

Social Monitoring Report

Compliance Report No. 4
Land Acquisition and Resettlement Plan
August 2019

GEO: Batumi Bypass Road Project
Financed by the Asian Development Bank and Asian
Infrastructure Investment Bank

LAR covered in LARP Section 2 (km 12+830 – km 13+340) and
Addendum No. 2 to LARP

Prepared by the External Monitoring Consultant for the Roads Department of the Ministry of
Regional Development and Infrastructure of Georgia and the Asian Development Bank.

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CONTENTS

I.	Introduction	5
II.	Background.....	5
1.	Implementation Status of LARP 2.....	5
2.	Scope and the objective of this Compliance Report.....	6
3.	Methodology.....	6
III.	Compliance with LARP Compensation	9
1.	Entitlements	9
2.	Corrections to the LARP	11
3.	Land	12
a)	Comparison with LARP	12
b)	Compliance.....	15
4.	Buildings and Structures.....	15
a)	Comparison with LARP	15
b)	Compliance.....	16
5.	Crops	16
a)	Comparison with LARP	16
b)	Compliance.....	17
6.	Businesses and Employment	17
a)	Comparison with LARP	17
b)	Compliance.....	18
7.	Allowances	18
a)	Severe Impacts Allowance.....	18
b)	Relocation Allowance.....	19
c)	Vulnerability Allowance	19
d)	Compliance.....	20
8.	Additional Compensation.....	20
IV.	Grievances	21
V.	Information Dissemination and Public Consultations.....	23
VI.	Expropriation	24
VII.	Status of Evacuation.....	25
VIII.	Survey of APs.....	25
1.	Satisfaction Survey.....	25
2.	Use of Compensation	26
e)	Demographic Information of Respondents	29

IX. Lessons Learned.....	30
X. Conclusion AND RECOMMENDATIONS.....	31
Annex #1.....	32
Table 1 – Distribution of Study Sample	8
Table 2 – Entitlement Matrix.....	9
Table 3: Summary of Calculated vs. Actual Impacts	12
Table 4 – Land Categories.....	13
Table 5 – Overall Land Impacts and Compensation (Partial Section 2 (km 12+830 – km 13+340))	14
Table 6: Reconciliation of Land Impacts.....	14
Table 7: Changes in number of AHs	15
Table 8 – Overall Compensation for Structures (Partial Section 2 (km 12+830– km 13+340)) ..	15
Table 9 – Changes in Number of AHs compensated for structures	16
Table 10 – Compensation for Annual Crops (Partial Section 2 (km 12+830– km 13+340))	16
Table 11 – Compensation for Perennial Crops (Partial Section 2 (km 12+830– km 13+340)) ...	17
Table 12 – Compensation for Income Loss (Partial Section 2 (km 12+830– km 13+340)).....	18
Table 13 – Compensation for Employment (Partial Section 2 (km 12+830– km 13+340)).....	18
Table 12 – Allowance for Severe Impact (Partial Section 2 (km 12+830– km 13+340)).....	18
Table 13 – Allowance for Physical Relocation (Partial Section 2 (km 12+830– km 13+340))	19
Table 14: Reconciliation of Vulnerability Allowances.....	19
Table 15 – Summary of Vulnerability Allowances (Partial Section 2 (km 12+830 – km 13+340))	20
Table 16 – Grievance Resolution Process	21
Table 17 – Grievance Log.....	23
Figure 1 – Utilization of Compensation.....	26
Figure 2 – Primary Utilization of Compensation.....	26
Figure 3 – Largest Share of Compensation Utilised	27
Figure 4: Assessment of Quality of Life of APs after the Project (<i>Question: Overall how would you assess your quality of life after the project?</i>)	28
Figure 5 - Utilization of Compensation – APs with severe impact on their livelihoods.....	28
Figure 6 – Profile of inquired APs.....	30

List of Abbreviations

ADB	Asian Development Bank
AH	Project Affected Household
AP	Project Affected Person
CR	Compliance Report
CR1	Compliance Report No 1 (km 6+700 – km12+830)
CR2	Compliance Report No 2 (km 1+750 – km 2+250)
CR3	Compliance Report No 3 (km 0+000 – km 0+750; km 2+250 – km 6+700)
CR4	Compliance Report No 4 (km 12+830 – km 13+340)
CR5	Compliance Report No 5 (km 0+850 – km 1+1750)
DMS	Detailed measurement survey
EMC	External Monitoring Consultant
GEL	Georgian Lari
GOG	Government of Georgia
GRC	Grievance Redress Committee
IA	Implementing Agency
EMC	External Monitoring Consultant
Km(s)	Kilometer(s)
LAR	Land acquisition and resettlement
LARF	Land acquisition and resettlement framework
LARP	Land acquisition and resettlement plan
M&E	Monitoring and Evaluation
MFF	Multitranches Financing Facility
MOF	Ministry of Finance of Georgia
MRDI	Ministry of Regional Development and Infrastructure
NAPR	National Agency of Public Registry
PPTA	Project Preparation Technical Assistance
RD	Roads Department of Georgia
RDMRDI	Roads Department of the Ministry of Regional Development and Infrastructure
R&R	Resettlement and Rehabilitation
RD	Roads Department
RDRD	Road Development and Resettlement Division
ROW	Right of Way
RU	Resettlement Unit
SES	Socio-economic survey
SPS	Safeguard policy Statement

I. INTRODUCTION

1. The Government of Georgia (GOG) has received a loan (USD 228 million) from the Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank (AIIB) for implementing the Batumi Bypass Road Project (the Project), including construction a new two-lane bypass road of 13.7 km skirting Batumi. Construction activities for the Batumi Bypass entail land acquisition and resettlement (LAR). To satisfy the ADB Safeguards Policies Statement Update of 2009 (SPS 2009) the Roads Department of the Ministry of Regional Development and Infrastructure of Georgia (RDMRDI) - the Program Implementing Agency (IA), has prepared two implementation-ready Land Acquisition and Resettlement Plans (LARP) for both Section 1 (km 0.0 – km 6.7) and Section 2 (km 6.7 – km 13.7) of the Batumi bypass road alignments under Road corridor investment program Batumi bypass.
2. The LARP Section 2 (km 6+700– km 13+340) was approved by ADB as fitting the requirements of the SPS 2009 on December 22, 2016. Later, Addendum No 1 to LARP Section 1&2¹ (dated September 28, 2017) was prepared and approved by ADB to address the additional information as well as changes in the LARP Section 1&2. LARP implementation started in December 15, 2016. This compliance report refers to issues pertaining to the implementation of LARP 2.

II. BACKGROUND

1. Implementation Status of LARP 2

3. The implementation of LARP 2 and the compensation to the AP under the LARP is virtually completed. Only 1 AHs is yet to be compensated. AP compensation has been fully delivered in all other road segments under LARP 2 (km 12+830 – km 13+340).

¹ Addendum No1 includes properties from both LARP Section 1 and LARP Section 2, but this report considers only that part of LARP 2 from km 6+700 km to 13+340 km and the Addendum relevant to the same part of Section 2.

2. Scope and the objective of this Compliance Report

4. This Compliance Report No 4 (CR4)² is prepared by the External Monitoring Consultant (EMC) hired by the Road Department of Georgia with two objectives: a) document LARP implementation compliance along the road segments (km 12+830– km 13+340) where LARP implementation has been completed and; b) inform the request to ADB for a letter of no-objection to early civil works implementation in those road segments³.
5. This compliance report covers all affected areas of the road between km 12+830– km 13+340, covered by the LARP for Batumi Bypass Section 2 and its Addendum. Throughout this report, this section will be referred to as Section CR4.

3. Methodology

6. The external monitoring process entailed triangulated approach for monitoring of LARP preparation, implementation and post-implementation activities. In order to assess whether the resettlement has been implemented as stipulated in LARP, desk review (secondary data analysis) and field surveys (face to face, in-depth interviews) were conducted.
7. The information about the compensations paid to DPs were collected from 4 different sources. (1) **initial detailed compensation matrix** prepared in scopes of the LARP that includes the planned compensations for the DPs. (2) The **final compensation matrix** used by RDMRDI in the process of the implementation (the final compensation tables are similar to initial compensation tables, although the final ones include all revisions of the compensations occurred during the implementation process). (3) **Contracts with DPs – Prepared by RD** that represents the full list of contracts signed in scopes of the LARP (4) **Payment Orders** – The payment orders represent the list of the payments done by RDMRDI financial department, the list includes the amount transferred to DPs, as well as the date of the payment.

² The Compliance Report No 1 (CR1), the Compliance Report No 2 (CR2), the Compliance Report 3 (CR3) and the Compliance Report 5 (CR5) was prepared for monitoring and evaluation of the implementation of land acquisition and resettlement (LAR) of Batumi bypass Section 2 (6+700km – 12+830km – CR1) and Section 1 (1+750 km – 2+250 km – CR2); (0+000 km - 0+750km & 2+250km - 6+700 – CR3); (0+850 km - 1+750 km - CR5) in accordance and compliance with the Land Acquisition and Resettlement Plan (LARP) and its Addendum relevant to the above-mentioned section. CR1 dated April 2018, CR2 dated May, 2018, CR3 dated June 2018, CR5 dated December, 2018 is reviewed and approved by ADB and Roads Department of the Ministry of Regional Development and Infrastructure of Georgia.

³ The Compliance Report aims to determine whether the compensation program has been carried out based on the provisions of the LARP, Georgian laws and ADB policy, and with confirmation of displaced persons (DP) satisfaction. A goal of external monitoring is also to assess relevance, efficiency, effectiveness and impact of the LAR processes and to suggest any corrective measures if necessary. The ADB accepted and approved LARP Compliance Report for any agreed section of the road is a precondition to the commencement of civil works in the section to which it pertains.

8. The satisfaction survey was done using two data collection methods – (1) quantitative and (2) qualitative studies.
9. **Quantitative Study** employed face to face interviews with DPs using the structured questionnaire. DP Satisfaction Survey was conducted with 36% of the DPs. The selection was done by random selection method⁴ ensuring that all the DPs (compensated cases) had equal chance to be included in the sample. The random sampling procedure ensured that the DPs with various type of impacts (severely impacted, receiving allowances) were included in the sample proportional to their size in the total DPs. The interviews were administered via CAPI (Computer Assisted Personal Interviewing). Oversampling of vulnerable AHs was done in order to achieve 100% sample of the vulnerable AHs.
10. Beside the main sample, replacement lists were also prepared applying the same sampling method prior to the quantitative survey fieldworks in order to ensure timely and proportional replacement of respondents, if the selected AP could not be reached or refused to participate in the study. All the contacted APs were willing to cooperate, however some of them were not available during the survey period.
11. Table 1 below describes the sample distribution of AHs interviewed during the study.

⁴ Simple random sampling is the basic sampling technique where we select a group of subjects (a sample) for study from a larger group (a population). Each individual is chosen entirely by chance and each member of the population has an equal chance of being included in the sample. Every possible sample of a given size has the same chance of selection. Random sample reflects the characteristics of the population, so those sample findings can be generalized to the population.

Table 1 – Distribution of Study Sample

Type of Impact	All APs	% of Impact Types in all APs	Inquired APs (FTF Interviews)	% of Impact Types in inquired APs
Land parcels / area of Land to be acquired	270	100%	99	37%
Structures	273	75%	102	37%
Affected trees	90	89%	45	50%
Affected crop	30	10%	17	57%
Vulnerable HHs	65	5%	25	38%
Women Headed HHs	44	3%	17	57%
HHs subject to physical relocation	247	28%	91	37%
Severely Affected HHs	260	90%	101	39%
TOTAL NUMBER of APs	285		104	36%

12. Qualitative Study included the in-depth interviews with the DPs using the unstructured guide. Due to the large number of the DPs affected by the project, limited timeline of the monitoring and the specifics of the qualitative data collection method in-depth interviews were conducted with 10% of DPs particularly focusing at vulnerable or other cases requiring the clarifications. In total, five APs from the grievance log, six severely affected households, six APs who required physical relocation and five women headed households were interviewed in the frames of qualitative study. 12 of respondents were male APs and 10 of them female APs. Besides, in-depth interviews were conducted with four employees of the Roads Department of the Ministry of Regional Development and Infrastructure.
13. **Additional study** was carried out to confirm that the households defined as women headed households in LARP are actually headed by a woman.
14. Grievance log prepared by RDMRDI was reviewed in order to understand the nature of the registered grievances and the follow up actions taken by the RDMRDI. Apart from **desk review** (including grievance log, public consultation documents) random sample⁵ of APs (5 APs) who registered the grievances were interviewed in order to assess the satisfaction and the effective functioning of the mechanism.

⁵ According to EM ToR requirement 20% of APs who registered grievances should be selected for the interviews, however due to the small number of cases 5 out of 8 APs were interviewed during the monitoring process.

III. COMPLIANCE WITH LARP COMPENSATION

1. Entitlements

15. The entitlement matrix as specified in the approved LARP is reproduced in the following pages.

Table 2 – Entitlement Matrix

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
Land			
Permanent loss of agricultural land	AP losing productive land regardless of impact severity	Owner with full registration	Cash compensation at full replacement cost. If the residual plot becomes unviable for cultivation, the project will acquire it if the owner so desires.
		Legalizable Owner Owner with legalizable land, the land occupied by a house or located close to the house that is currently untitled, but is occupied by users who were legitimate land leasers under old Soviet land administration system. APs with title formalization pending or APs who have residential land.	The ownership rights of these APs will be recognized by the project, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.
		APs who are not registered but legitimately use land not adjacent to residential plots	These will not be registered in NAPR. However the APs will be provided with cash compensation for land at full replacement cost, according to the Decree of the Government of 01.03.2011.
		APs that are not legitimate land users or squatters (these are APs who were not land leasers under the old system or occupy a plot illegally)	One time self-relocation allowance in cash equal to 12 months at minimum subsistence (*) (321 GEL per month x 12 months = 3852 GEL / AH).
		Agricultural Tenant	One time self-relocation allowance in cash equal to 12 months at minimum subsistence (*) (321 GEL per month x 12 months = 3852 GEL / AH).
Non-Agricultural Land	AP losing their commercial/ residential land	Owner with full registration	Cash compensation at full replacement cost. If the residual plot becomes unviable for residential or commercial use, the project will acquire it if the owner so desires.
		Legalizable Owner APs with title formalization pending or APs who have residential land or agricultural	The ownership rights of these APs will be recognized, the land registered in NAPR and the APs provided with cash compensation at full replacement cost.

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
		plots adjacent to the residential land	
		Non-legalizable land users (APs without registration/valid documents using land permanently)	One time self-relocation allowance in cash equal to 12 months at minimum subsistence (*) (321 GEL per month x 12 months=3852 GEL / AH).
Buildings and Structures			
Residential and non-residential structures/assets		All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	Full impact: Cash compensation for building/structures losses at full replacement costs free of depreciation and transaction costs Partial impact: repairs compensation.
Loss of Community Infrastructure/Common Property Resources			
Loss of common property resources	Community/Public Assets	Community/Government	Reconstruction of the lost facilities and structures and reinstatement of services in consultation with community and restoration of their functions
Loss of Income and Livelihood			
Crops	Standing crops affected or affected agricultural land, used permanently for crop cultivation.	All APs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at market rate (corresponds to gross crop value of expected harvest)
Trees	Trees affected	All APs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees (based on the expected yield of the tree, multiplied by the number of years required to grow a tree of equivalent productivity).
Business/Employment	Business/employment loss	All APs regardless of legal status (including legalizable and Informal Settlers)	Owner: (i) <u>permanent impact</u> cash indemnity of 1 year net income; (ii) <u>temporary impact</u> cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, minimum subsistence (*). Permanent worker/employees: indemnity for lost wages equal to 3 months of minimum subsistence. (321

Type of Loss	Application	Definition of AH/APs	Compensation Entitlements
			GEL per month x 3 months=963 GEL / AH)
Allowances			
Severe Impacts	(i) 10% or more loss in income or productive assets (ii) physically relocated AHs	All severely AHs including informal settlers	Agricultural income: 1 additional crop compensation for 1 year's yield of affected land or an allowance covering 3 months of minimum subsistence (*) (321 GEL per month x 3 months = 963 GEL / AH)
Relocation/Shifting	Transport/transition costs	All AHs to be relocated	An allowance covering transport and livelihood expenses for the transitional period. (200 GEL as vehicle hire charge + 321 GEL per month x 3 months =1163 GEL/AH)
Vulnerable People Allowances		All AHs qualifying as vulnerable	Allowance equivalent to 3 months of minimum subsistence (*) and employment priority in project-related jobs (321 GEL per month x 3 months = 963 GEL / AH)
Temporary impacts during construction		All APs	Due compensation to be assessed and paid when the impacts are identified based on the above provisions.

2. Corrections to the LARP⁶

16. It was planned that 1143 plots (384,044 sq.m) will be affected under the LARP Section 2 and 22 plots (39,983 sq.m.) under its Addendum. 3 land plots were newly added in the Addendum. The rest of the land plots were included both in the Addendum and the LARP as only the impact area had been revised on the stage of Addendum preparation. Before the LARP implementation start, 22 land plots were united in 11 land plots as a result of re-registration.
17. As a result, planned impact under the LARP and Addendum for Section 2 without double calculation became 1135 plots/388688 m² on the moment of LARP implementation.
18. During the LARP preparation, all land plots even though being under same ownership/user were inventoried separately due the unclear borders, overlaps between the lands, etc. During the implementation IA corrected all overlaps and borders; RD also measured impacted area of the land plots based on the request of APs. The changes in the number of the land plots pertains to uniting the several land plots in one land plot under the same ownership/user, while the changes in the impacted area pertains to additional studies performed during the implementation process.

⁶ In this document, unless otherwise specified, LARP refers to LARP for section 1.

19. The relevant Section 2 and its addendum (km 12+830 – km 13+340) of the project impacted 517 (94 156 sq.m.) land plots, out of this 517 land plots 474 land plots (86 020 sq.m.) are covered in this CR (CR4).
20. The following table below represents the number and the impacted area of the land plots, as well as the number of AHs included in LARP Section 2, its Addendum and the corresponding numbers covered under CR4.

Table 3: Summary of Calculated vs. Actual Impacts

	No of Land plots	Number of AHs/LEs	Impacted Area	AH/LE with Physical Relocation	Vulnerable AHs
Section 2 (km 6+700– km 13+340) calculated in the LARP (A)	1143	402	384,044	300	183
Section 2 calculated Addendum (B)	22	11	39,983	1	3
Entire Section 2 (km 6+700 km – km 13+340) calculated in the LARP and Addendum (without double counting) (A+B)	1135	400	388,688	298	185
Partial Section 2 (km 12+830– km 13+340) calculated in the LARP and Addendum without double calculation/CR4	517	225	94 156	242	110
Partial Section 2 (km 12+830– km 13+340) actually implemented/CR4	474	270/including 4 legal entities ⁷	86 020	248	65

21. The following subsections describe the compensation measures stipulated in LARP in comparison to the actual compensation tallies. Sub sections include land compensations, compensations for perennial and annual crops, residential houses/apartments, auxiliary structures as well as fences. The section also covers the comparison between the allowances (allowances were entitled to vulnerable AHs, losing more than 10% of the assets/severe impact and allowance for relocations costs in case of losing the residential house/apartment) stipulated in LARP and the compensations already delivered to the AHs.

3. Land

a) Comparison with LARP

22. This CR4 covers 474 land plots with total area of 86 020 sq.m. under ownership/usage of 270 AHs.

23. The table below describes the land categories and the unit rates of each type of land as stipulated in LARP Section 2.

⁷ Apart from these 270 AHs including 4 legal entities there are 4 AHs and 6 legal entities who do not own the land, but project affected their residential or other structures or business. Information about these households/legal entities can be found in chapter 4. *Buildings and Structures* and chapter 6. *Business and Employment*.

Table 4 – Land Categories

No	Land Categories	Unit rate (GEL/sq. m)
1	This category corresponds to 5(3) of LARP 1. The land plots of this category are located at the eminence part of the slope with sea view, the status of the land is agricultural but the land plots have residential perspective. The land parcels are accessible by means of the internal village road. Distance to the existing mainline road is 0 km-6.2 km, Distance to Batumi is 3.5 km.	72
2	Assessed objects are located in commercially developed zone, where aggregate processing facilities are established and has wide access road directly accessible from central highway (Batumi-Khelvachauri).	176
3	Land plots are located on the opposite side of the road (with respect to land category 2), mostly occupied by dwelling houses, are not commercially attractive, in front of them is located green (recreational) area under governmental ownership, with multi-year grown vegetation, therefore land plots are not directly accessible from the central highway.	131

24. The table below describes the compensation for the land as planned under the LARP and its addendum versus the implementation of the LARP. According to LARP and its addendum, the number of the land plots under this CR4 were 517, although the according to compensation database the number of the land plots decreased to 474. Out of 474 land plots 473 have been fully compensated. The property of an AH omitted from the inventory studies is now compensated and is included in all calculations.
25. There was an ongoing court process for 2 land plots owned by 1 AH for the ownership of the affected property between AH and limited liability company. The AH removed the suit from the court, the aim of removal was the opportunity to apply to land recognition committee. During the court process the property was seized by the case; removal of the suit created the opportunity of registering the land in state ownership. After the registration AH applied to the land recognition committee for its rights. The committee reviewed the case and did not recognize the rights of the AH on these land plots. Since the land is not recognized nor registered on AHs name, RD offers AH the compensation for buildings and other assets (residential building and perennial crops) located on the land. AH intends to reapply to the court and continue the case. During the construction civil work contractor will have no access to these particular land plots and all civil works will pass by and will not affect the properties. All compensations still to be delivered will be kept on project account. These land plots owned by 1 AH can be seen in Annex #1 to CR4 (plot # 809-01;809-02).

Table 5 – Overall Land Impacts and Compensation (Partial Section 2 (km 12+830 – km 13+340))

LARP/Addendum Database/CR4						Compensation Database/ CR4				Actual delivered/ CR4				Remaining/ CR4			
Land Category	Unit Rate	Plots No.	AH/LE No.	Impact area	Comp. (GEL)	Plots No.	AH/LE No.	Impact area	Comp. (GEL)	Plots No.	AH/LE No.	Impact area	Comp. (GEL)	Plots No.	AH/LE No.	Impact area	Comp. (GEL)
1	72	1	1	107	7704	-	-	-	-	-	-	-	-	-	-	-	-
2	131	483	217	49537	6489347	301	460	320	48877	460 ⁸	319	48877	6437740	0	0	0	0
3	176	33	9	44512	7834112	14	7	37143	6537168	12	6	33731	5936656	2	1	3412	600512
Total	-	517	225	94156	14331163	474	266/4	86020	12935235	472	265/4	82608	12374396	2	1	3412	600512

26. The difference between the impacted area planned under LARP and its addendum and implementation of LARP under partial section 2 (km 12+830– km 13+340) is 15 560 sq.m.; the difference is caused by additional studies⁹ performed during the implementation process of LARP. Details of specific changes are described in the table below.

Table 6: Reconciliation of Land Impacts

	AH/LE	No. Plots	Area (m2)
Partial Section 2 (km 12+830– km 13+340) calculated in the LARP and Addendum without double calculation/CR4	225	517	94 156
Partial Section 2 (km 12+830– km 13+340) actually implemented/CR4	270	474	86 020
Decreases:			-15 560
Technical errors in inventory studies in respect to measurements	24	73	-7763
Technical errors in inventory studies in respect to owners	3	10	-605
Condominiums compensated by member AHs	10	50	-7192
Increases			7 424
Technical errors in inventory studies in respect to measurements	43	62	2682
Technical errors in inventory studies in respect to owners	23	41	1064
Condominiums compensated by member AHs	59	87	3678
Total (94456 – 15560 + 7424 = 86020)			

27. There is a difference between the number of AHs, there were inaccuracies in respect to owners in the inventory studies, that were eliminated during the implementation phase. Properties owned by condominiums inventoried as a single entry was distributed among the condominium members, although no new AHs were identified since all condominium members were already affected by the project, thus included in the inventory studies due to other affected assets.

⁸ 3 land plots owned by 1 AH (805 m²) have changed the unit value based on the additional valuation done by Colliers International. Instead of GEL 131 per m², the compensation unit rate for these 3 land plots is GEL 180, 28. The total amount of compensation for these land plots is included in the total compensation delivered to land plots of 2nd category.

⁹ Additional Studies were performed by Geographic based on the request of IA.

Table 7: Changes in number of AHs

	N of AHs/LEs	
Partial Section 2 (km 12+830– km 13+340) calculated in the LARP and Addendum without double calculation/CR4	225	
Partial Section 2 (km 12+830– km 13+340) actually implemented/CR4	270	
Reasons:	Decrease	Increase
Technical errors in inventory studies in respect to measurements	-24	43
Technical errors in inventory studies in respect to owners	-3	23
Condominiums compensated by member AHs and property distributed among condominium members	-10	59
Total (225 - 37 + 119 = 270)		

b) Compliance

28. For the section covered by this CR4, all compensation for land has been paid in accordance with the approved LARP and its Addendum, and in accordance with the requirements of SPS 2009 except the 2 land plots belonging to 1 AH described above.

4. Buildings and Structures

29. The LARP stipulates that residential, auxiliary buildings and commercial buildings were planned to be compensated. Although the LARP described the type of the buildings with associated areas, the final compensation tables, and also the contracts, only describe the total amount delivered to the AHs for the structures per land plots.

a) Comparison with LARP

30. The table below describes the compensation for the structures as stipulated by LARP and the addendum compared to compensation database and actually delivered to AHs. As it can be seen from the table below 1 AHs are remaining to be compensated. There is an ongoing court process for 2 land plots (building is located on plot # 809) owned by 1 AH for the ownership of the affected property between AH and limited liability company. The building will be avoided during the construction. Valuation for the property of 1 AH missing from the inventory studies has been completed and the property is now compensated.

Table 8 – Overall Compensation for Structures (Partial Section 2 (km 12+830– km 13+340))

<i>LARP/Addendum Database/CR4</i>		<i>Compensation Database/ CR4</i>		<i>Actual delivered/ CR4</i>		<i>Remaining/ CR4</i>	
<i>N of AHs</i>	<i>Compensation GEL</i>	<i>N of AHs/LEs</i>	<i>Compensation GEL</i>	<i>N of AHs/LEs</i>	<i>Compensation GEL</i>	<i>N of AHs/LEs</i>	<i>Compensation GEL</i>
274	19 186 582	267/6	19 419 240	266/6	19 146 490	1	202 694

31. The difference between the compensations for structures is caused by technical inaccuracies performed during the inventory studies that were later corrected during the implementation phase.

32. There are minor changes in the number of AHs to be compensated for the structures. LARP identified 274 AHs although during the LARP implementation 273 AHs were compensated for the structures, there was a technical inaccuracy in case of 1 AH, other details can be seen in the table below.

Table 9 – Changes in Number of AHs compensated for structures

	N of AHs/LEs	
Partial Section 2 (km 12+830– km 13+340) calculated in the LARP and Addendum without double calculation/CR4	274	
Partial Section 2 (km 12+830– km 13+340) actually implemented/CR4	273	
Reasons	Decrease	Increase
Technical errors in inventory studies in respect to owners		2
Condominium property distributed among condominium members	-5	2
Total (274-5+4=273)	-5	4

b) Compliance

33. For the section covered by this CR4, all compensation for structures has been paid in accordance with the approved LARP and its Addendum, and in accordance with the requirements SPS 2009, except the 1 AH described above.

5. Crops

a) Comparison with LARP

34. The LARP and Addendum envisaged GEL 1229 for annual crops for 29 AHs, GEL 1236 was distributed among 30 AHs during the LARP implementation process for annual crops. The difference between the compensation of perennial crops is GEL 7; there is a difference between the number of the AHs as well although these differences are caused by the technical inaccuracies during the inventory studies that were later corrected during the implementation on the LARP based on AHs request. As it can be seen from the table below none of the AHs are remaining to be compensated for the annual crops.

Table 10 – Compensation for Annual Crops (Partial Section 2 (km 12+830– km 13+340))

LARP/Addendum Database/CR4		Compensation Database/ CR4		Actual delivered/ CR4		Remaining/ CR4	
N of AHs	Compensation GEL	N of AHs/LEs	Compensation GEL	N of AHs/LEs	Compensation GEL	N of AHs/LEs	Compensation GEL
29	1229	30	1 236	30	1236	0	0

35. The LARP and Addendum envisaged GEL 166 431 for perennial crops for 89 AHs, GEL 170 475 was distributed among 89 AHs during the LARP implementation process for perennial crops. The difference between the compensation of perennial crops is GEL 4 906 caused by the technical inaccuracies during the counting of the trees that were later corrected during the implementation on the LARP. As it can be seen there is only 1 AH still to be compensated for the loss of trees due to the project.

Table 11 – Compensation for Perennial Crops (Partial Section 2 (km 12+830– km 13+340))

LARP/Addendum Database/CR4		Compensation Database/ CR4		Actual delivered/ CR4		Remaining/ CR4	
N of AHs	Compensation GEL	N of AHs/LEs	Compensation GEL	N of AHs/LEs	Compensation GEL	N of AHs/LEs	Compensation GEL
89	166 431	89/1	171 337	88/1	170 475	1	862

36. The difference between the number of the households is caused by technical errors done during the inventory studies. Particular AH was assigned the trees that were actually belonging to other AH impacted by the project.

b) Compliance

37. For the section covered by this CR4, all compensation for annual and perennial crops has been paid except 1 AH described above in accordance with the approved LARP and its Addendum, and in accordance with the requirements of SPS 2009.

6. Businesses and Employment

a) Comparison with LARP

38. The LARP estimated that construction of the road would affect 13 private companies, out of which 12 was subjected to permanent impact, while 1 will was subjected to temporary impact (expected duration of the impact was 3 months). Additionally, Addendum to LARP estimated 4 additional businesses. In total LARP and the Addendum estimated 18 businesses to be affected. During the course of implementation of the project the inventoried businesses were revisited and their income and salary compensations were recalculated according to the entitlement matrix as per LARP. Correction to the LARP and the Addendum database were done.

39. The LARP and the Addendum, as well as compensation database estimated that 15 businesses would be affected by the project. Actually, the compensation for income loss was delivered to 10 businesses, since others could not provide any documentation proving the operations and income of the businesses.

40. Out of 5 non compensated businesses there was 1 AH is fully compensated for all affected assets, except for compensation of business since no income evidence could be provided (this AH was using flat rate taxation system according to Georgian legislation); such cases are entitled to receive compensation equal to GEL 963 as per LARP; The AH refused to receive the compensation amount as stipulated in LARP and vacated the land plot.

41. The case of one tenant performing a business activity on the land affected by the project could not provide the positive net income declaration for the year to be compensated (2015, the cut-off date as per LARP is 25 April 2016). The tenant provided positive net income declaration for the year of 2016. RDMRDI has studied the case and has compensated the business owner as recommended by ADB according to the income declaration of 2016. The business compensations for the affected business totaled GEL 3677,70. The affected business was also provided with the allowance for relocation (see chapter 6. Allowances/ b) Relocation Allowance).

Table 12 – Compensation for Income Loss (Partial Section 2 (km 12+830– km 13+340))

<i>LARP/Addendum Database/CR4</i>		<i>Compensation Database/ CR4</i>		<i>Actual delivered/ CR4</i>		<i>Remaining/ CR4</i>	
<i>N of Legal Entities</i>	<i>Compensation GEL</i>	<i>N of Legal Entities</i>	<i>Compensation GEL</i>	<i>N of Legal Entities</i>	<i>Compensation GEL</i>	<i>N of Legal Entities</i>	<i>Compensation GEL</i>
15	647423	15	656626	10	897671	0	0

42. The LARP and the Addendum estimated 15 businesses whose employees would be affected by the project. The compensation database was refined prior to implementation and the number of affected business was reduced to 14 (the reduce was caused by technical inaccuracies during the inventory study). Actually, the compensation was delivered to employees of two businesses, since others could not provide any documentation of employed persons.

Table 13 – Compensation for Employment (Partial Section 2 (km 12+830– km 13+340))

<i>LARP/Addendum Database/CR4</i>		<i>Compensation Database/ CR4</i>		<i>Actual delivered/ CR4</i>		<i>Remaining/ CR4</i>	
<i>N of Legal Entities</i>	<i>Compensation GEL</i>	<i>N of Legal Entities</i>	<i>Compensation GEL</i>	<i>N of Legal Entities</i>	<i>Compensation GEL</i>	<i>N of Legal Entities</i>	<i>Compensation GEL</i>
15	876177	14	821438	2	76963	0	0

43. All income loss and employment compensation was delivered to the affected business and its employees covered in this section (CR4).

b) Compliance

44. For the section covered by this CR4, all compensation for businesses has been paid in accordance with the approved LARP and its Addendum, and in accordance with the requirements of SPS 2009.

7. Allowances

45. According to the LARP there are 3 kinds of allowances applicable to this CR4: allowances for severe impacts, relocation/shifting, and vulnerable people.

a) Severe Impacts Allowance

46. The LARP and Addendum estimated 211 AHs as eligible for severe impact allowance.

47. 259 AHs eligible for severe impact allowance provided with the allowances during the implementation phase.

Table 14 – Allowance for Severe Impact (Partial Section 2 (km 12+830– km 13+340))

<i>LARP/Addendum Database/CR4</i>		<i>Compensation Database/ CR4</i>		<i>Actual delivered/ CR4</i>		<i>Remaining/ CR4</i>	
<i>N of AHs</i>	<i>Compensation GEL</i>	<i>N of AHs/LEs</i>	<i>Compensation GEL</i>	<i>N of AHs/LEs</i>	<i>Compensation GEL</i>	<i>N of AHs/LEs</i>	<i>Compensation GEL</i>
211	208 008	260	250 380	259	249 417	1	963

* Severe allowance was double calculated for 5 AHs.

b) Relocation Allowance

48. The LARP and its Addendum identified 242 AHs eligible for physical relocation allowance. During the implementation of LARP and Addendum physical relocation allowance was paid to 248 AHs.

Table 15 – Allowance for Physical Relocation (Partial Section 2 (km 12+830– km 13+340))

LARP/Addendum Database/CR4		Compensation Database/ CR4		Actual delivered/ CR4		Remaining/ CR4	
N of AHs	Compensation GEL	N of AHs/LEs	Compensation GEL	N of AHs/LEs *	Compensation GEL	N of AHs/LEs	Compensation GEL
242*	297 728	247**	297 728	250***	300054	1	1163

* Physical Relocation Allowance was calculated twice for 13 AHs.

** The number of AHs includes the AH compensated for business relocation but not included in the LARP.

***Physical Relocation Allowance was provided twice for 9 AHs.

c) Vulnerability Allowance

49. AHs were identified as vulnerable based on several criteria. According to the LARP, poor households (receiving government subsidies) and women headed households, are considered to be vulnerable households. Households with members with disabilities or people in pension age had to receive the allowance only if they were economically marginal (scored at or below 70,000 points by respective social protection agency of Georgia).

50. The LARP and its and Addendum calculated 86 AHs to be vulnerable. These 86 AHs were eligible for vulnerability allowance according to the criteria: (i) being a women headed household (24 AHs): (ii) being a household with members with disabilities or people in pension age, only in case economically marginal (15 AHs): and (iii) due to being under poverty line (47 AHs).

51. The table below describes all vulnerability allowances as planned per LARP and the addendum versus the actually compensated allowances.

Table 16: Reconciliation of Vulnerability Allowances

Partial Section 2 (km 12+830– km 13+340) calculated in the LARP and Addendum without double calculation/CR4		Partial Section 2 (km 12+830– km 13+340) actually implemented/CR4	
		Under Poverty Line	Women headed Household
Under poverty line	47	65	-
Women headed Household	24	-	-
Disabled/Old/Refugee	15	-	-
Total	110	-	-

52. There is an increase in the number of AHs eligible for different types of allowances. In case of 15 AHs were who were declared as having a member with disabilities or people in pension age or refugee were only eligible for compensation in case they were economically marginal. None of them could provide the document proving their status of being under poverty line.

53. Additional desk review as well as field study was carried out in order to recheck the eligibility for vulnerability criteria of AHs, in particular 24 AHs identified as women headed households were contacted. The LARP included the allowances for AHs if a household

claimed to be women headed. The criteria for being women headed was defined during implementation and checked against the APs¹⁰.

54. Out of 24 AHs 6 were identified as women headed household and RD has compensated these families for vulnerability.

55. In total, 85 vulnerability allowances were planned to be distributed to 85 AHs, although during the implementation phase of the project, 44 of the AHs initially identified as vulnerable and additional 6 identified as women headed households were compensated.

Table 17 – Summary of Vulnerability Allowances (Partial Section 2 (km 12+830 – km 13+340))

<i>LARP/Addendum Database/CR4</i>		<i>Compensation Database/ CR4</i>		<i>Actual delivered/ CR4</i>		<i>Remaining/ CR4</i>	
<i>N of AHs</i>	<i>Compensation GEL</i>	<i>N of AHs/LEs</i>	<i>Compensation GEL</i>	<i>N of AHs/LEs</i>	<i>Compensation GEL</i>	<i>N of AHs/LEs</i>	<i>Compensation GEL</i>
110	105 930	65	62 595	65+6=71	68 373	0	0

d) Compliance

56. For the section covered by this CR4, all compensation for severe impact and physical relocation has been paid except 1 AH described above in accordance with the approved LARP and its Addendum, and in accordance with the requirements of SPS 2009.

8. Additional Compensation

57. In addition to compensations envisaged in LARP and Addendum, land registration compensations were delivered to AHs. 24 out of 214 AHs were provided with land registration compensation equaling to GEL 1200 to register 10 land plots.

58. The registration allowance was only provided to those who had to split and re-register their registered land into several plots because of the project; also registration allowance was provided to those AHs whose registration required re-registration due to cadastral errors. Not all AHs required allowance since, AHs who have not registered their land but had legal basis for using the land did not require registration in NAPR. Under the LAPR these AHs were eligible for cash compensation at full replacement cost, according to the Decree of the Government of 01.03.2011.

¹⁰ The criteria for female headed household identification are two:
a. Direct question about the gender of the head of the household;
b. Definition based on family composition - a household with a core member who is a woman and as a breadwinner takes care of under aged (below 18) dependents or dependents without regular income regardless age.

IV. GRIEVANCES

59. According to LARP a grievance mechanism has been established to allow an AP appealing any disagreeable decision, practice or activity arising from land or other assets compensation, or any other aspect of project implementation.

60. A Grievance Redress Committee (GRC) has been established at the community level (village/community authority) to resolve complaints and grievances through community participation. The Local Grievance Redress Committee (GRC) was established on 14 June 2016, to receive written as well as verbal grievances. The GRC has been formed with representatives from RDMRDI, local Gamgeoba, APs, women APs, and appropriate local NGOs to allow voices of the affected communities to be heard and ensure a participatory decision-making process.

61. The complaints and grievances from the APs were addressed through the process described in the table below.

Table 18 – Grievance Resolution Process

Steps	Action level	Process
Step 1	Contract agreement	When during the contract discussion any grievances arise, solutions acceptable to both Rayon’s LAR Team and the APs will be sought. If any aggrieved AP is not satisfied with the solutions, the next option will be to lodge grievances to the GRC.
Step 2	GRC Resolution	<p>If the grievance is not solved at the previous level, the LAR Team will assist the aggrieved APs to formally lodge the grievances with the respective GRC. The aggrieved APs are encouraged to lodge the complaint within 1 week of failure of negotiation at village level and produce documents supporting his/her claim.</p> <p>The GRC member secretary will review the complaint and prepare a Case File for GRC hearing and resolution. A formal hearing will be held with the GRC at a date fixed by the GRC member secretary in consultation with Convener and the aggrieved APs.</p> <p>On the date of hearing, the aggrieved AP will appear before the GRC at the Gamgeoba office and produce evidence in support of his/her claim. The member secretary will note down the statements of the complainant and document all evidence.</p> <p>The decisions from majority of the members will be considered final from the GRC and will be issued by the Convenor and signed by other members of the GRC. The case record will be updated and the decision will be communicated to the complainant AP by the LAR Team at the village level.</p>
Step 3	Decision from central RDMRDI	If any aggrieved AP is unsatisfied with the GRC decision, the next option will be to lodge grievances to the RU at RDMRDI at the national level and the AP will be encouraged to do this within 2 weeks after receiving the decision from GRC. The complainants, must produce documents supporting his/her claim. The RU will review the GRC hearing records and convey its decisions to the aggrieved APs within 2 weeks after receiving the complaint.

Step 4	Decision from court	<p>If the grievance redress system fails to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law (Rayon Court).</p> <p>In case, if the ruling by the court is below the market price assessed through the open market survey earlier, RDMRDI will provide additional funds to ensure that compensation provided reflects full replacement cost.</p>
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62. According to the quantitative survey results, all the APs were informed about grievance redress procedures as well as who to address in case of any complaint.

63. In parallel to the survey, grievance redress log was analysed in Batumi office of Road Department (Desk Research). In total 8 grievances are recorded for section the covered by this CR4.

64. Apart from 8 registered grievances, APs had a constant verbal communication with IA members. All APs went through individual consultation processes. The information regarding these consultations was retrieved through in-depth interviews with staff responsible for implementation, since these verbal interactions are not documented.

65. In all cases letters were sent either to the Roads Department of the Ministry of Regional Development and Infrastructure or Implementing Agency shortly (2 weeks' time on average).

66. Analyses of the existing log show that 5 APs applied to RD to give them evaluation criteria for compensations and requested detailed report of inventory. One grievance was applied by the official representative of the AP was asking for information. One AP applied to RD to identify exact dates of compensation money transfer. Another AP required official letter for the bank because of sequestration for existing loan and her request was satisfied too. All eight above described cases were solved in satisfaction of APs.

Table 19 – Grievance Log

HH ID	Date	AP's Gender	Type of Grievance	Result	Note
195	05.04.2017	Male	The AP applied to IA in order to find out evaluation criteria and inventory details.	Solved in satisfaction to the AP	Evaluation criteria was explained and detailed report of inventory was provided.
172	03.05.2017	Male	The AP applied to IA in order to find out evaluation criteria and inventory details.	Solved in satisfaction to the AP	Evaluation criteria was explained and detailed report of inventory was provided.
160	28.03.2017	Female	The AP applied to IA in order to find out evaluation criteria and inventory details.	Solved in satisfaction to the AP	Evaluation criteria was explained and detailed report of inventory was provided.
195	19.09.2017	Male	The AP applied to IA in order to find out evaluation criteria and inventory details.	Solved in satisfaction to the AP	Evaluation criteria was explained and detailed report of inventory was provided.
6	15.05.2017	Female	The AP applied to IA in order to find out evaluation criteria and inventory details.	Solved in satisfaction to the AP	Evaluation criteria was explained and detailed report of inventory was provided.
120	30.03.2017	Female	The AP applied to IA in order to find out dates of money transfer.	Solved in satisfaction to the AP	The exact dates were provided.
132	11.04.2017	Female	The AP applied to IA in order to find out evaluation criteria and inventory details as an official representative of the owner.	Solved in satisfaction to the AP	Evaluation criteria was explained and detailed report of inventory was provided after checking required documents.
223	05.05.2017	Female	The AP asked to send a letter about agreement to the bank because of sequestration for existing loan.	Solved in satisfaction to the AP	The letter was sent to the bank.

67. Details about the cases in the grievance log was obtained through in-depth interviews with personnel in Batumi office of Road Department, the Roads Department of the Ministry of Regional Development and Infrastructure as well as APs who addressed the local office with claims. Two APs out of three with different kinds of grievance cases were selected for interviews. All of them declare that local staff of Road Department were quite cooperative and provided all the required information.

68. During In-depth interviews (10% of all affected persons/25 APs), APs also underlined that local staff in Batumi office of Road Department were always attentive, ready to listen to them and provide adequate explanations.

V. INFORMATION DISSEMINATION AND PUBLIC CONSULTATIONS

69. Quantitative survey results show that respondents remember on average three public consultations held from the early stage of the project (94 APs out of 104 inquired APs who attended the meetings), where they were introduced to the project information and had the

opportunity to review the project design and ask project related questions and receive required feedback. Majority of inquired APs who attended the meetings, assess received required feedback as adequate and informative (84% - 79 APs out of 94 inquired APs who attended the meetings).

70. According to In-depth interviews with the staff of implementing agency, in total two public consultations were held with APs for Section 2 in April / June 2016 as well as one public consultation for Addendum section 2 in June 2017. However, during face to face interviews majority of inquired APs also recalled a public consultation that was held before 2016. During In-depth interviews with APs (20 inquired APs), respondents also mentioned that individual consultations were conducted with them.

71. Survey results reveal that information about public meetings were disseminated by several means: phone calls, home visits, local government offices, posters in public places, letters and word of mouth. According to 84% of those respondents who attended the public meetings, information provided during consultation meetings was comprehensive and sufficient (84% - 79 APs out of 94 inquired APs who attended the meetings).

72. According to the respondents, beside public meetings, information about Batumi Bypass projects was spread by several sources: media (TV, internet, radio, newspaper), word of mouth, land acquisition and resettlement team, local government, project implementing agency and information pamphlet. Inquired APs report getting information pamphlets about the project and majority of them was given the pamphlets during consultation meetings (74% - 70 inquired APs). Survey results reveal that all APs who could recall the details assess information provided in the information leaflets as comprehensive and easy to understand (59 inquired APs). Other inquired APs could not recall the details provided in the information leaflet and refrained themselves from assessing it.

VI. EXPROPRIATION

73. 4 land plots belonging to 3 AHs/1 legal entity covered under this CR4 went through the expropriation procedures.

74. These AHs whose lands were expropriated were provided with full information about resettlement process, AHs were offered the compensation eligible under the LARP based on their impacted properties. The negotiations with these AHs failed. IA applied the expropriation right.

75. Under the Article 21, paragraph 3, of the Constitution of Georgia Property may be deprived for pressing necessary social needs as provided for by law, by court decision, or if urgently necessary under an organic law, provided that preliminary, full, and fair compensation is made. Compensation is exempted from any taxes and fees. Deprivation of property provided for by this clause means expropriation, whose terms and conditions are determined by the Law of Georgia "On The Procedure for The Expropriation of Property for Pressing Social Needs.

76. The expropriation process is fully completed and the lands are vacated, the compensation for the impacted properties is provided to expropriated AHs through court decision.

VII. STATUS OF EVACUATION

77. Almost all land covered by this CR4 is now available and unencumbered, there is only 2 land plots owned by 1 AH described above; this land plot will not be affected by the construction process of the access road. The project construction process will not affect these land plots. These land plots can be viewed in Annex #1 to CR4 (plot # 809-01;809-02).

VIII. SURVEY OF APS

1. Satisfaction Survey

78. 104 APs representing affected households (36% of total affected AHs) were inquired Face to Face in scopes of the monitoring study. (For the sampling details see the chapter above Methodology of Monitoring – Quantitative study).

79. 96 of 104 inquired APs (92%) said that they personally had attended the inventory studies. The other 8% (8 inquired APs) reported that other household representative had attended the process.

80. During face to face as well as In-depth interviews all inquired APs said they were well aware of their rights and responsibilities, as well as the entitlements under LARP and grievance redress mechanism. This information was delivered to them through the public meetings and individual consultations.

81. 99 of 104 inquired APs (95%) say they personally read the contracts before signing them and that allocated time for studying contract details was enough. All of them also report keeping the copies of the agreements. There were only five respondents who said they had not personally read the contracts and in all of such cases other family members were asked to study the details of the agreement. They also mentioned that provided time for studying the contract was adequate.

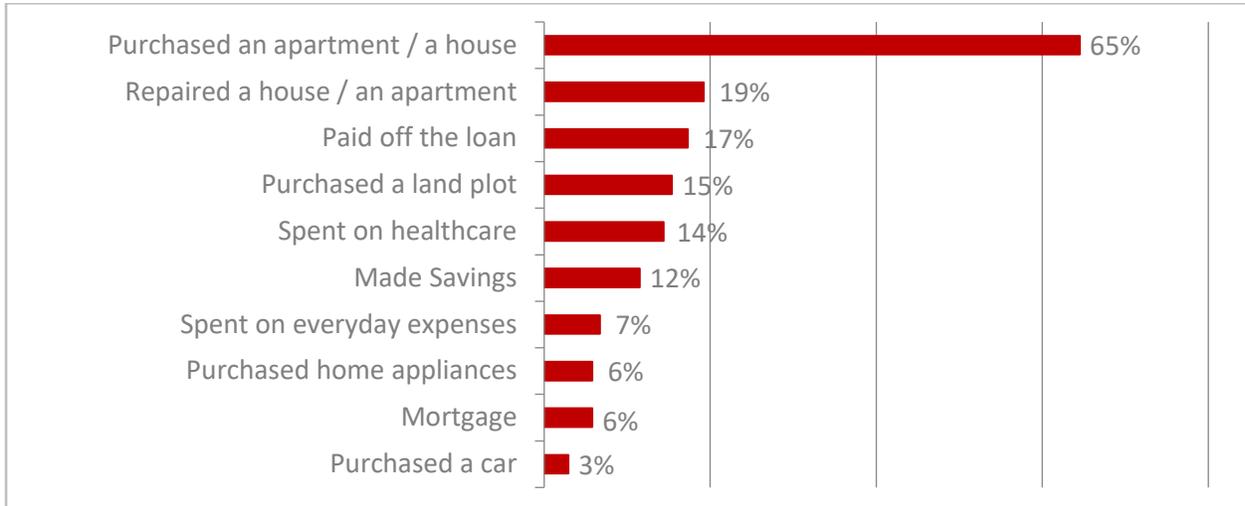
82. 42 of 91 surveyed APs whose **residential house** was affected and acquired (91 inquired APs) were employed before the project and none of them had to leave their work because of resettlement. None of their children had to change education institutions because of the same reason. Almost nothing was changed for resettled APs in terms of accessibility of healthcare facilities as well.

83. As for provided time for leaving their dwelling houses / apartments, according to all inquired APs, they were given more than two months and provided time was enough for them.

2. Use of Compensation

84. 66 of 104 inquired APs report buying an apartment or a house with compensation money (65%) and all of them are physically displaced people. Some APs (17% - 18 APs) reported paying off their loans, 19% (20 inquired APs) repaired their apartments or houses on compensation money, while some used received money on buying land plots (15% - 16 APs) or healthcare issues (14% - 15 APs). Only 12 of 104 inquired APs managed to make some savings.

Figure 1 – Utilization of Compensation

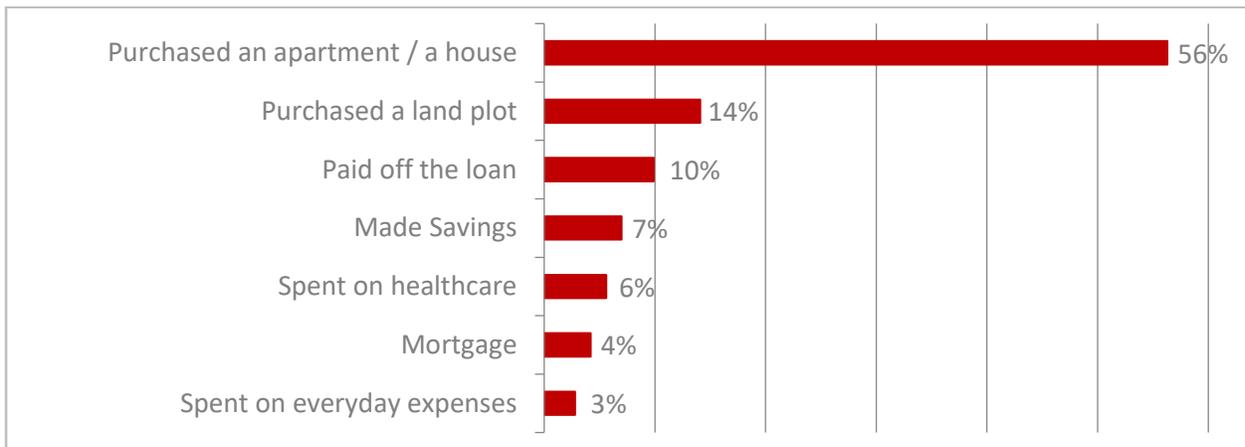


N=104

Note: Sum of answers exceed 100 percent as several answers were allowed.

85. 58 of 104 inquired APs report purchasing their apartments or houses (56%), while 14% purchased land plots (15 APs) with compensation money first of all. Some APs (10% - 10 APs) reported paying off the loans with compensation first of all.

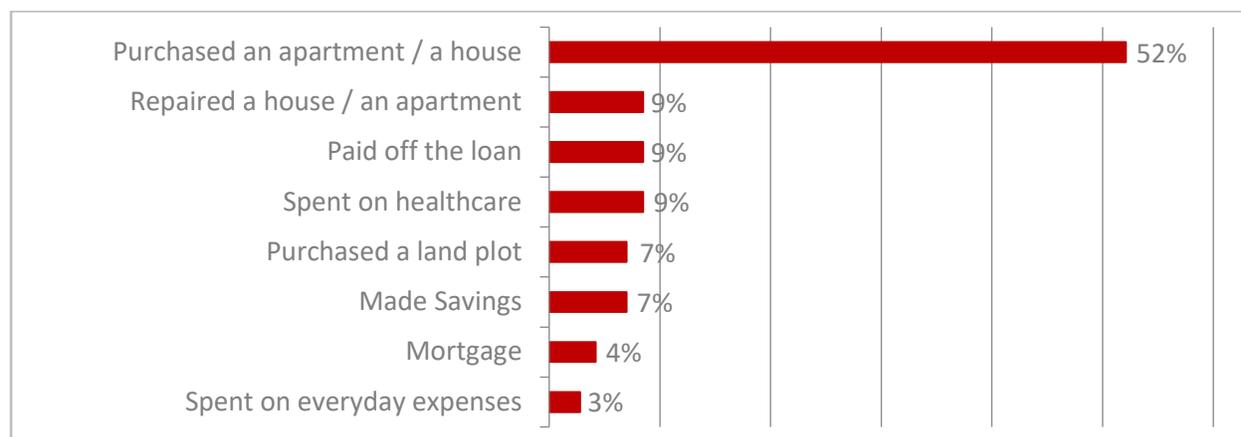
Figure 2 – Primary Utilization of Compensation



N=104

86. 54 of 104 inquired APs report that the largest share of received compensation was spent to buy an apartment or a house (52%), while 9% of respondents say that the most money was used to pay off their loans (9 APs out of 104) or on healthcare services (9 APs out of 104) or on repairing apartments / houses (9 APs out of 104).

Figure 3 – Largest Share of Compensation Utilised



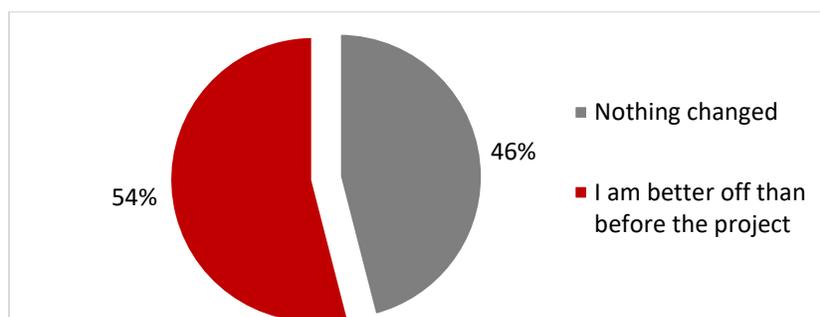
N=104

87. Quantitative survey data was analyzed by three major types of impact on APs: 1. Impact on residential house followed by relocation of APs; 2. Impact on land plots and 3. APs with severe impact on their livelihoods. (Numbers of APs according to all types of impact are presented in the table 1).

88. Analysis of survey data according to type of impact show that 73% of inquired APs whose residential **house** was affected and acquired bought either a house or an apartment on that money (66 APs out of 91). Some of the APs report repairing apartments or a houses (21% - 19 APs from 91) and some purchased land plots (18% - 16 APs from 91). 17% of inquired APs also paid off their loans (15 APs from 91) or spent received compensation money on healthcare (15 APs from 91). All the inquired APs whose residential house was affected and acquired in the frames of Batumi Bypass Road Project say they are better off in the present than before the project.

89. 99 out of 104 inquired APs received compensations on their **land plots**. Half of them (54% - 53 APs) report being better off in the present than before the project and all the rest (46 APs) say that nothing changed in their living conditions. Those who report having no changes had impact only on their land plots with almost no production there (mainly a few trees). Accordingly, compensation merely for land plot (even including compensation for a few of plants) could not make any significant changes on their livelihoods.

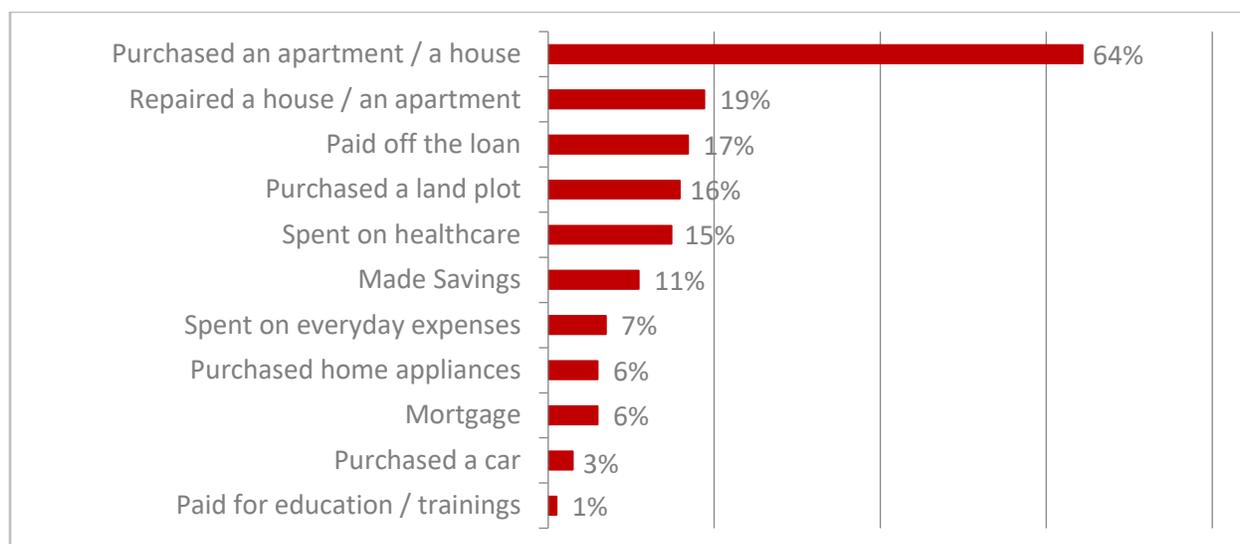
Figure 4: Assessment of Quality of Life of APs after the Project (Question: Overall how would you assess your quality of life after the project?)



N=104

90. 64% of severely **affected** persons (65 APs out of inquired 101) bought either a house or an apartment and 19 APs (19%) had repaired their existing houses or apartments with received compensations. 17% (17 APs) report paying off their loans.

Figure 5 - Utilization of Compensation – APs with severe impact on their livelihoods



N=101

Note: Sum of answers exceed 100 percent as several answers were allowed.

91. According to the survey results 11% of APs losing parts of their lands made some savings from the compensations received. These APs as well as some others are going to buy land in the future (22 inquired APs).

92. Auxiliary structures of 98% of surveyed APs (102 inquired APs) were affected by Batumi Bypass Project. Only 3 of such APs report selling products of domestic animals and all of them

are going to rebuild auxiliary structures for keeping these domestic animals on received compensation.

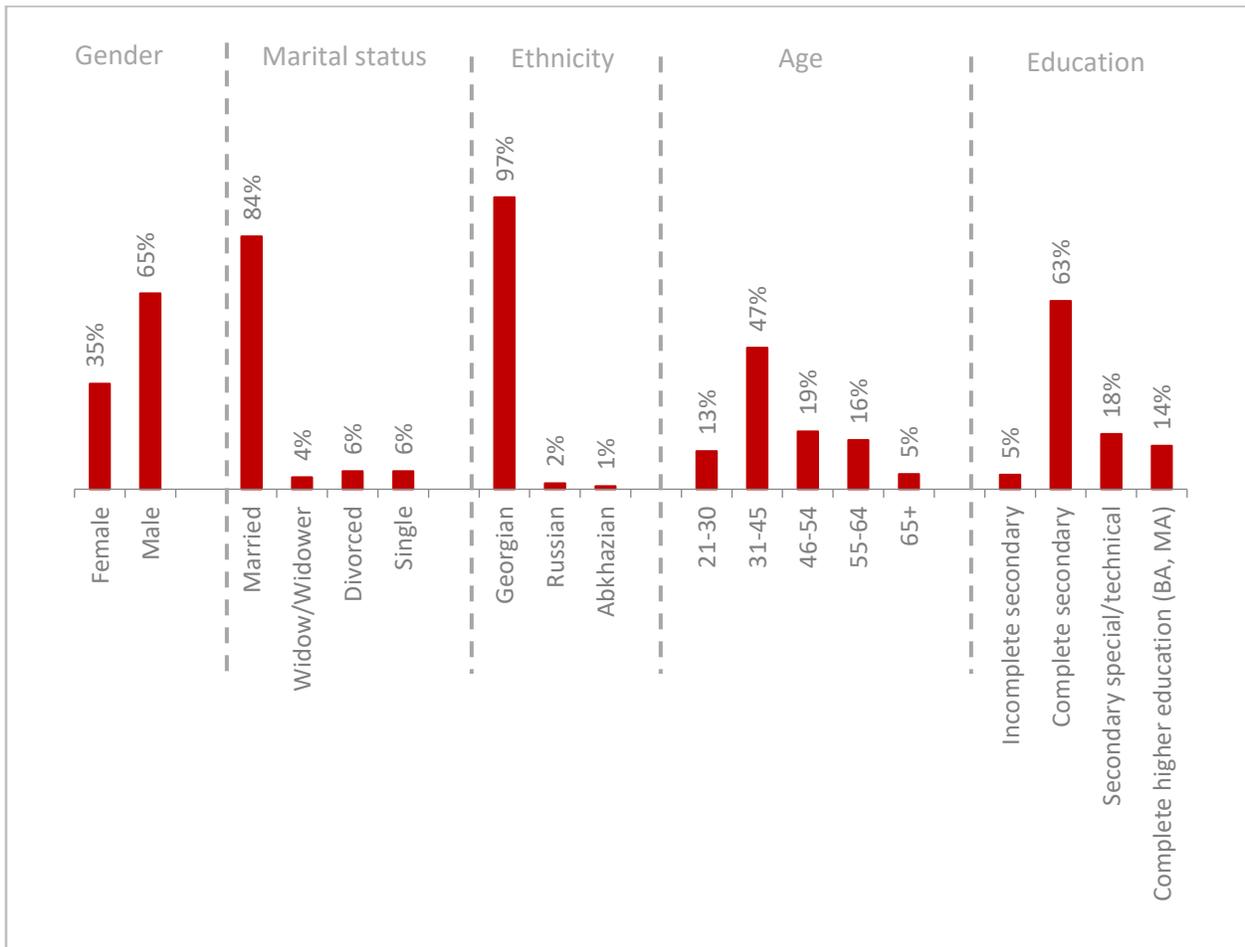
e) Demographic Information of Respondents

93. 65 per cent of interviewed APs are men (68 inquired APs) and 35 per cent are women (36 inquired APs). Inquired women are on average 46 years old and inquired men are on average 41 years old.

94. Households of affected persons on average consist of five members. 25 inquired households, report being socially vulnerable during the study period (NOTE: All of these households were compensated as vulnerable according to LARP) and seven declared to be Eco migrants. 40% of inquired affected households consider themselves as families that can hardly afford food (42 inquired APs), while 37% of respondents describe their families as having enough money for food, for everyday apparel and shoes, but in order to buy good cloths, mobile phone, vacuum-cleaner and other home appliances, they have to save or take money on loan (38 inquired APs) and 22% report having enough money for food, but they have to save or take money on loan to buy apparel and shoes (23 inquired APs). According to the survey results for the majority of affected households, the primary income source is salary (41% - 43 inquired APs), while 42% of inquired APs declare to be unemployed (44 inquired APs).

95. Vast majority of surveyed APs are ethnically Georgians (97% - 101 inquired APs), who are mainly married (84% - 87 inquired APs). 63 per cent of respondents (65 inquired APs) report having complete secondary education, while only 14 per cent have higher education (15 inquired APs). Average age of respondents is 44.

Figure 6 – Profile of inquired APs



N=104

96. Land of 99 surveyed APs was affected by Batumi Bypass Project. In 74% of cases land was for agricultural purposes. Majority of inquired APs with affected land plots had trees (56 inquired APs out of 99) or cultivated crops on acquired land (47 inquired APs out of 99).

IX. LESSONS LEARNED

97. During the monitoring process several lessons learned relating to the implementation process were identified. Other shortcoming included:

- a. More attention paid to identifying and verifying vulnerable households (through additional desk review or primary data collection), particularly women headed households, during the LARP preparation stage, will greatly facilitate the LARP implementation and monitoring.

- b. Since the LARP envisaged the cash compensation and there, is no resettlement site, the updated dataset of APs with the contact details (new phone number, if applicable and new address) will facilitate the monitoring process.
- c. For the comparison purposes, including the breakdown of compensated dwellings/structures per land, as well as number of affected trees in the final compensation matrix will facilitate the process of monitoring. Breakdown of allowances provided for vulnerable families into categories of poor and female headed households will facilitate the process of monitoring.
- d. For the comparison purposes, including the breakdown of the compensations in the contract log created by RD will facilitate the process of the monitoring.
- e. Attaching more detailed breakdown (detailed description of the assets under the impacts) of compensations to contracts of the APs will increase the transparency of the compensations assigned to APs.

X. CONCLUSION AND RECOMMENDATIONS

98. As documented by this Compliance Report all land and other impacts of the Batumi Bypass Road Project for the road segments between km 12+830 – km 13+340 except 1 AHs have been fully compensated in accordance with the approved LARP Section 2 and its Addendum. All allowances and rehabilitation for the APs affected by the same road segments have been paid as provided by LARP 2.

99. The properties of the AH yet to be compensated can be viewed on the map annexed to this CR4 (refer to annex #1 for details). The civil works contractor shall avoid the properties of this AH during the construction. Notice to commence to contractors shall include the map annexed to this CR4 with locations of these properties to ensure avoiding these properties during the civil works.

100. In addition to the above this CR indicates that: a) Almost all land covered by this CR4 is now available and unencumbered, there is only 2 land plots owned by 1 AH with ongoing court process; this land plot will not be affected by the construction process of the access road. b) all grievances raised by APs affected in the area of relevance of this CR have been solved with their satisfaction, and; c) the AP survey results indicate the overall satisfaction of the Aps.

101. In consideration of the above this CR concludes that the implementation of LARP 2 along the road segments of the Batumi Bypass Road between km 12+830 and km 13+340 **complies with the provisions of the LARP, the requirements of the ADB's SPS 2009 and the relevant Laws of the Republic of Georgia.**

102. Based on the above conclusion this CR establishes conditions of readiness to start the implementation of early civil works along the road segments of the Batumi Bypass Road between km 12+830 and km 13+340 and **recommends the request to ADB of a letter of-no-objection to initiate road construction.**

ANNEX #1

