

Draft Resettlement Plan

January 2014

GEO: Urban Services Improvement Investment Program – Tranche 2 (Mestia Water Supply Headwork's Project)

Prepared by United Water Supply Company of Georgia LLC of the Ministry of Regional Development and Infrastructure for the Asian Development Bank.

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Draft Land Acquisition and Resettlement Plan

For

Mestia Water Supply Headwork's Project

Proposed Multitranche Financing Facility
Georgia: Urban Services Improvement Investment Program

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

January 2014

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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 Land Acquisition and Resettlement Plan (LARP) 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 improvement of the people's life and promotion of the tourism development in Mestia, Svaneti Region.

3. Currently, Mestia water supply system is deteriorated and unable to meet increased demand. Therefore government is interested to rehabilitate the system and expand supply and delivery to new areas, thereby enabling conditions for tourism and resort development.

4. The project will provide new water supply and sewerage facilities 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 four supply zones
- Construction of 2,000 m³ additional storage capacity (reservoir) for drinking water
- Construction of a pump station
- Construction of a sewage system to cover the whole city and the planned tourism zone
- Construction of a wastewater treatment plant.

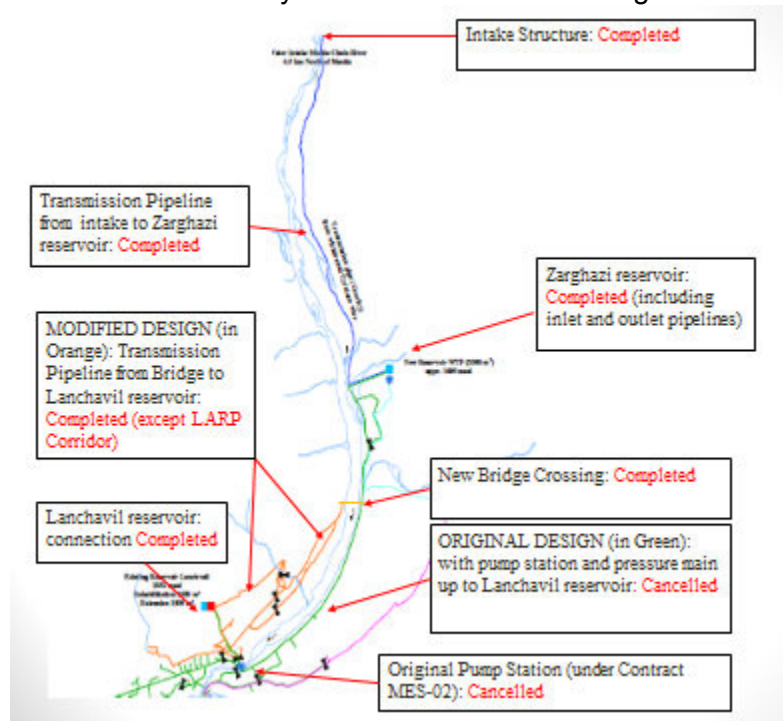
5. The proposed sub-project entails the construction of a new water reservoir and a new section of Ductil Iron pipeline of 10 600 Meters long in Lanchvali (under Contract MES-01) as well as the construction of a sewerage pump station (under Contract MES-02). The LARP document is developed for 900 meter access road construction in Lanchvali (MES-01) and one sewerage pump station construction in the center of the Mestia near the River Mestia Chala (MES-02).

- (i) Construction of the new and last section of the Transmission Pipeline requires the allocation of the access road. Total length of 900 meters. The area affected by the project is located in Lanchvali and entails impact on 27 land plots. One land plot is located in the center of the city and is required for construction of the pump station. The total affected land plots are 28. All these 28 land plots (hay and potato fields) are under possession of Mestia residents. No structures, except wooden fences are located on the project area. The affected people have potato field's under private possession. All of the

affected land plots are land growing hay and some potato. Often natural fence of perennials creates the land parcel boundaries and divides the adjacent land plots.

- (ii) Construction of sewerage pump station (referred under Contract MES-02 as Pump Station No 2) requires the allocation of a plot of size 6x6 m. In the original contract design of MES-02, this Pump Station No 2 was located opposite of the bridge crossing of Mestia Chala, but due to design changes currently under consideration for Variation Order No 2, MES-02, this Pump Station No 2 must be relocated on the other side of the bridge and cannot be located in the road area as originally foreseen under MES-02 tender drawings. A plot of 6x6 m. is required for the construction of this pump station.

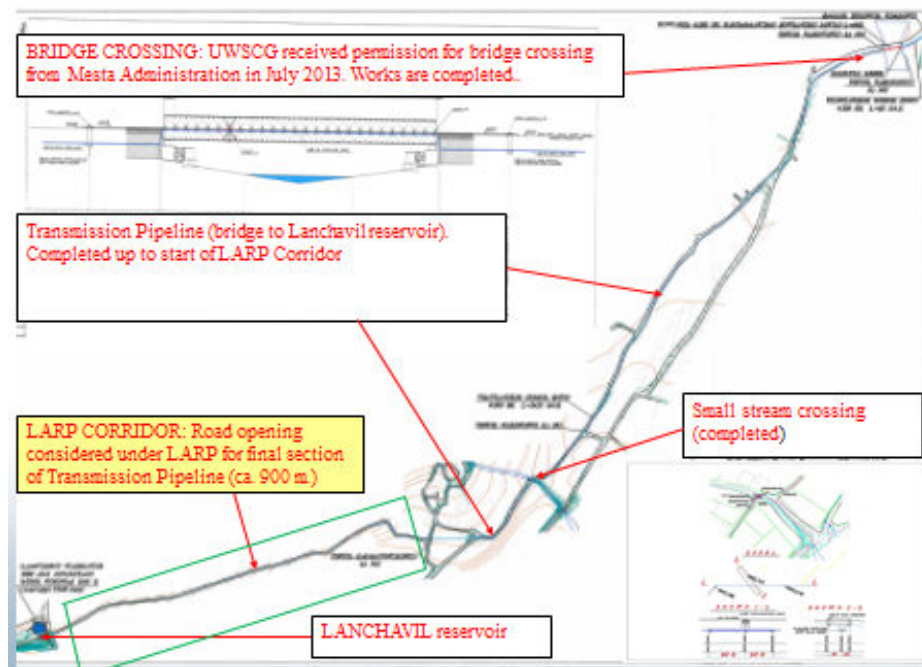
6. For item 1 (new section of Transmission Pipeline), an overall view of the original and modified design of the transmission system is illustrated in the Figure below.



Layout of transmission system from intake to Zarghazi and from Zarghazi to Lanchavil reservoir

7. The proposed new and last section of the pipeline that requires the allocation of the access road is due to design variations requested by the Contractor through a procedure of engineering value agreed by the Engineer (Eptisa) during Q2/2013: instead of making use of a permanent water pumping station foreseen in the original contract and BOQ of contract MES-02 (Water and Wastewater Networks), the Contractor proposed to use for the Mestia water supply headworks under Contract MES-01 a gravity-fed water supply scheme using a different alignment across an existing bridge and that will not require the use of a pumping station, meaning lowering considerably the Operations & Maintenance (O&M) costs for the owner and operator of the system (UWSCG).

8. The new alignment using the new bridge crossing is illustrated in the Figure below, and has the advantage of using gravity-flow instead of PS-01 (water pump station under MES-02). The obtaining of permit for bridge crossing from Mestia local authorities was released in July 2013 leading to the process of this LARP (as the new alignment included a section of ca. 900 m. that crosses several AP land plots).



*Layout of transmission main at Lanchavil as per modified design
(in green rectangle: LARP Zone)*

9. Road opening of the new section from bridge crossing to Lanchavil reservoir has been considered in the variation order No 1 (referred as VO#01) as well as the additional bridge crossing structure. Additionally, a small stream crossing structure was required along the section of new designed pipeline. A running account of all approved changes was prepared by EPTISA for this variation order (VO#01) and submitted to UWSCG in May 2013. Details of approved change under VO#01 are indicated in Table 1 below, and those related to the changed alignment of the transmission pipeline along anchavil are marked in yellow:

Table 1. List of design changes approved under VO#01

Item	Cost (incl. taxes) (Approved)	Add. Time (Requested)	Add. Time (Approved)
1. Additional Washout Chambers (8):	128,221.44 GEL	46 days	34
2. Additional Air Valve Chambers (6):	96,027.48 GEL	27 days	20
3. Rock anchoring for headworks:	13,320.87 GEL	20 days	5
4. Bridge crossing for the pipeline:	89,864.95 GEL	20 days	20
5. Reduction in length of D-300 DCI:	- 67,695.60 GEL		- 10
6. Opening a new roadway ca. 900 m:	74,093.30 GEL	12 days	12
7. Additional gabion for the headwork's:	70,730.00 GEL	20 days	15
8. Interchange chamber near Zargashi reservoir:	32,296.71 GEL	15 days	10
9. Connection chamber for Zargashi residents:	15,874.18 GEL	14 days	10
10. Stream crossing for the pipeline:	21,861.27 GEL	16 days	12
11. Bonding agen (Xypex- for concrete reservoir	27,600.00 GEL	10 days	0
Total:	501,990.61 GEL	200 days	120 days

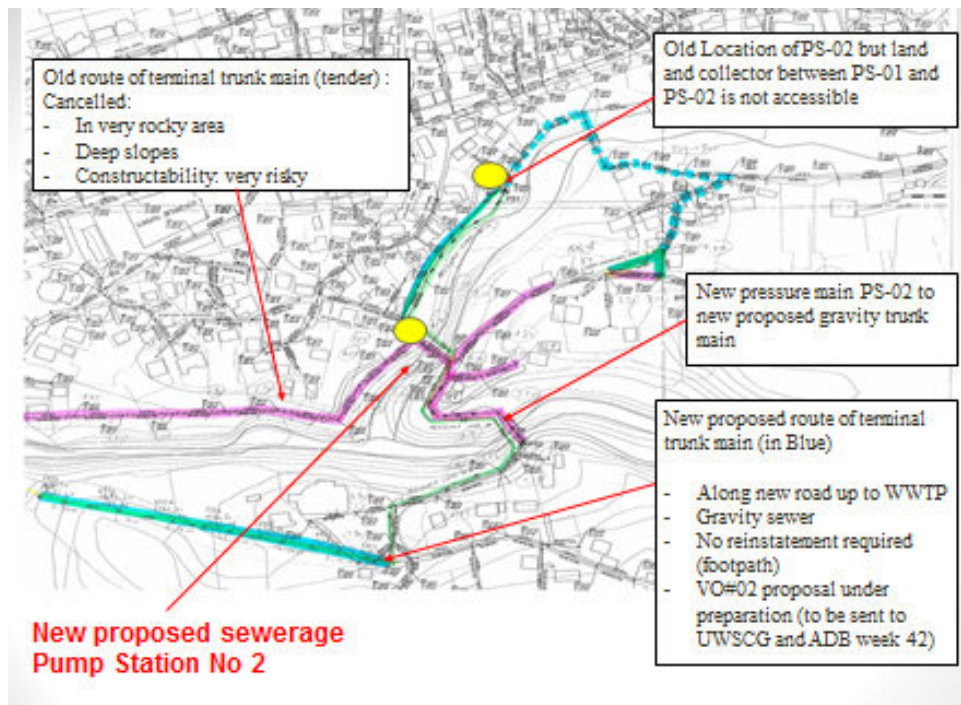
10. Since Day works (BOQ bill no. 1300 of the Price Schedules) were not all necessary for completing the works, Eptisa and UWSCG agreed to reduce significantly this item, thus reducing the final cost of increase to the total contract price as follows:

- Total VO#01 approved 501,990.61 GEL
- Reduction in Dayworks - 243,504.00 GEL
- Increase to the total contract price 258,486.61 GEL
- Original contract price 5,211,656.00 GEL
- Modified contract price 5,470,142.61 GEL

11. The overall savings under contract MES-02 (Water Supply and Sewerage Networks) under which the original water pump stations was planned but is now not required due to above change in alignment is in range of 90,000 GEL.

12. For item (ii) (construction of sewerage Pump Station No 2) which requires the allocation of a plot of size 6x6 m, the design change of the sewerage system are illustrated in the Figure

below. The main reason of the change proposed by the Contractor and validated by the Engineer (Eptisa) is the relocation under Contract MES-02 of the terminal sewerage trunk main along a new road that simplifies construction works. Original layout (original tender drawings of MES-02) of the trunk main passes through various private land and along a corridor that would require intensive road openings, additional LARP clearance and most of all additional works due to rocky and steep slopes across this original corridor. The Engineer estimates that using original corridor for this trunk main of ca. 400 m. would require more than 3 months of additional time. The new proposed alignment uses the footpath of a new road that is simple to install (for the trunk pipes) but requires one additional bridge crossing. The new road has sufficient service carriage to install the trunk main. The original trunk main as suggested in the tender drawings (violet) could not be kept due to constructability reasons (steep slope, rocky terrain).



Layout of original & modified alignment of sewer trunk main

B. LARP Related Conditionality

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

14. Provision of notice to proceed to contractor: 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.

15. 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 and in some cases potato fields possessed by Mestia residents. Construction activities will entail permanent disturbance to land and loss of hay within the road alignment (4.5 m and 900 meters length) and permanent loss of land selected for construction of the access road to water reservoirs. If any loss of assets that will (wooden fences and standing non-fruit bearing perennials) be determined and assessed. Cases of severe impact and vulnerable AHs shall be identified.

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

II. IMPACTS ASSESSMENT AND AFFECTED PERSONS CENSUS

A. Methodological introduction

17. The census, land survey and impact assessment was conducted by a Consultant on September 4-5, 2013. Meetings with public were held on July 22-26, 2013. In addition another site trip was arranged to Mestia by UWSDC August 9-16, 2013. During the period of July 2013 and September 2013 several activities were undertaken in parallel regime, demarcation, land re-surveys. The studies covered 100 % of APs all sub-project affected land parcels. October 7, 2013 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 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. 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.

18. 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. 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

19. 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.

20. The Permanent loss of land will be compensated at land replacement cost at market value. Therefore AP's permanently losing their land will receive fair cash compensation for land, crops and assets through officially processed sales agreements. In addition, the landowners will receive compensation in case they incur any losses and damages due to performance of the maintenance or repair/restoration works. The UWSCG will be responsible for loss assessment and payment of a due compensation in accordance with the applicable Georgian law, proven best practice, the rates established in this LARP, and provisions of the Resettlement Policy Framework.

21. The present compensation strategy also envisages provision of the additional support to the vulnerable households and persons, whose land are subjected to the severe impact.

22. During implementation of the LARP, all affected persons will be provided with the technical assistance in undertaking the registration and legalization procedures.

C. Impacts Assessment

23. 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

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

25. At the moment of initial survey out of all 28 land plots, 21 land plots were under legitimate possession of Mestia residents and registered at NAPR. As a result of UWSCG activities by October 5, 2013 all the sub-project affected land parcels are registered at the NAPR under private ownership of APs in legally valid manner.

26. The sub-project affected area covering 28 land parcels is spread over two territories therefore creating two sections:

- a. The first section (Section 1) located in Lanchvali impacts 27 land plots;
- b. The second section (Section 2) located in the center of the Mestia impacts 1 land plot.

27. Across the Section 1 according to the proposed sub-project the construction of a new access road and water reservoir requires 4767 Square meters (900 Linear meter * 4.5 m-Width) and incurs permanent impact, however the land for construction of reservoir is state and no AP's are under this section. Therefore this document does not apply to the reservoir area. The new access road total of 4050 square meters mostly of hay and potato fields requires permanent disturbance to 27 land parcels.

28. Disturbance will spread over the 4767 sq.m. The remaining territories will stay under the land owner's ownership. In addition they will be compensated for crop or any other impact on the remaining land. The access to the remaining plots shall not be blocked or restricted.

29. The Section 2 causes less impact of sub-project affected land parcels. A new pump station will permanently occupy total of 36 square meters and impact only 1 private land parcel.

(i) Permanent loss of land

30. Thus one type of land impact is identified within the framework of this sub-project. In particular: permanent land impact on project affected access road – permanent loss of land – on project affected access road.

31. The total size of sub-project impact land on both sections is 4803 (28 land parcels). 28 land parcels experience permanent loss of land with total area 4803 sq.m. Table 2 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 2. 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 impacted land parcels	27	1	28
Total area of impacted land parcels (sq.m.)	38251	1516	39767
Total size of impacted land parcels (sq.m.)	4767	36	4803
among them:			
Permanent loss of land (land sales)			
No. of land parcels allocated for access road and pump station construction	27	1	28
Total area of land allocated for access road and pump station construction (sq.m.)	4767	36	4803

32. 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 agreements.

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

33. The decision on full land acquisition will be 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 useless due to its size and/or location on a steep slope; Complicated (lack of) accessibility;

34. In total 28 land parcels subject to land sales. The Table 3 provides brief overview of the scales of full land acquisition of sub-project affected land parcels.

Table 3. Summary of partial and full land acquisition

Land Acquisition	Section 1	Section 2	Total
No. of land parcels to be partially acquired	26	1	27
Total size of land takes (sq.m)	3704	36	3740
No. of land plots to be fully acquired for the project	1	0	1
Total size of land plots entirely acquired (sq.m):	1.063	0	1063
Total number of the land purchase:	27	1	28
Total size of land takes (sq.m.)	4767	36	4803

(iii) Severe Impact to land parcels

35. In order to determine **Severe Impact** to APs additional data was obtained on other agricultural (arable) land being under possession of each AP/AH. 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 4 below provides summary data on sub-project severe impact.

Table 4. Summary of severe impact on sub-project affected land parcels

Item	Section 1	Section 2	Total per Item
No. of land plots experiencing sub-project Severe Impact per sections	15	0	15
Total of entire size of sub-project severe impacted land parcels (sq.m.)	18512	0	18512
Total area of land takes by project (sq.m.)	3548.41	0	3548.41
Total area of the land remaining in possession (sq.m.)	10698.38	0	10698.38

36. Thus, within the framework of this sub-project there are total of fifteen 15 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

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

38. All APs will receive cash compensation for annual crops (hay, potato) calculated according to the size of sub-project affected land at gross crops value of expected harvest for 2 years.

39. Table 5 outlines the volume of impact on crops within sub-project affected area.

Table 5. Crops impact

Item	Section 1	Section 2	Total per item
No. of sub-project affected land parcels	27	1	28
Total area of impacted land parcels (sq.m.)	38.251	1.516	39.767
Area of land with crops loss (sq.m.)	4767	36	4803

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

III. FENCES

40. There are several land plots that are fenced with wooden logs. Majority of hay fields are not fenced at all.

41. 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 499 meters, bordering of 19 land parcels on section 1. Section 2 does not have any fences subject to damage. All APs will be cash compensated for damaged fences (1 linear meter - 5 Gel). Cost calculation is made according to the type (material) the fence is built and the linear meter length of a given fence. Table 6. Below provides summary data on fence impact.

Table 6. Summary data on fence impact

Item	Section 1	Section 2	Total
No. of sub-project affected land parcels experiencing fence impact	19	0	19
Length of wooden fences (linear meters)	499	0	499.00
Total amount of compensation for purchasing of wooden fences (linear meter*5Gel)	19*5	0	2495.00 Gel

(i) Perennials

42. As mentioned above there are some perennials growing on the hay fields. These are non-fruit bearing perennials.

43. All 4 perennials standing within the sub-project affected area have been inventoried and assessed by Independent valuator. All trees on the AP land parcels that need to be cut down are identified per parcel. The volume¹ of the wood-pulp was determined according to the species², size (height and diameter of a trunk) of the standing tree. The valuator calculated the amount of cash compensation is according to the standing trees that make cubic meter of wood pulp.

Table 7. Impact on non-fruit bearing perennials

Item	Section 1	Section 2	Total per Item
Number of standing non-fruit bearing perennials	4	0	4
Volume of perennials (in m ³)	4m ³	0	4m ³
Total amount to be paid 4m ³ *60GEL	4m ³	0	240 GEL

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

¹ 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.

IV. CENSUS AND SOCIO-ECONOMIC SURVEY

45. Comprehensive Census and Socio-economic survey of 28 AHs was conducted on September 4-6, 2013 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).
46. Census and collection of socio-economic and demography data were undertaken by visiting each and every AP and their family members.
47. **Number of APs.** The total number of project affected families (AFs) is 28. Among them 61 are male and 51 female.
48. **Number of AFs by gender.** Among 28 AFs there are (0) female headed households.
49. **The Average family composition.** The average family composition is 5.09 members.
50. **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.
51. **Income:** The income spread of the AP is detailed in Table 8 below.

Table 8. Affected population's main income source

Main Source of Income for AH	Number of AH
Agriculture (partial income from own land)	28
Small business	0
Regular wages/salary	8
Pensioners	10
Female headed AFs	0
Wages for casual labor	1
Non-waged earnings (rent and remittances)	0
Social assistance	14

V. COMPENSATION / REHABILITATION POLICY

A. Georgian Legislation and ADB Policy

52. 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:

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

53. 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 compensation 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 9 below.

Table 9: Comparison of Georgia Laws/Regulations on LAR and ADB SPS 2009

Georgia Laws and Regulations	ADB SPS 2009
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. The document also requires that special attention to be paid to the needs of poor and vulnerable groups.
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.

54. 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. Principles adopted for the sub-project

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

- Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
- 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;
- Consultation with APs on compensation, disclosure of resettlement information to APs, and participation of APs in planning and implementing sub-projects will be ensured;
- Vulnerable and severely affected APs will be provided special assistance;
- 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; Legalizable APs will be legalized and fully compensated for land losses;
- Provision of income restoration and rehabilitation to all APs; The LARP will be disclosed to the APs in the local language; 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 Establishment of appropriate Grievance Redress Mechanism to solve APs grievance if it occurs.

C. Strategy for Land Registration, Land Acquisition

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

56. The fact of land possession by identified APs was verified based on the official information available at the local Archive.

57. The land parcels without formal title deeds shall be registered at the Public Registry prior to executing land sale and purchase agreements.

58. When the land is registered in the name of the deceased person, the ownership rights shall be transferred to the legitimate heirs prior to executing the land sale and purchase agreement.

(ii) Registration Procedures

59. Registration procedures of sub-project affected land parcels, particularly hay fields under sub-project impact, were preliminarily agreed with the NAPR. 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 Sales Agreements between UWSCG and APs.

60. 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.

61. 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 (Total - 3000 Gel). Besides, UWSCG covered all registration fees³

62. 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. Besides, the UWSCG assisted the APs in processing the division of sub-project affected land parcels to undertake partial land acquisition.

(iii) Division of sub-project affected land parcels

63. 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.

64. Within the framework of the given sub-project there are 28 land parcels, where land take requires land parcel's only for road construction 4.5 meters and remaining land parcels will stay in their ownership. In such cases, these land parcels were first divided and registered as two separate land parcels.

65. 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:

- Completely and correctly filled out and signed Application Form;
- Copy of the ID Card (Original ID should be with applicant);
- Extract from the NAPR verifying the initial registration of the given land parcel;
- Cadastral survey maps of the land parcels created as a result of division (original hard copies and electronic versions on CDs);
- Receipts verifying the payment of registration fee – 51 GEL per each piece⁴.

(iv) Registration of Sales Agreements

66. As stated above 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.

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

- Correctly and completely filled out and signed Application Form;
- Copy of the ID Card (Original ID should be with applicant);
- Extract from the NAPR verifying the initial registration of the given land parcel;

³ The fixed fee for each registration is 50 GEL, plus 1 GEL for bank service was paid by UWSCG.

⁴ The fixed fee for each division registration is 50 GEL, plus 1 GEL for bank service and was paid by UWSCG.

- Cadastral survey maps of the land parcels showing the area of land take (original hard copies and electronic versions on CDs);
- Sales Agreement signed and processed in an appropriate manner;
- Receipts verifying the payment of registration fee – 51 GEL¹.

(vii) Payment Procedures

68. 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 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 Agreements. All liable taxes will be paid by the UWSCG unless waived.

D. Compensation Entitlements and Eligibility for the sub-project

1. Eligibility

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

- All APs who lose the owned land;
- Crop owners;

70. Compensation eligibility is limited to the Cut of date October 7, 2013. The affected persons, who occupy the land within the sub-project impact area after such data will not be entitled to compensation.

71. Compensation Entitlement provisions for APs include provisions for permanent loss of land at land replacement cost at current market value, crop compensation, cash compensation, loss of assets, livelihood improvement allowances, allowances for vulnerable AHs and severe impact. The entitlements are detailed below:

- **Cash compensation for permanent loss of land:** cash compensation at replacement value in cash at current market rates GEL 11.1-(1 sq.m.) based on assessment of independent licensed valuator.
- **Cash compensation for fences:** Cash compensation at replacement cost free of deductions for depreciation in the amount of GEL5 / 1 linear meter. In case of full or partial damage relevant repair costs for damaged structures will be paid to the owner.
- **Compensation for Crops:** Cash compensation at current market rates for the gross value of 2 year's harvest equals to a) 3.2 Gel value of the harvest potato per 1sq.m and/or b) value of the harvest hay 0.6 per 1.sq.m. Crop compensation will be paid to the landowners who have been delegated the right to harvest potato and hay on the land.
- **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).

- **Additional cash compensation to AHs for severe impact:** additional crop compensation covering 1 year yield from the affected land at the unit rate GEL 1.3 Gel (1.3 GEL = Potato one year harvest for (1.6 Gel/1sq.m) minus harvested hay one year 0.3Gel 1sq.m)).
- **Vulnerable people Livelihood:** Vulnerable people (those below the poverty line, the landless, the elderly, women and children, and indigenous Peoples, and those without legal title to land) will be assisted with allowance equivalent to 3 months of minimum subsistence allowance (GEL240 X 3months = GEL720).
- **Land Registration 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.⁵ +
- **Additional rehabilitation measures:** LARP Implementing Agency (IA) will ensure provision of additional assistance to the APs, such as provision of grass seeds, fences and path to their land plots 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.
- **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.

72. **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 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.

2. Compensation Entitlement Matrix

73. The LARP 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.

⁵ The resettlement budget contains the item - registration cost with total amount rounded to 5 000 GEL.

74. The Entitlements Matrix is given in Table 10 below.

Table 10. Compensation Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
1. Loss of Land			
1.1. Permanent loss of land & assets	and land tenure	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.
2. Loss of income and Livelihood			
2.1. Annual Crops	Annual crops (hay, potato) 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 and potato for 2 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.
2.5. 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	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

Type of Loss	Application	Definition of APs	Compensation Entitlements
		as a result of construction works, the affected families, groups, communities shall be compensated for damages.	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.
3. Allowances			
3.1.Vulnerability allowances	Determined as Vulnerable under this LARP	APs below poverty line, Female headed HHs	3 months of minimum subsistence allowance (GEL 240 x 3 = GEL720)
3.2. Severe impact	Loss of more than 10 % of total providing the economic revenues	All severely affected AHS losing more than 10 % of total productive assets	One -time addition compensation for one year harvest depending on affected land area (GEL 1.3/ 1 sq.m.)
3.3. Registration Allowances	All affected households	All AFs	UWSCG will cover all fees related to land registration at the NAPR registration as specified on provision of service. All land owners will receive free of charge the cadastral survey drawings. All taxes will be paid by UWSCG.
4. Additional Mitigation Measures			
4.1. Restoration land productivity	All AFs under temporary impact	without regard to the officially registered right of affected land	. Measures supporting to restoration of topsoil productivity.

E. Impacts Valuation Methodology and for Cost Estimation

Land

75. The 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.

76. The market unit price for the land was determined based on the standard method. Also, the valuator conducted analysis of the offers and other information pertaining to the other segments of the real property market. In addition, valuation process included as much as possible efficient use of the available information on recent land sale transactions. Finally, the licensed valuator determined the land replacement cost based on the ongoing market data.

77. In result of processing the collected information and based on the current market parameters, the average market price for land at replacement cost, i.e. the land compensation rate has been specified as 11.1 GEL per square meter.

Crop

78. Compensation for the loss of hay has been calculated based on the assumption that the land user loses two year yield of hay within affected area of land parcels and within 4.5 meters corridor and hay productivity is reduced for the next two years. The compensation provided to them will thus equal 2 years yield of hay. Compensation for hay will be given to the land owners.

79. Based on Audit Report maximum productivity rate for hay was taken as a basis for cost calculation (0.65 kg per sq. m). Price of 1 kg hay is 0.46 Gel. (Average 90 Gel per 325 kg sledge). Price of hay harvested at 1 sq. m land is 0.30 Gel. This price calculated to two years equal 0.6 GEL.

80. Based on Audit Report maximum productivity rate for potato (2 kg per sq. m) was taken as a basis for cost calculation. Price of 1 kg potato is 0.80 Gel. Thus compensation for two year harvest per sq.m is 3.2 GEL. (0.80 Gel X 2kg X 2years).

Fence

81. The price for rehabilitation of 1m length of wooden fences is estimated at GEL 5 (based on Valuator's Report).

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

Technical Assistance

83. 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 agreements. The government included these 28 sub-project affected and already privately owned land plots in the ongoing program of cadastral description and mapping of private land plots in Mestia.

VI. ORGANIZATION

84. 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.

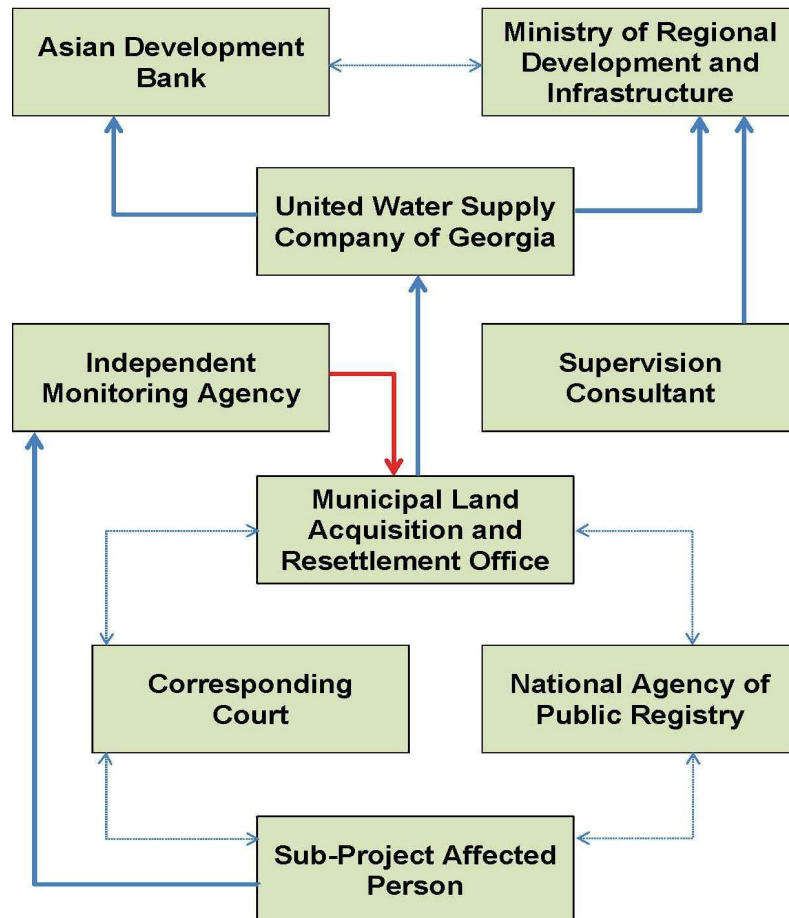
- **UWSCG.** UWSCG will be responsible for all LAR tasks both at central and local government level. Among other tasks UWSCG will be responsible for hiring and supervising the consultant that will assist MLARO in prepare the LARP at the detailed design stage establishing needed MLARO in Mestia Municipality 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

- **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 (Gamgeoba) Representative of UWSCG responsible for LAR activities Local Representative of UWSCG in Mestia Representative of Mestia section community
- **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.
- **Ministry of Regional Development and Infrastructure (MoRDI).** MoRDI will allocate the finances for the compensation and rehabilitation program upon presentation to them of the LARP and relative budgets.
- **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.

85. Please see below the Organizational Chart.

A. ORGANIZATIONAL CHART



VII. PUBLIC CONSULTATION, DISCLOSURE, COMPLAINT AND GRIEVANCES HANDLING

A. Public Consultation Meetings

86. Public consultation meeting with the APs was conducted on October 7, 2013 in Mestia (Mestia Raion, Samegrelo-Zemo Svaneti region). The meetings were attended by sub-project APs, local population, UWSCG Mestia service center representative.

87. 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.

88. 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.

B. Disclosure

89. 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 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

90. 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.

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

92. The GRCs will be compiled by:

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

93. Complaint and grievances will follow the process described below in Table 11.

IX. COSTS

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

95. 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 Lanchvali and downtown Mestia area was determined at 11 GEL per 1 square meter of land.

Table 13. 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 and Potato fields	28	4803	11.1	53.315.00

B. Cost of cash Compensation for Impact on Crops

96. All APs will receive cash compensation for annual crops (hay, potato). Cash compensation is calculated at current market rate for the gross value of 2 years' expected harvest (1.3 Gel/1 sq/m/ X 2 yrs).

Table 14. Compensation Rates for Annual Crops

No. of affected land parcels	Crop Type	Size of land with affected crops (sq.m.)	2years Compensation rate at 2.6 GEL /sq.m.	Total of compensation amount (GEL)
28	Potato	4803	2.6	12.488.00

C. Cost of cash Compensation for perennials lost

97. The amount of cash compensation for non-fruit bearing perennials was assessed at replacement cost at market value of wood-pulp (GEL 60/m³). The unit rate was determined by the independent valuator according to the established standards (1 standing tree X 0.6 tetri = 1 m³ of wood-pulp X Gel 60/1 m³).

Table 15. Cash Compensation for perennials –

No. of standing perennials	Total volume of wood-pulp (in m ³)	Unit rate GEL 60/1 m ³	Total Cost of Compensation (GEL)
4	4m ³	60	240.00

D. Cost of Rehabilitation Allowances for Vulnerable APs

98. There are fifteen vulnerable AHs. Based on the RF policy the vulnerable household will receive allowance equivalent to 3 months of minimum subsistence income (GEL 240 x 3 = GEL 720).

Table 16. Additional assistance to vulnerable AHs –

No. of Vulnerable Families (below poverty line, female headed AHs)	Amount of allowances per AF (GEL) 3 month	Total Cost of rehabilitation (GEL)
15	720	10.800.00

E. Cost of Rehabilitation for Severe Impact

99. There are 15 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 (1.30 GEL / 1 sq.m.).

Table 17. Additional assistance to APs for Severe Impact

No. of Severe Impact	Crop Type	Size of affected land (sq.m.)	1 year Compensation rate at 1.3 GEL /sq.m.	Total of compensation amount (GEL)
15	Potato	3548	1.3	4.613.00

F. Cost of Fence replacement

100. Nineteen (19) land owners will receive compensation required for repair of 499 linear meters of wooden 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.

Table 18. Additional assistance to APs for fence replacement

Item	No of parcels	Size of affected fence (linear Meter)	Unit rate at replacement cost GEL 5 /sq.m.	Total of compensation amount (GEL)
Wooden fence	19	499	5	2.495.00

G. Summary Costs

101. The aggregated summary of costs is provided in Table 19 below.

Table 19. LARP Implementation Aggregated Costs in GEL

Item	Cash Compensation in GEL
Land replacement cost (Sales Transaction)	53.315.00
Crops Compensation (2years yield of Potato)	12.488.00
Compensation for non-fruit perennials	240.00
Vulnerable AH Allowances	10.800.00
Rehabilitation allowances for severe impact	4.613.00
Fence replacement cost	2.495.00
Sub-total of Compensation Package	83.951.50
Contingencies 10 %	8.395.15
FINAL SUM	92.346.65

X. MONITORING**A. Internal Monitoring**

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

B. Independent Monitoring

103. The IMA an Independent Consultant is already hired by UWSCG for two weeks during and after the completion of LARP implementation.

104. 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:

- 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;
- Review and analysis of all complaint cases and of their resolution;
- An assessment of the satisfaction of the APs and
- A recommendation on whether start the civil works or not.

105. 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.

XI. ANNEXES

A. Annex 1. Information Pamphlet

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

Mestia Water Supply Headwork's Project

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.

Introduction

1. The Georgian government is undertaking major works to facilitate tourism development in Mestia. 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 access road in Lanchvali towards the water reservoir and the pump station in the Mestia town. The length of the road is 900 meters and the width is 4.5 meters.

3. The sub-project affected area is spread over two territories therefore creating two sections:

- a. **The first section (Section 1)** located in Lanchvali impacts on 27 land plots;
- b. **The second section (Section 2)** located in the center of the Mestia and impact 1 person.

4. Across the Section 1 according to the proposed sub-project the construction of a new water reservoir that incurs permanent impact to land parcels owned by state. The new access road will extended 27 land parcels. The pump station in Mestia Centre impacts 1 person.

i. Planning/implementing the Compensation Rehabilitation Program for the Project

5. 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.

ii. Resettlement Policy and Principles

6. Land for construction of the access road and sewage treatment plant 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:

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

iii. Compensation Eligibility and Entitlements

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

8. 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 October 7, 2013. The compensation entitlement matrix for the project is included below.

Table 1: Compensation Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
1. Loss of Land			
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.
2. Loss of income and Livelihood			
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/potato for 2 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 Ap's	Cash compensation at replacement cost according to the material and linear meter length of affected fence.
2.4. Perennials	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	Contractors should Avoid damaging public and private property unnecessarily. Where 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,

Type of Loss	Application	Definition of APs	Compensation Entitlements
	any person, entity.	do occur to public or private property as a result of construction works, the affected families, groups, communities shall be compensated for damages.	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.
3. Allowances			
3.1. Vulnerability allowances	Determined as Vulnerable under this LARP	APs below poverty line, Female headed HHS	3 months of minimum subsistence allowance (GEL 240 x 3 = GEL720)
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 1.3/ 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), 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.

iv. Compensation Rates

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

Table 2: Cash Compensation Rates

Item	Conditionality	Unit	Unit value (GEL)
Agricultural Land (Hay filed)	Based on the area of permanent land takes and Servitudes	sq.m.	11.1
Annuals yield of Crops (potato)	Based on the area of sub-project affected land at gross crops value of expected harvest for 2 yrs	sq.m.	2.6
Severe Impact	Additional crop compensation covering 1 yr yield from affected land for the APs losing 10% > of income generating land	sq.m.	1.3
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 ³)	M ³	60.00
Vulnerability	Based on Census results APs below poverty line, widows, Female-Headed HHs) will receive 3 months of minimum subsistence allowance	240GEL/m	720
Allowances	UWSCG will cover all registration fees, transfer and income taxes, if not waived		

v. Complaints and Grievance Redress Mechanism

10. 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.

vi. 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 28 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.

vii. Contact Information

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

Head of Environmental and Resettlement Division
 United Water Supply Company of Georgia (UWSCH)
 Address: 76 (g) Vaja-Pshavela Avenue,
 Tbilisi Georgia 0186;
 Tel: 0322930000
 Tel: Besik Nibladze 577117711

B. Annex 2. Complaints and Grievance Submission Form

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

C. Annex 3. Minutes of the Meeting

October 7, 2013

Land Acquisition and Resettlement Action Plan for Mestia Water Supply Headworks

On October 7, Georgian water supply and distribution company representative Besik Nibladze, Local water company representative Tinatin Nakani and Eptisa representatives conducted public consultation meeting on Mestia water Supply and Sewage system Project.

The moderator of the meeting was Besik Nibladze

The main purpose of the meeting was announcing of the cut of date. 16 affected persons were present at the meeting. In summary the main questions where about starting of the LARP implementation and width of the ROW.

No	Question	Answer
1	When the purchasing process will start?	LARP approvals will take place from 4 to 6 weeks. Therefore the project implementation will start approximately in the second half of November
2	What is the width of the Row?	The width of the Row is 4.5 meters
3	Who is the construction company?	The construction company is Ltd. "New Construction"
4	What are the compensatory amounts	The evaluation team is still assessing the market values of the assets. This information will be transferred to you shortly after budget is approved.
5	If the remaining land plot is small and in the future the harvesting is difficult, what kind of compensation will be paid for that part of land	In that case whole land will be purchased
6	What are the regulations that apply to this process	ADB SPS 2009 and Georgian legislation. All that information is described in LARP document
7	Who will be paying land registration fees?	Those fees will be paid by UWSCG