

# Land Acquisition and Resettlement Plan

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GEO: Sustainable Urban Transport Investment  
Program, Tranche 2 (Section-1: km 0 to 4 Tbilisi –  
Phonichala)

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## **LAND ACQUISITION AND RESETTLEMENT PLAN (LARP-I)**

Engineering, Procurement, Construction Management and Supervision of  
the Modernization of Tbilisi-Rustavi Section of the Tbilisi-Red Bridge  
(Azerbaijani Border) Road

***Section-1: (km 0 to 4) Tbilisi - Phonichala***

**April 2012**



Korea



Georgia



Georgia

## ABBREVIATIONS

ADB	– Asian Development Bank
AH	– Affected Household
AF	Affected Family
AP	– Affected Person
CBO	– Community Based Organization
CSC	Construction Supervision Consultant
DGPS	–
DMS	– Detailed Measurement Survey
GoG	– Government of Georgia
GRC	– Grievance Redress Committee
IA	– Implementing Agency
IP	– Indigenous Peoples
EMA	– External Monitoring Agency
km	– Kilometre
LAR	– Land Acquisition and Resettlement
LARC	– Land Acquisition and Resettlement Commission
LARF	– Land Acquisition and Resettlement Framework
LARP	– Land Acquisition and Resettlement Plan
M&E	– Monitoring and Evaluation
MDFG	– Municipal Development Fund of Georgia
MFF	– Multitranchise Financing Facility
MOF	– Ministry of Finance
MPR	– Monthly Progress Report
MRDI	– Ministry of Regional Development and Infrastructure
NAPR	– National Agency of Public Registry
NGO	– Non-Governmental Organization
PEMI	– Persons Experiencing Major Impact
PFR	– Periodic Financing Request
PPR	– Project Progress Report
PPTA	– Project Preparatory Technical Assistance
PRRC	– Property Rights Recognition Commission
R&R	– Resettlement and Rehabilitation
RD	– Roads Department
RDMR	– Roads Department of the Ministry of Regional
DI	Development and Infrastructure
RoW	– Right of Way
RU	– Resettlement Unit
SES	– Socioeconomic Survey
SPS	– Safeguard Policy Statement
TRRC	– Transport Reform and Rehabilitation Centre

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## 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 Land Acquisition and Resettlement Plan 1 (LARP1 ) was prepared by the Municipal Development Fund of Georgia (MDFG) to addresses Land Acquisition and Resettlement (LAR) impacts/compensation issues for section 1 (km 0-4) of the Tbilisi-Rustavi Road Improvement 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 Program is to be financed through an ADB Multi-tranche Facility (MFF) of which Tranche 2 accounts for about 100 Million USD. In Tranche 2 of the program is also included section 3 (km 10.5-17.1) of the same road. For this section another LARP is currently under finalization. The LARP for section 2 of the road will be prepared under Tranche 3.

2. This LARP for section-1 is based on detailed design and fits ADB's SPS. Its objective is to plan/implement LAR for the (km 0-4) road-section between Tbilisi (Gulua Bridge) and Phonichala settlement. Impacts along this road section entail the acquisition of 142,718 sqm. of land from 60 plots. Building impacts affect 15 major structures and several ancillary structures. The Business affected are 8. The Affected Households (AH) are 105. Impacts figures are summarized in table A. Given this impact magnitude the project is classified as "A" for resettlement.

**Table A: Impacts Summary**

Impacts type	Quantity		Dimensions	AHs No (without double counting).
<b>A. Land Impacts by tenure status</b>	Plots No.		Sqm	(no.)
Private titled	36		24,648	<b>30</b>
Legalizable	2		464	2
Public Not Used	20		117,262	
Public illegally used (unlegalizable)	2		344	1
<b>Total A</b>	<b>60</b>		<b>142,718</b>	<b>32</b>
<b>B. Land Impacts (by use Category)</b>	Plots No.		Sqm	(no.)
Agricultural (non used)	8		2,950	<b>5</b>
Commercial	30		22162	28
Public (not used)	20		117,262	
Public illegally used (unlegalizable)	2		344	1
<b>Total B</b>	<b>60</b>		<b>142,718</b>	<b>32</b>
<b>C. Affected trees</b>	Units			no.
Saplings-plantlets (to be replanted)	1,870			<b>1</b>
Productive/fruit trees	48		Not applicable	6
<b>Total C</b>	<b>1,918</b>			<b>6</b>
<b>D. Affected Structures</b>	As below		sq.m	No
Buildings	Units	<b>15</b>	3132.91	.15
Ancillary structures	Units	9	1649.22	<b>9</b>
Fences	sqm	510.85	510.85	8
Retaining walls	cubm	4.3	17.2	1
Apartment Building basement with ancillary structures		1	2848.96 87.90	1
<b>Total D</b>				<b>21</b>
<b>F. Business impacts</b>	No.	8		<b>11</b>
<b>G. Jobs losses</b>	No.			
i. permanent	No.	52		
ii. temporary	No.	20		
<b>Total</b>	No.	72		<b>72</b>
<b>G. AH No</b>				No.
Total AH No.				105
Severely affected AH				56
Vulnerable AH				6
Relocated AH				6*
Total amount of APs (including families of employees)				358

3. About 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 (15 February 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 APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AF losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation in cash at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible. The option selected for the Program is cash compensation. If residual plots becomes unusable the project will acquire it in full if so the AP desires.
		Legalizable Owner	These AP will be legalized and provided with cash compensation at full replacement cost.
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 12 months at minimum subsistence income
Non-Agricultural Land	AF losing their commercial/ residential land	Owner with full registration	Cash compensation at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible.
		Legalizable Owner	APs will be legalized and provided with cash compensation at full replacement cost
		Renter/Leaseholder	Rental allowances in cash for 3 months
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 1 year at minimum subsistence income
Buildings and Structures			
Residential and non residential structures/assets		All AFs regardless of legal ownership/ registration status (including legalizable and Informal Settlers)	All impacts will be considered as full impacts disregarding the actual impact percentage. Impacts will be compensated in cash at full replacement costs free of depreciation and transaction costs.



<b>Loss Of Community Infrastructure/Common Property Resources</b>			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
<b>Loss of Income and Livelihood</b>			
Crops	Standing crops affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided by default both if the crops was harvested or not at time of impact
Trees	Trees affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees.
Business/Employment	Business/employment loss	All AFs regardless of legal status (including legalizable and Informal Settlers)	Owner: (i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence income... Permanent worker/employees: indemnity for lost wages equal to 3 months of minimum subsistence income.
<b>Allowances</b>			
Severe Impacts	>10% income loss	All severely affected AFs including informal settlers	Agricultural income: 1 additional crop compensation covering 1 year yield from affected land. Other income: 1 additional compensation for 3 months of minimum subsistence income*.
Relocation/Shifting	Transport/transition costs	All AFs to be relocated	Provision of a monthly allowance of 313 GEL covering transport expenses and livelihood expenses for the transitional period for 3 months.
Vulnerable People Allowances		AFs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income* and employment priority in project-related jobs
<b>Temporary Loss</b>			
Temporary impact during construction		All AFs	Due compensation will be assessed and paid based on this LARF during construction.
Unforeseen resettlement impacts, if any			MDF and the construction contractor will address and mitigate/compensate unforeseen resettlement impact during project

\* Minimum subsistence income was calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at the end of the impacts survey (313 GEL x month)

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. The Transport Reform and Rehabilitation Centre (TRRC)

has been formed as an independent body for financial management of World Bank and ADB financed projects. In addition, a number of other government departments will play an instrumental in the updating and implementation of LARP-I. 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-I is 9,987,156 GEL (USD 6,100,890).

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 quarterly 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**

## **1.1 Project Background**

1. This Land Acquisition and Resettlement Plan 1 (LARP) was prepared by the Municipal Development Fund of Georgia (MDF). Its objective is assessing Land Acquisition and Resettlement (LAR) impacts and plan impacts compensation for section 1 (km 0-4) of the Tbilisi-Rustavi Road Improvement Project (the Project). The LARP is based on detailed design, is inal and fits ADB's Safeguards Policy Statement of (SPS) requirements.

2. With MDF as the Implementing Agency (IA) the Project is, with other projects, included in Tranche 2 of the Sustainable Urban Transport Investment Program. The Program is financed through an ADB Multi-tranche Facility (MFF) of which Tranche 2 is expected to account for about 100 Million USD. To be included in Tranche 2 of the program is also section 3 (km 10.5-17.1) of the same road, for which another LARP is currently under finalization. The LARP for section 2 will be prepared under Tranche 3.

3. Project implementation will entail acquisition of 38 private plots (36 registered and 2 legalizable) with total area of 25,112sqm. Twenty one (21) AH lose 11 major and several ancillary structures. Eight (8) businesses (11 AHs) are affected. Overall the AH are 105 and APs 358. Given impacts magnitude the project under this LARP is classified as "A" for resettlement (see SPS).

## **1.2 The Impacts Corridor**

4. Section-1 describes only 4km road area under the Modernization of Tbilisi-Rustavi Section of the Tbilisi-Red Bridge Road. It considers upgrading of the existing section of the road between Tbilisi Center (Gulua bridge, Ortachala district) and Phonichala Settlement (Kvemo Phonichala). The existing 2 lane road will be upgraded to 6 lanes. The width of each lane is 3.50m. The dividing central barrier is of 6m width. Sidewalk footway from both sides is of 2.5~3.0m width.. The new road infrastructure includes one bridge at interchange and two bridges over the dry gorges descending from adjacent slopes to the existing road, and 1 interchange. The project location map is shown in **Figure- 1&2** at the end of this chapter.

## **1.3 Minimizing Land Acquisition and Resettlement**

5. Due considerations have been given during the alignment selection and engineering design to minimize the adverse impacts of land acquisition and involuntary resettlement. The alignment under this section-1 of 4.0 km road has been tuned to the existing Tbilisi - Rustavi road to minimize scale of new land take. Efforts have been put to incorporate best engineering solution in avoiding large scale land acquisition and resettlement.

6. Following are the specific measures adopted for the selection of the route:

- (i) Road alignment route was adapted to avoid densely settlement areas;
- (ii) Interchange with local roads have been designed to avoid resettlement
- (iii) Design of interchange was reviewed by resettlement specialists and their recommendations were considered in the final design.

## 1.4 LARP Preparation

7. This LARP was prepared by MDF based on detailed design and measurements carried out between 5 January and 15 February 2012. The document fits the requirements of relevant Georgian law and the ADB's SPS and, being final, it satisfies the ADB conditions for contract awards signing. LARP 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; and (iv) a socio-economic survey (SES) of 33% of the directly affected AHs and 60% of employees. Intensive consultations with rayon authorities and the APs were conducted during the process.

## 1.5 Pending LARP Implementation Tasks

8. This LARP is technically final. To become implementation-ready it still needs the following action: a) provision of compensation finances to the EA by (MOF); b) Legalization of lgalizable APs; c) signing of compensation contract with all APs; d) deposit of compensation amounts in escrow for all absentee APs and e) 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.

## 1.6 LARP-Related Conditionalities

9. Subproject implementation is subject to the following conditions:
- (i) **Contract Signing:** Approval of final LARP by ADB and Government.
  - (ii) **Start of Physical Civil Works:** full LARP implementation (full delivery of compensation/rehabilitation) as vouched by a Compliance Report prepared by an Independent Monitoring Agency. This condition is to be clearly spelled out in the contract.

Fig-1: Overall Project Map (Sections 1, 2 and 3)





Fig-2: Map of Section-1



## II. CENSUS AND IMPACT ASSESSMENT

### 2.1 Introduction

10. This LARP impacts assessment details loss of land, structures and other assets along the (km 0-4) section of the Tbilisi-Rustavi road between Gulua Bridge and Phonichala settlement. The detailed inventory/measurement of all impacts was based on the final alignment defined by the detailed engineering design. After digitized cadastral maps were collected from local NAPR Registration Offices, the final road 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.

11. Together with these activities the survey teams conducted the AP Census. These surveys were conducted from 01 January 2012 to 15 February 2012. Additionally, a socioeconomic survey (SES) based on a 40% sample households was carried out in the project affected areas to understand the socio-economic condition of the APs. The end date of the AP census survey is considered as the compensation eligibility cut-off date for the project.

### 2.2 Impacts on Land, Other Assets and Income

#### 2.2.1 Land Impacts

12. Land Impacts will entail acquisition of **142,718** sq.m of land from 60 plots including 38 private plots and 22 public plots.

13. **Legal status of affected land.** The 38 private plots (36 registered - 2 legalizable) have a total area of 25,112sqm and include 7 residual plot portions deemed as unviable after impacts. The 22 public land plots measure in all 117606sqm and are not subject for land compensation. The Private plots (both legal and legalizable) will be compensated. Out of 22 public land plots 2 land plots with total area of 344sq.m are used for commercial needs illegally and are not legalizable. The users of this land will not be compensated for land but will receive compensation for lost structures. The above information is summarized in Table 2.1 below.

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

Land tenure type	Plots affected (no.)	Area (sq/m)	AH No. *
<b>A. Private</b>			
Type-1: Private registered land	36	24,648	30
Type-2: Private Legaliazble land	2	464	2
<b>Sub-total A</b>	<b>38</b>	<b>25,112</b>	<b>32</b>
<b>B. Public</b>			
Type-3: Non-Used Public land	20	117,262	0
Type 4: Illegally Used Public Land (Non-legalizable)	2	344	1
<b>Sub-total B</b>		<b>117,606</b>	
<b>Total</b>	<b>60</b>	<b>142,718</b>	<b>32</b>

\* Inconsistencies between AH and plots no and between partial AP no and total AP no. are due to the fact that some AH owns more than one plot both within and across land types and because there is 1 multi-owners plot

14. **Land Categories Affected.** Based on Georgian practice the parameters used as a basis for the determination of the land pools used for market value surveys are: a) formal land classification (agricultural and non-agricultural), b) actual use and c) distance from urban centers (in this case Tblisi). Based on these parameters the affected land has been classified in five categories.

- **Category 1.** These are plots classified as agricultural. They are unused and are located within km 1 and 4.
- **Category 2.** These are commercial plots located close to Tblisi center (within km 0 and 0.5 of the road). Their value is the highest as commercial plots command higher prices than agricultural plots and as they are in a high-value location.
- **Category 3.** These are commercial plots located within the (km 0.5 and 1.0).
- **Category 4.** These are commercial plots located within km 1 and 4 as the category 1 land plots (km 1.0 – km 4.0). Being classified as commercial their value is higher than that of the agricultural plots in the same location.
- **Category 5.** This is state owned land, which is unused by private persons or legal entities. This land will not be compensated.
- **Category 6. Public Land Illegally Used (Non-legalizable)**

13. **Impacts by Land Category.** 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**

Land Categories	Plots No.	Area(sqm)	AHs
<b>Category 1:</b> Agricultural (not used)	8	2,950	5
<b>Category 2.</b> Commercial Land km 0.0 – 0.5	10	5,134	11
<b>Category 3.</b> Commercial Land km 0.5 – 1.0	4	607	4
<b>Category 4.</b> Commercial Land km 1.0 – 4.0	16	16,421	13
<b>Category 5: Unused State Land</b>	20	117,262	0
<b>Category 6. Illegally Used Public Land (Non-legalizable)</b>	2	344	1
<b>Total</b>	<b>60</b>	<b>142,718</b>	<b>32</b>

## 2.2.2 Impact on Crops and Trees

14. Nominally, 8 of the affected land plots are agricultural but none of them is used. In the commercial plots two types of tree will be affected:

- i. **Saplings-Plantets** These belong to a nursery company and instead of being felled will be replanted on other company land. As agreed with the Company compensation will be provided for the cost of transplanting the trees but not for the trees themselves.
- ii. **Productive Fruit trees.** These are affected in 6 commercial plots owned by 6 AH and will be compensated.

15. Tables 2.3 and 2.4 below detail the impacts on saplings and productive trees, respectively.

**Table 2.3: Saplings and Plants**

Type	Units
Lugustrum	980
Rose	152



Kiparis	738
<b>Total</b>	<b>1,870</b>

**Table 2.4: Productive Trees**

Type	Units
Apple	3
Walnut	19
Grape	17
Mulberry	5
Apricot	1
Peach	2
Silver Berry (Oleaster)	1
<b>Total</b>	<b>48</b>

### 2.2.3 Impact on Buildings/Structures

16. The project will affect 17 types of private buildings/structures owned by 21 AHs. These impacts have been divided in: a. 15 buildings (1 shop; 3 vehicle maintenance workshops; 1 complex of car washing boxes; 3 operational and 3 non-operational petrol filling stations; 2 sheds on columns, 1 abandoned café and 1 liquefied gas filling plant (for filling gas cylinders)); b. Ancillary structures and c. Other structures. Table-2.5: provide detailed information of the affected buildings/structures.

17. The abovementioned 6 petrol filling stations, each consisting of several buildings and facilities, are destroyed entirely and compensation is calculated for each station as the whole complex of structures. One liquefied gas filling station is affected partly: only 1 substructure – shed (roofing on columns) covering the pump station is destroyed. The other major facilities of this gas filling station will remain at their original location. Movable pumps of the station will be relocated on the other side of the land plot 10m aside from its current location. New shed (roofing on columns) will be constructed for these relocated pumps. Compensation for construction of new shed (roofing) and relocation of pumps will be paid to the owner. One more shed of the same type (roofing on columns) for the inoperable petrol station will be destroyed. This is the only existing structure of the petrol station (other structures have not been constructed), and the replacement cost for this shed (roofing) will be paid to the owner.

**Table 2.5: Compensation for Structure**

#	Construction Type	No.	Dimensions	
			Unit	Dimension
	<b>BUILDINGS</b>			
1	Shop	1	sqm	199.35
2	Car Maintenance workshops	1	sqm	121.59
		1	sqm	431.00
		1	sqm	171.17
3	Car washing box	1	sqm	49.73
4	Petrol Filling station	1	sqm	146.88
		1		85.17
		1		383.28
		1		325.29
		1		426.81
		1		88.63
5	Liquefied Gas Filling Plant	1	sqm	35.00
6	Shed ((shed for pumps of the gas filling station – roofing on columns)	1	sqm	144.53

7	Shed (shed for pumps of the Petrol Filling Station – roofing on columns)	1	sqm	268.67
8	Café	1	sqm	255.81
	<b>ANCILLARY Structure</b>			
9	Store house	1	sqm	49.27
		1		4.65
10	Security cabin	1	sqm	8.00
11	Banners	1	sqm	3.00
		1		5.00
12	Asphalt Pavement	1	sqm	781.00
		1		658.00
13	Toilet	1	sqm	2.80
14	Water tank	1	sqm	137.50
	<b>OTHER</b>			
15	Apartment Building basement with ancillary structures	1	sqm	2848.96
				87.90
16	Fences	1	sqm	66.00
		1		65.00
		1		33.25
		1		51.60
		1		295.00
17	Retaining Walls	1	cubm	430.00

#### 2.2.4 Impact on Affected Businesses

18. Project implementation will affect 8 business enterprises (7 permanently and 1 temporarily for 3 months). Out of the 7 permanently affected businesses 1 is a company leasing out a gas station and 1 is the company leasing in the same business. The number of affected AH is 11 as one of the permanently affected businesses (Auto service) is owned by 4 co-owners.. In the case of the leased business the owner company will receive compensation equal to 1 year of rental fees (beside the affected land and petrol station value) and the leaser company will receive 1 year of income plus cost of improvements made to the gas station. In the case of the multi-owner business the compensation will be divided between the co-owners. Table 2.6 provides information of the affected enterprises. Businesses that are not operational such as the 3 gas stations (see para 19 above) will not receive business compensation

**Table 2.6: Impacts on**

<b>Business Type</b>	<b>AHs</b>
1. Auto service, shop	1
2. Auto service	4
3. Gas-cylinder filling plant	1
4. Petrol station	1
5. Petrol station	1
6. Petrol Station owner	1
7. Petrol station leaser	1
8. Gas filling station	1
<b>Total</b>	<b>11</b>

\* This business has four co-owners

## 2.2.5 Impact on Employment

19. Overall 72 employees will lose their jobs (52 from 5 business permanently and 20 from one temporarily affected business). Both permanently and temporarily affected employees will receive compensation for 3 month of minimum subsistence for families of 5 persons at time of impact. These permanently affected employees will also receive allowances for severe impact (their lost wages amount to more than 10% of their family income) and remain entitled to receive from their employers the dues for job termination provided by relevant law.

<b>Table 2.7: Employees Losing Jobs Item</b>	<b>No</b>	<b>AH No.</b>	<b>AP No</b>
Permanent job losses	52	52	208
Temporary job losses	20	20	80
<b>Total</b>	<b>72</b>	<b>72</b>	<b>288</b>

## 2.2.6 AH/AP Census

20. 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 2.8.**

**Table 2.8: Details of AFs and APs by Category**

AP Category	AFs/HHs No.		Net AP No.	Remarks
	x impac t type	Absolute (Without double counting)		
A. Land (by tenure status)				
A.1 Private legal	30	30	70	3 AH lose 2 plots and 3 AH lose 3 plots. At the same time 4 AHs own 1 land plot.
A.2 Private Legaliazble	2	2	2	
A.3 Public	1	0	0	1 AH in public land already counted in A1 (AH owns 2 private plots and 2 illegally used public land plots)
Sub-total (A)	33	32	70	
B. Land (by use/valuation category)				
B.1 Category 1	5	0	0	Included in A1. 1 AH loses 3 plots, 1 AH 12 plots
B.2 Category 2	11	0	0	Included in A1. 1 AH loses 4 plots and 1 AH 12 plots
B.3 Category 3	4	0	0	Included in A. (2 in A1 and 2 in A2)
B.4 Category 4	13	0	0	Included in A. (in A1) 1 Ah loses 3 land plots and 1 AH 2 plots
B.5 Category 5	0	0	0	Public land/No AH
B6. Category 6	1	0	0	Included in A (A1)
Sub-total (B)	32	0	0	Included in A. 1 AH loses 1 plot in cat.1 and 4. Another AH loses 2 plots in cat. 2 and 1 plot in cat.3.
C. Trees				
C1. Saplings/plantets	1	0	0	Included in A
C2. Productive/fruit Trees	6	0	0	Included in A (out of this 6 AHs1 owns saplings and is accounted in C2)
Sub-total (C)	6	0	0	Included in A
D. Structures				
D.1 Buildings	15	0	0	Included in A (3 AH loses 2 types of buildings and 4 AH co-own 1 building)

D.2 Ancillary Structures	9	0	0	Included in A Out of this 9 AHs 5 also own buildings and are included in D1 and 1 AHs own 2 ancillary structures ( is double-counted in D2))
D.3 Other	10	0	0	Included in A. Out of this 10AH 5 also lose building and are accounted in D1 and 2 lose ancillary buildings and are accounted in D2.
<b>Sub-Total (D)</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>Included in A (7 AH lose only buildings, 1 only ancillary structures, and 3 only other structures; 1 AH loses buildings, ancillary structures and other structures; 3 AH lose buildings and ancillary structures; 4 AH loses buildings and other structures and 2 AHs lose ancillary and other structures))</b>
<b>E. Business/Income Losses</b>				
E1. owners	10	0	0	Included in A. 1 business is owned by 4 AH
E2. leasers	1	1	0	
E3. Employees	72	72	288	
<b>Sub-Total (E)</b>	<b>83</b>	<b>73</b>	<b>288</b>	<b>10 Included in A</b>
<b>F. Vuln./Sev. Affected</b>				
F.1 Vulnerable	6	0	0	2 Included in A 4 included in E (E3)
F2 Severely Affected	56	0	0	5 Included in A and 51 in E (E3) (4 are also included in F1)
<b>Sub-total (F)</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>7 included in A 51 in E (4 are represented in both F1 and F2)</b>
<b>G. Total (A+B+C+D+E+F)</b>	<b>-</b>	<b>105</b>	<b>358</b>	

## 2.2.7 Impact on Indigenous Peoples

21. No population with the features of Indigenous Peoples (IP) as defined by SPS are present in Georgia. Therefore there are no IP affected by the project. and the IP safeguards are not triggered by this project.

## 2.2.8 Severely Affected AH

22. Since nobody loses income from crops land loss is not criteria for severity of impacts. Also nobody is losing residential land and houses and thus relocated. Severity of impact could be therefore estimated only based on income loss but it should be noted, that for large corporate companies like those losing the gas stations the loss of 1 petrol station is not a severe impact. However, Impact severity due to loss than > 10% income still may apply to smaller but among these 1 is not severely affected as his small auto-service workshop is not the main source of income of the household. The only business owners with severe impacts are 1 owner of a small gas filling plant and the 4 shareholders of a small auto service. Thus these **5 AHs** are deemed to be severely affected and will receive allowances as defined in eligibility matrix.

23. In addition to the business owners almost all the employees permanently losing their job and salaries (51 out of 52) are deemed as severely affected as they lose > 10% of their income. The non-severely affected employee works part-time with several companies and her loss of salary is less than 10% of her total income. The 20 employees who lose their salaries temporarily are not severely affected as they lose only 3 months of salary and this loss is less than 10% of the total income of their households.

24. Therefore **In total 56 AHs are deemed to be severely affected** and will receive allowances equal to 3 month of minimum subsistence income.

### 2.2.9 Vulnerable AH

25. There are no AH registered in Social Protection services as being under the poverty line (less than 57,000 and 70,000 rate points). Amongst the directly affected AH 2 are headed by women who are the breadwinner of the family. Among the affected employees there are also 4 women who are the breadwinner for their households. These 6 woman-headed AH are considered as vulnerable and are eligible for allowances equal to 3 month subsistence minimum (939 GEL each). Table 2.9 details the Severely and Vulnerable AHs

### 2.2.10 Relocation Strategy and support

26. Relocation allowances are aimed on covering transport expenses and livelihood expenses for the transitional period for 3 months. Mostly, the objective is to support families involuntarily relocated to the new sites of residence and small businesses, which have to rearrange their business at new site. Under this LARP, no one of AHs loses residential land and dwelling house or apartment and nobody will be relocated at new site of residence. The only objects that could be relocated are movable assets of the affected businesses. These are 3 large petrol stations. Calculations of the compensation costs for structures include full replacement cost of immovable buildings and structures and expenses related to relocation of the movable equipment and structures. Thus the transportation costs are already covered. Businesses are paid both for transportation expenses and compensation for lost business. The affected businesses relocating their assets are large companies. It is deemed that they are not eligible for any relocation allowances. The 3 permanently affected small businesses will receive relocation allowances. This is 1 auto-service and auto shop (1AH), 1 auto-service co-owned by 4 AHs and Gas-cylinder filling plant (1 AH). Relocation allowances will be paid to each of these 6 affected AH.

**Table 2.9: Allowances for Severely Affected, Vulnerable and Relocated AHs**

Item	Number	Unit rate (GEL)	Total (GEL)
Severely AHs	56	939	52,584
Vulnerable AH	6	939	5,634
Relocated	6	1,252	7,512
<b>Total</b>	<b>68</b>	<b>939</b>	<b>65,730</b>

## 2.3 Gender and Resettlement Impacts

27. The project has permanent impact on total 85 AHs, and among them 15 are families; 18 are legal entities and 52 employees. In total permanently affected persons amount to 365 and among them 51% male and 49% are female. The main income source for most of AHs is business and wage labor (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-I. 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

28. A summary of Project impacts is included in Table- 2.9 below.

<b>Table 2.10: Impacts summary</b>	<b>Quantity</b>		<b>Dimensions</b>	<b>AHs No</b> (without double counting).
<b>Impacts type</b>				
<b>A. Land Impacts by tenure status</b>	Plots No.		sqm	(no.)
Private titled	36		24,648	<b>30</b>
Legalizable	2		464	2
Public Not Used	20		117,262	
Public illegally used (unlegalizable)	2		344	1
<b>Total A</b>	<b>60</b>		<b>142,718</b>	<b>32</b>
<b>B. Land Impacts (by use Category)</b>	Plots No.		Sqm	(no.)
Agricultural (non used)	8		2,950	<b>5</b>
Commercial	30		22162	28
Public (not used)	20		117,262	
Public illegally used (unlegalizable)	2		344	1
<b>Total B</b>	<b>60</b>		<b>142,718</b>	<b>32</b>
<b>C. Affected trees</b>	Units			no.
Saplings/plantlets (to be replanted)	1,870			<b>1</b>
Productive/fruit trees	48		Not applicable	6
<b>Total C</b>	<b>1,918</b>			<b>6</b>
<b>D. Affected Structures</b>	As below		sq.m	No
Buildings	Units	<b>15</b>	3132.91	.15
Ancillary structures	Units	9	1649,22	<b>9</b>
Fences	sqm	510.85	510.85	8
Retaining walls	cubm	4.3	17.2	1
Apartment Building basement with ancillary structures		1	2848.96 87.90	1
<b>Total D</b>				<b>21</b>
<b>F. Business impacts</b>	No.	8		<b>11</b>
<b>G. Jobs losses</b>	No.			
i. permanent	No.	52		
ii. temporary	No.	20		
<b>Total</b>	No.	72		<b>72</b>
<b>G. AH No</b>				No.
Total AH No.				105
Severely affected AH				56
Vulnerable AH				6
Relocated AH				6*
Total amount of APs (including families of employees)				358

Notes: AH and affected items figures do not tally because some AH lose more than one item or some item is owned by more than one AH

\* 3 small businesses are relocated, one of which is co-owned by 4 AHs

## III SOCIO-ECONOMIC SURVEY

### 3.1 Introduction

29. Socio-economic information on the affected AH was gathered based on the full (100%) pool of directly affected AHs. Census of 100% of the AHs available on site was conducted to enumerate the APs. Out of 33 directly affected AHs (4 affected large companies, 2 affected small businesses, 13 non operational businesses and 14 families<sup>1</sup>) 30 were interviewed. This constitutes 91% of directly affected (33). Families and heads of small businesses provided information on affected land and assets, 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, an extended sample socio-economic survey was included in the project area covering 11 households out of total 33 directly affected (33%). The objective of this detailed socioeconomic survey was to gather general information on socioeconomic condition of the affected people. In addition, some limited social information was gathered on employees.

30. Census of 100% of affected employees was carried out. Out of 72 AHs of employees 43 AHs were interviewed during social assessment, which constitutes 60% total employee AHs. Obtained information allowed to estimate socio-economic status of the families, vulnerability of the households and severity of impacts.

### 3.2 Affected Population

#### 3.2.1 Demography

31. According to the detailed social survey, 11 interviewed households (directly affected) consist of 55 people. Among the affected people 29 are male and 26 are female. The average family size is 5.0 members per household. (Table 3.1). The 43 interviewed households of employees losing their permanent job consist of 170 AP (88 male and 82 female) and the average family size is 4 members per household.

**Table-3.1: Demographic Profile of Aps Directly Affected Households**

Age Group	Male		Female		Total	
	No.	%	No.	%	No.	%
Children (Below 4 Years)	4	7.27	5	9	9	16.27
Children (6–15 Years)	7	12.73	5	9	12	21.73
Adult (17-45 Years)	15	27.27	10	18.18	25	45.45
Senior (45-65 Years)	3	5.45	4	7.27	7	12.72
Over-aged (66 Years+)	0		2	3.63	2	3.63
<b>Total</b>	<b>29</b>	<b>52.72</b>	<b>26</b>	<b>47.08</b>	<b>55</b>	<b>100</b>
<b>Employees</b>						
Age Group	Male		Female		Total	
	No.	%	No.	%	No.	%
Children (below 18 years)	21	12.4	15	8.8	36	21.2

<sup>1</sup> 4 families out of these 14 co-own 1 family based small business.

Senior (18-65 Years)	65	38.2	62	36.5	127	74.7
Over-aged (66 Years+)	2	1.2	5	2.9	7	4.1
<b>Total</b>	<b>88</b>	<b>51.8</b>	<b>82</b>	<b>48.2</b>	<b>170</b>	<b>100</b>

### 3.2.2 AH Ethnicity

32. Directly affected AHs are all Georgian (100%). None of the usual ethnic minority groups in Georgia including Russians, Armenians, Jews or Ukrainian are affected in the project. Among the affected employees 83.3% are Georgians, 9.7% Azeri, 4.2% Armenians, and 1.4% Russians and Osetians each. 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 interviewed Directly Affected Households	%	Total No. of Employees	%
1	Georgian	11	100	60	83.3
2	Armenian	0	0	3	4.2
3	Russian	0	0	1	1.4
4	Azeri	0	0	7	9.7
5	Osetians	0	0	1	1.4
	<b>Total</b>	<b>11</b>	<b>100</b>	<b>72</b>	<b>100</b>

### 3.2.3 Urban Rural Proximity

33. The 3.9km road under section-1 totally passes through urban/town area as a result 100% households are located in the urban/town area.

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

Sl. No.	Type of Settlement	Total No. of Households	% Age	Total No. of Employees	%
1	Rural	0	0	0	0
2	Urban Village (Semi-urban)	0	0	0	0
3	Town (Urban)	11	100	72	100
	<b>Total</b>	<b>11</b>	<b>100</b>	<b>72</b>	<b>100</b>

### 3.2.4 Level of Education of APs

34. 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							
SI.No.	Category	Male		Female		Total	
		No	%	No	%	No	%
1	Pre-School	0		0		0	
2	Primary &	0		2	16.67	2	16.67



	Secondary						
3	University	5	41.67	5	41.67	10	83.34
4	Illiterate	0		0		0	
	<b>Total</b>	<b>5</b>	<b>41.67</b>	<b>7</b>	<b>58.34</b>	<b>12</b>	<b>100</b>
<b>Employees</b>							
<b>Sl.No.</b>	<b>Category</b>	<b>Total</b>					
		<b>No</b>		<b>%</b>			
1	Pre-School	11		6.5			
2	Primary, Secondary & Technical school	88		51.7			
3	University	71		41.8			
4	Illiterate	0		0			
	<b>Total</b>	<b>170</b>		<b>100</b>			

### 3.3 Agriculture and Land Resources

#### 3.3.1 Land Holding Status

35. The all directly affected AHs are land holder, and on average each family holds 0.38 ha of land. (Table 3.5). Most of employees are landless. Out of 43 interviewed employees only 8 poses land plots (4 of them own agricultural land, 4 AHs own residential land and 2 AHs own 1 agricultural and 1 residential land plots each). No one of the interviewed AHs claims any agricultural income.

**Table -3.5: Land Holding Status**

<b>Sl. No.</b>	<b>Particulars</b>	<b>No of Households</b>	<b>%</b>
<b>Directly Affected Households</b>			
1	Land Holder Households	11	100
2	Landless Households	0	0
3	<b>Total Households</b>	<b>11</b>	<b>100</b>
<b>Employees</b>			
1	Land Holder Households	8	18.6
2	Landless Households	35	81.4
3	<b>Total Households</b>	<b>43</b>	<b>100</b>
	<b>Average Land Holding: 0.38 ha per household</b>		

#### 3.3.2 Major Cropping Pattern

36. In project area there no crops are cultivated.

### 3.4. Economy of AHs

#### 3.4.1 Major Economic Activities

37. The major economic activity of directly affected AHs is wage earning which is 73%, and government service is 18%. There no any agriculture activity in this project as it mostly town area. The details are given in Table 3.6. For employees, 100 % of them are wage dependent and the lost wages amount more than 10% of family income for 51 (98%) out of 52 permanently losing jobs. Out of 43 interviewed employees in 10 households 2 members of family have

permanent job, in 2 households – 3 members of family and in 1 household – 4 members, while in the rest 30 families only 1 member has permanent job.

**Table- 3.6: Economic Activity of the Households**

Income Sources for the Directly Affected Households					
Sl.No.	Type of Activities	Primary		Secondary	
		No	%	No	%
1	Agriculture	0		0	
2	Government Service	2	18	0	
3	Daily Wage	8	73	0	
4	Others	1	9	0	
<b>Total</b>		<b>11</b>	<b>100</b>		

**Income Sources for the Families of Employees**

Permanent Monthly Salary	day labor	Business income	Income from Agriculture	Pension	Subsidies
100%	2.3%	0	0	18%	2.3%
43 AHs	1AH	0	0	8 AH	1 AH
60 APs	1AP	0	0	8 AP	1 AP

### 3.4.2 Employment Status

38. The average earning members of the affected surveyed families is only 22.22% and among them 17.78% is male and 4.44% is female. The economically inactive member is 24.44% male and 26.66% female. The existing rate of unemployment of male is 6.67% and female 20%. Out of 43 interviewed employees in 10 households 2 members of family have permanent job, in 2 households – 3 members of family and in 1 household – 4 members, while in the rest 30 families only 1 member has permanent job. In total 3 APs are employed in State sector, 57 in private business and 1 AP has his own small business.

**Table 3.7: Economic Activity of the Households Members (Directly Affected)**

Sl.No.	Gender	Economically inactive		Wage employed		Self-employed		Unemployed		Total	
		No	%	No	%	No	%	No	%	No	%
1	Male	11	24.44	8	17.78	0		3	6.67	21	49
2	Female	12	26.66	2	4.44	0		9	20	24	51
<b>Total</b>		<b>23</b>	<b>51</b>	<b>10</b>	<b>22.22</b>	<b>0</b>		<b>12</b>	<b>26.67</b>	<b>45</b>	<b>100</b>

### 3.4.3 Annual Income of AHs

39. The survey found that 81.82% of the directly affected AHs get income from single source, 18.18% from double sources. No households get income from triple sources. Table 3.8 shows source-wise income of the surveyed households. In case of employees, 24 out of total 43 interviewed have singles source of income, 14 double sources and 5 3 or more.

**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	9	81.82	1600
Double Sources	2	18.18	1933
Triple Sources	0		0
<b>Total</b>	<b>11</b>	<b>100</b>	
<b>Employees</b>			
Single Source	24	55.8	345
Double Sources	14	32.5	667
Triple and more Sources	5	11.7	1615
<b>Total</b>	<b>43</b>	<b>100</b>	

40. The table 3.9 shows the distribution of directly affected AHs getting income from various single sources. Per households average annual income from all sources is 13800 GEL. Annual income from wage employment source is 5760 GEL per household and from service is 39600 GEL.

**Table -3.9: Average Annual Household Income by Sources**

Sources of Income	No. AHs (earning from the sources)	Total Income per Month from the sources (GEL)	Average Income per Household per Month from the sources (GEL)	Average Annual Income Per Household from the sources (GEL)
Wage employment	5	2400	480	5760
Business/Service	3	9900	3300	39600
Pension	3	342	114	1368
<b>Total Households and Income</b>	<b>11</b>	<b>12642</b>	<b>1150</b>	<b>13800</b>

41. In case of 72 employees, 100 % of them are wage dependent and for 100% of them wages amount more than 10% of family income. Out of these 72 AHs 51 are losing their jobs permanently, 1 AH has other wage sources apart from the lost job, and 20 AHs lose wages only temporarily.

## IV. LEGAL AND POLICY BACKGROUND

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

42. 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

43. 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.

44. 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.

45. 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)**

46. 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**

47. 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**

Georgia Laws and Regulations	ADB SPS (2009)
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.

48. 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**

49. 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 in local language 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

50. 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 Matrix**

Type of Loss	Application	Definition of APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AF losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation in cash at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible. The option selected for the Program is cash compensation. If residual plots becomes unusable the project will acquire it in full if so the AP desires.
		Legalizable Owner	These AP will be legalized and provided with cash compensation at full replacement cost.
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 12 months at minimum subsistence income
Non-Agricultural Land	AF losing their commercial/ residential land	Owner with full registration	Cash compensation at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible.
		Legalizable Owner	APs will be legalized and provided with cash compensation at full replacement cost.
		Renter/Leaseholder	Rental allowances in cash for 3 months
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 1 year at minimum subsistence income
Buildings and Structures			
Residential and non residential structures/assets		All AFs regardless of legal ownership/ registration status (including legalizable and Informal Settlers)	All impacts will be considered as full impacts disregarding the actual impact percentage. Impacts will be compensated in cash at full replacement costs free of depreciation and transaction costs.
Loss Of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions

<b>Loss of Income and Livelihood</b>			
Crops	Standing crops affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided by default both if the crops was harvested or not at time of impact
Trees	Trees affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	compensation at market rate on the basis of type, age and productive value of the trees.
Business/Employment	Business/employment loss	All AFs regardless of legal status (including legalizable and Informal Settlers)	<b>Owner:</b> (i). <u>(permanent impact)</u> cash indemnity of 1 year net income; (ii) <u>(temporary impact)</u> cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence income... <b>Permanent worker/employees:</b> indemnity for lost wages equal to 3 months of minimum subsistence income.
<b>Allowances</b>			
Severe Impacts	>10% income loss	All severely affected AFs including legalizable and informal settlers	<b>Agricultural income:</b> 1 additional crop compensation covering 1 year yield from affected land. <b>Other income:</b> 1 additional compensation for 3 months of minimum subsistence income*.
Relocation/Shifting	Transport/transition costs	All AFs to be relocated	Provision of a monthly allowance of 313 GEL covering transport expenses and livelihood expenses for a 3 months transitional period.
Vulnerable People Allowances		AFs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income* and employment priority in project-related jobs
<b>Temporary Loss</b>			
Temporary impact during construction		All AFs	Due compensation will be assessed and paid based on this LARF during construction.
Unforeseen resettlement impacts, if any			MDF and the construction contractor will address and mitigate/compensate unforeseen resettlement impact during project

\* Minimum subsistence income was calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at the end of the impacts survey (313 GEL x month)

## 4.6 Eligibility

51. 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;
- Tenants and sharecroppers whether registered or not;
- Owners of buildings, crops, plants, or other objects attached to the land; and
- APs losing business, income, and salaries.

52. Compensation eligibility will be limited by a cut-off date to be set for each subproject on the day of the beginning 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



53. Entitlement provisions for APs losing land, houses, and income and rehabilitation subsidies will include provisions for permanent or temporary land losses, buildings losses, crops and trees losses, a relocation subsidy, and a business losses allowance based on tax declarations and/or lump sums. 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 surveys— see annex A). 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. Transaction taxes/fees will be paid by the EA or waived. Legalizable APs will be legalized and paid as titled owners. Non-legalizable APs will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income. Residual non-affected sections of a plot that becomes inaccessible or unviable to use after acquisition will also be compensated.
- **Non agricultural land (Residential/commercial land).** Legal settlers will be compensated at replacement rate either with replacement plots of same value as plots affected and at location acceptable to APs where feasible, or in cash at current market rates, free of transaction cost. The cash at market rates option has been selected for the Program (based on surveys— see annex A). Renters/Leaseholders will receive a 3 months rent allowance. Non-titled/non-legalizable land users will be compensated with a 1 time self relocation allowance in cash equal to 1 year of minimum subsistence income. This allowance is to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of LARP approval
- **Houses, buildings, and structures.** In order to address potential damages of vibrations or discomfort caused by road traffic, these items will be compensated in full for the whole building irrespective of the specific degree of impact. Compensation will be provided in cash at replacement cost based on cost of construction material, labor, transport of materials and specific features of the buildings free of deductions for depreciation, transaction costs or salvaged materials. All relevant APs are entitled to this provision by default irrespective of the registration status of the affected item.
- **Crops:** such an item is not affected..
- **Trees:** a) Productive trees: Cash compensation at market rate based on type, age and productivity of trees; b) seedlings in nursery: cost of transplanting.
- **Businesses losses:** a) Permanent: cash compensation equal to a 1-year income based on tax declaration or, if this is unavailable, based on the official minimum subsistence income at the time of impact (313 GEL x 12: 3,756 GEL); b) Temporary: cash compensation for the business interruption period based on tax declaration or, if unavailable, official minimum monthly subsistence income at the time of the end of the impacts survey (313 GEL x months of interruption)..
- **Affected business workers/employees:** Indemnity for lost wages for the period of business interruption up to a maximum of 3 months. The allowance is based on the minimum monthly subsistence income x a 5 people family at the time of the end of the impacts survey (313 GEL)

- **Relocation allowance:** APs forced to relocate will receive a relocation subsidy sufficient to cover transport costs (300GEL) and living expenses for 3 months. The living expenses allowance is based on 3 months of the monthly minimum subsistence income x a 5 people family of 5 people at the time of the end of the impacts survey (313 GEL x 3: 939 GEL)..
- **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 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

54. 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.
  - (ii) **Houses/buildings:** these were valued at replacement rate based on construction type, cost of materials, labor, transport and value of specific features of the building. No deduction for depreciation and transaction costs will be applied.
  - (iii) **Trees:** these will receive compensation/indemnities as follows: a. Saplings transplanting: these were valued based on transplanting costs; b. Fruit/productive trees were valued based on tree type and the net market value of 1 year income x number of years needed to grow a new fully productive tree.
55. 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.

#### 4.9 Conditions for Expropriation and Legalization

56. Land acquisition through expropriation entails lengthy procedures which are often resisted. Such an approach will thus be pursued only in extreme cases if there is no agreement between APs and MDFG and Municipal LAR Office (MLARO). In these cases the Project will not occupy the needed plots until: (i) the proper judicial process as defined by the law (see annex A) is initiated; (ii) a court injunction is obtained and communicated to the APs; and (iii) the compensation/rehabilitation amounts are deposited in an escrow account.

57. APs who do not have proper registration or titles but are legitimate occupants of the plots they lose, will be legalized and registered in the land records. After this is done they will receive full compensation as the legal APs.

## **V. INSTITUTIONAL ARRANGEMENTS**

### **5.1 Introduction**

58. The compensation/rehabilitation program described in this LARF 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**

59. 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.

60. 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**

61. 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**

62. 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.

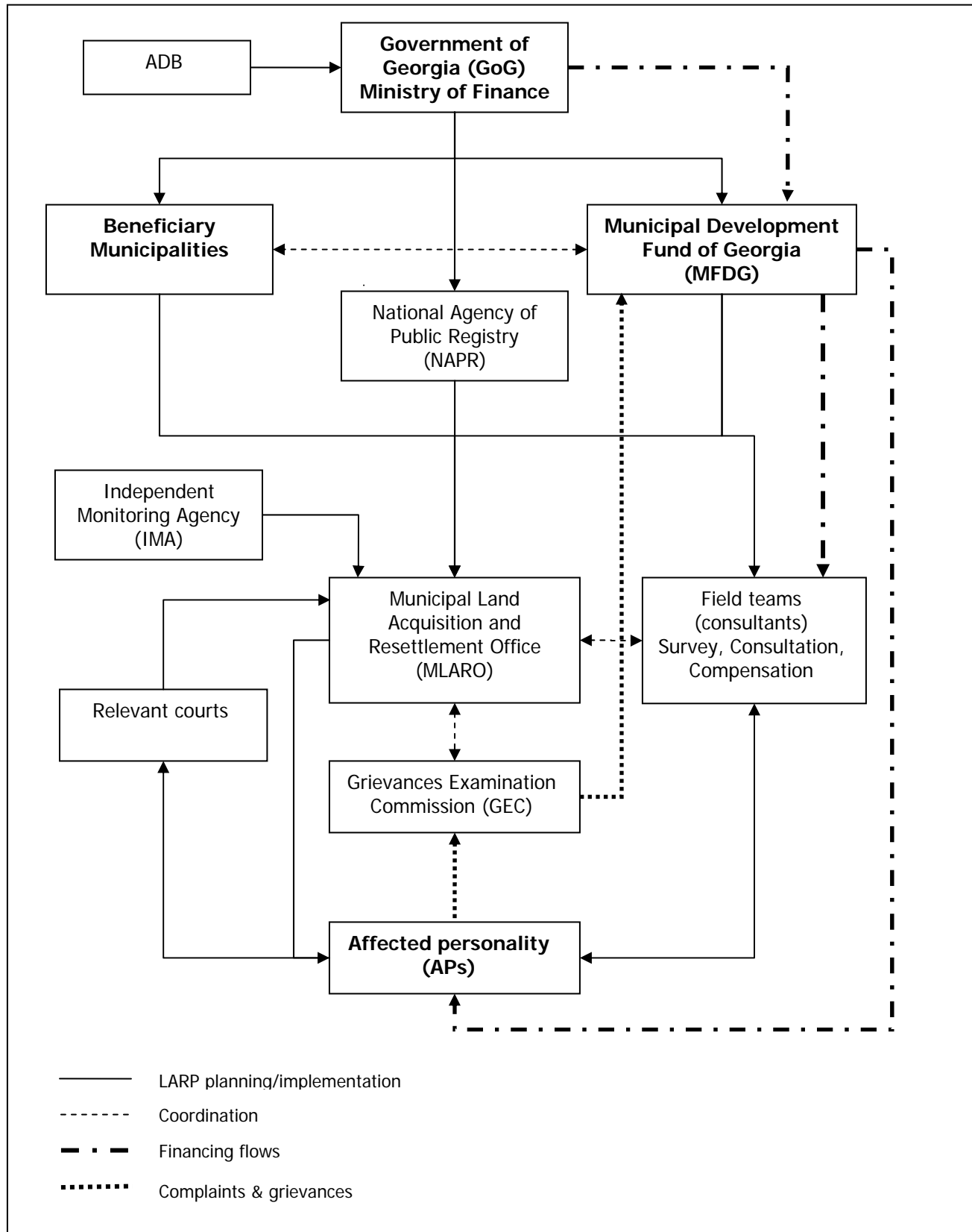
- (iii) **Supervision consultants:** These include international/local LAR capacity and survey teams to assist in the overall supervision of the projects including LARP Implementation monitoring, and evaluation of the implementation of LARP for the second and the subsequent tranches of the Program.
- (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

63. 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 1: LAR Organization chart and interactions**



## VI. CONSULTATION AND PARTICIPATION

### 6.1 Introduction

64. The planning of the LARP was based on intensive AP consultation and participation. ADB's SPS gives high priority on public consultation and participation to enhance the AP voice and ensure incorporation of community's views in LARP design and implementation. Georgian laws also place strong emphasis on consultation and notification to ensure that the AP participates in the process.

65. The focus of these consultations was to ensure that the APs and other stakeholders were well informed and allowed to actively participate in LARP planning. Consultation tasks started at the beginning of the feasibility study in 2010 and were stepped up with the direct involvement of the APs during the detailed design phase and the implementation of the impact surveys in December 2011- March 2012.

### 6.2 Consultation Process and Methodology

66. The consultation process was instrumental for alignment demarcation and selection of route for the Modernization of Tbilisi Rustavi Section of the Tbilisi-Red Bridge (Azerbaijani Border) Road. The route of the project road has been selected with best possible measures to avoid dense settlement, environmentally protected areas, civic amenities, and land acquisition. The public consultation process entailed clearly explaining the project and its impacts to the community through introducing the project and its impacts through leaflets in local language, clearly explaining to the communities in informal and formal consultation meetings and individual level discussion during the census and detailed measurement surveys of land and property.

67. Consultations with the APs in the project affected areas were conducted during the feasibility study and detailed design stages in 2010, 2011 and 2012.. The methodology includes walk-through informal group discussion, focused group discussion, individual interview, key informant interviews, and informal discussion.

68. During detailed measurement & census and socio-economic surveys all APs available in the project areas were consulted about the potential options and selected alignment with its suitability in respect of technical, social and environmental aspects. The APs, their community, and local government officials were consulted to inform, educate and provide feedback in the project design.

69. Various methods used for stakeholder's consultation and participation with concerned stakeholders are described in Table 6.1.

**Table 6.1: Summary on Party consulted and consultation methods**

Stakeholders	Purpose	Method
APs and their community	<ul style="list-style-type: none"><li>• To inform the APs, get their views on likely impacts, eligibility and</li></ul>	<ul style="list-style-type: none"><li>• Meetings with all AH during the implementation of the socio-</li></ul>

**Table 6.1: Summary on Party consulted and consultation methods**

<b>Stakeholders</b>	<b>Purpose</b>	<b>Method</b>
	entitlements, as well as procedures for compensation, relocation and rehabilitation.	economic survey. • Focus group discussions and village meetings
MDF and its Resettlement Unit	• To collect government's policy, guidelines priorities on the project, and to seek advise for work.	• Frequent individual meetings with the officials of MDF
National Agency for Public Registry under the ministry of Justice	• To collect the cadastral map and to know the details of the affected parcels and people	• Consultation and discussion with officials
Local Government at Rayon and Gamgebeli level	• To seek their cooperation for carrying out the impact assessment survey and to sort out the problem related to missing plots (Legalizable Owners)	• Individual meetings with the officials of respective rayons and discussions
Property Recognition Commission at Rayon and Sakrebulo level	• To seek their cooperation for carrying out the impact assessment survey and to sort out the problem related to missing plots (Legalizable Owners)	• Meeting and training

### **6.3 Summary of Consultation during Feasibility Study**

70. The major findings of the consultations held at various locations during the feasibility study are summarized below:

- (i) The likely APs and their community are aware about the project.
- (ii) APs losing their properties expected a proper compensation package.
- (iii) The structure owners request adequate compensation to rebuild their structure at alternative site. They should get advance notice for relocation.
- (iv) Measures should focus on installing speed limit, children signs as well as putting pedestrian areas, adequate footpaths.
- (v) Government should provide the alternative land to the landless people for their relocation.
- (vi) The compensation should be based on the fair assessment.
- (vii) Contractors should be advised by the project authority to employ the local people.

### **6.4 Consultation meetings with the APs during LARP Preparation**

71. As part of detailed design work, disclosure and consultation meetings were carried for the project December 2011-March 2012. These meetings were attended by APs, their community, local government officials, and the social safeguard team comprising international and national consultants of the detailed design consultant. The main objectives of these meetings were to deliver information to the APs and their community about the project objectives, design and policies on land acquisition, AP compensation and rehabilitation. The draft policy of compensation and allowances (as per the project Land Acquisition and Resettlement Framework) to the AP were shared and the purpose and procedures of legalization of rightful and non-rightful land rights through leaflets and oral explanation. Valuation methodology and grievance mechanism were also briefed to the participants.

72. Finally, a special consultation session with the APs was held in the office of the Municipal Development Fund of Georgia, (Tbilisi) on 09 March, 2012. The meeting was attended by 21 participants and included AHs (16 persons representing 19 out of 33 affected AHs<sup>2</sup>); representatives of local government, business representatives and MDF representatives. The consultation session was facilitated by the competent members of consultants' teams. During this consultation session the information leaflet was explained.

73. The presentation was followed by a Q&A session. Table-6.2: describe detail of questions and comments of different participants were replied by the relevant experts of the project.

**Table 6.2: Question-and-Answer session**

<b>N o.</b>	<b>Question/Comment</b>	<b>Expert comment</b>
1	The road under the project will be categorised as highway, which means that there will not be opportunity to digress from main road to reach our residual land plot (which have not been acquired under the project) and we have to cover additional distance to reach the right place. In this case the business at the residual land plot losses viability.	The viability of the residual land parcel will be estimated by the independent auditor. In case of residual land parcel is considered unviable, the owner will be asked to make a choice: to get cash compensation for the residual land or to keep the land under the ownership. The auditing company will inform the Municipal Development Fund (MDF) of Georgia about this kind of cases and if it is confirmed that the residual land parcel is unviable, the Government will acquire this residual land parcel according to the market price. Also businesses will be fully compensated according to the ADB requirements.
2.	What is the land compensation price?	At present the research/evaluation process of identification of market rate for land compensation is underway taking into account investors and government's interests. At present, costs for Tbilisi-Phonichala section are identified: <u>Private land:</u> km 0 – 0.5 – 179 GEL/sq.m km 0.5 – 1.0 107 GEL/sq.m km 1.0 – 4.0 64 GEL/sq.m <u>Agricultural land:</u> km 1.0 – 4.0 54 GEL/sq.m Evaluation methodology implies identification of market price on the basis of evaluation of market, recently executed transfers, comparison of cases etc.. Final price for each individual land plot will be presented to the land owners when the representative of Municipal Development Fund will come to each affected landowner to sign the contract.
3.	We have the business at the project territory. Part of necessary infrastructure for our business is located at the territory owned by us, but the second part is located at the territory which is not in our ownership. We are interested if the compensation is envisaged for the land parcel which is not in our ownership but our business structures are located at this territory?	Compensation for land plots will be implemented in two cases: - In first case – for owners with full registration; and - In second case - for legalizable owners In case of Non-legalizable land users land compensation will not be provided. Though, according to the requirements of the ADB full compensation for crops, for buildings and businesses will be provided. As regards the infrastructure, it will be relocated and you will be able to use it again: it will be connected with water supply system, sewerage system, gas supply system, etc. In case if it is specific infrastructure – you will be provided with compensation for relocation your infrastructure at new place.
4.	Is the mentioned alignment final or some changes will be envisaged?	Changes can be envisaged, but it will be insignificant for main alignment.
5.	As you have mentioned for business losses you will provide cash indemnity of 1 year net income, though I would say that the business is not only income and for launching	Under the project for business losses cash indemnity of 1 year net income will be provided. At the same time land plot will be fully acquired under the project according to the owners desire. For buildings/structures losses cash compensation at full replacement costs free of depreciation and transaction will be provided; Also, for equipment installation/de-

<sup>2</sup> 1 AP represented 4 AHs co-owning small business.



	the business activities certain investments are needed.	installation and transportation expenses special allowances will be provided.
6.	I have land which is rented by Turkish citizens. At present, at the mentioned territory car boxes are located. Few months ago Turkish citizens has left the territory without paying the rental fee. Will be this fee compensated under the project?	In case when official leasing agreement is available, the leaseholder will receive compensation for 1 year net income and the owner will receive 1 year rental fee as compensation for lost incomes. On the other hand, if the leaseholder has left few months ago it means that at present at the territory owned by you business activities are stopped and the rental contract is not in force. In this case you will be provided with compensation for the land, which will be acquired under the project, also you will be provided with the compensation for trees and existing infrastructure, but you will not be provided with the rent fee of stopped business.
7.	In case of negotiations failed related with price, what will be the next stage?	If there remains further dispute related to ownership, the case may be referred to the Rayon court and conclusion regarding ownership right will be made according to the court decision. But, before the court it can be solved by negotiations. At the information booklets you can find Claims and Comments Submission Forms.

## 6.5 Changes in LAR approach following the meetings

68. The meetings held with MDF, Local Government Institutions, beneficiaries communities and individuals affected or non-affected, discussed of technical and social issues related with land acquisition and resettlement for this LARP. The recommendations of the meetings have been considered to finalization of this LARP through confirmation of valuation of affected assets and entitlement as per approved LARF by the government and ADB.

## 6.6 Consultation and Participation Plan

69. 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 will organize public meetings and will advise the APs on the progress in the implementation of resettlement, and social activities.
- (ii) MDF through its RU will organize public meetings to inform the APs regarding the schedules and modalities of compensation delivery.

## 6.7 Disclosure

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

## **VII. GRIEVANCE REDRESS MECHANISM**

### **7.1 Introduction**

71. A grievance redressing mechanism will be available to allow an AP appealing any disagreeable decision, practice or activity arising from land or other assets compensation. 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 can be obtained through careful LAR design and implementation, by ensuring full participation and consultation with the APs, and by establishing extensive communication and coordination between the affected communities, the EA, and local governments in general.

### **7.2 Formation of GRC**

72. 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 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.

73. MDFG will ensure that the GRC, as well as MLARO gets sufficient trainings to be efficient in their functionality.

74. Complaint & Grievances will follow the process described below in Table 7.1. The complaints report form is attached in the information pamphlet in Annex D.

**Table 7.1: Grievance Resolution Process**

#### **Land/ Crops Compensation Issues**

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 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.

## VIII. IMPLEMENTATION SCHEDULE

### 8.1 General

75. 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.

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

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

77. 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.

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

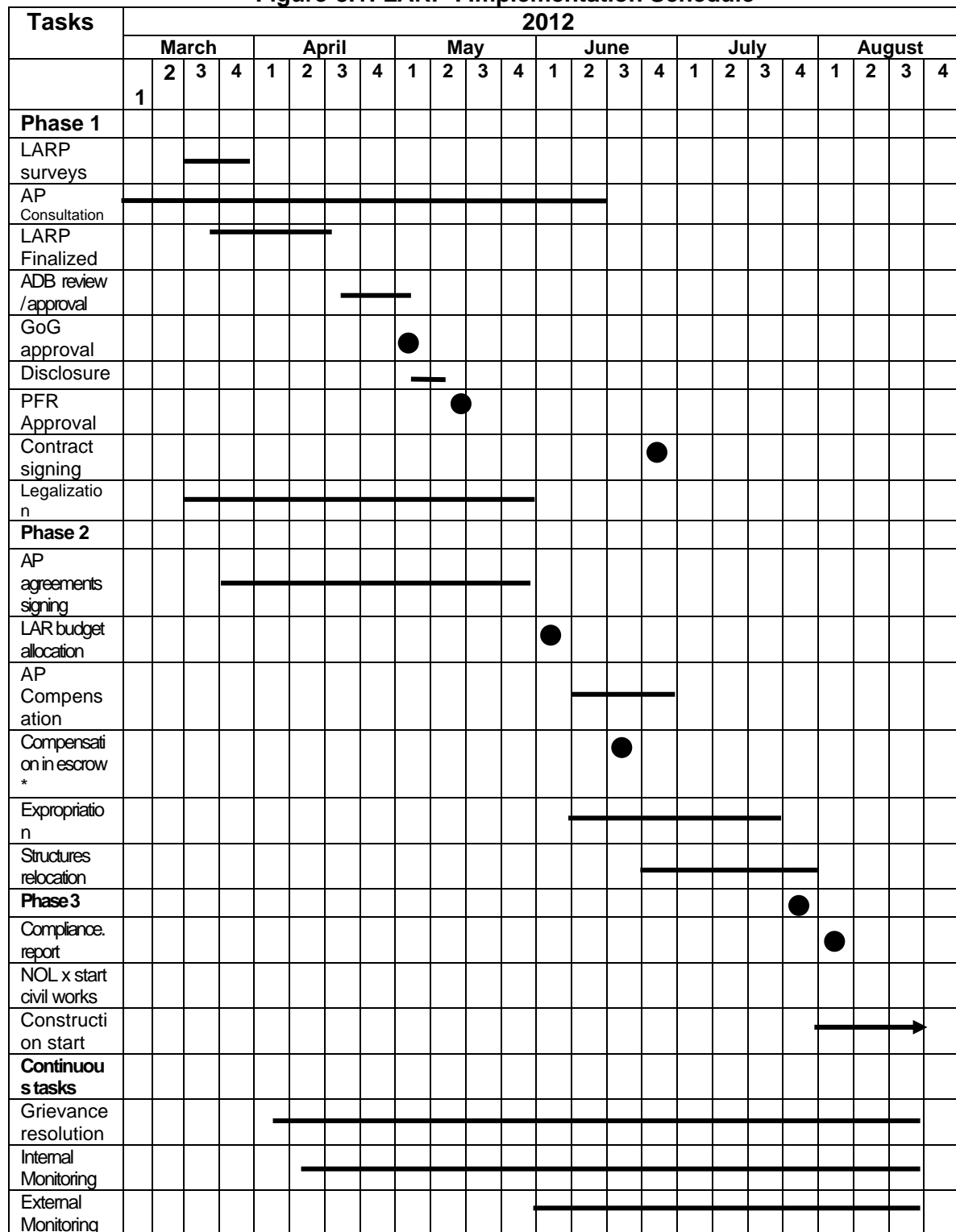
- (i) Final Legalization of legalizable APs (responsibility: EA);
- (ii) compensation agreements with APs signing (responsibility: EA);
- (iii) Requisition to TRRC for compensation/allowances finances (responsibility: MoF/EA)
- (iv) Compensation transfer to APs' bank account and registration of land on RDMRDI name (responsibility: EA)
- (v) Relocation of affected structures/assets (responsibility: EA)
- (vi) Training of LAR institutions, APs and NGOs (responsibility: EA/consultants)
- (vii) Grievance resolution (responsibility local Governments, GRG and EA)

79. **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

80. The LARP implementation is presented in Figure 8.1.

Figure-8.1: LARP-I Implementation Schedule



\* For Expropriation or absentee AP cases.

## IX.COSTS AND FINANCING

### 9.1 General

81. The cost estimates for LARP-I include eligible compensation, resettlement, vulnerable and severely affected AH allowances and LARP management costs. A 10% contingency provision is also included. In case of any over-run in cost, MDF will provide additional funds as needed in a timely fashion. MDF through the approval of MOF is responsible for timely allocating the budget. The compensation Items included in the following assessment are:

- (i) Compensation for Land
- (ii) Compensation for buildings
- (iii) Compensation for business loss to business owners and leasers
- (iv) Compensation for employment/wage loss
- (v) Compensation for trees
- (vi) Assistance for severely affected AH
- (vii) Assistance for vulnerable AH
- (viii) LARP implementation costs

### 9.2 Itemized Budgets

82. The following section deals with calculations for various types of compensation and allowances as per the entitlements and as per the rates determined at replacement cost. 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. The detailed methodology followed for determining replace value of affected assets is given in Annex 1.

#### 9.2.1 Land Compensation

83. The affected land subject for compensation has been divided into 4 categories for accurate valuation. The market price is determined by the independent valuator through physical surveys and with discussion with affected community and local representatives. Table-9.2 provides detailed information on land compensation.

**Table 9.1: Compensation for 4 Categories of Private Land**

Land Categories	Plots No.	Area(sqm)	GEL/sqm	Total Price
Category 1	8	2,950	54	159,300
Category 2	10	5,134	179	918,986
Category 3	4	607	107	64,949
Category 4.	16	16,421	64	1,050,944
Total	38	25,112		2,194,179

Note: 20 public plots of 117,263 sqm are excluded from compensation

#### 9.2.2 Cost of affected structure

84. Compensation of affected structures was calculated mostly individual unit basis through physical checking/verification, detail discussion with applicable sources and the owners. This

process has ensured direct participation of owners in evaluating accurate compensation for the affected structures. Table-9.3: provide detail information of the affected structure.

**Table- 9.2: Compensation for Structures**

#	Construction Type	Number	Dimensions		Cost (GEL)
			Unit	Dimension	
	<b>BUILDINGS</b>				
1	Shop	1	sqm	199.35	154,578
2	Car Maintenance workshops	1	sqm	121.59	40,235
		1	sqm	431.00	142,521
		1	sqm	171.17	56,641
3	Car washing box	1	sqm	49.73	10,667
4	Petrol Filling station	1	sqm	146.88	250,850
		1		85.17	18,509
		1		383.28	654,586
		1		325.29	555,548
		1		426.81	728,929
		1		88.63	104,072
5	Liquefied Gas Plant	1	sqm	35.00	11,579
6	Gas Filling station (pump station roofing)	1	sqm	144.53	45,107
7	Petrol Filling Station (pump station roofing)	1	sqm	268.67	229,532
8	Café	1	sqm	255.81	105,505
	<b>ANCILLARY Structure</b>				
9	Store house	1	sqm	49.27	14,046
		1		4.65	840
10	Security cabin	1	sqm	8.00	1,482
11	Banners	1	sqm	3.00	1,094
		1		5.00	1,824
12	Asphalt Pavement	1	sqm	781.00	30,500
		1		658.00	25,696
13	Toilet	1	sqm	2.80	529
14	Water tank	1	sqm	137.00	24,475
	<b>Other</b>				
15	Fence	1	sqm	66.00	8609
		1		65.00	6,192
		1		33.25	478
		1		51.60	4,916
		1		295.00	2,655
16	Apartment Building basement with ancillary structures	1	sqm	2848.96	2,004,949
17	Retaining Walls	1	cubm	430.00	904
Total					5,238,048

### 9.2.3 Compensation for businesses loss

85. Compensation of business loss has been determined through interviews, meetings and analyzing business transaction records. It includes compensation for 7 business owners and 1 business leaser. Details are provided in Table-9.4.

**Table 9.3: Compensation for Businesses Loss**

Business Reference	Business Type	Compensation rates
		Compensation for business at net profit (GEL/year)
1	Auto service, shop	7,514
2	Auto service	11,863
3	Gas Cylinder filling Plant	2,809
4	Petrol station	781,188
5	Petrol station	265,520
6	Petrol station (owner)	94,514
7	Petrol station (leaser)	125,753
8	Gas station	187,248
<b>Total</b>		<b>1,476,409</b>

#### 9.2.4 Compensation for Employees

86. In total 52 employees are affected permanently and 20 are affected temporarily. Since the temporary impact is three months they will receive the same amount of permanently affected employees. Table 9.5 provides detail information.

**Table 9.4: Compensation for Loss of Employment**

Business reference No.	Employees No.	3-month's minimum subsistence	Total Compensation (GEL)
<b>Permanent job loss</b>			
1	1	939 GEL	939
3	2	939 GEL	1,878
4	30	939 GEL	28,170
5	8	939 GEL	7,512
7"	11	939 GEL	10,329
<b>Sub-total</b>	<b>52</b>		
<b>Temporary job loss</b>			
8	20	939 GEL	18,780
<b>Total</b>	<b>72</b>	<b>939 GEL</b>	<b>67,608</b>

#### 9.2.5 Compensation for Seedlings-plants

87. These items belong to a nursery company which has enough free land to replant the affected seedlings at new site. The compensation provided covers only transplanting costs as agreed with the company owner. Table 9.6: provide information of none-productive trees

**Table 9.5: Non-Productive Trees (based on Actual Tree Age)**

Tree type	Trees No.	Replacement cost (GEL)	Total (GEL)
Lugustrum	980	74	
Rose	152	570	
Kiparis	738	2,768	
<b>Total</b>	<b>1,870</b>	<b>3,411</b>	<b>3,411</b>

Note: in replacement cost there is value of all trees replacement

## 9.2.6 Compensation for Productive Trees

88. The compensation for productive trees is based on future income of the affected trees. Detail information of affected trees and calculation of compensation are given in table-9.7

**Table 9.6: Compensation for Productive Trees**

Type	Age Group	Average productivity (kg. x year)	1 kg. Market price at farm gate	Annual income without deductions (GEL)	Annual deductions x inputs (Gel)	Years to be compensated (years to re-grow tree at age of cutting)	Value of 1 tree (GEL)	Tree no.	Total cost x tree type (Gel)
Apple	5	2	2	4	3	5	5	2	10
	10	10	2	20	10	10	100	1	100
	Total							3	110
Walnut	10	4	5	20	10	10	100	2	200
	15	20	5	100	80	15	300	5	1500
	20+	30	5	150	130	20	400	12	4800
	Total							19	6500
Grape	5	10	1	10	5	3	15	8	120
	15	30	1	30	15	5	75	8	600
	20+	25	1	25	15	5	50	1	50
	Total							17	770
Mulberry	5	4	1.5	6	4	5	10	2	20
	10	20	1.5	30	8	5	110	3	330
	Total							5	350
Apricot	20	15	1.5	23	5	5	88	1	88
	Total							1	88
Peach	5	4	1.5	6	4	5	10	2	20
	Total							2	20
Silver Berry (Oleaster)	5	4	1.5	6	4	5	10	1	10
	Total							1	10
<b>Grand Total</b>								<b>48</b>	<b>7848</b>

## 9.2.7 Cost for Vulnerable AP, Severely Affected AP and Relocation Allowances

89. There are 6 AH to be relocated. They will receive a unit allowance of 1,252 GEL for a total of 7,512 GEL. The vulnerable AH are 6 (AH headed by women) and the severely affected AH are 56. The allowances are calculated according to the provision of the approved LARF, which is three months minimum salary. No crop is affected because there is no any agricultural activity in this affected area, except commercial/industrial activities. Table 9.8: provide information of vulnerable and severely affected families.

**Table 9.7: Cost for severely affected, vulnerable AH and relocation allowances**

Item	Unit	Unit rate (GEL)	Quantity	Cost (GEL)
Severely Affected Ahs	No.	939	56	52,584
Vulnerable AH	No	939	6	5,634
Relocated Ahs	No	1,252	6	7,512
<b>Total</b>			<b>68</b>	<b>65,730</b>



### 9.2.8 LARP Management Cost

90. The Construction Supervision Contractor will conduct external monitoring. However, MDF will need to employ one independent monitoring agency for external monitoring of LARP implementation for a period of 2 months (in case the CSC is not in place during updating and implementation of the LARP. Miscellaneous expenses have been kept as a provision to cover the administrative cost as may be incurred during implementation of the LARP. Details of the LARP implementation management cost is given in Table- 9.9

**Table 9.8: LARP Management Cost**

Item	Unit	Quantity	Unit Cost(GEL)	Total Cost (GEL)
1. Cost for EMA	Months	2	5000	10,000
.2. Administrative Cost	Months	8	2000	16,000
Total				<b>26,000</b>

### 9.2.9 Summary estimate of LARP cost

91. The total cost for land acquisition and resettlement including Cost for EMA and administrative Cost are presented in Table-9.10

**Table 9.9: Summary Estimate of LAR Costs**

No.	Item	Cost (GEL)	Cost in USD
A	<b>Compensation</b>		
1	Compensation for Land	<b>2,194,179</b>	
2	Compensation for Structures/Buildings	5,238,048	
3	Compensation for business loss	1,476,409	
4	Compensation for employees	<b>67,608</b>	
5	Compensation for non-productive trees	3,411	
6	Compensation for productive trees	7,848	
	<b>Sub Total A</b>	<b>8,987,503</b>	
B	<b>Allowances</b>		
1	Severely Affected AH	52,584	
2	Vulnerable Households	5,634	
3	Relocation	7,512	
	<b>Sub Total B</b>	<b>65,730</b>	
C	<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>	9,079,233	5541675
	<b>Contingency @10 % of the total LAR Cost</b>	907,923	554,167
	<b>Grand Total</b>	<b>9,987,156</b>	<b>6,100,890</b>

### 9.2.10 Source of Financing

92. All funds for compensation and allowances will be provided from the Government of Georgia's public fund. MDF will ensure the allocation of funds for compensation to be paid for land acquisition and resettlement. MDF will get the budget approved from the Ministry of Finance and allocate in advance the funds for implementation of LARP-I.

## **X. MONITORING AND EVALUATION**

### **10.1 Introduction**

93. 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**

94. 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 quarterly 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 monthly to MDFG to assess the progress and results of LARP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the 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;
- (i) Compensation for affected structures and other assets;
- (ii) Relocation of APs;
- (iii) Payments for loss of income;
- (iv) Selection and distribution of replacement land areas; and
- (v) Income restoration activities

95. The above information will be collected by MDFG which is responsible for monitoring the day-to-day resettlement activities of the project through the following instruments:

- (i) Review of census information for all APs;
- (ii) Consultation and informal interviews with APs;
- (iii) In-depth case studies;
- (iv) Sample survey of APs;
- (v) Key informant interviews; and
- (vi) Community public meetings.

### **10.3 External Monitoring**

96. External monitoring will be carried out during LARP implementation and twice a year thereafter. Its results communicated to MDFG and ADB through semi-annual reports. Subprojects whose LARP implementation time frame will be under six months will be monitored only once. External Monitoring tasks will be carried out in two phases:

## **10.4 Phase-I**

97. 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:

98. 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 40% sample of the AH; (f) review the legalization process and assess its effectiveness; (g) 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 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**

99. 114. Within 6 months 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) Rehabilitation of informal settlers;
- (v) Effectiveness of property valuation for rehabilitation purposes;
- (vi) Effectiveness of Grievance procedures;
- (vii) Level of satisfaction of APs in the post resettlement period.

## **Annex - A**

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

#### **1. Valuation of Affected Land Plots**

##### **1.1 Methodology**

1. Land has been valued at replacement cost based on the average market value. That is based on the average sale value of comparable land in type, location and features. Based on the average market sales, adjustments were made according to the comparison parameters, in the following sequence as applicable:

- (ii) Actual sale status of reference land plots (completed transactions or proposals for sale)
- (iii) Sales dynamics at the market (trend of prices and the sale date);
- (iv) Location;
- (v) Physical parameters;
- (vi) Economic parameters;
- (vii) Use;
- (viii) Existence of real estate property.

##### **1.2 Determination of Land Compensation Price**

###### **Comparison**

2. The land plots to be valued are located in Tbilisi, at the Tbilisi-Phonichala section of the Tbilisi – Rustavi highway, starting from km (00 D.Gulia street area adjacent to Ortachala Interurban Bus Terminal station), following right bank of r. Mtkvari and finishing near the petrol filling station of Maksoil, close to settlement Phonichala. (km 4.0)

3. The comparable market segment for land is limited within the frames of Krtsanisi district (Ortachala).

4. Information related to analogous land plot prices has been obtained from NAPR, Real Estate Companies and sale advertises on different web-sites. Information about analogs is available only for the starting section (km 0.0 – 0.5) of the road and thus initial calculations are related to this subsection. Results are given in table 1.

5. Reconciliation of the adjusted prices of compared assets was carried out based on a calculation of the average weighted value of the 13 reference land plots. During the reconciliation of the adjusted prices more value was attached to those reference land plots, which were the most comparable to the valued asset so that the smallest adjustment was necessary.

###### **Calculation of Land Market Rates of plots between Km 0 and 0.5**

6. With the use of the average weighted value, the price of the valued asset was calculated by means of the following formula:

$$V_{wa} = \sum (P_i \times R_i) / \sum R_i \quad (i = 1 \dots n; n = 13)$$

Where:

$V_{wa}$ - is the Average Weighted Value of Market Price for 1 sq.m land plot;

$P_i$  - is the Corrected (adjusted) selling price of each comparable reference land plot

$R_i$  – is the rating weight of the adjusted price of each comparable reference land plot.

$\sum R$  – is the sum of the rating weights

$n = 13$

7. Average weighted value ( $V_{wa}$ ) better represents the real market price of the affected land plots than simple average of corrected prices of the reference land plots. ( $\sum P_i / 13$ ). The rational for introducing weighted values is explained in more details in the table 2, p. 12.

8. Thus, calculation of the market prices of 1m<sup>2</sup> area of valuated property, carried out with the use of average weighted value is given shown in Table N1

9. The basic price is determined for non-agricultural land located between km0.0 – 0.5 of the road. No information exists on the rest sections of the road. The price for these land plots was derived by reduction of the basic price based on analysis of correlation between market demand on land and corresponding costs. This expert's valuation was executed in tight consultations with the NAPR and broker organizations. As a result following matrix of prices have been elaborated.

**Table 1. Calculation of Average Weighted Value of Market Price for 1sqm commercial land plots within the section km0.0 – km0.5**

#	Description	Address	Unit Price of the Transaction/Offer (\$)	Source of Information	Price of 1 sqm declared in source (\$)	Deal / Proposal	Correction for Proposals	Corrected price of 1 sqm (\$)	Location	Correction	Corrected price of 1 sqm (\$)	Physical Characteristics	Correction	Corrected price of 1 sqm $P_i$	$R_i$ rating weight of the adjusted price	Sum of the rating weights $\Sigma R$	$V_{wa}$ Market price of 1 sqm (\$)	$V_{wa}$ Market price of 1 sqm GEL	Market Price of Sample Land plots (GEL)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	250 sq.m. land plot miwis nakveTi	1 Kheivani str. Cadastral Code 01.18.05.003.06 7	100 \$ /sqm (Deal)	NAPR 17/10/2011	100	Deal	no	100	Analogous	No	100	Analogous	no	100	2,0	15,0	108	179	44629
2	575 sq.m. land plot miwis nakveTi	101 Gorgasali str. Cadastral Code 01.18.09.006.02 7	53 \$ / sqm. (Deal)	NAPR 5/10/2011	53	Deal	no	53	Worse	5	58	Analogous	no	58	1,0				102647
3	13697 sq.m. land plot miwis nakveTi	Gulia square phone: 2471020; 599764040	220 \$ / sqm. (Offer)	<a href="http://makler.ge/index.php?pg=ds&amp;id=161211">http://makler.ge/index.php?pg=ds&amp;id=161211</a>	220	Proposal	- 10%	198	Better	-28	170	Better	- 50	120	1,0				2445139
4	1192 sq.m. land plot miwis nakveTi	Gulia str. phone: 2471020; 599764040	130 \$ / sqm. (Offer)	<a href="http://makler.ge/index.php?pg=ds&amp;id=161219">http://makler.ge/index.php?pg=ds&amp;id=161219</a>	130	Proposal	- 10%	117	Analogous	No	117	Better	- 10	107	1,0				212792
5	1028 sq.m. land plot miwis nakveTi	Gulia str. phone: 2471020; 8790919293	136 \$ / sqm (Offer)	<a href="http://www.tbilisirent.ge/index.php?act=st&amp;id=211&amp;lang=ge">http://www.tbilisirent.ge/index.php?act=st&amp;id=211&amp;lang=ge</a>	136	Proposal	- 10%	122	Analogous	No	122	Better	- 10	112	1,0				183515
6	450 kv.m. sq.m. land plot	Gulia str. phone: 593 682 696.	100 \$ / sqm. (Offer)	<a href="http://new.saqme.ge/index.php?a=2&amp;b=545132">http://new.saqme.ge/index.php?a=2&amp;b=545132</a>	100	Proposal	- 10%	90	Analogous	No	90	Analogous	no	90	1,0				80332

7	250 sq.m. land plot miwis nakveTi	1 Kheivani str phone: 2471020; 790919293	120 \$ / sqm (Offer)	<a href="http://makler.ge/index.php?pg=ds&amp;id=161569">http://makler.ge/index.php?pg=ds&amp;id=161569</a>	120	Proposal	- 10%	108	Analogous	No	108	Analogous	no	108	1,0				44629
8	680 sq.m. land plot miwis nakveTi	Ortachala Turfa phone: 2471020; 790919293	103 \$ / sqm (Offer)	<a href="http://makler.ge/index.php?pg=ds&amp;id=157024">http://makler.ge/index.php?pg=ds&amp;id=157024</a>	103	Proposal	- 10%	93	Worse	20	113	Analogous	no	113	1,0				121391
9	450 sq.m. land plot miwis nakveTi	Ortachala, near Hospital phone: 593 925270; 593 364509	250 \$ / sqm (Offer)	<a href="http://www.allrealestate.ge/ikidebamitsa-164-17.html">http://www.allrealestate.ge/ikidebamitsa-164-17.html</a>	250	Proposal	- 10%	225	Better	-100	125	Better	- 50	75	1,0				80332
10	29 sq.m. land plot miwis nakveTi	Krtsanisi str. 12/ Gorgasali str 71 Cadastral Code 01.18.06.019.09 7	200 \$ / sqm (Deal )	NAPR 12/01/2012წ	200	Deal	no	200	Better	-50	150	Better	- 30	120	1,0				5177
11	421 sq.m. land plot miwis nakveTi	Between Krtsanisi and Gorgasali streets N27 Cadastral Code 01.18.06.019.06 1	190 \$ / sqm (Deal)	NAPR 13/01/2012წ	190	Deal	no	190	Better	-50	140	Analogous	no	140	1,5				33918
12	7400 sq.m. land plot miwis nakveTi	Krtsanisi str Cadastral Code 01.18.06.014.06 5	250 \$ / sqm (Deal)	NAPR 23/01/2012წ	250	Deal	no	250	Better	-50	200	Better	- 50	150	1,0				1321021
13	374 sq.m. land plot miwis nakveTi	Gorgasali str Cadastral Code 01.18.09.002.00 2	100 \$ / sqm (Deal)	NAPR 27/01/2012წ	150	Deal	no	150	Better	-50	100	Analogous	no	100	1,5				66765

**Table 2. Explanations to the Table 1**

**1. Column 7** explains the character of prices declared in column 6 – some of these prices correspond to deals and executed transactions, and these prices are considered as market prices requiring no deductions. The other prices correspond to proposals of sellers advertised in the referred sources. These prices are not considered as real market prices and accordingly certain deductions are made, which are reflected in **columns 8 and 9**. The minimum margin at the Georgian market between the real market price and advertised proposed prices is estimated to be 10%. Statistically, the proposal price in Georgia is 10-15% higher than the actual market price. As the market economy has not yet fully developed the seller usually tries to get excess profit if the buyer is unaware of real estate prices and agrees to the proposed price. 10% correction was not applied to the prices of reference land plots No 1,2,10,11, 12 and 13, which were sold and their market prices were determined. There was no bargaining about the prices of these plots and consequently no discounts were made. 10% correction was applied only to reference land plots No 3,4,5,6,7,8 and 9, which were put up for sale and were not yet sold at the time of correction. The seller and buyer would most likely bargain about the prices of these plots (analogues) and the buyer would get a discount. The IVSC (The International Assets Valuation Standards Committee) defines the market value as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

**2. Columns 10 and 13** show corrections based on the plot location and physical characteristics. The word “**better**” means that the reference land plot is better than the affected land plots, i.e. the market price of the reference plot is higher than that of the object. The price of the reference plot has to be reduced to suit the affected land price. The word “**similar**” means the reference land plot is similar to the object and the market price of the analogues does need to be reduced or increased to suit the object. The word “**worse**” means that reference land plot is worse than the object to be assessed and the price of the reference land plot has to be increased to suit the object.

**3. Column 11 of reference land plot No 2** shows the correction amounting to +5\$. The estimate takes into account the location of the reference land plot which is situated at 101 Gorgasali St. In commercial terms this location is worse than that of the object to be assessed (less traffic, fewer people) and therefore there are fewer businesses and offices in that area. However, this reference land plot is quite similar to the object to be assessed. As regards the +5\$ correction, this amount was estimated based on expert reviews of the relevant market segments (namely, analysis/comparison of the market prices of transactions for the past 1 year based on the data provided by the Public registry and real estate agencies).

**4. Column 11 of reference land plot No 3** shows the correction amounting to -28\$. The estimate takes into account the location of the reference land plot which is situated in Gulia Square. This location is better (less traffic, fewer people) than that of the object to be assessed and therefore there are more businesses and offices in that area. As regards the -50\$ correction, this amount was estimated based on expert reviews of the relevant market segments (namely, analysis/comparison of the market prices of transactions for the past 1 year based on the data provided by the Public registry and real estate agencies).

**5. Column 11 of reference land plot No 8** shows the correction amounting to +20\$. The estimate takes into account the location of the analogue which is situated near “Ortachala Turpa” residential estate. In commercial terms this location is worse than that of the object to be assessed (less traffic, fewer people) and therefore there are fewer businesses and offices in that area. Furthermore, no gas and petrol stations are allowed in this area on account of the safety standards. It means the use of this plot of land is limited. As regards the +20\$ correction, this amount was estimated based on expert reviews of the relevant market segments (namely, analysis/comparison of the market prices of transactions for the past 1 year based on the data provided by the Public registry and real estate agencies).

**6. Column 11 of reference land plot No 9** shows the correction amounting to -100\$. The estimate takes into account the location of the analogue which is situated near the eye disease clinic. This location is much better (less traffic, fewer people) and more prestigious than that of the object to be assessed and



therefore there are more businesses and offices in that area. As regards the -100\$ correction, this amount was estimated based on expert reviews of the relevant market segments (namely, analysis/comparison of the market prices of transactions for the past 1 year based on the data provided by the Public registry and real estate agencies).

**7. Columns 11 of reference land plot No 10, 11, 12 and 13** shows the correction amounting to -50\$. The estimate takes into account that these **reference land plots** are located at the junction of Gorgasali Square and Krtsanisi Street. This location is much better (less traffic, fewer people) and more prestigious than that of the object to be assessed and therefore there are more businesses and offices in that area. As regards the -50\$ correction, this amount was estimated based on expert reviews of the relevant market segments (namely, analysis/comparison of the market prices of transactions for the past 1 year based on the data provided by the Public registry and real estate agencies).

8. The following corrections were made based on the physical characteristics, i.e. the difference between the **reference land plot** and the object to be assessed in terms of:

- **plot shape** (possibility and convenience of constructing various structures and facilities on the plot without additional costs) – **correction amount of +/-15\$;**
- **plot size** (possibility and convenience of dividing the plot into smaller parts for sale and size of structures and facilities which can be built on this plot without additional costs and at the lowest possible construction cost - **correction amount of +/-10\$;**
- **utilities (water supply, sewerage systems, power supply, communications, gas supply, etc)** (whether the utilities are provided or how much additional costs are needed for their provision) - **correction amount of +/-5\$;**
- **frontage** (the area of the plot adjacent to the motorway which increases the likelihood of locating commercial facilities on the plot - **correction amount of +/-5\$;**
- **plot relief** (the costs of improving relief to make it suitable for construction) - **correction amount of +/-5\$;**
- **soil composition** (whether the soil is firm enough for construction of a multi-storey building without additional reinforcement. The object to be assessed is located on the bank of the Mtkvari River where there is a high risk of water infiltration. Due to the infiltrations during the foundation construction of the multi-storey building at 1 Ortachala-Gulia Street (object to be assessed) soil reinforcement became necessary at additional costs) - **correction amount of +/-15\$.**

**Correction amounts are estimated in compliance with the costs required to make the plot suitable for construction according to construction norms and standards.**

**9. Column 14 of reference land plot No 3, 9 and 12** shows the correction amounting to -50\$ due to the physical characteristics. It means that the **reference land plot** is better than the object to be assessed in terms of **shape, size, soil, utilities and relief** as it does not require additional costs.

**10. Column 14 of reference land plots No 4 and 5** shows the correction amounting to -10\$ due to the physical characteristics. It means that the **reference land plot** is better than the object to be assessed in terms of **utilities and relief** as it does not require additional costs.

**11. Column 14 of reference land plot No 10** shows the correction amounting to -30\$ due to the physical characteristics. It means that the **reference land plot** is better than the object to be assessed in terms of **soil, utilities and frontage** as it does not require additional costs.

**12. Column 16** shows the rating of the **reference land plot** estimated through the expert review on the basis of several criteria. The most important criterion was the sale status of the **reference land plot** (whether it is offered for sale or actually sold). The prices of the sold plots are closer to the market prices while the prices of the reference plots offered for sale are less realistic. The second criterion was the location (i.e. how close is the analogue to the object to be assessed). The closer the analogue is to the object the more comparable their prices are). The third criterion was similarity of physical characteristics of the analogue and the object.

Based on the aforementioned criteria **reference plot No 1** was given **2.0 rating weight** as it was

actually sold, is close to the object and has similar physical characteristics.

**Reference plot No 2 was given 1.0 rating.** Although the correction amount was small and the analogue was actually sold, the corrected price of 58\$ is significantly different from the corrected prices of the other reference plot (in some cases the difference is 100% and more). Therefore there are some doubts that this transaction was not conducted **“between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”**. The transaction may have been conducted in an on-market situation.

**Reference plot No 3, 4, 5, 6, 7, 8 and 9 were given 1.0 rating.** These plots are the ones offered for sale and not actually sold.

**Reference plot No 10 and 12 were given 1.0 rating.** Both these plots are actual transactions. However both were corrected due to the location and physical characteristics.

**Reference plot No 11 and 13 were given 1.5 rating.** Both these analogues are actual transactions. In case of Analogues No 11 the correction was made due to the location and in case of reference plots No 13 – due to the physical characteristics.

#### **Calculation of Land Market Rates for plots between km 0.5 and 4.**

10. 13 sample land plots used as analogs for comparing prices of affected land plots within the section km0.0-km0.5, were suitable for that purpose, so far as they are located at a distance less than 1km and also from commercial standpoint they are comparable with the affected land plots. For the affected land plots located remote from Tbilisi (alongside the road km 0.5 – km 4.0 and adjacent areas) no sale/purchase transactions or proposals were recorded during the recent half year (period suitable for direct comparison of prices<sup>1</sup>). This is due to the fact that area is not used for residence or agricultural needs and the land market is not active. Therefore, the valuers had to develop some approach for indirect valuation of the affected land plots in this section. For that purpose correlative analysis of land prices has been carried out for longer period (2 years) and ratio of prices has been defined for the land plots located within km0.0 - km0.5 and km0.5 – km4.0. The data analyzed was taken from NAPR and broker companies. The correlative analysis demonstrated that the ratio of prices for land plots located at km0.5 – km1.0, as compared with prices for land plots at km0.0 – 0.5 is about 40%. This has its logical explanation: a) there are only few residential or commercial structures located along the section km0.5 – km1.0; b) there is less availability of utilities and infrastructure; c) the speed of motor transport at this section is higher than in the city and this also limits commercial use of land and decreases its value ; d) the land plots located remotely from the city center in principle cost less. Based on the same approach and correlative analysis of data for 2 recent years, it has been revealed that the land plots within the subsection km1.0 – km4.0 value about 40% as compared with the land plots within km0.5 – km1.0.

11. Finally, using current prices for the subsection km 0.0 - km0.5 (179 GEL) and mentioned ratios of prices for the rest subsections, following prices have been derived for commercial land plots:

- km 0.0 – km 0.5 - 179 GEL
- km 0.5 – km 1.0 - 107 GEL
- km 1.0 – km 4.0 - 64 GEL

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<sup>1</sup> It should be noted that land prices have expressed trends: after sharp decrease of 2008 – 2010 following the Russian intervention the prices are increasing.

**Table 2**

KP (km)	Non-agricultural land plots		Agricultural land plots	
	\$	GEL	\$	GEL
0-0,5	108	179	102	170
0,5-1,0	65	107	61	97
1,0-4,0	39	64	37	54

1. **Buildings Valuation.** Buildings have been valued at replacement cost based on the direct and indirect costs at market value necessary for the construction of a comparable building i.e. what construction of a building of similar parameters would cost today. No deductions were made for amortization. The parameters for calculating the direct and indirect costs are the following as applicable to individual cases.

- a. Direct costs include:
  - (i) Construction' labor costs;
  - (ii) Purchase of construction materials;
  - (iii) Preparatory expenses;
  - (iv) Rent or purchase of equipment;
  - (v) Profit and overhead expenses of the constructing Contractor;
  - (vi) Expenses incurred to ensure safety measures during the construction/repair;
  - (vii) The cost of arranging temporary structures;
  - (viii) Temporary communications (electricity, water, gas supply etc.);
  - (ix) Warehouse costs;
  - (x) Transportation costs;
  - (xi) Other costs
- b. Indirect costs include:
  - (i) Cost of professional services:
    1. Compensation of the architect/designer;
    2. Compensation for engineering services;
    3. Legal expenses;
    4. Compensation for valuator's services;
    5. Other expenses
  - (ii) Expenses incurred to receive permits;
  - (iii) Insurance costs;
  - (iv) Financing %;
  - (v) Guarantee necessary to secure the contract implementation by the contractor building the new building;
  - (vi) Other expenses

12. **Compensations for Perennial Plants:** These items have been valued differently for wood trees; productive trees in production age and productive trees not yet productive.

**A Seedlings:** are not compensated but the owner receive compensation for transplanting costs.

**B Fruit Trees in Productive Age:** The value of these items has been defined according to the following parameters:

- 1) Product of the tree at the productive stage or age of the tree at the moment of cutting (which is defined by tables prepared by the consultants based on figures from the Department of Statistics of Georgia and recognized academic publications

which detail the average productivity of a tree within intervals of 5 years) of the tree at the moment of cutting;

- 2) Average net value (deduced of inputs) of future produce lost at farm gate market price based on number of productive years from the year a tree is cut to the year when a tree will stop production), and;
- 3) Number of years needed to re-grow the tree at the productive stage (age) in which it was cut.

13. The valuation of the tree obtained will be discounted for: the value of yearly productive inputs (the future income to be compensated is virtual and therefore should not involve productive inputs costs). The formula to compensate one productive tree will thus be:

$$C = (K \cdot V \cdot L) - M$$

Where:

C=compensation value of tree.

K =average annual productivity of 1 tree for remaining productive years

V=market price at farm gate of 1 kg product

L =years to be compensated (years needed for growing up a tree of the same rate of productivity as the one cut.

M = average annual expenses for agricultural works

## ANNEX - B

### SYNOPSIS OF SELECTED GEORGIA LAWS AND REGULATIONS ON LAR

#### A. The Constitution of Georgia

1. The Constitution determines the essence of private ownership and defines presumption of inviolability however also regulates the issues related to compensation and expropriation of land and immovable property for necessary public need. The Constitution of Georgia ensures the publicity of information. Pursuant to the Article 21 of the Constitution of Georgia “the right of ownership and inheritance is declared and secured”. No body is eligible cancel the universal right of ownership and legacy. Throughout of the necessary public need or if the urgent necessity has emerged, the Article 21.3 of the Constitution allows the expropriation of the private ownership however, only according to the Court Decision or under the rules identified in the organic law<sup>1</sup> on basis of the appropriate and fair reimbursement.

2. Other articles of the Constitution of Georgia also create legislative basis in respect with Land Acquisition and resettlement issues. These considers the State actions for expropriation of land for urgent public need, i.e. exercising the right of expropriation (power of eminent domain), also information disclosure and public consultations, protection of cultural heritage and grievance redress related to land acquisition and resettlement of population.

3. The Constitution ensures the right of a citizen to live in safe and healthy environment and use natural and cultural environment. The State undertakes environment protection measures to secure safe environment for people. People have the right to obtain "full, true and timely information" in regard with their work place and residential environment.

4. The Article 42 of the Constitution makes the citizens eligible to claim, in particular protects them and encourages appealing to the court for protection of their rights and freedom.

#### B. Civil Code of Georgia

5. The Civil Code of Georgia regulates private civil relationships and evolves property rights, obligations, family law and the law on inheritance. Those regulations of the Civil Code that describes ownership right to property and considers right to build, servitude and other rights directly apply to the given project.

6. **Ownership Rights.** The ownership right entitles its beneficiary to freely possess and use property. It may be limited under the legislation or contractual basis. Ownership on the land parcel gives implicit right to land owner to implement construction activities if it is not restricted by any agreement or law. Alienation of real property is not limited under the Civil Code of Georgia. Pursuant to the article 183 of the Civil Code of Georgia “in order to purchase real property the agreement shall be made in a written format and the ownership right shall be registered on the name of the buyer at the Public Register”. The agreement - based on which one person purchases and the other sells the real property may be notarized. The agreement also may be proved by the person identified under the law (Article 69 of the Civil Code of Georgia). Presently the agreement of sales transaction of real property may be proved by the representative of the Public Register. The presumption of veracity and completeness of entries operate with respect to the Public Register, pursuant to the paragraph 1, Article 312 “an entry in the Public Register shall be deemed to be accurate until its inaccuracy is proven

7. **Right to Build.** The owner is allowed to transfer a land plot to another person in temporary usage (not to exceed 59 years) for charge or free of charge. The transferee obtains the right to build a building/construction on or under the land plot, as well as to assign and transfer this right under

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<sup>1</sup> In the hierarchy of the laws the Organic Law stands between the Constitution and other laws, what highlights the significant importance of the latest.

inheritance or tenancy, borrowing or renting. The construction right may cover such part of a land plot that is not necessary for the actual construction but allows a better use of the facility constructed on the basis of the construction permit. Termination of the construction right requires consent from the landowner. Based on the Article 180 of this Code, if a land parcel lacks the access to public roads that are necessary for its adequate use, the other owner may claim from a neighbour to tolerate the use of his land parcel by the owner for the purpose of providing the necessary access. The mentioned article may be used for road construction, though the determination of necessary right of way is rather complicated procedure and in case of road construction evolves the obligations to prove the existence of the elements of such rights. In case of necessary right of way, the implementer of road project shall have the right to undertake road construction notwithstanding the owner's will.

8. **Right of Servitude.** This right shall also be noted that according to the Civil Code of Georgia means the restriction imposed onto a land parcel or real property in favor of the owner (beneficiary) of another land parcel or real property. The Beneficiary is granted the right to use land parcel under restriction with some conditions and /or restricts undertaking specific activities or prohibits land owner to exercise some rights against this land parcel. However, in regard with this project, terms and conditions for transfer of any right (among them ownership, construction, necessary right of way or servitude) shall be defined against each land parcel in accordance to the identified rule and on the basis of the agreement entered between the land owner and the party holding appropriate right to act so. This agreement shall be registered at the Public Register.

### **C. The Law of Georgia on Cultural Heritage**

9. In addition to the Constitution of Georgia affirming the State's obligation to protect cultural heritage and requiring each citizen to care for, protect and preserve cultural heritage the Law of Georgia on Protection of Cultural Heritage defines the legislative principals for protection of existing cultural heritages in Georgia.

10. According to the Law, State protection of cultural heritage is undertaken by the Ministry of Culture, Monuments Protection and Sport, Ministry of Justice of Georgia, local self-government bodies, as well as other State Institutions, Public and Legal Persons of Private Law; On the territories of Abkhazia and Adjara autonomous republics the corresponding bodies of Abkhazia and Adjara autonomous republics within the scope of authority defined under the legislation of Georgia. It is worth to be mentioned that the State and local self-government bodies exercise their authorities in the sphere of protection of cultural heritage in accordance to the Constitutional Agreement between the State and the Orthodox Church of Georgia. The Ministry of Culture, Monuments Protection and Sports of Georgia provides general coordination and manages the activities undertaken in this sphere.

11. In respect with the ownership rights, the Law identifies some differentiations. Namely, the alienation of the State-owned land parcel - located within the zone of State-owned monument, considered as cultural valuables, or located within archeologically protected area - with the right to possess and use the Law considers the agreement with the Ministry of Culture, Monuments Protection and Sports with the terms and conditions of protecting and care being identified ahead. On the other hand, the Law directly restricts alienation of the monuments under private ownership that can only be alienated under the right to possess, and use and with the terms and conditions to care-and protect.

### **C. The Law of Georgia on Notary Actions**

12. The stated law defines the types of notary actions and rule of their implementation. Also the law defines which institutions and authorized persons except the Notaries have right to conduct Notary actions within the territory of Georgia and beyond it. On the basis of the Article 42 of the Law the local self-governments have right to implement Notary actions related to inheritance, accuracy of the copy to the original document, proving the fact that a citizen is alive, proving the fact of a citizen's certain location. Rural population often apply to local self-governments to conduct certain notary actions. Especially, when it is required to identify a person and a document, or the notary actions are required to replace the deceased head of the household with a new member. This rule is often utilized in registration of the land parcels when as the owner of the land parcel the other member of the household is registered in place of the deceased member. The representatives of the Consulates of Georgia (consuls) also other

key persons at the Consulates are eligible to conduct notary actions on behalf of the State of Georgia beyond the territory of the country. (Article 43). Citizens being abroad may apply to the Consulate of Georgia in the county of their location.

#### **D. The Law of Georgia on Privatization of State-owned Agricultural Land**

13. The Law regulates the privatization of State-owned agricultural land. On the basis of this law the leased or non leased State-owned agricultural land subject to privatization. However, the categories of agricultural lands listed below do not subject to privatization:

- (i) grazing lands except the grazing lands which before law enactment were leased; grazing lands attached to existing structures being under ownership of legal and/or physical persons or state ownership in accordance to the rule refined by the Law;
- (ii) Cattle-driving routs;
- (iii) Water fund land, except fish breeding artificial ponds and the lands of common water use category utilized as agricultural lands in accordance to the Law of Georgia on Water.
- (iv) Forest fund land used under agricultural designation;
- (v) Recreation lands;
- (vi) Lands allocated to Historical monuments, nature and religious monuments;
- (vii) Land of protected areas;
- (viii) Agricultural lands assigned as reform land in Adjara Autonomous republic;
- (ix) Agricultural lands being used by Budgetary Institutions and legal entities of public law in the form of usufruct.

14. Privatization of the two categories (forest fund and recreation land) of agricultural land is still allowed, although only for development of resort-recreation infrastructure in accordance to the decision of the Government of Georgia.

#### **E. The Law of Georgia on Ownership Rights to Agricultural Land**

15. The current law is completely different from the initial version adopted in 1996. The changes made in this law in different times (among them the amendments on the basis of the Law # 389 as of July 14, 2000) have significantly changed its initial format and simplified to maximum extend the procedures regulated by this Law.

16. Article 3.1. Defines that "a land parcel with or without household structure that is registered at the public register and used for cattle-breeding and plant cultivation produces is considered as an agricultural land parcel" with existing household and additional structures or without them. Also the share of a member of household community within the shared hay fields, grazing lands or forestry areas and the part of the agricultural land that may be the object "of separate ownership right" (Article 3.2).

The same Law determines that the ownership right to agricultural land is granted to the State, citizen of Georgia, household (komli) and legal person registered in accordance to the legislation of Georgia, which carries out his activities in agricultural sphere. Besides, the Law declares the State, private and community ownership right to grazing lands in the high mountain regions (Article 43).

17. Also, according to the limitations determined under this law, a foreigner and legal person registered abroad held ownership right only to the bequeathed agricultural land parcels and foreigners also in case when as citizens of Georgia they reasonably possessed agricultural land parcels. Besides, it is worth to be considered that foreigners and legal persons registered abroad are obliged to alienate privately owned agricultural land parcels to the citizen of Georgia, Komli and/or legal person registered in Georgia according to the legislation of Georgia within six months period since they obtained private ownership to the given land parcel. Besides, in case this legal requirement is neglected, private ownership to the agricultural land parcels privately owned by foreigners and legal persons registered abroad shall be taken away under the Court Decision and in return of due compensation. (The standards identified by the Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need shall also be exercised in given case).

18. According to Articles 6 and 8, acquisition of agricultural land is allowed on the basis of ordinary rules and general restrictions. Ordinary rule considers land alienation without any permits and other

limitations, and general restrictions consider land alienation only on the basis of the consent of co-owner of shared property. In case of agricultural land acquisition the lessee has the priority right to purchase the land. (Article 10). Alienation is restricted if the area after this action will be less than 5 hectare (Article 9).

19. The Law defines Tax sanctions if land has not been cultivated for 2 years MDFG and for non-payment of land tax and non transmission to the other person in lease condition. In such cases the law does not directly state any type of penalty and only refers that in described cases shall be exercised the sanctions under the Tax legislation (Article 20).

#### **F. The Law of Georgia on Public Register (No 820 – IIs; December 19 of 2008**

20. The Law defines the rules, terms and conditions for registration of rights to immovable property (things), rights and obligations of the subjects participating in registration procedures. The goal of this Law is to declare and verify ownership rights for immovable property (things) within the territory of Georgia (so as some other rights out of subjective, guarantee and liability relationships) through registration of these rights into the Public Register. The Law describes the rules set for organization and functioning of Public Register.

21. This law ensures successful process of expropriation and obtaining of necessary right of way since in case of purchasing immovable property from an owner, it is required that land and real property is registered into the public register to provide legal validity to the sales agreement. Pursuant to the active legislation of Georgia, acquisition (purchase) of private property is legally valid and ownership rights are declared only after its registration into the Public Registry.

#### **G. The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need**

22. The Law of Georgia of “Rules for Expropriation of Ownership for Necessary Public Need” (July, 23, 1999) specified the expropriation procedures, liabilities and implements the rules. The Rules for Expropriation of the ownership which has a possible usage in Georgia in some occasions including Road construction will be issued Regional (civil) Court verdict on the basis of the Presidential Decree.

23. According to the Constitution of Georgia the expropriation of the property in the process of construction of the magisterial motor road is permitted for necessary public need. The process of Expropriation is to be undertaken only by the Court Decision of the President of Georgia and corresponding instances. Expropriation is undertaking by means of compensation payment which is to be corresponding to market value and honest. The State of Georgia has a constitutional right to carry out acquisition property through Expropriation instead of payment of legislative compensation (Clause 21).

#### **H. The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities;**

24. The Law of Georgia on “Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities”; (2007) regulates the legalization of the land plots and property factually owned by the physical or legal persons. The law considers as legalizable the land plots with situated residential houses on it or the land plots adjacent to the officially owned land parcels with the residential house situated on it. The Law provides a list of restrictions determining the type of land (e.g protected areas etc.) for which the legalization rule is not applicable.

#### **I. Procedural Civil Code of Georgia**

25. The general courts of Georgia consider the cases according to the rules identified under the Procedural Civil Code of Georgia. The requirements of the procedural law are exercised during the lawsuit, during implementation of separate procedural actions or execution of the court decision.

26. The Procedural Civil Code of Georgia also regulates those cases when determination of the defendant is impossible. This may be important for the Project in the cases when the landowner is not



found and correspondingly ownership to his/her land parcel cannot be obtained in legally valid manner, i.e. it is impossible to enter corresponding agreement with the landowner or him/her cannot sign other type of document.

27. The above-listed laws and regulations give the possibility of applying the following three mechanisms for legal application of the property rights:

28. Obtaining the road right of way without expropriation through the payment of due compensation (on the basis of negotiations or a court decision) prior to commencement of the activities;

- Expropriation which gives the possibility of obtaining permanent right to land and/or necessary road on the basis of Eminent Domain Law or a court decision through the payment of due compensation;
- Expropriation of private properties for urgent public necessity, which gives the possibility of obtaining permanent rights on land and/or necessary road for the purpose of national security or accident prevention. Expropriation is to be made on the basis of the Presidential Decree on Expropriation through the payment of due compensation to affected people.

29. If applied adequately the above listed mechanisms can ensure the appropriate consideration of lawful interests of all parties and the due observation of the existing legislations.

**Annex – C INFORMATION LEAFLET**  
**LAND ACQUISITION AND RESETTLEMENT PLAN (LARP)**  
**THE MODERNIZATION OF TBILISI\_RUSTAVI SECTION OF THE TBILISI-RED BRIDGE**  
**(AZERABAIJANI BORDER) ROAD**  
Section-1: Tbilisi- Phonichala Settlement (km 0-4)

**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 section 1 (km 0-4) of the Tbilisi-Rustavi Road Modernization Project (the Project). 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. For general public information we note that ADB is also financing section 2 (km.4-10.5) and section 3 (km 10.5-17.1) of the same road. The LARP for section 3 is included in the same loan tranche as section 1 (tranche 2) and is currently in preparation. The LARP for section 2 will be prepared later when tranche 3 is initiated by MDF.

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. Impacts in section 1 of the road will involve 101 affected parties (AP) of which 28 lose land,...lose trees, 8 lose business and 72 lose employment. Land impacts amount to 141,149 sq/m from 60 plots subdivided in terms of tenure type as follows:

- **Type 1:** 37 registered private plots (24,678 sqm), which will be compensated;
- **Type 2:** 4 private legalizable plots (808 sqm) which will be compensated after legalization;
- **Type 3:** 20 public land plots with an area of 117,262 sqm, which will not be compensated.

**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 has been disclosed on the MDF website and deposited for public consultation at the MDF office and at your Sacrebulo office. The LARP in English has been 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 the cut-off date is 15 February 2012). 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.

**Table 1: Compensation Matrix**

<b>Type of Loss</b>	<b>Application</b>	<b>Definition of APs</b>	<b>Compensation Entitlements</b>
<b>a. Land</b>			
Permanent loss of agricultural land	AF losing agricultural land regardless of impact severity	Owner with full registration	Cash compensation in cash at full replacement cost or replacement land of

			same value of land lost and at location acceptable to APs where feasible. The option selected for the Program is cash compensation. If residual plots becomes unusable the project will acquire it in full if so the AP desires.
		Legalizable Owner	These AP will be legalized and provided with cash compensation at full replacement cost.
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 12 months at minimum subsistence income
Non-Agricultural Land	AF losing their commercial/ residential land	Owner with full registration	Cash compensation at full replacement cost or replacement land of same value of land lost and at location acceptable to APs where feasible.
		Legalizable Owner	APs will be legalized and provided with cash compensation at full replacement cost.
		Renter/Leaseholder	Rental allowances in cash for 3 months
		Informal Settlers/ APs with no registration/valid documentation	One time self-relocation allowance in cash equal to 1 year at minimum subsistence income
Buildings and Structures			
Residential and non residential structures/assets		All AFs regardless of legal ownership/ registration status (including legalizable and Informal Settlers)	All impacts will be considered as full impacts disregarding the actual impact percentage. Impacts will be compensated in cash at full

			replacement costs free of depreciation and transaction costs.
<b>Loss Of Community Infrastructure/Common Property Resources</b>			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions
<b>Loss of Income and Livelihood</b>			
Crops	Standing crops affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	<i>Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided by default both if the crops was harvested or not at time of impact</i>
Trees	Trees affected	All AFs regardless of legal status (including legalizable and Informal Settlers)	<i>Cash compensation at market rate on the basis of type, age and productive value of the trees.</i>
Business/Employment	Business/employment loss	All AFs regardless of legal status (including legalizable and Informal Settlers)	<b>Owner:</b> (i). <u>(permanent impact)</u> cash indemnity of 1 year net income; (ii) <u>(temporary impact)</u> cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence income.. <b>Permanent worker/employees:</b> indemnity for lost wages equal to 3 months of minimum subsistence income.
<b>Allowances</b>			
Severe Impacts	>10% income loss	All severely affected AFs including legalizable and informal settlers	<b>Agricultural income:</b> 1 additional crop compensation covering 1 year yield from affected land. <b>Other income:</b> 1 additional

			compensation for 3 months of minimum subsistence income*.
Relocation/Shifting	Transport/transition costs	All AFs to be relocated	Provision of a monthly allowance of 313 GEL covering transport expenses and livelihood expenses for the transitional period for 3 months.
Vulnerable People Allowances		AFs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income* and employment priority in project-related jobs
<b>Temporary Loss</b>			
Temporary impact during construction		All AFs	Due compensation will be assessed and paid based on this LARF during construction.
Unforeseen resettlement impacts, if any			MDF and the construction contractor will address and mitigate/compensate unforeseen resettlement impact during project

\* Minimum subsistence income to be calculated based on a 5 people family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of LARP approval

## E. COMPENSATION RATES

9. The table below specifies the compensation rates for affected lands. Within each land category 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**

Land Categories	No. of Plots	Area(sqm)	GEL/sqm	Total Price
<b>Type 1 Agricultural</b> (unused)	8	2,950	54	159,300
<b>Category 2.</b> Commercial Land km 0.0 – 0.5	12	5,478	179	980,562
<b>Category 3.</b> Commercial Land km 0.5 – 1.0	4	607	107	64,949
<b>Category 4.</b> Commercial Land km 1.0 – 4.0	17	16,451	64	1,052,864

<b>Category 5: State Land</b>	20	117,263	0	00
<b>Total</b>	<b>61</b>	<b>14,2749</b>		<b>2,257,675</b>

## F. OTHER COMPENSATION AND ALLOWANCES

10. The Valuation methodology of trees, building/structure, business loss & employment loss and rate of allowances is well defined in the LARP. The Basic valuation principles for these assets are summarized below in table 3.,

**Table 3: Non land assets valuation**

Fruit trees non productive	Based on inputs spent to grow the tree (variable)
Fruit trees productive	Based on future income x years to re-grow the tree (variable)
Buildings/structure	Based on replacement cost (materials, labor, transport(variable)
Business loss	Cash compensation equivalent to 12 months' netcome
Employment loss	Cash compensation equivalent 3 months income
Allowances	As specified in the entitlements matrix

## G. COMPLAINTS AND GRIEVANCE REDRESS MECHANISM

11. 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.

**Table 3: Grievance Resolution Process**

### Land/ Crops Compensation Issues

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 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. SPECIAL RECOMMENDATIONS TO APS FOR LEGALIZATION OF LEGALIZABLE PLOTS

12. AP occupying affected plots that: a) are not owned by others or the State; b) were legitimately used by them under the old Soviet system; and c) have not been registered/properly registered under the privatization process may be legalized. The legalization process is ongoing and will be completed soon. Only after legalization these AP can be compensated. MDF and local governments in project areas are already assisting these APs by preparing accurate plot maps which will be provided to them. To efficiently assist these APs the Project requests their collaboration in ensuring that as soon as the documentation is available they register their land. This will avoid complications and delays in the delivery of compensation. To financially assist these APs the Project has included in the land compensation package also the land registration cost.

#### I. CONTACT INFORMATION

13. 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

#### ANNEX 1: Complaints and Grievance Submission Form

<b>Achara #</b>	
<b>Name, Last name</b>	
<b>Contact Information</b>	<input type="checkbox"/> <b>Mail: Please indicate the postal address:</b>
<b>Please indicate the preferable means of communication (Mail, Telephone, E-mail)</b>	_____
	_____
	_____
	_____
	<b>93. Telephone:</b>
	_____
	<b>94. E-mail:</b>
	_____
<b>The language desirable for the</b>	<input type="checkbox"/> <b>Georgian</b>
	<input type="checkbox"/> <b>English</b>



communication	<input type="checkbox"/> Russian
<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: _____	

**ANNEX - D  
PUBLIC CONSULTATION**

**Protocol**

PUBLIC CONSULTATIONS  
9 -March, 2012

**The Modernization of Tbilisi-Rustavi Section of the Tbilisi-Red Bridge (Azrbaijani Border) Road Project  
Section -1**

Resettlement Action Plan

Public Consultation with the Affected Households



## **Public Consultations for Tbilisi - Phonichala (Isani-Samgori district) population and Business Representatives**

**Brief description:** This Land Acquisition and Resettlement Plan 1 (LARP) was prepared by the Municipal Development Fund of Georgia (MDF). Its objective is assessing Land Acquisition and Resettlement (LAR) impacts and plan impacts compensation for section 1 (km 0-4) of the Tbilisi-Rustavi Road Improvement Project (the Project). The LARP is based on detailed design, is implementation-ready and fits ADB's Safeguards Policy Statement of (SPS) requirements. With MDF as the Implementing Agency (IA) the Project is, with other projects, included in Tranche 2 of the Sustainable Urban Transport Investment Program. The Program is financed through an ADB Multi-tranche Facility (MFF) of which Trance 2 is expected to account for about 100 Million USD. To be included in Tranche 2 of the program is also section 3 (km 10.5-17.1) of the same road, for which another LARP is currently under finalization. The LARP for section 2 will be prepared under Tranche 3.

The design road portion Tbilisi-Rustavi (part of Tbilisi-Red Bridge (Azerbaijani border highway) links the capital of Georgia with the major industrial and administrative center Rustavi and the district center Gardabani. Designing and constructing of other portions of the road will enable the citizens to travel and commodities to be trafficked on comfortable and modern highway to the capital of Azerbaijan Baku. It also will make more accessible Tbilisi and the Black sea ports of Georgia for population of Azerbaijan. With about 120,000 inhabitants, Rustavi is the main satellite city of Tbilisi urban area. Therefore, there are numerous trips between Rustavi and Tbilisi given that many Rustavi inhabitants commute on daily basis towards Tbilisi. The existing 2-lanes highway (one in each direction) has not enough capacity to carry the whole traffic entering or exiting Tbilisi at peak hours.

The detail design consultant (CONSULTANT) – “Dohwa” hired by the Municipal Development Fund of Georgia within the frames of the project “**The Modernization of Tbilisi-Rustavi Section of the Tbilisi-Red Bridge Road**” has conducted public consultation meetings with affected stakeholders. This meeting related to the **Land Acquisition and Resettlement Action Plan (LARP 1)** was held in the MDF office on 9<sup>th</sup> of March, 2012. The meeting was attended by the local population, business representatives and MDF representatives.

The aim of the stakeholder consultations was to deliver information to interested stakeholders and project affected land owners during the **Resettlement Action Plan** preparation process about the resettlement policy and principles, compensation eligibility and entitlements, complaints and grievance redress mechanism, claims and comments submission form. Information has been provided both verbally and by brief information leaflets.

The information leaflets include information related to the resettlement policy, principles of compensation eligibility and entitlements, also recognition and registration of the ownership rights on non-rightfully owned land according to the Georgian Legislation. This allows timely and full consideration of the opinions and comments around the project expressed by the interested parties. The comments and opinions provided by interested stakeholders during early stage of public consultation process will be addressed in the final draft of the Land Acquisition and Resettlement Plans (LARPs).

Preparation of LARP should include the following: (I) detailed measurement survey (DMS), (II) evaluation of assets/evaluation of affected land plots, (III) consultations with affected rayons and affected people (AP), (IV) AP census survey – by 100%, (V) AH socio-economic research. LARP preparation process has covered intensive consultations with interested stakeholders including project affected people.

This LARP-I was prepared by MDF based on detailed design and the requirements of the ADB's Safeguard Policy Statements 2009.

**The meeting was attended by:**

**a. Implementing Agency :** David Baindurashvili - Municipal Development Fund of Georgia.Nino Patarashvili - Municipal Development Fund of Georgia.

**b. Asian Development Bank (ADB):** Medgar Chelidze – ADB Resettlement Consultant;

**c Consultant:** Ketii Dgebuadze – Consortium DOHWA Ltd (Korea)/Ltd “Transproeqti” Social/Resettlement Expert, Independent Auditor – Consortium DOHWA Ltd (Korea)/Ltd “Transproeqti”

**Population and Business representatives affected by Project** (see attached lists).

**The first part of the presentation** was hosted by Mr. D. Baindurashvili – Municipal development Fund, who informed the public about the Project, institutions implementing and financing the project as well as about Work Timeline of the project.

**The second part of the presentation** was hosted by K. Dgebuadze, Medgar Chelidze and Avto Okromchedlishvili. K.Dgebuadze talked about compensation entitlements and documents for ownership rights, in particular: Land acquisition and resettlement tasks under the project will be implemented according to a compensation and entitlement matrix following the approved land acquisition and resettlement framework in compliance with active Georgian laws and ADB’s policy on involuntary resettlement. She also explained Complaints and Grievance Redress Mechanism. A grievance mechanism will be available to allow an AP appealing any disagreeable decision, practice or activity arising from land or other assets compensation.

Mr. Chelidze presented in detail the ADB’s Land Acquisition and Resettlement Policy and principles, in particular: land for construction of the new road will be acquired under the active laws in Georgia. However, additional requirements of the ADB will be met to ensure that all affected persons are compensated at the replacement costs and/or receive adequate allowances according to severity of impacts and vulnerability status.

**The presentation was followed by a Q&A session.** The questions and comments of different participating parties were replied by the relevant experts of the project: The questions and answers are given in Table # 1.

#### **Table # 1**

**Place of event:** Municipal Development Fund of Georgia, (Tbilisi).

**Date and time of event:** March 9, 2012, 15:00 p.m.

**Photos #1,2,3,4,5,6 – Public Consultations in MDF office**





#### **Participants:**

1. David Baidurashvili – Municipal development Fund
2. Nino Patarashvili - Municipal development Fund
3. Ket Dgebuadze –Social/Resettlement Expert of the Consortium “DOHWA”/”Trensproeqti
4. Avto Okromchedlishvili – Consortium “DOHWA”/”Trensproeqti - Auditor/Epriiser
5. Medgar Chelidze – ADB Resettlement Consultant
6. David Gagua – Phonichala local population
7. David Chakhmauri – Ltd “Speroza”
8. Gocha Khitiri – JSC “Visol Petroleum Georgia”
9. Soso Pkhakadze - JSC “Visol Petroleum Georgia”
10. Suren Ivanishvili - Phonichala local population
11. Nugzar Shoshiashvili – Ltd “Supervazitalia”
12. Ilia Berikashvili – Ltd “Gani Group”
13. Goga Kavlashvili – Phisical person “Kavlashvili Goga”
14. Nino Lukishvili – Ltd “Maksoil”
15. Nino Makhatadze – Ltd “Lukoil Georgia”
16. Roman Korkotadze – Ltd “PiEm Group”
17. Lali Panchulidze – Ltd “Quta”
18. Shota Ninua – Ltd “Delta-1”
19. Maia Ninua – Ltd “Delta-1”
20. Kekelidze Avtandil – Ltd “Delta-1”
21. Gia Aladashvili – NGO- “Information Center of Social Reforms”

## Question-and-Answer session:

No.	Question/Comment	Expert comment
1	The road under the project will be categorised as highway, which means that there will not be opportunity to digress from main road to reach our residual land plot (which have not been acquired under the project) and we have to cover additional distance to reach the right place. In this case the business at the residual land plot losses viability.	<p>The viability of the residual land parcel will be estimated by the independent auditor. In case of residual land parcel is considered unviable, the owner will be asked to make a choice: to get cash compensation for the residual land or to keep the land under the ownership.</p> <p>The auditing company will inform the Municipal Development Fund (MDF) of Georgia about this kind of cases and if it is confirmed that the residual land parcel is unviable, the Government will acquire this residual land parcel according to the market price. Also businesses will be fully compensated according to the ADB requirements.</p>
2	What is the land compensation price?	<p>At present the research/evaluation process of identification of market rate for land compensation is underway taking into account investors and government's interests. At present, costs for Tbilisi-Phonichala section are identified:</p> <p><u>Private land:</u>  km 0 – 0.5 – 179 GEL/sq.m  km 0.5 – 1.0 107 GEL/sq.m  km 1.0 – 4.0 64 GEL/sq.m</p> <p><u>Agricultural land:</u>  km 1.0 – 4.0 54 GEL/sq.m</p> <p><b>This is a major problem as it indicates that the final valuation was determined before the surveys, based only on categories. We need to discuss.</b></p> <p>Evaluation methodology implies identification of market price on the basis of <b>real negotiations (same as above .We are not engaging in negotiated sales)</b> related to the existing legal documents confirming ownership rights and acquisition of land plots. Final price will be identified when the representative of Municipal Development Fund will come to each affected landowner to sign the contract.</p>
3	We have the business at the project territory. Part of necessary infrastructure for our business is located at the territory owned by us, but the second part is located at the territory which is not in our ownership. We are interested if the compensation is envisaged for the land parcel which is not in our ownership but our business structures are located at this territory?	<p>Compensation for land plots will be implemented in two cases:</p> <ul style="list-style-type: none"> <li>- In first case – for owners with full registration; and</li> <li>- In second case - for legalizable owners</li> </ul> <p>In case of Non-legalizable land users land compensation will not be provided. Though, according to the requirements of the ADB full compensation for crops, for buildings and businesses will be provided.</p> <p>As regards the infrastructure, it will be relocated and you will be able to use it again: it will be connected with water supply system, sewerage system, gas supply system, etc. In case if it is specific infrastructure – you will be provided with compensation for relocation your infrastructure at new place.</p>
4	Is the mentioned alignment final or some changes will be envisaged?	Changes can be envisaged, but it will be insignificant for main alignment.
5	As you have mentioned for business losses you will provide cash indemnity of 1 year net income, though I would say that the business is not only income and for launching the business activities certain investments are needed.	Under the project for business losses cash indemnity of 1 year net income will be provided. At the same time land plot will be fully acquired under the project according to the owners desire. For buildings/structures losses cash compensation at full replacement costs free of depreciation and transaction will be provided; Also, for equipment installation/deinstallation and transportation expenses special allowances will be provided.
6	I have land which is rented by Turkish citizens. At present, at the mentioned territory car boxes are located. Few months ago Turkish citizens has left the territory without	In case when official leasing agreement is available, the leaseholder will receive compensation for 1 year net income and the owner will receive 1 year rental fee as compensation for lost incomes. On the other hand, if the leaseholder has left few months ago it means that at present at the territory owned by you business activities are stopped and the rental contract is not

	paying the rental fee. Will be this fee compensated under the project?	in force. In this case you will be provided with compensation for the land, which will be acquired under the project, also you will be provided with the compensation for trees and existing infrastructure, but you will not be provided with the rent fee of stopped business.
7 .	In case of negotiations failed related with price, what will be the next stage?	If there remains further dispute related to ownership, the case may be referred to the Rayon court and conclusion regarding ownership right will be made according to the court decision. But, before the court it can be solved by negotiations. At the information booklets you can find Claims and Comments Submission Forms.

## ANNEX E      SAAMPLES BUILDING VALUATION SHEETS

### Sample Structure 1.

#### Liquefied Gas Plant Item No 5 in table 9.2 of LARP

Affected Structure: Liquefied Gas Plant

Total Area – 35.00 sqm

Basement: isolated footing footing, reinforced concrete

Walls: blocks

Doors and windows: Open structure without doors and windows

Roofing: Prophenyl Sheets

Category of building: 3 EB

Cost of building:

Type of Structure	Category of Structure	Cost of construction of 1sqm building of 1HC category (GEL)	Total Area sqm	Direct Cost of Construction (GEL)	Indirect expenses: Design and permits (GEL)	Total Cost (GEL)
Store house	3 EB	313	35	10955	624	11579

#### Calculation of the direct cost of construction for 1sqm of 3 EB category building (basic calculations are made for 250sqm building):

#	Work Description	Unit of meas.	Qty	Materials		Wgaes		Total
				Unit price	sum	Unit price	sum	
1	2	3	4	5	6	7	8	9
	<b>Construction of operational, rest building</b>							
1	Removal of vegetation by means of a bulldozer	m2	375,00			2	750,00	750,00
	Diesel fuel	l	30,00	1,9	57,00			57,00
2	Continuous footing treatment in the ground of category 3 with an excavator and loading on dump trucks m3X1.23	m3	2,47			3	7,42	7,42
	Diesel fuel	l	0,93	1,9	1,76			1,76
3	Arrangement of 10-cm gravel layer by ramming by hand	m2	6,18			6	37,08	37,08
	Gravel	m3	0,69	16,8	11,63			11,63
4	Arrangement of Concrete M-200T foundation	m3	2,5			35	86,52	86,52
	Concrete M-200	m3	2,52	123	310,14			310,14
5	Arrangement of wooden moulds for foundation	m2	4,94			5	24,72	24,72
	40-mm wooden material of 4th quality	m3	0,07	390	25,71			25,71
	Rolled wire A-1 D-6	t	0,0025	1530	3,78			3,78
	Various nails	kg	0,99	2,3	2,27			2,27
6	Arrangement of walls for half-block (20 cm)	m2	43,40			8,6	373,21	373,21
	Small block 40X20X20	pcs.	542,46	0,9	488,21			488,21
	Black sand	m3	1,81	22	39,72			39,72



	Cement M-400	t	0,4222	150	63,32			63,32
7	Arrangement of reinforced concrete floor with concrete M-300 with hand 20X25 cm	m3	1,03			60	61,71	61,71
	Concrete M-200	m3	1,05	123	129,04			129,04
	A-III D-14	t	0,12	1520	189,16			189,16
	Rolled wire A-I D-6	t	0,021	1530	32,75			32,75
	Manufacturing of binders	pcs.	128,56			0,2	25,71	25,71
	Binding wire	kg	1,46	3,5	5,10			5,10
	Motorized crane	m3	1,05			8	8,39	8,39
	Iron cutting stone	pcs.	0,73	4	2,92			2,92
8	Arrangement of wooden moulds over the reinforced concrete blinding 20X25 cm	m2	16,46			3	49,37	49,37
	Wooden material	m3	0,22	390	85,57			85,57
	Cellophane	m2	18,10	1	18,10			18,10
	Nails	kg	3,29	2,3	7,57			7,57
	Rolled wire A-I D-6	t	0,0082	1530	12,59			12,59
9	Arrangement of ceiling by means of reinforced concrete edged (faceted) slabs and a motorized crane	m2	18,00			5	90,00	90,00
	Faceted concrete slab	m2	1,00	37	37,00			37,00
	Motorized crane	m2	18,00			4	72,00	72,00
	Diesel fuel	l	6,48	1,9	12,31			12,31
	Electrode	kg	2,70	2,6	7,02			7,02
10	Arrangement of simple flat-slab deck of two layers of polymer material (soft roofing material Llinekrin or similar)	m2	18,00			7	126,00	126,00
	Gas bottle	pcs.	0,60	24	14,40			14,40
	roof covering bitumen material (Bikrost or similar)	m2	39,60	3,5	138,60			138,60
	Tar	t	0,02	1080	16,33			16,33
11	Assembly of the unit of a metal-plastic door	m2	4,00	120	480,00	15	60,00	540,00
	750-gr bottle of vortex foam	pcs.	0,67	8	5,33			5,33
12	Assembly of the unit of a metal-plastic	m2	3,00	115	345,00	10	30,00	375,00
	750-gr bottle of vortex foam	pcs.	0,50	8	4,00			4,00
13	iatakis 5 cm-iani Gravels fenis Arrangement of 5-cm gravel floor layer and ramming by hand	m2	1,00			6	6,00	6,00
	Gravel	m3	0,06	16,8	1,04			1,04
14	10sm-iani monoliTuri rkina/betonis safaris, Arrangement of Concrete M-200T sheath with a single-layer grid	m2	13,60			8	108,80	108,80
	M-200 concrete	m3	1,39	123	170,63			170,63
	Rolled wire A-I D-8	t	0,06	1530	98,63			98,63
	Binding wire	kg	0,64	3	1,93			1,93
	Iron cutting stone	pcs.	0,32	4	1,29			1,29
15	2-cm thick platerwork of pane, outer and inner walls with cement grout	m2	95,18			6	571,08	571,08
	Yellow sand	m3	2,33	38	88,54			88,54
	Cement M-400	t	0,71	220	157,27			157,27
16	Puttying, scraping and double dyeing of inner walls and ceilings with aqueous dispersion	m2	63,25			5	316,25	316,25
	Aqueous dispersion	kg	28,46	3	85,39			85,39
	Pigment in 250-gr bottles	pcs.	3,80	5	18,98			18,98
	Putty	kg	41,11	0,6	24,67			24,67
	Coated abrasive	lin.m.	1,27	4	5,06			5,06
17	Double dyeing of outer walls with waterproof paint	m2	1,00			3	3,00	3,00
	Waterproof paint	kg	0,69	4	2,76			2,76
18	Assemblage of metal structure	t	1,30	2110	2743,00	100	130,00	2873,00

	Motorized crane	amwe	2,00			80	160,00	160,00
	M-200 concrete	m3	1,60	123	196,80	30	48,00	244,80
	<b>Petrol Station Stall</b>							
1	Soil treatment by means of an excavator in a spot foundation/and pouring it aside	m3	4,00			3	12,00	12,00
2	Arranging a 5-cm gravel layer with hand	m2	4,00			6	24,00	24,00
	Gravel	m3	0,25	16,8	4,17			4,17
3	Assemblage of D-219 mm pipes by means of a motorized crane	pcs.	4,00			20	80	80
	motorized crane	pcs.	4,00			30	120	120
	D-220 mm metal pipes	lin.m.	22,80	36,2	825,36			825,36
4	Arrangement of spot concrete foundation with concrete M-200T	m3	4,00			40	160,00	160,00
	Concrete M-200	m3	4,08	123	501,84			501,84
5	Arrangement of metal closing structure	t	2,80	2110	5908			5908
6	Roof arrangement by means of wooden groundwork and zinc-coated prophenil	m2	80,50			18	1449,00	1449,00
	Wooden material	m3	1,61	390	627,90			627,90
	Nails	kg	8,05	3	24,15			24,15
	Zinc-coated prophenili	m2	96,60	13	1255,80			1255,80
	Stale nails	pcs.	483,00	0,12	57,96			57,96
7	Arrangement of asbestos-cement sheets for the frontal part of the stall	m2	14,80			10	148	148
	Asbestos-cement sheets	m2	15,54	2,2	34,188			34,188
	Screw	pcs.	120,00	0,04	4,8			4,8
	Stone cutter	pcs.	1,00	16	16			16
8	False ceiling arrangement with elastron	m2	79,00			8	632,00	632,00
	Plastic panel (set with a metal clip, angles, CD and UD initial profiles)	m2	82,95	12	995,40			995,40
	Dowel with plastic wrapper	pcs.	316,00	0,15	47,40			47,40
	Screw	pcs.	829,50	0,02	16,59			16,59
	Iron dowel	pcs.	316,00	0,1	31,60			31,60
	Plastic angle	lin.m.	86,90	0,7	60,83			60,83
9	Arranging of a 5-cm gravel layer by hand	m2	375,00			6	2250,00	2250,00
	Gravel	m3	23,25	16,8	390,60			390,60
10	Double-dyeing of metal structure with oil-bound paint	m2	130,00			3	390,00	390,00
	Oil-bound paint	kg	35,10	5,6	196,56			196,56
	Dissolvent	kg	11,70	4	46,80			46,80
	<b>Assemblage of reservoirs</b>							
1	Treatment of soil of 3-E category by means of an excavator in a cavity and loading onto a dump truck	m3	352,00			3	1056,00	1056,00
	Diesel fuel	l	132,00	1,6	211,20			211,20
2	Soil treatment and correction by hand	m3	1,50			25	37,50	37,50
3	Partial transportation of ground with dump trucks for the distance of 10 km	haul	37,00			21	777,00	777,00
	Diesel fuel	l	236,80	1,6	378,88			378,88
4	Ramming of cavity bottom by means of a self-propelled road rammer	m2	60,00			2	120,00	120,00
	Diesel fuel	l	9,00	1,9	17,10			17,10
5	Arrangement of 20-cm thick ballast layer in cavity and leveling by means of a tractor	m2	40,00			2	80,00	80,00
	Diesel fuel	litri	3,20	1,9	6,08			6,08
	Ballast	m3	10,08	10	100,80			100,80

6	Ballast layer ramming by means of a self-propelled road rammer	m2	40,00			2	80,00	80,00
	Diesel fuel	l	6,00	1,9	11,40			11,40
7	Arrangement of 10-cm thick gravel layer in cavity and leveling by means of a tractor	m2	40,00			2	80,00	80,00
	Diesel fuel	litri	3,20	1,9	6,08			6,08
	Gravel	m3	4,48	16,8	75,26			75,26
8	Compaction of the gravel layer with a self-propelled road compactor	m2	40,00			2	80,00	80,00
	Diesel fuel	l	6,00	1,9	11,40			11,40
9	Assemblage of a 60-t reservoir by means of a motorized crane	reservoir	2	10000	20000,00	60	120	20120
	Motorized crane	reservoir	1			150	150	150
10	Assemblage of D-40 mm pn25 pipes	lin.m.	50	5,51	275,50	2	100	375,5
	40-mm connector	pcs.	12	1,36	16,32			16,32
	D-40 mm angle	pcs.	4	0,7	2,80			2,8
	Assemblage of D-40 mm valve	pcs.	3	9,32	27,96	4	12	39,96
11	Back-throwing of soil in a mechanized way	m3	212,00			3	636,00	636,00
12	Ramming of soil poured aside into a 25-cm thick layer by means of a self-propelled rammer	m2	198,00			2	396,00	396,00
	Diesel fuel	l	29,70	1,9	56,43			56,43
13	Reservoir transportation, unloading	haul	2,00			300	600,00	600,00
14	Transportation of other materials	haul	1,00			50	50,00	50,00
	<b>Electric wiring in operating room and petrol station stall</b>							0
1	Assemblage of copper 3X4 electric cable	lin.m.	60			1,5	90,00	90
	Copper 3X4 electric cable	lin.m.	61,2	2,2	134,64			134,64
	insulating tape	pcs.	1,2	2	2,4	3,5	4,20	6,6
	Cable clips	pcs.	72	0,02	1,44	4,5	324,00	325,44
	Corrugated pipe	lin.m.	50	0,7	35			35
2	Assemblage of 2X2.5 copper electric cable	lin.m.	250			1	250,00	250
	2X2.5 copper electric cable	lin.m.	255	1,3	331,5		0,00	331,5
	Insulating tape	pcs.	5	2	10			10
	Cable clips	pcs.	150	0,05	7,5			7,5
3	Assemblage of 8-section electric automations	pcs.	1,00	9,00	9	5,00	10,00	19,00
4	Assemblage of 63-amp electric automations	pcs.	2,00	12,00	24	5,00	10,00	34,00
5	Assemblage of 25-amp electric automations	pcs.	2,00	7,00	14	5,00	10,00	24,00
6	Assemblage of 16-amp electric automations	pcs.	2,00	5,00	10	5,00	10,00	20,00
7	Assemblage of electric lighting fixtures	pcs.	12,00	14,00	168	10,00	120,00	288,00
8	Assembly of electrical switches	pcs.	3,00	6,00	18	6,00	18,00	36,00
9	Assembly of electrical sockets	pcs.	4,00	6,00	24	6,00	24,00	48,00
10	Assemblage of service boxes	pcs.	6,00	0,60	3,6	0,50	3,00	6,60
	<b>Total</b>				<b>39178,56</b>		<b>13657,96</b>	<b>52836,52</b>
	<b>Bill o quantities 14</b>							<b>7397,11</b>
	<b>Total</b>							<b>60233,64</b>
	<b>Planned 10 %</b>							<b>6023,36</b>
	<b>Total</b>							<b>66257,00</b>
	<b>VAT 18 %</b>							<b>11926,26</b>
	<b>Total</b>	250sqm	313					<b>78183,26</b>
	<b>Construction cost for 1m²</b>		<b>313</b>					

### Sample Structure 8.

#### **Petrol Filling station Item No 4in table 9.2 of LARP**

Affected Structure: Petrol Filling station  
Total Area – 146,88 sqm  
Roofs on columns covering pumping station  
129.08 sqm metal construction with isolated basement  
Operators building 17.80  
Basement: strip footing, reinforced concrete  
Walls: blocks  
Doors and windows: metal  
Roofing: Propheryl sheets  
Finishing: Plastered and painted outside and inside  
Undeground storing site for fuel reservoirs  
Reinforced concrete  
Category of building: 3 BB

Cost of building:

Type of Structure	Category of Structure	Cost of construction of 1sqm building of 1HC category (GEL)	Total Area sqm	Direct Cost of Construction (GEL)	Indirect expenses: Design and permits (GEL)	Total Cost (GEL)
Store house	3 BB	1,693	146.88	248,667.84	2,182.16	250,850

**Calculation of the direct cost for construction of 1sqm building of category 3BB (basic calculations are made for 452 sqm building). This figure is used for calculating construction costs for sample structures No 5 – 8.**

#	Work description	Unit of meas.	rated resource		Wage		Material		Construction machinery		Total
			Unit	Sum	Unit price	Sum	Unit price	Sum	Unit price	Sum	
	<b>Temporary fencing</b>										
1	Arrangement of temporary fencing by means of wooden material	m2		130,00							
	Wages	m2	1,00	130,00	4,00	520,00					520,00
	Material										
	Wooden material	m3		4,75			390,00	1852,50			1852,50
	Various nails	kg		33,30			2,30	76,59			76,59
2	Double-dyeing of temporary fencing with oil-bound paint	m2		130,00							
	Wages	m2	1,00	130,00	3,50	455,00					455,00
	Material										
	Oil-bound paint	kg		48,10			4,50	216,45			216,45
	Dissolvent for oil-bound paint	kg		15,87			4,00	63,49			63,49
	<b>Ground works</b>										
1	Soil treatment by means of an excavator and loading onto a dump truck	m3		1212,80							
	Wages	m3	1,00	1212,800					5,50	6670,40	6670,40
2	Further soil treatment by hand and smoothing on-site	m3		40,00							
	Wages	m3	1,00	40,00	10,00	400,00					400,00
3	Soil transportation for the distance of 20km	tona		2122,40					10,00	21224,00	21224,00
	<b>Building and Assembly Jobs</b>										
1	Arrangement of ballast foundation by hand under point foundations into a 0,25-m thick layer and ramming by means of a vibro-rammer, 2 layers	m3		7,12							
	Wages	m3	1,00	7,12	11,80	84,02			6,00	42,72	126,74
	Material										
	Ballast	m3	1,36	9,68			9,00	87,15			87,15
2	arrangement of gravel foundation under point foundation and ramming by means of a vibro-rammer into a 10-cm thick layer	m3		1,424							
	Wages	m3	1,00	1,424	11,80	16,80			6,00	8,54	25,35
	Material										

	Gravel	m3	1,126	1,60			16,80	26,94			26,94
3	Arrangement of ballast foundation under point foundation and smoothing by means of a bulldozer into 2,28-m thick layer, 4 layers	m2		348,00							
	Wages	m2	1,00	348,00					1,93	671,64	671,64
	Material										
	Ballast	m3		132,52			9,00	1192,67			1192,67
4	Ramming of ballast foundation by means of a 10-t self-propelled road rammer into a 0, 28-m thick layer, 4 layers (87m2X4)	m2		348,00							
	Wages	m2	1,00	348,00					1,40	487,20	487,20
5	Arrangement of gravel foundation under a foundation slab and ramming by means of a 10-t self-propelling road rammer into a 10-cm thick layer	m2		87,00							
	Wages	m2	1,00	87,00	1,20	104,40			1,40	121,80	226,20
	Material										
	Gravel	m3		9,80			16,80	164,64			164,64
6	Concrete arrangement under foundations	kub.m		5,12							
	Wages	m3	1,00	5,12	60,00	307,20					307,20
	Material										
	Concrete ~B7,5~	m3	1,015	5,20			95,00	493,70			493,70
7	Arrangement of two insulation layers over the spot foundations	m2		14,24							
	Wages	m2	1,00	14,24	3,00	42,72					42,72
	Material										
	Ruberoid	m2		34,18			1,20	41,01			41,01
	Primary	kg	0,65	9,26			6,50	60,16			60,16
	Liquid petroleum gas	bal		1,00			24,00	24,00			24,00
8	Arrangement of point foundations with cast-in-tisu reinforced concrete from 1,45 to 0,00 mark	m3		3,90							
	Wages	m3	1,00	3,90	70,00	273,00					273,00
	Material										
	Concrete ~B15~	m3	1,015	3,96			123,00	486,90			486,90
	Wooden material	m3		0,30			390,00	117,00			117,00
	Various nails	kg		2,10			2,30	4,83			4,83
	A-I Class reinforcement	t		0,0247			1530,00	37,79			37,79
	A-III Class reinforcement	t		0,1395			1520,00	212,04			212,04
	Annealed wire	kg		2,00			2,20	4,40			4,40
	Iron cutting disc	pcs.		1,00			4,00	4,00			4,00
	Plastic clamp	pcs.		90,00			0,12	10,80			10,80
9	Arrangement of point foundation with cast-in-situ reinforced concrete from - 4,3 to 0,00 mark	m3		4,00							
	Wages	m3	1,00	4,00	70,00	280,00					280,00
	Material										

	Concrete ~B15~	m3	1,015	4,06			123,00	499,38			499,38
	Wooden material	m3		0,40			390,00	156,00			156,00
	Various nails	kg		2,80			2,30	6,44			6,44
	A-I Class reinforcement	tona		0,0371			1530,00	56,76			56,76
	A-III Class reinforcement	tona		0,1414			1520,00	214,93			214,93
	Annealed wire	kg		2,00			2,20	4,40			4,40
	Iron cutting disc	pcs.		1,00			4,00	4,00			4,00
	Plastic clamp	pcs.		120,00			0,12	14,40			14,40
10	Filling point foundations with ballast and ramming	m3		31,64							
	Wages	m3	1,00	31,64	11,80	373,35			6,00	189,84	563,19
	Material										
	Ballast	m3		43,03			9,00	387,27			387,27
11	Arrangement of foundation slab, column jogs and details to be penetrating with cast-in-situ reinforced concrete by means of pump	m3		30,45							
	Wages	m3	1,00	30,45	120,00	3654,00					3654,00
	Material										
	Concrete ~B25~	m3	1,015	30,907			123,00	3801,53	10,00	309,07	4110,60
	Wooden material	m3		0,20			390,00	78,00			78,00
	Various nails	kg		1,40			2,30	3,22			3,22
	A-I class reinforcement	t		0,1351			1530,00	206,70			206,70
	A-III class reinforcement	t		1,2604			1520,00	1915,87			1915,87
	600X600X12mm metal sheet (sheet cost including processing)	t		0,2713			1765,00	478,84			478,84
	Annealed wire	kg		14,00			2,20	30,80			30,80
	Electrode	kg		2,00			2,60	5,20			5,20
	Iron cutting disc	pcs.		7,00			4,00	28,00			28,00
	Plastic clamp	pcs.		870,00			0,12	104,40			104,40
12	(Double) waterproofing of foundation slab	m2		87,00							
	Wages	m2	1,00	87,00	3,00	261,00					261,00
	Material										
	Ruberoid	m2		208,80			1,20	250,56			250,56
	Primary	kg	0,65	56,55			6,50	367,58			367,58
	Liquid petroleum gas	bal		4,00			24,00	96,00			96,00
13	Arrangement of cast-in-situ reinforced concrete columns by means of a mechanized crane	m3		6,94							
	Wages	m3	1,00	6,94	70,00	485,80					485,80
	Material										
	Concrete ~B25~	m3	1,015	7,04			123,00	866,42	10,00	70,44	936,87
	Wooden material	m3		1,50			390,00	585,00			585,00
	Various nails	kg		10,50			2,30	24,15			24,15
	A-I Class reinforcement	t		0,2237			1530,00	342,26			342,26
	A-III Class reinforcement	t		0,383			1520,00	582,16			582,16

	Annealed wire	kg		6,00			2,20	13,20			13,20
	Iron cutting disc	pcs.		3,00			4,00	12,00			12,00
	Plastic clamp	pcs.		260,00			0,12	31,20			31,20
14	Arrangement of ribs of cast-in-situ reinforced concrete slab to 3,31 mark by means of a motorized crane	m3		3,50							
	Wages	m3	1,00	3,50	120,00	420,00					420,00
	Material										
	Concrete ~B15~	m3	1,015	3,55			123,00	436,96	10,00	35,53	472,48
	Wooden material	m3		0,20			390,00	78,00			78,00
	Various nails	kg		9,10			2,30	20,93			20,93
	A-I Class reinforcement	tona		0,2228			1530,00	340,88			340,88
	A-III Class reinforcement	tona		0,3969			1520,00	603,29			603,29
	Annealed wire	kg		6,2			2,20	13,64			13,64
	Iron cutting disc	pcs.		3,0			4,00	12,00			12,00
	Plastic clam	pcs.		270,00			0,12	32,40			32,40
15	Arrangement of ribs of cast-in-situ reinforced concrete slab to 3,31 mark by means of a pump	m3		13,92							
	Wages	m3	1,00	13,92	120,00	1670,40					1670,40
	Material										
	Concrete ~B25~	m3	1,015	14,129			123,00	1737,84	10,00	141,29	1879,13
	Laminated plywood	m2		122,00			20,50	2501,00			2501,00
	Wooden material	m3		0,50			390,00	195,00			195,00
	Various nails	kg		3,50			2,30	8,05			8,05
	A-I Class reinforcement	tona		0,1265			1530,00	193,55			193,55
	A-III Class reinforcement	tona		1,0236			1520,00	1555,87			1555,87
	Annealed wire	kg		12,0			2,20	26,40			26,40
	Iron cutting disc	pcs.		6,0			4,00	24,00			24,00
	Plastic clamp	pcs.		350,00			0,12	42,00			42,00
16	Arrangement of soft roofing stretch with 4-cm thick cement-sand grout	m2		85,10							
	Wages	m2	1,00	85,10	6,00	510,60					510,60
	Material										
	Cement-sand grout	m3	0,04	3,40			123,00	418,69			418,69
17	Arrangement of 2 layers of soft roofing	m2		93,00							
	Wages	m2	1,00	93,00	3,00	279,00					279,00
	Material										
	Soft roofing material (linokrin or similar)	m2	1,20	111,60			4,60	513,36			513,36
	Bitumen roofing material ("Bikrost" or similar)	m2	1,20	111,60			5,40	602,64			602,64
	Primary	kg	0,82	76,26			6,50	495,69			495,69
	Liquid petroleum gas	bal		4,00			24,00	96,00			96,00
18	Wall bricking building blocks 20X20X40	m3		36,80							



	Wages	m3	1,00	36,80	31,50	1159,20					1159,20
	Material										
	Building block 20X20X40	cali	63,00	2318,40			0,90	2086,56			2086,56
	Cement-sand grout	m3	0,11	4,05			81,00	327,89			327,89
19	Wall bricking building blocks 20X10X40	m3		4,32							
	Wages	m3	1,00	4,32	46,90	202,61					202,61
	Material										
	Building block 20X10X40	cali	125,00	540,00			0,65	351,00			351,00
	Cement-sand grout	m3	0,11	0,48			81,00	38,49			38,49
20	Plastering inner walls with cement-sand grout, 3-cm thick layer	m2		210,00							
	Wages	m2	1,00	210,00	6,00	1260,00					1260,00
	Material										
	Sand-cement mortar	m3	0,03	7,06			81,00	571,54			571,54
21	Plastering 10-cm surface slopes of windows on the inner side with cement-sand grout, 3-cm thick layer	lin.m.		160,65							
	Wages	lin.m.	1,00	160,65	6,00	963,90					963,90
	Material										
	Cement-sand grout	m3		0,54			81,00	43,55			43,55
22	Plastering 5-cm surface slopes of doors on the inner side with cement-sand grout, 3-cm thick layer	lin.m.		50,00							
	Wages	lin.m.	1,00	50,00	6,00	300,00					300,00
	Material										
	Cement-sand grout	m3		0,07			81,00	5,44			5,44
23	Plastering the pane with cement-sand grout, 3-cm thick layer	m2		55,34							
	Wages	m2	1,00	55,34	6,00	332,04					332,04
	Material										
	Cement-sand grout	m3	0,03	1,86			81,00	150,60			150,60
24	Plastering 10-cm surface slopes of doors and windows on the outer side with cement-sand grout, 3-cm thick layer	lin.m.		138,55							
	Wages	lin.m.	1,00	138,55	6,00	831,30					831,30
	Material										
	Cement-sand grout	m3	0,03	0,47			81,00	37,71			37,71
25	Arrangement of cement stretch on floor with cement-sand grout, 4-cm thick	m2		69,60							
	Wages	m2	1,00	69,60	6,00	417,60					417,60
	Material										
	Cement-sand grout	m3	0,04	3,12			81,00	252,56			252,56
26	Floor lining with ceramic tiles (shop)	m2		69,60							
	Wages	m2	1,00	69,60	16,00	1113,60					1113,60

	Material										
	Ceramic tiles	m2	1,05	73,08			16,00	1169,28			1169,28
	Gluing cement	kg	7,00	487,20			0,38	185,14			185,14
	Decorative cement	kg	0,25	17,40			0,90	15,66			15,66
27	Floor arrangement with ceramic tiles, plinths (shop) H=7cm	lin.m.		34,20							
	Wages	lin.m.	1,00	34,20	6,00	205,20					205,20
	Material										
	Ceramic tiles	m2	1,05	2,51			16,00	40,22			40,22
	Gluing cement	kg	7,00	16,76			0,50	8,38			8,38
	Decorative cement	kg	0,25	0,60			0,90	0,54			0,54
28	Floor arrangement with laminated parquet (office and operating room)	m2		21,00							
	Wages	m2	1,00	21,00	4,00	84,00					84,00
	Material										
	Laminated parquet (together with matting and skirting)	m2	1,05	22,05			14,00	308,70			308,70
29	Floor lining with ceramic tiles (wet points, communications room and generating room)	m2		10,30							
	Wages	m2	1,00	10,30	16,00	164,80					164,80
	Material										
	Ceramic granite tile	m2	1,05	10,82			16,00	173,04			173,04
	Gluing cement	kg	7,00	72,10			0,50	36,05			36,05
	Decorative cement	kg	0,25	2,58			0,90	2,32			2,32
30	Installation of plinths by means of ceramic tiles (communications room and generation room) H=7cm	lin.m.		12,40							
	Wages	lin.m.	1,00	12,40	6,00	74,40					74,40
	Material										
	Ceramic granite tile	m2	1,05	0,91			16,00	14,58			14,58
	Gluing cement	kg	7,00	60,76			0,50	30,38			30,38
	Decorative cement	kg	0,25	0,22			0,90	0,20			0,20
31	Wall lining with ceramic tiles (at wet points)	m2		48,60							
	Wages	m2	1,00	48,60	16,00	777,60					777,60
	Material										
	Ceramic granite tile	m2	1,05	51,03			16,00	816,48			816,48
	Gluing cement	kg	7,00	340,20			0,50	170,10			170,10
	Dutch ware bordering	lin.m.		18,00			0,70	12,60			12,60
	Decorative cement	kg	0,25	12,15			0,90	10,94			10,94
32	Arrangement of false ceiling with a plastic profile (at wet points)	m2		5,40							
	Wages	m2	1,00	5,40	8,00	43,20					43,20
	Material										

	Plastic profile (a set with metal cramps)	m2	1,05	5,67			18,00	102,06			102,06
	Self-tapping screw	pcs.	30,00	162,00			0,03	4,86			4,86
33	Arrangement of false ceiling with gypsum plasterboards	m2		69,60							
	Wages	m2	1,00	69,60	8,00	556,80					556,80
	Material										
	gypsum plasterboards (damp proof)	m2	1,05	73,08			14,20	1037,74			1037,74
	Self-tapping screw	pcs.	30,00	2088,00			0,03	62,64			62,64
34	Manufacturing and assemblage of aluminum doors	m2		15,90							
	Wages	m2	1,00	15,90	18,75	298,13					298,13
	Material										
	Aluminum door	m2	1,00	15,90			290,00	4611,00			4611,00
	Polyurethane foam	pcs.		4,00			5,65	22,60			22,60
35	Manufacturing aluminum stained-glass windows and assemblage with 10-mm thick glass	m2		51,16							
	Wages	m2	1,00	51,16	18,75	959,25					959,25
	Material										
	Aluminum stained-glass windows with 10-mm glass (set with clamps)	m2	1,00	51,16			395,00	20208,20			20208,20
36	Treatment of inner walls and ceilings and double-dyeing with aqueous dispersion	m2		258,30							
	Wages	m2	1,00	258,30	5,00	1291,50					1291,50
	Material										
	Grounding	kg	0,545	140,77			6,53	919,25			919,25
	Aqueous dispersion	kg	0,69	178,23			3,60	641,62			641,62
	Putty	kg	0,69	178,23			0,45	80,20			80,20
	Pigment 50gr	pcs.		34,00			2,55	86,70			86,70
	Coated abrasive	lin.m.		5,17			4,00	20,66			20,66
37	Treatment of 10-cm surface slopes of doors and windows and double-dyeing with aqueous dispersion (on the inner side)	lin.m.		160,65							
	Wages	lin.m.	1,00	160,65	5,00	803,25					803,25
	Material										
	Grounding	kg	0,545	8,76			6,53	57,17			57,17
	Aqueous dispersion	kg	0,69	11,08			3,60	39,91			39,91
	Putty	kg	0,69	11,08			0,45	4,99			4,99
	3m metal painting angle	pcs.		54,00			1,05	56,70			56,70
	Pigment 50gr	pcs.		4,00			2,55	10,20			10,20
	Coated abrasive	lin.m.		0,64			4,00	2,57			2,57
38	Treatment of 5-cm surface slopes of doors and windows and double-dyeing with aqueous dispersion (on the inner side)	lin.m.		42,60							

	Wages	lin.m.	1,00	42,60	5,00	213,00					213,00
	Material										
	Grounding	kg	0,545	1,16			6,53	7,58			7,58
	Aqueous dispersion	kg	0,69	1,47			3,60	5,29			5,29
	Putty	kg	0,69	1,47			0,45	0,66			0,66
	3m metal painting angle	pcs.		15,00			1,05	15,75			15,75
	Pigment 50gr	pcs.		1,00			2,55	2,55			2,55
	Coated abrasive	lin.m.		0,09			4,00	0,34			0,34
39	Treatment of pane walls and double-dyeing with brick and concrete paint	m2		55,34							
	Wages	m2	1,00	55,34	5,00	276,70					276,70
	Material										
	Grounding	kg	0,545	30,16			6,53	196,95			196,95
	Brick and concrete paint	kg	0,69	38,18			3,60	137,46			137,46
	Putty	kg	0,69	38,18			0,45	17,18			17,18
	Pigment 50gr	pcs.		34,00			2,55	86,70			86,70
	Coated abrasive	lin.m.		1,11			4,00	4,43			4,43
40	Treatment of 10-cm surface slopes of doors and windows and double-dyeing with brick and concrete paint (on the outer side)	lin.m.		138,55							
	Wages	lin.m.	1,00	138,55	5,00	692,75					692,75
	Material										
	Grounding	kg	0,545	7,55			6,53	49,31			49,31
	Aqueous dispersion	kg	0,69	9,56			3,60	34,42			34,42
	Putty	kg	0,69	9,56			0,45	4,30			4,30
	3m metal painting angle	pcs.		47,00			1,05	49,35			49,35
	Pigment 50gr	pcs.		4,00			2,55	10,20			10,20
	Coated abrasive	lin.m.		0,55			4,00	2,22			2,22
	<b>Shed and Access Road</b>										
1	Manufacturing and assemblage of metal columns	tona		2,14							
	Wages	tona	1,00	2,14	1000,00	2140,00					2140,00
	Material										
	Pipe d=127	tona		1,80			1865,00	3365,95			3365,95
	Metal sheeting 8X580X580 8units (sheeting price including treatment)	tona		0,1690			1765,00	298,30			298,30
	Metal sheeting 8X300X300 24 units (sheeting price including treatment)	tona		0,1356			1765,00	239,42			239,42
	Metal sheeting 6X100X227 24 units (sheeting price including treatment)	tona		0,0257			1765,00	45,29			45,29
	electrode	kg		2,00			2,72	5,44			5,44
	Iron cutting disc	pcs.		6,00			6,70	40,20			40,20
2	Arrangement of metal structures of stall roofing with Box pipe	tona		22,382							
	Wages	tona	1,00	22,382	1000,	22382,					22382,00

					00	00					
	Material										
	Box pipe 80mmX6mmX1485m	tona		22,382			2175,00	48680,85			48680,85
	Electrode	kg		403,00			3,03	1221,09			1221,09
	Iron cutting disc	pcs.		110,00			6,70	737,00			737,00
3	Arrangement of formworks for the reinforced concrete slab of the stall roofing by means of marinated plywood and wooden material (the height of the stall is up to 6m and that's why an auxiliary stage to erect metal clamps for the formworks at the height of 2 meters)	m2		444,07							
	Wages	m2	1,00	444,07	40,00	17762,80					17762,80
	Material										
	Laminated plywood	m2		466,27			20,50	9558,61			9558,61
	Wooden material	m3		14,50			450,00	6525,00			6525,00
	Various nails	kg		130,60			1,90	248,14			248,14
4	Arrangement of stall roofing with cast-in-situ reinforced concrete by means of a pump	m3		56,00							
	Wages	m3	1,00	56,00	120,00	6720,00					6720,00
	Material										
	Concrete ~B25~ (with special admixture for water resistance)	m3	1,015	56,840			132,00	7502,88	10,00	568,40	8071,28
	A-III Class reinforcement	tona	proeqtiT	3,7979			1290,34	4900,58			4900,58
	"Rabit" mesh	m2		444,07			7,00	3108,49			3108,49
	Annealed wire	kg		38,0			2,20	83,60			83,60
	Iron cutting disc	pcs.		19,0			6,70	127,30			127,30
	Plastic clamp	pcs.		2664,00			0,12	319,68			319,68
5	Arrangement of drained traps on the roof	pcs.		6,00							
	Wages	pcs.	1,00	6,00	60,00	360,00					360,00
	Material										
	Drained trap	kompl		6,00			165,00	990,00			990,00
6	Arrangement of a draining siphon with a moving caterpillar	pcs.		6,00							
	Wages	pcs.	1,00	6,00	40,00	240,00					240,00
	Material										
	Draining siphon with a moving caterpillar	kompl		6,00			120,00	720,00			720,00
7	Conditioning of the concrete surface of the roofing with special waterproof liquid	m2		444,07							
	Wages	m2	1,00	444,07	1,50	666,11					666,11
	Material										
	Special liquid ("Straipeks or similar")	kg	0,50	222,04			13,60	3019,68			3019,68

8	Arrangement of gravel foundation under the reinforced concrete slab and smoothing by means of a bulldozer to the 10cm thick layer (under the stall and along the approach road)	m3		68,30							
	Wages	m3	1,00	68,30					5,00	341,50	341,50
	Material										
	Gravel	m3	1,126	76,91			12,70	976,70			976,70
9	Ramming of the gravel foundation by means of a 10-t self-propelling road rammer	m2		683,00							
	Wages	m2	1,00	683,00					1,40	956,20	956,20
10	Preparing concrete under the reinforced concrete slab (under the stall and along the approach road)	kub.m		43,15							
	Wages	m3	1,00	43,15	60,00	2589,00					2589,00
	Material										
	Concrete-B-7,5~	m3	1,015	43,80			95,00	4160,74			4160,74
11	Arrangement of cast-in-situ reinforced concrete slab to 20cm thick one (under the stall and along the approach road)	m3		136,60							
	Wages	m3	1,00	136,60	70,00	9562,00					9562,00
	Material										
	Concrete m-200	m3	1,015	138,649			123,00	17053,83			17053,83
	Wooden material	m3		0,20			390,00	78,00			78,00
	Various nails	kg		1,40			2,30	3,22			3,22
	Reinforcement A-III d=12	tona		8,60			1520,00	13072,00			13072,00
	Annealed wire	kg		86,00			2,20	189,20			189,20
	Iron cutting disc	pcs.		43,00			4,00	172,00			172,00
	Plastic clamp	pcs.		4098,00			0,12	491,76			491,76
12	Arrangement of islands with m=200 concrete 10X1,2X0,2 2 units	m3		4,80							
	Wages	m3	1,00	4,80	100,00	480,00					480,00
	Material										
	Concrete m-200	m3	1,015	4,872			123,00	599,26			599,26
	Wooden material	m3		0,10			390,00	39,00			39,00
	Various nails	kg		0,70			2,30	1,61			1,61
13	Arrangement 4-cm thick mosaic floor (under the stall and along the approach road)	m2		683,00							
	Wages	m2	1,00	683,00	10,00	6830,00					6830,00
	Material										
	Marble aggregate	m3	0,04	27,32			165,00	4507,80			4507,80
	Glass 4,0 mm	m2		13,66			10,00	136,60			136,60
	Cement M-400	tona		71,03			150,00	10654,80			10654,80
14	Surfacing mosaic floor	m2		683,00							
	Wages	m2	1,00	683,00	5,00	3415,00					3415,00

						0					
	Material										
	Stone for surfacing	pcs.		9,00			75,00	675,00			675,00
15	Conditioning of the metal columns and double-dyeing with antirust paint	m2		45,22							
	Wages	m2	1,00	45,22	5,00	226,10					226,10
	Material										
	Grounding	kg	0,250	11,31			6,53	73,82			73,82
	Antirust paint	kg	0,37	16,73			4,50	75,29			75,29
	Dissolvent for antirust paint	kg	0,12	5,43			4,42	23,98			23,98
	Pigment 50gr	pcs.		7,00			2,55	17,85			17,85
	Coated abrasive	lin.m.		0,90			4,00	3,62			3,62
16	Assemblage and dismantling of metal knock-down scaffolds	m2		444,00							
	Wages	m2	1,00	444,00	2,50	1110,00					1110,00
	Material										
	Wooden material	m2		0,62			450,00	279,72			279,72
	<b>Inner Sanitation</b>										
1	Assemblage of closet basin	pcs.		2,00							
	Wages	pcs.	1,00	2,00	60,00	120,00					120,00
	Material										
	Closet basin (with a back and a corrugated pipe	pcs.		2,00			111,00	222,00			222,00
2	Assemblage of a wash basin together with a stand and mixing drainage	pcs.		2,00							
	Wages	pcs.	1,00	2,00	60,00	120,00					120,00
	Material										
	Washstand	pcs.		1,00			60,00	60,00			60,00
	Mixing drainage	pcs.		2,00			45,00	90,00			90,00
3	Assemblage of a trap	pcs.		2,00							
	Wages	pcs.	1,00	2,00	60,00	120,00					120,00
	Material										
	Trap	pcs.		2,00			15,00	30,00			30,00
4	Arrangement of inner sewerage system with plastic pipes	lin.m.		18,00							
	Wages	lin.m.	1,00	18,00	2,50	45,00					45,00
	Material										
	Plastic pipes and tubings	lin.m.		9,00			5,00	45,00			45,00
5	Arrangement of inner plumbing with plastic D-32mm pipes	lin.m.		24,00							
	Wages	lin.m.	1,00	24,00	3,75	90,00					90,00
	Material										
	Plastic pipes and tubings(valves)	lin.m.		14,00			10,00	140,00			140,00
	<b>Drainage System and Outer Sewerage</b>										

1	Removal of bituminous concrete covering by means of a pneumatic hammer (central traffic road)	m3		4,50							
	Wages	m3	1,00	4,50	40,00	180,00			10,00	45,00	225,00
2	Loading of debris onto a dump truck by hand	tona		10,80							
	Wages	tona	1,00	10,80	20,00	216,00					216,00
3	Disposal of debris 20 km away	tona		10,80							
	Wages	tona	1,00	10,80					10,00	108,00	108,00
	<b>Fitter's Works</b>										
1	Arrangement of anchors of drainage and oil-retaining wells with reinforced concrete circlets (9 wells)	kompl		9,00							
	Wages	kompl	1,00	9,00	15,00	135,00			15,00	135,00	270,00
	Material										
	Anchors, reinforced concrete wall circlets H=1m	pcs.		22,00			123,00	2706,00			2706,00
2	Arrangement of beddings of drainage and oil-retaining walls and ramming to a 10cm thick layer	m3		0,72							
	Wages	m3	1,00	0,720	11,80	8,50			6,00	4,32	12,82
	Material										
	Gravel	m3	1,126	0,81			16,80	13,62			13,62
3	Arrangement of bottoms of drainage and oil-retaining walls with concrete m=200 (9c) H=20 cm	m3		1,44							
	Wages	m3	1,00	1,44	60,00	86,40					86,40
	Material										
	Concrete m-200	m3	1,015	1,462			123,00	179,78			179,78
4	Arrangement of drainage system, with d=200 corrugated pipes	lin.m.		64,00							
	Wages	lin.m.	1,00	64,00	3,75	240,00					240,00
	Material										
	Plastic pipes and tubings d=200	lin.m.		64,00			12,00	768,00			768,00
5	Arrangement of drainage system with d=150 corrugated plastic pipes	lin.m.		23,60							
	Wages	lin.m.	1,00	23,60	3,00	70,80					70,80
	Material										
	Plastic pipes and tubings d=150	lin.m.		23,60			9,00	212,40			212,40
6	Arrangement of outer sewerage system with d=150 corrugated plastic pipes	lin.m.		40,00							
	Wages	lin.m.	1,00	40,00	3,00	120,00					120,00
	Material										
	Plastic pipes and tubings d=150	lin.m.		23,60			9,00	212,40			212,40
7	Connection of sewerage and drainage system to the existing Wells	wert		3,00							
	Wages	wert	1,00	3,00	100,0	300,00					300,00



					0						
	Material										
	Cement-sand grout	m3		0,10			81,00	8,10			8,10
8	Covering outer sewerage and drainage pipes with sand (50-cm thick sand layer, rammed)	m3		34,30							
	Wages	m3	1,00	34,30	11,80	404,74			6,00	205,80	610,54
	Material										
	Sand	m3	1,33	45,62			22,00	1003,62			1003,62
9	Arrangement of drainage and oil-retaining wells with reinforced concrete cap, cast-iron grid mouth (9 wells)	kompl		9,00							
	Wages	kompl	1,00	9,00	10,00	90,00			5,00	45,00	135,00
	Material										
	reinforced concrete cap, cast-iron grid, mouth	pcs.		9,00			365,00	3285,00			3285,00
10	Filling the excavation with ballast and ramming with a rammer H=1m	m3		284,40							
	Wages	m3	1,00	284,40	11,80	3355,92			6,00	1706,40	5062,32
	Material										
	Ballast	m3	1,36	386,78			9,00	3481,06			3481,06
	<b>Underground Entombment for Fuel Reservoirs</b>										
	<b>Building and Assembly Jobs</b>										
1	Arrangement of ballast foundation under the entombment bottom, leveling by hand and ramming by means of a vibro-rammer to 2 0,3m thick layers	m3		28,00							
	Wages	m3	1,00	28,00	11,80	330,40			6,00	168,00	498,40
	Material										
	Ballast	m3		38,08			9,00	342,72			342,72
2	Arrangement of gravel foundation under the bottom and ramming by means of a vibro-rammer to a 10cm thick layer	m3		5,60							
	Wages	m3	1,00	5,60	11,80	66,08			6,00	33,60	99,68
	Material										
	Gravel	m3	1,126	6,31			16,80	105,93			105,93
3	Concrete preparation under the bottom slab	m3		2,80							
	Wages	m3	1,00	2,80	60,00	168,00					168,00
	Material										
	Concrete-B7,5~	m3	1,015	2,84			95,00	269,99			269,99
4	(Double) waterproofing of the foundation slab	m2		56,00							
	Wages	m2	1,00	56,00	3,00	168,00					168,00
	Material										
	Ruberoid	m2		134,40			1,30	174,72			174,72
	Parimary	kg	0,65	36,40			6,50	236,60			236,60

	Liquid petroleum gas	bal		4,00			24,00	96,00			96,00
5	Arrangement of cast-in-situ reinforced concrete bottom, walls, belts, columns (2), beam (1) by means of a pump	m3		65,88							
	Wages	m3	1,00	65,88	70,00	4611,60					4611,60
	Material										
	Concrete ~B25~	m3	1,015	66,868			123,00	8224,79	10,00	668,68	8893,47
	Wooden material	m3		1,50			390,00	585,00			585,00
	Various nails	kg		4,20			2,30	9,66			9,66
	A-I Class reinforcement	tona	proeqtiT	0,7418			1530,00	1134,95			1134,95
	A-III Class reinforcement	tona	proeqtiT	5,3474			1520,00	8128,05			8128,05
	Annealed wire	kg		61,0			2,20	134,20			134,20
	Box iron #20	tona	proeqtiT	0,2208			1860,00	410,69			410,69
	Angle L75X50X6	tona	proeqtiT	0,0683			1660,00	113,38			113,38
	Iron cutting disc	pcs.		31,0			4,00	124,00			124,00
	Plastic clamp	pcs.		1725,00			0,12	207,00			207,00
6	Arrangement of monolithic resting planes and supporting anchors for fuel reservoir	m3		4,70							
	Wages	m3	1,00	4,70	70,00	329,00					329,00
	Material										
	Concrete ~B15~	m3	1,015	4,771			123,00	586,77	10,00	47,71	634,48
	Wooden material	m3		0,20			390,00	78,00			78,00
	Various nails	kg		1,40			2,30	3,22			3,22
	Anchor	pcs.	proeqtiT	16,00			16,00	256,00			256,00
	Bolt	pcs.		16,00			2,50	40,00			40,00
	Iron cutting disc	pcs.		1,0			4,00	4,00			4,00
7	Arrangement of fuel reservoir supports with metal strip	tona		0,2663							
	Wages	tona	1,00	0,2663	1000,00	266,27					266,27
	Material										
	Metal strip 100X6	g/m		42,40			7,30	309,52			309,52
8	Arrangement of cast-in-situ reinforced concrete slab by means of a pump at 0,00 mark	m3		11,20							
	Wages	m3	1,00	11,20	70,00	784,00					784,00
	Material										
	Concrete ~B15~	m3	1,015	11,368			123,00	1398,26	10,00	113,68	1511,94
	Wooden material	m3		0,40			390,00	156,00			156,00
	Various nails	kg		2,80			2,30	6,44			6,44
	A-I Class reinforcement	tona	proeqtiT	0,0858			1530,00	131,27			131,27
	A-III Class reinforcement	tona	proeqtiT	1,8402			1520,00	2797,10			2797,10
	Annealed wire	kg		19,0			2,20	41,80			41,80

	Iron cutting disc	pcs.		9,0			4,00	36,00			36,00
	Plastic clamp	pcs.		224,00			0,12	26,88			26,88
	<b>Pylon</b>										
	<b>Building and Assembly jobs</b>										
1	Arrangement of ballast foundation under the pylon foundation by hand into a 0,3m thick layer and ramming by means of a vibro-rammer, 3 layers	m3		10,08							
	Wages	m3	1,00	10,08	11,80	118,94			6,00	60,48	179,42
	Material										
	Ballast	m3	1,36	13,71			9,00	123,38			123,38
2	Arrangement of gravel foundation under the pylon foundation da ramming by means of a vibro-rammer to a 10cm thick layer	m3		1,12							
	Wages	m3	1,00	1,12	11,80	13,22			6,00	6,72	19,94
	Material										
	Gravel	m3	1,126	1,26			16,80	21,19			21,19
3	Preparing concrete under foundations	m3		0,60							
	Wages	m3	1,00	0,60	60,00	36,00					36,00
	Material										
	Concrete~B7,5~	m3	1,015	0,61			95,00	57,86			57,86
4	Waterproofing of pylon foundations (double)	m2		13,44							
	Wages	m2	1,00	13,44	3,00	40,32					40,32
	Material										
	Ruberoid	m2		32,26			1,30	41,93			41,93
	Primary	kg	0,65	8,74			6,50	56,78			56,78
	Liquid petroleum gas	bal		1,00			24,00	24,00			24,00
5	Arrangement of pylon with cast-in-situ reinforced concrete	m3		13,72							
	Wages	m3	1,00	13,72	120,00	1646,40					1646,40
	Material										
	Concrete ~B15~	m3	1,015	13,926			123,00	1712,87	10,00	139,26	1852,13
	Wooden material	m3		0,75			390,00	292,50			292,50
	Various nails	kg		5,25			2,30	12,08			12,08
	A-I Class reinforcement	tona		0,2155			1530,00	329,72			329,72
	A-III Class reinforcement	tona		0,8929			1520,00	1357,21			1357,21
	Annealed wire	kg		11,0			2,20	24,20			24,20
	Iron cutting disc	pcs.		6,0			4,00	24,00			24,00
	Plastic clamp	pcs.		174,00			0,12	20,88			20,88
6	Assemblage and dismantling of metal knock-down scaffolds	m2		30,00							
	Wages	m2	1,00	30,00	2,50	75,00					75,00
	Material										
	Wooden material	m3		0,04			390,00	16,38			16,38
	<b>Organization of Territory</b>										

1	Arrangement of gravel foundation of kerbs and ramming by means of a vibro-rammer to a 10cm thick layer	m3		3,45							
	Wages	m3	1,00	3,45	11,80	40,71			6,00	20,70	61,41
	Material										
	Gravel	m3		9,80			16,80	164,64			164,64
2	Manufacturing concrete kerbs and arrangement with m=200 concrete (138lin.m.)	m3		12,80							
	Wages	m3	1,00	12,80	100,00	1280,00					1280,00
	Material										
	Concrete m-200	m3	1,015	12,992			123,00	1598,02			1598,02
	Reinforcement A-III d=12	tona		0,85			1520,00	1292,00			1292,00
	A-I Class reinforcement	tona		0,65			1530,00	994,50			994,50
	Annealed wire	kg		15,0			2,20	33,00			33,00
	Laminated plywood (for frameworks)	m2		18,00			20,50	369,00			369,00
	Wooden material	m3		0,45			390,00	175,50			175,50
	Various nails	kg		2,10			2,30	4,83			4,83
3	Conditioning kerbs and double-dyeing with brick and concrete paint	m2		80,00							
	Wages	m2	1,00	80,00	5,00	400,00					400,00
	Material										
	Grounding	kg	0,545	43,60			6,53	284,71			284,71
	Brick and concrete paint	kg	0,69	55,20			3,60	198,72			198,72
	Putty	kg	0,69	55,20			0,40	22,08			22,08
	Pigment 50gr	pcs.		14,00			2,55	35,70			35,70
	Coated abrasive	lin.m.		1,60			4,00	6,40			6,40
4	Arrangement of gravel foundation and ramming by means of a vibro-rammer to a 10cm thick layer (traffic road)	m3		3,75							
	Wages	m3	1,00	3,75	11,80	44,25			6,00	22,50	66,75
	Material										
	Gravel	m3	1,126	4,22			16,80	70,94			70,94
5	Arrangement of bituminous concrete covering to a 9cm thick layer (for central traffic road)	m2		34,50							
	Wages	m2	1,00	34,50	10,00	345,00					345,00
	Material										
	bituminous concrete	m2	1,00	34,50			31,00	1069,50			1069,50
	<b>Assemblage of Petrol Station Installations</b>										
	Assemblage of petrol station installations (4 sets with 4 fueling nozzles) connected to tanks	kompl	4,00		3000,00	12000,00	18200,00	72800,00		0,00	84800,00
	Assemblage of 4 25-t tanks	cister	4,00		30,00	120,00	8000,00	32000,00			32120,00
	Motorized crane	krani	1,00		220,00	220,00					220,00
	<b>Unloading and storage of materials</b>	tona		149,50							

	<b>Wages</b>	tona	1,00	149,50	10,00	1495,0 4			5,00	747,52	2242,56
	<b>Total</b>					<b>12794 1,71</b>		<b>360629 ,32</b>		<b>36116,9 3</b>	<b>524687,95</b>
	<b>Transportation charges for materials</b>	<b>7%</b>									<b>25244,05</b>
	<b>Total</b>										<b>549932,01</b>
	<b>Overhead costs</b>	<b>8%</b>									<b>43994,56</b>
	<b>Total</b>										<b>593926,57</b>
	<b>Planned earnings</b>	<b>6%</b>									<b>35635,59</b>
	<b>Sum</b>										<b>629562,16</b>
	<b>Unforeseen costs</b>	<b>3%</b>									<b>18886,86</b>
	<b>Total</b>										<b>648449,02</b>
	<b>VAT</b>	<b>18%</b>									<b>116720,82</b>
	<b>Total</b>		452 sqm	1 693							<b>765169,85</b>
	<i>Construction cost for 1m<sup>2</sup></i>		<b>1693</b>								

# ANNEX F

## LIST OF AH/AP AND RELATIVE LOSSES

No of AH	Ownership status	Land plot use	Total area of land to be compensated (Including Residual Unviable Plots)	1 sq.m. land plot price (GEL)	Total Compensation for Land (GEL)	Compensation for affected structures (GEL)	Compensation for affected trees (GEL)	Compensation for bussines Losses (GEL)	Allowances for Severely Affected AHs	Allowances for Vulnerable AHs	Allowances for Relocation	Total compensation for AH (GEL)
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Private Registered	Comercial	200	179	35800	154578	0	7514			1,252	282,066.5 283,318.5
	Public Illegally Ocupied	Comercial	158	0	0	0	0	0				
	Public Illegally Ocupied	Comercial	186	0	0	14046	0	0				
	Private Registered	Comercial	167	179	29893	40235	0	0				
2	Private Registered	Comercial	421	179	75359	250850	0	0				326,209

3 4 5 6	Private Registered	Comercial	603	179	107937	151130	0	11863	939 939 939 939	939	1,252 1,252 1,252 1,252	68,671.25 69923.25 7,0862.25
7	Private Registered	Comercial	586	179	104894	2004949	0	0				2,109,843
8	Private Registered	Comercial	257	179	46003	840	0	0				46,843
9	Private Registered	Comercial	404	179	72316	0	0	0	939	939	1,252	287,521
	Private Registered	Comercial	1057	179	189203	19253	810	2809				
10	Private Registered	Comercial	781	179	139799	87369	0	187248				414,416
11	Private Registered	Comercial	658	179	117782	27998	0	0				145,780
12	Private Legalizable	Comercial	416	107	44512	105505	0	0				150,017
13	Private Legalizable	Comercial	48	107	5136	18509	0	0				23,645
14	Private Registered	Comercial	26	107	2782	904	0	0				3,686
15	Private Registered	Comercial	117	107	12519	4916	1588	0				19,023
16	Private Registered	Comercial	443	64	28352	229532	0	0				257,884
17	Private Registered	Comercial	2000	64	128000	0	0	0				128,000
18	Private Registered	Comercial	644	64	41216	0	0	0				41,216
19	Private Registered	Comercial	1588	64	101632	711227	75	781188				1,594,122
20	Private Registered	Comercial	1735	64	111040	555548	0	265520				944,140
	Private Registered	Comercial	128	64	8192	0	0	0				

	Private Registered	Comercial	60	64	3840	0	0	0				
21	Private Registered	Agricultural	238	54	12852	0	0	0				12,852
22	Private Registered	Agricultural	62	54	3348	0	0	0				16,740
	Private Registered	Agricultural	104	54	5616	0	0	0				
	Private Registered	Agricultural	144	54	7776	0	0	0				
23	Private Registered	Agricultural	214	54	11556	0	0	0				11,556
24	Private Registered	Comercial	836	64	53504	0	0	0				53,504
25	Private Registered	Agricultural	766	54	41364	0	0	0				182,814
	Private Registered	Comercial	1482	64	94848	0	0	0				
	Private Registered	Agricultural	863	54	46602	0	0	0				
26	Private Registered	Agricultural	559	54	30186	0	0	0				30,186
27	Private Registered	Comercial	211	64	13504	0	0	0				13,504
28	Private Registered	Comercial	1344	64	86016	443630	50	94514				624,210
29	Leasholder	Comercial	0	0	0	285828	0	125753				411,581
30	Private Registered Leased	Comercial	1162	64	74368	0	0	0				175,616
	Private Registered	Comercial	1582	64	101248	0	0	0				



31	Private Registered	Comercial	21	64	1344	0	0	0				1,344
32	Private Registered	Comercial	2947	64	188608	27130	8481	0				224,219
33	Private Registered	Comercial	238	64	15232	104072	255	0				119,559
			<b>25456</b>		<b>2194179</b>	<b>5238048</b>	<b>11259</b>	<b>1,476,409</b>			<b>7,512</b>	<b>8,933,980.5</b>

## COMPENSATION MATRIX FOR DIRECTLY AFFECTED AHS

TABLE 2. COMPENSATION MATRIX FOR AFFECTED EMPLOYEES						
No of AH	Name of Employee	Name of Employer	Compensation for lost wages (GEL)	Allowances for Severely Affected AHs (GEL)	Vulnerable AHs allowances	Total Payments
1	Ninua Konstantine	Delta Ltd	939	939		1878
2	Akhobadze Aleco	Kuta Ltd	939	939		1878
3	Tolordava Marina	Kuta Ltd	939			939
4	Chakhtauri Irakli	Speroza Ltd	939			939
5	Khabuliani Marina	Speroza Ltd	939			939
6	Goisashvili Lamara	Speroza Ltd	939			939
7	Devdariani Levani	Speroza Ltd	939			939
8	AbulaZe Levani	Speroza Ltd	939			939
9	Gardapkhadze Miriani	Speroza Ltd	939			939
10	Khabuliani Elguja	Speroza Ltd	939			939
11	Oniani Devlat	Speroza Ltd	939			939
12	Oniani Gamza	Speroza Ltd	939			939
13	Liparteliani Zviadi	Speroza Ltd	939			939
14	Oniani Irakli	Speroza Ltd	939			939
15	Oniani Dimitri	Speroza Ltd	939			939
16	Oniani Fridoni	Speroza Ltd	939			939
17	Kurasbediani Levani	Speroza Ltd	939			939
18	Mukbaniani Amirani	Speroza Ltd	939			939
19	Mukbaniani Giorgi	Speroza Ltd	939			939
20	Osachev Iuri	Speroza Ltd	939			939
21	BaiaSvili Giorgi	Speroza Ltd	939			939
22	GogolaZe Nugzari	Speroza Ltd	939			939
23	SofraSvili Lela	Speroza Ltd	939			939
24	Kutelia Niko	Wissol Petroleum a	939	939		1878
25	Aptsiauri Teimuraz	Wissol Petroleum a	939	939		1878
26	Chuntishvili Zurab	Wissol Petroleum a	939	939		1878
27	Goginashvili Alibeg	Wissol Petroleum	939	939		1878
28	Ashadze Temur	Wissol Petroleum	939	939		1878
29	Jabakhidze Giorgi	Wissol Petroleum a	939	939		1878
30	Lobjanidze Zviad	Wissol Petroleum a	939	939		1878
31	Chichinadze Nikiloz	Wissol Petroleum	939	939		1878
32	Kashakashvili Revaz	Wissol Petroleum	939	939		1878
33	Metreveli Genadi	Wissol Petroleum	939	939		1878
34	Burnadze Darejan	Wissol Petroleum a	939	939	939	2817
35	Gvaladze Avtandil	Wissol Petroleum a	939	939		1878
36	Bachiasvili Kakhaber	Wissol Petroleum a	939	939		1878
37	Khechikov Ucha	Wissol Petroleum a	939	939		1878
38	Godziashvili Vladimir	Wissol Petroleum a	939	939		1878
39	Gobadze Roin	Wissol Petroleum	939	939		1878
40	Gogokhia Tamaz	Wissol Petroleum	939	939		1878
41	Maisuradze Shmagi	Wissol Petroleum a	939	939		1878
42	Gogishvili Giorgi	Wissol Petroleum a	939	939		1878
43	Dudauri Sandro	Wissol Petroleum	939	939		1878
44	Dzuliashvili Partezi	Wissol Petroleum	939	939		1878
45	Lazarishvili David	Wissol Petroleum	939	939		1878
46	Tskhovrebov Eduard	Wissol Petroleum a	939	939		1878
47	Mkhitarov Mikhail	Wissol Petroleum a	939	939		1878
48	Lagidze Aleksander	Wissol Petroleum a	939	939		1878

49	Djikuri Davis	Wissol Petroleum a	939	939		1878
50	Badalishvili David	Wissol Petroleum a	939	939		1878
51	Tsiklauri Khvicha	Wissol Petroleum	939	939		1878
52	Muknishvili Giorgi	Wissol Petroleum	939	939		1878
53	Burdiladze Shota	Wissol Petroleum a	939	939		1878
54	Gogsadze Mamia	Lukoil Georgia Ltd	939	939		1878
55	Gogsadze Vasili	Lukoil Georgia Ltd	939	939		1878
56	Gorgiashvili Revazi	Lukoil Georgia Ltd	939	939		1878
57	LaliaSvili Giorgi	Lukoil Georgia Ltd	939	939		1878
58	enuqiZe zaza	Lukoil Georgia Ltd	939	939		1878
59	Uzoevi Vitali	Lukoil Georgia Ltd	939	939		1878
60	Dzidziguri Giorgi	Lukoil Georgia Ltd	939	939		1878
61	Guledani Cira	Lukoil Georgia Ltd	939	939	939	2817
62	Antidze Malkhaz	Socar Georgia Petroleum Ltd	939	939		1878
63	Alekperovi Nadir	Socar Georgia Petroleum Ltd	939	939		1878
64	Gakhramanovi Eivaz	Socar Georgia Petroleum Ltd	939	939		1878
65	Mazanashvili Shakro	Socar Georgia Petroleum Ltd	939	939		1878
66	Ibadovi AgSin	Socar Georgia Petroleum Ltd	939	939		1878
67	Velievi Visal	Socar Georgia Petroleum Ltd	939	939		1878
68	Kochiashvili Zurabi	Socar Georgia Petroleum Ltd	939	939		1878
69	Karimovi Azat	Socar Georgia Petroleum Ltd	939	939		1878
70	Alakhverdiev Gabili	Socar Georgia Petroleum Ltd	939	939		1878
71	Kalandadze Marina	Socar Georgia Petroleum Ltd	939	939	939	2817
72	Otanadze Rusudan	Socar Georgia Petroleum Ltd	939	939	939	2817
	<b>Total</b>					<b>119,253</b>