
Resettlement Planning Document

Addendum to the Land Acquisition and Resettlement Plan
Document Stage: Draft
Project Number: 42414
January 2018
LARP for Section 2 Part A approved in October 2014

Georgia:
MFF - Sustainable Urban Transport Investment
Program, Tranche 3 (Loan No 3063)
Tbilisi – Rustavi Urban Link – Section 2 Part A

Prepared by Municipal Development Fund of Georgia.

The addendum to the land acquisition and resettlement plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

Municipal Development Fund of Georgia



ADDENDUM TO THE LAND ACQUISITION AND RESETTLEMENT PLAN (LARP Section 2 Part A)

Addendum

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

Section 2 Part A

LARP approved in October 2014

January 2018

CURRENCY EQUIVALENTS

as of 27 September 2014 – as is in LARP¹

Currency Unit	–	Georgian Lari (GEL)
		United States Dollar (USD, \$)
GEL 1.00	=	USD 0.5695
USD 1.00	=	GEL 1.7560

as of 26 January 2017

Currency Unit	–	Georgian Lari (GEL)
		United States Dollar (USD, \$)
GEL 1.00	=	USD 0.4000
USD 1.00	=	GEL 2.4999

ABBREVIATIONS

ADB	Asian Development Bank
GRC	Grievance Redress Committee
km	Kilometre
LAR	Land Acquisition and Resettlement
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
MDFG	Municipal Development Fund of Georgia
MFF	Multitranchise Facility
SPS	Safeguard Policy Statement
SUTIP	Sustainable Urban Transport Investment Project

¹ <https://www.nbg.gov.ge/index.php?m=582&lng=eng>

1. GENERAL

1. Sustainable Urban Transport Investment Program is financed through an ADB Multitranche Financing Facility (MFF) and implemented by Municipal Development Fund (MDFG) of Georgia with an overall purpose to improve connectivity, reduce traffic congestion and promote sustainable, safe, reliable and efficient transport. The Project is, with other projects, included in Tranche 3 of the Sustainable Urban Transport Investment Program (SUTIP).

2. Section 2 with total length of 6.8 km passes through housing and industrial areas, and generates significant displacement impacts as a result. Section 2 was sub-divided into two parts: Part A (PK 4+000 to PK 5+300 and PK 6+800 to PK 10+755: the road section without impacts on multi-storey buildings, where LARP can be quickly finalized) and Part B: the section of the road with building impacts, where the impacts shall be reassessed following finalization of the structural study of multi-storey buildings). The Land Acquisition and Resettlement Plan (LARP) was prepared by the MDFG to address Land Acquisition and Resettlement (LAR) impacts/compensation issues for Section 2 Part A of the Tbilisi-Rustavi Urban Link. The LARP was based on detailed design, and was prepared in compliance with the provisions of the Land Acquisition and Resettlement Framework (LARF)² and the requirements of ADB's Safeguards Policy Statement of (SPS). MDFG as the Implementing Agency (IA) for the Project is currently implementing the LARP for Section 2 Part A.

2. IMPLEMENTATION OF LARP FOR SECTION 2 PART A

3. The LARP for Section 2 Part A was approved by Government of Georgia and ADB in October 2014. Implementation of LARP commenced in quarter IV of 2014 and is currently underway.

4. However, during implementation of LARP a request regarding provision of compensation for non-land assets was received from an AP who was informally using non-legalizable state-owned land plot.

3. OBJECTIVES OF THE ADDENDUM TO LARP FOR SECTION 2 PART A

5. During implementation of LARP for the section 2 Part A of the Tbilisi-Rustavi Urban Link, certain circumstances have been revealed, which determine the necessity of introducing changes in relevant LARP to facilitate its implementation process. In particular, additional impact on one informally used and non-legalizable state-owned land plot was revealed and the informal user requested provision of compensation for non-land assets. The issue was revealed following submission of request by informal user to the MDFG, its consideration by Grievance Redress Committee and its relevant decision. This Addendum to the LARP pertains to a single affected person, namely the aforementioned informal user, referred to hereinafter as "the AP".

6. The informal user of non-legalizable state-owned land plot (the AP) submitted a written request to MDFG on 22 March 2017 (incoming letter No 1096) regarding provision of compensation for the productive plants located on the state-owned land plot affected due to the

² Land Acquisition and Resettlement Framework was agreed in 2010 between MDFG, on behalf of the Government of Georgia, and the ADB upon the inception of SUTIP.

construction of Tbilisi-Rustavi Urban Link. In his letter the user noted that owners/users of the similar orchards located on the project affected land plots were compensated, thus he requests to be compensated for the affected assets as well.

7. It should be mentioned that the AP was not included in the final LARP for Section 2 Part A submitted by Dohwa Engineering Co. Ltd. to MDFG and later approved both by GoG and ADB. Hence The AP was verbally requested to present the documents that will confirm his informal use of the land plot and ownership of fruit trees. The AP presented the notary verified confirmations from neighbours stating that he was indeed using the land plot and having the trees on it.

8. Thus, based on the request received by MDFG from the AP, a letter was submitted from MDFG to Dohwa Engineering Co. Ltd. (outgoing letter No 867-G dated 19 April 2017) to consider the request and provide advise on resolution of the issue.

9. The response letter was received from Dohwa Engineering Co. Ltd. on 19 July 2017 and provided the explanation from valuation company ATOS Ltd. subcontracted by Dohwa Engineering Co. Ltd. The land plot used by the AP was registered as a state property. During resettlement survey process the National Archive was searched by ATOS Ltd. and no official record was found regarding ownership of the AP in project affected area. Moreover, they did not have any information about the AP since completing the inventory (in 2013) until the current request. The Notarial Act, where several persons (neighbours) verify that the AP indeed uses the land plot and has certain number of fruit trees was prepared in May 2017 (The AP presented the Notarial Act to ATOS). The location of the land plot is demonstrated on the map presented in the Annex 1, and the photographs of the land plot are presented in the Annex 2 to this Addendum.

10. The presence of trees at mentioned location was confirmed by Dohwa Engineering Co. Ltd. based on visual observation, and they also confirmed that the trees were planted before the field survey works were carried out (prior to July 2013). Thus, following the review of data and taking into account the above mentioned Notarial Act, Dohwa Engineering Co. Ltd. Came to the conclusion that the AP is entitled to receive compensation after respective evaluation and confirmation of value of the assets that belong to him.

11. Following the receipt of the response from Dohwa Engineering Co. Ltd. and submission of documents from the AP verifying that he was using the land plot and growing productive plants on it (four confirmations from neighbours were presented by the AP (all the neighbours were included in the list of APs under the Tbilisi-Rustavi Urban Link section 2 part A), the negotiations were held between MDFG and the AP on 29 of September, 12 and 13 of October 2017.

12. Grievance Redress Committee (GRC) established for the project had a meeting to discuss and resolve the issue. The GRC meeting No 23 was held on 5 December 2017 and the decision was made to provide compensation to the AP. Following GRC decision, the meeting was held representative of the AP (his daughter) and she was informed on the decision made by GRC, as well as further activities related to development of LARP Addendum and its approval following which the appropriate compensation will be paid.

13. The valuation company ATOS (subcontracted by Dohwa Engineering Co. Ltd.) prepared the valuation report, and the results are provided further in this addendum.

14. The issue described above is reflected in the current Addendum to LARP for Section 2 Part A. A compensation budget is provided in this Addendum to LARP for Section 2 Part A to enable MDFG to pay compensation for non-land assets (fence, pipeline and productive plants) located on non-legalizable state-owned land plot informally used by the AP. Implementation of the mitigation measures described in this addendum is a precondition for finalizing LARP implementation in the area, where the mentioned assets are located.

4. IMPACT ASSESSMENT

4.1 Land Losses

15. No land losses were incurred by the AP as he was informally using the state-owned agricultural land plot No 19A, which is non-legalizable. The total area of the state-owned land plot was 1392 sq.m. of which 1366 sq.m. (98.1%) was affected by the project.

4.2 Loss of Trees and Perennial Plants

16. It is estimated that the AP will lose 8 sq.m. of area where strawberries and raspberries grow as well as 126 fruit trees.

17. Fruit trees like walnuts, cherries, apricots and and perennial plants such as grapes, strawberries and raspberries are typical. Number of productive perennial plants and trees distributed by type and area/age is provided in the table 1 below.

Table 1. Number of productive perennial plants and trees by type and area/age

Species	Number of affected trees by age category				
	age 0 to 5	age 5 to 9	age 10 to 15	age 15 and more	Total
<i>Productive perennial plants (sq.m.)</i>					
Raspberry		5 sq.m.			
Strawberry		3 sq.m.			
Sub-total		8 sq.m.			
<i>Productive trees (number)</i>					
Peach		8		1	9
Espalier vine		9	8		17
Apricot		6		1	7
Pomegranate		2	1		3
Cornelian Cherry	1				1
Mulberry				3	3
Apple			1		1
Walnut	68			1	69
Wild plum	3				3
Cherry	9				9
Plum	2	2			4
Sub-total					126

4.3 Structure Losses

18. A total of 2 structures used by the AP will be fully affected. These structures include the pipeline for irrigation and fence. See table 2.

Table 2. Affected structures

Type of Structure	Type of Material	Number of Structures	Total length (m) / area (m ²)
Irrigation pipeline	Plastic	1	100.00 m
Fence	Wood	1	146.72 m ²

5. CONSULTATIONS WITH AP

19. MDF carried out several meetings with AP from March to December 2017 and consulted the AP regarding the process for verification of non-land assets and their compensation calculation to ensure that AP is well informed and aware of the LAR process, and is provided with an opportunity to express his views. The AP is well informed of the valuation methodology and compensation amount proposed, and has expressed his agreement.

6. COMPENSATION, RELOCATION, AND INCOME RESTORATION

6.1 Compensation for trees and plants

20. Compensation for trees and perennial plants is provided in Table 3 below.

Table 3. Estimated valuation of affected trees and perennial plants

Species	Number/Area of affected trees by age category									
	age 0 to 5		age 5 to 9		age 10 to 15		age 15 and more		Total	
	Number	Cost	Number/ Area	Cost	Number	Cost	Number	Cost	Number /Area	Cost
Productive trees and perennial plants										
Raspberry	0	0	5 sq.m.	40	0	0	0	0	5 sq.m.	200
Strawberry	0	0	3 sq.m.	40	0	0	0	0	3 sq.m.	120
Peach	0	0	8	140	0	0	1	35	9	1155
Espalier vine	0	0	9	15	8	75	0	0	17	735
Apricot	0	0	6	110	0	0	1	88	7	748
Pomegranate	0	0	2	73	1	110	0	0	3	256
Cornelian Cherry	1	10	0	0	0	0	0	0	1	10
Mulberry	0	0	0	0	0	0	3	110	3	330
Apple	0	0	0	0	1	200	0	0	1	200
Walnut	68	35	0	0	0	0	1	300	69	2680
Wild plum	3	18	0	0	0	0	0	0	3	54
Cherry	9	15	0	0	0	0	0	0	9	135
Plum	2	18	2	70	0	0	0	0	4	176
Sub-total	83	-	8 sq.m.	-	10	-	16	0	8 sq.m.	6799

Species	Number/Area of affected trees by age category										
	age 0 to 5		age 5 to 9		age 10 to 15		age 15 and more		Total		
	Number	Cost	Number/ Area	Cost	Number	Cost	Number	Cost	Number /Area	Cost	
			+ 27 trees							+ 126 trees	

7.3 Compensation for Affected Structures

21. A total of 2 structures will be fully affected. These structures are used by The AP and include irrigation pipe and fence. Based on a visual assessment of the structures, including engineering works and utility connections, a licensed evaluation company estimated the total value of these structures at GEL 2,669.10. The estimated compensation reflects replacement rate calculated based on fair market price, without deduction for depreciation, taxes, transaction and other expenses, as well as salvage materials. Table 4 shows the valuation of the affected structures.

Table 4. Preliminary valuation of affected assets

Use of Structure	Type of Material	Number of Structures	Total length (m)	Total area (m ²)	Unit rate (m ²)	Calculated compensation, GEL
Irrigation pipeline	Plastic	1	100.00	-	2.5317	253.17
Fence	Wood	1	146.72	146.72	12.2028	1790.25
Total		2	-	-	-	2043.42

7.4 Allowance for vulnerable household

22. Efforts were made to identify if The AP's household is vulnerable. These include households with income below subsistence minimum, households having a disabled member, households led by single women, and households of internally displaced persons (refugees). Data has been verified with the Social Service Agency of the Ministry of Labour, Health and Social Affairs of Georgia. His household was identified as vulnerable (household with income below subsistence minimum) and is entitled to an allowance equivalent to 3 months of minimum subsistence income totaling to 900 GEL (300 GEL * 3 months).

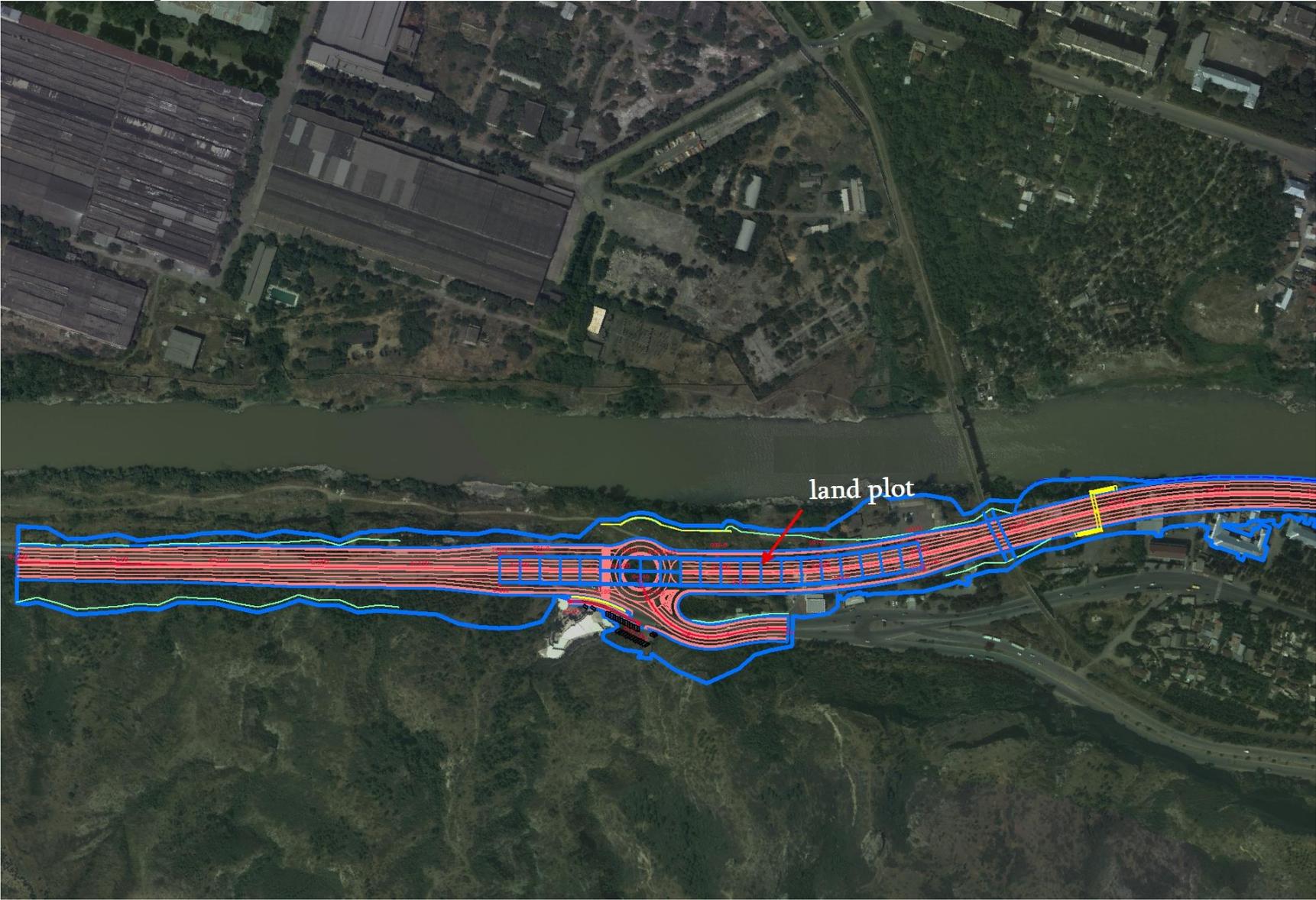
7. COMPENSATION BUDGET

23. Total compensation budget is summarized below in the table 5.

Table 5. Additional resettlement budget

No	Particulars/Items	Number of APs	Quantity	Estimated Budget (GEL)	Estimated Budget (USD)
1.	Compensation for productive perennial plants and trees	1 HH, - LE	8.00 sq.m. and 126 trees	6,799.00	2,719.71
2.	Compensation for structures	1 HH, - LE	1 unit	2,043.42	817.40
3.	Allowance to vulnerable AP	1 HH, - LE	3 months	900.00	360.01
Total				9,742.42	3,897.12

ANNEX 1. Map of the road section with location of the land plot



ANNEX 2. Photographs of the land plot

