



საქართველოს რეგიონული განვითარებისა და  
ინფრასტრუქტურის სამინისტრო

MINISTRY OF REGIONAL DEVELOPMENT AND  
INFRASTRUCTURE OF GEORGIA

№ .....1908.....

.....5.....09.....2011 წ.

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Subject: Loan No. 2749

Urban Service Improvement Investment Program  
Compliance Report on Land Acquisition and Resettlement Plan (LARP) for Mestia Water  
Supply Headworks

Dear Mr. Padmanabhan,

In compliance with the Resettlement Framework and Asian Development Bank's Safeguard Policy Statement requirements (2009) we are submitting herewith the Final Compliance Report on Land Acquisition and Resettlement Plan for Mestia Water Supply Headworks Project.

Attachment: Final Compliance Report on Land Acquisition and Resettlement Plan for Mestia Water Supply Headworks

Sincerely yours,

Jambul Bakuradze  
First Deputy Minister

**Final Compliance Report**

**On the  
Land Acquisition and Resettlement Plan for  
Urban Services Improvement Investment  
Program  
Mestia Water Supply Headwork's Project**

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Prepared for United Water Supply Company of Georgia (UWSCG)  
Government of Georgia

Project Number: 43405  
**September 5, 2011**

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## Abbreviations

ADB	Asian Development Bank
AH	Affected Household
AP	Affected Person
CSC	Construction Supervision Consultant
DMS	Detailed Measurement Survey
EMC	External Monitoring Consultant
FCR	Final Compliance Report
GEL	Georgian Lari
GoG	Government of Georgia
GRC	Grievance Redress Committee
IA	Implementing Agency
Km	Kilometer
LAR	Land Acquisition and Resettlement
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
M&E	Monitoring and Evaluation
MFF	Multitranches Financing Facility
MOF	Ministry of Finance of Georgia
MRDI	Ministry of Regional Development and Infrastructure
NAPR	National Agency of Public Registry
PPTA	Project Preparation Technical Assistance
R&R	Resettlement and Rehabilitation
RoW	Right of Way
RU	Resettlement Unit
SES	Socio-Economic Survey
SPS	Safeguard Policy Statement
UWSCG	United Water Supply Company of Georgia

## I. INTRODUCTION

1. Government of Georgia (GoG) received a loan (\$80 million) from the Asian Development Bank (ADB) as tranche 1 of a Multitranchise Financial Facility (MFF) for the implementation of the Urban Services Improvement Investment Program-Project 1. One of the subprojects of Project 1 includes improvement of the Mestia Water Supply Headwork's Project.
2. The Georgia Urban Services Improvement Investment Program (the Investment program) was developed as the Government's response to the lack of adequate and/or safe water supply, sewerage and sanitation in urban areas of Georgia. This is intended to optimize social and economic development in selected urban areas through improved urban water and sanitation (WSS) services.
3. The land acquisition and resettlement plan (LARP) was prepared by the United Water Supply Company of Georgia (UWSCG). It was based on detailed design and the requirements of the ADB Safeguards Policies Statement (2009). Its objective was to plan and implement land acquisition and resettlement (LAR) in Mestia (Svaneti Region) considering general principles that Affected Persons' (AP) livelihood should be better or at least remain at the present level after completion of the Project.
4. UWSCG, the Project Implementation Agency (IA), is required to engage an independent consultant, acceptable to ADB and the Government of Georgia, to conduct monitoring and evaluation of the resettlement process and impacts of these processes as a condition for starting the relevant civil works.

## II. PROJECT DESCRIPTION

5. The **Project** will extend the water supply and sewerage system to meet the demands of 2040 with about 5,000 residents and 20,000 tourists. The proposed **subproject** entails the construction of a new water treatment plant and a new section of pipeline 201 meters long in Zargashi and a second section with a reservoir located in the area called Lebeliani. From the reservoir the pipeline will be connected to the existing reservoirs at Lanchvali located downstream in the valley.
6. The main impact covers 24 land parcels spread over two territories of the sections:
  - a. **The first section (Section 1)** located in Zargashi impacts 15 land plots;
  - b. **The second section (Section 2)** located in area called Lebeliani impacts 9 land plots.
7. In Section 1, the construction of a new water treatment plant requires 34,828 square meters of land that will impact on 11 land parcels. The new section of the 201 meters

long pipeline will extend over 2,096 square meters of hay fields and temporarily disturb 2 land parcels.

8. In Section 2, the new reservoir will permanently occupy a total of 7,407 square meters and impact only 2 private land parcels. From the water reservoir a new pipeline of 500 meters long traversing 7 land parcels will cause temporary disturbance of 4,640 square meters of land.
9. The following impacts were imposed on these land parcels: **permanent land impact** – permanent loss of land and **temporary land disturbance** retaining further **limitation on land use** (servitude agreements).
10. The total size of sub-project impact land on both sections is 48,971 (24 land parcels). Among them 13 land parcels with total area 42,235 sq.m were purchased. The area of 6,736 square meters (11 land parcels) will experience temporary disturbance (the servitude agreements were signed with all land owners) due to pipeline construction activities and future limitations on land use regulated under servitude agreements.
11. The final LARP was approved in July 2011 and posted on the UWSCG and ADB website. The total cash compensation for land, assets and income loss and additional rehabilitation measures stipulated under the LARP was 214,145 GEL. Compensation payments to all 22 land owners were made on August 2 and 3, 2011.
12. Based on the LARP document there are 22 land owners within the project area. Out of these 22 land owners, two (2) land owners Papala Goshteliani and Genozi Japaridze own two land parcels therefore the monitoring document in total reflects 24 land parcels owned by 22 Affected Households (AHs).

### III. PURPOSE AND METHODOLOGY OF THE COMPLIANCE MONITORING

#### Purpose of the External Monitoring

13. The purpose of the external monitoring was to evaluate the results and impacts of the resettlement implementation based on (i) the ADB Safeguard Policy Statement (2009); (ii) relevant laws, policies, and regulations of Georgia; and (iii) the approved Project LARP.
14. The external monitoring consultant (EMC)<sup>1</sup> was expected to undertake monitoring and evaluation of the resettlement process and impact of the LARP and present it in the Final Compliance Report (FCR) for ADB review and approval. The FCR will be the basis for UWSCG to seek ADB's no objection for commencing civil works.
15. The EMC undertook the following tasks and reflected the results in the FCR:

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<sup>1</sup> Ms. Sophie Berishvili was appointed as an External Monitoring Consultant.

- Assess the way compensation was carried out in relation to the stipulations of the LARP and the Investment Program's Resettlement Framework (RF);
- Verify all APs have been compensated in the amounts stipulated in the LARP;
- Assess the accuracy of survey and asset valuation;
- Assess the effectiveness and thoroughness of the legalization process;
- Review complaint and grievance cases and their solution;
- Assess the rehabilitation program for severely affected and vulnerable APs;
- Review the disclosure of the LARP and information pamphlet;
- Assess the satisfaction of the APs with the information campaign and with the compensation/rehabilitation package provided to them;
- Identify lessons learned that can be applied to future projects; and
- Make a general assessment of LARP implementation and recommend to ADB whether or not a no objection letter may be issued to start the civil works.

### **Monitoring Methodology**

16. The EMC studied the LARP, carefully reviewed the activities implemented by UWSCG during LARP implementation, and confirmed the level of compliance with the ADB SPS (2009).
17. The EMC studied the process of ownership title registration of land plots under possession of private persons. The EMC assessed the institutional arrangements and level of efforts of local governments to encourage involvement of APs or Affected Households (AHs) in LARP implementation, in particular consultation meetings with local populations and public disclosure.
18. The EMC examined the accuracy of lost assets inventory and the level of fairness of calculation of compensation package; reviewed the activities conducted by UWSCG in compensating the APs with reference to adherence to the terms and conditions determined under the LARP. The EMC also verified if there were complaints received from APs in the course of the LARP implementation and inquired about the APs satisfaction with the compensation and assistance provided to them.
19. After the review of documentary materials related to the land acquisition and resettlement plan implementation procedures, the EMC met with the local population and interviewed them during the field trip between 5-6 August 2011. The EMC interviewed 12 APs from the 22 AHs. . Annex 1 shows the list of APs interviewed during the monitoring.

## **IV. FINDINGS AND ASSESSMENTS**

### **Assessment of Compensation Delivery**

20. The approved LARP determined the types of income and assets lost due to the subproject as follows:
- Land;
  - Crops; and
  - Impact on assets (fence, perennials, etc.).
21. Compensation eligibility was limited by a cut-off date, 17 May 2011. As a result of 100% inventory of project affected assets the LARP determined the types of assets and income loss subject to cash compensation and entitlements. The approved LARP clearly determined the types of income and assets lost. The report below describes the accomplishment in respect with the cash compensation for lost crops, assets (perennials, structures) including the additional rehabilitation measures for severe impact and vulnerability. Annexes 2 and 3 show the amount of compensation received by each AH for different losses.

### **Compensation for Loss of Land**

22. The LARP determined replacement cost of land based on existing market rates to the extent possible and adding the applicable transaction cost, such as fixed fee for registration at the National Agency of Public Registry (NAPR). Market rates were defined based on the report of the independent valuator considering type of land, its potential best use and location. The land was categorized as agricultural and cultivated for hay and used for grazing cattle.
23. The EMC reviewed the list describing the project affected land parcels and the allocated budget. The EMC examined each and every purchase, servitude and compensation agreement signed between the UWSCG and project APs in order to be assured that compensations were paid according to the approved budget.
24. The EMC confirmed that permanent loss of land was compensated according to the market value of the land parcel. The cost for the parcel was set by an independent valuator which is 3.60 GEL per sq.m. The total size of subproject land impact on both sections is 48,971 sq.m (24 land parcels). Among them 13 land parcels experience permanent loss of land which is 42,235 sq.m. The total of 152,046 GEL was paid to the APs for permanent land loss. Purchase agreements were signed between UWSCG and the land owners.
25. The pipeline construction will result in temporary land disturbance to 6,736 sq.m (11 land parcels). The monitoring confirmed that owners were paid 3.60 GEL per sq.m. Servitude Agreements were signed between UWSCG and the land users. The EMC met APs



affected by temporary disturbance and confirmed that a total of 24,249 GEL was paid to APs for such impact.

26. Table 1 shows the compensation completed for permanent and temporary land loss. Table 2 shows the summary information on permanently and temporarily affected lands that were covered in the review by the EMC, while tables 3 to 8 show the planned and actual compensation payments made for different losses.

**Table 1: Compensation for permanent and temporary land loss**

Type of impact	planned under LARP			completed under LARP		
	Type of transaction and number of APs	Total Area (m <sup>2</sup> )	Total Amount of Cash Compensation Planned	Type of transaction and number of APs	Total Area (m <sup>2</sup> )	Total Amount of Cash Compensation Received for land loss
permanent land take	purchase agreements with 13 APs	42,235	152,046	purchase agreements with 13 APs	42,235	152,046
temporary land take	servitude agreements with 11 APs	6,736	24,249	servitude agreements with 11 APs	6,736	24,249
<b>Total</b>	<b>24 APs</b>	<b>48,971</b>	<b>176,295</b>	<b>24 APs</b>	<b>48,971</b>	<b>176,295</b>

Note: Compensation rate for both types of land loss is 3.60 GEL per sq.m.

**Table 2: Information on affected land parcels per section and types of land impact**

Item	Section 1	Section 2	<u>Total</u>
Total number of affected plots	15	9	24
Total area of affected land plots including non-viable residual land. (m <sup>2</sup> )	61,978	40,936	102,914
Total size of land impact (m <sup>2</sup> )	36,923	12,048	48,971
<i>among them:</i>			
<i>Permanent loss of land (land sales)</i>			
Number of plots affected by headworks/reservoir construction	11	2	13
Total area of land affected by headworks /reservoir (m <sup>2</sup> )	34,828	7,407	42,235
<i>Temporary disturbance, retaining future limitation on land use (servitudes)</i>			
Number of plots impacted by pipeline construction	4	7	11
Total area impacted by pipeline construction (m <sup>2</sup> )	2,096	4,640	<b><u>6,736</u></b>

**Table 3: Compensation of partially and fully acquired plots**

Degree of Acquisition	Planned under LARP			Completed under LARP		
	No. of plots	Total Area (m <sup>2</sup> )	GEL	No. of plots	Total Area (m <sup>2</sup> )	GEL
partially acquired	7	16,113	58,008	7	16,113	58,008
fully acquired	6	26,122	94,038	6	26,122	94,038
Total:	13	42,235	152,046	13	42,235	152,046

**Compensation for Severe Impact**

27. In order to determine **Severe Impact** to APs, additional data was obtained from the local archive records on other agricultural (arable) land under the possession of each AP or AH. Archive Certificates confirmed the information (collected during the census) on the availability and size of extra agricultural land allocated to the APs or AHs couple of decades ago.

28. The total size of subproject affected hay fields was added to size of other agricultural land parcel(s) allocated to a given AP or AH. The size of residential land plot was not counted into this calculation. The proportion of land take versus the entire size of all agricultural land per AH was determined and if the proportion of land take was more than 10%, the case was classified as **severe impact**. Table 4 below provides summary data on subproject severe impact and the manner of compensation. Land parcels subject to servitude agreements are also included in Table 4.

28. A total of seventeen (17) land owners experienced severe impacts. Owners were given additional cash compensation equivalent to one (1) additional crop compensation covering 1 year yield from affected land (0.09 GEL/sq.m). The monitoring confirmed that the 17 land owners received a combined total of 4,143 GEL for severe impact compensation.

**Table 4: Compensation for severe impact**

Planned under LARP					Completed under LARP				
No. of land owners	Crop type	Size of affected land (m <sup>2</sup> )	Rate (1 year) 0,09 GEL	Total compensation for severe impact (GEL)	No. of land owners	Crop type	Size of affected land (m <sup>2</sup> )	Rate (1 year) 0,09 GEL	Total compensation received for severe impact (GEL)
17	Hay	46,030	0.09	4,143	17	Hay	46,030	0.09	4,143

**Compensation for Crop Losses**

29. Another type of loss all APs face is loss of annual crops (hay). All APs received cash compensation for annual crops (hay) calculated according to the size of subproject affected land at gross crops value of expected harvest for 3 years. All 24 land parcel owners were compensated for crop losses equal to 13,222 GEL.

**Table 5: Compensation for crop losses**

Planned under LARP					Completed under LARP				
No. of land owners	Crop Type	Size of affected land (m <sup>2</sup> )	Rate (3 year) 0.27 GEL/m <sup>2</sup>	Total amount of compensation planned (GEL)	No. of land owners	Crop Type	Size of affected land (m <sup>2</sup> )	Rate (1 year) 0.09 GEL	Total amount of compensation received (GEL)
24	Hay	48,971	0.27	13,222	24	Hay	48,971	0.27	13,222

**Compensation for Impacts on Other Assets (fences and perennials)****Fences**

30. There were several land plots that are fenced with wooden logs. In some areas the land parcels were divided by low stone edges. Some hay fields were not fenced at all. The independent valuator undertook an on site inventory and determined which AP owned fenced land parcel, recorded the data on the types (wooden, stone) of fence and its linear meter length per each fenced sub-project affected land parcel. The report submitted by an independent valuator provided a table reflecting the impact on fences. The total length of wooden fence was 924 meters bordering approximately 13 subproject affected land parcels. Stone fences defined the boundaries of two land parcels with total length of 101 linear meters. All APs were compensated for damaged fences. Table 6 below provides summary data on fence impact and compensation. A review of the compensation documents confirmed that the total cash compensation paid to APs for damage to fences is 5,125 GEL.

**Perennials**

31. There were some perennials growing on the hay fields. These are non-fruit bearing perennials and wild nut bushes used by APs as brush wood. All 160 perennials standing within the subproject affected area were inventoried and assessed by an independent valuator. All trees on the APs land parcels that need to be cut down were identified per parcel. The volume<sup>2</sup> of the wood-pulp was determined according to the species<sup>3</sup>, size (height and diameter of a trunk) of the standing tree. The valuator calculated the amount of cash compensation in accordance with the 160 standing trees that make 90 cubic meter of wood pulp. There are no structures or other buildings located on any of the affected land plots. The monitoring confirmed that total cash compensation paid to APs for loss of perennials is 5,760 GEL.

<sup>2</sup> Tree trunk with 3 meters height and 50 cm diameter makes 1 cubic meter of wood-pulp; i.e. one standing tree makes 0.6 cubic meter of wood-pulp.

<sup>3</sup> These are ash trees (*Fraxinus*) and Hornbeams (*Carpinus Caucasica*).

**Table 6: Compensation for impact on fences and perennials**

Planned under LARP					Completed under LARP				
No. plots with perennials	No. of standing perennials	Total volume of wood – pulp (m <sup>3</sup> )	Unit rate Gel 60/1 m <sup>3</sup>	Total cost of compensation	No. plots with perennials	No. of standing perennials	Total volume of wood –pulp (m <sup>3</sup> )	Unit rate Gel 60/1 m <sup>3</sup>	Total amount of compensation received for impact on fences and perennials
16	160	96	60	5,760	16	160	96	60	5,760

**Table 7: Details on affected fences and perennials**

Item	Planned under LARP			Completed under LARP		
	Section 1	Section 2	<u>Total per Item</u>	Section 1	Section 2	<u>Total per Item</u>
Number of parcels with perennials	9	7	16	9	7	16
Number of standing non-fruit bearing perennials	67	93	160	67	93	160
Volume of perennials (in m <sup>3</sup> )	40	56	96	40	56	96
No of sub-project affected land parcels experiencing fence impact	7	7	13	7	7	13
<b>Distribution per types of fences:</b>						
Number of land parcels with wooden fences	5 <sup>4</sup>	7	12	5	7	12
Length (linear meters)	661	263	924	661	263	924
Number of land parcels with stone low edges	1	0	1	1	0	1
Length (linear meters)	101	-	101	101	-	101
Impact on non-fruit bearing perennials						
Number of parcels with perennials	9	7	16	9	7	16
Number of standing non-fruit bearing perennials	67	93	160	67	93	160
Volume of perennials (in m)	40	56	96	40	56	96

<sup>4</sup> Land parcel (No. 7) owned by Zurab Chartolani located on Section 1 is counted only under the Item “Number of land parcels with wooden fences”, although this land parcel has 291 m of wooden fence and 47 m of stone edge.

32. **Findings:** A review of the contracts showed that cash compensations due to the APs were fully paid. Thirteen (13) purchase agreements, eleven (11) servitude agreements, and twenty (20) compensation agreements were signed. Seventeen (17) land owners losing more than 10% of their agricultural lands were provided with severe impact allowance. All these compensations were paid within 7 days after signing of the agreements and in accordance with the LARP.

### Assistance to Vulnerable Households

33. Households living below the poverty line, and households headed by women disabled individuals, single elderly, homeless and pensioners were considered vulnerable and are entitled to an additional assistance equivalent to 3 months of minimum subsistence income (GEL 320x3=GEL 960). The LARP identified 10 vulnerable HHs. During the visit to Mestia, the EMC met 7 of the 10 vulnerable households. All of them confirmed that the compensation they receive included the additional allowance for vulnerable households.

**Table 7: Additional allowance to vulnerable households**

Planned under LARP			Completed under LARP		
Number of vulnerable households	Amount of allowance per household (GEL)	Total cost of rehabilitation for 10 households (GEL)	Number of vulnerable households	Amount of allowance per household (GEL)	Total cost of rehabilitation allowance received (GEL)
10	960	9,600	10	960	9,600

### Assistance to APs in the process of document legalization

34. Land possession (ownership) by identified APs was verified based on the official information available at the local archive. The review of archive records revealed that all APs were included in the land taxpayers' list. Although the population of Mestia are land tax-exempt, taxpayers' lists are still officially used as the basic document to determine private ownership rights to land. Therefore, it has been officially confirmed and proven that all APs are legitimate possessors of the hay fields. In addition during the interviews, majority of them confirmed that they inherited these land parcels.

35. All 24 subproject affected land parcels were under legitimate possession of 22 AHs that needed to be registered in accordance with the active legislation of Georgia prior to processing sales and servitude agreements to allow issuance of cash compensation. Out of 22 AH's Papala Goshteliani and Genozi Japaridze owned two (2) land parcels. All these land parcels were registered at the NAPR.

36. The UWSCG provided technical assistance to all APs and enhanced correct and accurate processing of registration ownership rights to land. UWSCG ensured that all APs were provided with survey cadastral maps free-of-charge. UWSCG covered all registration

fees. During the monitoring in August 2011, the interviewed-APs confirmed that UWSCG assisted them with the registration of their plots which was very helpful since they did not have to pay associated registration fees.

37. The initial registration of ownership right to land was a necessary legal procedure to be undertaken in order to register factual land user (possessor) as a legally valid private owner for further implementing land acquisition or processing relevant servitude agreements. Besides, the UWSCG assisted the APs in processing the division of subproject affected land parcels to undertake partial land acquisition.

**Table 8: Summary table of registration costs required for the acquisition of 24 privately owned project affected land plots**

<b>Number of plots</b>	<b>Unit rate - Registration Fee</b>	<b>No. of Units - Acts of registration</b>	<b>Total Cost of Registration (GEL)</b>
<b>24</b>	<b>50</b>	<b>51</b>	<b>5000</b>

38. **Finding:** All 22 owners of the AHs were reimbursed NARP registrations fees. All land parcels were registered at the NAPR in a legally valid manner prior to issuance of due cash compensation according to the approved LARP.

### **Payment Procedures**

39. All APs have opened personal bank accounts in a Liberty Bank of Mestia branch. Since all APs were present, there was no need to open an escrow account. After the purchase and servitude agreements were signed by both parties (UWSCG and APs) and transaction was registered at the NAPR, the UWSCG transferred cash compensation to the AP's personal bank accounts. During the monitoring visit conducted by the EMC from 5-6 August 2011, payments were already made and the APs were aware that the funds have been transferred to their accounts.

## **V. ASSESSMENT OF PUBLIC AWARENESS AND SATISFACTION OF APS**

40. While reviewing the documents related to LARP implementation procedures, the EMC took into close consideration the cut-off-date of 17 May 2011. No encroachers were noted during the monitoring process.
41. The fact that not a single case of encroaching was revealed during the monitoring process proves to some extent that local population was well-informed about the APs rights and responsibilities, as well as the cut-off-date limitations.
42. During monitoring, the EMC also had an opportunity to talk with several non-APs in the locality. Local residents highlighted the positive attitude and expectations of local

population, particularly considering the potential for employment during the WSS construction activities and possibility for further growth of tourism in the region.

43. During the interviews with APs, the EMC had a chance to talk with them and asked question whether they have seen LARP or information pamphlet. The interviewees confirmed that they were given the information pamphlet and were shown the LARP document during the public meeting that they attended. The local municipality kept a copy of the LARP. The LARP was also posted on UWSCG's web page. Most of the APs confirmed that they became aware about the project through the public meeting and from the representatives of the local municipality.
44. Interview with the APs revealed that the representatives of the local community and government bodies conducted consultations, public meetings, formal and informal discussions as considered appropriate under the LARP.
45. The APs confirmed that they were informed and encouraged to attend public disclosure meeting during the LARP preparation and implementation process. Important and necessary information was provided to APs on the goals and objectives of the WSS Project and about the eligibility to fair compensation for losses incurred as a result of project impacts.

#### **Results of the social and gender survey**

46. The EMC specifically designed the form and content of the questionnaire to interview APs. This questionnaire was used to interview 12 APs.
47. Out of 22 AHs, two households no longer live in Mestia. One moved to Akhmeta Kakheti region and one to Tetrtskharo (Kvemo-Karfli region). Both of these families were visited by representatives from UWSCG, all relevant information was obtained from them, and agreements and cash compensation was delivered.
48. The monitoring noted that gender issues were considered in the LARP implementation. All 4 female-headed households were classified as vulnerable and provided with additional rehabilitation allowance. The agreements were signed with them and they participated in public consultations. The EMC visited all these four female-headed households.
49. Based on answers of the interviewed APs, the overall response reflected rather positively on the WSS project results.
50. To the question of what sources of information on the WSS they received; Out of 12 interviewed APs, 11 APs confirmed that they became aware about the project and the LARP during the public meeting. One AP named the local government representatives as the source of his information. Two APs named both these sources.

51. All 12 interviewed individuals confirmed that they received the cash compensation as provided for in the LARP. When asked how they used the compensation that they received, the APs provided the following responses to the questions posed:
- i. (0) covered their financial liabilities (debts)
  - ii. (5) repaired their residential house
  - iii. (7) provided financial aid to their children
  - iv. (0) provided financial aid to their relatives and friends
  - v. (0) purchased means of transportation
  - vi. (0) purchased residential house
  - vii. (0) purchased a land parcel
  - viii. (0) decided to use received cash compensation for consumption costs.
52. Majority of the interviewed APs confirmed that the amount of cash compensation that they received was reasonable and totally acceptable. However, there were 3 (three) AP's who expressed that they need more compensation to improve their living conditions. They think that the prices in Mestia may increase and within five years time their land might cost more. However, they also confirmed that they prefer cash now and nobody knows what happens in future. Therefore they signed agreements willingly and voluntarily. No other complaints were expressed.
53. **Finding:** The APs were satisfied with the cash compensation that they received and consider the measures undertaken by UWSCG as fair and reasonable. In general, the local population carries rather positive view on the WSS project and future potential for tourism development in the region. The APs were informed about the project during the LARP development and also became aware of the LARP through the information pamphlets. Prior to implementation of the LARP, the APs received a notification letter informing them of the date and time for signing of the contract.

### **Complaints & Grievance Redress Mechanism**

54. The monitoring confirmed that during the LARP public disclosure meetings, APs were informed that they can file complaints and discuss their concern. The information pamphlets issued to each affected household had an attached complaint form. APs were advised to fill-in this form if they had any concern and/or complaint. During the negotiation and signing of the contracts, representatives of UWSCG again informed APs about their rights and mechanisms for complaint handling.
55. During the monitoring, the EMC verified from the UWSCG staff if they received any complaint during the LARP implementation. The Resettlement Division of UWSCG confirmed that they have not received any complaint.
56. None of the APs have applied to the Grievance Redress Commission with claims relating to amounts of compensation issued as land replacement costs. This confirms that the population was well informed about the project impact area, goals and tasks of the project and therefore was far from unsatisfied, or made unjustified requests, or had unreasonable expectations.



57. **Finding:** Although APs are fully aware of the grievance procedure under the project, none filed a complaint about the LARP implementation.

## **VI. LESSONS LEARNED**

58. APs seek for independent legal advice on matters related to land issues, and other concerns. For future projects, it may be good to consider the possibility of engaging an independent lawyer free-of-charge that could talk to APs and explain their rights. This could also be an activity for various non-governmental organizations (NGOs) advising population on their legal rights.

## **VII. CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusions**

59. Based on the findings of the EMC, it can be concluded that the LARP was successfully implemented and was done in compliance with the ADB Safeguard Policy Statement (2009) and relevant Georgian legislation.

60. The approved LARP was implemented with full compliance and no deviations were made. Compensations were paid in accordance of the independent evaluation report considering market value of the impacts. Compensations were paid in accordance with the approved LARP budget.

61. The LARP activities yielded positive results. The APs are satisfied with the compensation received and were assisted in the legalization of their ownership rights. There are no outstanding complaints

### **Recommendations**

62. With respect to the completion of the LARP implementation, the commencement of WSS construction activities is recommended.

## References:

In order to develop this report consultant used the following reference material:

- 1) July 16, 2011 LARP Document
- 2) Auditor-Valuator Report Besik Diakonidze May 27, 2011
- 3) Servitude contracts and sales contracts with AP's July, 2011;
- 4) ADB similar reports downloaded from [www.adb.org](http://www.adb.org) August 13, 2011
  - *Electricity transmission line Khorga, Georgia;*
  - *Road projects in Georgia; and*
  - *LARP external monitoring and evaluation report "Kashkadarja and Novoi Rural WSS Sector Project" Tashkent 2010*

**Annex 1:**  
**Names of the APs interviewed during the EMC monitoring trip on August 5 and 6, 2011**

No	Name
1.	Vladimer Paliani
2.	Grisha Paliani
3.	Iura Mushkudiani
4.	Zurab Chartolani
5.	Odise Paliani
6.	Gela Niguriani
7.	Giorgi Mushkudiani
8.	Elvardi Japaridze
9.	Papala Gishteliani
10.	Tamaz Chartolani
11.	Shermand Niguriani
12.	Tsitsino Ratiani

**Annex 2:**

**The Table reflecting the LARP implementation impacts and cash compensation amounts paid to project affected persons**

AP's First Name	AP's Family Name	Other agricultural land parcels under possession of APs (sq.m.)	Total area of land parcel (sq.m.)	Size of land takes (sq.m.)	Land market value at replacement cost 3.60 GEL/1 sq.m. (Sales /Servitudes)	Cash Compensation amount land (GEL)	Crop compensation for 3 yrs expected harvest (0.27 GEL/ 1 sq.m.)	Rehabilitation for severe impact ( 1 yr Crop Compensation 0.09 GEL/1 sq.m.)	No of trees per affected land	Cubic Meters of non-fruit bearing perennial	Cash compensation for perennials (60 GEL/m3)	Rehabilitation for vulnerable AHs (GEL)	Linear meter of stone edge	Linear meter of wooden fence	GEL 5/ 1 M of both types of Fences	TOTAL of Compensation Package (GEL)
Bagrat	Paliani	2,500	2,938	1,574	3.60	5,667	425	142	3	2	120			110	550	6,904
Revaz	Pangani	1,800	5,341	1,247	3.60	4,488	337	112				960			0	5,897
Vladimer (Seriozja)	Paliani	500	1,288	1,288	3.60	4,637	348	116	2	1	60	960		27	135	6,256
Grisha	Paliani	2,100	6,372	4,318	3.60	15,546	1,166	389					223	1,115		18,215
Shermand	Niguriani	4,200	4,094	4,094	3.60	14,739	1,105	368	17	10	600				0	16,813
Jura	Mushkudiani	2,400	7,038	7,038	3.60	25,338	1,900	633	12	7	420				0	28,292
Zurab	Chartolani	3,500	5,469	5,469	3.60	19,688	1,477	492	3	2	120		47	291	1,690	23,467
Levan (Leo)	Chartolani	500	5,011	5,011	3.60	18,038	1,353	451	12	7	420	960	54		270	21,492
Odise	Paliani	4,500	8,079	2,463	3.60	8,867	665	222	5	3	180	960			0	10,894
Levan	Japaridze	3,000	2,093	61	3.60	221	17					960			0	1,198
Gela	Niguriani	2,000	4,982	2,264	3.60	8,150	611	204	3	2	120	960			0	10,045
Giorgi	Mushkudiani	1,700	4,038	1,053	3.60	3,792	284	95	10	6	360			10	50	4,581
Jumber	Mushkudiani	1,300	911	377	3.60	1,358	102	34							0	1,494
Davit	Mushkudiani	1,300	3,516	354	3.60	1,276	96								0	1,372
Khvicha	Mushkudiani	500	808	310	3.60	1,118	84	28							0	1,229
Eter	Khergiani	4,700	5,025	1,205	3.60	4,340	325	108	25	15	900	960		20	100	6,733
Genozi	Japaridze	2,100	2,605	116	3.60	418	31		8	5	300			42	210	960
Tsitsino	Ratiani	2,000	4,630	909	3.60	3,274	246	82	25	15	900	960		42	210	5,671
Elvardi	Japaridze	8,500	6,695	4,186	3.60	15,068	1,130	377	12	7	420			53	265	17,260
Genozi	Japaridze	0	3,222	3,222	3.60	11,598	870	290	2	1	60			86	430	13,248
Papala	Goshteliani	4,000	8,020	1,167	3.60	4,200	315		13	8	480	960			0	5,955
Papala	Goshteliani	0	590	79	3.60	285	21		8	5	300			10	50	657

AP's First Name	AP's Family Name	Other agricultural land parcels under possession of APs (sq.m.)	Total area of land parcel (sq.m.)	Size of land takes (sq.m.)	Land market value at replacement cost 3.60 GEL/1 sq.m. (Sales /Servitudes)	Cash Compensation amount land (GEL)	Crop compensation for 3 yrs expected harvest (0.27 GEL/ 1 sq.m.)	Rehabilitation for severe impact ( 1 yr Crop Compensation 0.09 GEL/1 sq.m.)	No of trees per affected land	Cubic Meters of non-fruit bearing perennial	Cash compensation for perennials (60 GEL/m3)	Rehabilitation for vulnerable AHs (GEL)	Linear meter of stone edge	Linear meter of wooden fence	GEL5/ 1 M of both types of Fences	TOTAL of Compensation Package (GEL)
Luiba	Kvanchiani	2,500	7,463	928	3.60	3,342	251					960		10	50	4,603
Tamaz	Chartolani	3,500	2,686	235	3.60	846	63					0			0	910
<b>Sub-totals</b>		<b>59, 100</b>	<b>102,914</b>	<b>48,971</b>		<b>176,295</b>	<b>13,222</b>	<b>4,143</b>		<b>96</b>	<b>5,760</b>	<b>9,600</b>	<b>101</b>	<b>924</b>	<b>5,125</b>	<b>214,145</b>
<b>Registration Fee</b>																<b>5,000</b>
<b>TOTAL BUDGET</b>																<b>219,145</b>
Contingencies 10 %																<b>21,915</b>
<b>FINAL SUM</b>																<b>241,060</b>

**Annex 3**  
**Mestia Summary Servitude and Compensation Agreements**

#	Map #	OWNER		Number of the Servitude Agreement	Number of the Compensation Agreement	Amount Paid under Servitude Agreement (in GEL)	Amount Paid under compensation Agreement (in GEL)	Total (in GEL)
1	12	Giorgi	Mushkudiani	1	14	4,169.88	410.00	4,579.88
2	13	Jumber	Mushkudiani	2		1,492.92	0.00	1,492.92
3	14	David	Mushkudiani	3		1,369.98	0.00	1,369.98
4	15	Khvicha	Mushudiani	4		1,227.60	0.00	1,227.60
5	16	Eter	Khergiani	5	15	4,771.80	1,960.00	6,731.80
6	17	Genozi	Japaridze	6	16	448.92	510.00	958.92
7	18	Tsitsino	Ratiani	7	17	3,599.64	2,070.00	5,669.64
8	21	Fafala	Goshteliani	8	18	4,516.29	1,440.00	5,956.29
9	22	Fafala	Goshteliani	9	19	305.73	350.00	655.73
10	23	Luba	Kvanchiani	10	20	3,591.36	1,010.00	4,601.36
11	24	Tamaz	Chartolani	11		909.45	0.00	909.45

**Total:**

**34,153.57**

#	MAP #	OWNER		Number of the Purchase Agreement	Number of the Compensation Agreement	Amount Paid under Purchase Agreement (in GEL)	Amount Paid Under Compensation Agreement (in GEL)	Total (in GEL)
1	1	Bagrat	Faliani	1	1	5,666.40	1,236.64	6,903.04
2	2	Revaz	Fangani	2	2	4,489.20	1,408.92	5,898.12
3	3	Vladimer	Faliani	3	3	4,636.80	1,618.68	6,255.48
4	4	Grisha	Faliani	4	4	15,544.80	2,669.48	18,214.28
5	5	Sermand	Niguriani	5	5	14,738.40	2,073.84	16,812.24
6	6	Iura	Mushkudiani	6	6	25,336.80	2,953.68	28,290.48
7	7	Zurab	Chartolani	7	7	19,688.40	3,778.84	23,467.24
8	8	Levan	Chartolani	8	8	18,039.60	3,453.96	21,493.56
9	9	Odise	Faliani	9	9	8,866.80	2,026.68	10,893.48
10	10	Levan	Japarizde	10	10	219.60	976.47	1,196.07
11	11	Gela	Niguriani	11	11	8,150.40	1,895.04	10,045.44
12	19	Elvardi	Japaridze	12	12	15,069.60	2,191.96	17,261.56
13	20	Genozi	Japaridze	13	13	11,599.00	1,649.92	13,248.92

**Total:**

**179, 979.91**