

Biannual Social Monitoring Report

Reporting period: 07/2016 – 12/2016

**GEORGIA: MFF - SUSTAINABLE URBAN TRANSPORT INVESTMENT
PROGRAM**

(Financed by the Asian Development Bank)

Prepared by:

Municipal Development Fund
Tbilisi, Georgia

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Background

On 19 December, 2013 - Sustainable Urban Transport Investment Program Tranche 3 Loan and Project agreements were signed between Georgia and Asian Development Bank. Under Tranche 3 ADB has agreed to lend to the Borrower from ADB's ordinary capital resources an amount of seventy three million Dollars (\$73 million).

The project will provide efficient, reliable and affordable urban transport infrastructure and services, thereby increasing economic growth potential and competitiveness of urban communities, improving livelihoods of over 1.5 million people (approx. 35% of Georgian population). The project will also: (I) improve urban, environment and communities' access to economic opportunities and to public and social services; (II) promote efficient and sustainable urban transportation; and (III) generate income and employment opportunities.

Sustainable Urban Transport Investment Program – Tranche 3 (SUTIP T3) includes (a) Construction of an approximately 6.8 kilometers 4-lane urban road link between the cities of Rustavi and Tbilisi, including a 2 kilometers urban boulevard and recreational areas; (b) Construction of an approximately 1.2 kilometers coastal protection structure in the city of Anaklia; and (c) Project implementation support through financial audit and independent safeguards monitoring.

Section 2

Section 2 (km 4+000 to km 10+800) is a new urban link road. Since in this section the widening of the existing highway would have caused significant impacts, thus a new road was preferred. The 6.8 km long Section 2 passes through housing and industrial areas, and as a result generates significant displacement impacts, including demolition of a two-storey building with 40 apartments.

The draft LARP for Section 2 was developed by Design Consultant (Dohwa Engineering) in April 2014. The main issue related to LARP was that the road section might have required demolition of a building with 40 apartments and possibly the repair of other 9 buildings with a very large number of apartments. To assess the final land acquisition and resettlement impacts it was decided to carry out a study of structural integrity of the buildings.

In order to speed up and facilitate finalization of LARP for Section 2 it was agreed to split the existing draft LARP into two LARPs covering respectively the Section 2 Part A (the road section without impacts on two-storey building, where LARP can be quickly finalized) and Section 2 Part B (including the section of the road with building impacts, where the impacts shall be reassessed following finalization of the structural study of buildings).

The final LARP for **Section 2 Part A** was approved by ADB on 30 October 2014 and is currently in process of implementation. Contracts are being signed with affected persons and are registered in public registry as it is required by Georgian legislation.

Affected people are getting compensation paid to their bank accounts within a reasonable time. As to the December 31, 2016 the agreements were concluded and signed for the purchase of 216 out of 244 affected properties. Negotiations with affected persons are ongoing. It shall be noted, that MDF provides assistance to the affected persons in land registration process.

However, it shall also be noted that exclusion of the interchange from the project required review of LARP and development of an Addendum to the LARP for Section 2 Part A. Currently the data collection for preparation of the Addendum is in process.

For **Section 2 Part B** the land acquisition and resettlement (LAR) impacts were reassessed based on the structural integrity study carried out in 2015, which was conducted by Nord Est Progetti Srl (Italy). According to the outcomes of the study of structural integrity (including review of data regarding two-storey building and 9 multi-apartment buildings, visual inspection, thermographic imaging of the buildings, subsoil investigation data, the input data for modeling the vibration impacts, etc.) it was recommended to dismantle two-storey residential building with 41 apartments. In the meantime regarding the structural integrity of the other 9 buildings, it was concluded that the construction works will not cause the risk of collapse or damage of these buildings.

The outcomes of the study on structural integrity of the buildings were reflected in the LARPs and the results of the study have confirmed the LAR impacts identified during the initial LAR assessment. Based on reassessed LAR impacts the LARP for Section 2 Part B was finalized, approved and disclosed in October 2015. Following LARP approval MDF commenced its implementation. As of December 31, 2016 the agreements were concluded and 117 privately owned properties were acquired out of total 151. In addition, out of total 41 apartments in two-storey residential building 29 apartments were acquired. LARP implementation process is ongoing.

Section	Total	Purchase	Remaining	note
LARP 2a	244	216	28	
LARP 2b	192	146	46	

Grievance Resolution

Grievance redress procedure was specified in LARPs for Section 2 Part A and Part B to provide an effective and systematic mechanism in responding to queries, feedbacks and complaints from APs and stakeholders. Grievance Redress Committee was established following the requirements of the grievance redress mechanism to address LAR issues that may arise during implementation of works under Tbilisi-Rustavi Urban Road Link. In total 5 meetings were carried out by the Grievance Redress Committee in first half of 2016. Grievance Redress Committee meetings are called on as needed basis to discuss the issues regarding all of the sections of Tbilisi – Rustavi Urban Road Link. Total number of complaints received for Section 2 Part A and Part B is 32, out of which 8 cases were resolved, 9 cases were rejected and 15 are currently being reviewed by the Committee.

Two of the complaints, which were brought into the GRC should be noted: 1. A joint

complaint of residents of Two-story residential building. 2. The complaint of owner of the hotel, from which only the restaurant was bought by the MDF. These AP-s submitted complaint to MDF and to ADB - Office of the Special Project Facilitator (OSPF). MDF is actively collaborating with the OSPF in order to resolve issues.

Private residential houses issue also should be highlighted. Part of private residential house owners also refused to sign agreements with MDF, because they think that compensation amount is small. APs demanded their property to be reevaluated and they sent letters to MDF. GRC reviewed the letters and decision has been made that these properties will be reevaluated in Levan Samkharauli National Forensics Bureau in accordance with APs' demands