

**MINISTRY OF REGIONAL DEVELOPMENT AND INFRASTRUCTURE OF  
GEORGIA**

**ROADS DEPARTMENT**

**KVESHETI-KOBI ROAD**

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**LAND ACQUISITION AND RESETTLEMENT FRAMEWORK**

## ACCRONYMS AND ABBREVIATIONS

<b>ACM</b>	Acquisition and Compensation Matrix
<b>ADB</b>	Asian Development Bank
<b>AH</b>	Affected Household
<b>AP</b>	Affected People
<b>DD</b>	Detail Design
<b>DMS</b>	Detailed Measurement Survey
<b>EMA</b>	External Monitoring Agency
<b>EA</b>	Executive Agency
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>ETCIC</b>	Eurasian Transport Corridor Investment Center
<b>ESIA</b>	Environmental and Social Impact Assessment
<b>EWHCIP</b>	East West Highway Corridor Improvement Project
<b>GoG</b>	Government of Georgia
<b>GRCE</b>	Grievance Redress Committee
<b>GRCN</b>	Grievance Redress Commission
<b>GRM</b>	Grievance Redress Mechanism
<b>IA</b>	Implementing Agency
<b>LAR</b>	Land Acquisition and Resettlement
<b>LARP</b>	Land Acquisition and Resettlement Plan
<b>LARC</b>	Land Acquisition and Resettlement Commission
<b>MOES</b>	Ministry of Economic and Sustainable Development
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MTFF</b>	Multi Tranche Financial Facilities
<b>MOF</b>	Ministry of Finance
<b>MPR</b>	Monthly Progress report
<b>MRDI</b>	Ministry of Regional Development and Infrastructure
<b>NAPR</b>	National Agency of Public Registry
<b>PIB</b>	Public Information Booklet
<b>PR</b>	Public relation
<b>PRRC</b>	Property Rights Recognition Commission
<b>NGO</b>	Non-governmental Organization
<b>RD</b>	Roads Department (of the Ministry of Regional Development and Infrastructure of Georgia)
<b>ROW</b>	Right of Way
<b>SES</b>	Socioeconomic Survey
<b>SPS</b>	Safeguard Policy Statement

## DEFINITIONS OF TERMS

<b>Affected Household (AH)</b>	All members of a household residing under one roof and operating as a single economic unit, who are adversely affected by the Project. It may consist of a single nuclear family or an extended family group.
<b>Affected People (AP)</b>	Individuals affected by Project-related impacts.
<b>Eligibility</b>	Means any person(s) who at the Cut-off-date was located within the area affected by the project, its sub-components, or other subproject parts thereof, and are affected by the project. Eligibility is irrespective of (a) formal legal rights to land, (b) customary claim to land or asset, or (c) no recognizable legal right or claim to the land APs are occupying.
<b>Entitlement</b>	Means the range of measures comprising cash or kind compensation, relocation cost, rehabilitation assistance, transfer assistance, income substitution, and relocation which are due to APs, depending on the type, degree and nature of their losses, to restore their social and economic base.
<b>Land acquisition</b>	Means the process whereby a person is compelled by the Government through the Executing Agency of the Project to alienate all or part of the land s/he owns or possesses in favor of the State due to the implementation of the Project or any of its components in return for consideration.
<b>Replacement cost</b>	Means the method of valuing assets to replace the loss at market value, or its nearest equivalent, plus any transaction costs such as administrative charges, taxes, registration, and titling costs. Where national law does not meet this standard the replacement cost will be supplemented as necessary. Replacement cost is based on market value before the project or dispossession, whichever is higher. In the absence of functioning markets, a compensation structure is required that enables affected people to restore their livelihoods to levels at least equivalent to those maintained at the time of dispossession, displacement, or restricted access. For loss that cannot easily be valued or compensated for in monetary terms (e.g. access to public services, customers, and supplies; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities.
<b>Rehabilitation</b>	Means the measures required to (i) restore access to public facilities, infrastructure, and services; (ii) cultural property and common property resources; (iii) mitigate loss of access to cultural sites, public services, water resources, grazing, or forest resources including establishment of access to equivalent and culturally acceptable resources and income-earning opportunities; and, (iv) restore the economic and social base of APs severely affected by the loss of assets, incomes, and employment. All such people will be entitled to rehabilitation assistance measures for restoring incomes and living standards. Such measures must be determined in consultation with APs, including any APs whose rights might not be formally recognized.

<b>Resettlement</b>	Means full or partial, permanent or temporary physical displacement (relocation, loss of residential land/ or shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to parks and protected areas. The definition applies to impacts experienced, regardless of whether it involves actual relocation.
<b>Land acquisition and resettlement plan</b>	Means the time-bound action plan prepared to compensate and/or mitigate the impacts of resettlement.
<b>Relocation</b>	Means the physical shifting of APs from his/her pre-project place or residence, place for work or business premises.
<b>Sakrebulo</b>	This is the representative body of local self-government. The middle level of local government consists of 67 municipalities and six cities in Georgia: Tbilisi, Kutaisi, Rustavi, Poti, Batumi and Sukhumi. The representative branch of municipality level is the municipality level Local Councils (Municipality Sakrebulo) and the executive branch is represented by Municipality Gamgeoba (Gamgebeli). The self-government level consists of settlements (self-governed cities) or groups of settlements (municipalities). Settlements could be villages, small towns (minimum 3,000 inhabitants) and cities (minimum 5,000 inhabitants). The representative and executive branches of self- government are represented accordingly by Local Council (Sakrebulo) and the Gamgebeli of municipal level. The exclusive responsibilities of self-government include land-use and territorial planning, zoning, construction permits and supervision, housing, and communal infrastructure development.
<b>Severely Affected Household</b>	Include those AHs (i) losing 10% or more of their productive land/income generating assets (ii) physically displaced HH and (iii) households losing commercial/business establishments.
<b>Informal Settlers</b>	Non-legalizable AHs losing agricultural land plot, which is the only land plot owned by AH and provides main source of income for AH.
<b>Vulnerable Households</b>	Particularly disadvantaged Households who might suffer disproportionately or face the risk of being marginalized from the effects of land acquisition and resettlement. They may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits. These are; (i) female-headed households with and/or without dependents; (ii) disabled household heads; (iii) poor households as defined by the official poverty line; (iv) elderly households with no means of support; (v) households without security of tenure; (vi) cultural or ethnic minorities; and (vii) refugees or internally displaced people; (viii) natural resource dependent communities, or other displaced persons who may not be protected through national land compensation or land titling legislation. These groups should be identified through the process of environmental and social appraisal.

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## 1 INTRODUCTION

### 1.1 Project Background

1. In the last 10-15 years, there has been an increase in Georgia's role as a major transit country. Almost two-thirds of goods in Georgia are transported by road. Many of the roads, however, are poorly equipped to cope with the volume of traffic and the proportion of heavy vehicles. The problem is exacerbated by factors such as insufficient dual carriageways and inadequate maintenance. Overall, this creates difficulties for haulage companies and their clients, truck drivers, Georgian motorists and local residents.

2. The Government of Georgia (GoG) has launched a program to upgrade the major roads of the country. Managed by the Roads Department (RD) of the Ministry of Regional Development and Infrastructure (MRDI) this program aims to improve transportation and transit of goods within Georgia and to surrounding countries. It is a program which is supported by the major international finance institutes.

3. As a part of the program, it is planned to upgrade the Jinvali-Larsi section of the Mtskheta-Stephantsminda-Larsi Road. This will connect Georgia to the Russian Federation. Various portions of the road are currently being rehabilitated, one of which is the section of the road between Kvesheti and Kobi.

4. The Kvesheti – Kobi road section is divided into two lots for the construction works. Lot 1 begins at KM 12+720 and ends at KM 22+751. It runs from Tskere tunnel portal to Kobi junction where it connects with the exiting road. The main element of this section is a 9 km tunnel (Tunnel No 5). An emergency gallery parallel to the tunnel, service buildings in both the North and South portals and other related works are being considered as part of the project. Lot 2 comprises the section between Kvesheti and Tskere and begins at KM 0 + 00 and ends at KM 12 + 700. Its key elements include 2.5 km of tunnels and 1.5 km of bridges.

5. It is expected that the construction of Lot 1 will be co-financed by the ADB and EBRD, while Lot 2 will be funded from the ADB loan. The GoG will provide counterpart financing too. The borrower for the project will be the GoG, while the RD will act as the Implementation Agency (IA) and MRDI – as the executing agency (EA).

### 1.2 Description of the Project

6. The proposed road section is 22.7 km long and located within Dusheti and Kazbegi Districts of Mtskheta-Mtianeti Region. The project is divided into two construction packages (see Figure 1.1). The key elements of Lot 1: Tskere-Kobi section (10km length), include the following:

- 178m long section of road from Tskere to the south portal of Tunnel 5;
- Tunnel 5 - 8.86 km long bidirectional, 2 lane tunnel (max. gradient 2.35%);
- Two cut and cover (C&C) 7 sections of Tunnel 5 (200m –south portal and 8m – north portal) to protect from avalanches and move entrance portal farther from the Tskere;
- 9.062 km emergency gallery parallel to Tunnel 5 and 17 connections to the main tunnel (6.4 meters wide);
- Technical buildings next to the north and south portals – the buildings include facilities building, pumping station and ventilation room;
- 0.8km long section of road connecting the north portal of the tunnel with existing road. The alignment has been adapted to the current road with a maximum gradient of 4.2 % to keep on using the existing bridge (bridge length 42m, height 6m); and

- 214m long local road diversion.

Lot 2: Kvesheti –Tskere (12.7km length) comprises the following structures:

- Kvesheti bypass road (length 3.2 km),  
Bridge 1 (length 27.8m, height 14m, 2 lane)
- Bridge 2 over the Aragvi river (length 435.28m, height 62m, 3 lanes)
- Tunnel 1 (length 1540.64m, 2 lanes) with gallery (1092m) (New Austrian tunneling method-NATM)
- Bridge 3 - Arch bridge over the River Khadistskali (length 426m, height 164m, 3 lane)
- Tunnel 2 (length 193.42m, C&C, 3 lane)
- Bridge 4 over the left tributary of River Khadistskali river (length 147.80m, height 26m, 3 lane)
- Tunnel 3 (length 388.38m)
- Bridge 5 (length 322m, height 55m, 3 lane)
- Tunnel 4 (length 299m, C&C, 3 lane)
- Bridge 6 (length 218m, height 48m, 3 lane)
- Five grade junctions are planned (KM0.3, KM1.7, KM3.1, KM7.7, KM10,5) and 3 service roads.

Figure 1.1 Proposed Kvesheti –Kobi Road





7. The project is categorized as A for involuntary resettlement according to ADB SPS 2009 and requires the preparation, disclosure, and implementation of a Land acquisition and Resettlement Plan (LARP). The Project is also classified as a Category A according to EBRD's Environment and Social Policy, 2014, Appendix 2 which classifies construction, realignment or widening of motorways as Category A projects. In such cases EBRD requires a full resettlement action plan.

### **1.3 The LARF Document**

8. This LARF was prepared based on relevant laws on land acquisition and resettlement in Georgia and policy requirements of ADB's SPS 2009: SR2 and EBRD's ESP 2014: Performance Requirement – 5. The LARF describes the likely impacts of the project, identifies anticipated groups of the affected people, specifies the land acquisition and resettlement principles to be applied to the project, outlines procedures for grievance management, and describes monitoring and reporting requirements.

9. The scope of this LARF applies to private landowners, whose lands will be permanently or temporarily affected by the involuntary resettlement led by the GoG and carried out for the project purposes. It also applies to people, who lease private or state-owned lands or those who have no registered or legal rights over the land they use, and who will be otherwise affected by the project. This LARF is not however applicable to the state lands that are transferred from one state agency to another or used temporarily by contractor during the construction works, unless third parties are affected by the transfer or use.

10. By adopting this framework, the GoG expresses a commitment to: (i) avoid and, where avoidance is not possible, minimize land acquisition and resettlement; (ii) mitigate impacts in such a way that the affected people are able to maintain, restore or improve their livelihoods. Once this LARF is approved by the GoG, it will become an element of respective financing agreement between the GoG and lenders with regards to this project.

### **1.4 Summary of Anticipated Impacts**

11. The construction of the road and its associated facilities is expected to require acquisition of private lands and assets across both lots of the project. The key anticipated impacts include: acquisition of private agricultural and residential lands; loss of residential and commercial structures; loss of trees and perennial crops; loss of community structures; impacts on vulnerable groups, such as the poor, women-headed households, refugees or internally displaced people, disabled etc and; potential impacts on people's livelihoods. Additionally it is expected that the project implementation will potentially cause livelihoods impacts on people who may be reliant on beekeeping, animals grazing, hay making etc as their key sources of the income.

12. The building of the new road will also cause an access issue for people living in nearby villages that may call for the additional safe crossing points for people and livestock in the final design. The other impacts anticipated during the construction and operation phases include: visual impact on landscape, noise impacts on nearby villages, vibration impact on cultural heritage objects and sites, road safety especially for vulnerable groups of road users, potential pollution of water sources, and access to social infrastructures and services. The identified impacts and risks will be addressed through the design optimization and other issue specific mitigation measures.

13. The temporary use of lands will be required for various construction needs such as construction camps, workers accommodation facilities, temporary access roads, construction stockyards located along the RoW for short-term and long-terms storage of construction materials, borrow pits and quarries, parking of construction equipment, and asphalt and concrete plants. In addition, the project is expected to

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generate a large volume of spoils as the design involves constructing one 9 km tunnel and several smaller tunnels. The disposal of spoils will be carried out in such a manner so as to avoid the need for the land acquisition and disrupt people's livelihoods.

## 2 POLICY FRAMEWORK AND ENTITLEMENTS

14. This LARF is developed based on the requirements of the national legislation of the GoG related to land acquisition and resettlement, ADB's Safeguard Policy Statement 2009: SR2, and EBRD's Environment and Social Policy 2014: Performance Standard – 5 on Land Acquisition, Involuntary Resettlement and Economic Displacement. It should be noted that where there are differences between the three sets of policy requirements, it is the more stringent policy provisions which will prevail.

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

15. The legislative acts listed below regulate the issues of obtaining state ownership rights to privately owned parcels based on necessary public needs.

- (i) The Constitution of Georgia, August 24, 1995 (Last update April 2, 2018)
- (ii) The Civil Code of Georgia, June 26, 1997 (amend. 2000, 2002, 2003, 2004, 2005, 2006, 207, 2008, 2009, 2010, 2011, 2012, 2013, 2014; Last update August 7, 2018 )
- (iii) The Law of Georgia on Notary Actions, December 4, 2009 (amend. 2010, 2011,2012, 2013, 2014, 2015)
- (iv) Law on Public Health 27 June 2007 (amend. 2009, 2010, 2011, 2012, 2013, 2014, 2015; Last update March 22, 2017)
- (v) The Law of Georgia on Ownership Rights to Agricultural Land, March 22, 1996 (amend. 1997, 1998, 1999, 2000, 2003, 2004, 2007, 2010, 2012, 2014; Last update June 22, 2017)
- (vi) Law on Compensation of Land Substitute Costs and Damages due to Allocating Agricultural Land for Non-Agricultural Purposes 1997 (amend. 2005, 2006, 2007, 2009, 2010, 2011, 2013, 2014, 2015)
- (vii) The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities; 11 June 2007 (amend. 2007,2008,2009 2010, 2011, 2012)
- (viii) Law on state property 2010 (amend 2011, 2012,2013,2014; Last update Aug 13, 2018)
- (ix) The Law of Georgia on Public Register- No820 –IIs; December 19 of 2008; (amended 2009 2010, 2011, 2012, 2013, 2014, 2015)
- (x) The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need, July 23, 1999 (amend. 2005, 2007, 2010, 2013; last update July 19, 2018)
- (xi) The Civil Procedural Code of Georgia, November 14, 1997(amend. 1998-2015; Last amendment dated July 11, 2018)
- (xii) The Law of Georgia on State property, June 21, 2010
- (xiii) Labor Code, (May 25, 2006 annulled; new Labor Code was adopted on December 17, 2010; last amendment dated July 11, 2018)
- (xiv) Tax Code, January 2005 annulled; new Tac Code adopted on September 17, 2010; last amendment dated July 11, 2018)
- (xv) Law on Entrepreneurship, October 28, 1994.

16. These laws require that compensation for lost assets, including land, structures, trees and standing crops, is based on full replacement costs. Income loss due to loss of harvest and business closure will be compensated to cover net loss. Emphasis is placed on consultation and adequate notification to ensure that the affected people participate in the process. The above-listed laws and regulations allow for the application of the following legal mechanisms related to property rights:

- Obtaining the right of way without expropriation through the payment of due compensation by arrangement, or if reaching an arrangement fails, through a court decision for expropriation, prior to commencement of the activities.

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- Expropriation which allows for the obtaining of the permanent rights to land and/or other real estate property on the basis of Eminent Domain Law and court decision through the payment of due compensation.

17. Land will be acquired, first on the basis of negotiated settlement with the individual affected entities. If agreement cannot be reached, then the expropriation process under the eminent domain will be initiated.

## **2.2 ADB SPS 2009 (SR2)**

18. Three important elements of ADB's involuntary resettlement policy are: (i) compensation to replace lost assets, livelihood, and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. For any ADB operation requiring involuntary resettlement, resettlement planning is an integral part of project design, to be dealt with from the earliest stages of the project cycle, considering the following basic principles:

- (i) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- (ii) Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- (iii) Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.
- (iv) Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
- (v) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
- (vi) Develop procedures in a transparent, consistent, and equitable manner to ensure that people will maintain the same or better income and livelihood status.

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- (vii) Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
  - (viii) Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
  - (ix) Disclose a land acquisition and resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
  - (x) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
  - (xi) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
  - (xii) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

## **2.3 EBRD`s Performance Requirement 5: Land Acquisition, Involuntary Resettlement and Economic Displacement**

19. The involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or resources, and/or loss of access to assets or resources that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition and/or restrictions on land use.

20. The resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition, or restrictions on land use, that result in displacement. This occurs in cases of: (i) lawful expropriation or restrictions on land use based on eminent domain; and (ii) settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if arrangement with the seller fails.

21. The application of PR5 is consistent with the universal respect for, and observance of, human rights and freedoms, specifically the right to adequate housing and the continuous improvement of living conditions. The objectives of this PR are to:

- avoid or, when unavoidable, minimize, involuntary resettlement by exploring alternative project designs;
- mitigate adverse social and economic impacts from land acquisition or restrictions on affected;
- persons use of and access to assets and land by: (i) providing compensation for loss of assets at replacement cost; and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected;
- restore or, where possible, improve the livelihoods and standards of living of displaced persons to pre-displacement levels;
- improve living conditions among physically displaced persons through the provision of adequate housing, including security of tenure at resettlement sites;
- consider feasible alternative project designs to avoid or at least minimize physical and/or economic displacement, while balancing environmental, social, and economic costs and benefits;

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- involve affected men and women, including host communities from the earliest stages and through all resettlement activities. This will facilitate their early and informed participation in decision-making processes related to resettlement;
  - Displaced persons may be classified as persons: (i) who have formal legal rights to the land (including customary and traditional rights recognized under national laws); (ii) who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognized or recognizable under national laws; or (iii) who have no recognizable legal right or claim to the land they occupy;
  - Monitoring of the resettlement and livelihood restoration process will be carried out in accordance with PR 1<sup>1</sup> and should involve the participation of key stakeholders such as affected communities.

## 2.4 Comparison Georgian legislation with SPS 2009 (SR2) and ESP 2014 PR5

22. Table 2.1 below shows a comparison between the three sets of regulations and policies. The main differences between the policy requirements of the lenders and national legislation are summarized below:

- (i) The GoG only recognizes formal land owners and registered houses/buildings for compensation. In contrast both ADB and EBRD requires that informal land owners and all affected structures are compensated;
- (ii) With regard to crop compensation only registered landowners are compensated, whereas with ADB and EBRD, all users regardless of tenure status are to be compensated;
- (iii) According to GoG regulations grievances are to be managed only through a Land Acquisition Committee. Both ADB and EBRD require projects to set up systems for grievance redress/resolution;
- (iv) With regard to livelihoods, whilst the GoG considers the loss of income, ADB and EBRD require livelihood restoration to be demonstrated. The latter two organizations thus consider replacement value;
- (v) On consultation meetings, the GoG has provisions for consultations with affected people but not for wider consultations. ADB and EBRD on the other hand consider consultation and public engagement to be a key part of the development process at all stages of the project cycle;
- (vi) Both ADB and EBRD place emphasis on ensuring that vulnerable people are identified, and their needs taken account of in the LARP preparation and implementation process;
- (vii) Land plot occupied by the person without permission is adjacent to the land plot rightfully owned or used by the person, taking into account that the illegally occupied land parcel should be of less area than the legally owned adjacent parcel.

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<sup>1</sup> This PR applies to projects with potential environmental or social risks and impacts that should be assessed in the early stages of project development, and managed on an ongoing basis. For details, please refer to EBRD PR 1: Environmental and Social Appraisal and Management.

**Table 2.1 Comparison of Georgian Laws on LAR and ADB and EBRD Resettlement Policies**

Georgia Laws and Regulations	ADB Involuntary Resettlement Policy	EBRD Involuntary Resettlement Policy
Land compensation only for titled landowners. In practice legalizable land owners are also compensated after they register their ownership with the NAPR.	Lack of title should not be a bar to compensation and/or rehabilitation. Non-titled landowners receive rehabilitation assistance.	Consideration for compensation of formal and informal owners and users of land.
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.	Formally registered structures and occupants of informally erected structures are eligible for compensation or resettlement assistance.
Crop losses compensation provided only to registered Landowners	Crop losses compensation provided to landowners and sharecrop/lease tenants whether registered or not.	Crop losses are compensated to landowners, tenants, or sharecroppers as applicable, regardless of title.
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).	There must be an independent objective appeal mechanism that is open to the public and reported openly.
		The Project owner to establish a grievance mechanism as early as possible in the process to receive/address in a timely manner the concerns related to physical/economic displacement.
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.	All affected and impacted people must be consulted prior to agreements, and compensation must be made directly to affected persons as well as landowners.
Loss of income is considered for compensation but 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.	Provisions for improving, or at least maintaining, the levels of livelihood/income of affected persons/businesses.
There is provision for consultation with APs but there is no specific plan for public consultation under the Georgian laws	Public consultation and participation are an integral part of ADB's policy which is a continuous process at conception, preparation, implementation and finally at the post implementation period.	Public consultation and participation of affected people required throughout project process from planning through implementation, including public notifications of activities.

## **2.5 Land acquisition process**

23. Complete and accurate registration of private land as per current laws governing land acquisition in Georgia is the precondition for proceeding with acquisition of private land by agencies requiring land for land-based infrastructure development. To construct the Project the RD will acquire private land under the law of eminent domain wherever possible through the establishment of an agreement with the APs. Negotiations (if any) with APs will not determine the base compensation rates. The land buyer will offer an adequate and fair price for land and/or other assets. RD will ensure that the process of land acquisition with the APs openly addresses the risks of asymmetry of information and bargaining power of the parties involved in such transactions. Expropriation will only be sought in case an AP does not agree with the impact, measurement of the impact or the amount of compensation.

24. Following the acquisition and compensation matrix, LARC, assisted by the LAR team at the local level, will offer each of the APs the compensation rates defined in this LARP. Upon successful settlement, Land Acquisition Agreements will be signed with legalized/titled owners of acquired land parcels and an Agreement of Entitlement with the non-titled APs. Any APs' grievances will be resolved through the Project's approved grievance redress mechanism.

25. In the event an AP does not accept the rates defined in this LARP even after attempts to resolve the disagreement through the process of the grievance redress mechanism, RD will seek the concurrence of the appropriate authority to proceed with the expropriation process under the eminent domain for acquisition of the land through local courts.

26. The detailed design consultant has prepared updated cadastral maps of the acquired plots with geometric details required for legalization. RD will provide these maps to the concerned legalizable owners. The process will be followed by endorsement of these maps and ownership documents by the Sakrebulo and finally registration at the local registration office prior to the receipt of Project compensation.

### **2.5.1 Expropriation process**

27. Acquisition of land through expropriation will be pursued under the Project only in extreme cases when arrangement of a compensation amount between APs and RD, fails. Should the contract proposal fail, the expropriation process will commence by undertaking the procedures set out in the Law of Georgia "On the Rules for Expropriation of Ownership for Necessary Public Need". Under Georgian law, the making of arrangements is seen as an alternative to expropriation, whereas ADB and EBRD policy treat arrangement under the threat of expropriation as involuntary resettlement.

28. Pursuant to the Law of Georgia "On the Rules for Expropriation of Ownership for Necessary Public Need" expropriation shall be carried out based on the order of the Minister of Economy and Sustainable Development of Georgia and a court decision. The order of the Minister of Economy and Sustainable Development of Georgia will determine the case for public needs, and grant the expropriation entity the rights to obtain land. Only the court shall determine the state body or local authorities and/or legal entity under the Public Law/Private Law to which the expropriation rights can be granted. The court decision should also include a detailed inventory of the assets to be expropriated and the provisions on the compensation payable to relevant land owners.

Under no condition would the RD occupy the required plots until:

- (i) the proper judicial process as defined by the law is initiated;
- (ii) a court injunction has been obtained and properly communicated to the APs; and
- (iii) The compensation/rehabilitation amounts are deposited in an escrow account.

29. The entire expropriation process, from the moment in which expropriation proceedings are initiated to the moment in which the expropriation injunction from the court is obtained, may last between three to six months.



## 2.5.2 Legalization

30. The RD will provide technical assistance to APs qualifying as legitimate possessors (Legal APs) of project affected land parcels. These APs will be assisted free of charge in the process of legalization of private ownership rights to Project-affected assets, followed by the registration of ownership title. After that, the AP will alienate the Project-affected land parcel to the RD for road project purposes in return for fair compensation calculated according to the unit rate determined in the approved LARPs. The entire legalization process for one plot may last between one week and six months.

## 2.6 Eligibility and Entitlement Matrix

### 2.6.1 Compensation eligibility and entitlement

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

- (i) all APs losing land covered by legal title/ traditional land rights, legalizable land, or land 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.

**Table 2.1 Entitlement Matrix**

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
<b>Land</b>			
Agricultural Land: Permanent land loss, access or damage.	AP losing productive land regardless of impact severity	<b><u>Registered Owner/Legal:</u></b> Owner with full registration	Cash compensation at full replacement cost based on current market value. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desire.
		<b><u>Legalizable Owner:</u></b> (APs with title formalization pending and APs who are not registered but legitimately use the land and have residential land or agricultural plots adjacent to the residential land)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		<b><u>Non-legal/Informal Settler:</u></b> APs that are not legitimate land users or squatters	Non-legalizable APs losing agricultural land plot will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5 members family for 12 month period where land is actively cultivated, or 3 month period where land is barren/unused.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
		Agricultural Tenant	Full Compensation of income of lost crops x the remaining years (up to 4 years) of lease, unless otherwise provided by the lease agreement. In case of tenancy no crop compensation will be given to the land owner, and implementing agency, in consultation with local government, will provide assistance to the tenant with the search of replacement lease/tenancy
Non-Agricultural Land	AP losing their commercial / residential land	<b><u>Registered Owner/Legal:</u></b> (Owner with full registration)	Cash compensation at full replacement cost.
		<b><u>Legalizable Owner:</u></b> (Legalizable owners according to active legislation)	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		<b><u>Non-legal/Informal Settler</u></b> (Without registration/valid documents using land permanently.)	Non-legalizable APs losing a land plot, which is the only land plot used for residence or providing the main source of income for the AH, will be compensated with one-time allowances in cash equal to a minimum monthly subsistence allowance for a 5 members family for 12 month period. This only applies to physically displaced APs who do not have other residence.
Temporary Impact on land plot	N/A	<u>N/A</u>	Temporary land impacts will be compensated based on the productive value of the plot during the period of impact and after their use will be re-established by the EA at the pre- impact productive conditions.
<b>Buildings and Structures</b>			
Residential and non-residential structures/as sets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	Cash compensation for loss of building/structures 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 loss of resource/asset in consultation with community and restoration of their functions.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
<b>Loss of Income and Livelihood</b>			
Crops	Affected standing crops or agricultural land, used permanently for crop cultivation.	All APs regardless of legal status (including legalizable and Informal settlers)	Crop compensation in cash at market rate for gross crop value of expected harvest.
Trees	Trees affected	All APs 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. (based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity).
Business/Employment	Business/employment loss	All APs regardless of legal status (including legalizable and Informal settlers)	<p><u>Owner:</u>            (i) (<u>permanent impact</u>) cash indemnity of 1-year net income or in the absence of income proof, or in cases where APs have paid tax based on a flat rate, they will receive compensation equal to 12 months minimum subsistence allowance.            (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 allowance for months of business stoppage;</p> <p><u>Permanent worker/employees:</u>            indemnity for lost wages equal to actual wage for 3 month or in case of absence of tax declaration, one-time minimum subsistence allowance in cash for 3 months. For all the above, some acceptable official documents need to be presented, ie salary payment document, financial report.</p>
<b>Allowances</b>			
Severe Impacts	Physical relocation or loss of >10% of productive assets	All severely affected households including informal settlers	<p><b>Agricultural income:</b> 1 additional crop compensation for 1 year's yield of affected land or an allowance covering 3 months of minimum subsistence, whichever is higher - or, for <b>other incomes:</b> an allowance covering 3 months of minimum subsistence.</p>

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Livelihood restoration	APs losing more than 10% of their agricultural productive assets	All severely affected households AHs including informal settlers	<b>Agricultural livelihood restoration:</b> Two times annual harvest yields (at verified market rates) for all types of crops (inclusive of hay) and trees from the area affected by the land take, for all severely affected households. If this amount is less than 3 months minimum subsistence allowance, 3 months of minimum subsistence allowance will be paid instead.
	APs losing more than 10% of their non-agricultural productive assets	All severely affected households including informal settlers	<b>Non-agricultural livelihood restoration:</b> A livelihood restoration package of 3 months of minimum subsistence.
Relocation/SHIFTING	Transport/transition costs	All AHs to be relocated	An allowance covering transport and livelihood expenses for the transitional period. (200 GEL as vehicle hire charge + minimum subsistence allowance for 3 months.
Vulnerability Allowance		AHs below poverty line, AHs headed by women, AHs headed by disabled people and refugee' households/internally displaced people.	One-time minimum subsistence allowance in cash for 3 months and employment priority in project-related jobs where feasible. Additional assistance in kind will be provided to facilitate relocation or transition – this may include (logistics, relocation planning, assistance with replacement housing search, as appropriate).
Unforeseen impacts during construction, including temporary impacts and impacts on livelihoods not otherwise assessed.	Impacts during construction to properties or assets out of the corridor of impact or RoW	All APs	Due compensation to be assessed and paid when the impacts are identified based on the above provisions and on the requirements of SPS 2009 and EBRD PR 5.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Impacts related to spoil disposal areas and construction camps.	Temporary impacts	APs using affected pasture lands	Any temporary impact caused by the use of land for camp or as a temporary disposal area, will be regulated by private agreements between the Contractor and the land owners.
	Permanent impacts		Any permanent impact on land caused by the use of land for permanent disposal of unsuitable material or debris remaining after demolition of existing parts of the road, will be adequately compensated as per the provisions set up in the LARP. In addition, adequate livelihood assistance for loss of hay and grazing grounds, if any, will be assessed and provided during implementation.

### 3. SOCIO-ECONOMIC INFORMATION

#### 3.1 Procedures for Impact Assessment

32. The impact assessment for the project will be carried out based on the detailed design. The information on the affected land plots will be obtained by overlaying the project alignment on the cadastral maps. The land cadastre will be used to determine: (a) names of affected people, (b) owners and tenants, (c) designated use of plots, (d) size of land plot, (e) proportion of the land subject to acquisition against total area of the land plot. The impacts of land acquisition will be fully assessed when the boundaries of the RoW are demarcated. The socio-economic information of the APs will be gathered through structured survey. Other background information on the affected communities, such as demographics, employment, education, livelihoods profile etc will be collected from the state agencies and local governments. Based on the results of the impact assessment and consultations with the APs, the LARP will be developed. The example outline of the LARP is provided in Annex 1.

33. The following procedures need to be implemented to complete the impact assessment at the detailed design stage: (a) establishing the exact boundaries of RoW; (b) detailed measurement survey (DMS) and valuation of all affected assets by the surveyor and valuers; (c) census of all APs, including socio-economic profile, gender disaggregated data, ethnicity, and demography; (d) survey of the land and property market as appropriate.

34. The results of DMS will produce: (a) number of structures that will be affected, (b) ownership type of the structures, (c) type of construction materials used and (d) other assets such as utility connections etc.

35. The RD will conduct socio-economic survey of the APs that will include among others: (a) household level data broken down by age, education, employment, gender; (b) family incomes and its sources; (c) assets inventory including land, crops, trees; (d) access to social services such as schools, hospitals, churches; (e) access to roads and other communications; (f) access to common pool resources and; (g) vulnerability status of the household. The census will identify the loss of income from businesses and trade outlets along the road and potential displacement of workers employed by the affected business shops. Special attention will be paid to identifying the vulnerable households. The results of the impact assessment will be the basis for compensation and livelihoods rehabilitation measures for the APs.

### **3 CONSULTATION, PARTICIPATION AND DISCLOSURE**

#### **3.1 Consultation, participation and disclosure**

36. The project will promote public consultations and meaningful engagement with affected people and other stakeholders that involve information exchange and decision making during the LARP preparation and implementation process. The objectives of the consultations are to: (i) identify and help APs' concerns and views with regards to the preparation and implementation of the LARP; (ii) learn APs' preferences on the type and delivery of the entitlements; (iii) address APs' concerns and ensure transparency of LARP planning process; and (iv) help avoiding unnecessary and costly delays to the project implementation.

37. As per lenders' policy requirements, the APs have to be meaningfully consulted and provided with opportunities to participate in the planning and implementation of LARP. The APs must also be informed in an appropriate and timely manner on their rights and entitlements, results of the planning process, as well as the key timelines and procedures for registering and resolving grievances under the LARP. The public consultations should be carried out by the RD throughout the LARP preparation process. In addition, the RD should organize the public information meetings to ensure the disclosure of the LARP and inform the APs about procedures for paying compensation and relocation process.

38. The RD is to hold at least one consultation meeting with the APs before LARP is finalized and approved. During the consultation meetings the following information must be presented to the APs: the project scope, description of the permanent and temporary impacts, key timelines, role of various agencies, monitoring and reporting arrangements, and grievance review procedures. The minutes of all consultation meetings should be prepared and included into the LARP.

#### **4.2 Disclosure**

39. The information leaflet describing the rights and entitlements of the APs under the LARP needs to be distributed amongst the APs in a language understandable and accessible to them. The information leaflet will be sent to all APs and local governments prior to the consultation meetings and finalization of the LARP. Following its approval, the LARF will be disclosed on the website of the RD in English and Georgian languages. Similarly, the LARF may be posted on the website of the lenders.

40. During the different stages of the project (planning, implementation, monitoring), the RD will be expected to complete the following actions as part of the disclosure process: (a) distribution of the information brochure across the APs and local governments; (b) availability of copies of the approved LARP in the offices of the local governments; (c) posting the approved LARP on website of the RD and lenders as appropriate.

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### **4.3 Participation of women and vulnerable groups**

41. In line with lenders' policy requirements the measures will be taken to ensure the women and vulnerable people are able to participate in the consultation meetings and other LARP planning activities.

42. As part of the LARP preparation process, the vulnerable and severely affected people will be identified through census and socio-economic survey and the RD will ensure that they are informed of the consultations dates and venues. The meetings with vulnerable groups will be carried out that ensure they are aware of their rights, entitlements, assistance with legalization of the property, as well as seek remedy to concerns and grievances. The vulnerable groups will be also consulted about their preferred options for livelihood stabilization and rehabilitation assistance as appropriate.

## **4 GRIEVANCE REDRESS MECHANISM**

43. As it is set out in the lenders' policy, it is a requirement for the borrower to develop a project level grievance redress mechanism (GRM). Its primary purpose is to provide an effective and systemic mechanism for the project to respond to queries, register and help resolve complaints from the affected people, receive feedback from the key stakeholders and general public.

44. For the purpose of this project, two-tier GRM will be established. The first tier will be set up at the municipal level, while the second tier will be organized within the RD. Specifically, the Grievance Redress Committees (GRCE) will be established at a municipal level as a project specific platform that will function for the duration of the project implementation. The Grievance Redress Commission (GRCN) will be formed as an informal body within the RD to register grievances at central level and ensure complaints review and resolution.

45. The GRCN is to be formed by the Order issued by RD as a permanent and functional informal body, mobilizing relevant staff of the RD to review and resolve complaints lodged. The members of the GRCN will include representatives from the management of the RD, safeguard units, legal office, and other relevant department. The GRCN is usually involved at the 2<sup>nd</sup> stage of the grievance resolution process. The Order issued by the RD will specify that the representatives of local authorities, NGOs, auditors, APs and any other persons or entities can be included, as appropriate, in the GRCN as its members.

46. GRCE is an informal, project specific mechanism established to manage grievances at the 1<sup>st</sup> phase. This informal body is to be set up in each municipality concerned. The GRCE includes representatives of municipal land acquisition and resettlement teams and local communities. The RD representative in the municipal land acquisition team will coordinate the formation and functioning of GRCE. In addition, the GRCE comprises the village Rtsmunebuli or his/her representative, representatives of APs, women APs, and appropriate local NGOs to allow the voices of the affected communities to be heard and ensure a participatory decision making process.

### **4.1 Grievance Resolution Process**

47. The RD will assign the designated person responsible for coordination of the GRCE's work, who at the same time, will be nominated as a focal person for registering grievances and handling the grievance logbook. The local authorities at the municipal level, the construction contractor, the

Supervision Consultant, as well as APs (through informal meetings) will be informed about the focal person and contact details will be available in the offices of all mentioned stakeholders.

48. The focal person collects and registers grievances, informs all members of the GRCE and the management of RD about the essence of the complaint, engages the relevant stakeholders in discussions with the aggrieved party and handles the process of negotiation with APs at the first stage of the grievance resolution process. The focal person prepares the minutes of meetings and collects signatures. If the grievance is resolved at the first stage, the focal person registers the resolution of the grievance in his logbook and informs the RD management in writing.

49. If the complainants are not satisfied with the GRCE decisions, they can trigger the second stage of the grievance resolution process. In such case, the focal person helps the AP lodge an official complaint (the complainant should be informed of his/her rights and obligations, rules and procedures of lodging a complaint, format of complaint, terms of complaint submission, etc.).

50. The APs should be informed about the GRM. This can be achieved through the delivery of information campaigns, distributing a project information brochure, keeping all focal points up-to-date and maintaining regular communication with them, allowing multiple entry points for complaints and introducing forms for easier reporting of complaints. Table 5.1 below shows the process of grievance resolution.

**Table 5.1 Grievance Resolution Process**

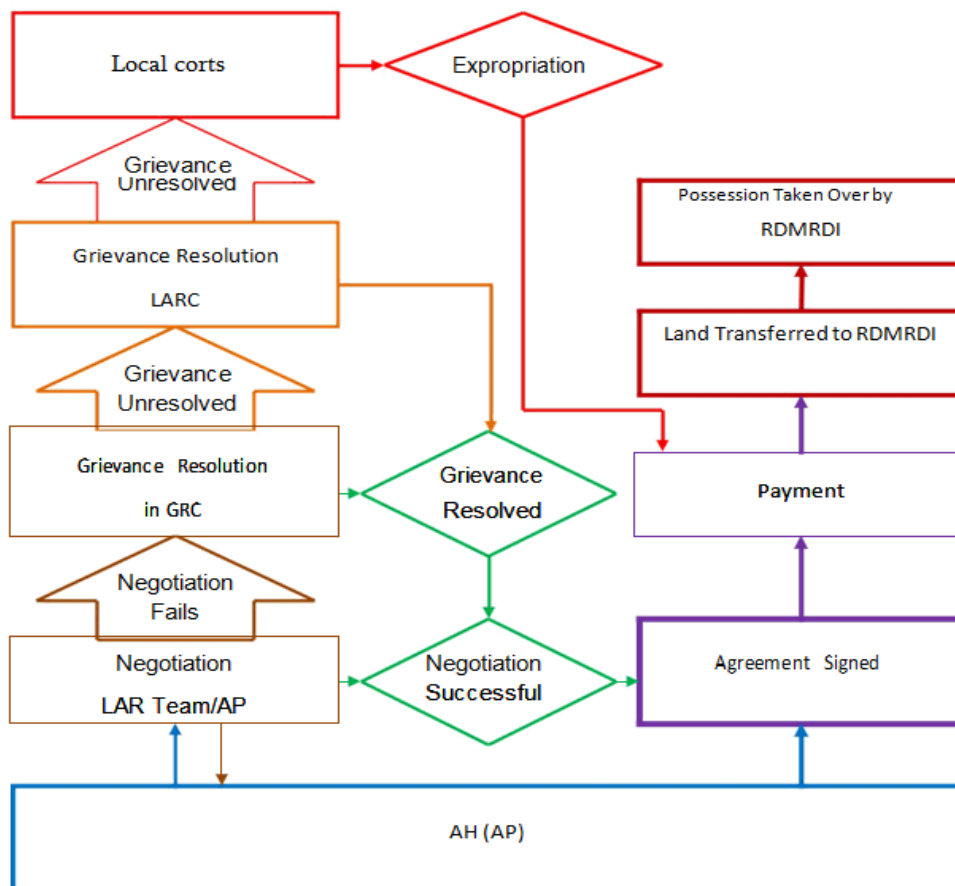
Steps	Process
Step 1	The complaint is informally reviewed by the focal point at the village level, which takes all necessary measures to resolve the dispute amicably.
Step 2	<ul style="list-style-type: none"> <li>• If the grievance is not solved at the previous level, the municipality level LAR representative will assist the aggrieved APs to formally lodge the grievances with the respective GRCE at the municipality level. As far as possible, grievances should be lodged with supporting material.</li> <li>• The GRCE member secretary will review the complaint and prepare a Case File for a GRCE hearing and resolution. A formal hearing will be held with the GRCE at a date fixed by the GRCE member secretary in consultation with the conveyer and the aggrieved APs.</li> <li>• On the date of the hearing, the aggrieved AP will appear before the GRCE at the village office and produce evidence in support of his/her claim. The member secretary will note down the statements of the complainant and document all procedures.</li> <li>• The decisions will be issued by the conveyer and signed by other members of the GRCE. The case record will be communicated to the complainant by the LAR Team at the village level.</li> </ul> <p>The grievance redress at this stage shall be completed within 4 weeks.</p>
Step 3	If the aggrieved AP is not satisfied with the GRCE decision at the municipality level, the next option will be to lodge grievances with the Grievance Redress Commission (GRCN) at the Resettlement Division of the RD at the national level. This should be done within two weeks of receiving the decision from GRCE. The complainants must produce documents supporting his/her claim. The GRCN will review the GRCE hearing records and convey its decisions to the aggrieved APs within four weeks after receiving the complaint.
Step 4	If the RD decision fails to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law (local courts) without reprisal.



## 5.2 Records and documentations on GRM

51. The RD will be responsible for maintaining the master logbook and database of all grievances throughout the project implementation, including the latest status of grievances and resolution. The information on the grievances will be made available to the ADB and EBRD through regular monitoring reports. The Figure 5.1 below shows the grievance review and resolution process flow.

**Figure 5.1 Grievance Organization Chart**



## **5 INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION**

### **5.1 Road Department**

52. RD has the overall responsibility of design, land acquisition and resettlement, construction, construction monitoring and supervision of the Project. It is also involved in financing and executing land acquisition and resettlement tasks and cross-agency coordination. The LAR Commission (LARC) within RD has the authority to finally endorse all LAR-related decisions and actions. It will oversee and monitor implementation of the LARP to ensure that all APs are duly compensated and mitigation measures are implemented. It also has the power to provide decisions on grievances that cannot be resolved at the local and regional level.

### **5.2 Eurasian Transport Corridor Investment Centre**

53. The Eurasian Transport Corridor Investment Center (ETCIC) was set up in April 2000. ETCIC provides financial management for ADB projects, receiving appropriate funds directly from the Ministry of Finance of Georgia on the Project's account. It is responsible for disbursement of compensation to eligible APs.

### **5.3 Local Court LAR Team**

54. The Local Court LAR Team will play the key role of assisting the central LARC and APs in the process of legalization of legalizable land. Typically the procedure will be as follows:

- The offer of acquisition of land parcels shall be undertaken based on the RD's LARC decision and the LARP prices.
- If an AP agrees to the acquisition, he/she will confirm such agreement in writing by signing the Sales/Acquisition Agreement that will be registered with the Public Registry. This agreement will serve as the basis for compensation payment processing and release.
- If agreement is not reached between the AP and the LAR Team, the latter will inform the LARC, which will make the decision to start expropriation.

### **5.4 Local Governments**

55. Local administration has the responsibility of confirming the surveys and the asset valuations carried out by the LAR consultants. RD will establish LAR teams which will have designated officials from the local administrations (Sakrebulo; Gamgebeli) and representatives of each affected village/community administration (representatives of all affected communities/villages).

### **5.5 Land Registration Organizations**

56. Government agencies active at various levels in the process of legalization of privately-owned land parcels are described below.

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## 5.6 Gamgeoba of Community

57. The community level Gamgeoba is the executive branch of self-government headed by the Gamgebeli, which has the primary role in the process of legalization and registration of land parcels. Specifically it has a role in:

- confirming ownership of affected land plots, the parameters of land plots and endorses the cadastral maps and related data prepared for the legalization case.
- authorizing the details of the occupied land parcel and verifying its usage pattern for further consideration by the Property Rights Registration Commission (PRRC).

## 5.7 Sakrebulo

58. Sakrebulo is the representative branch of self-government at the local level. It assists the PRRC in the process of authorizing the application of non-rightful owners.

## 5.8 Property Rights Recognition Commission

59. In 2007, the Government of Georgia established the PRRC (Property Rights Recognition Commission) at the local level for recognition of ownership rights of non-rightful owners for registration. PRRC verifies and authorizes the application of ownership for registration with the NAPR. PRRC only authorizes the application of APs who are not registered but have residential land or agricultural plots adjacent to residential land (“non-rightful land owners”, according to the definition of Georgian regulations).

60. NAPR uses the Local Archive for cross verification of ownership documents and the validity of physical possession of land by persons seeking registration as a legalizable owner, in the event that the owner does not have available documentation proving ownership rights on the adjacent land plot or if there is any doubt regarding the plot.

## 5.9 Civil Works Contractor

61. The Civil Works Contractor to be appointed by the RD to undertake the construction will be responsible for mitigating impacts resulting from the construction activities. The construction activities shall be monitored closely by the RDMRDI to ensure compliance with the temporary mitigating measures.

## 5.10 Consultants and Auditors

62. **Design Consultant:** RDMRDI will be supported by detailed design consultant to prepare the LARP. The design consultant should have an international social development and resettlement specialist and a national resettlement / social specialist for finalizing the LARP for each construction stage. The design consultant team should also incorporate a survey and independent audit agency to conduct a land acquisition and resettlement survey and provide documentation including a census, socioeconomic survey, inventory of losses, and valuation of land and assets for replacement value.

## 5.11 Court of Georgia

63. The Court of Georgia shall be the last resort for issues and concerns regarding the implementation of the LARP. In case there is no agreement between the RDRD and the APs concerning the acquisition of private properties, the RD will submit to the Court a request for expropriation. Only the Court has the authority to grant the rights to expropriation.

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## **5.12 Ministry of Finance**

64. The budgets for the implementation of LARP will be provided to RD by the Ministry of Finance following its official approval. The LARP budget will be allocated on the accounts of ETCIC which is responsible for the financial management of the project.

## **5.13 Ministry of Justice**

65. The Ministry of Justice is responsible for legal matters regarding land ownership. Within the Ministry is the National Agency of Public Registry (NAPR) with responsibility for registration of land ownership and its transfer through acquisition agreement from landowners to the RD..

## **5.14 Ministry of Economy and Sustainable Development**

66. The Ministry of Economy and Sustainable Development (MOESD) issues a decree confirming the necessity of expropriation and assigning RD as an entity that can be granted the right for expropriation.

## **5.15 ADB and EBRD**

67. ADB and EBRD will review the LARP and External and Internal Monitors' compliance reports, and provide clearance for the award of contracts and the signing and initiation of civil works.

## **5.16 Monitoring agency**

68. RD will appoint an independent external monitoring agency (EMA) for external monitoring and post evaluation of the LARP implementation. External monitoring will cover all aspects of LARP implementation.

# **6 MONITORING AND REPORTING ARRANGEMENTS**

69. The key objective of the monitoring is to regularly report the progress with the LARP implementation and identify as early as possible the reasons that may prevent the LARP from effective implementation. The monitoring is essential because the LARP implementation often stands on the critical path of the project where construction works are involved and when land acquisition, payment of compensation, and relocation of people may delay the works. The timely identification of the causes of delays enables the RD to make necessary adjustments to the LARP implementation and develop corrective measures as appropriate. For category A projects, the RD will undertake: (a) the internal monitoring to be performed on a semi-annual basis, and (b) external monitoring to be carried out by the external (independent) resettlement monitor.

## **7.1 Internal monitoring**

70. The internal monitoring will be carried out routinely by the RD either in-house or with the support of the supervision consultant. The results will be communicated to the ADB and EBRD through the semi-annual social safeguards monitoring reports. Specific monitoring benchmarks will be related to the process and immediate outputs and results – and will include: (a) timeliness of information campaign, quality of information and consultation meetings with APs; (b) status of land acquisition and payments for the land take; (c) compensation for affected structures and other assets; (d) relocation of APs; (e)

payments for loss of income; (f) selection and distribution of replacement land areas; (g) grievances lodged and their resolution status; (h) income restoration activities; and (i) results of income restoration activities and compensation provided in terms of measuring the extent to which affected livelihoods were restored, and the identification of factors which prevented satisfactory restoration of livelihoods.

71. The information above will be collected by the RD through the following instruments: (a) review of census information for all APs; (b) consultation and informal interviews with APs; (c) in-depth case studies; (d) sample-based survey of APs; (e) key informant interviews; and (f) community public meetings.

## **7.2 External monitoring**

72. The function of the independent resettlement monitor will be performed by the external consultant who will be responsible for external monitoring and preparation of the LARP Completion Report. The external monitoring will be conducted during the LARP implementation process and will be concluded after the LARP is fully implemented. The implementation of the LARP will be verified through the Completion Report (Compliance Report). In case the LARP includes the Livelihoods Restoration Program, which may require a longer timescale for its implementation, then the Completion Report will need to confirm that the delivery of the livelihoods restoration measures are on track and the implementation is underway.

73. The Completion Report prepared by the external resettlement monitor will include the following aspects of the LARP implementation: (a) assessment of the way the compensation has been carried out in relation to approved LARP provisions; (b) verification that all APs were compensated in the amounts stipulated in the approved LARP; (c) review of complaints and grievance cases and of their solution; (d) assessment of the rehabilitation program for vulnerable APs; (e) assessment of the satisfaction of the APs; (f) advice if corrective action plan is necessary and lesson learned to be applied to the next projects, and; (g) general assessment of LARP implementation and recommendations to ADB and EBRD regarding the provision of No Objection Letter to the start the civil works.

## **8. BUDGET AND FINANCING**

74. The GoG and RD will be responsible for LARP preparation and implementation, all costs associated with land acquisition, compensation of losses, transaction and registration costs, allocation of new leases, and resolution of grievances.

75. The LARP will include a chapter on budget, specifying (a) unit compensation rates for all affected assets and allowances; (b) valuation methodology used to calculate the compensation and allowances; (c) cost breakdown for all expense items in LARP, including overhead costs and contingencies; (d) GoG and RD is to ensure the timely allocation of necessary budget for the LARP implementation.

## **ANNEX 1. SAMPLE LARP OUTLINE**

### **A. Executive Summary**

This section provides a concise statement of subproject scope, key survey findings, entitlements and recommended actions.

### **B. Project Description**

This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.

### **C. Scope of Land Acquisition and Resettlement**

This section:

1. discusses the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities;
2. describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project;
3. summarizes the key effects in terms of assets acquired and displaced persons; and
4. provides details of common property resources that will be acquired.

### **D. Socio-economic Information and Profile**

This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including:

- define, identify, and enumerate the people and communities to be affected;
- describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and
- identify gender and resettlement impacts, and the socio-economic situation, impacts, needs, and priorities of women.

### **E. Information Disclosure, Consultation and Participation**

This section:

- 
- identifies project stakeholders, especially primary stakeholders;
  - describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
  - describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;
  - summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;
  - confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and
  - describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during project implementation.

#### **F. Grievance Redress Mechanisms**

This section describes mechanism to receive and facilitate the resolution of affected persons' concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.

#### **G. Legal Framework**

This section:

- (a) describes national and local laws and regulations that apply to the project and identify gaps between local laws and ADB's policy requirements; and discuss how any gaps will be addressed;
- (b) describes the legal and policy commitments from the executing agency for all types of displaced persons;
- (c) outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes and livelihoods; and set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided.
- (d) Describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

#### **H. Entitlements, Assistance and Benefits**

This section:

- defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
- specifies all assistance to vulnerable groups, including women, and other special groups; and
- outlines opportunities for affected persons to derive appropriate development benefits from the project.

#### **I. Relocation of Housing and Settlements**

This section:

- (i) describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- (ii) describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- (iii) provides timetables for site preparation and transfer;
- (iv) describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- (v) outlines measures to assist displaced persons with their transfer and establishment at new sites;
- (vi) describes plans to provide civic infrastructure; and
- (vii) explains how integration with host population will be carried out.

#### **J. Livelihoods Restoration and Rehabilitation**

This section:

1. identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
2. describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include induced benefit sharing, revenues sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
3. outline measures to provide social safety net through social insurance and/or project special funds;
4. describes special measures to support vulnerable groups;
5. explains gender considerations; and
6. describes training programs.

#### **K. Resettlement Budget and Financing Plan**

This section:

- provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation;
- describes the flow of funds (the annual resettlement budget should show the budget scheduled expenditure for key items);
- includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs;
- includes information about the source of funding for the resettlement plan budget.

#### **L. Institutional Arrangements**

This section:

- describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- includes institutional capacity building program, including technical assistance, if required;
- describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
- describes how women's groups will be involved in resettlement planning and management.

#### **M. Implementation Schedule**

This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction, and provide land acquisition process and timeline.

#### **N. Monitoring and Reporting**

This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan, It specifies arrangements for participation of affected persons in the monitoring process. This section will