

# Short Land Acquisition and Resettlement Plan

---

Short Land Acquisition and Resettlement Plan  
Document Stage: Endorsed by RSES  
June 2012

## GEO: Sustainable Urban Transport Investment Program, Tranche 2 (Mtskheta Bridge Project)

Prepared by Ministry of Regional Development and Infrastructure under the Municipal  
Development Fund for the Asian Development Bank.

## 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
GEC	Grievance Examination Commission
IMA	Independent Monitoring Agency
IPSA	Initial Poverty and Social Assessment
MoRDI	Ministry of Regional Development and Infrastructure
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 Infrastructures
NAPR	National Agency of Public Registry
NGO	Non-Governmental Organization
RP	Resettlement Plan
UWSCG	United Water Supply Company of Georgia

Currency exchange rate: 1 USD = 1.63 GEL

## **Table of Contents**

I. INTRODUCTION .....	1
II. IMPACTS ASSESSMENT AND AFFECTED PERSONS CENSUS.....	14
III. SOCIO-ECONOMIC INFORMATION.....	20
IV. LEGAL AND POLICY BACKGROUND .....	25
V. INSTITUTIONAL ARRANGEMENTS .....	31
VI. CONSULTATION AND PARTICIPATION .....	34
VII. GRIEVANCE REDRESS MECHANISM .....	35
VIII. IMPLEMENTATION SCHEDULE .....	36
IX. COSTS AND FINANCING .....	38
X. MONITORING AND EVALUATION.....	40

## **List of Tables**

TABLE 1.1: COMPARISON OF ALTERNATIVES .....	2
TABLE 2.1: AFFECTED LAND BY OWNERSHIP TYPE .....	7
TABLE 2.2: 6 CATEGORIES OF AFFECTED LANDS FOR ACQUISITION .....	8
TABLE 2.3: DETAILS OF AFS AND APS BY CATEGORY .....	9
TABLE 2.4: IMPACTS SUMMARY .....	10
TABLE 3.1: DETAILS OF AFS AND APS BY CATEGORY .....	11
TABLE 3.2: ETHNICITY OF AHS.....	12
TABLE 3.3: URBAN RURAL DISTRIBUTION OF AHS .....	12
TABLE 3.4: LEVEL OF EDUCATION OF APS .....	13
TABLE 3.5: LAND HOLDING STATUS .....	13
TABLE 3.6: EMPLOYMENT STATUS OF THE AFFECTED HOUSEHOLDS AND PERSONS .....	14
TABLE 3.7: EMPLOYMENT STATUS OF THE AFFECTED HOUSEHOLDS AND PERSONS .....	15
TABLE 3.8: AVERAGE ANNUAL HOUSEHOLD INCOME AGAINST NUMBER OF SOURCES .....	15
TABLE 4.1: COMPARISON OF GEORGIA LAWS/REGULATIONS ON LAR AND ADB RESETTLEMENT POLICY.....	18
TABLE 4.2: COMPENSATION ENTITLEMENT MATRIX .....	19
TABLE 7.1: GRIEVANCE RESOLUTION PROCESS.....	25
TABLE 9.1: .....	29

## **List of Annexes**

ANNEX 1: AFFECTED HOUSEHOLDS - VILLAGE TSITSAMURI (MTSKHETA RAYON)
ANNEX 2: METHODS OF VALUATION OF AFFECTED LAND, BUILDINGS/STRUCTURES AND TREES
ASSESSMENT METHODOLOGY
ANNEX 3: INFORMATION LEAFLET

## DEFINITIONS OF LAR TERMS

**Beneficiary Community** - All persons and households, situated within the government-owned or acquired property, who voluntarily seek to avail and be part of the Project and represented by a community association that is duly recognized by the community residents, accredited by the local government, and legally registered with the appropriate institutions.

**Compensation** - Payment in cash or in kind of the replacement cost of the acquired assets.

**Entitlement** - Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base.

**Host population** - Community residing near the area where the Project beneficiaries propose to voluntarily resettle as part of the Project.

**Improvements** - Structures constructed (dwelling unit, fence, waiting sheds, animal pens, utilities, community facilities, stores, warehouses, etc.) and crops/plants planted by the person, household, institution, or organization.

**Land acquisition** - The process whereby a person is compelled by a government agency to alienate all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for a consideration.

**Affected Person/People** - Any person affected by Project-related changes in use of land, water, natural resources, or income losses.

**Affected family** - All members of a household, residing under one roof and operating as a single economic unit, who are adversely affected by the Project or any of its components. It may consist of a single nuclear family or an extended family group.

**Rehabilitation** - Compensatory measures provided under the Policy Framework on involuntary resettlement other than payment of the replacement cost of acquired assets.

**Relocation** - the physical relocation of a AP/AF from her/his pre-Project place of residence.

**Replacement cost** - The value determined to be fair compensation for land based on its productive potential, the replacement cost of houses and structures (current fair market price of building materials and labor without depreciation or deductions for salvaged building material), and the market value of residential land, crops, trees, and other commodities.

**Resettlement** - All measures taken to mitigate any and all adverse impacts of the Project on AP's property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation of the damaged/removed infrastructure and installations.

**Rayon (Municipality)**: Local self-government

**Sacrebulo (Village)**: Representative body of the self-government unit

## EXECUTIVE SUMMARY

1. This Short Land Acquisition and Resettlement Plan has been prepared by the Municipal Development Fund of the Ministry of Regional Development and Infrastructure (MDF), the Executing Agency (EA). Its objective is to address Land Acquisition and Resettlement (LAR) impacts/compensation issues for the Mtskheta Bridge Project so as to fit the ADB's Safeguards Policy Statement of 2009 (SPS). With MDF as the Implementing Agency (IA) the Project is included in Tranche 2 of the Sustainable Urban Transport Investment Program. The LARP is based on detailed design, is final and fits ADB's Safeguards Policy Statement of (SPS) requirements.

2. This project will affect 7 households. Its impact is related to permanent take of 7 private unused agricultural land plots with total area of 7,249sq.m sq.m. The project will not entail loss of crops or any assets attached to the land (trees, structures etc.), or loss of incomes. The affected land is not cultivated or used as a pasture. According to the ADB SPS 2009, this sub-project is thus classified as of category B and needs only the preparation of a Short Resettlement Plan (SRP).

**Table A: Impacts Summary**

<b>Impacts type</b>	<b>Quantity</b>	<b>Dimensions</b>	<b>AHs No</b>
<b>A. Land Impacts by tenure status</b>	<b>Plots No.</b>	<b>sq. m.</b>	<b>(no.)</b>
Private titled	7	7,249	7
Public Not Used	8	15,020	0
<b>Total A</b>	<b>15</b>	<b>22,269</b>	<b>7</b>
<b>B. Land Impacts by Landuse Categories</b>	<b>Plots No.</b>	<b>Sqm</b>	<b>(no.)</b>
Agricultural (non used)	7	7,249	7
Public Not Used	8	15,020	0
<b>Total B</b>	<b>15</b>	<b>22,269</b>	<b>7</b>
<b>C. Affected trees</b>	<b>Units</b>		<b>no.</b>
Productive/fruit trees or non-productive trees	No	No	No
<b>D. Affected Structures</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>F. Business impacts</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>G. Jobs losses</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>G. AH No</b>			
<b>Total No of AH</b>			<b>7</b>
Severely affected AH			<b>4</b>
Vulnerable AH			<b>0</b>
Relocated AH			<b>0</b>
<b>Total amount of APs</b>			<b>35</b>

3. More than half of the APs are women. The project pays particular attention to ensure that women are the recipients of the compensation pertaining to their activities and to ensure that women who are de-facto household heads are clearly listed as beneficiaries of compensation and rehabilitation proceedings under the loan. No impact on indigenous peoples (IPs) was identified and the IP requirements of the SPS will not be triggered in this project.

4. The LAR Framework (LARF) agreed between ADB and Government for the entire Program has been adopted in defining the compensation/rehabilitation policy of this LARP. Land acquisition will be carried based on Eminent domain principles and will unfold in two phases: a) signing of an agreement between AP and EA and b) (if agreement fails) expropriation. Resort to Expropriation will be avoided as much as possible and will be adopted only when all attempts to reach an agreement with the APs fail. Compensation eligibility is limited by a cut-off date set on the final day of AP Census (5 June 2012.) All APs are entitled to compensation or at least rehabilitation assistance. These include: (i) AP losing land irrespective of tenure status, (ii) tenants/sharecroppers irrespective of registration status, (iii) all owners of buildings, crops, plants, or other objects attached to the affected land; and (iv) all AP losing business, income or salaries. The LARP identified no crop impacts. An entitlements matrix is included in Table E-2.

**Table B: Compensation Matrix**

Type of Loss	Application	Definition of DPs	Compensation Entitlements
<b>Land</b>			
Private Land	Under this project only agricultural (not used) category land plots are affected	All AP losing productive land (registered or legalizable) regardless of impact severity	Cash compensation at full replacement cost. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desire.
<b>Allowances</b>			
Allowances for Severely Affected AHs			3months of minimum subsistence allowance (GEL 313 GE x 3 = GEL939) <sup>a/</sup>
Vulnerable people allowances		AFs below poverty line, headed by Women	3months of minimum subsistence allowance (GEL 313 GE x 3 = GEL939)

a/ This figure is based on the minimum subsistence income data for a household of 5 provided by the National Statistics Office of Georgia for June 2011.

5. ADB is the funding agency and MDF is the Implementing Agency (IA) of the Project. MDF has lead responsibility for road construction, as well as LARP implementation. A LAR Commission (LARC) will assist MDF in all LAR activities and MDF will be represented in the field by a Working Group comprising legal, economics and engineering expertise from other MDF departments. In addition, MDF will be assisted by a LAR Team at rayon level involving also the local self-government bodies. In addition, a number of other government departments will play an instrumental in the updating and implementation of LARP. The National Agency of Public Registry (NAPR) within the Ministry of Justice will be assisting the Project through registration of land ownership and its transfer through purchase agreement from landowners to the MDF. The local government at Rayon and village level will also be involved. MDF staff and local level LAR Team members should be trained for proper implementation of LARP works.

6. A grievance mechanism will be available to allow APs appealing any disagreeable decision, practice or activity arising from the LAR program. Grievance redress committees (GRCs) have been established at local level and include: a) local government officials, b) representative of APs, c) representative of local NGOs and d) the consultants. The APs will be fully informed of their rights and of the procedures under the LARP.

7. Consultation with likely APs in the project affected areas was conducted during the feasibility study in 2010 and during detailed design stage in December 2011 and March 2012. At the preparation of LARP-I in detail design stage, all likely APs (available on site) were consulted through community level meetings and through individual contact at the time of census, socioeconomic survey and detail measurement survey.
8. AHs losing buildings will be compensated at full replacement cost inclusive of materials, labor, transport, contractors profit, temporary expenses, professional fees and free of transaction costs, depreciation, demolition costs and value of salvaged materials.. The relocatees will also be provided with subsistence allowances for loss of income during the transitional period and with relocation assistance. These entitlements are included in the entitlement matrix for rehabilitation of APs and restoration of their livelihood resources.
9. LARP-I requires legalization of the 2 legalizable owners of 2 affected plots which is in progress and will be terminated in May 2012.
10. Payment of compensation and allowances will be completed by end of June 2012. All activities related to the land acquisition and resettlement has been scheduled to ensure that compensation is paid prior to displacement and commencement of civil works. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. The resettlement cost estimate under this LARP is **319,792 GEL (USD 195,352)**.
11. LAR tasks under the project will be subject to monitoring. Monitoring will be the responsibility of MDF. Internal monitoring will be carried out routinely by MDF. The results will be communicated to ADB through the standard project implementation reports. External monitoring will be carried out in two phases. Phase one will be carried out during and immediately after LARP implementation and will result in a compliance report based on which will give no objection to start physical civil works. Phase two will be carried out at the end of MFF implementation to evaluate the long term effects of the LARP program.

## I. INTRODUCTION

1. This Short Land Acquisition and Resettlement Plan has been prepared by the Municipal Development Fund of the Ministry of Regional Development and Infrastructure (MDF), the Executing Agency (EA). Its objective is to address Land Acquisition and Resettlement (LAR) impacts/compensation issues for the Mtskheta Bridge Project so as to fit the ADB's Safeguards Policy Statement of 2009 (SPS). With MDF as the Implementing Agency (IA) the Project is included in Tranche 2 of the Sustainable Urban Transport Investment Program. The LARP is based on detailed design, is final and fits ADB's Safeguards Policy Statement of (SPS) requirements.

### 1.1 Project Description

#### 1.1.1 Need of the Project

2. Mtskheta is the administrative center of Mtskheta-Mtianeti region, district Mtskheta. The city and its suburbs represent the oldest settlement in Georgia. There are at least 200 historical monuments in Mtskheta. Mtskheta with its unique beauty, natural and cultural landscape and historical and cultural heritage has great tourist potential. Due to its historical significance and numerous ancient monuments, Mtskheta became a UNESCO World Heritage site.

3. Tourism represents a significant income source and source of employment of the population in the region.

4. Actually, Mtskheta is linked to Tbilisi and the motorway by means of secondary road **Zahesi-Mtskheta-Kavtiskhevi-Gori, Zahesi-Mtskheta** road section, **Narekvavi-Mtskheta-Railway Station** road. Secondary road Zahesi-Mtskheta-Kavtiskhevi-Gori starts at the km 20 of international road Tbilisi-Senaki-Leselidze. The road is characterized by frequent sharp bends in plan and small radii. The road doesn't meet safety requirements, there are frequent accidents on the road ending in death toll, also resulting in economic losses. The road Narekvavi-Mtskheta-Railway Station starts at km 5 of the road Zahesi-Mtskheta-Kavtiskhevi-Gori. The road crosses the river Mtkvari by steel reinforced concrete bridge. The bridge doesn't meet safety standards and requirements as regards increased traffic flow and modern loads.

5. Construction of new bridge across the river Aragvi will be the shortest link with the motorway Tbilisi-Senaki-Leselidze and will significantly reduce the distance from Tbilisi to Mtskheta. The travel will become more comfortable and safe and will support increased tourist flow in Mtskheta.

#### 1.1.2 Minimizing Land Acquisition and Resettlement

6. Several alternatives for the construction of r. Aragvi bridge were studied during the Feasibility Study and Detailed Design. The aim of alternative analysis was selection of the best technical-economic and environmental solutions taking into consideration also the resettlement impacts as a major selection criteria. Here we do not consider all the technical alternatives discussed, as most of them have no implication in terms of land acquisition and involuntary resettlement. Only the principle alternatives of layouts are compared, as the layout is the factor that determines the "footprint" of the project and land acquisition requirements.



7. The table 1.1 is summarizing comparison of alternatives from the resettlement impacts standpoint is.

**Table 1.1: Comparison of Alternatives**

<b>Comparison Item</b>	<b>Alternative 1</b>	<b>Alternative 2</b>	<b>Alternative 3</b>
Amount of affected land plots	19	21	15
Total area of affected land	30,113	41,621 sq.m	22,269 sq.m
Amount of Affected State land plots	9	7	8
Total area of affected State land plots	15,629	19,513 sq.m	15020 sq.m
Amount of Affected private land plots	10	14	7
Total area of affected private land plots	14,484 sq.m	22,108 sq.m	7,249 sq.m
Affected structures	No	No	No
Affected trees	No	No	No
Affected crops	No	No	No
Affected businesses	No	No	No
Loss of income	No	No	No

8. As it can be seen from the table, the alternative 3 has relatively less resettlement impact. This option appeared to be also the best alternative from the engineering standpoint and was finally selected as the preferable alternative.

### **1.1.3 The Impacts Corridor**

9. The bridge infrastructure consists of the 150m length bridge and interchange on the left bank of the r.Aragvi. Total land to be acquired including area occupied by the structures, as well as the 3 m buffer strip taken in excess as a reserve, is 22144 sq.m. The layout of the land acquisition buffer on the cadastral map is given on the fig.1.

## **1.2 RP Resettlement Classification**

10. This project will affect 7 households. Its impact is related to permanent take of 7 private unused agricultural land plots with total area of **7,249sq.m** sq.m. The project will not entail loss of crops or any assets attached to the land (trees, structures etc.), or loss of incomes. The affected land is not cultivated or used as a pasture. According to the ADB SPS 2009, this sub-project is thus classified as of category B and needs only the preparation of a Short Resettlement Plan (SRP).

## **1.3 LARP Preparation**

11. This SLARP was prepared by MDF based on detailed design and measurements carried out between 10 May and 5 June 2012. The LARP is based on detailed design, is final and fits the requirements of relevant Georgian law and the ADB's SPS and, being final, it satisfies the ADB conditions for contract awards signing. SLARP preparation entailed: (i) a detailed measurement survey (DMS), (ii) a detailed asset valuation/documentary research for each affected plot/affected item, (iii) a 100% AH census; Intensive consultations with rayon authorities and the APs were conducted during the process. APs were provided with information leaflets. June 5 of 2012 is accepted as cutoff date. APs who settle in affected areas after this date will not be eligible for compensation. They however will be given sufficient advance notice to vacate

and dismantle their affected premises before project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.



**Fig. 1.1. The layout of the land acquisition buffer on the cadastral map**

## **1.4 Pending LARP Implementation Tasks**

12. This SLARP is technically final. To become implementation-ready it still needs the following action: a) provision of compensation finances to the EA by (MOF); b) signing of compensation contract with all APs; c) deposit of compensation amounts in escrow for all absentee APs and d) initiation of expropriation proceedings with the deposit in escrow of compensation amounts for all APs rejecting the contract. Expropriation ordinances will have to be emitted by the court before physical civil works begin.

## **1.5 RP Related Conditionalities**

13. The SLARP development and implementation is relevant for the following sub-sub-project milestones:

- (i) Contract signing: approval of SLARP by ADB and Government, disclosure of SLARP and pamphlet and hiring/mobilization of External Monitoring Agency
- (ii) Start of physical civil works: full and satisfactory implementation of the SLARP (including execution of expropriation) as vouched by the EMA compliance report. Such a condition is to be clearly spelled in the contract award.

## **II. IMPACTS ASSESSMENT AND AFFECTED PERSONS CENSUS**

### **2.1 Methodological introduction**

14. The census survey and SLARP impacts assessment was conducted by a Consultant in May-June 2012. The survey and impact assessment has been carried out with participation of the Environmental and Social Specialist of MDF and representatives of Mtskheta municipality. June 5 of 2012 is the end-date of the DMS/AP census and is accepted as cutoff date. APs who settle in affected areas after this date will not be eligible for compensation. They however will be given sufficient advance notice to vacate and dismantle their affected premises before project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction. Identification of affected land plots and their owners was done through analysis of cadastral maps and site visit with engineers and MDF officers, who have presented the project layout, and with the representatives of local communities and municipal authorities. After digitized cadastral maps were collected from local NAPR Registration Offices, the final bridge alignment was superimposed on the maps, a site DGPS land survey was conducted to identify the borders of the affected plots and the their affected sections.

15. The socio-economic survey was carried out during the preparation of LARP in parallel with the census assessment and consultations with AHs and is based on a 100% sample of the affected population.

16. The end date of the AP census survey is considered as the compensation eligibility cut-off date for the project.

### **2.2 Impacts Assessment**

#### **2.2.1 Land Impacts**

##### **Legal status of affected land**

17. The bridge infrastructure will occupy 15 land plots with total area of 22,269 sq.m Out of this amount 8 land plots are State owned. Total area of affected State land is 15020 sq.m.

18. 7 out of 15 affected land plots (total area of 7,249sqm) are private. All affected private land plots are titled and officially registered in NAPR. These registered private land plots are attributed to v. Tsitsamuri, Mtskheta Rayon (District), Mtskheta-Mtianeti Region of Georgia.

19. The area of private land plots falling within the RoW and permanently occupied by the bridge facilities, as well as residual land plots deemed to be unviable due to small size were considered as affected land. Aggregated area of affected private land, inclusive 4 unviable residual land plots is 7249 sq.m. All the affected private land plots are located on the left bank of r. Aragvi close to the site, where r. Aragvi enters r. Mtkvari. All of these land plots are agricultural.

20. The affected private land plots are not fenced. No buildings, structures, trees or other assets are attached to the land.

21. The above information is summarized in Table 2.1 below.



**Table 2.1: Affected Land by Ownership Type**

Land Categories by Tenure	No of Affected Plots	Area (sq.m)	No of AH*
Type 1. Private registered land	7	7,249	7
Type 2. Private legalizable land	0	0	0
Subtotal Private Land	7	7,249	7
Type 3. Non-used Public land	8	15,020	8
<b>Total</b>	<b>15</b>	<b>22,269</b>	<b>15</b>

### Impacts by Land Use Category

22. All the affected private land plots are attributed to the not used agricultural land category. The survey team has not found evidence of any agricultural activity at the site. The plots are not fenced, no residue of maize plantation after harvesting (clearly visible at the cultivated plots) has been observed. The character of grass and bush cover (see fig. 2.1, 2.2 and 2.3) confirms that the land has not been cultivated for long time. The municipal authorities also confirm that no crops are cultivated on the affected land plots and accordingly no harvest lost is entailed by the project. The same was confirmed by the land owners (6 out of 7 AHs live in Tbilisi)



**Fig.2.1**



**Fig. 2.2**



**Fig. 2.3**

23. No businesses interruption and/or income losses are associated with the project implementation. The cadastral map with marked State and private land affected by the project is given on fig. 1.

24. Land area affected and relative AH by category are detailed below in Table 2.2.

**Table 2.2: 6 Categories of Affected Lands for Acquisition**

<b>Land Categories by Tenure</b>	<b>No of Affected Plots</b>	<b>Area (sq.m)</b>	<b>No of AH</b>
Type 1. Not used agricultural private land	7	7,249	7
Type 2. Private non-agricultural	0	0	0
<b>Subtotal Private Land</b>	<b>7</b>	<b>7,249</b>	<b>7</b>
Type 3. Non-used Public land	8	15,020	8
<b>Total</b>	<b>15</b>	<b>22,269</b>	<b>15</b>

### **2.2.2 Other Impacts**

25. No crops are cultivated on the affected land plots and neither any trees (productive or non-productive) are grown. Accordingly, no crop or tree losses are associated with the project implementation.

26. No structures are located at the affected land plots and no losses of structures are caused by project implementation.

27. No business structures or activities are associated with the affected land plots and no income losses (temporary or permanent) are caused by land acquisition.

## **2.3 Affected Persons Census**

28. The Affected households (AH) are 7. The list of affected households and amounts of land lost by each of these households is given in Annex 1. The Affected Persons (APs) are 35 out of which 16 are males and 19 are females. The main income source for most of AHs is wage labour (in public and in commercial sectors).

### **2.3.1 AH/AP Census**

29. The total AH number without double counting is 105 The AP (individuals) are 358 Details on the AH/AP by impacts category and with/without double counting are provided below in table 2.3.

**Table 2.3: Details of AFs and APs by Category**

AP Category	AFs/HHs No.		Net AP No.	Remarks
	x impact type	Absolute (Without double counting)		
A. Land (by tenure status)				
A.1 Private legal (registered)	7	0	35	
A.2 Public land	8	0	0	
Sub-total (A)	7	7		
B. Land (by use/valuation category)				
B.1 Category 1 :not used private agricultural land	7	0	0	
B.2 Category 2: Public land	8	0	0	
Sub-total (B)	7	0		
F. Vuln./Sev. Affected				
F.1 Vulnerable	0	0	0	
F2 Severely Affected	4	0	0	
Sub-total (F)	4	0	0	
G. Total (A+B+C+D+E+F)				
	7	7	35	

30. **Severely Affected Households.** The sub-project imposes severe impact on 4 of the household, so far as the area of affected land plots for these AHs is more than 10% of total land area they own. Despite the fact that the land is not cultivated and is not currently a source of income for AHs, the land has real estate value, which is significant asset for the AHs, who have generally low income (salaries in public or private organizations).

31. **Vulnerable AH.** There are no AH registered in Social Protection services as being under the poverty line (less than 57,000 and 70,000 rate points). Within the affected communities there is no one vulnerable household (no AHs under the poverty line or women headed AHs).

32. **Indigenous People.** There are no indigenous people in Georgia in traditional meaning of this word under the ADB SPS 2009. The local population is fully integrated in the socio-economic system of the country and there are no groups of population, which are partly isolated and characterized by very specific socio-economic patterns, habits and life-style and traditions, which may be affected by the sub-project.

### **Gender and Resettlement Impacts**

33. The project has permanent impact on total 7 AHs. The Affected Persons (APs) are 31 out of which 15 are males and 16 are females. The main income source for most of AHs is wage labour (in public and in commercial sectors). Special attention will be given to the impact of resettlement on women and other vulnerable groups during monitoring and evaluation of the LARP. The project will have a positive impact on gender, and civil works contracts will include



provisions to encourage employment of women during implementation. Additionally, women headed households have been considered as vulnerable and special assistance is provided in the LARP entitlements.

## 2.4 Summary of Impacts

34. A summary of project impacts is included in table below.

**Table 2.4: Impacts summary**

<b>Impacts type</b>	<b>Quantity</b>	<b>Dimensions</b>	<b>AHs No</b>
<b>A. Land Impacts by tenure status</b>	<b>Plots No.</b>	<b>sqm</b>	<b>(no.)</b>
Private titled	7	7,249	7
Public Not Used	8	15,020	0
<b>Total A</b>	<b>15</b>	<b>22,269 sq.m</b>	<b>7</b>
<b>B. Land Impacts by Landuse Categories</b>	<b>Plots No.</b>	<b>Sqm</b>	<b>(no.)</b>
Agricultural (non used)	7	7,249	7
Public Not Used	8	15,020	0
<b>Total B</b>	<b>15</b>	<b>22,269 sq.m</b>	<b>7</b>
<b>C. Affected trees</b>	<b>Units</b>		<b>no.</b>
Productive/fruit trees or non-productive trees	No	No	No
<b>D. Affected Structures</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>F. Business impacts</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>G. Jobs losses</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>G. AH No</b>			
<b>Total No of AH</b>			<b>7</b>
Severely affected AH			<b>4</b>
Vulnerable AH			<b>0</b>
Relocated AH			<b>0</b>
<b>Total amount of APs</b>			<b>35</b>

### III. SOCIO-ECONOMIC SURVEY

#### 3.1 Introduction

35. Socio-economic information on the affected AH was gathered based on the full (100%) pool of AHs. Census of 100% of the AHs available on site was conducted to enumerate the APs. Heads of all 7 affected families (100%) were interviewed. Families provided information on affected land and about other (not affected) income sources and assets owned by AH, family composition by gender and age groups, on poverty status, is the household headed by woman etc. This information was sufficient for identifying severely affected and vulnerable groups and to get a picture of basic socio-economic status of the affected APs. Besides that, the objective of this detailed socioeconomic survey was to gather general information on socioeconomic condition of the affected people.

#### 3.2 Affected Population

##### 3.2.1 Demography

36. According to the detailed social survey, 7 interviewed households consist of 35 people. Among the affected people 16 are male (45.7%) and 19 are female (54.3%). The average family size is 5.0 members per household. (Table 3.1).

**Table 3.1: Demographic Profile of APs**

Age Group	Male		Female		Total	
	No.	%	No.	%	No.	%
Children and teenagers (Below 18 Years)	5	14.3	6	17.1	11	31.4
Adult (18-65 Years)	8	22.8	10	28.6	18	51.4
Over-aged (66 Years+)	3	8.6	3	8.6	6	17.2
<b>Total</b>	<b>16</b>	<b>45.7</b>	<b>19</b>	<b>54.3</b>	<b>35</b>	<b>100</b>

### 3.2.2 AH Ethnicity

37. All of the affected AHs are Georgian (100%). None of the usual ethnic minority groups in Georgia including Russians, Armenians, Jews or Ukrainian are affected in the project. Ethnic diversity does not mark any difference in overall national development in Georgia and the minorities are mainstreamed as a common nation.

**Table 3.2: Ethnicity of AHs**

SI.No.	Ethnicity	Total No. of Affected Households	%
1	Georgian	35	100
2	Armenian	0	0
3	Russian	0	0
4	Azeri	0	0
5	Osetians	0	0
	<b>Total</b>	<b>35</b>	<b>100</b>

### 3.2.3 Urban Rural Proximity

38. All AHs live in urban area: 1 AH lives in Mskheta and 6 in Tbilisi.

**Table 3.3: Urban Rural Distribution of AHs**

Sl. No.	Type of Settlement	Total No. of Households	% Age
1	Rural	0	0
2	Urban Village (Semi-urban)	0	0
3	Town (Urban)	35	100
	<b>Total</b>	<b>35</b>	<b>100</b>

### 3.2.4 Level of Education of APs

39. The literacy rate of male is 41.67% and female is 58.34%. The women literacy rate is about 16% higher than male literacy rate. The university level education of male and female is 41.67%.

**Table 3.4: Level of Education of APs**

Directly Affected Households							
Sl.No.	Category	Male		Female		Total	
		No	%	No	%	No	%
1	Pre-School& Primary School	2	5.7	2	5.7	4	11.4
2	Secondary School	5	14.3	6	17.1	11	31.4
3	University	9	25.7	11	31.5	20	57.2
4	None	0	0	0	0	0	0
	<b>Total</b>	<b>16</b>	<b>45.7</b>	<b>19</b>	<b>54.3</b>	<b>35</b>	<b>100</b>

### 3.3 Agriculture and Land Resources

#### 3.3.1 Land Holding Status

40. All of the affected AHs are land holder. 4 AHs in addition to the affected land plots own 1 more land plot each of them (2 own residential land plots, 1 commercial and 1 agricultural). For 3 AH the affected land is the only land they possess. No one of the interviewed AHs claims any agricultural income. No one of the affected land plots has been cultivated even for producing some crops for the family consumption.

**Table 3.5: Land Holding Status**

Sl. No.	Particulars	No of Households	%
<b>Directly Affected Households</b>			
1	Land Holder Households	35	100
2	Landless Households	0	0
3	<b>Total Households</b>	<b>35</b>	<b>100</b>

#### 3.3.2 Major Cropping Pattern

41. In project area there no crops are cultivated.

### 3.4. Economy of AHs

#### 3.4.1 Major Economic Activities and Income Sources

42. The major economic activity of the affected AHs is wage earning which is 71.4%, and own business income (28.6%). There no any agriculture activity in this project as it mostly town area. The details are given in Table 3.6. For employees,. 4 APs representing 2 affected households (2AP in each of these 2 AH) receive pensions.

**Table 3.6: Employment Status of the Affected Households and Persons**

Sl.No.	Type of Activities	AH		APs	
		No	%	No	%
1	Permanent Monthly Salary	5	71.4	8	22.9
2	Daily Labour	1	14.3	1	2.9
3	Own business/ Self-employed	2	28.6	4	11.4
4	Income from Agriculture	0	0	0	0
5	Pension	2	28.6	4	11.4
6	Subsidies	0	0	0	0
Total		7*	100*	17	48.6

\*Out of 7 AH 3 have 2 and more types of income sources

#### 3.4.2. Employment Status

43. No one of the affected households has any earning from agriculture. Out of 7 AHs 2 AHs have permanent salary in Government services (1 AP from each AH). 7 members of 5AH are employed in private sector and 4 APs from 2 affected households are self-employed in own business.

**Table 3.7: Employment Status of the Affected Households and Persons**

Sl.No.	Type of Activities	AH		APs	
		No	%	No	%
1	Agriculture	0	0	0	0
2	Government Service	2	28.6	2	5.7
3	Employed in Private Sector	5*	71.4*	7	20
4	Own business/ Self-employed	2	28.6	4	11.4
<b>Total</b>		<b>7</b>	<b>100</b>	13	37.1

\* Out of 7 AHs 2 AH are represented in both – Employed in private sector and Government services

### 3.4.3. Annual Income of AHs

44. The survey found that 28.6% of the AHs get income from single source, 14.3% from double sources. 42.8% households get income from triple sources and 14.3% from four different sources. Table 3.8 shows source-wise income of the surveyed households.

**Table 3.8: Average Annual Household Income against Number of Sources**

Number of sources of Income	No. of AHs	% of AHs	Average household monthly income (GEL)
<b>Directly Affected Households</b>			
Single Source	2	28.6	550
Double Sources	1	14.3	900
Triple Sources	3	42.8	1337
Four sources	1	14.3	900
<b>Total</b>	<b>7</b>	<b>100</b>	

## IV. LEGAL AND POLICY BACKGROUND

### 4.1 Georgia's Laws and Regulations on Land Acquisition and Resettlement

45. In Georgia, the legislative acts given below regulate the issues of obtaining State ownership rights to privately owned land parcels based on the necessary public needs caused due to road constructions activities:

- The Constitution of Georgia, August 24, 1995
- The Civil Code of Georgia, June 26, 1997
- The Law of Georgia on Cultural Heritage, 2007
- The Law of Georgia on Notary Actions, December 4 2009
- The Law of Georgia on Privatization of State-owned Agricultural Land, July 8, 2005
- The Law of Georgia on Ownership Rights to Agricultural Land, March 22, 1996
- The Law of Georgia on Public Register (No820 IIs; December 19 2008)
- The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities; 2007
- The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need, July 23, 1999
- The Civil Procedural Code of Georgia, November 14, 1997

46. The existing Laws provide that compensation for lost assets, including land, structures, trees and standing crops, should be based on the current market price without depreciation. Overall the above laws/regulations provide that the principle of replacement cost compensating at market value is reasonable and legally acceptable. The laws also identify the types of damages eligible to compensation and indicate that compensation is to be given both for loss of physical assets and for the loss of incomes. Finally, these laws place strong emphasis on consultation and notification to ensure that the APs participate in the process. Income loss due to loss of harvest and business closure will be compensated to cover net loss.

47. Based on Georgia pertinent law land acquisition for public interest projects as this is based on the right of Eminent Domain and enfolds through a two tier process as follows:

- **Phase1.** Land acquisition, based on the payment of due market/replacement compensation, is first pursued through a mutual agreement between APs and land acquiring Agency.
- **Phase2.** When all attempts and negotiations to reach an agreement between the parties were to fail land acquisition will be pursued through expropriation according to mechanisms and procedures defined by the law.

48. Under the existing Georgian Law, the President will issue an expropriation order based on a request from the land acquiring agency. A relevant competent court will assess the case and determine whether the presidential order is justified by public interest and whether the appropriate procedures have been followed. When the assessment is positive the court will validate the expropriation ordinance and clear its execution. If needed the court will also appoint a third party to assess the market value of lost assets and determine the compensation payable to relevant land owners accordingly to the value of assets thus found.

## **4.2 Involuntary Resettlement requirements under the ADB's SPS (2009)**

49. The ADB Involuntary Resettlement requirements are based on the following principles:

- LAR preparation is to be based on careful planning/impacts assessment efforts inclusive of a detailed impacts measurement survey, a census of AH/AP, a socio-economic survey, gender analysis and, in complicated LAR cases, thorough social analysis;
- The above efforts shall result in the preparation of a LARP providing a full base-line information on impacts and AH/AP numbers, a description of livelihood restoration strategies, institutional arrangements, monitoring plan, budgets and implementation schedule. Involuntary resettlement is to be avoided or at least minimized.
- Compensation/Rehabilitation provisions should ensure the improvement or at least the maintenance of the APs' pre-project livelihood standards.
- LARP and other relevant documents are to be disclosed to the APs in a form understandable to them
- APs should be fully informed and consulted so as to participate in the definition of compensation and rehabilitation options.
- LAR planning should include the establishment of well functioning grievance redress mechanisms;
- APs' socio-cultural institutions should be supported/used as much as possible.
- Compensation will be carried out with equal consideration of women and men.
- Lack of legal title should not be a bar to compensation and/or rehabilitation.
- Particular attention and appropriate assistance should be provided to vulnerable households including poor or women-headed households and other disadvantaged groups, such as Indigenous Peoples.
- LAR should be conceived and executed as a part of the project, and the full costs of compensation should be included in project costs and benefits.
- Compensation and resettlement subsidies will be fully provided prior to clearance of right of way/ ground leveling and demolition.
- LARP implementation needs to be properly monitored by an Independent agency

## **4.3 Comparison of Georgia Law/Regulation on LAR and ADB's SPS (2009) requirements on Involuntary Resettlement**

50. Overall, the legislation of Georgia adequately reflects the major provisions of the ADB SPS (2009) but a few differences are to be noted (for a short summary of these Georgian laws see Annex A). The most significant of these differences is that under Georgian legislation/regulation, emphasis is put on the definition of formal property rights and on how the acquisition of properties for public purposes is to be implemented and compensated while in the case of SPS (2009) emphasis is put both on the compensation of rightfully owned affected assets and on the general rehabilitation of the livelihood of Affected People (AP) and Households (AH). Because of this, the ADB Safeguards policy on Involuntary Resettlement complements the Georgian legislation/regulation with additional requirements related to (i) the economic rehabilitation of all AP/AF (including those who do not have legal/formal rights on assets acquired by a project); (ii) the provision of indemnities for loss of business and income, (iii) and the provision of special allowances covering AP/AH expenses during the resettlement process or covering the special needs of severely affected or vulnerable AP/Ahs . Also, in addition, the legislation of Georgia does not require any specific measure regarding the need to



prepare LARPs based on extensive public consultations. The differences between Georgia law/regulation and ADB policy are outlined in Table 4.1 below

**Table 4. 1: Comparison of Georgia Laws/Regulations on LAR and ADB Resettlement Policy**

<b>Georgia Laws and Regulations</b>	<b>ADB SPS (2009)</b>
Land compensation only for titled landowners. In practice legalizable land owners are also compensated after they are issued with the necessary papers	Lack of title should not be a bar to compensation and/or rehabilitation. Non-titled landowners receive rehabilitation.
Only registered houses/buildings are compensated for damages/demolition caused by a project	All affected houses/buildings are compensated for buildings damages/demolition caused by a project
Crop losses compensation provided only to registered landowners.	Crop losses compensation provided to all relevant APs including landowners, sharecrop/lease tenants and land cultivators without title whether registered or not
Land Acquisition Committee is the only pre-litigation final authority to decide disputes and address complaints regarding quantification and assessment of compensation for the affected assets.	Complaints & grievances are resolved informally through community participation in the Grievance Redress Committees (GRC), Local governments, and NGO and/or local-level community based organizations (CBOs).
Decisions regarding LAR are discussed only between the landowners and the Land Acquisition Authorities.	Information on quantification, affected items value assets, entitlements, and compensation/financial assistance amounts are to be disclosed to the APs prior to appraisal.
No provision for income/livelihood rehabilitation, allowances for severely affected or vulnerable APs, or resettlement expenses.	ADB policy requires rehabilitation for income/livelihood, severe losses, and for expenses incurred by the APs during the relocation process.
No specific plan for public consultation is provided under the Georgian laws	Public consultation and participation is the integral part of ADB's policy which is a continuous process at conception, preparation, implementation and finally at post implementation period

51. To reconcile the gaps between Georgia laws/regulations and ADB's SPS (2009), MDFG has drafted this LARF for the Project, which, after endorsement by the Government, is seen as a tool for ensuring compensation at replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for APs that may be relocated, suffer business losses, or may be severely affected.

#### **4.4 LARF Principles and Entitlements adopted for this MFF**

52. Based on the Georgian laws on land acquisition and the provisions on involuntary Resettlement in the *ADB Policy Safeguards Statement (2009)*. The, core involuntary resettlement principles applicable to this project fit the SPS and are as follows:

- Land acquisition and other involuntary resettlement impacts should be avoided/minimized exploring all viable alternatives in project design;

- where impacts are unavoidable, a time-bound LARP will be prepared based on sound impact assessment and AP census surveys
- the AP will be assisted in improving or at least restoring their pre-project standards of living;
- meaningful AP consultation will have to be carried out to fully inform the APs of LAR option and allow them to provide inputs on LAR planning;
- the final LARP will have to be disclosed to the public and a summary information pamphlet local language in will be sent to all APs;
- ,appropriate grievance redress mechanisms are to be established;
- the LARP shall be prepared and implemented through mechanisms supporting the socio-cultural institutions of the APs;
- vulnerable and severely affected APs will be provided special assistance;
- non-titled APs (informal dwellers or squatters) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for losses other than land;
- legalizable APs will be legalized and fully compensated for land losses;
- income restoration and rehabilitation assistance will be provided to all APs and in particular to the poor and disadvantaged;
- Compensation provisions and resettlement entitlements are to be provided to the APs before physical and economic displacement; and prior to the commencement of construction activities;
- The LARP will be conceived and executed as an integral component of the Project, and;
- The execution and the achievement of the rehabilitation objectives of the LARP shall be closely monitored and divulgated through appropriate monitoring reports.

#### 4.5. Compensation Eligibility and Entitlements for the Project

53. LAR tasks under the Project will be implemented according to a compensation eligibility and entitlements framework in line with both Georgia laws and regulation and ADB Policy. A summary entitlements matrix is included in Table 4.2 below.

**Table 4.2: Compensation Entitlement Matrix**

Type of Loss	Application	Definition of DPs	Compensation Entitlements
<b>Land</b>			
Private Land	Under this project only agricultural (not used) category land plots are affected	All AP losing productive land (registered or legalizable) regardless of impact severity	Cash compensation at full replacement cost. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desire.
<b>Allowances</b>			
Allowances for Severely Affected AHs			3months of minimum subsistence allowance (GEL 313 GE x 3 = GEL939) <sup>a/</sup>
Vulnerable people allowances		AFs below poverty line, headed by Women	3months of minimum subsistence allowance (GEL 313 GE x 3 = GEL939)

a/ This figure is based on the minimum subsistence income data for a household of 5 provided by the National Statistics Office of Georgia for June 2011.

#### 4.6. Eligibility

54. APs entitled for compensation or at least rehabilitation provisions under the Project are:

- All APs losing land either covered by legal title/traditional land rights, legalizable, or without legal status

55. Compensation eligibility will be limited by a cut-off date to be set for each subproject on the day of the ending of the AP Census and DMS. APs who settle in the affected areas after the cut-off date will not be eligible for compensation. They, however will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

#### 4.7 Compensation Entitlements

56. Entitlement provisions for APs losing land will include provisions for permanent land losses. These entitlements are detailed below:

- **Agricultural land impacts** will be compensated at replacement value either with replacement plots of the same value of the land lost and at location acceptable to APs where feasible, or in cash free of transaction costs at current market rates or (if no land markets are active) based on the reproduction cost of the affected land. The cash at market rates option has been selected for the Program (based on LARF). When >10% of an AP agricultural land is affected, AP (owners, leaseholders and sharecroppers) will get an additional allowance for *severe impacts equal to* the market value of a year's gross yield of the land lost. In case of severe impact on other income, the APs will be paid additional compensation corresponding to 3 months of minimum subsistence income (for the family consisting of 5 persons). Transaction taxes/fees will be paid by the EA or waived. Residual non-affected sections of a plot that becomes inaccessible or unviable to use after acquisition will also be compensated.
- **Vulnerable AP Allowance:** Vulnerable AP (AHs below poverty line or women headed AHs will receive) will receive an allowance equal to 3 months of the monthly minimum subsistence income x a 5 people family at the time of the end of the impacts survey (313 GEL x 3: 939 GEL)
- **Severe Impacts Allowance;** APs losing >10% of agricultural land or >10% of non-agricultural income will receive will an allowance equal to 3 months of the monthly minimum subsistence income x a 5 people family at the time of the end of the impacts survey.(313 GEL x 3: 939 GEL).
- **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.

#### 4.8 Assessment of Compensation Unit Values

57. The methodology for assessing unit compensation values of different items is as follows:

- (i) **Agricultural Land:** this valued at replacement rates based on market rates determined through a survey of land sales in the year before the impact survey. (reference to Annex 2)

58. The unit compensation rates will be assessed by an authorized evaluator based on clear and transparent methods acceptable to ADB. The assessed compensation rates will then be verified and certified by the resettlement division in MDFG.

## **V. INSTITUTIONAL ARRANGEMENTS**

### **5.1. Introduction**

59. The compensation/rehabilitation program described in this LARP involves distinct processes and dynamics and different actors. These actors include MDFG as the Executing agency (EA) and MLARO as the implementing agency (IA), the Municipal governments, the Government of Georgia (GoG), the National Agency of Public Registry (NAPR), ADB and consultants. The role of each of these actors is detailed in the next paragraphs and in the organization chart illustrated in Figure 1.

### **5.2 MDFG**

60. MDFG has overall responsibility for the Project. This includes the capacity building for LAR actors, preparation, financing, and supervision of all LAR tasks and for cross-agency coordination. MDFG will exercise its functions and will be responsible for the general management of the planning and supervision to ensure implementation of all safeguards tasks including LAR.

61. MDFG will be responsible for all LAR tasks both at central and local government level. Among other tasks MDFG will be responsible for (i) screening the projects and ensuring that the LARPs are sent to ADB for review, (ii) hiring and supervising the consultants that will prepare/execute the LARPs; (iii) establishing needed LAR capacity in each Municipality where LAR is relevant; (iv) ensuring proper internal monitoring; and (v) hire, following ADB recommendation, the external monitoring agencies. MDFG will also provide all needed documentation to ensure the prompt allocation of LAR budgets from the Government of Georgia and further payments to the APs, will maintain the coordination on all LAR related activities, and will engage in training as needed. In order to give MDFG the needed capacity to carry out these multiple and complex tasks the Program will provide to the MDFG the needed training.

### **5.3 Local Governments**

62. For LARP preparation/execution and general day-to-day Project activities at Municipality level MDFG will rely on a Municipal LAR Office (MLARO). This will be an office standing for the entire duration of the LAR activities of a project. The MLARO will be staffed with one or more officers with LAR experience hired by MDFG or seconded from other Municipal offices. Besides ensuring proper coordination between all concerned Municipal offices, MLARO will intensively assist MDFG and the LAR consultants in the conduction of impacts surveys, of AP censuses, of Public consultation and agreement negotiation tasks. MLARO is the structure responsible for the LARP implementation and all routine activities related to it. MDFG will ensure that the MLARO gets sufficient trainings to be efficient in its functionality.

### **5.4 Consultants**

63. Different types of consultants will be involved in LAR tasks:

- (i) **PPTA consultants:** These include international and local LAR capacity and survey teams, carry out all field-surveys and prepare the LARPs for the first tranche.
- (ii) **Design consultants:** These include international/local LAR capacity and survey teams carry out the same activities of the PPTA consultants for following tranches.

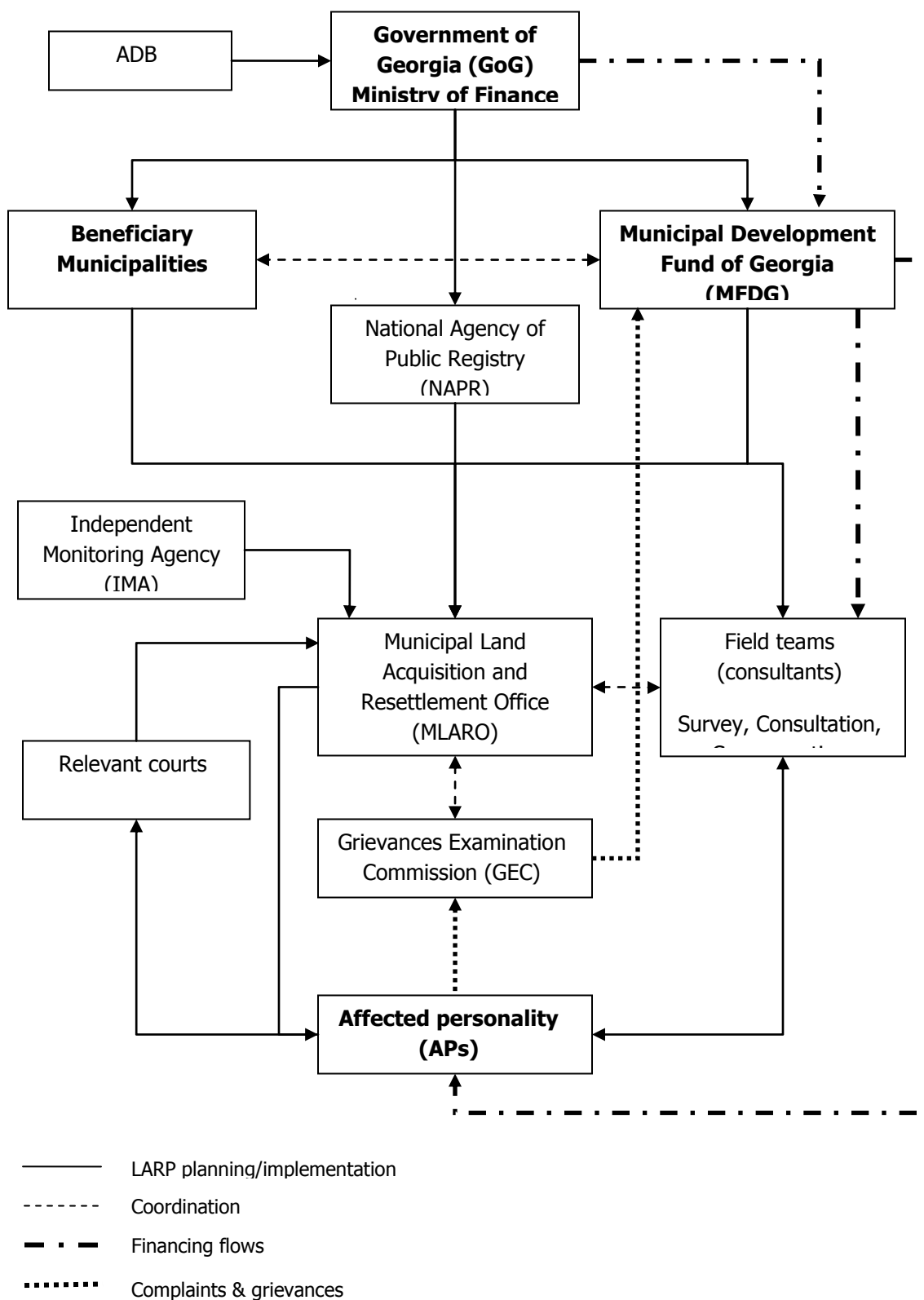
- (iii) **Supervision consultants:** These include international/local LAR capacity and survey teams to assist in the overall supervision of the projects including LARP Implementation monitoring, and evaluation of the implementation of LARP for the second and the subsequent tranches of the Program.
- (iv) **Independent Monitoring Agency (IMA).** This consultant will be hired to conduct the monitoring, evaluation and validation of the implementation of tranche 1 LARP implementation.
- (v) **Independent Asset Valuers.** These will be accredited private firms to be hired by the PPTA or Design consultants to carry out the evaluation of affected assets.

## 5.5 Other Agencies and Institutions

64. A number of other institutions will have a role in the preparation and/or implementation of the LAR for Projects under the Program, among these the most notable are:

- (i) **Government of Georgia - Ministry of Finance.** The finances for the implementation of the LARPs will be provided by MoF to MDFG upon the presentation by them of the LARPs and relative budgets. As the implementation of the LARPs is a condition to start the civil works it will be essential that upon the presentation MoF executes payments immediately.
- (ii) **Courts.** In expropriation issues MDFG will have to rely on the competent court which based on due legal process will have to review the expropriation cases, carry out a hearing and decide whether the land can be expropriated and at what price. In order to expedite the expropriation process MDFG may negotiate with the courts a fast-tracked action.
- (iii) **ADB.** Besides monitoring program implementation, ADB will review all LARPs and provide clearance to contract awards and initiation of civil works to all projects with LAR.

**Figure 5.1: LAR Organization chart and interactions**



## **V. CONSULTATION AND DISCLOSURE**

### **6.1 Public Consultation**

65. Out of 7 affected households 6 live in Tbilisi in different districts and only 1 lives in Mtskheta. Thus no collective meeting has been carried out. During the census survey all affected households were communicated individually, informed of project features and ADB SPS 2009 and were provided with the information leaflets (see appendix 3). The leaflet contains the rates to be paid for 1sqm of land as compensation. The project layout on cadastral maps have been demonstrated, so that each AH could see how much of their registered land plots are under the impact. Proposed rates were accepted as reasonable by all AHs.

### **6.2 Consultation and Participation Plan**

66. MDF will pursue AP consultation for effective implementation and timely execution of the LARP also during the implementation process. For continued consultations, the following steps are envisaged:

- (i) MDF through its RU will organize individual meetings to inform the APs regarding the schedules and modalities of compensation delivery.

### **6.3 Disclosure**

67. The electronic version of the Final draft LARP in English will be posted on ADB and MDF web-sites. The LARP in Georgian will be posted only in the MDF web-site. The LARP information pamphlet will be translated into Georgian and will be provided to all APs. A copy of the LARP (Georgian version) will be available at the concerned Municipal offices.

## VI. GRIEVANCE REDRESS MECHANISM

68. A grievance resolution mechanism will be set up to allow an AP appealing any disagreeable decision, practice or activity arising from RP implementation. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Care will always be taken to prevent grievances rather than going through a redress process. This will be obtained through careful LAR design and implementation, by ensuring full AP participation and consultation, and by establishing extensive communication and coordination between AP, MDF, and the local government.

69. To mitigate disputes during RP implementation a Grievance Redress Committee (GRC) will be established at the local government level. The GRC will include:

- (i) Representative of Resettlement Department of the MDF;
- (ii) Head, Department of Social Issues of the Municipality (Rayon)– Chairman; and
- (iii) Designated informal leaders of project affected communities.

Complaint and grievances will follow the process described below in Table 5.

**Table 7.1: Grievance Resolution Process**

<b>Land Compensation Issues</b>
1. Complaint resolution will be attempted at the local level with the involvement of village leaders and informal mediators.
2. If still unsettled, a grievance can then be lodged with the GRC. The AP will be invited by the GRC two weeks after the complaints have been filed to hear the case. Two days after the hearing, the GRC will inform the AP whether the case is to be dismissed or whether recommendation has been made to MDF for settling the case.
3. If after the GRC intervention no solution has been reached a grievance can be directly lodged to MDF. The AP must lodge the complaint within 2 weeks after receiving response on the original complaint from the GRC and must produce documents supporting his/her claim. The UWSCG will provide a response within 2 weeks of registering the complaint. The UWSCG decision must be in compliance with this RF provisions.
4. Should the grievance redress system fail to satisfy the AP, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court). The implementing NGO may help the APs in this process.



## VII. IMPLEMENTATION SCHEDULE

### 8.1 General

70. All activities related to LAR have been well planned by MDF to ensure that compensation is paid prior to displacement and start of Physical civil works. The main LARP preparation/implementation phases are: (i) LARP finalization and approval; (ii) LARP implementation and (iii) evaluation of LARP implementation. Public consultation, internal and external monitoring and grievance redress will be undertaken continuously throughout LARP implementation. The LAR-related milestones for Project implementation include (i) LARP approval, (ii) PFR signing; (iii) Civil works contract signing (iii) NOL to proceed with physical civil works and (iv) start of physical civil works. A post –implementation evaluation will be carried out on 1 after the end of LARP implementation.

71. **Pre-implementation tasks and Approvals:** This phase entails the following tasks/responsibilities:

- (i) establishment and training of LAR institutions (responsibility: EA/Consultants);
- (ii) ADB's technical review and approval of the LARP (responsibility: ADB)
- (iii) GoG approval of LARP (responsibility GOG); and
- (iv) LARP disclosure (responsibility EA and Consultants) and distribution among the AHs.

72. After the LARP is disclosed the PFR for the Tranche can be approved by ADB, the contract awards can be signed, and the legalizable AP can be legalized.

73. **LARP Implementation.** This phase entails the following tasks/responsibilities:

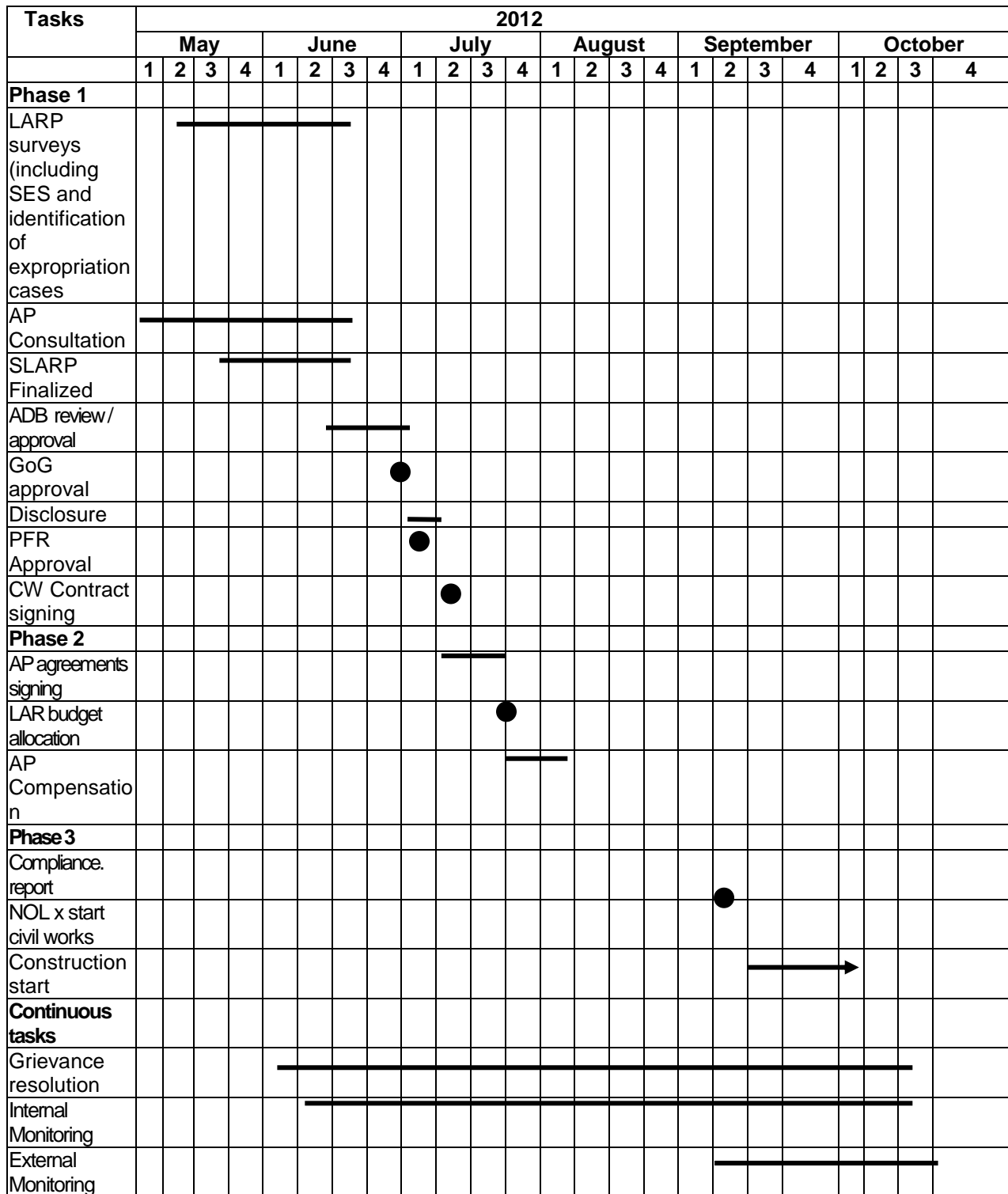
- (i) compensation agreements with APs signing (responsibility: EA);
- (ii) Requisition to MDF for compensation/allowances finances (responsibility: MoF/EA)
- (iii) Compensation transfer to APs' bank account and registration of land on MDF name (responsibility: EA)
- (iv) Training of LAR institutions, APs and NGOs (responsibility: EA/consultants)
- (v) Grievance resolution (responsibility local Governments, GRG and EA)

74. **Post-implementation evaluation.** This will be conducted in two phases: a) immediately after LARP implementation through the preparation of a Compliance report by the independent Monitoring Agency; and b) one (1) year after the end of LARP implementation.

### 8.2 LARP Implementation Time Schedule

75. The LARP implementation is presented in Figure 8.1.

Figure 8.1: LARP-I Implementation Schedule



\* For Expropriation or absentee AP cases.

## VIII. COSTS AND FINANCING

### 9.1 Cost of Compensation for Land

76. All the affected private land plots are located on the left bank of r. Aragvi close to the site, where r. Aragvi enters r. Mtkvari. All of these land plots are agricultural, although have not been cultivated or used for grazing at least during the recent 7 years. However, the price of land here is higher than in many other districts of Georgia and other sections of the East-West highway, where the price for agricultural land varies from 3 to 4 GEL per sq.m. The category of "agricultural" land could be easily changed into "nonagricultural" and main value for the land plots located in the project area is related to general development of the rayon as recreational area located close to Tbilisi and zone of interest for tourism. Thus the market price of the mentioned land is to great extent value of the land as real estate. It should be noted, that the land prices generally within the Mtskheta region, as well as particularly near the project area, varies significantly. For the Feasibility Study and this Preliminary Resettlement Study the average price has been determined by the independent valutors as 36 GEL per sq.m. This price has been derived on the basis of comparison with the actual land prices of transactions registered in NAPR, as well as sale proposals from the real estate dealer sources.

77. Total area of land to be acquired for the project (inclusive unviable residual land plots) is 7,124 sq.m. Total land compensation cost equals 260 424.00 GEL.

**Table 9.1**

<b>Total Area of Affected Private Land</b>	<b>Compensation Cost for 1 sq.m (GEL)</b>	<b>Total Compensation Cost (GEL)</b>
7,249sq.m	36	260,964

### 9.2 Cost of Rehabilitation Allowances for Vulnerable AP

78. There is no one vulnerable AH among the affected AHs.

### 9.3 Cost of Rehabilitation Allowances for Severely Affected AHs

79. There are only 4 severely affected AHs. Based on the policy for this sub-project the severely affected household will receive allowance equivalent to 3 months of minimum subsistence income (GEL 313 x 3 = GEL 939)

80. The total cost of allowances for severely affected households is 3,756GEL.

### 9.4 Summary Costs

<b>No.</b>	<b>Item</b>	<b>Cost (GEL)</b>	<b>Cost in USD</b>
<b>A</b>	<b>Compensation</b>		
1	Compensation for Land	260,964	
	<b>Sub Total A</b>	<b>260,964</b>	
<b>B</b>	<b>Allowances</b>		
1	Severely Affected AH	3,756	
	<b>Sub Total B</b>	<b>3,756</b>	

<b>No.</b>	<b>Item</b>	<b>Cost (GEL)</b>	<b>Cost in USD</b>
<b>C</b>	<b>LARP Administration Costs</b>		
1	Cost for EMA	10,000	
2	Miscellaneous Administrative Cost	16,000	
<b>Sub Total C</b>		<b>26,000</b>	
<b>Total R&amp;R Cost (A+B+C)</b>		<b>290,720</b>	
<b>Contingency @10 % of the total LAR Cost</b>		29,072	
<b>Grand Total</b>		<b>319,792</b>	<b>195,352</b>

## **X. MONITORING**

### **10.1 Introduction**

81. LAR tasks under the Project will be subjected to both internal and external monitoring. Internal monitoring will be conducted by MDFG. External monitoring will be assigned to an Independent Monitoring Agency (IMA) to be hired by MDFG and approved by ADB. The IMA will be selected among NGOs, academic Institutions, or consulting firms. ADB will advise MDFG on the IMA's terms of reference once Project implementation has begun.

### **10.2 Internal Monitoring**

82. Internal monitoring will be carried out routinely by MDFG either directly or through the services of a consultant. The results will be communicated to ADB through the project implementation reports. Indicators for the internal monitoring will be those related to process and immediate outputs and results. This information will be collected directly from the field level MLARO and reported to MDFG to assess the daily progress and results of LARP implementation, and to adjust the work program, if necessary. The reports will be included in consolidated standard supervision reports to ADB. Specific monitoring benchmarks will be:

- (i) Information campaign and consultation with APs;
- (ii) Status of land acquisition and payments on land compensation;

### **10.3 External Monitoring**

83. External monitoring will be carried out during LARP implementation and once more a year thereafter. External Monitoring tasks will be carried out in two phases:

#### **10.4 Phase-I**

84. This external Monitoring phase will be carried out in parallel with the implementation of the LARP and will be concluded after the LARP is fully implemented by the preparation of a Compliance Report. An acceptable Compliance Report is condition to start the implementation of physical civil works for the project. The Compliance report will include the following sections:

85. During this phase the IMA will i) do the investigations and define the indicators needed for phase two activities and ii) closely monitor the implementation of the LARPs. LARP implementation monitoring will entail the following tasks: (a) review of LARP/Information pamphlet disclosure; (b) review of action taken by the PIU to compensate the APs with particular attention to the way this action fits LARP stipulations; (c) review all compensation tallies; (d) verify whether the compensation is provided thoroughly to all APs and in the amounts defined in the RP and in the AP contracts; (e) assess the satisfaction of the APs through an AP satisfaction survey based on a 100% sample of the AH; (f) review complaints & grievances case. The IMA will prepare the Compliance Report immediately after the completion of LARP implementation. The Compliance report will include well argued sections on the following:

- (i) Assessment of the way the compensation has been carried out in relation to RP stipulations;

- (ii) Verification that all APs were compensated in the amounts stipulated in the RP
- (iii) Review of complaint and grievance cases and of their solution
- (iv) Assessment of the rehabilitation program for vulnerable /severely affected APs
- (v) Assessment of the satisfaction of the APs
- (vi) Lesson learned to be applied to the next projects, and;
- (vii) General assessment of RP implementation and recommendations to ADB regarding the provision of No Objection Letter to start the civil works.

## **10.5 Phase-II**

86. Within one year from the end of the implementation of the whole MFF the IMA will also assess the degree of income rehabilitation achieved by the LAR compensation and rehabilitation Program. The following are main indicators for the investigations to be carried out in this external Monitoring phase:

- (i) Socio-economic conditions of the APs in the post-resettlement period;
- (ii) Communications and reactions from APs on entitlements, compensation, options, alternative developments and relocation timetables etc.;
- (iii) Changes in housing and income levels;
- (iv) Effectiveness of Grievance procedures;
- (v) Level of satisfaction of APs in the post resettlement period.

**Annex 1**

**Affected Households - Village Tsitsamuri (Mtskheta Rayon)**

#	Name	Village, Rayon	Type of land plot	Total area of affected land plot sq.m	Area of land plot occupied by Bridge facilities	Residual Land Plot sq.m	Area of land to be acquired for project	Project Impact %	Cost of 1sq. land	Land compensation Costs	Cost of Rehabilitation Allowances for Severely Affected APs AP		Total Payments
1	2	3	6	7	8	9	10	12	13	14			18
1	1	Mtskheta, village Tsitsamuri	Agricultural	1500	1413	87	1500	94.2%	36	54000	939		54939
2	2	Mtskheta, village Tsitsamuri	Agricultural	1500	1483	17	1500	100%	36	54000	939		54939
3	3	Mtskheta, village Tsitsamuri	Agricultural	1500	1479	21	1500	98.6%	36	54000	939		54939
4	4	Mtskheta, village Tsitsamuri	Agricultural	1500	93	1407	93	6.1%	36	3348	0		3348
5	5	Mtskheta, village Tsitsamuri	Agricultural	2600	2600	0	2600	100%	36	93600	939		94 539
6	6	Mtskheta, village Tsitsamuri	Agricultural	1500	51	1449	51	3.4%	36	1836	0		1836
7	7	Mtskheta, village Tsitsamuri	Agricultural	2450	5	2445	5	0%	36	180	0		180
	<b>Total</b>						7,249			<b>260,964</b>	3,756		<b>264,720</b>

## Annex 2

### Methods of Valuation of Affected Land, Buildings/Structures and Trees Assessment Methodology

According to international standards of valuation (IVSC) 3 standards of assessment exist:

1. **Standard #1** – Market value, as the basis of assessment;
2. **Standard #2** – Assessment base different from the market value;
3. **Standard #3** – Preparation of assessment report.

According to international standards of valuation (IVSC), 3 methods are used for determining property value:

1. Expenses (substitution);
2. Income;
3. Analogous sales.

**Expense (substitution) method** implies direct and indirect cost of building analogous structure, i.e. what the cost of a building with the same physical characteristics would be. The cost will be deducted the physical depreciation value. Direct expenses comprise:

- Wages to the workforce;
- Expenses on purchasing construction material;
- Preparation costs;
- Leasing or purchase costs of equipment;
- Revenue of the constructor and overhead costs;
- Expenses for safety of construction/repair;
- Costs of arrangement of temporary buildings;
- Temporary infrastructure costs (power, water, gas supply, etc.);
- Warehouse expenses;
- Transportation costs;
- Other expenses.

Indirect expenses imply:

1. Cost of architect/designer service;
  2. Engineer service cost;
  3. Legal service cost;
  4. Auditor service cost;
  5. Other expenses.
- Permit expenses;
  - Insurance cost;
  - % of financing;
  - Guarantees of contract fulfillment by the constructor;
  - Other expenses.

**Expense (substitution) method**, in its turn, consists of 3 methods:

1. **Method of square (cubic) meters**, during which the assessor follows the below sequence of actions:
  - Identifies volume or area of the property to be assessed on the basis of working drawing, project or measuring works;
  - Identifies an object built in the nearest past and similar to the object of assessment (in physical characteristics, functional purpose and other parameters) and calculates direct and indirect expenses on their construction;



- Adjusts the total direct and indirect costs to 1 square or 1 cubic meter;
  - Determines the construction value of the object through multiplying the costs per 1 square or 1 cubic meter on the area or volume of the object of assessment;
  - Identifies the value of physical depreciation of the object;
  - Determines the cost of the object of assessment through deducting physical depreciation value from the cost of new construction.
2. **Method of elements (expenditure)**, during which the assessor follows the below sequence of actions:
- Identifies the volume or area of the construction elements of the object to be assessed from working drawing, project or measurement works;
  - Identifies all indirect expenses connected with the construction through percentage values of the total cost, existing costs or other methods;
  - Estimates each construction element through preparation of expenditure sheet according to market value applicable on the date of assessment to the types of work (land work, arrangement of fundament and walls, etc.) along with the total cost of all other construction and guarantee expenses and sums them up;
  - Adds overhead and unplanned expenses (percentage value) to the sum of expenditure sheet cost of construction elements;
  - Adds revenue and taxes to the received amount;
  - Identifies the cost of the new construction through adding of indirect and direct expenses;
  - Determines the physical depreciation value of the object of assessment;
  - Determines the cost of the object of assessment through deducting physical depreciation value from the cost of new construction.
3. **Method of resources** is a modification of method of elements (expenditure). It is based upon more large scale system of standards of construction pricing and expenditure existing on the market. The dimension of the cost value in the method is the most characteristic values. The calculation of the cost of the key elements is conducted through division of the building into various main elements and the cost of arrangement of these elements on the day of assessment (construction) and implies estimation of the material, workforce, transport and other costs. The method could be based upon the data of a similar building completed in the recent past.

In our case we rejected the method of expenses (substitution), because it is effective in building assessment, which are absent on the plots to be assessed.

**The method of sale comparison** is based upon direct comparison of the object of assessment with other items, which have been sold or offered for sale. During the use of the method the assessor follows the below sequence of actions:

- Facilitated collection, analysis and classification of market data, which enabled the estimation of analogous real estate;
- Identified the elements of comparison, according to which the objects of assessment were compared with the analogs;
- Determined the nature and level of difference of the selected comparison elements, which are characteristic to the object of assessment and objects of comparison;
- Corrected the costs of comparison elements of the analogs;
- Corrected the costs of all analogs by elements of comparison towards the objects of assessment;

- Identified the market value of the object of assessment through matching the corrected costs of the analogs.

The corrections are made by elements of assessment with the below sequence:

- Transfer of property right on real estate;
- Financial conditions;
- Sale conditions;
- Further expenses connected with sale;
- Dynamics of sale on the market (date of sale);
- Location;
- Physical characteristics;
- Economic characteristics;
- Use;
- Presence of movable property.

We used **sale comparison method** for plot assessment, as we were able to collect all the market data, which makes the method usable.

**Income method** reflects motivation of revenue from real estate having the opportunity for revenue considering the fact that there is direct connection between the amount of investment and revenue from the commercial use of the object. The market value of the real estate is expressed in the cost of incomerights for the item and estimates the future revenues from the use of the property in current value. In its turn, the revenue method comprises two methods:

1. **Method of direct capitalization** is based upon the analysis of the revenues from use of the object of assessment, i.e. the value is derived from division of the received net operational income from the use of the property in a set period by the capitalization rate and comprises the below stages:
  - a) **I stage** – total annual potential income is estimated;
  - b) **II stage** – total effective revenue is estimated;
  - c) **III stage** – expected costs and reserves are determined;
  - d) **IV stage** – net operation income is calculated;
  - e) **V stage** – capitalization rate is identified;
  - f) **VI stage** – market value of the real estate is determined.
2. **Method of discounted cashflow** is based upon the analysis of the revenues from the use of the object of assessment, i.e. discounting the net operational income from the use of the property into current value, to which the income received from the reverse (sale) of the property at the end of the period is added.
  - a) **I stage** – the period of typical ownership of the real estate is identified. In this period the property is owned by the investor;
  - b) **II stage** – net operational income for each stage of ownership is identified;
  - c) **III stage** – the cost of the real estate by the end of the ownership period is determined (reverse cost);
  - d) **IV stage** – the rate of discount for the real estate object is identified at the existing market;
  - e) **V stage** – the cashflow of each period and the cost of reverse is transformed into current value through discounting;
  - f) **VI stage** – the market value of the real estate is calculated.

We rejected both versions of the **income method**, because the objects of assessment are not sources of income at the moment of assessment.

### **The Identification of Land Plot Value**

The plots to be assessed are located in t. Mtskheta in the vicinities of Svetitskhoveli cathedral, on the right and left banks of r. Aragvi.

The necessary environment for the analysis (market segment) could be identified within the territory adjacent to r. Aragvi in t. Mtskheta.

Commercial and residential use is characteristic to the real estate market segment.

During the assessment and with the aim of identification of the market value of the land plots we have obtained information on analogs, which is shown in Table #1.

Table 1: Data on Analogs of Comparison

#	Description	Address	Cost of unit of bargain/offer in \$	Source of information	Price of 1 sq. m.	Costs connected with sale	Correction	Corrected price of 1 sq. m.	Dynamics of bargain on the market (date)	Correction	Corrected price of 1 sq. m.	Location	Correction	Corrected price of 1 sq. m.	Physical characteristics	Correction	Corrected price of 1 sq. m. Pi	Ri	Σ R	Vi	Vwa Market price of 1 sq. m. in \$	Vwa Market value of 1 sq. m. in GEL
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Calculation of market value of land plots in t. Mtskheta in the vicinities of Svetitskhoveli on right and left banks of r. Aragvi																						
1	518 sq. m. land plot	T. Mtskheta, cadaster code 72.07.06.148	24\$/1sq. m. (bargain)	Public Register data 10/12/2009	24	Bargain	No	24	Positive	5%	25	Better	-2	23	Analogous	No	23	2.0	15.0	3.1	22	36
2	64384 sq. m. land plot	T. Mtskheta, cadaster code 72.07.02.373	19 \$ /1sq. m. (bargain)	Public Register data 16/12/2009	19	Bargain	No	19	Positive	5%	20	Analogous	No	20	Analogous	No	20	2.0		2.7		
3	5900 sq. m. land plot	At Tsitsamuri turn in the vicinities of I. Tchavtchavadze monument, tel. 2471020	30 \$ /1sq. m. (offer)	<a href="http://makler.ge/index.php?pg=ds&amp;id=125226">http://makler.ge/index.php?pg=ds&amp;id=125226</a>	30	Offer	-10%	27	Current	No	27	Better	-3	24	Analogous	No	24	1.0		1.6		
4	2100 sq. m. land plot	At Tsitsamuri turn, tel. 2471020	29 \$ /1sq. m. (offer)	<a href="http://makler.ge/index.php?pg=ds&amp;id=168488">http://makler.ge/index.php?pg=ds&amp;id=168488</a>	29	Offer	-10%	26	Current	No	26	Better	-3	23	Analogous	No	23	1.0		1.5		

**Table 1: Data on Analogs of Comparison**

#	Description	Address	Cost of unit of bargain/offer in \$	Source of information	Price of 1 sq. m.	Costs connected with sale	Correction	Corrected price of 1 sq. m.	Dynamics of bargain on the market (date)	Correction	Corrected price of 1 sq. m.	Location	Correction	Corrected price of 1 sq. m.	Physical characteristics	Correction	Corrected price of 1 sq. m. Pi	Ri	$\sum R$	Vi	Vwa Market price of 1 sq. m. in \$	Vwa Market value of 1 sq. m. in GEL
5	2000 sq. m. land plot	Territory adjacent to Jvari, tel. 790919293	20 \$ /1sq. m. (offer <sub>s</sub> )	<a href="http://makler.ge/index.php?pg=ds&amp;id=168274">http://makler.ge/index.php?pg=ds&amp;id=168274</a>	20	Offer	- 10 %	18	Current	No	18	Analogous	No	18	Analogous	No	18	1.0		1.2		
6	1300 sq. m. land plot	At Aragvi edge, tel (+995 322) 725275	15 \$ /1sq. m. (offer <sub>s</sub> )	<a href="http://www.geos.ge/search-results/?country_id=501&amp;category_id=&amp;city_id=50&amp;price-from=searchObjects=1&amp;page=2">http://www.geos.ge/search-results/?country_id=501&amp;category_id=&amp;city_id=50&amp;price-from=searchObjects=1&amp;page=2</a>	15	Offer	- 10 %	14	Current	No	14	Worse	3	17	Worse	3	20	1.0		1.3		
7	1300 sq. m. land plot	At Aragvi edge, tel (+995 322) 725275	15 \$ /1sq. m. (offer <sub>s</sub> )	<a href="http://www.geos.ge/7/7/?page=7">http://www.geos.ge/7/7/?page=7</a>	15	Offer	- 10 %	14	Current	No	14	Worse	3	17	Worse	3	20	1.0		1.3		
8	400 sq. m. land plot	T. Mtskheta, cadaster code 72.07.04.8	28 \$ /1sq. m. (bargain)	Public Register data 30/11/2010	28	Bargain	No	28	Positive	3%	29	Better	-5	24	Analogous	No	24	2.0		3.2		

**Table 1: Data on Analogs of Comparison**

#	Description	Address	Cost of unit of bargain/offer in \$	Source of information	Price of 1 sq. m.	Costs connected with sale	Correction	Corrected price of 1 sq. m.	Dynamics of bargain on the market (date)	Correction	Corrected price of 1 sq. m.	Location	Correction	Corrected price of 1 sq. m.	Physical characteristics	Correction	Corrected price of 1 sq. m. Pi	Ri	$\sum R$	Vi	Vwa Market price of 1 sq. m. in \$	Vwa Market value of 1 sq. m. in GEL
		27																				
9	600 sq. m. land plot	T. Mtskheta, cadaster code 72.07.05.745	30 \$ /1sq. m. (bargain)	Public Register data 25/08/2010	30	Bargain	No	30	Positive	3%	31	Better	-5	26	Analogous	No	26	2.0		3.5		
10	6575 sq. m. land plot	T. Mtskheta, cadaster code 72.07.04.756	19 \$ /1sq. m. (bargain)	Public Register data 27/08/2010	19	Bargain	No	19	Positive	3%	20	Analogous	No	20	Analogous	No	20	2.0		2.6		

1.	Calculations were made in one segment, for the right and left banks of r. Aragvi. Left bank is more advantageous in terms of commercial activity, as the plots are located near the autobahn and commercial activities are possible. As regards the right bank, its utilization has started. It is near to the historical district of t. Mtskheta and hence arrangement of tourist infrastructure is possible. The prices of analogs of comparison on the right and left banks are almost the same, so we consider their market value identical
2.	Expenses connected with sales are indicated in cell #7, which in its turn comprises the trade margin in the bargaining process, i.e. possible discount value and the minimal 10 % value for the trade margin accepted for Georgian market is calculated. The price of the offer in Georgia always exceeds the actual market value for 10-15 %, which is caused by the fact that market economy has not fully formed in Georgia and the seller tries to receive more revenue, when the buyer is not familiar with the real estate prices and agrees to the offered price. For the analogs already sold (in our case – analogs # 1, 2, 8, 9 and 10) correction in the amount of 10 % was not made, because these analogs are already sold, so no negotiations will take place and discount is not expected. Correction was made only to the analogs (in our case analogs #3, 4, 5, 6 and 7), which are only offered for sale and were not sold at the moment of correction, so the seller and buyer will negotiate during the sale process and discount is expected. Even in the explanation of the market value the market value is described as value between <b>knowledgeable buyer and seller based upon the principle of an arm's length transaction (international standards of valuation, IVSC)</b>
3.	The dynamics of market bargains is indicated in cell #10, which, in its turn, comprises the dynamics of prices on the date of sale, i.e. from the moment of bargain till the assessment date. In our case positive correction was made to analogs #1, 2, 8, 9 and 10. Positive correction is caused by the fact that after August, 2008, according to the statistics, prices fell for 15-20 % on the market, increase started in 2009. The analysis of market data shows that from the second half of 2009 till the moment of assessment the average price increase was 5 % (in our case for analogs #1 and 2) and from the second half of 2010 till the moment of assessment was 3 % (in our case analogs #8, 9 and 10)
4.	Cells #3 and 16 contain correction according to location and physical characteristics. The words indicated in the cells have the below meaning: <b>better</b> implies that analog of comparison is better than the object of assessment, i.e. the market value of the analog exceeds the price of the assessment object and certain discount is needed for the analog price – to match it with the comparison object. <b>Analogous</b> means that analog of comparison is identical to the assessment object in parameters, i.e. market value of the analog does not require corrections when comparing to the object of assessment, so no discount or increase in price is necessary for the analog to become acceptable for the assessment object. <b>Worse</b> implies that the comparison analog is worse than the object of assessment, i.e. the market value of the analog is less than that of the object of assessment, so certain increase in price is needed for the price of the analog to become acceptable for the object of assessment
5.	Cell #14 for analogs #1, 3, 4, 6, 7, 8 and 9 contains correction values -2, -3, -3, +3, +3, -5 and -5 \$, which is caused by the fact that analogs are located at the distance of 0.5-3 km from the objects of assessment. Analogues are worse or better in comparison with the object of assessment in terms of commercial benefit, i.e. traffic is less dense, however, maximally close to the object of comparison. As regards correction value it is set via expert method on the basis of analysis of the respective market segment (analysis/comparison of transactions costs on the

	market for 1 year, which, in its turn, is based upon data of the Public Register and Broker firms
<b>6.</b>	Next correction value is made due to physical characteristics, which implies the differences between the analog of comparison and object of assessment. <b>Correction in the amount of +/- 3 \$ is made due to communications</b> (water pipeline, sewerage, power supply, communications, gas pipeline, etc.) (for what extent the analog of comparison is facilitated with communications and whether additional expenses will be incurred for infrastructural needs). <b>Correction values comply with the expenses according to the construction standards and costs for the plot, which should be incurred to achieve construction attractiveness of the plot commensurate with the object of assessment and the analog</b>
<b>7.</b>	Correction in the amount of +3 \$ is indicated in cell #14 for analog #4 and analogs # 6 and 7 of the II section due to physical characteristics, which is caused by the differences between the analog and object of assessment, i.e. the analog is better than the object of assessment, because no additional expenses will be incurred <b>due to communications</b>
<b>8.</b>	Ratings of the analogs of comparison are indicated in cell #19, which are set via expert method by the assessor considering the following criteria: the conditions of the analog on the market was paid the utmost attention, i.e. whether it is a transaction or offer. The price of the analogs already sold is closer to the market value than those in the offer stage (not yet sold) and the price of the latter is more hypothetical than realistic. The location was also considered, i.e. how close the analog is to the object of assessment. The closer the analog is, the better price can be compared. Then the analogs with the most similar physical characteristics to the object of assessment were evaluated. According to the above criteria, rating has been assigned as follows: analogs <b>#1, 2, 8 and 10 – rating 2.0</b> , because bargain was taken place, they are close to the objects of assessment and physical characteristics are analogous. <b>Other analogs were assigned the rating of 1.0</b> , which in all cases is only an offer and not a bargain

### Determination of the Market Value

The matching of the corrected prices of the data to be compared was achieved through the calculation of average weighed value. During the matching of results more share was assigned to the analog, which was more similar to the object of assessment and contained less corrections and the data is reliable.

We calculated the market value of 1 sq. m. of object of assessment using average weighed value via the below formula:

$$V_{wa} = \sum_{i=1}^n \left( P_i \times \frac{R_i}{\sum_{i=1}^n R} \right)$$

**V<sub>wa</sub>** – average weighed value

**P<sub>i</sub>** – Corrected sale (offer) price of each analog of comparison

**Σ R** – Sum of rating weight of corrected prices of analogs of comparison

**R<sub>i</sub>** – Rating weight of corrected price of each analog of comparison

*Note: Market value of 1 sq. m. of land plots is calculated for the non-agricultural land plots located in respective sections.*



**Annex 3: INFORMATION LEAFLET**  
**LAND ACQUISITION AND RESETTLEMENT PLAN (LARP)**  
**Mtskheta Bridge Project**

**A. INTRODUCTION**

1. This leaflet summarizes/explains the content of the Land Acquisition and Resettlement Plan (LARP) prepared by the Municipal Development Fund of Georgia (MDF) to assess/plan the compensation of the Land Acquisition and Resettlement (LAR) impacts caused by the construction of the bridge over the river Aragvi in Mtskheta. The LARP is based on the prescriptions of the Safeguards Policy Statement 2009 (SPS) of the Asian Development Bank (ADB), which is the Project Financier with a multi-tranche Financial Facility (MFF) subdivided in 3 tranches. The LARP for Mtskheta bridge is included in tranche 2 of the MFF (Sustainable Urban Transport Investment Program).

2. This LARP is based on detailed design and, after the engineers have explored all options to avoid/minimize impacts it is an implementation-ready plan. The project will affect 7 households. Its impact is related to permanent take of 8 unused agricultural land plots with total area of 7,249sq.m sq.m. The project will not entail loss of crops or any assets attached to the land (trees, structures etc.), or loss of incomes. The affected land is not cultivated or used as a pasture. According to the ADB SPS 2009, this sub-project is thus classified as of category B and needs only the preparation of a Short Resettlement Plan (SRP).

**B. PLANNING/IMPLEMENTING THE COMPENSATION REHABILITATION PROGRAM FOR THE PROJECT**

3. LARP preparation involved detailed measurement surveys of all impacts, a census of the APs and detailed valuation surveys to determine the replacement cost of all affected items. The LARP in Georgian will be disclosed on the MDF website and deposited for public consultation at the MDF office and at your Sacrebulo office. The LARP in English will be posted both on the ADB and the MDF websites. The text below summarizes the LARP's impacts assessment, compensation Policy and compensation procedures.

**C. RESETTLEMENT POLICY AND PRINCIPLES**

4. Impact compensation will be carried out under the laws of Georgia, and the ADB APS. All AP will be compensated at replacement rate and receive adequate allowances according to severity of impacts and vulnerability status. LAR for the project is based on the following principles:

- (i) LAR impacts will be avoided or minimized through all viable alternative project designs;
- (ii) A scheduled action plan is to be planned/implemented to improve or at least reestablish the AP's pre-project living standards;
- (iii) The APs will be consulted and their opinions will be considered in the project design and implementation;
- (iv) Loss of land and assets will be compensated at full replacement cost at the time of dispossession of land and assets;
- (v) Non-titled APs will be compensated for lost assets other than land and given a livelihood allowance in lieu of land compensation;
- (vi) All legalizable APs will be legalized and fully compensated for land losses;
- (vii) Vulnerable and severely affected APs will be provided special assistance;
- (viii) Land acquisition and resettlement policy and procedure will be disclosed to APs in local language;
- (ix) Compensation will be provided at least at the rates detailed in this LARP although some modification in excess will be possible during the discussions preceding the signing of the contract

- (x) payment of compensation, resettlement assistance and rehabilitation measures will be fully provided prior to the start of civil works construction; and
- (xi) Appropriate mechanisms will be established to solve APs grievances, if occurs.

#### **D. COMPENSATION ELIGIBILITY AND ENTITLEMENTS**

5. **Eligibility.** APs entitled to compensation or at least rehabilitation provisions under the Project are:

- (i) All APs losing land either with legal title or traditional land rights, legalizable, or without legal status;
- (ii) Tenants and sharecroppers whether registered or not;
- (iii) Owners of buildings, crops, plants, or other objects attached to the land; and
- (iv) APs losing business, income, and salaries.

6. In particular the eligibility to land compensation for this project has been elaborated as follows:

- Titled APs will be fully compensated
- Untitled APs who were legitimate leasers under the old Soviet system and have either plots with a house or adjacent to a plot with a house will be legalized and then compensated.
- Untitled APs who were not legitimate leasers under the old Soviet system and use/cultivate the land they occupy only extemporaneously will not be legalized nor compensated. They however, are still eligible for buildings, crop/trees or income compensation.

7. Compensation eligibility will be limited by a cut-off date to be set on the end-date of the impacts surveys (for this project June 5 of 2012 is accepted as cutoff date). APs who settle in affected areas after this date will not be eligible for compensation. They however will be given sufficient advance notice to vacate and dismantle their affected premises before project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

8. **Entitlements.** The compensation provisions for the various items affected by the project are defined below in table 1.

<b>Type of Loss</b>	<b>Application</b>	<b>Definition of DPs</b>	<b>Compensation Entitlements</b>
<b>Land</b>			
Private Land	Under this project only agricultural (not used) category land plots are affected	All AP losing productive land (registered or legalizable) regardless of impact severity	Cash compensation at full replacement cost. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desire.
<b>Allowances</b>			
Allowances for Severely Affected AHs			3months of minimum subsistence allowance (GEL 313 GE x 3 = GEL939) <sup>a/</sup>
Vulnerable people allowances		AFs below poverty line, headed by Women	3months of minimum subsistence allowance (GEL 313 GE x 3 = GEL939)

a/ This figure is based on the minimum subsistence income data for a household of 5 provided by the National Statistics Office of Georgia for June 2011.

The project has no impact on crops, trees, any other assets attached to the land or businesses related to the affected land plots. Accordingly, compensation is paid only for the land losses.

## E. COMPENSATION RATES

9. The table below specifies the compensation rates for affected lands. The valuation was carried out based on a survey of actual land transactions. Details on the valuation methodology are provided in the LARP.

**Table 2: Compensation for Land Acquisition**

<b>Number of Land Plots</b>	<b>Total Area of Affected Private Land</b>	<b>Compensation Cost for 1 sq.m (GEL)</b>	<b>Total Compensation Cost (GEL)</b>
7	7,249sq.m	36	260,964

## F. ALLOWANCES

10. There is no one vulnerable AH among the affected AHs.

11. There are only 4 severely affected AHs, who lose more than 10% of their land. Based on the policy for this sub-project the severely affected household will receive allowance equivalent to 3 months of minimum subsistence income (GEL 313 x 3 = GEL 939)

12. The total cost of allowances for severely affected households is 3,756GEL.

## G. COMPLAINTS AND GRIEVANCE REDRESS MECHANISM

13. In order to mitigate the possible disputes and conflicts during the LARP implementation process Grievance Redress Committee (GRC) will be established at self-local government levels (the complaints form has been attached below in Annex 1). The GRC shall comprise of the following members:

- Representative of MLARO
- Head, Department of Social Issues of the Municipality (Rayon)– Chairman;
- Representative of the Mayors and villages (Sacrebolu);
- Designated informal leader of project affected communities;
- Representative of permanently affected persons from each affected community; and
- Representative of local NGOs or local (rayon level) society, if available.

### Grievance Resolution Process

<b>Land/ Crops Compensation Issues</b>
1. First, complaints resolution will be attempted at village level with the involvement of village authorities, the assisting NGO and informal mediators.
2. If still unsettled, a grievance can then be lodged to the GRC. The AP will be invited by the GRC two weeks after the complaints had been filed to hear the case. Two days after the hearing the GRC will inform the AP whether the case is to be dismissed or whether recommendation has been made to MDFG for settling the case.
3. If after the GRC intervention no solution has been reached a grievance can be directly lodged to MLARO. 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 MLARO will provide a response within 2 weeks of registering the complaint. The MLARO decision must be in

<b>Land/ Crops Compensation Issues</b>
compliance with this LARF provisions.
4. Should the grievance redress system fail to satisfy the AP, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court). The implementing NGO may help the APs in this process.

## H. CONTACT INFORMATION

14. For any information and advice, please feel free to approach the following contacts:

MDF office 150 Agmashenebeli str., Tbilisi, Georgia

- David Baindurashvili, Resettlement Specialist (e-mail: [dbaindurashvili@mdf.org.ge](mailto:dbaindurashvili@mdf.org.ge); phone: 5.95.900902)
- Nino Patarashvili, Environmental and Social Specialist (e-mail: [npatharashvili@mdf.org.ge](mailto:npatharashvili@mdf.org.ge); phone: 5.99.338511)

### Complaints and Grievance Submission Form

<b>Mtskheta Bridge Project</b>	
<b>Name, Last name</b>	
<b>Contact Information</b>  Please indicate the preferable means of communication (Mail, Telephone, E-mail)	<input type="checkbox"/> <b>Mail:</b> Please indicate the postal address: _____ _____ _____ <b>93. Telephone:</b> _____ <b>94. E-mail:</b> _____
<b>The language desirable for the communication</b>	<input type="checkbox"/> <b>Georgian</b> <input type="checkbox"/> <b>English</b> <input type="checkbox"/> <b>Russian</b>
<b>Describe the grievance/claim:</b> What is the complaint about? What is the claim?	
_____ _____ _____	
<b>Date of Negotiation:</b>	<b>Resolution of Negotiation:</b>
_____ _____	_____ _____
<b>What is the basis of your claim?</b>	
Signature: _____ Date: _____	