

# Social Monitoring Report

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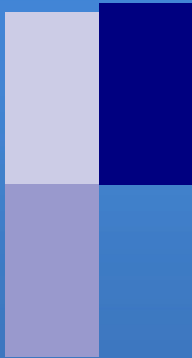
Final Compliance Report  
March 2017

## GEO: Urban Services Improvement Investment Program – Tranche 4 (Zugdidi Water Supply and Wastewater Systems Construction and Operation 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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Final Compliance Report  
Zugdidi 01  
Monitoring of Implementation of Land Acquisition  
and Resettlement Plan

February 15, 2017



Asian Development Bank

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**Abbreviation**

**ADB** – Asian Development Bank

**AF** – Affected Household

**AP** – Affected Person

**EA** – Executive Agency

**EIA** – Environment Impact Assessment

**ESSU** – Environment and Social Security Unit

**FY** – Fiscal Year

**GRC** – Grievance Redress Committee

**IMA** – Independent Monitoring Agency

**IPSA** – Initial Poverty and Social Assessment

**LARP** – Land Acquisition and Resettlement Plan

**RF** – Resettlement Framework

**RP** – Resettlement Plan

**MFF** – Multi-tranche Financing Facility

**MLARO** – Municipal Land Acquisition and Resettlement Office

**MOED** – Ministry of Economic Development

**MRDI** – Ministry of Regional Development and Infrastructure

**NGO** – Non-governmental Organization

**UWSCG** – United Water Supply Company of Georgia

## 1. Introduction

The Government of Georgia has received 500 million dollar Tranche through Multi-Tranche Financing Facility from Asian Development Bank for the purposes of implementing Urban Water Supply and Wastewater Services Improvement Investment Program (Urban Water Supply and Wastewater Sectorial Development Plan (SDP) of 2011-2020), which includes Zugdidi Water Supply and Sewage System Improvement as one of its components.

Land Acquisition and Resettlement Plan for Subproject of Zugdidi Water Supply and Sewage System Construction and Commissioning Project has been prepared by the United Water Supply Company of Georgia (UWSCG) and it is based on the Safeguard Policy Statement of Asian Development Bank (SPS 2009).

The objective of the plan was the implementation of comprehensive Land Acquisition and Resettlement Plan Procedures in the village of Ingiri, Zugdidi Municipality, for the purposes of compensating the affected population.

The purpose of the Final Compliance Report is to assess the procedures of Land Acquisition and Resettlement Plan, to furnish the ADB with recommendations and conclusions in order to conduct the civil works.

After the implementation of the LARP, Resettlement Specialists of the Company visited the sites and met with affected population.

The Report discusses the following topics:

- Assessment of compensation payment mechanism as per LARP;
- Compensation payment mechanism for affected persons has been examined as per the LARP;
- Correctness of assessment has been checked;
- Grievance Redress Mechanism has been discussed;
- Attitude of affected persons towards publicity has been examined;

## 2. Objective of Monitoring

The objective of the Company was the assessment of results and implementation of the LARP and the development of the Final Compliance Report, which will be submitted to ADB.

LARP and Compliance Report is a prerequisite for civil works.

Monitoring of the Project is based on (1) ADB's 2009 Safeguards Policy Statement (SPS), and (2) Land Acquisition and Resettlement Plan.

The Final Compliance Report will be submitted to the Bank for reviewing and commenting.

The present document represents the Final Compliance Report for subproject of Zugdidi Water Supply and Sewage System Construction and Commissioning Project. Land Acquisition and Resettlement Plan was endorsed by Asian Development Bank on November 10, 2016, and by the Government of Georgia on December 15, 2016 by Decree #2586 of Government of Georgia.

In accordance with the requirement of Asian Development Bank, the Company studied the procedures implemented by Land Acquisition and Resettlement Plan, the completion process of which is described in this document.

### 3. Description of Sub-project

Today Zugdidi water supply and sewage system cannot meet the growing demands of water supply and sewage services; therefore, it needs immediate rehabilitating and expanding of service area, which, for its part, will contribute to the economic development of the region. Having considered the foregoing, the Government of Georgia became interested in providing water supply and sewage services throughout Zugdidi. The project intends to provide the whole population of Zugdidi with water supply and sewage facilities, taking into account the demands of the year 2040.

The project encompasses the following:

- Construction of 215 km water supply distribution network;
- Construction of 3 300m<sup>3</sup> reservoir;
- Arrangement of 14 km transmission main;
- Construction of Pumping Station with capacity 1170 m/h;
- Construction of 10 borehole;

The subproject did not envisage the removal of the resident houses or privately owned structures/buildings and physical resettlement of affected persons. The subproject had impact on one-year-old or longstanding crops, fences and agricultural land plots. Due to little impact, the subproject is classified as “B” category as per Asian Development Bank’s Safeguard Policy Statement (SPS 2009).

Given the fact that the affected land plots, which were owned by the state, were transferred to LLC “United Water Supply Company of Georgia” free of charge as a capital input. LARP has provided compensation for land use, only lost crops or assets, which were compensated to the 5 affected households (19 affected people) for a fair amount of the current market price.

The entitlements ensued by the impact of subproject are the following:

- **Compensation for severe impact** LARP identified those AHs which lost the access to 10% or more of productive land.. Such an impact was considered to be severe. Monetary compensation for severe impact was defined as an amount for one-year harvest from the affected land. The amount was defined by independent licensed expert, and it amounted to 0.28GEL/1sq.m.
- **Compensation for harvest:** As per LARP, all sub-project affected households, who used land and cultivated one-year crops, irrespective of their ownership status, received monetary compensation, calculated based on the area of the affected land and amounted to the amount of the harvest

expected to be gained in 3 years. Harvest was assessed by independent licensed expert in accordance with existing market rate. The rate corresponded to 0.84GEL/1sq.m. (Compensation rate for one-year harvest was 0.28 GEL, and three-year harvest compensation amount was 0.84 GEL).

- **Compensation for fruit trees:** three hundred and six (306) fruit trees of 3-4 years old were under the impact of sub-project. Compensation rates for fruit trees were defined by the independent licensed expert in compliance with the below given table:

Table N1 Compensation amount for fruit trees (tree/GEL)

Fruit tree (3-4 years old)	Pear	Fig	Pomegranate	Nut	Loquat
Rate (tree/GEL)	11	19	23	21	19

- **Compensation for fence:** A 387-meter long fence with average height of 1.23m was under the impact of sub-project. Compensation rate for the fence was defined by independent licensed expert based on the amount necessary for its restoration. The amount equaled to 12GEL/1sq.m.
- **Compensation for vulnerable households:** Sub-project affected 3 vulnerable households. Compensation amount for vulnerable households was defined by triple amount of then living wage for 4-member families (286.80 GEL/1family) determined by National Statistics Office of Georgia.

#### 4. Current Situation

Land Acquisition and Resettlement Plan was approved by ADB on November 10, 2016, and by the Government of Georgia on December 15, 2016, through Decree N2586 of Government of Georgia. As per approved document, the budget for implementation of Resettlement Plan comprised 41719.48 GEL.

Implementation of LARP was completed in January 2017. Compensation Agreements of LARP were signed on January 17, 2017 and on January 25, 2017 compensation amounts actually paid were transferred to bank accounts of affected persons, the list of which is given in the below table.

Table N2 Comparison of actually paid and projected compensation amounts:

N	# of Plot as per Map	Number of borehole	Cadastral Code	Compensation envisaged by LARP (GEL)	Actually paid Compensation (GEL)	Difference	Comment
1	6	4	43.18.45.395	9313,68	9313,68	0	
2	4.2	4	43.18.45.395	842,4	842,4	0	
3	4.3	4	43.18.45.395	2324,76	2192,04	-132,72	After the examination of red lines, it was concluded that the land user cultivated corn crops on the area, which was less by 158sq.m. Therefore, final compensation amount was decreased.
4	5	5	43.18.45.397	11183,12	11183,12	0	
5	7	7	43.18.45.386	7239,36	7239,36	0	



## 5. Request for Compliance Report

As per ADB requirements, the objective of the Compliance Report is to assess the compliance of LARP implementation with all relevant provisions of SPS 2009. Land Acquisition and Resettlement Plan was studied, and considering thereof, the following issues were taken into account in the final Compliance Report:

- AFs satisfaction with publicity was examined;
- Compensation payment mechanism was assessed as per LARP;
- It was verified that AFs were paid in accordance with LARP;
- Correctness of compensation assessment was examined;
- Grievance Redress mechanism was discussed;

## 6. Monitoring Methodology

During this period, compliance of measures taken under LARP implementation process with resettlement procedures set forth in ADB SPS 2009 was carefully studied.

During LARP implementation period, the extent to which the participation of local authorities was concerned with the engagement of AFs into incentive activities (meetings with local residents and public discussions) was assessed.

The attitudes of all land co-owners toward LARP was surveyed, which is 100% of all AFs surveyed.

Inventory correctness and fairness of compensation calculation, during payment to project AFs as per deadlines and conditions set forth by LARP was verified.

## 7. Assessment and Compensation Payment Mechanism

Within the framework of the project, land plots were transferred to LLC “United Water Supply Company of Georgia” as capital input, therefore, issues of land acquisition were not raised. There was no impact on residential houses and structures or buildings, under the project. The project affected 5 families, who unlawfully owned the mentioned land plots and were cultivating one-year and longstanding crops.

### **Subject of Compensation and Impact on Land**

The subject of compensation was the trees, with total number of 306, (pear, fig, pomegranate, nut, loquat) owned by two families out of the affected five; a fence, with total length of 387m, and average height of 1.23m owned by four families; and corn crops cultivated by four families, in total harvest cultivated on 13146 sq.m.

Three families out of the mentioned five were assigned vulnerable family status, and one out of them was women-led family. Vulnerability compensation was additionally allocated for the above mentioned families.

Land plots used by three families out of the affected five were under the severe impact (impact on more than 10% of the land, as per LARP), thus, compensation for severe impact was additionally provided for these families.

## **Payment Procedures**

Prior to signing compensation agreement, all project affected persons submitted bank requisites to LLC United Water Supply Company of Georgia, to which compensation amount was transferred. Given the fact that all the AP were present, there was no need to open a special account.

## **Societal Involvement and Publicity**

While conducting monitoring, involvement of AFs in public discussions and in preparation processes of resettlement plan was verified. Affected persons were actively engaged in all those processes. They were provided with all project-related information in advance.

Project affected persons asserted that Company representatives explained in details all the conditions of the LARP during meetings, and prior to the implementation of the Plan, the AFs had received information pamphlet. LARP was published on the internet page of LLC United Water Supply Company of Georgia and a copy was issued to local municipality. The AFs asserted that they received information about Resettlement from public discussions and local municipality.

## **8. Conclusion**

As a result of monitoring, it can be said that Land Acquisition and Resettlement Plan was duly implemented, in accordance with Safeguard Statement Policy of Asian Development Bank (SPS 2009).

Approved Resettlement Plan has been thoroughly completed. Compensations were paid by independent expert with market prices having been taken into account. The amounts were transferred to the bank accounts provided by the affected persons.

Resettlement resulted in positive outcomes. The affected persons are content with received compensations. All of them state that they are going to improve living conditions with the amounts received.

It should be noted that regardless of the information spread about Grievance Redress Mechanism, no complaint was filed. This fact indicates that the population was well informed about project's objective, impacts, etc.

It is recommended to start civil works, as the LARP has been implemented in full compliance with all the relevant provisions of ADB's SPS 2009.