



საქართველოს რეგიონული განვითარებისა და  
ინფრასტრუქტურის სამინისტრო

MINISTRY OF REGIONAL DEVELOPMENT AND  
INFRASTRUCTURE OF GEORGIA

№ .....1623.....

26 07 2011 წ.

To: Mr. Vijay Padmanabhan  
Urban Development Specialist  
Central and West Asia Department  
Asian Development Bank

Subject: Loan No. 2749  
Land Acquisition and Resettlement Plan for Mestia Water Supply Headworks

Dear Mr. Padmanabhan,

Please be informed that the Government of Georgia approved Land Acquisition and Resettlement Plan (LARP) prepared for the Mestia water supply headworks project by its Decree #1462 issued on July 20, 2011.

Herewith, the Ministry of Regional Development and Infrastructure of Georgia endorses the above mentioned LARP.

Attachment: Land Acquisition and Resettlement Plan (LARP)

Sincerely yours,

Deputy Minister

Lasha Mgeladze

# Land Acquisition and Resettlement Plan

## For

# Mestia Water Supply Headworks Project

Project Number: 43405  
July 14 2011

Proposed Multitranche Financing Facility  
Georgia: Urban Services Improvement Investment Program

Ministry of Regional Development and Infrastructure  
United Water Supply Company of Georgia LLC

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**ABBREVIATIONS**

ADB	Asian Development Bank
AF	Affected Family
AH	Affected Household
AP	Affected Person
EIA	Environmental Impact Assessment
ESSU	Environmental and Social Safeguards Unit
FY	Fiscal Year
GOG	Government of Georgia
GRC	Grievance Redress Commission
IA	Implementing Agency
IMA	Independent Monitoring Agency
IP	Indigenous People
LAR	Land Acquisition and Resettlement
MFF	Multi-tranche Financial Facility
MLARO	Municipal Land Acquisition and Resettlement Office
MOED	Ministry of Economic Development
MORDI	Ministry of Regional Development and Infrastructure
NAPR	National Agency of Public Register
NGO	Non-Governmental Organization
RF	Resettlement Framework
LARP	Resettlement Plan
SPS	Safeguard Policy Statement
UWSCG	United Water Supply Company of Georgia

## **I. INTRODUCTION**

1. This Short Resettlement Plan (SRP) for the Mestia Water Source Pipeline sub-project (the sub-project) has been prepared by the United Water Supply Company of Georgia (UWSCG), the Implementation Agency (IA), for the Ministry of Regional Development and Infrastructure (MORDI), the Executing Agency (EA), under tranche 1 of the Georgia Urban Services Improvement Investment Program (the Investment Program). Its objective is to provide a comprehensive action plan for the compensation of people affected by the sub-project in compliance with the requirement of the ADB Safeguards Policy Statement (SPS) 2009.

### **A. Sub-project Description**

2. The Georgian government is undertaking major works to facilitate tourism development in Mestia. They are laying concrete roads to connect the city and the Svaneti region to Georgia's East-West highway. The government is also financing restoration of Mestia building facades in the city center and is redesigning the main square. Moreover, the government is providing initial financial support for ski slope development.

3. Today, Mestia water supply system is unable to meet the existing needs of the pre-tourism boom population and thus urgently seeks to rehabilitate the system and expand supply and delivery to new areas, thereby enabling conditions for tourism and resort development.

4. 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 projects measures will include:

- Taking out of operation Shkedi headworks
- Construction of a new intake at Mestiachala river, upstream of the city
- Laying of a transmission main from the new intake to the new site of the water treatment plant and one reservoir
- Rehabilitation and extension of the water supply network to cover the whole city and the planned tourism zone with three supply zones
- Construction of 5,000 m<sup>3</sup> additional storage capacity for drinking water in three locations
- Construction of a water treatment plant
- Construction of a sewage system to cover the whole city and the planned tourism zone
- Construction of a wastewater treatment plant.

5. The proposed sub-project entails the construction of a new water treatment plant and a new section of HDPE 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.

- (i) The construction of the water treatment plant with reservoir and of the reservoir at Lebeliani reservoir will be carried out in hay fields used by local population for hay collecting.
- (ii) Pipeline construction will require digging of a 2 m wide trench along existing roads and mountain meadows privately hold by local population as land and a source of hay. The sections of the pipeline along roads will not cause any impact but the sections along the

meadows will affect the properties of the local population. The land parcels selected for locating the reservoirs will subject to acquisition for project needs.

- (iii) The area affected by the pipeline is divided in two sections. The first section located in Zargashi will entail impacts on 15 land plots; the second section located in area called Lebeliani will entail impacts on 9 land plots. All these 24 land plots (hay fields) are under possession of Mestia residents.
- (iv) No structures, except wooden fences are located on the sub-project affected hay fields under private possession. All of the affected land plots are land growing hay. Often natural fence of perennials creates the land parcel boundaries and divides the adjacent land plots. However, some pipeline of the second section traverses through forest mainly grown by wild nut bushes and non-fruit bearing perennials. The forest is not under private possession and therefore is State-owned. Pipeline construction process might require logging down some trees through the existing forest.

## **B. LARP Related Conditionality**

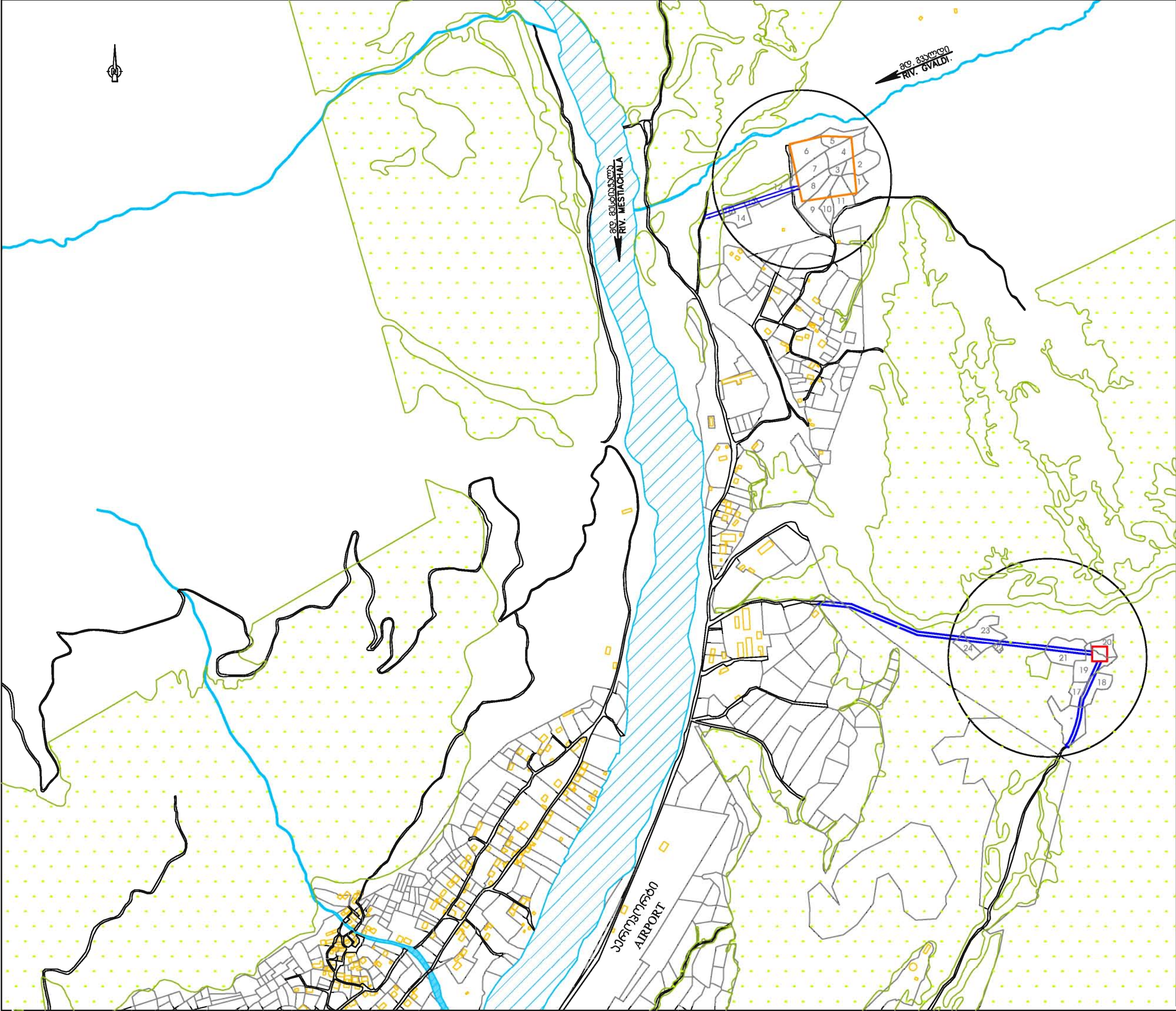
6. This LARP is relevant for the following sub-sub-project milestones:

- (i) Provision of notice to proceed to contractors: Conditional to the full implementation of this LARP (full delivery of compensation and rehabilitation) for the relevant sub-project. Such a condition will be clearly spelled out in the text of the civil works contract.

7. This sub-project impact does not entail loss of shelter or any other structure or building. No physical resettlement of APs is required. The sub-project impact is localized over the area of hay fields possessed by Mestia residents. Construction activities will entail some temporary disturbance to land and loss of hay within the pipeline corridor and permanent loss of land selected for construction of water treatment plant and reservoirs. Loss of assets (wooden fences and standing non-fruit bearing perennials) is determined and assessed. Cases of severe impact and vulnerable AHs are identified.

8. According to the ADB SPS 2009, this sub-project is thus classified as of category B.





**პროექტის აღწერა**  
**LEGENDS**

	არსებული გზა EXISTING ROAD
	მდინარე RIVER
	ბუჩქი WOODS
	საპროექტო მაგისტრალი DESIGNED SEWER
	ახალი რეზერვუარი NEW RESERVOIR
	წყალგამწმენდი სატემო სადგური STP
	ნაკვეთი PARCEL
	შენობა BUILDING

**United Water Supply Company of Georgia LLC**

Designing Consulting Company BT Tbilisi, Georgia	Lead Management Koblenz, GER - Tbilisi GEO Improvement Urban Centres of Georgia Investment Program	Tbilisi, Georgia





## II. IMPACTS ASSESSMENT AND AFFECTED PERSONS CENSUS

### A. Methodological introduction

9. The census, land survey and impact assessment was conducted by a Consultant on April 16-17, 2011. Public Meeting was held in local Sakrebulo building on April 18, 2011. However, in order to specify and confirm obtained data another site trip was arranged to Mestia in May. During May 14-16, 2011 several activities were undertaken in parallel regime: Census, socio-economic survey, demarcation and land re-survey. The studies covered 100 % of APs all sub-project affected land parcel possessors. May 17, 2011 has been introduced as the cut-off date. The area of sub-project impact is fully surveyed and boundaries determined. The land survey and impact assessment has been carried out with participation of the manager of Mestia service center and representative of Mestia municipality, local community members and all APs<sup>1</sup> or their trusted representatives. In the absence of cadastral maps, identification of affected land plots and their possessors was done through demarcation and land survey undertaken on site by KOCKS Consult/BT land surveyor. For each affected land plot individuals possessing these land parcels without registered titles, actual land users and possessors, were identified and the area of total land plot and its affected part were determined. Through census and socio-economic survey all vulnerable APs were revealed.

10. The area of sub-project impact is fully surveyed and boundaries determined. Demarcation, land survey and impact assessment have been carried out with participation of the manager of Mestia service center and representative of Mestia municipality, local community members and all APs or their trusted representatives. In the absence of cadastral maps, identification of affected land plots and their possessors was done through demarcation and land survey undertaken on site by KOCKS Consult/BT land surveyor. For each affected land plot individuals possessing these land parcels without registered titles, actual land users and possessors, were identified and the area of entire land plot and its affected part were determined.

11. The independent licensed valuator separately undertook desk survey and on site market research. He assessed sub-project affected land parcels and assets attached to, such as perennials, wooden fences and determined current market value at replacement cost in accordance to the International Valuation Standards (IVS) per each type of assets loss.

### B. Compensation Strategy

12. This LARP determines all type of losses incurred to APs possessing sub-project affected land parcels and provides the detailed explanation of necessary procedures and methodology for land acquisition of compensation strategy.

13. Permanent loss of land will be compensated at land replacement cost at market value. Therefore APs permanently losing their land will receive fair cash compensation for land, crops and assets through officially processed sales agreements.

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<sup>1</sup> Demarcation and land parcel surveys were attended by individual possessors (APs) of 20 sub-project land parcels. In respect with 2 land parcels, whose possessors moved to other rayons of Georgia, their trusted representatives attended land survey and demarcation.

14. Temporary land disturbance, followed by future limitation on land use, caused by pipeline construction process (water pipes will be placed under ground) will extend over 10 meters width corridor of privately possessed hay fields.

15. The APs whose land parcels experience only temporary disturbance due to pipeline construction activities will grant the Right of Servitude to the Company (UWSCG), through officially processed Servitude Agreement. They will receive fair compensation for crops, assets and limitations imposed on land future use. Amount of cash compensation will be calculated at market rates.

16. Besides, if any damages and losses incur due to restoration or maintenance of water pipes placed under the ground, possessors/owners of the damaged land parcels will be eligible to full loss reimbursement. The UWSCG will be responsible to undertake loss assessment and issuance of due compensation in accordance to the active legislation of Georgia, proven best practice, and the entitlements considered under this LARP and Resettlement Policy Framework.

17. Compensation strategy considers additional assistance to vulnerable families and APs possessing severely affected land parcels.

18. Livelihood allowances consider technical assistance to be provided to all APs during LARP implementation process in regard with the legalization and registration procedures.

### **C. Impacts Assessment**

19. The sub-project impact on APs/AHs is classified according to the following types of assets: land, crops, assets (fences, perennials). Each type of impact is described in detail and compensation strategy is provided below:

#### **1. Land Impact**

20. The sub-project affected land parcels are agricultural and used by their possessors for cultivating hay or grazing land for cattle. These hay fields are located further out from Mestia settlement on a slope in some cases exceeding 45° grades. A rocky and rather narrow road gets closer to some of these hay fields. APs use foot path to walk up hill or alternative routes using other people's fields.

21. At the moment of initial survey out of all 24 land plots, 23 land plots were under legitimate possession of Mestia residents and only one (1) land plot was registered under private ownership at the NAPR. As a result of UWSCG proper activities by June 20, 2011 all the 24 sub-project affected land parcels are registered at the NAPR under private ownership of APs in legally valid manner.

22. The sub-project affected area covering 24 land parcels is spread over two territories therefore creating two 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.

23. Across the Section 1 according to the proposed sub-project the construction of a new water treatment plant requires 34 828 square meters and incurs permanent impact to 11 land parcels. The

new section of HDPE pipeline 201 meters long will extended over 2 096 square meters of hay fields and temporarily disturb 2 land parcels.

24. The Section 2 causes less impact of sub-project affected land parcels. A new reservoir will permanently occupy 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 cause temporary disturbance of 4 640 square meters of land.

**(i) Permanent loss of land and temporary disturbance, future land use limitations**

25. Thus are two types of land impacts identified within the framework of this sub-project. In particular: **permanent land impact** – permanent loss of land and **temporary land disturbance** retaining further **limitation on land use**.

26. The total size of sub-project impact land on both sections is 48 971 (24 land parcels). Among them 13 land parcels experience permanent loss of land with total area 42 235 sq.m. The area of 6 736 square meters (11 land parcels) will experience temporary disturbance due to pipeline construction activities and future limitations on land use regulated under Servitude Agreements. Table 1 summarizes the division of sub-project affected land parcels according to the Sections (1 and 2) and the types and size of sub-project impact to land parcels.

**Table 1.** Division of sub-project affected land parcels per sectors and types of land impact

Item	Section 1	Section 2	Total
Total number of sub-project affected land parcels	15	9	24
Total area of sub-project affected land plots including non-viable residual land. (sq.m.)	61 978	40 936	102 914
Total size of land impact (sq.m.)	36 923	12 048	48 971
<b>among them:</b>			
<b>Permanent loss of land (land sales)</b>			
No of land parcels allocated for headworks /reservoir construction	11	2	13
Total area of land allocated for headworks /reservoir (sq.m.)	34 828	7407	42 235
<b>Temporary disturbance, retaining future limitation on land use (servitudes)</b>			
No of land parcels under pipeline construction impact	4	7	11
Total area of land allocated for pipeline construction (sq.m.)	2 096	4 640	6 736

27. The Chapter 4 below describes in detail all legal steps and procedures necessary for land acquisition and issuance of due cash compensations. Including the process of legalization, i.e. initial registration of ownership rights to sub-project affected land parcels; land parcels division wherever necessary; processing and registration of sales transactions and servitude agreements. Besides, the terms and

conditions on pending limitations on future land use, obligations, rights and responsibilities of the parties are spelled out in the attached Annex 2 Sample of Servitude Agreement.

## (ii) Partial and full land acquisition for sub-project needs

28. The decision on full land acquisition was made based on several significant factors:

- Proportion of land take exceeding 70-90% of entire size of sub-project affected land parcel.
- Residual land is deemed unviable due to its size and/or location on a steep slope;
- Complicated (lack of) accessibility;
- APs preference<sup>2</sup> revealed through AP participatory involvement.

29. In total 13 land parcels subject to land sales. The table 2 provides brief overview of the scales of partial and full land acquisition of sub-project affected land parcels.

**Table 2.** Summary of partial and full land acquisition

Land Acquisition	Section 1	Section 2	Total
No of land plots to be partially acquired	6	1	7
Total size of land takes (sq.m.)	11 927	4 186	<b>16 113</b>
No of land plots to be fully acquired	5	1	6
Total size of land takes (sq.m.)	22 900	3 222	<b>26 122</b>

## (iii) Severe Impact to land parcels

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

31. The total size of sub-project affected hay fields was added to size of other agricultural land parcel(s) allocated to a given AP/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**. The table 3 below provides summary data on sub-project severe impact.

<sup>2</sup> Importantly, in decision making process participatory involvement of APs was encouraged to reveal their preference, whether they preferred to sell the whole land parcel or keep the remaining piece. Therefore, the final decision on determination of the land parcels subject to partial or full land acquisition was made in agreement with the AHs.

**Table 3.** Summary of severe impact on sub-project affected land parcels

Item	Section 1	Section 2	<u>Total per Item</u>
No of land plots experiencing sub-project Severe Impact per sections	<b>13</b>	<b>4</b>	<b><u>17</u></b>
Total of entire size of sub-project affected land parcels (sq.m.)	61 978	40 936	<b><u>102 914</u></b>
Total area of land takes (including Sales & servitudes) (sq.m.)	36 923	12 048	<b><u>48 971</u></b>
Total area of additional agricultural (income generating) land being under possession of the APs (sq.m.)	31 800.00	27 300.00	<b><u>59 100</u></b>

32. Notable, that the land parcels subject to servitude agreements<sup>3</sup> are also included in this table. All land owners losing more than 10 % of income generating land are eligible to cash compensation for severe impact.

33. Thus, within the framework of this sub-project there are total of seventeen (17) land parcels that experience sub-project Severe Impact and their owners are eligible to additional cash compensation for severe impact as stipulated under this LARP.

## **2. Impact on Crops**

34. Another type of loss all APs face to experience is loss of annual crops (hay). The cash compensation will be issued to each and every HH possessing sub-project affected land parcel.

35. All APs will receive cash compensation for annual crops (hay) calculated according to the size of sub-project affected land at gross crops value of expected harvest for 3 years.

36. Table 4 outlines the volume of impact on crops within sub-project affected area.

**Table 4.** Crops impact

Item	Section 1	Section 2	<u>Total per item</u>
No of sub-project affected land parcels	<b>15</b>	<b>9</b>	<b><u>24</u></b>
Total area of affected land parcels (sq.m.)	61 978	40 936	102 914
<b><u>Area of land with crops loss (sq.m.)</u></b>	<b><u>34 828</u></b>	<b><u>7 407</u></b>	<b><u>42 235</u></b>

## **3. Impacts on Assets (fences, perennials, structures)**

### **(i) Fences**

37. There are several land plots that are fenced with wooden logs. In some areas the land parcels are divided by low stone edges. Some hay fields are not fenced at all.

<sup>3</sup> **Servitude (easement):** A restriction or obligation attached to a property that entitles somebody other than the owner to a specific use of it such as the right to cross it or occupy it temporarily for maintenance of utility services.



38. Independent valuator undertook 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 Independent Valuator provided table reflecting the impact on fences. The total length of wooden fence is 924 meters bordering some of 13 sub-project affected land parcels. Stone fences are identifying the boundaries of two land parcels with total length of 101 linear meters. All APs will be cash compensated for damaged fences. Cost calculation is made according to the type (material) the fence is built and the linear meter length of a given fence. Table 5 below provides summary data on fence impact.

**Table 5.** Summary data on fence impact

Item	Section 1	Section 2	<u>Total</u>
No of sub-project affected land parcels experiencing fence impact	7	7	<u>13</u>
<b>Distribution per types of fences:</b>			
Number of land parcels with wooden fences	5 <sup>4</sup>	7	<u>12</u>
Length (linear meters)	661	263	924
Number of land parcels with stone low edges	1	0	<u>1</u>
Length (linear meters)	101	-	101

**(ii) Perennials**

39. As mentioned above there are some perennials growing on the hay fields. These are non-fruit bearing perennials and wild nut bushes used by APs as brush wood.

40. All 160 perennials standing within the sub-project affected area have been inventoried and assessed by Independent valuator. All trees on the APs land parcels that need to be cut down are identified per parcel. The volume<sup>5</sup> of the wood-pulp was determined according to the species<sup>6</sup>, size (height and diameter of a trunk) of the standing tree. The valuator calculated the amount of cash compensation is according to the 160 standing trees that make 90 cubic meter of wood pulp.

**Table 6.** Impact on non-fruit bearing perennials

Item	Section 1	Section 2	<u>Total per Item</u>
Number of parcels with perennials	9	7	16
Number of standing non-fruit bearing perennials	67	93	160
Volume of perennials (in m <sup>3</sup> )	40	56	96

41. There are no structures or other buildings located on any of the mentioned land plots.

<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.

<sup>5</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>6</sup> These are ash trees (Fraxinus) and Hornbeams (Carpinus Caucasica).

### III. CENSUS AND SOCIO-ECONOMIC SURVEY

42. Comprehensive Census and Socio-economic survey of 22 AHs was conducted on May 14-16, 2011 in parallel regime. The specifically developed enquiry form was used during the household interviews. The questionnaire covered the questions about household composition, age and gender, health, social status and marital status, education, employment, livelihood activities, income, land possession, cattle and etc. As a result of a desk study, general information was obtained on socio-economic and demography data of the rayon. (Information source: Statistical Department of Georgia).

43. Census and collection of socio-economic and demography data were undertaken by visiting each and every AP and their family members. During census it was found out that out of 22 APs two (2) families<sup>7</sup> no longer live in Mestia. One family moved to Akhmeta (Kakheti region) and another family to Tetritskaro. Later on May 21 and 24, 2011 these families were visited in Akhmeta and Tetritskaro and all necessary data required for completion of Census and socio-economic and demography data was collected and included in this Resettlement Plan.

44. **Number of APs.** The total number of project affected families (AFs) is 22 that makes 111 project affected persons (APs). Among them 60 are male and 51 female.

45. **Number of AFs by gender.** Among 22 AFs there are four (4) female headed households.

46. **The Average family composition.** The average family composition is 5.09 members.

47. **Main source of livelihood.** Majority of the AHs are engaged in cattle breeding and/or hay cultivation as main livelihood activity. The source of income for most of the interviewed HHs is self-sufficient production. They produce agricultural products mostly for personal use. Every family keeps cattle, at least one cow, however some HHs keep 10-12 (full age) cattle. Several male respondents are employed in border army and security service. Their income is reasonably high and varies between 500 – 1000 GEL per month. Some are employed on full time jobs in Mestia town. The spheres of employment for females are: Museum, Kindergarden, School, Medical Care, Administrative Office, Service and others. Their monthly income varies between 150-300 GEL.

48. **Income:** The income spread of the AP is detailed in Table 7 below.

**Table 7.** Affected population's main income source

Main Source of Income for AH	Number of AH
Agriculture (partial income from own land)	22
Small business	1
Regular wages/salary	13
Pensioners	2
Female headed AFs	4
Wages for casual labor	1
Non-waged earnings (rent, pension, and remittances)	0
Social assistance	7

<sup>7</sup> Although these families currently reside in other regions of Georgia they often visit Mestia. They arrived to Mestia and personally submitted applications on title registration at the NAPR.

49. **Severely affected land parcels.** The sub-project severely affects 17 land parcels where more than 10 % of economically useful land is to be affected by sub-project needs.

50. **Vulnerable HHs.** Census and socio-economic survey revealed APs below poverty line, widows, and women headed households, disabled individuals, single elderly, homeless and pensioners. The total number of vulnerable AFs without double counting is ten (10). Among them seven (7) are below poverty levels and currently receive social assistance from the Government. Four (4) are female headed households. Please see below Table 8.

**Table 8.** Vulnerable APs

ID	AP's full name	Social Assistance	Female headed HH	Single elderly	Pensioner	Disabled	Home-less	Vulnerable
1	Liuba Kvanchiani		1		1			1
2	Temur Paliani	1						1
3	Vladimer Paliani	1				1	1	1
4	Levan Japarizde	1				1		1
5	Levan Chartolani	1						1
6	Gela Niguriani	1						1
7	Tsitsino Ratiani		1					1
8	Papala Goshteliani	1	1	1				1
9	Eter Khergiani		1					1
10	Revaz Pangani	1					1	1
	<b>Total</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>10</b>

51. Among the above named vulnerable HHs, there are two (2) families receiving government Social Assistance. They currently do not have permanent residence as their houses were burnt down. Two AHs have handicapped children. Both families belong to the vulnerable category and receive social assistance from the Government.

52. **Indigenous People.** There are no indigenous people in Georgia in traditional meaning of this word under the ADB SPS 2009. The local population is fully integrated in the socio-economic system of the country and there are no groups of population, which are partly isolated and characterized by very specific socio-economic patterns, habits and life-style and traditions, which may be affected by the sub-project. There are no IDPs among the sub-project affected persons.

**Table 9.** Affected Households by Impact Category

Impact Category	No. of AHs		Net No. Of APs	Remarks
	No. in Category	Absolute (without double counting)		
<b>A. Land</b>				
A1. Agricultural Land	22	22	111	2 AHs own two sub-project affected land parcels each
<b>Sub-total (A)</b>	22	22	111	
<b>B. Crops /Trees</b>				

**Table 9.** Affected Households by Impact Category

Impact Category	No. of AHs		Net No. Of APs	Remarks
	No. in Category	Absolute (without double counting)		
B1. Cops Losses	22	22	111	
B2. Tree Losses	14 <sup>1</sup>	14	66	14 AHs are Included in B1
<b>Sub-total (B)</b>	22	22	111	
<b>C. Permanent Structure (Fences)</b>				
C1. Wooden fence	12	12	51	
C2. Stone fence	1 <sup>2</sup>	1	5	1 AH having partially wooden and partially stone fence is included in C1
<b>Sub-Total (C)</b>	13	13	56	
<b>D. Total</b>		<b>22</b>	<b>111</b>	

<sup>1</sup> Two AHs own 2 land parcels each with affected trees.

<sup>2</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. These details are reflected in the Annex 3. LARP Implementation Detailed Budget.

#### IV. COMPENSATION / REHABILITATION POLICY

##### A. Georgian Legislation and ADB Policy

53. The sub-project will be implemented in accordance with the Georgia law and ADB SPS 2009. In Georgia, the legislative acts given below regulate the issues of obtaining State ownership rights to privately owned land parcels based on the necessary public needs caused due to constructions activities:

- (i) The Constitution of Georgia, August 24, 1995
- (ii) The Civil Code of Georgia, June 26, 1997
- (iii) The Law of Georgia on Privatization of State-owned Pasture, July 8, 2005
- (iv) The Law of Georgia on Ownership Rights to Pasture, March 22, 1996
- (v) The Law of Georgia on Public Register (No820 IIs; December 19 2008)
- (vi) The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities; 2007
- (vii) The Law of Georgia on Rules for Expropriation of Ownership for Necessary Public Need, July 23, 1999
- (viii) The Civil Procedural Code of Georgia, November 14, 1997

54. the most important of the above documents is the Law of Georgia of “Rules for Expropriation of Ownership for Necessary Public Need” (July, 23, 1999). The law specifies expropriation procedures, liabilities and implementation rules and mandates that expropriation is to be undertaken through a compensation payment corresponding to the market value of the lost assets and without deductions for depreciation. Overall the above laws/regulations endorse the principle of replacement cost. They also identify the types of damages eligible to compensation and provide that compensation is to be given both for loss of physical assets and of incomes. This implies that compensation is due also for loss of harvest or business closure. Finally, these laws stress public consultation to ensure that the APs participate in the process.

55. Overall, the legislation of Georgia reflects ADB safeguards Policy provisions but with some difference. Most significantly Georgian legislation/regulation, emphasizes formal property rights and on compensation while .ADB policy focuses on compensation and livelihood restoration adding to Georgia law/regulation additional requirements. These are related to (i) the rehabilitation of all APs including those without legal/formal rights; (ii) the provision of indemnities for business and income loss, and (iii) the provision of allowances covering AP expenses during resettlement or the special needs of severely affected or vulnerable AP/AHs. Another difference is that, Georgia law does not require the preparation of LARPs. The main differences between Georgia law/regulation and ADB policy are outlined in Table 10 below.

**Table 10:** Comparison of Georgia Laws/Regulations on LAR and ADB SPS 2009

<b>Georgia Laws and Regulations</b>	<b>ADB SPS 2009</b>
Only registered houses/buildings are compensated for damages/demolition caused by a sub-project	All affected houses/buildings are compensated for buildings damages/demolition caused by a sub-project
Crop losses compensation provided only to registered landowners.	Crop losses compensation provided to landowners and share crop/lease tenants whether registered or not



Land Acquisition Committee 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 are resolved informally through community participation in the Grievance Redress Committees (GRC), Local governments, and NGO and/or local-level community based organizations (CBOs).
Decisions regarding LAR are discussed only between the landowners and the Land Acquisition Authorities.	Information on impacts assets value and entitlements is to be disclosed to the APs prior to appraisal.
No provision for income/livelihood restoration for severely affected/vulnerable APs, or resettlement costs.	ADB policy requires rehabilitation for income/livelihood, losses, and the AP's expenses during the relocation process.
Georgian legislation does not require the preparation of a LARP.	Time bound implementable LARP needs to be prepared before the disbursement of compensation.
No specific plan for public consultation is provided under the Georgian laws	Public and direct AP consultation is integral to ADB SPS 2009.

56. To reconcile gaps between Georgia laws/regulations and ADB Policy, UWSCG has drafted a Resettlement Framework (RF), which will be a tool for ensuring compensation at replacement cost of all items.

## **B. RF Principles adopted for the sub-project**

57. The following core involuntary resettlement principles are developed for the Investment Program:

- (i) Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
- (ii) Where unavoidable, a time-bound LARP will be prepared and APs will be assisted in improving or at least regaining their pre-project standard of living;
- (iii) Consultation with APs on compensation, disclosure of resettlement information to APs, and participation of APs in planning and implementing sub-projects will be ensured;
- (iv) Vulnerable and severely affected APs will be provided special assistance;
- (v) Non-titled APs (informal dwellers or squatters) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for losses other than land;
- (vi) Legalizable APs will be legalized and fully compensated for land losses;
- (vii) Provision of income restoration and rehabilitation to all APs;
- (viii) The LARP will be disclosed to the APs in the local language;
- (ix) Payment of compensation, and rehabilitation measures will be completed prior to the contractor taking physical acquisition of the land and prior to the commencement of any construction activities on a particular package; and
- (x) Establishment of appropriate Grievance Redress Mechanism to solve APs grievance if it occurs.

## **C. Strategy for Land Registration, Land Acquisition, Servitude Agreements**

### **(i) The Legal status of sub-project affected land parcels.**

58. The fact of land possession 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 Tax payers' lists. Although population of Mestia are land tax exempt, tax payers' lists are still officially used as the basic document originating private ownership rights to land. Therefore, it has been officially confirmed and proven that all APs were legitimate possessors of the hay fields.

59. All 23 sub-project affected land parcels were under legitimate possession of 21 APs 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. Only one (1) land parcel was registered at the NAPR.

60. There were two cases where the land was registered in the name of a deceased person. Therefore prior to processing Sales /Servitude Agreements it was necessary to transfer ownership rights to the legitimate heirs through notarized documents. As per today the legitimate heirs are registered as private owners of the sub-project affected land parcels.

61. The Archive Certificates officially were issued by Mestia Archive Territorial Body of National Archive of Georgia of the Ministry of Justice. These documents provided full name of the citizen (date of birth, ID personal number) and determined the area (in ha) of agricultural land being allocated to that specific person/family. The Certificates also stated the full name of the head of household to who had been allocated the hay field (size in ha). The documents referred to the source and recorded registration number saved at the local archive.

62. The UWSCG wire transferred required amount (1764 GEL) to pay official fee for archive service and obtain the Archive Certificates on 21<sup>8</sup> hay field possessors. This amount is included in Mestia Resettlement Plan implementation budget calculations.

### **(ii) Registration Procedures**

63. Registration procedures of sub-project affected land parcels, particularly hay fields under sub-project impact, were preliminarily agreed with the NAPR. As suggested in the Action Plan, the UWSCG arranged the meeting with Mr. Sergo Tsikarishvili, the Chairman of the NAPR and Mr. Dmitry Makhatadze, the NAPR leading lawyer. The specific steps of ownership title registration were determined that ensured timely and legally valid processing of initial registration, followed with land parcels division (necessary in case of partial land acquisition) to be accomplished by processing Servitude and Sales Agreements between UWSCG and APs.

64. The local Municipality based on the Tax Payers' Lists and Demarcation Acts issued official Statement for each AP possessing hay field. These Statements were issued free of charge and were compiled into the pile of documents submitted to the NAPR for processing initial registration of private ownership rights to the given land parcels.

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<sup>8</sup> One of the AP had registered sub-project affected land parcel at the NAPR in 2007; therefore there was no need to obtain the Archive Certificate for that specific land parcel.

65. 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. Besides, UWSCG covered all registration fees<sup>9</sup>.

66. The initial registration of ownership right to land was 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 sub-project affected land parcels to undertake partial land acquisition. As stipulated under this LARP, the UWSCG covered official registration fees to register land parcels divisions as well.

### **(iii) Division of sub-project affected land parcels**

67. As mentioned above out of the 15 land parcels subject to acquisition, some are to be fully acquired. Complete land acquisition will be undertaken in the cases where land take needs 70-90% of entire land parcels, or the size of land take is not large but economic value of the remaining land is declining and the APs preference is alienation of the entire land parcel.

68. Within the framework of the given sub-project there are 7 land parcels, where land take requires smaller part of the land parcel and the APs are willing to keep the rest of the land parcel under their ownership. In such cases, these land parcels were first divided and registered as two separate land parcels.

69. Each divided piece was registered as separate land parcels. The UWSCG paid registration fee (51 GEL) for each piece. The list of the documents submitted to the NAPR for registration of land parcel division is as follows:

1. Completely and correctly filled out and signed Application Form;
2. Copy of the ID Card (Original ID should be with applicant);
3. Extract from the NAPR verifying the initial registration of the given land parcel;
4. Cadastral survey maps of the land parcels created as a result of division (original hard copies and electronic versions on CDs);
5. Receipts verifying the payment of registration fee – 51 GEL per each piece<sup>10</sup>.

### **(iv) Registration of Sales Agreements**

70. As stated above, partial and full land acquisition will be undertaken based on the Sales Agreements made between the UWSCG and AP. The UWSCG negotiates Sales Agreements with APs, to be reassured that the APs are willing to sell and agree to the offered amount of cash compensation. Only after that, sales transition will be processed and registered at the NAPR.

71. The list of documents necessary for registration of sales transaction is as follows:

1. Correctly and completely filled out and signed Application Form;
2. Copy of the ID Card (Original ID should be with applicant);

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<sup>9</sup> The fixed fee for each registration is 50 GEL, plus 1 GEL for bank service was paid by UWSCG.

3. Extract from the NAPR verifying the initial registration of the given land parcel;
4. Cadastral survey maps of the land parcels showing the area of land take (original hard copies and electronic versions on CDs);
5. Sales Agreement signed and processed in an appropriate manner;
6. Receipts verifying the payment of registration fee – 51 GEL<sup>11</sup>.

#### **(v) Processing Servitude Agreements**

72. As stated above, the Servitude Agreements shall be entered between the UWSCG and APs with regard to the land parcels that experience only temporary disturbance to land during pipeline construction and then future limitations to land use within the ROW specified under the Servitude Agreements. On June 17, UWSCG called for another Public Meeting<sup>12</sup> and introduced the APs with the contents of the Contracts, specifically explained the terms and conditions on responsibilities, rights and limitations of land owners and the responsibilities and obligations of UWSCG.

73. The APs were encouraged to participate and negotiate the terms and conditions of servitude agreement. The intention was to ensure that individual APs granting the Right of Servitude to UWSCG clearly understood and agreed with the suggested conditions.

#### **(vi) Servitude Agreement**

74. Servitude Agreements<sup>13</sup> contain specific terms and conditions that regulate the rights, responsibilities, obligations and eligibilities of the parties. The brief overview of the limitations for APs as follows:

- A. Exercising of the Right of Servitude during the entire validity period of Servitude Agreement, a Landowner shall completely and unconditionally follow the limitations defined by the active legislation, among them:
  - a. Not to conduct construction activities within the Right of Way;
  - b. Not to plant any perennials and agricultural produce, or use fertilizers within the Right of Way;
  - c. Not to prevent or impede the representatives of the Company to access the site at any time on any calendar day in order to inspect the pipeline and if required to undertake current and emergency repairs.

75. The UWSCG is entitled not to allow any type of construction or activities likely threatening the security and smooth functioning of the pipeline inside and out of the Right of Way within the limits defined by established standards.

76. The Landowner is not entitled to terminate the hereby Servitude Agreement for any reasons or refuse Company using the hereby Right of Servitude.

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<sup>10</sup> The fixed fee for each division registration is 50 GEL, plus 1 GEL for bank service and was paid by UWSCG.

<sup>11</sup> The fixed fee for registration Servitude Agreement is 50 GEL, plus 1 GEL for bank service and will be paid by UWSCG.

<sup>12</sup> The Minutes of the Public Meeting hold in Mestia on May 17, 2011 is provided in Section Annexes.

<sup>13</sup> The full text of the servitude agreement is attached to this LARP under Annex 2.

77. The Company is entitled to terminate the hereby Servitude Agreement any time at its sole discretion. The Landowner issues his/her unconditional and nonreciprocal consent to any termination of the hereby Servitude Agreement and the parties agree to timely undertake all the measures required for due registration of such termination at the Public Registry.

78. The Company (UWSCG) responsibilities:

a) After completion of civil works during the entire exploitation period of pipeline the Company takes responsibility to reimburse losses incurred to the landowner, in case the losses are caused as a result of repair/maintenance works conducted to the water pipeline.

b) Loss assessment shall be undertaken in accordance to the active legislation of Georgia and at current market rates for the moment the loss incur.

#### **(vii) Payment Procedures**

79. All APs have opened personal bank accounts in local Bank (Liberty Bank). Since all APs are present there is no need to exercise the mechanism of escrow accounts. After the Sales/Servitude Agreements are signed by both parties (UWSCG and AP) and transaction is registered at the NAPR the UWSCG shall undertake wire transfer of cash compensation to the AP's personal bank accounts. The UWSCG completely covers registration fees required for the entire process starting from initial registration of sub-project affected land parcels being under possession of the APs, through division and registration of Sales and Servitude Agreements. All liable taxes will be paid by the UWSCG unless waived.

### **D. Compensation Entitlements and Eligibility for the sub-project**

#### **1. Eligibility**

80. APs entitled for compensation or at least rehabilitation provisions under the sub-project are:

- (i) All APs losing land covered by legal title;
- (ii) Tenants and sharecroppers whether registered or not;
- (iii) Owners of crops, plants, or other objects, such as fences attached to the land; and
- (iv) APs losing income.

81. Compensation eligibility is limited by a cut-off date, specifically May 17, 2011. APs who settle in the affected areas after that date (May 17, 2011) will not be eligible for compensation. They, however will be given sufficient advance notice to vacate premises/dismantle affected structures prior to sub-project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

#### **2. Entitlements**

82. Entitlement provisions for APs include provisions for permanent loss of land at land replacement cost at current market value, crop compensation, cash compensation for future limitations on land use (in case of Servitudes), loss of assets, livelihood improvement allowances, allowances for vulnerable AHs and severe impact The entitlements are detailed below:



- (i) **Cash compensation for permanent loss of land:** cash compensation at replacement value in cash at current market rates (GEL3.60 / 1 sq.m.) based on assessment of independent licensed valuator.
- (ii) **Cash Compensation for future limitations on land use (Servitudes):** cash compensation at replacement cost at the land market rates (GEL3.60 / 1 sq.m.) based on the assessment of independent licensed valuator.
- (iii) **Cash compensation for fences:** Cash compensation at replacement cost free of deductions for depreciation in the amount of GEL 5 / 1 linear meter. In case of full or partial damage relevant repair costs for damaged structures will be paid to the owner.
- (iv) **Compensation for Crops:** Cash compensation at current market rates for the gross value of 3 year's harvest (GEL 0.27/ 1 sq.m.). Crop compensation will be paid to the land users/ landowners or tenants who have been delegated the right to harvest hay on the land.
- (v) **Compensation for perennials:** Cash compensation at market rates for non-fruit bearing perennials assessed by the independent valuator as wood-pulp and the allocated cash compensation equaled to (1 standing tree X 0.6 = 1 cubic meter; GEL 60 per 1 cubic meter).
- (vi) **Additional cash compensation to AHs for severe impact:** additional crop compensation covering 1 year yield from the affected land at the unit rate GEL 0.09/1 sq.m.
- (vii) **Vulnerable people Livelihood:** Vulnerable people (APs below poverty line and widow or women headed households) will be assisted with allowance equivalent to 3 months of minimum subsistence allowance (GEL 320 X 3months = GEL 960).
- (viii) **Livelihood Improvement Allowances:** These allowances will take the form of allowances for land registration. This allowance amounts GEL 51 (fixed registration fee for each transaction) and will be paid by UWSCG on behalf of the each land owner (AP) for facilitating registration process in NAPR.<sup>14</sup>
- (ix) **Additional rehabilitation measures:** LARP Implementing Agency (IA) will ensure provision of additional assistance to the APs, such as provision of grass seeds that APs will spread over their land parcels after the completion of construction activities. This soil reinstatement measure will enhance the restoration of productivity of hay fields disturbed by sub-project impact.
- (x) **Dealing with logged down trees:** The trees that cut down during pipeline construction will be provided to the local Municipality to be distributed to local population being below poverty line. However, in respect with the perennials cut down on private land parcels the APs will be allowed to collect and dispose at their discretion.

**83. Occupation of additional land and damage caused during construction:** Extreme care should be taken by contractors to avoid damaging public and private property. This type of intervention might be

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<sup>14</sup> The resettlement budget contains the item - registration cost with total amount rounded to 5 000 GEL.

expected when Construction Company would need access road to construction sites (for headwork and reservoir), temporary camps or stations for heavy machinery and vehicles. Where damages do occur to public or private property as a result of construction works, the affected families, groups, communities shall be compensated for damages to crops and trees. Damage to land, structure and infrastructure shall be restored to their former conditions at the cost of Construction Company. Compensation shall be paid for all losses caused due to construction in the past (public and private land, structures, infrastructure, crops and trees) retroactively, including the income lost for the duration of the damage period; Damaged land, infrastructure and structures shall be restored to their former condition. Methodology for determination the entitlements and amounts of compensation for losses will be same as in this LARP.

### 3. Compensation Entitlement Matrix

84. LAR tasks under the sub-project will be implemented according to a compensation eligibility and entitlements framework in line with both Georgia laws and regulation and ADB SPS 2009. The Entitlements Matrix is given in table 11 below.

**Table 11.** Compensation Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
<b>1. Loss of Land</b>			
1.1. Permanent loss of land & assets	AP losing land regardless of impact severity	APs will be registered at the NAPR (obtain valid title) first. Then through Sales Agreements will be provided with cash compensation at full replacement cost.	Cash compensation for acquired land at full replacement cost. Market value is determined under the Valuation report prepared by Independent Licensed Valuator specifically for this sub-project.
1.2. Permanent limitations to land use	AP losing land regardless of impact severity	APs will be registered at the NAPR (obtain valid title) first. Then through Servitude Agreements will be provided with cash compensation at full replacement cost.	Cash compensation for land within ROW at full replacement cost. AP responsible to follow the specific conditions of the Servitude Agreement. AP is eligible to loss reimbursement when caused due to restoration/rehabilitation of pipeline. UWSCG is responsible to reimburse such losses.
<b>2. Loss of income and Livelihood</b>			
2.1. Crops	Annual crops (hay) affected	All AFs regardless of legal status and/or tenants.	Crop compensation in cash at market rate by default at gross crop value of expected harvest of hay for 3 years.
2.2. Perennials (on	Standing trees	All AFs possessing	Cash compensation at market rate on the

Type of Loss	Application	Definition of APs	Compensation Entitlements
private land parcels)		land parcels located within sub-project affected area	basis of type, age and productive value of the trees. Standing non-fruit bearing perennials were determined as wood pulp and assessed at current market rate per cubic meter. Construction Company will cut down perennials and APs may collect trees logged down at their land parcels.
2.3. Fences	All APs with fences to be affected	All Aps	Cash compensation at replacement cost according to the material and linear meter length of affected fence.
2.4. Perennials (on public/State land)	Standing trees	Perennials standing outside of private land	Construction Company will deliver logged down trees and transfer to the Municipality. Municipality will later distribute to local population below poverty levels.
2.5. Temporary impact caused during Construction	Any type of property (crops, trees, structures, land, infrastructure used/owned by any person, entity.	Contractors should Avoid damaging public and private property unnecessarily. Where damages do occur to public or private property as a result of construction works, the affected families, groups, communities shall be compensated for damages.	Damage to land, structure and infrastructure shall be restored to their former conditions at the cost of Construction Company. Compensation shall be paid for all losses caused due to construction in the past (public and private land, structures, infrastructure, crops and trees) retroactively, including the income lost for the duration of the damage period; Damaged land, infrastructure and structures shall be restored to their former condition. Crops will be cash compensated. Trees will be dealt same way as described in sections: 2.1 of this Matrix. Methodology for determination the entitlements and amounts of compensation for losses will be same as in this LARP.
<b>3. Allowances</b>			
3.1.Vulnerability allowances	Determined as Vulnerable under this LARP	APs below poverty line, Female headed HHs	3 months of minimum subsistence allowance (GEL 320 x 3 = GEL 960)
3.2. Severe impact	<10% loss of total size	All severely affected AHs losing more than 10 % of total agricultural land they possess	One addition crop compensation covering 1 year yield from affected land (GEL 0.09 / 1 sq.m. of affected land)

Type of Loss	Application	Definition of APs	Compensation Entitlements
3.3. Livelihood	All sub-project affected landowners	All AFs	UWSCG will cover all fees related to land registration at the NAPR registration fees per transaction (51 GEL), Archive Certificate costs (1764 GEL) and Notary Service fees (will be specified as service is provided). Survey Cadastral Maps for registrations at the NAPR will be issued for all APs for free. The EA will cover all taxes on behalf of APs or waived.
<b>4. Additional Mitigation Measures</b>			
4.1. Restoration land productivity	All AFs under temporary impact	All AFs regardless of legal Status	Provision of grass seeds to be spread to the ground after completion of construction activities to enhance the restoration of productivity of hay fields disturbed by sub-project impact.

## **E. Impacts Valuation Methodology and for Cost Estimation**

92. Compensation for land has been calculated by the independently hired expert, licensed valuator who based on International Valuation Standards exercised relevant methodology and developed cash compensation package which includes separately assessed: land, assets (perennials, structures, such as fences) and income generated from hay fields per each sub-project affected land parcel.

93. Land market unit rate was determined based on the most wide spread method - sales comparison method of valuation. Sales Comparison Method is based on replacement principle, which indicates the circumstance that an investor (buyer) does not pay for a specific object higher price than that paid for an analogical real property object. Gain implies combination of the object characteristics, which determine its purpose, possibilities and usage conditions as well as amount of income and terms. This method is based on comparison of the subject property (subject of appraisal) with analogical objects (comparables) sold recently. It is the most accepted and frequently used method for land plot evaluation and determination of market value. The valuer made the analysis of the offers, other markets information; however, the most attention was paid to data of actual sales prices of analogical land plots, which had been sold under typical market conditions and a short time ago. Thus the land replacement cost at current market value was determined by licensed independent valuator based on the information derived from the data available on the recent land sales in given area with the consideration of the location, designation and potential best use.

94. As a result of this method through adjustments of comparables and their sales prices average market price for land as vacant land has been determined at unit rate of 3.60 GEL per square meter.

95. Compensation for the loss of hay has been calculated based on the assumption that the land user loses one year yield of hay within affected area of land parcels and within 10 meters corridor and hay productivity is reduced for the 2 next years. The compensation provided to them will thus equal 3 years

yield of hay. Compensation for hay will be given to the land owners or in case the land is leased to the lease-holder.

96. Based on the official statistical data the maximum productivity rate for hay observed during last five years (0.53 kg per sq. m) has been taken as a basis for cost calculation. Price of 1 kg of hay is taken as GEL0.175 (GEL3.5 per 20kg bale). Price of hay harvested at 1 sq. m is estimated as GEL0.09275 (rounded at 0.09 GEL). Prices for hay compensation were derived based on data obtained from official catalogs and based on market rates.

97. The price for rehabilitation of 1m length of iron wire fence on wooden pales is estimated at GEL 5 (based on Valuator's Report). The price for rehabilitation of 1m length low edge stone fence is estimated at the same price, GEL 5 per linear meter, considering that this construction material can be re-used and only labor force cost was assessed.

98. Amount of compensation for non-fruit bearing perennials was determined by the independent valuator. During the inventory process number and species of standing trees<sup>15</sup> and bushes was determined and compensation amount was calculated at market rate of cubic meter of wood-pulp (GEL 60/cubic meter).

## **1. Livelihood Allowances**

99. During public consultation the APs requested that Government declares ownership rights and registers their plots. As land security is essential for a stable livelihood it was decided to satisfy the request of the APs. The UWSCG provided technical assistance and financial aid to each of them to cover all related registration fees necessary to undertake all required legal steps for smooth, accurate and legally valid procedures starting from initial registration of ownership right, through land parcel division and registration of sales and servitude agreements. The government included these 24 sub-project affected and already privately owned land plots in the ongoing program of cadastral description and mapping of private land plots in Mestia.

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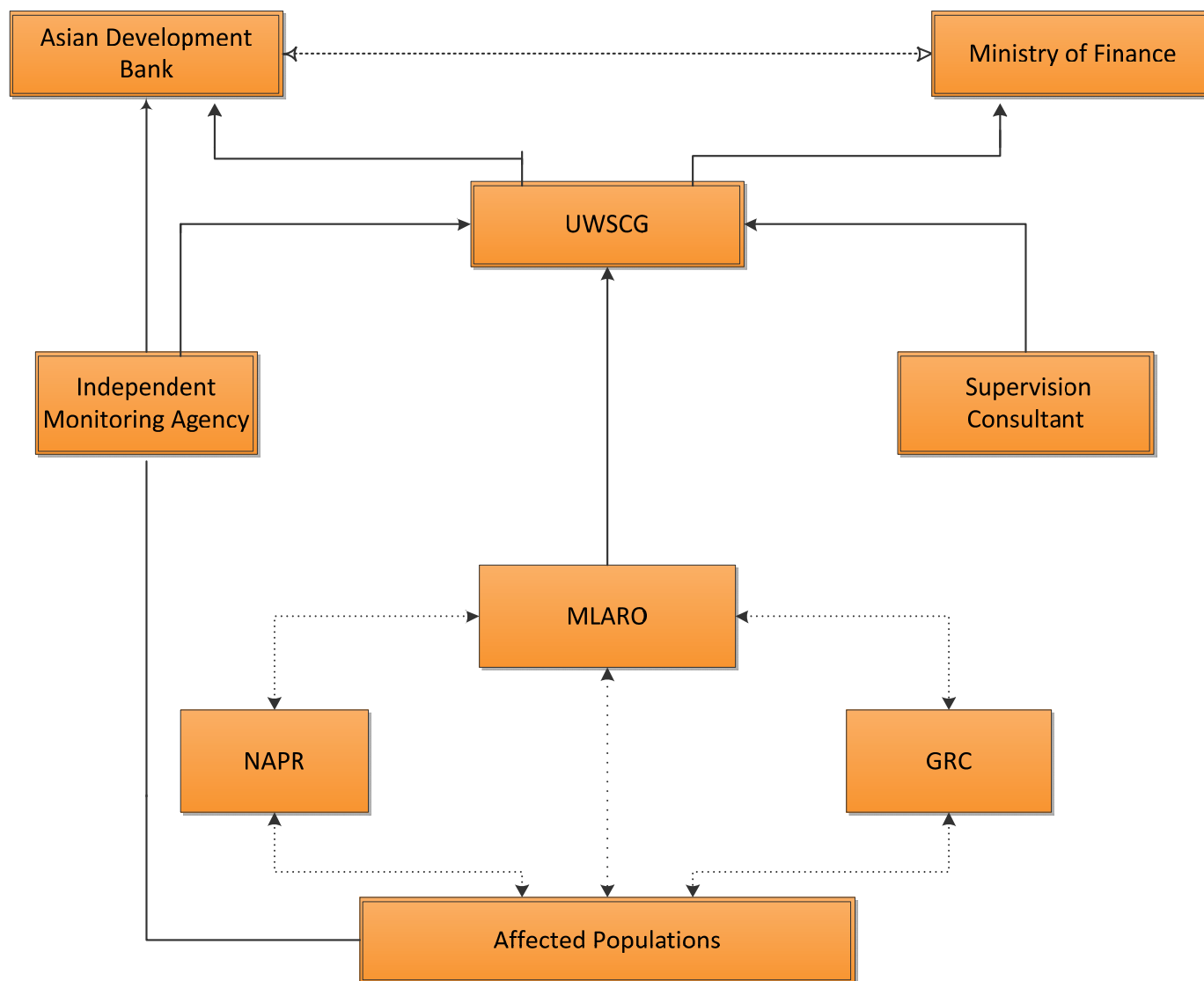
<sup>15</sup> In particular, ash tree (Latin Fraxinus), hornbeam (Latin Carpinus Caucasica) and non-fruit bearing wild nut bushes.

## V. ORGANIZATION

100. The RF compensation/rehabilitation program involves distinct processes, dynamics and actors. These include UWSCG, the IA, the Municipal Land Acquisition and Resettlement Office (MLARO), municipal governments, the Government of Georgia (GOG), the National Agency of Public Registry (NAPR), ADB, NGOs and consultants. Their role is as follows.

- (i) **UWSCG.** UWSCG will be responsible for all LAR tasks both at central and local government level. Among other tasks UWSCG will be responsible for
  - hiring and supervising the consultant that will prepare the LARP at the detailed design stage
  - establishing needed MLARO in Mestia Municipality
  - will maintain the coordination on all LAR related activities
  - provide all needed documentation to ensure the prompt allocation of LAR budgets from the Government of Georgia and further payments to the APs
  - ensuring proper internal monitoring through Supervision Consultant
  - hire, if requested so by ADB, the external monitoring agency
- (ii) **MLARO.** LARP preparation/execution and day-to-day LARP activities at Municipality level UWSCG will be assigned to a Municipal LAR Office (MLARO) inclusive of:
  - Head of Mestia Municipality (Gamageoba)
  - Representative of UWSCG responsible for LAR activities
  - Local Representative of UWSCG in Mestia
  - Representative of Mestia section community
- (iii) **Supervision Consultant.** Supervision agency, responsible for overall supervision of construction activities, will check completion of all compensation/rehabilitation payments before the construction contractor enters the site.
- (iv) **Ministry of Finance (MoF).** MoF will allocate the finances for the compensation and rehabilitation program upon presentation to them of the LARP and relative budgets.
- (v) **Independent Monitoring Agency (IMA).** Given the small scope of this LARP the IMA will be hired only for the LARP implementation period and will prepare at the end of LARP implementation a LARP Compliance report.

Please see below the Organizational Chart.

**A. ORGANIZATIONAL CHART**

## **VI. PUBLIC CONSULTATION, DISCLOSURE, COMPLAINT AND GRIEVANCES HANDLING**

### **A. Public Consultation Meetings**

101. The ad hoc public consultation meeting with the APs was conducted on April 18 2011 and May 14-16, 2011 in Mestia (Mestia rayon, Samegrelo-Zemo Svaneti region). The meetings were attended by sub-project APs, local population, Head and Deputy of local Municipality, UWSCG Mestia service center manager, representatives of local NGO and KOCKS/BT consultants.

102. All participants were informed of sub-project features and ADB SPS 2009. At the meeting the impacts and the compensation entitlements were reviewed and discussed in detail. The participants did not indicate any objection and noted that they welcome the sub-project because it is directly useful to them. Regarding the provision of livelihood assistance, they requested assistance to register their plots with the National Agency of Public Register.

103. APs were informed that they would be assisted in registration of their land parcels under private ownership at the NAPR. All necessary consultancy and technical assistance including transaction processing fee (Notary Service, fees for Registration and archive certificates) and Cadastral Survey maps would be provided for free and APs were assisted in processing all necessary legal steps required in dealing with State Authorities and local Municipality.

104. On June 17, 2011 there was another Public Meeting hold in Mestia in the CTC<sup>16</sup> branch office. The meeting was attended by 17 APs, representatives of local Municipality, UWSCG Mestia service center manager, Resettlement Specialist and Sociologist (UWSCG Tbilisi headquarter office) and local NGO.

105. During the Public Meeting<sup>17</sup> the APs were introduced to the contents of the Contracts. Specific attention was paid to the terms and conditions of Servitude Agreements; responsibilities, obligations and restrictions to be imposed to the APs after signing the Servitude Agreements. Also they were informed about the rights, responsibilities and obligations of UWSCG spelled out in the Servitude Agreements. The APs were encouraged to participate and negotiate conditions of servitude agreement. The intention was to ensure that individual APs granting the Right of Servitude to UWSCG clearly understood and agreed with the suggested conditions.

106. The APs expressed interest in approximate date of commencement of land acquisition and issuance of compensations.

107. Suggestions and proposals of the APs were supported by the UWSCG and appropriate provisions included in this LARP.

### **B. Disclosure**

108. This LARP in English will be posted on ADB's website. The Georgian version will be posted on UWSCG web-site and disclosed to the public in hard copy at the Gamgeoba and other relevant offices in

<sup>16</sup> CTC is the NGO operating in Georgia for more than a decade. One of the branch offices is located in Mestia.

<sup>17</sup> The Minutes of the Public Meeting hold in Mestia on May 17, 2011 is provided in Section Annexes.



Mestia. An information pamphlet in Georgian summarizing LARP entitlements, compensation rates, schedules and implementation features will be provided to all AP.

### C. Complaints and Grievances

109. A grievance resolution mechanism will be set up to allow an AP appealing any disagreeable decision, practice or activity arising from LARP implementation. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Care will always be taken to prevent grievances rather than going through a redress process. This is achieved through careful LARP design and implementation, by ensuring full AP participation and consultation, and by establishing extensive communication and coordination between AP, UWSCG, and the local government.

110. To mitigate disputes during LARP implementation a Grievance Redress Committee (GRC) will be established at the local government level.

The GRCs will be compiled by:

1. Chairman of the GRC - Head of Department of Social Issues at the Local Municipality;
2. Member - Local representative of UWSCG;
3. Member – Designated informal leader of sub-project affected community.
4. Member – Female AP;
5. Member – local NGO representative.

111. Complaint and grievances will follow the process described below in Table 12.

**Table 12.** Grievance Resolution Process

1. Complaint resolution will be attempted at Mestia level with the involvement of Community leaders and informal mediators.
2. If still unsettled, a grievance can then be lodged with the GRC. The AP will be invited by the GRC no later than two weeks after the complaints have been filed to hear the case. Two days after the hearing, the GRC will inform the AP whether the case is to be dismissed or whether recommendation has been made to UWSCG for settling the case.
3. If after the GRC intervention no solution has been reached a grievance can be directly lodged to UWSCG. The AP must lodge the complaint within 2 weeks after receiving response on the original complaint from the GRC and must produce documents supporting his/her claim. The UWSCG will provide a response within 2 weeks of registering the complaint. The UWSCG decision must be in compliance with this LARP and RF provisions.
4. Should the grievance redress system fail to satisfy the AP, they can pursue further action by submitting their case to the appropriate Court. The APs might also be assisted by the local NGO.



## VIII. COSTS

### A. Cost of Compensation for Permanent Loss of land and Future Limitations to Land Use

113. The amount of cash compensation to be paid to APs at land replacement cost was calculated according to the current market value determined by Independent Licensed Valuator specifically hired for this sub-project. The land market price for 1 square meter of hay field in Zargashi and Lebeliani areas was determined at 3.60 GEL per 1 square meter of land.

**Table 14.** Compensation Rate for Loss of land at Replacement Cost

Type of Impact	Type of Transaction	Property Type	No of Land Parcels	Total area of land (sq. m)	Unit Rate / sq.m.	Total Amount of Cash Compensation (GEL)
Permanent land take	Land Sales	Hay field	13	42 235	3.60	152 046
Limitation of land future use	Servitude	Hay field	11	6 736	3.60	24 249
<b>Totals</b>			<b><u>24</u></b>	<b><u>48 971</u></b>		<b><u>176 295</u></b>

### B. Cost of cash Compensation for Impact on Crops

114. All APs will receive cash compensation for annual crops (hay). Cash compensation is calculated at current market rate for the gross value of 3 years' expected harvest (0.09 Gel/1 sq/m/ X 3 yrs).

**Table 15.** Compensation Rates for Annual Crops

No of affected land parcels	Crop Type	Size of land with affected crops (sq.m.)	3 years Compensation rate at 0.27 GEL /sq.m.	Total of compensation amount (GEL)
<b>24</b>	<b>Hay</b>	<b>48 971</b>	<b>0.27</b>	<b>13 222</b>

### C. Cost of cash Compensation for perennials lost

115. The amount of cash compensation for non-fruit bearing perennials was assessed at replacement cost at market value of wood-pulp (GEL 60/m<sup>3</sup>). The unit rate was determined by the independent valuator according to the established standards (1 standing tree X 0.6 = 1 m<sup>3</sup> of wood-pulp X Gel 60/1 m<sup>3</sup>).

**Table 16.** Cash Compensation for perennials

No of plots with perennials	No of standing perennials	Total volume of wood-pulp (in m3)	Unit rate GEL 60/1 m <sup>3</sup>	Total Cost of Compensation (GEL)
<b>16</b>	<b>160</b>	<b>96</b>	<b>60</b>	<b>5 760</b>

#### D. Cost of Rehabilitation Allowances for Vulnerable APs

116. There are ten vulnerable AHs. Based on the policy of this sub-project the vulnerable household will receive allowance equivalent to 3 months of minimum subsistence income (GEL 320 x 3 = GEL 960).

**Table 17.** Additional assistance to vulnerable AHs

No of Vulnerable Families (below poverty line, female headed AHs)	Amount of allowances per AF (GEL)	Total Cost of rehabilitation (GEL)
10	960	9 600

#### E. Cost of Rehabilitation for Severe Impact

117. There are twelve land parcels under sub-project severe impact. Based on the Resettlement Policy Framework applicable to this sub-project the possessors of such land parcels will receive allowance equivalent to one (1) additional crop compensation covering 1 year yield from affected land (0.09 GEL / 1 sq.m.).

**Table 18.** Additional assistance to APs for Severe Impact

No of Severe Impact	Crop Type	Size of affected land (sq.m.)	1 year Compensation rate at 0.09 GEL /sq.m.	Total of compensation amount (GEL)
17	Hay	46 030	0.09	4 143

#### F. Cost of Fence replacement

118. Thirteen (13) land owners will receive compensation required for repair of 924 linear meters of wooden fence and 101 linear meter of stone edge fence. Based on the Independent Valuator's Report the price for rehabilitation of 1m length of iron wire fence on wooden pales is estimated at GEL5. The same amount was allocated for stone fences (stones are put one on another without cement layer). The construction material is fully re-usable. The labor force<sup>18</sup> was estimated at GEL 5/ 1meter fence (GEL 3.2 per m/hr X 1.5/hr =4.8 GEL, rounded to GEL 5).

**Table 19.** Additional assistance to APs for fence replacement

Item	No of parcels	Size of affected fence (linear M)	Unit rate at replacement cost GEL 5 /sq.m.	Total of compensation amount (GEL)
Wooden fence	12 <sup>19</sup>	924	5	4 620
Low stone edge	1	101	5	505
Total	13	1 025		5 125

<sup>18</sup> Source: Quarterly Publication of Construction Valuators' Union on Prices of Construction Materials; I-II quarters of 2011.

<sup>19</sup> One sub-project affected land parcel (No. 7) has 47 m long stone fence and 291 m long wooden fence.

### G. Cost of Rehabilitation Allowances for Land Registration

124. Twenty-two (22) land owners will receive rehabilitation allowances for registration of 24 land parcels and pending transactions in the NAPR. The fixed fee for registration one transaction is GEL 51. However, due to the fact that, seven (7) land parcels shall subject to partial acquisition the division of these land parcels will be necessary. The UWSCG shall cover all the costs related to initial registration, as well as division, sales and servitude agreements.

**Table 20.** Land registration related fees and costs

Item	Amount per item	Fixed fee (GEL)	Total per Item (GEL)
Archive Certificates	21	84	1764
Initial Registration	24	51	1224
Land parcel division	6	51	306
Sales Agreement	13	51	663
Servitude Agreement	11	51	561
<b>Sub-total</b>			<b>4 518</b>
Contingencies (e.g. Notary service fees)			500
<b>TOTAL (rounded)</b>			<b>5 000</b>

125. Registration Fees and other costs such as Archive Certificates, Notary Services and NAPR registration fees is considered around 5 000 GEL

### H. Summary Costs

126. The aggregated summary of costs is provided in Table 21 below.

**Table 21.** LARP Implementation Aggregated Costs in GEL

Item	Cash Compensation in GEL
<b>Land replacement cost (Sales Transaction)</b>	<b>152 046</b>
<b>Land replacement cost (Servitude Transaction)</b>	<b>24 249</b>
<b>Crops Compensation (3 years yield of hay)</b>	<b>13 222</b>
<b>Compensation for perennials (non-fruit bearing)</b>	<b>5 760</b>
<b>Vulnerable AH Allowances</b>	<b>9 600</b>
<b>Rehabilitation allowances for severe impact</b>	<b>4 143</b>
<b>Fence replacement cost</b>	<b>5 125</b>
<b><u>Sub-total of Compensation Package</u></b>	<b><u>214 145</u></b>
<b>Registration Fees and other Costs (Notary, Archive etc.)</b>	<b>5000</b>
<b>TOTAL of LARP Implementation Budget</b>	<b>219 145</b>
<b><u>Contingencies 10 %</u></b>	<b><u>21 914</u></b>
<b>FINAL SUM</b>	<b>241 060</b>

## **IX. MONITORING**

### **A. Internal Monitoring**

127. Internal monitoring of LARP implementation will be carried out by UWSCG.

### **B. Independent Monitoring**

128. The IMA an Independent Consultant is already hired by UWSCG for two weeks during and after the completion of LARP implementation. The IMA was selected based on her previous experience in monitoring MCC/Gog funded SJRRP that lasted 4 years and entailed land acquisition and resettlement along the road of 285 km length.

129. The IMA will check whether LARP implementation complies with the LARP and ADB SPS 2009. The IMA will review implementation and internal monitoring documents and will interview all affected households and Grievance Redress Commission. At the end of its activities the IMA will prepare a LARP Implementation Compliance Report inclusive of the following:

- (i) Assessment based on a review of the compensation tallies and interviews with the APs that all AH have been compensated as specified in the LARP;
- (ii) Review and analysis of all complaint cases and of their resolution;
- (iii) An assessment of the satisfaction of the APs through a 25% survey; and
- (iv) A recommendation on whether start the civil works or not.

130. The Compliance Report shall be submitted to ADB within two weeks after commencement of assignment by the IMA and upon completion of LARP implementation procedures.

## **X. ANNEXES**

## A. Annex 1. Information Pamphlet

### INFORMATION PAMPHLET ON THE POLICY OF LAND ACQUISITION AND ISSUANCE OF CASH COMPENSATIONS

#### Mestia Water Supply Headworks Project

Project Number: 43405

Dear reader,

This Leaflet was developed for you to share the information on the upcoming Mestia Water Supply Project to be implemented in your area. This public document describes the scope, time terms and location of the sub-project site. Also, provides the compensation policy and the procedures of implementation Land Acquisition and Resettlement Plan (LARP) prepared by the UWSCG.

#### A. Introduction

1. The Georgian government is undertaking major works to facilitate tourism development in Mestia. Among the number of infrastructure development projects (roads, facade rehabilitation and construction of skiing slope in Hatsvali) Mestia Water Supply project is under way to improve Mestia water supply system that is currently unable to meet the existing needs of the pre-tourism boom population and thus urgently seeks to rehabilitate the system and expand supply and delivery to new areas, thereby enabling conditions for tourism and resort development.
2. The proposed sub-project entails the construction of a new water treatment plant and a new section of HDPE 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.
3. The sub-project affected area is spread over two territories therefore creating two sections:
  - a. **The first section (Section 1)** located in Zargashi impacts on 15 land plots;
  - b. **The second section (Section 2)** located in area called Lebeliani impacts 9 land plots.
4. Across the Section 1 according to the proposed sub-project the construction of a new water treatment plant requires 34 827.81 square meters and incurs permanent impact to 11 land parcels. The new section of HDPE pipeline 201 meters long will extended over 2 095.57 square meters of hay fields and temporarily disturb 2 land parcels.
5. The Section 2 causes less impact of sub-project affected land parcels. A new reservoir will permanently occupy total of 7 407.24 square meters and impact 2 private land parcels. From the water reservoir a new pipeline of 500 meters long traversing 7 land parcels cause temporary disturbance of 4 640.29 square meters of land. Table 1 summarizes the division of sub-project affected land parcels according to the Sections (1 and 2) and the types and size of sub-project impact to land parcels.



## **B. Planning/implementing the Compensation Rehabilitation Program for the Project**

6. In order to plan and implement the compensation and rehabilitation program for this project in a way fitting ADB policy, the United Water Supply Company of Georgia (UWSCG) has prepared a Land Acquisition and Resettlement Plan (LARP). The LARP in Georgian has been deposited for public consultation Local Municipality, Sakrebulo and Mestia UWSCG offices. The Document extensively details the scope and types of the sub-project impacts, the compensation eligibility and entitlements, the compensation rates for different affected items and the procedures for the land acquisition and resettlement implementation as summarized in the following sections.

## **C. Resettlement Policy and Principles**

7. Land for construction of the water reservoir and headworks will be acquired under the laws of Georgia and the ADB Safeguards Policy Update (2009). All APs will be compensated at the replacement rates and receive adequate allowances according to severity of impacts and vulnerability status. The detail design consultant has investigated all alternatives to avoid built-up and environmentally protected areas in order to minimize impacts. Land acquisition for the project is based on the following principles:

- (i) Land acquisition and resettlement impacts will be avoided or minimized through all viable alternative project designs;
- (ii) A time-bound action plan will be prepared and implemented to improve or at least regaining the pre-program standard of living of the unavoidable AP;
- (iii) The APs will be consulted and their opinions will be considered in the project design and implementation;
- (iv) Loss of land and assets will be compensated at full replacement cost following current market price at the time of dispossession of land and assets;
- (v) All APs will be assisted in title free-of-charge registration at the NAPR in legally valid manner;
- (vi) All APs will be fully compensated for land losses;
- (vii) All damages assets such as crops, perennials and fences will be fully cash compensated;
- (viii) Vulnerable and severely affected APs will be provided special assistance in the form of additional cash compensation;
- (ix) Land acquisition and resettlement policy and procedures will be disclosed to APs in Georgian language;
- (x) Compensation will be provided at the rates detailed in this LARP;
- (xi) Sales and Servitude Agreements will be processed between AP and the UWSCG and registered at the NAPR;
- (xii) All required costs and registration fees will be fully paid by the UWSCG;
- (xiii) payment of compensation and rehabilitation measures will be fully provided prior to the start of civil works construction; and
- (xiv) Appropriate mechanisms will be established to solve APs grievances, if occurs.

## **D. Compensation Eligibility and Entitlements**

8. Land acquisition and resettlement tasks under the Project will be implemented according to the following stipulations:

9. Eligible APs entitled for compensation and/or rehabilitation provisions under the Project are: (i) all APs losing land rights, (ii) tenants whether registered or not; (iii) owners of crops, perennials, or other assets, such as fences attached to the land; and (iv) APs losing income. Compensation eligibility is limited by a cut-off date on the day of the beginning of the AP Census and detailed measurement survey (DMS), specifically May 17, 2011. The compensation entitlement matrix for the project is included below.

**Table 1: Compensation Entitlement Matrix**

Type of Loss	Application	Definition of APs	Compensation Entitlements
<b>1. Loss of Land</b>			
1.1. Permanent loss of land & assets	AP losing land regardless of impact severity	APs will be registered at the NAPR (obtain valid title) first. Then through Sales Agreements will be provided with cash compensation at full replacement cost.	Cash compensation for acquired land at full replacement cost. Market value is determined under the Valuation report prepared by Independent Licensed Valuator specifically for this sub-project.
1.2. Permanent limitations to land use	AP losing land regardless of impact severity	APs will be registered at the NAPR (obtain valid title) first. Then through Servitude Agreements will be provided with cash compensation at full replacement cost.	Cash compensation for land within ROW at full replacement cost. AP responsible to follow the specific conditions of the Servitude Agreement. AP is eligible to loss reimbursement when caused due to restoration/rehabilitation of pipeline. UWSCG is responsible to reimburse such losses.
<b>2. Loss of income and Livelihood</b>			
2.1. Crops	Annual crops (hay) affected	All AFs regardless of legal status and/or tenants.	Crop compensation in cash at market rate by default at gross crop value of expected harvest of hay for 3 years.
2.2. Perennials (on private land parcels)	Standing trees	All AFs possessing land parcels located within sub-project affected area	Cash compensation at market rate on the basis of type, age and productive value of the trees. Standing non-fruit bearing perennials were determined as wood pulp and assessed at current market rate per cubic meter. Construction Company will cut down perennials and APs may collect trees logged down at their land parcels.
2.3. Fences	All APs with fences to be affected	All Aps	Cash compensation at replacement cost according to the material and linear meter length of affected fence.
2.4. Perennials (on public/State land)	Standing trees	Perennials standing outside of private land	Construction Company will deliver logged down trees and transfer to the Municipality. Municipality will later distribute to local population below poverty levels.
2.5. Temporary impact caused during Construction	Any type of property (crops, trees, structures,	Contractors should Avoid damaging public and private property	Damage to land, structure and infrastructure shall be restored to their former conditions at the cost of Construction Company. Compensation

Type of Loss	Application	Definition of APs	Compensation Entitlements
	land, infrastructure used/owned by any person, entity.	unnecessarily. Where damages do occur to public or private property as a result of construction works, the affected families, groups, communities shall be compensated for damages.	shall be paid for all losses caused due to construction in the past (public and private land, structures, infrastructure, crops and trees) retroactively, including the income lost for the duration of the damage period; Damaged land, infrastructure and structures shall be restored to their former condition. Crops will be cash compensated. Trees will be dealt same way as described in sections: 2.1 of this Matrix. Methodology for determination the entitlements and amounts of compensation for losses will be same as in this LARP.
<b>3. Allowances</b>			
3.1.Vulnerability allowances	Determined as Vulnerable under this LARP	APs below poverty line, Female headed HHs	3 months of minimum subsistence allowance (GEL 320 <sup>20</sup> x 3 = GEL 960)
3.2. Severe impact	<10% loss of total size	All severely affected AHS losing more than 10 % of total agricultural land they possess	One addition crop compensation covering 1 year yield from affected land (GEL 0.09 / 1 sq.m. of affected land)
3.3. Livelihood	All sub-project affected landowners	All AFs	UWSCG will cover all fees related to land registration at the NAPR registration fees per transaction (51 GEL), Archive Certificate costs (1764 GEL) and Notary Service fees (will be specified as service is provided). Survey Cadastral Maps for registrations at the NAPR will be issued for all APs for free. The EA will cover all taxes on behalf of APs or waived.
<b>4. Additional Mitigation Measures</b>			
4.1. Restoration land productivity	All AFs under temporary impact	All AFs regardless of legal Status	Provision of grass seeds to be spread to the ground after completion of construction activities to enhance the restoration of productivity of hay fields disturbed by sub-project impact.

<sup>20</sup> Minimum subsistence income for family of 5 persons (320 GEL x 3 months) as per March 2011.

## E. Compensation Rates

10. The table below specifies the compensation rates for affected items. Details are provided in the LARP.

**Table 2: Cash Compensation Rates**

Item	Conditionalities	Unit	unit value (GEL)
Agricultural Land (Hay filed)	Based on the area of permanent land takes and Servitudes	sq.m.	3.60
Annuals yield of Crops (Hay)	Based on the area of sub-project affected land at gross crops value of expected harvest for 3 yrs (0.09 GEL x 3 yrs= 0.27 GEL)	sq.m.	0.27
Severe Impact	Additional crop compensation covering 1 yr yield from affected land for the APs losing <10% of income generating land	sq.m.	0.09
Fence Impact	Construction material inventoried and linear meter of fence determined	Meter	5.00
Non-fruit bearing perennials impact	Based on age, type, number of standing trees calculated into cubic meters (1 standing tree X 0.6=1 m <sup>3</sup> )	M <sup>3</sup>	60.00
Vulnerability	Based on Census results APs below poverty line, widows, Female-Headed HHs) will receive 3 months of minimum subsistence allowance	320 GEL/m	960.00
Allowances	UWSCG will cover all registration fees, transfer and income taxes, if not waived		

## E. Complaints and Grievance Redress Mechanism

11. A grievance mechanism will be available to allow an AP to appeal any disagreeable decision, practice or activity arising from land or other assets compensation. A Grievance Redress Committee (GRC) will be established at community level in local Gamgeoba to solve complaints and grievances informally through community participation.

The GRCs will be compiled by:

1. Chairman of the GRC - Head of Department of Social Issues at the Local Municipality;
2. Member - Local representative of UWSCG;
3. Member – Designated informal leader of sub-project affected community.
4. Member – Female AP;
5. Member – local NGO.

**Table 3. Grievance Resolution Process**

1. Complaint resolution will be attempted at Mestia level with the involvement of Community leaders and informal mediators.
2. If still unsettled, a grievance can then be lodged with the GRC. The AP will be invited by the GRC no later than two weeks after the complaints have been filed to hear the case. Two days after the hearing, the GRC will inform the AP whether the case is to be dismissed or whether recommendation has been made to UWSCG for settling the case.
3. If after the GRC intervention no solution has been reached a grievance can be directly lodged to UWSCG. The AP must lodge the complaint within 2 weeks after receiving response on the original complaint from the GRC and must produce documents supporting his/her claim. The UWSCG will provide a response within 2 weeks of registering the complaint. The UWSCG decision must be in compliance with this LARP and RF provisions.
4. Should the grievance redress system fail to satisfy the AP, they can pursue further action by submitting their case to the appropriate Court. The APs might also be assisted by the local NGO.

#### **F. Special Assistance to APs in legalization of sub-project affected land parcels**

11. The UWSCG provided free-off-charge technical assistance and financial support and ensure that all 24 sub-project affected land parcels initially being under private possession of project affected persons today is registered at the NAPR as private property. All related cost and fees were covered by the UWSCG. The land parcels that will be acquired only partially are divided and registered at the NAPR to the individual private owners' names. These activities were also financed by the UWSCG. At the given phase the Land Acquisition process is to be launched. Each project affected person will be offered relevant cash compensation in return or for permanent land take for project needs. The cash compensation as described above will consider loss of land, income and assets.

12. The private owners of the land parcels where water pipeline construction is to be undertaken will be offered to enter Servitude Agreement to regulate the terms and condition of the future limitations on land use within the ROW. Besides, the rights and responsibilities clearly spelled out in the Servitude Agreement consider the following major conditions:

A. Landowner shall not conduct any construction activities within the Right of Way;

B. Landowner shall not plant any perennials and agricultural produce or use fertilizers within the Right of Way;

C. Landowner shall not prevent or impede the representatives of the Company (presently UWSCG) to access the site at any time or any calendar day in order to inspect the pipeline and if required to undertake current and emergency repairs.

13. The Company (UWSCH) is responsible to:

A. Reimburse losses incurred to the landowner, in case the losses are caused as a result of repair/maintenance works conducted to the water pipeline any time after completion of civil works during the entire exploitation period of the pipeline.

B. Undertake loss assessment in accordance to the active legislation of Georgia and at current market rates for the moment the loss incur.

#### **G. Contact Information**

14. For any information and advice, please feel free to approach the following persons:

A. United Water Supply Company of Georgia (UWSCH)

Address: 5 Ana Politkovskaia St. Tbilisi, Georgia

Telephone: + (995 322) 91 60 60 or + (995 322) 91 60 60

(i) Irakli Jinoria, Deputy Director in Administrative Issues.

(ii) Tiko Zhizhiashvili, Head of the Quality Management and Environmental Protection department.

Mobile: + 995 577 38 01 13

(iii) Maka Gogerdzishvili, Resettlement Specialist. Mobile: + 995 577 38 11 85

(iv) Mariam Begiashvili, Resettlement Consultant. Mobile: + 995 577 38 11 98

B. Local Governments

(i) Shmagi Nakani, Head of Mestia Municipality (Gamgebeli). Mobile: +995 599 56 04 10

(ii) Gocha Gvarliani, Chairman of Mestia Sakrebulo. Mobile: +995 595 90 70 14

### Complaints and Grievance Submission Form

<b>Water Supply Headworks Project in Mestia</b>	
<b>Name, Last name</b>	
<b>Contact Information</b>  Please indicate the preferable means of communication (Mobile, Telephone, Mail, E-mail)	<input type="checkbox"/> <b>Mail: Please indicate the postal address:</b> _____ _____ _____  <input type="checkbox"/> <b>Telephone/mobile:</b> _____  <input type="checkbox"/> <b>E-mail:</b> _____
<b>The language desirable for the communication</b>	<input type="checkbox"/> <b>Georgian</b> <input type="checkbox"/> <b>English</b> <input type="checkbox"/> <b>Russian</b>
<b>Describe the grievance/claim:</b> <span style="float: right;">What is the complaint about? What is the claim?</span>	
<b>Date of Negotiation:</b>	<b>Resolution of Negotiation:</b>
<b>What is the basis of your claim?</b>	
Signature: _____ Date: _____	

## B. Annex 2. Sample of Servitude Agreement

**Servitude Agreement  
for  
Mestia Water Supply Headworks Project**

**Mestia**

**July \_\_\_\_\_, 2011**

This Servitude Agreement (hereinafter, called "Servitude Agreement") to serve the purpose of the Mestia Water Supply Headworks Project, is dated as of -----, 2011, is made by and between:

**LLC "United Water Supply Company of Georgia"** (hereinafter, referred as the "Company") , registered by National Agency of Public Registry of the Ministry of Justice of Georgia as of 14/01/2010 with the registration number of application #B10051078, represented by \_\_\_\_\_ (Date of Birth -----, Personal# -----, ID card # -----, issued in the year ----- )of the one part and ----- (year of birth -----, personal# -----, ID card # -----, issued in the year -----) (hereinafter referred as the "landowner") of the second part agree as follows:

### Definition of terms

**Company-** LLC "United Water Supply Company of Georgia", entitled to the rights of servitude on the land parcel imposed by the servitude after the effective date of this agreement.

**Land parcel** – land parcel in the property of the "land owner" (cadastral code #-----), with identification of location, borders, area and legal status under cadastral drawing of the land parcel attached to this agreement (attachment #1) and under the extract from "public registry" (attachment #2).

**Servitude land-** part of "land parcel" within the territory of water pipeline Right of Way, marked with black dots on the attached cadastral drawing (attachment #1).

**Public registry-** relevant registration services of the "National Agency of Public Registry" of the Ministry of Justice of Georgia.

**Limitations** – limitations according to the article #5 of this agreement.

**Right of Way-** part of "land parcel", bordered with unsegmented black lines as it is in the attached cadastral drawing of the land parcel (attachment #1).

**Maintenance works-** works to be executed by the "Company" or in the name of the "Company" for the purpose to maintain the pipeline consistency and to guarantee the uninterrupted operation of the pipeline, public safety and/or environment protection.

**Operation period-** period of the pipeline operation or/and whole material period from the ending of "construction period" before the completion of "pipeline" and the total disassembling.

**Cadastral map** – document for cadastral data of the real estate, prepared by the authorized person.

### **Article 1. Statement**

The project for implementation, with financing from the "Asian Development Bank", (hereinafter, called "ADB") includes construction of new water supply system in the territory of Mestia, new pipeline and new reservoir located 5km from the pipeline.

This agreement is made by and between LLC "United Water Supply Company of Georgia" and the "Land owner" for implementation of Mestia Water Supply and Headowsks Project. Under this servitude agreement and active legislation of Georgia the "Company" is granted with the right to lay (construction and explotation) water pipeline on the land parcels owned by private persons.

#### **1.1. The Landowner confirms that**

- (a) he/she is the sole and legal owner, possessor and user of the land parcel identified in the Article 3 of the hereby Servitude Agreement (the "Land Parcel"). He /she also confirms that his/her name is correctly stated in the documents attached hereto, including, but not limited to, Notification and Acknowledgment of Notification, Certificate of Record from the National Agency of Public Registry of the Ministry of Justice;
- (b) there is no encumbrance imposed on the given Land Parcel in favor of any person and no claim is known to the Landowner that any other person has or may have in regard with the Land Parcel being in his/her private ownership;
- (c) the Landowner is not a party to and does not bear any obligation (except under the hereby Servitude Agreement) to enter into a contract or agreement that might have any influence on his/her current or future rights, or create any right of any person in regard with the Land Parcel;
- (d) the landowner has obtained all the documents required for processing and implementing the hereby Servitude Agreements.
- (e) To comply with the principles of the Asian Development Bank Safeguard Policy Statement (2009) due taxes will be paid by the Company unless otherwise specified.

#### **1.2. The Company confirms that:**

- (a) the Company represents the legal person of private law (with 100% participatory interest of the state) that is registered and acts in compliance with the acting legislation of Georgia. Besides, by the moment of entering into the hereby Servitude Agreement, all the proceedings considered under the active legislation required for processing of the hereby Servitude Agreement are being implemented and accomplished;
- (b) no such purpose or circumstances are known to the Company that may create any constraints to the Company to sign the hereby Servitude Agreement.

### **Article 2. The Subject of the Agreement**

- 2.1. The Landowner hereby has released and the Company hereby has accepted the Land Parcel under the right of Servitude;
- 2.2. The part of the Land Parcel being under the private ownership of the Landowner has been encumbered by the right of Servitude as indicated in Article 3 of the Servitude Agreement;
- 2.3. The cadastral map of the Land Parcel encumbered by the right of Servitude as the integral part of the hereby Servitude Agreement is being attached to the hereby Servitude Agreement;
- 2.4. The Parties confirm that the Company shall use the Land Parcel for the laying of new pipelines for water supply system.

### **Article 3. About the Subject of the Servitude**

- 3.1. The Servitude shall be imposed on to the Land Parcel with the following characteristics:

- **Registration Zone:** ..... **Code:** \_\_\_\_\_



- Sector: \_\_\_\_; \_\_\_\_; Block No: \_\_\_\_; Parcel No: \_\_\_\_\_;
- Size: \_\_\_\_\_ (area in square meters)
- Address (location of Land Parcel): \_\_\_\_\_
- Landowner's Right: Ownership;
- Function: Agricultural

**3.2. The Right of Servitude against the Land Parcel shall be extended on the following area (hereinafter the "Right of Way"): length \_\_\_\_\_ (meters), width 10 (ten) meters, total area \_\_\_\_\_ (square meters), and is given on the cadastral map attached as Annex No. 1 to the hereby Servitude Agreement.**

3.3. The Land Parcel subject to Servitude is under private ownership of the Landowner that is evidenced by the following documents:

3.3.1. Extract from the Public Registry on Land/Real Property, Application Registration number \_\_\_\_\_, issued on \_\_\_\_\_

3.3.2. Cadastral map \_\_\_\_\_

#### **Article 4. Terms and Conditions of Servitude**

4.1. The Right of Servitude shall be registered at the Public registry. The Company shall register the right of Servitude, provided, however, that the failure of the Company to do so shall not in any way release the Landowner from his/her obligations hereunder.

4.2. During the validity period of the hereby Servitude Agreement the current Landowner as well as all future owners, users and all other persons that may have any claims against the Land Parcel being under the Right of Servitude, are obliged to unconditionally follow the restrictions and responsibilities identified under the hereby Servitude Agreement.

4.3. If the owner of the Land Parcel encumbered by Servitude is changed, the new owner shall be considered as the party to the hereby Servitude Agreement. Correspondingly existing rights and obligations shall be extended to the new owner.

4.4. In case the Land Parcel encumbered by Servitude is transferred to any other person with the right of use or any other form, the terms and conditions of the hereby Servitude Agreement remain effective. Such transaction shall not limit, reduce and/or cause any negative impact, or hinder the Company to exercise the right of Servitude, either its legal power or usage of the Right of Servitude.

4.5. In case the Land Parcel encumbered by Servitude is divided into two or more Parcels, any parcel created after such division that remains outside of the Right of Way shall be free from the Right of Servitude. Any parcel created through division that is included in the Right of Way shall remain under encumbrance of the Right of Servitude and completely subject to the terms and conditions of the hereby Servitude Agreement.

4.6. After completion of civil works during the entire exploitation period of pipeline the Company takes responsibility reimburse losses incurred to the landowner, in case the losses are caused as a result of repair/maintenance works conducted to the water pipeline.

Loss assessment shall be undertaken in accordance to the active legislation of Georgia and at current market rates for the moment of loss incur.

#### **Article 5. Limitations**

5.1. To ensure the exercising of the Right of Servitude during the entire validity period of the hereby Servitude Agreement, the Landowner shall completely and unconditionally follow the limitations defined by the active legislation, among them:

- i Not to conduct construction activities within the Right of Way;
- ii Not to plant any perennials and agricultural produce, or use fertilizers within the Right of Way;
- iii Not to prevent or impede access to the representatives of the Company at any time on any calendar day in order to inspect the pipeline and if required undertake current and emergency repairs.

5.2. The Company is entitled not to allow any type of construction or activities likely threatening the security and smooth functioning of the pipeline inside and out of the Right of Way within the limits defined by established standards.

## **Article 6. Compensation**

6.1. In accordance to the terms and conditions of the hereby Servitude Agreement for granting the Right of Servitude and in the form of final compensation, the Company issues one-time compensation to the Landowner (user) in the amount of 6223.87 GEL (six thousand two hundred and twenty-three Lari and eighty-seven Tetri), which amount is net after taxes and shall be paid in accordance with the terms and conditions of the Servitude Agreement.

6.2. The breakdown of the compensation package contains:

- a. The amount of 5667.16 GEL (five thousand six hundred and sixty-seven Lari and sixteen Tetri) paid as compensation for future limitation on land use. The amount is calculated at land replacement cost at market value of 3.60 GEL/1 sq.m. for the entire area of ROW - 1574.21 sq.m. (one thousand five hundred and seventy –four point twenty-one)
- b. The amount of 425.04 GEL (four hundred and twenty-five GEL and four Tetri) as crop (hay) compensation calculated at market value (0.09 GEL/1 sq.m.) for three (3) years expected harvest from the entire area of ROW.
- c. Additional cash compensation in the amount of 142 GEL (one hundred and forty-two Gel and null Tetri) equal to one (1) year crop compensation at market value (0.09 GEL/1 sq.m.) for the entire area of ROW.

6.2. In accordance to the terms and conditions of the hereby Servitude Agreement the compensation for granting the Right of Servitude shall be paid within no later than ----- days after the completion of each of the conditions set forth in this paragraph 6.2. Such amount shall be paid to the bank account in the Landowner's name at [\_\_\_\_\_] [NAME OF BANK, BANK ACCOUNT NUMBER AND OTHER NECESSARY BANK DETAILS WILL BE INSERTED WHEN SUCH DETAILS ARE KNOWN, I.E. WHEN BANK ACCOUNTS ARE OPEN].

6.2.1 Payment of the compensation (term of payment) hereunder is subject to the prior completion of the following conditions:

- i. Signature approval of the hereby Servitude Agreement.
- ii. The "Company" will receive extract from public registry that is for confirmation of registration of the servitude right on the Land Parcel.

## **Article 7. Duration and Termination of the Agreement**

7.1 The hereby Servitude Agreement is valid during the **operation period** from the effective date specified in paragraph 7.2 below. The validity period of the hereby Servitude Agreement may be extended if both parties agree in writing.

- 7.2. The hereby Servitude Agreement is effective from the date the Parties sign it.
- 7.3. The Landowner is not entitled to terminate the hereby Servitude Agreement for any reasons or refuse Company using the hereby Right of Servitude.
- 7.4. The Company is entitled to terminate the hereby Servitude Agreement any time at its sole discretion. The Landowner issues his/her unconditional and nonreciprocal consent to any termination of the hereby

Servitude Agreement and the parties agree to timely undertake all the measures required for due registration of such termination at the Public Registry.

**Article 8. Transferring the rights and obligations to the third parties**

8.1. The Right of Servitude to the Land Parcel is preserved even in case if the owner alienates the Land Parcel. The Landowner is not entitled to alienate the land parcel completely or partially contrary to the condition set forth in the first sentence of this section.

8.2 The Company, in accordance to the active legislation, is entitled at its sole decision, without agreement with the owner, to fully or partially transfer to the third party or alienate otherwise (including the liabilities imposed through any requirements) its rights and obligations under the hereby Servitude Agreement. The Landowner issues unconditional and nonreciprocal consent in regard with any such transaction.

8.3. The Landowner is entitled to transfer his/her rights and obligations defined under the hereby Servitude Agreement to any third person, that becomes the owner of the given Land Parcel. In case of transfer, it is considered that the recipient person shall become the party of the hereby Servitude Agreement. Correspondingly, the clauses of the hereby Servitude Agreement shall be extended on to the third, recipient party.

**Article 9. Legal Regulatory Framework and Dispute Resolutions**

9.1. The hereby Servitude Agreement is regulated and explained in accordance with the active legislation of Georgia.

9.2. The Parties shall put forth efforts to resolve any disputes through negotiations. In case the Parties fail to agree the disputes shall be considered by the Court in compliance with the active legislation of Georgia.

9.3. The existence of disputes does not release the parties of the hereby Servitude Agreement from their obligations.

**Article 10. Miscellaneous**

10.1. Changes and amendments shall be made to the hereby Servitude Agreement only in written format after both parties agree.

10.2. The hereby Servitude Agreement completely describes the understanding between the Parties in regard with the Subject of the hereby Servitude Agreement.

10.3. Declaring as legally void or null the content of any article or paragraph of the hereby Servitude Agreement shall not impact the rest of the clauses and the entire legal power and validity of the hereby Servitude Agreement.

10.4. All the annexes and additions prepared in due format attached to the hereby Servitude Agreement and any amendments hereto represent the integral part of the hereby Servitude Agreement.

10.5. The parties shall implement their obligations defined under the hereby Servitude Agreement.

10.6. The Company shall bear all costs and fees for registration of this Servitude Agreement at the Public Registry

10.7. Any notification considered under the hereby Servitude Agreement or associated to that; or other communication shall be undertaken in written form in Georgian language and delivered to the appropriate party on the following address, or other such address that one party shall inform the other party.

10.8. If the hereby Servitude Agreement shall be signed in other than Georgian language, the Georgian version shall bear the priority and shall be used in case of existence of any discrepancy between the different versions. The Parties shall immediately make amendments to the other language version in order to correct such discrepancies.

The hereby Servitude Agreement is constituted in ----- equal copies

**The Parties with their signatures affixed hereby prove their consent in regard with the above stated**

**LLC “United Water Supply Company of Georgia”**

**Address: Georgia, Tbilisi, Ana Politkovskaia street #5**

**Identification code 412670097**

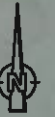
**Represented by -----**

**Owner -----**

**C. ANNEX 3. Breakdown of Land Acquisition and Resettlement Implementation Budget per Land Parcels**

[illegible]

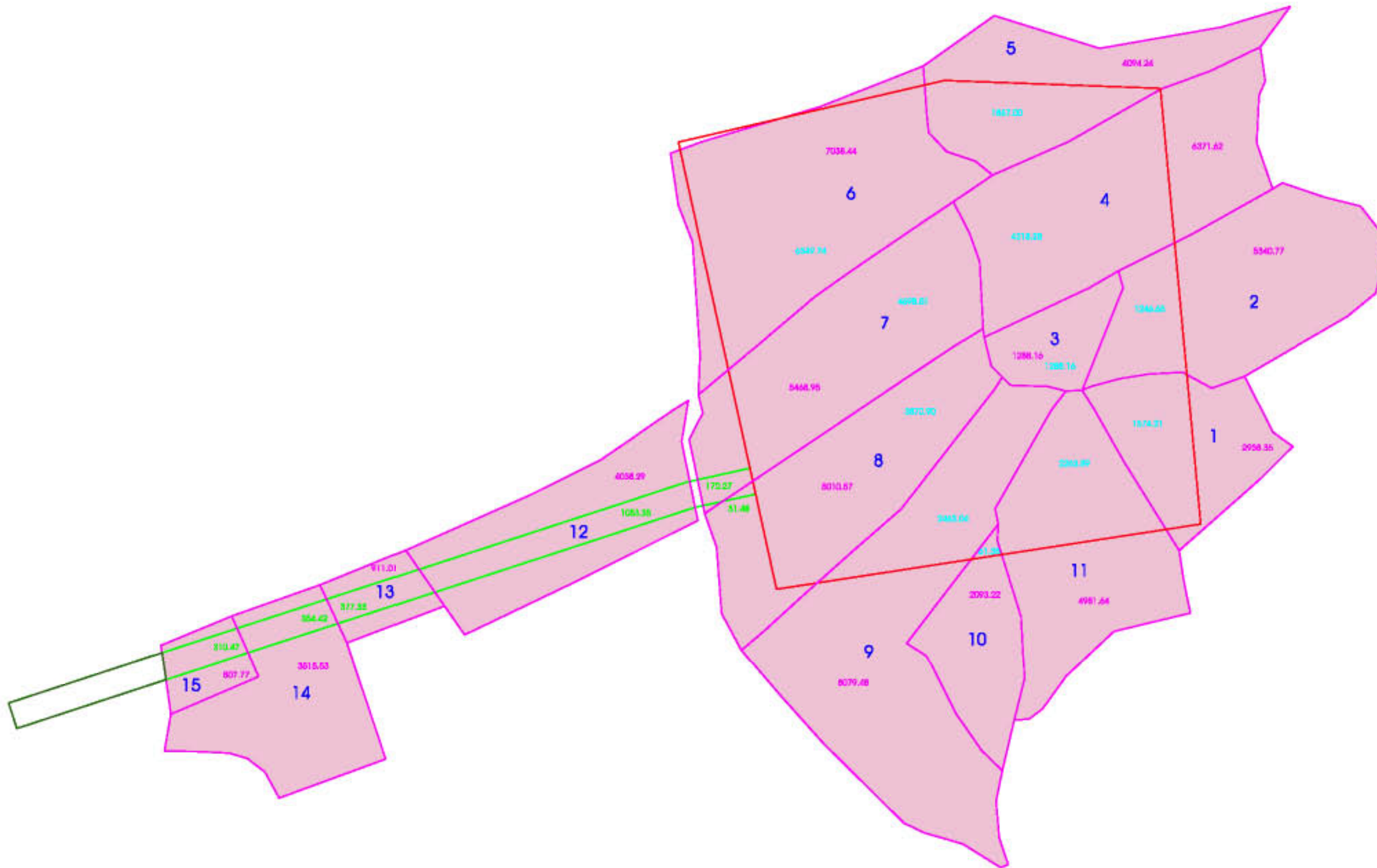
## SECTION I

[illegible]

მასშტაბი  
SCALE 1 - 1500



## SECTION I



- LOWMOON PROPOSED LOCAL ADMINISTRATION BOUNDARY  
 TERRITORY FOR DESIGN RESERVE  
 LOCATION OF DESIGN WATER PIPELINE  
 SECTION I.IU GOVERNMENTAL JURISDICTION BOBBI GANICOTIN  
EXISTING LAND-PILOTS ON THE SECTION-I AREA  
 DSD  
WOODS  
P3300I SYMBOI  
MAP NUMBER

SCALE 1 - 1500



# SECTION II



- საპროექტო რეზერვუარისთვის გაგეგმული ტერიტორია  
TERRITORY FOR DESIGN RESERVOIRE
- საპროექტო წყლის მიწის მიწა  
LOCATION OF DESIGN WATER PIPELINE
- სექციის ტერიტორიაზე არსებული არსებული საკუთრების  
EXISTING LAND PLOTS ON THE SECTIONAL AREA
- ტყე  
WOODS
- 16 რუკის ნომერი  
MAP NUMBER

მასშტაბი  
SCALE 1 - 2200



