

Resettlement Plan

October 2014

GEO: Urban Services Improvement Investment Program – Tranche 2 (Mestia Water and Sewerage Networks 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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 UNITED WATER SUPPLY COMPANY OF GEORGIA

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To: Anand Chiplunkar

Director of Central and West Asia Department Urban Development and Water Division

6 ADB Avenue, Mandaluyong City

1550 Metro Manila, Philippines

Dear Mr. Chiplunkar,

We are sending final version of Land Acquisition and Resettlement Plan for UWSCG/ICB/CW/2011-MES-02 contract (Mestia Water & Sewerage Project) for ADB's no objection.

This Land Acquisition and Resettlement Plan is agreed with ADB Principal Safeguards Specialist Mr. Lanfranco Blanchetti-Revelli.

Best regards,

Anri Kapanadze

First Deputy Director

**Land Acquisition and Resettlement Plan
Mestia Water & Sewerage Networks Project**

**Proposed Multitranche Financing Facility
Georgia: Urban Services Improvement Investment Program, Tranche 2**

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

29 OCTOBER 2014

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ACRONYMS

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
LARF	Lad Acquisition and 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 and Sewerage Networks 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 2 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.

1.1 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. Currently, Mestia water and sewerage networks are deteriorated and unable to meet increased water supply demand and sewerage services. Therefore the Government was interested to rehabilitate the networks and expand supply and sewerage service delivery for all citizens and areas of Mestia, thereby enabling conditions for tourism and resort development. 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:

- Supply and installation of 41.4 km of water pipes
- Installation of 7 pressure reducing valves
- Installation of 25 fire hydrants
- Installation of 1047 domestic service connections and meters
- Supply and installation of 47.8 km of sewerage pipes
- Installation of 1,253 sewerage manholes
- Installation of 900 domestic sewerage shafts (service connection)
- Installation of 5 river crossing for water and sewerage collectors
- Installation of 4 outfalls and 1 collective septic tank
- Construction of a Service Center building.

3. The project was originally classified as "A" for resettlement and is nearly completed except for the laying of a few sections of sewerage pipes (242.67 m.) which, upon final design modifications to the pipelines routes, will cause minor land impacts to six (6) plots located in the urban section of Mestia town owned by three (3) APs. The impacts correspond to the 1 m width of the pipeline trench and affect only non-cultivated land. Given the small magnitude of impact the project has been now re-classified as category "B" for resettlement.

1.2 LARP Related Conditionalities

4. The full implementation of this LARP (including payment of due compensation to the APs) will be a condition for ADB to provide notice to proceed to contractor for laying of the 250 m. across the 6 affected land plots

II. IMPACTS ASSESSMENT, AFFECTED PERSONS CENSUS, SOCIO-ECONOMIC SURVEY AND COMPENSATION STRATEGY

5. The census, land survey and impact assessment was conducted by the consultant in June 20, 21, 2014 with the participation of the manager of the Mestia Service Center and representatives of Mestia municipality, local community members and all APs or their trusted representatives. In August 2014 an independent valuator undertook a desk and an on-site assessment of the affected land's market values and of other affected assets in the plots.

2.1 Impacts Assessment

6. Land impacts entail the imposition of a servitude agreement over 6 plots for a total area of 970.68sqm. Beside the need to fell two wo trees owned by one AP the project does not cause any other impact.

Table 1: Land Impacts

Affected Landowners	Plots NO.	Total Area (sqm)	Affected area (sqm)	Occupancy status	Land Type
a. Landowner 1	1	1,383.00	257.72	Legally owned	Urban
	1	4,714.00	181.92	Legally owned	Urban
	1	2,700.70	288.66	Legally owned but to be registered	Urban
<i>total Landowner 1</i>	<i>3</i>	<i>8,797.70</i>			
b. Landowner 2	1	1,168.00	83.11	Legally owned	Urban
c. Landowner 3	1	984.00	57.56	Legally owned	Urban
	1	1,211.00	101.71	Legally owned	Urban
total Landowner 3	2	2,195.00			
Grand Total	6	1,216.70	970.68		

2.2 AP Census and Socio-Economic Survey

7. A Census and Socio-Economic Survey of the was conducted in June 20- 21, 2014 based on interviews with the APs and on information obtained from Local administration socio-economic and demographic data. The survey results are summarized below:

- **Number of Affected Households and affected persons.** The AHare3 and the overall household members (the Affected individuals) are 11. Among them 7 are men and 4 are women.
- **Sources of livelihood and incomes.** Most AHs are engaged in cattle breeding and/or hay cultivation as main livelihood activity which is carried out in plots outside Mestia town which are not affected by the project (please check if this is correct). In addition, most of the male APs in working age are employed either as security or border army servicemen or as full-time jobs holders in Mestia town. Their income is reasonably high and varies between 500 to 1000 GEL per month. 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.
- **Severely affected and vulnerable APs.** Given that the land affected is unused, that the impact will be essentially temporary and that no income is affected by the project there are no severely affected APs. The families affected are relatively well-off therefore no AP is classifiable as a vulnerable person.

2.3 Compensation Strategy

8. As the land impacts caused by the digging of the pipelines trenches will not limit the capacity of using the affected areas after the pipes are laid down, the affected land will be taken by the project in form of a servitude agreement. Servitude compensation has been assessed as land acquisition based on market rates. The wood trees will be compensated based on the market value of the wood volume lost.

III. COMPENSATION/REHABILITATION POLICY

3.1 Georgian Legislation and ADB Policy

9. 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 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

10. 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 Table10 below.

Table 2: 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.
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
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 prepared before 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.

11 To reconcile gaps between Georgia laws/regulations and ADB Policy, UWSCG has already prepared at the time of the Program approval a Land Acquisition and Resettlement Framework (LARF) on which the AP compensation for this project is patterned.s.

3.2 Principles adopted for the sub-project

12. The following principles fitting SPS 2009 have been followed are developed for the Investment Program:

- Land acquisition and related impacts will be avoided/minimized as much as possible exploring all viable alternative project designs;
- If unavoidable, a time-bound LARP will be prepared/implemented and the APs will be assisted to improve 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; Validated 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; andEstablishment of appropriate Grievance Redress Mechanism to solve APs grievance if it occurs.

3.3 Eligibility Entitlements

13. APs entitled for compensation or at least rehabilitation provisions under the sub-project are all APs losing land and plants, assets or income located or generated in the affected land. These entitlements are irrespective of the legal status of the affected items.

3.4 Compensation Entitlements

14. The entitlements for the impacts caused by this sub-project are as follows:

- **Compensation for the imposition of servitudes:** Cash at current market rates based on assessment of independent licensed valuator free of taxes and transaction costs.
- **Compensation for trees:** Cash compensation at market rates for trees assessed as wood-pulp volume free of salvaged materials.
- **Land Registration Allowances:** This allowance amounts GEL51 (fixed registration fee for each transaction) and will be paid by UWSCG on behalf of the each land owner (AP) to NAPR.

IV. LARP PREPARATION/IMPLEMENTATION ORGANIZATION

15. 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 Apsensuring 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:
 - A representatives of Mestia Municipality (Gamgeoba) and of the local UWSCG office;
 - The resettlement specialist under the Supervision Consultant.
- **The 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.

V. PUBLIC CONSULTATION, DISCLOSURE, COMPLAINT AND GRIEVANCES HANDLING

5.1 Public Consultation Meetings

16. Two Public consultation meetings with the APs were conducted on June 5 and 24, 2014 in Mestia. The meetings were attended by sub-project APs, local population, UWSCG Mestia service center representative. 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.

5.2 Disclosure

17. 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. A copy of the LARP in Georgian will be provided to each AP.

5.3 Complaints and Grievances

18. 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.

19. To facilitate the solution of disputes a Grievance Redress Committee (GRC) has been established. The GRCs is composed 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.

VI. IMPLEMENTATION SCHEDULE

20. The following table shows the LARP preparation and implementation schedule including the major milestones.

Table 3. LARP Implementation Schedule

Tasks	June-September	October	November
LARP Preparation			
ADB Approval			
Approval by Government			
LARP Disclosure			
Registration of Land Parcels			
Execution of Servitude Agreements			
Payment of Cash Compensations			
Compliance Report			
Installation of sewer lines on acquired plots			

VII. BUDGET AND COSTS

74. The total cost of the compensation program under this LARP is 15,751.72 GEL. Costs are detailed in Table 21 below.

Table 4. LARPCosts

Item	Unit of Measure	Amount	Unit compensation rate (GEL)	Compensation(GEL)
Compensation for land servitudes	Sqm	970.68	17	15,529.72
Compensation for wood trees	Tree x wood volume	2 cubm(2 x 1 cubm)	60	120.00
Land Registration fee	Plot	2	51	102.00
TOTAL				15,751.72

VIII. MONITORING

75. The internal monitoring of the implementation of this LARP will be done by the MLARU. Independent monitoring will be instead carried out by an Independent Monitoring Agency (IMA) which 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. A positive Compliance Monitoring Report will be condition to start civil works.