARPs will then be prepared in compliance with the approved LARF, country legislation and requirements of ADB SPS 2009.

25. In the event of permanent land acquisition or resettlement, a market survey will be conducted to assess the prevailing market prices of land, replacement cost for affected structures, crops and other relevant affected assets, which will be used to find adequate replacements, when necessary, as per LARF provisions. Each individual AP's property/asset will be valued by an independent qualified valuation company/specialist for planning of compensation at replacement cost. Loss of income and assets will be compensated on a net basis without tax, depreciation or any other deduction.

26. The socio-economic survey (SES) will cover major socio-economic features of the affected population, including the presence of any specifically known vulnerable groups. During LARP preparation phase, census of APs and detailed measurement surveys (DMS) including SES will reveal all vulnerable groups, and severely affected AHs, potentially facing the risk of impoverishment of an affected household. Such cases, if confirmed during census and SES, will be addressed in the Subproject specific LARPs that will cover relevant mitigation and/or rehabilitation measures as stipulated in this LARF.

27. On completion of detailed design and prior to award of any construction contract, either a LARP (where there is physical or economic displacement) or a social due diligence report SDDR (where there is no physical or economic displacement) must be submitted to ADB, approved and disclosed prior the implementation.

28. As a result of social due diligence conducted within the preparation of the project, three subprojects have been identified with potential IR impacts – (i) “Rehabilitation of Svan Towers in Laghami District in town Mestia”, (ii) “Urban Regeneration of Historical Streets in Velistsikhe” and (iii) “Arrangement of Municipal Park in Dighomi Floodplains, Tbilisi Municipality)” and LARPs were prepared for the mentioned subprojects accordingly. For the other subprojects, assessed at this stage (kindergartens and sport complexes), SDDRs were prepared to demonstrate the scope of the subproject interventions, and absence of IR impacts with relevant supporting documents.

29. In total, the estimated impacts are as follows: 31 temporarily suspended affected businesses and lessors during project implementation phase (5 businesses in Mestia, 20 businesses and 6 lessors in Velistsikhe), 5 permanently affected businesses (5 businesses in Dighomi area, Tbilisi), 11 affected persons temporarily losing jobs (all of them in Velistsikhe), 56 temporarily affected households (AHs) subject to temporary relocation (42 (including 17 vulnerable) in Mestia; 14 (including 8 vulnerable) in Velistsikhe), 7 permanently affected

⁷ May still change when Diighomi LARP is finalized.

vulnerable households in Dighomi.

Objective of the LARF

30. By mutual agreement of MDFG/TDF and ADB, this Land Acquisition and Resettlement Framework (LARF) serves as the key document for further development of LARP/SDDR for each selected Subproject. It will become an element of the respective financing agreements between the Government and ADB. The LARF provides necessary and relevant principles, guidelines and procedures for the effective management of Land Acquisition and Resettlement (LAR) impacts that individual subprojects may cause. This LARF has been developed after thorough review of all relevant policies, regulations and laws of Georgia as well as the SPS of ADB 2009 and the Operations Manual F1/OP.

31. This LARF applies to all displaced persons (DP) with land and property status affected permanently or temporarily (temporary disturbances) due to construction activities, loss of employment, income, livelihoods and any other form of impacts. It also applies to people whose use of State land, sanctioned or not, changes as the result of the investment. LARF does not apply to State land that is transferred from one authority to another, or is used for reconstruction, unless third parties are adversely affected by the transfer or use. It also does not apply for donation of land on a voluntary basis by any individual or groups of people. However, in such case, the procedure will be documented through a Social Due Diligence (SDD) report (sample outline is attached to this LARF).

32. Preparation of Land Acquisition and Resettlement Plans (LARPs) under the framework will be the responsibility of the IAs with support from recruited supervision consultants. Finalized LARP(s) will be subject to approval by EAs and presented to ADB for review, approval and disclosure prior the implementation.

Project stakeholders

33. Project stakeholders are individuals and household owners, legitimate possessors and users of the project affected land parcels, eligible for cash compensation, including commercial entities, business owners, local government and local communities that may not necessarily be directly affected but still gaining/sharing project benefits.

34. Local government and state institutions will be involved in LARP preparation process as the agencies responsible for a number of tasks to be accomplished during LARP preparation and implementation on behalf of the government of Georgia. Chapter 8 'Consultation, Participation and Information Disclosure' describes the procedures and actions to be undertaken during LARF and LARP disclosure, implementation and monitoring and evaluation of LAR results prior the project construction period.

Measures taken to minimize project adverse impacts

35. A project's resettlement planning begins during the feasibility studies and continues throughout final design studies and project implementation. Efforts shall be made at each point to avoid or minimize impacts related to displacement of people. This shall be achieved by considering the design alternatives that will yield the same or similar project benefits while requiring less land acquisition, less disruption of livelihood, and less resettlement plan implementation cost.

36. The design of each proposed Subproject will be prepared in accordance with applicable standards. During LARP preparation several actions will be undertaken. After scoping and feasibility study several alternatives of project design alignment will be considered for assessing the options for avoiding/minimizing involuntary resettlement impacts.

37. Each design option will be overlaid on to the official cadaster data, to determine potential impact on private property. On site surveys will be undertaken per each design option to assess approximate magnitude of land acquisition, affected structures (residential and commercial facilities), supplementary structures, perennials and annual crops, business closure, etc.

38. Alternative design options will be assessed in terms of project impacts and the possibility of minimizing adverse impacts, to select the most efficient option in terms of minimum impacts in line with reasonableness of construction costs. For this purpose (i) documentation of the assessment of alternatives and (ii) the justification of the selected option should be provided.

Conditions for Project Implementation

39. Based on the ADB policy/practice, the approval of project implementation is based on the following LAR-related conditions:

- a. **Signing of Contract Award:** Conditional to the approval of the project specific LARP by ADB and Government. Implementation-ready LARP reflects final impacts, final AP lists and compensation rates at replacement cost.
- b. **Notice to Proceed to Contractors:** Conditional to the full implementation of LARP (legalization of legalizable owners, and full delivery of compensation and rehabilitation allowances) and certified by a LARP implementation Compliance Report prepared by MDFG/TDF and approved by ADB.

Chapter 2. Legal Regulatory Framework

40. The legal and policy framework of the Project is based on national laws and legislations related to Land Acquisition and Resettlement (LAR) in Georgia and ADB's Safeguard Policy Statement 2009.

Georgia's Laws and Regulations on Land Acquisition and Resettlement

41. In Georgia, the legislative acts given below regulate ownership rights and the issues of obtaining State ownership to privately owned land parcels for necessary public needs:

- a. The Constitution of Georgia, August 24, 1995 (as amended 16 October 2013)
- b. The Civil Code of Georgia, June 26, 1997 (amend. 2000, 2002, 2003, 2004, 2005, 2006, 207, 2008, 2009, 2010, 2011, 2012, 2013, 2014)
- c. The Law of Georgia on Notary Actions, December 4 2009 (amend. 2010, 2011, 2012, 2013, 2014, 2015)
- d. Law on Public Health 27 June 2007 (amend. 2009, 2010, 2011, 2012, 2013, 2014, 2015)
- e. The Law of Georgia on Ownership Rights to Agricultural Land, March 22, 1996 (amend. 1997, 1998, 1999, 2000, 2003, 2004, 2007, 2010, 2012, 2014)
- f. Law on Compensation of Land Substitute Costs and Damages due to Allocating Agricultural Land for Non-Agricultural Purposes 1997 (amend. 2005, 2006, 2007, 2009, 2010, 2011, 2013, 2014, 2015)
- g. The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities, 11 June 2007 (amend. 2007, 2008, 2009 2010, 2011, 2012)
- h. Law on state property 2010 (amend 2011, 2012, 2013, 2014)
- i. The Law of Georgia on Public Register- No820 –IIs, December 19 of 2008, (amended 2009 2010, 2011, 2012, 2013, 2014, 2015)
- j. The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need, July 23, 1999 (amend. 2005, 2007, 2010, 2013)
- k. The Civil Procedural Code of Georgia, November 14, 1997(amend. 1998-2015)
- l. The Law of Georgia on State property, June 21, 2010
- m. Labour Code, May 25, 2006
- n. Tax Code, January 2005
- o. Law on Entrepreneurship, October 28, 1994

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

- Obtaining the right of way without expropriation through the payment of due compensation on the basis of negotiations, or
- In case negotiations fail, through a court decision for expropriation, prior to

commencement of the activities, which gives the possibility of obtaining permanent right to land and/or other real estate property on the basis of Eminent Domain Law and court decision through the payment of due compensation.

Expropriation

43. Acquisition of land through expropriation will be pursued under the project only in extreme cases when negotiations between APs and MDFG/TDF fail. Should the contract proposal fail, the expropriation process will commence by undertaking the procedures set out in the Law of Georgia “On the Rules for Expropriation of Ownership for Necessary Public Need” shall be applied. It is noted that under Georgian law, negotiation is seen as fair alternative to expropriation, whereas under ADB SPS 2009 negotiation under threat of expropriation still qualifies as involuntary resettlement.

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

45. Under no condition would the MDFG/TDF occupy the required plots until:

- a. a court injunction regarding expropriation has been obtained and properly communicated to the APs;
- b. the compensation/rehabilitation amounts at full replacement cost have been paid to all displaced persons or has been deposited on escrow accounts (in case of court cases when during LARP implementation process, AP is missing, absent, or deceased, issuance of compensation is postponed due to legal procedures or is not received by the AP due to any other legitimate reason). The deposited funds will be paid to AP upon the court decision on expropriation or in case the AP decides to drop the case and signs the agreement with the MDFG/TDF. and
- c. the land acquisition and resettlement implementation has been certified through compliance report accepted by ADB.

Legalization

46. The MDFG/TDF will provide technical assistance to APs qualifying as legitimate possessors of project affected land parcels. These APs will be assisted free of charge in the process of legalization of private ownership rights to project affected assets, followed by the registration of ownership title. Following, the AP will alienate project affected land parcel to the MDFG/TDF for project purposes in return for fair compensation amount calculated according to the unit rate determined in the approved LARP. Each LARP to be prepared shall include a separate section on legalization cases and relevant procedures (if any), including the needed budget as part of LARP administrative budget.

ADB Safeguard Policy Statement (2009)

47. ADB's safeguard policy statement (SPS 2009) lays out policy principles and outlines the delivery process for ADB's safeguard policy.

48. **The Objectives of the Involuntary Resettlement (IR) policy** are as follows:

- a. To avoid involuntary resettlement, wherever possible;
- b. To minimize involuntary resettlement by exploring subproject and design alternatives;
- c. To enhance, or at least restore, the livelihoods of all displaced persons in real terms, relative to pre-subproject levels; and
- d. To improve the standards of living of the displaced poor and other vulnerable groups.

49. **Scope and Triggers:** The involuntary resettlement safeguards covers physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. It covers them whether such losses and involuntary restrictions are full or partial, permanent or temporary.

50. **Policy Principles:** Resettlement planning is an integral part of project design for any ADB operation requiring involuntary resettlement, to be dealt with from the earliest stages of the project cycle, considering the following principles:

- I. 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.
- II. Carry out meaningful consultations with affected persons, host communities, and concerned non-government organizations. Inform all displaced persons of their entitlements and resettlement options. 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 displaced persons 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.
- III. Improve, or at least restore, the livelihoods of all displaced persons 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.
- IV. 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.
- V. 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.
 - VI. 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. Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
 - VII. 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.
 - VIII. 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 affected persons and other stakeholders.
 - IX. 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.
 - X. Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
 - XI. 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.

Comparison of Relevant Georgian Laws and ADB SPS 2009 on Involuntary Resettlement

51. Overall, the legislation of Georgia adequately reflects the major provisions of the ADB SPS 2009, but a few differences are to be noted. The most significant difference is that under Georgian legislation the emphasis is put on the definition of formal property rights and on how the acquisition of properties for public purposes is to be implemented and compensated while in the case of ADB SPS 2009 the emphasis is put both on the compensation of affected assets and on the general rehabilitation of the livelihood of Affected People (AP) and Households (AH), regardless of the ownership status (SPS considers compensation of non-land losses of non-titled persons).

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

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

53. Also, under Georgian law, negotiation is seen as fair alternative to expropriation, whereas under ADB SPS 2009 negotiation under threat of expropriation is still qualifies as involuntary resettlement. In addition, the legislation of Georgia does not require any specific measure regarding the need to prepare LARPs based on extensive public consultations.

54. The Legal Matrix given in next table describes the differences between the legislation of Georgia and ADB SPS 2009 on LAR and describes the mitigation measures suggested to bridge these gaps.

Table 1. Legal Matrix

Georgia Laws and Regulations	ADB SPS 2009	Corrective Action
Land compensation only for titled landowners.	Lack of title should not be a bar to compensation and/or rehabilitation. Non-titled landowners receive rehabilitation and compensation for any structures and assets they may have on the land (for non-land losses only).	In practice, legitimate possessors of land parcel eligible to legalization may be and shall be legalized and owners of legalized land parcels are also compensated after they are issued with the necessary papers. MDFG/TDF will support those without legal titles so they can be titled and compensated before displacement occurs as per project LARF and LARP provisions.
Temporary loss of Residence for only formal owners	All AH regardless of their formal or informal status	All AH will be compensated for temporary relocation according to the construction period of each structure occupied by an AH. Each of AH will get the cash compensation, which is sufficient to rent acceptable residence for living of equal or better quality and in a comparable location ⁸ . The AHs will be provided with assistance by the project to find suitable rental properties for temporary relocation if requested by the AHs. The monthly rent cost for the compensation will be calculated by an independent evaluator during preparation of the LARP.
Only registered houses/buildings are Compensated for damages/demolition caused by project-related land acquisition	All affected houses/buildings, regardless of legal status, are compensated for damages/demolition caused by project-related land acquisition	It is assumed, that majority of properties will be registered to actual user, with support of the project (legal and registration support). Accordingly, the compensation will be paid to all affected households. In case of damages during construction period, the construction contractor will be responsible for compensation and MDFG/TDF LAR team will supervise the processes. This refers to all AHs regardless of their legal

⁸ Acceptable residence means a comfortable space, which does not require repair work and other additional interventions, provides the residents with the necessary furniture and appliances, household utilities.

Georgia Laws and Regulations	ADB SPS 2009	Corrective Action
		ownership/ registration status (including legalizable and Informal Settlers)
Crop and trees losses compensation provided only to registered landowners	Crop losses compensation provided to landowners, sharecrop/lease tenants or other users such as squatters whether registered or not	Practically all croplands are registered in Georgia either in Public register or in the villages. In case of leased land plots, the compensation will be paid to renters and other users for their actual losses and be given assistance to access some other land to continue activities.
Compensation for loss of assets is based on market value without deducting depreciation	Compensation for loss of assets is based on replacement cost, i.e. on market value without taking into account depreciation and should also include transaction costs such as taxes and registration fees. It should also include other resettlement costs such as cost of preparing land for cultivation	Compensation will be paid based on replacement cost as per ADB SPS 2009 based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. No cost of depreciation or taken salvageable materials will be deducted from the valued cost of project affected structures and other fixed assets, owners are allowed to retain salvaged materials. MDFG/TDF will have in place clear legal procedures to assist APs and cover all costs related to title recognition and transaction registration fees, if any.
Implementing Agency of the Project (IA) is the only pre- litigation final authority to decide disputes and address complaints regarding quantification and assessment of compensation for the affected assets.	Complaints & grievances can also be resolved informally through a project- level grievance redress mechanism which in some cases can have community participation through a Grievance Redress Committees (GRC), Local	The MDFG/TDF resettlement team will have in place a mechanism to receive, register and process grievances from APs. Representatives of municipalities, local authorities and villages will be involved in the process from early stages. This will ensure solution of disputes and claims (if it is possible) at community

Georgia Laws and Regulations	ADB SPS 2009	Corrective Action
Complaints are reviewed in compliance with the formal procedures (rules) established by the Administrative Code of Georgia. There is no informal grievance redress mechanism through community participation at the local level.	governments, and NGO and/or local-level community-based organizations (CBOs)	level, however if solution could not be found, the case will be processed in accordance to local legislation.
Decisions regarding land acquisition and resettlement are discussed only between the landowners and the agency in charge of land acquisition	The LARP and LARPs including information on criteria for valuation of affected assets, entitlements, and compensation/financial assistance are to be publicly disclosed and consulted on during the planning process	The preparation of the LARF and LARPs will be done through engagement with relevant stakeholders and the LARF and LARPs will be publicly disclosed and consulted on. However, no personal information of the AP or amounts each individual/household will receive will be disclosed publicly.
No provision for income/livelihood rehabilitation, allowances for severely affected or vulnerable APs, or resettlement expenses	ADB policy requires rehabilitation for income/livelihood, severe losses, and for expenses incurred by the APs during the relocation process especially for vulnerable affected persons.	MDFG/TDF will have in place clear legal procedures to allow for additional assistance for severely affected and vulnerable households in accordance to the LARP, and for relocation compensation for all households qualified as vulnerable and/or severely affected
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	The public consultation process will be accomplished in accordance to ADB requirements and guidelines prior to and during LARP implementation
Recognition and compensation for business (officially registered) losses resulting from project-related land acquisition based on official tax	All kind of running business (officially registered or not- vendors etc.) will be compensated for the loss of income or livelihood sources at full replacement cost. The borrower/client will also	MDFG/TDF will ensure that all businesses will be recognized and compensated in accordance to LARF and LARP before displacement occurs.

Georgia Laws and Regulations	ADB SPS 2009	Corrective Action
declaration	provide assistance such as credit facilities, training, and employment opportunities so that they can improve, or at least restore, their income-earning capacity, production levels, and standards of living to pre-displacement levels.	

55. To reconcile the gaps between Georgia laws/regulations and ADB Policy, MDFG/TDF has adopted this LARF for the entire Project, ensuring compensation at full replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for those APs who will be relocated, suffer business losses, are vulnerable or will be severely affected. .

Chapter 3. Eligibility, Entitlements and Compensation Policy

56. As stipulated in ADB SPS 2009 and as described in this LARF all project related impacts should be identified through the relevant studies undertaken during LARP preparation and addressed accordingly, meaning that all project affected persons will be provided with relevant compensation and other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, effective taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons.

Establishment of the Cut-off Date

57. Compensation eligibility is limited to APs by a **cut-off date**. Timing is important. If the cut-off date comes too early, it can disadvantage displaced persons. Therefore, the cut-off date will be the completion date of final census of APs and inventory of project affected assets for the preparation of implementation-ready LARP. Information regarding the cut-off date will be documented and disseminated throughout the project area through meaningful consultations and other information dissemination channels in an accessible place and in a form and language(s) understandable to affected persons and other stakeholders. If during the Implementation of the LARP substantial changes are in place, that requires update of the LARP, this carried out as deemed necessary.

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

59. LARP prepared for each specific Subproject will determine the cut-off date and this is the completion date of the final census of APs and inventory of project affected assets. The cut-off date will be defined for the whole Subproject and clearly stated in each LARP.

Eligibility Criteria for Compensation of APs

60. This LARF determines the eligibility criteria of project affected persons (APs) and provisions for compensating all types of losses: land, crops/trees, shelter, structures, business/employment, and workdays/salaries/wages. All APs, including land users without title or legitimate possession will be compensated for lost income and assets (for the non-titled persons only compensation of non-land losses is envisaged). Loss of land will be cash compensated at replacement cost at current market value in the amount to allow APs to acquire land of the same area, productivity and designation in vicinity of current location, as described in this LARF and relevant LARPs prepared later for each specific proposed Subproject.

61. The criteria for eligibility for compensation are applicable for APs belonging to one of the following three groups:

- a. those who have certified and/or formal rights to use of occupied land subject to acquisition for the Project purpose;
- b. those who do not have formal legal rights to land at the time of the DMS or census

- completion but have legitimate right to claim rights to such land or assets—provided that such claims are recognized under the laws of Georgia;
- c. those who have no legitimate possession or are not eligible to claim for recognizable legal right to the land they occupy (i.e., land users without registered certificate and informal settlers).
62. APs who are entitled to compensation under this Project include:
- a. Persons whose residential dwellings, supplementary structures, fences/walls or commercial premises are in part, or in total, affected (permanently or temporarily) by the Project;
 - b. Persons whose land (all types of land with the exception of non-titled) is in part, or in total, affected (permanently or temporarily) by the Project;
 - c. Persons whose business or other income generating asset is affected temporarily or permanently by the Project;
 - d. Persons whose employment or hired labor is affected, temporarily or permanently, by the Project;
 - e. Persons whose crops (annual and perennial) and/or trees are affected in part, or in total, by the Project; and
 - f. Persons whose access to community resources, public facilities or property is affected in part, or in total, by the Project.
63. Where land is to be acquired, landowners (APs) with registered Title Certificate, land-users and/or legitimate possessors of land / real estate property eligible to legalization of ownership rights (if the property is registered by the National Agency of Public Registry) will receive cash compensation for land at replacement market value in the amount that will allow them to purchase a land parcel of equal size and productive value and be satisfactory to the AP.
64. Those APs that are not eligible for legalization of ownership rights under any rules or regulations being in force in Georgia are not eligible for compensation for land compensation but will receive compensation for assets attached to Project affected land and other allowances as required (especially in the case of vulnerable APs).
65. All the AHs whose structures are planned to be rehabilitated by the project and therefore are subject to temporary relocation, will be compensated for the temporary relocation during the construction period of each structure occupied by the AH. Each AH will get the cash compensation, which is enough to rent a residence. The monthly compensation will be calculated by independent evaluator.
66. Households headed by single women and other vulnerable households⁵ will be eligible for further assistance to fully mitigate Project impacts. Table 2 below presents the Entitlement Matrix that will be closely followed during preparation of LARP for each specific Subproject.
67. It is worth noting that the Entitlement Matrix presented in this LARF includes all types of losses that may reasonably be expected by LAR in all subprojects, and will be altered in due manner to reflect any nuances detected during DMS, census, socio-economic surveys and inventory of project affected assets undertaken during the LARP preparation period and will provide relevant mitigation measures or reasonable approach for loss and impact

⁵ Detailed explanation is provided in the Definition of Terms.

compensation. The project entitlements developed and presented in the Entitlement Matrix (EM) below correspond to the impacts identified during the impact assessment of selected sub projects (the majority of subprojects were screened already) and may be updated in case of other specific impacts identified in future subproject assessments, thus the LARF EM may be updated to address such unanticipated impacts. However, the entitlements specified in the current matrix cannot be downgraded.

Compensation Entitlements

68. This section describes the entitlements for compensation and the details of the calculation/valuation approached to be used. Entitlement provisions for APs losing land, houses, assets, business, income, and rehabilitation subsidies, will include provisions for permanent and temporary loss of land, residential house and commercial buildings, annual crops and trees, relocation subsidy, and business loss allowance based on tax declarations and/or lump sums as determined in the LARP.

These entitlements are detailed below.

69. **Loss of land (agricultural, residential, and/or commercial)** will be cash compensated⁶⁶ at full replacement cost at current market value identified at the moment of LARP preparation. The unit rates will differentiate according to land use category, determined by the independent licensed valuator's report and confirmed in a separate LARP. The unit rate per square meter of land will be determined in accordance to the widely adopted International Valuation Standards (IVS). Method for calculation of full replacement cost besides the value of affected asset, if needed, will also include cost of preparation of the land to levels similar to those of the affected land. The IA or the Consultant responsible for LARP development will hire independent licensed appraiser to meet the requirement stipulated under this LARF, follow the LARF's valuation methodology and determine unit rates for compensation per each type of loss any AP may incur as a result of proposed project. Land for land compensation mechanism can be provided if deemed available and feasible in each subproject case.

70. Additionally, any fees/taxes related to processing legalization of ownership rights to project affected land parcel being under legitimate possession of AP, costs and fees for Sub division, registration of inaccurate records and at the NAPR registration of transaction of ownership title will also be covered by Implementing Agencies (MDFG/TDF).

71. APs that are not legitimate land users or are squatters, who have no legalizable legal right or claim to the land they are occupying (i.e. land users without registered certificate and informal settlers) are eligible to compensation for income and assets loss, and allowances as applicable, but not for land.

72. NOTE: in each specific subproject, the nature and character of severe impact may vary for specific cases. It is most important that such cases are detected, clearly described, and relevant mitigation measures suggested in each LARP.

73. **Structures (residential houses, supplementary constructions, fences, walls, commercial facilities, etc.)** are cash compensated at replacement cost (i.e. construction cost) c calculated based on the following elements: (i) fair market value; (ii) transaction costs; (iii)

⁶⁶ Exceptional cases, land-for-land, i.e. in-kind compensation may be considered as alternative option, provided that a land parcel of similar productivity, designation, area and location can be offered as in-kind compensation, if such land is available and feasible, agreed by IA and acceptable to APs

interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. No cost of depreciation or taken salvageable materials shall be deducted from the valued cost of project affected structure and other fixed assets.

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

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

76. **Community Structures and Public Facilities:** Reconstruction of the loss of resource/asset in consultation with community and restoration of their functions.

77. **Temporary relocation:** All the AHs whose structures are planned to be rehabilitated by the project and therefore are subject to temporary relocation, will be compensated for temporary relocation according to the construction period of each structure. Each AH will get the cash compensation, which is sufficient to rent acceptable residence for living residence for living of equal or better quality and in a comparable location for the period of the construction works⁹. The monthly compensation for rent will be calculated by independent evaluator during preparation of the LARP. The AHs will be provided with assistance by the project to find suitable rental properties for temporary relocation if requested by the AHs.

78. **Trees and crops:** Cash compensation at market rate on the basis of type, age and productive value of the trees. Non-productive trees (young trees, wood trees) will be compensated for seedlings and volume of wood based on market value. Compensation for fruit bearing trees will be based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity. Crop compensation in cash at market rate for gross crop value of expected harvest.

79. **Businesses Owner:**

a. **Permanent Impact:** cash compensation for 12 months' income based on a tax declaration, if unavailable, based on the official fixed for a 5 member family according to www.geostat.ge (12 months); and assistance in reestablishing commercial activities elsewhere or adopt other income generation activities; . Business owners with legal rights or recognized or recognizable claims to land where they carry out commercial activities are entitled to replacement property at full replacement cost.

b. **Temporary stoppage of business:** cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its

⁹ Acceptable residence means a comfortable space, which does not require repair work and other additional interventions, provides the residents with the necessary furniture and appliances, household utilities.

absence, minimum subsistence allowance for months of business stoppage (5-member family)

80. Permanent business worker/employees:

(i) Permanent impact stoppage business indemnity for lost wages equal to actual wage for 6 month or in case of absence of tax declaration, one-time minimum allowance (5- member family) subsistence in cash for 6 months. For all the above, some acceptable official documents need to be presented, ie. salary payment document, accountant/financial report.

(ii) Temporary impact cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence allowance for months of business stoppage (5-member family).

81. State-owned agricultural land leaseholders and workers: Affected leaseholders will be receiving cash compensation for loss of crops: annual crops will be compensated in cash at gross market value of actual or expected harvest, all other private assets and improvements will also be evaluated to be cash compensated at full replacement value according to established practice. If any private perennials are affected cash compensation at full replacement cost that will be calculated using market rate on the basis of type, age and productive value of the trees: non-productive trees (young trees, wood trees) will be compensated for seedlings and volume of wood based on market value, compensation for fruit bearing trees will be based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity.

82. **Relocation/Shifting:** APs subject to physical displacement, resettlement will receive a one-time relocation subsidy sufficient to cover transport costs to be determined in separate LARP and plus allowance to cover living expenses for three (3) months at minimum subsistence income level.

83. During preparation of this LARF, it is assessed that none of subprojects would require physical displacement of more than 200 people. Thus, none of subprojects would fall under a IR category A type impact. Any details related to the permanent/temporary resettlement, will be specified in the LARP.

Rehabilitation Measures for Vulnerable and Severely Affected AHs

84. In compliance with ADB SPS 2009 and this LARF each LARP shall consider additional rehabilitation measures to be provided once vulnerable and severely affected APs are detected during LARP related surveys (DMS, census, socio-economic survey, title search) and LARP preparation.

85. **Assistance for vulnerable people/households:** (i) female- headed households, (ii) households with elderly people with no means of support, (iii) households with disabled people, , (iv) poor households as defined by the official poverty line, and (v) refugees or internally displaced people¹⁰. In assessed subprojects, it is expected to have 33 vulnerable HHs in the

¹⁰ In case if the AH is eligible for several different vulnerability allowances, only one allowance will be provided.

project in total, including 17 in Mestia; 8 in Velistsikhe and 11 in Dighomi.

86. In addition to the compensation of lost land and assets vulnerable AHs will be provided with additional rehabilitation measures, in particular, one-time allowance set to three (3) months of the minimum subsistence income level for family of five members⁷. Additionally, other capable members of families with vulnerable APs will be given priority in employment in project-related jobs.

87. **Severe Impact:** Households (including informal settlers) that (i) lose 10% or more of their income generating land/assets as a result of project-related land acquisition, (ii) physically displaced AH and (iii) households losing commercial/business establishments.

88. All severely affected AHs including informal settlers in addition to the compensation of lost land and /or crops, will be provided with additional transitional support, rehabilitation measures and development assistance, in particular:

(i) for permanent physical relocation one-time allowance equal to cash compensation calculated based on the minimum subsistence monthly income level for the family of five (5) members multiplied by 3 months will be provided per AH and other assistance to reestablish lost livelihoods, as needed;

(ii) all temporary relocated AHs will provided with assistance by the project to find acceptable rental properties for temporary relocation if requested by the AHs. , More details are provided in the Entitlement Matrix (Table 2) below.

89. **Livelihood restoration:** All severely affected AHs including informal settlers will be provided with additional livelihood assistance as follows:

- (i) **Agricultural livelihood restoration:** Two times annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take, for all severely affected households. If this amount is less than 3- months minimum subsistence allowance, 3 months of minimum subsistence allowance will be paid instead. In case of severe impact on agricultural income generating activity other than cultivation – specific livelihood restoration measures to be suggested given the nature of impact such as credit facilities, training, or employment opportunities etc. Specific measures to be determined under each subproject LARP)
- (ii) **Non-agricultural livelihood restoration:** A livelihood restoration package of 3 months of minimum subsistence.

Impact related to spoil disposal areas and construction camps

90. Temporary impacts: Temporary access will be set up by Construction Company. However, in case of any temporary impact caused by the use of land for construction camp or as a temporary disposal area, the issue will be regulated by private agreements between the

⁷ Amounts to be updated monthly based on the current national indicators available on the official website of National Statistics Office of Georgia. Link: <https://www.geostat.ge/>

Contractor and the landowners and reported respectively.

91. Permanent impacts: Any permanent impact on land caused by the use of land for permanent disposal of unsuitable material or debris remaining after demolition of existing parts of the road/structure, will be adequately compensated as per the provisions set up in the LARP. In addition, adequate livelihood assistance for loss of hay and grazing grounds, if any, will be assessed and provided during implementation. Such cases shall be properly reported under the project reporting requirements in accordance with SPS 2009.

Escrow Accounts

92. Amount of cash compensation will be deposited on the special account under authorization of the MDFG/TDF, if during LARP implementation process, any AP is missing, absent, or deceased, issuance of compensation is postponed due to legal procedures or is not received by the AP due to any other legitimate reason.

Table 2 Entitlement Matrix

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Land			
Agricultural Land: Permanent land loss, access or damage.	AP losing productive land regardless of impact severity	Registered Owner/Legal: Owner with full registration	Land for land if available and feasible or Cash compensation at full replacement cost based on current market value. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner desires so.
		Legalizable Owner: APs with title formalization pending and APs who are not registered but legitimately use the land and have residential land or agricultural plots adjacent to the residential land	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		Non-legal/Informal Settler: APs that are not legitimate land users or squatters	Non-legalizable APs losing agricultural land plot will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5-member family for 12-month period where land is actively cultivated, or 3-month period where land is barren/unused. In case of severe impact on agricultural income generating activity other than cultivation – specific livelihood restoration measures to be suggested given the nature of impact.
		Agricultural Tenant	Full Compensation of income of lost crops x the remaining years (up to 4 years) of lease, unless otherwise provided by the lease agreement. In case of tenancy no crop compensation will be given to the landowner, and implementing agency, in consultation with local government, will provide assistance to the tenant with the search of replacement lease/tenancy

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Non-Agricultural Land	AP losing their commercial/residential land	Registered/legal Owner: Owner with full registration	Cash compensation at full replacement cost.
		Legalizable Owner: Legalizable owners according to active legislation	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		Non-legal/Informal Settler Without registration/valid documents using land permanently.	Non-legalizable APs losing a land plot, which is the only land plot used for residence or providing the main source of income for the AH, will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5-member family for 12-month period. This only applies to physically displaced APs who do not have other residence.
Temporary Impact on agricultural land plot	N/A	N/A	Temporary land impacts will be compensated based on the productive value of the plot during the period of impact and after their use will be re-established by the IA at the pre-impact productive conditions.
Buildings and Structures			
Residential and non-residential structures/assets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	Cash compensation for loss of building/structures at full replacement cost (i.e. construction cost) calculated based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. No cost of depreciation or taken salvageable materials shall be deducted from the valued cost of the project affected structure and other fixed assets.
Temporary loss of residence	AH has to be relocated during the rehabilitation work	All AH regardless of their formal or informal status	All AHs will be compensated for temporary relocation according to the construction period of each structure occupied by an AH. Each of AH will get the cash compensation, which is sufficient to rent acceptable residence for living of equal or better quality and in a comparable location ¹² . Prior to rehabilitation of the property, beneficiaries will be informed regarding the allowance packages and other LARP related information, written consent by the owner/user will be received, compensations

¹² Acceptable residence means a comfortable space, which does not require repair work and other additional interventions, provides the residents with the necessary furniture and appliances, household utilities.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
			will be paid, after which rehabilitation process will start. The monthly compensation will be calculated by an independent evaluator during preparation of the LARP. The AHs will be provided with assistance by the project to find acceptable rental properties for temporary relocation if requested by the AHs
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/ Public assets	Community/Government	Reconstruction of the loss of resource/asset with equal or better quality in a comparable location in consultation with community and restoration of their functions.
Loss of Income and Livelihood			
Crops	Affected standing crops or agricultural land, used permanently for crop cultivation.	All APs regardless of legal status (including legalizable and Informal settlers)	Crop compensation in cash at market rate for gross crop value of expected harvest.
Trees (seedlings, fruit and wood trees)	Trees affected	All APs regardless of legal status (including legalizable and Informal settlers)	Cash compensation at full replacement cost calculated using market rate on the basis of type, age and productive value of the trees. Non-productive trees (young trees, wood trees) will be compensated for seedlings and volume of wood based on market value. Compensation for fruit bearing trees will be based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity).
Loss of Income and Livelihood			
Severe Impacts	(i) Permanent physical relocation, loss of >10% of productive assets, or loss of commercial/business establishments. (ii) Temporary	All severely affected AHs, including informal settlers.	(i) for permanent physical relocation one-time allowance equal to cash compensation calculated based on the minimum subsistence monthly income level for the family of five (5) members multiplied by 3 months will be provided per AH and other assistance to reestablish lost livelihoods, as needed; (ii) all temporary relocated AHs will be provided with assistance by the project to find acceptable rental properties for temporary relocation if requested by the AHs,

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
	physical relocation		
Allowances			
Livelihood restoration	APs losing more than 10% of their agricultural productive assets	All severely affected households AHs including informal settlers	Agricultural livelihood restoration: Two times annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take, for all severely affected households. If this amount is less than 3-month minimum subsistence allowance, 3 months of minimum subsistence allowance will be paid instead. In case of severe impact on agricultural income generating activity other than cultivation – specific livelihood restoration measures /assistance to be suggested given the nature of impact (i.e. land development, credit facilities, training, or employment opportunities;) to be determined under each subproject LARP.
	APs losing more than 10% of their non- agricultural productive assets	All severely affected households including informal settlers	Non-agricultural livelihood restoration: A livelihood restoration package of 3 months of minimum subsistence. In addition, specific livelihood restoration measures /assistance to be suggested, as needed, given the nature of impact (i.e. land development, credit facilities, training, or employment opportunities;) to be determined under each subproject LARP.
Temporary relocation/shifting	Transport/transit on costs	All AHs to be relocated	An allowance covering transport and livelihood expenses for the transitional period. (GEL200 as vehicle hire charge plus minimum subsistence allowance for 3 months). The AHs will be provided with assistance by the project to find acceptable rental properties for temporary relocation if requested by the AHs.
Vulnerability Allowance		AHs below poverty line, AHs headed by women, AHs with disabled AP13, and refugee' households/internally displaced people. elderly AHs with no means of support	One-time minimum subsistence allowance in cash for 3 months fixed for 5-member family and employment priority in project-related jobs where feasible. Additional assistance in kind will be provided to facilitate relocation or transition – this may include (logistics, relocation planning, assistance with replacement housing search, as appropriate).
Unforeseen impacts during construction,	Impacts during construction to	All APs	Due compensation to be assessed and paid when the impacts are identified based on the

¹³ in case AH is eligible for several different vulnerability allowances, will only receive one allowance.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
including temporary impacts and impacts on livelihoods not otherwise assessed.	properties or assets out of the corridor of impact or ROW		above provisions and on the requirements of SPS 2009.
Impacts related to spoil disposal areas and construction camps.	Temporary impacts	APs using affected pasture lands	Any temporary impact caused by the use of land for camp or as a temporary disposal area, will be regulated by private agreements between the Contractor and the landowners (which might include but not limited to rental payments at current rental market value). Should such temporary impacts also affect persons using pasture lands other than the owners, adequate livelihood assistance for loss of hay and grazing grounds will also be assessed and provided during implementation.

Assessment of Compensation Unit Values

93. The methodological principles for assessing compensation rates of different items is as follows:

- (i) Land will be valued at replacement cost based on market rates derived from a survey of land sales available at the time of displacement ;Any applicable transaction costs and taxes will be paid by the project;
- (ii) Houses/buildings will be valued at replacement cost based on price of materials, type of construction, labor, transport and other construction costs. No deductions will be applied for depreciation and salvaged materials. Any applicable transaction costs and taxes will be paid by the project;
- (iii) Rent cost based on a survey of rental houses in the district market;
- (iv) Annual crops will be valued at full market rate at farm gate prices;
- (v) Fruit trees will be valued based on cost of annual expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity;
- (vi) Seedlings will be valued as cost of seedlings and actual investment cost up to the time of assessment;
- (vii) Unproductive/wood trees will be valued based on the volume and wood based on market value;
- (viii) Valuation for all affected assets to be carried out by licensed valuator based on requirements of national legislation, ADB SPS and provisions of this LARF.

94. Any details related to the valuation of lost assets and the valuation methodology will be specified in the LARP for each respective subproject, and the valuation process and results will be documented in the licensed valuator's report, which will be annexed to each LARP. .

Chapter 4. Socio-economic Profile of APs

95. Each LARP should contain a chapter on socio-economic profile of LAR affected people identified within the respective Subproject affected area, developed as a result of thorough census and socio-economic survey (SES) of 100 % of households affected by the Subproject.

96. Once the preliminary design is available, LAR screening tasks will be carried out. Project ROW prepared based on available design (preliminary/detailed) will be superimposed on NAPR cadaster data and aerial photos, followed with the field visits for on-site identification of any possible land/assets acquisition requirements.

97. LARP preparation activities, to be completed with implementation-ready LARP, will be initiated for each Subproject in case LAR impacts are confirmed as result of screening activities.

98. Detailed Measurement Survey (DMS), a census of all AH and AP and a valuation of all affected asset will be carried out to identify the APs/AHs, project affected land, assets and business operations will be recorded and inventoried in presence of APs and local government representatives. All affected assets will then be evaluated for compensation purposes.

99. Socio-economic survey of project affected households will be presented as a separate chapter in the LARP. The chapter describes main economic activities of members of AHs, education and literacy level, major sources of income, employment, likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic

parameters into account; and vulnerability level of APs/BPs identified during the census and SES.

100. Thus, a good coverage of the livelihoods of the affected area should be given, that will provide solid background for elaboration of proposed livelihood restoration activities.

101. During project-specific LARP preparation, socio-economic study carried out with the involvement of potentially affected people will be required and include the following data:

- a. Current occupants of the affected area as a basis for design of the LARP and clearly setting a cut-off date, the purpose of which is to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance,
- b. Standard characteristics of affected households (sex-disaggregated as relevant), including a description of production systems, labour, and household organization, and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
- c. Information on the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- d. Information on vulnerable groups or persons, for whom special provisions may have to be made; and
- e. The aim of census and socio-economic survey is to provide updated information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement, and to measure impacts (or changes) on their livelihood and living conditions.

102. Inventory of project affected assets defines the magnitude of expected loss, total or partial impact on land and assets, income loss and the extent of displacement, physical or economic.

Chapter 5. Institutional Arrangements

103. The Chapter describes the role, authority, and responsibility of state agencies and other organizations involved in the process of LARP preparation and implementation. These organisations are: Executing Agencies - the Ministry of Regional Development and Infrastructure of Georgia (MRDI) for the regional projects and Tbilisi Municipality City Hall (TCH) for the Tbilisi City projects, Implementing Agencies - Municipal Development Fund of Georgia (MDFG) and Tbilisi Development Fund (TDF), Municipality Land Acquisition and Resettlement Office (MLARO-if needed), NAPR, Ministry of Infrastructure and Sustainable Development, Ministry of Finance, ADB, NGOs, and consultants.

104. Roles and responsibilities of the listed organizations with regard to the proposed project are described below:

105. **MDFG and TDF:** Have responsibility for all LAR-related issues on local and National levels and for overall compliance of subprojects with social safeguards. Besides, MDFG and TDF are in charge of the following:

- a. Hiring and supervising consultants for preparation of LARP/SDDR based on the detailed design for selected subprojects;
- b. Establishment of MLARO (if needed) in relevant Municipality/ Tbilisi City Hall;
- c. Obtaining approval of LARP from ADB;
- d. Implementation of the project-specific LARP, including due diligence, in accordance with ADB's Safeguard Policy Statement (2009) and local requirements.
- e. Presenting all necessary documents to ensure rapid allocation of resettlement budget and undertaking further payment of defined compensation amounts to project affected persons as per approved LARPs; and
- f. Provision of internal monitoring through supervision consultant and further reporting to ADB.

106. **MLARO:** Involvement in LARP preparation and implementation and coordination of LARP implementation related activities on Municipality level. MDFG/TDF will join the MLARO composition, together with the following candidates:

- a. Representative of local Municipality;
- b. MDFG/TDF representative responsible for LARP activities;
- c. Representative of project affected community /population.

107. **Ministry of Finance:** Allocates compensation and rehabilitation funds based on the submitted land acquisition and resettlement plan and relevant budget.

108. **Ministry of Justice/NAPR:** The Ministry of Justice is responsible for legal matters regarding land ownership, and National Agency of Public Registry within the Ministry of Justice is in charge of land registration and transfer of title through purchase agreement from landowners to the MDFG/TDF.

109. **Local Courts:** In case of expropriation issues, MDFG/TDF will have to rely on the relevant court, which based on due legal process will have to review the expropriation cases, carry out a hearing and decide whether the land can be expropriated and at what compensation

cost.

110. **Ministry of Economy and Sustainable Development:** Ministry of Economy and Sustainable Development (MOESD) issues a decree confirming necessity for expropriation and assigning the MDFG/TDF as the expropriator authorized to execute expropriation.

111. **International Financial Institution (ADB):** Where applicable, besides regular supervision of the project activities, the ADB will also review LARF, LARPs, Compliance Reports, and clear contract awards signing and initiation of civil works to all Subprojects with LARP implemented/DD developed for Subprojects with confirmed no LAR impacts.

112. **MDFG/TDF** will supervise the physical resettlement and economic displacement of APs, monitor construction and reinstatement process with support from the supervision consultant.

Local Self-Government Bodies

113. Local self-government bodies especially at municipal level (Sakrebulo) have direct jurisdiction for land administration, in addition provides continuous support during project planning and implementation phases, and acts as the liaison between the local community, the IA and other state agencies at municipality level.

114. Mayor Office of Municipality as the executive agency at the local level is involved in the project planning and implementation activities and ensures effective inter-agency coordination to enhance the pace of project with required official decisions, as requested.

115. NGOs/CSOs practicing in concerned field will participate in public consultations and draft LARP public disclosure process to provide feedback and suggestions. Representatives of local NGOs/CSOs will be invited to join the 1st level GRC.

Consultants

116. Different types of consultants will be involved in LAR-related tasks:

- a. **Design consultants:** These include international and local LAR capacity and needed survey teams to carry out the activities for updating/finalizing the LARPs of subprojects based on the detailed engineering design and will also prepare LARPs and/or SDDR. **Supervision consultants:** These include international and local LAR capacity and needed survey teams who will assist IAs in overall Project supervision, including safeguards. Supervision Consultant responsible for construction supervision activities will be assisting IAs in preparation of LARPs/SDDRs/CAPs (as needed), observe and monitor completion of all compensation/rehabilitation payment procedures prior to construction contractor entering the site, as well as assist IAs on overall safeguards compliance monitoring and reporting.
- b. **Social Safeguards Consultant (SSC) at IAs:** MDFG already has an established safeguards unit to handle the LAR-related activities for the subprojects, while TDF has recently hired a social safeguards consultant to ensure the overall social safeguards compliance of the project, particularly: (i) to ensure the updating/preparation of LARPs/SDDRs (as applicable) for

subprojects, (ii) to ensure LARP implementation process, and (iii) to conduct the regular monitoring and evaluation of the LARP implementation. During construction phase, SSC will monitor social safeguards issues and grievances, prepare semi-annual social monitoring reports for ADB, support public consultations, meetings, contacts with various stakeholders.

- c. **Independent Asset valuers:** These will be accredited private firms or specialists to be hired for carrying out the evaluation of affected assets.

Capacity Building and Training in RP Implementation

117. MDFG has proper experience and qualifications and will only need some expansion of the capacity on LAR; while TDF intends to recruit social safeguards specialist, with preference for recruiting specialist with gender qualifications as well. As soon as the Investment Program becomes effective, before the LARPs implementation, once the IA's safeguards staff is on board, the MDFG/TDF with support of ADB and the Supervision Consultants assistance will carry out workshop on ADB SPS requirements and will define any further capacity building needs. Financing for capacity building initiatives are included under the capacity building component of the Investment Program.

118. All concerned staff at TDF, MLARO and GRC will undergo a two-day orientation and training on ADB resettlement policy and management to be provided either by a consultant hired by MDFG/TDF or by the Supervision Consultant's resettlement expert. Training will cover the following topics:

- a. Principles and procedures of land acquisition and resettlement;
- b. Public consultation and participation;
- c. Entitlements, compensation and assistance disbursement mechanisms;
- d. Grievance redress; and
- e. Monitoring of resettlement operations.

Chapter 6. LARP Preparation and Implementation

LARP Objectives

119. The overarching objective of the LARPs in relation to land and asset acquisition is to avoid physical or economic displacement, and when it cannot be avoided, compensation and mitigation measures should be planned and implemented to ensure that APs are provided with fair compensation and reasonable assistance to improve, or at least restore their livelihoods to pre-project levels.

120. LARP should ensure that livelihoods and standards of living of displaced persons are improved, or at least restored to pre-project (physical and/or economic) levels and that the standards of living of the displaced poor and other vulnerable groups are improved, not merely restored, by providing adequate housing, security of land tenure and steady income and livelihood sources.

121. The involuntary resettlement compensation requirements apply to full or partial, permanent or temporary physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. Resettlement is considered involuntary when displaced individuals or communities do not have the right to refuse land acquisition that results in displacement. This occurs in cases where (i) lands are acquired through expropriation based on eminent domain; and (ii) lands are acquired through negotiated settlements, if expropriation process would have resulted upon the failure of negotiation.

122. In the context of involuntary resettlement, displaced persons are those who are physically displaced (affected by relocation, loss of residential land, or loss of shelter) and/or economically displaced (affected by loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated resources, e.g. parks and protected nature areas.

123. If potential adverse economic, social, or environmental impacts from project activities other than land acquisition (including involuntary restrictions on land use, or on access to legally designated parks and protected areas) are identified, such as loss of access to assets or resources or restrictions on land use, they will be avoided, or at least minimized, mitigated, or compensated for, through the environmental assessment process. If these impacts are found to be significantly adverse at any stage of the project, the borrower/client will be required to develop and implement a management plan to restore the livelihood of affected persons to at least pre-project level or better.

124. Each LARP include four important elements: (i) impact assessment, (ii) compensation to replace lost assets, livelihood, and income, (iii) assistance for relocation, including provision of relocation sites with appropriate facilities and services, and, (iv) assistance for restoration of livelihood to achieve at least the same level of well-being with the Project as without it. Each LARP will be based on the social impact assessment and meaningful consultation with the affected persons to ensure that the displaced persons are (i) informed about their options and entitlements pertaining to compensation, relocation, and rehabilitation; (ii) consulted on resettlement options and choices; and (iii) provided with

resettlement alternatives.

125. LARPs prepared within the framework of the project should be based on the following principles:

- a. Involuntary resettlement is to be avoided or at least minimized;
- b. Compensation must ensure the maintenance of the APs' pre-project living standards;
- c. APs should be fully informed and consulted on compensation options;
- d. APs' socio-cultural institutions should be supported as much as possible;
- e. Compensation will be carried out with equal consideration of women and men;
- f. Lack of formal/legal rights for land title should not be a hindrance to compensation;
- g. Particular attention should be paid in case of resettlement of households headed by women and other vulnerable groups, and appropriate assistance should be provided to help them improving their living standards compared to pre-project level;
- h. Land acquisition and resettlement should be conceived and executed as a part of the project, and the full costs of compensation should be included in project costs and benefits, and
- i. Compensation/rehabilitation assistance will be provided/paid prior to commencement of project civil works, i.e. before an impact occurs.

126. Each LARP shall include description of the Project, Census and Impact Assessment, Socio-economic profile of APs, legal framework on safeguards, ADB policy and Georgian legislation, information on institutional arrangements, consultation, participation and information disclosure, GRM, LARP Implementation Activities, Costs and Financing, Monitoring and Evaluation.

127. Each LARP shall also include a LARP implementation schedule and budget. LARP implementation schedule should be linked to the procurement of civil works. Construction of civil works will not commence until compensation has been paid to all present APs vouched by compliance monitoring report.

128. Annexes are also integral part of LARP and they may include: project related information and site plans, list of APs and affected assets, evaluation report for compensation, information on public consultations, sample agreement with AP, compliance report samples, etc. As a result of data verification, the legalization and/or cadastral correction cases shall be revealed and included in the LARP implementation plan along with needed budget. APs that do not have proper registration or titles but are legitimate occupants of the plots they lose will be legalized and registered in the National Agency of Public Registry. Afterwards they will receive full compensation as eligible APs.

Valuation of lost assets for compensation planning

129. Compensation for lost assets will be determined based on the replacement cost, and valuation principles described in this LARF will be used as a guide to incorporate valuation methodology and unit rates per each type of loss identified during surveys and preparation of a specific LARP for each proposed subproject.

130. The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs;

and (v) other applicable payments, if any. Where market conditions are absent or in a formative stage, the affected persons will be consulted to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region, and other related information. Baseline data on housing, house types, and construction materials will be collected. Certified evaluator will undertake the valuation of acquired assets. In applying this method of valuation, depreciation of structures and assets should not be taken into account.

131. IA/EA may decide to deploy authorized agency or other third party (for instance, alternative licensed valuator) to ensure the sample check and verification of quality of valuation and ensure that there are no systematic gaps in valuation and compensation unit rates determined in accordance to the Valuation Report prepared by the independent licensed valuator are accurate and reasonable.

LARP Preparation and Implementation Schedule

132. The sample of LARP implementation schedule to be included in each LARP is described in table below. The tasks and implementation timeframe⁸ will be identified according to complexity and volume of work of each separate project implementation milestones. LARP preparation and implementation steps are summarized in table below. Specific implementation approaches (e.g. sectional handover approach etc.), if any. will be detailed in each LARP.

Table 3. Sample of LARP Preparation and Implementation Schedule

Tasks	Months									
	1	2	3	4	5	6	7	8	9	10
LARP Preparation	■	■	■							
Public Consultations	●									
Census of 100 % of located APs		■	■							
SES of AHs		■	■							
Inventory of project affected assets		■	■							
Preparation of valuation methodology and determination of compensation unit rates, Selection of replacement lands, if needed		■	■							
Development of draft LARP				■						
Draft LARP Public Disclosure and Consultations						●				
Based on feedback update to Final LARP					■					
Final LARP upload to ADB/ MDFG/TDF websites							●			
Govt. approval of APs List							●			
Mobilization period						■				
LARP implementation						■	■	■	■	■
Preparation of compensation package per each AP						■	■			
Assisting APs in opening personal bank accounts						■	■			

⁸ Based on experience in Georgia preparing and implementing a LARP may require a few months and will require the steps summarized in Table 4 below.

Processing land takes and Compensation Agreements													
Delivery of compensation													
Resolution of outstanding issued and expropriation, if any													
Internal Monitoring Reports (Compliance Reports) preparation and approval by ADB													
Construction Contract award based on ADB's NOL													●

Objective and Content of Social Due Diligence Report

The social due diligence report (SDDR) shall include an information on: list of project interventions, the land area to be affected (used) for the given subproject with detailed description (cadastral number of land plots, size for each land plot, ownership status, absence (or presence) of any usage, structures or other improvements/utilities available etc.) along with supporting schemes, photos and other relevant visual tools. The SDDR shall demonstrate with documentary evidence that the land used for the respective subprojects is unencumbered government land and that neither formal nor informal occupants of the land will be displaced. SDDR shall also summarize the results of public consultations with wider stakeholders and disclosure of GRM within subproject area, communities. The template of SDDR for MDF subprojects is attached in Annex 1.

Chapter 7. Public Consultation, Participation and Documents Disclosure

133. Consultation and participation are central to the achievement of safeguard policy objectives. Outlined in this section are the institutional responsibilities and disclosure arrangements, such as proposed strategies for the dissemination of information with regard to both LARF as well as all LARPs that are or will be prepared in future. The AP consultation and disclosure of information on all LAR matters is important in the context of this LARF as well as all resettlement plans that will be prepared in future. The strategy proposed in this LARF is to sensitize and raise awareness of officials on the need for consultation, participation and disclosure working through all levels and stakeholders involved. It is proposed that subproject planning and implementation are undertaken together with meaningful and pro-active participation of stakeholders. It should begin early in the project cycle and continue throughout LARP preparation, updating and implementation processes. The process should provide timely disclosure of relevant information to stakeholders through several mechanisms including community networks, informed meetings and discussion groups, formal methods such as printed information and the use of other mass media as appropriate.

134. The key objectives of stakeholders and AP consultations are to: (a) identify and help address AP concerns related to the preparation, up-dating, implementation and monitoring of the LARP, (b) to consult on mitigation measures due to several options for resettlement/compensation as per EM and to determine AP preferences for the type, method and form of delivery of compensation, (c) minimize AP apprehensions and ensure transparency in all LARP activities, (d) help avoid unnecessary and costly project development and implementation delays, (e) mitigation measures for accommodation of most relevant and acceptable for APs, (f) get APs' perception and feedback on project related activities through public consultations as well as focus group discussions, and (g) provide LARP-related information including whom to contact, key-time events and benchmarks to all APs. The subprojects will consist of several stakeholders, many of whom will have some involvement in the LARP process and its implementation including aspects on mitigation of adverse impacts. Women and other vulnerable groups will be fully included in the consultation and information disclosure processes.

Information Dissemination and Consultation Mechanisms

135. A number of mechanisms will be used to undertake information dissemination and meaningful public consultations. These include:

- (i) **Public Consultations (PC).** These are the formal public information campaigns organized and conducted by IAs together with local self-government (LSG) administrations where subprojects are located. The public consultations will be conducted with assistance from involved consultants. Details such as date, time and venue of proposed consultations will be widely advertised in the web page of IA and other notices displayed in LSG offices and other public places well advanced. The notices will clearly provide information on the purpose of consultation, date, time, venue, who attends, etc. for such events. PCs will be attended by officials of local self-governance, representatives of IA and other state agencies, members of subproject consultant team, the APs and members of the general public interested in the subproject. The matters raised by APs and others, responses by officials and attendance list (including signatures) of DPs present for all consultations will be recorded. A few photographs of the consultation will also be taken for future reference.
- (ii) **Public Information Booklet.** A booklet in the local language that provides useful

information of the subproject including important dates established such as cut-off date, schedule of public consultations, information on assessment methods, about the grievance redress process including whom to contact, simple answers to some commonly asked questions, etc. will be developed. It will be updated as part of LARP preparations, incorporating new questions and more details and distributed to every affected household/business during AP census and further during the implementation.

- (iii) **Individual/small group meetings.** During the LARP implementation, individual or small group meetings may be conducted with specific focus on compensation delivery and livelihood assistance aspects.
- (iv) **Other participation sessions.** Pre-project training sessions for the stakeholders involved in LAR processes and GRM, workshops for officials, coordination meetings and pre-construction consultations will be conducted at different stages of subproject preparation and implementation as needed.

Consultation at the time of COVID-19 pandemic

136. Due to the circumstances formed throughout the world related to the outbreak of COVID 19 pandemics, social distancing shall be applied during public consultations in the course of preparation of infrastructural projects. Therefore, it is essential to elaborate and apply alternative sources of communication with the stakeholders, so that the recommendations issued by the World Health Organization (WHO) and the Government of Georgia (GoG) are followed. It is of high importance that public and direct consultations with all stakeholders are held in order for local communities and other stakeholders could be informed and consulted on current and planned infrastructural projects and the related social and environmental matters, particularly in case of envisaged resettlement. Due to general development of internet network and its availability in many resided areas throughout Georgia, many people have got access to various social networks and actively communicate via them in their everyday lives. Hence, it is possible to hold the public consultations in the remote mode by applying available internet social networks and various communication applications convenient for local residents. Few technics of remote consultations are described below. However, in the course of the LARP preparation and implementation, efforts will be made to follow the traditional face to face consultation approach if deemed possible.

137. First Stage: Notification and Warning on holding of Consultations in the remote mode All these stakeholders will be contacted using distant communication channels (via personal computer, mobile phone) as described below during state of emergency. During the phone conversation, population will be notified of planned public consultations to be held for respective document. There will be developed the list to reflect the communication means of population in order to identify internet connection availability. Generally, population use their android phones and computers for connection with the internet network. Phone communication will identify also which technique, social and communication means the stakeholders use for their availability and involvement in internet conference dedicated to the public consultations, to be easy and accessible.

138. The phone communication will identify also those who have no means of communication, except for the phone. MDFG/TDF will support them in registration procedures. Such persons will be provided with the information by phone, and if they require visualization of the project, along with the documentation to be reviewed, then the authorized persons from the local Municipality will visit them as per the regulations and recommendations set by WHO, and familiarize them with the required documents.

139. Due to the virus outbreak (COVID 19), only grocery stores and pharmacies are functioning in Georgia and respectively, these areas are the most visited places by locals. For more people to be involved in public consultation, information booklets reflecting detailed information about the forthcoming consultation meetings will be placed at the sites of groceries and pharmacies. Information on conducting of public consultations will be uploaded as usual at the web page of LEPL Municipal Development Fund of Georgia.

140. Due to the need for social distancing, public consultations will be held using either online format (on Zoom, MS Teams, Facebook, Skype, Viber, WhatsApp. etc.) or direct/door-to-door consultations. The number of people, involved in each session of public consultation, should not be too high, so that the participants are able to properly perceive the information and participate in the discussions. The public consultations will be led by Moderator along with the other official representatives (of PIU, Municipality, Community members, etc.), who will familiarize participants with the information aimed at better perceiving of information provided, present the illustrated material (presentation) and enable the participants (e.g. engineer, consultant, Municipality representative) of internet conference to express the opinions, in case of need. In the course of the presentation, each participant will be able to provide his/her feedback, ask the questions, and to be responded as well. Following questioning/responding, the Moderator will summarize the meeting and close it up. Upon finalization of Public Consultations, participants will be able to send additional and other type of information that they believe is important, to the addressee - by means of social network. Special attention will be paid to vulnerable group and dedicated discussions will be provided to them.

141. Recording of Public Consultations and Direct Consultations held for each subproject/safeguard documents will be developed in the form of the Minutes of Meeting (MoMs), reflecting the information provided in the course of that meeting, along with the asked questions and responses, photos and other information, as required for each individual case. The MoM will be enclosed with the list of participants of internet conference and joint photo of participants of internet groups. Information on holding of public consultation, as well as the list of participants and photos will be the part of the document to be prepared in accordance with the Safeguards Policy.

e

Future Consultation and Information Dissemination Plan

142. The following public consultation and information disclosure activities are envisaged in the project:

- Final LARP (s) and SDDRs will be disclosed in Georgian and English languages upon receiving approval from the ADB;
- MDFG/TDF will organize public meetings and will inform the communities about the progress of the implementation of resettlement, and social activities;
- MDFG/TDF through its RMT will organize public meetings to inform the community about relocation alternatives/options, the compensation and assistance to be paid in the event of permanent or temporary loss of business or income. Regular update of the progress of the resettlement component of the project will be placed for public display at the local level MDFG/TDF office and at local Municipal Office;
- All monitoring and evaluation reports of the LARP will be disclosed on ADB website;

- MDFG/TDF will conduct information dissemination sessions at Local Municipality and solicit the help of the local community leaders to encourage the participation of the AHs in LARP implementation;
- Attempts will be made to ensure that vulnerable groups understand the process and to take their specific needs into account;
- Additionally, leaflets will be disseminated with all project affected persons during the public consultations. These leaflets will include information about contact person and her contact details (Telephone Number and E-Mail address); and
- During the LARP implementation all affected households will be addressed individually. They will be informed in detail about the project impacts and compensation values by separate tallies. Explanation will be given regarding the valuation methodology and other issues, available grievance redress mechanisms, etc. Prior to start of civil works a walk-through will be organized onsite with APs, MDFG/TDF resettlement specialist, and engineer to go over the detailed plan of works and address specific questions APs may have on the upcoming works. MDFG/TDF will keep records of these on-site discussions / walk-through including dates, names of participants, brief description of questions and issues raised and solutions found, 'before photos' of the residence to be able to compare with the state of the residence after the project.

Information Public Disclosure

143. The final English and Georgian versions of the LARF, LARPs and SDDRs will be uploaded on the MDFG/TDF and ADB websites upon approval.

Public Information Booklet

144. To ensure that APs, their representatives, and local government agencies in Subproject areas fully understand the details of the LARP process and are also informed about the compensation and rehabilitation packages applicable to the Project, Sub-project specific Public Information Booklet (PIB) are/will be prepared and distributed to all APs and communities in the Subproject area during LARP preparation and implementation stages. The PIB will be translated into Georgian. The general contents of the PIB will include the following:

- a. Brief description of the project;
- b. Project impacts, compensation entitlements and rights of APs;
- c. Resettlement and rehabilitation policies for all types of impacts;
- d. Institutions responsible for resettlement and time-frame (schedule), including the expropriation procedures if any;
- e. Information dissemination to and consultations with APs and stakeholders;
- f. What to do if APs have a question or a problem;
- g. Outline of the grievance redress procedure; and
- h. Requirements for monitoring and evaluation, including independent monitoring.

Chapter 8: Grievance Redress Mechanism

Objectives

145. In projects implemented by MDFG/TDF, grievance resolution is viewed as a two-stage process. The first stage involves locally available means, such as, discussing the concern with Deputy Resident Engineer or Contractor on site, focal point from Supervision Consultant / Contractor, or/and writing to local municipality, for resolution of grievances on the spot. The grievance redress mechanism shall deal with any LAR related concerns and complaints by APs, including the amount of compensation, loss of access roads, etc., as well as the losses and damages caused by the construction works, e.g. temporary or permanent occupation of land by the contractor. Therefore, the grievance redress mechanism shall be in place by the time the MDFG/TDF starts negotiations with the APs and shall function until the completion of the construction.

Grievance Resolution Process

146. Grievance redress procedures of Stage 1 (including formal or “project level” procedures' logged information and monitoring) are the first attempt of dispute resolution allowing the APs and the project implementation team to resolve the disagreement without any formal procedures, procrastination and impediments. The international experience of resettlement shows that such informal grievance redress mechanism helps to solve most of the complaints without formal procedures (i.e. without using the procedures specified in the Administrative Code or litigation). This mechanism enables unimpeded implementation of the Project and timely satisfaction of complaints. If the AP is not satisfied, the grievance redress mechanism should assist them in lodging an official complaint in accordance with the procedures of Stage 2 (the plaintiff should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc.).

147. Stage 2 – review of AP's complaint. (GRC) for the whole period of the project implementation. GRC shall review the written complaints of APs, which were not satisfied at Stage 1. GRC shall make a decision in compliance based Georgian legislation and ADB Safeguard policy (SPS 2009).

148. The present Procedures are developed specifically for the purposes of Stage 2 process of grievance resolution by the GRC. The purpose of these GRC Procedures is to make MDFG/TDF more accessible to project affected communities and to help ensure efficient resolution of project-related complaints

149. Upon receipt of the complaint it will be registered at the reception of MDFG/TDF. The complainant shall be given a receipt evidencing submission of his/her complaint with the MDFG/TDF. The receptionist will direct the complaint to the Director of MDFG/TDF, who shall screen all incoming claims and within 5 working days of receipt of such claim by the reception office, direct the appropriate claims to the Safeguards Unit. Safeguards unit will register the complaint in its electronic database. Upon registration in the database the complaint will be assigned a number.

150. After registration of the complaint in the database of Safeguards Unit, the Safeguards unit will notify the complainant in writing (letter, and/or email) that the complaint has been received, registered, and forwarded to the project team for action as well as the number assigned to the complaint and the contact information for further queries and clarifications.

151. Within 15 working days of registration of the complaint in the database the Safeguards unit will:

- Determine if additional information and/or documents necessarily need to be provided by the complainant, and if so, request the complainant in writing to submit such additional information/documents;
- Obtain relevant and necessary information internally, from MDFG/TDF's various departments or from project partners;
- Decide on the date when the complaint shall be presented to the GRC for hearing;
- Inform the complainant of such date, if necessary; and
- Update the status of the complaint in the database.

152. GRC Hearing shall be held at least once a month. Any complaint must be heard within two months after its registration at the MDFG/TDF reception. The agenda of the GRC hearing, with a list of complaints to be reviewed at that hearing shall be set in advance. Such Agenda, together with a short brief/summary on each complaint shall be sent to each member of the GRC at least 3 working days prior to the date of the GRC hearing.

- The staff member responsible for each complaint shall first present a short description/summary of the complaint, and then answer any questions the GRC members may have. Final decision based on the deliberations and discussions is made by the Committee by the majority of votes. If needed, the complainant may be invited to the hearing to present evidence related to the case. Copy of the minutes from the hearing shall be provided to the relevant IFI.
- The decision adopted by the committee shall be signed by the Executive Director/Director within 5 working days of such hearing. The final decision shall contain a timeline of its implementation.
- The information letter (regarding the decision) to the complainant shall be sent in writing within 2 working days after signing of the resolution by the Executive Director/Director. The response provided to complainant(s) should be informative and include relevant details.
- Safeguards Unit will update the status of the complaint in the database accordingly.
- MDFG/TDF's appropriate Unit shall be responsible for the follow up and implementation of the GRC decision in accordance with the resolution. Safeguards unit shall report to each following GRC meeting on the progress and status of implementation of the previous GRC meeting decisions.
- Implementation time frame will be case specific but should not normally exceed 100 days. GRC secretary will monitor implementation of the actions.

153. When all actions decided at the GRC hearing have been taken the complaint is considered closed. The GRC will inform the complainant that all actions have been taken and

the problem has been resolved and closed, and/or that the complaint has been rejected and is closed. If no response is received from the complainant within three weeks, the complaint shall be considered officially closed. The above mentioned GRM procedures does not deprive the plaintiff the right to sue in the court directly at any point in time. .

154. The scheme of complaints and grievances redress process is slightly different in MDFG and TDF and described in detail in LARPs and SDDRs for subprojects. The GRM process charts for MDFG and TDF, as well as Grievance Form are attached in Annex 2.

Formation of GRC

155. At the LARP preparation stage during the consultations meetings and negotiations the APs shall be fully informed of the grievance redress mechanism, its functions, procedures, contact persons and rules of making complaints through oral information and booklets. Efforts will be made to prevent grievances rather than going through Stage 2. The achievement of this goal can be ensured through careful planning and preparation of LARP, active participation of APs, continued consultations with APs through regular site visits by MDFG/TDF safeguard representative. Prior to beginning of works leaflets will be disseminated with all project affected persons during the public consultations. These leaflets will include information about contact person and her contact details (Telephone Number and E-Mail address). GRM information will also be posted on the project site and at the entrance of local municipality building in a clear and visible way.

156. APs will be informed thoroughly about the instructions of both, the Project and the ADB, including the Grievance Redress Commission (GRC) within the scope of the project and members of the Commission

ADB Accountability Mechanism

157. When and the project GRM and ADB Operations Team have already been engaged and the AP is not satisfied with the outcome, the complainant can appeal the decision and bring the case to the ADB Accountability Mechanism (AM)⁹.

158. The GRC established under MDFG/TDF does not in any way impede APs access to the judicial or administrative remedies of the Country of Georgia and/or ADB AM, however the project always encourages the stakeholders to raise their issues/complaints through the project GRM first.

159. LARP Public Information Booklet and Grievance Redress Form attached will carry the contact information for the Complaints Receiving Officer to be readily available once any AP may wish to register a complaint with the ADB AM.

⁹ <https://www.adb.org/site/accountability-mechanism/main>

Chapter 9: Monitoring and Reporting Requirements

160. The Project will establish systems for internal monitoring and evaluation. The main purpose of the monitoring and evaluation program is to ensure that resettlement and acquisition of land and properties have been implemented in accordance with the provision of ADB's SPS 2009, the laws of Georgia and with subproject LARPs and that all entitlements have been provided to APs in accordance with the subproject LARPs.

161. The objectives of the monitoring and evaluation program are:

- a. To ensure that the standard of living of AHs is restored or improved;
- b. To monitor whether or not the timelines are being met;
- c. To identify problems or potential problems;
- d. To identify immediate/rapid response methods to mitigate problems or potential problems; and
- e. To ensure that the GRM is functioning and grievances, if any, are being addressed timely and effectively.

162. This Project stipulates key monitoring the following process and output based indicators:

- a. have all activities required under the LARP been undertaken?
- b. have all the entitlements required under the LARP been provided to all eligible APs?
- c. is implementation process of LARP activities in line with the LARP implementation schedule?
- d. are the LARP implementation costs in line with the LARP budget?
- e. have APs received all the relevant necessary assistance, planned in LARP (e.g. in opening personal bank accounts, processing land takes and Compensation Agreements, delivery of compensation)?
- f. are there any resolved and outstanding issues and expropriation, and how many, if any?

Internal Monitoring

163. The MDFG/TDF will conduct regular monitoring and assessment of the given project in line with the other on-going infrastructure projects through following the procedures established and successfully implemented by the company.

164. To achieve the main purpose and objectives of internal monitoring the MDFG/TDF will ensure to provide significant attention to the following aspects of project implementation process:

- a. Frequency and quality of information campaign and consultations hold for project affected people
- b. Status of land acquisition and payments of compensations for project affected assets
- c. Status of provision of additional rehabilitation and mitigation measures
- d. Close monitoring of complaints and grievance management.

165. The detailed indicators of internal monitoring will be provided in each LARP.

Reporting Requirements

166. The results of internal monitoring during LARP implementation as well as project related construction activities will be communicated with MDFG/TDF, ADB through quarterly progress reports (QPR) the semi-annual social monitoring reports (SSMR), to assess whether actual project impacts are adequately addresses, compensation payments disbursed, if due and grievance redress procedures are applied during the reporting period.

167. MDFG and TDF will provide separate SSMRs for the subprojects implemented by each of them. MDFG/TDF will prepare and submit to ADB's approval Compliance Report (CR) to demonstrate that the LARP implementation has been completed in compliance with approved LARP which will serve as a basis for ADB to issue a No objection letter on commencement of construction. Sectional approach (if any) and any other specific reporting arrangements to be described in LARPs.

Resettlement Budget and Financing

168. Subproject LARP preparation and implementation costs, including cost of compensation and LAR administration, will be considered an integral part of the project cost and will be contributed as a counterpart fund by the Government of Georgia. The funds allocated by MoF will be delivered to APs by MDFG/TDF.

169. Each LARP will include a budget section indicating (i) unit compensation rates for all affected items and allowances, (ii) methodology followed for the computation of unit compensation rates, and (iii) a cost table for all compensation expenses including administrative costs and contingencies and reserves. Upon the approval of final LARP, all the arrangements for delivering the compensation and the disbursement have to be fulfilled. These include, allocation of the LAR budget by TCH to TDF, preparation of compensation agreements, opening of bank accounts for APs where needed, payment of all eligible assistance, relocation of APs, rehabilitation measures.

170. The agreements will be signed with each AP which will include the following basic provisions: Subject of the Agreement, rehabilitation period (temporary relocation period) if applicable, value of compensation (breakdown per entitlement matrix), terms of payment, details of bank account, other specific details as needed and signatures of the parties. The AHs will be provided with assistance by the project to find suitable rental properties for temporary relocation if requested by the AHs. IA will prepare and submit to ADB's approval a Compliance Report (CR) to demonstrate that the AH(s) received a notice regarding the temporary resettlement, signed the contract, received a compensation which will serve as a basis for the commencement of construction works. AHs will be given notification one month earlier before the site preparation for civil works by the contractor and commencement of the civil works.

Annex 1. Template of SDDR¹⁴

Due Diligence Report for Social Safeguards

Document
Stage: Project
Number:
Date:

DUE DILIGENCE REPORT ON SOCIAL, LAND ACQUISITION AND
RESETTLEMENT IMPACTS FOR LCIP SUBPROJECT
SAMPLE OUTLINE

¹⁴ The outline to be adjusted to meet the specific subproject needs.

ABBREVIATIONS

ADB	Asian Development Bank
AP	Affected Person
DDR	Due Diligence Report
EA	Executing Agency
GoG	Government of Georgia
GRC	Grievance Redress Committee
GRM	Georgia Resident Mission
IA	Implementing Agency
IEE	Initial Environmental Examination
IUAP	Integrated Urban Action Plans
LAR	Land Acquisition and Resettlement
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
LCIP	Livable Cities Investment Project for Balanced Development
MDFG	Municipal Development Fund of Georgia
MFF	Multitranches Financing Facility
SDDR	Social Due Diligence Report
SPS	Safeguard Policy Statement
SPS 2009	Safeguard Policy Statement 2009
TDF	Tbilisi Development Fund of Tbilisi City Hall

A. Introduction

A.1. Background

1. Since November 2016, Asian Development Bank (ADB) has supported the Government of Georgia (GoG) to mainstream an integrated and participatory approach to urban development by improving strategic planning of selected urban area clusters to achieve a more balanced regional development by preparing Integrated Urban Action Plans (IUAPs). Building on this, the government has prioritized crucial urban investments for ADB to take forward through feasibility studies and safeguards due diligence. These include integrated solutions that bring co-benefits to the citizens in the development of the urban clusters including water supply, sewerage and sanitation (including off-network solutions), urban transport and mobility (including non-motorized and public transport), solid waste management, economic corridors, cultural and historical heritage conservation, flood control and drainage, urban safety and resilience, among others.

2. To expedite balanced regional development, support for basic urban services and transport have been prioritized, particularly in small towns and regional cities that are potential hubs for tourism, agribusiness, and regional trade as key drivers of economic growth. Governance and capacity building will need to be integrated into the ensuing projects to achieve more robust results and ensure operational and financial sustainability of infrastructure projects.

3. The government has proposed to process the Livable Cities Investment Project (LCIP) for Balanced Development to improve urban and tourism infrastructure and services across Georgia. The Livable Cities Investment Project (LCIP) for Balanced Development will help improve the livability of the urban clusters through interlinked outputs: (i) improved adequacy and efficiency of urban infrastructure and services, (ii) improved accessibility, connectivity and attractiveness of regional tourism clusters; (iii) enhanced institutional capacity for implementing and managing urban infrastructure and services; (iv) improved access to good quality pre-school infrastructure, improved environment: new playgrounds increasing gross motor skills of children, safe buildings with fire alarm and safety systems, clean and updated sanitary infrastructure including water closet and kitchen; (v) improved planning of the Kindergarten building, increased space per child and per teacher, energy efficient kindergarten buildings; (vi) improvement of educational and working conditions for children and teachers in kindergarten; (vii) Improved access to inclusive child-friendly quality education, (viii) social impact – increased income of population during the implementation (employment of workers), and after the construction; (ix) urban upgrades of old towns and villages, including restoration of building facades and roofs, public spaces, museums, roads and water supply; (x) enhancement of cultural and natural heritage sites; (xi) improved universal access to public facilities and services; and (xii) support for urban regeneration of public spaces and green areas.

4. Note: General description of subproject to be given here, including name, location, list of rehabilitation/construction activities planned (including the access roads, utility relocation and other associated works), the area (land) to be used for the subproject (ownership, size etc.) and other background information as relevant.

A.2. Scope and Objective of Social Due Diligence Report

5. The main objective of this Social Due Diligence Report (SDDR) is to analyze the proposed subprojects, carry out due assessment with regard to social due diligence and early detecting of any land acquisition and resettlement (LAR) impacts of the subprojects with respect to the requirements of the ADB Safeguard Policy Statement (2009).

6. The SDDR describes the screening activities carried out under the proposed subprojects aiming to determine scope of project impact, identify presence and /or absence of potential social and/or economic impacts and determine appropriate mitigation measures and responsibilities of the project stakeholders during planning, implementation and operation phase.

B. Social Due Diligence Process and Findings

B.1. Methodology Adopted for the Due Diligence

7. The objectives of the due diligence for social safeguards were to: (i) review the proposed scope of the project and assess social safeguard risks associated with the anticipated project activities, (ii) evaluate all possible alternatives to avoid LAR issues, if resettlement impacts have been identified, (iii) propose mitigation measures to ease or minimize LAR concerns, if LAR impacts cannot be avoided, (iv) confirm the absence of LAR impacts, if resettlement impacts have been identified with proper supporting documentation, and (v) develop recommendations for the EA and project implementation partners to help the project adequately manage LAR risks as per ADB SPS 2009 throughout the project implementation period.

8. Due to the circumstances occurring throughout the world related to the virus outbreak (COVID 19)¹⁰ and forced social distancing, no field visits were possible during the preparation stage of the SDD. Thus, in order to achieve the SDDR objective, the team conducted online consultations with the representatives of local Municipality for obtaining relevant information and carried out desktop survey. Representatives of city hall visited the project site, took pictures reflecting the existing situation, that were provided along the additional information. Namely, the team of consultants reviewed the project background documents, analyzed the relevant legal laws and technical standards, and undertook online meetings with people who possessed the information, additional to the received document, required for sound analyses of the situation and drafting of the document. The methodology to undertake and complete a due diligence included a combination of methods and data collection tools. In particular, the SDDR was prepared based on the results of: (a) review of background documents and information available on public domain, (b) online meetings with representatives local Municipality, consultants, design Institute and other stakeholders, (c) review of technical standards and norms, (d) analysis of the grievance redress mechanisms used in other projects to assess an effectiveness of different approaches and institutional arrangements used.

¹⁰ Note: This will be reflected if still relevant during the due diligence of the given subproject. Otherwise, the actual methodology adopted will be presented

C. Key Findings of Social Due Diligence

C.1. Project scope of works

9. *Note: Detailed scope of works/activities, location, general context of project area under the given subproject to be presented here along with the potential beneficiaries and stakeholders.*

10. The program covers subprojects aimed to improve urban and tourism infrastructure and services across Georgia, including Tbilisi. They will help improve the livability of the urban area clusters through interlinked outputs: (i) improved adequacy and efficiency of urban infrastructure and services, (ii) improved accessibility, connectivity and attractiveness of regional tourism clusters, and (iii) enhanced institutional capacity for implementing and managing urban infrastructure and services, (iv) improved access to quality pre- school infrastructure, improved environment: new playgrounds increasing gross motor skills of children, safe building - considering fire alarm and safety systems, clean and updated sanitary infrastructure including water closet and kitchen, (v) improved planning of the Kindergarten building, increased space per child and per teacher, energy efficient kindergarten buildings, (vi) improvement of educational and working conditions for children and teachers in kindergarten, (vii) Improved access to inclusive child-friendly quality education, (viii) Social impact – increased income of population during the implementation (employment of workers), and after the construction, (ix) urban upgrades of old towns and villages, including restoration of building facades and roofs, public spaces, museums, roads and water supply, (x) enhancement of cultural and natural heritage sites, (xi) improved universal) access to public facilities and services, and (xii) support for urban regeneration of public spaces and green areas.

C.2. Land Acquisition and Resettlement Impacts

11. The SDDR includes information on the land area to be affected (used) for the given subproject with detailed description (cadastral number of land plots, size for each land plot, ownership status, absence (or presence) of any usage, structures or other improvements/utilities available etc.) along with supporting schemes, photos and other relevant visual tools. The SDDR demonstrates with documentary evidence that the land used for the respective subprojects is unencumbered government land and that neither formal nor informal occupants of the land will be displaced.

12. In case of no LAR impacts are expected, this will be stated accordingly as follows: “Land acquisition and/or resettlement are not expected under the subproject. The land plot is Municipal/State property and is not used, either formally or informally (e.g. grazing, agricultural squatters, etc.)”.

C.3. Categorization of the Project

13. Based on the due diligence findings, in accordance with ADB’s 2009 Safeguard Policy Statement and Operation Manual F1, the subproject is categorized as “C” for Involuntary Resettlement Impact”¹⁵..

¹⁵ For the subprojects with IR impacts those will be categorized as B as per SPS 2009 and OM F1 and LARPs

C.4. Impact and Outcome of the Project ¹¹

14. Despite the fact that the planned activities/ construction works won't have any impact on the areas adjacent to the project site the available best practice will be applied at the project planned/ implementation stages. For this purpose, the relevant mitigation measures will be carried out by Construction Company.

15. The Project is expected to have long-term positive impact on the social and economic condition of the population of relevant Municipality.

C.5. Preventive and Mitigation Measures Required During the Construction Activities¹²

16. Construction and Supervision Company will develop safety measures to ensure compliance of all the safety measures for workers and possible passersby population. Construction and Supervision Company HSE specialist will permanently supervise all demolition and construction activities.

17. Concerning impacts related to spoil disposal areas and construction camps should be mentioned that the project is implemented on the municipality owned territory and not private one. There is no need of private owned land usage for this purpose. Spoil disposal and waste management issues will be managed and regulated according to IEE document.

18. During construction, all necessary measures will be taken to avoid temporary impacts such as loss of access leading to livelihoods or any other types.

D. Public Consultations and Information Disclosure

D.1. Consultations conducted during the SDDR preparation

19. Information about the project was disseminated by the Local Government, as well as MDFG.

20. At this stage, activities related to the consultations are underway.

21. As confirmed by social due diligence findings, there are no LAR impacts identified and subsequently the current subproject has no APs. The main stakeholders are local resident(s) living near the project site and the local government.

22. *Note: The description of conducted consultations will be presented here along with supporting data and photos (minutes of public consultations and disseminated information leaflet will be attached to SDDR).* All these stakeholders have been contacted using distant communication channels (via personal computer, mobile phone).

23. Due to circumstances formed throughout the world related to the virus outbreak (COVID 19), social distancing has been applied amongst the population and public consultations in the course of infrastructural projects implementation may become the source of virus spreading. Therefore, it is essential the alternative sources of communication with the stakeholders to be found out in order the recommendations issued by the World Health Organization (WHO) and the Government of Georgia

prepared accordingly.

¹¹ This part will be updated in accordance with specific outcomes for the given subproject.

¹² Any specific measures will be summarized in the text as needed.

(GoG) not to be violated. It is of high importance also the public and direct consultations with all stakeholders to be held in order the stakeholders and other locals, residing at the Municipality to be thoroughly informed of current and planned infrastructural projects and social and environmental matters related to the referenced projects. Applying of that method will enable them to not only receive the information by means of various sources, but also to participate directly in discussions, ask the questions and be involved in ongoing processes. Due to general development of internet network and its availability in many resided areas throughout Georgia, people have access to many social networks and apply them successfully in their everyday lives. Hence, it is possible the public consultations to be held in the remote mode by applying of available internet social networks and various communication applications. It will depend also on network and internet applications, being used by local residents.

D.2. Future Consultation and Information Disclosure Plan:

24. *Note: The planned consultation and information disclosure plan during the Project Implementation will be presented here.*

25. This SDDR will be disclosed on MDFG/TDF and ADB websites and will be made available to Project stakeholders upon approval.

E. Grievance Redress Mechanism

26. Grievance Redress Mechanism - In projects implemented by MDFG/TDF, grievance resolution is viewed as a two-stage process. The first stage involves locally available means, such as discussing the concern with Contractor, on site focal point from Supervision Consultant / Contractor, or/and writing to local municipality for resolution of grievances on the spot. The second stage comprises grievance to be discussed and resolved by Grievance Redress Commission (GRC) established within the MDFG/TDF. Both written and verbal complaints shall be documented in official logbook. Stakeholders were informed about the GRM procedures through information disseminated in local Municipality Building and at public places (e.g. bus stations, drug stores, shops). Through these announcements, they were also provided with Grievance Form (Annex 2) and contacts of designated focal persons from MDFG/TDF and local government in case of any additional detail information request about the GRM: Communication/Social safeguards Consultant (MDFG/TDF) 593 16 55 77 and Relevant Mayor`s office.

27. Grievance Resolution Process - Grievance redress procedures of Stage 1 are an informal tool of dispute resolution allowing the complainant and the project implementation team to resolve the disagreement without any formal procedures, procrastination and impediments (i.e. without using the procedures specified in the Administrative Code or litigation). This mechanism enables unimpeded implementation of the Project and timely satisfaction of complaints. Stage 1 GRM is already in place and is functional. An information regarding abovementioned is posted in local municipality, Public School and on library construction site. If the complainant is not satisfied, the grievance redress mechanism should assist them in lodging an official complaint in accordance with the procedures of Stage 2 (the plaintiff should be

informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc.) (see Grievance Form in annex 2). Stage 2 – review of complainant’s complaint. Within MDFG/TDF has already established Grievance Redress Commission (GRC) for the whole period of the project implementation. GRC shall review the written complaints of complainants, which were not satisfied at Stage 1. At stage 2 the complainant complaint will be resolved. The above mentioned GRM procedures does not deprive the plaintiff the right to sue in the court directly. For more information on GRM, including timelines for each stage, please refer to Annex 2.

F. Institutional Arrangements

F.1. MDFG – Municipal Development Fund of Georgia

28. The Municipal Development Fund of Georgia (MDFG) is the implementing agency (IA). MDFG is responsible for managing construction/rehabilitation activities. MDFG has the overall responsibility of design, construction, construction monitoring and supervision of the Project, as well as cross-agency coordination. Social Safeguards/Resettlement Specialists are hired and a Social/Gender Specialist has been hired and engaged for ADB financed projects. The staff have received professional on-the-job trainings. For each separate project, including the present one, MDFG will use its staff member to assist in implementation of its duties.

F.2. TDF – Tbilisi Development Fund

29. The Tbilisi Development Fund (TDF) is the implementing agency (IA). TDF is responsible for managing construction/rehabilitation activities. TDF has the overall responsibility of design, construction, construction monitoring and supervision of the Project, as well as cross-agency coordination. Social Safeguards/Resettlement Specialist has been hired and engaged for ADB financed projects. The staff have received professional on-the-job trainings. For each separate project, including the present one, TDF will use its staff member to assist in implementation of its duties in regard to project, including the overall safeguards compliance monitoring and reporting.

F.3. Ministry of Environmental and Natural Resources Protection

30. The Ministry of Environmental and Natural Resources Protection (MoENRP) is responsible for environmental issues.

F.4. Ministry of Justice

31. The Ministry of Justice is responsible for legal matters regarding land ownership, and National Agency of Public Registry (NAPR) within the Ministry of Justice is in charge of the registration of ownership.

F.5. Local Municipality

32. Local Municipality is the executive branch of self-government headed by

Mayor. Local government is responsible for legalization and registration of land parcels. Confirms the ownership writes at local level.

F.6. Civil Works Contractor (CWC)/Construction Supervision Contractor (CSC)

33. A Civil Works Contractor/CSC to be appointed by the MDFG/TDF to undertake the construction will be responsible for mitigating impacts resulting from the construction activities. The construction activities shall be monitored closely by the MDFG/TDF with assistance of Construction Supervision Contractor to ensure compliance to the temporary mitigating measures and overall safeguards compliance throughout the project implementation.

F.7. ADB

34. The Asian Development Bank (ADB) is financing the Project and Supporting MDFG/TDF at any stage of project implementation, approves appropriate documentation required by the loan agreement.

G. Monitoring and Reporting Requirements

34. A Civil Works Contractor/CSC will monitor and measure the progress of implementation of the SDDR requirements and activities. The extent of monitoring activities will be commensurate with the project's risks and impacts. The contractors (CWC/CSC) will prepare monthly and quarterly monitoring reports that will describe the progress of the implementation of SDDR activities and any compliance issues and corrective actions. These reports will closely follow the SDS 2009 ADB requirements.

35. There will be semi-annual social monitoring report (SSMR) required for the LCIP project to be prepared separately by MDFG and TDF and submitted to ADB. Safeguard compliance monitoring results will be reported by MDFG/TDF in regard to all sub-projects based on detailed monitoring indicators set for in each sub project safeguards document. The subprojects with no IR impacts (those categorized as IR Cat. C) will include but not limited to the following information:

- a. Details of any social incidents;
- b. Complaints from the public and proactive community relations activities; and
- c. Action plan for corrective measures, if any.

36. The Contractors (CWC/CSC) will have a duty to immediately report to the MDFG/TDF if any serious social incident has occurred during construction.

37. ADBs responsibilities in regard to implementation of social safeguards requirements for the project include: undertaking of occasional auditing of the SDDR implementation and due diligence as part of an overall project review mission, and if required, provide advice to MDFG/TDF in carrying out its responsibilities to implement the SDDR for the project. Institutional Capacity Building Requirements for MDFG/TDF.

38. Within MDFG/TDF, is the environmental and social specialist and several monitoring officers are included in the staff. Although day-to-day quality control of works will be outsourced to the engineering supervisor of works, MDFG/TDF has have in-house human resources to oversee performance of such technical supervisor and to work out decision to address issues which the supervisor may bring up for

MDFG/TDF's attention.

H. Land Acquisition and Resettlement Framework

39. LARF has been prepared the whole project Livable Cities Investment Project for Balanced Development, following ADB policy requirements. The LARF and SDDR shall be harmonized in their provisions in regard to future LAR screening/planning/implementation requirements in case of any unanticipated impacts on this subproject and overall social safeguards. LARF shall reflect main findings of this SDDR and vis-a verse.

I. Conclusions and Recommendations¹⁴

40. The project will be implemented on the municipality owned property. The building located on the land plot is not currently used, either formally or informally (e.g. grazing, agricultural squatters, etc. The social assessment of the proposed project is based on the final detail design and Project location boundaries confirmed complete absence of land acquisition and/or resettlement impacts.

41. During construction, all necessary measures will be taken to avoid temporary impacts such as loss of access leading to livelihoods or any other types of restrictions mentioned above. The MDFG/TDF and Construction Supervision company will closely monitor the implementation phase to ensure compliance with ADB's social safeguard measures, as well as national legislation.

42. If any unforeseen impacts or additional consequences are identified during the course of the project, the information will be communicated with MDFG/TDF and ADB and will be managed according to Georgian legislation and requirements of ADB SPS 2009 following the provisions set by Project LARF.

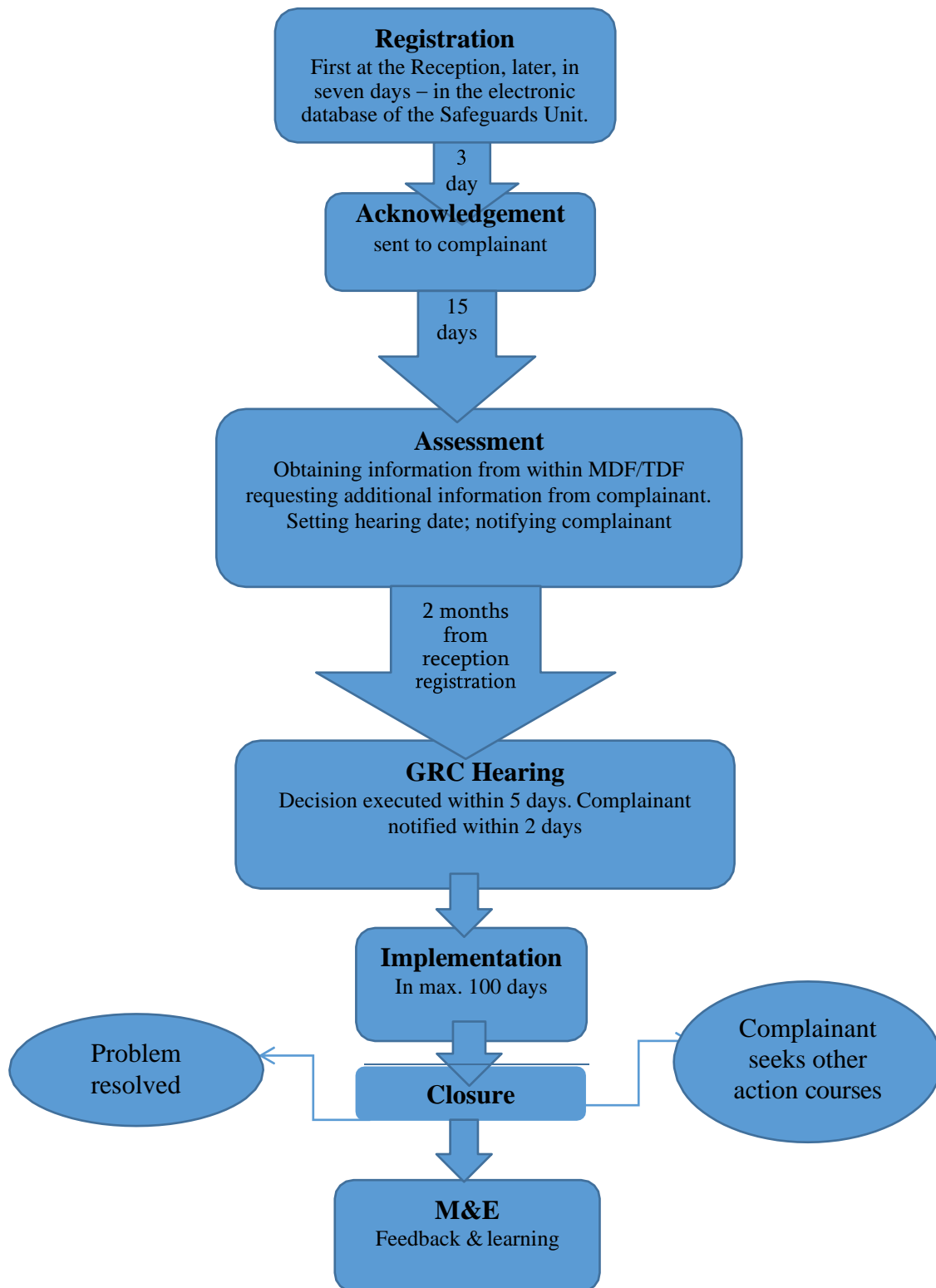
43. Information about the project was disseminated by the local Municipality and MDFG/TDF. Local Municipality and MDFG/TDF staff is actively involved in the planning process. Note: Brief statement will be provided regarding the already conducted consultations and future consultation and information dissemination plan.

44. During the implementation of the project, any complaints from the local population is considered through grievance redress mechanism established within the framework of the project and applied to both social and environmental protective measures.

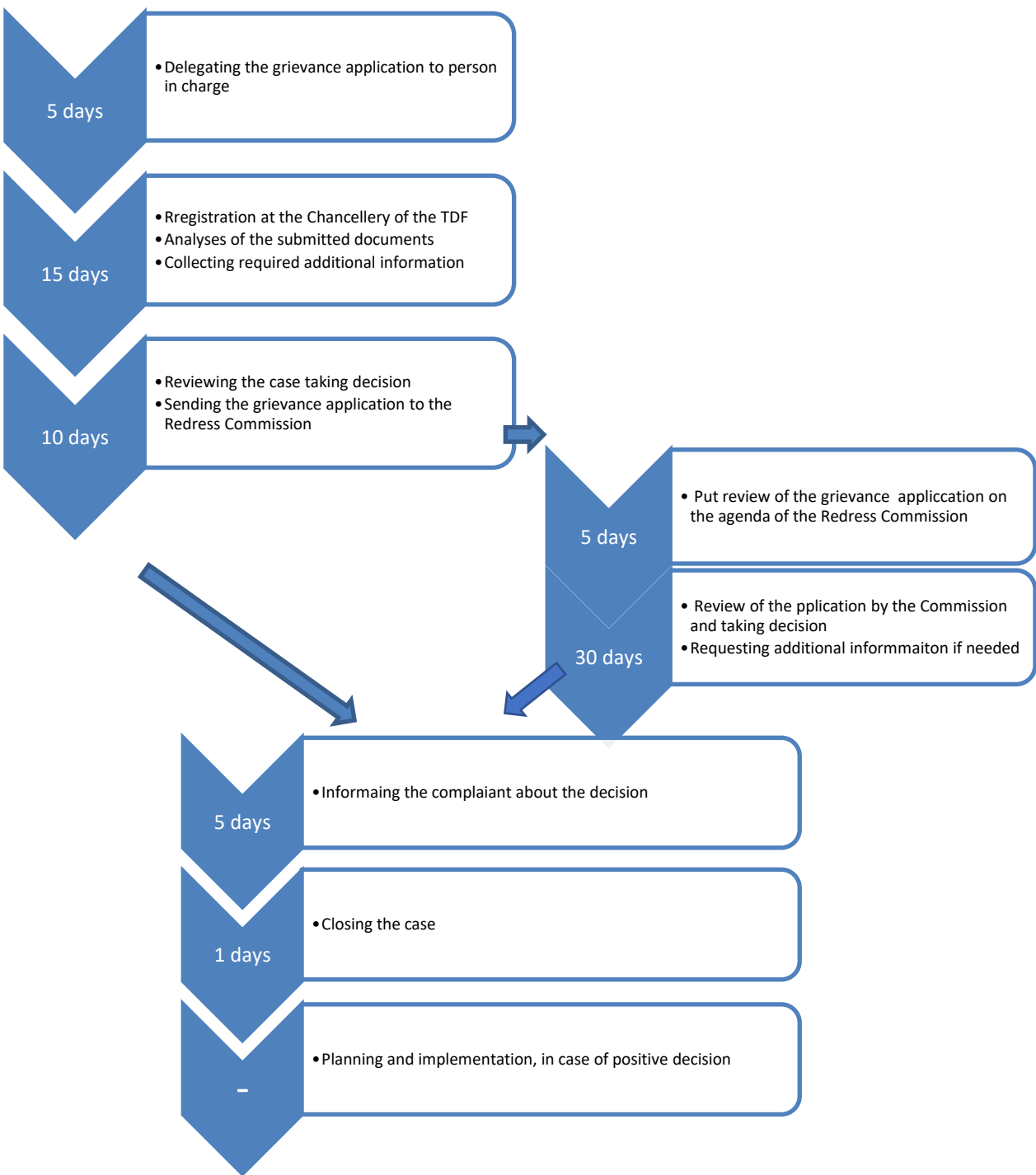
¹⁴ Note: This section will be updated top reflect the actual conclusions/recommendations for the given subproject, as needed.

Annex 2. GRM process chart and Form

2.1 Grievance redress process for MDF



2.2 Grievance redress process for TDF



2.3. Grievance Form

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

Annex 3. The full list of Subprojects

#	Project	Region	Municipality	Location
1	Kindergarden	Samtskhe-Javakheti	Akhaltzikhe	V.Agara
2	Kindergarden	Kakheti	Sighnaghi	V.Dzveli Anagi
3	Kindergarden	Kakheti	Sighnaghi	V. Kvemo Bodbe
4	Kindergarden	Kakheti	Lagodekhi	V. Chiauri
5	Kindergarden	Kakheti	Lagodekhi	V. Chabukiani
6	Kindergarden	Kakheti	Telavi	V. Vardisubani
7	Kindergarden	Kakheti	Telavi	V. Kurdghelauri
8	Kindergarden	Imereti	Kutaisi	Kutaisi City, Avtokarkhana district
9	Kindergarden	Samegrelo -Zemo Svaneti	Zugdidi	V. Chitatskhari
10	Kindergarden	Samegrelo -Zemo Svaneti	Zugdidi	V. Rukhi
11	Kindergarden	Samegrelo -Zemo Svaneti	Zugdidi	V. Shamgona
12	Kindergarden	Samegrelo -Zemo Svaneti	Zugdidi	V. Darcheli
13	Kindergarden	Samegrelo -Zemo Svaneti	Martvili	V. Bandza
14	Kindergarden	Samegrelo -Zemo Svaneti	Martvili	V. Didichkhoni
15	Kindergarden	Samegrelo -Zemo Svaneti	Senaki	Senaki City, Ghvinjilia str.
16	Kindergarden	Samegrelo -Zemo Svaneti	Poti	Poti City, Kindergarten N8
17	Kindergarden	Guria	Lanchkhuti	V. Supsa
18	Kindergarden	Guria	Lanchkhuti	V. Khajalia
19	Kindergarden	Kvemo Kartli	Tetrtskharo	V. Partskhisi
20	Kindergarden	Kvemo Kartli	Tetrtskharo	V.Tsintskharo
21	Sport Complex	Samegrelo -Zemo Svaneti	Zugdidi	Zugdidi City
22	Sport Complex	Samtskhe-Javakheti	Akhaltzikhe	Akhaltzikhe City
23	Sport Complex	Kvemo Kartli	Rustavi	Rustavi City
24	Sport Complex/swimming pool	Imereti	Kutaisi	Kutaisi City
25	Sport Complex/Stadium	Kakheti	Telavi	Telavi City

#	Project	Region	Municipality	Location
26	Sport Complex	Kakheti	Sighnaghi	V. Tsnori
27	Community Center	Samegrelo -Zemo Svaneti	Zugdidi	Zugdidi City
28	Rehabilitation of Svan Towers in Laghami, town Mestia and V. Usguli	Mestia	Mestia	Lagham, Mestiai and V. Ushguli
29	Rehabilitation of Public Recreation Zones and Touristic Routes	Kakheti	Telavi	Telavi City
30	Urban Regeneration of historical streets in V.Velistsikhe)	Kakheti	Velistsikhe	V. Velistsikhe
31	Dighomi Park	Tbilisi	Tbilisi	Tbilisi
32	Vera Park	Tbilisi	Tbilisi	Tbilisi
33	Mtkvari River	Tbilisi	Tbilisi	Tbilisi
34	Akhmeteli Theatre Subway Station	Tbilisi	Tbilisi	Tbilisi
35	Dadiani Bridge	Tbilisi	Tbilisi	Tbilisi
36	Super-Blocks	Tbilisi	Tbilisi	Tbilisi