



Arrange of Tourism Infrastructure at Ananuri Castle

Abbreviated Resettlement Action Plan

Third Regional Development Project

Prepared by

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ABBREVIATIONS

AF	Affected Family
AP	Affected Person
BP	Bank Procedure
EA	Executing Agency
NARP	National Agency for Public Registration
LARP	Land Acquisition and Resettlement Plan
PAP	Project Affected Person
RPF	Resettlement Policy Framework
MDFG	Municipal Development Fund of Georgia
UWSCG	United Water Supply Company of Georgia

Glossary

1. **Affected Person (or household)** - People (households) affected by project-related changes in use of land, water or other natural resources. These include permanent and temporary loss of land, assets, and income. Affected persons entitled for compensation or at least rehabilitation provisions under the Project are: all persons losing land, or access to land, permanently or temporarily either covered by legal title/traditional land rights or without legal status; tenants and sharecroppers whether registered or not; owners of affected buildings, crops, plants, or other objects attached to the land; and affected persons losing business, income, and salaries;
2. **Asset Inventory** - A complete count and description of all property that will be acquired;
3. **Compensation** - Loss reimbursement for the Project affected persons; Cash payment or in-kind compensation in the due amount in return for the loss of assets (property), resources or income;
4. **Direct impact** - When privately owned land parcels are physically affected by the project;
5. **Economic Rehabilitation** - Economic Rehabilitation implies the measures taken for income restoration or economic recovery so that the affected population can improve or at least restore its previous standard of living;
6. **Eligibility** - The criteria for qualification to receive benefits under a resettlement program;
7. **Eminent Domain** - The right of the state to acquire land, using its sovereign power, for public purpose. National law establishes which public agencies have the prerogative to exercise eminent domain;
8. **Expropriation** - Process whereby a public authority, usually in return for compensation, requires a person, household, or community to relinquish rights to land that it occupies or otherwise use;
9. **Grievance Procedures** - The processes established under law, local regulations, or administrative decision to enable property owners and other displaced persons to redress issues related to acquisition, compensation, or other aspects of resettlement;
10. **Initial Baseline Survey** - The population census, asset inventory, and socioeconomic survey together constitute the baseline survey of the affected population;
11. **Income restoration** - Re-establishing income sources and livelihoods of people affected;
12. **Involuntary** - means actions that may be taken without the displaced person's informed consent or power of choice;
13. **Involuntary resettlement** - Development project results in unavoidable resettlement losses that people affected have no option but to rebuild their lives, income and/or assets bases elsewhere;
14. **Land** includes anything growing on or permanently affixed to land, such as buildings and crops;
15. **Land Acquisition** - The process of acquiring land under the legally mandated procedures of eminent domain.

- 16. Land parcels under project impact** - When only privately owned land parcels are physically affected by the project activities;
- 17. Land parcel with residential house attached under project impact** - When privately owned land parcels as well as residential houses are physically affected by the project activities and require demolition of the house;
- 18. Land parcel with supplementary structure under project impact** - When privately owned land parcels as well as any non-residential and non-commercial structures are physically affected by the project activities and may require demolition of the residential house as well;
- 19. Population Census** - A complete and accurate count of the population that will be affected by land acquisition and related impacts. When properly conducted, the population census provides the basic information necessary for determining eligibility for compensation;
- 20. Project Cycle** - the cycle of project development from initial phases of identification and assessment of feasibility, until its final implementation. From standpoint of the Project implementing agency, it is convenient to represent the project cycle as consisting of following phases: Pre-feasibility Assessment, Feasibility Studies, Project Design and Appraisal, Project Implementation;
- 21. Rehabilitation** - Re-establishing incomes, livelihoods, living, and social systems;
- 22. Relocation** - Rebuilding housing, assets, including productive land, and public infrastructure in another location;
- 23. Replacement rates** - Cost of replacing lost assets and incomes, including cost of transactions;
- 24. Resettlement** - Term – “Resettlement” in accordance to the World Bank Involuntary Resettlement Operational Policy Document 4.12 considers alienation of land parcels and/or physical relocation (moving to other place) of households being appeared within the Project affected area;
- 25. Resettlement Entitlements** - Resettlement entitlements with respect to a particular eligibility category are the sum total of compensation and other forms of assistance provided to displaced persons in the respective eligibility category;
- 26. Resettlement effects** - Loss of physical and non-physical assets including homes, communities, productive land, income-earning assets and sources, subsistence, resources, cultural sites, social structures, networks and ties, cultural identity, and mutual help mechanisms;
- 27. Resettlement plan** - A time-bound action plan with budget setting out resettlement strategy, objectives, entitlements, action, responsibilities, monitoring and evaluation
Resettlement (Action) Plan - A resettlement action plan [RAP] is the planning document that describes what will be done to address the direct social and economic impacts associated with involuntary taking of land.
- 28. Resettlement Strategy (Rehabilitation Strategy)** - The approaches used to assist people in their efforts to improve (or at least to restore) their incomes, livelihoods, and standards of living in real terms after resettlement. The resettlement strategy typically consists of payment of compensation at replacement cost, transition support arrangements, relocation

- to new sites (if applicable), provision of alternative income-generating assets (if applicable), and assistance to help convert income-generating assets into income streams.
- 29. Socioeconomic Survey (SES)** - A complete and accurate survey of the project-affected population. The survey focuses on income-earning activities and other socioeconomic indicators;
 - 30. Stakeholders** -A broad term that covers all parties affected by or interested in a project or a specific issue—in other words, all parties who have a stake in a particular issue or initiative. Primary stakeholders are those most directly affected—in resettlement situations, the population that loses property or income because of the project and host communities. Other people who have an interest in the project—such as the project authority itself, the beneficiaries of the project (e.g., urban consumers for a hydro-power project), and interested NGOs are termed secondary stakeholders;
 - 31. Task Manager or Task Team Leader** - In Bank parlance, the officer in charge of a Bank-supported project or activity;
 - 32. User** - Physical person not registered as the owner at the Public Register, or holding the right to use the land;
 - 33. Usufruct** - The right to use and profit from land belonging to other person, or group of persons but in difference with the owner he/she will have no right to alienate, mortgage or bequeath of the land parcel;
 - 34. Vulnerable groups** - Vulnerable people – Project affected people, especially these below the poverty line, families lead by single women, refugees and IDPs, the disabled;
 - 35. Micro business** - A status of a micro-business may be assigned to a physical entity doing economic activity on his own and having the total income of maximum 30 thousand GEL per calendar year. A physical entity with the status of a micro-business is exempt from paying the income tax. The entities with this status are exempt from the obligation to use a cash register.
 - 36. Small business** - A status of a small business may be assigned to an entrepreneuring physical entity whose income from the economic activity does not exceed 100.000 GEL per calendar year. The taxable income of the small business is taxed by 5%.

1. Introduction

The Government of Georgia has asked the World Bank to support financing of the Third Regional Development Project (RDP III) in Samtskhe-Javakheti and Mtskheta-Mtianeti regions. The proposed program of interventions will emphasize tourism and agriculture as two key pillars and drivers of economic growth. The proposed initial project will focus on support for the tourism sector and enabling the environment for the private sector to invest in the above-mentioned regions. The Municipal Development Fund of Georgia is the Implementing Agency of the Third Regional Development Project and its sub-projects.

The Ananuri complex is the one of the best places of tourist attractions on the “Military Road”.¹ The considerable number of visitors, coming to the Ananuri complex every day necessitates improving the territory around the complex, as well as arranging parking areas and locating some other infrastructure facilities. Ultimate goal of the sub-project (SP) is to improve the experience of visiting tourists at the Ananuri castle, as one of the main sites located along the proposed tourism circuit of Dusheti and thus increase the number of visiting tourists to Dusheti.

The project area is located west of the Ananuri Complex, between the Ananuri Complex and the main road. According to the project, the whole territory must be reformed. In particular, the bituminous pavement will be removed, and a recreation area and walking paths with green lawn, illumination system, and decorative benches are planned to be made. There are 12 lampions planned to be erected along the perimeter. Fertile soil will be delivered to the area and placed in green moulds, with rolling lawns to arrange above it. The paths will be done with thermally treated granite slabs sized 15 X 30 X 2.5-3 cm. The structure of laying the slabs is given in the design drawings. Granite curbs sized 10 X 20 cm will be used to make walking paths, while the roadway along the bituminous concrete will be arranged with basalt road curbs sized 15X30 cm. In addition, a car parking is to be arranged on the project site. The existing bituminous concrete pavement must be milled, with bitumen removed and a 4-cm-thick fine bituminous concrete leveling layer, type II, will be made. The area designated for the car parking must be marked with white perchlorovinyl paint by adding glass balls. The parking is planned for 23 cars, 6 buses, and 4 mini-buses; 3 parking areas will be reserved for disabled persons. The existing pavement of the access road to the Complex, must be removed, formed, and a bituminous concrete pavement must be laid. On the pedestrian path to the Complex stairs with granite steps will be made on the reinforced concrete base.

The whole area of the project zone is approximately 7000 m² and is divided into 7 plots as per the Public Registry data. Out of these plots, (i) 5 plots with the total area of 8566 m² (the project uses only a part of the said area) is the property of LEPL self-governing community of Dusheti Municipality, (ii) one plot with the total area of 174 m² (2.5% of the project area) is owned by the Ministry of Economics and Sustainable Development of Georgia.

¹ The Georgian Military Road is the historic name for a major route through the Caucasus from Georgia to Russia where Ananuri castle is located.

As per the data of the National Agency of the Public Registry of Georgia, there are two buildings in the project zone. Both buildings are located on the land plots owned by Dusheti Municipality and are the property of the Municipality. Out of these two buildings, (i) one, which is a public toilet, is rented by an individual entrepreneur, and (ii) another is rented by 1 company.

At present, the tourists and local population use the territory of the project zone for the following purposes: (i) car parking, (ii) tourist bus and mini-bus parking, and (iii) for placing the benches to sell souvenirs and agricultural products.

Social survey in the study area was conducted on April 23-28 of 2017. The eligibility to receive compensation is limited to PAPs present on site prior to the cut-off date, which was fixed as April 28, 2017. All APs received information booklets, where April 28 was indicated as a cut-off date (see Annex II). APs signed a confirmation that they have received the information booklet. The legal or natural person, who will start business on this area after this critical date, will not be entitled to the compensation. The information about the cut-off date was provided to all formal and informal business owners and employees in the project zone.

There are 42 potential PAPs on the project site.

23 APs in the project area are owners of legal businesses (15 APs) or employees of these businesses (8 APs):

1. One AP has concluded an agreement for renting the territory and premise with Dusheti Municipality. The company has one owner and 5 employees, making total 6 APs.
2. Individual Entrepreneur rents the territory from the Ministry of Economics of Georgia – 1 AP.
3. Micro Entrepreneur has concluded an agreement for renting the territory and premise with Dusheti Municipality (public toilet). Two APs are employed to serve the toilet. These 2 people are AP's parents, making total of 3 APs.
4. There is informal association formed with 11 Micro Entrepreneurs, one of which rents the territory from Dusheti Municipality and sub-leases it to 10 individual entrepreneurs individually, making total of 11 APs.
5. One Individual Entrepreneur rents the territory from Dusheti Municipality – 1 AP.

As for the other 19 APs, they run informal businesses in the project zone.

1. 12 PAPs, as micro entrepreneurs, have the permit “to manufacture souvenirs”. These entities pay taxes to the budgets; however, the right to manufacture the souvenirs does not give them the right to sell the souvenirs in the project zone as they don't have official places to sell their goods. Consequently, their business in the project zone is considered as informal.

2. 3 PAPs are Church Servants², with their benches located at the end of the path running to Ananuri Complex (Figure 1), in the area adjacent to the project zone. As these persons state, following the fact that they are Church Servants and do not run business in the project zone, they will not be under a negative impact of the project. These entities refused to take part in the social survey and consequently, they refused to receive the compensation;

3. 1 PAP offers taking pictures on back a horse dressed in the national clothes (Figure 1). This entity does not run business on one particular location, but moves around the territory of Ananuri Complex. He also refused to take part in the social survey and consequently, he refused to receive the compensation, because as he thinks, he will not be subject to any negative impact of the Project;

4. 3 PAPs are 2-3 meters away from the project zone and they also run business informal, trading with souvenirs.

The 8 PAPs described above (#2, 3, and 4) will not be affected by project as per project design. They can continue their activities and they will not be compensated. Compensation or assistance for these 8 PAPs will be budgeted under 'reserve' in case of changes to the project design as they are located in the immediately adjacent area to the project.

The project also envisages the rehabilitation of the path leading to Ananuri Complex. This is one of 4 vehicle passages connecting Ananuri village to the tourist complex. Under the work schedule, the duration of the rehabilitation of the given road is 1 month. Only Five households of Ananuri village use this road. These households will have limited driving capability to Zhinvali water reservoir for one month. There is a diversion road, which can be used by the residents in the course of the road rehabilitation; it extends the route they have to drive by approximately 1.5 km. This impact will be temporary. The households have been informed during the process of RAP preparation and appropriate signs will be posted during the course of the project. At the same time, after the project realization, this road with its pavement being a very poor quality will be covered by a bituminous concrete pavement what will reduce the noise and vibration caused by the traffic. This will have a positive impact not only on the residents of the area, but on the Ananuri Complex as well. In addition, the new pavement will reduce the level of the car amortization. This section will not be blocked for pedestrians

In other respects, the subproject will not have any negative impact on the residents of village Ananuri following the location of the project zone.

At the stage of preparation of the Resettlement Action Plan, a number of meetings were held with the APs and other interested stakeholders. All interested persons were given the information leaflets prepared within the scope of the subproject giving them the information about the subproject. The leaflet and in-person meetings also described the rights and obligations of the APs in the course of the preparation and implementation of the Resettlement Action Plan (Annex 2). Both, during the social survey and personal meetings, the APs and other concerned entities expressed a number

² Individuals, who do not have a church rank under the ecclesiastical hierarchy, but are engaged in church liturgical life.

of views and wishes regarding the project, with the following issues being noteworthy (See the detailed informed in Chapter 2.2):

1. The wish of all APs was to preserve their jobs both, during the construction phase and after its accomplishment.
2. The number of car and bus parking areas under the project was desirable to increase.
3. The comfortable benches for them were desirable to arrange within the scope of the project.
4. It was desirable for the traders to use the WC free of charge found on the territory of the project.

Following the negotiations with the representatives of Dusheti Municipality, it was decided that all APs would have their jobs preserved both, at the stage of the project implementation and after the project accomplishment. Consequently, as per the preliminary estimates, no total loss of the expected income is envisaged during the subproject construction or operation phases.

Following the facts that:

1. The project does not envisage the closure of the Ananuri Complex for the tourists at the project implementation stage, the number of tourists will not decrease.
2. 18 PAPs: (i) 8 PAP's running business out of project area; (ii) One Company 6 PAPs; (iii) Individual entrepreneur - 3 PAPs; and (iv) One Individual entrepreneur – 1 PAP out of 42 APs will have their jobs preserved following the locations of their business both, during the project implementation and after the project accomplishment.
3. The representatives of Dusheti Municipality took the obligation to assign new locations for 24 APs prior to the project commencement. As a result, 24 APs will have the possibility to accomplish the business both, during the project implementation and after accomplishing it as they will be relocated to an alternative location.

The methodology followed to determine compensation follows that which was developed under the RDP I project financed by the World Bank in Kakheti region. As per this methodology, the entities legally owning businesses or running informal businesses within the project zone or in the area adjacent the project zone, will receive 20% of the income fixed in the previous years. If it is impossible to obtain the confirmed information about the incomes of 2016, the incomes will be calculated based on the amount of the Subsistence Minimum specified for a family of 5³ amounting to 338.3 GEL at the time of survey.

³ The Subsistence Minimum indicators are calculated based on the minimum food basket defined and established according to the decree N 111/n of 2003 May 8 of the Minister of Georgian Labor, Health and Social Affairs on "Norms of determining the composition of minimum food basket for subsistence minimum regarding food substance and energy for physiology demand"

Note: In case of a substantial change of the Subsistence Minimum by the moment of hampering in the accomplishment of the Resettlement Action Plan or giving out compensation, the compensation will be given by considering the data available at the given moment.

At the same time, when calculating the compensation amounts, we considered the experience in the previous projects and envisaged an additional “reserve amounts” to be budgeted in case of delays or unexpected impacts during the project that may require additional compensation budget. (See details in Chapter 9).

2. Resettlement Minimization

2.1. Scope of resettlement envisaged by the subproject

There is no necessity for purchasing land, buildings and premises or compensation for trees and plants within the scope of the subproject. The only impact at the stages of project accomplishment and operation is a temporary suspension or reduction of business activities, leading to loss of income. There are both, formal and informal businesses run in the project area. At present, the situation with running the business at the Ananuri Complex is quite chaotic. After project implementation all of vendors location will be planned by Dusheti municipality and vendors can continue working in safer and more orderly conditions

In order to understand the existing situation better, a schematic drawing was drafted within the scope of the project with the APs classified depending on the business status, legalization and types of business (See Figure 1).

By using the numbering in Figure 1, we can identify the following private and legal entities and their associations:

- No. 1 - Micro Entrepreneur renting the land plot and premise owned by Dusheti Municipality with a public toilet in it. AP is assisted by her parents in running the business. Under the preliminary design the object will continue operating both, in the phases of construction and operation.
- No 2 - Individual Entrepreneur renting the area from the Ministry of Economics and Sustainable Development of Georgia. Under the preliminary design, the object will continue operating both, in the phases of construction and operation;
- No 3 – One Company renting the land plot and premise from Dusheti Municipality and employing 5 people. Under the preliminary design, the object will continue operating both, in the phases of construction and operation;

Figure 1: The locations of business in the project zone and its adjacent areas



- No 4 – AP running informal business in the project zone and trades with products and souvenirs. Under the preliminary design, the business is to be stopped at the project implementation and operation stages;
- No 5 –AP running informal business in the area adjacent to the project zone, 10-15 m from the project zone, offering the tourists taking photos dressed in the national clothes and/or on a horseback. Under the primary design, the entity will continue his business at the project operation stage;
- No 6 - 2 AP running informal business in the area adjacent to the project zone, 2-3 m from the project zone, trading with souvenirs. Under the primary design, the entity will continue his business at the project operation stage;
- No 7 - 3 APs, who, as they state, are the Ananuri Church servants running the business 10-15 m from the project zone trading with souvenirs and national clothes. Under the primary design, they will continue their business both, at the project implementation and operation stages;
- No 8 - running informal business in the area adjacent to the project zone, 2-3 m from the project zone, trading with souvenirs. Under the primary design, the entity will continue his business both, at the project implementation and operation stages;
- No 9 - Individual Entrepreneur renting the territory from Dusheti Municipality running the business in a booth trading with products and alcoholic drinks. Under the primary design, he will have his business suspended;
- No 10 - Individual Entrepreneur running the business 10-15 m from the project zone and renting the area from Dusheti Municipality. He trades with products. Under the primary design, this entity will continue his business both, at the project implementation and operation stages;
- No 11 - an “association” of Micro Entrepreneurs. Micro Entrepreneur rents the territory from Dusheti Municipality under the agreement and leases 9 trading benches to 10 Individual Entrepreneurs as to the subcontractors (2 Individual Entrepreneurs rent 1 bench). All of them trade with souvenirs. Under the primary design, all of them will have their business suspended;
- No 12 – 10 APs have benches installed informally in the project zone and trade with souvenirs. Under the primary design, all of them will have their business suspended.

Under the primary design, (i) 10 APs will continue their present business in the project zone, (ii) 8 APs will continue their business in the area adjacent to the project, and (iii) 24 APs running their business in the project zone under the primary design will have their business temporarily stopped as a result of the project implementation.

During the meeting with the persons under direct or indirect impact of the project implementation and at the stage of social survey, the majority of APs unilaterally stated that the kind of business they run in the project zone is the only/major source of their income and all of them wished to continue their business after the realization of the project (See Chapter 3).

2.2. Alternatives of resettlement minimization

In order to minimize the resettlement, several alternatives were discussed and evaluated during the joint meetings with the employees of Municipal Development Fund of Georgia and Dusheti Municipality (Figure 2).

Alternative 1: the benches should be arranged 20-25 m from the project zone for 24 APs where they could run business.

Alternative 2: 24 APs would be able to place their benches in the area adjacent to the project zone, along the rehabilitation road and on the both sides of the path running to the Ananuri Complex.

Alternative 3: the 24 APs would have the possibility to place the trading benches in the area indicated in the drawing below (figure 2).

Alternative 4: The 24 APs would have the possibility to place the trading benches in the area indicated in the drawing below. (near the same area where the PAP's are located before project implementation);

Alternative 5: the 24 APs would have the possibility to place their trading benches in the area indicated in the drawing below (figure 2).

Figure 2: Alternatives of the Resettlement Minimization



Both, at the social study stage and at the personal meetings, it was clear that 100% of affected persons asked for maintaining their present jobs. Consequently, the first criterion when considering the alternatives was the maintenance of the jobs for all PAPs:

Only after solving this problem, we were guided by the following criteria when considering the alternatives:

1. Traffic safety.
2. Maintaining the present project design to the maximum degree possible.
3. Demonstrating the visual properties of the Ananuri Complex.

As in Chapter 2.1, mention the land plots in the south of the design zone (number 1, 2 and 3) officially hired by traders standing here. Consequently, additional PAPs can not be transferred on this territory.

With consideration of all criteria above – safety, visual impacts, original design, as well as profitability of economic activities for vendors - Alternative 3 is deemed most appropriate.

The final decision regarding the chosen Alternative will be made by considering the PAPs' views and in agreement with the representatives of Dusheti Municipality and project design team..

3. Socio-Economic Study

3.1. Introduction

As already mentioned, no purchase of plots, buildings and premises or fruit trees is planned within the scope of the project. As per the updated design (See Chapter 2), in the phase of implementation, the project may lead to the reduction or temporary suspension of incomes. 42 APs run formal or informal business in the project zone and in the area adjacent to it.

The socio-economic study was conducted on April 27-28 of 2017. April 28 was declared a cut-off date of the project, after which it will be impossible to receive a compensation for an entity starting his business in the project zone.

38 APs participated in the social survey making 90,4% of the persons both, under direct and indirect impact of the project. 3 APs running a family business in the project zone are one family and live together. 4 APs running informal business refused to take part in the social survey, 10-15 m from the project zone.

3.2. Affected Population

3.2.1. Demography

The project is to be realized on the territory adjacent to village Ananuri, Dusheti Municipality. 36⁴ PAP (3 PAPs are one family) are made up of 131 members, who are classified as age groups as follows (Table 2). On average, one family consists of 3.6 members what is close to the average indicator of the country.

Table 2: The demographic composition of the APs

Age group	Woman		Man		Total		Average per family
	No.	%	No.	%	No.	%	
Children (>6 years)	0	0	8	12	8	6	0.3
Young people (aged 6-18)	9	13	6	9	15	11	0.5
Adults (aged 19-64)	37	54	32	53	69	53	2
Pensioners (>65 years)	22	33	17	26	39	30	1.2
Total	68	100	63	100	131	100	3.9

⁴ 4 PAP's refused to participate in the social survey

3.2.2. Ethnic composition

All persons affected by the project are Georgians ethnically (See Tables 3)

Table 3: The Ethnic composition

N	Ethnic composition	Number of APs	%
1	Georgian	131	100
	Total	131	100

3.2.3. Village and Town Dwellers

Following the fact that the project zone is located in the area adjacent to the village, the majority of the AHs (33 APs making 91.6%) are village residents, 2 AHs live in settlement Zhinvali (5.5%) (See Tables 4). Only one AP is from Tbilisi (the owner of one company.) 30 families out of 36 live in village Ananuri, two families live in settlement Zhinvali and two families live in village Zatikaantkari, while one family are from village Tsikhisdziri. All the said settlements, except the city of Tbilisi, are located in the area adjacent to the project zone.

Table 4: The Village and Town Dwellers

N	Type of settlement	Number	%
1	Village (Ananuri, Zatikaantkari)	33	91.6
2	Settlement (Zhinvali)	2	5.5
3	City (Tbilisi)	1	2.6
	Total	36	100

3.2.4. Education

Almost half of the APs and their families (46%) have elementary or secondary education, and the portion of those with higher education is also high (over 30%). The detailed information is given in Table 5.

Table 5: Education

N	Category	Woman		Man		Total	
		No.	%	No.	%	No.	%
1	Elementary or secondary	31	46	25	45	56	46
2	Secondary technical	14	21	14	26	28	23
3	Students	1	1	0	0	1	0.9
4	higher	22	32	16	29	38	30.1
5	Non-educated (unable to read or write)	0	0	0	0	0	0
	Total	68	100	55	100	123	100

3.2.5. Real Estate

35 AHs (making 97% of the total AH families) are village or small settlement residents, while 1 AH lives in Tbilisi and owns no land plot.

33 AHs out of 36 (91.7%) own land plots, 2 AHs (5.5%) live in the blocks of houses and do not own land plots, and 1 AH (2.8%) owning a land plot lives in a rented flat.

Consequently, 35 AHs out of 36 (97.2%) own residential areas, while 1 AH (2.8%) rents a flat in the block of houses.

1 AH out of 36 making 5.5% of the total amount live in the block of houses, while other 33 AHs (91.7%) live in private houses. 7 AHs out of 33 (19.4%) own one-story houses, while 25 APs (64.4%) own two-story houses, and 1 AH (2.8%) lives in a rented flat.

4 AHs of 36 village dwellers own one auxiliary building each (11.1%) and 2 AHs (5.5%) own two auxiliary buildings each. These auxiliary buildings are a garage and a cattle-shed. and 1 AH (2.8%) lives in a rented flat

3.3. Economic Activities**3.3.1. Major Sources of Income**

The major source of income for the AHs (63.9%) is their own business. In addition, 16.6% of the families are employed by private businesses. The detailed information about the major sources of income is given in Table 6.

Table 6. Information about the major incomes

N	Type of Activity	Major Source of Income
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		Number	%
1	Agriculture	0	0
2	Pension	3	8.4
3	Regular wage at a public office	0	0
4	Regular wage at a private company	6	16.6
5	Periodic pay	4	11.1
6	One's own business	23	63.9
	Total	36	100

According to the sources of income, 27 APs have the maximum number of sources of income of two making 75% of the total number. 6APs (16.6%) have one source of income, and other 3 APs (8.4%) have 3 sources of income. The maximum monthly income among AHs is 2000 GEL (average monthly income), while the least income is 300 GEL. As some APs state, their income is less than 100 GEL, particularly in winter (at the stage of the social survey, 3 APs named their pensions as the major source of income making 216 GEL including the legal appendage for mountainous regions).

As the survey results suggest, the average monthly income of families is 775 GEL. However, following the climatic conditions of the area and specifics of the present-day tourism in the project zone, their income is not stable. The income received from business in the project zone summer months is 2.5 or 3 times more than the income in winter months.

As the persons affected by the project realization state, almost half of their family budget is spent for food with the remained amount covering other kinds of expenses. See the information about the expenses in Table 7.

Table 7. Average Annual Expenses

N	Mode of Consumption	Average Annual Costs	% of the Total Costs
1	Food	4400	47
2	Other (not food)	4900	53
	Average	9300	100

3.3.2. Loans

Seventeen (almost half) of the APs (47.2%) have bank or private loans. 15 APs have bank loans, while two APs (5.5%) have loans from private entities. The maximum loan amount is 20,000 USD and the minimum loan amount is 600 GEL.

3.3.3. Domestic Animals and Domestic Goods

Despite the fact that most APs live in privately owned houses and own land plots, they are not engaged in cattle-breeding. Only 3 APs out of 33 (8.3% of the total number) owning land plots have one cattle each, a cow in particular; 12 APs (33.3%) have poultry in small numbers.

The detailed information about the types of domestic animals and essential commodities owned by the APs is given in Table 8.

Table 8. Owning Domestic Goods

N	Goods	Number of Families	%
1	Radio Set	13	36
2	Bicycle	1	2.8
3	TV Set	36	100
4	Gas Stove	36	100
5	Refrigerator	35	98
6	Washing Machine	30	83.3
7	Motorbike	0	0
8	Car	20	55.5
9	AC Unit	2	5.5

3.4. Existing Infrastructure

As already mentioned, the majority of the persons affected by the project implementation live in village Ananuri. The village is located adjacent to the central main road, has its own outpatient clinic, public school and kindergarten. The village has electrical power and central water-supply systems. The village does not have a central water drainage system.

Zhinvali Settlement (with 2 APs living in it) has central water-supply and water drainage systems, as well as electrical power and gas-supply systems. The settlement has its own outpatient clinic, public school and kindergarten.

The village Zatinaantkari (with 2 APs living in it) has central gas supply and electrical power supply systems, but not central water supply or water drainage systems. There is no outpatient clinic, public school or kindergarten in the village. There is a central road cross the village.

Village Tsikhisdziri (with 1 AP living in it) has central gas-supply and electrical power supply systems, but not central water-supply or water drainage systems. There are an outpatient clinic, public school and kindergarten in the village. There is a central main road across the village.

The city of Tbilisi (with 1 AP living in it) has all necessary infrastructures.

3.4. Key Notes and Requirements

Both at the stages of the preparation of the present document and during the social survey, the persons affected by the project implementation had the possibility to express their views and remarks regarding the project and inform about their expectations and wishes to the project implementing organizations. A relevant question was included in the questionnaire developed within the scope of the project (See Annex 3).

1. All APs stated unanimously that the existing business is their main source of income for most of them and an important source of income for other APs. Consequently, all of them wished to continue their activities in the project zone both, during the project implementation and after the completion of the project.

Several meetings were held regarding this issue both with the representatives of the Municipal Development Fund and Dusheti Municipality. Following the meetings, it was decided that all APs running business on the territory adjacent to the Ananuri Complex will maintain their businesses despite their status. See the detailed information about the considered alternatives and made decisions in Chapter 2.2 “Alternatives of Resettlement Minimization”.

2. In addition, the APs were discontent with the number of the car parking areas under the project. The project envisages building 23 parking areas, and the APs think this would be insufficient, as the cars owned by APs only is 20 used by them to transport the souvenirs and agricultural products to the project zone in the morning to take them back home in the evening. They park their cars in the project area. Consequently, after the implementation of the project, 90% of the car parking areas will be occupied by their cars making the situation quite uncomfortable for the tourists.

At the meetings held regarding this issue both, with the representatives of the project implementing organization and APs, many different views were heard. However, following the real situation, no building of additional car parking areas would be possible within the scope of the project due to the following reasons:

- The original project did not envisage the maintenance of that number of businesses in the project zone and in order to solve this problem, it already became necessary to limit the areas of the green islands, making doing any additional actions physically impossible.

- Following the local landscape and amount of project budget, it was impossible to build a great number of new car parking areas adjacent to the project area. As for building 5 or 6 additional car parking areas, this could not solve this problem.

On the other hand, the lack of car parking areas would gradually reduce the number of tourists drastically with the severest impact on the APs incomes. Consequently, finding the solution to this problem is in the best interests of the APs in the first instance.

3. The existing trading benches used by a certain number of APs fail to protect them against rain and wind. The APs wished modern benches to be installed within the scope of the project, if it were possible.

The original project did not envisage the maintenance of such great number of trading spots in the project zone and consequently, the project budget did not cover such items, as purchasing or manufacturing of modern benches. The project will accomplish all necessary actions to help the PAPs maintain their businesses.

4. Many APs were discontent with the owner of the public toilet. The reason for their dissatisfaction was high toilet fee. During a day, particularly in cold days, they have to use the toilet for several times and sometimes, the fee they pay for using the public toilet equals 10-15% of the profit they make during the day.

Such a problem could not be considered or solved by the project implementing organization, as it is unable to intervene in the dispute between two private entities.

4. The World Bank Policy, Safeguards and Georgian Legislation

4.1 Introduction

The legal and political framework of the project is based on the Georgian legislation about the land compensation/purchase and resettlement and World Bank (WB) OP 4.12 “Involuntary Resettlement Policy”. By considering the requirements of these laws and WB Policy, as well as the Resettlement Policy Framework of the Third Regional Development project, the principles of this Abbreviated Resettlement Action Plan were established.

4.2 Resettlement Related Legislation of Georgia

This section provides a brief summary of the normative and legislative acts In Georgia regulating the issues of land acquisition and resettlement, obtaining State ownership rights to privately owned land parcels based on the public needs, social issues caused due to project activities:

- Constitution of Georgia, 1995;
- Law of Georgia on Motor Roads, 1994;
- Organic Law of Georgia, Local Self-Government Code, 2014;
- Civil Code of Georgia, 1997;
- Law of Georgia on Cultural Heritage, 2007;
- Law of Georgia on Notary, 2009;
- Law of Georgia on State Property, 2010;
- Law of Georgia on Ownership Rights to Agricultural Land, 1996;
- Law of Georgia on Legalization of Property, 2007;
- Law of Georgia on Public Register, 2008;
- Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities, 2007;
- Law of Georgia on Rules for Expropriation of Ownership for Necessary Public Need, 1999;
- Civil Procedural Code of Georgia, 1997;
- Law of Georgia on Social Assistance, 2006;
- Law of Georgia on Social Protection of Disabled Persons, 1995;
- Law of Georgia on Internally Displaced Persons from Occupied Territories – Refugees, 2014.

A more expanded review of the Georgian legislation pertinent to the resettlement issues is provided in the Annex 1 of this document.

Below we will present a brief summary:

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 indicates that compensation is to be given for loss of physical assets. The law makes no provision for income/livelihood rehabilitation, allowances for severely affected

or vulnerable APs, or resettlement expenses. Finally, these laws place strong emphasis on consultation and notification to ensure that the Project Affected People (PAP) participate in the process. As in practice, public opposition to expropriation is very strong; eminent domain is very rarely used by public authorities, to be exercised only when negotiations between the agency acquiring the land and the owners fail. The acquiring agency resorts to expropriation only with a limited number of land owners with whom negotiation failed.

4.3 The World Bank Safeguards and Involuntary Resettlement Policy

All projects funded by WB must comply with the WB social and environmental safeguards. The WB financed projects, in their turn, require compliance with the WB safeguards and guidelines. WB BP/OP 4.12 Involuntary Resettlement is one of the most important safeguards guiding land acquisition and related resettlement/compensation issues during project implementation. In line with the principles of host-country responsibility, Georgia is committed to implement the WB financed projects in compliance with the requirements of WB BP/OP 4.12.

Generally, the Georgian legislation is compatible with the major provisions of the WB Resettlement Policy but a few important differences are to be noted. The WB resettlement policy is directed at improving (or at least restoring) incomes and living standards, rather than merely compensating people for their expropriated assets. This improvement of incomes and living standards broadens the objective of the policy to include the restoration of income streams and retraining of people unable to continue their old income-generating activities after displacement. The emphasis on incomes and living standards, in contrast to the conventional emphasis on expropriated property, expands the range and number of people recognized as adversely affected and affects the kind of compensation and other assistance that must be provided. Recognition of this broader range of adverse impacts leads to a greater appreciation of the issues to be considered in resettlement and consequently requires careful delineation of responsibilities, elaborate risk management and explicit and distinct resettlement planning.

The WB policy complements the Georgian legislation/regulation with certain additional requirements, which are mandatory for the WB financed projects. In particular, appropriate planning/management instruments must be developed prior to project appraisal, like Resettlement Policy Framework (RPF) and Resettlement Action Plan (RAP), as appropriate.

Resettlement Policy Framework (RPF). A policy framework needs to be prepared if the extent and location of resettlement cannot be known at appraisal because the project has multiple components, as typically happens in projects with financial intermediaries or multiple subprojects. The policy framework establishes resettlement objectives and principles, organizational arrangements, and funding mechanisms for any resettlement operation that may be necessary during project implementation. The framework also assesses the institutional capability to design, implement, and oversee resettlement operations.

Resettlement Action Plan (RAP). All projects that entail involuntary resettlement require a RAP. “The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement” (OP 4.12, Annex A, para. 2). RAP is location-specific and comprehensive action plan including preliminary studies (socio-economic assessment, sociological survey, census, valuation

of impacts, and consultation with affected persons), a set of compensation/mitigation measures for each affected person/household, and detailed implementation plan with indication of responsible parties and schedule.

The WB Policy on Involuntary Resettlement, as defined in the OP/BP 4.12, is based on the following principles:

- Involuntary resettlement is to be avoided or at least minimized.
- Compensation/Rehabilitation provisions provide affected persons with opportunity to improve, or at least restore, pre-project incomes and living standards.
- Affected Persons should be fully informed and consulted on Land Acquisition and Resettlement compensation options.
- Affected Persons' socio-cultural institutions should be supported/used as much as possible.
- Compensation will be paid at replacement cost to affected persons, without deduction for depreciation or any other purpose.
- Lack of legal title should not be a bar to compensation or alternative forms of assistance as needed to achieve policy objectives.
- Particular attention should be paid to households headed by women and other vulnerable groups.
- Land Acquisition and Resettlement 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.

4.4 Comparison of Georgian Legislation on LAR and WB Resettlement Policy

Overall, the legislation of Georgia adequately reflects the major provisions of the WB OP 4.12, but a few differences are to be noted. 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 OP 4.12 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, WB Safeguards policy on Involuntary Resettlement complement 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 RAPs based on extensive public consultations. The differences between Georgia law/regulation and WB policy are outlined in Table1 below:

Table 10: Comparison of Georgia Laws/Regulations on LAR and WB Resettlement Policy

Georgia Laws and Regulations	WB OP 4.12	Corrective Action
Land compensation only for titled landowners practice legalizable ⁵ 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.	In practice legalizable land owners are also compensated after they are issued with the necessary papers. MDFG will support those without legal titles so they can be issued relevant title to occupied 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.	It is assumed, that majority of properties will be registered to actual user, with support of the project (legal and registration support). Accordingly the compensation will be paid to all affected households. In case of damages during construction period, the construction contractor will be responsible for compensation and MDFG team will supervise the processes
Crop and trees losses compensation provided only to registered landowners.	Crop losses compensation provided to landowners and sharecroppers/lease tenants whether registered or not	In case of leased land plots, the compensation will be paid to renters for their actual losses and be given assistance to access some other land to continue activities. The informal users of the land also are subject for crop and tree compensation.
Compensation for loss of assets is	Compensation for loss of assets is	Compensation will be paid based on market value without taking into account

⁵ Legalizable: those PAPs who have no Permanent Residential Registration, but have Temporary Residential Registration with the local authority, or have the conditions to get Permanent Residential Registration.

<p>based on market value without taking into account depreciation</p>	<p>based on market value without taking into account depreciation, salvaged materials and should also include registration and transaction costs and taxes and fees, labor and transportation costs. It should also include other resettlement costs such as cost of preparing land for cultivation.</p>	<p>depreciation and the cost of salvaged materials, Including registration and transaction costs, taxes and fees, labor and transportation costs. GSE will have in place clear legal procedures to allow for recognition of transaction costs and other resettlement costs. The asset evaluation criteria will be based on replacement value as per `OP 4.12</p>
<p>Administrative body implementing the Project (MDFG) is the only pre-litigation final authority to decide disputes and address complaints regarding quantification and assessment of compensation for the affected assets. Complaints are reviewed in compliance with the formal procedures (rules) established by the Administrative Code of Georgia. There is no informal grievance redress mechanism through community participation at the local level.</p>	<p>Complaints & grievances can also be resolved informally through a project-level grievance redress mechanism which in some cases can have community participation through a Grievance Redress Committees (GRC), Local governments, and NGO and/or local-level community based organizations (CBOs).</p>	<p>The MDFG resettlement team will have in place a mechanism to receive, register and process grievances from APs. Representatives of municipalities, local authorities and villages will be involved in the process from early stages. This will ensure solution of disputes and claims (if such occurs) at the community level, however if solution could not be found, the case will be processed in accordance to legislation of Georgia.</p>
<p>Decisions regarding land acquisition and resettlement are discussed only between the landowners and the agency in charge of land acquisition.</p>	<p>The RPF and RAPs including information on compensation eligibility criteria, methodology for valuation of affected assets, compensation entitlements, and technical /financial assistance are to be publicly disclosed during the planning process.</p>	<p>The preparation of the RPF and RAP will be done through engagement with relevant stakeholders and the RPF and RAPs will be publicly disclosed. No personal information of the APs and amounts of cash compensation will be publicly disclosed but will be individually provided to PAPs.</p>
<p>No provision for income/livelihood rehabilitation, allowances for</p>	<p>WB policy requires income/livelihood restoration and provision of</p>	<p>MDFG will have in place clear legal procedures to allow for additional</p>

severely affected or vulnerable APs, or resettlement expenses.	rehabilitation for income/livelihood, severe losses, and for expenses incurred by the APs during the relocation process	assistance for severely affected and vulnerable households in accordance to the RAP.
No specific plan for public consultation is provided under the Georgian laws	Public consultation and participation is the integral part of WB’s policy which is a continuous process at conception, preparation, implementation and finally at post implementation period.	The public consultation process will be accomplished in accordance to WB requirements and guidelines prior to RAP implementation.

To reconcile the gaps between Georgian laws/regulations and WB’s OP 4.12 MDF has drafted a RPF for the Project, ensuring compensation at replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for AFs that may be relocated, suffer business losses, or may be severely affected.

“The legislation of Georgia shall correspond to universally recognized principles and rules of International law. An international treaty or agreement of Georgia unless it contradicts the Constitution of Georgia, the Constitutional Agreement, shall take precedence over domestic normative acts⁶”

Signing a legal agreement with the Bank implies that WB safeguards policies over-rule.

4.5 4. Principles of Resettlement and Land Acquisition Adopted for the Regional Development Project III

The overarching objective of the Project in relation to land and asset acquisition is to assist the project affected populations (PAPs) in restoring their livelihoods at least to the level equal to the pre-project level. Therefore, during implementation of the the Regional Development Project III MDFG is committed to ensure that:

1. For each subproject that involves acquisition of private land, temporary or permanent income loss, physical displacement of households or businesses, or other impact that triggers the OP 4.12, a Resettlement Action Plan (RAP) will be developed in compliance with policies and procedures set out in this RPF, the WB OP 4.12 and Georgian legislation;
2. Municipalities that propose subprojects to the MDF will be responsible to support the MDFG in the implementation of the relevant RAP and in the preparation of the RAP;
3. No civil works can start at the section where impacts that trigger OP 4.12 occur before a RAP implemented and compensation is paid;

⁶ “Constitution of Georgia”, Article 6 point 2.

4. PAP will receive compensation or support of various kinds in accordance with the entitlement matrix included in this RPF and in compliance with the active legislation of Georgia and the World Bank safeguard policy;
5. PAP will be informed about their rights and existing alternatives;
6. PAP will be consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives;
7. PAP will be offered effective compensation at full replacement cost for losses of assets relying on the information received from the Independent authorized valuation company hired by MDFG;
8. PAP will be offered additional support (see section 7.3) to support their livelihood during the transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living;
9. PAPs with livelihood impacts will be provided with development assistance in addition to compensation measures described, such as land preparation, credit facilities, training, or job opportunities;
10. Special attention will be paid to the needs of the most vulnerable groups of the population – children, women, the elderly, those below the poverty line, disabled, IDPs, refugees, etc.;
11. A fair and accessible grievance redress mechanism will be developed;
12. Compensation measures are completed prior to start-up of the particular construction activities that trigger OP 4.12.

A Resettlement Action Plan (RAP) will be developed as per the RPF prepared for RDP III and Bank OP 4.12 as well as Georgian legislation for each sub-project of the Regional Development Project III. As discussed above, there are gaps between OP 4.12 and Georgian legislation. If a discrepancy is observed between this RPF and OP 4.12 and Georgian legislation any land acquisition required for the Project will be carried out as per the principles and procedures laid out in OP 4.12.

A market survey will be conducted to assess the prevailing market prices of land, construction materials for affected structures, crops and other relevant items, which will be used to find adequate replacements when necessary. After this is done, each individual PAP's property will be valued by an independent valuation company. This will additionally ensure that the market prices will allow PAPs to purchase replacement land.

Loss of income and assets will be compensated on a net basis without tax, depreciation or any other deduction. The final RAP should be submitted to, cleared by the Bank, and it should be implemented and PAPs should be fully compensated prior to the execution of civil works for relevant sections.

3.6 Eligibility and Entitlements

3.6.1 Eligibility

PAPs entitled for compensation or at least rehabilitation provisions under the Project are:

- All PAPs losing land, or access to land, permanently or temporarily either covered by legal title/traditional land rights or without legal status;
- Tenants and sharecroppers whether registered or not;
- Owners of affected buildings, crops, plants, or other objects attached to the land; and
- PAPs losing business, income, a source of livelihood, and salaries.

Compensation eligibility will be limited by a cut-off date to be set for each subproject on the day of the ending of the Census. Persons who settle in the affected areas after a locally publicized cut-off date will not be considered project-affected, and persons initiating improvements to land or structures after a locally publicized cut-off date will not be eligible for additional compensation.

They, however, will be given sufficient advance notice, requested to vacate premises or 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.

4.6.2 Entitlements

At present, the following categories of people are expected to be affected by the project:

- PAPs (including formal and informal businesses) who experience temporary loss of income or asset as a result of restriction of access to land or assets during civil works.
- Leaseholders (individual and enterprise) who have lease agreements with the Municipalities or other owners in existing and alternative alignments and sites
- Informal occupants and land users on existing rights of way and new alignments and sites.

If permanent relocation is involved, whenever possible, and when acceptable to MDF, the affected persons will be relocated to new properties of equal quality identified by the Project. Affected persons will be compensated for relocation costs.

Persons affected temporarily by construction activities will be compensated for any lost income, assets and damages.

4.6.3 Assessment of Compensation Unit Values

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

Agricultural Land will be valued at replacement rates according to two different methodologies depending on whether in affected areas active land markets exist or not.

Where active land markets exist, loss of land will be compensated at the replacement rate based on a survey of land sales in the year before the impact survey. Where active land markets do not exist, loss of land will be compensated based on the cost of reproduction of a plot with equal Landowners without legal documentation for land and whose land ownership cannot be legalized

are considered informal occupants. characteristics, access and productivity to the plot lost. A clear valuation methodology for these cases will be detailed in RAPs.

If damages to residences or commercial structures occur, houses/buildings will be valued at replacement value based on the cost of materials, types of construction, labor, transport and other construction costs. No deductions will be applied for depreciation, salvaged materials and transaction costs. Compensation will be for the value of the loss of the entire structure.

Annual crops will be valued at net market rates at the farm gate for the first year crop. In the event that more than one-year compensation is due to PAPs, the crops after the first year will be compensated at market value (total farm gate sales value minus input costs).PAPs will not have to pay taxes on this amount.

The unit compensation rates will be assessed by Project consultant or by the MDF authorized independent evaluator on clear and transparent methodologies acceptable to WB. The assessed compensation rates will then be verified and certified by the Environmental and Resettlement Unit of MDFG.

Table 11: Compensation Entitlement Matrix

Type of Loss	Application	Number of Aps	Compensation Entitlements
Loss of Income and Livelihood			
Temporary reduction of incomes	Formal and informal PAP's in project area	26 PAP	PAPs will be given 20% of profit. The profit will be calculated by considering the subsistence minimum fixed for a 5-member family. At present, the subsistence minimum for a family of 5 is fixed at 338.3 GEL for three month. PAP's will receive 20% of: 338.3X 3 month = 203GEL
	Informal PAP's outside of the project area	8 PAPs	PAP's will be given 20% of profit. The profit will be calculated by considering the subsistence minimum fixed for a 5-member family. At present, the

			subsistence minimum for a family of 5 is fixed at 338.3 GEL for three month. PAP's will receive 20% of: $338.3 \times 3 \text{ month} = 203\text{GEL}$
Temporary suspension of incomes	Formal and informal PAP's in project area	26 PAPs	PAPs will be given compensation for three month. The compensation will be calculated by considering the subsistence minimum fixed for a 5-member family. At present, the subsistence minimum for a family of 5 is fixed at 338.3 GEL for three month. PAP's will receive 2 $338.3 \times 3 \text{ month} = 1015 \text{ GEL}$
Temporary suspension of incomes	Employees	8 PAPs	PAP's will be given compensation for three month. The compensation will be calculated by considering the subsistence minimum fixed for a 5-member family. At present, the subsistence minimum for a family of 5 is fixed at 338.3 GEL for three month. PAP's will receive 2 $338.3 \times 3 \text{ month} = 1015 \text{ GEL}$
Temporary reduction (possible suspension) of incomes	One Company	1 PAP	Reduction: The profit calculated based on the official document submitted by the business owner – a Tax Declaration.

			PAP's will be given 20% of profit for three month.
			If Suspension: The profit calculated based on the official document submitted by the business owner – a Tax Declar. Will be given profit for three month.
Allowances			
Relocation	Relocation costs	Only one PAP using the carriage for selling products. ⁷	As relocation cost PAP will get 50 GEL.
Vulnerable People Allowances	APs below the poverty line, families lead by single women, refugees, disabled belongs I and II groups and elderly	7 APs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income for a family of five* and employment priority in project-related jobs. This is additional allowance for vulnerability status on top of that of other entitlements in this matrix.
Unconsidered Damage			
Temporary impact during construction			Due compensation will be assessed and paid based on this RPF during construction.
Unforeseen impact			MDFG and the construction contractor will address and mitigate/compensate unforeseen Resettlement impact during project.

4.6.4 Allowances for Vulnerable Groups

⁷ The remaining PAPs use tables/counters that are easily moved.

According to the WB and IFC guidelines and the baseline socio-economic survey, vulnerable groups could include: Families below the poverty line⁸, families lead by single women, refugees, disabled belongs I and II groups and elderly. Allowance equivalent to 3 months of minimum subsistence income for a family of five* and employment priority in project-related jobs. This is additional allowance for vulnerability status on top of that of other entitlements in this matrix.

The above mentioned persons will receive 338.3 GEL x 3 months ie 1015 GEL.

⁸ Families under the poverty threshold (officially registered in Social Services as poor: with rating less than 57000 – extremely poor receiving social allowances and with rating more than 57000 but less than 70000 – receiving polices).

5. Political and administrative Structure

5.1 Institutional Responsibilities

The Municipal Development Fund of Georgia (MDFG) is the executing agency (EA). MDFG is responsible for managing construction/rehabilitation activities in scope of the RDP III project as well as land acquisition and resettlement of the PAPs.

MDFG is assisted by a number of other government departments and private agencies in the design, construction and operation of the Project. Pursuant to the active legislation, the National Agency of Public Registry (NAPR) within the Ministry of Justice is in charge of the recognition of ownership rights of rightful owners, registration of land ownership, based on verification and certification from village communities, notaries, property rights recognition commissions at local administration/municipalities. The local/district NAPRs are also responsible for registering the transfer of acquired land from landowners to the Agency for Culture Heritage Preservation of Georgia (ACHP), the local governments at district and village levels are involved in the legalization of land parcels, land acquisition and resettlement. The Ministry of Environmental and Natural Resources Protection (MoENRP) is responsible for environmental issues.

Various sub-projects of the RDP III Project are located in the municipalities Samtskhe-Javakheti and Mtskheta-Mtianeti Regions. All corresponding Sakrebulo, Gamgeoba, Registration Offices and PRRCs will be involved in RAP. Local Sakrebulos and Rtsmunebuli of villages are involved for local level LAR activities.

The World Bank (WB) will be financing the Project and will provide advice and supervision on land acquisition activities.

5.2 Land Registration Organizations

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

Rtsmunebuli and Gamgeoba at Village (Community) Level

The community level Gamgeoba is the executive branch of self-government headed by Rtsmunebuli. Rtsmunebuli has the primary role in the process of legalization and registration of land parcels. Rtsmunebuli confirms the ownership of affected land plots, the parameters of land plots and endorses the cadastral maps and related data prepared in cases of legalization¹. Gamgeobeli plays an important role in the legalization of non-rightful owners (owners in possession before the enactment of current law on privatization of land in Georgia without prior permission of the government). Gamgeoba has the power to authorize² details of the occupied land parcel and verify its usage pattern as the first hand verification and authorization for further consideration in the Property Rights Registration Commission (PRRC) as a basic step for registration with the Public Registry. Neighbours of applicants for legalization have roles in the authorization process. Rtsmunebuli of the villages will be involved in RAP process of implementation.

Property Rights Recognition Commission

Under 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 Government of Georgia has established the PRRC at the Rayon level for recognition of ownership rights of non-rightful owners for registration. The PRRC verifies and authorizes the application of ownership for registration with the NAPR. The PRRC authorizes the application of only those PAPs who are not registered but have

residential land or agricultural plots adjacent to the project affected area (“non-rightful land owners”, according to definition of Georgian regulations).

Rayon Registration Office

NAPR is in charge of the registration of land ownership and its transfer through purchase agreement from landowners to the GSE. Rayon Archives are now transferred in the possession of the Rayon Registration Offices of the NAPR. Rayon Archive is used for cross verification of ownership document and validity of physical possession of land by persons seeking registration as legalizable owner, in the case, owner does not have available documentation proving ownership rights on the adjacent land plot or in case there is any doubt regarding the plot.

Rayon Registration Office of the NAPR is the Rayon level authority for executing registration of land parcels in the name of the applicants based on package of application documents provided by rightful owners (PAPs possessing ownership documents but with title formalization pending) or by non-rightful owners after receiving appropriate certificate from PRRC as the case may be. The owners submit both soft copy and hard copy of plot maps with geometric details for record in the Rayon and Central NAPR.

5.3 Land Acquisition and Resettlement Organizations

MDFG – Municipal Development Fund of Georgia

MDFG has the overall responsibility of design, land acquisition and resettlement, construction, construction monitoring and supervision of the RDP III Project. This also includes financing and executing land acquisition and resettlement tasks and cross-agency coordination. MDFG will exercise its functions through its existing Resettlement Management Team (RMT), which consists of representatives of Permits Unit, Legal Department and Environmental and Social Safeguards Unit of MDFG. One Social Safeguards/Resettlement Specialists will be hired and a Social / Gender Specialist have been hired and engaged for WB financed projects. The staff have received professional on-the-job training as a part of the World Bank’s technical assistance to the MDFG. For each separate project, including the present one, MDFG will hire a local specialist as a consultant assisting in implementation of RAP.

A Resettlement Management Team (RMT) having specific experience and skills in land acquisition and resettlement (LAR), is responsible for LAR activities related to the project. The RMT is responsible for supervision of all technical work to accomplish RAP preparation and

implementation tasks and coordination within the MDFG, as well as at central and local government levels.

The specific tasks of the MDFG RMT will be to (i) supervise preparation of RAPs for construction contracts and implement it after concurrence from donor IFI; (ii) establish land acquisition and resettlement (LAR) capacity at the regional level; (iii) ensure proper internal monitoring; and (iv) hire, following the donor IFI recommendation, the external monitoring agency.

The RMT will also provide all necessary documentation to ensure the prompt allocation of land acquisition and resettlement compensation to the PAPs and will maintain the coordination of all land acquisition, resettlement and livelihoods-restoration related activities.

The MDFG will be responsible for ensuring that an independent consultant/company for RAP preparation is engaged to conduct any survey and documentation, including cadastral survey, PAPs census, inventory of losses, and valuation of land and assets for replacement value. RAP will be prepared based on findings of the surveys following the final detailed engineering design for each sub-project.

An external and independent consultant will also be responsible for writing/updating RAPs.

Based on the MDFG's decision and the prices for land acquisition and easements, the offer of purchase of land parcels shall be undertaken. If PAP agrees on the acquisition he/she will confirm such agreement in writing by signing the Sales/Purchase 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 PAP and the MDFG Resettlement Management Team later will take decision to start expropriation.

The RMT will also be responsible for all livelihoods restoration activities. This will include ensuring that consultations are held with PAPs who are losing livelihoods/whose incomes will decrease, helping them to develop alternatives for livelihoods restoration, linking these PAPs with government programs to promote employment/livelihoods, and developing tailored assistance to PAPs that may need this assistance to return to their pre-project income level.

Rayon LAR Team

Rayon LAR Team will be an informal group established for each sub-project through participation of rayon and village authorities and PAPs in order to provide technical assistance to the MDFG in the preparation and implementation of the RAP. The assistance includes identification of the affected landowners and users, defining the boundaries of land parcels, obtaining data on ownership, relations with PAPs, settling disputes in an informal way, ensuring unimpeded legalization of legalizable land plots, etc. The rayon level team is represented by the Gamgebeli, head of the local office of NAPR (National Agency of Public Registry), representatives of affected villages and Resettlement Management Team (RMT) of the MDFG. By instructions of the Rayon LAR Team, LAR Working Groups comprising village representatives (Rtsmunebuli), Rtsmunebuli shall verify with his signature the list of affected land owners and users as well as the measuring and inventorying of each affected land plot by the MDFG Consultant in attendance of land owners. The staff of NARP local office and social service agency shall collaborate with the

LAR Working Groups assisting them in obtaining archive documents, determining the social status of the PAPs and registration of their property. Based on the LARP recommendations, the resettlement unit of the MDFG shall start negotiations with the PAPs on the purchase of affected land plots and other assets in order to compensate for the loss of land and property (for both formal and informal users) Simultaneously, the MDFG will ensure proper consultations with the PAPs in assessing their individual needs for full restoration of their livelihoods and propose respective matrix for different types of livelihoods losses and mitigation measures. In case of agreement, PAPs will sign contract agreement indicating that they accept the compensation provided to them and the contract shall be registered at NAPR. During the negotiations and property registration the Resettlement Team of the MDFG shall be assisted by LAR group members, including village Rstmunebuli, NAPR local office staff, etc. A purchase agreement is the basis for compensation payment. The compensation amount is decided by an authorized independent valuation company selected by the MDFG. If the negotiation between an PAP and MDFG fails, the MDFG which will start the expropriation process. At the same time LAR Team shall inform the PAPs about the availability of grievance redress mechanism (see Section 9), which can be used for informal pre-litigation resolution of disputes.

In case of private investors will be involved in project implementation will be obligated to carry out all their actions according Georgian legislation and World Bank safeguard policy requirements as described above, especially:

1. PAP's occupied or using agricultural land that is owned by private investors and after private investors will be involved in project implementation losing agricultural land plots, which is the only land plot owned by PAP, from private investors side will be compensated with one time allowances in cash equal to 1 year of minimum subsistence income of the family of five to allow the PAP to establish the economic activities elsewhere. In case of being defined as vulnerable, PAPs get additional compensation amounting 3 months of minimum subsistence income for a family of five. In order to support the full restoration of livelihoods, PAPs will also be assisted in finding equivalent agricultural land plots in equally accessible and nearby locations. If land is not available in nearby locations, PAPs will be assisted in determining whether they prefer support for alternative sources of livelihood or assistance relocating to areas where agricultural land of similar quality and price is available. In the case that relocation is necessary, PAPs will also receive relocation assistance. All above mentioned costs will be covered by private investor.

2. PAP's occupied or using non-agricultural land that is owned by private investors and after private investors will be involved in project implementation will be lost plot or/and houses, which is the only land plot/house used for residence, from private investors side will be compensated with a one-time self-relocation allowance in cash equal to 1 year of minimum subsistence income for a family of five or providing with an alternative residence with adequate conditions and access to service. These PAPs will be assisted in finding housing near to sources of income, such that these remain unaffected. If PAPs are unable to continue with their source of livelihood after relocation, they will be provided compensation for the loss of livelihoods as outlined in the entitlement matrix in section 5.3 and assisted in restoring their livelihoods using the processes outlined in section 7.3. In the case that the land plot/house used for residence is not the only land

plot/house used for residence, only cash compensation will be provided, unless livelihoods are affected, in which case the entitlement matrix in 4.3.6 applies and the processes outlined for livelihood restoration in section 7.3 apply. If land plots/housing provides the main source of non-agricultural livelihoods for the PAPs, PAPs will be assisted in finding equivalent land/housing such that they can continue their existing livelihood. If this were to require relocation, PAPs will receive relocation assistance as well as assistance restoring their source of livelihood. If PAPs prefer, they will instead be offered the chance to participate in programs outlined in 7.3 for restoration or finding alternative sources of livelihood. All above mentioned costs will be spend by private investor.

Involvement of each private investor in the project will be judged by developed indicators (see annex 4). If any of the indicators is checks as “significant”, the private investment is not eligible for support with matching public infrastructure.

5.4 Other Organizations and Agencies

Civil Works Contractor

A Civil Works Contractor to be appointed by the MDFG to undertake the construction will be responsible for mitigating impacts resulting from the construction activities. Based on the RAP and the Technical Design, the parcel of land that will be identified and acquired will be demarcated to clearly delineate it from the remaining non-acquired parts. The construction activities shall be monitored closely by the MDFG to ensure compliance to the temporary mitigating measures.

Court of Georgia

The Court of Georgia shall be the last resort for issues and concerns regarding the implementation of the aspects of the RAP relating to Georgian Law. In the case that there is no agreement between the MDFG and the PAPs concerning the acquisition of private properties, the MDFG with the mandate for expropriation based on existing legislations will submit to the Court a request for expropriation. Upon its approval and following prescribed procedure, MDFG will then take over the concerned property after having been given by the Court the right of the Expropriator. Furthermore, in cases where complaints and grievances regarding RAP implementation and compensation are not solved at the various levels as prescribed in the agreed Grievance Redress Mechanism, the PAPs will have the right to appeal the case to the Court. According the constitution of Georgia: “Acts of courts shall be obligatory for all state bodies and persons throughout the whole territory of the country.

Ministry of Finance

The budgets for the implementation of RAP will be provided to MDFG by the Ministry of Finance following its official approval. The RAP budget will be allocated on the accounts of MDFG (or its fiscal agent) that is responsible for the financial management of the project.

Ministry of Justice

The Ministry of Justice is responsible for legal matters regarding land ownership, and National Agency of Public Registry (NAPR) within the Ministry of Justice is in charge of the registration of land ownership and its transfer through purchase agreement from landowners to the MDFG.

Donor WB

Besides supervising the Project periodically, the WB will review RAPs and provide clearance to contract awards signing and initiation of civil works for construction under the Project.

5.5 Capacity Building on LAR

Initial capacity building for relevant agencies was carried out during the preparation of RAP at the feasibility study stage. Close consultations were held with all the concerned departments. MDFG has established the Resettlement Management Team dealing with land acquisition and resettlement. Training will be provided by the consultant's resettlement specialist to the officials on the requirements of WB OP 4.12 policy and how to develop a balanced compensation package fulfilling the requirements of PAPs, Government, MDFG, donor IFIs. Capacity building training will also be initiated through a series of consultations and informal training sessions at the local administration level. Rayon level LAR Teams will be formed at each rayon that will be responsible for LAR activities assisting the LARC of the MDFG in the process of RAP implementation.

In terms of capacity and manpower resources within Resettlement Team of the MDFG, some expansion of the capacity on LAR is desired to allow an effective execution of all LAR related tasks for the project. The Environmental and Resettlement Safeguards Unit comprises the following staff units: Head of the Unit, three (3) Environmental Specialists, two (5) Resettlement Specialists and one (1) Social and Gender Specialist. LARC, at Rayon and field levels involved in LAR activities will undergo training on WB resettlement policy and management. The training will be provided under the relevant WB programs for capacity building of executing agencies on involuntary resettlement. Training will cover the following topics (Training will be financed under RDP III):

- (i) Principles and procedures of land acquisition (WB and GOG);
- (ii) Stakeholders of the project
- (iii) Organizations involved in the process of land acquisition and resettlement and their roles
- (iv) Public consultation and participation process;
- (v) Entitlements, compensation and disbursement mechanisms;
- (vi) Grievance redress; and
- (vii) Monitoring of resettlement operations.

Table 12: State Institutions that may be involved in RAP implementation process

#	Ministries and Departments	Responsibilities
3	Ministry of Environmental Protection and Natural Resources	Resolves the issues related to the changes of the designation of land. Site approval within the Construction Permit.
4	Tourism Department	Site approval within the Construction Permit. Certain restrictions on construction in a sanitaire protection zones of resorts
5	Ministry of Culture, Monuments Protection and Sports	Site approval within the Construction Permit. Certain restrictions on construction in archaeologically valuable sites.

6. Consultation and Participation

6.1 Introduction

Consultation and participation is a process through which stakeholders influence and share control over development initiatives, and the decisions and resources that affect them. It is a two way process where the executing agencies, policy makers, beneficiaries and PAP discuss and share their concerns in a project process. Consultation and participation has been a major principle in the planning and preparation of the detailed design of the Project. WB gives high priority on public consultation and participation to enhance the community voice and assure incorporation of community's views in design and implementation of a socially and environmentally compliant project. The Georgian laws also place strong emphasis on consultation and notification to ensure that the PAP participate in the process.

The focus of these consultations are to ensure that the PAP and other stakeholders are informed, educated, consulted and allowed to participate actively in the process of project development and preparation of social and resettlement plan; reducing public resistance to change; helping mitigate and minimize any probable negative impact and bringing in the benefit of the project to the people. The project design and preparation of land acquisition and resettlement plans, therefore, attempted consultation and participation of the PAP and communities to incorporate their views, needs and aspirations into the Project components. The consultation process has stepped up at Feasibility Study stage and was continued through public consultation meetings and individual contacts during land compensation/acquisition and resettlement surveys in April in 2017.

6.2 Consultation Process and Methodology

Consultation with local communities and government bodies in the project process was instrumental for project alignment demarcation and selection. 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.

Consultation with the PAPs in the project affected areas were conducted during the Feasibility Study stage and was continued through public consultation meetings and individual contacts during land acquisition and resettlement surveys in 23-28 of April, 2017. The methodology includes walk-through informal group discussion, focused group discussion, individual interview, key informant interviews, and informal discussion. The PAPs, their community, and local government officials were consulted to inform, educate and provide feedback in the project design.

Specifically for this RAP the PAPs were consulted through individual contact during the census survey during the preparation of this RAP, all likely AP persons were consulted through community level meeting and through individual contact at the time of census, socioeconomic survey and detail measurement survey.

Various methods used for stakeholder’s consultation and participation with concerned stakeholders are described in Table 13.

Table 13. The Report of the Consultations Held and Methods of Consultations

Concerned Parties	Goal	Method
Potential APs and their communities	Informing the APs, reviewing their views about the possible impact, compliance and rights of property, as well as giving out compensation, displacement and rehabilitation procedures	<ul style="list-style-type: none"> • Meetings with all AHs during the socio-economic survey • Discussions with specific groups and meetings at a village level
Municipal Development Fund of Georgia, including its resettlement team (RMT)	Taking advice about the government policy, project guiding priorities and works	Frequent individual meetings with the MDF officials
National Agency of Public Registry of the Ministry of Justice of Georgia	Obtaining a cadaster map and information about the land plots and people in the impact zone. Obtaining the information about the official statuses of the entities running business in the project zone.	Consultations and discussions with the officials.
Local authorities at the regional level (regional municipality)	Benefiting from their cooperation in the impact assessment study and discussing the problems associated with the status of overlooked land plots and rent.	Individual meetings with the officials of the relevant regions and discussions.

6.3 The Consultations with APs at the Stage of Preparation of the Resettlement Action Plan

The process of consultation reached the stage of the feasibility study and was continued with public consultations. Social survey was held in April of 2017.

At the stage of preparing the presented documents and social survey, the persons affected by the project implementation were given the possibility to express their views and remarks regarding the project and inform the project implementing organizations about the expectations and wishes. A relevant question was included in the social questionnaire developed within the scope of the

project. Many issues were considered during the consultations, and as a result, a number of changes were made to the final decisions (for the detailed information see Chapter 2.2).

In the process of RAP preparation, the leaflets were distributed in the communities under the potential project impact and thus, the residents learned about the project features and World Bank resettlement principles. The leaflets were distributed through the regional and rural municipalities and were also given immediately to the business owners under the potential impact. The main villages with their dwellers as business owners in the project zone are: Ananuri, Zhinvali settlement, Zotikaantkari and Tsikhisdziri.

6.4 Consultation and Participation Plan

RMT on behalf of MDFG will pursue information disclosure for effective implementation and timely execution of RAP. Village level consultations with APs will be conducted during the implementation process. For the benefit of the community in general and APs in particular, RAP will be made available in concerned offices at rayon Sakrebulo and the municipal Gamgeoba. An information leaflet (in Georgian) is distributed among the APs and their community. A copy of the English version of RAPLeaflet is attached in Annex 2

For continued consultations, the following steps are envisaged in the project:

- Final RAP will be disclosed in Georgian and English languages upon receiving approval from the WB;
- MDFG will organize public meetings and will inform the communities about the progress in the implementation of resettlement, and social activities;
- MDFG through its RMT will organize public meetings to inform the community about relocation alternatives/options, the compensation and assistance to be paid in the event of permanent or temporary loss of business or income. Regular update of the progress of the resettlement component of the project will be placed for public display at the local level MDFG office and at local Municipal Office;
- All monitoring and evaluation reports of the RAP will be disclosed to the community;
- Key features of the entitlements will be disclosed along the project corridor;
- MDF will conduct information dissemination sessions at Gamgeoba and solicit the help of the local community leaders to encourage the participation of the APs in RAP implementation;
- Attempts will be made to ensure that vulnerable groups understand the process and to take their specific needs into account;
- During the RAP implementation all affected households will be addressed individually. They will be informed in details about the project impacts and compensation values by separate tallies. Explanation will be given regarding the valuation methodology and other issues, available grievance redress mechanisms, etc

6.5 Disclosure

Electronic version of the Final RAP will be placed on MDFG web-site. The summary of RAP will be translated into local language (Georgian) and will be disclosed to PAPs at local level. The copy of the RAP (Georgian version) will be available at the concerned office of Dusheti Municipality

and village Ananuri. The final RAP will be submitted to WB for approval and signing of contract awards will follow after WB's approval of RAP.

7. Grievance Redress Committee (GRC)

7.1 Objectives

A grievance redress mechanism will be established to allow a PAP to complain about any decision of activities regarding temporary or permanent loss of income and their compensation. Grievance resolution is a two-stage process, including:

Stage 1 – informal (oral) review of the PAP's complaint (with or without written or oral). At this stage the PAP's complaint shall be reviewed by Grievance Redress Committee in an informal (oral) way and the Committee members of both levels (the composition of the committee is specified in this Section) shall make and sign the minutes on the matter. If at Stage 1 the PAP's complaint is not resolved the PAP should be informed about grievance resolution procedures of Stage 2. PAP has the right to use the procedures of Stage 2 without applying to Stage 1 procedures.

Stage 2 – review of PAP's complaint. For Stage 2 of grievance resolution process the MDFG established a Grievance Redress Committee (GRC) for the whole period of the project implementation. GRC shall review the written complaints of PAPs, which were not satisfied at Stage 1. At stage 2 the PAP's complaint shall be resolved and GRC shall make a decision in compliance with the Administrative Code of Georgia.

Grievance redress procedures of Stage 1 are an informal tool of dispute resolution allowing the PAPs and the project implementation team to resolve the disagreement without any formal procedures, procrastination and impediments. The international experience of resettlement shows that such informal grievance redress mechanism helps to solve most of the complaints without formal procedures (i.e. without using the procedures specified in the Administrative Code or litigation). This mechanism enables unimpeded implementation of the Project and timely satisfaction of complaints. If the PAP is not satisfied, the grievance redress mechanism should assist him/her in lodging an official complaint in accordance with the procedures of Stage 2 (the plaintiff should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc.).

The grievance redress mechanism shall deal with the issues of land and other assets acquisition (e.g. amount of compensation, suitability of residual land plots, loss of access roads, etc.) as well as the losses and damages caused by the construction works, e.g. temporary or permanent occupation of land by the contractor. Therefore the grievance redress mechanism shall be in place by the time the MDFG starts negotiations with the PAPs and shall function until the completion of the construction.

At the RAP preparation stage during the consultations meetings and negotiations the PAPs shall be fully informed of the grievance redress mechanism, its functions, procedures, contact persons and rules of making complaints through oral information and booklets. Care will always be taken to prevent grievances rather than going through Stage 2. The achievement of this goal can be

ensured through careful planning and preparation of RAP, active participation of PAPs, effective consultations, proper communication and coordination among local communities, MDFG and local authorities.

7.2 Formation of GRC

A Grievance Redress Mechanism will be established to allow a PAP to complain about any decision about activities regarding temporary or permanent loss of their lands, assets or source of incomes and their compensation.

A Grievance Redress Committee (GRC) is an informal grievance redress mechanism at Stage 1. This informal body will function at the community level in Ananuri Gamgeoba (village/community authority). The MDFG representative in the Rayon LAR Team can coordinate the GRC formation. Additionally, GRC will comprise representatives of PAPs, women PAPs. If the complainants are not satisfied with the GRC decisions, they can always use the procedures of Stage 2 of grievance resolution process.

For Stage 2 of grievance resolution process a commission comprising at least 3 members established by order of the MDFG Chairman.

At the stage of the social survey, which was held on April 23-28 of 2017, the APs were given the information leaflets, which informed them thoroughly about the instructions of both, the Project and the World Bank, including the necessity for establishing a Grievance Redress Committee (GRC) within the scope of the project and members of the Committee. At the stage of conducting the said study, all APs had to name two people as candidate members of GRCN (a relevant question was included in the social survey questionnaires – Annex 3). As the survey results suggest, the following representatives among the displaced people were elected the members of GRCN: (1) Ekaterine Narimanidze, a representative of the displaced women, and (2) Dato Maritsashvili, a representative of the affected people. Contact person from the Municipality will be Mr. Genadi Gumbatashvili. Information about the contact persons will be provided to PAP's during the public meeting.

At MDF level a feedback email address (feedback@mdf.org.ge) and telephone (598 88 20 19) will be disseminated during the consultation and posted in a visible location throughout the course of the project.

7.3 Grievance Resolution Process

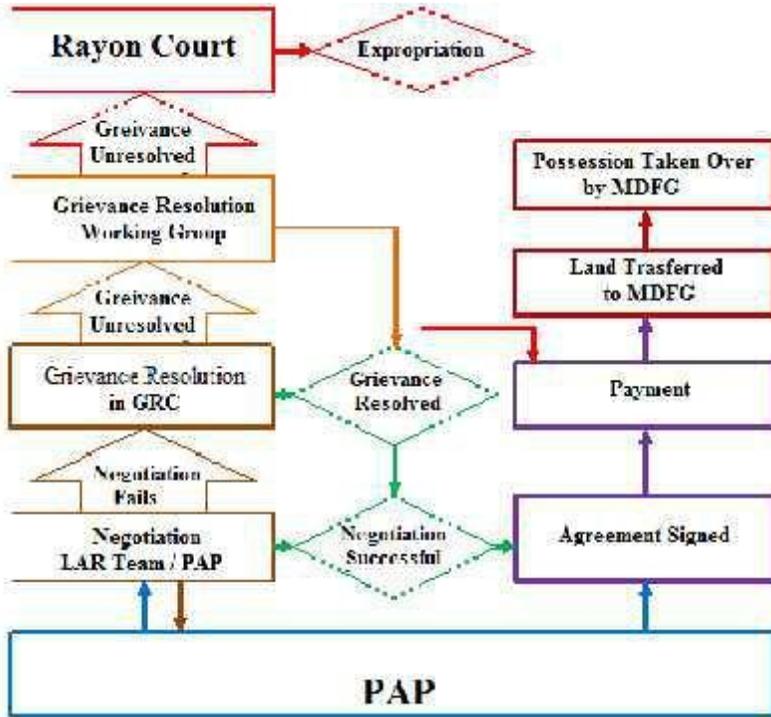
Stage 1 – The member secretary of GRCs will be regularly available and accessible for PAPs to address concerns and grievances. The PAPs shall be informed of the details of contact persons to whom complaints were submitted. The Contractor, Rtsmunebuli and Sakrebulo shall be warned that all complaints they may receive from PAPs shall be immediately submitted to the contact persons of MDFG (coordinator and secretary), which will then organize a meeting and informally

review the complaint with the aggrieved PAP. If the PAP is not satisfied, the GRC shall assist him/her in lodging an official complaint to the relevant body (i.e. MDFG). RT of MDFG headquarters will keep record of complaints received for its use as well as for review by the WB during regular supervision. The complaints and grievances from the APs will be addressed through the process described below in Table 14.

Table 14: Grievance Resolution Process

Steps	Action level	Process
I	Negotiations with PAPs	The complaint is informally reviewed by the GRC, which takes all necessary measures to resolve the dispute amicably.
II	GRC Resolution	A Grievance Redress Committee (GRC) is an informal grievance redress mechanism at Stage 1. This informal body will function at community level in Ananuri Gamgeoba (village/community authority). The MDFG representative in the Rayon LAR Team can coordinate the GRC formation. Additionally, GRC can comprise representatives of PAPs, women PAPs. If the complainants are not satisfied with the GRC decisions, they can always use the procedures of Stage 2 of grievance resolution process.
III	Decision from MDFG	If any aggrieved PAP is unsatisfied with the GRC decision, the next option will be to lodge grievances to the MDFG at the National level. The MDFG shall review the complaint in compliance with the procedures specified in the Administrative Code of Georgia. GRC should assist the plaintiff in lodging an official complaint (the plaintiff should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc.). The plaintiff shall be informed of the decision
IV	Court decision	If the MDFG decision fails to satisfy the aggrieved PAPs, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court). The aggrieved PAP can take a legal action not only about the amount of compensation but also any other issues, e.g. occupation of their land by the contractor without their consent, damage or loss of their property, restrictions on the use of land/assets, etc.

Table 15: Grievance Resolution and Acquisition Process



1. RAP Implementation Steps and Responsibilities

Based on experience in Georgia the Preparation and implementation of a RAP may take up to a few months. The RAP implementation schedule will be agreed and approved by MDFG and the WB after detailed design and are finalized. The basic steps for the preparation and implementation of a RAP are summarized the table 15 below.

Table 15: The basic steps for the preparation and implementation of a Land Acquisition and RAP

	step	Action	Responsibility	Dates
A	RAP PREPARATION			25 Days
1	Preparation of RPF		MDFG	Completed
2	Conduct social impact assessment	Data collection process and preparation of a draft version of the Resettlement Action Plan	Consultant	Completed
3.	Preparation draft of Resettlement Action Plan	Preparation of the final Resettlement Action Plan, taking into consideration the MDFG and the World Bank comments;	Consultant	15 days after receiving comments
		Conduct public hearings;	MDFG	10 days after approval of the document by the World Bank and the MDFG
4	Final RAP with consultation minutes attached	WB approval of RAP post-consultation	WB	5 Days
B	Planning Phase			15 Days
1		taking stock of the legal framework for compensation		7 Days
2		settling institutional arrangements and mechanisms for payment of compensation;		
3		defining tasks and responsibilities of each stakeholder		7 Days

4		establishing a work plan		7 days
C	Implementation Phase			40 days
1		Send notifications about compensation to APs.	MDF Resettlement Management Group /Land Acquisition and Resettlement Worker Group	10 days
2		Issue of business delay or / or de-suspension compensation	MDF Resettlement Management Group	20 days
3		Issuing other types of compensations.	MDF Resettlement Management Group	20 days
4		Assessment of implementation the Resettlement Plan based on Compliance Reports	MDFG/World Bank	10 days
5		Issuance construction permit in case of resettlement plan satisfactory.	World Bank	
D	Monitoring and Evaluation Phase			
1		Internal monitoring. Quarterly reporting to WB	MDFG	Once in quarter
2		2 External Monitoring. Semi-annual reporting to WB	IMA or Social Safeguard Consultant/Supervision Consultant	Twice in year
3		Internal monitoring after completion of the project	MDFG	After completion of the project
4		External monitoring after completion of the Project	IMA or Social Safeguard Consultant/Supervision Consultant	After completion of the Project

Relocating or compensating people implies communication or dialogue with the stakeholders. The consultation and participation process will include four phases: (i) data collecting; (ii) preparation

and planning of operations; (iii) implementation of operations; and (iv) monitoring and evaluation. The MDFG will coordinate all four operations.

8.1. Data Collecting Phase

Actors: MDFG, independent consultants

The actors will constitute the main task force in the data-collecting phase. This process will include consultations with PAPs and other relevant stakeholders. The data collected will serve as instruments for the monitoring of the social mitigation measures applied.

PAPs will be consulted to participate in the data-collecting phase by providing socio-economic information about their livelihoods. Also, PAPs will be consulted through meetings with village committees to share information about the MDFG, discuss the social impacts of project operations and the mitigation measures suggested. The contributions of the PAPs will be integrated into the subproject implementation process, from planning to evaluation.

- The data-collecting phase includes three major processes:
- Preparation of the resettlement/rehabilitation policy framework;
- Execution of the social impact assessment (to be initiated/completed at project launching); and Establishment of the presumed RAP (to be initiated/completed before civil works).

8.2. Planning Phase

Actors: MDFG, PAPs (planning inputs, sounding board and advice-giving), representatives of local communities. Planning and coordination of the tasks of the various actors is the key to a successful implementation of the expropriation/compensation arrangements. The PAPs will be consulted in the aim to obtain their positions on issues at stake. The requirements of their work programs/businesses activities will be incorporated into the expropriation/compensation plans.

The work will focus on: (a) taking stock of the legal framework for compensation; (b) settling institutional arrangements and mechanisms for payment of compensation; (c) defining tasks and responsibilities of each stakeholder; and (d) establishing a work plan.

8.3. Implementation Phase

Actors: The principal actor is the MDFG. Also WB, PAPs (endorsement of arrangements).

The execution of the expropriation/compensation operations will be conducted by the MDFG, by their contracted specialist team. PAPs will be consulted about the compensation arrangements prepared. Cash compensation amount and amount of land offered for compensation will be presented to each eligible PAP (husband and wife) for consideration and endorsement before cash payment or land for land compensation can be effected

8.4. Monitoring and Evaluation Phase

Actors: MDFG, PSC, independent consultants, NGOs, PAPs.

The MDFG will organize project completion workshops with government agencies, NGOs and representatives of PAPs after completion of the expropriation/compensation operations but prior to the closure of the mitigation measures. The aim of that exercise is to assess progress in the operations executed, suggest corrective measures where needed and solve pending issues. After completion of all expropriation/compensation operations, PAPs will be consulted in a household survey. The aim of that survey is to assess the impacts of the social mitigation measures implemented. Likewise, rural communities with PAPs will be consulted to provide their assessments of the impacts of the social mitigation measures applied.

The findings of the survey and the workshops will be presented in the project completion report, which will be established by the MDFG.

This RAP in Georgian will be disclosed on the MDFG website and at MDFG office before Project appraisal. The RAP in Georgian will also be disclosed to the APs at the relevant Municipality office (Gangebeli) and at village administration (Sacrebulo) once subprojects are identified. Its English version will be disclosed on the WB website prior to Project appraisal and after the RAP is endorsed by the Executing Agency (EA) which will be MDFG in this case. Once a RAP for a subproject has been prepared and approved by MDFG and WB it will be disclosed at relevant Sacrebulo office (Gangeoba and at village administration (Sacrebulo). A pamphlet in Georgian, summarizing compensation eligibility and entitlement provisions, will be sent to all AP/AFs before the initiation of the compensation/rehabilitation process and before signing contract awards. The consultation process will be continued throughout the project cycle.

9. Costs and Financing

9.1. Introduction

The presumable costs of resettlement within the scope of the subproject to build a tourist infrastructure on the territory adjacent to the Ananuri Complex cover the compensation amounts for temporal and/or permanent suspension of business.

MDF, as the project owner, is responsible for timely allotting the finances to realize the Resettlement Policy. The correctness of distribution of the finances must be checked twice a year based on the budget requirements fixed with the Resettlement Action Plan (RAP). The compensation and rehabilitation budget must be immediately paid by the Municipal Development Fund of Georgia.

9.2 Detailed Budget

In the following section, you will find the calculations of various types of compensation and aids based on the Entitlement Matrix. The RAP gives the minimum amounts of compensations. However, the amendments can be made during the meetings to be held before signing the contract.

Following the above- mentioned, we can consider the following groups in the project zone:

1. 7 APs running the business adjacent to the project zone, 2-20 m from it.
2. 8 APs as hired employees.
3. 15 APs renting the territory and running business in the project zone.
4. 12 APs running informal business in the project zone.

As already mentioned, the representatives of Dusheti Municipality reviewed the wishes of APs and decided to maintain business for all APs both, in the construction and operation phases. Consequently, none of the APs will lose his business within the scope of the project.

An expected impact implies the reduction of income because the accomplishment of the works may hamper the movement of tourists across the project zone. The total suspension of business is not planned at the stage of the project implementation; however, following the experience with the previous similar projects, the compensation for total suspension of business was envisaged as a part of the compensation amounts.

Within the scope of the present subproject, no purchase of land, buildings and premises, annual perennial plantings or harvest compensation is envisaged.

Within the scope of the project, only the compensations for hampering and/or suspending the business and inventory transportation, as well as vulnerability compensation will be given out.

9.2. Methods to Calculate Compensations

9.2.1. Reduction in Incomes

For the projects of a similar type financed by the World Bank, the methods to calculate the income reduction have been developed. The methods given below were used for the subprojects realized within the scope of RDP I (Telavi, Kvareli). The methods used in this period were agreed both, with the World Bank and the Government of Georgia.

As per the developed methods, a legal or private entity, being a business owner, was to be given 20% of the profit gained in the previous years. In addition, the said entity was allowed to run his business non-stop in the project zone. The profit of the previous years was calculated based on the official document submitted by the business owner – a Tax Declaration. If the entity had informal business or was not a tax-payer (mini-entrepreneur), 20% of profit was calculated by considering the subsistence minimum fixed for a 5-member family. At present, the subsistence minimum for a family of 5 is fixed at 338.3 GEL. In case the official profit of a legal entity is less than 338.3 GEL, the same amount will be considered as his profit and his due compensation will be calculated based on 338.3 GEL.

In addition, the principle of seasonality was taken into account in calculating the compensation amounts for one company (who provided official Tax declaration). Based on the information provided by the local people, the number of tourists to the Ananuri Complex is 2.5-3 times more in summer than in winter. Nearly the same information was received from Dusheti Municipality.

Consequently, the annual profit presented by a legal entity, was distributed among the seasons as follows: if considering that business receives X part of the annual income, then its income in summer and autumn will be 2X and 3X in spring. Consequently, if the profit of a legal entity was 7000 GEL a year, the profit of this entity will be calculated as follows: $7000:7 \times 3$, equaling to 3000 GEL in the given case.

The unit compensation rates will be assessed by Project consultant or by the MDF authorized independent evaluator on clear and transparent methodologies acceptable to WB. The assessed compensation rates will then be verified and certified by the Environmental and Resettlement Unit of MDFG.

Table 16: Compensation Entitlement Matrix

Type of Loss	Application	Number of Aps	Compensation Entitlements
Loss of Income and Livelihood			
Temporary reduction of incomes	Formal and informal PAP's in project area	26 PAP	PAP's will be given 20% of profit. The profit will be calculated by considering the subsistence minimum fixed for a 5-member

			<p>family. At present, the subsistence minimum for a family of 5 is fixed at 338.3 GEL for three month.</p> <p>PAP's will receive 20% of: $338.3 \times 3 \text{ month} = 203\text{GEL}$</p>
Temporary suspension of incomes	Formal and informal PAP's in project area	26 PAP,s	<p>PAP's will be given compensation for three month. The compensation will be calculated by considering the subsistence minimum fixed for a 5-member family. At present, the subsistence minimum for a family of 5 is fixed at 338.3 GEL for three month.</p> <p>PAP's will receive 2 $338.3 \times 3 \text{ month} = 1015 \text{ GEL}$</p>
Temporary reduction of Incomes	Informal PAP's outside of the project area	8 PAP's	<p>PAP's will be given 20% of profit. The profit will be calculated by considering the subsistence minimum fixed for a 5-member family. At present, the subsistence minimum for a family of 5 is fixed at 338.3 GEL for three month.</p> <p>PAP's will receive 20% of: $338.3 \times 3 \text{ month} = 203\text{GEL}$</p>
Temporary suspension of incomes	Employees	8 PAP,s	<p>PAP's will be given compensation for three month. The compensation will be calculated by</p>

			<p>considering the subsistence minimum fixed for a 5-member family. At present, the subsistence minimum for a family of 5 is fixed at 338.3 GEL for three month.</p> <p>PAP's will receive 2 $338.3 \times 3 \text{ month} = 1015 \text{ GEL}$</p>
Temporary suspension/reduction of incomes	One Company	1 PAP	<p>Reduction: The profit calculated based on the official document submitted by the business owner – a Tax Declaration. PAP's will be given 20% of profit for three month.</p>
			<p>If Suspension: The profit calculated based on the official document submitted by the business owner – a Tax Declar. Will be given profit for three month.</p>
Allowances			
Relocation.	Relocation costs	Only one PAP use the carige for sailing the products.	As relocation cost PAP will get 50 GEL.
Vulnerable People Allowances(below the poverty line, families lead by single women, refuges, disabled belongs I and II groups and elderly)		Afs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income for a family of five* and employment priority in project-related jobs. This is additional allowance for vulnerability status on top of that of other entitlements in this matrix.

Unconsidered Damage			
Temporary impact during construction		AP	Due compensation will be assessed and paid based on this RPF during construction.
Unforeseen impact			MDFG and the construction contractor will address and mitigate/compensate unforeseen Resettlement impact during project.

9.3.2 Temporary Suspension of Incomes

If it is proved that a legal or physical entity has his business suspended during the construction period due to the reasons beyond his control, he will be given business suspension compensation.

The compensation is calculated based on the Tax Declaration submitted by the business owner. If an PAP owns an informal business, his monthly compensation will be calculated by considering the subsistence minimum fixed for a 5-member family under the legislation of Georgia. In case the official profit of a legal entity is less than 338.3 GEL, the same amount will be considered as his profit and his due compensation will be calculated based on 338.3 GEL.

In addition, the principle of seasonality will be taken into account in calculating the compensation amounts and the amounts will be calculated by using the method given in clause 9.2.1.

9.4 The APs Standing beyond the Project Zone

For the 7 APs trading beyond the project zone, no reduction of income is expected, if not talking about the suspension of income. With a great probability, the incomes of these APs will increase following the fact that at the stage of the construction works, the tourists will have the easiest access to their benches. Consequently, the persons trading beyond the project zone will not be entitled to the compensation within the scope of the present project.

At the same time, they will be assigned the profit reduction compensation as reserve amounts in case their incomes reduce due to some objective or subjective reasons following the implementation of the project. As none of the APs could present a document showing their profit, the reserve compensation of each of them will be 203 GEL for 3 months.

9.5 Hired Employees

In total, the owners of the business units operating in the project zone employ 8 APs and pay regular wages to them. None of the employers plans to dismiss any of their employees in the project implementation phase. Consequently, all employees will receive their due wages. No compensation will be given to these entities and no reserve amounts are planned for them.

In case of possible suspension of business to each employ will be given 1015 GEL

8 Representatives of Small Entrepreneurs and Informal Businesses

The other 13 APs renting areas in the project zone have the status of a mini-entrepreneur and are exempted from paying taxes.

The owners of informal business with their total number of 13 failed to present any document in proof of their incomes. Consequently, when calculating their due compensations, the subsistence minimum for a family of 5 making 338.3 GEL was taken as their monthly profit. Consequently, each of them will receive 203 GEL for 3 months for the reduced profit making 5075 GEL for 25 APs.

In case of possible suspension of business of the above-mentioned APs, the compensation for 3 months amounts to 1015 GEL for 3 months making 25.373 GEL for 25 APs..

9.9 Vulnerability Allowance

Seven of 42 APs are vulnerable. From which three have disabilities, four live below the line of poverty and one is a single mother. All of them will receive the compensation of 1015 GEL each.

9.10 Costs of Transportation

There is only one booth in the project zone, which will be necessary to transport in the construction phase to a short distance, for approximately 20-50 m. This will need renting the relevant transportation means for 1 hour entailing the cost of 50 GEL. As for the transportation of other trading benches and tents, this needs no substantial efforts or engaging any hired any workers

10. Monitoring and Evaluation

The main objective of implementation of RAP is to improve or at least restore the social and livelihood resources of the PAPs at their pre-project level. The process of implementation should ensure that this objective is achieved over a reasonable time with allocated resources. Therefore, monitoring of the process of updating RAP, its implementation and delivery of institutional and financial assistance to the PAPs has been designed as an integral part of the overall functioning and management of the Project. Environmental and Resettlement Unit of MDFG through its Resettlement Team will ensure the execution of timely monitoring of the monitoring and evaluation indicators (process, delivery and impact indicators) of land acquisition and resettlement tasks. The purpose of the Monitoring and Evaluation (M&E) is to provide feedback to all stakeholders on progress made in view of a timely and comprehensive implementation of the RAP and to identify problems as early as possible to facilitate well-timed adjustment of implementation arrangements.

The objectives are to: (i) ensure that the standard of living of PAPs are restored or improved; (ii) ascertain whether activities are in progress as per schedule and the timelines are being met; (iii) assess whether the compensation, rehabilitation measures are sufficient; (iv) identify problems or potential issues; and (v) identify methods to rapidly mitigate problems.

Monitoring of RAP in the Project will be carried out. The Head of Resettlement Team will carry out regular internal monitoring for the MDFG with inputs from LAR teams at field operation. Local Resettlement Consultant (LRC) will assist MDFG Resettlement Team during the RAP implementation and will be responsible for internal monitoring.

10.1 Monitoring

Internal monitoring will be carried out routinely by MDFG either directly or through the services of Head of Resettlement Team or Local Resettlement Consultant. The results will be communicated to WB 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 regional MDFG level and reported monthly to MDFG to assess the progress and results of RAP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the standard supervision reports to WB. Specific monitoring benchmarks will be:

- Information campaign and consultation with APs;
- Status of land acquisition and payments on land compensation;
- Compensation for affected structures and other assets;
- Relocation of APs;
- Payments for loss of income;
- Selection and distribution of replacement land areas;
- Income restoration activities, and
- Grievances and their resolution

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:

1. Review of census information for all APs;
2. Consultation and informal interviews with APs;
3. In-depth case studies;
4. Sample survey of APs;
5. Key informant interviews; and
6. Community public meetings.
7. Grievances and their resolution

Arrangement of Tourism Infrastructure at Ananuri Castle

Third Regional Development Project

The Government of Georgia has asked the World Bank to support financing of the Third Regional Development Project (RDP III) in Samtskhe-Javakheti and Mtskheta-Mtianeti regions. The proposed program of interventions will emphasize tourism and agriculture as two key pillars and drivers of economic growth. The proposed initial project will focus on support for the tourism sector and enabling the environment for the private sector to invest in the above-mentioned regions. The Municipal Development Fund of Georgia is Executive Agency of Third Regional Development Project and specific subprojects.

The Ananuri complex is the one of the best places of tourist attractions on the military road. The considerable number of visitors, coming to the Ananuri complex every day necessitates improving the territory that approaches the complex, as well as arranging parking areas and locating some other infrastructure facilities. Ultimate goal of the sub-project (SP) is to improve the experience of visiting tourists at the Ananuri castle, as one of the main sites located along the proposed tourism circuit of Dusheti and thus increase number of visiting tourists to Dusheti.

The project area is located west of the Ananuri Complex, between the Ananuri Complex and the main road. According to the project, the whole territory must be reformed, in particular, the bituminous pavement must be removed from the project site, where a recreation area and walking paths with green lawn, illumination system and decorative benches are planned to make. There are 12 lampions planned to erect along the perimeter, and fertile soil will be delivered to the area and placed in green moulds, with rolling lawns to arrange above it. The paths will be done with thermally treated granite slabs sized 15 X 30 X 2.5-3 cm. The structure of laying the slabs is given in the design drawings. Granite curbs sized 10 X 20 cm will be used to make walking paths, while the roadway along the bituminous concrete will be arranged with basalt road curbs sized 15X30 cm. In addition, a car parking is to be arranged on the project site. The existing bituminous concrete pavement must be milled, with bitumen removed and a 4-cm-thick fine bituminous concrete leveling layer, type II, will be made. The area designated for the car parking must be marked with white perchlorovinyl paint by adding glass balls. The parking is planned for 23 cars, 6 buses, 4 mini-buses and 3 parking areas are for disabled persons. The existing pavement of the access road to the Complex, which runs along the Aragvi gorge, must be removed, formed and a bituminous concrete pavement must be laid, according to type I. On the pedestrian path to the Complex with not little level difference, stairs with granite steps will be made on the reinforced concrete base.

Table 1: Compensation Entitlement Matrix

Type of Loss	Application	Number of Aps	Compensation Entitlements
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			If Suspension: The profit calculated based on the official document submitted by the business owner – a Tax Declar. Will be given profit for three month.
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Relocation.	Relocation costs	Only one PAP use the carige for sailing the products.	As relocation cost PAP will get 50 GEL.

Vulnerable People Allowances (below the poverty line, families lead by single women, refugees, disabled belongs I and II groups and elderly)		Afs below poverty line, headed by Women, disabled or elderly	Allowance equivalent to 3 months of minimum subsistence income for a family of five* and employment priority in project-related jobs. This is additional allowance for vulnerability status on top of that of other entitlements in this matrix.
Unconsidered Damage			
Temporary impact during construction		AP	Due compensation will be assessed and paid based on this RPF during construction.
Unforeseen impact			MDFG and the construction contractor will address and mitigate/compensate unforeseen Resettlement impact during project.

Consultation Company “Eco-Spectri” Ltd. hired within the scope of the project will accomplish the social-economic study of the project zone and will develop a Resettlement Action Plan.

Attention!

The study will be accomplished on April 23-28 of 2017, with April 28 to be a critical date consequently. Under the World Bank requirements, it is inadmissible to make any changes or amendments to the social-economic study accomplished following the critical date.

Contact Information:

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Social Team

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Annex 3: Questionnaire

Family member interviewed

Date

Checklist #

Name of the respondent

Date - - -

The information booklet of the project was delivered:

Signature

Name of the Head of Household

1. Household Characteristics

Name, Surname	Gender	Age	Ethnic Group	Religion	Education				
					Incomplete Secondary)	Completed Secondary	Professional /Technical	High School	Illiterate
Head of Household (HoH)									
Other Members of Family (with notes on relationship with the HoH)									

2. Residence area

Residence area	
Urban	Rural

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3. Social Status (Vulnerability)

Any Social Allowances from the Government	Lower than poverty line 57000 scores	Medical Policy Lower than 70000 scores	Other social allowances

4. Women headed household (without breadwinner male)

Yes	No

5. Income Sources

Major Income	Agriculture	Permanent salary in the public service	Permanent salary in the private company	income from Own business	Periodic wages (workings)	Pension
Additional Income						

6. Credit and its structure (Yes/No and bank or individual credit)

Bank	Private Person	No

7. Real estate of the affected households⁹

Property	Category	Characteristics
Land	Agricultural/residential/commercial	area

⁹This table is related to all assets of AHs but not only affected assets

Land plot 1		
Land plot 2		

8. Movable Property (number)

Radio	T V	Refrigerator	Washing Machine	Car	Motorbike	Bicycle	Gas stove	Heating devices	Conditioner

9. Livestock (How many)

Cattle	Pig	Sheep	Horse/donkey	Poultry

10. Current and basic expenses of the family (GEL per a year)

For food	Not food	Totally

11. Availability of infrastructure and communal services (Yes/No)

Centralized water supply	Well	Spring	Centralized sewage	Septic tank in the yard	Electric power supply	Natural gas	Gas balloons	Liquefied fuel	fire wood

12. Medical Services and Education (Yes/No)

Local Polyclinics	Local Hospitals	Municipal Hospitals	Kindergarten	Secondary School	High School	Local Road	Central roads

13. Have you any recommendation or comment related with the project:

1	
2	

14. At the stage of the project development and realization, a working team considering the complaints and proposals filed within the scope of the project and is established. A 6-member team will include two representatives of APs. Please, feel free to name candidates to be the members of the working team:

1. Representative of Women PAPs: _____;

2 Representative of PAPs: _____;

Interviuer Signuter:

ANNEX 4 SYNOPSIS OF SELECTED GEORGIAN LAWS AND REGULATIONS ON RAP

Constitution of Georgia. The Constitution determines the essence of private ownership and defines presumption of inviolability and 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 Article 21 of the Constitution of Georgia “the right of ownership and inheritance is declared and secured”. Nobody is eligible to 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 law⁷ on basis of the appropriate and fair reimbursement.

Other articles of the Constitution of Georgia also establish legislative basis in respect with the resettlement measures related to infrastructure projects. This 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. The stated regulations create the set of procedures that allow obtaining the permit on road construction from private owners.

In the process of construction and rehabilitation of infrastructure elements, the significant attention shall be paid to the protection and care of cultural heritage so that they are not damaged and deteriorated. In accordance to the Article 34 of the Constitution of Georgia, “each and every citizen of Georgia is obliged to care for the protection and maintenance of cultural heritage. The State protects cultural heritage by the Law”.

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.

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.

Organic Law of Georgia, Local Self-Government Code. The code defines the legal basis for self-government’s operation, authorities of local self-government bodies, their establishment and duty rules, their finances and properties, relations with citizens, state authorities, as well as with public and private legal entities. Local self-government is carried out by municipalities: in self-governed cities and in self-governed communities. The law establishes the categories of municipal property, the way of establishment and property rights (with the exception of natural resources, as their use, ownership and management is regulated by the Georgian legislation), as well as municipal property privatization issues.

Municipalities have their own property that could include non-agricultural lands, agricultural lands (with or without buildings), as well as shares and stocks. Property of municipality consists of two categories: the basic (inalienable) property and the additional property. The basic (inalienable) property can only be used for the public functional use by municipality and for carrying out duties. The basic (inalienable) property is inalienable, besides the exceptional cases. The additional property is inalienable. If it is necessary property of municipality can be transferred free of charge to the State.

Civil Code of Georgia regulates private civil relationships, and evolves property rights, the law of obligations, family law and the law on inheritance. Regulations of the Civil Code that are particularly relevant to the property law section, where the ownership, construction and servitude rights are discussed, and other type rights directly related to the project are elaborated below:

- **Ownership Right.** The ownership right entitles its beneficiary to freely possess and use the property. The ownership right can be limited based on legislation or other agreement. Ownership on the land parcel gives implicit right to the land owner to implement construction activities if it is not restricted by any agreement or law;
- **Construction Right.** The owner is allowed to transfer a land plot to another person for temporary use (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 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;
- **Necessary Right-of-Way.** Another possibility is the use of “Necessary Right-of-Way”, a legal alternative to expropriation, which is regulated by the Civil Code of Georgia (Article 180). Per Civil Code, Necessary Right-Of-Way can be invoked “if a land plot lacks access to public roads, electricity, oil, gas and water supply lines that are necessary for its adequate use”. The owner may then claim for using a neighbour’s land parcel “for the purpose of providing the necessary access”. “Necessary Right-Of-Way” is granted by a District Court based on an application by the “neighbour” that must contain a justification of the urgency. Compensation may either be amicably agreed or be decided by the judge further to the decision granting “Necessary Right-of-Way”. Fundamentally “Necessary Right-Of-Way” is intended to allow a landowner to obtain right of way through a neighbouring land parcel for utilities serving his/her land parcel. It can be used where amicable agreements cannot be reached due to refusal or absence of affected landowners;
- **Servitude.** Servitude Right on the property establishes the limits on land parcel or on other property in favour to other land parcel or owner of the property (beneficiary). The Beneficiary is granted with the right to use land parcel under restriction with some conditions on land parcel under restriction and/or restrict concrete activities or prohibit land owner in regard of this land under significant rights. However, in regard with this project, any rights (among them ownership, construction, inevitable road or servitude) the terms and conditions for transfer the right for constriction shall be defined against each

land parcel in accordance to the identified rules and on the basis of registered agreement entered by a landowner and the party holding the corresponding right of construction.

Law of Georgia on the Protection of Cultural Heritage. 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 heritage in Georgia.

According to the Law, State protection of cultural heritage is undertaken by the Ministry of Culture and Monuments Protection, Ministry of Justice of Georgia, local self-government bodies, as well as other State Institutions, Public and Legal Persons of Private Law. 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 and Monuments Protection of Georgia provides general coordination and manages the activities undertaken in this sector.

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 value, 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 36 ownership that can only be alienated under the right to possess, and use and with the terms and conditions to care-and protect.

Law of Georgia on Notary. The stated law defines the types of notary activities and rules of their implementation. The law also defines which institutions and authorized persons, except the Notaries, have the right to conduct notarial activities within the territory of Georgia and beyond it. According to the Article 42 of the Law, the local self-governments have the right to

implement notarial activities related to inheritance, verification of accuracy of the copy with the original document, proving the fact that a citizen is alive, proving the fact of a citizen's certain

location. Rural population often applies to local self-governments to obtain certain notarial services. Especially, when it is required to identify a person and a document, or the notarial services are required to replace the deceased head of the household with another 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 notarial activities 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.

Law of Georgia on State Property. This Law regulates issues connected to the Georgian state property management and usage transfer. This law does not apply to state property that includes useful materials that were left after reconstruction, repair or demolition of transferred in ownership

property owned by the Georgian autonomous republics and local self-government and public legal persons. The law covers property which cannot be sold, including: water resources, territorial waters, continental shelf, state forest fund (except populated areas located in forests), air space, State Reserves, National Parks, Natural Monuments, recreation areas identified by the Government of Georgia and/or identified specific construction areas; objects of historical, cultural and artistic value, cultural and art facilities, as well as lands on which these objects are located, pasture (except for leased pastures until July 30, 2005), cattle trails, first section of sanitary protection zone of water supply units (maximum-security zone). The law of state property establishes rules of transferring ownership of state property and privatization. It also determines the competences of state authorities and local self-government in the privatization process.

Law of Georgia on Ownership Rights to Agricultural Land. The current law is completely different from the initial version adopted in 1996. The changes made to this law in different times (among them the amendments on the basis of the Law #389 dated July 14, 2000) have significantly changed its initial format and simplified to extent possible the procedures considered under the Law. The sphere of regulation of the Law mainly extends over the agricultural lands. 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 is considered as an agricultural land parcel" with existing household and additional structures or without them. The law also refers to 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 Law determines that the ownership right to agricultural land is granted to the State, physical person, household community (Komli) and legal entity registered in accordance to the legislation of Georgia, which carries out its activities in agricultural sphere. Besides, the Law declares the form of village and household community (Komli) ownership to state-owned grazing lands, private and form of community ownership in high mountain regions (Article 4.3).

According to the 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.

Law of Georgia on Legalization of Property mainly refers to the lands, which are in private ownership, but are not registered in public register. The main purpose of this law is to additionally establish guaranties of defending private rights (article 21 of the Constitution, which presumes rights of private ownership) and develop international agreements. According to the

article 2, State agencies and officials are obliged to ensure the protection of private property rights and immunity. According to the law, property legalization means the confirmation of ownership on property, which only can be dispossessed in cases determined in the Article 21.

The Law on Legalization of Property applies to any property owned by the state or by the local government. This applies to properties for which ownership was purchased or the reason of purchasing the property appeared from legal act or deal before 22 July 2007. All the state agencies

and officials are prohibited to purchase the property under the jurisdiction of the law or to control, to study, to observe in any other forms. Registration fee for the administrative boundaries of the city for one square meter of land is 15 GEL.

Property is legalized by the National Agency of Public Register under the control of Ministry of Justice. The procedures related to the legalization are regulated by the Law on Public Register.

Law of Georgia on Public Register regulates rights and obligations of National Agency of Public Register under the control of Ministry of Justice, in the process of property registration, also sets rules for registration of real and personal property. Article 11 defines which types of rights are registered in real estate register. According to this article real estate rights register records property, structure, usufruct, servitude, mortgage, rent, leasing, subleasing, borrowing, rights provided for use by the public law. According to the Article 16, movable property and Intangible Benefit of Property is registered in public register. According to this article, movable property and Intangible Benefit of Property registers pledge (excluding financial pledge), leasing, bank guarantee. Public register law also sets out the procedures and conditions for the registration of companies.

Public register law is not limited only to the rules of registration, its regulation area involves land registration and changes in land use, for example, changing the status of agricultural land to non-agricultural land.

Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Formal Entities. The main purpose of this law is to support land market development and mastering lands owned by government. This law defines the legal ownership and main terms and conditions about recognition of ownership rights on informally occupied lands. It also defines rights of involved state agencies in this process.

The law applies to informally occupied agricultural or non-agricultural lands owned by private and legal entities. Article 2 establishes the lands on which property rights can be recognized. In particular, it can be a piece of land on which the house or other building is located. Recognition of private property by the law takes place after paying a fee, but it also can be free of charge.

Lands are recognized free of charge only when they were held legally, but they were not recognized by the government in the past, in other cases recognition of land required fee. Ownership rights on payable or on non-payable lands are recognized by the commissions formed in municipalities.

Law of Georgia on Rules for Expropriation of Ownership for Necessary Public Need.

Existing laws provide that compensation for lost assets, including land, structures, trees and standing crops, should be at current market price without depreciation. They also identify types of damages eligible to compensation and indicate that both loss of physical assets and loss of income should be compensated. Income loss due to loss of harvest and business closure should be compensated to cover net loss.

Land acquisition for public interest may include eminent domain procedures, through a two-phase process as follows:

Phase 1: A negotiated settlement is sought in a first phase, based on a first compensation proposal at market/replacement value.

Phase 2: If no agreement is reached, land acquisition is further pursued through a judicial expropriation process (the implementing agency applies to Court to order expropriation and to fix compensation).

The Minister of Economy and Sustainable Development issues expropriation applications for each property where no agreement could be reached, based on dossiers filed by the implementing agency. On this basis, the implementing agency applies to Court, which, in a first stage, validates whether the application is justified by public interest and whether the appropriate procedures have been followed. Following this ruling validating the fact that eminent domain proceedings (expropriation) can be followed, the Court in a second stage appoints an expert to assess the compensation amount.

In the case of this project, eminent domain is applicable and expropriation will be sought where no amicable agreement is reached.

Civil Procedural Code of Georgia. 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.

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.

The above listed laws and regulations give the possibility of applying the following two mechanisms for legal application of the property rights:

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;

Obtaining the necessary right of way through paying due compensation based on the court decision.

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.

Law of Georgia on Social Assistance. The law regulates issues connected with the receiving of the Social welfare, determines types of the social support. It also defines the authority of administrative bodies in the field of social aid (Article 1). The law applies to the vulnerable persons permanently legally residing in Georgia. Article 2 sets list of socially unprotected people: persons in need of special care, poor families and the homeless.

Article 4 defines terms, which explains nature of social aid and identifies persons who should receive this aid. According to this article social support can be provided in form of monetary or non-monetary benefit for persons in need of special care, poor families and the homeless. Poor families consist of persons or groups of people whose socio-economical status is lower than minimum level set by Georgian government. A homeless person does not have a permanent place of residence, and he/she is registered with the local authority as homeless. Persons in need of special care include orphans and children deprived of parental care, persons with disabilities, adults with disabilities are who are deprived of family care, persons with lost breadwinner. According to the law a disabled person is a person who has been granted such status by the Law on Medical-social Expertise. Social security financing sources include Georgian state budget, budgets of Units of local self-government, the money paid by the beneficiary or his/her representatives, and contributions (Article 24).

Law of Georgia on Social Protection of Persons With Limited Abilities. According to Article 1 legal status of persons with limited abilities In Georgia is regulated by Declaration of the United Nations about "Rights of Persons With Limited Abilities from 9 December 1975, Constitution of Georgia and this law. The person With Limited Abilities is person of strong physical, mental, intellectual or sensory impairment, which may interfere with the interaction of a variety of obstacles to the full and effective participation in public life on equal terms with others (Article 2). According to the Article 8 it is not allowed of the design localities, educational, cultural and sports facilities, as well as infrastructure construction and of buildings and structures, if these objects are not suitable for people with disabilities and needs.

Government provides the necessary conditions for education and professional training for persons with limited abilities. Persons with limited abilities are socially supported by funds, pension, social assistance technical and other facilities (Article 24). Social security pensions and allowances are regulated by Georgian legislation on security pensions and allowances for persons with limited abilities.

Law of Georgia on Internally Displaced Persons from Occupied Territories – Refugees. According to the Article 2, the status of refugees is given to people who are citizens of Georgia or noncitizens without citizenship status of Georgia, who were forced to leave their permanent

place of residence due to occupation, armed conflict, communal violence and / or mass violations of human rights which became threat for person or person's family members lives or freedom by the other country. Any kind of discrimination of refugees is inadmissible. Refugee status is granted by the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees (Article 8). According to the Article 14 refugees are not being evicted from their legal owned residential areas except the cases considered by the law when: (a) written document is formed with refugee about financial or non-financial compensation in accordance with his/her land area; (b) Refugee will be given relevant living area, which does not worsen his/her living conditions; (c) Natural or other disaster takes place, which will be compensated and is regulated by the general rule.

All refugees have their family unity respect right. Uniting or dividing refugee families without their will is inadmissible (Article 13). Refugee settlement, registration, and other social issues are organized by the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees (Article 19).

Conditions for Expropriation and Legalization

The above-listed laws and regulations give the possibility of applying the following three mechanisms for legal application of the property rights: (i) Obtaining the road right of way without expropriation through the payment of due compensation prior to commencement of the activities; (ii) 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; (iii) 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 40 Presidential Decree on Expropriation through the payment of due compensation to affected people.

Expropriation. 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. In these cases the Project will not occupy the needed plots until: (i) the proper judicial process as defined by the law 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.

Using the Mechanism of Necessary Road means the right to demand necessary road by court in specific cases when owners location is unknown or/and person can't be located, or there are some liabilities which interrupts land acquisition process.

According to the Article 180 of Civil Code, if land is not necessary needed for proper use of public roads, electricity, oil, gas and water supply networks, than the owner has right to demand from neighbour that he/she was the one whose land will be used for these necessary connections. Those neighbours on whose lands are necessary roads or wiring should be compensated. There is a certain mechanism set by the Georgian civil trial code about how the public message can be delivered to respondent whose location is unknown.

According to the Article 78 of Procedural Code in this case the message will be published publicly. After 7 days following its publication, the court notice will be considered as delivered. After making this information public, the trial has legal right to review this case and make a decision. In case of using the necessary road mechanism, compensation will be transferred to an escrow account. Compensation will be transferred to the owner of land once his/her location will be identified or after the person will do all the obligations connected to the land transaction.