

## INVOLUNTARY RESETTLEMENT ASSESSMENT AND MEASURES

### A. Background

1. The Republic of Georgia has requested support from ADB to undertake the Georgia Sustainable Urban Transport Program (the Program) with the Municipal Development Fund of Georgia (MDF) as the Executing Agency (EA). The Program will include investments in roads, public transport network and non-motorized transport facilities. The Program will be financed by a \$300 million Multi-tranche Financial Facility (MFF) to be scheduled in three tranches, each including some urban roads construction or rehabilitation projects.

2. Program appraisal includes the appraisal of Tranche 1 involving four subprojects, namely: Subproject 1: Extension of Tbilisi Metro; Subproject 2: Reconstruction of Gorgasali tunnel and road in Tbilisi; Subproject 3: Urban renewal/non-motorized transport facilities in Kutaisi (bicycle lanes); and Project 4: Road improvement/upgrading in Mestia. None of these subprojects entails Land Acquisition and resettlement (LAR) or triggers ADB's policy on Involuntary Resettlement (the ADB Policy)<sup>1</sup>. The Tranche 1 has been categorized as C. However other tranches of the Program may trigger LAR in various degrees of intensity. The Program will not affect Indigenous Peoples (IP) as in Armenia there is no group fitting the IP definition of the relevant ADB policy. Then the Tranche 1 has been categorized as C.

3. As tranche two and three may require LAR, MDF has prepared a LAR Framework (LARF) which complies with ADB Policy requirements. The LARF sets LAR-related conditions for Program, tranche and subproject preparation; establishes principles and compensation eligibility or entitlements provisions to be applied in the Land Acquisition and Resettlement Plans (LARP); and elaborates the LARP implementation mechanisms.

### B. LAR related conditions to Program Preparation and Implementation

4. LAR will be carried out based on relevant Georgian laws, the ADB Policy and this LARF. MFF and each tranche appraisal and approval of each subproject implementation will entail the following LAR-related conditions:

- (i) **MFF/tranche 1 appraisal:** preparation/disclosure of a LARF for the MFF.
- (ii) **Periodic Financial Request (PFR) approval for the following tranches:** conditional to LARF review/update, and preparation/disclosure of a LARP for each tranche subproject with LAR.
- (iii) **Contract awards signing:** preparation/disclosure of implementation-ready LARPs approved by ADB and reflecting final impacts, AP lists and official compensation rates.
- (iv) **Notice to proceed to contractors:** LARP implementation (full compensation and rehabilitation delivery) for subprojects with LAR. This condition will be included in every contract in the Program. Proper LARP implementation must be validated by a compliance report prepared by an Independent Monitoring Agency.

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<sup>1</sup> As reflected in the ADB's Safeguards Policy Statement (2009), and in Operations Manual F1 (2010)

### C. LAR Principles

5. The LARF sets the following principles for preparing/implementing the LARPs: (i) LAR will be avoided or at least minimized; (ii) compensation will ensure the maintenance of the Affected Parties (AP) pre-project living standards; (iii) APs will be fully informed and consulted on compensation options; (iv) the AP's socio-cultural institutions will be supported and used; (v) LAR provisions will equally apply to women and men; (vi) lack of formal title will not be a bar to compensation/rehabilitation; (vii) particular attention will be paid to female-headed households or vulnerable groups; (viii) LAR will be conceived and executed as an integral part of the sub-project and LAR budgets will be included in sub-project costs; and (ix) compensation will be fully provided before ground leveling and demolition.

### D. Eligibility to Compensation and Rehabilitation

6. The APs entitled to compensation or rehabilitation under the Program are:

- (i) all APs losing land either covered by legal title/traditional land rights, legalizable, or without legal status;
- (ii) Tenants and sharecroppers whether registered or not;
- (iii) Owners of buildings, crops, plants, or other objects attached to the land; and
- (iv) APs losing business, income, and salaries.

7. Compensation eligibility will be limited by a cut-off date set for each subproject on the starting day of the Impacts survey and AP Census. APs settling in affected areas or buildings expanded after the cut-off date will not be eligible for compensation. They however will be given sufficient notice to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

### E. Compensation Entitlements

8. The LARF also sets the compensation entitlements of the APs as summarized in Table 1.

**Table 1: Entitlements Matrix**

Type of Loss	Application	Definition of APs	Compensation Entitlements
<b>Land</b>			
Permanent loss of agricultural land	AF losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation at replacement cost.
		Legalizable Owner	These AP will be legalized and provided with cash compensation at replacement cost.
		Informal Settlers (AFs with no registration/valid documentation and non legalizable)	One time self-relocation allowance in cash. The relocation allowance is not dependent on the amount of AF members or land characteristics and constitutes fixed amount per family equal to 1 year at minimum salary.
Non-Agricultural Land	AF losing their commercial/ residential land	Owner with full registration	Cash compensation at replacement cost.
		Legalizable Owner	These APs will be legalized and provided with cash compensation at replacement cost.
		Renter/Leaseholder	Rental allowances in cash equal to 3

Type of Loss	Application	Definition of APs	Compensation Entitlements
			months of leasing costs, according to leasing fees approved by the municipalities for leasing the land of such category.
		Informal Settlers (AFs with no registration/valid documentation and not legalizable).	One time self-relocation allowance in cash The relocation allowance is not dependent on the amount of AF members or land characteristics and constitutes fixed amount per family equal to 1 year at minimum salary.
<b>Buildings and Structures</b>			
Residential and non residential structures/assets		All AFs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	<b>Full impact:</b> Cash compensation for loss of building/ structures at full replacement costs free of depreciation and transaction costs <b>Partial impact:</b> compensation for repairs
<b>Loss Of Community Infrastructure/Common Property Resources</b>			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
<b>Loss of Income and Livelihood</b>			
Crops	Standing crops affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at market rate by default at to gross crop value of expected harvest.
Trees	Trees affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees.
Business/Employment	Business/employment loss	All AFs regardless of legal status (including legalizable and Informal Settlers)	<b>Owner:</b> (i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage. Income will be calculated based on tax declaration or in its absence minimum salary. <b>Permanent worker/employees:</b> indemnity for lost wages up to 3 months of minimum salary in case of permanent impacts.
<b>Allowances</b>			
Severe Impacts	>10% productive land loss	All severely affected AFs including informal settlers	<b>Agricultural income:</b> 1 additional crop compensation covering 1 year yield from affected land. <b>Other income:</b> 1additional compensation for 3 months of minimum salary.
Relocation/Shifting	Transport/transition costs	All AFs to be relocated	Provision of sufficient allowance to cover transport expenses and livelihood expenses for the transitional period (up to 1 month).
Vulnerable People Allowances		AFs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum salary and employment priority in project-related jobs
<b>Other Loss</b>			
Temporary impact		All AFs	A Rent fee will be assessed and paid

Type of Loss	Application	Definition of APs	Compensation Entitlements
during construction			based on this LARF's principles during construction.
Unforeseen impacts, if any			EA will compensate unforeseen resettlement impact during project based on this LARF's provisions

## F. LARP PREPARATION AND IMPLEMENTATION TASKS

9. The LARF covers all issues relevant for effectively preparing/implementing the LARPs in compliance with ADB policy. These tasks are detailed in the next paragraphs.

10. **Institutional responsibilities.** MDF has overall responsibility for LARP preparation, implementation and financing and will exercise its functions through a LAR unit (LARU) established in each affected Municipality and tasked with managing, planning and implementing LAR tasks. The LARUs will be aided by a social safeguards team under the consultants' supervision. MDF and LARUs will coordinate with the independent assessors responsible for asset valuation and will assist the legalization of legalizable APs. Beside MDF, the Ministry of Finance will be responsible for providing LAR funds

11. **Disclosure/public consultation.** LAR tasks will involve thorough AP consultation the results of which will be fully documented in the LARPs. As an appraisal condition, LARF and LARPs in English will be disclosed on the ADB website. The LARF and LARPs in Georgian will be disclosed on the MDF website and at local Governments offices. A pamphlet in Georgian summarizing the LARPs will be sent to all APs.

12. **Grievance procedures.** Grievances will be first handled at local level with involvement of the Municipal government. If no solution is reached, the AP can raise the complaint to MDF headquarters. If no settlement is reached, the case can be brought to the appropriate court.

13. **Monitoring/evaluation.** MDF will internally monitor LAR and report quarterly to ADB. External monitoring will be handled by an Independent Agency and involve the preparation of a compliance report at the end of a LARP implementation. An acceptable compliance report will be a condition to initiate the civil works for the relevant subproject.

14. **Finances and schedules.** The LARF prescribes that each LARP details LAR budgets and provides clear schedules linking LAR tasks with the initiation of civil works.

## G. LAR for Subprojects under Tranche one

15. None of the subprojects under tranche 1 will require LAR.