

Social Monitoring Report

September 2016

GEO:
Sustainable Urban Transport Investment Program
(SUTIP – 2879/2880-GEO)
Tbilisi – Rustavi Urban Link

Section 3: (km 10.5 to 17.1)

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Municipal Development Fund of Georgia



Compliance Report

on

**Sustainable Urban Transport Investment Program Tbilisi – Rustavi
Urban Link – Secondary Road for Section 3
Section-3: (km 10.5 to 17.1)**

Prepared by

External Monitoring Specialist– Murman Katsitadze

(ADB LOAN NO. 2879 / 2880)

September 2016

ABBREVIATIONS

| | |
|--------|--|
| ADB | Asian Development bank |
| IA | Implementing Agency |
| Km | Kilometer |
| AP | Affected Person |
| LARF | Land Acquisition and Resettlement Framework |
| LARP | Land Acquisition and Resettlement Plan |
| LE | Legal Entity |
| MDFG | Municipal Development Fund of Georgia |
| MFF | Multitranches Facility |
| SPS | Safeguard Policy Statement |
| SUTIP | Sustainable Urban Transport Investment Project |
| Sq. m. | Square Meter |

I. Introduction

1. Sustainable Urban Transport Investment Program is financed through the Asian Development Bank (ADB) Multitranche Financing Facility (MFF) and implemented by Municipal Development Fund of Georgia (MDFG) with an overall purpose to improve connectivity, reduce traffic congestion and promote sustainable, safe, reliable and efficient transport. The Project on Modernization of Tbilisi-Rustavi Section of the Tbilisi-Red Bridge Road Section 3 (km 10.5 – km 17.1) is, with other projects, included in Tranche 2 of the Sustainable Urban Transport Investment Program (SUTIP).

2. The necessity of the construction of secondary road for Section 3 was initiated by MDFG (Executive Agency) after reviewing the Detailed Design of Modernization of Tbilisi-Rustavi Section of the Tbilisi-Red Bridge (Azerbaijani Border) Road Project (Section 3).

II. Objectives of the LARP

3. The objective of secondary road construction is to provide convenience to the residents who are living in the area and to sustain current passing system by constructing the secondary roads in the sections where the existing secondary road is disconnected from Tbilisi-Rustavi highway.

4. Land Acquisition and Resettlement Plan for Section 3 (km 10.5 – km 17.1) for the Modernization of Tbilisi-Rustavi Section of the Tbilisi-Red Bridge Road was prepared by DOHWA Engineering Co. Ltd. and was reviewed and approved by MDFG, as well as by ADB in May 2015, in order to enable MDFG to pay compensation for the land plots and other property.

5. The impacts under the LARP for Secondary Road for Section 3 are summarized in the Table 1 below:

Table 1. Summary Impact

| | Particulars/Items | Number of APs |
|----|--|---------------|
| 1 | Total number of land parcels to be acquired: - privately owned lands - state owned lands - lands with unknown owner | 59 22 3 |
| 2 | Total area of land to be acquired permanently (in m ²) | 58,720.0 |
| 3 | Total number of land fully affected land plots | 28 |
| 4 | Total number of land partially affected land plots | 56 |
| 5 | Total area of agricultural land to be acquired permanently (in m ²) | 12,840.0 |
| 6 | Total area of non-agricultural land to be acquired permanently (in m ²) | 45,880.0 |
| 7 | Total area of permanently affected privately-owned land (in m ²) | 27,354.0 |
| 8 | Total area of permanently affected state-owned land (in m ²) | 31,024.0 |
| 9 | Total area of permanently affected land of unknown ownership (in m ²) | 342.0 |
| 10 | Total number of permanently affected households losing property | 51 |
| 11 | Total number of permanently affected legal entities | 9 |
| 12 | Total number of vulnerable households | 6 |
| 13 | Total number of severely affected households | 42 |
| 14 | Total number of permanently affected structures | 34 |
| 15 | Total number of APs | 218 |

6. Evaluation exercise was conducted by licensed valuation company for all identified affected lands, property and business losses. This was undertaken based on the results of the survey and census, and in the same time frame. All teams were working together in an integrated manner.

7. Table 2 below provides compensation budget.

Table 2. Compensation Budget

| # | Particulars/Items | Number of APs | Quantity | Estimated Budget (GEL) | Estimated Budget (USD) |
|---|--|----------------------------|---|------------------------|---|
| 1 | Compensation for privately-owned land (50 plots) | | | | |
| | a. agricultural land | 41 HH 3 unknown | 10303 sq.m. | 155,106.00 | 69,797.70 |
| | b. non-agricultural land | 9 HH9 9 LE | 17393 sq.m. | 520,124.00 | 234,055.80 |
| 2 | Compensation for trees and perennial plants | 10 HH | 102 units (fruit trees and perennial plants) | 4,983.00 | 2,242.3 |
| 3 | Compensation for annual plants | 2 HH | 2 units | 90.00 | 40.50 |
| 4 | Compensation for structures | | | | |
| | a. permanently affected structures | 29 HH 4 LE 2 unknown | 34 units | 283,417.0 | 127,537.65 |
| | b. movable structures | 2 HH 2 LE | 4 units | 1042.0 | 468.90 |
| 5 | Compensation for business | 1 LE | 1005 sq. m. | 3,828.00 | 1,722.60 |
| 6 | Allowance to vulnerable | 6 HH | 6 units x 319GEL x 3 Month | 5,742.00 | 2,583.90 |
| 7 | Allowance to severely affected | 34 HH 3 LE 2 unknown | 42 units x 319GEL x 3 Month | 40,194.00 | 18,087.30 |
| 8 | Income tax (20% of total cost of lines 1, 2, 3, 4) | 192,952.40 | 86,828.58 | 8 | Income tax (20% of total cost of lines 1, 2, 3, 4) |
| 9 | Implementation: Administrative costs for resettlement implementation (84 plots * 100 GEL) | | 84 units | 8,400 | 3,780 |
| | Total: | | | 1,215,878.40 | 547,145.28 |
| | Contingencies (10%) | | | 121,587.84 | 54,714.53 |
| | Total + Contingencies | | | 1,337,466.24 | 601,859.81 |

III. Objective of the final compliance report

8. The objective of the final compliance report is to exclude km 12.85 – km 13.9 and km 15.9 – km 17.1 sections from the LARP and to cease land acquisition procedures on the sections; and taking into account that the sections mentioned above are only remaining sections under the LARP to consider implementation of the LARP completed.

9. The sections covered under previous partial compliance reports are the followings:

Partial Compliance Report #1 dated October 30, 2015

- (i) km 10.9 – km 11.9
- (ii) km 13.85 – km 15.1

Partial Compliance Report #2 dated February 8, 2016

- (i) km 11.9 – km 12.2
- (ii) km 15.1 – km 15.9

Partial Compliance Report #3 dated May 30, 2016

- (i) km 10.5 – km 10.9
- (ii) km 12.3 – km 12.85

IV. Consultations/Contract signature

10. During consultation with APs it was revealed that several meetings and discussions were held with the APs in September and October of 2014. During these meetings the APs were fully informed regarding the valuation methodology and methods for calculation of the compensation. APs were provided with an opportunity to express their views and obtain clarifications, as needed. The minutes of the meetings are attached to LARP.

11. The APs confirmed that they agreed with the valuation methodology and the proposed compensation amount, based on which the final agreements were prepared and signed between APs and MDFG during LARP Implementation. The compensations were provided to the APs shortly after contract signing.

12. Table 3 below shows comparison of planned and actual payments under the LARP.

Table 3. Comparison Table Planned Vs Actual (km10.5 - km 12.85 and km13.9 – km15.9)

| # | Plot # | Compensation considered under LARP (GEL) | Actual Payment (GEL) | Difference | Comment |
|---|--------|--|----------------------|------------|---------|
| 1 | 1 | 8 153 | 8 153 | 0 | |

| | | | | | |
|----|----|-------|-------|---------|---|
| 2 | 3 | 2 695 | 0 | (2 695) | Land plot is out of ROW |
| 3 | 4 | 1 428 | 0 | (1 428) | State property |
| 4 | 5 | 6 030 | 5 094 | (936) | Upon verification of the ROW only the fence is affected |
| 5 | 6 | 676 | 0 | (676) | Land plot appeared out of ROW |
| 6 | 7 | 1 001 | 0 | (1 001) | State property |
| 7 | 8 | 1 224 | | (1 224) | Land plot is out of ROW |
| 8 | 9 | 1 474 | | (1 474) | Land plot is out of ROW |
| 9 | 10 | 2 904 | 2 904 | 0 | |
| 10 | 11 | 1 314 | 1 314 | 0 | |
| 11 | 12 | 5 610 | 5 610 | 0 | |
| 12 | 13 | 3 222 | 3 222 | 0 | |
| 13 | 14 | 2 574 | 2 574 | 0 | |
| 14 | 15 | 1 926 | 1 926 | 0 | |
| 15 | 16 | 2 196 | 2 196 | 0 | |
| 16 | 17 | 7 832 | 7 832 | 0 | |
| 17 | 18 | 3 616 | 3 616 | 0 | |
| 18 | 19 | 2 755 | 2 755 | 0 | |
| 19 | 20 | 1 921 | 1 921 | 0 | |
| 20 | 21 | 1 676 | 1 676 | 0 | |
| 21 | 22 | 1 615 | 1 615 | 0 | |
| 22 | 23 | 1 312 | 1 312 | 0 | |
| 23 | 24 | 3 015 | 3 015 | 0 | |
| 24 | 25 | 5110 | 5110 | 0 | |
| 25 | 26 | 3 281 | 3 281 | 0 | |
| 26 | 27 | 5 644 | 5 644 | 0 | |
| 27 | 28 | 7 288 | 7 288 | 0 | |
| 28 | 29 | 220 | 0 | (220) | Land plot is out of ROW |
| 29 | 30 | 4 996 | 4 996 | 0 | |
| 30 | 32 | 4 945 | 4 945 | 0 | |
| 31 | 33 | 3 880 | 3 880 | 0 | |
| 32 | 34 | 3 402 | 3 402 | 0 | |
| 33 | 35 | 3 276 | 3 276 | 0 | |
| 34 | 36 | 3 366 | 3 366 | 0 | |

| | | | | | |
|----|----|------------|------------|----------|------------------|
| 35 | 37 | 7 010 | 106 331 | 99 321 | |
| 36 | 39 | 3 996 | 0 | (3 996) | State property |
| 37 | 40 | 11 196 | 11 196 | 0 | |
| 38 | 41 | 11 106 | 0000 | (11 106) | Land replacement |
| 39 | 42 | 10 386 | 0000 | (10 386) | Land replacement |
| 40 | 43 | 9 630 | 9 630 | 0 | |
| 41 | 44 | 8 622 | 8 622 | 0 | |
| 42 | 45 | 7 992 | 7 992 | 0 | |
| 43 | 46 | 432 | 432 | 0 | |
| 44 | 48 | 3,241 | 3 241 | 0 | |
| 45 | 61 | 279 678.90 | 279 678.90 | 0 | |
| 46 | 62 | 63 910.20 | 63 910.20 | 0 | |
| 47 | 65 | 37 940 | 37 940 | 0 | |
| 48 | 73 | 5,250 | 5,250 | 0 | |

13. In addition to the land plots stipulated iabove, there are 3 land plots (# 68, 69 and 70) for which the APs, through official written agreement, confirmed that the land area (with the respective shape and space) to be used for the road construction, will be sold to the MDFG upon completion of the Civil Works and allowed to start Civil Works on their properties. Also it should be noted that none of the APs expressed any objection concerning the unit rates stipulated by LARP. The abovementioned issue was discussed in Partial Compliance Report #2. Table #4 shows compensation amounts determined for these land plots under LARP. Based on the information provided by the Supervision Engineer (DOHWA Engineering) civil works for the mentioned section was completed and there was not any impact on the private property. Find attached photos, Annex 1 illustrates the current situation on the mentioned sections

Table 4. Compensation amount considered under LARP

| # | #Plot | Location (km) | Compensation considered under LARP (GEL) |
|---|-------|---------------|--|
| 1 | 68 | 15.2 | 20152 |
| 2 | 69 | 15.2 | 42760 |
| 3 | 70 | 15.3 | 5285 |

14. On the remaining two sections for km 12.85 – km 13.9 and km 15.9 – km 17.1 sections the supervision engineer applied to MDFG and recommended not to conduct secondary road construction on the abovementioned sections, as all the land plots which are located in these sections have access to newly-constructed highway. Table #5 shows compensation amount considered under the initial LARP for km 12.85 – km 13.9 and km 15.9 – km 17.1 but not paid as the properties in this section were excluded from the LARP implementation after design changes to the road. sections (Annex 2 shows accessed to the land plots).

Table 5. Compensation amount considered under the initial LARP

| # | #Plot | Location (km) | Compensation considered under LARP (GEL) |
|----|-------|---------------|--|
| 1 | 50 | 12.85-13.9 | 27 000 |
| 2 | 53 | 12.85-13.9 | 3 124 |
| 3 | 54 | 12.85-13.9 | 7 110 |
| 4 | 55 | 12.85-13.9 | 54 450 |
| 5 | 58 | 12.85-13.9 | 264 |
| 6 | 60 | 12.85-13.9 | 220 |
| 7 | 74 | 15.9-17.1 | 10 815 |
| 8 | 76 | 15.9-17.1 | 40 250 |
| 9 | 78 | 15.9-17.1 | 8 804 |
| 10 | 79 | 15.9-17.1 | 6 231 |
| 11 | 80 | 15.9-17.1 | 170 148,9 |

15. MDFG has considered issues related to reasonability of road construction and came up to conclusion that recommendations of the engineer are acceptable. Recommendations of the engineer are reasonable and justified, as social impact for these sections will be reduced.

V. Conclusions

16. MDFG carried out the resettlement procedures in accordance with the approved LARP and ADB SPS (2009) requirements for the sections km 10.5 – km 12.85 and for km 13.9 – km 15.9. Interviews with the APs showed that MDFG carried out the resettlement procedures in accordance with the approved LARP and ADB SPS 2009 requirements. The APs were fully aware of the resettlement procedures. The APs expressed their satisfaction with compensation paid, as well as with the overall implementation of LARP by the MDFG
17. As for km 12.85 – km 13.9 and km 15.9 – km 17.1 through non-implementation of LARP procedures on these sections the project will avoid/reduce social impact and therefore it is justified.
18. Based on the information provided above, I, External Monitoring Specialist, confirm that MDFG carried out the resettlement procedures in accordance with requirements of ADB SPS (2009) and Georgian legislation for the Secondary Road for Section 3.