

# Draft Resettlement Plan

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October 2013

## GEO: Urban Services Improvement Investment Program – Tranche 3 (Ureki Water Supply and Wastewater Systems Construction and Operation Project)

Prepared by United Water Supply Company of Georgia LLC of the Ministry of Regional Development and Infrastructure for the Asian Development Bank.

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ინფრასტრუქტურის სამინისტრო  
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**2013 / 10 /11**

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**Asian Development Bank**

**Subject: Land Acquisition and Resettlement Plan for Ureki Project**

Dear Mr. Joshi

Ministry of Regional Development and Infrastructure, herewith, endorses draft Land Acquisition and Resettlement Plan (LARP) prepared for the Ureki Water Supply and Wastewater Systems Construction and Operation Project, which is considered to be executed under Urban Services Improvement Investment Program.

Please find attached document.

Sincerely Yours,

Deputy Minister

Shota Murgulia

# **Land Acquisition and Resettlement Plan**

**for**

## **Ureki Water Supply and Wastewater Systems Construction and Operation Project**

**Vol. 1**

October, 2013

Multi-tranche Financing Facility

Georgia: Urban Services Improvement Investment Program

Ministry of Regional Development and Infrastructure of Georgia

United Water Supply Company of Georgia

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## Abbreviations

ADB	Asian Development Bank
AH	Sub-project Affected Household
AP	Sub-project Affected Person
EA	Executive Authority
EIA	Environmental Impact Assessment
ESSU	Environmental and Social Safeguards Unit
FY	Fiscal Year
GRC	Grievance Redress Commission
IMA	Independent Monitoring Agency
IPSA	Initial Social and Poverty Assessment
LAR	Land Acquisition and Resettlement
MFF	Multi-tranche Financing Facility
MLARO	Municipal Land Acquisition and Resettlement Office
MOED	Ministry of Economic Development of Georgia
MRDI	Ministry of Regional Development and Infrastructure of Georgia
NAPR	National Agency of Public Registry
NGO	Non-Governmental Organization
RF	Resettlement Framework
RP	Resettlement Plan
UWSCG	United Water Supply Company of Georgia

## I INTRODUCTION

1. Improvement of the urban water supply and sanitation systems (WSS) is one of the major priorities of the Government of Georgia, and is of essential importance for improving the life level, attracting the investments and growing of the productivity and competitiveness. Recognizing the need to overcome the current problems and constraints the government's urban WSS sectoral development plan (SDP) for 2011-2020, approved on 31 January 2011, aims at achieving the continuous and reliable water supply and safe sanitation services to all of Georgia's urban population by 2020. The SDP's objectives include technical sustainability of WSS services, environmental protection of natural resources, institutional effectiveness of service utilities and sector regulators, and provision of an adequate legislative and regulatory framework for delivering of the WSS services.

2. This Land Acquisition and Resettlement Plan (LARP) has been prepared for the sub-project for construction and operation of Ureki water supply and sanitation systems (further "Subproject"), which is envisaged in the 2011-2020 WSS Sector Development Plan (SDP).

3. This LARP has been prepared by the United Water Supply Company of Georgia (UWSCG), which is an Implementing Agency (IA) subordinated to the Executing Agency (EA) – Ministry of Regional Development and Infrastructure (MRDI) under the Georgian Urban Services Improvement Investment Program. The Resettlement Plan aims at development of the comprehensive action plan for ensuring provision of the people affected by the sub-project with compensations in compliance with the requirements of the ADB's Safeguards Policy Statement (SPS) 2009.

### Sub-project Description

4. At present Ureki water supply and sanitation systems are unable to meet the growing demands and urgently require rehabilitation and expansion of service coverage, thereby facilitating to the further economical development of the region. The sub-project is targeted to expand the water supply and sanitation systems for meeting the forecasted demands of 2040. (see design details of the sub project in the annex No 5). Some elements of the project require land acquisition:

	[m <sup>2</sup> ]
Wastewater treatment plant, WWTP	39.624
Drinking water pumping station, PS	8.069
Reservoir 1 (Tsvermagala)	1.982
Reservoir 2 (Ureki)	1.367
<b>Total</b>	<b>51,042</b>

In terms of titles that require compensation because the land is either private or used state-owned land, the plots amount to:

	Affected land parcels [m <sup>2</sup> ]
State-owned, permanent informal use	1.330
State-owned, sometimes informal use	3.255
Registered or non-registered private plots	41.438
<b>Total</b>	<b>46,023</b>

The difference of 5,019 m<sup>2</sup> is state-owned land that is not used by anyone and for which no compensation is required.

5. The sub-project affects 19 private land parcels (total area of 44,869 m<sup>2</sup>). From these, 8 parcels have already been registered, but 2 of them will require re-registration as their outlines resulting from the actual survey do not match with the cadastral data retained in the National

Agency of Public Registry (NAPR). The remaining unregistered 11 parcels (25,074 m<sup>2</sup>) have been legalized and are to be registered in the NAPR. From the 3 state-owned parcels (6,575 m<sup>2</sup>), one (3,320 m<sup>2</sup>) is under the informal use. The part (1,330 m<sup>2</sup>) of the latter parcel shall be allocated for the sub-project purposes. The 19 private parcels falling under the sub-project's impact are in possession of 13 owners/users, including one legal entity. The total area of the project affected land comprising privately owned or used state-owned plots amounts that require compensation amounts to 46,023 m<sup>2</sup>, including:- 41,438 m<sup>2</sup> of private land (belonged to 19 private plots with total area of 44,869 m<sup>2</sup>); 1,330 m<sup>2</sup> of state land (belonged to one state plot with total area of 3,320 m<sup>2</sup>) being under permanent informal use; 3,255 m<sup>2</sup> of state land (two plots), which are sometimes informally used.

The Table 1 below shows distribution of the affected parcels by different project sections.

### **Conditions Related to Resettlement Plan**

6. The sub-project impacts do not entail either removal of any residential or other privately owned buildings or structures, nor require any physical resettlement of sub-project affected persons. Construction activities may cause certain temporary disturbance to some part of the parcels. Also, the sub-project may affect the yield of annual crops. In this LARP the cases representing the loss of assets are dully identified and assessed along with the severe impacts and vulnerable affected households (AHs).

7. According to the ADB's SPS 2009, this sub-project shall be classified as of Category B.





## II ASSESSMENT OF PROJECT IMPACTS

### Methodology Review

9. The Consultant conducted census of sub-project affected persons, surveyed the sub-project affected parcels and identified and assessed the sub-project impacts. The public meetings and consultations were also held. The census, collection of the socio-economical data, demarcation and land survey works were performed in parallel to each other. The studies completely covered all owners of the sub-project affected parcels. December 25, 2012 was set as a cut-off day for data collection works. The area to be impacted by sub-project activities was surveyed in full including identification of the boundaries. The land survey and impact assessment has been conducted with participation of all APs or their authorized representatives.

10. In result of the land survey and demarcation works, all affected parcels and their owners were identified, along with the entire and affected areas of each affected parcel. In addition, all affected vulnerable households were determined through census and socio-economical study.

11. The independent licensed valuator studied the documents and performed the market research. This included assessment of the sub-project affected parcels and determining their current market value applying the replacement cost method and considering each type of potentially lost assets as prescribed by international valuation standards

### Compensation Strategy

12. This LARP determines all types of losses incurred by APs possessing or using sub-project affected land parcels and provides the detail explanation of necessary procedures and methodology for land acquisition and compensation strategy.

13. The permanent loss of the land will be compensated at land replacement cost based on the current market prices. The persons, whose land shall be purchased for sub-project purposes, will receive fair cash compensation for their land, and lost crops and assets through the formally executed sale and purchase agreements. The person that is using state land for agriculture shall receive crop compensation and a self-relocation allowance.

14. In addition, the landowners will receive compensation in case they incur any losses and damages due to performance of the maintenance or repair/restoration works. The UWSCG will be responsible for loss assessment and payment of a due compensation in accordance with the applicable Georgian law, proven best practice, the rates established in this LARP, and provisions of the Resettlement Policy Framework.

15. The present compensation strategy also envisages provision of the additional support to the vulnerable households and persons, whose land are subjected to the severe impact.

16. During implementation of the LARP, all affected persons will be provided with the technical assistance in undertaking the registration and legalization procedures.

### Assessment of Sub-Project Impacts

17. The sub-project impacts on the persons and households are classified based on impacted assets and revenues. Below is given detailed description of each type of impact together with the appropriate compensation strategy.

#### A. Impact on land

18. All 19 private land parcels affected by sub-project with total area of 44,869 sq.m are used for agricultural purposes, specifically for corn cultivation. From these, 8 parcels have already been registered, but 2 of them will require re-registration as their outlines resulting from the actual measurements do not match the cadastral shapes kept in the NAPR. The remaining unregistered 11 parcels (25,074 sq.m) may be legalized and are to be registered at the NAPR. From the 3 state-owned parcels (6,575 sq.m), one (3,320 sq.m) is in the informal (non-legalized) use. Only part (1,330 m<sup>2</sup>) of the latter parcel shall be allocated for the sub-project purposes. In total, 19 private parcels falling under the sub-project's footprint are possessed by 13 owners/users, including one legal entity. The table below shows distribution of the affected parcels by different project sections.

Table 1: Division of the sub-project affected land parcels

m <sup>2</sup>		WWTP	PS	Res. 1	Res. 2	Total
Private	Number of land parcels	17	2			19
	Total area (m <sup>2</sup> )	36,800	8,069			44,869
	Area to be acquired (m <sup>2</sup> )	33,369	8,069			41,438
State	Number of Parcels	1		1	1	3
	Total area (m <sup>2</sup> )	3,320		1,982	1,273	6,575
	Are for project purpose (m <sup>2</sup> )	1,330		1,982	1,273	4,585
	from which:					
	Permanently used by private person	1,330				1,330
	Not permanently used			1,982	1,273	3,255
Total affected land parcels		34,699	8,069	1,982	1,273	46,023

The project affected land being in private ownership or use has been grouped according to the legal status as follows

private land

- 1 legal entity - 8,069 m<sup>2</sup> (2 plots);
- 12 physical persons (households) – 33,369 m<sup>2</sup> (17 plots);

state land

- 1 permanent informal user - 1,330 m<sup>2</sup> (1 plot), the land in
- sometimes informally used - 3,255 m<sup>2</sup> (2 plots).

#### B. Permanent loss of land, and temporary impacts and restrictions on future land use

19. The permanent loss of land is the only identified type of impact on such assets from the subproject side. No restrictions will be imposed on the future use of the affected parcels. Certain temporary impacts may arise during construction period, and shall be under responsibility of the contractor.

20. The statutory procedures and stages to be implemented prior to purchase of the land and related to the payment of the due cash compensations are described in detail in Chapter IV. These procedures include initial registration of the ownership rights over sub-project affected parcels, division of the parcels (wherever necessary for the sub-project needs), execution of the sale and purchase agreements and their registration at the NAPR.

#### C. Partial and full land acquisition for sub-project needs

21. Decision on acquisition of the full parcel will be made with a due consideration of the following important factors:

- Required land take exceeds 70-90 percent of entire size of the affected parcel
- Residual land is deemed useless due to its size;
- Complicated (restricted) access (including to the residual land)

22. Within this sub-project, three parcels will be purchased partially. The following Table 2 provides overview of the sub-project affected land parcels selected for the full and partial acquisition.

Table 2: Full and partial land acquisition

Number of land parcels to be partially purchased	3
Total area (m <sup>2</sup> )	5,387
Area to be acquired (m <sup>2</sup> )	1,956
Number of land parcels to be purchased in full	18
Total area (m <sup>2</sup> )	36,051

#### D. Severe impact

23. For determining severity level of the impact to each affected parcel, additional data were collected about all other agricultural (arable) land allocated to the same landowner. The total area of affected parcel was added to the aggregated area of all other agricultural lots owned by the AH. For each affected household, the proportion of land take vs. the entire size of all owned agricultural lots was calculated, and if such proportion of the land take exceeded 10 percent, then the case was classified as the severe impact. The Table 3 below summarizes the data on severe impacts associated with the sub-project.

Table 3: Summarized schedule of severe impacts

Number of households subjected to the severe impact	12
Total area of agricultural parcels (m <sup>2</sup> )	83,500
Total area of land take (m <sup>2</sup> )	33,369
Total area of the land remaining in possession (m <sup>2</sup> )	50,131

24. Thus, in total 12 households were identified within the framework of this project, which will experience the severe sub-project impact, and are eligible to the additional compensation according to this LRAP.

#### E. Impact on crops

24. Another type of loss applicable to all sub-project affected parcels is loss of annual crops. The cash compensation will be given to each household possessing or using the land directly impacted by sub-project activities.

26. All affected households will receive cash compensation for annual crops determined according to the size of affected land in amount of the gross value of the expected 3-years harvest.

27. The Table 3 below quantifies expected impacts on the crops within the sub-project affected area.

Table 4: Impact on crops

Total number of land parcels	18
Area under impacted crops (m <sup>2</sup> )	34,699

#### F. Impact on immovable assets (fences, perennial plants, buildings and structures)

28. The sub-project does not impact any immovable assets (fences, buildings and structures, perennial plants).

#### G. Impact on business

29. The sub-project affects 2 agricultural land parcels (8069 sq.m) owned by one legal entity. These parcels are intended for the future use and currently do not host any activities. Therefore the sub-project has no impact neither on revenues of this business nor on the wages/salaries of its employees.

#### H. Vulnerable households

29. The sub-project affects 2 vulnerable households headed by females. However, the sub-project does not affect any households, which are below official poverty line (as registered by the Social Security Agency).

#### I. Impact on public infrastructure

29. The following impacts on the public infrastructure expected during implementation of sub-project were identified in the course of preparing this LARP:

- a) Damages to drainage system
- b) Limitation of access for one landowner
- c) Dismantling of the low voltage transmission line.

Elimination of impacts on the social infrastructure and other similar cases, which may arise during construction shall be under responsibility of the engineering design consultant and construction contractor.

### III. Socio-Economic Survey and Census of Affected Persons

32. The census and socio-economic survey covering all 12 households affected by sub-project was conducted in December 2011. The households were interviewed using the specially developed questionnaire including the questions about composition and social status of the household, the age, gender, health, marital status, education, employment, livelihood activities, income of its members, possession of the land and other assets, etc.

33. The census and collection of socio-economic and demography data were conducted by visiting each affected household. The survey revealed that three from twelve affected households currently do not live in village Natanebi. For these households, the needed socio-economic and demography data required for inclusion into the LARP were collected from their authorized representatives. In addition, two from these three absent families were visited in Tbilisi (during preparation of this LARP one family was abroad).

34. In total 12 households fall under expected sub-project impact. This households in aggregate consist of 40 members, including 17 males and 23 females. The average age of the household head is 55.8 years. The detail demographic data are given in the following table.

Table 5: Age and sex structure of the affected persons

Age	Male	Female	Total
<15	2	2	4
15-65	13	16	29
>65	2	5	7
Sum	17	23	40

35. The average number of household members is 3.3.

36. All APs are Georgian. The sub-project does not affect any indigenous population (as defined in ADB SPS 2009).

37. From the APs 8 have primary education, 26 – secondary and 6 – high. The detailed data on education level of affected persons is provided in the following table.

Table 6: Education level of affected persons

Achieved Education Level	Male	Female	Total
Without any education	0	0	0
Nursery	0	0	0
Primary	4	4	8
Secondary	12	14	26
High	2	4	6
Sum	18	22	40

38. The majority of the AHs are engaged in the agriculture (crop cultivation). The state employment was specified as a supplementary income generating activity only in the one interviewed household. Mostly the AHs produce the annual crops for self-use, while the perennial products (tangerine) are intended for sale. However during the recent years the Ahs could not sell the harvested crops in full.

39. The average annual cash income of the AHs is 7700 GEL. The following table describes an average structure of the cash revenues and expenses of the AHs determined based on the data of socio-economic survey.

Table 7: Structure of the cash revenues/expenses of the AHs

Expenses		Revenues	
Food/beverages	31%	Income from employment	9%
Clothes/Shoes	5%	Production sales	59%
Houseware	6%	Pension and other allowances	32%
Health	14%		
Education	18%		
Electricity	7%		
Transport/Communication	4%		
Fuel (heating) / cooking	6%		
Agricultural expenses	9%		
Sum	100%	Sum	100%

40. The average area of the land owned by the AHs (families) estimated as 1.1 ha from which 6,958 sq.m.is arable. Each family lives in the private detached house. From the 12 AHs 1 has radio, 12 – TV set, 8 – gas oven, 8 – refrigerator, 6 – washing machine, 1 – bicycle. Also, 1 family has 1 pig, and four keep poultry with an average flock size of 7 per household.

41. Each of the AHs is supplied with electric power. Natural gas is not available, and gas storage tanks are used. The main water sources are wells. The major type of lavatory facilities are flush toilets and latrine pits. Wood is the only fuel used for heating.

42. From the 12 affected households, almost all (10) state that they have irregular incomes, insufficient food (10) and lack sufficient money for purchasing clothes (11). All households growing the school age children point to the lack of money needed for their education.

44. The general opinion about sub-project reflected by the surveyed population is distributed as follows: positive – 8 households, neutral – 2, and without certain opinion – 2. As regards to the expected influence of the sub-project over socio-economic state of the community, 7 households expected the positive effect, 2 – negative and 3 – could not specify the certain opinion.

45. Obviously, the cash payment is only desired compensation form for each AH.



## IV COMPENSATION / REHABILITATION POLICY

### Georgian Legislation and ADB Policy

46. The sub-project will be implemented in accordance with the Georgian law and ADB SPS 2009. Below are listed the statutory acts applicable to obtaining of the state ownership rights to privately owned land parcels for 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 Privatization of State-owned Pasture, July 8, 2005
- (iv) The Law of Georgia on Ownership Rights to Pasture, March 22, 1996
- (v) The Law of Georgia on Public Registry (No820 IIs; December 19 2008)
- (vi) The Law of Georgia on Recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or Legal entities; 2007
- (vii) The Law of Georgia on Rules for Expropriation of Ownership for Necessary Public Needs, July 23, 1999
- (viii) The Civil Procedural Code of Georgia, November 14, 1997

47. Generally, the Georgian law is aligned with the ADB Safeguards Policy provisions but with some deviations. Mostly Georgian legislation/regulations are emphasized on definition of the formal property rights and compensation while the ADB's policy is focused on compensation and livelihood restoration including additional requirements in comparison of the Georgian statutory documents. These are related to (i) the rehabilitation of all APs including those without legal/formal rights; (ii) provision of indemnities for business and income loss, and (iii) provision of supplementary allowances for covering the resettlement related expenses, or implementation of the additional rehabilitation measures for the severely affected or vulnerable APs/AHs. Another difference is that Georgian legislation does not require preparation of the LARPs. The main differences between Georgian law/regulations and ADB policy are outlined in Table 10 below.

Table 8: Comparison of Georgian law/regulations pertaining to LAR and ADB SPS 2009

Georgian Law and Regulations	ADB SPS 2009
Only the registered owners (of buildings/structures) shall be compensated for the damages/demolition caused by sub-project activities	Compensation shall be given against any loss aroused due to damages to the buildings/structures
Crop losses shall be compensated only to the registered landowners	Crop losses shall be compensated to the landowners and lessees/partners despite registration status of their title rights
No provision exists about compensation of the lost salaries and wages/profit due to business closure/suspension	Salaries and wages/profit shall be compensated in case of business closure/suspension
No provision exists regarding the grievance redress committee	Grievances/complaints shall be resolved informally through the Grievance Redress Committees, local self-governance units and non-governmental organizations with participation of the local community organizations
No provision requiring advance information about compensation entitlements	Information on entitlement for compensation of the damaged assets shall be provided to the affected person prior to assessment of losses and damages



No express provision exists on restoration of the income/livelihood of severely affected/vulnerable APs, or resettlement expenses	ADB policy requires rehabilitation of the income/livelihood, losses, and the AP's expenses incurred during resettlement process
Georgian laws does require preparation of the Land Acquisition and Resettlement Plan	Time bound LARP shall be prepared before disbursement of the compensations
Georgian laws do not contain any express requirement on public consultation	Public and direct AP consultation shall be integral to integral to the ADB SPS 2009.

48. To reconcile the differences between the Georgian law/regulations and ADB Policy, UWSCG has drafted the Resettlement Framework (RF) to be used as a tool for compensation of the assets at replacement cost.

### Resettlement Principles Adopted for Sub-Project

49. The following involuntary resettlement principles have been developed for the Investment Program:

- (i) Land acquisition, and other involuntary resettlement impacts will be avoided or minimized via exploration of all reasonable alternative project designs;
- (ii) If unavoidable, a time-bound LARP will be prepared and APs will be assisted in improving or at least regaining their pre-project living standard;
- (iii) Consultations will be conducted with APs to provide them with information about compensation and resettlement issues, and ensure their participation in planning and implementation of the sub-project;
- (iv) Special assistance will be provided to the vulnerable and severely affected APs;
- (v) APs lacking the formal title deeds (informal dwellers or squatters) will receive a livelihood allowance in lieu of land compensation and will be fully compensated for losses other than land;
- (vi) Legalizable APs will be dully registered and fully compensated for land losses;
- (vii) All APs will be provided with income restoration and rehabilitation;
- (viii) The LARP will be disclosed to the APs in the local language;
- (ix) Payment of the compensation, and rehabilitation measures will be completed before the contractor physically enters the land and prior to the commencement of any construction activities on a particular section; and
- (x) Appropriate Grievance Redress Mechanisms will be developed to resolve the APs grievances occurred if any.

### Strategy for Land Registration and Execution of Sale and Purchase Agreements

#### A. Legal status of sub-project affected land parcels

50. The validity of the actual ownership of the land by affected APs has been verified through the existing official information.

51. The land parcels without formal title deeds shall be registered at the Public Registry prior to executing land sale and purchase agreements.

52. When the land is registered in the name of the deceased person, the ownership rights shall be transferred to the legitimate heirs prior to executing the land sale and purchase agreement.

## **B. Registration Procedures**

53. Registration procedures of the sub-project affected land parcels were agreed with the NAPR in advance along with determining the specific steps for registering the ownership rights to ensure timely and legally valid proceeding of the initial registration process. The initial registration will be followed by land division (mandatory procedure for acquiring a part of the land parcel), and then the Servitude and Sale and Purchase Agreements will be executed by and between UWSCG and AP.

54. Based on the Demarcation Certificates, the local municipally issued free of charge the official Statements for the land parcels owned by each sub-project affected person. These Statements were supplemented to the documents submitted to the NARP for proceeding with the initial registration of private ownership rights.

55. The UWSCG will provide technical assistance to all APs to ensure correct and accurate registration of their ownership rights. UWSCG will submit to all APs free of charge the Cadastral Survey Maps, as well as fully pay the initial registration fee.

56. The initial registration of the land ownership right is a mandatory legal procedure to be undertaken for registering the actual land possessor in the National Agency of Public Registry in order to smoothly execute and register the land sale and purchase and servitude agreements. In addition, the UWSCG will assist the APs in division of sub-project affected land parcels fully cover official registration fees applicable to such division.

## **C. Division of subproject affected land parcels**

57. The entire land parcel will be acquired in the cases where the needed land take is up to 70-90% of entire parcel, or if the size of needed land is not large, but economic value of the residual land is declining and thus the AP gives preference to disposal of parcel in full.

58. Each divided piece will be registered as a separate land parcel. The following documents will be submitted to the NARP for registering the land division:

1. Completely and correctly filled and signed Application Form;
2. Copy of the ID Card (Original ID should remain with the applicant);
3. Extract from the NAPR certifying initial registration of the given land parcel;
4. Cadastral survey maps of the land parcels established in result of division (original hard copies and electronic versions on CDs);
5. Receipt evidencing registration fee payment.

## **D. Registration of Sale and Purchase Agreement**

59. The partial or full land acquisition, as appropriate, will be undertaken based on the Sale and Purchase Agreement made between the UWSGC and AP. The UWSCG will conduct negotiation with the AP (landowner) to confirm that the AP is willing to sell the land and agrees to the offered amount of cash compensation. Only after that the sale and purchase agreement will be executed and registered at the NAPR.

60. Below is given the list of documents necessary for registration of land sale transaction:

1. Correctly and completely filled and signed Application Form;
2. Copy of the ID Card (Original ID should remain with the applicant);
3. Extract from the NAPR certifying the initial registration of the given land parcel;
4. Cadastral survey maps of the land parcels established in result of division (original hard copies and electronic versions on CDs);
5. Dully prepared and signed Sale and Purchase Agreement;
6. Receipt evidencing the payment of registration fee.

## **E. Payment Procedures**

61. All APs have personal bank accounts. If the AP is absent, a special account (so called "Escrow Account" for keeping the money until signing the agreement) shall be opened. After the Sale and Purchase/Servitude Agreement is signed by both parties (UWSCG and AP) and transaction is registered at the NAPR, the UWSCG will affect the wire transfer of due cash compensation to the AP's personal bank account. At the same time, the UWSCG will completely cover registration fees required for the entire process starting from initial registration of sub-project affected land parcels possessed by the APs to division and registration of Sale and Purchase and Servitude Agreements. All applicable taxes will be paid by the UWSCG unless exempted.

## **Eligibility for Receiving Compensation within Sub-project Framework**

### **1. Eligibility**

62. The following APs shall be entitled to compensation or at least rehabilitation assistance under the sub-project:

- (i) All APs, who loose the owned land;
- (ii) Lessee;
- (iii) Crop owners.

63. The eligibility for receiving the compensation is limited to the date of completion of the APs survey. The affected persons, who occupy the land within the sub-project impact area after such date will not be entitled to compensation. However, they will be given an advance written notification with request to vacate the area prior to commencement of sub-project implementation.

### **2. Compensation**

64. Entitlement provisions applicable to the APs include compensation for the permanent loss of land at land replacement cost based on the current market value, and compensation for the loss of crops. In addition, the assistance in restoration/improvement of the livelihood has been designed. The rehabilitation measures envisage payment of supplementary cash compensation to the vulnerable households, and against the severe impacts caused by sub-project activities. The compensation entitlements and conditions are specified as follows:

- (i) Cash compensation for permanent loss of land: cash compensation at replacement value applying the current market rate (9 GEL/sq.m) based on assessment of the independent licensed valuator.
- (ii) Compensation for crops: Cash compensation for 3-years' lost yield of the crops at replacement cost (with unit price of 1.41 GEL/sq.m). The cash compensation will be

paid to the owners and users of affected land or to the lessees, who are entitled to take the harvest from the given land.

- (iii) One time self-relocation allowance in cash for informal settlers. The allowance is an amount equal to 1 year at minimum subsistence income, paid per family.
- (iv) Supplementary compensation for severe impact: Additional compensation with value of one year crop yield from the sub-project affected land (0.47 GEL/m<sup>2</sup>).
- (v) Vulnerable people livelihood: Vulnerable people (APs below poverty line and women headed households) will be paid allowance in amount of the minimum subsistence income for 3 months (240 GEL x 3months = 720 GEL);
- (vi) One-time allowance for improvement of living conditions: This will comprise an assistance provided during registration of the land. The amount of such one-time assistance equals to 51 GEL (fixed registration fee) for each transaction that will be paid by UWSCG to each landowner for supporting land registration process at the NAPR.
- (vii) Additional rehabilitation measures: LARP Implementing Agency will ensure provision of additional assistance to the APs, such as supply with the grass seeds that APs will plant on their land parcels after completion of construction activities that will facilitate the topsoil reinstatement on the land with a footprint of temporary works.
- (viii) Tree cut: The state owned trees cut during construction will be handed to the municipality, and further will be distributed to the population below poverty line.

65. Occupation of additional land and damages caused during construction: Extreme care should be taken by construction contractor to avoid any damaging of the public and private property. Such type of damages may occur wherever the construction contractor needs an access road to site, or an area for establishment of the temporary camp or facilities for the plant and equipment. Where the damages to the public or private property occur as a result of construction activities, the affected families, groups and/or communities shall be compensated for the damaged crops and trees. The compensation shall retroactively cover all construction related losses (to public and private land, buildings/structures, infrastructure, crops and trees), including the income lost for the duration of the damage period. The damaged land, structure and infrastructure shall be reinstated to their former state at the construction company's expense. The methodology applied for determining the entitlements to and amounts of the cash compensation for losses will be the same as prescribed in this LARP.

The following are expected impacts on the public infrastructure during implementation of sub-project were identified in the course of preparing this LARP:

- d) Damage to drainage system
- e) Limitation of access for one landowner
- f) Dismantling of the low voltage transmission line.

### Compensation Entitlement Matrix

66. The tasks related to implementation of this LARP within the sub-project framework will be realized according to the compensation eligibility and entitlements framework in line with both Georgian law and regulations and ADB SPS 2009. The Compensation Entitlement Matrix is provided in the following table.

Table 9: Compensation Entitlement Matrix

Type of Loss	Applicability	Explanation	Compensation Entitlements
<b>1. Loss of Land</b>			
1.1. Loss of Land	APs losing the land regardless severity of the impact	APs will be registered at the NAPR (obtain valid title) first. Then through Sale and Purchase Agreements will be provided with cash compensation at full replacement cost.	Cash compensation for acquired land at full replacement cost. Market value is determined under the Valuation Report prepared by independent licensed valuator.
	Informal settlers losing agricultural land		One time self-relocation allowance in cash. The relocation allowance constitutes a fixed amount per family equal to 1 year at minimum subsistence allowance (240 GEL/m * 12 m = 2,880 GEL)
<b>2. Loss of Income and Livelihood</b>			
2.1. Annual crops	Damaged annual yield	All AHs despite the land deed status (owner/lessee)	Cash compensation for expected 3 years' harvest at full replacement cost applying the current market prices.
2.2. Perennials (on the state-owned land)	Trees	Trees on the state-owned land, which are to be cut	Contractor will handover the cut trees to the municipality, which will distribute them among the local population.
2.3. Temporary impacts occurred during construction period	Any type of property (crops, trees, structures, land, infrastructure used/owned by any person, entity.	Contractors should as much as possible avoid damaging of the public and private property. In case any damages occur to public or private property as a result of construction works, the affected party shall be entitled to receive compensation against incurred losses (trees, harvest)	Damages to land, structure and infrastructure shall be restored to their original conditions at the cost of the contractor company. Compensation shall be paid for all losses caused due to construction (public and private land, structures, infrastructure, crops and trees) on retroactive basis, taking into account the income lost for the duration of the damage period. Damaged land, infrastructure and structures shall be restored to their original condition. Cash compensation will be paid for the lost crops. Trees will be compensated under the terms specified in Item 2.1 of this matrix.  Methodology applied for determination of the entitlements and amounts of

Type of Loss	Applicability	Explanation	Compensation Entitlements
			compensation for losses will be same as provided in this LARP.
<b>3. Allowances</b>			
3.1. Vulnerable households	According to vulnerability classification as specified in this LARP	APs below poverty line, single females	Subsistence minimum for 3 months (240 GEL x 3 months = 720 GEL)*
3.2. Severe impact	Loss of more than 10 percent of total land providing the economic revenues.	Owners of all severely affected land parcels (who losses more than 10 percent of owned agricultural land)	One-time additional compensation for one year harvest depending on affected land area (0.47 GEL per sq.m)
3.3. Livelihood	All affected households	All affected households (AHs)	UWSCG will pay all fees related to registration process at the NARP and service charges (will be specified at the time of provision of service). All landowners will receive free of charge the cadastral survey drawings. All imposed taxes will be paid by UWSCG.
<b>4. Additional Mitigation Measures</b>			
4.1. Restoration of topsoil productivity	All households exercising the temporary impacts.	Without regard to the officially registered rights on affected land.	Measures supporting to restoration of topsoil productivity.

\* According to the official statistics, the minimum monthly subsistence income for 3-members household as for 2012 November is 240 GEL.

## Methodology for Compensation Rates Valuation

### Land

67. Compensation for land has been calculated by independently hired expert - licensed valuator who developed relevant methodology and cash compensation package according to the International Valuation Standards.

68. The market unit price for the land was determined based on the standard plasticized method. Also, the valuator conducted analysis of the offers and other information pertaining to the other segments of the real property market. In addition, valuation process included as much as possible efficient use of the available information on recent land sale transactions. Finally, the licensed valuator determined the land replacement cost based on the on-going market data.

69. In result of processing the collected information and based on the current market parameters, the average market price for land at replacement cost, i.e. the land compensation rate has been specified as 9 GEL per square meter.

### Crops

70. Compensation for the loss of annual crops relevant to this sub-project has been defined as the price of 3-years yield of crops. Compensation for the lost yield will be paid to the crop owner. Based on the productivity data, and study of the market prices collected/carried out by the independent licensed valuator, the specific income from the yield of crops (corn) has been specified as 0.47 GEL/year-sq.m. Thus the crop compensation rate amounts to 1.40 GEL/sq.m (3 years x 0.47 GEL/year-sq.m).

#### **Compensation for severe impact**

70. Within the sub-project framework, the severe impact on livelihood due to loss of the land is applicable to all affected households. Compensation rate relevant to the severe impacts has been estimated at 0.47 GEL/sq.m (1 year x 0.47 GEL/year-sq.m).

#### **Vulnerable household allowance**

72. According to the National Statistics Office of Georgia, the minimum 3 months subsistence income of 3 members household in November 2012 amounted to 720 GEL (240 GEL/month x 3 months) that was determined as the vulnerable household allowance.

#### **Restoration of Livelihood**

73 The UWSCG will provide technical assistance and financial aid to each AH to cover all relevant registration fees necessary to undertake all statutory procedures in smooth, accurate and legally valid manner, including all specific steps beginning from the initial registration of ownership right to division of the land parcel and registration of the land sale and purchase agreements.

## V. ORGANIZATION

74. The RF compensation/rehabilitation program involves distinct processes, dynamics and actors. These include the UWSCG, the IA, the Municipal Land Acquisition and Resettlement Office (MLARO), municipal governments, the Government of Georgia (GOG), the National Agency of Public Register (NAPR), ADB, NGOs and consultants. Their roles are as follows:

a) **UWSCG.** The UWSCG will be responsible for all LAR tasks both at central and local government level. Among other tasks UWSCG will be responsible for:

- hiring and supervising the consultants that will prepare the LARP at the detailed design stage
- establishing the MLARO in the municipality
- coordinating all LAR related activities
- provision of all needed documentation to ensure the prompt allocation of LAR budget by the Government of Georgia and further payments of the due amounts to the APs
- ensuring proper internal monitoring through the Supervision Consultant
- if requested by ADB, hiring of the external independent monitoring agency

b) **MLARO.** LARP preparation/execution and coordination of day-to-day LARP activities at the municipality level. UWSCG will be represented in the municipal LAR Office (MLARO) together with the following persons:

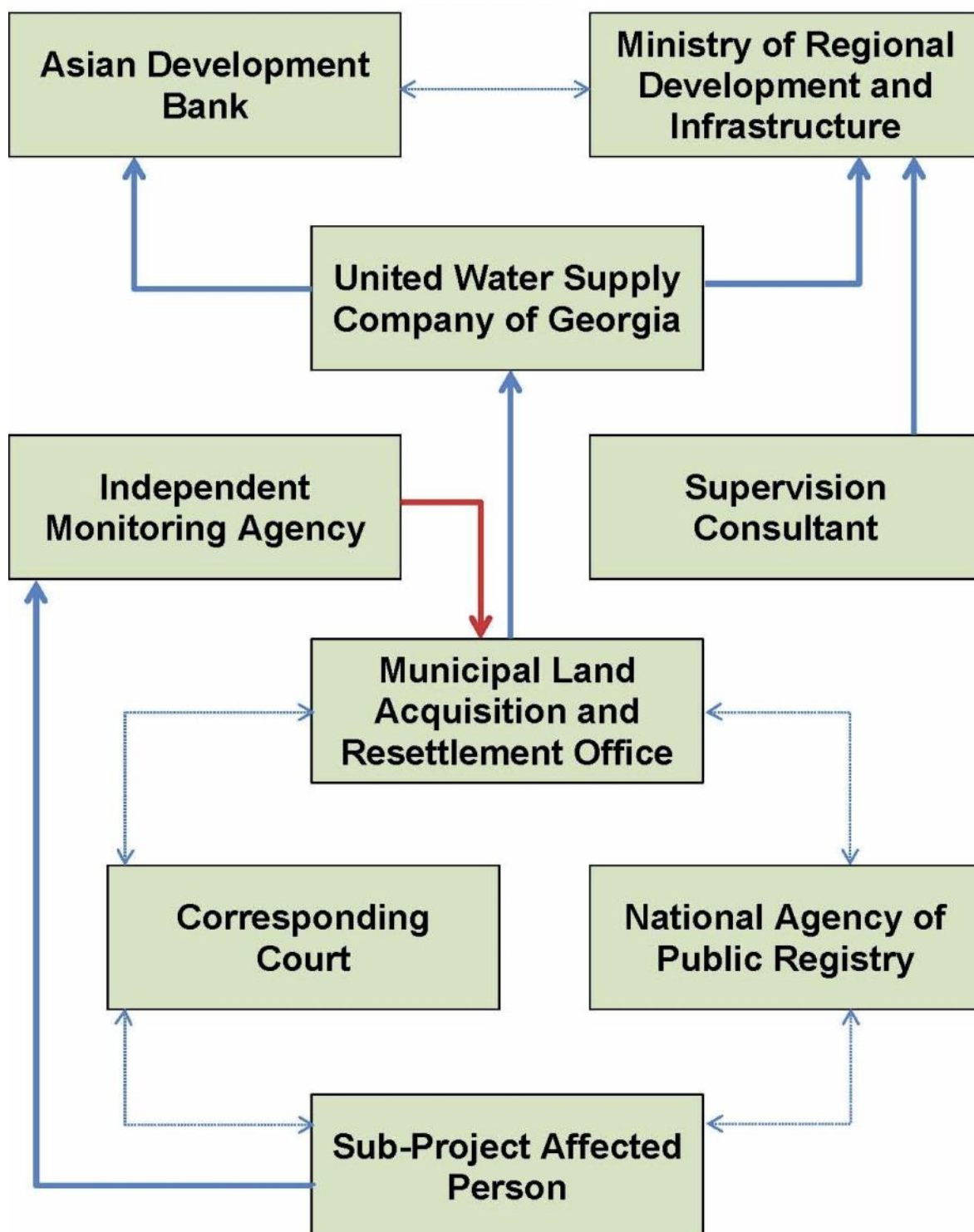
- Representative of the Municipality
- Representative of UWSCG responsible for LAR activities
- Local Representative of UWSCG
- Representative of local community (population)

c) **Supervision Consultant.** Supervision agency, responsible for overall supervision of construction activities, which will check completion of all compensation/rehabilitation payments before construction contractor enters the site.

d) **Ministry of Regional Development and Infrastructure (MoRDI).** MoRDI will allocate the funds for the compensation and rehabilitation programs upon submission of the LARP and relative budget.

e) **Independent Monitoring Agency (IMA).** Assuming the small scope of this LARP, the IMA will be hired only for the LARP implementation period and will prepare the LARP Compliance Report after completion of the land acquisition and resettlement process.





## **VI PUBLIC CONSULTATION, INFORMATION DISCLOSURE, HANDLING OF COMPLAINTS AND GRIEVANCES**

### **Public Consultation**

75. The ad hoc public consultation meetings with the APs were conducted on 20 December 2012 and 23 December 2012 (Ozurgeti District, Guria Region). These meetings were attended by subproject APs, local residents, representatives of Ozurgeti Municipality, Manager of Ozurgeti Service Centre of UWSCG and consultants from the Kocks/BT.

76. All attendees were made aware about the sub-project features and ADB SPS 2009. At the meeting the impacts and compensation entitlements were reviewed and discussed.

77. APs were informed that they would be assisted in registration of their land parcels under private ownership at the NAPR. Specifically, they will be provided free of charge with any and all necessary consultancy and technical assistance, including transaction registration duties and fees (notary service, fees for registration cadastral survey maps. In addition, the UWSCG will provide support with the state authorities and local municipality during conduct of all mandatory legal procedures.

### **Disclosure**

78. The English version of this LARP will be posted on the ADB's website, and the Georgian version – on the website of the MORDI. The hard copy of this LARP will be available for public at the office of Ozurgeti Municipality. Each AH will receive the information pamphlet in Georgian summarizing their rights, compensation rates and the LARP implementation schedule.

### **Redress of Grievances and Complaints**

79. The grievance resolution mechanism will be established allowing each AP to appeal any unacceptable decision, practice or activity arising during LARP implementation process. The APs will be fully informed about their rights, established procedures and consultation opportunities relevant to addressing the complaints whether verbally or in writing, as well as on the timing of compensation payments. All appropriate measures shall be taken to prevent grievances rather than going through the redress process. This can be achieved through careful design and implementation of the LARP, ensuring active engagement of the APs by encouraging their full-fledged involvement and providing the appropriate consultation, as well as efficient communication and coordination among the APs, UWSCG and local NGOs.

80. For mitigating the disputes during LARP implementation period, the Grievance Redress Committee will be established at the local government level consisting of:

1. Chair – representative of the municipality
2. Member – local representative of UWSCG
3. Member – local community representative
4. Member – sub-project affected person
5. Member – local NGO representative.

81. Resolution of the complaints and grievances will follow the following priority order:

1. Resolution of the complaint will be attempted at the village level with the involvement of community leaders and informal mediators.

2. If still unsettled, a grievance shall then be lodged with the GRC. The AP will be invited by the GRC to hear the case no later than two weeks after the complaints have been filed. Two days after the hearing, the GRC will inform the AP about decision of the committee.
3. In the event the GRC fails to settle the disputed issue, the case shall be lodged to the UWSCG. The AP must lodge the complaint within 2 weeks after receiving response on the original complaint from the GRC and must produce documents supporting his/her claim. The UWSCG will provide a response within 2 weeks after registering the complaint. The UWSCG's decision must be in compliance with provisions of this LARP and RF..
4. If response to the grievance is still unacceptable to the claimant, he/she is entitled to submit the complaint to the appropriate court. The APs might be assisted by the local NGO.



## VIII COSTS

### Compensation for Land

83. The amount of cash compensation to be paid to the APs at the land replacement cost was calculated according to the current market rates determined by the independent licensed valuator specially hired for this sub-project. The compensation rate for the land has been estimated as 9 GEL /sq.m.

Table 10: Compensation for Land

Type of Impact	Type of Transaction	Type of Property	Land Area (sq.m)	Compensation Rate (GEL/sq.m)	Total Compensation Amount (GEL)
Permanent land take	Sale and purchase	Arable	41,438	9	372,942
Permanent land take of informal settler	Self-relocation allowance	Arable		240 Gel/m * 12 m	2,880

### Compensation for Impact on Crops

84. All APs will receive cash compensation for one year yield of the crops. Cash compensation is calculated at current market rate for the 3 years' expected harvest (1.41 Gel/sq.m-3 years).

Table 11: Compensation for Impact on Crops

Crop Description	Land Area under Standing Crops (sq.m)	3 Years Compensation Rate per sq.m	Total Compensation Amount (GEL)
Permanent land take	33,369	1.41	47,050
Permanent land take from informal settler	1,330	1 year comp. rate 0.47	625

### Cost of Rehabilitation Allowances for Vulnerable Households

85. The sub-project affects 2 vulnerable households. Based on the Resettlement Framework document and this LARP, each vulnerable household will receive allowance equivalent to minimum subsistence income for 3 months in amount of 720 GEL.

Table 12: Financial aid to vulnerable AHs

Number of Vulnerable Households	Aid Amount per AH (GEL)	Total Aid Amount (GEL)
2	720	1,440

### Cost of Rehabilitation of AHs for Severe Impact

86. In total 12 households will be subjected to the severe impact from the sub-project reflected in a loss of the land. Based on the Resettlement Framework document applicable to this sub-project, each such household will receive an additional allowance in amount of cash compensation for one-year standing crop. The unit rate applicable to the additional allowance for the severe impact is 0.47 GEL/sq.m.

Table 13: Additional allowance for severe impact

Number of Households Falling under Severe Impact	Crop Description	Land Area under Damaged Crops	Allowance Rate per sq.m (GEL)	Total Amount (GEL)
12	Corn	33,369	0.47	15,683

### Cost of Rehabilitation Allowances for Land Registration

87. Twelve (12) land owners will receive rehabilitation allowances for registration of the land parcels with the NAPR. The fixed fee for registering one transaction is GEL 51. However, due to the fact that, three (3) land parcels shall be subjected to the partial acquisition, division of these land parcels will be necessary. The UWSCG will cover all costs and expenses related to the initial registration, as well as for division of the parcels and registration of the sale and purchase agreements.

Table 14: Costs and fees related to registration of the land

Description	Quantity	Fixed Fee (GEL)	Total per Item (GEL)
Initial registration	11	5	561
Division of land parcel	3	5	153
Sale and purchase agreement	19	5	969
Sub-total			1,683
Contingencies (e.g. notary fees) 10%			168
Total			1,851

### Summarized Costs

The following table provides summarized costs related to implementation of the LARP for this sub-project. Table 21 below.

Table 15: Summarized costs of LARP implementation

Description	Cash Compensation (GEL)
Compensation for land	375,822
Compensation for Crops	47,675
Allowances to Vulnerable Households	1,440
Allowances for Severe Impact	15,683
<b>Sub-total of Compensation Package</b>	<b>440,621</b>

Description	Cash Compensation (GEL)
Registration fees and other expenses	1,851
Total LARP Implementation Budget	442,472
Contingencies (10 %)	44,247
<b>Grand-Total LARP Budget</b>	<b>486,719</b>

## **IX MONITORING**

### **Internal Monitoring**

88. Internal monitoring of LARP implementation process will be conducted by UWSCG.

### **Independent Monitoring**

89. The IMA, Independent Consultant was hired by UWSCG for two weeks, specifically during and after completion of the LARP implementation period.

90. The IMA will check whether implementation of the LARP complies with ADB SPS 2009. The independent consultant will review implementation and internal monitoring documents and interview all affected households and the Grievance Redress Commission. At the end of its activities the IMA will prepare the LARP Compliance Report including:

- (i) Assessment based on a review of the compensation amounts and interviews with the affected persons and households to verify payment of the compensations as prescribed in this LARP;
- (ii) Review and analysis of all complaint cases and their resolution;
- (iii) An assessment the APs' satisfaction level through the survey of 25% of all APs;
- (iv) Recommendation on whether start the civil works or not.

91. Compliance Report shall be submitted to the ADB within two weeks after the IMA commences performance of its assignment and upon completion of the LARP implementation procedures.



## **X ANNEXES**

### **Annex 1. Information Pamphlet**

#### **INFORMATION PAMPHLET on Land Acquisition and Payment of Cash Compensations**

#### **Ureki Water Supply and Wastewater Systems Construction and Operation Project**

#### **Project Number:**

Dear Reader,

This Leaflet was developed for you to share the information about the Project for Construction and Operation of Ureki Water Supply and Wastewater Systems. This public document describes the location of the sub-project and scope of the scheduled works. Also, it describes the compensation policy and procedures for implementation of the Land Acquisition and Resettlement Plan (LARP) prepared by the United Water Supply Company of Georgia.

#### **A. Introduction**

1. The Government of Georgia is undertaking major works to improve the national infrastructure. Among other infrastructure development activities, the Project for Construction and Operation of Ureki Water Supply and Wastewater Systems is also put on agenda. The existing water supply and sanitation system lacks sufficient capacity to meet the existing demands, and urgently requires rehabilitation and expansion.

2. The proposed rehabilitation and expansion of Ureki water supply and sanitation systems designed for meeting 2040 demand, will also facilitate the regional economical development.

#### **B. Planning/implementing of the Compensation and Rehabilitation Program**

3. In order to plan and implement the compensation and rehabilitation program for this sub-project in a way compatible with the ADB policy, the United Water Supply Company of Georgia (UWSCG) has prepared the present Land Acquisition and Resettlement Plan (LARP). The LARP (Georgian version) has been made available for public review in the Municipality, Sakrebulo and UWSCG's local office.

The Document extensively details the scope and types of the sub-project impacts, the compensation eligibility and entitlements, compensation rates fixed for the different affected items and the procedures for implementation of the land acquisition and resettlement activities as summarized in the following sections.

#### **C. Resettlement Policy and Principles**

4. The land will be acquired in accordance with the laws of Georgia and the ADB Safeguards Policy Update (2009). All affected persons (APs) will be compensated for the lost and/or damaged assets at replacement costs and receive adequate allowances depending on the severity of impacts and vulnerability status. The detail design consultant has explored all alternatives to

minimize the impacts over any built-up and protected areas. Land acquisition for the project is based on the following principles:

- 1) Land acquisition and resettlement impacts will be avoided or minimized through exploration of all viable alternative project designs;
- 2) A time-bound action plan has been prepared and will be implemented to improve or at least regain the pre-project standard of living of the APs;
- 3) The APs will be consulted and their opinions will be considered in the project design and implementation;
- 4) Loss of the land and assets will be compensated at full replacement cost following current market prices at the time of dispossession;
- 5) All APs will be assisted free-of-charge in registration of their title on land at the NAPR in a legally valid manner;
- 6) All APs will be fully compensated for the lost land parcels;
- 7) All damages to the assets will be compensated in full;
- 8) Vulnerable and severely affected APs will be provided with a special assistance in the form of additional cash compensation;
- 9) Land acquisition and resettlement policy and procedures will be disclosed to the APs in Georgian language;
- 10) Compensation will be provided applying the rates specified in this LARP;
- 11) Sale and Purchase Agreements will be executed between the APs and the UWSCG and registered at the NAPR;
- 12) All required costs and registration fees will be fully paid by the UWSCG;
- 13) Payments for compensation and rehabilitation measures will be fully provided prior to commencement of construction works; and
- 14) Appropriate mechanisms will be established for grievances and complaints if any.

#### **D. Compensation Eligibility and Entitlements**

5. Land acquisition and resettlement tasks relevant to this sub-project will be implemented under the terms and conditions specified below.

6. All affected persons (APs) are entitled to receive the cash compensation and/or rehabilitation aid under this sub-project including: (a) all persons whose land is to be acquired for sub-project needs, (b) lessees whether registered or not; (c) owners of the crops; and (iv) all other persons losing an income. Determination of the compensation eligibility is limited to 25 December 2012 that constitutes a deadline for identifying the sub-project affected persons and the assets eligible for compensation. The following table provides Compensation Entitlement Matrix for Ureki sub-project.

Table 11: Compensation Entitlement Matrix

Type of Loss	Applicability	Explanation	Compensation Entitlements
<b>1. Loss of Land</b>			
1.1. Loss of Land	APs losing the land regardless severity of the impact	APs will be registered at the NAPR (obtain valid title) first. Then through Sale and Purchase Agreements will be provided with cash compensation at full replacement cost.	Cash compensation for acquired land at full replacement cost. Market value is determined under the Valuation Report prepared by independent licensed valuator.

Type of Loss	Applicability	Explanation	Compensation Entitlements
	Informal settlers losing agricultural land		One time self-relocation allowance in cash. The relocation allowance constitutes a fixed amount per family equal to 1 year at minimum subsistence allowance (240 GEL/m * 12 m = 2,880 GEL)
<b>2. Loss of Income and Livelihood</b>			
2.1. Annual crops	Damaged annual yield	All AHs despite the land deed status (owner/lessee)	Cash compensation for expected 3 years' harvest at full replacement cost applying the current market prices.
2.2. Perennials (on the state-owned land)	Trees	Trees on the state-owned land, which are to be cut	Contractor will handover the cut trees to the municipality, which will distribute them among the local population.
2.3. Temporary impacts occurred during construction period	Any type of property (crops, trees, structures, land, infrastructure used/owned by any person, entity.	Contractors should as much as possible avoid damaging of the public and private property. In case any damages occur to public or private property as a result of construction works, the affected party shall be entitled to receive compensation against incurred losses (trees, harvest)	Damages to land, structure and infrastructure shall be restored to their original conditions at the cost of the contractor company. Compensation shall be paid for all losses caused due to construction (public and private land, structures, infrastructure, crops and trees) on retroactive basis, taking into account the income lost for the duration of the damage period. Damaged land, infrastructure and structures shall be restored to their original condition. Cash compensation will be paid for the lost crops. Trees will be compensated under the terms specified in Item 2.1 of this matrix. Methodology applied for determination of the entitlements and amounts of compensation for losses will be same as provided in this LARP.
<b>3. Allowances</b>			
3.1. Vulnerable households	According to vulnerability classification as specified in this LARP	APs below poverty line, single females	Subsistence minimum for 3 months (240 GEL x 3 months = 720 GEL)*
3.2. Severe impact	Loss of more than 10 percent of total land providing the economic revenues.	Owners of all severely affected land parcels (who losses more than 10 percent of owned agricultural land)	One-time additional compensation for one year harvest depending on affected land area (0.47 GEL per sq.m)

Type of Loss	Applicability	Explanation	Compensation Entitlements
3.3. Livelihood	All affected households	All affected households (AHs)	UWSCG will pay all fees related to registration process at the NARP and service charges (will be specified at the time of provision of service). All landowners will receive free of charge the cadastral survey drawings. All imposed taxes will be paid by UWSCG.
<b>4. Additional Mitigation Measures</b>			
4.1. Restoration of topsoil productivity	All households exercising the temporary impacts.	Without regard to the officially registered rights on affected land.	Measures supporting to restoration of topsoil productivity.

\* Source: According to the official statistics, the minimum monthly subsistence income for 3-members household as for 2012 November is 240 GEL.

## E. Compensation Rates

10. The table below specifies compensation rates for the specific affected items. Details are provided in the LARP.

Table 2: Cash Compensation Rates

Description	Conditionality	Unit	Unit Price (GEL)
Agricultural land	Area of the land to be acquired / subjected to servitude	sq.m	9
	Informal use of agricultural land	Self-relocation allowance	2,880
Annual yield of crops	Price of 3 years yield of crops expected from sub-project affected land (0.47 GEL x 3 yrs= 1.41 GEL)	sq.m	1.41
Severe Impact	Additional crop compensation covering one year yield from affected area for the APs losing >10% of income generating land	sq.m	0.47
Vulnerability	Female headed AHs determined on the bases of census will receive the subsistence minimum for 3 months	Household	720
Allowances	UWSCG will cover all registration costs including registration and notary fees and other expenses, income taxes and other costs if applicable		

## F. Redress of Grievances and Complaints

79. The grievance resolution mechanism will be established allowing any AP to appeal any unacceptable decision, practice or activity arising during LARP implementation process. The Grievance Redress Committee (GRC) will be established at the local public level, which will be

designated to resolve the complaints and grievances with participation of the community. The GRC will include:

1. Municipality representative - Chair
2. Member – local representative of UWSCG
3. Member – local community representative
4. Member – sub-project affected person
5. Member – local NGO representative.

Table 3: Grievance redress process

1. Resolution of the complaint will be attempted at the village level with the involvement of community leaders and informal mediators.
2. If still unsettled, a grievance shall then be lodged with the GRC. The AP will be invited by the GRC to hear the case no later than two weeks after the complaints have been filed. Two days after the hearing, the GRC will inform the AP about decision of the committee.
3. In the event the GRC fails to settle the disputed issue, the case shall be lodged to the UWSCG. The AP must lodge the complaint within 2 weeks after receiving response on the original complaint from the GRC and must produce documents supporting his/her claim. The UWSCG will provide a response within 2 weeks after registering the complaint. The UWSCG's decision must be in compliance with provisions of this LARP and RF..
4. If response to the grievance is still unacceptable to the claimant, he/she is entitled to submit the complaint to the appropriate court. The APs might be assisted by the local NGO.

#### **F. Special assistance to APs in legalization of sub-project affected land parcels**

9. The UWSCG provided free-off-charge technical assistance and financial support and ensured that all sub-project affected land parcels initially being under private possession of the project affected persons today are registered at the NAPR as a private property. All related cost and fees were covered by the UWSCG. The land parcels that will be acquired only partially have been divided and registered at the NAPR to the names of individual private owners. These activities were also financed by the UWSCG. At the given phase the land acquisition process is to be launched. Each project affected person will be offered relevant cash compensation in return to or for permanent land take for the sub-project needs. The cash compensation as described above will account for the loss of land, income and assets.

#### **G. Contact Information**

10. For any additional information and advice, please approach the following persons:

United Water Supply Company of Georgia (UWSCG)  
Address: 76, Vajha Pshavela avenue, Tbilisi, Georgia  
Contact persons:

Contact persons from the local government:

### Complaints and Grievance Submission Form

<b>Ureki Water Supply and Wastewater Systems Construction and Operation Project</b>	
First Name, Last Name	
Contact Information  Please indicate the preferable communication means (Mobile, Telephone, Mail, E-mail)	Mail: Please, indicate the postal address: _____ _____ _____  Telephone/Mobile: _____  E-mail: _____
Preferable communication language	Georgian Russian
<b>Describe the grievance/claim:</b> What is the complaint about? What is the claim?	
Date of Negotiation:	Decision:
<b>What is the basis of your claim?</b>	
Signature: _____ Date: _____	

## Annex 2. Sale and Purchase Agreement

### Land Sale and Purchase Agreement No.

\_\_\_\_\_ 2013

This Agreement is made by and between \_\_\_\_\_,  
represented by \_\_\_\_\_ (acting according  
to Order No. \_\_\_\_\_) on the one hand (hereinafter referred to as the "Purchaser"), and  
the physical person \_\_\_\_\_ (Personal ID No. \_\_\_\_\_  
ID Card Serial No. \_\_\_\_\_, Address: \_\_\_\_\_)  
on the other hand (hereinafter referred to as the "Seller")

The Parties agree as follows:

#### Clause 1. Subject of Agreement

1.1 In accordance with the terms and conditions of this Agreement, the Seller sold and the Purchaser purchased the part of the land parcel located at \_\_\_\_\_, which is owned by the Seller and further in the text is referred to as the "Subject of Purchase".

1.2 This sale and purchase transaction is made at \_\_\_\_\_  
(specify location)

#### Clause 2. Subject of Purchase

2.1 The Subject of Purchase constitutes

a) The land parcel with area of \_\_\_\_\_ m<sup>2</sup> from the entire land area of \_\_\_\_\_ m<sup>2</sup> owned by the Seller. Therefore, \_\_\_\_\_ m<sup>2</sup> from the entire land area shall remain in the ownership of the Seller. The area and boundaries of the land parcel are shown on the land survey drawing.

b) The land parcel includes: \_\_\_\_\_

2.2 The following are the data specifying the land parcel:

- Place of Registration: \_\_\_\_\_
- Sector: \_\_\_\_\_
- Address: \_\_\_\_\_
- Type of Land Parcel: \_\_\_\_\_
- Title Deed: \_\_\_\_\_

### **Clause 3. Purchase Price and Payment Terms**

3.1 The Seller sold and the Purchaser purchased the Subject of Purchase for \_\_\_\_\_ GEL (\_\_\_\_\_ GEL and \_\_\_\_\_ Tetri).

3.2 The Subject of Purchase has been determined based on investigation of the real property located within the Right of Way and shall involve establishment and payment of the compensation, and acquisition of the property.

3.3 The purchase price shall be paid in a form of the non-cash settlement (bank transfer).

3.4 In accordance with the terms and conditions of this Agreement, the purchase price in consideration of acquiring the property shall be deemed to be an entire and final compensation, and shall include the price of the land together with all standing perennials. Hence, neither the landowner nor any other person shall be entitled to require any additional payment for the ownership rights over the foregoing property.

3.5 According to the statements made by the Parties to this Agreement, by signing this Agreement they do confirm their consent on the assignment of the Subject of Purchase to the Purchaser.

### **Clause 4 Legally and Materially Non-reproducible Character of Subject of Purchase**

4.1 The Seller is the exclusive legal owner of the Subject of Purchase that have been checked and certified by the following documents:

- Public Registry Record: Record Registration No. \_\_\_\_\_, Date \_\_\_\_\_.

Land (Real Property) Registration No. \_\_\_\_\_, issued by \_\_\_\_\_  
Registration Agency on \_\_\_\_\_.

4.2 According to the statement made by the Seller, the Subject of Purchase is not disputed. Also, the Seller undertakes that the Subject of Purchase is free from any legal encumbrances, and third party's claims.

4.3 Any defect of the Subject of Purchase shall not be taken into consideration provided that has been notified to the Purchaser in advance.

### **Clause 5 Other Provisions**

5.1 This Agreement shall be effective from the date of its execution, and shall remain valid until full discharge of the obligations undertaken by the Parties.

5.2 In accordance to this Agreement, neither Party shall be entitled to conduct any legal transaction creating any rights of the third parties without obtaining the written approval of the other Party (authorization by the official representative of the other Party).

5.3 Any modifications and/or addendums to this Agreement shall be valid only if have a legal effect and is made in writing.



5.4 Breach of any obligation prescribed herein shall create the legal liability pursuant to the Georgian laws.

5.5 The Parties agree that they will endeavour to settle any dispute arising out of or in connection with this Agreement by amicable negotiation. If the amicable settlement is unfeasible, the dispute shall be submitted to the court according to the Georgian laws.

5.6 This Agreement shall be maintained with the Registration Department \_\_\_\_\_ of the National Agency of Public Registry.

## **Clause 6      Requisites and Signatures of the Parties**

**The Seller** \_\_\_\_\_

(Personal ID No. \_\_\_\_\_

ID Card Serial No. \_\_\_\_\_

Address: \_\_\_\_\_

Signature \_\_\_\_\_ / \_\_\_\_\_ /

## **Representative of the Purchaser**

Signature \_\_\_\_\_ / \_\_\_\_\_ /

### Annex 3      Demarcation Certificate

Demarcation Certificate No. \_\_\_\_\_

Date: \_\_\_\_\_ 2013

**for the Land Parcel falling under the impact of Ureki Water Supply and Wastewater  
Systems Construction and Operation Project**

Location:      Ozurgeti Municipality

Hereby, we \_\_\_\_\_  
drafted this Certificate to confirm that:

1      Demarcation and survey works in connection with Ureki Water Supply and Wastewater  
Systems Construction and Operation Project were completed on the land parcel located at  
\_\_\_\_\_ and being in ownership/use of

\_\_\_\_\_  
(First name, last name, ID Card data)

2      The location and boundaries of the foregoing parcel are specified and confirmed by:

Land Parcel Owner: \_\_\_\_\_

Owners of adjoined (neighbouring) land parcels: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Representative of Municipality: \_\_\_\_\_

3      We do confirm validity of demarcation and survey works conducted on the land parcel  
specified above:

Land Parcel Owner: \_\_\_\_\_

Representative of Municipality: \_\_\_\_\_

Surveyor / Representative of BT Ltd.: \_\_\_\_\_







**Fig. Section 2**

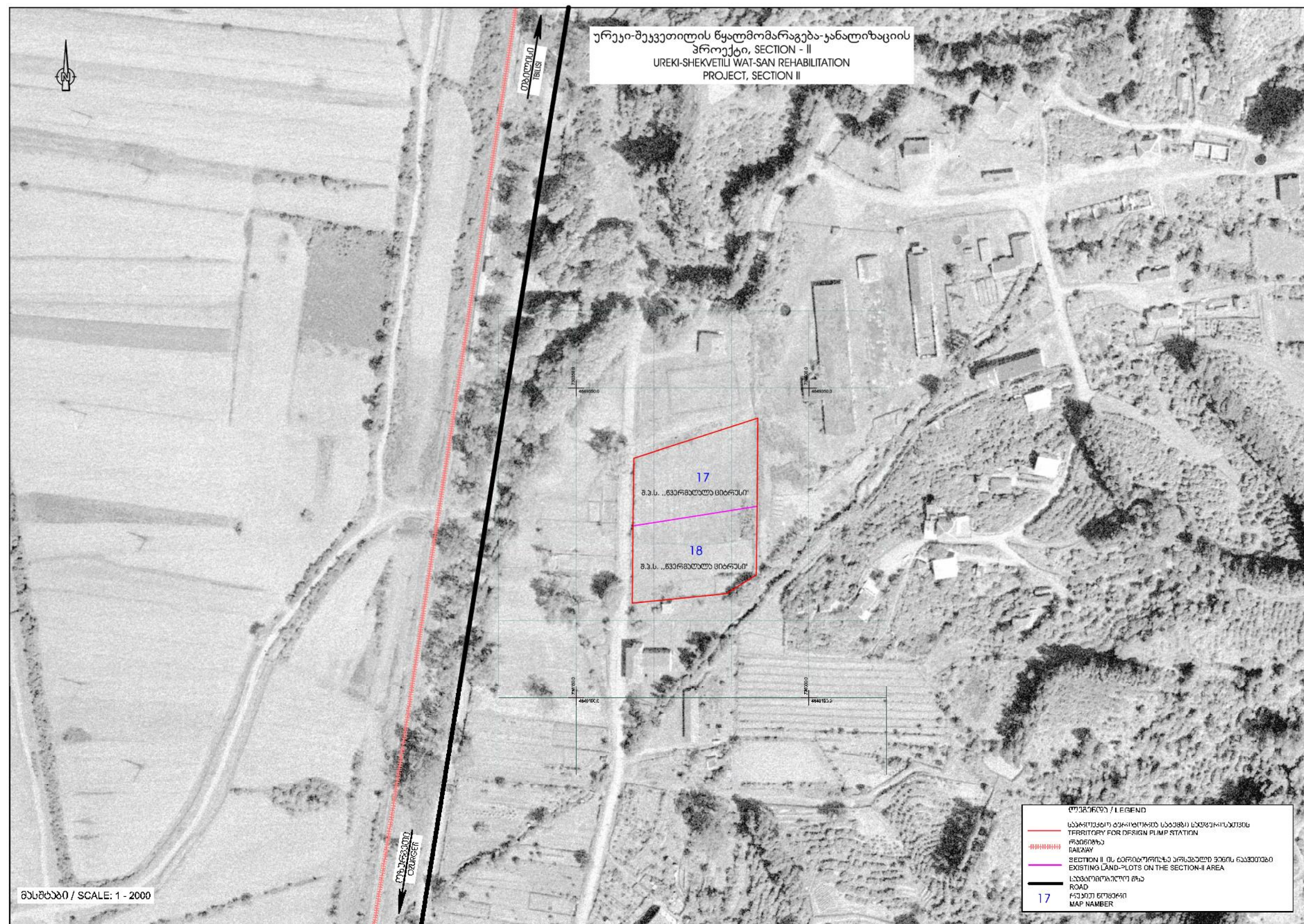




Fig.: Section 3

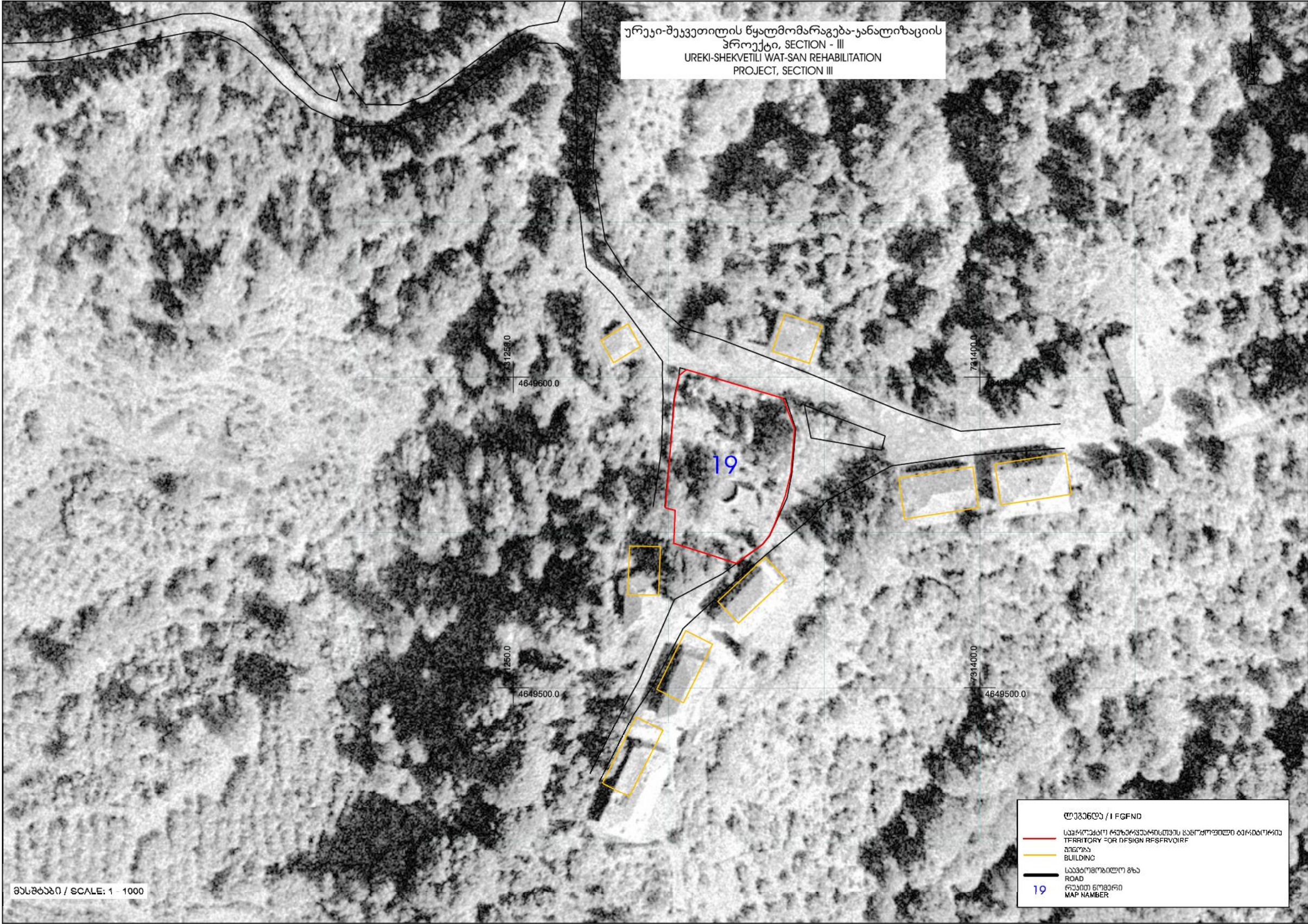
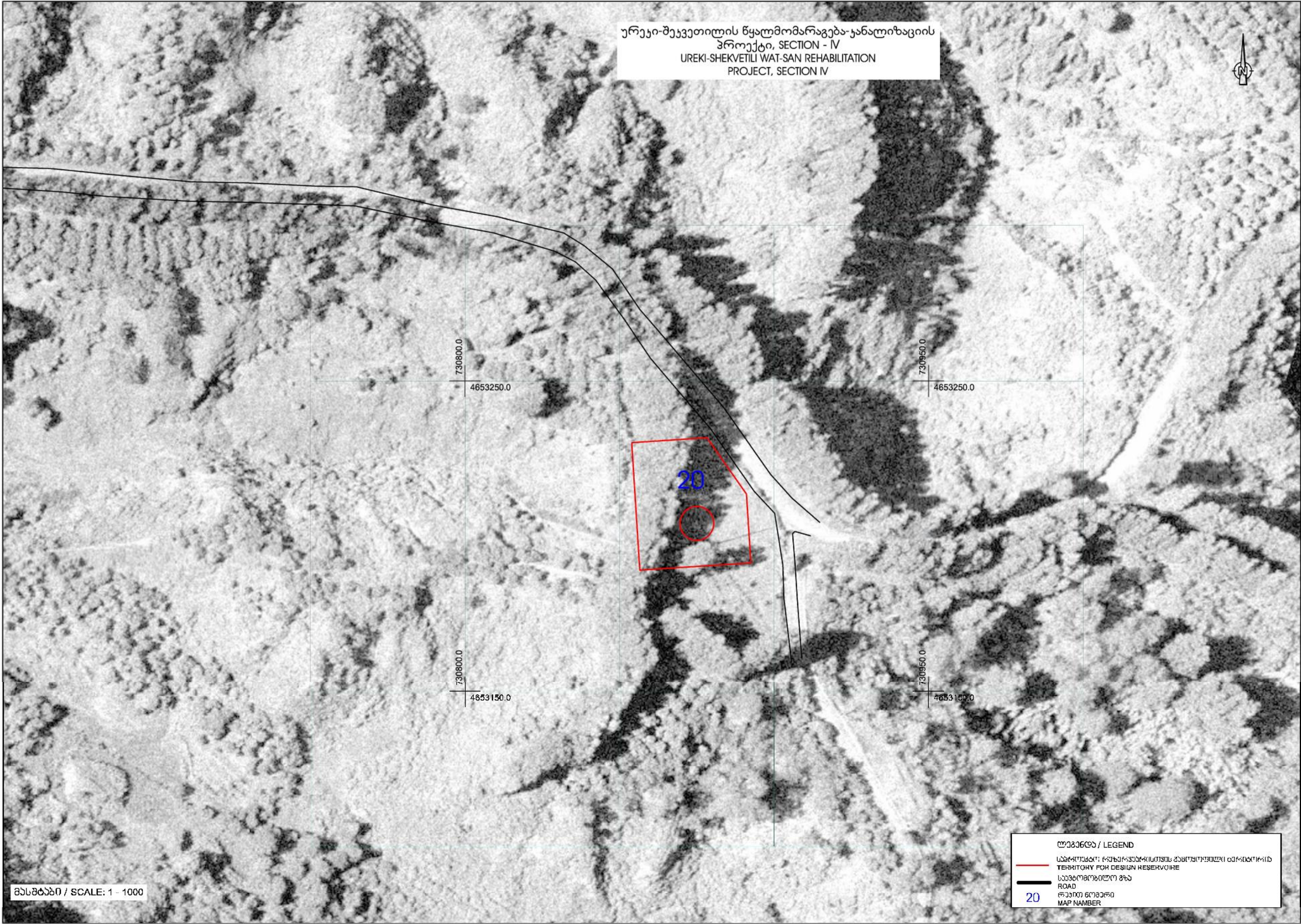




Fig.: Section 4





## Annex 5 Engineering design of the sub project

Ureki is a town in the Ozurgeti District of Georgia's Guria region and is situated in the Georgia's western part at the east coast of the Black Sea in a linear distance of around 300 km of Tbilisi. Located between the two coastal towns Poti (linear distance: 20 km) and Batumi (linear distance: 40 km), Ureki has an average geographical height of 4 meters above sea level (masl). Shekvetili, belonging to the municipality Kvemo Natanebi, is a coastal village located around 8 km south of Ureki.



### A. Water Supply

**Ureki** has an old, depleted, non-functional water supply system. This existing infrastructure has been out of operation for many years and will not be integrated into the new system. Currently, the water supply of the permanent population and the tourists is based on private wells. In **Shekvetili** there is no public water supply system at all.

The projected development for the next 27 years is focused on the development of tourism, which is already in progress. In 2012 the population of Ureki and Shekvetili was 1,700 and 400. The expected development of the population and tourists is presented in the following table.

	2012	2020	2030	2040
Population Ureki	1.700	2.154	2.894	3.889
Population Shekvetili	400	591	963	1.568
Tourists Ureki	5.000	12.846	17.106	21.111
Tourists Shekvetili	2.000	4.409	9.037	13.432

A hydraulic model of the future water supply system in Ureki was developed. New supply and pressure zones were established taking into consideration the elevation of the supply areas as well as the locations and elevations of the two new reservoirs and the new pumping station.

The new water supply system will use groundwater to supply the population of Ureki and Shekvetili. The project measures for the new water supply system will include the construction of:

- a new well field
- transmission mains
- 2 reservoirs
- 1 pumping station
- distribution network

The transmission mains, reservoirs and pumping station connect the water source with the distribution network and ensure the constant supply of the network with sufficient pressure. There are two separate distribution networks (Ureki and Shekvetili) and two reservoir sites with different elevations (112 masl, 54 masl) and area sizes. The total reservoir volume is 7,200 m<sup>3</sup>.

**Headworks.** It is planned to supply the project area from the well field Laituri near Ureki to be developed as part of this subproject. The construction of the headworks will comprise the drilling of about 12 wells and the laying of a transmission line from the well field to the new pumping station. The pumping station will serve the residential water supply zone in Ureki as well as the two reservoirs (volume 2 x 3,000 m<sup>3</sup> and 1 x 1,200 m<sup>3</sup>). Additional transmission mains connect the reservoirs to the water supply zones. The total lengths of the transmission mains will be 29.4 km.

**Distribution Network.** The design of the primary distribution network in Ureki and Shekvetili includes the connection of all residential and hotel areas defined for the year 2040. Its total length is around 30 km.

## B. Sewerage and Sanitation

Currently, residents of Ureki and Shekvetili depend on septic tanks, pit latrines and no sewerage system exists in the town.

The new sewer network will cover the residential and hotel zones of Ureki and Shekvetili. The drainage area is divided into three parts that are aligned in north - south direction. The average elevation is 0.60 masl, the minimum -1.90 and the maximum 5.80 masl. The most northern area, **Ureki**, north of the River Sepa, has an area of 303 hectare. The general flow direction, which follows the slightly marked ground slope, is from north to south, towards the planned site of the wastewater treatment plant. **Shekvetili** is south of the River Sepa, with an area of 222 hectare. Shekvetili beach has a size of 91.5 hectare. The longitudinal extension of the project area amounts 9.8 kilometres.

As the area is very flat, with hardly any slope, it is not possible to design a sewer network with only gravity flow and without a number of pumping stations. In order to avoid significant dewatering of trenches during construction works, an average depth of 1.50 to 2.00 meter is applied for the sewer pipes. With this approach, a total number of 31 pumping stations are required to convey the wastewater of Ureki and Shekvetili to the wastewater treatment plant.

A new wastewater treatment plant will be constructed between Ureki and Shekvetili. The plant will be designed for 6,570 m<sup>3</sup>/d and effluent parameters will meet Georgian and EU regulations. Project 3 will include the first stage of the WWTP with a average wastewater flow of 3,284 m<sup>3</sup>/d. The Black Sea is considered sensitive water bodies and N and P removal will be foreseen. The activated sludge technology with an extended aeration is proposed in the preliminary design.