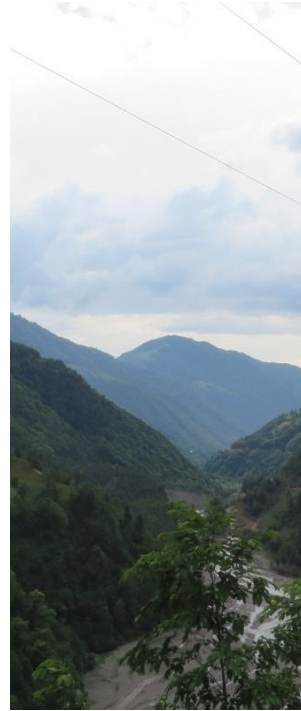
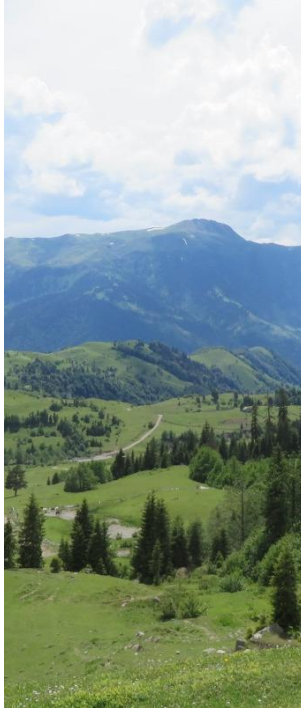
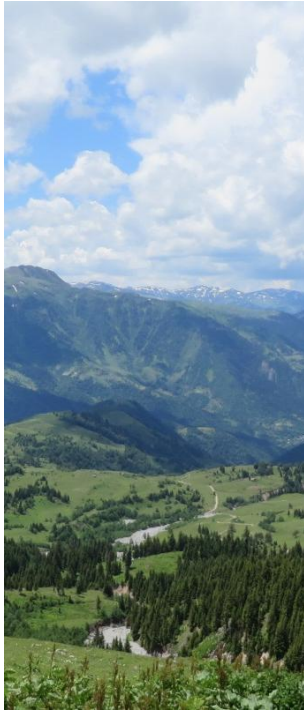




Adjaristsqali  
Georgia  
LLC



## **TRANSMISSION GRID STRENGTHENING PROJECT**

### **CONSTRUCTION OF AKHALTSIKHE-BATUMI 220kV DOUBLE CIRCUIT POWER TRANSMISSION LINE**

### **RESETTLEMENT ACTION PLAN**

**Segment II – Section II: km 7.7- km 40.8  
(From Tower # 273– to Tower # 355)**

June, 2016

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**CURRENCY EQUIVALENTS**

(As of 13 June 2016)

Currency Unit	–	lari (GEL)
\$1.00	=	GEL 2.13

**ABBREVIATIONS**

ACS	–	Acquisition and compensation scheme
CSC	–	Construction supervision consultant
AH	–	Affected household
AP	–	Affected Person
CBO	–	Community based organization
DMS	–	Detailed measurement survey
GSE	–	Georgian State Electrosystem
GoG	–	Government of Georgia
GRC	–	Grievance redress committee
IA	–	Implementing agency
IFI	-	International Financial Institution
IP	–	Indigenous peoples
EMA	–	External monitoring agency
km	–	Kilometre
LAR	–	Land acquisition and resettlement
LARC	–	Land acquisition and resettlement commission
LARF	–	Land acquisition and resettlement framework
RAP	–	Resettlement action plan
M&E	–	Monitoring and evaluation
MFF	–	Multi tranche financing facility
MOF	–	Ministry of Finance
MPR	–	Monthly progress report
MRDI	–	Ministry of Regional Development and Infrastructure
NAPR	–	National Agency of Public Registry
NGO	–	Non-governmental organization
OHL	–	Over Head Line
PAP	–	Project Affected People
PEMI	–	Persons experiencing major impact
PFR	–	Periodic financing request
PPR	–	Project progress report
PPTA	–	Project preparatory technical assistance
PRRC	–	Property Rights Recognition Commission
R&R	–	Resettlement and rehabilitation
RMT	–	Resettlement Management Team
RoW	–	Right of way
SSC	–	Social Safeguards Consultant
SES	–	Socioeconomic survey
SPS	–	Safeguard policy statement
TL	-	Transmission Line
WB	-	World Bank

**NOTE**

In this report, ‘\$’ refers to US dollars.

## GLOSSARY

**Compensation:** Payment in cash or in kind of the replacement cost of the acquired assets and aimed at allowing for the improvement, or at least restoration, of the lost asset, living conditions and livelihoods.

**Entitlement:** Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base.

**Improvements:** Structures constructed (dwelling unit, fence, waiting sheds, animal pens, utilities, community facilities, stores, warehouses, etc.) and crops/plants planted by the person, household, institution, or organization.

**Land Acquisition:** The process whereby a person is compelled by a government agency to alienate all or part of the land a person owns or possesses to the ownership and possession of the government agency for public purpose in return for a consideration.

**Affected People (AP):** Individuals affected by Project-related impacts.

**Affected Household (AH):** All members of a household residing under one roof and operating as a single economic unit, who are adversely affected by the Project. It may consist of a single nuclear family or an extended family group.

**Cut-off date:** start date of the census of project affected persons and inventory of assets affected by the project. Persons occupying the project area after the cut-off date are not eligible for compensation and/or resettlement assistance. Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) established after the cut-off date will not be compensated.

**Rehabilitation:** Compensatory measures provided under the Policy Framework on involuntary resettlement other than payment of the replacement cost of acquired assets.

**Relocation:** The physical relocation of an AP/AH from her/his pre-Project place of residence.

**Replacement Cost:** The calculation of replacement costs of land and structures will be based on (i) fair market value at the time of dispossession, (ii) transaction/legalization costs, other taxes and fees (iii) transitional and restoration (land preparation and reconstruction) costs, and (iv) other applicable payments. The value determined to be fair compensation for land based on its productive potential and location. The replacement cost of houses and structures (current fair market price of building materials and labour without depreciation or deductions for salvaged building material), and the market value of residential land, crops, trees, and other commodities.

**Resettlement:** All measures taken to mitigate any and all adverse impacts of the Project on AP's property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation of the damaged/removed infrastructure and installations. The objective is to improve, or at least restore the livelihood and living conditions of people affected by project-related land acquisition.

**Sakrebulo:** The representative body of local self-government. Self-governing unit is a municipality. A municipality is a settlement (self-governing city) which has administrative borders or unity of settlements (self-governing community), which has administrative borders and administrative centre. A municipality has elective representative and executive bodies (hereinafter municipality bodies), registered population and has its own property, budget, receipts. A municipality is a legal entity of public law. Local self-governance is implemented in municipalities – self-governing city and self-governing community. Self-governing city is an urban settlement which has or will have legally assigned status of municipality, while self-governing community is a unity of several settlements, which, in compliance with this law, has or will have assigned status of municipality. A status of self-governing cities are assigned and will be assigned in compliance with this law to the following cities: Tbilisi, Rustavi, Kutaisi, Poti, Batumi, Telavi, Ozurgeti, Zugdidi, Gori, Ambrolauri, Mtskheta and Akhaltsikhe. Representative body of the municipality is collegial administrative body – municipality council (Sakrebulo). Executive body of the municipality and highest official of the municipality is a governor (Gამგებელი) in self-governing community and mayor in self-governing city.

**Vulnerable groups**—People who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others and who may be limited in their ability to claim, take advantage of resettlement assistance and related development benefits.

## EXECUTIVE SUMMARY

1. The Government of Georgia, acting through its Ministry of Energy and the Georgian State Electrosystem (GSE), would like to strengthen grid access for South Western Georgia by constructing a 220 kV double circuit overhead power transmission line connecting the sub stations in Akhaltsikhe and Batumi. The new transmission line will ensure more stable electricity supply in the region, reducing outages and enable GSE to meet the growing demand for electricity, as well as enhance export opportunities. The new transmission line will also allow the hydropower projects on the Adjaristsqali River, the 178 MW Shuakhevi project and the 150 MW Koromkheti project, developed by Adjaristsqali Georgia LLC to be connected to the grid. Adjaristsqali Georgia LLC (AGL), is a special purpose vehicle/company set up by CEI for the development of the Adjaristsqali Hydropower Cascade after Clean Energy Invest AS (CEI, Norway), through competitive tender was awarded the rights to develop the hydropower potential of the Adjaristsqali River and its tributaries in the Autonomous Republic of Adjara. The company AGL, developing the Adjaristsqali cascade, is presently owned by Clean Energy Invest AS (Norway), Tata Power International (India) and InfraVentures (IFC, a member of the World Bank Group). Considering that AGL will benefit from the construction of the transmission line, the company has agreed with GSE and the Georgian Government to fund the development of the engineering and environmental studies required for the construction of the 220kV Akhaltsikhe-Batumi Project, whereas the construction works are planned to be funded by the World Bank. The Mott MacDonald Ltd (UK) has been assigned to undertake the engineering design for the transmission line, DG Consulting (Georgia) has been assigned to conduct the Environmental Social Impact Assessment (ESIA) by AGL. GSE will be responsible for the construction and operations of the 220 kV transmission line and will own the line. GSE will also be responsible for land acquisition. AGL is responsible for preparation of the Resettlement Action Plan (RAP). AGL has assigned DG Consulting, Alligator Ltd, Audit Escort and Analysis and Consulting team (ACT) for preparation of RAP. RAP is prepared by Analysis and Consulting Team (ACT) based on the surveys conducted by DG Consulting, Valuation by Audit Escort and Cadastral Mapping by Alligator Ltd. AGL's developmental responsibility ends after preparation, submission and approval of technical design, environmental and Archaeological studies, Resettlement Action Plan.

2. The 220 kV overhead transmission line will start from existing Akhaltsikhe 500/400kV Back to Back substation and will connect to existing Batumi 220kV substation (see.fig.1.1). The total length of the line is approximately 150 km and shall be a double-circuit line with AAAC conductors, OPGW and earth wire. The proposed OHL will be connected with substations at Shuakhevi and Koromkheti hydropower plants which are currently under construction and possibly connected to Beshumi ski resort substation after its modification. As a first priority the 52.2km length section of the OHL will be constructed covering Shuakhevi, Keda and Khelvachauri Municipalities. Initially this 52.2 km section was divided into 3 subsections:

- **Subsection 1** – km 0 - km 19.2 (From tower 249 – to tower 304)
- **Subsection 2** – km 19.2- km 39.5 (From tower 304 – to tower 352)
- **Subsection 3** – km 39.5- km 52.2 (From tower 352 - to tower 398)

As the alignment of OHL went under certain changes, preparation of RAPs in a timely manner required amendments in section lengths. Respectively the 52.2 km of the OHL is divided in the following manner (fig.1.2):

- **Subsection 1** – km 0 - km 7.7 (From tower 249 – to tower 273)
- **Subsection 2** – km 7.7- km 40.8 (From tower 273 – to tower 355)
- **Subsection 3** – km 40.8- km 52.6 (From tower 355 - to tower 398)

The changes in the alignment for Subsection 2 can be seen on the figure 3 (see fig.1.3). This RAP is related only to Segment II, Subsection 2: km 7.7 – km 40.8 (From tower 273 – to tower 355). RAP for Subsection 1 and Subsection 3 for Segment 2 is already submitted and approved by project stakeholders.

3. In all **private** land impacts amount to some **1036496 sq.m/103.6 ha** of land from **583 plots**<sup>1</sup>, as certain plots (**77**) are to be divided in 2 separate plots (one to be acquired due to permanent impact and the other to be compensated under the easment agreement due to partial impact) the final number of the project affected land plots is increased after demarcation up to **660** (see table 2.1 for details). This includes land plots affected permanently and temporary.<sup>2</sup> In terms of tenure and legal status the affected land plots are distributed in accordance with the following legal categories: **Category 1.** titled private land plots with full and valid registration. There are no land plots of category 1 under this section. **Category 2.** Private land plots with incomplete registration that requires re-registration with renewed cadastral maps. Some private land plots falling under this category are registered, while some of them still require registration. **135** of category **2** land plots of **292203 sq.m/29.2 ha**, are affected by the project. Out of this total amount **38** land plots (**77173 sq.m./7.7 ha**) are affected permanently and will be purchased by project and **124** land plots (**215030 sq.m./21.5 ha**) are partially affected and will be compensated according to the easment agreement. Some plots will be subdivided and registered further as two (2) separate land plots; out of which one plot is subject for acquisition and the other plot is subject for compensation under servitude agreement, as it falls within the RoW, thus the final number of the land plots under Category 2 is **162**. **Category 3.** Land plots that are subject to registration since being under legitimate possession of private persons. **448** of category **3** land plots of **744293 sq.m/74.4 ha**, are affected by the project. Out of this total amount **58** land plots (**74595 sq.m./7.4 ha**) are affected permanently and will be purchased by project and **440** land plots (**669698 sq.m./66.9 ha**) are partially affected and will be compensated according to the easment agreement. Some plots will be subdivided and registered further as two (2) separate land plots; out of which one plot is subject for acquisition and the other plot is subject for compensation under servitude agreement, as it falls within the RoW, thus the final number of the land plots under Category 3 is **498**. **Category 4.** State owned land plots illegally used by the private users (squatters). At this section of the Transmission line we do not have cases of category 4. **Category 5.** State owned land plots not used by the private users-in total there are **143** state lands of **444592 sqm/44.4 ha** at this section of transmission line.

4. Segment II, Section 2 of the transmission line will have impacts on lands from **422** Affected Households (AH), out of these 422, **14** households will need to be physically resettled and **29** households will lose permanently more than 10% of total productive area. In all remaining cases the impacts will be marginal given that people are allowed to continue with agricultural activities on lands partially affected by easement required for the transmission line's right of way. In addition, **75** AH are considered vulnerable and **3** out of **75** vulnerable is considered to be severely affected. It must be highlighted that under this Section there are no cases of people living or using government-owned land who are not legalizable (i.e. squatters).

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<sup>1</sup> 583 represents the number of the land plots that were surveyed in scopes of the project. It is worth mentioning that there are other 28 land plots (total area for 22 land plots is 66504 sq.m/6.6 ha, area for 6 land plots is unknown) that could not be surveyed due to refusals from the land owners. The RAP budget envisages preliminary costs of compensation for these land plots (permanent and partial impacts), although the further surveys need to be conducted on these land plots (as a result of negotiation or expropriation) in order to evaluate full scale of losses (loss of annual and perennial crops, buildings, etc.).

<sup>2</sup> Temporary long-term impact will be extended over the portion of land parcel that will appear within the RoW. Temporary long-term impact will be processed through Servitude Agreements - exercising limitation on land use - imposed on project affected portion of land located between the sanitary zones of the towers.

Table E.1 Summary Impact on Land Acquisition and Resettlement

No.	Impacts	Permanent Land Take (Land to be Acquired)		Partial Impacts (Land Plots within the RoW/Easement)		Initial Number	Final Number	Sqm
		Plots No.	Area (sqm)	Plots No.	Area (sqm)	Plots No.	Plots No.	Area (sqm)
1	<b>Total Land parcels affected</b>					583 <sup>3</sup>	660 <sup>4</sup>	1036496
<b>Tenure Categories</b>								
2	<b>Category 1.</b> Private Registered	0	0	0	0	0	0	0
3	<b>Category 2.</b> Private land plots registered or not registered but eligible to registration	38	77173	124	215030	135	162	292203
4	<b>Category 3.</b> Private Legalizable	58	74595	440	669698	448	498	744293
5	<b>Category 4.</b> State owned land, used by Private Users (squatters) – Non Legalizable	0	0	0	0	0	0	0
6	<b>Category 5</b> State Owned Not Used by Private Users	33	6677	110	437915	110	143	444592
<b>Categories by Land Use and Costs</b>								
7	<b>Type 1.</b> The land plots of non-agricultural status, located close to the main road (from 5 to 50m) and used for residential or commercial needs. Cost of 1 m2 of Type 1 land is – 16.50 GEL/sq.m.	1	62	5	624	5	6	686
8	<b>Type 2.</b> The land plots of agricultural status, located close to the main road (from 5 to 50m) and currently used for agricultural needs. Cost of 1 m2 of Type 2 land is 15 GEL	13	24067	59	92226	62	72	116293
9	<b>Type 3.</b> The land plots of agricultural and non-agricultural status, located remotely from the main road but within the borders of villages and settlements. Cost of 1 m2 of Type 3 land is 12.50 GEL	31	117198	89	188778	105	120	305976
10	<b>Type 4.</b> The land plots of agricultural status, located remotely from the main road at some distance from villages and used for agricultural needs (perennial crops). Cost of 1 m2 of type 4 land is 8 GEL	47	9838	392	569610	392	439	579448
11	<b>Type 5.</b> The land plots of agricultural status, located remotely from the main road and not used for agricultural needs (usually – steep slopes) Cost of 1 m2 of type 5 land is 5 GEL	4	603	19	33490	19	23	34093
12	<b>Type 6.</b> State Owned , Used by Private Users – Non Legalizable	0	0	0	0	0	0	0

<sup>3</sup> Private land plots only

<sup>4</sup> Certain plots are to be divided in two (2) separate plots (one to be acquired due to permanent impact and the other to be compensated under the easment (servitude) agreement due partial temporary long-term impact). Thus, the final number of the project affected land plots is different from the initial number of the land plots.

13	Type 7. State Owned Not Used by Private Users	33	6677	110	437915	110	143	444592
<b>Crops and Trees</b>								
14	Area under Maize					sq.m		144721
15	Area under Beans					sq.m		55643
16	Area under Potato					sq.m		20015
17	Area under Pepper					sq.m		570
18	Area under Tobacco					sq.m		12473
19	Area under Vegetables					sq.m		31597
23	Affected Trees					No		30938
<b>Affected Structures</b>								
24	Residential Houses					No.		15
25	Ancillary Buildings in Total					No		94
<b>Affected Businesses</b>								
26	Business					No.		0
<b>Affected Households</b>								
27	Severely affected Households					No.		29
28	Vulnerable Households					No		75
29	Resettled households					No.		14
30	AH losing Jobs					No		0
31	Total AH					No		422
32	Total Affected Persons					No		2122

5. In total **422** AHs are affected: **96** are permanently losing some part of their land (**88** land plots) and the rest are affected partially as their land plots are imposed to limitation of land use (growing tree plants and construction/existence of the structures is prohibited). 14 AHs are losing residential houses with associated land plots and 15 more AHs losing more than 10% of the land owned by them at the locations, where the towers will be erected. Therefore, in total 29 AHs, including the 14 AHs being physically displaced are considered to be severely affected and will be provided additional allowances. The present RAP affects in total 75 vulnerable AHs including 9 women headed without supporters (bread earners).

6. The legal and policy framework of the project on land acquisition and resettlement has been adopted to assist the APs and/or households for their lost land and assets, income and livelihood resources. Expropriation of land through eminent domain will not be applied unless approach for acquisition through negotiated settlement fails. Compensation eligibility is limited by the cut-off date for this Segment which was established on 23 of June 2014 for those project affected lands where no changes in OHL alignment were observed and 12 April 2016 for those lands that were newly identified as project affected or the affected area of the land was modified due to changes in alignment. APs will be entitled for compensation or at least rehabilitation assistance under the Project are (i) all persons losing land irrespective of their title, (ii) tenants and sharecroppers irrespective of formal registration, (iii) owners of buildings, crops, plants, or other objects attached to the land; and (iv) persons losing business, income, and salaries. A summary entitlements matrix is included in Table E-2.



Table E-2. Compensation Entitlement Matrix

Type of Loss	Application	Definition of APs	Compensation Entitlements
<b>Land</b>			
Permanent loss of agricultural and non-agricultural land (e.g. tower sitting, enhancement of access roads)	PAPs permanently losing agricultural land regardless of impact severity	Registered owners	For agricultural lands - Cash compensation at full replacement cost at current market value without deduction of depreciation value and transaction fees or replacement land of same value of land lost and at location acceptable to PAPs where feasible. If any remaining part of the land owned by the registered owners is no longer appropriate for use, such remaining part will be purchased subject to the agreement with the owner.  For non-agricultural lands - Cash compensation at full replacement cost at market value without deduction of depreciation value and transaction fees.
		Legalizable Owner	For agricultural lands - These PAPs will be legalized and provided with cash compensation at full replacement cost of land.  This compensation entitlement will also apply to the legalizable owners using unregistered land plots far from their residence, without registration of such land.  For non-agricultural lands - these PAPs will receive the cash compensation as legalized owners after their title will be legalized and registered at the public register.
		Renters/Lease	Non eligible for land compensation; though, they are eligible for allowance considered in the Entitlement Matrix for other losses.
		Non-legalizable owners (squatters/encroachers)	Non-legalizable PAPs losing agricultural land plot, which is the only land plot used and provides main source of income for AH, will be compensated with one time allowance in cash equal to 1 year of minimum subsistence income (320 GEL X 12 = 3,840 GEL). Besides, they will be paid allowance considered in the Entitlement Matrix for other losses.
Restrictions on use land (e.g. easement for TL's right of way)	PAP not losing their land falling within RoW, but land use restrictions imposed (prohibition of constructing structures and planting trees)	Registered owners	Easement agreement will include a lump sum easement fee payable to the owner. Such fee is established by an independent valuation experts.
		Legalizable Owner	These PAPs will be legalized and the owner will receive easement fee as a lump sum in the amount is determined by an independent valuation experts
		Renter/Leaseholder	Not eligible for easement fee for land-use restriction; though, they are eligible for allowance considered in the Entitlement Matrix for other losses.

Type of Loss	Application	Definition of APs	Compensation Entitlements
		Non-legalizable users	Not eligible for easement fee for land-use restriction; however, PAP will receive allowance for other losses, as per Entitlement Matrix.
<b>Buildings and Structures</b>			
Residential buildings	Landlords /tenants of houses within the entire RoW are subject to physical displacement, as presence of residential structures within the ROW is prohibited	Registered owners	In addition of compensation for loss of land, PAPs will receive compensation and replacement value for the house and will be provided with resettlement assistance to ensure that the family relocates in a new house with access to services and security of tenure.
		Legalizable Owners	These PAPs will be legalized and in addition of compensation for loss of land, PAPs will receive compensation and replacement value for the house and will be provided with resettlement assistance to ensure that the family relocates in a new house with access to services and security of tenure
		Renter/Leaseholder	Non eligible for compensation for the house. The PAP will be informed well in advance to move and receive the equivalent of three months' rent and support to transport belongings to new location.
		Non-legalizable users	Non eligible for compensation for land, but will receive compensation at full replacement cost for the house and will receive additional assistance to ensure that adequate housing with security of tenure and access to services is provided.
Non-residential structures (barns, irrigation, fences, etc.)	Entire RoW, where deployment of some non-residential structures is prohibited	Registered owners	Compensation at full replacement cost for lost structures, in addition of compensation for loss of land.
		Legalizable Owner	These PAPs will be legalized and receive compensation at full replacement cost for lost structures, in addition of compensation for loss of land.
		Renter/Leaseholder	Non eligible
		Non-legalizable users	Eligible for compensation at full replacement cost of all structures built by the non- legalizable user
<b>Loss Of Community Infrastructure/Common Property Resources</b>			
Loss of common property and/or resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure or reestablishment of agricultural lands in consultation with community and restoration of their functions
<b>Loss of Income and Livelihood</b>			

Type of Loss	Application	Definition of APs	Compensation Entitlements
Crops	Standing crops affected or loss of planned crop incomes	All PAPs regardless of legal status (including registered owners, legalizable, non-legalizable users, and renters)	When possible people will be given enough time to harvest existing crops. Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided even in case if the crops were harvested. This compensation is in addition for compensation for permanent acquisition of land or easement fee.
Trees	Removal of trees from the ROW	All PAPs regardless of legal status (including registered owners, legalizable, non-legalizable users, and renters)	Cash compensation at market rate on the basis of type, age market price of product and the productive life of the trees. This compensation is in addition for compensation for permanent acquisition of land or easement fee
Business/Employment	Business/employment loss	Business owner	(i). (permanent impact) cash indemnity of 1 year net income; (ii) (temporary impact) cash indemnity of net income for months of business stoppage (up to maximum 3 months). Assessment to be based on tax declaration or, in its absence, minimum subsistence income .
		Workers/employees:	Indemnity for lost wages equal to 3 months of minimum subsistence income and job trainings.
<b>Allowances</b>			
Severe Impacts	>10% loss of productive lands	APs losing permanently (sitting of towers) more than 10% of affected agricultural land (including registered owners, legalizable and non-legalizable users, Renters are not eligible)	Additional allowance equivalent to market value of two-year yield from affected land or compensation for 3 months of minimum subsistence income Other income <sup>5</sup> : 1 additional compensation for 3 months of minimum subsistence income. 320 GEL per month x 3 months=960 GEL per AH).
Physical relocation /Transportation of personal belongings to new location (new house)	Transport/transition costs	All PAPs to be physically relocated (including registered owners, legalizable, non-legalizable users, and renters)	Provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. 200 GEL as vehicle hire charge +320 GEL as minimum subsistence income x 3 months = 1,160 GEL per AH
Vulnerable people allowances	Impact on vulnerable people	Economically Disadvantaged AHs, single mother headed household, disabled or elderly	One time allowance equal to 3 months minimum subsistence income (320 GEL/month X 3 months = 960 GEL); and employment priority in project-related jobs for capable members of all vulnerable households.
<b>Temporary use of land</b>			

<sup>5</sup> Non-agricultural income includes all economic activities except Category A: Agriculture. Please refer to <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27>  
Akhalsikhe- Batumi 220kv OHL, Final RAP, 2016

Type of Loss	Application	Definition of APs	Compensation Entitlements
Temporary use of land during construction	Lease of land for project purposes (e.g. camps, storage)	All PAPs	Contractor will lease land required temporarily during construction on voluntary basis (e.g., willing leaser-willing lessee basis). Landowner will have right to refuse the offer. The maximum period for temporary use is defined as 2 years. Lease rates to be paid should not be less than lease at current market rates, plus compensation for any loss of crops or tress <sup>6</sup> at gross value of 4 year's harvest of crops on the affected lands. Affected trees will be cash compensated as described in this RAP. It is also required that lands (or other assets) be fully cleared and restored following the use.
<b>Construction impacts not related to land acquisition<sup>7</sup></b>			
Damages to houses, buildings, and structures affected during construction.	In relation to impacts that are not related to land acquisition such as potential damages of vibrations or discomfort caused by road traffic.	All PAPs regardless of legal status	Construction contractor will conduct assessment of damages and create the baseline information on the physical condition of structures; if claims lodged Construction contractor will compare current condition with the existing baseline information <sup>8</sup> and propose corresponding remedial actions (e.g. reparations, etc.) to the affected party. If damages cannot be mitigated or fixed the affected houses and other buildings will be managed in accordance to the principles of the RPF, this RAP and it will be compensated in full for the whole building irrespective of the specific degree of impact. Compensation will be provided in cash at replacement cost free of deductions for depreciation, transaction costs or salvaged materials. All relevant PAPs are entitled to this provision by default irrespective of the registration status of the affected item. Salvaged materials after demolition of the building are deemed to be owned by the AH.

7. The Georgian State Elecrossystem (GSE) is the implementing agency (IA) of the Project. GSE is responsible for OHL construction as well as land acquisition and resettlement of the PAPs. GSE 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, National Agency of Public Registry (NAPR) within the Ministry of Justice is in charge of the recognition of ownership rights of legitimate possessors and registration of ownership rights. The local/district NAPRs are also responsible for registering the ownership rights of acquired land from landowners to the GSE based on relevant agreements. 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 is responsible for environmental issues. Various features/sections of the OHL Project are located in each of the following municipalities: Akhaltsikhe, Adigeni, (Samtskhe-Javakheti Region) and Khulo, Shuakhevi, Keda, Khelvachauri and Batumi (Adjara Autonomous Republic). All corresponding Sakrebulo, Gamgeoba, Territorial Registration Offices and PRRCs will be involved in RAP. Local Sakrebulos and Rtsmunebuli

<sup>6</sup> Construction Company will adopt the same approach of compensating the felled trees as described in the compensation entitlement matrix during construction activities outside of the RoW.

<sup>7</sup> The requirement should be incorporated in the contract of a construction contractor

<sup>8</sup> Construction Company is responsible for conducting baseline assessment of possible damages outside the RoW and then compare the existing baseline information with actual damages and compensate the losses considering the similar principles as described in the compensation entitlement matrix. Damages can be identified through comparing the baseline data with actual damages as well as information received from AHs through grievance redress mechanisms.

of villages are involved for local level LAR activities.

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

9. A grievance mechanism will be available to allow a AP to seek redress for issues related to land acquisition. Grievance redress committees (GRCs) at local level involving the local government officials, representative of APs, representative of local NGOs and consultant will be formed. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Care will always be taken to prevent grievances rather than going through a redress process.

10. Payment of compensation and cash allowances will be executed during the implementation of the RAP. All activities related to the land acquisition and resettlement have been scheduled to ensure that compensation is paid prior to displacement and commencement of construction. In all cases compensation will be paid, and where necessary physical resettlement completed, prior to starting works on that land and causing the displacement. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. The total LAR cost calculated for the implementation of this RAP constitutes of **GEL 12 051 137.3 (USD 5 657 810.9)**.

11. Land acquisition and resettlement tasks under the project will be subject to monitoring. Monitoring will be the responsibility of GSE. Internal monitoring will be carried out routinely by GSE. The results will be communicated to the WB through the quarterly project implementation reports. External monitoring will be carried out by a Social Safeguards Consultant on a regular basis, and its results communicated to RMT of GSE and WB through quarterly reports. The GSE (through help of the Social Safeguards Consultant) will carry out a post-implementation evaluation of the RAP about a year after completion of its implementation.

## 1. INTRODUCTION

### 1.1 Project Background

12. The Government of Georgia, acting through its Ministry of Energy and the Georgian State Electrosystem (GSE), would like to strengthen grid access for South Western Georgia by constructing a 220 kV double circuit overhead power transmission line connecting the sub stations in Akhaltsikhe and Batumi. The new transmission line will ensure more stable electricity supply in the region, reducing outages and enable GSE to meet the growing demand for electricity, as well as enhance export opportunities. The new transmission line will also allow the hydropower projects on the Adjaristsqali River, the 178 MW Shuakhevi project and the 150 MW Koromkheti project, developed by Adjaristsqali Georgia LLC to be connected to the grid.

13. Adjaristsqali Georgia LLC (AGL), is a special purpose vehicle/company set up by CEI for the development of the Adjaristsqali Hydropower Cascade after Clean Energy Invest AS (CEI, Norway), through competitive tender was awarded the rights to develop the hydropower potential of the Adjaristsqali River and its tributaries in the Autonomous Republic of Adjara. The company AGL, developing the Adjaristsqali cascade, is presently owned by Clean Energy Invest AS (Norway), Tata Power International (India) and InfraVentures (IFC, a member of the World Bank Group). Considering that AGL will benefit from the construction of the transmission line, the company has agreed with GSE and the Georgian Government to fund the development of the engineering and environmental studies required for the construction of the 220kV Akhaltsikhe-Batumi Project, whereas the construction works are planned to be funded by the World Bank. The Mott MacDonald Ltd (UK) has been assigned to undertake the engineering design for the transmission line, DG Consulting (Georgia) has been assigned to conduct the Environmental Social Impact Assessment (ESIA) by AGL.

14. GSE will be responsible for the construction and operations of the 220 kV transmission line and will own the line. GSE will also be responsible for land acquisition. AGL is responsible for preparation of the Resettlement Action Plan (RAP). AGL has assigned DG Consulting, Alligator Ltd, Audit Escort and Analysis and Consulting team (ACT) for preparation of RAP. RAP is prepared by Analysis and Consulting Team (ACT) based on the surveys conducted by DG Consulting, Valuation by Audit Escort and Cadastral Mapping by Alligator Ltd. AGL's developmental responsibility ends after preparation, submission and approval of technical design, environmental and Archaeological studies, Resettlement Action Plan.

15. The 220 kV overhead transmission line will start from existing Akhaltsikhe 500/400kV Back to Back substation and will connect to existing Batumi 220kV substation (see.fig.1.1). The total length of the line is approximately 150 km and shall be a double-circuit line with AAAC conductors, OPGW and earth wire. The proposed OHL will be connected with substations at Shuakhevi and Koromkheti hydropower plants which are currently under construction and possibly connected to Beshumi ski resort substation after its modification. As a first priority the 52.2km length section of the OHL will be constructed covering Shuakhevi, Keda and Khelvachauri Municipalities. Initially this 52.2 km section was divided into 3 subsections:

- **Subsection 1** – km 0 - km 19.2 (From tower 249 – to tower 304)
- **Subsection 2** – km 19.2- km 39.5 (From tower 304 – to tower 352)
- **Subsection 3** – km 39.5- km 52.2 (From tower 352 - to tower 398)

16. The alignment of OHL went under certain changes. Preparation of RAPs in a timely manner required amendments in section lengths as well. Respectively the 52.2 km of the OHL is divided as follows: (fig.1.2):

- **Subsection 1** – km 0 - km 7.7 (From tower 249 – to tower 273)
- **Subsection 2** – km 7.7- km 40.8 (From tower 273 – to tower 355)
- **Subsection 3** – km 40.8- km 52.6 (From tower 355 - to tower 398)

The changes in the alignment for Subsection 2 can be seen on the figure 3 (see fig.1.3). This RAP is related only to Segment II, Subsection 2: km 7.7- km 40.8 (From tower 273 – to tower 355). RAP for Subsection 1 and

Subsection 3 of Segment II is already submitted and approved by project stakeholders.

Fig.1.1 Entire alignment of the 220kV OHL from Akhaltsikhe 500/400kV Back to Back substation to Batumi 220kV substation



Fig.1.2. Subsections 1, 2 and 3. Subsection 2: km 7.7- km 40.8 (From tower 273– to tower 355) is pertinent to the present RAP

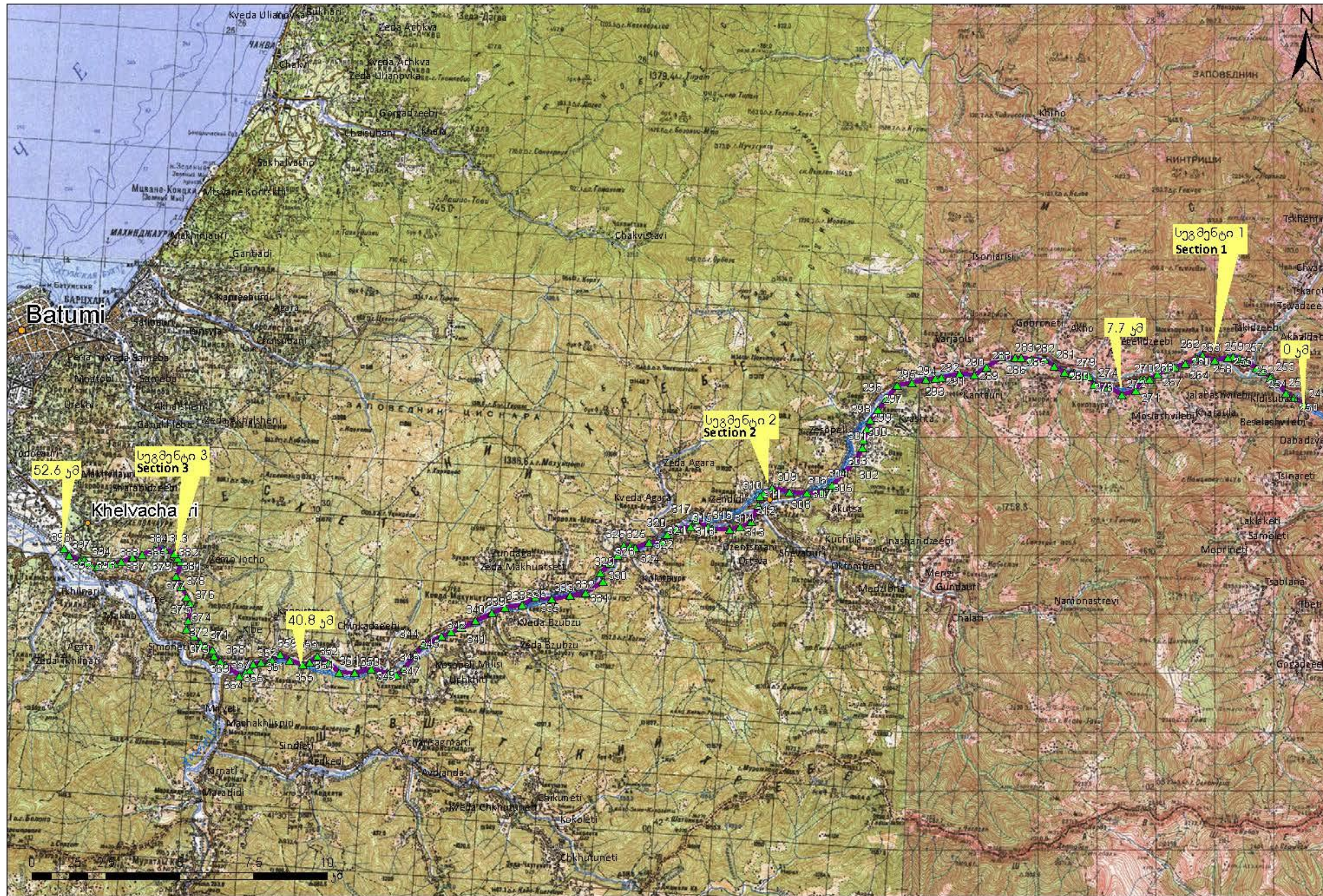
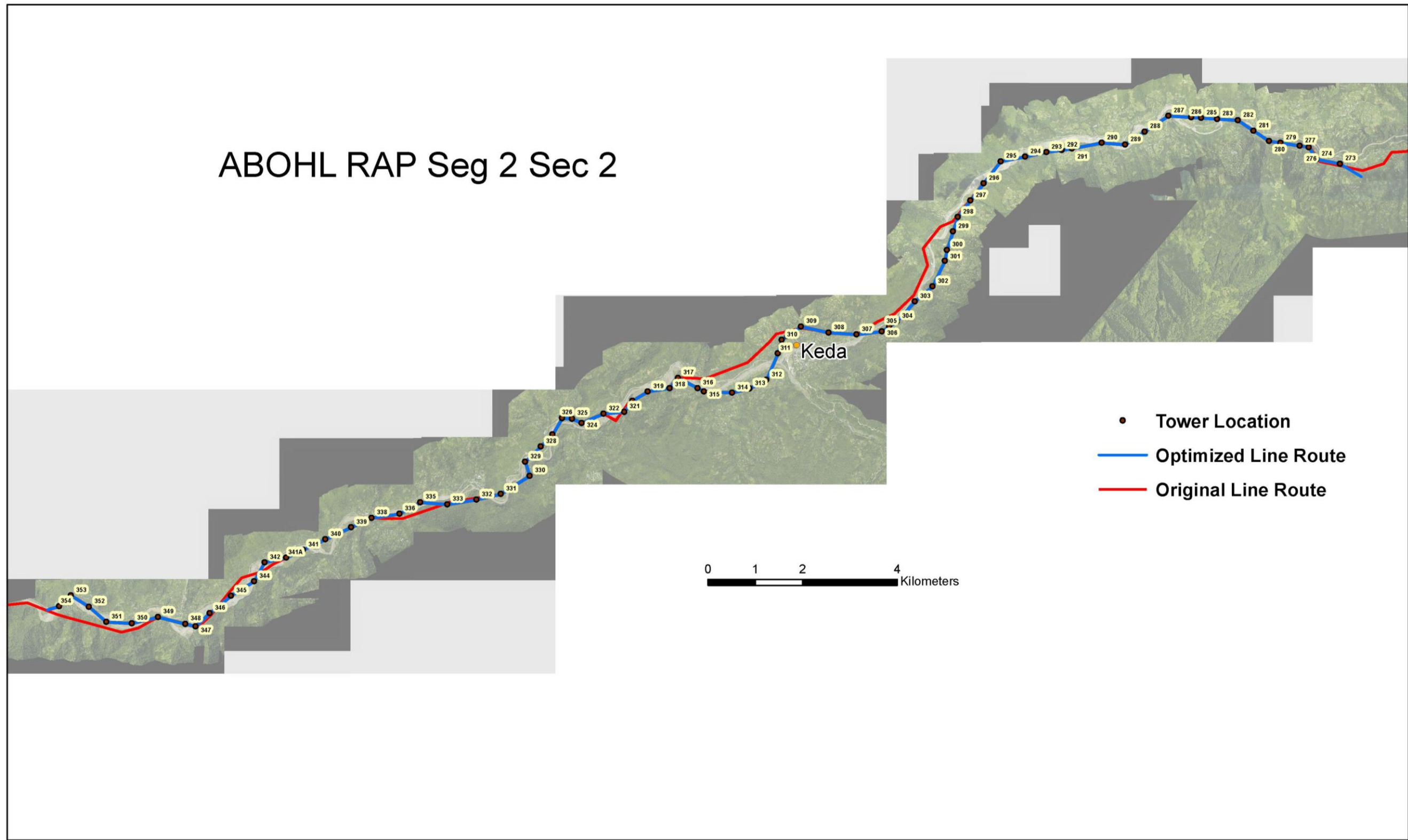




Fig.1.3. Changes in Segment II Subsection 2 (km 7.7- km 40.8)



17. In all **private** land impacts amount to some **1036496** sq.m/**103.6** ha of land from **583** plots<sup>9</sup>, as certain plots (**77**)<sup>10</sup> are to be divided in 2 separate plots (one to be acquired due to permanent impact and the other to be compensated under the easment agreement due to partial impact) the final number of the project affected land plots is increased after demarcation up to **660** (see table 2.1 for details). This includes land plots affected permanently and temporary.<sup>11</sup> In terms of tenure and legal status the affected land plots are distributed in accordance with the following legal categories: **Category 1.** titled private land plots with full and valid registration. There are no land plots of category 1 under this section. **Category 2.** Private land plots with incomplete registration that requires re-registration with renewed cadastral maps. Some private land plots falling under this category are registered, while some of them still require registration. **135** of category **2** land plots of **292203** sq.m/**29.2** ha, are affected by the project. Out of this total amount **38** land plots (**77173** sq.m./**7.7** ha) are affected permanently and will be purchased by project and **124** land plots (**215030** sq.m./**21.5** ha) are partially affected and will be compensated according to the easment agreement. Some plots will be subdivided and registered further as two (2) separate land plots; out of which one plot is subject for acquisition and the other plot is subject for compensation under servitude agreement, as it falls within the RoW, thus the final number of the land plots under Category 2 is **162**. **Category 3.** Land plots that are subject to registration since being under legitimate possession of private persons. **448** of category **3** land plots of **744293** sq.m/**74.4** ha, are affected by the project. Out of this total amount **58** land plots (**74595** sq.m./**7.4** ha) are affected permanently and will be purchased by project and **440** land plots (**669698** sq.m./**66.9** ha) are partially affected and will be compensated according to the easment agreement. . Some plots will be subdivided and registered further as two (2) separate land plots; out of which one plot is subject for acquisition and the other plot is subject for compensation under servitude agreement, as it falls within the RoW, thus the final number of the land plots under Category 3 is **498**. **Category 4.** State owned land plots illegally used by the private users (squatters). At this section of the Transmission line we do not have cases of category 4. **Category 5.** State owned land plots not used by the private users-in total there are **143** state lands of **444592** sqm/**44.4** ha at this section of transmission line.

18. Segment II, Section 2 of the transmission line will have impacts on lands from **422** Affected Households (AH), out of these 422, **14** households will need to be physically resettled and **29** households will lose permanently more than 10% of total productive area. In all remaining cases the impacts will be marginal given that people are allowed to continue with agricultural activities on lands partially affected by easement required for the transmission line's right of way. In addition, **75** AH are considered vulnerable and **3** out of **75** vulnerable is considered to be severely affected. It must be highlighted that under this Section there are no cases of people living or using government-owned land who are not legalizable (i.e. squatters).

## 1.2 The Impacts Corridor

19. The width of the OHL corridor is defined following the standards set up in the Decree #366 of Government of Georgia (dated 24 December 2013) "On the Protection Procedures for Electricity Grid Linear Facilities and Determination of its Protective Zones" This document sets/regulates the procedures for the protection of power lines including the parameters (area, distances, width, clearances) of the protective zones, access roads, RoWs in forests and other treed/vegetated areas, conditions for locating/constructing buildings (other facilities) and conducting works in these protective areas. The document is based on Law of Georgia "On Normative Acts" (Clause 18, paragraph 2) and its objective is to facilitate the uninterrupted functioning

<sup>9</sup> 583 represents the number of the land plots that were surveyed in scopes of the project. It is worth mentioning that there are other 28 land plots (total area for 22 land plots is 66504 sq.m/6.6 ha, area for 6 land plots is unknown) that could not be surveyed due to refusals from the land owners. The RAP budget envisages preliminary costs of compensation for these land plots (permanent and partial impacts), although the further surveys need to be conducted on these land plots (as a result of negotiation or expropriation) in order to evaluate full scale of losses (loss of annual and perennial crops, buildings, etc.).

<sup>10</sup> Even though these land plots are affected with dual impact, severity of the impact is calculated based on the percent of the productive land lost (more than 10% of the productive land owned by AP).

<sup>11</sup> Temporary long-term impact will be extended over the portion of land parcel that will appear within the RoW. Temporary long-term impact will be processed through Servitude Agreements - exercising limitation on land use - imposed on project affected portion of land located between the sanitary zones of the towers.

of the power grid, to ensure safe operations, to meet the requirements of the sanitary and safety norms, to prevent accidents. According to Clause 3.1.a.a.b., the width of the protective zone for the 220kV OHL RoW is 25m from the edge conductors on each side (technically more precisely - from the parallel projection of the edge conductors to the land surface). Clause 3.2 a.b.a. regulates the tree felling/clearing width in forests, forested areas and parks – which is distance between edge conductors plus distance equal to maximum height of forest trees in that particular area, to the both sides of the line. Other clauses of the Decree regulate distances to water bodies, buildings in settlements, motor roads, other OHLs, restrictions for building/construction development, planting/agriculture, other works/activities within sanitary zones, safety requirements, etc.

20. Within the power transmission line corridor (The width safety corridor is taken as 62m) it is prohibited to plant trees or construct structures and buildings, but other agricultural activities such as crops and grazing are allowed. The existing structures should be demolished and the existing trees removed. The land plots intended for installation of towers are subject for permanent land acquisition. The area of land for installing towers depends on a type of tower and varies from 170 sq.m. to 785 sq.m. The land plots with residential houses, in case if the residential houses fall inside the safety corridor and should be demolished, also will be acquired entirely. The rest land falling within the safety corridor and imposed to only partial, long-term temporary impacts (limitation of land use), will remain in a possession of the owners, however the affected owners will be compensated for imposed restrictions according to easement (servitude) agreement.

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

21. Due considerations have been given during the design of the OHL alignment and towers layout to minimize the adverse impacts of land acquisition and involuntary resettlement. Efforts have been put to incorporate best engineering solution in avoiding large scale land acquisition and resettlement. Following are the specific measures adopted for the selection of the route:

- (i) The short sections of the designed OHL required improvement of geometric characteristics and involved some minor realignment, in order to avoid risks of triggering landslides and indirect impacts on residential houses; The RAP is adjusted, as needed, based on changes to the alignment by the construction contractor;
- (ii) Tower locations have been designed to avoid resettlement as much as possible;
- (iii) Designs of OHL alignment has been reviewed by resettlement specialists and their recommendations were considered in the final design.

### **1.4 RAP Preparation**

22. The present RAP for Akhaltiskhe-Batumi 220kV OHL (Segment 2, Subsection 2) is based on DMS (Detailed measurement survey), census and socio economic survey which were initially conducted between 23 June 2014 – 29 December 2014 and after the alignment adjustment between 12 April – 30 May, 2016. The RAP includes (i) description of impacts and AP figures reflecting current design (basic design); (ii) schedule for land acquisition and implementation of RAP (iii) corresponding LAR budget; and (iv) loss and entitlement profile for individual owners of land plots and APs. Preparation of this RAP entailed intensive consultations with the stakeholders, especially the APs and their community. The surveys were conducted to understand the extent of impact and validate the severity and compensation measures. The assessment of losses and land acquisition is based on the basic engineering design as part of the design study.

### **1.5 Pending RAP Implementation Tasks**

23. Initial RAP for Segment 2 Subsection 2 was reviewed and approved by the Government and WB, although it was subject to changes and updates. The present RAP update will be submitted to the Government for re-approval. During the previous RAP approval the principle and procedure for legalization of the project affected Akhaltsikhe- Batumi 220kv OHL, *Final RAP, 2016*

agricultural land parcels based on traditional right was established through the special Decree of the Government. In parallel, in June-September, 2015 GSE signed preliminary agreements with affected households included in the previous RAP<sup>12</sup>. Finally, this enabled to gain time for soil investigation, preparatory works for land acquisition. etc.

24. The RAP finances will be allocated upon completion and approval of the RAP by the Government and WB. Prior to the distribution of RAP compensation to the APs the legalization of legalizable plots according to Governmental Decree will be finalized and all APs will sign a contract agreement indicating that they accept the compensation provided to them. Where the borrower has offered to pay compensation to an affected person in accordance with the approved RAP, but the offer is rejected by the AP, the case will be passed to the appropriate court to initiate expropriation proceedings. The taking of land and related assets may only proceed if the borrower has deposited funds equal to the offered amount in a secure form of Escrow accounts will also be established for absentee APs.

## 1.6 Conditions for Project Implementation

25. Based on the WB policy/practice, the approval of project implementation will be based on the following RAP-related conditions:

- (i) **Signing of Contract Award:** Conditional to the approval of the RAP by WB and the Government of Georgia. The RAP reflects impacts, final AP lists and compensation rates at replacement cost approved by GSE.
- (ii) **Notice to Proceed to Contractors:** Conditional to the full implementation of RAP- (legalization of legalizable owners, and full delivery of compensation and rehabilitation allowances).

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<sup>12</sup> Preliminary Agreement is signed only by the Head of HH. The final Sales and Purchase Agreement is signed by head of HH, while other members issue notarized consent in favor of the head of HH to sign the final Sales and Purchase Agreement on behalf of HH members. Preliminary agreements envisaged paragraph stating that APs will be provided with the final Sales and Purchase Agreements only in case OHL design remains unchanged and AP is affected by the project.

## 2. CENSUS AND IMPACT ASSESSMENT

### 2.1 Introduction

26. This impacts assessment details loss of land, structures and other assets located along the km 7.7- km 40.8 section of Akhaltsikhe – Batumi 220 kV Power Transmission Line (Segment 2, subsection 2) in Keda and Khelvachauri Municipalities of Georgia. Compensation and rehabilitation measures have been worked out based on these impacts. A detailed inventory<sup>13</sup> of all the impacts has been done following the final alignment of the transmission line corridor (km 7.7- km 40.8) and tower locations.

27. Digitized cadastral maps were collected from the NAPR and updated according to actual field survey. The final transmission RoW alignment and tower layout was superimposed on the digitized cadastral maps and land survey using DGPS was conducted on site to identify the affected land parcels, demarcation of land parcels including correction in geometric details and quantification of land parcels including affected part. With the cadastral details from land survey, detail measurement survey (DMS) and AP Census were undertaken. Initial surveys were conducted from 23 June 2014 and was terminated on 29 December 2014, surveys after the alignment adjustments were conducted between 12 April – 30 May 2016. Additionally, a socioeconomic survey (SES) of households was carried out in the project affected areas in order to understand the socio- economic condition of the affected population. The start date of the DMS and the AP census survey is considered as the compensation eligibility cut-off date therefore cut-off date for the project is 23 of June 2014 for those project affected lands where no changes in OHL alignment were observed and 12 April 2016 for those lands that were newly identified as project affected or the affected area of the land was modified due to changes in alignment.

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

#### 2.2.1 General Classification of affected land

28. The impacts on land have been distinguished as a permanent impact (permanent land take) and partial impact<sup>14</sup>, which means that the land is not taken and is left in a possession of the private owner, however certain limitations are imposed on the mentioned land plots in terms of admissible land use. The limitations comprise prohibition of growing tall trees (higher than 4m) within the RoW and prohibition of existence of structures and buildings in the RoW<sup>15</sup>. Permanent impact is related to the land plots where towers will be located or to the land plots, on which the residential houses are situated. It is obvious, that the land plots needed for erection of towers needs to be acquired. In relation with the land plots with residential houses the situation is as follows: as all the structures within the RoW, including residential houses, should be demolished, the mentioned land plots lose their value as a residential land and the AHs should be relocated at the new site of residence. The land plots and affected structures will be compensated at full replacement cost and this land will be permanently acquired by the project, as well as the land plots under the towers. The land plots without residential houses, which are located within the RoW between the towers, do not need to be acquired by the project. These land plots will remain in the ownership of AHs, however the AHs will be compensated for the partial impact (limitations on land use) through the Easement Agreement. The cost to be paid as a compensation for partial impact should reflect the loss of real estate value of the affected land plots due to the imposed limitations.

29. In all **private** land impacts amount to some **1036496 sq.m/103.6** of land from **583** plots, as certain plots

<sup>13</sup> In total there are 606 (+6 land plots area of which are unknown at this stage of RAP preparation) land plots affected by the project, although this RAP only describes 583 private land plots and 1 common property that were surveyed in scopes of the project. It is worth mentioning that there are other 28 land plots (total area for 22 land plots is 66504 sq.m/6.6 ha, area for 6 land plots is unknown) that could not be surveyed due to refusals from the land owners. The RAP budget envisages preliminary costs of compensation for these land plots (permanent and partial impacts), although the further surveys need to be conducted on these land plots (as a result of negotiation or expropriation) in order to evaluate full scale of losses (loss of annual and perennial crops, buildings, etc.).

<sup>14</sup> The validity period of the servitude agreements (partial impact) are temporary for this particular project.

<sup>15</sup> The Decree No 366 of the Government of Georgia of 24.12.2013 about protection rules and protection zones of the Electric Transmission Lines Linear Facilities

(77) are to be divided in 2 separate plots (one to be acquired due to permanent impact and the other to be compensated under the easement agreement due to partial impact) the final number of the project affected land plots is increased after demarcation up to **660** (see table 2.1 for details). This includes land plots affected permanently and temporary.<sup>16</sup>

30. In terms of tenure and legal status the affected land plots are distributed in accordance with the following legal categories: **Category 1.** titled private land plots with full and valid registration. There are no land plots of category 1 under this section. **Category 2.** Some private land plots falling under this category are registered, while some of them still require registration. **135** of category **2** land plots of **292203** sq.m/**29.2** ha, are affected by the project. Out of this total amount **38** land plots (**77173** sq.m./**7.7** ha) are affected permanently and will be purchased by project and **124** land plots (**215030** sq.m./**21.5** ha) are partially affected and will be compensated according to the easement agreement. Some plots will be subdivided and registered further as two (2) separate land plots; out of which one plot is subject for acquisition and the other plot is subject for compensation under servitude agreement, as it falls within the RoW, thus the final number of the land plots under Category 2 is **162**. **Category 3.** Land plots that are subject to registration since being under legitimate possession of private persons. **448** of category **3** land plots of **744293** sq.m/**74.4** ha, are affected by the project. Out of this total amount **58** land plots (**74595** sq.m./**7.4** ha) are affected permanently and will be purchased by project and **440** land plots (**669698** sq.m./**66.9** ha) are partially affected and will be compensated according to the easement agreement. . Some plots will be subdivided and registered further as two (2) separate land plots; out of which one plot is subject for acquisition and the other plot is subject for compensation under servitude agreement, as it falls within the RoW, thus the final number of the land plots under Category 3 is **498**. **Category 4.** State owned land plots illegally used by the private users (squatters). At this section of the Transmission line we do not have cases of category 4. **Category 5.** State owned land plots not used by the private users- in total there are **143** state lands of **444592** sqm/**44.4** ha at this section of transmission line.

31. The land costs and compensation categories within the project area are determined by the land use factor and distance from the existing road. Figures on Land impacts are provided in accordance to the land classification and legal categories that are relevant to determine compensation rates and amounts due to their use modalities and location. The affected land has been classified in 7 main types<sup>17</sup>:

- **Type 1.** The land plots of non- agricultural status, located adjacent to the main road. Cost of 1 m<sup>2</sup> of Type 1 land is 16.50 GEL (easement price – 8.50 GEL). 1 land plots of type 1 are under the permanent impact (62 sq.m/0.006 ha to be acquired) and 5 land plots fall within the RoW between towers (partial impact) and will be compensated through the easement agreement (624 sq.m/0.06 ha).
- **Type 2.** The land plots of agricultural status, located adjacent to the main road. Cost of 1 m<sup>2</sup> of Type 2 land is 15 GEL (easement price – 7 GEL). 13 land plots of type 2 (24067 sq.m/2.4 ha) will be acquired and 59 plots (92226 sq.m/ 9.2 ha) will be compensated for partial impacts (easement).
- **Type 3.** The land plots of agricultural and non-agricultural status, located remotely from the main road but within the borders of villages and settlements. Cost of 1 m<sup>2</sup> of type 3 land is 12.5 GEL (easement price - 4.5 GEL). 31 land plots of type 3 (117198 sq.m/ 11.7 ha) will be acquired and 89 plots (188778 sq.m/ 18.8 ha) will be compensated for partial impacts (easement).
- **Type 4.** The land plots of agricultural status, located remotely from the main road and currently used for agricultural needs (perennial crops). Cost of 1 m<sup>2</sup> of type 4 land is defined as 8 GEL (easement price - 1.20 GEL). 47 land plots of type 4 (9838 sq.m/0.9) will be acquired and 392 plots (569610 sq.m/56.9 ha) will be compensated for partial impacts (easement).
- **Type 5.** The land plots of agricultural status not used for agricultural needs (usually these are land plots located on steep slopes and often covered by bushes). Cost of 1 m<sup>2</sup> of type 5 land is defined as 5 GEL

<sup>16</sup> Temporary long-term impact will be extended over the portion of land parcel that will appear within the RoW. Temporary long-term impact will be processed through Servitude Agreements - exercising limitation on land use - imposed on project affected portion of land located between the sanitary zones of the towers.

<sup>17</sup> The land designation recognized by NAPR is taken into consideration while defining the land plot categories 'agricultural', 'non-agricultural'. In case the land plot is not registered at NAPR it is considered to be agricultural.

(easement price - 0.75 GEL). 4 land plots of type 5 (603 sq.m/0.06) will be acquired and 19 plots (33490 sqm/ 3.3 ha) will be compensated for partial impacts (easement).

- **Type 6.** Non-legalizable state land plots illegally used by private persons. At this section of the Transmission line we do not have cases of illegal occupation of state land and the number of type 6 land plots is 0.
- **Type 7.** State owned land plots not used by the private users. In total there are 143 state lands of 444592 sqm/44.4 ha at this section of transmission line.

32. The easement price for type 1, 2 and 3 land is derived as a difference between the market cost of this type of land at present (before the project) and after the project impact (land use restrictions imposed). In case of agricultural land used as residential or commercial (type 1, 2, 3) the imposed restrictions on existence of structures in fact result in changing status of the land from type 1 to type 4<sup>18</sup>. Accordingly the price of land changes from 16.50 Gel to 8 Gel. The difference is about 50% of the initial cost. For the agricultural land plots of type 4 and 5 imposed restrictions are not significant: They lose not more than 15% of initial market value due to partial restriction on growing tall trees (higher than 4m).

33. The aggregated figures for the land parcels of different categories are given below in the tables 2.1 and 2.2. The tables show separately the permanently affected parcels, which are subject for land acquisition and partially affected parcels, which will be compensated according to the easement agreements. The aggregated figures are given as final impact figures for the present RAP (Segment 2 – Section 2: km 7.7 - km 40.8).

**Table 2.1: Type of Land Ownership**

Tenure Categories	Permanent Land Take (Land to be Acquired)		Partial Impacts (Land Plots within the RoW/Easement)		Initial number of Affected Land Plots	Final Number of Affected land Plots <sup>19</sup>	Total area of Affected Land (sqm)
	Plots No.	Area (sqm)	Plots No.	Area (sqm)			
<b>Compensable land</b>							
<b>Category 1.</b> Private Registered	0	0	0	0	0	0	0
<b>Category 2.</b> Private land plots registered or not registered but eligible to registration	38	77173	124	215030	135	162	292203
<b>Category 3.</b> Private Legalizable	58	74595	440	669698	448	498	744293
<b>Subtotal Compensable</b>	96	151768	564	884728	583	660	1036496
<b>Non-Compensable land</b>							
<b>Category 4.</b> State Owned , Used by Private Users (squatters) – Non Legalizable	0	0	0	0	0	0	0
<b>Category 5.</b> State Owned Not Used by Private Users	33	6677	110	437915	110	143	444592
<b>Subtotal Non-compensable</b>	33	6677	110	437915	110	143	444592
<b>TOTAL</b>	129	158445	674	1322643	693	803	1481088

<sup>18</sup> As a result of easements to be exercised through servitude agreements, land use restrictions to project affected land parcels (residential and arable) will limit potential best use of these land parcels. This means that PAPs will maintain ownership/possession rights to project affected land parcels and still be allowed to cultivate for agricultural purposes, but no structures/tall trees (more than 4m) will be allowed. As a result, pre-project market value of a land parcels will be diminished to some extent; more specifically, residential land parcels will only be valid for growing annual crops and species of perennial crops that do not grow higher than 4 meters. Thus, the best potential use of residential land parcels will change to arable after the completion of construction activities.

For example:

Current market value of land: 1 sq.m - 16.50 GEL

Current market value of land: 1 sq.m - 8.00 GEL

The difference (8.50 rounded to 8.00 GEL /sq.m) between these two rates was determined as the unit rate for cash compensation for type 1 land parcels subject to easements.

<sup>19</sup> Certain plots are to be divided in two (2) separate plots (one to be acquired due to permanent impact and the other to be compensated under the easement agreement due to partial long-term temporary impact), thus the final number of the project affected land plots is different from the initial number of the land plots.

**Table 2.2: Type of Land Use and Land Groups by Land Purchase Compensation Rates**

Categories by Land Use and Costs	Permanently Affected Land to be Acquired (land plots under the towers)		Partial Impacts (Land Plots within the RoW/ Servitude)		Initial number of Affected Land Plots	Final Number of Affected land Plots <sup>20</sup>	Total area of Affected Land
	Plots No.	Area (sqm)	Plots No.	Area (sqm)			
<b>Compensable land</b>							
<b>Type 1.</b> The land plots of non-agricultural status, located close to the main road (from 5 to 50m) and used for residential or commercial needs. Cost of 1 m2 of Type 1 land is – 16.50 GEL/sq.m.	1	62	5	624	5	6	686
<b>Type 2.</b> The land plots of agricultural status, located close to the main road (from 5 to 50m) and currently used for agricultural needs. Cost of 1 m2 of Type 2 land is 15 GEL	13	24067	59	92226	62	72	116293
<b>Type 3.</b> The land plots of agricultural and non-agricultural status, located remotely from the main road but within the borders of villages and settlements. Cost of 1 m2 of Type 3 land is 12.50 GEL	31	117198	89	188778	105	120	305976
<b>Type 4.</b> The land plots of agricultural status, located remotely from the main road at some distance from villages and used for agricultural needs (perennial crops). Cost of 1 m2 of type 4 land is 8 GEL	47	9838	392	569610	392	439	579448
<b>Type 5.</b> The land plots of agricultural status, located remotely from the main road and not used for agricultural needs (usually – steep slopes) Cost of 1 m2 of type 5 land is 5 GEL	4	603	19	33490	19	23	34093
<b>Subtotal Compensable</b>	96	151768	564	884728	583	660	1036496
<b>Non-Compensable land</b>							
<b>Type 5.</b> State Owned , Used by Private Users – Non Legalizable	0	0	0	0	0	0	0
<b>Type 6.</b> State Owned Not Used by Private Users	33	6677	110	437915	110	143	444592
<b>Subtotal Non-compensable</b>	33	6677	110	437915	110	143	444592
<b>TOTAL</b>	129	158445	674	1322643	693	803	1481088

<sup>20</sup> Certain plots are to be divided in two (2) separate plots (one to be acquired due to permanent impact and the other to be compensated under the easement agreement due to partial long-term temporary impact), thus the final number of the project affected land plots is different from the initial number of the land plots.



## 2.2.2 Impact on Crops

34. Affected crops identified on the project affected agricultural land subject to compensation are maize, beans, potato, vegetables, pepper and tobacco. The largest portion of the agricultural land is used for cultivation of **maize** 144721 sq.m. (14.4 ha), **beans** 55643 sq.m (5.5 ha), **potato** 20015 sq.m (2 ha), **vegetables** 31597 sq.m (3.1 ha), etc. The total figures are given in table 2.3

35. 193 land plots are used for crop cultivation. Several types of crops are combined and cultivated on the same plot (e.g. maize and beans). These are complementary types of crops. Productivity of the crops per sq.m, when they are cultivated together with the other complementary crop, is the same as if they are cultivated separately as they are not competing for space. Accordingly total number of land plots and total area used for cultivation of crops is less than a simple sum of areas of land plots used for cultivation of each type of crop. The details are given in the table 2.3.

**Table 2.3: Affected Crops**

Crop	Number of Land Plots per type of Crop	Area sq.m	Number of AHs
Maize	167	144721	158
Beans	85	55643	78
Potato	38	20015	36
Pepper	2	570	2
Tobacco	16	12473	16
Vegetables	75	31597	69
<b>Total</b>	<b>193*</b>	<b>210680</b>	<b>178</b>
<b>* The total number and area of land plots used for crop cultivation is less than a sum of numbers and areas used for separate types of crops, as on many land plots several crops are cultivated (see the details below).</b>			
Maize+Beans	33	22863	33
Maize+Vegetables	10	3648	10
Beans+Vegetables	3	270	3
Maize+Beans+Vegetables	23	11714	22
Maize+Beans+Potato	1	2000	1
Maize+Potato	1	130	1

## 2.2.3 Impact on Trees

36. It is prohibited to plant trees within the RoW and the existing trees should be cut. Clearing right of way will cause felling down of **30938** fruit trees in fully-productive and semi-productive ages, standing on the land parcels being under private ownership /possession. The affected timber trees are mostly state owned and are not included in the inventory list. The timber trees as well as fruit bearing trees that will be felled at the private land plots will be passed in a possession of the owners: they may use it as timber material or sell it; this is in addition to the compensation for felled trees as per the Entitlement Matrix. In general, loss of timber trees including the state owned trees will comprise impacts on forests (forest fund lands) and induce some impact on wind belt and greenery plantations and counter program of replanting may be suggested within the ESIA<sup>21</sup>. On most of land plots several species of trees are grown. In total **313** AHs lose trees. The details of the impacts on trees is given in the table 2.4. Method for determination of average productivity of fruit trees is described in the Annex 2: Valuation Methodology.

<sup>21</sup> Available at: <http://www.gse.com.ge/new/?p=1751&lang=en>  
Akhaltzikhe- Batumi 220kv OHL, Final RAP, 2016

Table 2.4 Affected Trees

Type	Groups by Age	n Cost for 1 seedling	wholesale Market price 1 kg., GEL	Years to be compensated	Average productivity in 1 year, kg.	Annual income including maintenance costs, GEL	No of trees	Number of AHs
1	2	3	4	5	6	7	8	9
Cherry	Seedling (<5)	5	2	5	3	6,0	140	31
	5-10	5	2	5	10	20,0	224	49
	10-20	5	2	5	16	32,0	129	42
	20+	5	2	5	10	20,0	59	24
Total							552	109
Peach	Seedling (<5)	6	1,5	5	4	6,0	76	20
	5-10	6	1,5	5	15	22,5	72	18
	10-20	6	1,5	5	40	60,0	17	6
	20+	6	1,5	5	25	37,5	0	0
Total							165	36
Walnut	Seedling (<5)	10	5	5	4	20,0	349	71
	5-10	10	5	10	15	75,0	283	63
	10-20	10	5	10	25	125,0	600	100
	20+	10	5	10	30	150,0	502	103
Total							1734	232
Quince	Seedling (<5)	4	1,5	5	3	4,5	17	9
	5-10	4	1,5	5	15	22,5	40	19
	10-20	4	1,5	5	30	45,0	32	13
	20+	4	1,5	5	20	30,0	11	8
Total							100	45
Pear	Seedling (<5)	4	1,2	5	7	8,4	55	17
	5-10	4	1,2	7	20	24,0	102	28
	10-20	4	1,2	7	70	84,0	128	36
	20+	4	1,2	7	45	54,0	185	51
Total							470	98
Plum	Seedling (<5)	4	0,8	5	8	6,4	43	12
	5-10	4	0,8	5	15	12,0	77	29
	10-20	4	0,8	5	30	24,0	54	15
	20+	4	0,8	5	20	16,0	7	4
Total							181	49
Mulberry	Seedling (<5)	5	1,5	5	4	6,0	10	6
	5-10	5	1,5	5	10	15,0	61	25
	10-20	5	1,5	5	16	24,0	57	29
	20+	5	1,5	5	10	15,0	56	33
Total							184	84
Hazelnut	Seedling (<5)	2	4	5	2	8,0	6972	112
	5-10	2	4	5	5	20,0	3662	82
	10-20	2	4	5	6	24,0	2686	61
	20+	2	4	5	4	16,0	1114	22
Total							14434	203
Wild Plum	Seedling (<5)	3	0,8	5	7	5,6	81	33
	5-10	3	0,8	5	15	12,0	193	52

Type	Groups by Age	n	Cost for 1 seedling	wholesale Market price 1 kg, GEL	Years to be compensated	Average productivity in 1 year, kg.	Annual income including maintenance costs, GEL	No of trees	Number of AHs
	10-20	3		0,8	5	50	40,0	322	56
	20+	3		0,8	5	25	20,0	239	48
Total								835	150
Apple	Seedling (<5)	4		1	5	5	5,0	183	31
	5-10	4		1	6	25	25,0	136	38
	10-20	4		1	6	70	70,0	182	46
	20+	4		1	6	40	40,0	312	59
Total								813	128
Grapes	Seedling (<5)	2		1,5	4	5	7,5	1267	30
	5-10	2		1,5	4	7	10,5	1157	36
	10-20	2		1,5	4	9	13,5	540	32
	20+	2		1,5	4	5	7,5	2954	34
Total								5918	99
Cornel	Seedling (<5)	3		2	5	2	4,0	0	0
	5-10	3		2	5	3	6,0	2	1
	10-20	3		2	5	4	8,0	5	1
	20+	3		2	5	3	6,0	0	0
Total								7	2
Perssimon	Seedling (<5)	2		1	5	5	5,0	998	88
	5-10	2		1	6	10	10,0	818	69
	10-20	2		1	6	30	30,0	607	71
	20+	2		1	6	20	20,0	519	55
Total								2942	202
Fig	Seedling (<5)	3		1,5	5	5	7,5	21	12
	5-10	3		1,5	6	10	15,0	104	38
	10-20	3		1,5	6	30	45,0	71	27
	20+	3		1,5	6	20	30,0	28	14
Total								224	77
Kiwi	Seedling (<5)	3		1,5	4	5	7,5	23	4
	5-10	3		1,5	4	10	15,0	7	2
	10-20	3		1,5	4	30	45,0	9	1
	20+	3		1,5	4	20	30,0	0	0
Total								39	7
Pomegranate	Seedling (<5)	4		2	5	5	10,0	9	4
	5-10	4		2	6	10	20,0	18	3
	10-20	4		2	6	30	60,0	1	1
	20+	4		2	6	20	40,0	4	2
Total								32	9
Chestnut	Seedling (<5)	7		1	5	30	30,0	7	3
	5-10	7		1	10	50	50,0	11	4
	10-20	7		1	10	120	120,0	110	11
	20+	7		1	10	120	120,0	464	35
								592	46
Berry	Seedling (<5)	2		2,5	5	2	5,0	1300	6

Type	Groups by Age	n	Cost for 1 seedling	wholesale Market price 1 kg, GEL	Years to be compensated	Average productivity in 1 year, kg.	Annual income including maintenance costs, GEL	No of trees	Number of AHs
	5-10	2		2,5	5	3	7,5	127	1
	10-20	2		2,5	5	4	10,0	0	0
	20+	2		2,5	5	3	7,5	2	1
Total								1429	7
Laurel	Seedling (<5)	1		4	5	1	4,0	0	0
	5-10	1		4	5	2	8,0	2	1
	10-20	1		4	5	2	8,0	117	3
	20+	1		4	5	1	4,0	47	6
Total								166	10
Cherry-laurel	Seedling (<5)	2		0,25	8	2	0,5	9	5
	5-10	2		0,25	8	4	1,0	44	19
	10-20	2		0,25	8	10	2,5	19	6
	20+	2		0,25	8	7	1,75	34	10
Total								106	36
Barberry	Seedling (<5)	5		2,5	5	3	7,50	7	4
	5-10	5		2,5	5	5	12,50	3	3
	10-20	5		2,5	5	7	17,50	4	3
	20+	5		2,5	5	5	12,50	0	0
Total								14	9
Loquat	Seedling (<5)	4		2	6	3	6,0	0	0
	5-10	4		2	6	10	20,0	1	1
	10-20	4		2	6	20	40,0	0	0
	20+	4		2	6	10	20,0	0	0
Total								1	1
TOTAL								<b>30938</b>	<b>313</b>

## 2.2.4 Buildings/Structures

### 2.2.4.1 Type of affected Structures

37. Major structures affected by the project are 6 residential buildings, that are not movable outside the RoW and 13 residential or potentially residential buildings that can be moved on the part of land plot associated with the building outside the RoW. The residential buildings will be compensated at replacement cost, the land plots will be acquired and in addition to that the all owners will receive relocation allowances. Therefore, these structures will be compensated at replacement cost and the land plots will be acquired<sup>22</sup>.

38. Apart from the affected residential houses there are buildings that are subject for demolition/compensation. The detailed description of the ancillary buildings is given in Table 2.5.

39. In total, 61 AHs are losing structures (19 residential or potentially residential buildings and 89 ancillary structures). The details of the impacts on structures are given in the table 2.5.

**Table 2.5: Permanent Impacts on Buildings**

Residential Houses (not movable outside the RoW)				
No	Type Of Structure	Quantity	Sq.m.	N of AHs
664	1 Story Residential Building	6	24,21	1
213	2 Story Residential Building		182,48	1
255	2 Story Residential Building		297,15	1
262	2 Story Residential Building		N/A	1
644	2 Story Residential Building		146,74	1
745	2 Story Residential Building		173,96	1
<b>Subtotal</b>			6	824,54
Residential Houses or Potentially Residential Houses (movable outside the RoW)				
No	Type Of Structure	Quantity	Sq.m.	N of AHs
520	1 Story Residential Building	13	161,86	1
589	1 Story Residential Building		74,78	1
361	2 Story Residential Building		193,5	1
418	2 Story Residential Building		239,7	1
420	2 Story Residential Building		140,8	1
529	2 Story Residential Building		341,95	1
549	2 Story Residential Building		226	1
535	2 Story Residential Building		297,14	1
486	Residential Building under Construction		N/A	1
323	Residential Building under Construction		N/A	1

<sup>22</sup> Even though the RAP budget envisages the compensation costs for residential buildings and potentially residential buildings together with associated land plots it is worth mentioning that certain land plots are large enough to shift the residential buildings and potentially residential buildings on the part of the land plots associated with these buildings that fall outside the RoW. This option should be considered by IA during the negotiations process and it is recommended not to acquire full land associated with residential buildings and potentially residential buildings when it is feasible to relocate the residential buildings or potentially residential buildings and this option is also acceptable for the land owner. In this case only the buildings (residential or potentially residential buildings) that fall within the RoW will be compensated and the land plots associated with the residential buildings or potentially residential buildings will be compensated under servitude agreement (the part of the land plot falling outside the RoW will not be compensated). This recommendation should be considered for the following land plots: 323, 361, 418, 420, 486, 520, 529, 535, 549, 589, 653, 663 and 742.

653	Residential Building under Construction		N/A	1
742	Residential Building under Construction		74,65	1
663 <sup>23</sup>	Residential Building under Construction		55,84	1
<b>Subtotal</b>		13	1731,57	14

<b>Unfinished or Old and Ancillary Buildings</b>				
No	Type Of Structure	Quantity	Sq.m.	N of AHs
207	Ancillary Building	25	10,36	22
230			15,44	
231			15,78	
232			15,78	
255			11,3	
262			26,67	
262			4,37	
321			4,18	
322			8,27	
326			7,56	
335			6,6	
339			18	
515			7,54	
520			3,9	
535			15,65	
547			25,02	
625			25,31	
625			4,42	
644			2,22	
670			6,45	
684	9,13			
745	23,07			
745	N/A			
637a	75,3			
612	28,58			
419	Building Under Construction	2	N/A	2
821			32,83	
213	Cattle Shed	14	33,61	14
255			51,6	
262			54,8	
323			21,48	
361			24,19	

<sup>23</sup> This is an unfinished residential house. It is worth mentioning that there are other two residential buildings located on the same land plot associated with this residential house, even though the RAP budget envisages purchase of the full land, it is recommended to register the land plot in two separate land plots and only acquire the land of the owner of the residential house. The compensation for other two residential buildings is not envisaged in the RAP budget.

418			24,69	
420			22,21	
462			26,13	
520			47,65	
529			33,37	
549			53,48	
644			99,1	
742			18,3	
794			32,44	
549	Cellar	1	25,3	1
529	Garage	2	17,57	1
549			41,75	1
809	Gazebo	2	4,65	1
809			4,65	
213	Granary	23	7,94	23
262			13,64	
264			27	
311			14,74	
314			16,97	
361			12,7	
362			14,54	
400			14,63	
402			11,61	
418			9,21	
420			10,4	
466			11,5	
467			10,02	
478			8,29	
486			16,64	
526			11,4	
529			13,45	
547			10,24	
549			16,15	
623			16	
637	12,2			
639	25,15			
742	9,4			
420	Hen House	3	3	3
520			1,5	
529			2,7	
779	Kiosk	6	8,6	5
793			2,28	

809			5,27	
817			2,78	
818			17,95	
818			10,01	
347			3,7	
501	Mill	3	N/A	3
520			5,5	
823	Pavilion	1	N/A	1
420			28,26	
549	Pool	3	91,75	3
664			74,53	
321	Old Shop	1	21,52	1
344			15,8	
402	Storage	3	25,06	3
520			37,56	
	<b>Subtotal</b>	89	1786,94	-

### 2.3 Relocation Needs and Strategy

40. Residual construction materials (of residential and ancillary buildings) after demolition of the buildings (the demolition will be implemented by GSE or its subcontractor company) will be deemed as a property of AH and they will be only requested to remove these materials after completion of dismantling works. The replacement cost given to the relocated AH is significantly higher than the market price (sales price) in this place. The compensation costs are calculated without any depreciation and in fact the AH has a chance to get new residential building of a better quality instead of their old structures. Besides that, the relocated AHs are eligible for provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. (200 GEL as vehicle hire charge + 320 GEL<sup>24</sup> as minimum subsistence income x 3 months = 1160 GEL per AH).

41. All compensation prices also cover taxes and selling/buying transaction, as well as registration fees. All 14 AHs that are subject to physical relocation, lose more than 10% of their agricultural land and are deemed as severely affected. The total amount of compensation given at replacement cost and allowances for physical relocation exceed by much the market prices of the residential houses in high mountainous area, where the APs live now. Compensation values give possibility to buy house and private land closer to the cities and even a good apartment in Batumi. It is expected that the living conditions, including the access to schools and jobs will be better than before the project. The social development specialist of GSE will monitor that these expectations and social development goals of the project are met.

### 2.4 Impacts on Business and Employment

42. Land acquisition and resettlement will not affect registered operating businesses.

#### 2.4.1 Impact on Employment and Agricultural Tenants

43. Construction of OHL will not affect any agricultural tenants (renters). The project will not have impact on employees of any businesses.

<sup>24</sup> These figures are taken from the National Statistics Office of Georgia Department Data on minimum subsistence income for a family consisting of 5 persons in May 2016



## 2.4.2 Impact on Common Property Resources

44. Construction of OHL affects the Mill in village Gulebi, Keda Municipality. The compensation at full replacement cost is included in the RAP.

## 2.5 Severely Affected and Vulnerable Households

45. In total 422 AHs are affected: 96 are permanently losing some part of their land (88 land plots) and the rest are affected partially as their land plots are imposed to limitation of land use (growing tall tree and construction/existence of structures is prohibited).

46. The households facing partial long-term temporary impact are not considered to be severely affected, as they do not lose permanently their agricultural land and other sources of income. No business or income generating assets are affected by the project at all. In this particular case, severe impact is limited to permanent impact on agricultural land. Severely affected<sup>25</sup> are those AHs who permanently lose more than 10% of their agricultural land. These are all AHs losing residential houses with associated land plots (14) and 15 more AHs losing more than 10% of the land owned by them at the locations, where the towers will be erected. Therefore, in total 29 AHs, including the 14 AHs being physically displaced are considered to be severely affected and will be provided additional allowances.

47. Economically disadvantaged and women headed households are considered as vulnerable households. Households with members with disabilities, people in pension age or the family who has no other members who could be considered as breadwinners will receive the allowance<sup>26</sup>. The vulnerable household requires special assistance for resettlement. Vulnerable HHs will be provided with additional rehabilitation allowances, as described in the Entitlements Matrix. Please see Chapter 4. Legal and Policy Framework, Table 4-2 Compensation Entitlement Matrix.

48. During census and DMS sixty nine (69) economically disadvantaged AHs and nine (9) woman headed HH (without supporters/breadwinners) have been identified along this section. See for details - (Table 2.8).

**Table 2.8: Vulnerable AHs**

Category of vulnerability	No. of Ahs Revised Part of RAP
Economically disadvantaged	69
Female headed AHs with low income and dependents	9
Total	75 <sup>27</sup>

<sup>25</sup> Within the scope of the project severity of the impacts for AHs is defined by the percent of the productive land lost due to permanent land acquisition.

<sup>26</sup> The eligibility for allowances for the vulnerable AHs is defined according to the census survey conducted within the scopes of the project.

<sup>27</sup> 3 woman headed AH is also accounted amongst the 69 economically disadvantaged  
*Akhalsikhe- Batumi 220kv OHL, Final RAP, 2016*

## 2.6 Gender and Resettlement Impacts

49. The direct project impact extends to 2122 persons (422 AHs) comprising 51.4% male and 48.6% female: 1091 male and 1031 female. Further, 9 out of the 422 AHs are headed by women. During monitoring and evaluation of the RAP implementation special attention will be given to the impact of resettlement on women and other vulnerable groups. Construction contracts will include provisions to encourage employment of women during the project implementation. List of women seeking for employment and their CVs will be provided to Construction Contractor. Additionally, women headed households have been considered as vulnerable and special assistance are provided in the RAP entitlements in amount equivalent to 3 months of minimum subsistence income. Women will be encouraged to monitor gender-sensitive issues related to project. The GSE is requested to include women representatives in Grievance Redress Commission.

## 2.7 Summary of Impacts

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

**Table 2.9 Summary of Impacts**

No.	Impacts	Permanent Land Take (Land to be Acquired)		Partial Impacts (Land Plots within the RoW/Easement)		Initial Number	Final Number	Sqm
		Plots No.	Area (sqm)	Plots No.	Area (sqm)	Plots No.	Plots No.	Area (sqm)
1	<b>Total Land parcels affected</b>					583 <sup>28</sup>	660 <sup>29</sup>	1036496
<b>Tenure Categories</b>								
2	<b>Category 1.</b> Private Registered	0	0	0	0	0	0	0
3	<b>Category 2.</b> Private land plots registered or not registered but eligible to registration	38	77173	124	215030	135	162	292203
4	<b>Category 3.</b> Private Legalizable	58	74595	440	669698	448	498	744293
5	<b>Category 4.</b> State owned land, used by Private Users (squatters) – Non Legalizable	0	0	0	0	0	0	0
6	<b>Category 5</b> State Owned Not Used by Private Users	33	6677	110	437915	110	143	444592
<b>Categories by Land Use and Costs</b>								
7	<b>Type 1.</b> The land plots of non-agricultural status, located close to the main road (from 5 to 50m) and used for residential or commercial needs. Cost of 1 m <sup>2</sup> of Type 1 land is – 16.50 GEL/sq.m.	1	62	5	624	5	6	686
8	<b>Type 2.</b> The land plots of agricultural status, located close to the main road (from 5 to 50m) and currently used for agricultural needs. Cost of 1 m <sup>2</sup> of Type 2	13	24067	59	92226	62	72	116293

<sup>28</sup> Private land plots only

<sup>29</sup> Certain plots are to be divided in two (2) separate plots (one to be acquired due to permanent impact and the other to be compensated under the easment (servitude) agreement due partial temporary long-term impact). Thus, the final number of the project affected land plots is different from the initial number of the land plots.

	land is 15 GEL							
9	<b>Type 3.</b> The land plots of agricultural and non-agricultural status, located remotely from the main road but within the borders of villages and settlements. Cost of 1 m2 of Type 3 land is 12.50 GEL	31	117198	89	188778	105	120	305976
10	<b>Type 4.</b> The land plots of agricultural status, located remotely from the main road at some distance from villages and used for agricultural needs (perennial crops). Cost of 1 m2 of type 4 land is 8 GEL	47	9838	392	569610	392	439	579448
11	<b>Type 5.</b> The land plots of agricultural status, located remotely from the main road and not used for agricultural needs (usually – steep slopes) Cost of 1 m2 of type 5 land is 5 GEL	4	603	19	33490	19	23	34093
12	<b>Type 6.</b> State Owned , Used by Private Users – Non Legalizable	0	0	0	0	0	0	0
13	<b>Type 7.</b> State Owned Not Used by Private Users	33	6677	110	437915	110	143	444592
<b>Crops and Trees</b>								
14	Area under Maize					sq.m		144721
15	Area under Beans					sq.m		55643
16	Area under Potato					sq.m		20015
17	Area under Pepper					sq.m		570
18	Area under Tobacco					sq.m		12473
19	Area under Vegetables					sq.m		31597
23	Affected Trees					No		30938
<b>Affected Structures</b>								
24	Residential Houses					No.		15
25	Ancillary Buildings in Total					No		94
<b>Affected Businesses</b>								
26	Business					No.		0
<b>Affected Households</b>								
27	Severely affected Households (losing more than 10% of agricultural land)					No.		29
28	Vulnerable Households					No		75
29	Resettled households					No.		14
30	AH losing Jobs					No		0
31	Total AH					No		422
32	Total Affected Persons					No		2122

### 3. SOCIO-ECONOMIC INFORMATION

#### 3.1 Introduction

51. A census AHS available at site was conducted to enumerate the APs. A socio-economic survey conducted from June till December 2014 and later from April till May 2016 was conducted in the project area covering 422 households which is approximately 95% of the total AHS under the direct impact of project (losing land or assets) and covered in census. The objective of the socioeconomic survey was to gather general information on socioeconomic condition of the affected people. The socioeconomic information of the affected population as per census and socioeconomic survey is presented hereunder.

#### 3.2 Affected Population

##### 3.2.1 Demography

52. The project, as per detail measurement survey, will be affecting (through physically displacement and/or permanent or partial loss of land) 422 households comprising of 2122 persons. Census of 422 AHS identifies that 51.4% of APs are male and 48.6% female: 1091 male and 1031 females. The average family size is 5 members per household (Table 3.1).

**Table 3.1: Demographic Profile of APs**

Age Group	Male		Female		Total		Average/ Household
	No.	%	No.	%	No.	%	
Children (Below 6 Years)	100	9,2	81	7,9	181	8,5	0,4
Children (6–18 Years)	195	17,9	161	15,6	356	16,8	0,8
Adult (19–64 Years male and 19 – 59 years for female)	681	62,4	604	58,6	1285	60,6	3,0
Pension age (65 Years and Over males and 60 years and over - female)	115	10,5	185	17,9	300	14,1	0,7
Total	1091	100	1031	100	2122	100	5,0
%		<b>51,4</b>		<b>48,6</b>			

### 3.2.2 Urban Rural Proximity

53. The project is mostly located in rural areas. Survey of the households shows that 95% of the AHs reside in rural areas and 5% reside in urban areas (Table 3.3).

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

Sl. No.	Type of Settlement	Total No. of Households	%
1	Rural	401	95.0
2	Town (Urban)	21	5.0
	<b>Total</b>	422	

### 3.2.3 Level of Education of APs

54. Data from project area brought forth that illiteracy level is very low among the affected persons and only 9 APs are illiterate (lack of functional education). Majority of population has primary and secondary level education (60.5%) and almost every fifth person (17.3%) has university level education (Table 3.4).

**Table 3.4 Level of Education of APs**

Sl.No.	Category	Male		Female		Total	
		No	%	No	%	No	%
0	Children aged 0-6 without education	110	10,1	85	8,2	195	9,2
1	Pre-School	35	3,2	26	2,5	61	2,9
2	Primary & Secondary	659	60,4	625	60,6	1284	60,5
3	Technical–special education	85	7,8	120	11,6	205	9,7
4	University	197	18,1	171	16,6	368	17,3
5	Illiterate	5	0,5	4	0,4	9	0,4
	<b>Total</b>	1091	100	1031	100	2122	100

## 3.3 Agriculture and Land Resources

### 3.3.1 Land Holding Status

55. All 422 AHs are land holders. Average area of land holding is 0.82 ha (Table 3.5).

**Table 3.5: Land Holding Status**

Sl. No.	Particulars	No of Households	%
1	Land Holder Households	422	100
2	Landless Households	0	0
3	<b>Total Households</b>	422	100
	<b>Average Land Holding: 0.82 ha per household</b>		

### 3.3.2 Annual Income of AHs

56. Agriculture, wages and pension are major contributors to income of the AHs. The survey found that 4.5% of the AHs get income from one single source and the vast majority – 95.5% from double sources. Table 3.9 shows that the more the number of sources, the more is the amount of income feeding to a household.

**Table 3.9: Average Annual Household Income against Number of Sources**

Number of sources of Income	No. of AHs	% of AHs	Average annual household income (GEL)
Single Source	19	4,5	4222,4
Double Sources	403	95,5	11662,2
Total	422		

57. Average income per household earning from single source is somewhat lower compared to the income from multiple sources (Table 3.9). Table 3.10 shows the distribution of AHs getting income from various single sources. Average annual income from the sources varies 2830 GEL to 12320 GEL per household. Agricultural income, pension and irregular income are in the lower echelon of household income.

**Table 3.10: Average Annual Household Income by Sources**

Sources of Income	No. AHs (earning from the sources)	Total Income per Month from the sources (GEL)	Average Income per Household per Month from the sources (GEL)	Average Annual Income Per Household from the sources (GEL)
Wage gov/public sector	160	83908	524	6293
Wage employment	88	50236	571	6850
Agriculture	411	125988	307	3678
Business/Service	40	41067	1027	12320
Irregular Income	89	24748	278	3337
Pension/subsidiary	307	72393	236	2830
<b>Total Households and Income</b>	422	398340	944	11327

### Consumption Pattern

58. The total annual average expenditure per household is about 8197 GEL out of which more than a half is incurred for the food (56%) and other part for non-food expenditures (44%). Details about the expenditure are described in Table 3.11.

**Table 3.11: Average Annual Expenditure**

Sl. No.	Consumption Pattern	Average Annual Expenditure GEL	% to total expenditure
1	Food	4616	56,3
2	Non-food	3581	43,7
	Average	8197	100

### 3.3.3 Household Assets

59. Possession of domestic animals includes cattle in 73.9% households and poultry in 53.8% households (Table 3.12). Part of the households do not own any cattle or poultry<sup>30</sup>.

<sup>30</sup> No Specific question identifying reasons for not having any domestic animals was included in the survey questionnaire.

**Table 3.12: Domestic Animals**

Sl. No.	Item	Households No.	%
1	Large Animals (Cows/Bulls/Buffaloes)	313	74,2
2	Pigs	3	0,7
3	Sheep/goats	1	0,2
4	Poultry	272	64,5
5	Bees	30	7,1
6	Fish	1	0,2

### 3.3.4 Prevalence of Debt

60. More than half of the surveyed households declared to have debts (55.7%), although it is worth mentioning that 44.3% of households do not have any debts from a bank or private lender. 231 households out of 422 interviewed reported to have debt and in the most cases the source of the credit is a commercial bank (231 households); only 6 households borrow money from a private lender (Table 3.13).

**Table 3.13: Indebtedness**

Sl. No.	Indebtedness	Number of Households	%
1	Yes	235 <sup>31</sup>	55.7
2	<i>Bank</i> <sup>32</sup>	231	54.7
3	<i>Private lender</i>	6	1.4
4	No	187	44.3
	Total	422	100

## 3.4 Water and Sanitation

### 3.4.1 Source of Drinking Water

61. The major source of drinking water is non-centralized local source. Out of the 422 surveyed households only 31 (7.3%) are connected to the centralized water supply pipeline system while majority (385 households – 91.2%) use water from natural springs. There are 6 households who have not indicated accessibility to any water source listed (Table 3.15).

**Table 3.15: Source of Drinking Water<sup>33</sup>**

Sl. No.	Sources	Number of Households	%
1	Piped water supply	31	7,3
2	Well	18	4,3
3	Spring	385	91,2
4	No water source indicated	6	1,4
	Total	422	100

Note: Some AHs having access double source

<sup>31</sup> Some APs own money to Bank as well as to private lender

<sup>32</sup> In case the project affected residential house (or other structures and land parcels) are mortgaged with bank loan, compensation given to AHs is approximately 3 times larger than the price of the house/other buildings/land at the location, as the buildings are evaluated according to the market prices, thus compensation given to AH can cover the bank loans and rest can be used to build/buy a new house/plot.

<sup>33</sup> This Project includes Environmental Management Plans (EMP) which includes specific measures to avoid and mitigate any potential impacts on water sources. EMP is a part of Environmental and Social Impact Assessment Report. Also, the potential impacts on water are described in ESIA report (please see chapter 7.1.1 Potential Impacts on surface water and groundwater. ESIA report is available at [http://www.gse.com.ge/new/wp-content/uploads/2014/04/41166\\_ABOHL\\_ESIA\\_Main\\_Disclosure\\_Eng\\_V15\\_05.04.14.pdf](http://www.gse.com.ge/new/wp-content/uploads/2014/04/41166_ABOHL_ESIA_Main_Disclosure_Eng_V15_05.04.14.pdf)

### 3.4.2 Sanitation Facilities

62. 89.8% of the interviewed households possess latrine at their house and only 5.9% households have reported having flush toilet connected with the centralised sewerage system (Table 3.16).

**Table 3.16: Types of Toilet**

Sl. No.	Toilet	Number of Households	%
1	Flush toilet	25	5,9
2	Latrine	379	89,8
3	Not indicated	18	4,3
4	Total	422	100

### 3.5 Access to Energy and Civic Facilities

#### 3.5.1 Access to Energy for Cooking

63. Vast majority of inquired households use electric power (99.3%) for cooking. However, wood and gas<sup>34</sup> are still significant sources of fuel being used by the 97.4% and 97.9% of households respectively. According to the Table 3.17, households using gas also use fuel wood at the event of unavailability of gas (especially those using LPG). Details are given in Table 3.17.

**Table 3.17: Type of Fuel Use for Cooking**

Sl. No.	Types of Fuel	Number of Households	%
1	Wood	411	97,4
2	Gas	413	97,9
3	Diesel/ Kerosene	0	0,0
4	Electric power	419	99,3
	<b>Total</b>	422	100

#### 3.5.2 Access to Electricity and Natural Gas

64. From the interviewed 422 households, 419 (99.3%) are connected with central power supply and only 3.6 % are connected to the natural gas supply system (Table 3.18).

**Table 3.18 Connected to Central Electric Power Supply and Natural Gas Supply Systems**

Sl. No.	Whether connected	Electric Power		Natural Gas	
		No of Households	%	No of Households	%
1	Yes	419	99,3	15	3,6
2	No	3	0,7	407	96,4
	<b>Total</b>	422	100	422	100

<sup>34</sup> The project mostly affects the rural areas where no natural gas supply is available to AHs.



## 4. LEGAL AND POLICY FRAMEWORK

### 4.1 General

65. The legal and policy framework of the Project is based on national laws and legislations related to Land Acquisition and Resettlement (LAR) in Georgia and the World Bank Involuntary Resettlement Policy (OP/BP 4.12). Based on the analysis of applicable laws and policies and Policy requirements of the mentioned IFIs, project related LAR principles have been adopted.

### 4.2 Legal Framework

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

66. In Georgia, the legislative acts given below regulate the issues of obtaining State ownership rights to privately owned land parcels based on the necessary public needs.

- (i) The Constitution of Georgia, August 24, 1995
- (ii) The Civil Code of Georgia, June 26, 1997
- (iii) The Law of Georgia on Protection of Cultural Heritage, May 8, 2007
- (iv) The Law of Georgia on Notary Actions, December 4 2009;
- (v) The Law of Georgia on State Property (21 July 2010)
- (vi) The Law of Georgia on Ownership Rights to Agricultural Land, March 22, 1996
- (vii) The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities; July 11, 2007
- (viii) The Law of Georgia on Public Register (No820 –IIs; December 19 of 2008;
- (ix) The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need, July 23, 1999
- (x) The Civil Procedural Code of Georgia, November 14, 1997
- (xi) Decree #366 of Government of Georgia (dated 24 December 2013) —On the Protection Procedures for Electricity Grid Linear Facilities and Determination of its Protective Zones

67. The existing Laws provide that compensation for lost assets, including land, structures, trees and standing crops, should be based on the current market price without depreciation. Overall the above laws/regulations provide that the principle of replacement cost compensating at market value is reasonable and legally acceptable. The laws also identify the types of damages eligible to compensation and indicate that compensation is to be given both for loss of physical assets and for the loss of incomes. Finally, these laws place strong emphasis on consultation and notification to ensure that the APs participate in the process. Income loss due to loss of harvest and business closure will be compensated to cover net loss. The above-listed laws and regulations give the possibility of applying the following mechanisms for legal application of the property rights:

- (i) Obtaining the right on way without expropriation through the payment of due compensation (on the basis of a contract or agreement) prior to commencement of the activities.
- (ii) The Law of Georgia 'On the Rules for Expropriation of Ownership for Necessary Public Need' allows expropriation which gives the possibility of obtaining permanent right to land and/or other real estate property on the basis of Eminent Domain Law and a court decision through the payment of due compensation.

68. Land acquisition will be undertaken through negotiated settlement with individual affected persons. Should the negotiation fail, eminent domain will be exercised, the expropriation procedures set out in the Law of Georgia 'On the Rules for Expropriation of Ownership for Necessary Public Need' shall be applied.

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

70. After issuing an order by the Minister of Economy and Sustainable Development of Georgia the entities interested in obtaining expropriation rights shall notify all the relevant owners of property subject to expropriation. This information should be published in central and local newspapers and contain a short description of the project and assets to be expropriated.

#### **4.2.2 WB's Policy on Involuntary Resettlement**

71. The WB's guiding principles for land acquisition applicable to the project are stipulated in OP 4.12 on Involuntary Resettlement. The three important elements of WB's involuntary resettlement policy are (i) compensation to replace lost assets, livelihood, and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. For any WB or ADB operation requiring involuntary resettlement, resettlement planning is an integral part of project design, to be dealt with from the earliest stages of the project cycle, taking into account the following basic principles:

- (i) Involuntary resettlement is to be avoided or at least minimized.
- (ii) Compensation/Rehabilitation provisions will ensure the maintenance of the APs' pre-project standards of living.
- (iii) APs should be fully informed and consulted on LAR compensation options.
- (iv) APs' socio-cultural institutions should be supported/used as much as possible.
- (v) Compensation will be carried out with equal consideration of women and men.
- (vi) Lack of legal title should not be a bar to compensation and/or rehabilitation.
- (vii) Particular attention should be paid to households headed by women and other vulnerable groups, such as Indigenous Peoples, and appropriate assistance should be provided to help them improve their status.
- (viii) LAR should be conceived and executed as a part of the project, and the full costs of compensation should be included in project costs and benefits.
- (ix) Compensation and resettlement subsidies will be fully provided prior to clearance of right of way/ ground levelling and demolition.

### 4.2.3 Comparison of WB Policy with Georgian Laws and Legislation

72. Overall, the legislation of Georgia adequately reflects the major provisions of the WB OP 4.12 Safeguards Policy 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 WB policy 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 policy complements the Georgian legislation/regulation with additional requirements related to (i) the economic rehabilitation of all AP/AH (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 Table 4.1.

**Table 4.1: Comparison of Georgian Laws on LAR and World Bank Resettlement Policy**

Georgia Laws and Regulations	WB OP 4.12	Corrective Action
Land compensation only for titled landowners.	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. GSE will support those without legal titles so they can be issued relevant title to occupied land. In those cases where for some reason land users cannot be titled, the GSE will seek the Government's approval for rehabilitation/compensation of such non-titled land users.
Only registered houses/buildings are compensated for damages/demolition caused by project-related land acquisition	All affected houses/buildings, regardless of legal status, are compensated for damages/demolition caused by project-related land acquisition	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 GSE 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 based on market value without taking into account depreciation	Compensation for loss of assets is 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.	Compensation will be paid based on market value without taking into account 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.
Administrative body implementing the Project (GSE) 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.	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).	The GSE 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.
Decisions regarding land acquisition and resettlement are discussed only between the landowners and the agency in charge of land acquisition.	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.	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.
No provision for income/livelihood rehabilitation, allowances for severely affected or vulnerable APs, or resettlement expenses.	WB policy requires income/livelihood restoration and provision of rehabilitation for income/livelihood, severe losses, and for expenses incurred by the APs during the relocation process.	GSE will have in place clear legal procedures to allow for additional 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

73. To reconcile the gaps between Georgia laws/regulations and WB Policy, GSE has adopted the Resettlement Policy Framework<sup>35</sup> for the Project, ensuring compensation at full replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for the AHs to be relocated, suffer business losses, or will be severely affected.

#### 4.2.4 Resettlement Policy Commitments for the Project

74. The resettlement policy for the project has been designed to (a) cover all APs irrespective of

<sup>35</sup> Available at: <http://www.gse.com.ge/new/wp-content/uploads/2014/03/Resettlement%20Policy%20Framework.pdf>

their title to land or asset registration status, (b) compensation for lost assets, and (c) restore or enhance the livelihoods of all categories of APs. The households/persons Affected by the project interventions will receive cash compensation for land and other assets at full replacement cost as per market price at the time of dispossession. Additional measures will be taken to ensure minimum disruption during the project construction period. Thus, households to affected physically and economically will receive due compensation, relocation assistance, and allowances in accordance with the following guidelines and policy which are also part of the Resettlement Policy Framework (RPF)<sup>36</sup> of the Program and the Georgian laws on land acquisition, as well as WB OP 4.12.

#### 4.2.5 Land Acquisition Process

75. Complete and accurate registration of private land as per current laws governing land acquisition in Georgia is the precondition for proceeding with acquisition of private land by agencies requiring land for land based infrastructure development. GSE for construction of the Batumi-Akhalsikhe transmission line will acquire private land through negotiated settlement wherever possible, based on meaningful consultation with APs, including those without legal title to assets. The land buyer will offer adequate and fair price for land and/or other assets. GSE will ensure that the process of land acquisition with the APs openly address the risks of asymmetry of information and bargaining power of the parties involved in such transactions. Only in case if there is no agreement to land acquisition, the GSE will exercise eminent domain<sup>37</sup> (right of a government or its agent to expropriate private property for public use, with payment of compensation) and expropriation will be sought.

76. The AGL has prepared a separate volume of the RAP containing the land acquisition plan, and estimate of compensation and entitlement of individual APs under the subtitle of Acquisition and Compensation Scheme (ACS). ACS is a detailed program for execution of RAP as per land acquisition and resettlement framework consistent with WB OP 4.12 on involuntary resettlement (refer to Annex 5 for details).

77. Following the ACS, LAR Working Group assisted by LAR Team at rayon level will offer to each of the APs the compensation rates defined in this RAP. Upon successful settlement, Land Purchase Agreements will be signed with legalized/titled owners. Non-registered but legalizable land plots will be first registered in NAPR and the same Land Purchase Agreement will be signed. Any grievances of the APs will be resolved through approved grievance redress mechanism of the Project.

78. In case an AP does not accept the rates defined in this RAP even after the grievance redressing exercise, GSE will seek concurrence of the appropriate authority in the management for proceeding with Expropriation Process under the eminent domain for acquisition of the land through Rayon courts.

79. The detail design consultant has prepared fresh maps of the plots to be acquired with geometric details required for legalization. GSE will provide these maps to the concerned legalizable owners. The process will be followed by endorsement of these maps and ownership documents by the Sakrebulo and finally getting them registered in the local registration office prior to the receipt of the project compensation.

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<sup>36</sup> Construction of Akhalsikhe-Batumi 220KV Power Transmission Line; Resettlement Policy Framework; GSE; 2014.

<sup>37</sup> GSE will continue negotiations with the APs without land title that are deemed unsolved/pending. The compensations to be paid to the APs will be transferred to Escrow Account till the negotiation is successful.

### 4.3 Compensation Eligibility and Entitlements

#### 4.3.1 Eligibility

80. APs entitled for compensation or at least rehabilitation provisions under the Project are:
- (i) All APs losing land either covered by legal title/traditional land rights, Legalizable, or without legal status;
  - (ii) Tenants and sharecroppers whether registered or not;
  - (iii) Owners of buildings, crops, plants, or other objects attached to the land; and
  - (iv) APs losing business, income, and salaries.
81. The eligibility to land compensation for this project has been elaborated as follows:
- a. Titled PAPs will be fully compensated
  - b. Untitled PAPs who were legitimate leasers under the old Soviet system and have either plots with a house or adjacent to a plot with a house will be legalized and then compensated.
  - c. Untitled PAPs who were not legitimate leasers under the old Soviet system and who use or cultivate the land they occupy only extemporaneously and can't be legalized will be eligible for crop or income compensation, compensation for loss of assets other than land, and other assistance required to restore their living conditions.
  - d. Residents in houses with legal titles that need to be displaced will be compensated for the land and structure at full replacement value and assisted to relocate in a new house with adequate access to services.
  - e. Residents in houses that do not have legal titles will not be compensated for land value, but will receive compensation at full replacement cost of the housing and other structures and will receive assistance to relocate to new adequate housing with access to services in accordance with the Entitlement Matrix at the rear of this document.
82. Compensation eligibility is limited by the cut-off date for this Segment which was established on 23 of June 2014 for those project affected lands where no changes in OHL alignment were observed and 12 April 2016 for those lands that were newly identified as project affected or the affected area of the land was modified due to changes in alignment. APs who settle in the affected areas after the cut-off date will not be eligible for compensation. They, however will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

#### 4.3.2 Definition of Entitlements

83. Entitlement provisions rehabilitation subsidies for PAPs losing land, houses or income; e.g. subsidies for permanent or temporary land losses, buildings losses, crops and trees losses, a relocation subsidy, and a business losses allowance based on tax declarations and/or existing minimum market rates. These entitlements are detailed below:

- **Agricultural land impacts** will be compensated at replacement value either with replacement plots of the same value of the land lost and at location acceptable to PAPs where feasible, or in cash free of transaction costs at current market rates or (if no land markets are active) based on the reproduction cost of the affected land. The cash at market rates option has been selected for the Program. When >10% of agricultural land is affected, PAP (owners, leaseholders and sharecroppers) will get an additional allowance for severe impacts equal to the market value of a 2 year's gross yield of the land lost. In case if the 2 years gross yield costs lower than 3 month of minimum subsistence income, the severely affected AHs will receive 3 months

value of minimum subsistence income for the family consisting of 5 persons<sup>38</sup>. In case of severe impact on other income<sup>39</sup>, the PAPs will be paid additional compensation corresponding to 3 months of minimum subsistence income. Transaction taxes/fees will be paid by GSE or waived. Legalizable PAPs will be legalized and paid as titled owners. Non-legalizable PAPs losing agricultural land plot, which is the only land plot owned by AP and provides main source of income for AP, will be compensated with one time allowances in cash equal to 1 year of minimum subsistence income to allow the AP to establish its economic activities elsewhere. Residual non-affected sections of a plot that becomes inaccessible or unviable to use after acquisition will also be compensated.

- **Non-agricultural land (Residential/commercial land).** Legal settlers will be compensated at replacement rate either with replacement plots and houses of same value as plots and houses affected and at location acceptable to PAPs where feasible, or in cash at current market rates, free of transaction cost. The cash at market rates option has been selected for the Program. Renters/leaseholders will receive a 3 months' rent allowance. Non-legalizable PAPs losing land plot and/or house, which is the only land plot / house used for residence or providing main source of income for AH, will be compensated with one time self-relocation allowances in cash equal to 1 year of minimum subsistence income (320 GEL X 12 = 3,840 GEL) / or provided with an alternative residence with adequate conditions and access to services. In either case, necessary assistance and monitoring will be provided to ensure that the living conditions and livelihood are restored. The allowance will be calculated based on a 5 headed household.
- **Crops:** Cash compensation at current market rates for the gross value of 1 year's harvest by default<sup>40</sup>. Crop compensation will be paid both to landowners and tenants based on their specific sharecropping agreements.
- **Trees:** Cash compensation at market rate based on type, age and productivity of trees.
- **Businesses:** If business loss is permanent it will be compensated in cash equal to a 1- year income based on tax declaration or, if unavailable, based on the official minimum subsistence income. Temporary business losses will be compensated in cash for the business interruption period (up to a maximum of 3 months) based on tax declaration or, if unavailable, official minimum subsistence income.
- **Affected business workers/employees:** Indemnity for lost wages for the period of business interruption up to a maximum of 3 months.
- **Relocation allowance:** APs physically displaced will receive a relocation subsidy sufficient to cover transport costs and living expenses for 3 months.
- **Vulnerable Peoples Allowance:** Vulnerable people (Economically disadvantaged APs women or elder/disabled headed households without any other bread-winner member of family) will be given an allowance corresponding to 3 months of minimum subsistence income and other members of such AHs will have priority in employment in project-related jobs. The allowance is to be calculated based on a family of 5 and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval<sup>41</sup>.

<sup>38</sup> According to the data of National Statistics office for May 2016 this value is equal to 320 Gel. The allowance value equals 320 Gel x 3 = 960 GEL

<sup>39</sup> Non-agricultural income includes all economic activities except Category A: Agriculture. Please refer to <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27>

<sup>40</sup> Compensation by default means that crop compensation will be paid irrespective of whether the crops were already harvested or not at the time of impact. This covers also compensations for income expected from crops on affected agricultural land permanently used for crop cultivation during the recent years. In case if the land was permanently used for crop cultivation, but for the year, when the inventory of losses was conducted, no crops have been planted (due to need of rest to this land or illness of the farmer or any justifiable reason), the land parcel still will be considered as designed for crop cultivation and relevant compensations will be paid.

<sup>41</sup> In case the RAP implementation will be delayed or there will be significant changes in minimum subsistence income according to National Statistics office, compensation rates will be relevant to RAP implementation period.

- **Severe Impacts Allowance;** PAPs losing >10% of agricultural land or >10% of non- agricultural income will receive a severe impacts allowance. When >10% of an PAP agricultural land is affected, AP (owners, leaseholders and sharecroppers) will get an additional allowance for severe impacts equal to the market value of a 2 year's gross yield of the land lost. In case if this value is less than 3 months subsistence minimum, than the severely affected PAPs will receive allowance equal to 3 months minimum subsistence. For cases of severe impact on non-agricultural income<sup>42</sup>, the PAPs will be paid additional compensation corresponding to 3 months of minimum subsistence income. This allowance is to be calculated based on a minimum subsistence income for 5 headed household family and the monthly-updated benchmarks indicated by the National Statistics Office of Georgia at time of RAP approval.
- **Community Structures and Public Utilities:** Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
- **Temporary impact during construction:** All land required for temporary use is to be obtained by the Construction Contractor through voluntary negotiations of lease agreements (e.g., willing leaser-willing-lessee basis). The maximum period for temporary use is defined as 2 years. Lease rates to be paid should not be less than compensation at current market rates for the gross value of 4 year's harvest of crops on the affected lands. It is also required that lands (or other assets) be fully cleared and restored following use.

#### Impacts during construction:

- **Houses, buildings, and structures affected during construction.** In relation to impacts that are not related to land acquisition such as potential damages of vibrations or discomfort caused by road traffic, and assessment of damages will be conducted and corresponding remedial actions (e.g. reparations, etc.) proposed to the affected party. If damages cannot be mitigated or fixed, the affected houses and other buildings will be managed in accordance with the principles of the RPF and it will be compensated in full for the whole building irrespective of the specific degree of impact. Compensation will be provided in cash at replacement cost free of deductions for depreciation, transaction costs or salvaged materials. All relevant PAPs are entitled to this provision by default irrespective of the registration status of the affected item. Salvaged materials after demolition of the building are deemed to be owned by the AH.

<sup>42</sup> Non-agricultural income includes all economic activities except Category A: Agriculture. Please refer to <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27>



### 4.3.3 Compensation Entitlement Matrix

84. Tasks under the Project will be implemented according to a compensation eligibility and entitlements matrix in line with both Georgia laws and regulation, WB OP 4.12. A summary entitlements matrix specific for this project is included in **Table 4.2** below.

**Table 4-2: Compensation Entitlement Matrix**

Type of Loss	Application	Definition of APs	Compensation Entitlements
<b>Land</b>			
Permanent loss of agricultural and non-agricultural land (e.g. tower sitting, enhancement of access roads)	PAPs permanently losing agricultural land regardless of impact severity	Registered owners	For agricultural lands - Cash compensation at full replacement cost at current market value without deduction of depreciation value and transaction fees or replacement land of same value of land lost and at location acceptable to PAPs where feasible. If any remaining part of the land owned by the registered owners is no longer appropriate for use, such remaining part will be purchased subject to the agreement with the owner.  For non-agricultural lands - Cash compensation at full replacement cost at market value without deduction of depreciation value and transaction fees.
		Legalizable Owner	For agricultural lands - These PAPs will be legalized and provided with cash compensation at full replacement cost of land.  This compensation entitlement will also apply to the legalizable owners using unregistered land plots far from their residence, without registration of such land.  For non-agricultural lands - these PAPs will receive the cash compensation as legalized owners after their title will be legalized and registered at the public register.
		Renters/Lease	Non eligible for land compensation; though, they are eligible for allowance considered in the Entitlement Matrix for other losses.
		Non-legalizable owners (squatters/encroachers)	Non-legalizable PAPs losing agricultural land plot, which is the only land plot used and provides main source of income for AH, will be compensated with one time allowance in cash equal to 1 year of minimum subsistence income (320 GEL X 12 = 3,840 GEL). Besides, they will be paid allowance considered in the Entitlement Matrix for other losses.
Restrictions on use land (e.g. easement for TL's right of way)	PAP not losing their land falling within RoW, but land use restrictions imposed (prohibition of constructing	Registered owners	Easement agreement will include a lump sum easement fee payable to the owner. Such fee is established by an independent valuation experts.
		Legalizable Owner	These PAPs will be legalized and the owner will receive easement fee as a lump sum in the amount is determined by an independent valuation experts

Type of Loss	Application	Definition of APs	Compensation Entitlements
	structures and planting trees)	Renter/Leaseholder	Not eligible for easement fee for land-use restriction; though, they are eligible for allowance considered in the Entitlement Matrix for other losses.
		Non-legalizable users	Not eligible for easement fee for land-use restriction; however, PAP will receive allowance for other losses, as per Entitlement Matrix.
<b>Buildings and Structures</b>			
Residential buildings	Landlords /tenants of houses within the entire RoW are subject to physical displacement, as presence of residential structures within the ROW is prohibited	Registered owners	In addition of compensation for loss of land, PAPs will receive compensation and replacement value for the house and will be provided with resettlement assistance to ensure that the family relocates in a new house with access to services and security of tenure.
		Legalizable Owners	These PAPs will be legalized and in addition of compensation for loss of land, PAPs will receive compensation and replacement value for the house and will be provided with resettlement assistance to ensure that the family relocates in a new house with access to services and security of tenure
		Renter/Leaseholder	Non eligible for compensation for the house. The PAP will be informed well in advance to move and receive the equivalent of three months' rent and support to transport belongings to new location.
		Non-legalizable users	Non eligible for compensation for land, but will receive compensation at full replacement cost for the house and will receive additional assistance to ensure that adequate housing with security of tenure and access to services is provided.
Non-residential structures (barns, irrigation, fences, etc.)	Entire RoW, where deployment of some non-residential structures is prohibited	Registered owners	Compensation at full replacement cost for lost structures, in addition of compensation for loss of land.
		Legalizable Owner	These PAPs will be legalized and receive compensation at full replacement cost for lost structures, in addition of compensation for loss of land.
		Renter/Leaseholder	Non eligible
		Non-legalizable users	Eligible for compensation at full replacement cost of all structures built by the non- legalizable user
<b>Loss Of Community Infrastructure/Common Property Resources</b>			
Loss of common property and/or resources	Community/Public Assets	Community/Government	Reconstruction of the lost structure or reestablishment of agricultural lands in consultation with community and restoration of their functions

Type of Loss	Application	Definition of APs	Compensation Entitlements
<b>Loss of Income and Livelihood</b>			
Crops	Standing crops affected or loss of planned crop incomes	All PAPs regardless of legal status (including registered owners, legalizable, non-legalizable users, and renters)	When possible people will be given enough time to harvest existing crops. Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided even in case if the crops were harvested. This compensation is in addition for compensation for permanent acquisition of land or easement fee.
Trees	Removal of trees from the ROW	All PAPs regardless of legal status (including registered owners, legalizable, non-legalizable users, and renters)	Cash compensation at market rate on the basis of type, age market price of product and the productive life of the trees. This compensation is in addition for compensation for permanent acquisition of land or easement fee
Business/Employment	Business/employment loss	Business owner	(i). (permanent impact) cash indemnity of 1 year net income;  (ii) (temporary impact) cash indemnity of net income for months of business stoppage (up to maximum 3 months).  Assessment to be based on tax declaration or, in its absence, minimum subsistence income.
		Workers/employees:	Indemnity for lost wages equal to 3 months of minimum subsistence income and job trainings.
<b>Allowances</b>			
Severe Impacts	>10% loss of productive lands	APs losing permanently (sitting of towers) more than 10% of affected agricultural land (including registered owners, legalizable and non-legalizable users, Renters are not eligible)	Additional allowance equivalent to market value of two-year yield from affected land or compensation for 3 months of minimum subsistence income  Other income <sup>43</sup> : 1 additional compensation for 3 months of minimum subsistence income. 320 GEL per month x 3 months=960 GEL per AH).
Physical relocation /Transportation of personal belongings to new location (new house)	Transport/transition costs	All PAPs to be physically relocated (including registered owners, legalizable, non-legalizable users, and renters)	Provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. 200 GEL as vehicle hire charge +320 GEL as minimum subsistence income x 3 months = 1,160 GEL per AH
Vulnerable people allowances	Impact on vulnerable people	Economically Disadvantaged AHs, single mother headed household, disabled or elderly	One time allowance equal to 3 months minimum subsistence income (320 GEL/month X 3 months = 960 GEL); and employment priority in project-related jobs for capable members of all vulnerable households.

<sup>43</sup> Non-agricultural income includes all economic activities except Category A: Agriculture. Please refer to <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27>

Type of Loss	Application	Definition of APs	Compensation Entitlements
<b>Temporary use of land</b>			
Temporary use of land during construction	Lease of land for project purposes (e.g. camps, storage)	All PAPs	Contractor will lease land required temporarily during construction on voluntary basis (e.g., willing leaser-willing lessee basis). Landowner will have right to refuse the offer. The maximum period for temporary use is defined as 2 years. Lease rates to be paid should not be less than lease at current market rates, plus compensation for any loss of crops or trees <sup>44</sup> at gross value of 4 year's harvest of crops on the affected lands. Affected trees will be cash compensated as described in this RAP. It is also required that lands (or other assets) be fully cleared and restored following the use.
<b>Construction impacts not related to land acquisition<sup>45</sup></b>			
Damages to houses, buildings, and structures affected during construction.	In relation to impacts that are not related to land acquisition such as potential damages of vibrations or discomfort caused by road traffic.	All PAPs regardless of legal status	Construction contractor will conduct assessment of damages and create the baseline information on the physical condition of structures; if claims lodged Construction contractor will compare current condition with the existing baseline information <sup>46</sup> and propose corresponding remedial actions (e.g. reparations, etc.) to the affected party. If damages cannot be mitigated or fixed the affected houses and other buildings will be managed in accordance to the principles of the RPF, this RAP and it will be compensated in full for the whole building irrespective of the specific degree of impact. Compensation will be provided in cash at replacement cost free of deductions for depreciation, transaction costs or salvaged materials. All relevant PAPs are entitled to this provision by default irrespective of the registration status of the affected item. Salvaged materials after demolition of the building are deemed to be owned by the AH.

#### 4.3.4 Assistance for severely affected and Vulnerable AH

85. Vulnerable AH are entitled to an allowance equivalent to 3 months of minimum subsistence income and employment priority in project-related jobs. AHs are considered as vulnerable in case they are economically disadvantaged or are women-headed Households with dependent members. AHs including people with disabilities or people in pension age will receive the allowance.

86. The above AHs will receive an allowance of 320 GEL x month x 3 months or 960 GEL in all. These figures are taken from the National Statistics Office of Georgia Department data on minimum subsistence income for a family of 5 persons in May 2016. It should be noted that all families irrespective

<sup>44</sup> Construction Company will adopt the same approach of compensating the felled trees as described in the compensation entitlement matrix during construction activities outside of the RoW.

<sup>45</sup> The requirement should be incorporated in the contract of a construction contractor

<sup>46</sup> Construction Company is responsible for conducting baseline assessment of possible damages outside the RoW and then compare the existing baseline information with actual damages and compensate the losses considering the similar principles as described in the compensation entitlement matrix. Damages can be identified through comparing the baseline data with actual damages as well as information received from AHs through grievance redress mechanisms.

of the size will be compensated.

87. Severely affected AH will receive an additional crop compensation covering two-year yield from affected land or an allowance equal to 3 months of minimum subsistence income, in case the AH is not subject for crop compensation (or when crop compensation value calculated for 1 year is less than 960 GEL).

#### **4.3.5 Valuation and Compensation Rates**

##### **4.3.5.1 Principles and Methodology**

88. Determination of compensation value for loss of assets and other impacts associated to land acquisition and easement were calculated by an independent valuation expert recruited by the Implementing Agency (GSE) in line with the requirements of OP 4.12 and the methodologies describe below:

89. **Replacement value:** The calculation of replacement costs of land and structures will be based on (i) current market value at the time of dispossession, (ii) transaction/legalization costs, other taxes and fees (iii) transitional and restoration (land preparation and reconstruction) costs, and (v) other applicable payments. In order to ensure compensation at replacement cost, good practice examples in compliance with WB OP 4.12 will be followed for determining the replacement cost of acquired assets.

90. The calculation of unit value is done keeping in consideration the current market rate so as to meet with the replacement cost of the land and lost assets etc. An experienced and registered independent local certified valuator was employed by GSE to do the valuation of land, structures, buildings, trees, crops etc. The approach of the evaluator was to make the assessment for each type of land and assets by location. The valuation was done after the census and DMS were conducted in close collaboration with the company who prepared the map of affected plots with demarcation of affected parts of the land. The independent valuator made site visits for physical verification of each category of the losses. The expert team also took into consideration the reference of previous available valuation and also used the recommended periodic release of market survey. Based on this methodology the unit rates were derived. The unit rates used in this report are based on the independent valuator's assessment with their standard methods for calculating the sample assets.

##### **4.3.5.2 Determination of Compensation Rates**

91. Replacement cost of land has been determined based on existing market rates to the extent possible and adding the applicable transaction cost like registration with the NAPR at the rayon level Registration Office and the rayon PRRC. Market rates were defined taking into account the type of land, its actual use, and location. Land valuation for easement agreements were calculated taking into account the initial cost of the land plot and reduction of this cost (as a real estate value) due to the limitations imposed by the Project but still allowing PAPs use these lands to grow yield and receive economic benefit.

92. Replacement cost of houses/buildings was determined based on construction type, cost of materials, transportation, types of construction, land preparation, labour, fees for obtaining construction permit and all other construction costs at current rates. No deduction for depreciation and transaction costs will be applied.

93. Market value of annual crops has been determined at net market rates at the farm gate for the first year crop. In the eventuality that more than one-year compensation is due to the APs the crops after the

first will be compensated at gross market value<sup>47</sup>.

94. Fruit trees will be compensated differently if they are productive or not yet productive. Productive trees will be compensated based on the future income lost for the years needed to re-grow a tree at the same age/production potential in which was cut. Non-productive trees will be compensated based on the cost of seedlings and value of the investment made to grow the tree to the age in which the tree was cut. The timber trees will be cut and given to the owners as a timber. No cash compensation is provide for timber trees.

95. The unit compensation rates recommended by the valuation company have been reviewed and approved by the GSE and will be offered to the APs. Detailed methodology for determining valuations and compensation rates is included in **Annex-2**.

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<sup>47</sup> The compensation for the annual crops in scopes o the project is one-time only.

## 5. INSTITUTIONAL ARRANGEMENTS

### 5.1 Introduction

96. The Georgian State Electrosystem (GSE) is the implementing agency (IA) for the Project. GSE is responsible for OHL construction as well as land acquisition and resettlement of the PAPs.

97. GSE 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, National Agency of Public Registry (NAPR) within the Ministry of Justice is in charge of the recognition of ownership rights of rightful owners and registration of ownership rights. The local/district NAPRs are also responsible for registration of ownership rights to land plots the GSE acquires from landowners on the basis of relevant sales agreements. 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 is responsible for environmental issues.

98. Various features/sections of the OHL Project are located in each of the following municipalities: Akhaltsikhe, Adigeni, (Samtskhe-Javakheti Region) and Khulo, Shuakhevi, Keda, Khelvachauri and Batumi (Adjara Autonomous Republic). All corresponding Sakrebulo, Gamgeoba, Territorial Registration Offices and PRRCs will be involved in LAR. Local Sakrebulos and Rtsmunebuli of villages are involved for local level LAR activities.

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

### 5.2 Land Registration Organizations

100. Under clause 1 of Article 4 of the Law of Georgia on Entitlement of Ownership Rights to Lands Possessed (Employed) by Physical and Legal Persons of Private Law, the representative body of relevant local self-government is authorized to recognize the right of property to land occupied without permit and discharges its authority through the commission. The commission discharges its functions under the formal administration procedure set forth in the VIII Chapter of the General Administration Code of Georgia and under the rule set forth by the said law. Under article 4 of the same law, the body authorized to recognize the right of property to land legally owned (employed) is LEPL National Agency of Public Registry (NAPR) subordinate to the Ministry of Justice of Georgia and discharging the said authority under the rule set by the law. After the decision of the commission about the recognition of the land property right and relevant cadastre drawings are submitted, the National Agency of Public Registry registers the right of property to the land plots in question.

#### 5.2.1 Rtsmunebuli and Gamgeoba at Village (Community) Level

101. 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 ownership of affected land plots, parameters of land plots and endorses the cadastral maps and related data prepared for case of legalization<sup>48</sup>. Gamgeoba plays important role for 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 power to authorize<sup>49</sup> details of the occupied land parcel and verify its usage pattern as the first hand verification

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<sup>48</sup> Owners for legalization of their unregistered land parcels, in normal procedure, use the services of private mapping agencies and experts on payment for preparation of land details (maps and plot parameters). In case of this project, the consultants have been assisting in preparing basic documents like maps and plot details.

<sup>49</sup> This is not mandatory but one of the possible procedures for legalization of the non-rightful owners. Witnesses' signature confirmed by Notary Public is also legally acceptable for confirmation of non-rightful ownership of land plot.

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 the process of RAP updating and implementation.

### **5.2.2 Sakrebulo**

102. Sakrebulo is the representative branch of self-government at municipal and village level. The village/municipal level Sakrebulo has now less involvement in the process of legalization of legalizable land plots. However, Municipal Sakrebulo assists the PRRC in the process of authorization of application of non-rightful owners.

### **5.2.3 Property Rights Recognition Commission (PRRC)**

103. 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 (owners of land plots occupied without permit) for registration. PRRC verifies and authorizes application of ownership for registration with the NAPR. PRRC authorizes application of only those APs, who are not registered but have residential land or agricultural plots adjacent to the residential land (non-rightful land owners, according to definition of Georgian regulations).

### **5.2.4 National Agency of Public Registry and Rayon Registration Offices**

104. The National Agency of Public Registry (NAPR) plays an important role both, in developing and realizing the resettlement action plan. At the stage of developing the resettlement action plan, when the land owners/users are identified and their property rights are specified, the documents proving the property are to be obtained. Some of these documents (books of homesteads and the like) were kept with the archives in the past. At present, the regional archives are available to the territorial registration offices of the National Agency of Public Registry. The materials preserved with the archives of the territorial registration offices are the important source for the owners who have to legalize<sup>50</sup> their rights to property, but have no full supporting documentation at hand, to obtain the documents proving their land property rights. The role of the National Agency of Public Registry in realizing the resettlement action plan is even more important, as under the Law of Georgia 'On Public Registry', the National Agency of Public Registry is the body discharging the public and legal authorization set forth by the law, which registers the ownership right of the lands of the affected persons (PAPs) (termed as the Primary registration' as per the resettlement action plan terminology) and registering the legal act<sup>51</sup> of transferring the property right from the owner to the GSE ('Secondary registration').

105. The territorial registration offices of the National Agency of Public Registry closely cooperate with the teams working on developing and realizing the resettlement action plan. Such cooperation in the first instance, means making the documents preserved with the archives of the territorial registration offices of the Agency available.

## **5.3 Land Acquisition and Resettlement Organizations**

### **5.3.1 GSE – Georgian State Electrosystem**

106. GSE has the overall responsibility of project design, land acquisition and resettlement, construction, construction monitoring and supervision of the TGS and Akhaltsikhe-Batumi OHL Project.

<sup>50</sup> 'Legalization means recognition of the right of property set/envisaged by Decree No. 525 of the President of Georgia of September 15, 2007 On the rule to recognize the Ownership Rights to Lands Possessed (Employed) by Physical and Legal Persons of Private Law and approving the form of the certificate of the right to property'.

<sup>51</sup> Including the easement agreement



This also includes financing and executing land acquisition and resettlement tasks and cross-agency coordination. GSE 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 GSE. 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. RMT is responsible for supervision of all technical work to accomplish RAP preparation and implementation tasks and coordination within the GSE, as well as at central and local government levels.

107. The specific tasks of the GSE RMT will be to (i) Ensure updating RAP following appropriate procedures as per RPF and send to donor WB for approval, (ii) supervise preparation of RAP for construction contracts and implement it after concurrence from donor IFI; (iii) establish land acquisition and resettlement (LAR) capacity at the regional level; (iv) ensure proper internal monitoring; and (v) hire, following the donor IFI recommendation the external monitoring agency. RMT will also provide all necessary documentation to ensure the prompt allocation of land acquisition and resettlement budgets to the PAPs and will maintain the coordination of all land acquisition and resettlement related activities.

108. The GSE is responsible for ensuring that an independent agency/company for RAP preparation is engaged to conduct any survey and documentation, including cadastral survey, PAPs census, inventory of affected assets, assessment of losses, and valuation of land and assets for replacement value. RAP will be updated based on findings of the surveys following the final OHL RoW as per detailed engineering design.

109. Based on the GSE'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 GSE Resettlement Management Team later will take decision to start expropriation.

### **5.3.2 Municipal LAR Team**

110. Municipal LAR Team will be an informal group established through participation of municipal and village authorities and PAPs in order to provide technical assistance to the GSE 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. Municipal LAR Team comprises the Municipal Team (at the municipal level) and LAR Working Groups at the village level. The municipal level team is represented by the Gamagebeli, head of the local office of NAPR (National Agency of Public Registry), and representatives of affected villages and Resettlement Management Team (RMT) of the GSE. By instructions of the Municipal LAR Team, LAR Working Groups comprising village representatives (*Rtsmunebuli*), competent technical specialists (at least one person) delegated by them and RU representatives shall be established in each village. LAR Working Groups shall assist the Consultant hired by the GSE in identification of PAPs, determining the boundaries of land parcels and communication with the local community. *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 GSE Consultant in attendance of land owners. The staff of NAPR 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 RMT of the GSE shall start negotiations with the PAPs on the purchase of affected land plots and other assets in order to compensate their losses. In case of agreement APs 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 GSE shall be assisted by LAR group (both working groups and municipal team) members,

including village *Rtsmunebuli*, NAPR local office staff, etc. A purchase agreement is the basis for compensation payment. If the negotiation between a PAP and LAR team fails, the LAR team shall notify the GSE 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.

### **5.3.3 Local Governments**

111. Local administration especially at municipal level has direct jurisdiction for land administration, valuation, verification and acquisition. To confirm the surveys and the asset valuations carried out by the LAR consultants, GSE through its consultants will establish Municipal Level LAR Teams which will have designated officials from the municipal administration (Municipal Sakrebulo; Gamgebeli) and representatives of each affected village/community administration (representatives of all affected community/village level *Sakrebulos* and *Gamgebelis*). The municipal level LAR Teams will be formed in the all affected municipalities who are working closely with the consultants and GSE. LAR Teams of municipalities are participating in RAP preparation and implementation.

## **5.4 Other Organizations and Agencies**

### **5.4.1 Construction Contractor**

112. A Construction Contractor to be appointed by the GSE 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 as part of OHL ROW will be demarcated to clearly delineate it from the remaining non-acquired parts. The construction activities shall be monitored closely by the GSE to ensure compliance to the temporary mitigating measures.

### **5.4.2 Consultants and Auditors**

The design consultant will be responsible for preparation and GSE for implementation of RAP and a construction supervision consultant will be in place to supervise construction.

- (i) Design Consultant: The design consultant has an international social development and resettlement specialist and a national resettlement / social specialist for finalizing RAP for each construction stage. The design consultant has hired a survey agency for land acquisition and resettlement survey and documentation including census, socioeconomic survey and inventory of losses. GSE has engaged the certified independent valuator for valuation of land and assets for replacement value. Final RAP will be prepared based on findings of the surveys following the final OHL routing as per detailed engineering design.
- (ii) Social Safeguards Consultant (SSC): will oversee implementation of RAP and will prepare compliance reports before the construction start.
- (iii) Local Resettlement Consultant (LRC): will assist GSE Resettlement Team during the RAP implementation and oversee all resettlement related issues that may arise during the construction.
- (iv) The Supervision consultant will oversee temporary or unforeseeable resettlement impacts arising during the construction.

### **5.4.3 Court of Georgia**

113. The Court of Georgia shall be the last resort for issues and concerns regarding the implementation of the RAP. In case there is no agreement between the GSE and the PAPs concerning the acquisition of private properties, the GSE with the mandate for expropriation based on existing legislations will submit to the Court a request for expropriation. The GSE will get the targeted assets

after obtaining the expropriation right and implementing respective procedures. Upon its approval and following prescribed procedure, GSE will then take over the concerned property after having been given by the Court the right of the Expropriator.

114. 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 APs will have the right to appeal the case to the Court as a last resort. Its decision shall be final and executory.

#### **5.4.4 Ministry of Finance**

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

#### **5.4.5 Ministry of Justice**

116. 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 GSE, as well as registration of the easement agreements.

#### **5.4.6 Donor WB**

117. Besides supervising the Project periodically, the WB will review RAP and provide clearance to contract awards signing and initiation of construction under the Project.

118. An organization chart showing all the concerned institutions to be involved in the LAR activities is depicted in Figure 5.1.

### **5.5 Capacity Building on LAR**

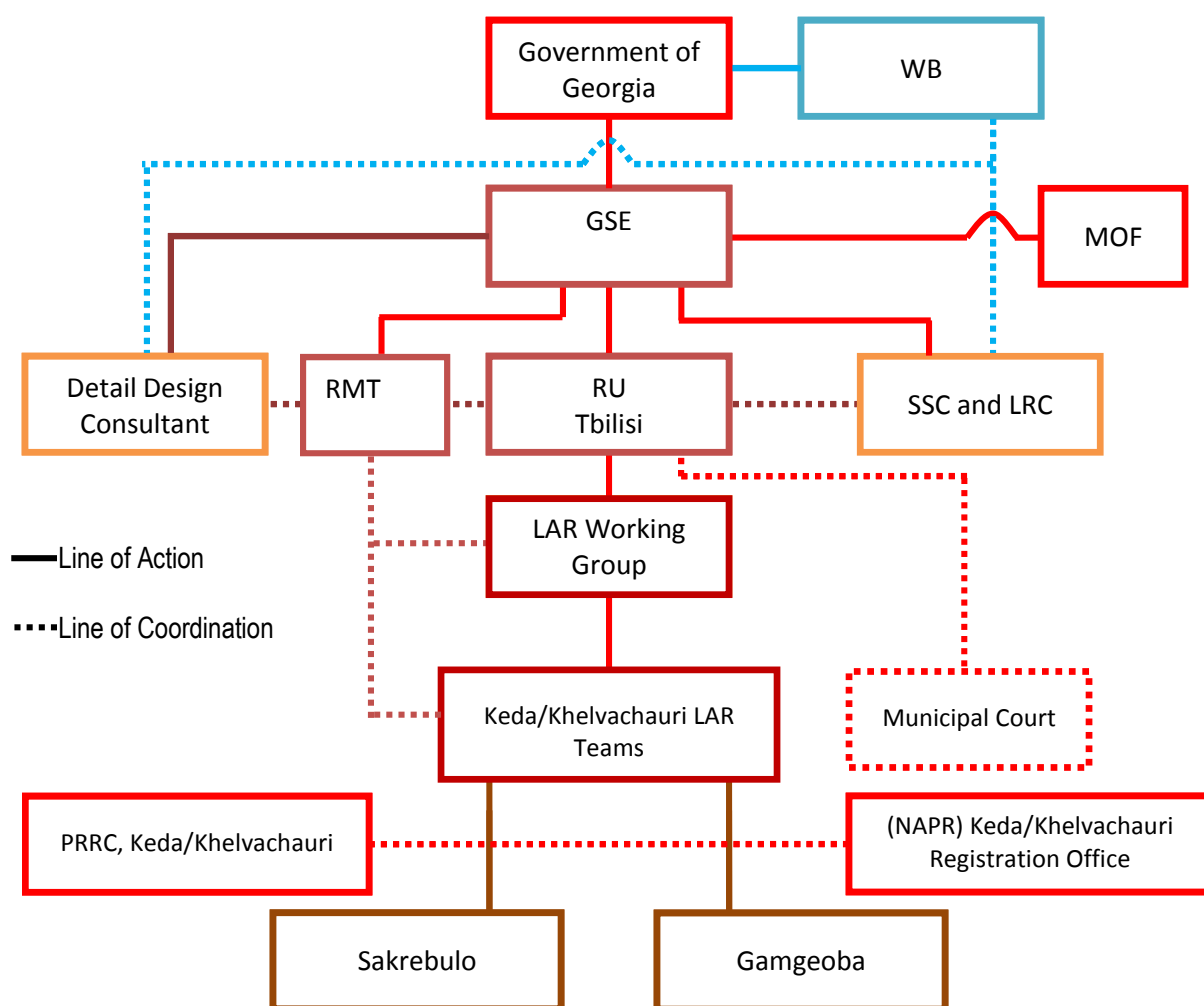
119. Initial level of capacity building exercise in the relevant agencies was carried out during the preparation of RAP at the feasibility study. Close consultations were held with all the concerned departments. GSE has established Resettlement Management Team dealing with land acquisition and resettlement. 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, GSE, donor IFIs. Capacity building training will also be initiated through a series of consultations and informal training sessions in the local administration level. The representatives of GSE at regional level are also responsible for the planning of LAR activities and for coordinating with the municipal administration. Municipal level LAR Teams will be formed at each municipality that will be responsible for LAR activities assisting the LARC of the GSE in the process of RAP implementation.

120. In terms of capacity and manpower resources within Resettlement Team of the GSE, 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 Social Safeguards Unit (ESSU) was established within GSE in 2013. Currently, besides the head of the Unit, there is one social safeguards specialist in the staff. Current resettlement capacity of the GSE needs strengthening to ensure full Social Safeguards compliance of the Project. GSE also needs Local Resettlement Consultant (LRC) as a consultant assisting in implementation of RAP. Thus, the Resettlement Team should be assisted by two resettlement consultants – Social Safeguards Consultant and Local Resettlement Consultant (LRC). Additional trainings for Resettlement Team staff and engaged Consultants is considered as necessary by GSE. The detailed planning and negotiation with WB is under the way. All concerned staff both at RMT, LARC, at municipal 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:

- (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 and compensation disbursement mechanisms;
- (vi) Grievance redress; and
- (vii) Monitoring of resettlement operations.

**Figure 5.1 LAR Organization Chart**



## 6. CONSULTATION AND PARTICIPATION

### 6.1 Introduction

121. 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 AP 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 OP 4.12 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 AP participate in the process.

122. The focus of these consultations are to ensure that the AP and other stakeholders are informed, educated, consulted and allowed to participate actively in the process of road 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 AP and communities to incorporate their views, needs and aspirations into the Project components. The consultation process has stepped up at basic design through public consultation meetings and individual contacts during land acquisition and resettlement initial surveys in June-December 2014 and later on April-May 2016. The public consultations have been completed in January-February 2015 and June 2016. Detailed information on consultation meetings is given in **Annex 4**.

### 6.2 Consultation Process and Methodology

123. Consultation with local communities and government bodies in the project process was instrumental for alignment demarcation and selection of route, tower sites for the Akhaltsikhe – Batumi 220kV OHL. The route of the project OHL underwent several adjustments to avoid dense settlement, environmentally protected areas, civic amenities, and land acquisition. The public consultation process entailed clearly explaining the project and its impacts to the community through introducing the project and its impacts through leaflets in local language, clearly explaining to the communities in informal and formal consultation meetings and individual level discussion during the census and detailed measurement surveys of land and property.

124. Consultation with the APs in the project affected areas were conducted during the basic design stage of RAP preparation. The methodology includes walk-through informal group discussion, focused group discussion, individual interview, key informant interviews, and informal discussion. The APs, their community, and local government officials were consulted to inform, educate and provide feedback in the project design.

125. Specifically for this RAP the APs were consulted through individual contact during the census survey at the basic design stage, all likely AP persons were consulted through community level meetings and through individual contact at the time of census, socioeconomic survey and detail measurement survey.

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

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

Stakeholders	Purpose	Method
Likely APs and their community	<ul style="list-style-type: none"> <li>To inform the APs, get their views on likely impacts, eligibility and entitlements, as well as procedures for compensation, relocation and rehabilitation.</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with all AH during the implementation of the socio-economic survey.</li> <li>Focus group discussions and village meetings</li> </ul>
GSE including its Resettlement Management Team (RMT)	<ul style="list-style-type: none"> <li>To collect government's policy, guidelines priorities on the project, and to seek advice for work.</li> </ul>	<ul style="list-style-type: none"> <li>Frequent individual meetings with the officials of GSE</li> </ul>
National Agency for Public Registry under the ministry of Justice	<ul style="list-style-type: none"> <li>To collect the cadastral map and to know the details of the affected parcels and people</li> </ul>	<ul style="list-style-type: none"> <li>Consultation and discussion with officials</li> </ul>
Local Government at Rayon Level (District Municipality), Rtsmunebuli	<ul style="list-style-type: none"> <li>To seek their cooperation for carrying out the impact assessment survey and to sort out the problem related to missing plots (Legalizable Owners)</li> </ul>	<ul style="list-style-type: none"> <li>Individual meetings with the officials of respective rayons and discussions</li> </ul>
Property Recognition Commission in the Rayon Level and Sakrebulo	<ul style="list-style-type: none"> <li>To seek their cooperation for carrying out the impact assessment survey and to sort out the problem related to missing plots (Legalizable Owners)</li> </ul>	<ul style="list-style-type: none"> <li>Meeting and training</li> </ul>

### 6.3 Summary of Consultation during Feasibility Study

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

- (i) The likely APs and their community are aware about the project.
- (ii) APs losing their properties expect a proper compensation package.
- (iii) The structure owners request adequate compensation to rebuild their structure at alternative site. They should get advance notice for relocation.
- (iv) At the Detailed Design stage the risks of landslide triggering and related impacts on residential houses should be carefully analysed through the detailed geological studies and new alignment or engineering solutions should be proposed in case if the risk is confirmed.
- (v) Government should provide the alternative land to the landless people for their relocation, when it is physically possible. However, it should be noted that the state land reserves are limited.
- (vi) The compensation should be based on the fair assessment.
- (vii) Contractors should be advised by the project authority to employ the local people.

### 6.4 Consultation meetings with the APs during RAP Preparation

128. Consultation Process is completed: meetings in all affected municipalities have been carried out and information leaflets distributed. The protocols of these meetings are reflected in the Draft RAP to be completed with the completion of the Detailed Design (Annex 4).

## 6.5 Changes in LAR approach following the meetings

129. The main outcome of the consultation meetings was engagement of AHs and local authorities in land demarcation process. This is specifically important for this region as the land ownership is mostly based on traditional right, rather than legal documents with proper drawings.

## 6.6 Consultation and Participation Plan

130. RMT on behalf of GSE 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 community level Gamgeoba. An information leaflet (in Georgian) will be distributed among the APs and their community. A copy of the English version of RAP Leaflet is attached in Annex-3.

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

- (i) Final RAP will be disclosed upon receiving approval from the WB
- (ii) GSE will organize public meetings and will apprise the communities about the progress in the implementation of resettlement, and social activities.
- (iii) SE through its RMT will organize public meetings to inform the community about the compensation and assistance to be paid. Regular update of the progress of the resettlement component of the project will be placed for public display at the local level GSE office and at local Municipal Office.
- (iv) All monitoring and evaluation reports of RAP component of the project will be disclosed to the community.
- (v) Key features of the entitlements will be disclosed along the project corridor.
- (vi) GSE 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.
- (vii) Attempts will be made to ensure that vulnerable groups understand the process and to take their specific needs into account.
- (viii) All PAPs should be provided a contact information of the person from local municipality/GSE who will provide feedback on all the issues concerning the project

## 6.7 Disclosure

132. Electronic version of the Final RAP will be placed on GSE web-site. The summary of RAP will be translated into local language (Georgian) and will be disclosed to APs at local level. The copy of the RAP (Georgian version) will be available at the concerned offices of affected Municipality. The final RAP will be submitted to the WB for approval and signing of contract awards will follow after completion of legalization of the legalizable owners of the land parcels under acquisition.

## 7.GRIEVANCE REDRESS MECHANISM

### 7.1 Objectives

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

134. Stage 1 – informal (oral) review of the AP’s complaint (whether written or oral). At this stage the AP’s complaint shall be reviewed 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 AP’s complaint is not resolved the AP should be informed about grievance resolution procedures of Stage 2. An AP has the right to use the procedures of Stage 2 without applying to Stage 1 procedures.

135. Stage 2 – review of AP’s complaint. For Stage 2 of grievance resolution process the GSE shall establish a Grievance Redress Committee (GRC) for the whole period of the project implementation. GRC shall review the written complaints of APs, which were not satisfied at Stage 1. At stage 2 the AP’s complaint shall be resolved and GRC shall make a decision in compliance with the Administrative Code of Georgia. The present RAP specifies the procedures of establishing GRC and its composition. The RMT of the GSE is responsible for establishing GRC.

136. Grievance redress procedure of Stage 1 is an informal tool of dispute resolution allowing APs 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 AP 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.).

137. 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 GSE starts negotiations with the APs and shall function until the completion of the construction.

138. At the RAP preparation stage during the consultations meetings and negotiations the APs 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 APs, effective consultations, proper communication and coordination among local communities, GSE and local authorities.



## 7.2 Formation of GRC

139. A Grievance Redress Committee (GRC) is an informal grievance redress mechanism at Stage 1. This informal body will be established at community level in each Gamgeoba (village/community authority). The GRC shall include representatives of Rayon LAR Teams and local communities. The GSE representative in the Rayon LAR Team shall coordinate the GRC formation. He/she will then be responsible for the coordination of GRC activities and organizing meetings. In addition, GRC shall comprise village Rtsmunebuli or his/her representative, representatives of APs, women APs (if any), and appropriate local NGOs to allow voices of the affected communities to be heard and ensure a participatory decision-making process. If the complainants are not satisfied with the GRC decisions, they can always use the procedures of Stage 2 of grievance resolution process.

140. GRCs will be established at the community level at Gamgeoba with provision of 6 members of following composition<sup>52</sup>:

(i) Representative of RMT of GSE	: Convener
(ii) Representative Rayon LAR team	: Member Secretary
(iii) Gamgebeli – concerned Gamgeoba (village level)	: Member
(iv) Representative of APs	: Member
(v) Representative of Women APs	: Member
(vi) Representative local NGO	: Member
(vii) LAR Specialist of Supervision Consultants	: Member

For Stage 2 of grievance resolution process a commission comprising at least 3 members shall be established by order of the GSE. The Order shall also state that if necessary representative of local authorities, NGOs, auditors, APs and any other persons or entities can be included in the commission as its members.

## 7.3 Grievance Resolution Process

141. Stage 1 – The member secretary of GRCs and Rayon level LAR Team will be regularly available and accessible for APs to address concerns and grievances. The APs 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 be received from APs shall be immediately submitted to the contact persons of GRC (coordinator and secretary), which will then organize a meeting and informally review the complaint with the aggrieved AP. If the AP is not satisfied, the GRC shall assist him/her in lodging an official complaint to the Commission established by order of the GSE. The complaints and grievances from the APs will be addressed through the process described below in Table 7.1

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<sup>52</sup> The role of the GRC is to be a mediator in negotiations between the Government (GSE) and the PAPs but not to give a mandatory solutions through any voting process. The members have equal rights. The decision is not made by mechanical voting, but on a consensus basis and is supported by documental materials explaining the details of the case and protocols of meetings with a brief review of expressed opinions and proposed solutions. Different proposals could be discussed. Out of proposed variety of solutions, the spectrum of alternatives acceptable for the Government is decided by GSE and then these alternatives are discussed with the PAP. In case if PAP proposes his new option of solution, this could be added to the agenda in case if it is deemed as acceptable for GSE. The role of the Committee is not to define a solution by any voting process. In case when the solutions are found acceptable both for GSE and PAPs, the informal negotiations under the GRC are deemed to be successful and in case if no agreement is achieved, the GRC cannot impose any decisions to the parties. Further grievance resolution process is (or could be) passed to Court.

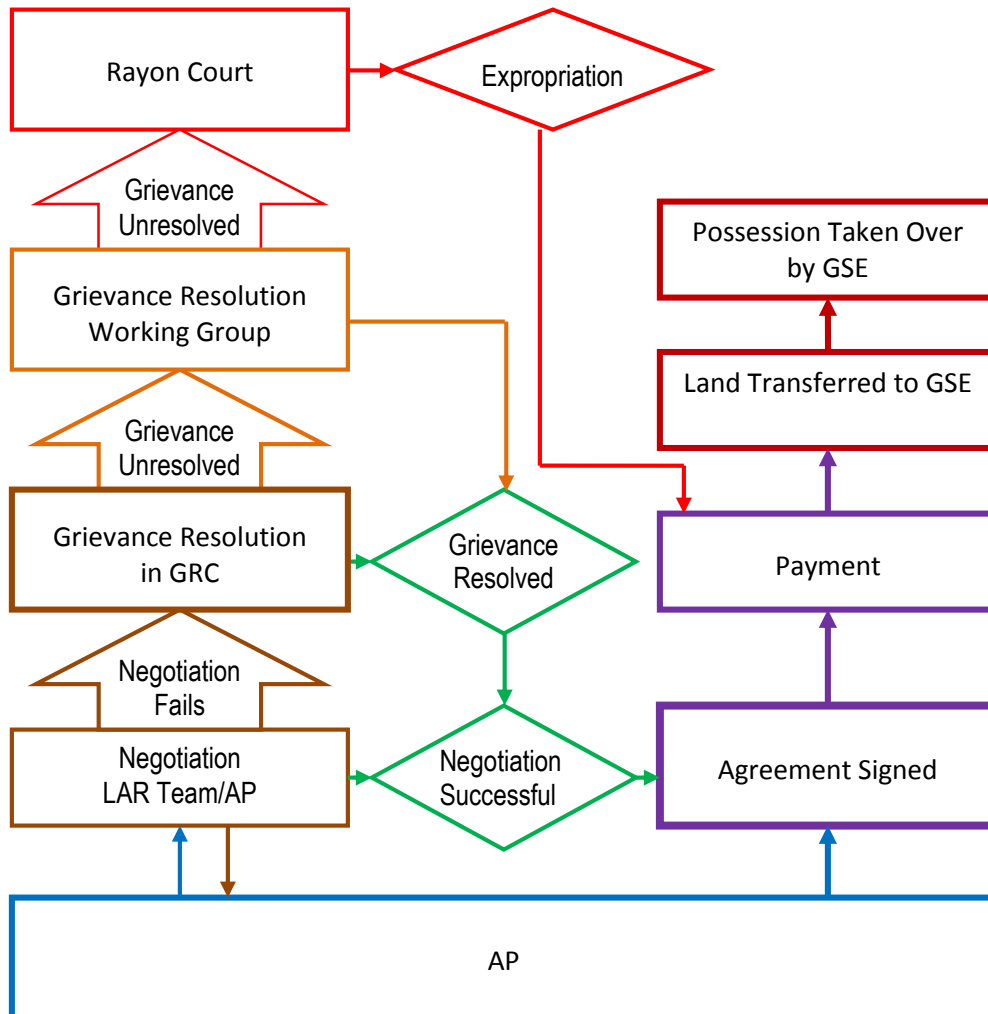
**Table 7.1: Grievance Resolution Process**

<b>Steps</b>	<b>Action level</b>	<b>Process</b>
Step 1	Negotiations with APs	The complaint is informally reviewed by the GRC, which takes all necessary measures to resolve the dispute amicably.
Step 2	GRC Resolution	If the grievance is not solved during the negotiations, the GRC will assist the aggrieved APs to formally lodge the grievances to the GRC.
		<p>The aggrieved APs shall submit their complaints to the GRC within 1 week after completion of the negotiations at the village level. The aggrieved AP shall produce documents supporting his/her claim. The GRC member secretary will review the complaint and prepare a Case File for GRC hearing and resolution. A formal hearing will be held with the GRC at a date fixed by the GRC member secretary in consultation with Convener and the aggrieved APs.</p> <p>On the date of hearing, the aggrieved AP will appear before the GRC at the Gangeoba office for consideration of grievance. The member secretary will note down the statements of the complainant and document all details of the claim.</p> <p>The decisions from majority of the members will be considered final from the GRC at Stage 1 and will be issued by the Convener and signed by other members of the GRC. The case record will be updated and the decision will be communicated to the complainant AP.</p>
Step 3	Decision from central GSE	<p>If any aggrieved AP is unsatisfied with the GRC decision, the next option will be to lodge grievances to the GSE at the national level. The GSE shall review the complaint in compliance with the procedures specified in the Administrative Code of Georgia.</p> <p>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.).</p> <p>The plaintiff shall be informed of the decision.</p>
Step 4	Court decision	<p>If the GSE decision fails to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court).</p> <p>The aggrieved AP 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.</p>

#### 7.4 GRC Records and Documentation

142. RMT of GSE headquarters will keep record of complaints (Grievance Logs) received for its use as well as for review by the WB during regular supervisions.

**Figure 7.1 Grievance Resolution and Acquisition Process**



## 8. IMPLEMENTATION SCHEDULE

143. The time bound implementation schedule of the RAP has been prepared in consultation with the GSE. All activities related to LAR have been planned to ensure that compensation is paid prior to displacement and commencement of construction. The most important acquisition activity, relating to the privatization process in Georgia, is the legalization of legalizable owners of the identified land parcels for acquisition. The legal status of the project affected land parcels that belong to Keda and Khelvachauri Municipalities has been identified through title search during the land acquisition and resettlement survey and documentation work in June-December 2014 and April-May 2016. The titled and non-titled but legalizable owners of land parcels to be acquired have been identified during the survey.

144. Tasks for the RAP are divided into (i) Final Preparation including RAP approval and various Initial tasks including legalization of legalizable APs and signing of contracts with APs; (ii) RAP implementation including processing and making payment of compensation and allowances and (iii) evaluation of implementation. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. The LAR milestones include (i) approval of RAP, (ii) Signing of contract awards, (iii) letter to proceed for construction and (iv) start of physical construction. A post –implementation evaluation will be carried out after completion of RAP implementation.

### 8.2 RAP Approval and Initial Tasks

145. The Resettlement Management Team (RMT) of the GSE sets up relevant institutions and line up LARC, Working Group/LAR Team, GRC and the like for the Project. The draft RAP and supplemented technical attachments will be submitted to the Government to initiate review of these documents and taking the decision by the Government regarding the form and legal procedures needed for paying compensation to the category of land owners classified as legalizable. It is advised and expected that a special Decree will be issued by the Government to regulate the matter and ensure that a mechanism for executing compensation payments is established<sup>53</sup>. After that, the preliminary agreements will be signed with the affected households, with understanding that this is draft RAP and some changes may be introduced during the finalization of RAP with the detailed design.

### 8.3 RAP Implementation

146. Payment of compensation and allowances under RAP will commence after a number of preparatory tasks have been completed. These preparatory tasks are from (i) to (v), according to the entire list of RAP tasks presented below:

- (i) Disclosure and consultation
- (ii) Capacity building training of LAR institutions, APs and NGOs
- (iii) Establishment of a grievance redress mechanism
- (iv) Signing of contracts with APs
- (v) Transfer of compensation and allowance to APs' bank account and registration of land in PR on GSE name
- (vi) Compliance review and reporting
- (vii) Notice to proceed for Construction
- (viii) Relocation of affected structures/ assets
- (ix) Monitoring

<sup>53</sup> The Government Decree is required specifically for Adjara, since there is no legal basis of legalization of the most part of agricultural land plots. The Decree been issued after the completion of the RAPs 1, 2 and 3. However, the update of this Decree is discussed currently. The Decree will be issued for the moment of completion of the final RAP.

## 8.4 Post Implementation Evaluation

147. I phase of the post-implementation evaluation (Compliance Report) will be conducted immediately after completion of the RAP implementation and before start of the construction; Phase II post-implementation evaluation will be conducted after completion of construction. An independent External Monitoring Agency (EMA) will carry out the evaluation. The EMA will carry out interim monitoring on a quarterly basis. In case, if the CSC is engaged at the stages when external monitoring is required, the CSC may have the responsibility for the external monitoring and post implementation evaluation.

## 8.5 RAP Implementation Time Schedule

148. The time bound RAP implementation is presented in Figure 8.1. Land purchase agreements and payment of compensation and allowances will go simultaneously and a sequence of one week time from offer of compensation to agreement, agreement to requisition and requisition to payment transfer is considered. A buffer period of one month has been included in the schedule for relocation of housing. Relocation of housing will also go by sections. Under the circumstances, the implementation schedule may include phased approach for construction. Compensation will be deposited in the Treasury account for unsolved cases and to deal with absentee owners or cases taken to court. In case if despite the all efforts, the absentee owners are not available for compensation during the project life-time, the deposited sum will be relocated from the project budget line, to the GSE account in the Treasury and compensation will be paid to the land owner, as soon as he becomes available.

**Figure 8.1: RAP Preparation and Implementation Schedule (Final RAP)**

RAP Tasks	2016																															
	April				May				June				July				August				September				October				December			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Completion of DD	■	■	■	■																												
End of RAP surveys/valuation					■	■	■	■																								
LAR Institutions Establishment			■																													
AP Consultation									■																							
Final RAP Finalized									■	■																						
WB Review and Approval										■	■																					
Government approval													■																			
Disclosure													■																			
Legalization													■	■	■																	
AP agreements signing													■	■	■																	
Allocation of LAR budget													■	■	■																	
Transfer of budget to AP bank account													■	■	■																	
Compensation deposit in Treasury account for unsolved cases													■	■	■																	
Grievance resolution													■	■	■																	
Court proceedings in case of expropriation													■	■	■																	
Compliance report By EMA													■	■	■																	
Note from WB to start civil works																					■											
Relocation of affected structures																					■	■	■	■								
Physical construction																					■	■	■	■	■	■	■	■	■	■	■	■
Internal Monitoring																					■	■	■	■	■	■	■	■	■	■	■	■
Compensation of delayed using deposits																					■	■	■	■	■	■	■	■	■	■	■	■

## 9.COSTS AND FINANCING

### 9.1 General

149. The land acquisition and resettlement cost estimate under RAP includes eligible compensation, resettlement allowances and support cost for implementation of LAR tasks. The support cost, which includes administrative expense, is part of the overall project cost. Contingency provisions (@ 10% of the total cost) have also been included to take into account variations from this estimate at the negotiation for contract agreement level. In case of any over- run in cost, GSE will provide additional funds as needed in a timely fashion. GSE through the approval of Ministry of Finance will be responsible for allocating the RAP Budget in advance as part of their overall annual budget planning. Items of LAR cost estimate under the RAP are as follows:

- (i) Compensation for agricultural, residential and commercial land at replacement value
- (ii) Easement payments for imposed limitation on land use (prohibition of planting trees or construction of buildings within the RoW)
- (iii) Compensation for structures and buildings at their replacement cost
- (iv) Compensation for crops and trees
- (v) Assistance for severely affected AH
- (vi) Assistance for vulnerable groups for their livelihood restoration
- (vii) Cost for implementation of RAP.

### 9.2 Itemized Budgets

150. The following section deals with calculations for various types of compensation and allowances as per the entitlements and as per the rates determined at current market cost. Compensation will be provided at least at the rates detailed in this RAP although some modification in excess will be possible during the discussions preceding the signing of the contract.

#### 9.2.1 Compensation for Land

151. Compensation and easement prices for land has been derived based on the feedback from the affected people and from the independent evaluator. The compensable land is categorized in to 4 types such as agricultural and non-agricultural (commercial or residential), located close to the Batumi-Akhhaltsikhe mainline road and land parcels located far from the road. Cost of residual land unviable for cultivation is included in the costs. The costs for various categories of land loss are given in Table 9.1.

152. The easement price for type 1, 2 and 3 land is derived as a difference between the market cost of this type of land at present (before the project) and after the project impact (land use restrictions imposed) In case of agricultural land used as residential or commercial (type 1, 2, 3) the imposed restrictions on existence of structures in fact result in changing status of the land from type 1 to type 4<sup>54</sup>. Accordingly the price of land changes from 16.50 Gel to 8 Gel. The difference is about 50% of the initial cost. For the agricultural land plots of type 4 and 5 imposed restrictions are not significant: They lose not more than 15% of initial market value due to partial restriction on growing tall trees (higher than 4m).

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<sup>54</sup> As a result of easements to be exercised through servitude agreements, land use restrictions to project affected land parcels (residential and arable) will limit potential best use of these land parcels. This means that PAPs will maintain ownership/possession rights to project affected land parcels and still be allowed to cultivate for agricultural purposes, but no structures/tall trees (more than 4m) will be allowed. As a result, pre-project market value of a land parcels will be diminished to some extent; more specifically, residential land parcels will only be valid for growing annual crops and species of perennial crops that do not grow higher than 4 meters. Thus, the best potential use of residential land parcels will change to arable after the completion of construction activities.

For example:

Current market value of land: 1 sq.m - 16.50 GEL

Current market value of land: 1 sq.m - 8.00 GEL

The difference (8.50 rounded to 8.00 GEL /sq.m) between these two rates was determined as the unit rate for cash compensation for type 1 land parcels subject to easements.

*Akhhaltsikhe- Batumi 220kv OHL, Final RAP, 2016*

**Table 9.1.A. Cost for Permanent Land Acquisition**

Tenure Categories	Permanently Affected Land to be Acquired (land plots under the towers)		Cost of 1 sq.m of land	Cost of the Land to be acquired
	Plots No.	Area (sqm)	GEL	GEL
<b>Compensable land</b>				
<b>Type 1.</b> The land plots of non-agricultural status, located close to the main road (from 5 to 50m) and used for residential or commercial needs. Cost of 1 m2 of Type 1 land is – 16.50 GEL/sq.m.	1	62	16.50	1023
<b>Type 2.</b> The land plots of agricultural status, located close to the main road (from 5 to 50m) and currently used for agricultural needs. Cost of 1 m2 of Type 2 land is 15 GEL	13	24067	15	361005
<b>Type 3.</b> The land plots of agricultural and non-agricultural status, located remotely from the main road but within the borders of villages and settlements. Cost of 1 m2 of Type 3 land is 12.50 GEL	31	117198	12.50	1464975
<b>Type 4.</b> The land plots of agricultural status, located remotely from the main road at some distance from villages and used for agricultural needs (perennial crops). Cost of 1 m2 of type 4 land is 8 GEL	47	9838	8	78704
<b>Type 5.</b> The land plots of agricultural status, located remotely from the main road and not used for agricultural needs (usually – steep slopes) Cost of 1 m2 of type 5 land is 5 GEL	4	603	5	3015
<b>TOTAL</b>	96	151768		1908722



**Table 9.1.B. Cost of Easement Payments for the Partially Affected Plots**

Tenure Categories	Partial Long-term Temporary Impacts (Land Plots within the RoW/ Servitude)		Cost of Easement Payments for 1 sq.m of land GEL	Cost of the Easement Payments for Partially Affected Land GEL
	Plots No.	Area (sqm)		
<b>Compensable land</b>				
<b>Type 1.</b> The land plots of non-agricultural status, located close to the main road (from 5 to 50m) and used for residential or commercial needs. Cost of 1 m2 of Type 1 land is – 8.50 GEL/sq.m.	5	624	8.50	5304
<b>Type 2.</b> The land plots of agricultural status, located close to the main road (from 5 to 50m) and currently used for agricultural needs. Cost of 1 m2 of Type 2 land is 7 GEL	59	92226	7	645582
<b>Type 3.</b> The land plots of agricultural and non-agricultural status, located remotely from the main road but within the borders of villages and settlements. Cost of 1 m2 of Type 3 land is 4.50 GEL	89	188778	4.50	849501
<b>Type 4.</b> The land plots of agricultural status, located remotely from the main road at some distance from villages and used for agricultural needs (perennial crops). Cost of 1 m2 of type 4 land is 1.20 GEL	392	569610	1.20	683532
<b>Type 5.</b> The land plots of agricultural status, located remotely from the main road and not used for agricultural needs (usually – steep slopes) Cost of 1 m2 of type 5 land is 0.75 GEL	19	33490	0.75	25117,5
<b>TOTAL</b>	564	884728		2209036,5

**Total Cost** for land including cost of permanent land acquisition and easement payments is equal to **4117758,5<sup>55</sup>** GEL.

<sup>55</sup> This cost only includes those land plots that were surveyed in the process of RAP preparation. It is worth mentioning that there are other 28 land plots (total area for 22 land plots is 66504 sq.m/6.6 ha, area for 6 land plots is unknown) that could not be surveyed due to refusals from the land owners. The total preliminary cost for permanent land acquisition for abovementioned land plots is 22243,5 GEL and easement payment for the same land plots equals to 195559,8 GEL. This costs are envisaged in RAP budget.

## 9.2.2 Compensation for Structures

153. Compensation of structures is based on the current market price of materials, transportation and construction works needed for construction of similar structure-buildings. Condition of basement, bearing structures, roof, materials, decoration, sanitation, water and power supply, external lighting systems are considered. Detailed valuation is given in technical annexes. Some details break up is given in Table 9.2. Provided costs include expenses on relocation of the movable facilities.

**Table 9.2: Cost of Affected Structures**

Residential Houses (not movable outside the RoW)					
No	Type Of Structure	Quantity	Sq.m.	N of AHs	Cost, Gel
664	1 Story Residential Building	6	24,21	1	10730
213	2 Story Residential Building		182,48	1	137070
255	2 Story Residential Building		297,15	1	160230
262	2 Story Residential Building		N/A	1	150080
644	2 Story Residential Building		146,74	1	48900
745	2 Story Residential Building		173,96	1	112910
<b>Subtotal</b>		6	824,54	6	619920
Residential Houses or Potentially Residential Houses (movable outside the Row)					
No	Type Of Structure	Quantity	Sq.m.	N of AHs	Cost, Gel
520	1 Story Residential Building	13	161,86	1	123780
589	1 Story Residential Building		74,78	1	73775
361	2 Story Residential Building		193,5	1	89145
418	2 Story Residential Building		239,7	1	106500
420	2 Story Residential Building		140,8	1	98280
529	2 Story Residential Building		341,95	1	173060
549	2 Story Residential Building		226	1	132915
535	2 Story Residential Building		297,14	1	163290
486	Residential Building under Construction		N/A	1	8195
323	Residential Building under Construction		N/A	1	97050
653	Residential Building under Construction		N/A	1	27400
742	Residential Building under Construction		74,65	1	28610
663	Residential Building under Construction		55,84	1	53690
<b>Subtotal</b>		13	1731,57	14	1175690

Unfinished or Old and Ancillary Buildings					
No	Type Of Structure	Quantity	Sq.m.	N of AHs	Cost, Gel
207	Ancillary Building	25	10,36	22	1600
230			15,44		3890
231			15,78		3260
232			15,78		2590
255			11,3		5665
262			26,67		3280
262			4,37		335
321			4,18		1775
322			8,27		3270
326			7,56		1425

335			6,6		2725
339			18		2835
515			7,54		2730
520			3,9		550
535			15,65		3300
547			25,02		2990
625			25,31		2460
625			4,42		2510
644			2,22		860
670			6,45		1055
684			9,13		1390
745			23,07		12970
745			N/A		7730
637a			75,3		14935
612			28,58		12210
419	Building Under Construction	2	N/A	2	7290
821			32,83		13575
213	Cattle Shed	14	33,61	14	6160
255			51,6		12610
262			54,8		7280
323			21,48		6925
361			24,19		5875
418			24,69		4170
420			22,21		6760
462			26,13		4610
520			47,65		3450
529			33,37		7035
549			53,48		6140
644			99,1		17930
742			18,3		3660
794			32,44		11340
549	Cellar	1	25,3	1	5800
529	Garage	2	17,57	1	4345
549			41,75	1	4225
809	Gazebo	2	4,65	1	950
809			4,65		1000
213	Granary	23	7,94	23	2270
262			13,64		4190
264			27		4465
311			14,74		3895
314			16,97		5270
361			12,7		4040
362			14,54		4120
400			14,63		3230
402			11,61		3130
418			9,21		3830

420			10,4		3735
466			11,5		4260
467			10,02		3770
478			8,29		3895
486			16,64		4100
526			11,4		2625
529			13,45		2870
547			10,24		2655
549			16,15		4845
623			16		4640
637			12,2		3430
639			25,15		4410
742			9,4		2795
420	Hen House	3	3	3	625
520			1,5		515
529			2,7		640
779	Kiosk	6	8,6	5	2090
793			2,28		2560
809			5,27		3235
817			2,78		2710
818			17,95		7225
818		10,01	3955		
347	Mill	3	3,7	3	2500
501			N/A		5535
520			5,5		4280
823	Pavilion	1	N/A	1	146500
420	Pool	3	28,26	3	17740
549			91,75		22170
664			74,53		12110
321	Old Shop	1	21,52	1	23410
344	Storage	3	15,8	3	2520
402			25,06		3525
520			37,56		7330
	<b>Subtotal</b>	89	1786,94	-	597115
<b>Total</b>					<b>2392725</b>

**Total cost** of compensations to be paid for structures is **2392725** GEL.

### 9.2.3 Compensation for Income Losses (Business and Job losses)

154. Land acquisition and resettlement will not affect actually active businesses.

### 9.2.2 Compensation for Crops

155. Crop compensation will be paid to all APs in cash at full market rate. The major crop found in the project route is Maize, Beans and Potato. The detail on crop compensation is described in Table 9.4.

**Table 9.4: Cost of Affected Crops**

Crop	Number of Land Plots	Area sq.m	Compensation for crops harvested on 1 sq,m GEL/sq.m	Total Crop Compensation
Maize	167	144721	0,4	57888,4
Beans	85	55643	0,4	22257,2
Potato	38	20015	1,56	31223,4
Pepper	2	570	0,0	34,2
Tobacco	16	12473	0,1	1496,76
Vegetables	75	31597	0,5	15798,5
<b>Total</b>	<b>193*</b>	<b>210680*</b>		<b>128698,46</b>

\*The total number and area of land plots used for crop cultivation is less than a sum of numbers and areas used for separate types of crops, as on many land plots several crops are cultivated).

### 9.2.1 Compensation of Trees

156. The non-productive young fruit trees will be compensated at the price of seedling. Partially productive trees will be compensated at aggregated cost of seedling price and fruit income calculated based on productivity of partially productive tree and compensation years needed to grow up the same age tree from the seedling of age starting productivity. For example, 4 years old walnut will be compensated at the cost of the 1 year seedling plus the income of partially productive tree (for 2 years needed to grow up 4 years old tree, from the 2 year seedling, when the tree starts to bring fruits). The fully productive trees will be compensated based on price of seedling plus income of fully productive tree for the years needed to grow up fully productive tree from the 1 year seedling. Tables with the calculation of trees costs are given in Table 9.5 below.

**Table 9.5: Compensation for Productive Fruit Trees**

Type	Groups by Age	in Cost for 1 seedling	wholesale Market price 1 kg., GEL	Years to be compensated	Average productivity in 1 year, kg.	Annual income including	No of trees	Cost for 1 tree, GEL	Cost GEL
1	2	3	4	5	6	7	8	9	
Cherry	Seedling (<5)	5	2	5	3	6,0	140	35	4900
	5-10	5	2	5	10	20,0	224	75	16800
	10-20	5	2	5	16	32,0	129	117	15093
	20+	5	2	5	10	20,0	59	75	4425
Total							552		41218
Peach	Seedling (<5)	6	1,5	5	4	6,0	76	27	2052
	5-10	6	1,5	5	15	22,5	72	85	6120
	10-20	6	1,5	5	40	60,0	17	216	3672
	20+	6	1,5	5	25	37,5	0	137	0
Total							165		11844
Walnut	Seedling (<5)	10	5	5	4	20,0	349	80	27920
	5-10	10	5	10	15	75,0	283	535	151405

	10-20	10	5	10	25	125,0	600	1235	741000
	20+	10	5	10	30	150,0	502	1510	758020
Total							1734		1678345
Quince	Seedling (<5)	4	1,5	5	3	4,5	17	20	340
	5-10	4	1,5	5	15	22,5	40	83	3320
	10-20	4	1,5	5	30	45,0	32	162	5184
	20+	4	1,5	5	20	30,0	11	109	1199
Total							100		10043
Pear	Seedling (<5)	4	1,2	5	7	8,4	55	33	1815
	5-10	4	1,2	7	20	24,0	102	122	12444
	10-20	4	1,2	7	70	84,0	128	416	53248
	20+	4	1,2	7	45	54,0	185	269	49765
Total							470		117272
Plum	Seedling (<5)	4	0,8	5	8	6,4	43	26	1118
	5-10	4	0,8	5	15	12,0	77	46	3542
	10-20	4	0,8	5	30	24,0	54	88	4752
	20+	4	0,8	5	20	16,0	7	60	420
Total							181		9832
Mulberry	Seedling (<5)	5	1,5	5	4	6,0	10	26	260
	5-10	5	1,5	5	10	15,0	61	58	3538
	10-20	5	1,5	5	16	24,0	57	89	5073
	20+	5	1,5	5	10	15,0	56	58	3248
Total							184		12119
Hazelnut	Seedling (<5)	2	4	5	2	8,0	6972	30	209160
	5-10	2	4	5	5	20,0	3662	75	274650
	10-20	2	4	5	6	24,0	2686	90	241740
	20+	2	4	5	4	16,0	1114	55	61270
Total							14434		786820
Wild Plum	Seedling (<5)	3	0,8	5	7	5,6	81	23	1863
	5-10	3	0,8	5	15	12,0	193	45	8685
	10-20	3	0,8	5	50	40,0	322	143	46046
	20+	3	0,8	5	25	20,0	239	73	17447
Total							835		74041
Apple	Seedling (<5)	4	1	5	5	5,0	183	22	4026
	5-10	4	1	6	25	25,0	136	109	14824

	10-20	4	1	6	70	70,0	182	298	54236
	20+	4	1	6	40	40,0	312	172	53664
Total							813		126750
Grapes	Seedling (<5)	2	1,5	4	5	7,5	1267	23	29141
	5-10	2	1,5	4	7	10,5	1157	31	35867
	10-20	2	1,5	4	9	13,5	540	40	21600
	20+	2	1,5	4	5	7,5	2954	23	67942
Total						5918		154550	
Cornel	Seedling (<5)	3	2	5	2	4,0	0	17	0
	5-10	3	2	5	3	6,0	2	24	48
	10-20	3	2	5	4	8,0	5	31	155
	20+	3	2	5	3	6,0	0	24	0
Total						7		203	
Persimmon	Seedling (<5)	2	1	5	5	5,0	998	20	19960
	5-10	2	1	6	10	10,0	818	44	35992
	10-20	2	1	6	30	30,0	607	128	77696
	20+	2	1	6	20	20,0	519	86	44634
Total						2942		178282	
Fig	Seedling (<5)	3	1,5	5	5	7,5	21	29	609
	5-10	3	1,5	6	10	15,0	104	66	6864
	10-20	3	1,5	6	30	45,0	71	192	13632
	20+	3	1,5	6	20	30,0	28	129	3612
Total						224		24717	
Kiwi	Seedling (<5)	3	1,5	4	5	7,5	23	24	552
	5-10	3	1,5	4	10	15,0	7	45	315
	10-20	3	1,5	4	30	45,0	9	129	1161
	20+	3	1,5	4	20	30,0	0	87	0
Total						39		2028	
Pomegranate	Seedling (<5)	4	2	5	5	10,0	9	39	351
	5-10	4	2	6	10	20,0	18	88	1584
	10-20	4	2	6	30	60,0	1	256	256
	20+	4	2	6	20	40,0	4	172	688
Total						32		2879	
Chestnut	Seedling (<5)	7	1	5	30	30,0	7	112	784
	5-10	7	1	10	50	50,0	11	357	3927

	10-20	7	1	10	120	120,0	110	1057	116270
	20+	7	1	10	120	120,0	464	847	393008
Total							592		513989
Berry	Seedling (<5)	2	2,5	5	2	5,0	1300	20	26000
	5-10	2	2,5	5	3	7,5	127	28	3556
	10-20	2	2,5	5	4	10,0	0	37	0
	20+	2	2,5	5	3	7,5	2	28	56
Total							1429		29612
Laurel	Seedling (<5)	1	4	5	1	4,0	0	15	0
	5-10	1	4	5	2	8,0	2	29	58
	10-20	1	4	5	2	8,0	117	29	3393
	20+	1	4	5	1	4,0	47	15	705
Total							166		4156
Cherry-laurel	Seedling (<5)	2	0,25	8	2	0,5	9	5	45
	5-10	2	0,25	8	4	1,0	44	8	352
	10-20	2	0,25	8	10	2,5	19	16	304
	20+	2	0,25	8	7	1,75	34	12	408
Total							106		1109
Barberry	Seedling (<5)	5	2,5	5	3	7,50	7	31	217
	5-10	5	2,5	5	5	12,50	3	49	147
	10-20	5	2,5	5	7	17,50	4	66	264
	20+	5	2,5	5	5	12,50	0	49	0
Total							14		628
Loquat	Seedling (<5)	4	2	6	3	6,0	0	29	0
	5-10	4	2	6	10	20,0	1	88	88
	10-20	4	2	6	20	40,0	0	172	0
	20+	4	2	6	10	20,0	0	88	0
Total							1		88
TOTAL							30938		3780525

**Total cost** of compensation for **30938** trees is **3780525 GEL**.

It should be stressed that the provided figures of impacts on fruit trees and compensation are excessive and represent worst case scenario. The impact and compensation figures represent all perennials that are located within the impact zone (permanent land take at tower locations and partial long-term temporary impact zone between the towers). In reality the technical regulations impose only partial restriction on the land use within the OHL protection corridor: only tree species growing higher than 4m are subject for felling and removal. The fruit trees of lower height than 4m could be maintained in the RoW. Yet, part of the low trees within the corridor will be cut during the construction of the OHL (stringing activities). However, the damage will not extend for



62m corridor, but will be limited to 6 - 10m corridor, depending on the construction methodology and equipment. The precise location of the construction impact corridor and number of affected trees will be known only at the detailed design stage. At this stage we can only make a statement, that during the project implementation the impact on fruit trees will be minimized and compensations will be paid according to the actual damages reflected in the compliance report.

### 9.2.2 Allowances

157. There are three type of allowances being provided to the AH. These are: (i) Severe Impact Allowance, and (ii) Allowance for vulnerable and (iii) Relocation Allowance. The costs for relocation of movable business facilities have been incorporated in the compensation cost for structures. Following are the description of each category of unit rates proposed for various allowances.

- (i) The allowance for vulnerable AP is three months of minimum subsistence income at the unit rate of 320 per month per AH or 960 GEL for the AH. Total allowances for 75 vulnerable AHs is equal to 72 000 GEL.
- (ii) 29 AHs are considered to be severely affected due to loss of more than 10% of their productive agricultural land. No one of AHs is losing their jobs and related incomes. Total allowances for severe impact – 59174 GEL.
- (iii) AHs relocated from their residential house are eligible for provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. 200 GEL as vehicle hire charge + 320 GEL as minimum subsistence income x 3 months = 1160 GEL per AH. In total 16240 GEL will be paid under this item.

158. Details of calculations on various types of allowances are described in **Table 9.6**.

**Table 9.6: Cost for Allowances**

No.	Item	Unit	Unit rate (GEL)	Quantity	Cost (GEL)
1	Severely Affected AHs	Numbers	equivalent to crop compensation or 960 Gel	29	59174
2	Vulnerable Households	Numbers	960	19	72000
3	Relocated AH	numbers	1160 GEL per AH	4	16240
<b>Total</b>					<b>147414</b>

### 9.3 RAP Management Cost

159. The Construction Supervision Consultant will conduct external monitoring. However, RU, GSE will need to employ one independent monitoring agency for external monitoring of RAP implementation for a period of 24 months (in case the CSC is not in place during updating and implementation of the RAP). Miscellaneous expenses have been kept as a provision to cover the administrative cost as may be incurred during implementation of the RAP. Details of the RAP implementation management cost is given in Table 9.7

**Table 9.7 Capacity Building and Management Cost**

No.	Item	Unit	Quantity	Unit	Total Cost (GEL)
1	Cost for EMA (Social Safeguards Consultant)	Months	24	4000	96,000
2	Miscellaneous Administrative Cost	Months	24	1000	24,000
<b>Total</b>					<b>120,000</b>

#### 9.4 Summary LAR Cost and Flow of Funds

160. The total LAR cost calculated for the implementation of this RAP constitutes **GEL 12051137.3 (USD 5657810,9)**. The summary LAR cost estimate is given in Table 9.8. All LAR related funds will be spent in one full year before the start of construction. If the implementation of this RAP covers two fiscals, the allocation of funds will be sought accordingly. GSE is responsible for financial management of external financed projects. GSE will get funds directly from the Ministry of Finance allocated for the project and disburse to APs following requisition.

**Table 9.8: Summary Estimate of LAR Costs**

No.	Item	Cost in GEL	Cost in USD
<b>A</b>	<b>Compensation</b>		
1	Compensation for Permanently Acquired Land	1908722	
2	Compensation Easement for Partially Affected Land	2209036,5	
3	Compensation for Structures/Buildings	2392725	
4	Compensation of Affected Businesses	0	
5	Compensation of job loses	0	
6	Compensation of crop	128698,46	
7	Compensation for <b>30938</b> productive and partially productive Fruit Trees	3780525	
8	Compensation for permanently Acquired Land (incomplete)	22243,5	
9	Compensation for Partially Affected Land (incomplete)	195559,8	
	<b>Sub Total A</b>	<b>10637510,26</b>	
<b>B</b>	<b>,</b>		
1	Severely Affected AHs	59174	
2	Vulnerable Households	72000	
3	Relocated AH	16240	
	<b>Sub Total B</b>	<b>147414</b>	
<b>C</b>	<b>Support Cost for RP Implementation</b>		
1	Cost for EMA (Social Safeguards Consultant)	96000	
2	Miscellaneous Administrative Cost	24000	
3	Land Parcel Registration	50655	
	<b>Sub Total C</b>	<b>170655</b>	
	<b>Total R&amp;R Cost (A+B+C+)</b>	<b>10955579,26</b>	
	<b>D. 10% Contingency</b>	<b>1095557,926</b>	
	<b>Grand Total</b>	<b>12051137,19</b>	<b>5657810,9</b>

At exchange rate: 1 USD = 2.13 GEL

## **9.5 Justification of Cost Estimates and Updating RAP Budget**

161. Land acquisition and resettlement surveys included a valuation survey of affected land and assets. The survey consulted relevant transactions in case of land and local markets in case of building, trees and crops. In determining allowances to vulnerable households, the existing minimum salary rates have been considered.

162. A detail measurement survey was conducted to assess the affected buildings and structures and subsequently a detailed market survey for valuation of construction costs for each type of affected structure.

163. As for compensation to crops, the actual market price has been considered for valuation of crops.

164. The prices are, therefore, replacement cost at current market value and ensures full replacement cost to the affected land, building/structures, crops and trees. Detailed methodology followed for determining replace value of affected assets is given in Annex 2.

## **9.6 Source of Financing**

165. All funds for compensation and allowances commensurate to RAP will be provided from the Government of Georgia's public fund. GSE will ensure the allocation of funds for compensation to be paid for land acquisition and resettlement. GSE will get the budget approved from the Ministry of Finance and allocate in advance the funds for implementation of RAP.

## 10. MONITORING AND REPORTING

### 10.1 Introduction

166. The main objective of implementation of RAP is to improve or at least restore the social and livelihood resources of the APs 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 APs has been designed as an integral part of the overall functioning and management of the Project. RMT of GSE will ensure the execution of timely monitoring and evaluation (M&E) indicators (process, delivery and impact indicators) of LAR 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 APs 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.

### 10.2 Monitoring and Evaluation Indicators

167. Compliance of the RAP policy and targets in the implementation process will be monitored against set indicators. These indicators and benchmarks will be judged for implementation process, outcomes and impacts.

### 10.3 Level of Monitoring

168. Monitoring of LAR task in the Project will be carried out at two levels. The RMT will carry out regular internal monitoring for the GSE with inputs from LAR teams at field operation. Local Resettlement Consultant will assist GSE during the RAP implementation and will be responsible for internal monitoring. The LRC will also carry out supervision and monitoring to assist GSE and WB in relation with the resettlement impacts at the construction stage. External monitoring will be commissioned by GSE employing Social Safeguards Consultant.

### 10.4 Internal Monitoring

169. Internal monitoring will be carried out routinely by RMT during implementation of the RAP. The key person in this process will be the Local Resettlement Consultant. The results will be communicated to the LARC and WB monthly. Indicators for internal monitoring will be those related to process, immediate outputs and impacts. This information will be collected directly from the RMT representatives in the municipal level LAR Teams and Working Group and reported to LARC 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 the WB.

170. The report of internal monitoring will contain: (i) accomplishment to-date, (ii) objectives attained and not attained during the period, (iii) problems encountered, and (iv) suggested options for corrective measures. The internal monitoring report will primarily be prepared by the Resettlement Specialists.

### 10.5 External Monitoring

171. According to the tasks, external monitoring will be carried out by a Social Safeguards Consultant hired by GSE. The tasks assigned to the SSC will be the external monitoring of RAP implementation and the preparation at its end of a compliance report which will be the basis for WB to provide 'No Objection' to the start of construction.

### 10.5.1 EMA Tasks

172. For each subproject involving land acquisition/resettlement, the SSC will closely monitor the implementation of the RAP and engage in the following tasks: (i) review of RAP and Information pamphlet disclosure; (ii) review of action taken by GSE to compensate the APs with particular attention to the way this action fits the stipulation of the RAP; (iii) review all compensation tallies; (iv) verify whether the compensation is provided thoroughly to all APs and in the amounts defined in the RAP and in the AP contracts; (v) assess the satisfaction of the APs with the information campaign and with the compensation/rehabilitation package offered to them; (vi) review the legalization process and assess its effectiveness; (vii) review complaints & grievances case; (viii) carry out an AP satisfaction survey with a 20% sample of the APs. Immediately after the implementation of the RAP the SSC will prepare the Compliance Report. The report will include well-argued sections on the following:

- (i) Assessment of the way the compensation has been carried out in relation of the stipulations of the RAP;
- (ii) Verification that all APs have been compensated in the amounts stipulated in the RAP
- (iii) Assessment of the accuracy of survey and asset valuation
- (iv) Assessment of the effectiveness and thoroughness of the Legalization process
- (v) Review of complaint and grievance cases and of their solution
- (vi) Assessment of the rehabilitation program for severely affected and vulnerable APs
- (vii) Assessment of the satisfaction of the APs
- (viii) Lesson learned to be applied to the next projects, and;
- (ix) General assessment of RAP implementation and recommendations to WB regarding the provision of 'No Objection' Letter to start the construction.

173. The SSC will carry out its activities in close communication with GSE and will engage in desk activities and field activities and for this he/she will hire an appropriate number of assistants to carry out the AP satisfaction survey and to review the compensation tallies. The monitoring activities assigned to the consultant will start immediately after Government approval of the Resettlement Action Plan Reports and will last until RAP implementation is concluded.

### 10.5.2 Post-Implementation Evaluation

174. The resettlement specialists will carry out a post- implementation evaluation of the RAP about a year after completion of its implementation. The compelling reason for this study is to find out if the objectives of the RAP have been attained or not. The benchmark data of socioeconomic survey of severely affected APs conducted during the preparation of the RAP will be used to compare the pre and post project conditions. The post- implementation evaluation will recommend appropriate supplemental assistance for the APs should the outcome of the study show that the objectives of the RAP have not been attained. For this task the Supervision consultants will:

- (i) Review as needed the survey indicators
- (ii) Assess the livelihood impact of the land acquisition/resettlement on the APs through formal and informal surveys with the population in project areas affected and non-affected. The SSC shall conduct a formal survey of a representative sample of men and women APs to determine changes that have occurred on the APs. In parallel the SSC will also compare the situation of the APs with non- affected neighbours similar in terms of livelihood level to the APs. Focus group discussions and other unstructured data gathering methods and consultation with APs, officials and community leaders will also be involved in carrying out the evaluation to supplement

the findings from the formal survey. Finally the assessment will look into potential differential impact or benefit that men and women APs have experienced from the resettlement activities. The result of the surveys will serve as the end term review report of the SSC for the Project.

- (iii) Assess again satisfaction on the valuation of assets and entitlements, timing of payments, fund availability and disbursements. In the same post-RAP survey, the SSC shall ascertain the satisfaction of APs on the valuation of assets, as well as, the scope and timing of assistance provided under the RAP.
- (iv) Assess the long-term efficiency, effectiveness and sustainability of the land acquisition/resettlement program, drawing lessons for future resettlement policy formulation and planning and future RAP planning and implementation. Should the outcome of the study show that the RAP objectives have not been attained, the SSC will recommend appropriate supplemental assistance for the APs.
- (v) Preparation of the valuation report. Prior to submission of the post-RAP report, the SSC shall ensure that informal and formal meetings are held with the men and women representatives from the APs, community leaders and other key officials and seek feedback on the contents/analysis in the review report. Highlights of these consultations will also be attached as annex to the report.

### 10.5.3 Monitoring Indicators for Task 2

175. Task 2 will be based among others on the monitoring indicators listed in table in Table 10.1.

**Table 10.1: Monitoring Indicators for Task 2**

<b>Monitoring Indicator</b>	<b>Basis for Indicators</b>
<b>Basic Information on AP Households</b>	<ul style="list-style-type: none"> <li>• Location</li> <li>• Composition and structure: ages, educational and skill levels</li> <li>• Gender of household head</li> <li>• Ethnic group</li> <li>• Access to health, education, utilities, and other social services</li> <li>• Housing type</li> <li>• Land and other resource ownership and utilization patterns</li> <li>• Occupations and employment patterns</li> <li>• Income sources and levels</li> <li>• Agricultural production data (for rural households)</li> <li>• Participation in neighbourhood or community groups</li> <li>• Access to cultural sites and events</li> <li>• Value of all asset forming entitlements and resettlement entitlements</li> </ul>
<b>Benefit Monitoring</b>	<ul style="list-style-type: none"> <li>• What changes have occurred in terms of patterns of occupation, production, and resource use compared to the pre-project situation?</li> <li>• What changes have occurred in income and expenditure patterns compared to the pre-project situation?</li> <li>• What have been the changes in cost of living compared to the pre-project situation?</li> <li>• Have APs' incomes kept pace with these changes?</li> <li>• What changes have taken place in key social and cultural parameters relating to living standards?</li> </ul>

Table 10.1: Monitoring Indicators for Task 2

Monitoring Indicator	Basis for Indicators
<b>Restoration of Living Standards</b>	<ul style="list-style-type: none"> <li>• Were house compensations made free of depreciation, fees or transfer costs to the APs?</li> <li>• Have perceptions of community been changed?</li> <li>• Have the AP achieved replacement of key social and cultural elements?</li> </ul>
<b>Restoration of Livelihood</b>	<ul style="list-style-type: none"> <li>• Were compensation payments free of deduction for depreciation, fees or transfer costs to the AP?</li> <li>• Were compensation payments sufficient to replace lost assets?</li> <li>• Was sufficient replacement land available of suitable standard?</li> <li>• Did transfer and relocation payments cover these costs?</li> <li>• Did income substitution allow for re-establishment of enterprises and production?</li> <li>• Have enterprises affected received sufficient assistance to re-establish themselves?</li> <li>• Do jobs provided restore pre-project income levels and living standards?</li> </ul>
<b>Levels of AP Satisfaction</b>	<ul style="list-style-type: none"> <li>• How much does the AP know about resettlement, procedures and entitlements?</li> <li>• Do they know if these have been met?</li> <li>• How do the AP assess the extent to which their own living standards and livelihoods have been restored?</li> <li>• How much does the AP know about grievance and conflict resolution procedures?</li> <li>• How did resettlement implementers deal with unforeseen problems?</li> </ul>
<b>Effectiveness of Resettlement Planning</b>	<ul style="list-style-type: none"> <li>• Were the AP and their assets correctly enumerated?</li> <li>• Were land speculators assisted?</li> <li>• Was the time frame and budget sufficient to meet objectives?</li> <li>• Were entitlements too appropriate (wide or narrow)?</li> <li>• Were vulnerable groups identified and assisted?</li> </ul>
<b>Other Impacts</b>	<ul style="list-style-type: none"> <li>• Were there unintended environmental impacts?</li> <li>• Were there unintended impacts on employment or incomes?</li> <li>• What was the number of grievances received?</li> <li>• What was a number of grievances resolved?</li> </ul>