

Social Monitoring Report

Final Compliance Report
May 2015

GEO: Urban Services Improvement Investment Program – Tranche 5

Prepared by the United Water Supply Company of Georgia (UWSCG) for the Asian Development Bank.

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Final Compliance Report

On
Land Acquisition and Resettlement Plan for
Urban Services Improvement Investment
Program
Mestia 01 Water Supply Headwork's Project

LARP

Prepared for United Water Supply Company of Georgia (UWSCG)
Government of Georgia

23 April 2015

April 23, 2015

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*April 23, 2015***Abbreviations**

ADB	Asian Development Bank
AP	Project Affected Person
AH	Project Affected Household
CSC	Construction Supervision Consultant
DMS	Detailed Measurement Survey
EMC	External Monitoring Consultant
GEL	Georgian Lari
GoG	Government of Georgia
GRC	Grievance Redress Committee
IA	Implementing Agency
Km	Kilometer
LAR	Land Acquisition and Resettlement
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
LFCR	LARP Final Compliance Report
M&E	Monitoring and Evaluation
MFF	Multitranches Financing Facility
MOF	Ministry of Finance of Georgia
MRDI	Ministry of Regional Development and Infrastructure
NAPR	National Agency of Public Registry
AP	Affected Persons
PPTA	Project Preparation Technical Assistance
UWSCG	United Water Supply Company of Georgia
R&R	Resettlement and Rehabilitation
RoW	Right of Way
RU	Resettlement Unit
SES	Socio-Economic Survey
SPS	Safeguard Policy Statement
IA	Implementing Agency
WSS	Water Sanitation Services

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1. PURPOSE OF THE EXTERNAL MONITORING

The “United Water Supply Company of Georgia” LLC hired Ms. Sophie Berishvili, individual expert as the External Monitoring Consultant (EMC) to conduct monitoring and evaluation of the land acquisition and resettlement plan (LARP).

The purpose of the consultant is to evaluate results and impacts of the Resettlement implementation and prepare Final Compliance Report (FCR) for submission to ADB approval.

Approval of the final LARP document by ADB is a condition for approval of the award of relevant civil work contracts.

The external monitoring for the Project was based on (i) in accordance of the procedures and guidelines of ADB Safeguards Policies Statement (SPS 2009); (ii) relevant laws, policies and regulations of Georgia; (iii) and LARP of the Project;

The Final Compliance Report is presented to the “United Water Supply Company of Georgia” LLC the Ministry of Regional Development and Infrastructure of Georgia and submitted to ADB for review and approval.

The report hereby is the Final Compliance Report for Mestia Water Supply Headwork's Project. Based on the requirements of ADB guidelines. EMC studied and surveyed land acquisition process in accordance of the LARP as of December 26, 2013 by ADB and by Georgian Government as of February 7, 2014.

EMC first visited Mestia on June 20, 2014 second time EMC visited Mestia on January 13, 2015 after amendment to the Mestia-01 LARP document were completed and the implementation of the LARP was accomplished. During the monitoring EMC revealed that resettlement/compensation activities were conducted in accordance of the approved LARP.

The process of completion of the LARP implementation and external Monitoring of the Process is described in this Report.

The external monitoring for the Mestia Water Supply Headwork Project was in accordance of the procedures and guidelines of ADB Safeguards Policies Statement (SPS 2009); (ii) relevant national legislation; (iii) LARF and LARP of the project.

The report hereby provides final compliance issues which were revealed during the monitoring process conducted in July 2014 and January 2015 and provides end results of the land acquisition and delivery of the compensations.

The Final Compliance Report (FCR) is submitted to the United Water Supply Company of Georgia as the beneficiary of the project.

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2. INTRODUCTION

Government of Georgia (GoG) has received a loan (USD \$500 million) from the Asian Development Bank (ADB) through a Multi tranche Financial Facility (MFF) for the implementation of the Urban Services Improvement Investment Program. One of the components of the program incorporates improvement of the Mestia Water Supply Headwork's Project.

The Investment Program was developed as the Government's response to the lack of adequate and/or safe water supply, sewerage and sanitation in urban areas of Georgia. This is intended to optimize social and economic development in selected urban areas through improved urban water and sanitation (WSS) services.

The LARP was prepared by UWSCG. It was based on detailed design and the requirements of the ADB Safeguards Policies Statement (SPS 2009) and its objective was to plan and implement LARP in Mestia (Svaneti Region), considering general principles that AP's livelihood should be better or at least remain at the present level after completion of the Project.

The Final Compliance Report (FCR) provides detailed description of monitoring process and comparison analyses of the results of land acquisition and delivery of compensations with the entitlements stipulated under the Land Acquisition and Resettlement Plan (LARP) prepared by the UWSCG and approved by the GoG and ADB. The purpose of this Report is to provide assessment of the LARP implementation findings and recommendations to ADB concerning the provision of no objection to start the relevant civil works.

Consequent to the implementation of the LARP Ms. Sophie Berishvili individual expert was hired by Eptisa Engineering Services as an External Monitoring Consultant (EMC) to conduct monitoring and evaluation of the land acquisition and resettlement plan results and impacts and prepare Final Compliance Report FCR.

In order to undertake this task, the EMC studied the LARP accepted and amended and approved by ADB on December 26, the Government of Georgia on February 7, 2014 and amendment approved on October 2, 2014. Consultant collected all necessary information, reviewed the documents of each and every agreement entered within the framework of the given project. In addition, the Consultant on June 20-21, 2014 and on January 16, 2015 conducted a site visit and met with the Project Affected Persons (APs) and their family members. Consultant used a questionnaire to determine the APs expectation and views regarding the LARP implementation.

This report outlines the following:

- Assessment of the way compensation was carried out in relation of the stipulations of the LARP;
- Verification that all APs were compensated in the amounts stipulated in the LARP;
- Assessment of the accuracy of survey and asset valuation;
- Assessment of the effectiveness and thoroughness of the Legalization process;

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- Review of complaint and grievance cases and of their solution;
- Assessment of the rehabilitation program for severely affected and vulnerable Aps;
- Assessment of the satisfaction of the Aps;
- Lessons learned to be applied to the next projects, and
- General assessment of LARP implementation and recommendations to ADB regarding the provision of No Objection Letter to start the civil works.

3. PROJECT DESCRIPTION

Sub-project Description

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.

Back in 2011 the project was planned in other location. Afterwards the project was changed and moved to the location described in this document.

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.

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 head works
- Construction of a new intake at Mestia chala 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.

The proposed sub-project entails the construction of a new water reservoir and a new section of Ductal 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 was developed for 900-meter access road construction in Lanchvali (MES-01) and later the amendment was made into the LARP (MES-01). However, during the implementation of the LARP it was decided to remove sewage pump station land plot and leave it for the future rehabilitation activities. All 32 AP's were compensated timely.

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Construction of the new reservoir and last section of the Transmission Pipeline required the allocation of the new access road. Total length of 900 meters. The area affected by the project is located in Lanchvali and entailed impact on 27 land plots. One land plot of Gela Niguriani was located in Zargashi area and United Water Supply Company of Georgia was using this part of the land plot as an access road. Zargashi water reservoir was constructed in 2011 and was subject of the LARP in 2011. According to the LARP of 2011 the AP Gela Niguriani (42.06.13.723) was compensated in an amount of the 1895.04 lari for the usage of the road through his land plot. The contract between the UWSCG and the owner expired in 2013 and Gela Niguraini required new contract and compensation for usage of the road which was passing on his land plot. Initially UWSCG offered Gela Niguriani to be compensated for the entire land plot however Mr. Nigurani refused selling the entire land plot and by the letter dated June 2, 2014 he confirmed to retain the remaining parts of the land plot within his position.

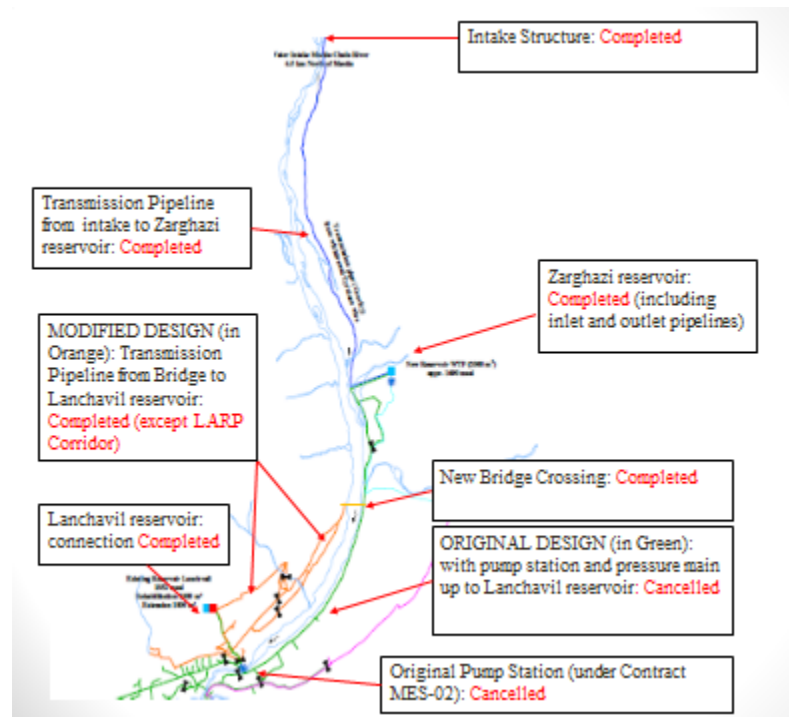
In 2014 "United Water Supply and Company of Georgia" hired an independent auditor to evaluate land parcel of Mr. Niguriani. According to the evaluation report, the land acquisition cost equaled to 2.718 sq.m and the cost for this land parcel were thirteen (13) Lari per square meter. There were no plants or perennials on this land plot. It is required to purchase 572 sq.m of land for the project purposes.

In summary, the cost for the land plot of Gela Niguriani (ID 30001006790) was 7436 GEL. The compensation amount equaled to $572 \times 13 = 7.436$ Gel. During the visit to Mestia by Compliance Consultant In January 2015 Mr. Niguriani contract and compensation was conducted in accordance of the requirements of the amended LARP.

The total affected land plots were 33. All these 33 land plots (hay and potato fields) were under possession of Mestia residents. No structures, except wooden fences were located on the project area. The affected people had potato fields under private possession. All of the affected land plots were land growing hay and some potato. Often natural fence of perennials created the land parcel boundaries and divided the adjacent land plots.

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.

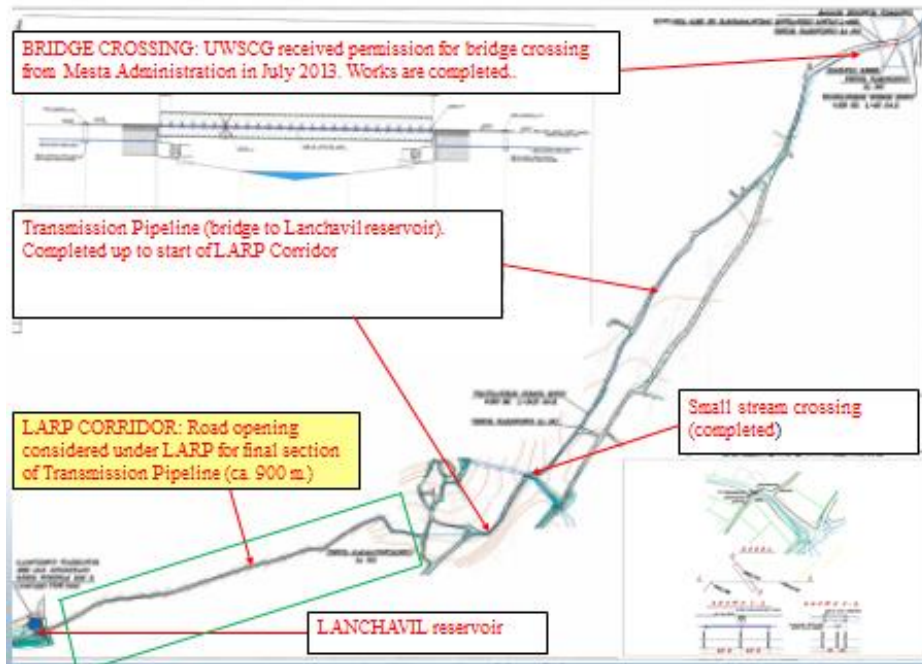
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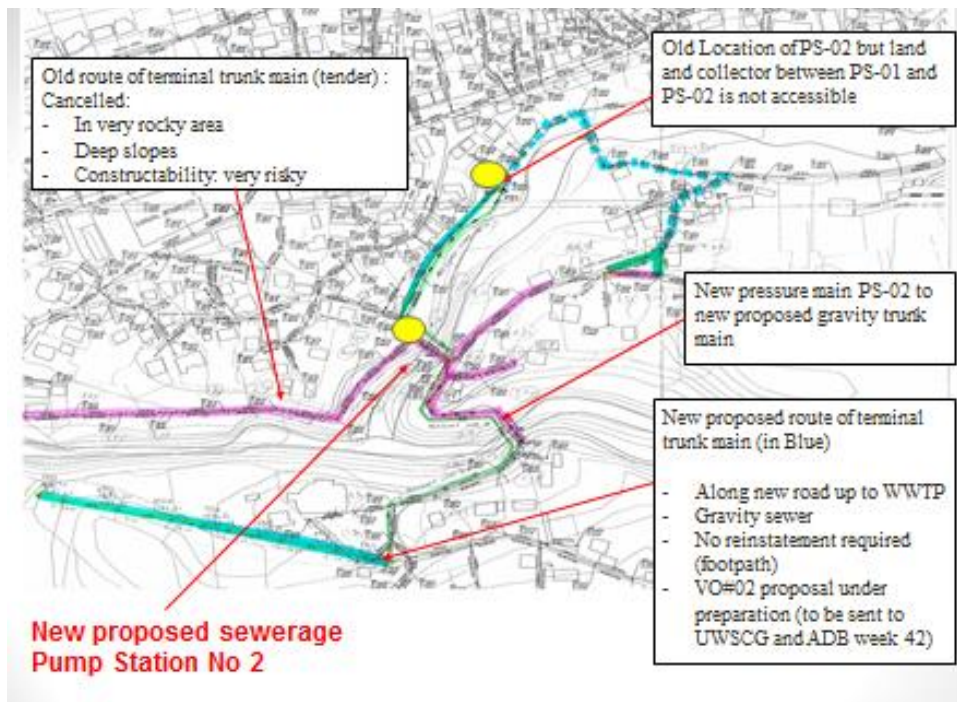
Layout of transmission system from intake to Zarghazi and from Zarghazi to Lanchavil reservoir

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 head works 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).

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 crossed several AP land plots).



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



Layout of original & modified alignment of sewer trunk main

In the land, Acquisition and Resettlement Plan The sub-project affected area covered 32 land parcels spread over two territories therefore creating two sections:

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- a. **The first section (Section 1)** located in Lanchvali impacts 32 land plots;
- b. **The second section (Section 2)** located in Zargashi impacted 1 land plot.

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 4050 square meters mostly of hay and potato fields requires permanent disturbance to 32 land parcels on section 1 Lanchvali territory.

Disturbance will spread over the 4767sq.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.

The Section 2 caused less impact of sub-project affected land parcels. A road to Zargashi reservoir that permanently occupy total of 572 sq.m and impacted only 1 private land parcel.

Therefore section 1 and section 2 covers 33 land parcels (32 section 1 and 1AP on section 2).

The table below reflects compensations paid to AP's

Section 1, 32 AP's	82 420 GEL
Section 2, 1 AP	7 436 GEL
Total: 33 AP's n both sections	89 856 GEL

Status of the Project

The final LARP was approved by ADB on December 26, 2013 and February 7, 2014 by GoG. As approved total cash compensation for the land, assets and income loss and additional rehabilitation measures stipulated under the LARP. The total sum for LARP implementation covered 89,856 GEL

The first section of the LARP was completed in May 2014. The two owners Chuta Japaridze and Jeiran Paliani payments were completed in July 2014. The delay was due to the title search issues with respect to their properties. There are 32 land plots in Lanchvali territory. In addition to that 1 (one) land plot in Zargashi was added. The land plot is under the ownership of Gela Niguriani. Therefore the completion of the second part of the resettlement plan was done in October, 2014. This resulted in drafting of the Compliance Monitoring Report in January 2015.

4. REQUEST FOR COMPLIANCE REPORT

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Under the ADB guidelines the individual consultant was hired to conduct monitoring and evaluation of the resettlement process and impacts of these processes.

The EMC was requested closely monitor the implementation of the LARP and include the following tasks in the Final Compliance Report:

- Review of LARP and Information pamphlet disclosure;
- Review of action taken by the IA to compensate the APs with particular attention to the way this action fits the stipulation of the LARP;
- Review all compensation packages;
- Verify whether the compensation is provided thoroughly to all APs and in the amounts defined in the LARP and in the AP contracts;
- Assess the satisfaction of the APs with the information campaign and with the compensation/rehabilitation package offered to them;
- Review the legalization process and assess its effectiveness;
- Review complaints & grievances case;
- Identify lessons Learned issues;
- Carry out an AP satisfaction survey with a 50% sample of the APs.

5. CONDUCT OF MONITORING AND PREPARATION OF THE COMPLIANCE REPORT

The EMC was expected to undertake monitoring and evaluation of the resettlement process and impact of the LARP and present it in the Final Compliance Report.

The EMC during the monitoring process revealed that the land acquisition and resettlement was fully accomplished in accordance of the ADB guidelines and compensations were paid fairly to all land owners.

6. Monitoring Methodology

The EMC, while conducting the assigned task, studied the LARP, carefully reviewed the activities implemented by IA during LARP implementation process and the level of compliance with the stipulations under the ADB Handbook on Resettlement (Manila 1998) and ADB SPS (2009).

The EMC studied the process of ownership title registration of land plots being under possession of private persons. The EMC assessed the institutional arrangements and level of efforts of local governance to encouraging participatory involvement of APs/AHs in LARP implementation, in particular consultation meetings with local populations and Public Disclosure.

Aiming to determine the satisfaction level of APs with regard to the LARP results, The EMC out of 33 AP's interviewed 28 persons which is almost 90%.

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The EMC examined the accuracy of lost assets inventory and the level of fairness of calculation of compensation package; reviewed the activities conducted by the resettlement Implementing Agency in the process of issuance of compensations to the APs with reference to adherence to the terms and conditions determined under the LARP.

There has been no written complaint submitted so far. Therefore, there was no necessity to address grievance redress mechanism during project implementation.

EMC conducted a field survey within the project. After the review of documentary materials related to the land acquisition and resettlement plan implementation procedures. The EMC met with the local population and interviewed them during the field trip on June 20, 21 –2014 and January 13, 2015.

7. EMC FINDINGS AND ASSESSMENTS

Based on the ADB Safeguards Policy Statement (2009) this Project was classified as Category B. The Project acquired 33 land parcels. Project impacts are as follows: loss of land, fences and other assets.

The project impacts were determined and identified based on the cases of loss of land, assets (crops,) resulted from the construction of the road to the Water Reservoir. Compensation and rehabilitation measures have been reviewed and assessed based on these impacts.

As per approved LARP the final scope of the project entailed impact on 33 (32 AP's on Lanchvali section 1 territory and 1 AP on Zargashi section 2 territory) land plots with total size of 5339 sq.m.

Before development of the LARP document and implementation of the document UWSCG checked the ownership of the land plots. Land plots were under the ownership of the AP's.

No structures or any supplementary structures are under the project.

The severely affected families (AFs) losing more than 10% of their total productive assets were reported fifteen 15 during the census conducted and during development of the land Acquisition and Resettlement Action plan. All severely affected families were given one time addition compensation for one-year harvest depending on affected land area.

8. Assessment of Compensation Delivery

As a result of 100% inventory of the project affected assets the LARP determined the types of assets and income loss subject to cash compensation and entitlements. The approved LARP clearly determines the types of income and assets lost due to the project impact, which are as follows:

- Land;

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- Crops;
- Impact on assets (fence, perennials)

Compensation Eligibility

Compensation eligibility was limited by a cut-off date, October 7, 2013. As a result, LARP determined the types of assets and income loss subject to cash compensation and entitlements. The approved LARP clearly determined the types of income and assets lost. The report below describes the accomplishment in respect with the cash compensation for lost crops, assets (perennials, structures) including the additional rehabilitation measures for severe impact and vulnerability.

Land Impact

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. AP's use footpath to walk up hill or alternative routes using other people's fields.

The sub-project affected area covering in total 33 land parcels is spread over two territories therefore creating two sections:

- a. **The first section (Section 1)** located in Lanchvali impacted 32 land plots;
- b. **The second section (Section 2)** located in Zargashi impacted 1 land plot.

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 did not apply to the reservoir area. The new access road total of 4050 square meters mostly of hay and potato fields required permanent disturbance to 32 land parcels.

Disturbance was spread over the 4767sq.m on section 1. The remaining territories stayed under the land owner's ownership. In addition they were compensated for crop or any other impact on the remaining land.

In section 2 the land plot has also permanent impact of sub-project affected land parcels. A new road permanently occupies total of 572 square meters and impacted only 1 private land parcel. The total impacted territory on both sections equals to 5339 sq.m.

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(i) Permanent loss of land

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.

Division of sub-project affected land parcels per sectors and types of land impact

Table 1**Required under LARP****Implemented by LARP**

Item	Section 1	Section 2	Total	Section 1	Section 2	Total implemented
Total number of sub-project impacted land parcels	32	1	33	32	1	33
Total area of impacted land parcels (sq.m.)	4767	572	5339	4767	572	5339

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

The decision on full land acquisition was made based on several significant factors: Proportion of land take exceeding 70-90% of entire size of sub-project affected land parcel. Residual land is deemed useless due to its size and/or location on a steep slope complicated (lack of) accessibility;

In total 33 land parcels subject to land sales. The table 2 provides brief overview of the scales of full land acquisition of sub-project affected land parcels.

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Table 2.Summary of partial and full land acquisition

Land Acquisition	Required under LARP			Implemented under LARP		
	Section 1	Section 2	Total	Section 1	Section 2	Total
No. of land parcels to be partially acquired	31	1	32	31	1	32
Total size of land takes (sq.m)	3704	572	4276	3704	573	4276
No. of land plots to be fully acquired for the project	1	0	1	1	0	1
Total size of land plots entirely acquired (sq.m):	1063	0	1063	1063	0	1063
Total number of the land purchase: Total size of land takes (sq.m.)	32 4767	1 572	33 5339	32 4767	1 572	33 5339

(iii) Severe Impact to land parcels

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 3 below provides summary data on sub-project severe impact.

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

Item	Required under LARP			Implemented under LARP		
	Section 1	Section 2	Total per Item	Section 1	Section 2	Total per Item
No. of land plots experiencing sub-project Severe Impact per sections	15	0	15	15	0	15
Total of entire size of sub-project severe impacted land parcels (sq.m.)	18512	0	18512	18512	0	18512
Total area of land takes	3548.41	0	3548.41	3548.41	0	3548.41

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by project (sq.m.)						
Total area of the land remaining in possession (sq.m.)	10698.38	0	10698.38	10698.38	0	10698.38

Thus, within the framework of this sub-project there were total of fifteen 15 land parcels that experienced sub-project Severe Impact and their owners were eligible to additional cash compensation for severe impact as stipulated under this LARP.

Impact on Crops

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.

All APs received 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.

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

Impacts on Assets (fences, perennials, structures)

Fences

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

(i) Perennials

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

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 volume of the wood-pulp was determined according to the species, 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.

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Finding: EMC reviewed all relevant agreements between APs and UWSCG. According to the contracts and due cash compensations were fully paid. Thirty three (33) Purchase agreements were signed; Fifteen (15) land owners were under severe impact. All these compensations were issued timely and in accordance of the LARP except two cases Chuta Japaridze and Jeiran Paliani. The payments to these AP's were made in July 2014. The reason for delay was as follows: The owners owned land with co-owners and based on the letter submitted to UWSCG, they requested to split their land plots and regulate title issues with their family members. Therefore LARP was completed and implemented at the beginning of 2014 and final payment to AP's were made in July 2014. Later in October 2014 one land parcel at Zargashi (Gela Niguriani) was added. Gela Niguriani was fully compensated for the access road to Zargashi reservoir. Therefore there were 33 AP's Section 1 - Lanchvali territory -32 AP's and Section 2 - ZargaShi territory – 1land parcel.

9. Assistance to APs in the process of document legalization

Land possession (ownership) by identified APs was verified based on the official information available at the local Archive. The review of archive records revealed that all APs were included in the Land Tax payers' lists. Although population of Mestia are land tax exempt, tax payers' lists are still officially used as the basic document originating private ownership rights to land. Therefore, it has been officially confirmed and proven that all APs were legitimate possessors of the hay fields. In addition during the interviews majority of them confirmed that these land parcels were inherited to them.

All 33 affected land parcels were under legitimate possession and registered in accordance with the active legislation of Georgia prior to processing sales and servitude agreements to allow issuance of cash compensation.

The UWSCG provided technical assistance to all AP's and enhanced correct and accurate processing of registration ownership rights to land. UWSCG ensured that all AP's were provided with Survey Cadastral Maps free of charge. Besides, UWSCG covered all registration fees. During the monitoring process of the AP's in June and 2014 and January 2015 confirmed that UWSCG assisted them with registration, which was very helpful since they did not have to pay associated registration fees.

The initial registration of ownership right to land was necessary legal procedure to be undertaken in order to register factual land user (possessor) as a legally valid private owner for further implementing land acquisition or processing relevant servitude agreements. Besides, the UWSCG assisted the APs in processing the division of sub-project affected land parcels to undertake partial land acquisition.

Payment Procedures

All APs have opened personal bank accounts in local Bank (Liberty Bank). Since all APs were present there was no need to exercise the mechanism of escrow accounts. After the Sales/Servitude Agreements were signed by both parties (UWSCG and AP) and transaction

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is registered at the NAPR the UWSCG transferred cash compensation to the AP's personal bank accounts. During the monitoring visit on June 20, 21 2014 and January 2015 the payments were already completed and population was aware that cash was already on their accounts, except two impacted land owners Chita Japaridze and Jeiran Paliani. They were aware that payment to their accounts will be done later since title issues of their land plots still were under legal search. During the process of writing this report, it was revealed that the payments were made in July. Later in September 2014 the payments were done to Chita Japaridze and Jeiran Paliani as well. Thus summarizing that all payment were completed in 2014.

10. Assessment of Public satisfaction

While reviewing the documents related to LARP implementation procedures, the EMC took into close consideration the cut-off-date October 7, 2013. No encroachers were revealed during the monitoring process.

The fact that not a single case of encroaching was revealed during the monitoring process some extent proves that local population was well-informed about the APs rights and responsibilities as well as the cut-off-date limitations.

During monitoring, the EMC had an opportunity to talk with several local persons, who were not eligible for any cash compensation, as they did not appear under the project impact. Mostly, the respondent's answers highlighted the positive attitude and expectations of local population, particularly considering the potential for employment during the WSS construction activities and possibility for further touristic growth in the region.

As a result of interviews with population, the EMC revealed that the representatives of local community and government bodies were provided with consultations, public meetings, formal and informal discussions as considered appropriate under the LARP.

The APs were informed and encouraged to attend Public Disclosure meeting. Besides, all important and necessary information was provided to APs on the goals and objectives of the SWW Project and about the eligibility to fair compensation for losses incurred because of Project impacts.

The results of social and gender survey

The EMC conducted a Social survey in the field in several phases. Based on the feedback obtained, the EMC specifically designed the form/content of the questionnaire. This questionnaire was used to interview 28AP's out of 33 AP's.

Based on answers received to the questions provided in the questionnaire, the overall response reflected rather positively on the WSS project results.

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In particular out of total 33 AP's, 28 AP's were interviewed:

- i. To the question of what sources of information on the WSS they received. One AP named the local government representatives and public disclosure meetings as the source of their information. Two APs named both these sources.
- ii. All 28 interviewed individuals confirmed the receipt of cash compensation.

The results to the question: "how did you use the received compensation?" provided practical and sensible responses.

Through the APs' answers it was disclosed that:

- i. (0) covered their financial liabilities (debts)
- ii. (20) repaired their residential house
- iii. (8) provided financial aid to their children
- iv. (0) provided financial aid to their relatives and friends
- v. (0) purchased means of transportation
- vi. (0) purchased residential house
- vii. (0) purchased a land parcel
- viii. (0) decided to use received cash compensation for consumption costs.

During monitoring process the EMC met 28 Project affected households out of total 33 AP's. Majority of these persons confirmed that the amount offered cash compensation was reasonable and totally acceptable. Majority of the AP's expressed that they would like to see the area fenced after construction activities are completed. It was obvious that AP's therefore they signed agreements willingly and voluntarily. No other complaints were expressed.

Finding: AP's are satisfied with the provided cash compensation and consider the measures undertaken by IA fair and reasonable. The request from AP's was to fence with mesh fence their land plots after LARP is completed.

11. Complaints & Grievance Redress Mechanism

To assess the level of satisfaction of the APs, the EMC requested Complaints. The Resettlement Division of UWSCG ensured that there are no complaints.

It is worth mentioning that none of the owners have applied to the Grievance Redress Commission with claims relating to amounts of compensation issued as land replacement costs. This factual detail to some extent confirms the population was well informed about the project impact area, goals and tasks of the project and therefore was far from unsatisfied, or made unjustified requests, or had less reasonable expectations.

April 23, 2015

Finding: No complaints were filled by population.

Conclusions

The Final Compliance Report (FCR) provides detailed descriptions of the monitoring results of land acquisition and resettlement plan.

The successful accomplishment of the WSS Project is obvious through the analyses of the results revealed during the monitoring process. (No written complaints).

The undertaken activities and the results achieved during the land acquisition and resettlement plan (LARP) implementation processes Positive.

IA has taken into close consideration each and every recommendation provided by ADB International Consultants during LARP implementation.

Approved LARP was implemented with full compliance.

Compensations were paid in accordance of the Evaluation report considering market value of the impacts. Compensations were paid in accordance of the approved LARP annex 1 Budget.

Considering the Status of up to-date accomplishments and specificity of current issues, in respect with the LARP, the commencement of WSS construction activities were reasonable.

References:

In order to develop this report consultant used the following reference material:

- 1) LARP Document and amendment to the LARP as of 2014;
- 2) Auditor-Valuator Report Besik Diakonidze September, 2013 and Appraisal House 2014;
- 3) Sales contracts with AP's, 2014;
- 4) ADB similar reports downloaded from www.adb.org July 2014, 2014;
Electricity transmission line Khorga, Georgia; Road projects in Georgia and LARP external monitoring and evaluation report "Kashkadaria and Novoi Rural WSS Sector Project" Tashkent 2010

