



AM ACCOUNTABILITY MECHANISM

Office of the Special Project Facilitator

Office of the Compliance Review Panel

A. Complainants' Choice and Contact Information

1. Complainants' Choice

a. Please forward complaint to: *(Please Choose only one and DO NOT leave this BLANK)*

✓ **Special Project Facilitator** *(Assists people who are directly and materially harmed by specific problems caused, or is likely to be cause, by ADB – assisted projects through informal, flexible, and consensus-based methods with the consent and participation of all parties concerned)*

**Compliance Review Panel** *(Investigated alleged noncompliance by ADB with its operational policies and procedures in any ADB-assisted project in the course of the formulation, processing or implementation of the project that directly, materially, and adversely affects or is likely to affect local people)*

b. Do you want your identities to be kept confidential?

Yes

✓ No

2. **Information on the Complainants** *(The identities of complainants will be kept confidential unless the complainants agree to disclose their identities, but anonymous complainants will not be accepted)*

Name and designation (Mr., Ms., Mrs.)	Signature	Position/Organization (if any)	Mailing Address	Telephone numbers (landline/mobile)	E-mail addresses
Ms. Nunu Bukhrashvili	[signed]	Owner of the hotel	Tbilisi, Nutsubidze II, Block III, Building 9, Apt 1	599573193 (mob) 599410409 (mob)	<a href="mailto:nunubuxrashvili@yahoo.com">nunubuxrashvili@yahoo.com</a>
Mr. Kakhaber Sutidze	[signed]	Hotel Manager	Tbilisi, #43 Tsagareli Street	599573193 (mob)	<a href="mailto:kaxasutidze@yahoo.com">kaxasutidze@yahoo.com</a>

3. **Information on Authorized Representative (If any).** *(The identities of representatives who are not at the same time complainants will be disclosed to ensure transparency)*

The complaint is not filed by the official representative

Name of Authorized representative, designation, mailing address, telephone numbers, and E-mail addresses.

*(Please ask the representative to sign on top of his/her name.)*

**Please attach evidence of authority to represent the complainants, which will include the full name and signature of the complainants, and their mailing address, telephone numbers, and E-mail address, as applicable.**

### **B. Project Information**

Project name	The Project of Tbilisi-Rustavi Urban Road Link Ponichala Section (Section 2)
Project location	Georgia, Tbilisi, Rustavi Highway
Brief description of the project	<p>The Project of Tbilisi-Rustavi Urban Road Link Ponichala Section (Section 2) envisages modernization-widening of Tbilisi-Rustavi Urban Road Link; In particular, widening 2 lane-road up to 4 lane-road. The aim of the project is to improve the infrastructure of the Tbilisi-Rustavi highway. The project is implemented with the funding of the Asian Development Bank.</p> <p>The Environmental Impact Assessment Report of the project was published on April 6, 2016; the public discussion of the report is planned for June 7, 2016. The Resettlement Action Plan for the Tbilisi-Rustavi Urban Road Link: Ponichala Section (Section 2) was published on October 29, 2015. The given document was not a subject for public discussion.</p>

### **C. The Complaint**

1. What direct and material harm has the ADB-assisted project caused to, or will likely cause to, the complainant?

Please be notified that my property - non-agricultural land with the Hotel Complex has been affected by the Project of Tbilisi-Rustavi Urban Link – Section 2 (Ponichala). With regard to this, in 2014 Municipality Development Fund purchased the part of the Hotel Complex; particularly the part where a restaurant was located, while the building of the Hotel itself remained in our property. Hotel’s functioning without the Restaurant turned out to be impossible and unprofitable; consequently, after losing Restaurant-side of the complex, I’m experiencing the economic loss: if in 2014 (before MDF purchased the restaurant) turn-over of the Hotel Complex was approximately more than 0.4 million GEL (in 2012 – 466 900GEL, in 2013 – 419 602 GEL, in 2014 – 427 042 (as of 11 months)), in 2015 (as of 11 months) turn-over decreased by 80% to 99 thousand GEL!

On July 18, 2014, informational meeting was held at Municipal Development Fund of Georgia which was attended by us and 40 other entrepreneurs, whose properties had also been affected by the Urban Link Project. Mr. Davit Baindurashvili participated in the meeting from MDF’s side (MDF video-recorded the meeting). We were given the information flyers, which indicated that social-economic conditions of the ones affected by the project would be maintained or improved; also affected people would be offered consultations and their opinions would be considered at the project’s development and implementation stages. During the meeting we expressed our concerns regarding the fact the without restaurant the Hotel Complex would not function independently and in case of purchase, whole Complex had to be purchased altogether. Other four entrepreneurs also stated the same problems. In response Davit Baindurashvili promised us that our issues would be discussed specially. Unfortunately, as it turned out our problems have not been evaluated and solved properly.

In the end of 2014, we expeditiously received the compensation for the restaurant and no negotiation was held concerning the Hotel. Initially, I was

refusing to take the compensation only for the part of the restaurant, but I was told that if I did not take offered compensation, the amount that was allocated for the restaurant might be given to another person and my issue would be postponed endlessly. Therefore, I had to take the offer. Furthermore during the meetings MDF representatives assured us that we would be able to use the building of the restaurant after its purchasing, before its demolition. But this promise has not been fulfilled as well and from the day of receiving compensation we do not have the right to use the restaurant premises.

During the meetings, we, the entrepreneurs were told that our businesses would become more profitable and successful. But in fact, as I mentioned earlier I'm going through financial difficulties; after selling/receiving compensation for the property/business, we had faced the problems with payment income taxes and VAT. Under the motive that we had filed an application to MDF with regards to the compensation for the rest of the Complex, MDF has not been paying income tax. We were told that income tax would be paid if we withdrew our application/request. In this irretrievable situation we were reluctant to withdraw our application.

After receiving compensation, we had to pay VAT of 130 thousand GEL for the compensated amount. In case of proper functioning of the rest of the property, this might not be such a pressure for us, but as I've already mentioned, Hotel could not operate independently and without functioning of the Restaurant it became the unprofitable business. Hotel is on the verge of bankruptcy. On top of everything, the Hotel Complex was encumbered the mortgage of the Bank of Georgia; after the loss of the restaurant, only Hotel is mortgaged and due to its malfunctioning we have problems with its repay.

2. Have the complainants made prior good faith efforts to solve the problem(s) and issue(s) with the ADB operations department concerned?

✓ **Yes. If YES**, please provide the following: when, how, by whom and with whom the good faith efforts were made.

On January 18, 2016 we appealed to the resettlement specialist of the Georgia Residence Mission of Asian Development Bank, Mr. Medgar Chelidze (Please see enclosure #1)

Please describe any response the complainants may have received from or any actions taken by ADB

1. In response to my complaint of January 18 of 2016 I received the letter from the Country Director of Georgia Residence Mission of Asian Development Bank, Ms. Yesim Elhan Kayalar indicating that ADB had received my complaint and after discussing the issue with Municipal Development Fund I would receive detailed answer later (Please see the letter of January 27 – enclosure #2)
2. In response to my complaint of January 18 of 2016 I received the letter from the Deputy Director of Municipal Development Fund, Mr. David Tabatadze (letter of March 18, 2016 – enclosure #3), indicating that the Grievance Review Commission had discussed my complaint and our demands were not satisfied.
3. In response to my complaint of January 18 of 2016 I received the letter (Letter of March 17, 2016 – enclosure #4) from Yong Ye, Chief Economist of Urban Development of Asian Development Bank indicating as if I had the opportunity to build the restaurant nearby the hotel territory and that I had not used that opportunity.



<p>3. What is the desired outcome or remedy that complainants believe ADB should provide through the ADB's Accountability Mechanism?</p> <p>Stemming from the above, now I would like to ask you to discuss my grievance and consider the issue of full compensation for the actual and future damages caused by the Tbilisi-Rustavi Urban Link Project.</p>
<p>4. Why do complainants believe that the alleged direct and material harm is the result of ADB's failure to follow its operational policies and procedures? (<i>This applies if the complainants choose the compliance review function</i>)</p>
<p>5. Please describe the operational policies and procedures that have not been complied with by ADB in the course of formulating, processing, or implementing the ADB-assisted project. (This applies if the complainants choose the compliance review function)</p>
<p>6. Do the complainants have any other relevant matters or facts (with supporting documents) that the complainants would like to share with the Accountability Mechanism?</p>

Name of the person who completed this form: Irina Svanidze, Green Alternative/ირინა სვანიძე, მწვანე ალტერნატივა

Green Alternative provides assistance to the complainant, but the organization is not representing complainant formally. Please, see attached letter (enclosure #9) of the complainant that authorizes Green Alternative to relay information/decisions between the complainant, on one hand and the Complainant Receiving Officer (CRO) and/or Special Project Facilitator (SPF), on the other hand, regarding this complaint and subsequent correspondence/submissions relative thereto.

მწვანე ალტერნატივა დახმარებას უწევს მომჩივანს, მაგრამ ფორმალურად ის არ წარმოადგენს მას. გთხოვთ, იხილოთ თანდართული მომჩივანის წერილი (დანართი #9), სადაც ის მწვანე ალტერნატივას ანიჭებს უფლებამოსილებას, მოახდინოს ამ საჩივართან დაკავშირებული ინფორმაციის/გადაწყვეტილებებისა და შემდგომი კორესპონდენციის/მასალების გადაცემა ერთის მხრივ მომჩივანსა და მეორეს მხრივ საჩივრების მიმღებ ოფიცერს ან/და პროექტის სპეციალურ ფასილიტატორს შორის.

Signature: I. Svanidze

Date: May 13, 2016 [as revised on May 23, 2016]