

Resettlement Plan

October 2016

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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Land Acquisition and Resettlement Plan

For

Zugdidi Water Supply and Wastewater Systems Construction and Operation Project

VOLUME I

July 15 2016

Multi-tranche Financing Facility

Georgia: Urban Services Improvement Investment Program

Ministry of Regional Development and Infrastructure of Georgia

United Water Supply Company of Georgia

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Abbreviations

ADB	Asian Development Bank
AF	Affected Family
AP	Affected Person
EA	Executing Agency
EIA	Environmental Impact Assessment
ESSU	Environmental and Social Safeguards Unit
FY	Fiscal Year
GRC	Grievance Redress Committee
IMA	Independent Monitoring Agency
IPSA	Initial Poverty and Social Assessment
LAR	Land Acquisition and Resettlement
RF	Resettlement Framework
RP	Resettlement Plan
MFF	Multi-tranche Financial 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

I. INTRODUCTION

1. Improvement of the urban water supply and sanitation systems (WSS) is one of the major priorities of the Government of Georgia, and is of essential importance for improving the life level, attracting investments and growing of the productivity and competitiveness. Recognizing the need to overcome the current problems and constraints the government's urban WSS sectorial development plan (SDP) for 2011-2020, approved on 31 December 2011, aims at achieving the continuous and reliable water supply and safe sanitation services to all of Georgia's urban population by 2020. The SDP's objectives include technical sustainability of WSS services, environmental protection of natural resources, institutional effectiveness of service utilities and sector regulators, and provision of an adequate legislative and regulatory framework for delivering of the WSS services.
2. This Land Acquisition and Resettlement Plan (LARP) has been prepared for the sub-project for construction and operation of Zugdidi water supply and sanitation systems (further "Subproject"), which is envisaged in the 2011-2020 WSS Sector Development Plan (SDP).
3. This LARP has been prepared by the United Water Supply Company of Georgia (UWSCG), which is an Implementing Agency (IA) subordinated to the Executing Agency (EA) – Ministry of Regional Development and Infrastructure (MRDI) under the Georgian Urban Services Improvement Investment Program. The Resettlement Plan aims at development of the comprehensive action plan for ensuring provision of the people affected by the sub-project with compensations in compliance with the requirements of the ADB's Safeguards Policy Statement (SPS) 2009.

Sub-Project Description

4. At present Zugdidi water supply and sanitation systems are unable to meet the growing demands and urgently require rehabilitation and expansion of service coverage, thereby facilitating to the further economical development of the region. The sub-project is targeted to expand the water supply and sanitation systems for meeting the forecasted demands of 2040.
5. Land parcels, which were under impact of sub-project were registered under ownership of state and these lands were transferred to UWSCG as a capital input. Whole area of land parcels, which were under impact of sub-project is 111 848 m³ (11 units of lands) and is under ownership of UWSCG. 21 533 m³ from the whole area is under unlawful ownership/use of 5 private individuals.
6. The sub-project impacts do not entail either removal of any residential or other privately owned buildings or structures, nor require any physical resettlement of sub-project affected persons. Construction activities may cause certain temporary disturbance to some part of the parcels. Also, the sub-project may affect the yield of annual crops. In this LARP the cases representing the loss of assets are fully identified and assessed along with the vulnerable affected households (AHs).
7. According to the ADB's SPS 2009, this sub-project shall be classified as of Category B.

Fig. Project Location



II. ASSESSMENT OF PROJECT IMPACTS

Methodology Review

8. The Consultant conducted census of sub-project affected persons, surveyed the sub-project affected parcels and identified and assessed the sub-project impacts. The public meetings and consultations were held during 2-4 November 2015. The census, collection of the socio-economical data, demarcation and land survey works were performed in parallel to each other. The studies completely covered all affected persons, i.e. 100% of owners/users of the sub-project affected parcels. November 4, 2015 was set as a cut-off day for data collection works. The area to be impacted by sub-project activities was surveyed in full including identification of the boundaries. The land survey and impact assessment has been conducted with participation of all APs or their authorized representatives.
9. In result of the land survey and demarcation works, all affected parcels and their users were identified, including entire and affected areas of each individual affected parcel. In addition, all affected vulnerable households were determined through census and socio-economical study.
10. The independent licensed valuator studied the documents and performed the market research. This included assessment of the sub-project affected parcels and determining their current market value applying the replacement cost method and considering each type of potentially lost assets as prescribed by international valuation standards.

Compensation Strategy

11. This LARP determines all types of losses incurred by APs possessing or using sub-project affected land parcels and provides the detail explanation of necessary procedures and methodology for land acquisition and compensation strategy.
12. The permanent loss of the land will be compensated at land replacement cost based on the current market prices, and in accordance with the principle of replacement cost as described in ADB's Safeguard Policy Statement (SPS) 2009¹. The persons, whose land shall be purchased for sub-project purposes, will receive fair cash compensation for their land, and lost crops and assets through the formally executed Compensation agreements.
13. 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.
14. 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.

¹ The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. (SPS 2009, Appendix 2, Para 10)

II. Assessment of Sub-Project Impacts

15. The sub-project impacts on the persons and households are classified based on impacted assets and revenues. Below is given detailed description of each type of impact together with the appropriate compensation strategy.

A. Impact on land

16. The sub-project's affected land parcels were registered under the ownership of government and were given to UWSCG. Project's affected land area - 111 848 m² (11 land parcels) is under ownership of UWSCG. From this area, 21 533 m² is under the use of 5 private users and the users will receive fair amount of compensation in return of lost crop and assets.

Table 1: Distribution of the land plots

LTD „United Water Supply Company of Georgia	Amount of land parcels		11
	Total Land (m ²)		111,848
	Land needed for the project (m ²)		111,848
	: In informal use:	Amount of land parcels	5
		Total Land (m ²)	21 533

B. Permanent loss of land, and temporary impacts and restrictions on future land use

17. Implementation of this sub-project is expected to entail allocation of exclusively state-owned land to UWSCG. No restrictions will be imposed on the future use of the affected parcels. Certain temporary impacts may arise during construction period, and shall be under responsibility of the contractor.

C. Partial and full land acquisition for sub-project needs

18. No private land purchase will occur within the scope of the present Sub-project.

D. Severe impact

19. For determining severity level of the impact to each affected parcel, additional data were collected about all other agricultural (arable) land allocated to the same landowner. It has been identified that APs do not have any additional land. For each affected household, the proportion of land take vs. the entire size of all used agricultural lots was calculated, and if such proportion of the land take exceeded 10 percent, then the case was classified as the severe impact. The Table below summarizes the data on severe impacts associated with the sub-project.

Table 2: Summarized schedule of severe impacts

Number of households subjected to the severe impact	3
Total area of agricultural parcels (m ²)	3148
Total area of land take (m ²)	18 151
Average land take (%)	36

20. Thus, 3 households were identified as the ones under the severe sub-project impact, who will receive additional compensation according to the present Resettlement Plan.

E. Impact on crops

21. Another type of loss applicable to all sub-project affected parcels is loss of annual crops. The cash compensation will be given to each household possessing or using the land directly impacted by sub-project activities.

22. All households will receive monetary compensation for their harvest, which will be calculated based on the area of the affected land and corresponds to the amount of the harvest expected to gain in 3 years.

23. The table below shows the scales of impact on the annual harvest.

Table 3. Impact on crops

Total number of plots	4
Affected harvesting area (sq.m)	16,111

F. Impact on immovable assets

24. The Sub-project will affect the following real assets:

Fruit trees:

25. Three hundred six (306) young fruit trees (3-4 years old) will be under the impact of the Sub-project.

Table 4: Impact on trees

	Tree
Pear	3
Fig	1
Pomegranate	1
Nut	300
Loquat	1

Fences

26. A 387-metre-long fence (a barbed-wire attached wooden poles) with the mean height of 1,23 m will be affected by the Sub-project.

g. Impact on Business

27. No impact on any businesses is expected from the Sub-project.

h. Vulnerable families

The Sub-project will affect three (3) vulnerable families.

j. Impact on public infrastructure

28. During preparation of the present Resettlement Plan, the following cases of impact on public infrastructure possible to occur during the Sub-project realization were identified: limitation of the access roads to some areas. Resolution of this and other possible cases of impact on public infrastructure possible to occur during the construction works, is the responsibility of the Consultant responsible for the Sub-project engineering design and Construction Contractor.

III. The social-economic study and registration of the affected persons

29. The census and socio-economic survey covering all households affected by sub-project was conducted during November 2-4, 2015. The households were interviewed using the specially developed questionnaire including the questions about composition and social status of the household, the age, gender, health, marital status, education, employment, livelihood activities, income of its members, possession of the land and other assets, etc.
30. The population census and gathering of the social-economic and demographic data was done by way of visiting each Sub-project-affected family.
31. In overall 5 families with the total number of members of 19 fall under impact of this Sub-project, including 11 men and 8 women. The mean age of the family head is 55 years. The detailed demographic data are given in the table below.

Table 5. Structure of age and gender of the affected persons

Age	Men	Women	Total
<15	3	2	5
15-65	7	5	12
>65	1	1	2
Total	11	8	19

32. The average number of the members of the Sub-project-affected families is 4.
33. All APs are Georgian. The sub-project does not affect any indigenous population (as defined in ADB SPS 2009).
34. The detailed data about the education of the affected persons are given in the table below.

Table 6. Education level of the affected persons

Level of education	Men	Women	Total
Preschool	0	2	2
Primary	2	0	2
Secondary	5	3	8
Higher	4	3	7
Total	11	8	19

35. The principal activity of the affected households is agriculture (plant-growing). Two of the interviewed family members said they were employed at state establishments. The affected households grow annual crops (maize) mostly for their personal use.
36. The monetary income of the Sub-project-affected households is 8750 GEL a year on average. The structure of the mean monetary incomes and expenditures of the Sub-project-affected households was assessed based on the data of the social-economic study and is given in the table below.

Table 7. Structure of monetary incomes/expenditures of the affected households

Expenditure		Incomes	
Foodstuff	35%	Employment income	30%
Clothes/footwear	5%	Agricultural product realization	55%
Household goods	5%	Pension and other allowances	15%
Health	14%		
Education	14%		
Power-supply	10%		
Transport/communication	5%		
Fuel (warming the house/cooking)	10%		
Agricultural expenses	2%		
Total	100%	Total	100%

37. The Sub-project-affected households own/use 4890 sq.m. Of land on average, including 686 sq.m. Being homestead lands. Two (2) families live in their private houses and 3 families live in the apartment blocks. Out of 5 Sub-project-affected households: 4 families have TV sets, 3 families have gas stoves, 2 families have fridges, 4 families have washing machines and 2 families own cars. 3 out of the Sub-project-affected households have cows and 4 families raise poultry.
38. All houses/flats of the families under the Sub-project impact are connected to utility power supply, but have no natural gas supply. The main sources of water are composed of wells and water pipes; the main type of toilets is W.C. with a cesspool well or bowl. The families use only firewood to warm their houses.
39. Three out of 5 Sub-project-affected households state that they have irregular incomes; the food menu of 2 of them is not satisfactory, 3 of them have no enough money to buy clothes and 2 of them have no enough money to give their children due education.
40. The population census and the social-economic study revealed that none of the Sub-project-affected households is below the official poverty line. One out of 5 Sub-project-affected households is female-headed.
41. The general evaluation of the Sub-project by the affected persons is as follows: 2 families assess the Sub-project positively, 1 family is neutral, and 1 has negative perception. All families positively evaluate the impact of the Sub-project on the social-economic state of the community.
42. The desirable type of compensation for the affected persons is the monetary compensation.

IV. COMPENSATION / REHABILITATION POLICY

Georgian Legislation and ADB Policy

43. The sub-project will be implemented in accordance with the Georgian law and ADB SPS 2009. Below are listed the statutory acts applicable to obtaining of the state ownership rights to privately owned land parcels for the necessary public needs:
- (i) The Constitution of Georgia, August 24, 1995
 - (ii) The Civil Code of Georgia, June 26, 1997
 - (iii) The Law of Georgia on Ownership of Agricultural Land, March, 22, 1996
 - (iv) The Law of Georgia on Public Register (#820 IIs), December 19, 2008
 - (v) The Law of Georgia on Acknowledgement of Property Rights on Land Plots in Possession (Use) of Physical and Private Legal Persons”, July 11, 2007
 - (vi) The Law of Georgia on Rules of Property Expropriation for Necessary Public Needs, July 23, 1999
 - (vii) The Civil Procedural Code of Georgia, November 14, 1997
44. Generally, the Georgian law is aligned with the ADB Safeguards Policy provisions but with some deviations. Mostly Georgian legislation/regulations are emphasized on definition of the formal property rights and compensation while the ADB’s policy is focused on compensation and livelihood restoration including additional requirements in comparison of the Georgian statutory documents. These are related to (i) the rehabilitation of all APs including those without legal/formal rights; (ii) provision of indemnities for business and income loss, and (iii) provision of supplementary allowances for covering the resettlement related expenses, or implementation of the additional rehabilitation measures for the severely affected or vulnerable APs/AHs. Another difference is that Georgian legislation does not require preparation of the LARPs. The main differences between Georgian law/regulations and ADB policy are outlined in the following table.

Table 8: Comparison of Georgian law/regulations and ADB SPS 2009 pertaining to LAR

Georgian Law and Regulations	ADB SPS 2009
Only the registered owners (of buildings/structures) shall be compensated for the damages/demolition caused by sub-project activities	Compensation shall be given against any loss aroused due to damages to the buildings/structures
Crop losses shall be compensated only to the registered landowners	Crop losses shall be compensated to the landowners and lessees/partners despite registration status of their title rights
No provision exists about compensation of the lost salaries and wages/profit due to business closure/suspension	Salaries and wages/profit shall be compensated in case of business closure/suspension
No provision exists regarding the grievance redress committee	Grievances/complaints shall be resolved informally through the Grievance Redress Committees, local self-governance units and non-governmental organizations with participation of the local community organizations
No provision requiring advance information about compensation entitlements	Information on entitlement for compensation of the damaged assets shall be provided to the affected person prior to assessment of losses and

	damages
No express provision exists on restoration of the income/livelihood of severely affected/vulnerable APs, or resettlement expenses	ADB policy requires rehabilitation of the income/livelihood, losses, and the AP's expenses incurred during resettlement process
Georgian laws does require preparation of the Land Acquisition and Resettlement Plan	Time bound LARP shall be prepared before disbursement of the compensations
Georgian laws do not contain any express requirement on public consultation	Public and direct AP consultation shall be integral to integral to the ADB SPS 2009.

45. To reconcile the differences between the Georgian law/regulations and ADB Policy, UWSCG has drafted the Resettlement Framework (RF) to be used as a tool for compensation of the assets at replacement cost.

Resettlement Principles Adopted for Sub-Project

46. The following involuntary resettlement principles have been developed for the Investment Program:

- (i) Land acquisition, and other involuntary resettlement impacts will be avoided or minimized via exploration of all reasonable alternative project designs;
- (ii) If unavoidable, a time-bound LARP will be prepared and APs will be assisted in improving or at least regaining their pre-project living standard;
- (iii) Consultations will be conducted with APs to provide them with information about compensation and resettlement issues, and ensure their participation in planning and implementation of the sub-project;
- (iv) Special assistance will be provided to the vulnerable and severely affected APs;
- (v) APs lacking the formal title deeds (informal dwellers or squatters) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for losses other than land;
- (vi) Legalizable APs will be dully registered and fully compensated for land losses;
- (vii) All APs will be provided with income restoration and rehabilitation;
- (viii) The LARP will be disclosed to the APs in the local language;
- (ix) Payment of the compensation, and rehabilitation measures will be completed before the contractor physically enters the land and prior to the commencement of any construction activities on a particular section; and
- (x) Appropriate Grievance Redress Mechanisms will be developed to resolve any APs grievances.

E. Payment Procedures

47. All APs have personal bank accounts. If the AP is absent, a special account (so called "Escrow Account" for keeping the money until signing the agreement) shall be opened. After the Compensation Agreement is signed by both parties (UWSCG and AP), the UWSCG will affect the wire transfer of due cash compensation to the AP's personal bank account.

Eligibility for Receiving Compensation within Sub-project Framework

1. Eligibility

48. The following APs shall be entitled to compensation or at least rehabilitation assistance under the sub-project:

- (i) All APs, who lose the owned land;
- (ii) Lessees;
- (iii) Crop owners.
- (iv) APs who informally occupy or utilize land will not be compensated for land but are eligible for lost assets and business and other allowances per the agreed LARF

49. The eligibility for receiving the compensation is limited to the date of completion of the APs survey. The affected persons, who occupy the land within the sub-project impact area after such date will not be entitled to compensation. However, they will be given an advance written notification with request to vacate the area prior to commencement of sub-project implementation.

2. Compensation

50. Entitlement provisions applicable to the APs include compensation for the permanent loss of land (where this occurs) at land replacement cost based on the current market value, and compensation for the loss of crops. In addition, the assistance in restoration/improvement of the livelihood has been designed. The rehabilitation measures envisage payment of supplementary cash compensation to the vulnerable households, and against the severe impacts caused by sub-project activities. The compensation entitlements and conditions are specified as follows:

- (i) **Compensation for crops (corn):** Cash compensation for 3-years' lost yield of the crops at replacement cost (with unit price of 0.84 GEL/sq.m). The cash compensation will be paid to the owners and users of affected land or to the lessees, who are entitled to take the harvest from the given land.
- (ii) **Trees:** Several fruit trees aged 3-4 years are subject to the project impact. The compensation rates of the trees were fixed based on the independent licensed expert's opinion and are given in the table below:

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

- (iii) **Fences:** The major type of fences in the project-affected area is barbed wire fixed to wooden pillars. The compensation rate of such fences with the replacement value is determined as **12 GEL per one square meter** based on the independent licensed expert's opinion.
- (iv) **Additional monetary compensation for severe impact:** additional monetary compensation corresponding to a 1-year harvest gained from the land under the Sub-project impact is **0.28 GEL per one square meter**.
- (v) **Vulnerable people livelihood:** Vulnerable people (APs below poverty line and women headed households) will be paid allowance in amount of the minimum subsistence income for 4 person family (as specified by National Statistics Office) for 3 months (i.e. 286.80 GEL x 3months = 860.40 GEL);

- (vi) **Additional rehabilitation measures:** LARP Implementing Agency will ensure provision of additional assistance to the APs, such as supply with the grass seeds that APs will plant on their land parcels after completion of construction activities that will facilitate the topsoil reinstatement on the land with a footprint of temporary works.
- (vii) **Tree cut:** The state owned trees cut during construction will be handed to the municipality, and further will be distributed to the population below poverty line.

51. Occupation of additional land and damages caused during construction: Extreme care shall be taken by construction contractor to avoid any damaging of the public and private property. Such type of damages may occur wherever the construction contractor needs an access road to site, or an area for establishment of the temporary camp or facilities for the plant and equipment. Where the damages to the public or private property occur as a result of construction activities, the affected families, groups and/or communities shall be compensated for the damaged crops and trees. The compensation shall retroactively cover all construction related losses (to public and private land, buildings/structures, infrastructure, crops and trees), including the income lost for the duration of the damage period. The damaged land, structure and infrastructure shall be reinstated to their former state at the construction company's expense. The methodology applied for determining the entitlements to and amounts of the cash compensation for losses will be the same as prescribed in this LARP.

52. During the development of the present Resettlement Plan, a possible case of temporal impact on the public infrastructure was identified – the limitation of the access road for some owners/users. Before the beginning of civil works, the construction company will provide access road for all the land parcels affected by the project

Compensation Entitlement Matrix

53. The tasks related to implementation of this LARP within the sub-project framework will be realized according to the compensation eligibility and entitlements framework in line with both Georgian law and regulations and ADB SPS 2009. The Compensation Entitlement Matrix is provided in the following table.

Table 9: Compensation Entitlement Matrix

Type of Loss	Applicability	Explanation	Compensation Entitlements
1. Loss of Land			
1.1. Loss of Land	APs losing the land regardless severity of the impact	APs will be registered at the NAPR (obtain Valid title) first. Then through Compensation 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	Damaged annual yield	All AHs despite the land deed status (owner/lessee), including informal users	Cash compensation for expected 3 years' harvest at full replacement cost applying the current market prices.

Type of Loss	Applicability	Explanation	Compensation Entitlements
2.2. Perennials	Trees	Trees on the state-owned land, which are to be cut	Contractor will handover the cut trees to the municipality, which will distribute them among the local population.
	Fruit trees	Privately owned fruit trees	Monetary compensation with the replacement value given by an independent evaluator based on market prices.
2.3. Temporary impacts occurred during construction period	Any type of property (crops, trees, buildings/structures, land, infrastructure used/owned by any person, entity.	Contractors should as much as possible avoid damaging of the public and private property. In case any damages occur to public or private property as a result of construction works, the affected party shall be entitled to receive compensation against all incurred losses (including trees and crops)	Damages to land, structure and infrastructure shall be restored to their original conditions at the cost of the contractor company. Compensation shall be paid for all losses caused due to construction (public and private land, structures, infrastructure, crops and trees) on retroactive basis, taking into account the income lost for the duration of the damage period. Damaged land, infrastructure and structures shall be restored to their original condition. Cash compensation will be paid for the lost crops. Trees will be compensated under the terms specified in Item 2.1 of this matrix. Methodology applied for determination of the entitlements and amounts of compensation for losses will be same as provided in this LARP.
3. Allowances			
3.1. Vulnerable households	According to vulnerability classification as specified in this LARP	APs below poverty line, single females	Subsistence minimum for 3 months (286.8 GEL x 3 months = 860.40 GEL)*
3.2. Severe impact		Owners of all severely affected land parcels (who losses more than 10 percent of owned agricultural land)	One-time additional compensation for one year harvest depending on affected land area (0.28 GEL per sq.m)

* According to the official statistics, the minimum monthly subsistence income for 4-members household as for 2016 May is 286.80 GEL.

Methodology for Compensation Rates Valuation

Harvest

54. Compensation for the loss of annual crops relevant to this sub-project has been defined as the price of 3-years yield of crops. Compensation for the lost yield will be paid to the crop owner. Based on the productivity data, and study of the market prices collected/carried out by the independent licensed valuator, the specific income from the yield of crops (corn) has been specified as 0.28 GEL/year-sq.m. Thus the crop compensation rate amounts to 0.84 GEL/sq.m (3 years x 0.28 GEL/year-sq.m).

Fruit trees

55. Several fruit trees aged 3-4 years are subject to the project impact. The compensation rates of the trees were fixed based on the independent expert's opinion and are given in the table below:

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

Fences

56. The major type of fences in the project-affected area is a barbed wire fixed to wooden pillars. The compensation rate of such fences with the replacement value is **12 GEL/sqm**. As per the independent licensed expert's opinion.

Vulnerable household allowance

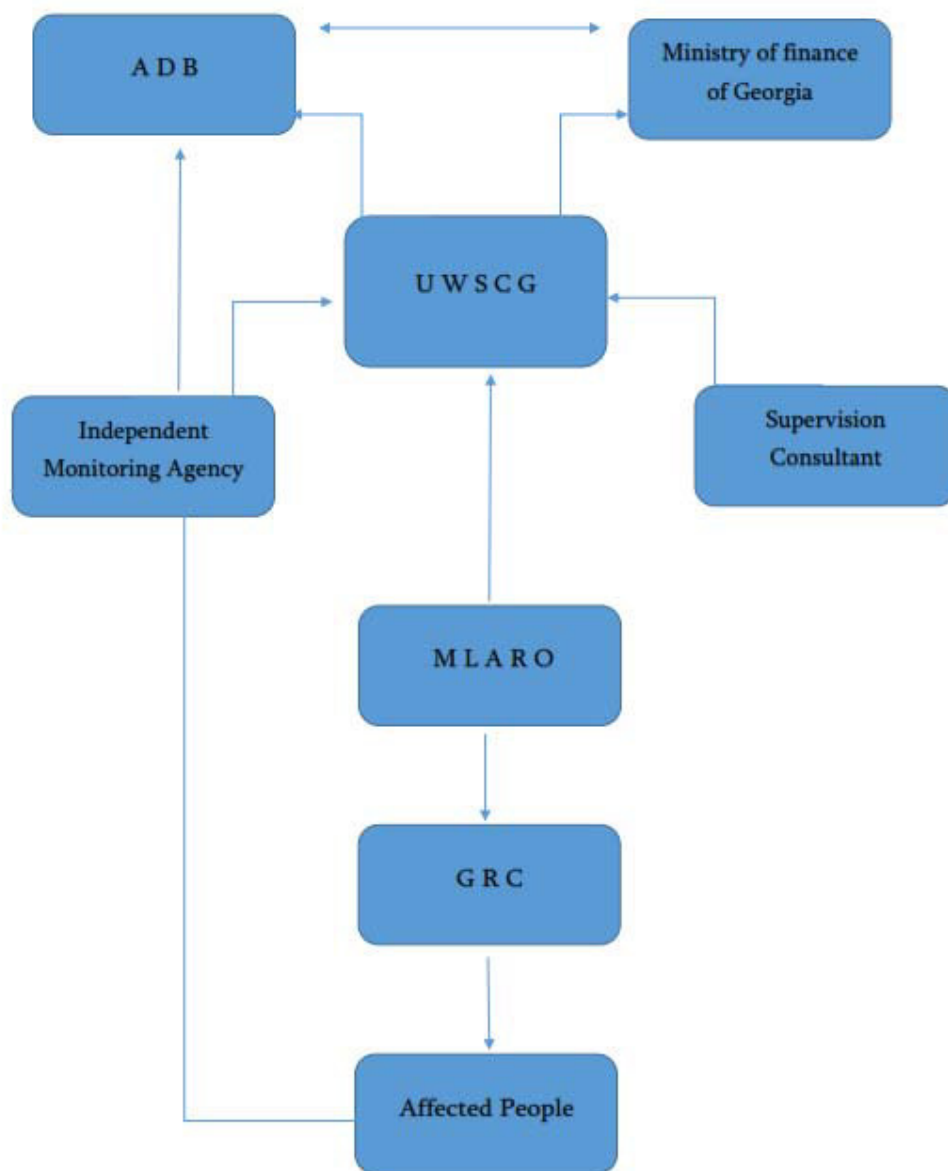
57. According to the National Statistics Office of Georgia, the minimum 3 months subsistence income of 4 members household in May 2016 amounted to 860.40 GEL (286.60 GEL/month x 3 months) that was determined as the vulnerable household allowance.

V. ORGANIZATIONON

58. The RF compensation/rehabilitation program involves distinct processes, dynamics and actors. These include the UWSCG, the IA, the Municipal Land Acquisition and Resettlement Office (MLARO), municipal governments, the Government of Georgia (GOG), ADB, NGOs and consultants. Their roles are as follows:

- a) **UWSCG.** The 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 consultants that will prepare the LARP at the detailed design stage
 - establishing the MLARO in the municipality
 - coordinating all LAR related activities
 - provision of all needed documentation to ensure the prompt allocation of LAR budget by the Government of Georgia and further payments of the due amounts to the APs
 - ensuring proper internal monitoring through the Supervision Consultant
 - if requested by ADB, hiring of the external independent monitoring agency
- b) **MLARO.** LARP preparation/execution and coordination of day-to-day LARP activities at the municipality level. UWSCG will be represented in the municipal LAR Office (MLARO) together with the following persons:
 - Representative of the Municipality
 - Representative of UWSCG responsible for LAR activities
 - Local Representative of UWSCG
 - Representative of local community (population)
- c) **Supervision Consultant.** Supervision agency, responsible for overall supervision of construction activities, which will check completion of all compensation/rehabilitation payments before construction contractor enters the site.
- d) **Ministry of Finance.** MoF will allocate the funds for the compensation and rehabilitation programs upon submission of the LARP and relative budget.
- e) **Independent Monitoring Agency (IMA).** Assuming the small scope of this LARP, the IMA will be hired only for the LARP implementation period and will prepare the LARP Compliance Report after completion of the land acquisition and resettlement process.

Fig. Organizational chart



VI. PUBLIC CONSULTATION, INFORMATION DISCLOSURE, HANDLING OF COMPLAINTS AND GRIEVANCES

Public Consultation

59. Special public consultations were held on November 2-4 of 2015. The meetings were attended by the Sub-project-affected persons, local population and attorney of the territorial body, as well as KOCKS/BT consultants

60. Public meetings were conducted at two stages. At the first stage, there was a socio-economic description of the project and affected persons were provided with the project-related information and with the details of planned activities. The Design Company and LARP consultant were attending the abovementioned meeting. The main interest of the residents were derived from the project itself and from the compensation activities thereof.

The second public meeting took place after the completion of draft of Resettlement Plan. It was held in the building of local City Council. The meeting was attended by the local governor of the municipality, by the representatives of Design Company, by LARP consultant and affected persons. The meeting was held in Q&A mode. The majority of the questions concerned the implementation of the project and compensation.

	Question	Answer
1	When will the project be finalized? When will the civil works commence?	The project design is developed, and civil works for boreholes will commence after the Resettlement Action Plan is endorsed and approved by the Asian Development Bank and by the Government of Georgia respectively.
2	When will I be informed about my compensation?	Once the Government of Georgia approves the Resettlement Action Plan, every affected household will be individually informed about the compensation amount.
3	Can I have this year's harvest?	The time allocated for borehole construction is distributed in such a manner so that every affected individual is able to have harvest, however, you will be provided with compensation for your affected harvest in any event, whether you were able to have harvest.
	General note: The attitude of affected persons towards the project was quite positive, since Zugdidi for quite a long period of time was not provided with full watersupply, and, under the project, the problems associated with watersupply will be resolved.	

61. All attendees were made aware about the sub-project features and ADB SPS 2009. At the meeting the impacts and compensation entitlements were reviewed and discussed.

Disclosure

62. The English version of this LARP will be posted on the ADB's website, and the Georgian version – on the website of UWSCG. The hard copy of this LARP will be available for public at the office of Zugdidi Municipality. Each AH will receive the information pamphlet in Georgian summarizing their rights, compensation rates and the LARP implementation schedule. Disclosure will take place prior to commencement of implementation of the LARP.

Redress of Grievances and Complaints

63. The grievance resolution mechanism will be established allowing each AP to appeal any unacceptable decision, practice or activity arising during LARP implementation process. The APs will be fully informed about their rights, established procedures and consultation opportunities relevant to addressing the complaints whether verbally or in writing, as well as on the timing of compensation payments. All appropriate measures shall be taken to prevent grievances rather than going through the redress process. This can be achieved through careful design and implementation of the LARP, ensuring active engagement of the APs by encouraging their full-fledged involvement and providing the appropriate consultation, as well as efficient communication and coordination among the APs, UWSCG and local NGO's.
64. For mitigating the disputes during LARP implementation period, the Grievance Redress Committee will be established at the local government level consisting of:
1. Chair – representative of the municipality
 2. Member – local representative of UWSCG
 3. Member – local community representative
 4. Member – sub-project affected person
 5. Member – local NGO representative.
65. Resolution of the complaints and grievances will follow the following priority order:
1. Resolution of the complaint will be attempted at the village level with the involvement of community leaders and informal mediators.
 2. If still unsettled, a grievance shall then be lodged with the GRC. The AP will be invited by the GRC to hear the case no later than two weeks after the complaints have been filed. Two days after the hearing, the GRC will inform the AP about decision of the committee.
 3. In the event the GRC fails to settle the disputed issue, the case shall be lodged to the 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 after registering the complaint. The UWSCG's decision must be in compliance with provisions of this LARP and RF.
 4. If response to the grievance is still unacceptable to the claimant, he/she is entitled to submit the complaint to the appropriate court. The APs might be assisted by the local NGO.

VII.COSTS

66. All affected persons will receive monetary compensation for their annual harvest. The amount of the compensation corresponds to the amount of the harvest expected to gain in 3 years calculated according to current market rate. The compensation rate for the harvest was fixed at 0.84 GEL/sqm.

Table 10: Compensation of the harvest

Type of crop	Land area under crops (sq.m.)	Compensation rate for 3 years per sqm.	Compensation amount (GEL)
Corn	13 146	0.84	11042,64

67. The compensation for the (3-4 years old) fruit trees was fixed for different tree varieties. The total expenses of the fruit trees are given in the table below.

Table 11. Fruit tree compensation

	Number of trees	Unit Rate	Total
Pear	3	11	33
Fig	1	19	19
Pomegranate	1	23	23
Nut	300	21	6300
Loquat	1	19	19
Total			6394

68. The major type of fences in the project-affected area is a barbed wire fixed to wooden poles. The compensation rate of such fences with the replacement value is 12 GEL/sqm. The compensation rates are calculated in the table below.

Table 12. Fence compensation

Length (m)	Average height (m)	Compensation rate (GEL/sq.m.)	Amount of compensation (GEL)
387	1,23	12	5803,2

69. Three vulnerable families will be subject to the Sub-project impact. As per the frame Resettlement Plan policy and present Resettlement Plan, each vulnerable family will receive additional monetary compensation in the amount equalling to the three months' living subsistence. The rate of assistance of vulnerability was fixed at 860, 40 per vulnerable family.

Table 13. Assistance to the vulnerable families

Number of vulnerable families	Unit rate of allowance (GEL)	Amount of allowance (GEL)
3	860,40	2581,2

70. Three (3) families fall under severe sub-project related impact due to losing their land. According to the Resettlement Plan policy adopted for this Sub-project, these families will receive additional compensation for one-year harvest as a rehabilitation measure. The rate of allowance to compensate the severe impact was fixed at 0.28 GEL/sqm per family under severe impact.

Table 14: Additional assistance for severe impact

Severely affected families	Type of crop	Land area with damaged harvest (sq.m.)	Rate of assistance (GEL)	Amount of assistance (GEL)
3	Corn	3148	0.28	5082,28

g. The total budget of the Land Acquisition and Resettlement Plan is given in the tables below.

Table 15: Summary table of AH with different categories of compensation applied and totals

AH		Trees	Fence	Yield	Vulnerability Allowance	Assistance for Severe Impact	Total Compensation Budget (GEL)
AH First Name	AH Last Name	Total (GEL)	Total (GEL)	Total (GEL)	Total (GEL)	Total (GEL)	
Giorgi	Miminoshvili	3244	2152.80	2292.36	860.40	764.12	9313.68
Konstantine	Kobalia	0	842.40	0	0	0	842.40
Jimsheri	Kakashvili	0	1368.00	956.76	0	0	2324.76
Irma	Bjinava	0	1440.00	6081.60	860.40	2801.12	11183.12
Zurab	Guguchia	3150	0	1711.92	860.4	1517.04	7239.36
		6394.00	5803.20	11042.64	2581.2	5082.28	30903.32

Table 16: Aggregated costs of realization of the Land Acquisition and Resettlement Plan

Description	Total (GEL)
Trees	6394,00
Fence	5803,20
Yield	11042,64
Vulnerability Allowance	2581,2
Assistance for Severe Impact	5082,28
Total Compensation Budget (GEL)	30903,32
Unforeseen expenses (10 %)	30903,32
Income Tax (20%)	38629,15
Total LARP budget	41719,48

VIII. MONITORING

Internal Monitoring

71. The monitoring of the realization of the Land Acquisition and Resettlement Plan will be provided by the United Water Supply Company of Georgia.

Independent Monitoring

72. IMA independent consultant was hired by the United Water Supply Company of Georgia for two weeks, in particular in the course of realization of the Land Acquisition and Resettlement Plan and after its completion.

73. The independent consultant will examine the degree of compliance of the realization of the Land Acquisition and Resettlement Plan with ADB SPS 2009. The independent consultant will review the documents of realization and internal monitoring and will interview all affected households and negotiate with the Grievance Redress Committee. By the end of the activity, the independent consultant will draft the compliance report for the realization of the Land Acquisition and Resettlement Plan, which covers the following issues:

- (i) Assessment based on the review of the amount of compensation and interviews with the affected persons and families to attest the payment of the compensations envisaged by the Resettlement Plan;
- (ii) Getting acquainted with all grievances and considering the strategy to redress them;
- (iii) Assessment of the degree of satisfaction of the affected persons by interviewing 100% of the affected persons;
- (iv) Recommendation about the decision to start/not to start the construction works.

74. The compliance report must be submitted to the Asian Development Bank within two weeks after the independent consultant starts the task and after the procedures to realize the Resettlement Plan are completed.

IX. ANNEXES

Annex 1. Information Pamphlet

Information pamphlet about the Land Acquisition and Granting Monetary Compensation

Zugdidi Water Supply and Wastewater Systems Construction and Operation Project

Project Number:

Dear Reader,

This Leaflet was developed for you to share the information about the Project for Construction and Operation of Zugdidi Water Supply and Wastewater Systems. This public document describes the location of the sub-project and scope of the scheduled works. Also, it describes the compensation policy and procedures for implementation of the Land Acquisition and Resettlement Plan (LARP) prepared by the United Water Supply Company of Georgia.

A. Introduction

1. The Government of Georgia is undertaking major works to improve the national infrastructure. Among other infrastructure development activities, the Project for Construction and Operation of Zugdidi Water Supply and Wastewater Systems is also put on agenda. The existing water supply and sanitation system lacks sufficient capacity to meet the existing demands, and urgently requires rehabilitation and expansion.

2. The proposed rehabilitation and expansion of Zugdidi water supply and sanitation systems designed for meeting 2040 demand, will also facilitate the regional economical development.

B. Planning/implementing of the Compensation and Rehabilitation Program

3. In order to plan and implement the compensation and rehabilitation program for this sub-project in a way compatible with the ADB policy, the United Water Supply Company of Georgia (UWSCG) has prepared the present Land Acquisition and Resettlement Plan (LARP). The LARP (Georgian version) has been made available for public review in the Municipality, Assembly and UWSCG's local office.

The Document extensively details the scope and types of the sub-project impacts, the compensation eligibility and entitlements, compensation rates fixed for the different affected items and the procedures for implementation of the land acquisition and resettlement activities as summarized in the following sections.

C. Resettlement Policy and Principles

4. The land will be acquired in accordance with the laws of Georgia and the ADB Safeguards Policy Update (2009). All affected persons (APs) will be compensated for the lost and/or damaged assets at replacement costs and receive adequate allowances depending on the severity of impacts and vulnerability status. The detail design consultant has explored all alternatives to minimize the impacts over any built-up and protected areas. Land acquisition for the project is based on the following principles:

- 1) resettlement impacts will be avoided or minimized through exploration of all viable alternative project designs;
- 2) A time-bound action plan has been prepared and will be implemented to improve or at least regain the pre-project standard of living of the APs;
- 3) The APs will be consulted and their opinions will be considered in the project design and implementation;
- 4) Loss of the land and assets will be compensated at full replacement cost following current market prices at the time of dispossession;
- 5) All APs will be fully compensated for the lost land parcels;
- 6) All damages to the assets will be compensated in full;
- 7) Vulnerable and severely affected APs will be provided with a special assistance in the form of additional cash compensation;
- 8) resettlement policy and procedures will be disclosed to the APs in Georgian language;
- 9) Compensation will be provided applying the rates specified in this LARP;
- 10) Compensation Agreements will be executed between the APs and the UWSCG.
- 11) All required costs fees will be fully paid by the UWSCG;
- 12) Payments for compensation and rehabilitation measures will be fully provided prior to commencement of construction works; and
- 13) Appropriate mechanisms will be established for grievances and complaints.

D. Compensation Eligibility and Entitlements

5. Land acquisition and resettlement tasks relevant to this sub-project will be implemented under the terms and conditions specified below:

6. All affected persons (APs) are entitled to receive the cash compensation and/or rehabilitation aid under this sub-project including: (a) all persons whose land is to be acquired for sub-project needs, (b) lessees whether registered or not; (c) owners of the crops; and (d) all other persons losing an income. Determination of the compensation eligibility is limited to 4 November 2015 that constitutes a deadline for identifying the sub-project affected persons and the assets eligible for compensation. The following table provides Compensation Entitlement Matrix for Zugdidi Sub-Project.

Table 11: Compensation Entitlement Matrix

Type of Loss	Applicability	Explanation	Compensation Entitlements
1. Loss of Land			
1.1. Loss of Land	APs losing the land regardless severity of the	APs will be registered at the NAPR (obtain Valid title) first. Then through Sale and Purchase	Cash compensation for acquired land at full replacement cost. Market value is determined under the

Type of Loss	Applicability	Explanation	Compensation Entitlements
	impact	Agreements will be provided with cash compensation at full replacement cost.	Valuation Report prepared by independent licensed valuator.
2. Loss of Income and Livelihood			
2.1. Annual crops	Damaged annual yield	All AHs despite the land deed status (owner/lessee)	Cash compensation for expected 3 years' harvest at full replacement cost applying the current market prices.
2.2. Perennials	Trees	Trees on the state-owned land, which are to be cut	Contractor will handover the cut trees to the municipality, which will distribute them among the local population.
	Fruit trees	Privately owned fruit trees	Monetary compensation with the replacement value given by an independent evaluator based on the market prices.
2.3. Temporary impact during construction phase	Persons having invested		The size of monetary compensation with the volume fixed by an independent evaluator.
2.3. Temporary impacts occurred during construction period	Any type of property (crops, trees, buildings/structures, land, infrastructure used/owned by any person, entity).	Contractors should as much as possible avoid damaging of the public and private property. In case any damages occur to public or private property as a result of construction works, the affected party shall be entitled to receive compensation against incurred losses (trees, harvest)	Damages to land, structure and infrastructure shall be restored to their original conditions at the cost of the contractor company. Compensation shall be paid for all losses caused due to construction (public and private land, structures, infrastructure, crops and trees) on retroactive basis, taking into account the income lost for the duration of the damage period. Damaged land, infrastructure and structures shall be restored to their original condition. Cash compensation will be paid for the lost crops. Trees will be compensated under the terms specified in Item 2.1 of this matrix. Methodology applied for determination of the entitlements and amounts of compensation for losses will be same as provided in this LARP.
3. Allowances			
3.1. Vulnerable households	According to vulnerability classification as	APs below poverty line, single females	Subsistence minimum for 3 months (286.80 GEL x 3

Type of Loss	Applicability	Explanation	Compensation Entitlements
	specified in this LARP		months = 860.40 GEL)*
3.2. Severe impact	Loss of more than 10 percent of total land providing the economic revenues.	Owners of all severely affected land parcels (who losses more than 10 percent of owned agricultural land)	One-time additional compensation for one year harvest depending on affected land area (0.28 GEL per sq.m)

E. Compensation Rates

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

Table 2: Cash Compensation Rates

Description	Terms	Unit	Unit price (GEL)
Harvest	Value of the harvest expected to gain from the Sub-project-affected land area in 3 years (0.28 GEL X 3 years = 0.84 GEL)	sq.m	0.84
Severe impact	Compensation of additional harvest for the people losing over 10% of the land giving the income in the amount corresponding to 1-year harvest to be gained from the affected land.	sq.m	0.28
Vulnerability	Based on the census data, the female-headed families will receive the amount equalling to the three months' living subsistence.	Household	860.40

F. Redress of Grievances and Complaints

8. The grievance resolution mechanism will be established allowing any AP to appeal any unacceptable decision, practice or activity arising during LARP implementation process. The Grievance Redress Committee (GRC) will be established at the local public level, which will be designated to resolve the complaints and grievances with participation of the community. The GRC will include:

1. Municipality representative - Chair
2. Member – local representative of UWSCG
3. Member – local community representative
4. Member – sub-project affected person
5. Member – local NGO representative.

Table 3: Grievance redress process

1.	Resolution of the complaint will be attempted at the village level with the involvement of community leaders and informal mediators.
2.	If still unsettled, a grievance shall then be lodged with the GRC. The AP will be invited by the GRC to hear the case no later than two weeks after the complaints have been filed. Two days after the hearing, the GRC will inform the AP about decision of the committee.
3.	In the event the GRC fails to settle the disputed issue, the case shall be lodged to the 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 after registering the complaint. The UWSCG's decision must be in compliance with provisions of this LARP and RF...
4.	If response to the grievance is still unacceptable to the claimant, he/she is entitled to submit the complaint to the appropriate court. The APs might be assisted by the local NGO.

F. Contact Information

10. For any additional information and advice, please approach the following persons:

United Water Supply Company of Georgia

Address: 76-b Vazha-Pshavela Ave., Tbilisi, Georgia

Telephone: +(995 32) 291 90 60

Tinatin Lebanidze, Head of Strategic Planning and Donor Relations Department

Telephone: +995 577 38 22 98

Maka Goderdzishvili, Head of Resettlement and Environmental Unit

Mobile Phone: +995 599 22 99 25

Complaints and Grievance Submission Form

Zugdidi Water Supply and Wastewater Systems Construction and Operation Project	
First Name, Last Name	
Contact Information Please indicate the preferable communication means (Mobile, Telephone, Mail, E-mail)	<input type="checkbox"/> Mail: Please, indicate the postal address: _____ _____ _____ <input type="checkbox"/> Telephone/Mobile: _____ <input type="checkbox"/> E-mail: _____
Preferable communication language	<input type="checkbox"/> Georgian <input type="checkbox"/> Russian
Describe the grievance/claim: What is the complaint about? What is the claim?	
Date of Negotiation:	Decision:
What is the basis of your claim?	
Signature: _____ Date: _____	

Annex 2. Compensation Agreement

Compensation Agreement No.

Zugdidi _____ 2016

This Agreement is made by and between _____, represented by _____ (acting according to Order No. _____) on the one hand (hereinafter referred to as the "Compensation Issuer"), and the physical person _____ (Personal ID No. _____) on the other hand (hereinafter referred to as the "Compensation Receiver")

The Parties agree as follows:

Clause 1. Subject of Compensation

1.1 According to this Agreement "Compensation Receiver" has received compensation of rehabilitation costs, hereinafter referred to as the - „Subject of Compensation”, envisioned by Resettlement action plan from „Compensation Issuer”.

Clause 2. Compensation Price and Payment Terms

2.1 „Compensation Receiver” has received _____ (amount of money) GEL from „Compensation Issuer”, as a compensation.

2.1.1 Compensation of Corn for lost revenues: _____ (amount of money) GEL.

2.1.2 Compensation of perennial crops (for trees) for lost revenues: _____ (amount of money) GEL.

2.1.4 Replacement Cost of Fence: _____ (amount of money) GEL.

2.2 Price of „Subject of compensation” is adjusted and approved with LARP by ADB and it's issuing is allowed on the basis of N _____ decree of Government of Georgia.

2.3 Payment procedures between parties is conducted with cashless payment form, according to the banking details of, "Compensation receiver", which is specified in this agreement. The payment will be made within 15 (fifteen) working days after conclusion of the agreement.

2.4 All necessary payments will be paid by the company, unless it will be stated otherwise.

Clause 3 Other Provisions

- 3.1 This Agreement shall be effective from the date of its execution, and shall remain valid until full discharge of the obligations undertaken by the Parties.
- 3.2 In accordance to this Agreement, neither Party shall be entitled to conduct any legal transaction creating any rights of the third parties without obtaining the written approval of the other Party (authorization by the official representative of the other Party).
- 3.3 Any modifications and/or addendums to this Agreement shall be valid only if have a legal effect and is made in writing.
- 3.4 Breach of any obligation prescribed herein shall create the legal liability pursuant to the Georgian laws.
- 3.5 The Parties agree that they will endeavour to settle any dispute arising out of or in connection with this Agreement by amicable negotiation. If the amicable settlement is unfeasible, the dispute shall be submitted to the court according to the Georgian laws.
- 3.6 This Agreement is drawn up in 2 (two) copies, having equal legal force.

Clause 4 Requisites and Signatures of the Parties

Compensation receiver: _____, GSC "Bank", _____ N220101459,
receiver's bank account N _____

Signature _____

Compensation issuer: LTD "United Water Supply Company of Georgia"

Adress: Vazha Pshavela ave. N76B, Tbilisi, Georgia, ID code N412670097

Banking details: GSC "Liberty Bank", headquarter, SWIFT: LBRTGE22,

Bank account number: GE 77 LB 0113 1233 2523 0012

Signature _____

Annex 3 Demarcation Certificate

Demarcation Certificate No. _____

Date: _____ 2015

for the Land Parcel falling under the impact of Zugdidi Water Supply and Wastewater Systems Construction and Operation Project

Location: Zugdidi Municipality

Hereby, we _____
drafted this Certificate to confirm that:

1 Demarcation and survey works in connection with Zugdidi Water Supply and Wastewater Systems Construction and Operation Project were completed on the land parcel located at _____ and being in ownership/use of

(First name, last name, ID Card data)

2 The location and boundaries of the foregoing parcel are specified and confirmed by:

Land Parcel Owner: _____

Owners of adjoined (neighbouring) land parcels: _____

Representative of Municipality: _____

3 We do confirm validity of demarcation and survey works conducted on the land parcel specified above:

Land Parcel Owner: _____

Representative of Municipality: _____

Surveyor / Representative of BT Ltd.: _____

Annex 4. Project Map

