



SSA ROADS DEPARTMENT OF GEORGIA



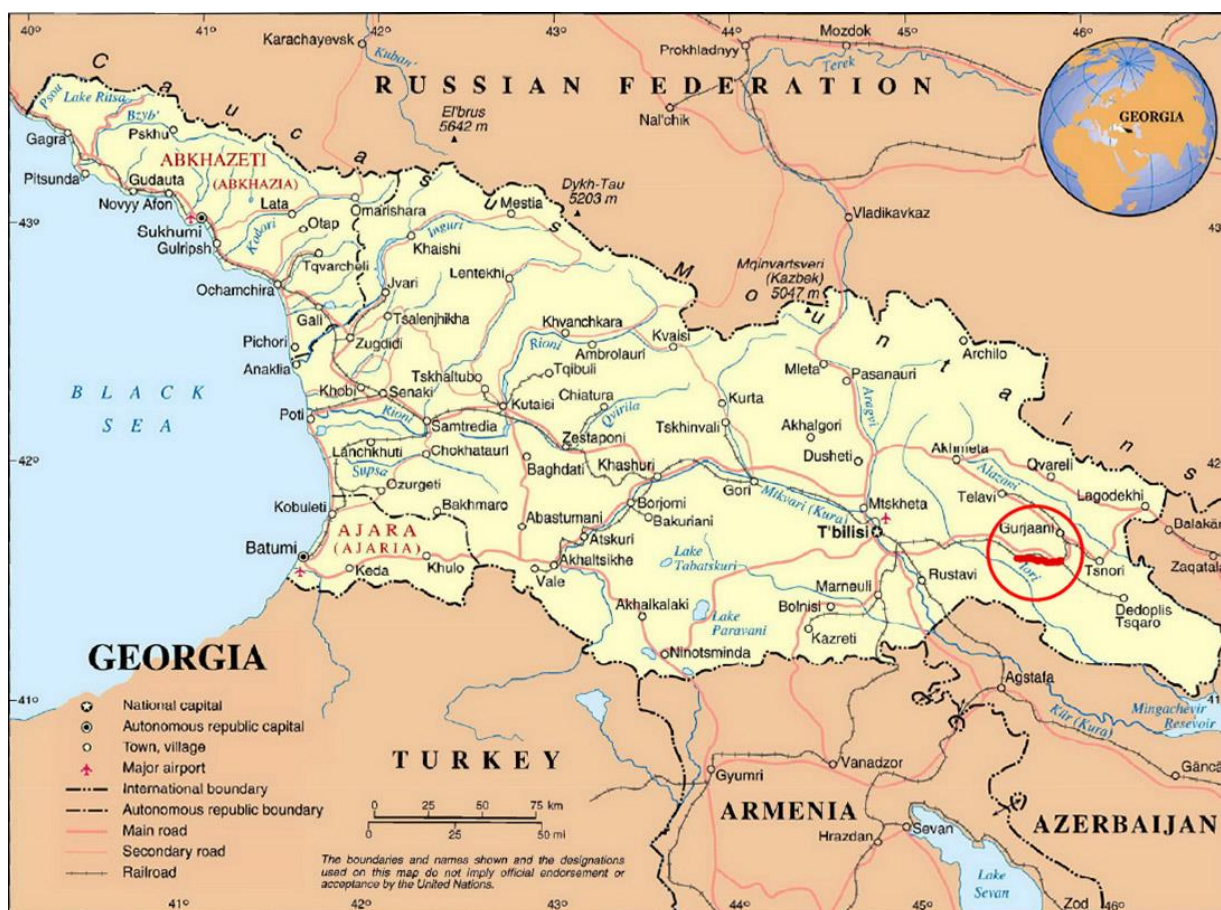
MINISTRY OF INFRASTRUCTURE
OF GEORGIA

Upgrading of Tbilisi - Sagarejo and Sagarejo – Bakurtsikhe Road

Resettlement Action Plan - ROAD SECTION FROM EAST BADIARI TO
CHALAUANI KM 53+800 - KM 75+100

Georgia Regional Accessibility and Transport Enhancement
Project

CONSTRUCTIONAL LOT 4



April 2026

Abbreviations

ACS	–	acquisition and compensation scheme
CBO	–	community-based organization
DMS	–	detailed measurement survey
GoG	–	Government of Georgia
GRC	–	grievance redress committee
IA	–	implementing agency
IFI	–	International Financial Institution
IP	–	indigenous people
EMA	–	external monitoring agency
ESIA		Environmental and Social Impact Assessment
Km	–	Kilometre
RAP	–	Resettlement action plan
M&E	–	Monitoring and evaluation
MOF	–	Ministry of Finance
MPR	–	monthly progress report
MOI	–	Ministry of Infrastructure
NAPR	–	National Agency of Public Registry
NGO	–	non-governmental organization
AH	–	affected Household
AP	–	Affected Person
RDMOI		Roads Department of the Ministry of Infrastructure of Georgia
RoW	–	right of way
ESID	–	Environmental and Social Issues Division
SES	–	socioeconomic survey
WB	–	World Bank

Glossary of Terms

Affected Household (AH)	All members of a household residing under one roof and operating as a single economic unit are adversely affected by the Project. It may consist of a single nuclear family or an extended family group.
Affected People (AP)	Individuals affected by Project-related impacts.
Eligibility	Means any person(s) who at the Cut-off-date was located within the area affected by the project, its subcomponents, or other subproject parts thereof, and are affected by the project. Eligibility is irrespective of (a) formal legal rights to land, (b) customary claim to land or asset or (c) no recognizable legal right or claim to the land APs are occupying.
Entitlement	Means the range of measures comprising monetary or kind compensation, relocation cost, rehabilitation assistance, transfer assistance, income substitution, and relocation which are due to APs, depending on the type, degree, and nature of their losses, to restore their social and economic base.
Land Acquisition	Means the process whereby a person is compelled by the Government through the Executing Agency of the Project to alienate all or part of the land s/he owns or possesses in favour of the State due to the implementation of the Project or any of its components in return for consideration. Means full or partial, permanent, or temporary physical displacement (relocation, loss of residential land/ or shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to parks and protected areas. The definition applies to impacts experienced, regardless of whether it involves actual relocation.
Informal Settlers	Non-legalizable AHs losing the affected land plot/asset used without title/right registration, for living and/or provision of source of income for the AH.
Involuntary Land Acquisition	Involves acquisition of formal legal and recognizable legal land rights and/or land use rights through expropriation, eminent domain or other compulsory procedures, as well as through negotiated settlement, where expropriation or other procedures under compulsory acquisition can be initiated in case negotiation fails. Involuntary land acquisition may include outright transfer, expropriation of property, and acquisition of access rights, such as easements or rights of way. It may also include acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes.

Involuntary Resettlement	Means full or partial, permanent, or temporary physical displacement (relocation, loss of residential land/ or shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to parks and protected areas. The definition applies to impacts experienced, regardless of whether it involves actual relocation
Involuntary land use restriction	Refers to limitations and/or prohibitions on the use of agricultural, residential, commercial, or other land, that are directly introduced and put into effect as part of a project. This may include repossession of public land that is used or occupied by individuals or households; project impacts that result in land being submerged or otherwise rendered unusable or inaccessible; restrictions on access to natural resources and legally designated parks and protected areas, including those established as part of a project; restrictions on access to other common property resources, communal property, and natural resources including waterbodies, such as freshwater and marine environments; and restrictions on land use within utility easements or safety zones.
Livelihood	Refers to the full range of ways and means that project-affected persons and communities utilize to make a living such as wages from employment; cash income earned through an enterprise or through sale of produce, goods, handicrafts, or services; rental income from land or premises; income from a harvest or animal husbandry, share of a harvest, such as sharecropping arrangements, or livestock production; self-produced goods or produce used for self-consumption, exchange, or barter; self-consumed goods or produce; food, materials, fuel, and goods for personal or household use or trade derived from natural or common resources; and pensions and other types of government allowances
Replacement Cost	The value that is sufficient to replace an asset, plus necessary transaction costs, including administrative charges, taxes, legal, land survey and title registration fees, transition costs, and any other applicable payments and provisions associated with asset or livelihood resource replacement. Means the method of valuing assets to replace the loss is based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. Where national law does not meet this standard the replacement cost will be supplemented, as necessary. Replacement cost is based on current market value (the valuation of land and assets will be

updated if the resettlement procedures (notification of compensation offer) are delayed for more than 12 months). In the absence of functioning markets, a compensation structure is required that enables affected people to restore their livelihoods to levels at least equivalent to those maintained at the time of dispossession, displacement, or restricted access. For loss that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and supplies; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities.

Rehabilitation	Means the measures required to (i) restore access to public facilities, infrastructure, and services; (ii) cultural property and common property resources; (iii) mitigate loss of access to cultural sites, public services, water resources, grazing, or forest resources including establishment of access to equivalent and culturally acceptable resources and income-earning opportunities; and, (iv) restore the economic and social base of APs affected by the loss of assets, incomes, and employment. All such people will be entitled to rehabilitation assistance measures for restoring incomes and living standards. Such measures must be determined in consultation with APs, including any APs whose rights might not be formally recognized.
Land Acquisition and Resettlement Plan	Means the time-bound action plan prepared to compensate and/or mitigate the impacts of resettlement.
Relocation	Means the physical shifting of APs from his/her pre-project place or residence, place for work or business premises.
Municipality	Out of Georgia's 69 municipalities, 64 are rural (self-governing communities) and 5 are urban (self-governing cities); however, there is no legal distinction between them. A municipality is a legal entity under public law and has elected representative and executive bodies, a registered population, as well as its own property, budget, and revenues. For management optimization purposes, a municipality is divided into administrative units. The exclusive responsibilities of self-government include land-use and territorial planning, zoning, construction permits and supervision, housing, and communal infrastructure development.
Severely Affected Household	Include those AHs (i) losing 10% or more of their land impacted by the project, (ii) physically displaced HH and (iii) households losing commercial/business establishments.

Servitude	A Servitude is the right held by the Government of Georgia and granted by landowners to access and use occasionally, at one time, and indefinitely the future, the strips of land necessary to install, operate, maintain, and repair overhead and underground transmission lines, underground cables and pipes, etc. This right implies that the Government can access this land occasionally and therefore may have implication on the use of land (land use restrictions) by the landowners. For example, it will not be possible to build a structure on a piece of land included in a servitude for the overhead line or an underground cable, because it may be necessary to access this overhead line or underground cable for maintenance purposes.
Disadvantaged or Vulnerable Households	Disadvantaged or vulnerable refers to those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/ or assistance to do so. This will take into account considerations relating to age, including the elderly and minors, and including in circumstances where they may be separated from their family, the community or other individuals upon which they depend. These are (i) female-headed households regardless of dependent status ; (ii) disabled households with members who have disabilities; (iii) poor households as defined by the official poverty line; ¹ (iv) elderly households with no means of support; ² (v) households without security of tenure; (vi) Ethnic minorities; and (vii) refugees or internally displaced people.
Monthly subsistence allowance	Substance for average consumer x 2.25, based on information provided by www.geostat.ge on annually as well as monthly basis, last update was available in December 2025 which was applied for this RAP The calculation for subsistence unit is provided in Annex 5.

¹ In practice, and based on the previous experience, Targeted Social Assistance (TSA) status is typically used as a proxy indicator for identifying households living below the poverty line. This approach provides an objective and verifiable basis for vulnerability screening. Government of Georgia Resolution No. 145 "On Social Assistance", a family that is registered in the Unified Database of Socially Vulnerable Families in accordance with the established procedure, and whose rating score is below the threshold score determined for the subsistence allowance, is entitled to receive a subsistence allowance. The threshold scores are defined by this Resolution. Accordingly, for the purposes of RAP, households registered in the Unified Database of Socially Vulnerable Families and falling below the applicable threshold score are considered poor and eligible for vulnerability-related support measures.

² For the purposes of the RAP, "elderly households with no means of support" may be defined as households where:
(i) all adult members are above the statutory retirement age as defined by Georgian legislation;
(ii) there are no economically active household members; and
(iii) the household does not receive regular income from employment, business activity, etc.

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Executive Summary

1. This RAP covers Construction Lot 4 of the Tbilisi–Bakurtsikhe Motorway, extending from Badiauri (Chainage 53+800) to Chalaubani (Chainage 75+100), with a total length of 21.76 km. The section passes through several settlements, including Kachreti and Chalaubani, and provides an important connection to Signagi, a key tourist destination. The lot includes two interchanges located in Kachreti and Chalaubani.
2. The overall layout of the project road includes two main sections Tbilisi-Sagarejo (Approx. Length 35 km) and Sagarejo – Bakurtsikhe (Approx. Length 45 km). The overall length is approximately 80 km. The road starts at the eastern part of the Tbilisi and ends in Bakurtsikhe where it will connect to the Bakurtsikhe – Tsnori Section. This part of the corridor crosses territories of Sagarejo and Gurjaani, municipalities. Upgrade of the existing road and other structures requires traffic capacity expansion, including artificial structures in medium topographic and geological conditions with limited interruption with the current traffic flow. The main approach is to optimize overall route of the road and convert it to double carriageway – high – speed road.
3. Upon agreement with RDMOI the Tbilisi – Bakurtsikhe road is being divided into six constructional lots, and for each constructional lot, an independent design is being carried out. More precisely, the constructional lots are:
 - Constructional Lots 0 and 1, from Eastern Part of Tbilisi to Sartichala (Iori Railway Station).
 - Constructional Lot 2, from Sartichala (Iori Railway Station) to Sagarejo East (Tokhliauri Interchange).
 - Constructional Lot 3, from Sagarejo East (Tokhliauri Interchange) to Badiauri.
 - Constructional Lot 4, from Badiauri to Chalaubani
 - Constructional Lot 5, from Chalaubani to Bakurtsikhe.
4. The project is managed by the Roads Department of the Ministry of Infrastructure (RDMOI).
5. The project is developed by the Austrian engineering company ILF Consulting Engineers Georgia. The initial RAP was prepared by non-profit organization World Experience for Georgia (WEG) in September 20,2021. Designing and assessment is carried out with consideration of active legislation of Georgia and international requirements. The updated RAP was prepared by the Alligator LTD. In order to align with the new ESF, which has been active since October 1, 2018, the RAP was updated, and a new inventory, measurement, and valuation were carried out.
6. This particular RAP is related to only Constructional Lot 4 of wider Tbilisi – Bakurtsikhe motorway, extended from and of Badiauri to Chalaubani. More precisely, the constructional lot starts immediately after the end of Badiauri (53+800) and ends in Chalaubani after the designed interchange (Chainage 75+100). The total length of the Lot is 21.76 km, and it crosses the main settlements of Mzisdguli, Shibliani, Kachreti Naniani, Arashenda, Melaani and Chalaubani.
7. The length of the project section is 21.76 km. The width of the design road buffer varies from 35 to 70m depending on topography (as defined in section 1.2 of this document).
8. In terms of tenure the affected land plots are distributed in accordance with the following legal categories:
 - I category: Private Ownership (registered plots)
 - II category: JSC “Georgian Railway” (state-owned company)

- III category: Joint ownership: JSC “Georgian Railway” (state-owned company)
- and private ownership (This land is Jointly owned by private person and state owned company)
- IV category: JSC “Georgian State Electrosystem-GSE” (state-owned company)
- V category: Land plots under ongoing registration (sporadic or systematic registration)³
- VI category: State-owned land under lease
- VII category: State land not used by private users
- VIII category Municipal Land

9. Brief summary of project impacts is given in Table E. 1.

Table E. 1 Project Impact Summary

N	Impacts	Unit	
Land Tenure Patterns			
1	Total Land parcels affected	No	737
2	Total land Area to be acquired	Sq.m	1,281,520
3	Category 1. Private Registered Plots	No	476
		Sq.m	958,288
4	Category 2. Land plots under ongoing registration (sporadic or systematic registration) ⁴ .	No	215
		Sq.m	213,399
5	Category 3. Plots of JSC Georgian Railway	No	31
		Sqm	85,691
6	Category 4. Joint ownership: JSC “Georgian Railway” and private ownership (state-owned company)	No	1
		Sq.m	2,350
7	Category 5. JSC GSE (State owned company)	No	4
		Sq.m	170
8	Category 6. State-owned land under lease	No	1
		Sq.m	6,825
9	Category 7. State land not used by private users	No	5
		Sq.m	8,422
10	Category8. Municipal land	No	4
		Sq.m	6,375
Land Use and Compensation Categories			
11	Type 1 Agricultural land plots 6.56 GEL/sq.m.	No	622
		Sq.m	1,126,245
12	Type 2: Agricultural land plots 50.22 GEL/sqm.	No	6
		Sq.m	4,623
13	Type 3: Non-agricultural land plots: 62.77 GEL/sqm.	No	11

³These land plots are currently registered as state-owned; however, their ownership status is expected to change upon completion of the registration process. These land plots are under the possession of private users. Accordingly, the plots have been valued based on their respective land type, and acquisition will be carried out upon finalization of private ownership registration. These land plots will be also compensated for affected assets, trees, and other eligible items.

⁴ These land plots are currently registered as state-owned; however, their ownership status is expected to change upon completion of the registration process. These land plots are under the possession of private users. Accordingly, the plots have been valued based on their respective land type, and acquisition will be carried out upon finalization of private ownership registration.

N	Impacts	Unit	
		Sq.m	30,074
14	Type 4: Non-agricultural land plots within the built-up area of Kachreti village with frontage along the road 86.63 GEL/sqm	№	11
		Sq.m	5,681
15	Type 5: Non-agricultural land plots located along the Kachreti-Chalauani section 69.60 GEL/sq.m.	№	14
		Sq.m	45,371
16	Type 6 Non-agricultural land plots located within the administrative boundaries of Melaani and Chalauani villages 7.87 GEL/sqm.	№	63
		Sq.m	47,904
17	Type 7: State-owned land plots used under lease agreements	№	1
		Sq.m	6,825
18	Type 8: State-owned land not subject to use or occupation	№	5
		Sq.m	8,422
19	Type 9: Municipal land	№	4
		Sq.m	6,375
Agricultural Patterns			
19	Maize (corn)	Sq.m	45,198
20	Cucumber	Sq.m	368
21	Barley	Sq.m	54,738
22	Tomato	Sq.m	10,011
23	Alfalfa (lucerne)	Sq.m	890
24	Hay	Sq.m	245,180
25	Pumpkin	Sq.m	500
26	Wheat	Sq.m	52,304
27	Potato	Sq.m	370
28	Sunflower	Sq.m	4,035
31	Affected Trees	№	122,699
Affected Structures			
32	Residential houses	№	0
33	Various size buildings (bakeries, shops, gas-filling stations etc.) and ancillary buildings (sheds and ancillary structures; cattle-shed etc.)	№	52
34	Fences, gates, vineyard poles and wire	№	268
35	Other types of small structures	№	66
Affected Businesses			
36	Various	№	11
Affected Households			
37	Total AHs		350
38	The total number of affected HHs with ongoing land registration (sporadic or systematic registration).		55
39	Affected families losing leased land plot		1
40	Businesses losing owned land (excluding JSC GR, GSE)		9
41	Businesses losing leased land		0
42	Severely affected Households	№	331
43	Disadvantaged and Vulnerable Households	№	20

N	Impacts	Unit	
44	Resettled (physically relocated) households	№	0
45	AH losing registered plots	№	295
48	AH losing agricultural land plots	№	305
50	AH with non-agricultural land plots	№	55
51	AH losing Jobs	№	10
52	AH/Affected Parties losing businesses	№	9
53	AH losing crops	№	193
54	AH losing trees	№	217
50	Total Affected Persons	№	1,412

10. The increase in the total number of affected land plots compared to the original RAP is mainly attributable to updates in cadastral information and the ongoing land registration process. In several cases, land plots have been newly registered or subdivided into smaller parcels, resulting in a higher number of affected plots. These changes reflect the most recent inventory and cadastral data and ensure accurate representation of all affected land parcels.

11. The losses of APs will be compensated at full replacement cost. Classification of the APs is available as follows:

- Individuals, who enjoys the legal right on the land that is recognized in accordance with the national legislation.
- Individuals that have no legal or formal right on the land.

12. Overall, the number of AH is 350, out of which 8 HHs and one Large Ltd. own private small and large businesses, one is the Joint ownership of JSC “Georgian Railway” and private ownership of one HH and the rest 341 – families. The state-owned companies such as JSC Georgian Railway, JSC “Georgian State Electrosystem-GSE and one large Ltd. are not calculated as HH - These companies are defined as Affected Parties. Of these, 295 AHs will lose registered land plots and 55 AHs will lose land plots with ongoing land registration (sporadic or systematic registration) and 1 AH loses leased state-owned land plot. Some AHs lose several land plots. In total 193 AH lose crops on their 274 land plots. 217 AHs are losing trees grown on 436 land plots. No one of affected HHs are losing residential houses and will be physically relocated. 8 AHs and one affected party lose businesses. AHs are considered as being severely impacted in case if they lose 10% or more of their land impacted by the project, (ii) physically displaced HH and (iii) households losing commercial/business establishments. According to these criteria 331 AHs are recognized as severely impacted and will receive special allowances for severe impacts. 20 AHs are recognized as disadvantaged or vulnerable (as defined in section 2.8). The severely affected and vulnerable AHs will receive additional allowances in amount of 3-month assistance unit rate.⁵

13. Overall, the number of AH is 350 (1,412 Aps), out of which 8 are private small businesses, 1 is the Joint ownership of JSC “Georgian Railway” and private ownership of one HH and the rest

⁵ Calculation approach of subsistence unit rates is presented in the Annex 5.

341 – families, 2 state owned companies and one large Ltd. are not considered as HH, these companies are defined as Affected Parties.

14. The WB's ESF ESS5 is applicable for the project. Compensation eligibility is limited by a cut-off date as set for this project on the day of the beginning of the AP Census. The cut-off date is deemed as 06 November of 2025 (the inventory started on November 06, 2025, and finalized on December 15, 2025). The Cut-off date was communicated to the affected households during public consultations and individual meetings conducted as part of the field inventory and census. The valuation of the land and assets is based on a valuation report prepared by the independent licensed valuator in January 2026 This Census is subject to corrections if there is adequate justification. APs will be entitled for compensation or at least rehabilitation assistance under the Project are (i) all persons losing land irrespective of their title, (ii) tenants and sharecroppers irrespective of formal registration, (iii) owners of buildings, crops, plants, or other objects attached to the land; and (iv) persons losing business, income, and salaries. The details of relevant compensation packages are provided in the entitlement matrix.

15. RAP preparation and implementation costs, including cost of compensation are considered in the project budget. RDMOI is responsible for finding the project related funding. This RAP contains the information about the budget, including:

- Unit compensation rates for all affected items and allowances by indicating methodologies.
- A cost table for all compensation expenses including contingencies;
- RAP implementation costs.

16. The Total budget of Resettlement Action Plan covers: subtotal including compensation values, resettlement allowances, registration fees, implementation expenses and in addition to that - contingencies, which are taken as 20% of the subtotal cost. Estimated total resettlement Budget is equal to **36,575,506.63 GEL**.

1 Project Background

1.1 Introduction

17. The Tbilisi-Bakurtsikhe Road is part of an alternative transit corridor of the E-60 Highway connecting Tbilisi with the Kakheti region and the Azerbaijan border. A number of infrastructure projects have been initiated by the Georgian Government to improve the physical as well as the operating climate of the land transport, with the support of international development partners such as the World Bank, EIB, ADB and JICA.

18. The present design report is prepared within the scope of consultancy work for Preparation of Detailed Design for the Upgrading of Tbilisi-Sagarejo and Sagarejo-Bakurtsikhe Road. The project design was financed by the Fourth East-West Highway Improvement Project (EWHIP-4).

19. The main target for East-West highway improvement project is to ensure sustainable development of the road infrastructure in Georgia to support the economic growth, development of the country infrastructure and transport corridors. The Government of Georgia is committed to prioritize the completion of the project. The East-West Highway is a strategic project in the Government's effort of transforming Georgia into a transport and logistics hub for trade between Central Asia and the Far East on the one hand, and Turkey and Europe on the other. Connecting the East-West Highway to the main border crossing points, is becoming a critical part of Georgia to enhance its role as a transit country along the Silk Road.

20. The overall layout of the project road includes two main sections Tbilisi-Sagarejo (Approx. Length 35 km) and Sagarejo – Bakurtsikhe (Approx. Length 45 km). The overall length is approximately 80 km. The road starts at the eastern part of the Tbilisi and ends in Bakurtsikhe where it will connect to the Bakurtsikhe – Tsnori Section. This part of the corridor crosses territories of Sagarejo and Gurjaani municipalities. Upgrade of the existing road and other structures requires traffic capacity expansion, including artificial structures in medium topographic and geological conditions with limited interruption with the current traffic flow. The main approach is to optimize overall route of the road and convert it to double carriageway – high – speed road.

21. Within the concept of the project, a detailed engineering design for the upgrading of Tbilisi – Sagarejo and Sagarejo – Bakurtsikhe Road Sections is being carried out. This includes the preparation of all necessary documents for the approval, the tendering and constructional works. These documents contain all the detailed engineering drawings, design reports, specifications, bill of quantities, cost estimates and traffic management plans, resettlement action plan etc. The design is being carried out in accordance with International and Georgian design standards and norms. Prior to commencing this detailed design, the used design criteria and standards are agreed on with the Client. All aspects of the design are being described in Design Reports. The reports include design criteria, assumptions, methods, models, codes and standards used for the design of each element. Calculations summaries are included in the-annexes along with all data collected.

22. The Tbilisi – Bakurtsikhe road is being divided into six constructional lots, and for each constructional lot, an independent design is being carried out. More precisely, the constructional lots are:

- Constructional Lot 0 and 1, from Eastern Part of Tbilisi to Sartichala (Iori Railway Station).
- Constructional Lot 2, from Sartichala (Iori Railway Station) to Sagarejo East (Tokhliauri Interchange).
- Constructional Lot 3, from End of Sagarejo to Badiauri.
- Constructional Lot 4, from Badiauri to Chalaubani
- Constructional Lot 5, from Chalaubani to Bakurtsikhe.

23. This particular RAP is related to only Construction or Lot 4 of the wider Tbilisi – Bakurtsikhe motorway, extended from the eastern Badiauri to Chalaubani. More precisely, the constructional lot starts immediately after the Badiauri Interchange (Chainage 53+800), and ends in Chalaubani after the designed interchange (Chainage 75+100). The total length of the lot is 21.76 km and it crosses the main settlements of Mzisdguli, Shibliani, Kachreti Naniani, Arashenda Melaani and Chalaubani. The designed motorway is an important connection for the city of Signagi, which is considered one of the most popular reassorts in Georgia. Within this constructional lot there are two Interchanges in Kachreti and in Chalaubani.

24. The crown of the designed motorway is approx. 30m, two directional double carriageway road. The design Speed of the motorway is 80 -110km/h. The motorway is accompanied by two lane local dirt road of 6m wide, in order to maintain the local traffic and the agricultural activities. Also, the operability of the existing national road is not being affected, not only during the operation period, but also during the construction of the motorway. This is a very important factor since the connection to Kakheti will not be interrupted during the construction period, with a significant effect on the local economy.

1.2 The Impacts Corridor

25. The length of the project section is 21.76 km. The road parameters are as follows:

Number of lanes:	4
Lane width:	3.50 m
One Carriageway width:	7.00 m
Width of paved shoulder:	2.50 m
Total road width:	13.00 m

26. The width of the design road buffer varies from 35 to 70 m depending on local topographical and engineering conditions. Variations are determined by factors such as terrain configuration, slope stabilization requirements, drainage systems, embankments, cut sections, and interchange design.

1.3 Minimizing Land Acquisition and Resettlement

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

- (i) The short sections of the design road required improvement of geometric characteristics and involved some minor realignment of the access roads. Realignment for these sections has been well tuned on site to avoid most densely settled areas and to ensure optimal access to the remaining private land plots;
- (ii) Intersections with local roads have been designed to avoid resettlement
- (iii) Designs of intersections were reviewed by resettlement specialists and their recommendations were considered in the final design.

28. The selection of the route was based on technical, environmental, and social considerations, including minimization of land acquisition, avoidance of densely populated areas, reduction of environmental impacts, and optimization of engineering feasibility.

29. Consultations were undertaken with relevant stakeholders during the route selection process. These included coordination meetings with local government representatives, technical discussions with road design and road safety experts, and consultations with sectoral agencies. The objective was to ensure that the selected alignment reflects local development plans, road safety standards, and site-specific constraints.

30. Feedback received during these consultations was taken into account in refining the alignment, particularly in relation to settlement proximity, access roads, interchanges, and safety measures.

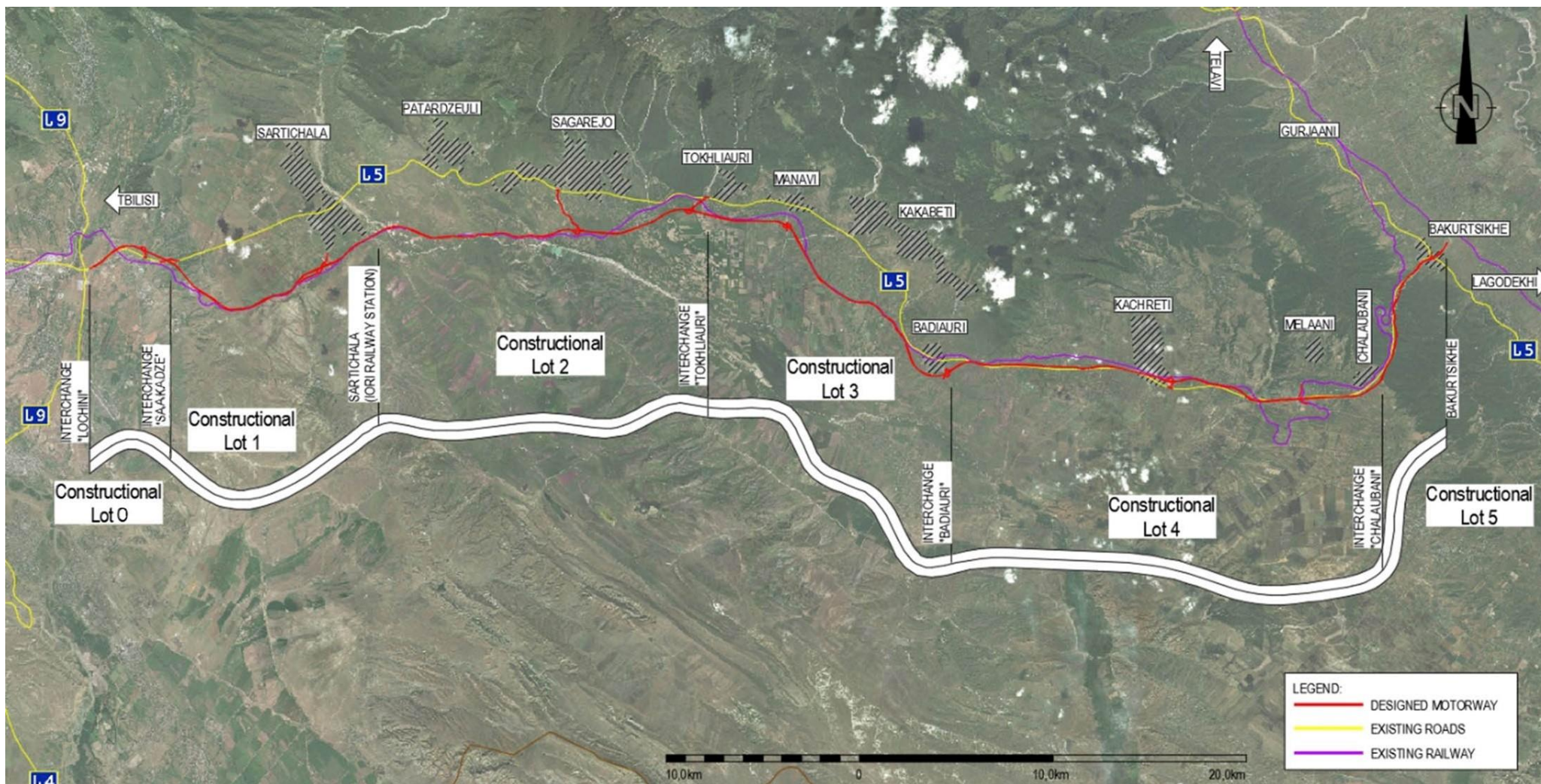


Figure 1.1 The designed motorway with the Constructional Lots.

1.4 RAP Preparation

31. The presented RAP for Lot 4 of the Tbilisi-Bakurtsikhe Road is based on DMS, census and socio-economic survey which were conducted from 06 November of 2025 until December 15, 2025. Therefore for the affected plots the cut-off date 06 November of 2025; The valuation of the land and assets is based on a valuation report prepared by the independent licensed valuator in January 2026. The RAP includes (i) inventory of impacts and AP figures reflecting design; (ii) micro plan for land acquisition and implementation of RAP (iii) update of RAP budget; and (iv) loss and entitlement profile for individual owners of land plots and APs

32. The present RAP preparation entailed intensive consultations with the stakeholders, especially the APs and their community were conducted to understand the extent of impact and validate the severity and compensation measures. The assessment of losses and land acquisition is based on the final engineering design as part of the detailed design study.

1.5 Pending RAP Implementation Tasks

33. Current RAP is draft RAP. Following this RAP approval finances will be provided to the RDMOI (Georgian Budget). Prior to the distribution of RAP finances to the APs the ongoing registrations according to current legislation will be finalized and all APs will sign a contract agreement indicating that they accept the compensation provided to them. If an AP does not sign the contract the case will be passed to the appropriate court to initiate expropriation proceedings. This will be done after the compensation amount is deposited in escrow account. Escrow accounts will also be established for absentee APs.

34. Prior to initiating court proceedings, the Project will make all reasonable efforts to achieve a negotiated settlement. Project Affected Persons will have full access to the Project's Grievance Redress Mechanism, through which they may raise concerns, request clarification, or contest compensation amounts. The GRM provides an accessible, transparent, and timely process for resolving disputes before resorting to judicial procedures. The case will be submitted to the court only if an amicable resolution cannot be reached through negotiation and the grievance redress process.

1.6 Conditions for Project Implementation

35. Based on the WB ESF, the approval of project implementation will be based on the following RAP-related conditions:

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

1.7 Goals of Resettlement Action Plan

The presented RAP is based on ESF ESS 5 of WB. Objectives of the ESS 5 are:

- To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives.
- To avoid forced eviction.
- To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at full replacement cost and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

2 Census and impact Assessment

36. The data on land plots, buildings and structures or other assets, affected by the project (within the impact zone of Lot-4 RAP 4) is given in the present chapter.

2.1 Affected Land Plots

37. According to the census and inventory data of losses, mentioned road section will affect 737 land plots with total area under the project impact of 1,281,520 sq.m. From the mentioned 737 plots, 5 plots (8422 sqm) are in state ownership, 4 plots are municipal (6,375 sqm), 4 plots are owned by the state company JSC GSE. Only 1 state owned plot of 6,825 sqm is used by 1 private user under the leasing agreement. 31 plots (85,691sqm) belong to the company JS Georgian Railway. 476 land plots (958,288 sqm) are registered in private ownership, 215 plots (213,399 sq.m) are under the ongoing registration (sporadic or systematic).

38. Project affected land plots have been grouped in following categories according to ownership types, based on legal right on ownership:

- I category: Private Ownership (registered plots)
- II category: JSC “Georgian Railway” (state-owned company)
- III category: Joint ownership: JSC “Georgian Railway” (state-owned company)
- and private ownership (This land is Jointly owned by private person and state own company)
- IV category: JSC “Georgian State Electrosystem-GSE” (state-owned company)
- V category: Land plots under ongoing registration (sporadic or systematic registration)⁶
- VI category: State-owned land under lease
- VII category: State land not used by private users
- VIII category Municipal Land

39. VI to VIII category land plots are not subject for compensation.

40. Land plots currently under ongoing registration (either sporadic or systematic) may, at the time of RAP implementation, remain unregistered for various reasons. In such cases, the affected persons will be categorized as private users of state land. These APs will be provided with appropriate consultation and guidance, as until the land plots are formally registered as private property, they will be compensated for affected assets, including structures, trees, and other eligible items, in accordance with the Entitlement Matrix. Once the land plots are formally registered under private ownership, compensation for the land will be provided to the registered owners in line with the applicable RAP

⁶ These land plots are currently registered as state-owned; however, their ownership status is expected to change upon completion of the registration process. These land plots are under the possession of private users. Accordingly, the plots have been valued based on their respective land type, and acquisition will be carried out upon finalization of private ownership registration. These land plots will be also compensated for affected assets, trees, and other eligible items.

provisions. In cases where land registration is denied by NAPR, and the land plots remain unregistered, such users will be documented in the compliance reports. Verification will be carried out to ensure that compensation for affected assets, trees, and other eligible items has been provided in accordance with the Entitlement Matrix.

41. Total quantities according to land ownership categories are given in Table 2.1.

Table 2.1 Ownership Categories

Ownership Categories	Number of Land plots	Total Area	Area Under the Project Impact	Number of AHs
Compensable land				
1. Private Ownership (registered plots)	476	2404244	958288	295
2. JSC “Georgian Railway” (state-owned company)	31	316841	85691	N/A
3. Joint ownership: JSC “Georgian Railway” and private ownership (state-owned company)	1	22296	2350	N/A
4. JSC “Georgian State Electrosystem-GSE” (state-owned company)	4	170	170	N/A
5. Land plots under ongoing registration (sporadic or systematic registration)	215	320587	213399	55
Non-compensable land				
6. State-owned land under lease	1	21362	6825	N/A
7. State land not used by private users	5	17991	8422	N/A
8. Municipal Land	4	23002	6375	N/A
Total	737	3126493	1281520	350

42. Detailed information on categorization of land plots by land-use type, location and other factors affecting the cost rate of the affected land plots is given in Table 2.2 below. Here is provided a brief summary: In total all plots are subdivided into 9 types of land according to land use, location and other parameters affecting the land price. 6 types belong to compensable categories and the cost rates for each category is defined by the licensed valuator. The other three categories of land (Type 7, 8 and Type 9) represent the plots under the State ownership which are not subject for compensation.

- **Type 1: Agricultural land plots** used for farming purposes and located away from the existing main road (identified by cadastral numbers): 001 – 059, 065 – 128, 130 – 227, 229, 232, 234, 235, 264-342, 345-437, 439-452, 454-472, 474-477, 479-493, 495-515, 516-522, 524, 525, 527-533, 597-631. The cost rate is valued as **6.56** GEL/sqm.

- **Type 2:** Agricultural land plots, which are located along the existing main road and can be used for commercial purposes (identified by cadastral numbers) :060, 061, 062, 064, 230 The cost rate is valued as **50.22** GEL/sqm.
- **Type 3:** Non-agricultural land plots Land plots located along the existing road and can be used as commercial (identified by cadastral numbers): 063, 136, 343, 344, 478, 438, 453, 473, 478, 494, 523, 526. The cost rate is valued as **62.77** GEL/sqm.
- **Type 4:** Non-agricultural land plots within the built-up area of Kachreti village with frontage along the road (identified by cadastral numbers): 228, 236-242, 246-248 The cost rate is valued as **86.63** GEL/sqm
- **Type 5:** Non-agricultural land plots located along the Kachreti–Chalaubani section (identified by cadastral numbers): 243-245, 249-263. Cost rate – **69.6** GEL/sq.m.
- **Type 6:** Non-agricultural land plots located within the administrative boundaries of Melaani and Chalaubani villages, (identified by cadastral numbers): 534-596. The cost rate is valued as **7.87** GEL/sqm.

Type 7: State-owned land plots used under lease agreements

Type 8: State-owned land not subject to use or occupation

Type 9: Land plots owned by local municipality

The situation in the real estate market has changed over the past four years. As a result, the value of land plots suitable for residential and/or commercial use has increased significantly compared to the prices applied under the initial RAP. The prices of agricultural land plots have also changed, although not as significantly.

It should also be noted that the valuation was carried out by an independent, licensed valuer. The assessment was based on verified sales data and information on comparable active market offers. The calculation of compensation amounts was conducted in accordance with the International Valuation Standards (IVS 2025).

Table 2.2 Type of Land Use and Land Groups by Compensation Rates

Land Category/ use and Group		Plots No.	Area (sqm)	Unit Price	Total Price	Number of HHs
Compensable Land						
Type 1	Affected agricultural land plots (identified by cadastral numbers): 001 – 059, 065 – 128, 130 – 227, 229, 232, 234, 235, 264-342, 345-437, 439-452, 454-472, 474-477, 479-493, 495-515, 516-522, 524, 525, 527-533, 597-631.	622	1126245	6.56	7,388,167.2	300
Type 2	Affected agricultural land plots (identified by cadastral numbers) :060, 061, 062, 064, 230	6	4623	50.22	232,167.06	5
Type 3	Affected non-agricultural land plots (identified by cadastral numbers): 063, 136, 343, 344, 478, 438, 453, 473, 478, 494, 523, 526	11	30074	62.77	1,887,744.9	11
Type 4	Non-agricultural land plots within the built-up area of Kachreti village with frontage along the road (identified by cadastral numbers): 228, 236-242, 246-248	11	5681	86.63	492,145.03	6
Type 5	Non-agricultural land plots located along the Kachreti-Chalaubani section (identified by cadastral numbers): 243-245, 249-263.	14	45371	69.6	3,157,821.6	12
Type 6	Non-agricultural land plots located within the administrative boundaries of Melaani and Chalaubani villages (identified by cadastral numbers): 534-596	63	47904	7.87	377,004.48	26
Total Compensable Land		727	1259898		13,535,050.35	36
Non-compensable Land						
Type 7: State-owned land	State-owned land plots used under lease agreements	1	6825			
Type 8: State-owned land	State-owned land plots not subject to use or occupation	5	8422			
Type 9: Municipal Land	Land plots owned by local municipality	4	6375			
Total non-compensable land		10	21622			
Total		737	1,281,520		13,535,050.35	360

Note: The difference between the numbers of the plots and number of AHs is due to the fact that several AHs lose two and more land plots and some plots are co-owned by several AHs.

43. Based on their location and the findings of the valuation report, land plots owned by JSC “Georgian Railway” and JSC “Georgian State Electrosystem” are included under Types 1–6 and are

therefore not identified as a separate category. These lands owned by affected parties are not calculated as HHs.

2.2 Impact on Agricultural Crops

44. Agricultural crops impacted by the project implementation are as follows: wheat, maize, hay, barley, Alfalfa, beans, different kind of vegetables. In total 193 AHs are cultivating crops on 274 land plots. Crops are mainly cultivated for self-consumption.

45. Detailed information about the agricultural crops is given in Table 2.3 below.

Table 2.3 Annual crops

NN	Type of agricultural crop	Number of Plots	Area	Number of AHs.
1	Maize (corn)	44	45,198	32
2	Cucumber	2	368	1
3	Barley	21	54,738	13
4	Tomato	12	10,011	10
5	Alfalfa (lucerne)	2	890	1
6	Hay	175	245,180	114
7	Pumpkin	1	500	1
8	Wheat	33	52304	24
9	Potato	1	370	1
10	Sunflower	4	4035	3
Total		295	413,594	200
		274 (With Double Counting)		193 (With Double Counting)

Note: The difference between the number of land plots and the number of households is due to the fact that several households jointly cultivate land plots planted with the same crop types. The difference in the number of households is because some households cultivate land plots with different crop types.

The difference in the number of land plots is since multiple crop types are cultivated within a single land plot.

2.3 Impact on trees

46. Clearing right of way for construction of the road will cause felling down of 122,699 productive fruit trees on 436 land plots owned by 217 AHs. The details are given in Table 2.4 below. The number

of affected trees includes the grape trees to be cut on the residual land for creating corridor needed for tractor operations.

Table 2.4 Information about trees impacted within the RoW

Plants	Age group	Cost of seedling, Gel	Cost of harvest unit, Gel	Number of compensation years	Full productivity per year, kg	Harvest compensation for per year (Gel)	Total compensation for adult perennial plant without considering the annual expenses (Gel)	Total compensation for adult perennial plant with considering the cost (Gel)	Number of trees
Cherry (sweet/sour)	seedling (<5)	10	2	4	4	8	42	30	147
	5-9	10	2	6	12	24	154	100	207
	10-30	10	2	8	18	36	298	210	33
	>30	10	2	8	15	30	250	170	0
Apple	seedling (<5)	8	1	4	5	5	28	20	49
	5-8	8	1	6	25	25	158	110	22
	9-25	8	1	7	55	55	393	290	32
	>25	8	1	7	35	35	253	170	0
Mulberry	seedling (<7)	8	1.5	5	4	6	38	25	244
	7-15	8	1.5	7	8	12	92	65	304
	16-35	8	1.5	9	16	24	224	140	57
	>35	8	1.5	9	12	18	170	100	5
Hazelnut	seedling (<4)	3	4	3	2	8	27	15	1
	4-8	3	4	4	3.5	14	59	40	3
	9-20	3	4	7	6	24	171	100	118
	>20	3	4	7	5	20	143	80	0
Walnut	seedling (<5)	10	5	4	4	20	90	70	703
	5-10	10	5	6	15	75	460	340	283
	11-45	10	5	10	30	150	1510	1100	385
	>45	10	5	10	40	200	2010	1450	20
Persimmon	seedling (<5)	7	1	4	5	5	27	20	78
	5-9	7	1	6	10	10	67	50	0
	10-25	7	1	8	30	30	247	170	0
	>25	7	1	8	20	20	167	110	0
Quince	seedling (<5)	7	1.5	4	3	4.5	25	15	10
	5-9	7	1.5	5	15	22.5	119.5	80	4
	10-30	7	1.5	7	25	37.5	269.5	190	1
	>30	7	1.5	7	20	30	217	120	0
Fig	seedling (<5)	6	1.5	4	5	7.5	36	25	3
	5-9	6	1.5	5	15	22.5	118.5	70	10
	10-20	6	1.5	7	30	45	321	210	14
	>20	6	1.5	7	20	30	216	140	3
Pear	seedling (<5)	7	1.2	5	7	8.4	49	30	10
	5-8	7	1.2	7	20	24	175	120	1

	9-25	7	1.2	7	70	84	595	415	2
	>25	7	1.2	7	45	54	385	270	0
Apricot	seedling (<5)	6	2	4	4	8	38	25	94
	5-8	6	2	5	15	30	156	100	159
	9-20	6	2	7	22	44	314	190	196
	>20	6	2	7	18	36	258	155	111
Grape (Rkatsiteli)	seedling (<5)	2.5	1.5	4	2.5	3.75	17.5	16	759
	5-8	2.5	1.5	5	4	6	32.5	28	4714
	9-25	2.5	1.5	8	5.5	8.25	68.5	57	42371
	>25	2.5	1.5	8	5	7.5	62.5	49	19207
Grape Red (Saperavi)	seedling (<5)	3	2.5	4	2	5	23	20	201
	5-8	3	2.5	5	3	7.5	40.5	32	3737
	9-25	3	2.5	8	5	12.5	103	79	35131
	>25	3	2.5	8	4	10	83	64	1613
Grape (Manavi Green)	seedling (<5)	3	2	4	2	4	19	17	0
	5-8	3	2	5	3	6	33	27	0
	9-25	3	2	8	4.5	9	75	62	3253
	>25	3	2	8	3.5	7	59	50	440
Grape (Kisi)	seedling (<5)	3	2.2	4	2	4.4	20.6	19	0
	5-8	3	2.2	5	4	8.8	47	40	641
	9-25	3	2.2	8	5	11	91	79	0
	>25	3	2.2	8	4.5	9.9	82.2	70	39
Grape (Aladasturi)	seedling (<5)	3	2.2	4	2	4.4	20.6	19	0
	5-8	3	2.2	5	3.5	7.7	41.5	30	118
	9-25	3	2.2	8	4.5	9.9	82.2	70	692
	>25	3	2.2	8	4	8.8	73.4	60	121
Grape (white table grapes – French pink, Italian)	seedling (<4)	5	2.5	3	2	5	20	18	0
	4-7	5	2.5	4	3	7.5	35	27	1403
	8-20	5	2.5	7	4.5	11.25	83.75	70	2869
	>20	5	2.5	7	4	10	75	60	204
Grape (pergola- trained Adesa)	seedling (<6)	5	0.8	5	5	4	25	18	0
	6-10	5	0.8	6	8	6.4	43.4	30	0
	11-25	5	0.8	8	12	9.6	81.8	60	4
	>25	5	0.8	8	10	8	69	51	0
Cherry plum, Sour cherry plum, damson	seedling (<5)	8	2	4	5	10	48	35	41
	5-9	8	2	5	13	26	138	100	167
	10-35	8	2	8	22	44	360	250	98
	>36	8	2	8	18	36	296	200	3
Medlar	seedling (<5)	7	1.5	4	3	4.5	25	20	1
	5-9	7	1.5	5	10	15	82	60	5
	10-30	7	1.5	8	20	30	247	150	2
	>30	7	1.5	8	15	22.5	187	120	0
Plum	seedling (<5)	8	0.8	4	8	6.4	33.6	25	150
	5-9	8	0.8	5	15	12	68	45	204

	10-25	8	0.8	8	30	24	200	125	118
	>25	8	0.8	8	20	16	136	95	0
Dogwood/Cornelian cherry	seedling (<5)	6	2	4	2	4	22	17	6
	5-9	6	2	5	4	8	46	30	6
	10-30	6	2	8	6	12	102	65	4
	>30	6	2	8	5	10	86	55	0
Peach	seedling (<3)	8	1.5	4	5	7.5	38	30	2
	3-7	8	1.5	5	20	30	158	90	437
	8-18	8	1.5	5	40	60	308	210	16
	>18	8	1.5	5	25	37.5	195.5	140	0
Lemon	seedling (<5)	10	2	4	5	10	50	35	2
	5-9	10	2	5	15	30	160	130	1
	10-30	10	2	8	35	70	570	350	0
	>30	10	2	8	25	50	410	300	0
Pomegranate	seedling (<5)	6	2	3	5	10	36	30	26
	5-9	6	2	4	10	20	86	55	5
	10-25	6	2	8	25	50	406	260	348
	>25	6	2	8	20	40	326	220	0
Olive	seedling (<5)	6	6	4	3	18	78	40	12
	5-8	6	6	5	15	90	456	250	0
	9-40	6	6	8	20	120	966	700	1
	>40	6	6	8	35	210	1686	1200	0
Almond	seedling (<5)	8	10	4	2	20	88	65	19
	5-8	8	10	5	4	40	208	200	51
	9-25	8	10	8	7	70	568	420	105
	>25	8	10	8	6	60	488	360	29
Sea buckthorn	seedling (<5)	5	2	4	3	6	29	22	14
	7-10	5	2	6	5	10	65	50	0
	11-25	5	2	8	10	20	165	100	0
	>25	5	2	8	7	14	117	70	0
Total									122,699

Note: Access to four land plots could not be obtained and the inventory of Perennials could not be carried out, as either the landowners did not consent to the inventory survey or physical access to the plots and counting of trees (including GPS point collection) was not possible.

The inventory of the above-mentioned trees will be conducted at a later stage, subject to the agreement with the landowners.

The team of the company conducting the field works includes a botanist who is responsible for on-site identification and classification of all affected plant species. During the inventory process, all perennials are recorded and identified based on their coordinates. Therefore, it is unlikely that any species would be omitted.

Nevertheless, it should be noted that if an affected person believes that a rare or high-value grape variety or any other plant species has not been properly identified or valued, they may submit a written statement to the Roads Department of Georgia using the acting GRM. The RD will review the grievance, and in cases where the claim is substantiated, adequate measures will be applied.

This principle extends to all types of assets and ensures that affected persons have the opportunity to seek correction in case of discrepancies.

2.4 Impact on Structures

47. Impact under this Lot 4 will not result in physical displacement, and no households will lose residential structures. The project affects different types of buildings: warehouse, former restaurants, shops, bakeries, gas-filling stations, etc.

48. Detailed information about the impacted buildings and structures is provided in **Table 2.5**.

Table 2.5 Impact on Structures

Number of Land Parcel	Building	Description (sq.m)	Price (Gel)
007-1	Warehouse	22.55	3,470
008	Shop	44.23	54,940
008	Bakery (tone)	20	19,815.00
062	Former restaurant	88.86	106,060
063	Former restaurant	149.5	109,070.00
092	Boiler room – warehouse	5.05	1,950
136	Auxiliary structure	84.54	74,310
188-1	Boiler room – auxiliary	2.43	2,030
236	Stone masonry workshop	89.14	18,010
236	Toilet (old)	2.2	1,620.00
236	Toilet (new)	1.96	1,635.00
236	Shop (drive-through café)	17.7	18,010.00
238	Gas station P [REDACTED]	170.2	359,670
240	Car service	80	86,025.00
242	Gas station	86.5	128,000
245	Half of Bread storage	110.325	120,400
245	Warehouse	62.39	43,370
245	Office and warehouse	20	24,220.00
245	Poultry house	15.3	5,525.00
245	Metal-plastic workshop	130.04	89,560.00
247	Auto parts shop	44.44	54,240
251	Half of bread storage	110.325	120,400
251	Half of warehouse	62.39	43,370
251	Half of tailoring shop	22.42	17,557.5
251	Toilet	5.18	6,890
253	Half of tailoring shop	22.42	17,557.5
255	Pharmacy	25.68	23,845

256	Car service and shop	63.64	41,790
258	Toilet	4.2	2,445
259	Incubator	213.1	151,855
260	Auxiliary shed	45	8,785
260	Pigsty	52.52	20,400
263	Former warehouse	115.84	101,585
263	Toilet	9.32	5,310
263	Former transformer station	19	25,830
263	Former kitchen	40.5	48,835
263	Casting workshop	4080	3,171,370
263	Glass workshop	270.5	44,1470
263	Warehouse and repair workshop	243.2	149,265
263	Former transformer station	42.04	48,660
263	Former casting workshop	527.82	189,670
265-1	Boiler room	7.9	1,565
427	Farm	104.7	101,155
427	Security building	9.72	14,995
427	Warehouse	70.8	10,710
427	Toilet	3.14	2,745
427	Warehouse	9.12	1,540
448	Toilet	1.04	1,160
453	Elevator (mill)	281.25	267,270
517	Bakery (tone)	22.7	11,450
526	Toilet	27.12	17,350
526	Auxiliary structure (warehouse)	76.8	26,330.00
Sub-total 1		6,971.88	6,415,090.00

Small Buildings			
Number of Land Plots	Gates and Fences	Description (Lineal M)	Price (Gel)
120	Fence (different type)	6217.55	175,800
14	Gate (different type)	52.3	17480
135	Poles and wire for vineyard	194545	817089
Sub-Total 2			1,010,369

Number of Land Plots	Other structures	Price (Gel)
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66	Other objects (spray tank, irrigation system, hail protection system, water cistern, container, pergola, graveled yard, pipes, concrete foundation, and others)	575735
Sub-Total 3		575735
Total		8,001,194

Summary of buildings by number and HHs Ownership

49. Under the Lot 4, there is no impact on private houses. The number of commercial/business buildings are 25 (owned by 18 HHs), auxiliary structures under the impact are 27 (owned by 14 HHs) - these structures are located on 32 land plots. Gates, fences poles and wire for vineyard are 268 and located on 150 land plots (owned by 79 HHs) different types of minor buildings are 66 (owned by 48 HHs), total Number of different types of buildings are 385 owned by 187 HHs (without double counting).

Table 2.6 Summary of Impact on Structures

Building	Number of Buildings	Description (m ² /Lineal m.)	Price	Number of HHs
Residential houses	0	0	0	0
Commercial/business buildings	25	6320.19	5,574,140	18
Auxiliary structures	27	1516.55	840,950	14
Gates, fences, poles and wire for vineyard	268	200814.85	1,010,369	150
Compensation for dismantling and reinstallation of equipment, yard improvement, and technical conditions, as well as other objects (spray tank, irrigation system, hail protection system, water cistern, container, pergola, graveled yard, pipes, concrete foundation, and others)	66	-	575,735	48
Total	385		8,001,194	187 (Without double counting)

Note: some HHs own various number of different kinds of buildings which are located on several land plots owned by these HHs.

50. Explanation regarding the number of buildings recorded as having a business function (25 buildings owned by 18 HHs):

51. Not all buildings listed as commercial represent operating businesses. Specifically, 8 HHs and one Affected party owned 11 businesses and 15 buildings used for the functioning of these businesses.

52. In addition, 7 commercial buildings owned by 6 HHs have not been operating as businesses for several years. Therefore, compensation for these structures will be provided only for the buildings at full replacement cost, and no business compensation will be applied.

53. It should also be noted that the remaining 3 commercial buildings (owned by 3 HHs) are located on land plots that are not fully subject to acquisition, as only a small portion of the land—containing auxiliary business structures—is affected by the project. Consequently, these households will continue their business activities and will not be eligible for compensation for business loss.

54. Based on the above explanation, Table 2.7 below lists only the operating businesses, i.e., those that are eligible for compensation for business losses (11 businesses owned by 8 HHs and one Affected party). While Table 2.6 presents all buildings used for business purposes that are affected by the project.

2.5 Impact on Businesses and Employment

55. Most owners are registered as an individual entrepreneur having small business only one business – Gulf petroleum station can be considered as large business owned by Ltd. The businesses failed to provide financial documents confirming their taxable profit of the affected business compensation based on the average taxable profit of the affected business over the past three years. Accordingly, the compensation amounts for lost businesses will be equal to allowance equal to 12-month period subsistence unit rate, the unit rate is defined according to the December 2025 data which was obtained from the Geostat.

Table 2.7 Description of the affected operational businesses

Business Number	Land Parcel Number	Number of Bindings located on land plot	Number of Land plots	Owner	Description
1	236	2	1		Outdoor trading, drive-through service, stone processing for cemetery monuments
2	238	1	1		Gas station “Gulf”, shop
3	240	1	1		Auto parts shop and car service workshop
4	242	1	1		Gas station
5	245	3	1		Bakery, metal-plastic workshop
6	247	1	1		Shop
7	251	1	1		Bakery, tailoring workshop
8	253-251	2	2		Tailoring workshop
9	255	1	1		Pharmacy
10	256	1	1		Car service workshop
11	259	1	1		Incubator

56. **Permanent worker/employees** receive the compensation which is equivalent to actual wage (average of last three payments calculated based on the last 6-month period), verified through bank transfer documentation (records) for 3 months and/or in cases where documents confirming salary

transfers are not available, indemnity for lost wages equal to one-time 3-month period subsistence unit rate. For all the above, acceptable documents need to be presented, i.e. salary payment document, accountant/financial report.

57. The most of businesses failed to provide financial documents confirming salary transfers and/or number of employees - only 4 businesses were provided such information, the total number of employees are 10. The information regarding employment is provided in Table 2.6 below:

Table 2.6 Information Regarding Employment

Business ID	Business Type	Number of Employees
1	Outdoor trading, drive-through service, stone processing for cemetery monuments	N/A
2	Gas station, shop	N/A
3	Auto parts shop	1
3'	Car service workshop	4
4	Gas station	2
5	Bakery	N/A
5'	Metal-plastic workshop	N/A
6	Shop	N/A
7	Bakery	N/A
7'	Tailoring workshop	N/A
8	Tailoring workshop	N/A
9	Pharmacy	3
10	Car service workshop	N/A
10'	Shop	N/A
11	Incubator	N/A
Total		10

2.6 Impact on Common Property Resources

58. Project will not impact on the objects of public or cultural importance.

2.7 Severe Impacts

59. AHs are considered as being severely impacted in case if they lose Include those AHs (i) losing 10% or more of their land impacted by the project, (ii) physically displaced HH and (iii) households losing commercial/business establishments.

60. According to these criteria 331 AHs are recognized as severely impacted and will receive special allowances for severe impacts.

Table 2.7 Information Regarding Severe Impact

Type of allowances	Number Of AHs	Number Of APs
Severely affected Households, of which:		
(i) Losing 10% or more of affected land	331	1,384
• Loss of 10%-29% of affected land plots	81	341

• Loss of 30%-59% of affected land plots	81	341
• Loss of 60%-99% of affected land plots	46	193
• Loss of 100% of affected land plots	123	512
(ii) Households losing commercial/business establishments	9	37
(iii) Relocated households	0	0
Total	331 (Without Double Counting)	1384 (Without Double Counting)

2.8 Impact on Disadvantaged and Vulnerable Households.

61. Disadvantaged or vulnerable refers to those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/ or assistance to do so. This will take into account considerations relating to age, including the elderly and minors, and including in circumstances where they may be separated from their family, the community or other individuals upon which they depend. These are (i) female-headed households regardless of dependent status; (ii) disabled household heads and/or members; (iii) poor households as defined by the official poverty line; (iv) elderly households with no means of support; (v) households without security of tenure; (vi) Ethnic minorities; and (vii) refugees or internally displaced people.

62. The information about disadvantaged and vulnerable households is given below, in

63. Table 2.8. All AHs with disadvantaged or vulnerability statuses will be granted one-time assistances, which is determined as 3-month period assistance unit rate.

64. In total 20 disadvantaged and vulnerable AHs are identified.

65. **Table 2.8** Disadvantaged and Vulnerable Households

Vulnerability Category	Number of Households
Poor households as defined by the official poverty line	6
Elderly households with no means of support	2
Female-headed households regardless of dependent status	5
Households with members who have a disability	3
Other: Households with many dependents (large families) and veterans	4
Total	20

Note: One household (No. 173) qualifies under multiple vulnerability criteria, as it is a poor household as defined by the official poverty line, a female-headed household, and includes a household member with a disability

1. In practice, and based on previous experience, Targeted Social Assistance (TSA) status is typically used as a proxy indicator for identifying households living below the poverty line. This approach provides an objective and verifiable basis for vulnerability screening.

Government of Georgia Resolution No. 145 “On Social Assistance”, a family that is registered in the Unified Database of Socially Vulnerable Families in accordance with the established procedure, and whose rating score is below the threshold score determined for the subsistence allowance, is entitled to receive a subsistence allowance.

Such households are officially recognized as socially vulnerable (poor) under the national social assistance system.

Accordingly, for the purposes of RAP, households registered in the Unified Database of Socially Vulnerable Families and falling below the applicable threshold score are considered poor and eligible for vulnerability-related support measures.

2. For the purposes of the RAP, “elderly households with no means of support” may be defined as households where:

- (i) all adult members are above the statutory retirement age as defined by Georgian legislation;
- (ii) there are no economically active household members; and
- (iii) the household does not receive regular income from employment, business activity, etc.

3. “Households with many dependents (large families)” refers to households that have been officially granted large-family status in accordance with applicable national legislation. Pursuant to the Government of Georgia Resolution dated April 30, 2019, the status of a large-family parent is conferred by the Ministry of Justice of Georgia, namely through the Public Service Development Agency.

4. The status of veterans is defined according to the law of Georgia on veterans of war and military forces:

- a) veterans of World War II and persons equal to them.
- b) veterans of combat operations in another state’s territory and persons equal to them.
- c) veterans of combat operations for Georgia’s territorial integrity, freedom and independence and persons equal to them.
- d) veterans of military forces.
- d) veterans of defense forces

2.9 Physical Relocation and Relocation Strategy

66. There are no HHs losing their residential houses and it is not necessary to provide assistance for physical relocation.

2.10 Summary of Impact

67. Brief summary of project impacts is given in Table 2.9.

Table 2.9 Summary of project impacts

N	Impacts	Unit	
Land Tenure Patterns			
1	Total Land parcels affected	No	737
2	Total land Area to be acquired	Sq.m	1,281,520
3	Category 1. Private Registered Plots	No	476
		Sq.m	958,288

N	Impacts	Unit	
4	Category 2. Land plots under ongoing registration (sporadic or systematic registration) ⁷ .	№	215
		Sq.m	213,399
5	Category 3. Plots of JSC Georgian Railway	№	31
		Sqm	85,691
6	Category 4. Joint ownership: JSC “Georgian Railway” and private ownership (state-owned company)	№	1
		Sq.m	2,350
7	Category 5. JSC GSE (State owned company)	№	4
		Sq.m	170
8	Category 6. State-owned land under lease	№	1
		Sq.m	6,825
9	Category 7. State land not used by private users	№	5
		Sq.m	8,422
10	Category8. Municipal land	№	4
		Sq.m	6,375
Land Use and Compensation Categories			
11	Type 1 Agricultural land plots 6.56 GEL/sq.m.	№	622
		Sq.m	1,126,245
12	Type 2: Agricultural land plots 50.22 GEL/sqm.	№	6
		Sq.m	4,623
13	Type 3: Non-agricultural land plots: 62.77 GEL/sqm.	№	11
		Sq.m	30,074
14	Type 4: Non-agricultural land plots within the built-up area of Kachreti village with frontage along the road 86.63 GEL/sqm	№	11
		sq.m	5,681
15	Type 5: Non-agricultural land plots located along the Kachreti–Chalaubani section 69.60 GEL/sq.m.	№	14
		Sq.m	45,371
16	Type 6 Non-agricultural land plots located within the administrative boundaries of Melaani and Chalaubani villages 7.87 GEL/sqm.	№	63
		Sq.m	47,904
17	Type 7: State-owned land plots used under lease agreements	№	1
		Sq.m	6,825
18	Type 8: State-owned land not subject to use or occupation	№	5
		Sq.m	8,422
19	Type 9: Municipal land	№	4
		Sq.m	6,375
Agricultural Patterns			
19	Maize (corn)	Sq.m	45,198
20	Cucumber	Sq.m	368
21	Barley	Sq.m	54,738
22	Tomato	Sq.m	10,011
23	Alfalfa (lucerne)	Sq.m	890
24	Hay	Sq.m	245,180

⁷ These land plots are currently registered as state-owned; however, their ownership status is expected to change upon completion of the registration process. These land plots are under the possession of private users. Accordingly, the plots have been valued based on their respective land type, and acquisition will be carried out upon finalization of private ownership registration.

N	Impacts	Unit	
25	Pumpkin	Sq.m	500
26	Wheat	Sq.m	52,304
27	Potato	Sq.m	370
28	Sunflower	Sq.m	4,035
31	Affected Trees	No	122,699
Affected Structures			
32	Residential houses	No	0
33	Various size buildings (bakeries, shops, gas-filling stations etc.) and ancillary buildings (sheds and ancillary structures; cattle-shed etc.)	No	52
34	Fences, gates, vineyard poles and wire	No	268
35	Other types of small structures	No	66
Affected Businesses			
36	Various	No	11
Affected Households			
37	Total AHs		350
38	The total number of affected HHs with ongoing land registration (sporadic or systematic registration).		55
39	Affected families losing leased land plot		1
40	Businesses losing owned land (excluding JSC GR, GSE)		9
41	Businesses losing leased land		0
42	Severely affected Households	No	331
43	Disadvantaged and Vulnerable Households	No	20
44	Resettled (physically relocated) households	No	0
45	AH losing registered plots	No	295
48	AH losing agricultural land plots	No	305
50	AH with non-agricultural land plots	No	55
51	AH losing Jobs	No	10
52	AH/Affected Parties losing businesses	No	9
53	AH losing crops	No	193
54	AH losing trees	No	217
50	Total Affected Persons	No	1,412

2.11 APs and Communities

68. Overall, the number of AH is 350 (1,412 Aps), out of which 8 are owners of private small businesses, 1 is the Joint ownership of JSC "Georgian Railway" and private ownership of one HH and the rest 341 – families, 2 state owned companies and one large private Ltd. are not considered as HHs, there are defined as affected Parties.

69. No one of affected AHs are losing residential houses and will be physically relocated. 8AHs lose small businesses and one affected party – large business.

2.12 Impact on Employment

70. Road construction will affect one state owned land tenant. The project will have impact on employees; the total number of employees is not clear yet.⁸

2.13 Impact on Indigenous Peoples

71. An assessment of impact on indigenous peoples was undertaken. No such groups or people are affected.

2.14 Gender and Resettlement Impacts

72. The project impact extends to 350 AHs (1412 APs) comprising 50.35% female (711) and 49.65 % males (701): The average family size is 4.01. members per household. Further, 5 AHs are headed by women. Special attention will be given to the impact of resettlement on women and disadvantaged and vulnerable groups during monitoring and evaluation of the RAP. The project will have a positive impact on gender, and civil works contracts will include provisions to encourage employment of women during implementation. Additionally, women headed households have been considered as vulnerable and special assistance was provided in the RAP entitlements which is determined as 3-month period assistance unit rate. Additional consultations are planned with affected women to identify any specific for women problems arising in conjunction with the project, especially land take related impacts.

73. According to studies conducted in recent years in Georgia, it has been observed that in rural parts of the country—particularly in areas with ethnic minority populations—land and property are often registered in the name of male household members. This practice may limit women's formal ownership rights and their direct access to compensation and decision-making processes in land acquisition projects. To address these risks, the Project and this RAP apply measures aimed at ensuring gender-sensitive implementation. During the census and inventory process, both spouses and adult household members were identified and recorded. Consultations were conducted in a manner that encourages the participation of women, and compensation arrangements are discussed transparently with all relevant household members. This included organizing meetings at times and locations convenient for women, providing information in accessible formats, and using inclusive facilitation approaches to ensure that women felt comfortable expressing their views. In addition, efforts were made to directly inform and invite women to consultations, and to ensure that their feedback was actively sought and documented. This process was supported by a local women's focal point in Gurjaani Municipality, who facilitated outreach and engagement with women in the project-affected communities. In addition, the Grievance Redress Mechanism remains accessible to women to raise concerns related to ownership and compensation. These measures are intended to mitigate potential gender-related risks and promote equitable outcomes in line with ESS5 principles. GRM also provides possibility of lodging a complaint anonymously, which might be required for gender-sensitive cases. Anonymous complaints may be lodged through hotline services, written submissions without identification, or electronic

⁸ In line with the Entitlement Matrix, all properly identified employees will be entitled to receive the applicable compensation.

channels. These grievances will be registered, assessed, and addressed in accordance with established procedures, without requiring disclosure of the complainant's identity. Information on the availability of anonymous channels is communicated during consultations and through project information materials.

3 Socio-Economic Information

3.1 Affected Population

74. This particular RAP is related to only Constructional Lot 4 from eastern Badiauri to Chalaubani. The total length of the Constructional lot is 21.76 km, and it crosses the main settlements of Mzisguli, Shibliani, Kachreti Naniani, Arashenda Melaani and Chalaubani. A census of 100% of the directly affected 350 HHs 1,412 APs. available on site was conducted to enumerate the APs. A sample socio-economic survey was included in the project area covering 229 households which 65.5% of the total of directly affected families losing their land and connected assets. The objective of the socioeconomic survey was to gather general information on socioeconomic condition of the affected people. However, beyond data collection, the survey also serves a broader purpose: to ensure that the Project is adequately informed by the local socio-economic context. The findings of the survey inform project design decisions, stakeholder engagement approaches, consultation strategies, eligibility criteria, and the development of appropriate mitigation and livelihood restoration measures.

75. In particular, the survey results help identify vulnerability patterns, income sources, dependency on land and agricultural production, income and community-specific economic activities. This allows the Project to tailor compensation and livelihood restoration measures in a manner that is context-sensitive and proportionate to actual impacts. For example, given that the target area is a wine-producing region, the Project applies a more nuanced and differentiated approach to the valuation of grape varieties, taking into account varietal differences and their economic value, as determined by an independent valuer for this RAP.

76. The socioeconomic information of the affected population as per census and socioeconomic survey is presented hereunder. The project impact extends to 1412 APs 50.35% female (711) and 49.65 % males (701) (Table 3.1).

Table 3.1 Demographic Profile of APs based on social survey

Age Group	Male		Female		Total		Average/ Household
	No.	%	No.	%	No.	%	
Children (Below 6 Years)	80	10.9	42	5.6	122	8.1	0.33
Children (6–18 Years)	108	15.4	66	9.4	174	12.3	0.49
Adult (19–65 Years male and 19 – 60 years for female)	426	60.8	430	61.1	856	60.6	2.42
Pension age (65 years and over males and 60 years and over - female)	93	13.2	175	23.8	268	19.0	0.76
	701	100	711	100	1,412	100	3.99
%					100		

3.1.1 AH Ethnicity

77. AHs are mostly Georgian (93.84%). Out of 1412 PAPs representing 350 AHs in total, 1,325 PAPs are Georgian, 82 Iranian⁹ and only 2 Russian and 3 Armenian. No Azeri, Jews or Ukrainian are

⁹ Iranian PAPs have purchased adjacent land plots (33 land plots owned by 24 HHs). During the inventory and asset registration process, communication was conducted through their Georgian representative; therefore, no communication barriers were encountered.

Furthermore, based on the census and socio-economic assessment, no ethnic minority group in the project area has been identified as belonging to the vulnerable category as defined under the RAP eligibility criteria.

affected in the project. Ethnic diversity does not mark any difference in overall national development in Georgia, and the minorities are mainstreamed as a common nation.

Table 3.2 Ethnicity of AHs

Sl.No.	Ethnicity	Total No. of APs	%
1	Georgian	1,325	93.84
2	Armenian	3	0.21
3	Iranian	82	5.81
4	Other (Russian)	2	0.14
	Total	1,412	100

3.1.2 Urban Rural Proximity

78. The project road is mostly located in rural area Between the villages Chalaubani and Badiauri. Survey shows that 64.6% households reside in rural areas and 35.4% resides in urban areas (Table 3.3). Project impact on urban and rural households will tend to change their investment priorities.

Table 3.3 Urban Rural Distribution of AHs

Sl. No.	Type of Settlement	Total No. of Households	%
1	Rural	239	68.1
2	Town (Urban)	112	31.9
	Total	350	100

3.1.3 Level of Education of APs

79. Data from project area in brought forth that illiteracy is not faced in the area – almost all APs elder than 6 years study in schools or university or have already got certain education. About a 36.5% of the population have university level education and 13.5% have got special technical education. All of the rest APs study is secondary schools or have finished school. (Table 3.4).

Table 3.4 Level of Education of Aps

Sl.No.	Category	Male		Female		Total	
		No	%	No	%	No	%
1	Illiterate	0	0.0	0	0.0	0	0.0
2	Preschool	76	10.8	44	6.2	120	8.5
3	Studies in school	109	15.5	71	10.0	180	12.7
4	Has secondary school education	176	25.1	231	32.5	407	28.8
5	Vocational Education	82	11.7	108	15.2	190	13.5
6	High Education	258	36.9	257	36.1	515	36.5
	Total	701	100	711	100	1,412	100

3.2 Agriculture and Land Resources

3.2.1 Land Holding Status

80. The AHs are all land holder of some quantum. According to the census survey 350 AHs own registered plots or land plots under the ongoing registration. The data obtained through the social survey is presented below (Table 3.5).

Table 3.5 Land Holding Status according to social survey

Sl. No.	Particulars	No of Households	%
1	Land Holder Households	350	100
2	Landless Households	0	0
3	Total Households	350	100

3.2.2 Major Cropping Pattern

81. Agricultural crops impacted by the project implementation are as follows: wheat, maize, hay, barley, beans, mixed vegetables. In total 200 AHs are cultivating crops on 295 land plots -without double counting and 193 AHs 274 Land plots with double counting. Crops are mainly cultivated for self-consumption.

82. Detailed information about the agricultural crops is given in Table 3.6 below.

Table 3.6 Annual crops

NN	Type of agricultural crop	Number of Plots	Area	Number of AHs.
1	Maize (corn)	44	45,198	32
2	Cucumber	2	368	1
3	Barley	21	54,738	13
4	Tomato	12	10,011	10
5	Alfalfa (lucerne)	2	890	1
6	Hay	175	245,180	114
7	Pumpkin	1	500	1
8	Wheat	33	52,304	24
9	Potato	1	370	1
10	Sunflower	4	4,035	3
Total		295	413,594	200
		274 (With Double Counting)		193 (With Double Counting)

Note: The difference between the number of land plots and the number of households is due to the fact that several households jointly cultivate land plots planted with the same crop types. The difference in the number of households is due to the fact that some households cultivate land plots with different crop types.

The difference in the number of land plots is due to the fact that multiple crop types are cultivated within a single land plot.

3.3 Economy of AHs

3.3.1 Annual Income and Expenditures of AHs

83. Out of 229 interviewed households, only 216 shared information about the financial conditions of their households. Regular wages, pension subsidies, agriculture and wage employment are major contributors to income of the AHs. The survey found that 38% of the AHs get income from one single source, 62% from double or more sources. Table 3.7 shows that the more the number of sources, the more is the amount of income feeding to a household. Double sources seem to contribute the highest in the project area.

Table 3.7 Average Annual Household Income against Number of Sources

Number of sources of Income	No. of Ahs	% of Ahs	Average household income (GEL)
Single Source	82	38.0	6,900
Double Sources	134	62.0	13,200
Total	216	100	10,050 (Average)

84. As per categories of the incomes, even though highest number of AHs reported to have income from pensions, state allowances and remittances.

Table 3.8 Average Annual Household Income against Type of Sources

Income Source	No. of AHs	Mean	Minimum	Maximum
Wages from Public Sector	50	8,100	600	32,000
Wages from Private Sector	20	9,500	700	40,000
Income from Agriculture	215	4,500	1,300	11,500
Pension/State Allowances, Remittances	160	3,300	1,300	8,000
Private Business	12	14,800	400	45,000
Temporary works	16	6,300	500	20,000

85. Below is the weighted average household income:

Total number of AHs: 473 (without double counting)

Weighted average household income: ≈ 5,010 GEL

Note: The weighted average household income was calculated by multiplying the mean income of each income source by the number of affected households in that category and dividing the sum by the total number of affected households.

86. Average income per household earning from single source is very low compared to the income from multiple sources (Table 3.7). Property income, pension and subsidy are in the lower echelon of household income.

87. Average monthly expenditures of the AHs are given below in table 3.9

Table 3.9 Average monthly expenditures of the AHs

Type of Expenditures	Total for 229 AHs	Average per AH
Food	2,088,480	760
Non-food	2,418,240	880
Total	4,506,720	1,640

3.3.2 Household Assets and Durables

88. Out of 229 interviewed households, 216 shared information about the households' assets and durable goods. Possession of durable goods differs from each household depending on the nature of the durable goods. Percentages are calculated based on 216 households. Multiple asset ownership per household is possible; therefore, totals do not sum to 100%. 100% of the households in the project area possess a television. Almost all PAPs have refrigerators (99.1%) and washing machine (93.1%). About 76% households reported that they have a car.

89. Possession of domestic animals includes large animals in 13.4% households, pigs (13.9%) and poultry in 55.6% households (Table 3.10).

Table 3.10 Possession of Durable Goods and Domestic Animals

Sl. No.	Item	Households No.	%
1	Television	216	100.0
2	Radio	0	0.0
3	Washing Machine	201	93.1
4	Refrigerator	214	99.1
5	Motorcycle	3	1.4
6	Car	165	76.4
7	Bicycle	5	2.3
8	Cow	29	13.4
9	Sheep	3	1.4
10	Pig	30	13.9
11	Horse/Donkey	2	0.9
12	Poultry	120	55.6

3.3.3 Debts

90. ALL 229 interviewed HHs provided the information regarding the loans, 147 have reported having a bank/MFO or private lender debts (Table 3.11).

Table 3.11 Debts

Sl. No.	Debts	Household number	%
1	Yes	147	64.2
2	Bank	116	50.7
3	Private lender	25	10.9
5	No	82	35.8
	TOTAL	229	100

3.4 Water and Sanitation

3.4.1 Source of Drinking Water

91. The major source of drinking water is the centralized local supply. Approximately 89.5% of households have access to the centralized water supply. Out of the 229 surveyed households, 147 households (64.2%) also have access to springs, and 201 households (87.8%) have their own wells in addition to the centralized water supply, which are mainly used during periods of water supply shortages. (Table 3.12).

Table 3.12 Source of Drinking Water

Sl. No.	Sources	Number of Households	%
1	Piped water supply	205	89.5
2	Well	201	87.8
3	Spring	147	64.2

Note: Households may rely on more than one water source; therefore, percentages do not sum to 100%.

3.4.2 Sanitation Facilities

92. Among the 229 interviewed households, 132 households (57.6%) have latrines connected to septic reservoirs, while 97 households (42.4%) have flush toilets connected to the centralized sewage system (Table 3.13).

Table 3.13 Types of Toilets

Sl. No.	Toilet	Number of Households	%
1	Central sewage system / flush toilet	97	42.4
2	Latrine	132	57.6
3	Total	229	100

3.5 Access to Energy and Civic Facilities

93. The majority of the surveyed AHs (approximately 98–100%) reported having access to electricity and gas supply systems; however, many households also use wood stoves as an additional fuel source. Details are given in Table 3.14.

Table 3.14 Type of Fuel Use for Cooking

Sl. No.	Types of Fuel	Number of Households	%
1	Electricity	229	100
2	Gas	229	100
3	Bottled Gas	131	57.2
4	Wood	170	74.2
	Total	229	100

3.6 Conclusion

94. Most of the surveyed households (approximately 96%) assessed themselves as not being wealthy and reported that their income is insufficient to afford good-quality medical services and education. At the same time, households indicated that their income is generally sufficient to cover basic needs, such as food and essential household items, while it is largely insufficient for non-essential or higher-cost expenditures, including leisure and recreation, travel, medical expenses, education costs, and similar needs. Literacy rate in the project area high (in fact 100% of the APs elder than 6 years are studying or have finished at least secondary school) compared to national literacy level. A little bit more than 50% of the affected population are female. Secondary level education rate among the women is slightly higher – But the women and men with high education have the same level: 36.9% and 36.1%. Women go side by side with the men in the project area and play important role in family economy. The project will have a positive impact on women through Livelihood restoration plan which will be developed and due attention will be given them from the project.

3.7 Project awareness

95. When asked who they perceive to be most affected by the project, respondents most identified people with affected agricultural land and/or business facilities (74 mentions). Disadvantaged and vulnerable groups such as, below poverty line, women headed HHs, elderly, or others were also mentioned 12 times, as they are also seen as primary affected groups.

96. Most respondents (37) do not believe there are groups in their community who might face difficulty participating in consultations. However, 32 respondents were unsure, and 5 acknowledged barriers. Among those, the elderly (3 mentions) and people with disabilities (1) were identified. One response was categorized as “Other.”

97. The most in-demand information relates to construction activities and impacts (31 mentions), followed by land acquisition and compensation (26), and relocation arrangements (19). Interest in employment opportunities was also present (13 mentions), though to a lesser extent.

98. The clear majority of respondents prefer community meetings (48 mentions), indicating a strong demand for in-person engagement. Mobile messages (16) and local representatives (8) followed, showing that some respondents favor direct and accessible formats. Interestingly, no one selected written notices/flyers or social media.

3.8 Community engagement

99. When asked where they turn for help with community-related issues, most respondents said they go to local Municipality (57 mentions). Others reported turning to government offices (12) or did not seek help at all (43 respondents). This shows that while local representatives are the main point of contact, a large group still avoids seeking help altogether.

100. When it comes to resolving complaints/issues raised during the RAP preparation only 12 people say issues are usually solved fairly. No one said “no,” and 10 said “sometimes.” A majority — 28 people — said “don’t know”.

101. The most trusted way to raise concerns is through local representatives (43 mentions). A number of APs prefer in-person (face-to-face) communication (50). A few (12) selected phone, social media, or written letters, showing a strong preference for direct, personal communication.

102. No one from respondents believe there are people in their community who feel unsafe or unable to make complaints.

103. When someone from a vulnerable group needs help, they are most likely to go to local representatives (37 mentions), or to family or friends (52).

3.9 Positive Impacts on the Proposed Project

104. Employment opportunities were identified by 36 affected households (15.7%). Business opportunities were noted by 6 households (2.6%). An increase in real estate value was mentioned by 1 household (0.4%). Improvements in the overall appearance of the area were identified by 19 households (8.3%). None of the households expected an influx of new residents. Easier access to services and other parts of the city was reported by 24 households (10.5%). No advantages were identified by 3 households (1.3%). Other benefits, as specified by respondents, were reported by 17 households (7.4%).

Advantages / Positive Impacts	No. of AHs	% of AHs
Employment opportunities	36	15.7
Business opportunities	6	2.6
Increase in real estate value	1	0.4
Overall appearance of the area	19	8.3
Influx of new residents	0	0.0
Easier access to services and other parts of the city	24	10.5
No advantages	3	1.3
Other (specified by respondents)	17	7.4

Note: Multiple responses per household were allowed; therefore, percentages do not sum to 100%.

105. The perceptions of affected households indicate that the proposed Project is expected to generate moderate positive socio-economic impacts, primarily through employment opportunities and improved access to services and other parts of the city. Improvements in the overall appearance of the area were also highlighted by a share of respondents. Expectations related to direct business opportunities were limited, while anticipated impacts on real estate values and population influx were minimal. Overall, the Project is largely perceived as contributing to functional and accessibility-related benefits rather than driving significant demographic or market changes.

4 Legal and Policy Framework

4.1 Georgia's Laws and Regulations on Land Acquisition and Resettlement

106. In Georgia, the legislative acts given below regulate the issues of obtaining State ownership rights to privately owned land parcels based on the necessary public needs established due to road construction activities:

- (i) On the Civil Procedural Code of Georgia (reg. # 060.000.000.05.001.000.301; 14.11.1997; last amendment 09.12.2025).
- (ii) On the Procedures for Expropriation of Property for Necessary Public Needs (reg. # 020.060.040.05.001.000.670; 23.07.1999; last amendment 13.06.2023).
- (iii) On the General Administrative Code of Georgia (reg. # 020.000.000.05.001.000.616; 25.06.1999; last amendment 17.12.2025).
- (iv) On the Administrative Procedural Code of Georgia (reg. # 030.000.000.05.001.000.672; 23.07.1999; last amendment 17.12.2025).
- (v) On the Constitution of Georgia (reg. # 010.010.000.01.001.000.116; 24.08.1995; last amendment 29.06.2020).
- (vi) On the Civil Code of Georgia (reg. # 040.000.000.05.001.000.223; 26.06.1997; last amendment 11.11.2025).
- (vii) On the Ownership Rights to Agricultural Land (reg. # 370030000.04.001.017924; 25.06.2019; last amendment 25.06.2019).
- (viii) On the recognition of the Property Ownership Rights Regarding the Land Plots Owned (Used) by Physical Persons or legal entities (reg. # 370.060.000.05.001.003.003; 11.07.2007; last amendment 17.12.2025).
- (ix) On the state property 2010 (reg. # 040.110.030.05.01.004.174; 21.07.2010; last amendment 17.12.2025).
- (x) On the Public Register (reg. # 040.150.000.05.001.003.390; 19.12.2008; last amendment 17.12.2025).
- (xi) The Law on Systematic and Sporadic Law Rules of Rights to Plots and Cadastral Data (reg. # 040150000.05.001.018150; 03.06.2019; last amendment 17.12.2025).
- (xii) On the Rules for Expropriation of Ownership for Necessary Public Need (reg. # 020.060.040.05.001.000.288; 11.11.1997; last amendment 15.07.2020).
- (xiii) On the Tax Code of Georgia (reg. # 200000000.05.001.016012; 17.09.2010; last amendment 17.12.2025).
- (xiv) On the Entrepreneurship (reg. # 240000000.05.001.020373; 02.08.2021; last amendment 26.11.2025)

107. As a total, the above-mentioned legislative acts determine that compensation of the lost assets should be carried out in accordance with the current market value. It is also noted that loss of physical assets, as well as loss of incomes is subject to the compensation. In case of loss the income, damage should be fully compensated. Except this, the legislation requires holding consultations with APs and providing their awareness.

108. There are several ways of obtaining the right of ownership:

- 1) Expropriation implies obtaining the right of the ownership in accordance with the Law of Georgia on "Rules for Expropriation of Ownership for necessary public Needs". Obtaining the right of ownership is carried out by the decision of the court, after payment of the compensation.

- 2) As for the second way, it is obtaining the right of ownership by negotiations. Amount of the compensation is determined based on the negotiations between the parties or the decision of the court. Obtaining the right of ownership should be carried out before launching the works.
- 3) The legal grounds for the procedure of expropriation and involuntary/mandatory servitude differs from each other, however both require litigations at the court. The expropriation procedure is regulated by the Law of Georgia on the “Procedure for the Expropriation of Property for the purposes of Public Domain”, while legal grounds for mandatory servitude lays on the civil code, provision 180 – “If a plot of land lacks a connection to public roads, electricity, oil, gas and water supply lines that are necessary for its proper use, the owner may require that a neighbour tolerate the use of his/her plot to create the necessary connection. The neighbours on whose plots of land the right of way of necessity or transmission line passes shall be given monetary compensation which, by agreement of the parties, may be made as a lump-sum payment.”

109. The ESF prefers to obtain the right of ownership by the second way – negotiations, but if this causes no result, the process of expropriation will be started.

110. According to the third paragraph of the Article 19 of the Constitution of Georgia, “It is permissible for the necessary public need in accordance with the case directly considered by the law, by the decision of the court or in case of the urgent necessity determined by the organic law with the preliminary, complete and fair compensation condition. Compensation is exempted from any taxes and fees.”

111. According to the Article 3 of the Law of Georgia on “Rules for Expropriation of Ownership for necessary public Needs”, just the court makes decision on the expropriation. In accordance with this decision, state or local self-governing body or Legal Entity of Public or Private Law will be determined, which will be granted the right of the expropriation. The decision should also consist of the detailed description of the expropriating property and proper indication on the necessity of providing preliminary, complete and fair compensation for the owner. A person, who is interested in obtaining the right of expropriation, should provide the owner with the complete information about the project and the brief description of the expropriating property. This information should also be published in the local and central press.

112. Overall, the above laws/regulations provide the principle of compensation at full replacement cost is reasonable and legally supported. The laws also identify the types of damages eligible for compensation and indicate that compensation is to be given both for loss of physical assets and for the loss of income. Finally, these laws place strong emphasis on consultation and notification to ensure that the APs participate in the process. Income loss due to loss of harvest and business closure will be compensated to cover net loss. The above-listed laws and regulations give the possibility of applying the following mechanisms for legal application of the property rights:

- Obtaining the right of way without expropriation through the payment of due compensation on the basis of negotiations, or in case negotiations fail through a court decision for expropriation, prior to commencement of the activities.
- Expropriation which gives the possibility of obtaining permanent right to land and/or other real estate property on the basis of Eminent Domain Law and court decision through the payment of due compensation.

4.1.1 Expropriation

113. Acquisition of land through expropriation will be pursued under the project only in extreme cases when negotiations between APs and RDMOI fail. Should the contract proposal fail, the expropriation process will commence by undertaking the procedures set out in the Law of Georgia “On the Rules for Expropriation of Ownership for Necessary Public Need” shall be applied. It is noted that under Georgian law, negotiation is seen as an alternative to expropriation, whereas under ESS 5 negotiation under threat of expropriation still qualifies as involuntary resettlement.

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

115. Under no condition would the RDMOI occupy the required plots until:

- (i) the proper judicial process as defined by the law is initiated;
- (ii) a court injunction has been obtained and properly communicated to the APs; and
- (iii) the compensation/rehabilitation amounts are deposited in an escrow account.

116. No land acquisition will take place until the compensation/rehabilitation amounts envisaged in the approved RAPs are deposited in an escrow account in a treasury (project account/or the EA’s account). The deposited funds will be paid to PAP upon the court decision on expropriation or in case the PAP decides to drop the case and signs the agreement with the RDMOI.

4.2 Requirement of the International Financial Organizations

117. International financial organizations (EIB, WB, EBRD and IFC) are based on the following principles in case of the compulsory resettlement and the land acquisition:

- Prevention of the resettlement is desired and if it is impossible, its scales should be reduced;
- Compensation should completely provide the replacement cost;
- Those persons, whose property is not registered, should also receive some certain compensation;
- Living conditions of the impacted persons should be reinstated, improvement of the conditions is desired;
- Affected persons should have complete information about the land acquisition and the compensation versions;
- Vulnerable persons should be especially paid attention, e.g., socially vulnerable people, single mothers, individuals with special needs, etc.
- Males and females should receive the equal compensation.

4.2.1 World Bank ESF 5

118. Specific World Bank requirements concerning resettlement are contained in the ESS5 on Involuntary Resettlement that is based on the following principles:

- To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement
- by exploring project design alternatives.
- To avoid forced eviction
- To mitigate unavoidable adverse social and economic impacts from land acquisition or
- restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing to the beginning of project implementation, whichever is higher.

- To improve living conditions of disadvantaged and/or vulnerable persons, persons who are physically displaced.
- through provision of adequate housing, access to services and facilities, and security of tenure.
- To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected

119. The given ESF contain the obligation to provide support and assistance in the course of the compensation and resettlement process, during and following the resettlement process.

120. Assistance during the compensation and resettlement process shall include:

- Assistance during the relocation of personal belongings;
- Maintenance, transport, and/or sale of materials from the old facility;
- Transport of household members with medical assistance where required; and
- Assistance with the entering into possession of new real property.

121. As part of the quoted World Bank ESF, particular attention is paid to disadvantaged and vulnerable groups of the population. These are groups of people who, under the impact of the Project, by virtue of gender, ethnicity, age, physical or mental disability, economic status, or social status may be more adversely affected by resettlement caused by the Project than other population groups, or who may be limited in their ability to claim or take advantage of resettlement assistance.

122. The following categories of persons will be eligible for different types of mitigation measures under the elaborated RAP:

- a) Persons who have legal formal rights to land/assets (including legal title or customary and statutory rights of occupancy recognized under the Law),
- b) Persons who have no claim to land/assets they are occupying or using.

123. Persons covered under a) above are to be provided compensation for land they lose, and other assistance in accordance with the policy. Persons covered under b) above are to be provided with assistance, as necessary, to achieve the objectives set out in the ESF, if they occupy or use the project area prior to a cut-off date established by the appropriate authorities and acceptable to the WB. All persons included in a) or b) above are to be provided with compensation sufficient for purchasing alternative assets to those that were lost and that are other than land.

4.3 Comparison of Relevant Georgian Laws and ESF ESS 5 requirements on Involuntary Resettlement

124. Overall, the legislation of Georgia adequately reflects the major provisions of the WB ESF ESS 5, but a few differences are to be noted. The most significant difference is that under Georgian legislation the emphasis is put on the definition of formal property rights and on how the acquisition of properties for public purposes is to be implemented and compensated while in the case of ESF ESS 5 emphasis is put both on the compensation of privately used affected assets and on the general rehabilitation of the livelihood of Affected People (AP) and Households (AH).

125. As a result, the Bank's ESF on Involuntary Resettlement complement the Georgian legislation/regulation with additional requirements related to:

- (i) the economic rehabilitation of all AP/AH (including those who do not have legal/formal rights on assets acquired by a project);
- (ii) the provision of indemnities for loss of business and income, and

- (iii) the provision of special allowances covering AP/AH expenses during the resettlement process or covering the special needs of severely affected or vulnerable AP/AHs.

126. Also, under Georgian law, negotiation is seen as an alternative to expropriation, whereas under ESS 5 negotiation under threat of expropriation still qualifies as involuntary resettlement. In addition, the legislation of Georgia does not require any specific measure regarding the need to prepare RAP based on extensive public consultations.

127. The comparison of differences between Georgian law/regulation and WB ESS 5 and actions to manage the gaps are outlined below in Table 4.1. Legal Matrix.

Table 4.1 Legal Matrix

Georgia Laws and Regulations	WB ESF ESS 5	Corrective Action
Land compensation only for titled landowners.	Lack of title should not be a bar to compensation and/or rehabilitation. Non-titled landowners receive rehabilitation and compensation for any structures and assets they may have on the land.	In cases where for some reason land users are not titled, the EA will provide the rehabilitation/compensation of such non-titled land users before displacement occurs. Such compensation will include the compensation for assets, crops, perennials etc.
Only registered houses/buildings are compensated for damages/demolition caused by project-related land acquisition	All affected houses/buildings, regardless of legal status, are compensated for damages/demolition caused by project-related land acquisition	It is assumed, that majority of properties are registered to actual owner. Accordingly, the compensation will be paid to all affected households. In case of damages during construction period, the construction contractor will be responsible for compensation and RDMOI team will supervise the processes.
Crop and trees losses compensation provided only to registered landowners.	Crop losses compensation provided to landowners, sharecrop/lease tenants or other users such as squatters whether registered or not	Practically all croplands are registered in Georgia either in NAPR. In case of leased land plots, the compensation will be paid to renters and other users for their actual losses and be given assistance to access some other land to continue activities.
Compensation for loss of assets is based on market value without deducting depreciation.	Compensation for loss of assets is based on full Replacement Cost without taking into account depreciation and should also include transaction costs such as taxes and registration fees. It should also include other resettlement costs such as cost of preparing land for cultivation.	Compensation will be paid based on Replacement Cost without taking into account depreciation or value of salvage material; owners are allowed to retain salvaged materials. RDMOI will have in place clear legal procedures to assist PAPs and cover all costs related to registration fees. The asset evaluation criteria will be based on replacement cost as per ESS 5

Georgia Laws and Regulations	WB ESF ESS 5	Corrective Action
Executing Agency implementing the Project (EA) is the only pre-litigation final authority to decide disputes and address complaints regarding quantification and assessment of compensation for the affected assets. Complaints are reviewed in compliance with the formal procedures (rules) established by the Administrative Code of Georgia. There is no informal grievance redress mechanism through community participation at the local level.	Complaints & grievances can also be resolved informally through a project-level grievance redress mechanism, which in some cases can have community participation through a Grievance Redress Committees (GRC), Local governments, and NGO and/or local-level community-based organizations (CBOs).	The RDMOI resettlement team has in place a mechanism to receive, register and process grievances from APs. Representatives of municipalities, local authorities and villages will be involved in the process from early stages. This will ensure solution of disputes and claims (if it is possible) at community level, however if solution could not be found, the case will be processed in accordance to local legislation.
Decisions regarding land acquisition and resettlement are discussed only between the landowners and the agency in charge of land acquisition.	The RAP including information on criteria for valuation of affected assets, entitlements, and compensation/financial assistance are to be publicly disclosed and consulted on during the planning process.	The preparation of the RAP will be done through engagement with relevant stakeholders and the RAP will be publicly disclosed and consulted on. However, no personal information of the AP or amounts each individual/household will receive will be disclosed publicly.
No provision for income/livelihood rehabilitation, allowances for severely affected or vulnerable APs, or resettlement expenses.	WB policy requires rehabilitation for income/livelihood, severe losses, and for expenses incurred by the APs during the relocation process.	RDMOI will have in place clear legal procedures to allow for additional assistance for severely affected and disadvantaged and vulnerable households in accordance to the RAP, and for relocation compensation for all households qualified as vulnerable and/severely affected.
No specific plan for public consultation is provided under the Georgian laws.	Public consultation and participation is an integral part of WB's EFS which is a continuous process at conception, preparation, implementation and finally at post implementation period.	The public consultation process will be accomplished in accordance with WB requirements and guidelines prior to RAP implementation.
Recognition and compensation for business (officially registered) losses resulting from project-related land acquisition based on official tax declaration.	All kind of running business (officially registered or not-vendors etc.) will be compensated in cash indemnity of the compensation based on the taxable profit of the affected business over the past one year or in the absence of income proof, one-time allowance equal to 12-month period subsistence unit rate.	RDMOI will ensure that all businesses will be recognized and compensated in accordance with RPF and RAP before displacement occurs.

128. To reconcile the gaps between Georgia laws/regulations and WB ESF, RDMOI has evaluated this RAP for the Project, ensuring compensation at full replacement cost of all items, the rehabilitation of informal settlers, and the provision of subsidies or allowances for those PAPs who will be relocated, suffer business losses, or will be severely affected.

5 Socio-economic profile

129. This RAP has socio-economic profile of the affected area that will have main economic activities listed, education level and major sources of income defined, employment level as well as the vulnerability level of PAPs identified – determined by the number of people receiving government assistance. Thus, a good coverage of the livelihoods of the affected area should be given, that will provide sufficient feedback for the proposed livelihood restoration activities.

130. During preparation of RAP, socio-economic study with the involvement of potentially affected people will be needed. These generally include the results of a census of the PAPs covering:

- Current occupants of the affected area as a basis for design of the RAP and to clearly set a cut-off date, the purpose of which is to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
- Standard characteristics of affected households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
- Magnitude of the expected loss, total or partial, of assets, and the extent of displacement, physical or economic;
- Information on disadvantaged and vulnerable groups or persons, for whom special provisions may have to be made; and
- The aim of Census and Socio-economic survey is to provision update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement, and to measure impacts (or changes) in their livelihood and living conditions.

5.1 Objectives of Compensation Policy

131. The implementation of resettlement activities is linked to the implementation of the investment component of the project to ensure that displacement or restriction of access does not occur before necessary measures for resettlement are in place.

132. As stipulated in ESS 5 and as described in this RAP all project related impacts should be identified through the relevant studies undertaken during RAP preparation and addressed accordingly, meaning that all project affected persons will be provided with relevant compensation and other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, effective taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons.

5.2 Establishment of the Cut-off Date

133. Compensation eligibility is limited to PAPs by a cut-off date. The best practice is to use the completion date of the census of displaced persons as the cut-off date. Timing is important. If the cut-off date comes too early, it can disadvantage displaced persons.

134. Therefore, the cut-off date will be the date when Census, socio-economic survey of PAPs and inventory of project affected assets has been started. If there are delays in actual displacement and land take for project purposes, after one (1) year the census should be updated and a new cut-off date set. For this RAP the cut-off date is 06 November of 2025 (The field works started on November 06, 2025 and finalized on December 15, 2025). The valuation of the land and assets is based on a valuation report prepared by the independent licensed valuator in January of 2026.

135. PAPs who settle in the affected areas, or erect any fixed assets, such as structures, crops, fruit trees, and woodlots and other assets, after the cut-off date will not be eligible for any compensation. However, they will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Their dismantled structures will not be confiscated and they will not pay any fine or sanction. Forced eviction will only be considered following exhaustion of all other efforts.

136. Therefore, the information regarding the cut-off date and the actual boundaries of the ROW will be well documented and disseminated throughout the project influence area at regular intervals in written forms¹⁰ and verbally during public consultation meetings and non-written forms and in relevant local languages. This will include posted warnings that persons settling in the project area after the cut-off date may be subject to removal without any compensation.

5.3 Eligibility Criteria for Compensation of PAPs

137. The RPF and this RAP determines the eligibility criteria of project affected persons (PAPs) and provisions for compensating all types of losses: land, crops/trees, shelter, structures, business/employment, and workdays/salaries/wages. All PAPs, including land users without title or legitimate possession will be compensated for lost income and assets. Loss of land will be cash compensated at replacement cost at current market value in the amount to allow PAPs to acquire land of the same area, productivity and designation in vicinity of current location, as described in the RPF and relevant RAP prepared later for project.

138. The criteria for eligibility of compensation are based on PAPs belonging to one of three groups:

1. those who have registered rights to own of occupied land;
2. those who have no legitimate possession or is not eligible to claim for recognizable legal right to the land they occupy (i.e., land users without registered certificate and informal settlers).

139. PAPs who are entitled to compensation under this Project include:

1. Persons whose houses or structures are in part, or in total, affected temporarily or permanently by the Project;
2. Persons whose residential dwellings, supplementary structures, fences/walls or commercial premises and/or agricultural land (or other productive land) is in part, or in total, affected (permanently or temporarily) by the Project;
3. Persons whose business is affected temporarily or permanently by the Project;
4. Persons whose employment or hired labor is affected, temporarily or permanently, by the Project;
5. Persons whose crops (annual and perennial) and/or trees are affected in part, or in total, by the Project, and;
6. Persons whose access to community resources, public facilities or property is affected in part, or in total, by the Project.

140. Where land is to be acquired, landowners (PAPs) with registered Title Certificate will receive cash compensation for land at replacement cost in the amount that will allow them to purchase a land parcel of equal size and productive value and be satisfactory to the PAP.

141. Those PAPs that are not eligible for legalization of ownership rights under any rules or regulations being in force in Georgia are not eligible for compensation for land compensation but will

¹⁰ Project Information Booklets and RAP publicized and available to any interested person, posters displayed in public areas and information boards in the buildings of local Municipalities within project influence areas.

receive compensation for assets attached to project affected land and other assistance as required (especially in the case of vulnerable PAPs).

142. Disadvantaged and vulnerable households¹¹ will be eligible for further assistance to fully mitigate project impacts. Table 5.1 below presents the Entitlement Matrix that was closely followed during preparation of RAP for road project within the framework of this project.

143. It is worth noting that the Entitlement Matrix presented in the RAP is used as a basic document, that will be altered in due manner to reflect any nuances detected during DMS, census, socio-economic surveys and inventory project affected assets undertaken during the RAPs preparation period and provide relevant mitigation measures or reasonable approach for loss and impact compensation.

5.4 Compensation Entitlements

144. Entitlement provisions for PAPs losing land, houses, assets, business, income, and rehabilitation subsidies, will include provisions for permanent and temporary loss of land, residential house and commercial buildings, annual crops and trees, relocation subsidy, and business loss allowance based on tax declarations and/or lump sums as determined in the RAP. These entitlements are detailed below:

145. **Loss of land (agricultural, residential, and commercial)** will be cash compensated at replacement cost at current market value identified at the moment of RAPs preparation. The unit rate per square meter of land will be determined in accordance with the widely adopted International Valuation Standards (IVS). The EA or the Consultant responsible for RAP development will hire independent licensed appraiser to meet the requirement stipulated under the ESF.

146. The amount of cash compensation shall allow PAP to acquire alternative land parcels equal in value and productivity to the parcel released for road project purposes. AHs losing 10% or more of their land impacted by the project, will receive an additional allowance for severe impacts equal to additional crop compensation for 1 year's yield of affected land or an allowance equal to 3 months subsistence unit rate, whichever is higher.

147. **Structures** (residential houses, supplementary constructions, fences, walls, commercial facilities, etc.) are cash compensated at replacement cost (i.e. Construction Cost) at current market value calculated for project affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.

148. **Residential Houses.** Impacts will be compensated in cash at full replacement cost free of depreciation and transaction costs or tax costs incurred according to Georgian legislation.

149. In addition, Livelihood Restoration initiatives will be provided to PAPs that may face deterioration of livelihood through indirect impact of proposed road project. (e.g. project impact is extended only on residential dwelling subject to full cash compensation at replacement costs and additional one-time allowances to transport salvaged materials and personal belongings. However, other income generating assets (agricultural land/private commercial facilities) may remain outside of project impact; correspondingly, these assets may not be included in the suggested compensation package. PAPs after moving and settling down to a new location may at least temporarily lose income due to lack of access (increased travel time, complicated accessibility) to the abovementioned income generating assets not affected by the proposed project.

¹¹ Detailed explanation is provided in the Definition of Terms.

150. All AHs living in the State/ Municipality owned buildings affected by project, regardless of their ownership status, will receive compensation based on the current market value of an apartment located in the same area, taking into account the size and condition of the apartment.

151. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.

152. **Fences/Walls** Cash compensation at replacement cost according to the material and linear meter length of affected fence/wall. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.

153. **Perennials:** Replacement cost compensation at market value on the basis of type, age, and productive value of **fruit tree**; Each fruit bearing tree compensation shall include compensation for purchasing of saplings.

PAPs will be eligible to dispose logged trees themselves.

154. **Decorative trees** will be compensated based on their market value corresponding to the age and type of the affected tree.

155. **Crop compensation** in cash at full replacement cost based on market value by default at to gross crop value of expected harvest.

156. **Business Owner:**

i) Permanent impact: cash indemnity of the compensation based on the taxable profit of the affected business compensation based on the average taxable profit of the affected business over the past three years, or in the absence of income proof, One-time allowance equal to 12-month period subsistence unit rate.

(ii) Temporary impact: cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, an allowance equal to the number of months of business stoppage based on the monthly subsistence unit rate.

157. **Permanent worker/employees:**

Equivalent to actual wage (average of last three payments calculated based on the last 6-month period), verified through bank transfer documentation (records) for 3 months and/or in cases where documents confirming salary transfers are not available, indemnity for lost wages equal to one-time 3-month period subsistence unit rate. For all the above, acceptable documents need to be presented, i.e. salary payment document, accountant/financial report.

158. **Affected leaseholders** Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years) or one-time assistance in an amount equal to three months of the monthly rent specified in the lease agreement and verified through bank transfer documentation (records).

159. **Relocation subsidy** Provision of sufficient allowance to cover transport expenses. The mentioned allowance value is defined as an averaged fixed figure for this project. It is determined that the relocation allowance is equal to the 3-month period subsistence unit rate and averaged expenses for transportation of goods (250 GEL).

160. **Additional Rehabilitation Measures**

In compliance with ESS 5 and the RAP shall **consider** additional rehabilitation measures to be provided once disadvantaged/vulnerable and severely affected PAPs are detected during RAPs related surveys (DMS, census, socio-economic survey, title search) and RAPs preparation.

161. **Assistance for vulnerable people:** Allowance equivalent to 3-month period subsistence unit rate and employment priority in project-related jobs.

162. **Livelihood Restoration Measures and Assistance for Severe Impacts**

A Livelihood Restoration Plan will be developed for the project in line with the provisions of ESS1 to

address potential indirect and socio-economic impacts.

Indicative LR measures include:

- Vocational training
- Provide knowledge and skills on enterprise management
- Provide information and trainings in tourism development and hospitality
- Provide information and trainings in agricultural development in the agricultural sectors typical of this region.

163. Additional livelihood restoration and improvement measures will be added to the finalized LRP based on the individual/focus group consultations with APs and other stakeholders (For example Vendors) and need assessment surveys at the early stage of RAP implementation.

164. Special attention will be given to street vendors who may experience temporary or indirect livelihood impacts as a result of construction activities or changes in traffic flow once the road becomes operational. Although street vendors may not have formally registered business status or legal rights to the land they occupy, their economic activity and income dependence will be assessed as part of the livelihood impact analysis.

165. To ensure that potential indirect impacts of the Project are properly assessed and that adequate and proportionate livelihood restoration measures will be developed accordingly, a field study was conducted to assess the number of roadside vendors operating along Lots 3, 4, and 5, including the Barjiskhevi area. For Lot 3 the field study was started on August 15, 2025, and completed on October 13, 2025; the survey for Lot 4 and Lot 5 was started on September 23, 2025, and finalized on October 24, 2025. Totally 189 vendors were identified. Based on the findings, the proposed marketplace area will be chosen, which will provide 200 trading spaces to accommodate affected vendors from all three lots. A fully equipped marketplace will be established and handed over to the local municipality for further management and operation. In addition, to support an inclusive and transparent allocation process, the municipality will be provided with a list of vendors, disaggregated by gender and type of trading activity such as bread and cheese sellers; churchkhela, seasonal fruits and meat traders. Based on this information, the municipality will allocate trading spaces accordingly. The preferences of vendors to continue their existing trading activities at the new location will be fully considered. Public consultations will be organized to introduce the model and operational arrangements of the new marketplace, and the views of the affected population will be gathered and duly considered.

Area	Number of vendors	Female	Male
Lot 4 and Lot 5	57	19	35
Lot 3	132	47 ¹²	88
Barjisxevi marketplace (which is located within Lot 4)	31	Inc. in Lot 4 and 5 figures	Inc. in Lot 4 and 5 figures
Total	189	66	123

166. The marketplace is expected to attract micro-entrepreneurs and traders located in vulnerable areas along the existing S5 road, exposed to road safety, general safety, climate, and commercial risks. Traders from nearby villages in search of increased business and employment opportunities are also expected to be attracted to this marketplace.

¹² Three roadside trading facilities are jointly operated by a woman and a man.

167. This project already provides tailored business advice to at least 50 local women to start and/or expand their micro businesses at the premises of the new marketplace, as well as at other locations in the project-targeted areas. This effort will further contribute towards improving opportunities for female traders to expand their businesses and increase job opportunities. The TOR training was developed in Summer 2025, and the training sessions were already started on February 23, 2026. The training seasons will be delivered by the Engineer (Supervision Team) of Lot 3 - IRD.

168. **Severely Affected HHs - Severe Impacts-** AHs (i) losing 10% or more of their land impacted by the project, (ii) physically displaced HH and (iii) households losing commercial/business establishments. Will be compensated: i) Physical relocation: an allowance covering 3-month period subsistence unit rate. (ii) Agricultural income: additional crop compensation for 1 year's yield of affected land or an allowance equal to 3 months subsistence unit rate, whichever is higher. (iii) Other income: an allowance covering 3-month period subsistence unit rate.

Official Fees and Taxation

169. In none of these cases, the PAPs will be liable for any taxes and eventual transaction fees.

170. All costs related to land/assets-related registration issues can be covered for APs affected by the Project. These costs will be financed from the project budget contingency.

Entitlement Matrix

Table 5.1 Entitlement Matrix

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Permanent loss of all types of land (arable, residential, industrial, commercial)	All land losses independent from impact severity	PAPs (with fully registered title)	PAPs will receive cash compensation at full replacement cost at current market value ¹³ . The unit rate was confirmed in this RAP.
		Leaseholder of private or public lands	cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years). In addition, cash compensation to reimburse the proven investments incurred by the Leaseholder to improve the leased land.
		Leaseholder (not registered in NARP)	Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years) or one-time assistance in an amount equal to three months of the monthly rent specified in the lease agreement and verified through bank transfer documentation (records).
		Non-titled, land users/Squatters	APs losing land plot, which is not registered, will not receive compensation for land but will receive compensation for lost assets associated with the land plot (structures, crops, trees etc.).
Structures			

¹³ Detailed description of replacement cost at current market value is described in the Section: Methodology for valuation and determination of unit rates.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Residential house; State/ Municipality owned buildings affected by project	Project affected residential dwellings subject to partial/full demolition. Project affected state/ Municipality owned buildings subject to partial/full demolition	PAPs with registered ownership title; PAPs declared as legitimate possessors; IDPs, refugees, squatters occupying facilities for residential purposes	Impacts will be compensated in cash at full replacement cost free of depreciation and transaction costs or tax costs incurred according to Georgian legislation. In addition, Livelihood Restoration initiatives will be provided to PAPs that may face deterioration of livelihood through indirect impact of proposed road project. (e.g. project impact is extended only on residential dwelling subject to full cash compensation at replacement costs and additional one-time allowances to transport salvaged materials and personal belongings. However, other income generating assets (agricultural land/private commercial facilities) may remain outside of project impact; correspondingly, these assets may not be included in the suggested compensation package. All AHs living in the State/ Municipality owned buildings affected by project, regardless of their ownership status, will receive cash assistance to facilitate access to adequate housing in the same area. The amount of assistance will be determined based on the size and condition of the affected dwelling and prevailing housing costs. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.
		Residential tenants/renters	One-time allowance equals monthly rental fee (specified in the lease agreement and verified through bank transfer documentation (records).) multiplied by 3; if Lease agreement and bank transfer documentation (records) are not available, 3-month period subsistence unit rate; In addition, one-time cash allowance to cover costs for transportation personal belongings.
Commercial structure	Project affected commercial facilities subject to partial/full demolition	Titleholder	Cash compensation at replacement cost at current market value calculated for project affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs or tax costs incurred according to Georgian legislation. If partial demolition threatens deterioration of structure or raises safety and security concerns the cash compensation, will apply to the entire building and affixed assets. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
		Tenant of commercial facility	One-time allowance equal to monthly rental fee (specified in the lease agreement and verified through bank transfer documentation (records)) multiplied by 3; if Lease agreement and bank transfer documentation (records) is not available 3-month period subsistence unit rate.
Fences/Walls	All PAPs with fences to be affected	All PAPs	Cash compensation at replacement cost according to the material and linear meter length of affected fence/wall. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.
Annual Crops	Crops affected	All PAPs (including squatters)	Crop compensation in cash at full replacement cost based on market value by default at to gross crop value of expected harvest.
Perennials standing on private land parcels	Project affected Fruit bearing perennials	All PAPs (including squatters)	Replacement cost compensation at market value on the basis of type, age, and productive value of fruit tree; Each fruit bearing tree compensation shall include compensation for purchasing of saplings. PAPs will be eligible to dispose logged trees themselves.
Decorative Trees and not-fruit bearing timber trees	Project affected decorative Trees and not-fruit bearing timber trees	All PAPs	Decorative trees will be compensated based on their market value corresponding to the age and type of the affected tree. PAPs will be eligible to dispose logged trees themselves.
	Project affected non-fruit bearing perennials	All PAPs (including squatters)	No cash compensation will be issued for perennials not bearing fruits. PAPs will be eligible to dispose logged trees themselves.
Income loss			
Lessors/ landlords	Loss of income through termination of Lease agreements	All PAPs holding lease/rental agreement	One-time allowance equal to monthly rental fee (specified in the lease agreement and verified through bank transfer documentation (records)) multiplied by 3; if Lease agreement is not available, 3-month period subsistence unit rate.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Business/ Employment	Temporary or permanent loss of business or employment	All PAPs	Business Owner: (i) Permanent impact: cash indemnity of the compensation based on the average taxable profit of the affected business over the past three years, or in the absence of income proof, One-time allowance equal to 12-month period subsistence unit rate. (ii) Temporary impact: cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, an allowance equal to the number of months of business stoppage based on the monthly subsistence unit rate. Permanent worker/employees: Equivalent to actual wage (average of last three payments calculated based on the last 6-month period), verified through bank transfer documentation (records) for 3 months and/or in cases where documents confirming salary transfers are not available, indemnity for lost wages equal to one-time 3-month period subsistence unit rate. For all the above, acceptable documents need to be presented, i.e. salary payment document, accountant/financial report.
Additional Rehabilitation Measures			
Livelihood restoration (non-cash measures)	All severely affected HHs, vulnerable AHs	All AHs including informal settlers	A Livelihood Restoration Plan will be developed for the project. Indicative LR measures include: - Vocational training -Provide knowledge and skills on enterprise management -Provide information and trainings in tourism development and hospitality -Provide information and trainings in agricultural development in the agricultural sectors typical of this region Additional livelihood restoration and improvement measures will be added to the finalized LRP based on the individual/focus group consultations with APs and other stakeholders (For example Vendors) and need assessment surveys at the early stage of RAP implementation. The LRP will include the development of marketplace for street vendors along the Lot 3,4 and 5.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Relocation	Transport and transitional livelihood allowances	All PAPs affected by relocation	Provision of sufficient allowance to cover transport expenses. The mentioned allowance value is defined as an averaged fixed figure: for this project. It is determined that the relocation allowance is equal to the 3-month period subsistence unit rate and averaged expenses for transportation of goods (250 GEL).
Severely Affected AHs		AHs (i) losing 10% or more of their land impacted by the project, (ii) physically displaced HH and (iii) households losing commercial/business establishments.	<u>(i) Physical relocation</u>: an allowance covering 3-month period subsistence unit rate. <u>(ii) Agricultural income</u>: additional crop compensation for 1 year's yield of affected land or an allowance equal to 3 months subsistence unit rate, whichever is higher. <u>(iii) Other income</u>: an allowance covering 3-month period subsistence unit rate.
Vulnerable PAPs		HHs as is defined in the Glossary of Terms.	Allowance equivalent to 3-month period subsistence unit rate ** and employment priority in project-related jobs.
Temporary impact	Loss of access to land parcel	Owners/Users	Temporary land impacts will be compensated based on the productive value of the plot during the period of impact and after their use will be re-established by the project at the pre- impact productive conditions.
Land Registration		All Aps who needs the land/assets registration in frames of project impact	All costs related to land/assets-related registration issues can be covered for APs affected by the Project. These costs will be financed from the project budget contingency
Any other unforeseen Impacts	As required	Any	Unforeseen resettlement impact during project will be addressed and mitigated/compensated according to the principles of compensation entitlements provided under this RPF and relevant RAP.

6 Valuation of Affected Property

171. Valuation of compensation rates of different affected assets is various. The Valuation report for this RAP was prepared in January 2026. Methodology used for determination of the compensation amount payable for damage to land and associated assets is given in Annex 3. Here a short summary is provided:

6.1 Valuation methods for Land Compensation

172. **Method N1 Cost Replacement** approach – which contains full expenses of constructing (creating) analogous property, including:

- Direct costs:
 - Cost of material;
 - Construction expenses:
 - Workers' wages;
 - Construction profit and overhead costs;
 - Transportation costs;
 - And other expenses necessary for construction activities.
- Indirect costs:
 - Professional service costs:
 - Architect/designer service costs;
 - Legal service costs;
 - Other expenses.
 - Permit costs;
 - Insurance costs;
 - Other expenses.

173. Cost (replacement) approach in its turn includes 3 methods:

1. Method of square (cubic) meters;
2. Element (cost estimation) method;
3. Resource method.

174. In the given case, cost replacement - element (cost estimation) method has been used for calculation of the value of the project affected structures.

175. We draw up cost estimation for construction (arrangement) of the structures in replace to the structures, located on the project affected private land parcels. The type and amount of the construction material, used for the construction of the particular buildings and structures are given in this cost estimation. As for the cost of the construction materials, they are taken according to the Construction Resource Prices, published by the Construction Assessors Union.

176. The prices given in the mentioned publication were checked through the survey of market prices, when the conformity of main construction material was checked. In the result it was proved that the prices, given in the Construction Resource Prices corresponded to the existing market prices.

177. The construction (arrangement) expenses of the structures on the private land plots are fully reflected in the attached cost estimations.

178. **Method N2 Sales Comparison Approach** - Direct comparison of the appraisal object with other object, the market price of which is known (it is sold or similar action is taken). Following actions are taken while using this approach:

- Obtaining market data, analyses and classification, which gives the possibility to determine analogous property;
- Determination of the comparable elements, used for comparison of the object of the estimated property with analogues;
- Determination of the type and the degree of differences between selected comparable elements;
- Adjustment of prices of the defined comparable elements of analogues;
- Adjustment of all analogue prices in relation to the estimated property according to the defined comparable elements;
- Determination of the market price of the estimated property according to the adjusted prices of analogues.

179. Corrections are introduced according to comparable elements with following order:

- Transfer of property rights;
- Financial conditions;
- Selling conditions;
- Further expenses related to the sale;
- Market sale dynamics (sale date);
- Location;
- Physical characteristics;
- Economic characteristics;
- Usage;
- Absence of movable property.

180. In the given case sales comparison approach has been used for calculation of the market prices on land plots.

181. Market prices of land parcels and other immovable property are calculated according to the official exchange rate of GEL (stated by the National Bank of Georgia for the given period of time).

182.

6.2 Valuation methods for Perennials

183. Determination method of the loss revenue at replacement cost has been used for identification of compensation value of the perennial plants during the period that is essential for growing the analogue seedling to the corresponding age of the existing plants.

184. Cost of perennial plants is determined in accordance with their age. Price of fruit trees will be calculated by multiplying of the annual harvest market price to those years that is essential for growing the new perennial seedling to the same age of existing trees.

185. The cost of perennial plants is based on their age. The price of fruit trees will be calculated by multiplying the market price of the annual crop to the number of years that will be required to grow perennial seedlings to the age of existing trees.

186. Fruit trees were evaluated using the following formula:
$$\{ \{ (B \times D) \times C \} + A \} - M$$

Where:

- A — Cost of seedling
- B — Crop unit value
- C — Number of years to be compensated
- D — Full productivity in a year
- M — Cost required for obtaining productivity

187. Based on the formula indicated above, the compensation amount was calculated for perennials, taking into consideration the principle of lost income (time required to grow a new tree to the age of an existing tree, the sum of the total harvest values for a mentioned tree). In order to determine the amount of compensation for timber, it was calculated based on the following parameters: age of a tree, development of a trunk and crown size, the volume of wood obtained from it, by its type, as a product demanded by construction or for other purposes.

188. Based on the above given formula, compensation value of perennial plants has been calculated by considering the principle of the loss income (sum of values of a certain tree total harvest during the period of growing a new tree to the age of an existing one).

7 Consultation and Participation

7.1 Introduction

189. Consultation and participation are a process through which stakeholders influence and share control over development initiatives, and the decisions and resources that affect them. It is a two-way process where the executing agencies, policy makers, beneficiaries and AP discuss and share their concerns in a project process. Consultation and participation have been a major principle in the planning and preparation of the detailed design of the Project. WB ESS 10 gives high priority on public consultation and participation to enhance the community voice and assure incorporation of community's views in design and implementation of a socially and environmentally compliant project. The Georgian laws also place strong emphasis on consultation and notification to ensure that the AP participate in the process.

190. The focus of these consultations is to ensure that the AP and other stakeholders are informed, educated, consulted and allowed to participate actively in the process of road development and preparation of social and resettlement plan; reducing public resistance to change; helping mitigate and minimize any probable negative impact and bringing in the benefit of the project to the people. The project design and preparation of land acquisition and resettlement plans, therefore, attempted consultation and participation of the AP and communities to incorporate their views, needs and aspirations into the Project components. The consultation process has stepped up at detail design mostly through individual contacts during land acquisition and resettlement survey the initial public consultations meeting has been conducted— in July 4 of 2021 in Kachreti The information leaflets have been distributed among the APs. Later, during the update on this RAP the meaningful public consultations was conducted in Gurjaani on 24.10.2025. The protocols of these meetings are reflected in the RAP (see annex 4).

7.2 Consultation Process and Methodology

191. Consultation with local communities and government bodies in the project process was instrumental for alignment demarcation and selection of route, intersection and underpass sites for the section (Lot 4) from eastern to Badiauri - until the easterner of Chalaubani of the Highway. The route of the project road underwent several adjustments to avoid dense settlement, environmentally protected areas, civic amenities, and land acquisition. The public consultation process entailed clearly explaining the project and its impacts to the community through introducing the project and its impacts through leaflets in local language, clearly explaining to the communities in informal and formal consultation meetings and individual level discussion during the census and detailed measurement surveys of land and property.

192. The methodology includes individual interview, key informant interviews, and informal discussion. The APs, their community, and local government officials were consulted to inform, educate and provide feedback in the project design.

193. Specifically for this RAP the APs were consulted through individual contact during the preparation of RAP at the initial RAP Preparation stage, as well as during the RAP update one public consultation meeting conducted in Gurjaani. All likely AP persons were consulted through individual contact at the time of census, socioeconomic survey and detail measurement survey.

194. Various methods used for stakeholder's consultation and participation with concerned stakeholders are described in Table 7.1.

Table 7.1 Summary on Party consulted and consultation methods

Stakeholders	Purpose	Method
Likely APs and their community	• To inform the APs, get their views on likely impacts, eligibility and entitlements, as well as procedures for compensation, relocation and rehabilitation.	• Meetings with all PAH during the implementation of the socio-economic survey. • Focus group discussions and village meetings
RDMOI including its Resettlement Unit	• To collect government's policy, guidelines priorities on the project, and to seek advice for work.	• Frequent individual meetings with the officials of RDMOI
Local Government at Local Level (District Municipality)	• To seek their cooperation for carrying out the impact assessment survey and DMS	• Individual meetings with the officials of respective municipalities and discussions

7.3 Preparation and Implementation of Stakeholder Engagement Plan (SEP)¹⁴

195. Following the meeting on 24.10.2025 appropriate approach to the planned consultation program was made.

196. The purpose of stakeholder engagement is to enable stakeholders to engage with the decision-making process, express their views and influence mitigation and technical solutions, and overall support the project to achieve effective and inclusive engagement with project stakeholders. The SEP was prepared and updated to reflect the consultation process undertaken as the Project progresses, with the final version being available prior to the project appraisal and commencement of works on site.

197. Stakeholder engagement provides the basis for project-affected persons (those affected by resettlement and other stakeholders to participate in the Project through awareness and sharing their feedback. It enables the incorporation of all relevant views of PAPs and other stakeholders into decision-making and Project implementation. The aim of the stakeholder engagement is to build a trusting relationship with the host communities and other interested stakeholders based on a transparent and timely supply of information and open dialogue.

198. SEP outlines stakeholder engagement undertaken and to be undertaken, clarify roles and responsibilities, identify the necessary resources and timelines, serve as a guiding document for stakeholder engagement and adaptive management, and specify the phases of a project cycle where stakeholder engagement will be needed. RDMOI ensures that the SEP includes an analysis of requirements of host country's applicable laws and institutional arrangements, the stakeholder analysis and identification and describes the stakeholder consultation and participation mechanisms for different types of stakeholders at different phases of a project cycle to address E&S risks and impacts.

¹⁴ <https://www.georoad.ge/?lang=geo&act=project&func=menu&uid=1769688229;>

199. The SEP describes the type of information sought from project-affected persons and other interested parties, and how outputs from meaningful consultation and participation will be documented. The SEP also describes planned information disclosure measures, including the type of information to be disclosed, the method of dissemination, and how continuing stakeholder participation will be facilitated during project implementation. It includes provision for additional stakeholder engagement in the event of any unanticipated E&S risks and impacts.

200. The overall objectives of this SEP are the following:

- To promote improved Project environmental and social performance through effective and ongoing engagement with project stakeholders
- To outline a systematic approach to stakeholder engagement that will help the RDMOI build and maintain a constructive relationship with stakeholders, in particular directly affected communities.
- To promote and provide a means for accessible, transparent and open engagement with affected communities throughout the project lifecycle on issues that could potentially affect them.
- To ensure that meaningful information on the project design and on its environmental and social impacts is disclosed to the project's stakeholders.
- To ensure that grievances from affected communities and other stakeholders are responded to and managed appropriately.
- To ensure that all stakeholders are given the systemic opportunity to participate in consultation events, e.g. through virtual attendance.

201. The key milestones of the SEP include:

- Conducting a thorough project stakeholder analysis and identifying, mapping and assessing stakeholders and how they may be affected by or interested in the project.
- Facilitating workshops and meetings to gather input and feedback from project stakeholders. This will involve reviewing project documents, conducting interviews, and organizing focus group discussions (FGDs) and community need assessment surveys.
- Ensuring that vulnerable and disadvantaged groups or who may face systemic barriers to stakeholder engagement are identified and that reasonable measures are implemented to include them in on-going consultations.
- Preparation of stakeholder engagement programme which outlines: engagement and information disclosure methods, the format, frequency, and approach (e.g., public meetings, focus groups) across project phase, as well as institutional, budget resources needed and monitoring requirements.

202. This SEP applies to all activities performed as part of the Project preparation and implementation.

203. The SEP also includes a recommendation to enhance/improve the established grievance mechanism throughout project implementation so that stakeholders and the public can raise any

concerns, provide feedback and comments about the project, civil works contractor's operations and how those complaints/comments will be handled.

204. The grievance mechanism will respond to concerns and grievances promptly, effectively, and in a manner that is transparent, discreet, objective, and culturally appropriate, and will be readily accessible to all project-affected persons.

205. The grievance mechanism will (i) be tailored to the project context and findings of the E&S assessment process; (ii) be proportionate to the nature and scale of potential E&S risks and impacts of a project; (iii) be accessible, inclusive and gender responsive; (iv) be accessible at no cost to the complainant; (v) allow for anonymous complaints to be raised and addressed; (vi) utilize existing formal or informal grievance mechanisms, including the use of customary, community, and traditional dispute resolution and settlement methods, to the extent preferred and acceptable to project affected persons and where feasible and suitable for a project; (vii) enable full and fair access by additional means for disadvantaged or vulnerable persons; and (viii) not preclude access to national or local judicial or administrative remedies, or mediation understand the process and to take their specific needs into account.

7.4 Disclosure

206. Electronic version of the Final draft RAP will be placed on RDMOI website. The summary of RAP will be translated into local language (Georgian) and will be disclosed to APs at local level. The copy of the RAP (Georgian version) will be available at the concerned offices Municipalities. The final RAP will be submitted to the WB for approval.

8 Institutional Arrangements

8.1 Introduction

208. Ministry of Infrastructure (MOI) is the executing agency (EA) of the Project on behalf of the Government and the RDMOI is the implementing agency (IA). Several other governmental departments and private agencies will assist RDMOI in preparation of the detailed design, construction and introduction.

209. Pursuant to the active legislations, National Agency of Public Registry (NAPR) within the Ministry of Justice is in charge of the recognition of ownership rights of rightful owners, registration of land ownership, with process verification and certification from village communities, notaries, Property Rights Recognition Commission (PRRC), and Municipality.

210. At local level, NAPR is also responsible for registering transfer of acquired land from landowners to the RDMOI. The local government at village levels is involved in the legalization of land parcels, which can be legalized and subsequently land acquisition and resettlement of APs.

211. The Ministry of Environment and Natural Resources (MENRP) is responsible for environmental issues.

8.2 Land Registration Organizations

212. Government agencies active at various levels in the process of legalization of privately-owned land parcels are described hereunder.

8.2.1 Municipality

213. Municipality is the representative branch of self-government at regional and village level. Out of Georgia's 69 municipalities, 64 are rural (self-governing communities) and 5 are urban (self-governing cities); however, there is no legal distinction between them. A municipality is a legal entity under public law and has elected representative and executive bodies, a registered population, as well as its own property, budget, and revenues. For management optimization purposes, a municipality is divided into administrative units. The exclusive responsibilities of self-government include land-use and territorial planning, zoning, construction permits and supervision, housing, and communal infrastructure development.

8.2.2 NAPR – National Agency of Public Registry of the Ministry of Justice

214. The National Agency of Public Registry (NAPR) under the Ministry of Justice is in charge of registration of immovable property.

215. The Ministry of Justice, through Public Service Halls and Justice Houses in Municipalities, and in some cases NAPR branches, receives applications related to the registration of property rights in the areas accessible to the population, on the municipal, and in most cases, at the settlement level.

216. In the case of involuntary resettlement, the National Agency of the Public Registry of the Ministry of Justice - NAPR, on the basis of the agreement signed by the RDMOI with the owners, registers in the public registry the right of ownership of the state to the real estate located within the Right of Way and issues the Abstract from the Public Registry.

217. The registration of rights on land plots by NAPR is carried out both systematically and sporadically in accordance with the law of Georgia on Improvement of Cadastral Data and the Procedure for Systematic and Sporadic Registration of Rights to Plots of Land (issued on 03.06.2019). For the purposes of the aforementioned law, the areas of systematic registration are defined and the deadline for its implementation was established. Geographical areas were defined for the purpose of systematic registration (including all 69 municipalities, except for self-governing cities and municipalities in the occupied territory). The systematic registration of rights began on January 1, 2022, and completed

in December 31, 2025. Systematic registration implies conducting measurement works by NAPR in relevant areas, searching for documentation (requesting documents from the national archive, tax authorities, municipalities, and all other related administrative bodies), involving interested persons, public publications/consultations of the implemented works, conducting complete registration proceedings and registration of ownership rights.

218. As for the sporadic registration process, which is ongoing until January 1, 2027, it is carried out based on the application submitted by the interested person (mostly owner or the official representative) and the cadastral survey drawing. The interested person is entitled to submit the registration documentation to NAPR, however, even in case of non-submission of the said documents, the agency investigates all the factual circumstances and investigates the documentation related to the registration based on the fully implemented administrative proceedings. In order to speed up the process of registration, RDMOI will support APs in this process, including provision of needed drawing, provide all necessary legal information to APs.

8.2.3 RDMOI

219. RDMOI has overall responsibility for the RAP implementation. This includes preparation, implementation and financing of all RAP tasks and cross-agency coordination. RDMOI will exercise its functions through its existing Environmental and Social Issues Division (ESID) which will be responsible for the general management of the planning and implementation of all RAP tasks.

220. The Registration Unit under the Environmental and Social Issues Division will be responsible for land registration matters, which also maintains direct coordination with the National Agency of Public Registry and other relevant entities.

221. The RDMOI staffed with a sufficient number of Resettlement specialists, will be tasked with all RAP coordination tasks at central and local government level and will be responsible for:

- 1) Screening the projects and ensuring that the RAP is properly prepared and sent to for review;
- 2) Supervising the consultants that prepare the RAP and assist in implementation;
- 3) Establishing needed capacity at regional level where RAP is relevant;
- 4) Ensuring proper internal monitoring; and
- 5) Hiring, the external monitoring agency.

222. RDMOI will also provide all needed documentation to ensure the prompt allocation of LAR budgets to the APs and will maintain the coordination of all RAP related activities.

8.2.4 Dedicated RAP Team

223. Dedicated RAP Team will be established to assist the RDMOI and provide assistance to APs in the process of RAP preparation and implementation. Based on the RAP compensation rates and prices, the offer of purchase of land parcels shall be undertaken. If an AP agrees on the acquisition, he/she will confirm such agreement in writing by signing the Sales/Purchase Agreement that will be registered with the Public Registry. This agreement will serve as the basis for compensation payment processing and release. If agreement is not reached between the AP and the RAP Team, which will take decision to start expropriation.

8.2.5 Local Governments

224. The local administration, especially at local level, has direct jurisdiction for land administration, valuation, verification and acquisition. To confirm the surveys and the asset valuations carried out by the consultants, RDMOI will establish local Level Resettlement Team which will have designated officials from the Municipality administration and representatives of each affected village/community administration (representatives of all affected community/village level).

225. The local level Resettlement Teams will be formed and will work closely with the consultants and RDMOI. The local level Resettlement Team will support in RAP implementation.

8.3 Other Organizations and Agencies

8.3.1 Civil Works Contractor

226. A civil works contractor to be appointed by the RDMOI to undertake the construction will be responsible for mitigating impacts resulting from the construction activities.

227. Any parcel of land that will be identified and acquired as part of the road ROW will be demarcated to clearly delineate it from the remaining non-acquired parts. The construction activities shall be monitored closely by the RDMOI to ensure compliance with standards.

8.3.2 Ministries of Finance and Justice

228. The budgets for the implementation of RAP/ACS will be provided to RDMOI by the **Ministry of Finance** following its official approval

229. **The Ministry of Justice** is responsible for legal matters regarding land ownership, and NAPR within the Ministry of Justice is in charge of the registration of land ownership and its transfer through purchase agreement from landowners to the RD.

8.3.3 Consultants and Auditors

- In coordination with RDMOI, the design consultant will be responsible for preparation of the RAP and ACS while a construction supervision consultant (CSC) will be in place to supervise civil works construction.
- Design Consultant - the design consultant had an international social development and resettlement specialist and a national resettlement / social specialist for finalizing initial RAP for each construction stage. The design consultant has hired a survey and independent audit agency for land acquisition and resettlement survey and documentation including census, socioeconomic survey, inventory of losses, and valuation of land and assets for replacement value. The initial RAP has been prepared based on findings of the surveys following the final alignment as per detailed engineering design.
- Construction Supervision Consultant – the CSC will have land acquisition and resettlement specialists to oversee implementation of the RAP before the commencement of civil works and will also be responsible for monitoring resettlement related issues that may arise during construction.
- RAP preparation Consultant – This RAP was updated by Alligator Ltd, the main works include field measurement survey and census, socio-economic survey and valuation.

8.3.4 Courts of Georgia

230. The Courts of Georgia shall be the last resort for issues and concerns regarding the implementation of the RAP. In case there is no agreement between the RDMOI and the APs concerning the acquisition of private properties, the RDMOI with the mandate for expropriation based on existing legislation will submit to the Court a request for expropriation. Upon its approval and following prescribed procedure, RDMOI will then take over the concerned property after having been given by the Court the right of the Expropriator.

231. Furthermore, in cases where complaints and grievances regarding RAP implementation and compensation are not solved at the various levels as prescribed in the agreed Grievance Redress Mechanism, the APs will have the right to appeal the case to the Court as a last resort. Its decision shall be final and executory.

9 Grievance Redress Mechanism

232. A grievance mechanism will be available to allow an AP appealing any decision on which they disagree, practice or activity arising from land or other assets compensation. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Care will always be taken to prevent grievances rather than going through a redress process. This can be obtained through careful RAP design and implementation, by ensuring full participation and consultation with the APs, and by establishing extensive communication and coordination between the affected communities, the EA, and local governments in general. Complaint & Grievances will be addressed through the process described below in Table 3.

233. The GRM consist of project-specific systems established at the municipal level and regular system established at RDMOI. Grievance Redress Committee (GRCE) established at municipal level as a project-specific instrument, functional for the whole period of the project implementation. Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures is formed as an informal structure within the RDMOI to ensure grievance review, resolution and record.

234. RDMOI's Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures - is formed by order No. 224. of the Head of RDMOI as a permanently functional informal structure, engaging personnel of RDMOI from all departments having regard to the RAP issues and complaint resolution. This includes top management, Safeguards or Resettlement Unit, Legal Departments, PR department and other relevant departments (depending on specific structure of the IA). The Commission is involved at the Stage 2 of grievance resolution process. The Order shall also state that, if necessary, representative of local authorities, NGOs, auditors, APs and any other persons or entities can be included in the commission as its members.

235. A Grievance Redress Committee (GRCE) is an informal, project-specific grievance redress mechanism, established to administer the grievances at Stage 1. This informal body will be established at community level in each affected Municipality (village/community authority). The GRCE shall include representatives of Municipal Resettlement Teams and local communities. The RDMOI representative in the Municipal Team shall coordinate the GRCE formation. He/she will then be responsible for the coordination of GRC activities and organizing meetings (Convener). In addition, GRCE shall comprise Representative of Mayor in village or his/her representative, representatives of APs, women APs (if any), and appropriate local NGOs to allow voices of the affected communities to be heard and ensure a participatory decision-making process.

236. If considered necessary, GRCEs will be established at the community level with an office order from the RDMOI with provision of 7 members of following composition:

(i) Representative of Resettlement Unit of IA	: Convener; Contact Person
(ii) Representative Local Resettlement team	: Member Secretary
(iii) Representative of Mayor – (village level)	: Member
(iv) Representative of APs	: Member
(v) Representative of NGO	: Member
(vi) Representative of Civil Works Contractor	: Member
(vii) Social Specialist of Supervision Consultants	: Member

237. Representative of the Resettlement Unit of IA is coordinating the work of the Committee and at the same time he/she is nominated as a contact person for collecting the grievances and handling grievance log. The local authorities at the municipal level, civil works Contractor, Supervising Company (Engineer), as well as APs (through informal meetings) are informed about the contact person and his contact details are available in offices of all mentioned stakeholders.

238. The Contact Person collects and records the grievances, informs all members of the Committee and the management of RDMOI regarding the sense of the problem, engages the relevant stakeholders in discussions with the applicant of grievance, handles the process of negotiation with AP at the stage 1 of the grievance resolution. The Contact Person prepares the minutes of meetings and ensures signatures. In case if the grievance is resolved at the stage 1, the Contact Person records the fact of closing the grievance in his log and informs RDMOI management about this in written. If the complainants are not satisfied with the GRC decisions, they can always use the procedures of Stage 2 of grievance resolution process. In that case the Contact Person helps the AP in lodging an official complaint (the plaintiff should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc.).

239. If the grievance continues to be unresolved at Stage 2 by the appropriate department, it will be presented to RDMOI's Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures. The Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures has regular meetings (At least once in a month) and during the meetings will review and decide upon the grievance in compliance with the Administrative Code of Georgia. The complainant shall be informed in writing of RDMOI's decision. If RDMOI's decision fails to satisfy the aggrieved affected persons, they can pursue further action by submitting their case to the appropriate court of law.

240. The composition of the Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures is as follows:

- 1) Chairman of the Roads Department of Georgia (Chairman RDMOI's Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures);
- 2) Deputy Chairperson of Roads Department of Georgia (member);
- 3) Deputy Chairperson of Roads Department of Georgia (member);
- 4) Deputy Chairperson of Roads Department of Georgia (member);
- 5) Deputy Chairperson of Roads Department of Georgia (member);
- 6) Head of the Department's State-Budget-Funded Road Projects Management Division (member);
- 7) Head of the Department's Donor-Funded Projects Management Division (member);
- 8) Deputy Head of the Department's Donor-Funded Projects Management Division (member);
- 9) Head of the Department's Environmental and Social Issues Division (member);
- 10) Deputy Head of the Department's Environmental and Social Issues Division (member);
- 11) Deputy Head of the Department's Environmental and Social Issues Division (member);
- 12) Head of the Resettlement Unit of the Department's Environmental and Social Issues Division (member);
- 13) Head of the Registration Unit of the Department's Environmental and Social Issues Division (member);
- 14) Head of the Department's Project Design Division (member);
- 15) Head of the Department's Financial Management Division (member);
- 16) Deputy Head of the Department's Legal Division (member);

241. The APs should be informed about the available GRM. This could be achieved through implementing information campaigns, distributing brochures (e.g. Communication Plan), Keeping all focal points up-to-date & maintaining regular communication with them, allowing multiple entry points for complaints, Introducing forms for ease of reporting complaints.

Table 9.1 Grievance Resolution Process

Steps	Action level	Process
Step 1	Negotiations with APs	The complaint is informally reviewed by the grievance redress committee (GRC), which takes all necessary measures to resolve the dispute amicably.
Step 2	GRC Resolution	If the grievance is not solved during the negotiations, the GRC will assist the aggrieved APs to formally lodge the grievances to the GRC. The aggrieved APs shall submit their complaints to the GRC within 1 week after completion of the negotiations at the village level. The aggrieved AP shall produce documents supporting his/her claim. The GRC member secretary will review the complaint and prepare a Case File for GRC hearing and resolution. A formal hearing will be held with the GRC at a date fixed by the GRC member secretary in consultation with Convenor and the aggrieved APs. On the date of hearing, the aggrieved AP will appear before the GRC at the Municipality/village office for consideration of grievance. The member secretary will note down the statements of the complainant and document all details of the claim. Response time for the GRC to acknowledge receipt is 14 days and after date of hearing for Respond/resolve maximum time is 10 days. The decisions from majority of the members will be considered final from the GRC at Stage 1 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.
Step 3	Decision from central RDMOI And Commission	If any aggrieved AP is unsatisfied with the GRC decision, the next option will be to lodge grievances to the RDMOI at the national level. The RDMOI shall review the complaint in compliance with the procedures specified in the Administrative Code of Georgia. Response time according the Administrative Code of Georgia is 30 days, but internally, according the RDMOI's internal electronic correspondence system, the mandated time for response is 10 days). If the grievance continues to be unresolved at Stage 2 by the appropriate department, it will be presented to RDMOI's Standing Commission for the Review of Issues Arising in Relation to Social and Environmental Protection Procedures. The RDMOI s Commission has regular meetings (At least once in a month) and during the meetings will review and decide upon the grievance in compliance with the Administrative Code of Georgia. The complainant shall be informed in writing of RDMOI's decision. If RDMOI's decision fails to satisfy the aggrieved affected persons, they can pursue further action by submitting their case to the appropriate court of law
Step 4	Court decision	If the RDMOI decision fails to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law without any reprisal. The aggrieved AP can take a legal action not only about the amount of compensation but also any other issues, e.g. occupation of their land by the contractor without their consent, damage or loss of their property, restrictions on the use of land/assets, etc.

10 Implementation schedule

10.1 General

242. The time bound implementation schedule of the RAP has been prepared in consultation with the RDMOI. All activities related to RAP have been planned to ensure that compensation is paid prior to displacement and commencement of civil works construction. The legal status of affected land parcels in the project road in Gurjaani municipality and the names of the owners/users has been identified through title search during the land acquisition and resettlement survey and documentation work and these DMS, census and socio-economic survey. For the affected PAPs the cut-off date is November 6, 2025;

243. The present document is the t final version of the RAP. RDMOI has reviewed and approved this document including compensation package and compensation rates. Tasks for the RAP are divided into (i) Final Preparation including RAP approval various Initial signing of contracts with APs.; (ii) RAP implementation including processing and making payment of compensation and allowances and (iii) evaluation of implementation. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. The RAP milestones include (i) approval of RAP, (ii) signing of contract awards, (iii) letter to proceed for civil works construction and (iv) start of physical civil works. A post –implementation evaluation will be carried out after completion of RAP implementation.

10.2 RAP Approval and Initial Tasks

244. The Resettlement Unit of the ESID under RDMOI sets up relevant institutions and line up ETCIC, Working Group/Resettlement Team, and the like for the Project. Upon completion of the draft RAP from the detail design consultant, the RU reviews and approves the document including compensation rates. All arrangements will be set for signing the contract agreement with the APs and the process will be executed for land purchase and compensation agreements. The capacity building exercise will be enhanced during this stage. Representatives of the APs and NGOs may be involved in RAP training at this stage. The initial RAP activities will be the following:

- (i) Establishment of RAP Institutions and GRM;
- (ii) Agreement with APs and signing contract agreements;
- (iii) Updating of RAP Budgets;
- (iv) Confirmation of updated impact data and of compensation amounts;
- (v) Approval of RAP by Government.

10.3 RAP Implementation

245. Payment of compensation and allowances under RAP will commence after a number of preparatory tasks have been completed. These tasks are:

- (i) Signing of contacts with APs
- (ii) Disclosure and consultation
- (iii) Capacity building training of RAP institutions, APs and NGOs
- (iv) Grievance resolution
- (v) Requisition to ETCIC for payment of compensation and allowances
- (vi) Transfer of compensation and allowance to APs' bank account and registration of land in PR on RDMOI name

- (vii) Relocation of affected structures/ assets
- (viii) Compliance review and reporting
- (ix) Notice to proceed for Civil works construction
- (x) Monitoring

10.4 Post Implementation Evaluation

246. An independent External Monitoring Agency (EMA) will carry out the evaluation. The EMA will carry out interim monitoring on a quarterly basis. In case, if the CSC is engaged at the stages when external monitoring is required, the CSC may have the responsibility for the external monitoring and post implementation evaluation.

10.5 RAP Implementation Time Schedule

247. Land purchase agreements and payment of compensation and allowances will go simultaneously and a sequence of one week time from offer of compensation to agreement, agreement to requisition and requisition to payment transfer is considered. A buffer period of one to three month has been included in the schedule for relocation of housing. Under the circumstances, the implementation schedule may include phased approach for civil works construction.

	Items	2025			2026											
		10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
1.	Preparation of the RAP															
2.	Public consultations / ongoing stakeholder engagement															
3.	Review of the RAP by the Department															
4.	Review and approval of the RAP by the World Bank															
5.	Disclosure of the RAP on the websites of the Department and the World Bank															
6.	Preparation of individual compensation agreements with affected persons (APs)															
7.	Disbursement of compensation payments															
8.	Initiation of expropriation procedures (if applicable)															
9.	Internal monitoring / quarterly															
10.	External monitoring / compliance report															

11 Resettlement Budget and Financing

11.1 Introduction

248. All RAPs preparation and implementation costs, including cost of compensation and resettlement administration, will be considered in the project budget. Road Department is responsible for finding the project related funding.

249. All RAPs should contain the information about the budget, including:

- Unit compensation rates for all affected items and allowances by indicating methodologies.
- Assistance for disadvantaged and vulnerable groups and severely affected HHs: (i) losing 10% or more of their land impacted by the project, (ii) physically displaced HH and (iii) households losing commercial/business establishments
- RAP implementation costs.

11.2 Compensation for land

250. In total all plots are subdivided into 9 types of land according to land use, location and other parameters affecting the land price. 6 types belong to compensable categories and the cost rates for each category is defined by the licensed valuator. The compensable categories of land are listed below:

- **Type 1:** Agricultural land plots used for farming purposes and located away from the existing main road. (identified by cadastral numbers): 001 – 059, 065 – 128, 130 – 227, 229, 232, 234, 235, 264-342, 345-437, 439-452, 454-472, 474-477, 479-493, 495-515, 516-522, 524, 525, 527-533, 597-631. The cost rate is valued as **6.56** GEL/sqm.
- **Type 2:** Agricultural land plots, which are located along the existing main road and can be used for commercial purposes (identified by cadastral numbers) :060, 061, 062, 064, 230 The cost rate is valued as **50.22** GEL/sqm.
- **Type 3:** Non-agricultural land plots located along the existing road and can be used as commercial: (identified by cadastral numbers) 063, 136, 343, 344, 478, 438, 453, 473, 478, 494, 523, 526. The cost rate is valued as **62.77** GEL/sqm.
- **Type 4:** Non-agricultural land plots within the built-up area of Kachreti village with frontage along the road (identified by cadastral numbers): 228, 236-242, 246-248 The cost rate is valued as **86.63** GEL/sqm
- **Type 5:** Non-agricultural land plots located along the Kachreti–Chalaubani section (identified by cadastral numbers): 243-245, 249-263. Cost rate – **69.6** GEL/sq.m.
- **Type 6:** Non-agricultural land plots located within the administrative boundaries of Melaani and Chalaubani villages (identified by cadastral numbers): 534-596. The cost rate is valued as **7.87** GEL/sqm.

251. Based on their location and the findings of the valuation report, land plots owned by JSC “Georgian Railway” and JSC “Georgian State Electrosystem” are included under Types 1–6 and are therefore not identified as a separate category.

252. Total quantities according to land use and cost categories are given in table 11.1.

Table 11.1 Land Compensation

Land Category/ use and Group		Plots No.	Area (sqm)	Unit Price	Total Price	Number of HHs
Compensable Land						
Type 1	Affected agricultural land plots (identified by cadastral numbers): 001 – 059, 065 – 128, 130 – 227, 229, 232, 234, 235, 264-342, 345-437, 439-452, 454-472, 474-477, 479-493, 495-515, 516-522, 524, 525, 527-533, 597-631.	622	1,126,245	6.56	7,388,167.2	300
Type 2	Affected agricultural land plots (identified by cadastral numbers): 060, 061, 062, 064, 230	6	4,623	50.22	232,167.06	5
Type 3	Affected non-agricultural land plots (identified by cadastral numbers): 063, 136, 343, 344, 478, 438, 453, 473, 478, 494, 523, 526	11	30,074	62.77	1,887,744.98	11
Type 4	Non-agricultural land plots within the built-up area of Kachreti village with frontage along the road (identified by cadastral numbers): 228, 236-242, 246-248	11	5,681	86.63	492,145.03	6
Type 5	Non-agricultural land plots located along the Kachreti-Chalaubani section (identified by cadastral numbers): 243-245, 249-263.	14	45,371	69.6	3,157,821.6	12
Type 6	Non-agricultural land plots located within the administrative boundaries of Melaani and Chalaubani villages (identified by cadastral numbers): 534-596	63	47,904	7.87	377,004.48	26
Total Compensable Land		727	1,259,898		13,535,050.35	360
Non-compensable Land						
Type 7: State-owned land	State-owned land plots used under lease agreements	1	6825			
Type 8: State-owned land	State-owned land plots not subject to use or occupation	5	8422			
Type 9: Municipal Land	Land plots owned by local municipality	4	6375			
Total non-compensable land		10	21622			
Total		737	1,281,520		13,535,050.35	360

11.3 Compensation for structures

253. **Total number of buildings:** The number of commercial/business buildings are 25 (owned by 18 HHs), auxiliary structures under the impact are 27 (owned by 14 HHs) - these structures are located on 51 land plots. Number of poles and wire for vineyard are 268 and are located on 150 land plots (owned 79 HHs), different types of minor buildings are 66 (owned by 48 HHs), total Number of different types of buildings are 385 owned by 187 HHs (without double counting). There is no impact on private houses.

254. Detailed information about the affected buildings and compensations is provided in Table 11.2.

Table 11.2 Information about compensation value of structures

Number of Land Parcel	Building	Description (sq.m)	Price (Gel)
007-1	Warehouse	22.55	3,470
008	Shop	44.23	54,940
008	Bakery (tone)	20	19,815.00
062	Former restaurant	88.86	106,060
063	Former restaurant	149.5	109,070.00
092	Boiler room – warehouse	5.05	1,950
136	Auxiliary structure	84.54	74,310
188-1	Boiler room – auxiliary	2.43	2,030
236	Stone masonry workshop	89.14	18,010
236	Toilet (old)	2.2	1,620.00
236	Toilet (new)	1.96	1,635.00
236	Shop (drive-through café)	17.7	18,010.00
238	Gas station Petroleum Company	170.2	359,670
240	Car service	80	86,025.00
242	Gas station	86.5	128,000
245	Half of Bread storage	110.325	120,400
245	Warehouse	62.39	43,370
245	Office and warehouse	20	24,220.00
245	Poultry house	15.3	5,525.00
245	Metal-plastic workshop	130.04	89,560.00
247	Auto parts shop	44.44	54,240
251	Half of bread storage	110.325	120,400
251	Half of warehouse	62.39	43,370
251	Half of tailoring shop	22.42	17,557.5
251	Toilet	5.18	6,890
253	Half of tailoring shop	22.42	17,557.5
255	Pharmacy	25.68	23,845
256	Car service and shop	63.64	41,790

258	Toilet	4.2	2,445
259	Incubator	213.1	151,855
260	Auxiliary shed	45	8,785
260	Pigsty	52.52	20,400
263	Former warehouse	115.84	101,585
263	Toilet	9.32	5,310
263	Former transformer station	19	25,830
263	Former kitchen	40.5	48,835
263	Casting workshop	4080	3,171,370
263	Glass workshop	270.5	441,470
263	Warehouse and repair workshop	243.2	149,265
263	Former transformer station	42.04	48,660
263	Former casting workshop	527.82	189,670
265-1	Boiler room	7.9	1,565
427	Farm	104.7	101,155
427	Security building	9.72	14,995
427	Warehouse	70.8	10,710
427	Toilet	3.14	2,745
427	Warehouse	9.12	1,540
448	Toilet	1.04	1,160
453	Elevator (mill)	281.25	267,270
517	Bakery (tone)	22.7	11,450
526	Toilet	27.12	17,350
526	Auxiliary structure (warehouse)	76.8	26,330.00
Sub-total 1		6971.88	6,415,090.00

Small Buildings			
Number of Land Plots	Gates and Fences	Description (Lineal M)	Price (Gel)
120	Fence (different type)	6217.55	175,800
14	Gate (different type)	52.3	17,480
135	Poles and wire for vineyard	194,545	817,089
Sub-Total 2			1,010,369

Number of Land Plots	Other structures	Price (Gel)
66	Other objects (spray tank, irrigation system, hail protection system, water cistern, container, pergola, graveled yard, pipes, concrete foundation, and others)	575,735
Sub-Total 3		575,735

Total	8,001,194
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Note: Land plot No. 263 contains buildings and various assets that require detailed on-site inspection by the valuer and clarification from the facility management. This is due to the fact that certain non-visible (concealed) works have been carried out on the buildings, which cannot be fully assessed through visual inspection or available internal measurement drawings alone. In addition, certain items of inventory require dismantling, relocation, and reinstallation. During the field survey and valuation process, the consulting company formally requested to provide the necessary information and assistance from the facility management in writing; however, no response has been received to date of RAP finalization. Consequently, the valuation of dismantling, relocation, and reinstallation of the buildings and inventory associated with this plot will be adjusted following an on-site audit visit and the provision of the necessary information and support. If such information will be provided, the budget will be covered by contingency costs.

11.4 Compensation for Loss of Business and Employees

255. The road constructions under this project for Lot 4, affects 11 businesses owned by 8 HHs and one Ltd defined as affected party. Most owners are registered as an individual entrepreneur having small business and only one business in large Ltd. The businesses failed to provide financial documents confirming their taxable profit of the affected business based on the average taxable profit of the affected business over the past three years. Accordingly, the compensation amounts for lost businesses will be equal to allowance equal to 12-month period subsistence unit rate, the unit rate is defined according to the December 2025 data obtained from the Geostat, the calculation approach is presented in Annex 5.

Table 11.3 Information about compensation for loss of businesses and other incomes

Business Number	Land Parcel Number	Owner	Description	Compensation
1	236	Beroshvili Jemal	Outdoor trading, drive-through service, stone processing for cemetery monuments	6774,3
2	238	Ltd "San Petroleum Georgia"	Gas station, shop	6774,3
3	240	Mazanashvili Dali	Auto parts shop and car service workshop	6774,3
4	242	Mazanashvili Dali	Gas station	6774,3
5	245	Natsvlshvili Nato	Bakery, metal-plastic workshop	6774,3
6	247	SPS "Iori"	Shop	6774,3
7	251	Kuprashvili Tamazi	Bakery, tailoring workshop	6774,3
8	253-251	Natsvlshvili Nato, Kuprashvili Tamazi	Tailoring workshop	6774,3
9	255	Getiashvili Robizoni	Pharmacy	6774,3
10	256	Getiashvili Levani	Car service workshop	6774,3
11	259	Beroshvili Jemal	Incubator	6774,3
Total				74,517.3

256. **Permanent worker/employees** receive the compensation which is equivalent to actual wage (average of last three payments calculated based on the last 6-month period), verified through bank transfer documentation (records) for 3 months and/or in cases where documents confirming salary transfers are not available, indemnity for lost wages equal to one-time 3-month period subsistence unit rate. For all the above, acceptable documents need to be presented, i.e. salary payment document, accountant/financial report.

257. The most of businesses failed to provide financial documents confirming salary transfers and/or number of employees - only 4 businesses were provided such information, the total number of employees are 10. The compensation amounts for these employees are provided in Table 11.4 below:

Table 11.4 Compensation for Employment

Business ID	Business Type	Number of Employees	Average monthly salary calculated over a three-month period	Compensation Amount
1	Outdoor trading, drive-through service, stone processing for cemetery monuments	N/A	N/A	N/A
2	Gas station, shop	N/A	N/A	N/A
3	Auto parts shop	1	based on earnings	1693.57
3'	Car service workshop	4	based on earnings	6,774.28
4	Gas station	2	600	3,387.14
5	Bakery	N/A	N/A	N/A
5'	Metal-plastic workshop	N/A	N/A	N/A
6	Shop	N/A	N/A	N/A
7	Bakery	N/A	N/A	N/A
7'	Tailoring workshop	N/A	N/A	N/A
8	Tailoring workshop	N/A	N/A	N/A
9	Pharmacy	3	250	5,080.71
10	Car service workshop	N/A	N/A	N/A
10'	Shop	N/A	N/A	N/A
11	Incubator	N/A	N/A	N/A
Total		10		16935.70

11.5 Compensation for Crops

258. All affected persons losing crops will be paid compensation at full replacement cost based on market rate. Detailed information about the compensation for lost crops is given in Table 11.5:

Table 11.5 Information about compensation for crops

NN	Type of agricultural crop	Number of Plots	Area	Unit Price	Total Price	Number of AHs.
1	Maize (corn)	44	45,198	0.8	36,158.4	32
2	Cucumber	2	368	4.8	1766.4	1
3	Barley	21	54,738	0.36	19,705.68	13
4	Tomato	12	10,011	1.5	15,016.5	10
5	Alfalfa (lucerne)	2	890	0.32	284.8	1
6	Hay	175	245,180	0.24	58,843.2	114
7	Pumpkin	1	500	4.4	2,200	1
8	Wheat	33	52,304	0.24	12,552.96	24
9	Potato	1	370	1.5	555	1
10	Sunflower	4	4,035	0.5	2,017.5	3
Total		295	413,594		149,100.44	200
		274 (With Double Counting)				193 (With Double Counting)

Note: The difference between the number of land plots and the number of households is due to the fact that several households jointly cultivate land plots planted with the same crop types.

The difference in the number of households is due to the fact that some households cultivate land plots with different crop types.

The difference in the number of land plots is since multiple crop types are cultivated within a single land plot.

11.6 Compensation for Trees

259. Value of perennial plants was determined according to their age. Price of fruit trees was calculated by multiplying the market price of annual harvest to that number of years that is needed for growing new tree planting up to the age of the existing fruit trees.

Table 11.6 Information about compensation for fruit trees

Plants	Age group	Cost of seedling, Gel	Cost of harvest unit, Gel	Number of compensation years	Full productivity per year, kg	Harvest compensation for per year (Gel)	Total compensation for adult perennial plant without considering the annual expenses (Gel)	Total compensation for adult perennial plant with considering the cost (Gel)	Number of trees	Price
Cherry (sweet/sour)	seedling (<5)	10	2	4	4	8	42	30	147	4410
	5-9	10	2	6	12	24	154	100	207	20700
	10-30	10	2	8	18	36	298	210	33	6930
	>30	10	2	8	15	30	250	170	0	0
Apple	seedling (<5)	8	1	4	5	5	28	20	49	980
	5-8	8	1	6	25	25	158	110	22	2420
	9-25	8	1	7	55	55	393	290	32	9280
	>25	8	1	7	35	35	253	170	0	0
Mulberry	seedling (<7)	8	1.5	5	4	6	38	25	244	6100
	7-15	8	1.5	7	8	12	92	65	304	19760
	16-35	8	1.5	9	16	24	224	140	57	7980
	>35	8	1.5	9	12	18	170	100	5	500
Hazelnut	seedling (<4)	3	4	3	2	8	27	15	1	15
	4-8	3	4	4	3.5	14	59	40	3	120
	9-20	3	4	7	6	24	171	100	118	11800
	>20	3	4	7	5	20	143	80	0	0
Walnut	seedling (<5)	10	5	4	4	20	90	70	703	49210
	5-10	10	5	6	15	75	460	340	283	96220
	11-45	10	5	10	30	150	1510	1100	385	423500
	>45	10	5	10	40	200	2010	1450	20	29000
Persimmon	seedling (<5)	7	1	4	5	5	27	20	78	1560
	5-9	7	1	6	10	10	67	50	0	0
	10-25	7	1	8	30	30	247	170	0	0
	>25	7	1	8	20	20	167	110	0	0
Quince	seedling (<5)	7	1.5	4	3	4.5	25	15	10	150
	5-9	7	1.5	5	15	22.5	119.5	80	4	320
	10-30	7	1.5	7	25	37.5	269.5	190	1	190
	>30	7	1.5	7	20	30	217	120	0	0
Fig	seedling (<5)	6	1.5	4	5	7.5	36	25	3	75
	5-9	6	1.5	5	15	22.5	118.5	70	10	700
	10-20	6	1.5	7	30	45	321	210	14	2940
	>20	6	1.5	7	20	30	216	140	3	420
Pear	seedling (<5)	7	1.2	5	7	8.4	49	30	10	300
	5-8	7	1.2	7	20	24	175	120	1	120
	9-25	7	1.2	7	70	84	595	415	2	830
	>25	7	1.2	7	45	54	385	270	0	0

Apricot	seedling (<5)	6	2	4	4	8	38	25	94	2350
	5-8	6	2	5	15	30	156	100	159	15900
	9-20	6	2	7	22	44	314	190	196	37240
	>20	6	2	7	18	36	258	155	111	17205
Grape (Rkatsiteli)	seedling (<5)	2.5	1.5	4	2.5	3.75	17.5	16	759	12144
	5-8	2.5	1.5	5	4	6	32.5	28	4714	131992
	9-25	2.5	1.5	8	5.5	8.25	68.5	57	42371	2415147
	>25	2.5	1.5	8	5	7.5	62.5	49	19207	941143
Grape Red (Saperavi)	seedling (<5)	3	2.5	4	2	5	23	20	201	4020
	5-8	3	2.5	5	3	7.5	40.5	32	3737	119584
	9-25	3	2.5	8	5	12.5	103	79	35131	2775349
	>25	3	2.5	8	4	10	83	64	1613	103232
Grape (Manavi Green)	seedling (<5)	3	2	4	2	4	19	17	0	0
	5-8	3	2	5	3	6	33	27	0	0
	9-25	3	2	8	4.5	9	75	62	3253	201686
	>25	3	2	8	3.5	7	59	50	440	22000
Grape (Kisi)	seedling (<5)	3	2.2	4	2	4.4	20.6	19	0	0
	5-8	3	2.2	5	4	8.8	47	40	641	25640
	9-25	3	2.2	8	5	11	91	79	0	0
	>25	3	2.2	8	4.5	9.9	82.2	70	39	2730
Grape (Aladasturi)	seedling (<5)	3	2.2	4	2	4.4	20.6	19	0	0
	5-8	3	2.2	5	3.5	7.7	41.5	30	118	3540
	9-25	3	2.2	8	4.5	9.9	82.2	70	692	48440
	>25	3	2.2	8	4	8.8	73.4	60	121	7260
Grape (white table grapes - French pink, Italian)	seedling (<4)	5	2.5	3	2	5	20	18	0	0
	4-7	5	2.5	4	3	7.5	35	27	1403	37881
	8-20	5	2.5	7	4.5	11.25	83.75	70	2869	200830
	>20	5	2.5	7	4	10	75	60	204	12240
Grape (pergola-trained Adesa)	seedling (<6)	5	0.8	5	5	4	25	18	0	0
	6-10	5	0.8	6	8	6.4	43.4	30	0	0
	11-25	5	0.8	8	12	9.6	81.8	60	4	240
	>25	5	0.8	8	10	8	69	51	0	0
Cherry plum, Sour cherry plum, damson	seedling (<5)	8	2	4	5	10	48	35	41	1435
	5-9	8	2	5	13	26	138	100	167	16700
	10-35	8	2	8	22	44	360	250	98	24500
	>36	8	2	8	18	36	296	200	3	600
Medlar	seedling (<5)	7	1.5	4	3	4.5	25	20	1	20
	5-9	7	1.5	5	10	15	82	60	5	300
	10-30	7	1.5	8	20	30	247	150	2	300
	>30	7	1.5	8	15	22.5	187	120	0	0
Plum	seedling (<5)	8	0.8	4	8	6.4	33.6	25	150	3750
	5-9	8	0.8	5	15	12	68	45	204	9180
	10-25	8	0.8	8	30	24	200	125	118	14750
	>25	8	0.8	8	20	16	136	95	0	0

Dogwood/Cornelian cherry	seedling (<5)	6	2	4	2	4	22	17	6	102
	5-9	6	2	5	4	8	46	30	6	180
	10-30	6	2	8	6	12	102	65	4	260
	>30	6	2	8	5	10	86	55	0	0
Peach	seedling (<3)	8	1.5	4	5	7.5	38	30	2	60
	3-7	8	1.5	5	20	30	158	90	437	39330
	8-18	8	1.5	5	40	60	308	210	16	3360
	>18	8	1.5	5	25	37.5	195.5	140	0	0
Lemon	seedling (<5)	10	2	4	5	10	50	35	2	70
	5-9	10	2	5	15	30	160	130	1	130
	10-30	10	2	8	35	70	570	350	0	0
	>30	10	2	8	25	50	410	300	0	0
Pomegranate	seedling (<5)	6	2	3	5	10	36	30	26	780
	5-9	6	2	4	10	20	86	55	5	275
	10-25	6	2	8	25	50	406	260	348	90480
	>25	6	2	8	20	40	326	220	0	0
Olive	seedling (<5)	6	6	4	3	18	78	40	12	480
	5-8	6	6	5	15	90	456	250	0	0
	9-40	6	6	8	20	120	966	700	1	700
	>40	6	6	8	35	210	1686	1200	0	0
Almond	seedling (<5)	8	10	4	2	20	88	65	19	1235
	5-8	8	10	5	4	40	208	200	51	10200
	9-25	8	10	8	7	70	568	420	105	44100
	>25	8	10	8	6	60	488	360	29	10440
Sea buckthorn	seedling (<5)	5	2	4	3	6	29	22	14	308
	7-10	5	2	6	5	10	65	50	0	0
	11-25	5	2	8	10	20	165	100	0	0
	>25	5	2	8	7	14	117	70	0	0
Total									122,699	8,108,348

Note: Access to four (4) land plots could not be obtained and the inventory of Perennials could not be carried out, as either the landowners did not consent to the inventory survey or physical access to the plots and counting of trees (including GPS point collection) was not possible.

The inventory of the above-mentioned trees will be conducted at a later stage, and subject to the agreement with the landowners, the amounts will be covered from the contingency costs.

11.7 Resettlement Assistance

260. Three types of allowances are provided for the affected families:

- I. Assistance for severely affected households: assistance for such households amounts to an allowance equal to 3 months subsistence unit rate (is $250,9 \times 2.25 = 564.52 \times 3$ months) - 1693.57 Gel. Total number of severely affected households is 331 accordingly compensation for above mentioned families is 560,571.67 Gel.
- II. Assistance for disadvantaged and vulnerable households: assistance for such families is three-month 3-month period subsistence unit rate - 1693.57 Gel ($250,9 \times 2.25 = 564.52$

Gel x 3 months). Total amount of socially vulnerable families is 16, accordingly compensation for above mentioned families is 33,871.4 Gel.

- III. Assistance for resettled households: relocation allowance is equal to the 3-month period subsistence unit rate and averaged expenses for transportation of goods (250 GEL) - 1943.57. There are not physically relocated HHs under the Lot 4 RAP.

261. Information about detailed calculation of allowances is given in Table 11.7.

Table 11.7 Detailed calculation of allowances

Assistance	Unit price (Gel)	Number	Total compensation GEL
Severe affected households	1693.57	331	560571.67
Disadvantaged and Vulnerable HHs	1693.57	20	33,871.4
Physically Relocated AHS	1943.57	0	0
Total allowances			594,443.07

11.8 Cost of resettlement

262. The Total budget of Resettlement Action Plan covers: subtotal including compensation values, resettlement allowances, registration fees, implementation expenses and in addition to that - contingencies, which are taken as 20% of the subtotal cost. Estimated total resettlement Budget is equal to **36,575,506.63** GEL, which is equivalent to the **13,556,023.362** USD. (The exchange rate according to the National Bank of Georgia is 2.6981 as for 05.04.2026)

Table 11.8 Estimated total resettlement budget

Name	Unit cost	Amount	Total cost (Gel)
Land parcels	Various	1281520	13,535,050.35
Structures	Various	247/200814.85	8,001,194
Trees	Various	122,699	8,108,348
Crop	Various	413,594	149,100.44
Compensation For Business Stoppage	Various	11	74,517.3
Compensation for Employees	Various	10	16,935.70
Allowances for Vulnerable AHS	1693.57	20	33,871.4
Severe impact allowance	1693.57	331	560,571.67
Relocation/Shifting allowance	1943.57	0	0
Sub-total			30,479,588.86
Contingency Amount	20%		6,095,917.772
Total Budget			36,575,506.63

12 Monitoring and Reporting

263. RAP tasks under the Project will be subjected to internal monitoring. In high-risk projects, or other projects, where it is considered necessary, external monitoring will be conducted by RDRD/RDMOI.

12.1 Internal Monitoring

264. Internal monitoring will be carried out routinely by RDRD/RDMOI either directly or through the services of an SSC. Indicators for the internal monitoring will be those related to process and immediate outputs and results. This information will be collected directly from regional RDMOI level and reported monthly to RDRD/RDMOI to assess the progress and results of RAP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the standard supervision reports and will include:

- Timeliness, information campaign, quality of information and consultation with APs;
- Status of land acquisition and payments on land compensation;
- Compensation for affected structures and other assets;
- Relocation of APs;
- Payments for loss of income;
- Selection and distribution of replacement land areas; and
- Income restoration activities
- Results of income restoration activities and compensation provided in terms of measuring extent to which affected livelihoods were restored, identifying gaps, which affected livelihoods were not satisfactory restored.

265. The above information will be collected by RDRD/RDMOI which is responsible for monitoring the day-to-day resettlement activities of the project through the following instruments:

- Review of census information for all APs;
- Consultation and informal interviews with APs;
- In-depth case studies;
- Sample survey of APs;
- Key informant interviews; and
- Community public meetings.

12.2 External Monitoring

266. According to the tasks, external monitoring will be carried out by an independent Social Issues Consultant hired by RDMOI and which was not engaged in the implementation of this particular RAP. External Monitoring tasks will be carried out in two phases.

267. Phase One. The first phase external monitoring activities will be carried out in parallel with the implementation of a RAP and will be concluded after the RAP is fully implemented by the preparation of a compliance report. An acceptable Compliance Report will be condition to start the implementation of physical civil works for the project.

268. Under the tasks for phase one the SSC will (i) do the investigations and define the indicators needed for phase two activities and ii) closely monitor the implementation of the RAP. RAP implementation monitoring will entail the following tasks: (a) review of RAP/Information pamphlet disclosure; (b) review of action taken by the PIU to compensate the APs with particular attention to the way this action fits RAP stipulations; (c) review all compensation tallies; (d) verify whether the compensation is provided thoroughly to all APs and in the amounts defined in the RP and in the AP contracts; (e) assess the satisfaction of the APs with the information campaign and with the compensation/rehabilitation package offered to them;; (f) review complaints & grievances case; (g) carry out an AP satisfaction survey with a 20% sample of the APs. The SSC will prepare the Compliance Report immediately after the completion of RAP implementation. The Compliance report will include well-argued sections on the following:

- Assessment of the way the compensation has been carried out in relation to RP stipulations;
- Verification that all APs were compensated in the amounts stipulated in the RP;
- Review of complaint and grievance cases and of their solution;
- Assessment of the rehabilitation program for vulnerable APs;
- Assessment of the satisfaction of the APs;
- Lesson learned to be applied to the next projects, and;
- General assessment of RP implementation and recommendations to start the civil works.

269. Phase Two. Within one year from the completion, the whole of RAP implementation will be assessed. The following are main indicators for the investigations to be carried out in this external Monitoring phase:

- Socio-economic conditions of the APs in the post-resettlement period;
- Communications and reactions from APs on entitlements, compensation, options, alternative developments and relocation timetables etc.
- Changes in housing and income levels;
- Rehabilitation of informal settlers;
- Effectiveness of property valuation for rehabilitation purposes;
- Effectiveness of Grievance procedures;
- Level of satisfaction of APs in the post resettlement period.

Annexes

Annex 1 Information Leaflet

Information Leaflet

Detailed Design for the Upgrading of Tbilisi-Sagarejo and Sagarejo-Bakurtsikhe Road

LOT 4: ROAD SECTION FROM BADIAURI TO CHALaubANI

Information for the Project-affected land owners and users

A. Introduction

The Tbilisi-Bakurtsikhe Road is part of an alternative transit corridor of the E-60 Highway connecting Tbilisi with the Kakheti region and the Azerbaijan border. The project is an important part of the Fourth East-West Highway Improvement Project (EWHIP-4). Upon agreement with Client the Tbilisi – Bakurtsikhe road is being divided into five constructional lots, and for each constructional lot, an independent design is being carried out. More precisely, the constructional lots are:

- Constructional Lot 0 and 1, from Eastern Part of Tbilisi to Sartichala (Iori Railway Station).
- Constructional Lot 2, from Sartichala (Iori Railway Station) to Sagarejo East (Tokhliauri Interchange).
- Constructional Lot 3, from End of Sagarejo to Badiauri.
- Constructional Lot 4, from Badiauri to Chalaubani
- Constructional Lot 5, from Chalaubani to Bakurtsikhe.

The works are financed by Georgian Government. The project is managed by the Roads Department of the Ministry of Infrastructure (RDMOI).

The project is developed by the German engineering company ILF Consulting Engineers Georgia. The Land Acquisition-Resettlement Issues are studied by non-profit organization World Experience for Georgia (WEG). Designing and assessment is carried out with consideration of active legislation of Georgia and international requirements. RAP is prepared by Alligator Ltd. according to WB ESS 5.

This particular RAP is related to only Constructional Lot 4 of wider Tbilisi – Bakurtsikhe motorway, extended from and of Badiauri to Chalaubani. More precisely, the constructional lot starts immediately after the end of Badiauri (53+800), and ends in Chalaubani after the designed interchange (Chainage 75+100). The total length of the Constructional lot is 21.76 km and it crosses the main settlements of Mzisguli, Shibliani, Kachreti Naniani, Arashenda, Melaani and Chalaubani.

The length of the project section is 21.76 km. The width of the design road buffer varies from 35 to 70m depending on topography.

B. Resettlement Policy and Principles

The land for the construction of the new road will be purchased in line with the legislation of Georgia. In addition, the additional requirements of the WB ESS 5 will also be considered in order to put the

process of payment to order under a single plan and render certain assistance by considering the status of the helpless/socially unprotected and inflicted harm. The WB policy requires:

- Land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative project designs;
- Land acquisition and Resettlement Plan will be developed and implemented to assist the APs in improving or at least regaining their pre-project standard of living.
- Consultation with APs on compensation and the views of APs will be considered in designing and project implementation processes.
- The damage to the land and property will be fully compensated in line with the effective market price.
- Non-titled AFs (informal dwellers or squatters) with their right to land impossible to legalize under the effective legislation of Georgia, will receive the replacement cost of the lost property on their lands (buildings and premises, trees, etc.) and cost of harvest of the lost annual crops.
- Disadvantaged/Vulnerable and severely impacted persons and families will be assisted in addition to the compensation of damage.
- Payment of compensation, resettlement assistance and rehabilitation measures will be completed in full.
- Appropriate informal grievance redress mechanisms to solve APs grievance (if any) will be developed and introduced.

C. Compensation Entitlements and Eligibility Sheet

Compensation Entitlements

The APs entitled for compensation under the Project are as follows:

- (i) All APs/AFs losing land notwithstanding their legal status of ownership; in addition, the registered and legalizable land owners will receive the monetary land compensation at full replacement cost, while the squatters will not receive any compensation for land and will receive only the compensation for the lost buildings and premises, fruit trees and crops (harvest for 1 year).
- (ii) Land tenants and harvest owners notwithstanding whether their title to land is registered or not.
- (iii) Owners of buildings and premises, annual crops, perennial crops or other objects associated with land notwithstanding the legal status.

Compensation eligibility is limited by a cut-off date set on the starting day of the AP Census/DMS November 06, 2025. The valuation of the land and assets is based on a valuation report prepared by the independent licensed valuator in January 2026.

The compensation eligibility matrix is given in Table 1. It will be updated in line with the census of the project APs and detailed measurement surveys (DMS).

Table 1. Compensation Entitlement Matrix

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Permanent loss of all types of land (arable, residential, industrial, commercial)	All land losses independent from impact severity	PAPs (with fully registered title)	PAPs will receive cash compensation at full replacement cost at current market value ¹⁵ . The unit rate was confirmed in this RAP.
		Leaseholder of private or public lands	cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years). In addition, cash compensation to reimburse the proven investments incurred by the Leaseholder to improve the leased land.
		Leaseholder (not registered in NARP)	Cash compensation equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 3 years) or one-time assistance in an amount equal to three months of the monthly rent specified in the lease agreement and verified through bank transfer documentation (records).
		Non-titled, land users/Squatters	APs losing land plot, which is not registered, will not receive compensation for land but will receive compensation for lost assets associated with the land plot (structures, crops, trees etc.).
Structures			
Residential house; State/ Municipality owned buildings affected by project	Project affected residential dwellings subject to partial/full demolition. Project affected state/ Municipality owned buildings subject to partial/full demolition	PAPs with registered ownership title; PAPs declared as legitimate possessors; IDPs, refugees, squatters occupying facilities for residential purposes	Impacts will be compensated in cash at full replacement cost free of depreciation and transaction costs or tax costs incurred according to Georgian legislation. In addition, Livelihood Restoration initiatives will be provided to PAPs that may face deterioration of livelihood through indirect impact of proposed road project. (e.g. project impact is extended only on residential dwelling subject to full cash compensation at replacement costs and additional one-time allowances to transport salvaged materials and personal belongings. However, other income generating assets (agricultural land/private commercial facilities) may remain outside of project impact; correspondingly, these assets may not be included in the suggested compensation package.

¹⁵ Detailed description of replacement cost at current market value is described in the Section: Methodology for valuation and determination of unit rates.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
			All AHs living in the State/ Municipality owned buildings affected by project, regardless of their ownership status, will receive cash assistance to facilitate access to adequate housing in the same area. The amount of assistance will be determined based on the size and condition of the affected dwelling and prevailing housing costs. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.
		Residential tenants/renters	One-time allowance equals monthly rental fee (specified in the lease agreement and verified through bank transfer documentation (records).) multiplied by 3; if Lease agreement and bank transfer documentation (records) are not available, 3-month period subsistence unit rate; In addition, one-time cash allowance to cover costs for transportation personal belongings.
Commercial structure	Project affected commercial facilities subject to partial/full demolition	Titleholder	Cash compensation at replacement cost at current market value calculated for project affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs or tax costs incurred according to Georgian legislation. If partial demolition threatens deterioration of structure or raises safety and security concerns the cash compensation, will apply to the entire building and affixed assets. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.
		Tenant of commercial facility	One-time allowance equal to monthly rental fee (specified in the lease agreement and verified through bank transfer documentation (records)) multiplied by 3; if Lease agreement and bank transfer documentation (records) is not available 3-month period subsistence unit rate.
Fences/Walls	All PAPs with fences to be affected	All PAPs	Cash compensation at replacement cost according to the material and linear meter length of affected fence/wall. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.
Annual Crops	Crops affected	All PAPs (including squatters)	Crop compensation in cash at full replacement cost based on market value by default at to gross crop value of expected harvest.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Perennials standing on private land parcels	Project affected Fruit bearing perennials	All PAPs (including squatters)	Replacement cost compensation at market value on the basis of type, age, and productive value of fruit tree; Each fruit bearing tree compensation shall include compensation for purchasing of saplings. PAPs will be eligible to dispose logged trees themselves.
Decorative Trees and not-fruit bearing timber trees	Project affected decorative Trees and not-fruit bearing timber trees	All PAPs	Decorative trees will be compensated based on their market value corresponding to the age and type of the affected tree. PAPs will be eligible to dispose logged trees themselves.
	Project affected non-fruit bearing perennials	All PAPs (including squatters)	No cash compensation will be issued for perennials not bearing fruits. PAPs will be eligible to dispose logged trees themselves.
Income loss			
Lessors/ landlords	Loss of income through termination of Lease agreements	All PAPs holding lease/rental agreement	One-time allowance equal to monthly rental fee (specified in the lease agreement and verified through bank transfer documentation (records)) multiplied by 3; if Lease agreement is not available, 3-month period subsistence unit rate.
Business/ Employment	Temporary or permanent loss of business or employment	All PAPs	Business Owner: (i) Permanent impact: cash indemnity of the compensation based on the average taxable profit of the affected business over the past three years, or in the absence of income proof, One-time allowance equal to 12-month period subsistence unit rate. (ii) Temporary impact: cash indemnity of net income for months of business stoppage. Assessment to be based on tax declaration or, in its absence, an allowance equal to the number of months of business stoppage based on the monthly subsistence unit rate. Permanent worker/employees: Equivalent to actual wage (average of last three payments calculated based on the last 6-month period), verified through bank transfer documentation (records) for 3 months and/or in cases where documents confirming salary transfers are not available, indemnity for lost wages equal to one-time 3-month period subsistence unit rate. For all the above, acceptable documents need to be presented, i.e. salary payment document, accountant/financial report.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Additional Rehabilitation Measures			
Livelihood restoration (non-cash measures)	All severely affected HHs, vulnerable AHs	All AHs including informal settlers	A Livelihood Restoration Plan (LRP) will be developed for the project. Indicative LR measures include: - Vocational training - Provide knowledge and skills on enterprise management - Provide information and trainings in tourism development and hospitality - Provide information and trainings in agricultural development in the agricultural sectors typical of this region Additional livelihood restoration and improvement measures will be added to the finalized LRP based on the individual/focus group consultations with APs and other stakeholders (For example Vendors) and need assessment surveys at the early stage of RAP implementation. The LRP will include the development of marketplace for street vendors along Lot 3,4 and 5.
Relocation	Transport and transitional livelihood allowances	All PAPs affected by relocation	Provision of sufficient allowance to cover transport expenses. The mentioned allowance value is defined as an averaged fixed figure: for this project. It is determined that the relocation allowance is equal to the 3-month period subsistence unit rate and averaged expenses for transportation of goods (250 GEL).
Severely Affected AHs		AHs (i) losing 10% or more of their land impacted by the project, (ii) physically displaced HH and (iii) households losing commercial/ business establishments.	(i) <u>Physical relocation</u>: an allowance covering 3-month period subsistence unit rate. (ii) <u>Agricultural income</u>: additional crop compensation for 1 year's yield of affected land or an allowance equal to 3 months subsistence unit rate, whichever is higher. (iii) <u>Other income</u>: an allowance covering 3-month period subsistence unit rate.
Vulnerable PAPs		HHs as is defined in the Glossary of Terms.	Allowance equivalent to 3-month period subsistence unit rate ** and employment priority in project-related jobs.
Temporary impact	Loss of access to land parcel	Owners/Users	Temporary land impacts will be compensated based on the productive value of the plot during the period of impact and after their use will be re- established by the project at the pre- impact productive conditions.

Type of Impact	Application	Definition of PAP	Compensation Entitlements
Land Registration		All Aps who needs the land/assets registration in frames of project impact	All costs related to land/assets-related registration issues can be covered for APs affected by the Project. These costs will be financed from the project budget contingency
Any other unforeseen Impacts	As required	Any	Unforeseen resettlement impact during project will be addressed and mitigated/compensated according to the principles of compensation entitlements provided under this RPF and relevant RAP.

Grievance Redress Mechanism

A grievance mechanism will be available to allow an AP appealing any decision on which they disagree, practice or activity arising from land or other assets compensation. APs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation. Care will always be taken to prevent grievances rather than going through a redress process. This can be obtained through careful LAR design and implementation, by ensuring full participation and consultation with the APs, and by establishing extensive communication and coordination between the affected communities, the EA, and local governments in general. Complaint & Grievances will be addressed through the process described below in Table 2. The GRM consist of project-specific systems established at the municipal level and regular system established at RDMOI. Grievance Redress Committee (GRCE) established at municipal level as a project-specific instrument, functional for the whole period of the project implementation. Standing Commission for the Review of Issues rising in Relation to Social and Environmental Protection Procedures is formed as an informal structure within the RDMOI to ensure grievance review, resolution and record.

RDMOI's Standing Commission for the Review of Issues rising in Relation to Social and Environmental Protection Procedures - is formed by order No. 224. of the Head of RDMOI as a permanently functional informal structure, engaging personnel of RDMOI from all departments having regard to the LAR issues and complaint resolution. This includes top management, Safeguard or LAR Units, Legal Departments, PR department and other relevant departments (depending on specific structure of the IA). The Commission is involved at the Stage 2 of grievance resolution process. The Order shall also state that, if necessary, representative of local authorities, NGOs, auditors, APs and any other persons or entities can be included in the commission as its members.

A Grievance Redress Committee (GRCE) is an informal, project-specific grievance redress mechanism, established to administer the grievances at Stage 1. This informal body will be established at community level in each affected Municipality (village/community authority). The GRCE shall include representatives of Municipal RAP Teams and local communities. The RDMOI representative in the Municipal RAP Team shall coordinate the GRCE formation. He/she will then be responsible for the coordination of GRC activities and organizing meetings (Convener). In addition, GRCE shall comprise Representative of Mayor in village or his/her representative, representatives of APs, women APs (if any), and appropriate local NGOs to allow voices of the affected communities to be heard and ensure a participatory decision-making process.

If considered necessary, GRCEs will be established at the community level with an office order from the RDMOI with provision of 7 members of following composition:

- | | | |
|--------|---|----------------------------|
| (viii) | Representative of Resettlement Unit of IA | : Convener; Contact Person |
| (ix) | Representative Local LAR team | : Member Secretary |
| (x) | Representative of Mayor – (village level) | : Member |
| (xi) | Representative of APs | : Member |
| (xii) | Representative of NGO | : Member |
| (xiii) | Representative of Civil Works Contractor | : Member |
| (xiv) | LAR Specialist of Supervision Consultants | : Member |

Representative of the Resettlement Unit of IA is coordinating the work of the Committee and at the same time he/she is nominated as a contact person for collecting the grievances and handling grievance log. The local authorities at the municipal level, civil works Contractor, Supervising Company (Engineer), as well as APs (through informal meetings) are informed about the contact person and his contact details are available in offices of all mentioned stakeholders.

The Contact Person collects and records the grievances, informs all members of the Committee and the management of RDMOI regarding the sense of the problem, engages the relevant stakeholders in discussions with the applicant of grievance, handles the process of negotiation with AP at the stage 1 of the grievance resolution. The Contact Person prepares the minutes of meetings and ensures signatures. In case if the grievance is resolved at the stage 1, the Contact Person records the fact of closing the grievance in his log and informs RDMOI management about this in written. If the complainants are not satisfied with the GRC decisions, they can always use the procedures of Stage 2 of grievance resolution process. In that case the Contact Person helps the AP in lodging an official complaint (the plaintiff should be informed of his/her rights and obligations, rules and procedures of making a complaint, format of complaint, terms of complaint submission, etc.).

If the grievance continues to be unresolved at Stage 2 by the appropriate department, it will be presented to RDMOI's Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures. The RDMOI's Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures has regular meetings (At least once in a month) and during the meetings will review and decide upon the grievance in compliance with the Administrative Code of Georgia. The complainant shall be informed in writing of RDMOI's decision. If RDMOI's decision fails to satisfy the aggrieved affected persons, they can pursue further action by submitting their case to the appropriate court of law. T Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures is as follows:

1. Chairman of the Roads Department of Georgia (Chairman RDMOI's Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures);
2. Deputy Chairperson of Roads Department of Georgia (member);
3. Deputy Chairperson of Roads Department of Georgia (member);
4. Deputy Chairperson of Roads Department of Georgia (member);
5. Deputy Chairperson of Roads Department of Georgia (member);
6. Head of the Department's State-Budget-Funded Road Projects Management Division (member);

7. Head of the Department's Donor-Funded Projects Management Division (member);
8. Deputy Head of the Department's Donor-Funded Projects Management Division (member);
9. Head of the Department's Environmental and Social Issues Division (member);
10. Deputy Head of the Department's Environmental and Social Issues Division (member);
11. Deputy Head of the Department's Environmental and Social Issues Division (member);
12. Head of the Resettlement Unit of the Department's Environmental and Social Issues Division (member);
13. Head of the Registration Unit of the Department's Environmental and Social Issues Division (member);
14. Head of the Department's Project Design Division (member);
15. Head of the Department's Financial Management Division (member);
16. Deputy Head of the Department's Legal Division (member);

The APs should be informed about the available GRM. This could be achieved through implementing information campaigns, distributing brochures (e.g. Communication Plan), Keeping all focal points up-to-date & maintaining regular communication with them, allowing multiple entry points for complaints, Introducing forms for ease of reporting complaints.

Table 2 Grievance Resolution Process

Steps	Action level	Process
Step 1	Negotiations with APs	The complaint is informally reviewed by the grievance redress committee (GRC), which takes all necessary measures to resolve the dispute amicably.
Step 2	GRC Resolution	If the grievance is not solved during the negotiations, the GRC will assist the aggrieved APs to formally lodge the grievances to the GRC. The aggrieved APs shall submit their complaints to the GRC within 1 week after completion of the negotiations at the village level. The aggrieved AP shall produce documents supporting his/her claim. The GRC member secretary will review the complaint and prepare a Case File for GRC hearing and resolution. A formal hearing will be held with the GRC at a date fixed by the GRC member secretary in consultation with Convenor and the aggrieved APs. On the date of hearing, the aggrieved AP will appear before the GRC at the Municipality/village office for consideration of grievance. The member secretary will note down the statements of the complainant and document all details of the claim. Response time for the GRC to acknowledge receipt is 14 days and after date of hearing for Respond/resolve maximum time is 10 days. The decisions from majority of the members will be considered final from the GRC at Stage 1 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.
Step 3	Decision from central RDMOI And Commission	If any aggrieved AP is unsatisfied with the GRC decision, the next option will be to lodge grievances to the RDMOI at the national level. The RDMOI shall review the complaint in compliance with the procedures specified in the Administrative Code of Georgia. Response time according the Administrative Code of Georgia is 30 days, but internally, according the RDMOI's internal electronic correspondence system, the mandated time for response is 10 days). If the grievance continues to be unresolved at Stage 2 by the appropriate department, it will be presented to RDMOI's Standing Commission for the Review of Issues Arising in Relation to Social and Environmental

Steps	Action level	Process
		Protection Procedures. The Commission has regular meetings (At least once in a month) and during the meetings will review and decide upon the grievance in compliance with the Administrative Code of Georgia. The complainant shall be informed in writing of RDMOI's decision. If RDMOI's decision fails to satisfy the aggrieved affected persons, they can pursue further action by submitting their case to the appropriate court of law
Step 4	Court decision	If the RDMOI decision fails to satisfy the aggrieved APs, they can pursue further action by submitting their case to the appropriate court of law without any reprisal. The aggrieved AP can take a legal action not only about the amount of compensation but also any other issues, e.g. occupation of their land by the contractor without their consent, damage or loss of their property, restrictions on the use of land/assets, etc.

Public Disclosure and Contact Information

Public hearings will be held to discuss the construction of Tbilisi-Bakurtsikhe Road, where any stakeholder will have the possibility to receive full information about the project, make comments, which will be further discussed and considered.

Contact Information:

The Ministry of Infrastructure of Georgia

Roads Department of Georgia

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ANNEX 2 Synopsis of Selected Georgian Laws and Regulations on RAP

A. The Constitution of Georgia

The Constitution determines the essence of private ownership and defines the presumption of inviolability; however, it also regulates issues related to compensation and expropriation of land and real estate for public needs. The Constitution of Georgia ensures access to public information. Pursuant to Article 21 of the Constitution of Georgia “the right of ownership and inheritance is declared and secured”. No party can revoke the universal rights of ownership and inheritance. If there is a public need or urgency, Article 21.3 of the Constitution allows the expropriation of privately owned land/real estate; however, this can only be executed in accordance with a court decision or under the rules identified in the Organic Law 16 on the basis of appropriate and fair reimbursement.

Other articles of the Constitution of Georgia also create a legislative basis in respect of land acquisition and resettlement. These articles regulate the state’s actions for expropriation of land for public needs, i.e., exercising the right of expropriation (power of eminent domain), and the requirements of information disclosure, public consultations, protection of cultural heritage and grievance redress related to land acquisition and resettlement.

The Constitution ensures the right of each citizen to live in a safe and healthy environment and to use the natural and cultural environments. The state undertakes to implement environmental protection measures to secure a safe environment for people. People have the right to obtain “full, true and timely information” in regard to their workplace and environment. Article 42 of the Constitution enables citizens to make claims. It protects citizens and encourages appeals to a court for protection of their rights and freedoms.

B. Civil Code of Georgia

The Civil Code of Georgia regulates private civil relationships and covers property rights and obligations, family law and the law on inheritance. These regulations of the Civil Code enshrine the right to own property, the right to build, servitude and other rights directly applicable to the Project.

Ownership Rights

The right of ownership entitles its beneficiary to freely possess and use property. It may be limited by legislation or on a contractual basis. Ownership of a land parcel gives the landowner the implicit right to implement construction activities if they are not restricted by any agreement or law. Alienation of real estate is not limited under the Civil Code of Georgia. Pursuant to Article 183 of the Civil Code of Georgia “in order to purchase real property the agreement shall be made in a written format and the ownership right shall be registered on the name of the buyer at the Public Register”. The agreement, on the basis of which one person purchases and the other sells the real property, may be notarized. The agreement also may be certified by the person identified under the law (Article 69 of the Civil Code of Georgia). At present, the sales agreement of real property may be certified by a representative of the Public Register. The presumption of veracity and completeness of entries operates with respect to the Public Register. Pursuant to Paragraph 1, Article 312, “an entry in the Public Register shall be deemed to be accurate until its inaccuracy is proven.

Right to Build

The owner is allowed to transfer a land plot to another person for temporary use (not exceeding 59 years) for a charge or free of charge. The transferee obtains the right to build a building/construction on or under the land plot, as well as the right to assign and transfer this right through inheritance or tenancy. The construction right may cover such parts of a land plot that are not necessary for the actual construction but allow for better use of the facility constructed on the basis of the construction permit. Termination of the construction right requires consent from the landowner. Based on Article 180 of this Code, if a land parcel lacks access to public roads that are necessary for its adequate use, the owner

¹⁶ In the hierarchy of the laws, the Organic Law stands between the Constitution and other laws, which highlights its significance.

may claim servitude from a neighbor for the purpose of providing the necessary access. The mentioned article may be used for road construction, though the determination of a necessary right of way can be a rather complicated procedure if the road construction involves the obligation to prove the existence of elements of such rights. In the event of a necessary right of way, the implementer of the road project shall have the right to undertake road construction notwithstanding the owner's will.

Right of Servitude

According to the Civil Code of Georgia, this right means the restriction imposed on a land parcel or real property in favor of the owner (beneficiary) of another land parcel or real property. The beneficiary is granted the right to use a land parcel under restriction with some conditions and /or restricts the undertaking of specific activities or prohibits the landowner from exercising some rights against this land parcel. However, in regard to this project, the terms, and conditions for transfer of any right (among them ownership, construction, necessary right of way or servitude) shall be defined against each land parcel in accordance with the identified rule and on the basis of the agreement entered into between the landowner and the party holding the appropriate right to act. This agreement shall be registered at the Public Register.

C. Law of Georgia on the Protection of Cultural Heritage

In addition to the Constitution of Georgia affirming the State's obligation to protect cultural heritage and requiring each citizen to care for, protect and preserve cultural heritage, the Law of Georgia on Protection of Cultural Heritage defines the legislative principles for the protection of existing cultural heritage in Georgia.

According to the Law, state protection of cultural heritage is undertaken by the Ministry of Culture, Monuments Protection and Sport, the Ministry of Justice of Georgia, local self-government bodies, as well as other state institutions, public and legal entities. On the territories of Abkhazia and Adjara autonomous republics, the corresponding bodies of Abkhazia and Adjara autonomous republics have this responsibility within the scope of authority defined under the legislation of Georgia. It is worth mentioning that the state and local self-government bodies exercise their authorities in the sphere of protection of cultural heritage in accordance with the Constitutional Agreement between the state and the Orthodox Church of Georgia. The Ministry of Culture, Monuments Protection and Sports of Georgia provides general coordination and manages the activities undertaken in this sphere.

The Ministry of Culture, Monuments Protection and Sports may by agreement consider the alienation of state-owned land parcels located within a culturally or archeologically protected area on the condition that measures of protection and care are set. By contrast, Georgian law directly restricts alienation of monuments/land within a culturally or archaeologically protected area under private ownership that can only be alienated under the right to possess and use despite any conditions of care and protection.

D. The Law of Georgia on Notary Actions

The stated law defines the types of notary actions and rules of their implementation. The law also defines which institutions and authorized persons other than the Notaries have the right to conduct Notary actions within the territory of Georgia and abroad. On the basis of Article 42 of the Law, local self-governments have the right to implement Notary actions related to inheritance, confirmation of the accuracy of a copy of an original document, proving the fact of a citizen's life, or proving the fact of a citizen's certain location. The rural population often applies to local self-governments to conduct certain notary actions, especially, when it is required to identify a person and a document, or the notary actions are required to replace the deceased head of the household with a new member. This rule is often utilized in the registration of land parcels when one member of the household is registered in the place of a deceased member. The representatives of the Consulates of Georgia (consuls) and other key persons at the consulates are eligible to conduct notary actions on behalf of the Georgian state beyond the territory of the country. (Article 43). Citizens abroad may apply to the consulate of Georgia in the county of their location.

E. The Law of Georgia on Privatization of State-owned Agricultural Land

The Law regulates the privatization of state-owned agricultural land. On the basis of this law, leased or non-leased state-owned agricultural land is subject to privatization. However, the categories of agricultural lands listed below are not subject to privatization:

- Grazing lands except grazing lands which were leased before enactment of the law; grazing lands attached to existing structures under ownership of legal entities and/or private persons or state ownership in accordance with the rules refined by the Law.
- Cattle-driving routes.
- Water fund land, except fish breeding in artificial ponds and lands of common water utilized as agricultural lands in accordance with the Law of Georgia on Water
- Forest fund land used under agricultural designation.
- Recreation lands.
- Lands allocated to historical monuments, nature, and religious monuments.
- Lands in protected areas.
- Agricultural lands assigned as reform land in Adjara Autonomous Republic.
- Agricultural lands being used by budgetary institutions and legal entities of public law in the form of usufruct.

Privatization of the two categories (forest fund and recreation land) of agricultural land is still allowed, although only for development of resort-recreation infrastructure in accordance with the decision of the Government of Georgia.

F. The Law of Georgia on Ownership of Agricultural Land

The current law is completely different from the initial version adopted in 1996. The changes made to this law at different times (among them the amendments on the basis of Law # 389 of 14 July 2000) have significantly changed its initial format and simplified it.

Article 3.1. states that "a land parcel with or without a household structure that is registered at the public register and used for cattle-breeding or cultivation is considered an agricultural land parcel" with the existing household and additional structures or without them. This also applies to shared hay fields, grazing lands or forestry areas and parts of agricultural land that may be subject to "a separate ownership right" (Article 3.2).

The same law indicates that the ownership right to agricultural land is granted to the state, citizen of Georgia, household (komli) and legal person registered in accordance with the legislation of Georgia, which carries out its agricultural activities. The law also declares the state, private and community ownership rights to grazing lands in the high mountain regions (Article 43).

According to the limitations set under this law, a foreign citizen or legal entity registered abroad can only be granted ownership rights to agricultural land parcels through inheritance by will. However, foreign citizens and legal entities registered abroad are obliged to alienate privately owned agricultural land parcels to a citizen of Georgia, Komli and/or legal entity registered in Georgia according to the legislation of Georgia within six months of obtaining private ownership of the given land parcel. If this legal requirement is neglected, agricultural land parcels can be expropriated by court decision in return for due compensation. The standards identified by the Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need shall also be exercised in such case.

According to Articles 6 and 8, the acquisition of agricultural land is allowed on the basis of ordinary rules and general restrictions. Ordinary rules consider land alienation without any permits and other limitations, and general restrictions consider land alienation only on the basis of the consent of the co-owner of shared property. In the case of agricultural land acquisition, the lessee has the priority right to purchase the land. (Article 10). Alienation is restricted if the area remaining after this action will be less than 5 hectares (Article 9).

The law imposes tax sanctions if land has not been cultivated for two years, for non-payment of land tax and failure to transfer a land lease. In such cases the law does not directly state any type of penalty and only refers to sanctions under the tax legislation (Article 20).

G. Law of Georgia on Registration of Rights to Immovable Property

The law defines the rules, terms, and conditions for registration of rights to immovable property, and the rights and obligations of parties participating in registration procedures. The goal of this law is to declare and verify ownership rights for immovable property within the territory of Georgia through registration of these rights in the Public Register. The Law describes the rules set for the organization and functioning of the Public Register. Pursuant to the law of ownership right to real property, mortgage, right to build, usufruct, servitude, lease, sub-lease, rent, sub-rent, lending subject to registration (Article 13.2).

This law ensures the successful process of expropriation and the obtaining of necessary rights of way as land and real property must be registered into the public register to provide legal validity to the sales agreement. Pursuant to active legislation, the acquisition (purchase) of private property is legally valid and ownership rights are declared only after its registration into the Public Registry.

H. The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need

The “Rules for Expropriation of Ownership for Necessary Public Need” (23 July 1999) specified the expropriation procedures, liabilities, and rules. The rules for expropriation of ownership stipulate that a regional (civil) court verdict must be issued on the basis of a presidential decree in the event of expropriation related to road construction.

According to the Constitution of Georgia the expropriation of properties required for the construction of roads is permitted for public needs. The process of expropriation can only be enabled by a court decision. Expropriation is carried out by means of compensation payment which should correspond to the market value and be honest. The Georgian state has the constitutional right to carry out the acquisition of property through expropriation instead of payment of legislative compensation (Clause 21).

I. Procedural Civil Code of Georgia

The general courts of Georgia consider cases according to the rules identified under the Procedural Civil Code of Georgia. The requirements of the procedural law are exercised during lawsuits and implementation of separate procedural actions or execution of a court decision.

The Procedural Civil Code of Georgia also regulates cases in which a determination for the defendant is impossible. This may be important for the Project in cases where the landowner is not found, and ownership of his/her land parcel cannot be obtained in a legally valid manner.

The above-listed laws and regulations allow the following three mechanisms for legal application of property rights:

- Obtaining the right of way without expropriation through the payment of due compensation (on the basis of arrangement or a court decision) prior to commencement of the activities.
- Expropriation which enables the obtaining of permanent rights to land on the basis of eminent domain law or a court decision by payment of due compensation.
- Expropriation of private properties for urgent public necessity, which enables the obtaining of permanent rights to land for the purpose of national security or accident prevention. Expropriation is to be made on the basis of a presidential decree on expropriation through the payment of due compensation to affected people.

If applied adequately the above-listed mechanisms can ensure the appropriate consideration of lawful interests of all parties and the due observation of existing legislations.

Annex 3 Valuation Methods, Valuation of Losses and Compensations, Valuation of the Cost of Buildings and Structures

The valuation report is provided separately due to its substantial volume (approximately 150 pages).

Annex 4 Public Consultation Meetings

Date of event:	24.10.2025
Time of event:	1:00 p.m.
Location:	Culture Centre of Gurjaani
Purpose:	Consultations with project communities
Facilitator(s):	Mikheil Ujmajuridze (RD), Manana Bazadze (RD), Khatia Shapakidze (RD), Natia Adamia (RD) Mariam Begiashvili (RD, Social Consultant for WB financed projects), Malkhaz Komladze and the team (Ltd. Alligator)
Attendees	Total 160 attendees – 30 women and 130 men

The meeting was opened by **Mikheil Ujmajuridze**, who introduced the facilitators and outlined the objectives of the consultation. He provided an overview of the Project and presented the key elements of the resettlement process, with particular emphasis on the update of the Resettlement Action Plan (RAP), as summarized below:

1. Project background and rationale for RAP update.

Participants were informed about the Project background and the need to update the Resettlement Action Plan, as the unit rates included in the RAP prepared in 2021 are no longer valid. It was also explained that other parameters of the RAP may require revision based on updated field data and current conditions.

2. Scope of works for RAP update.

It was explained that the RAP update is being undertaken by **Alligator LLC**, which is responsible for conducting the following activities:

- measurement and inventory of affected land plots and properties;
- inventory of trees and annual crops;
- identification of household vulnerability and socio-economic characteristics;
- valuation of affected assets; and
- preparation of the updated RAP based on verified field and desk-based data.

3. Establishment of the Cut-off date.

Participants were informed that a new **Cut-off date** for eligibility under the Project has been established, corresponding to the commencement date of the measurement and inventory survey. For the updated RAP, the Cut-off date was set as **06 November 2025**.

4. Grievance Redress Mechanism (GRM).

Information was provided on the Project's Grievance Redress Mechanism, including available channels for submission of grievances and the procedures for their resolution. The social and resettlement specialists responsible for GRM implementation under the Project were introduced to the participants.

5. Determination of unit rates.

It was clarified that unit rates for different land categories and other affected assets will be determined as part of the RAP update process and disclosed to the affected population during a subsequent consultation meeting, prior to finalization of the RAP.

6. Valuation methodology.

Participants were informed that valuation of land and other affected assets will be conducted based on the **replacement cost principle**, in line with ESS5 requirements. Detailed explanations were provided regarding the methodology and its application.

7. Update of the entitlement matrix.

It was noted that the entitlement matrix will be reviewed and updated, as necessary, based on the feedback received from affected persons and the results of the impact assessment.

Project maps were presented by **Malkhaz Komladze**, who provided detailed explanations to the participants regarding the measurement and inventory process, inventory of trees and annual crops, identification of household vulnerability and socio-economic characteristics, as well as other related field and desk-based activities to be undertaken during the RAP update.

Following the presentation, participants raised questions primarily related to **asset valuation procedures and other issues**. The key issues raised during the discussion are summarized below.

Photos # 1,2 – Public Consultations in Gurjaani 24.10.2025.

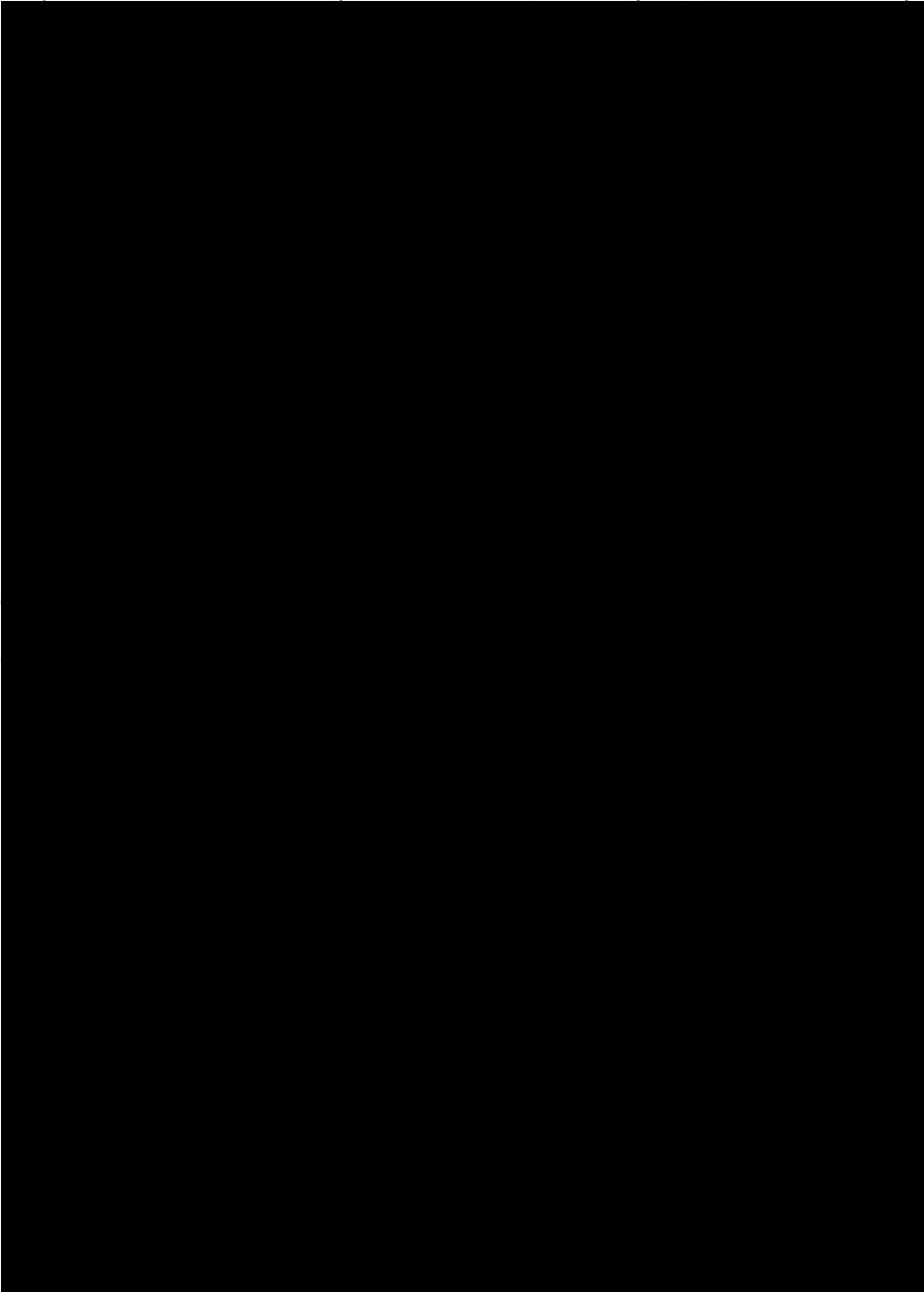
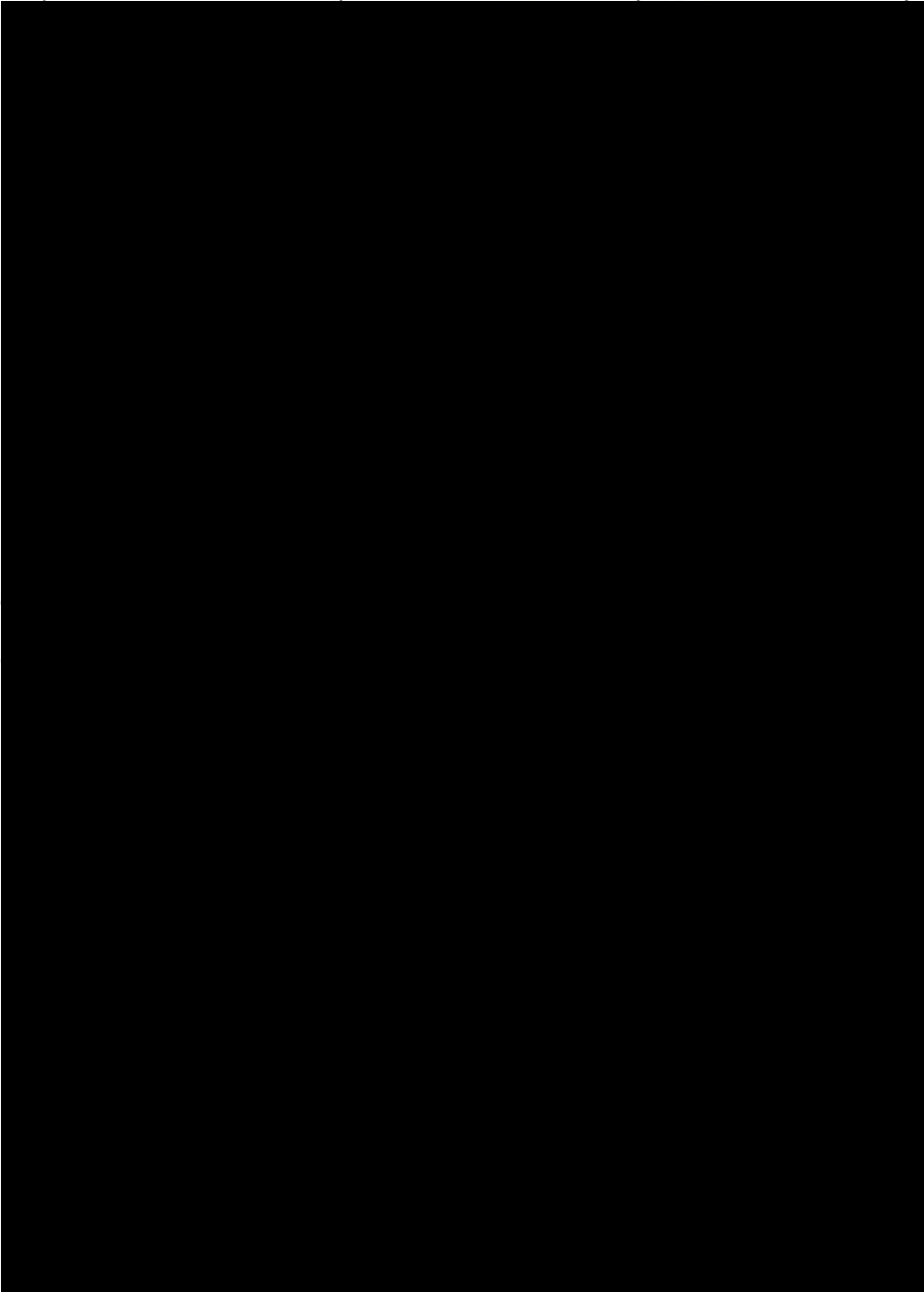
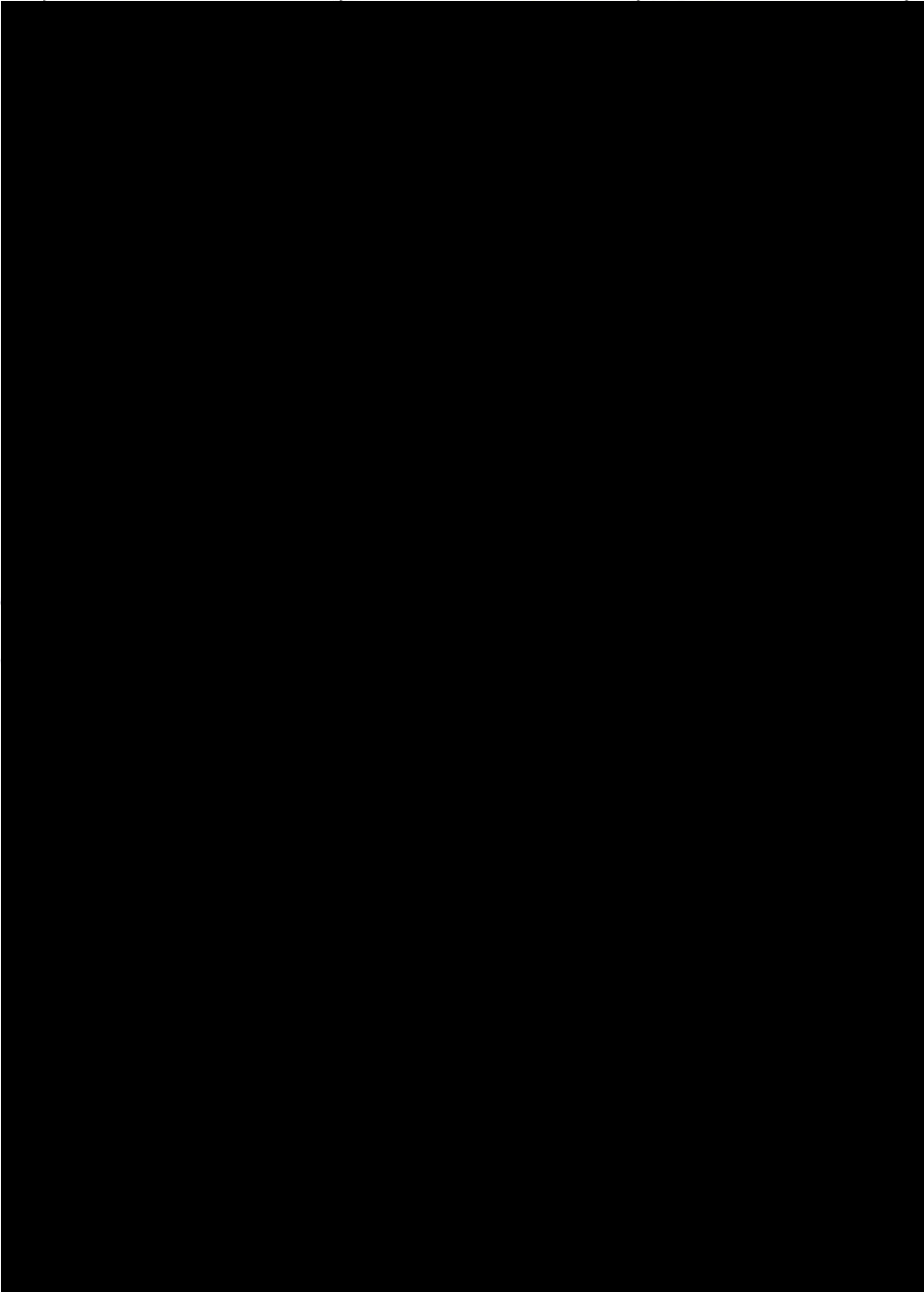


Number of APs attending the meeting – 160; Out of this 150 have confirmed their presence by signature

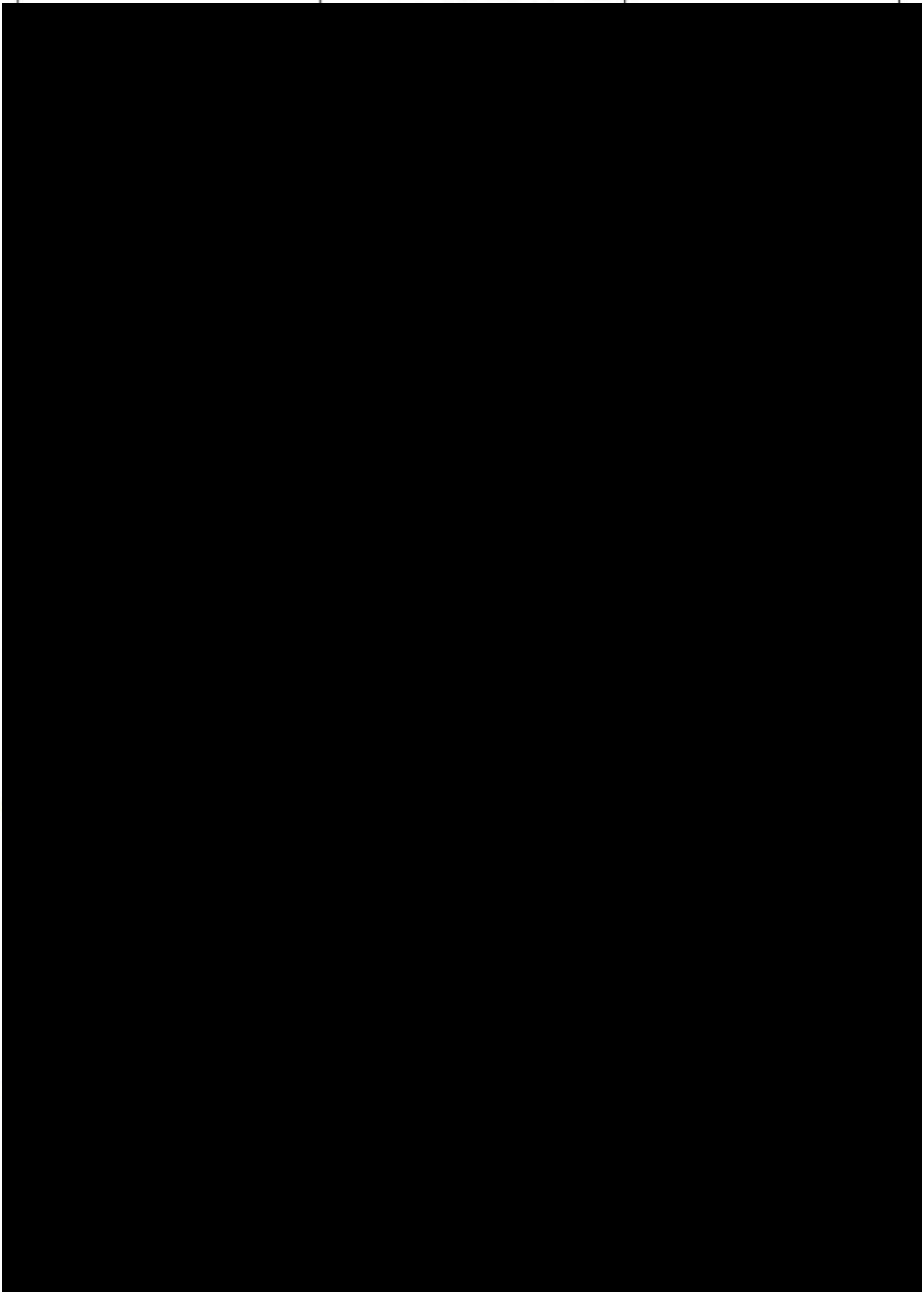
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დასწრების ფურცელი			
შეხვედრის მიზანი: თბილისი-საგარეჯო და საგარეჯო-ბაკურიძის საავტომობილო გზის გაუმჯობესების დეტალური პროექტების (ლოტი 4 - ლოტი 5) განსახლების სამოქმედო გეგმების საჯარო განხილვა			
თარიღი: 24.10.2025			
სახელი გვარი	საკონტაქტო ინფორმაცია	ხელმოწერა	ქალი/კაცი
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დასწრების ფურცელი			
შეხვედრის მიზანი: თბილისი-საგარეჯო და საგარეჯო-ბაკურციხის საავტომობილო გზის გაუმჯობესების დეტალური პროექტების (ლოტი 4 - ლოტი 5) განსახლების სამოქმედო გეგმების საჯარო განხილვა			
თარიღი: 24.10.2025			
სახელი გვარი	საკონტაქტო ინფორმაცია	ხელმოწერა	ქალი/კაცი
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[REDACTED]

Question-and-Answer session:

Question/Comment	Author	comment
AP requested that consultations be conducted separately for each village, in smaller groups, to allow affected persons (APs) to better understand the unit rates and compensation entitlements proposed for affected land and assets.		It was clarified that, in addition to public consultations, individual consultations with APs will be conducted during the measurement and inventory (DMS) survey with each eligible owner or user. Furthermore, individual disclosure meetings will be held at the stage of presentation of individual compensation and assistance offers, conducted by the Project's designated resettlement specialists.
Participants noted that an open area located in the center of Bakurtsikhe village is used as a seasonal grape market during the harvest period. The market is used by residents of Bakurtsikhe, Melaani, Chalaubani, and Akhasheni villages. APs requested the maintenance of access to this area and/or the identification of an alternative location.	(APs from Bakurtsikhe village):	It was explained that the Project design provides access to all villages, village centers, and key community facilities. The issue raised will be communicated to the RDMOI's relevant technical units and the Municipality for further assessment and coordination.
AP noted that following the measurement conducted under the initial RAP in 2021, some APs did not maintain perennials, resulting in poorly maintained orchards. He asked whether such trees would be included in the updated RAP.		It was clarified that the inventory will describe the current situation, namely: all perennials identified during the current DMS survey, will be recorded and valued at replacement cost, provided they are located within the Project impact area and were established prior to the cut-off date.
AP requested clarification regarding the Project impact area / right-of-way (RoW) and its components.		It was explained that the Project impact area (right-of-way) includes the road carriageway, traffic lanes, shoulders, embankments, drainage structures, underpasses, intersections, and other associated road infrastructure elements, as defined in the approved Project design and technical documentation.
AP asked what type of entitlements would apply to users of State-Owned land.		It was clarified that users of state-owned land are considered land users under the entitlement matrix and are eligible for compensation at replacement cost for affected assets created by them, including structures, fences, trees, and annual crops. Eligibility is subject to verification by local Municipality of land use prior to the cut-off date.

Question/Comment	Author	comment
AP noted that the Project alignment passes in close proximity to her residential house (approximately 18 meters) and asked about planned impact mitigation measures.		It was explained that during construction, noise and vibration monitoring will be carried out in accordance with the Environmental and Social Management Plan (ESMP). Where monitoring indicates exceedance of permissible thresholds, appropriate mitigation measures will be implemented to minimize adverse impacts on nearby residential structures and living conditions.
APs asked that what would happen if a resident does not want to sell a land parcel?	Group of residents	There is a Law on Expropriation, according to which, in case of the project that has public interest, the land could be expropriated. Based on a judicial decision, a resident will receive fair compensation, while a land plot will be transferred to the state according to the rule prescribed by expropriation legislation.
APs asked if local population could use the construction materials remaining after the demolition of their structures?	Group of residents	Yes, after demolition of the structures, they can use the part of the remaining materials.
APs asked will the costs of plot cultivation and planting be reimbursed in case construction starts prior to the harvest. Will a resident get compensation in the amount of 1 year yield irrespective of whether he/she manages to harvest crops.	Group of residents	The resident will get compensation in the amount of 1 year yield irrespective of whether he/she manages to harvest crops.

Date of event:	06.02.2026
Time of event:	11.00 a.m. and 1:00 p.m.
Location:	Culture Centre of Gurjaani
Purpose:	Consultations with project affected persons from Lot 4 and Lot 5
Facilitator(s):	Mikheil Ujmajuridze (RD), Manana Bazadze (RD), Khatia Shapakidze (RD), Mariam Begiashvili (RD, Social Consultant for WB financed projects), Malkhaz Komladze and the team (Ltd. Alligator)
Attendees	Total 250 attendees – 55 women and 195 men

Due to the high level of attendance, the public meeting was organized in two separate sessions, held at 11:00 a.m. and 1:00 p.m.

The meetings were opened by **Mikheil Ujmajuridze**, who introduced the facilitators and outlined the objectives of the consultation. He provided an overview of the Project and RAP presented the key elements of the resettlement process, with particular emphasis on the process of measurement, inventory and valuation.

The Social Issues Consultant **Mariam Begiashvili** delivered a specially prepared presentation to the participants. The list of topics discussed, and a brief overview of the content are provided below:

1. Short Description of the project:

Construction Lot 4 commences after Badiauri at km 53+800 and terminates in Chalaubani at km 75+100. The total length of the section is 21.76 km. and the alignment crosses the settlements of Mzsiguli, Shibliani, Kachreti, Naniani, Arashenda, Melaani and Chalaubani.

Construction Lot 5 commences immediately after the Chalaubani junction at km 75+100 and terminates in Bakurtsikhe at km 84+420. The total length of this section is 9.12 km and it constitutes a new connecting road between Chalaubani and Bakurtsikhe.

- The Summary of impacts under Lots 4 and 5 on land ownership/usage and assets.
- Eligibility for compensation, defined by the Entitlement matrix namely: in accordance with the Resettlement Action Plans, compensation and/or rehabilitation assistance shall be provided to all affected registered landowners who lose land; tenants of land and buildings; owners and/or actual users of residential houses and other structures; owners/users of annual crops, productive perennial plants, and decorative trees; all affected persons who, as a result of project implementation, lose businesses, income, or wages; poor and vulnerable households; severely affected persons; and households subject to physical relocation.
- Unit rates were determined by an independent, licensed appraiser.
- Impact on environment and appropriate mitigation measures: Impacts on air quality; Impacts related to climate change; Impacts on the hydrological and geological environment; Impacts on water quality; Impacts on soil; Impacts on biodiversity; impacts on socio-economic factors; Assessment of archaeological and cultural heritage aspects; Analysis of alternatives; Air, noise and vibration modeling conducted at the Environmental Impact Assessment stage; Occupational health and safety considerations; Impacts on protected areas.
- Temporary Relocation Procedure during the construction: If damage to residential house is identified that is repairable and the relevant expert assessment does not confirm that the construction poses a risk to the continued operation of the building and/or to human health, residents shall be temporarily relocated from the residential house for the duration of construction works carried out in the vicinity of such property.

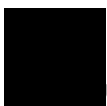
7. Establishment of the Cut-off date.

Participants were once again informed that a **Cut-off date** for eligibility under the Project has been established, corresponding to the commencement date of the measurement and inventory survey. For these RAPs, the Cut-off date was set as **06 November 2025**.

8. Grievance Redress Mechanism (GRM). Information was provided on the Project's Grievance Redress Mechanism, including available channels for submission of grievances and the procedures for their resolution. The social and resettlement specialists responsible for GRM implementation under the Project were introduced to the participants.

9. Preparation of SEP, information leaflet, contact information of RD and project contact persons: Within the framework of the Project, a Stakeholder Engagement Plan has been developed to ensure that all stakeholders and interested parties receive timely information at all stages of Project preparation and implementation. The information leaflet in Georgian language was distributed to all attendees.

The list of attendees with signatures and contact information is presented below:



ოქმები_გურჯაანი_

Photos # 3,4 – Public Consultations in Gurjaani 06.02.2026.



Question-and-Answer session:

Question/Comment	Author	Comment
Within Lot 4, agricultural land has been valued at different prices. What causes this difference?	[REDACTED]	In the land valuation process, importance is given to its current use, condition, and location. The land has been assessed based on its actual designation, namely the market value of similar land in the same area, recorded transactions in the Public Registry database, available offer data, and other relevant factors.
Does the land price differ depending on its location? For example, land adjacent to the existing road versus land located 2 km away?	Local residents	Certainly, land located along the roadside with a frontal position differs in price from land situated farther away from the road.
How were vineyards valued by grape variety?	Local residents	The value differs depending on the grape variety. A botanist was part of the field inventory team and identified all affected grape species. Subsequently, an independent appraiser determined the value. Both white and red grape varieties were assessed, including Rkatsiteli, Aladasturi, Manavi Mtsvane, Kisi, Saperavi, Adesa, and others.
What is the approach toward residual land? What should we do if the remaining land is unusable after project impact?	Local residents	This issue is considered individually by the Road Department's Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures. Once the resettlement procedures commence, you should submit a formal application to the Department.
Is it possible to send us our individual valuation reports and a sample contract via email?	[REDACTED]	Yes, it is possible. You will receive the information once you are contacted individually.

When will the resettlement procedures begin?	Local residents	Within approximately one-month period, individual communication with affected persons will begin and compensation offers will be presented.
We are aware that a socio-economic survey was conducted. This survey was not conducted in my household. Was information about my family missed?	Local resident	The objective of the socio-economic survey was to collect general information on the socio-economic conditions of affected people and the region. Accordingly, the survey did not cover 100% of affected households, but rather approximately 60–65%.
What is the architectural design (form) of the new road directly in front of our houses?	Residents of Bakurtsikhe village	In Bakurtsikhe, the road is slightly elevated. To determine the specific elevation in front of your house, please provide the cadastral code and we will revert with detailed information.
What environmental conclusion/document exists?	Residents of Bakurtsikhe village	The Environmental Impact Assessment document is public and available on the websites of the Ministry of Environmental Protection and Agriculture of Georgia and the Roads Department of Georgia. The Environmental Decision has also been published. Upon request, the Department can provide the document.
What is the timeframe for demolishing a building after it has been acquired?	Local residents	You are not obliged to demolish the building and may leave it as it is. After demolition, you may also use secondary construction materials.
My neighboring plots have been affected by the project. I am unsure whether my plot falls within the project area. How can I find out?	Local resident	Please send us the cadastral code of your land plot. We will verify the information and revert with a response.

Annex 5 Explanatory Note on Change of Basis for Calculation of Allowances

For LARPs developed before December 2020, the criteria for allowance calculation were the subsistence minimum for five members family multiplied on three-month period calculated by Geostat on a monthly basis. Since December 2020, the subsistence minimum for five member's family has not been calculated by Geostat anymore, However Geostat continues to track subsistence minimum for working age male and subsistence wage for an average consumer. Based on available data, the subsistence minimum for a family of five has been consistently calculated at 2.25 times the amount of a subsistence rate for an average consumer. Given this, the updated allowance unit rate per month using updated Geostat data as of December 2025, is $250,9 \times 2.25 = 564.52$ GEL per month; 1693.57. GEL for 3 months, 3387.15 GEL for 6 months, and 6774.3 for 12 months.

2020	1	2	3	4	5	6	7	8	9	10	11	12	Coefficient in relation to 5 family amounts
For working age male	197.0	199.0	206.1	199.6	189.6	186.6	183.5	182.3	184.0	187.7	189.5	192.5	1.99
For average consumer	174.4	176.2	182.6	176.8	167.9	165.3	162.6	161.5	162.9	166.3	167.9	170.5	2.25
For average household	330.4	333.8	345.7	334.8	318.0	313.0	307.9	305.8	308.6	314.9	317.9	...	
Type of Household													
For single member household	174.4	176.2	182.6	176.8	167.9	165.3	162.6	161.5	162.9	166.3	167.9	...	
For two-member household	279.1	282.0	292.1	282.8	268.7	264.4	260.1	258.3	260.7	266.0	268.6	...	
For three-member household	314.0	317.2	328.6	318.2	302.2	297.5	292.6	290.6	293.3	299.3	302.2	...	
For four-member household	348.9	352.5	365.1	353.6	335.8	330.5	325.1	322.9	325.9	332.5	335.7	...	
For five-member household	392.5	396.5	410.7	397.8	377.8	371.9	365.7	363.3	366.6	374.1	377.7	...	
For six and more member household	464.0	468.8	485.6	470.2	446.6	439.6	432.4	429.5	433.4	442.3	446.5	...	
2022													
For working age male	226.2	231.3	238.2	241.0	245.1	255.3	245.3	246.8	247.3	253.9	255.1	253.5	
For average consumer	200.4	204.9	211.0	213.5	217.0	226.1	217.3	218.6	219.1	224.9	226.0	224.5	
2023													
For working age male	256.9	256.4	256.0	251.8	253.7	254.5	249.8	253.5	250.9	252.1	252.3	249.7	
For average consumer	227.5	227.1	226.7	223.1	224.7	225.4	221.3	224.5	222.2	223.3	223.4	221.1	
2024													
For working age male	251.0	250.2	251.0	252.5	258.5	264.0	258.8	255.5	252.5	256.5	262.4	260.3	
For average consumer	222.3	221.6	222.3	223.6	229.0	233.8	229.2	226.3	223.6	227.2	232.4	230.5	
2025													
For working age male	261,8	263,5	271,3	268,3	279,7	291,5	293,1	283,0	282,8	282,5	288,4	283,3	
For average consumer	231,9	233,4	240,3	237,6	247,7	258,2	259,6	250,6	250,5	250,3	255,4	250,9	