



SSA ROADS DEPARTMENT OF GEORGIA



**MINISTRY OF INFRASTRUCTURE
OF GEORGIA**

Upgrading of Tbilisi - Sagarejo and Sagarejo – Bakurtsikhe Road

Resettlement Action Plan - ROAD SECTION

FROM CHALaubANI TO BAKURTSIKHE

KM 75+100 - KM 84+420

Georgia Regional Accessibility and Transport Enhancement Project

CONSTRUCTIONAL LOT 5



April 2026

Abbreviations

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
ESF	–	Environmental and Social Framework of WB
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
PAH	–	Project affected Household
PAP	–	Project 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

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 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 5 of the Tbilisi–Bakurtsikhe Motorway, which forms part of an alternative transit corridor of the E-60 Highway connecting Tbilisi with the Kakheti region and the Azerbaijan border. The initial RAP was prepared under the detailed design consultancy financed through the Fourth East-West Highway Improvement Project (EWHIP-4). The cut-off date for the updated RAP is 06 November 2025, and the valuation of land and affected assets is based on an independent valuation report prepared in January 2026.
2. 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.
3. The project is managed by the Roads Department of the Ministry of Infrastructure (RDMOI).
4. The project design was developed by the Austrian engineering company ILF Consulting Engineers Georgia. The initial RAP was prepared by non-profit organization World Experience for Georgia (WEG) on February 15, 2021. The updated RAP was prepared to align with the new ESF, which has been active since October 1, 2018, by the Alligator LTD, and a new inventory, measurement, and valuation were carried out.
5. This particular RAP is related to only Constructional Lot 5 of wider Tbilisi – Bakurtsikhe motorway, extended from the eastern to Chalaubani until the easterner of Bakurtsikhe. More precisely, the constructional lot starts immediately after the Chalaubani Interchange (Chainage 75+100), and ends after Bakurtsikhe (Chainage 84+420). The total length of the Constructional lot is 9,12 km and it is a new connection between Chalaubani and Bakurtsikhe. The Motorway is being designed initially in the South - East bank of the river Chalaubanis Khevi and it ends up in the north west part of the river in Bakurtsikhe.
6. The length of the project section is 9,12 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).
7. In terms of tenure the affected land plots are distributed in accordance with the following legal categories:
 - I category: Project affected private land plots, registered
 - II category: Land plots owned by JSC “Energo-Pro Georgia”
 - III category: Land plots owned by JSC “Georgian State Electrosystem-GSE” (state-owned company)
 - IV category: LLC “Georgian Amelioration”
 - V Category: Land plots under ongoing registration (sporadic or systematic registration)³.

³ 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

VI Category: State land not used by private users

VII Category: Municipal Land

8. 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	№	179
2	Total land Area to be acquired	Sq.m	87,276
3	Category 1. Private Registered Plots	№	130
		Sq.m	68494
4	Category 2. JSC “Energo-Pro Georgia”	№	1
		Sq.m	25
6	Category 3. JSC “Georgian State Electrosystem-GSE” (state-owned company)	№	1
		Sqm	2332
7	Category 4. LLC “Georgian Amelioration”	№	1
		Sq.m	40
8	Category 5. Land plots under ongoing registration (sporadic or systematic registration)	№	31
		Sq.m	11642
9	Category 6. State land not used by private users	№	7
		Sq.m	2380
10	Category 7. Municipal Land	№	8
		Sq.m	2363
Land Use and Compensation Categories			
11	Type 1 Agricultural land plots: 6.63 GEL/sqm.	№	16
		Sq.m	17918
12	Type 2 Non-agricultural land plots located in less attractive zones: 16.7 GEL/sqm.	№	2
		Sq.m	900
13	Type 3. Residential (homestead) land plots: 15.42 GEL/sqm.	№	16
		Sq.m	9787
14	Type 4. Residential (homestead) land plots: 19.59 GEL/sqm	№	80
		sq.m	33401
15	Type 5. Non-agricultural land plots: 80.74 GEL/sq.m.	№	22
		Sq.m	5140
16	Type 6. Agricultural land plots used for commercial purposes and located along the main road: 68.63 GEL/sqm.	№	2
		Sq.m	3754
17	Type 7. Non-agricultural land plots: 99.69 GEL/sqm.	№	26
		Sq.m	11633
18	Type 8. State-owned land not subject to use or occupation	№	7
		Sq.m	2380
18	Type 9. Land plots owned by local municipality	№	8
		Sq.m	2363
Agricultural Patterns			
19	Maize (corn)	Sq.m	1350
20	Strawberry	Sq.m	13
21	Hay	Sq.m	5221
22	Vegetables Mix	Sq.m	383
23	Wheat	Sq.m	440

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.

Resettlement Action Plan - ROAD SECTION
FROM CHALaubAN TO BAKURTSIKHE

N	Impacts	Unit	
24	Affected Trees	Nº	3135
Affected Structures			
26	Residential houses	Nº	14
27	Commercial/business buildings	Nº	33
28	Fences and Gates	Nº	191
29	Auxiliary structures	Nº	84
31	Other minor structures (containers, pool, tank, paved yard etc.)	Nº	80
Affected Businesses			
32	Various	Nº	22
Affected Households			
33	Total HHs	Nº	96
34	Affected families losing registered owned land	Nº	89
35	Affected families losing land under ongoing registration	Nº	27
36	Companies losing owned land	Nº	22
37	Companies losing leased land	Nº	0
38	Severely affected Households	Nº	86
39	Vulnerable Households	Nº	11
40	Resettled (physically relocated) households	Nº	12
44	AH losing agricultural land plots	Nº	13
45	AH losing residential land plots	Nº	70
46	AH with non-agricultural (commercial) land plots	Nº	35
47	Employees losing Jobs	Nº	18
48	AH/Affected Parties losing businesses	Nº	15
49	AH losing crops	Nº	19
50	AH losing trees	Nº	71
51	Total Affected Persons	Nº	429

Note: 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.

9. 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.

10. Overall, the number of AH is 96 (429 PAPs), and 6 are affected Parties out of which 1 is JSC “Energo-Pro Georgia, 1 is JSC “Georgian State Electrosystem-GSE” (state-owned company), 1 is LLC “Georgian Amelioration” and 3 are medium and large Ltd. Of these, 89 AHs will lose registered land plots, and 27 AHs will lose land plots with ongoing registration. Some AHs lose several land plots both registered and with ongoing registration. In total 19 AH lose crops on their 21 land plots. 71 AHs are losing trees grown on 107 land plots. 12 AHs are losing 14 residential houses and will be physically relocated. The severely affected and vulnerable AHs will receive additional allowances in amount of 3-month assistance unit rate.⁴

11. The ESF of the project on land acquisition and resettlement has been Active from October 1, 2018, to assist the APs and/or households for their lost land and assets, income and livelihood resources. Expropriation of land through eminent domain will not be applied unless approach for acquisition through negotiated settlement fails. Compensation eligibility is limited by a cut-off date as set for this project on the day of the beginning of the 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.

12. RAP preparation and implementation costs, including cost of compensation are considered in the project budget. Road Department 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.

13. 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 **22,639,071.01Gel**.

⁴ Calculation approach of subsistence unit rates is presented in the Annex 5.

1 Project Background

1.1 Introduction

14. 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.

15. 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.

16. 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.

17. 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.

18. Upon agreement with Client 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 + 800 m length connection road.
- Constructional Lot 4, from Badiauri to Chalaubani
- Constructional Lot 5, from Chalaubani to Bakurtsikhe.

19. This particular RAP is related to only Constructional Lot 5 of wider Tbilisi – Bakurtsikhe motorway, extended from the eastern to Chalaubani until the easterner of Bakurtsikhe. More precisely, the constructional lot starts immediately after the Chalaubani Interchange (Chainage 75+100) and ends after Bakurtsikhe (Chainage 84+420). The total length of the Constructional lot is 9,12km and it is a new connection between Chalaubani and Bakurtsikhe. The Motorway is being designed initially in the South - East bank of the river Chalaubanis Khevi and it ends up in the north west part of the river in Bakurtsikhe. After Bakurtsikhe the motorway connects to the new designed motorway of Tsnori – Gurjaani.

20. The crown of the designed motorway is approx. 25m, two directional double carriageway road. The design Speed of the motorway is 80 - 110 km/h. Also, the operability of the existing national road is not being affected unless the last part of the Bakurtsikhe urban area. 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

21. The length of the project section is 9.12km. 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

22. 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

23. 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.

24. 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.

25. 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.

26. 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.

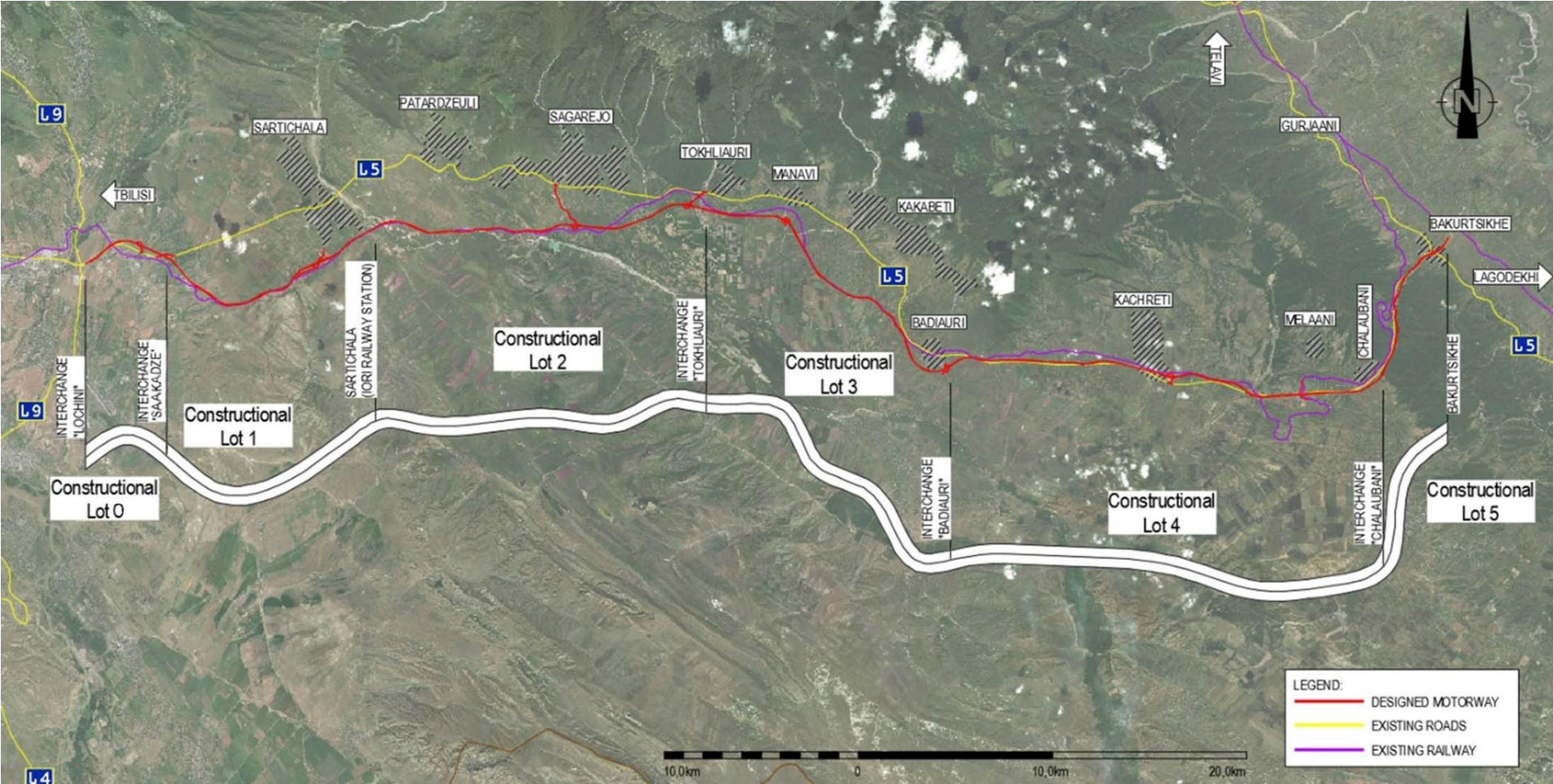


Figure 1.3.1 The designed motorway with the Constructional Lots.

1.4 RAP Preparation

27. The Presented RAP for Lot 5 of the Tbilisi-Bakurtsikhe Road is based on DMS, census and socio-economic survey which were 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. For the affected plots the cut-off date is 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. This RAP includes (i) re-inventory of impacts and AP figures reflecting design; (ii) update of valuation and RAP budget; and (iv) loss and entitlement profile for individual owners of land plots and APs.

28. 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

29. Current RAP is draft updated 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 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.

30. 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

31. 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 RDMOI and Government. 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- (legalization of legalizable owners, and full delivery of compensation and rehabilitation allowances).

1.7 Goals of Resettlement Action Plan

32. The presented RAP is based on the WB ESF ESS5. Goal of the mentioned document is description of those requirements and rules, according to which negotiations should be conducted with affected persons. Objectives of the ESF 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

33. The data on land plots, buildings and structures or other assets, affected by the project (within the impact zone of Lot-5 RAP 5) is given in the present chapter.

2.1 Affected Land Plots

34. According to the census and inventory data of losses, mentioned road section will affect 179 land plots with total area of 87,276 sqm. From the mentioned 179 plots, 7 plots (2,380 sqm) are in state ownership, 1 (2,332 sqm) belong to the State-owned company JSC “Georgian State Electrosystem-GSE, 1 to the JSC “Energo-Pro Georgia (25 sq.m.) and 1 to the LLC “Georgian Amelioration” 40 sq.m.). 130 land plots (68,494 sq.m) are registered in private ownership, 31 plots (11,642 sq.m.) are with ongoing registration.

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

- I category: Project affected private land plots, registered
- II category: Land plots owned by JSC “Energo-Pro Georgia”
- III category: Land plots owned by JSC “Georgian State Electrosystem-GSE” (state-owned company)
- IV category: LLC “Georgian Amelioration” (state-owned company)
- V Category: Land plots under ongoing registration (sporadic or systematic registration)⁵.
- VI Category: State land not used by private users
- VII Category: Municipal Land

36. VI and VII category land plots are not subject for compensation.

37. 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 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.

38. Total quantities according to land ownership categories are given in Table 2.1.1.

⁵ 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.

Table 2.1.1 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)	130	271519	68494	89
2. JSC “Energo-Pro Georgia”	1	25	25	N/A
3.JSC “Georgian State Electrosystem -GSE” (state-owned company)	1	30773	2332	N/A
4. LLC “Georgian Amelioration”	1	40	40	N/A
5. Land plots under ongoing registration (sporadic or systematic registration).	31	21997	11642	27
Non-compensable land				
6. State land not used by private users	7	12561	2380	N/A
7. Municipal Land	8	6783	2363	N/A
Total	179	343698	87276	118 (without Double Counting) (96*) with Double Counting

* Some households own both registered and with ongoing registration land plots. These lands owned by affected parties are not calculated as HHs.

39. 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 we provide 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. 7 types belong to compensable categories and the cost rates for each category is defined by the licensed valuator. The other two categories (Type 8 and Type 9) represent the state-owned plots, which are not subject for compensation and correspond to the categories 6 and 7 by ownership, provided above in Table 2.1.

40. Total quantities according to land use and cost categories are given in Table 2.1.1.

Type 1 Agricultural land plots used for farming purposes and located away from the existing main road. 6.63 GEL/sqm.

Type 2: Non-agricultural land plots located in less attractive zones 16.7 GEL/sqm.

Type 3: Residential (homestead) land plots: 15.42 GEL/sqm

Type 4: Residential (homestead) land plots 19.59 GEL/sqm

Type 5: Non-agricultural land plots 80.74 GEL/sqm.

Type 6: Agricultural land plots used for commercial purposes and located along the main road 68.59 GEL/sqm.

Type 7: Non-agricultural land plots located along the existing road and can be used as commercial 99.69 GEL/sqm.

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

Type 9: Land plots owned by local municipality

41. 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.

42. 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 2.1.2 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	Agricultural land plots located within the administrative boundaries of Chalaubani village: used for farming purposes and located away from the existing main road 632-647	16	17918	6.63	118,796.34	11
Type 2	Non-agricultural land plots located in less attractive zones, along the existing road and can be used as commercial (identified by cadastral numbers): 648, 652	2	900	16.7	15,030	2
Type 3	Residential (homestead) land plots (identified by cadastral numbers): 649, 650, 653-660, 664, 665	16	9787	15.42	150,915.54	8
Type 4	Residential (homestead) land plots (identified by cadastral numbers): 665-1-669, 673-685, 687, 698-705, 709-721, 748, 754, 755, 757-765, 767, 768, 770, 772-799, 803, 804	80	33401	19.59	654,325.59	62
Type 5	Non-agricultural land plots (identified by cadastral numbers): 661, 663, 670-672, 674, 686, 688-691, 706-708, 718, 732-739, 800-802	22	5140	80.74	415,003.6	18
Type 6	Agricultural land plots used for commercial purposes and located along the main road (identified by cadastral numbers): 651, 662	2	3754	68.63	257,637.02	2
Type 7	Non-agricultural land plots (identified by cadastral numbers): 692-697, 722-731, 740-747, 750-753, 756, 766, 769, 771	26	11633	99.69	1,159,693.77	15
Total Compensable Land		164		82533	2,771,401.86	
Non-compensable Land						
Type 8: State-owned land	State-owned land plots not subject to use or occupation	7	2380			
Type 9: Municipal Land	Land plots owned by local municipality	8	2363			
Total non-compensable land		15	4743			
Total		179	87276		2,771,401.86	118 (96)

Note: Some households own land plots of different types.

43. Based on their location and the findings of the valuation report, land plots owned by JSC “Georgian Railway”, JSC “Georgian State Electrosystem” and LLC “Georgian Amelioration” are included under Types 1–7 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: Maize, mixed vegetables, strawberries, hay and wheat. In total 19 AHs are cultivating crops on 21 land plots (without double counting). Crops are mainly cultivated for self-consumption.

45. Detailed information about the agricultural crops is given in Table 2.2.1 below.

Table 2.2.1 Annual crops

<u>NN</u>	<u>Type of agricultural crop</u>	<u>Number of Plots</u>	<u>Area</u>	<u>Unit Price</u>	<u>Number of AHs.</u>
<u>1</u>	<u>Maize (corn)</u>	<u>2</u>	<u>1350</u>	<u>0.8</u>	<u>1</u>
<u>2</u>	<u>Strawberry</u>	<u>1</u>	<u>13</u>	<u>5</u>	<u>1</u>
<u>3</u>	<u>Hay</u>	<u>8</u>	<u>5601</u>	<u>0.24</u>	<u>6</u>
<u>4</u>	<u>Vegetables Mix</u>	<u>10</u>	<u>383</u>	<u>1.7</u>	<u>10</u>
<u>5</u>	<u>Wheat</u>	<u>1</u>	<u>440</u>	<u>0.24</u>	<u>1</u>
Total		22	7787		20
		21 (With Double Counting)			19 (With Double Counting)

Note: Differences between the number of land plots and households arise because some land plots are jointly cultivated by several households with the same crop types, some households cultivate land plots with different crop types, and multiple crop types may be 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 3,023 productive fruit trees and one decorative Paulownia on 107 land plots owned by 71 AHs. The number of affected trees includes the grape trees to be cut on the residual land for creating corridor needed for tractor operations. The details are given in Table 2.3.1 below.

Table 2.3.1 Information about trees impacted within the RoW

Plants	Age group	Cost of seedlings Gel	Cost of harvest unit Gel	Number of compensation years	Full productivity per year, kg	Harvest compensation 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	48
	5-9	10	2	6	12	24	154	100	41
	10-30	10	2	8	18	36	298	210	52
	>30	10	2	8	15	30	250	170	6
Apple	seedling (<5)	8	1	4	5	5	28	20	11
	5-8	8	1	6	25	25	158	110	20
	9-25	8	1	7	55	55	393	290	31
	>25	8	1	7	35	35	253	170	2
Mulberry	seedling (<7)	8	1.5	5	4	6	38	25	35
	7-15	8	1.5	7	8	12	92	65	67
	16-35	8	1.5	9	16	24	224	140	50
	>35	8	1.5	9	12	18	170	100	10
Hazelnut	seedling (<4)	3	4	3	2	8	27	15	9
	4-8	3	4	4	3.5	14	59	40	12
	9-20	3	4	7	6	24	171	100	39
	>20	3	4	7	5	20	143	80	7
Walnut	seedling (<5)	10	5	4	4	20	90	70	23
	5-10	10	5	6	15	75	460	340	55
	11-45	10	5	10	30	150	1510	1100	117
	>45	10	5	10	40	200	2010	1450	14
Persimmon	seedling (<5)	7	1	4	5	5	27	20	2
	5-9	7	1	6	10	10	67	50	3
	10-25	7	1	8	30	30	247	170	18
	>25	7	1	8	20	20	167	110	15
Quince	seedling (<5)	7	1.5	4	3	4.5	25	15	9
	5-9	7	1.5	5	15	22.5	119.5	80	13
	10-30	7	1.5	7	25	37.5	269.5	190	20
	>30	7	1.5	7	20	30	217	120	15
Fig	seedling (<5)	6	1.5	4	5	7.5	36	25	35
	5-9	6	1.5	5	15	22.5	118.5	70	39
	10-20	6	1.5	7	30	45	321	210	61
	>20	6	1.5	7	20	30	216	140	52
Pear	seedling (<5)	7	1.2	5	7	8.4	49	30	11
	5-8	7	1.2	7	20	24	175	120	7
	9-25	7	1.2	7	70	84	595	415	14
	>25	7	1.2	7	45	54	385	270	10

Resettlement Action Plan - ROAD SECTION
FROM CHALaubAN TO BAKURTSIKHE

Apricot	seedling (<5)	6	2	4	4	8	38	25	1
	5-8	6	2	5	15	30	156	100	1
	9-20	6	2	7	22	44	314	190	9
	>20	6	2	7	18	36	258	155	5
Grape (Rkatsiteli)	seedling (<5)	2.5	1.5	4	2	3	14.5	18	1
	5-8	2.5	1.5	5	4	6	32.5	32	509
	9-25	2.5	1.5	8	6	9	74.5	63	647
	>25	2.5	1.5	8	5	7.5	62.5	54	0
Grape Red (Saperavi)	seedling (<5)	3	2.5	4	2	5	23	25	0
	5-8	3	2.5	5	3	7.5	40.5	38	0
	9-25	3	2.5	8	5	12.5	103	85	0
	>25	3	2.5	8	4	10	83	70	5
Grape (Aladasturi)	seedling (<5)	3	2.25	4	2	4.5	21	23	0
	5-8	3	2.25	5	3	6.75	36.75	35	0
	9-25	3	2.25	8	5	11.25	93	77	2
	>25	3	2.25	8	4	9	75	64	1
Grape (white table grapes – French pink, Italian)	seedling (<4)	5	2.5	3	2	5	20	23	2
	4-7	5	2.5	4	3	7.5	35	34	0
	8-20	5	2.5	7	5	12.5	92.5	75	20
	>20	5	2.5	7	4	10	75	64	3
Grape (pergola- trained)	seedling (<6)	5	1	5	5	5	30	22	13
	6-10	5	1	6	10	10	65	50	11
	11-35	5	1	8	16	16	133	95	71
	>35	5	1	8	13	13	109	80	22
Grape (pergola- trained Adesa)	seedling (<6)	5	0.8	5	5	4	25	18	0
	6-10	5	0.8	6	10	8	53	40	1
	11-25	5	0.8	8	16	12.8	107.4	80	0
	>25	5	0.8	8	13	10.4	88.2	65	0
Cherry plum, Sour cherry plum, damson	seedling (<5)	8	2	4	5	10	48	35	12
	5-9	8	2	5	13	26	138	100	37
	10-35	8	2	8	22	44	360	250	80
	>36	8	2	8	18	36	296	200	4
Raspberry	seedling (<3)	3	3.5	2	1	3.5	10	6	0
	3-4	3	3.5	3	1.2	4.2	15.6	10	29
	5-15	3	3.5	4	2	7	31	22	0
	>15	3	3.5	4	1.5	5.25	24	18	0
Blackberry	seedling (<3)	3	3	2	1.5	4.5	12	8	0
	3-4	3	3	3	2	6	21	15	0
	5-15	3	3	4	3.5	10.5	45	28	16
	>15	3	3	4	2.5	7.5	33	22	0
Blueberry	seedling (<5)	8	4	3	2	8	32	25	0
	5-7	8	4	5	3.5	14	78	55	0
	8-20	8	4	7	6	24	176	135	1
	>20	8	4	7	4.5	18	134	100	0

Resettlement Action Plan - ROAD SECTION
FROM CHALaubAN TO BAKURTSIKHE

Thornless blackberry	seedling (<3)	4	3.5	2	1.5	5.25	14.5	10	0
	3-4	4	3.5	3	2	7	25	18	2
	5-15	4	3.5	4	3.5	12.25	53	30	0
	>15	4	3.5	4	2.5	8.75	39	24	0
Medlar	seedling (<5)	7	1.5	4	3	4.5	25	20	0
	5-9	7	1.5	5	10	15	82	60	7
	10-30	7	1.5	8	20	30	247	150	6
	>30	7	1.5	8	15	22.5	187	120	2
Plum, Sloe	seedling (<5)	8	0.8	4	8	6.4	33.6	25	21
	5-9	8	0.8	5	15	12	68	45	42
	10-25	8	0.8	8	30	24	200	125	49
	>25	8	0.8	8	20	16	136	95	2
Cornelian cherry	seedling (<5)	6	2	4	2	4	22	17	2
	5-9	6	2	5	4	8	46	30	4
	10-30	6	2	8	6	12	102	65	38
	>30	6	2	8	5	10	86	55	14
Peach	seedling (<3)	8	1.5	4	5	7.5	38	30	0
	3-7	8	1.5	5	20	30	158	90	4
	8-18	8	1.5	5	40	60	308	210	17
	>18	8	1.5	5	25	37.5	195.5	140	0
Jonjoli (staphylea colchica)	seedling (<5)	5	1	6	3	3	23	15	2
	5-8	5	1	6	10	10	65	45	7
	9-20	5	1	6	15	15	95	70	40
	>20	5	1	6	12	12	77	60	12
Feijoa	seedling (<5)	4	1.5	4	5	7.5	34	22	1
	5-9	4	1.5	5	15	22.5	116.5	75	0
	10-25	4	1.5	8	25	37.5	304	200	0
	>25	4	1.5	8	20	30	244	155	0
Loquat	seedling (<5)	7	2	4	3	6	31	20	4
	5-9	7	2	5	10	20	107	70	5
	10-30	7	2	8	20	40	327	210	9
	>30	7	2	8	15	30	247	150	2
Jujube	seedling (<5)	8	2	4	3	6	32	25	2
	5-9	8	2	5	10	20	108	80	3
	10-20	8	2	8	25	50	408	400	4
	>20	8	2	8	20	40	328	250	1
Strawberry, raspberry, and blackberry trees	seedling (<5)	6	1.5	4	3	4.5	24	18	1
	5-9	6	1.5	5	8	12	66	50	1
	10-20	6	1.5	8	15	22.5	186	120	0
	>20	6	1.5	8	12	18	150	90	0
Kiwi	seedling (<5)	6	2.5	4	3	7.5	36	25	0
	5-9	6	2.5	5	6	15	81	60	0
	10-25	6	2.5	8	15	37.5	306	210	3
	>25	6	2.5	8	10	25	206	145	0

Resettlement Action Plan - ROAD SECTION
FROM CHALaubAN TO BAKURTSIKHE

Pomegranate	seedling (<5)	6	2	3	5	10	36	30	4
	5-9	6	2	4	10	20	86	55	17
	10-25	6	2	8	25	50	406	260	82
	>25	6	2	8	20	40	326	220	28
Paulownia	seedling (<5)	10				0	0	100	0
	5-9	10				0	0	500	0
	10-25	10				0	0	800	1
	>25	10				0	0	1000	0
Almond	seedling (<5)	8	10	4	2	20	88	65	0
	5-8	8	10	5	4	40	208	200	1
	9-25	8	10	8	7	70	568	420	2
	>25	8	10	8	6	60	488	360	2
Hawthorn	seedling (<6)					0	0	8	0
	7-10					0	0	15	1
	>10					0	0	25	7
Barberry	seedling (<5)	5	2	4	3	6	29	18	2
	5-7	5	2	5	4	8	45	30	2
	>7	5	2	5	6	12	65	45	3
Bay laurel	seedling (<5)	1	3	3	1	3	10	5	35
	5-9	1	3	4	1.5	4.5	19	10	11
	>9	1	3	8	2	6	49	30	42
Total									3,023

47. 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.

48. 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.

49. 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

50. 12 AHs are losing 14 residential houses and will be physically relocated. The project also affects different types of buildings: warehouse, former restaurants, shops, bakeries, gas-filling stations, etc.

51. Detailed information about the impacted buildings and structures is provided in Table 2.3.2.

Table 2.3.2 Impact on Structures

Number of Land Plots	Building	Description (Lineal M)	Price (Gel)
Major Buildings			
651	Kitchen	38	72,230
651	Restaurant	117.76	112,390
651	Bakery	35.6	53,735.00
651	Bakery (tone)	34.46	20,240
651	Hall (booth)	13.32	18,965.00
651	Hall (booth)	10.36	14,975
651	Café	18.1	21,275
651	Kitchen	41.62	35,575
651	Container (dismantling-relocation-installation)	4.62	350
651	Auxiliary shed (coal storage)	13.04	7,170.00
652	Former restaurant	145.5	168,210.00
652	Former restaurant booths	26.42	24,225.00
661	Shop	95.42	70,215
662	Office	8.74	10,345.00
662	Warehouse–shop	27.8	16,270
662	Warehouse (storage shed)	45.54	13,545
662	Storage shed	17.4	6480
662	Fire safety structure	2.28	1,430.00
663	Block production workshop	267.72	88,620.00
665	Toilet	1.6	1,730.00
665-1	Residential building	110.1	143,085
665-1	Bathroom and toilet	10.8	11,320
665-1	Cowshed and storage shed	50.36	11605
665-1	Auxiliary shed	17.1	5130
665-1	Poultry house	9.68	2,080
667	Residential building	296.4	559740
667	Wine cellar	48.4	68,100
667	Toilet	4.8	8,970
667	Auxiliary shed	10.8	3,450
667	Auxiliary shed	5.16	2,985.00
668	Residential building	226.32	276,910
668-1	Toilet	1.26	985.00
669	Residential building	318.82	355,410
669	Toilet	2.25	1,320
669	Poultry house	4.2	1,050
673	Residential building	160.7	168,090
674	Car service	134.7	86,030.00
675	Toilet	1.2	1,260.00

Resettlement Action Plan - ROAD SECTION
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678	Car wash	27.49	4,060.00
679	Toilet	1.62	2,025
680	Toilet	2.1	5,390.00
680	Open storage shed	27.81	4,560
681	Auxiliary shed	57.03	36,580
682	Toilet	2.8	2280
683	Auxiliary shed	31.74	36,430.00
685	Toilet	2.46	2,095.00
687	Auxiliary building	28.83	36,680.00
688	Barn	17.97	9,145
689-1	Barn	22.26	7,965
695	Barn	11.02	4970
697	Changing room, semi-basement	47	103525
697	Construction materials shop	248.1	221,175
697	Animal feed shop	75.4	89625
697	Car wash	158.8	80,055
697	Car painting workshop	40.8	41,625
697	Gas station	118.72	566,170
697	Office and warehouse, semi-basement	240	383,320
697	Supermarket "Libre"	216.8	242,185
697	Flower shop	90.42	96,945
697	Fuel storage	3.08	5,460
699	Storage shed	15.68	2,950
699	Poultry house	4.17	355
700	Bathhouse	16.98	26,730
700	Car wash	17.57	12,965
700	Auxiliary shed	73.46	36,705
703	Car wash	40.71	17,475
705	Storage facility	26.66	17,180
705	Car painting workshop	39.15	25,130
706	Construction materials shop	55.46	27,415
710	Toilet and car painting workshop	25.89	23,270
710	Workshop	106.31	56,380
712	Auxiliary building and poultry house	19.45	9,470
714	Toilet	1.71	2,465
715	Auxiliary building and poultry house	15.2	18,250
716	Toilet	3.71	5,030
717	Residential building	216.75	311,850
717	Auxiliary building and storage shed	14.72	8,195
718	Shop	54.14	52,930
719	Auxiliary building	54.7	17,635
719	Poultry house	3.6	875

Resettlement Action Plan - ROAD SECTION
FROM CHALaubAN TO BAKURTSIKHE

721	Auxiliary building	96.16	41,430.00
721	Barn and poultry house	10.7	2,850
726	Gas station	20.38	396,965.00
729	Car wash and shop	147.6	92,550
732	Car repair workshop	28.95	48,515
735	Metal workshop	57.97	38,175
736	Workshop	31.64	43,890
738	Warehouse	49.68	23,920
739	Warehouse	205.72	137,360
740	Shop	584.21	526,265.00
741	Shops	1062.65	1,326,320
745	Commercial facility	410.18	427,290
745	Toilet	1.15	1,480
747	Commercial facility	278.4	412,495
747	Refrigerator	2.98	750
748	Residential building	254.15	267,925.00
748	Barn and storage facility	65.65	50,060.00
748	Toilet	2.08	2,255.00
751	Shop, semi-basement	264.64	343,930
752	Bakery	41.04	42,380
753	Pharmacy	23.89	28,395
754	Residential building	374.2	646,720
754	Wine cellar and storage shed	109.3	32,920
755	Residential building	338.34	529,875
755	Car painting workshop	35	39,940
755	Chocolate production facility	80.33	35,925
755	Wine cellar	55.28	58,840
756	Toilet	0.81	1,250
759	Residential building	160.32	300,380
759	Auxiliary shed	45.03	30,370
759	Auxiliary shed and storage shed	42.13	17,350
759	Toilet	1.82	1,890
759	Wooden auxiliary shed	5.27	2,520
760	Residential house	274.52	471,485
760	Bakery and auxiliary building	63.37	46,250
760	Auxiliary building	35.81	38,200
760	Toilet	3.04	8,600
763	Residential house	288.34	451,190
763	Storage shed	29.83	4,720
763	Barn and storage sheds	81.48	18,280
763	Wine cellar	11.57	8,195
763	Toilet	1.61	3,075

Resettlement Action Plan - ROAD SECTION
FROM CHALaubAN TO BAKURTSIKHE

767	Residential house	276.81	345,225
769	Beer shop	63.16	85,590
773	Workshop	37.59	30,335
773	Auxiliary shed	10.8	11,825
776	Residential building	285.84	399,120
776	Auxiliary building and storage shed	101.64	57,095
776	Barn	9.17	3,240
776	Toilets and storage shed	9.72	4,480
776	Storage shed	8.1	1,645
787	Barn	5.66	2,955
787	Toilet	1.16	2,025
Sub-total 1		11143.49	13,067,725

Small Buildings			
Number of Land Plots	Gates and Fences	Description (Lineal M)	Price (Gel)
80	Fence (different type)	2903.15	300,450
40	Gate (different type)	187.75	13,0575
8	Wire and poles used for the vineyards	2190	9,198
Sub-total 2			440,223

Number of Land Plots	Other structures	Price (Gel)
80	Other objects (yard paving works, concrete surfacing within the yard, asphalt paving, graveled yard, septic pit, well, water cistern, container, pergola, pipes, concrete foundation, concrete retaining walls, internal fences, and others).	1,779,172
Sub-total 3		1,779,172
Total		15,287,120

Summary of All Type of Buildings under the impact:

Table 2.6

Building	Number	Description (m²/Lineal m.)	Number of HHs
Residential houses	14	3581.61	12
Commercial/business buildings	33	5211.79	14
Auxiliary structures	86	2350,09	39
Gates and fences, wires and poles used for the vineyards	199	5280,9	61
Compensation for relocation 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)	80	-	57
Total	412 Without double counting)		183 (Without double counting)

52. The number of residential houses is 14, owned by 12 HHs, commercial/business buildings are 33 (owned by 14 HHs and three Affected Parties), auxiliary structures under the impact are 86 (owned by 39 HHs) - these structures are located on 76 land plots. Gates, fences and wires and poles used for the vineyards are 199 located on 128 land plots (owned by 61 HHs) different types of minor buildings are 80 (owned by 57 HHs), total Number of different types of buildings are 412 owned by 186 HHs (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.

53. Explanation regarding the number of buildings recorded as having a business function (33 buildings owned by 14 HHs and 3 affected Parties):

54. Not all buildings listed as commercial represent operating businesses. Specifically, A total of 22 active businesses is located on 22 land plots, comprising 31 commercial/business structures owned by 12 HHs and 3 Affected Parties. In addition, 2 non-operational commercial structures are located on 2 land plots and are owned by 2 households. Therefore, compensation for these structures will be provided only for the buildings at full replacement cost, and no business compensation will be applied.

55. 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. (22 businesses owned by 12 HHs and 3 Affected parties). While Table 2.6 presents all buildings used for business purposes that are affected by the project.

2.5 Impact on Business and Employment

56. The road constructions under this project for Lot 5 affects several businesses. Three business - two Gas stations can be considered as large business owned by 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.

57. A total of 22 operating businesses is located on 22 land plots, on which 31 commercial/business structures are situated and owned by 12 households and 3 Affected Parties. In addition, all business objects are subject to full acquisition. The list and brief description are provided below:

Table 2.3.3 Description of the affected operational businesses

Business Number	Land Parcel Number	Number of Land parcels (on which each business is located)	Number of business-related buildings on each land plot	Owner	Description
1	651	1	3	Kurtishvili Levan	Restaurant
2	661	1	1	Samadashvili Giorgi	Retail Shop
3	662	1	2	Samadashvili Giorgi	Retail Shop
4	663	1	1	Samadashvili Giorgi	Concrete Block Production Workshop
5	674	1	1	Kumsiashvili Eteri	Car Wash and Auto Repair Workshop
6	697	1	7	Ltd. Ani	Fuel Station, SPS, Libres, A.S., and Tire Repair Facility
7	706	1	1	Ltd. "Agro Tech Import"	Agrochemical Shop
8	718	1	1	Sakiashvili Gia	Retail Shop (leased out)
9	726	1	1	Ltd. "AGD"	Fuel Station
10	729	1	1	Jadugishvili Ioseb	Retail Shop and Laundry Facility
11	732	1	1	Tochilashvili Nunu	Auto Repair Workshop
12	735	1	1	Turiashvili Inga	Metal Workshop
13	736	1	1	Sefiashvili Paata	Auto Repair Workshop (currently used as storage)
14	740	1	1	Ltd. "Agrocentri"	Agrochemical Shop
15	741	1	1	Batsashvili Olia	Banquet Hall, Retail Shop, Pharmacy, and Bakery
16	745	1	1	Beridzishvili Nana	Drive-through Facility, Agrochemical Storage, and Metal-Plastic Workshop
17	747	1	1	Batsashvili Natia	Retail Shop and Bakery
18	751	1	1	Beridzishvili Ilia	Retail Shop
19	752	1	1	Beridzishvili Ilia	Bakery
20	753	1	1	Beridzishvili Ilia	Pharmacy
21	755	1	1	Batsashvili Nato	Chocolate Production Workshop and Bakery
22	769	1	1	Beridzishvili Ilia	Beer Shop

58. **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.

Note: During the preparation of this Resettlement Action Plan, the businesses failed to provide financial documents confirming their taxable profit of the affected business over the past one year. 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.

59. In several cases, the information provided was incomplete and, therefore, could not be used for analysis.

60. The most of businesses failed to provide financial documents confirming salary transfers and/or number of employees - only 7 businesses were provided such information, the total number of employees are 18. The information regarding employment is provided in Table 2.7 below:

Table 2.3.4 Impact on Employment

ID	NN	Type of Business	Number of Employees	Average monthly salary calculated over a three-month period
1	651	Restaurant	-	0
2	661	Shop	-	0
3	662	Shop		
5	663	Block production workshop	-	0
4	674	Car wash and workshop	-	0
6	697	Gas station, etc.	6	1700
7	706	Agrochemicals (currently non-operational)	-	0
8	718	Shop (leased)	-	0
9	726	Gas station	-	0
10	729	Shop and car wash	2	based on earnings
11	732	Car repair workshop	-	0
12	735	Metal workshop	-	0
13	736	Car repair workshop (used as a warehouse)	-	0
14	740	Agrochemical shop	-	0
15	741	Banquet hall, shop, pharmacy, bakery	3	based on earnings
16	745	Drive-through service, agrochemical warehouse, and metal-plastic workshop	1	based on earnings
17	747	Shop and bakery	1	based on earnings
18	751	Shop	1	based on earnings
19	752	Bakery	4	based on earnings
20	753	Pharmacy	-	0
21	755	Chocolate workshop and bakery	-	0
22	769	Beer shop	-	0
Total			18	

2.6 Impact on Common Property Resources

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

2.7 Severe Impacts

62. 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. According to these criteria 86 AHs are recognized as severely impacted and will receive special allowances for severe impacts.

Table 2.8 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	86	344
• Loss of 10%-29% of affected land plots	24	96
• Loss of 30%-59% of affected land plots	9	36
• Loss of 60%-99% of affected land plots	7	28
• Loss of 100% of affected land plots	46	184
(ii) Households losing commercial/business establishments (permanent business relocation)	16	64
(iii) Relocated households (residential relocation)	12	48
Total	86 (Without Double Counting)	344 (Without Double Counting)

Note: The number of physically displaced households and households owning commercial establishments is included in the total number of households that lose 100% of their land plots.

2.8 Impact on Disadvantaged and Vulnerable Households.

63. 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.

64. All AHs with disadvantaged or vulnerability statuses will be granted one-time assistances, which is determined as 3-month period assistance unit rate. In total 11 disadvantaged and vulnerable AHs are identified

Table 2.8.9 Vulnerable Households

Vulnerability Category	Number of Households
Poor households as defined by the official poverty line	3
Elderly households with no means of support	4
Female-headed households regardless of dependent status	4
Total	11

65. 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.

66. 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.

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

68. 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.

69. 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.

70. “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.

71. 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

72. The people losing their residential houses and imposed to necessity of the physical relocation are eligible for additional allowances to cover relocation and transport expenses. The project is affecting 14 residential houses owned by 12 AHs, accordingly all 12 HHs will receive relocation allowances for 14 HHs for belongings relocation from each house.

Table 2.9.10 Relocation

Description	Number	Number of HHs
Residential House	14	12

2.10 Summary of Impact

73. Brief summary of project impacts is given in Table 2.10. .

Table 2.10.11 Summary of project impacts

N	Impacts	Unit	
Land Tenure Patterns			
1	Total Land parcels affected	№	179
2	Total land Area to be acquired	Sq.m	87,276
3	Category 1. Private Registered Plots	№	130
		Sq.m	68494
4	Category 2. JSC "Energo-Pro Georgia"	№	1
		Sq.m	25
6	Category 3. JSC "Georgian State Electrosystem-GSE" (state-owned company)	№	1
		Sqm	2332
7	Category 4. LLC "Georgian Amelioration"	№	1
		Sq.m	40
8	Category 5. Land plots under ongoing registration (sporadic or systematic registration)	№	31
		Sq.m	11642
9	Category 6. State land not used by private users	№	7
		Sq.m	2380
10	Category 7. Municipal Land	№	8
		Sq.m	2363
Land Use and Compensation Categories			
11	Type 1 Agricultural land plots: 6.63 GEL/sqm.	№	16
		Sq.m	17918
12	Type 2 Non-agricultural land plots located in less attractive zones: 16.7 GEL/sqm.	№	2
		Sq.m	900
13	Type 3. Residential (homestead) land plots: 15.42 GEL/sqm.	№	16
		Sq.m	9787
14	Type 4. Residential (homestead) land plots: 19.59 GEL/sqm	№	80
		sq.m	33401
15	Type 5. Non-agricultural land plots: 80.74 GEL/sq.m.	№	22
		Sq.m	5140
16	Type 6. Agricultural land plots used for commercial purposes and located along the main road: 68.63 GEL/sqm.	№	2
		Sq.m	3754
17	Type 7. Non-agricultural land plots: 99.69 GEL/sqm.	№	26

N	Impacts	Unit	
		Sq.m	11633
18	Type 8. State-owned land not subject to use or occupation	№	7
		Sq.m	2380
18	Type 9. Land plots owned by local municipality	№	8
		Sq.m	2363
Agricultural Patterns			
19	Maize (corn)	Sq.m	1350
20	Strawberry	Sq.m	13
21	Hay	Sq.m	5221
22	Vegetables Mix	Sq.m	383
23	Wheat	Sq.m	440
24	Affected Trees	№	3135
Affected Structures			
26	Residential houses	№	14
27	Commercial/business buildings	№	33
28	Fences and Gates	№	191
29	Auxiliary structures	№	84
31	Other minor structures (containers, pool, tank, paved yard etc.)	№	80
Affected Businesses			
32	Various	№	22
Affected Households			
33	Total HHs	№	96
34	Affected families losing registered owned land	№	89
35	Affected families losing land under ongoing registration	№	27
36	Companies losing owned land	№	22
37	Companies losing leased land	№	0
38	Severely affected Households	№	86
39	Vulnerable Households	№	11
40	Resettled (physically relocated) households	№	12
44	AH losing agricultural land plots	№	13
45	AH losing residential land plots	№	70
46	AH with non-agricultural (commercial) land plots	№	35
47	Employees losing Jobs	№	18
48	AH/Affected Parties losing businesses	№	15
49	AH losing crops	№	19
50	AH losing trees	№	71
51	Total Affected Persons	№	429

2.11 APs and Communities

74. Overall, the number of AH is 96 (429 PAPs), and 6 are affected Parties out of which 1 is JSC “Energo-Pro Georgia, 1 is JSC “Georgian State Electrosystem-GSE” (state-owned company), 1 is LLC “Georgian Amelioration” and 3 are medium and large Ltd. Of these, 89 AHs will lose registered land plots, and 27 AHs will lose land plots with ongoing registration. Some AHs lose several land plots both registered and with ongoing registration. In total 18 AH lose crops on their 21 land plots. 71 AHs are losing trees grown on 107 land plots. 12 AHs are losing 14 residential

houses and will be physically relocated. 12 AHs lose small businesses and three affected parties—medium and large businesses.

2.11 Impact on Employment

75. 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.⁶

2.12 Impact on Indigenous Peoples

76. An assessment of impact on indigenous peoples was undertaken. No such groups are affected.

2.13 Gender and Resettlement Impacts

77. The project impact extends to **429** APs comprising 50.8% female (218) and 49.2 % males (211): The average family size is 4.4. members per household. Further, 4 AHs are headed by women. Special attention will be given to the impact of resettlement on women and other 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.

78. 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 channels. These grievances will

⁶ In line with the Entitlement Matrix, all properly identified employees will be entitled to receive the applicable compensation.

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

79. This particular RAP is related to only Constructional Lot 5 from eastern to Chalaubani until the easterner of Bakurtsikhe. The total length of the Constructional lot is 9,12 km and it is a new connection between Chalaubani and Bakurtsikhe. The project affects lands attributed to villages Chalaubani and Bakurtsikhe. A census of 100% of the directly affected AHs (Total 96 HHs) available on site was conducted to enumerate the Aps (429 persons). A sample socio-economic survey was included in the project area covering 60 households which is 58.8% of the total of directly affected HHs 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. 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. The socioeconomic information of the affected population as per census and socioeconomic survey is presented hereunder. The project impact extends to 429 APs comprising 50.8% female (218) and 49.2 % males (211): The average family size is 4.4. members per household (Table 3.1).

Table 3.1 Demographic Profile of APs based on census survey

Age Group	Male		Female		Total		Average/ Household
	No.	%	No.	%	No.	%	
Children (Below 6 Years)	18	8.5	16	7.3	34	7.9	0.33
Children (6–18 Years)	28	13.3	23	10.6	51	11.9	0.50
Adult (19–65 Years male and 19 – 60 years for female)	128	60.7	130	59.6	258	60.1	2.53
Pension age (65 years and over males and 60 years and over - female)	37	17.5	49	22.5	86	20.0	0.84
Total	211	100	218	100	429	100	4.21
%	49.2		50.8		100		

3.1.1 AH Ethnicity

80. AHs are mostly Georgian (99.8%). Out of 429 PAPs representing 102 AHs in total, 428 PAPs are Georgian and only 1 Russian. No Armenian or other ethnicities are 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

No.	Ethnicity	Total No. of Households	%
1	Georgian	428	99.8
2	Armenian	0	0.0
3	Other (Russian)	1	1.7
	Total	429	100

3.1.2 Urban Rural Proximity

81. The project road is mostly located in rural area Between the villages Chalaubani and Bakurtsikhe. Survey shows that 64.7% households reside in rural areas and 35.3% 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	66	68.8
2	Town (Urban)	30	31.3
	Total	96	100

3.1.3 Level of Education of APs

82. Data from project area in brought forth that illiteracy is not faced in the area –all APs elder than 6 years study in schools or university or have already got certain education. About a 38.5% of the population have university level education and 16.3% 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	18	8.5	16	7.3	34	7.9
3	Studies in school	24	11.4	21	9.6	45	10.5
4	Has secondary school education	54	25.6	61	28.0	115	26.8

5	Vocational Education	38	18.0	32	14.7	70	16.3
6	Higher Education	77	36.5	88	40.4	165	38.5
	Total	211	100	218	100	429	100

3.2 Agriculture and Land Resources

3.2.1 Land Holding Status

83. The AHs are all land holder of some quantum. According to the census survey 89 AHs own registered and 27 land plots with ongoing registration. (Total 118 HHs without double counting and 96 with double counting). 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	96	100
2	Landless Households	0	0
3	Total Households	96	100

3.2.2 Major Cropping Pattern

84. Agricultural crops impacted by the project implementation are as follows: maize, wheat, mixed vegetables, strawberries and hay. In total 18 AHs are cultivating crops on 20 land plots. Crops are mainly cultivated for self-consumption.

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

Table 3.6 Annual crops

<u>NN</u>	<u>Type of agricultural crop</u>	<u>Number of Plots</u>	<u>Area</u>	<u>Number of AHs.</u>
<u>1</u>	<u>Maize (corn)</u>	<u>2</u>	<u>1350</u>	<u>1</u>
<u>2</u>	<u>Strawberry</u>	<u>1</u>	<u>13</u>	<u>1</u>
<u>3</u>	<u>Hay</u>	<u>8</u>	<u>5601</u>	<u>6</u>
<u>4</u>	<u>Vegetables Mix</u>	<u>10</u>	<u>383</u>	<u>10</u>
<u>5</u>	<u>Wheat</u>	<u>1</u>	<u>440</u>	<u>1</u>
Total		22	7787	20
		21(With Double Counting)		19 (With Double Counting)

86. Differences between the number of land plots and households arise because some land plots are jointly cultivated by several households with the same crop types, some households

cultivate land plots with different crop types, and multiple crop types may be cultivated within a single land plot.

3.3 Economy of AHs

3.3.1 Annual Income and Expenditures of AHs

87. Out of 60 interviewed households, only 51 shared the 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 49.0% of the AHs get income from one single source, 51.0% 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 more to 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	25	49.0	8,200
Double Sources	26	51.0	14,200
Total	51	100	—

88. 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	10	7,400	700	30,000
Wages from Private Sector	12	9,200	800	38,000
Income from Agriculture	15	4,600	1,400	11,500
Pension/State Allowances, Remittances	30	3,300	1,500	8,000
Private Business	5	12,500	500	45,000
Temporary works	5	6,200	600	18,000

Note: Calculation are based on 51 households. Multiple income sources per household are possible; therefore, totals exceed 100%.

89. Below is the weighted average household income:

Total number of AHs: 77 (without double counting)

Weighted average household income: ≈ 6,100 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

90. Property income, pension and subsidy are in the lower echelon of household income.

91. 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 60 AHs	Average per AH
Food	45,600	760
Non-food	52,800	880
Total	98,400	1,640

3.3.2 Household Assets and Durables

92. Out of 60 interviewed households, all 60 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. 100% of the households in the project area possess a television. Most HHs have refrigerators (73.3%) and washing machine (68.3%). About 58.3% households reported that they have a car.

93. Possession of domestic animals includes large animals in 5% households, pigs (11.7%) and poultry in 40% households (Table 3.10).

Table 3.10 Possession of Durable Goods and Domestic Animals

Sl. No.	Item	Households No.	%
1	Television	60	100.0
2	Radio	0	0.0
3	Washing Machine	41	68.3
4	Refrigerator	44	73.3
5	Motorcycle	1	1.7
6	Car	35	58.3
7	Bicycle	5	8.3
8	Cow	2	3.3
9	Sheep	1	1.7
10	Pig	7	11.7
11	Horse/Donkey	1	1.7
12	Poultry	18	30.0

3.3.3. Debts

94. Out of 60, interviewers providing the information regarding the loans, 46 have reported having a bank/MFO or private debts (Table 3.11).

Table 3.11 Debts

Sl. No.	Debts	Household number	%
1	Yes	46	76.7
2	Bank	26	43.3
3	Private lender	20	33.3

Sl. No.	Debts	Household number	%
5	No	14	23.3
	TOTAL	60	100

3.4 Water and Sanitation

3.4.1 Source of Drinking Water

95. The major source of drinking water is centralized local source. 95.0% of households have access to the centralized water supply. Out of the 60 surveyed households, it is noted that 52 households (86.7%) have access also to springs and 53 have their own wells (88.3%) in addition to the centralized water supply, which they use mostly during the shortages in water supply. (Table 3.12).

Table 3.12 Source of Drinking Water

Sl. No.	Sources	Number of Households	%
1	Piped water supply	57	95.0
2	Well	53	88.3
3	Spring	52	86.7

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

3.4.2 Sanitation Facilities

96. 55 of the interviewed households (91.7%) possess latrine at their house connected to septic reservoirs and 5 households (8.3 %) has flush toilet connected to the centralized sewage. (Table 3.13).

Table 3.13 Types of Toilet

Sl. No.	Toilet	Number of Households	%
1	Central sewage system / flush toilet	5	8.3
2	Latrine	55	91.7
3	Total	60	100

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

3.5 Access to Energy and Civic Facilities

97. Majority of the inquired AHs (about 96.7%) reported to have a connection to electricity and gas supply systems (100%), however, they use bottled gas and wood stoves as well. 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	58	96.7
2	Gas	60	100.0
3	Bottled Gas	52	86.7
4	Wood	54	90.0

	Total	60	100
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Note: Households may use multiple fuel sources; therefore, percentages do not sum to 100%.

3.6 Conclusion

98. Most of the surveyed households (approximately 92%) 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. The literacy rate in the Project area is high: 100% of affected persons older than six years are either currently studying or have completed at least secondary education, which is higher than the national literacy level. Women constitute more than 50% of the affected population, and literacy levels among women are relatively higher. Women participate alongside men in economic activities within the Project area and play an important role in household livelihoods. The Project is expected to have a positive impact on women, particularly through improved mobility, and due consideration will be given to women during Project implementation.

3.7 Project awareness

99. When asked who they perceive to be most affected by the project, respondents most identified people with affected agricultural land and/or business facilities (37 mentions). Disadvantaged and vulnerable groups such as, below poverty line, women headed HHs, elderly, or others were also mentioned 5 times, as they are also seen as primary affected groups.

100. More than half respondents (31) do not believe there are groups in their community who might face difficulty participating in consultations. However, 5 respondents were unsure, and 2 acknowledged barriers. Among those, the elderly (2 mentions).

101. The most in-demand information relates to construction activities and impacts (29 mentions), followed by land acquisition and compensation (21), and relocation arrangements (9). Interest in employment opportunities was also present (1 mention), though to a lesser extent.

102. The clear majority of respondents prefer community meetings (28 mentions), indicating a strong demand for in-person engagement. Mobile messages (11) and local representatives (7) followed, showing that some respondents Favor direct and accessible formats. Interestingly, no one selected written notices/flyers or social media.

3.8 Community engagement

103. When asked where they turn for help with community-related issues, most respondents said they go to local Municipality (34 mentions). Others reported turning to government offices (8) or did not seek help at all (17 respondents). This shows that while local representatives are the main point of contact, a large group still avoids seeking help altogether.

104. When it comes to resolving complaints/issues raised during the RAP preparation, only 15 people say issues are usually solved fairly. No one said “no,” and 4 said “sometimes.” A majority - 25 people - said “don’t know”.

105. The most trusted way to raise concerns is through local representatives (34 mentions). APs prefer in-person (face-to-face) communication (all 60). A few (7) selected phone, social media, or written letters, showing a strong preference for direct, personal communication.

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

107. When someone from a vulnerable group needs help, they are most likely to go to local representatives (21 mentions), or to family or friends (39).

3.9 Positive Impacts on the Proposed Project

108. Employment opportunities were identified by 27 affected households (45%). Business opportunities were noted by 5 households (8.3%). An increase in real estate value was mentioned by 3 households (5%). Improvements in the overall appearance of the area were identified by 14 households (23.3%). None of the households expected an influx of new residents. Easier access to services and other parts of the city was reported by 27 households (45%). No advantages were identified by 2 households (3.3%). Other benefits, as specified by respondents, were reported by 11 households (18.3%).

Advantages / Positive Impacts	No. of AHs	% of AHs
Employment opportunities	27	45.0
Business opportunities	5	8.3
Increase in real estate value	3	5.0
Overall appearance of the area	14	23.3
Influx of new residents	0	0.0
Easier access to services and other parts of the city	27	45.0
No advantages	2	3.3
Other (specified by respondents)	11	18.3

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

109. 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/region. 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

- (i) 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: 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)

110. 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.

111. There are three 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.”

112. The resettlement policy 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.

113. 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.”

114. 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.

115. 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

116. Acquisition of land through expropriation will be pursued under the project only in extreme cases when negotiations between PAPs 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 ESF negotiation under threat of expropriation still qualifies as involuntary resettlement.

117. 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.

118. 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.

119. 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 RD.

4.2 Requirement of the International Financial Organizations

120. 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.
- Males and females should receive the equal compensation.

4.2.1 World Bank ESF ESS 5

121. 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 and 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

122. ESS5 contains the obligation to provide support and assistance in the course of the compensation and resettlement process, during and following the resettlement process.

123. 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.

124. As part of the quoted World Bank Policy, particular attention is paid to 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.

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

126. 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) and 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 WB's ESF ESS 5 requirements on Involuntary Resettlement

127. 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 rightfully owned affected assets and on the general rehabilitation of the livelihood of Affected People (AP) and Households (AH).

128. As a result, the Bank's safeguards policy on Involuntary Resettlement complements 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.

129. 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.

130. The comparison of differences between Georgian law/regulation and WB ESF 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

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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.

131. 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

132. 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.

133. 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

134. 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.

135. 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

136. 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.

137. 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. The cut-off date for updated RAP is 06 November 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 2026.

138. 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.

139. 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 forms⁷ 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

140. 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.

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

1. those who have registered rights to use of occupied land;
2. those who do not have formal legal rights to land at the time of the DMS or census completions but have legitimate right to claim to such land or assets—provided that such claims are recognized under the laws of Georgia;
3. 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).

142. 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;

⁷ 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.

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.

143. Where land is to be acquired, landowners (PAPs) with registered Title Certificate, 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.

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

145. Disadvantaged and vulnerable households ⁸ will be eligible for further assistance to fully mitigate project impacts. Table 2 below presents the Entitlement Matrix that was closely followed during preparation of RAP for road project within the framework of this project.

146. It is worth noting that the Entitlement Matrix presented in the RPF will be 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

147. 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:

148. **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.

149. 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.

150. 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.

151. **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,

⁸ Detailed explanation is provided in the Definition of Terms.

depreciation and transaction costs. Construction materials remaining after the demolition of the structures will be deemed as ownership of the AH.

152. **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.

153. 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.

154. 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.

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

156. **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.

157. **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.

158. PAPs will be eligible to dispose logged trees themselves.

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

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

161. **Business Owner:**

i) Permanent impact: cash indemnity of the compensation based on the 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.

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.

162. **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.

163. **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).

164. **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).

165. **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.

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

167. **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.

168. 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.

169. 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.

170. 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 ⁹	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

171. 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.

172. 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 sessions will be delivered by the Engineer (Supervision Team) of Lot 3 - IRD.

173. **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

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

175. 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.

⁹ Three roadside trading facilities are jointly operated by a woman and a man.

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 ¹⁰ . 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. All AHs living in the State/ Municipality owned

¹⁰ Detailed description of replacement cost at current market value is described in the Section: Methodology for valuation and determination of unit rates.

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Type of Impact	Application	Definition of PAP	Compensation Entitlements
			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.

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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 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.

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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 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.
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.
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

176. 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 we provide a short summary.

6.1 Valuation methods for Land Compensation

177. **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.

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

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

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

180. 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.

181. 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.

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

183. **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.

184. 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.

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

186. 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).

6.2 Valuation methods for Perennials

187. 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.

188. 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.

189. 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.

190. 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

191. 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.

192. 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

193. 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 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.

194. 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. 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

195. 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 5) from eastern to Chalaubani - until the easterner of Bakurtsikhe. 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

196. 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.

197. Specifically for this RAP the APs were consulted through individual contact during the preparation of RAP at the detail design 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.

198. 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
Roads Department (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)¹¹

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

200. 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 supporting 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 the project appraisal and commencement of works on site.

201. 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.

202. 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.

203. 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

¹¹ <https://www.georoad.ge/?lang=geo&act=project&func=menu&uid=1769688229;>

of information to be disclosed, the method of dissemination, and how continuing stakeholder participation will be facilitated during project implementation. It will include provision for additional stakeholder engagement in the event of any unanticipated E&S risks and impacts.

204. 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.

205. 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.

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

207. 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.

208. 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.

209. 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

210. Electronic version of the Final draft RAP will be placed on RDMOI web-site. 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

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

212. 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).

213. 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.

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

8.2 Land Registration Organizations

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

8.2.1 Municipality

216. 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

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

218. 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.

219. 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.

220. 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.

221. 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

222. 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.

223. 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.

224. 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.

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

8.2.4 RAP Team

226. Dedicated Resettlement 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 resettlement Team, which will take decision to start expropriation.

8.2.5 Local Governments

227. 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).

228. 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

229. 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.

230. 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

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

232. 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 RDMOI.

8.3.3 Consultants and Auditors

- Design Consultant - the design consultant has 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

233. 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.

234. 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

235. 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.

236. 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.

237. 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 RAP 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.

238. 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 Team 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.

239. If considered necessary, GRCE s 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 RAP team | : Member Secretary |
| (iii) Representative of Mayor | : 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 |

240. 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.

241. 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.

242. 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);

243. 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 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
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

244. 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;

245. 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

246. The Resettlement Unit of the ESID under RDMOI sets up relevant institutions and line up ETCIC, Working Group/RAP 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:

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

247. 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

248. 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

249. 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 month has been included in the schedule for relocation of housing. Relocation of housing will also go by sections. Under the circumstances, the implementation schedule may include phased approach for civil works construction.

N	Items	2025			2026											
		10	11	1 2	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

250. 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.

251. 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

252. In total all plots are subdivided into 9 types of land according to land use, location and other parameters affecting the land price. 7 types belong to compensable categories and the cost rates for each category is defined by the licensed valuator. The other two categories (Type 8 and Type 9) represent the state-owned plots, which are not subject for compensation. Types of compensable plots by cost ranges are presented below:

Type 1 Agricultural land plots used for farming purposes and located away from the existing main road – 6.63 GEL/sqm.

Type 2: Non-agricultural land plots located in less attractive zones 16.7 GEL/sqm.

Type 3: Residential (homestead) land plots: 15.42 GEL/sqm.

Type 4: Residential (homestead) land plots 19.59 GEL/sqm.

Type 5: Non-agricultural land plots 80.74 GEL/sqm.

Type 6: Agricultural land plots used for commercial purposes and located along the main road 68.63 GEL/sqm.

Type 7: Non-agricultural land plots located along the existing road and can be used as commercial 99.69 GEL/sqm.

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

Type 9: Land plots owned by local municipality

253. 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	Agricultural land plots located within the administrative boundaries of Chalaubani village: 632–647	16	17918	6.63	118,796.34	11
Type 2	Non-agricultural land plots located in less attractive zones: 648, 652	2	900	16.7	15,030	2
Type 3	Residential (homestead) land plots: 649, 650, 653–660, 664, 665	16	9787	15.42	150,915.54	8
Type 4	Residential (homestead) land plots: 665-1–669, 673–685, 687, 698–705, 709–721, 748, 754, 755, 757–765, 767, 768, 770, 772–799, 803, 804	80	33401	19.59	654,325.59	62
Type 5	Non-agricultural land plots: 661, 663, 670–672, 674, 686, 688–691, 706–708, 718, 732–739, 800–802	22	5140	80.74	415,003.6	18
Type 6	Agricultural land plots used for commercial purposes and located along the main road: 651, 662	2	3754	68.63	257,637.02	2
Type 7	Non-agricultural land plots: 692–697, 722–731, 740–747, 750–753, 756, 766, 769, 771	26	11633	99.69	1,159,693.77	15
Total Compensable Land		164	82533		2,771,401.86	118 (96 with double counting)

Note: Some households own land plots of different types.

254. Based on their location and the findings of the valuation report, land plots owned by JSC “Georgian Railway”, JSC “Georgian State Electrosystem” and LLC “Georgian Amelioration” are included under Types 1–7 and are therefore not identified as a separate category.

11.3 Compensation for structures

255. 12AHs are losing 14 residential houses and will be physically relocated. The project affects 33 commercial buildings owned by 14 HHs and three Affected Parties and used for various businesses (shops, cafes, bakeries, gas-filling station, pharmacy shops etc.). The rest of the affected structures - 86 (owned by 39 HHs) represent ancillary buildings, like toilets, sheds, pigsty, coops etc. Minor structures like fences and gates under the impact are 199 owned by 61 HHs and different objects like spray tank, irrigation system, hail protection system, water cistern, container, pergola, graveled yard, pipes, concrete foundation, and others) are 80 owned by 57 HHs.

Table 11.2 Information about compensation value of structures

Number of Land Plots	Building	Description (Lineal M)	Price (Gel)
Major Buildings			
651	Kitchen	38	72,230
651	Restaurant	117.76	112,390
651	Bakery	35.6	53,735.00
651	Bakery (tone)	34.46	20,240
651	Hall (booth)	13.32	18,965.00
651	Hall (booth)	10.36	14,975
651	Café	18.1	21,275
651	Kitchen	41.62	35,575
651	Container (dismantling–relocation–installation)	4.62	350
651	Auxiliary shed (coal storage)	13.04	7,170.00
652	Former restaurant	145.5	168,210.00
652	Former restaurant booths	26.42	24,225.00
661	Shop	95.42	70,215
662	Office	8.74	10,345.00
662	Warehouse–shop	27.8	16,270
662	Warehouse (storage shed)	45.54	13,545
662	Storage shed	17.4	6480
662	Fire safety structure	2.28	1,430.00
663	Block production workshop	267.72	88,620.00
665	Toilet	1.6	1,730.00
665-1	Residential building	110.1	143,085
665-1	Bathroom and toilet	10.8	11,320
665-1	Cowshed and storage shed	50.36	11605
665-1	Auxiliary shed	17.1	5130
665-1	Poultry house	9.68	2,080
667	Residential building	296.4	559740
667	Wine cellar	48.4	68,100
667	Toilet	4.8	8,970
667	Auxiliary shed	10.8	3,450
667	Auxiliary shed	5.16	2,985.00
668	Residential building	226.32	276,910
668-1	Toilet	1.26	985.00
669	Residential building	318.82	355,410
669	Toilet	2.25	1,320
669	Poultry house	4.2	1,050
673	Residential building	160.7	168,090
674	Car service	134.7	86,030.00
675	Toilet	1.2	1,260.00

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678	Car wash	27.49	4,060.00
679	Toilet	1.62	2,025
680	Toilet	2.1	5,390.00
680	Open storage shed	27.81	4,560
681	Auxiliary shed	57.03	36,580
682	Toilet	2.8	2280
683	Auxiliary shed	31.74	36,430.00
685	Toilet	2.46	2,095.00
687	Auxiliary building	28.83	36,680.00
688	Barn	17.97	9,145
689-1	Barn	22.26	7,965
695	Barn	11.02	4970
697	Changing room, semi-basement	47	103525
697	Construction materials shop	248.1	221,175
697	Animal feed shop	75.4	89625
697	Car wash	158.8	80,055
697	Car painting workshop	40.8	41,625
697	Gas station	118.72	566,170
697	Office and warehouse, semi-basement	240	383,320
697	Supermarket "Libre"	216.8	242,185
697	Flower shop	90.42	96,945
697	Fuel storage	3.08	5460
699	Storage shed	15.68	2950
699	Poultry house	4.17	355
700	Bathhouse	16.98	26730
700	Car wash	17.57	12965
700	Auxiliary shed	73.46	36705
703	Car wash	40.71	17475
705	Storage facility	26.66	17,180
705	Car painting workshop	39.15	25130
706	Construction materials shop	55.46	27,415
710	Toilet and car painting workshop	25.89	23,270
710	Workshop	106.31	56,380
712	Auxiliary building and poultry house	19.45	9,470
714	Toilet	1.71	2,465
715	Auxiliary building and poultry house	15.2	18,250
716	Toilet	3.71	5,030
717	Residential building	216.75	311,850
717	Auxiliary building and storage shed	14.72	8,195
718	Shop	54.14	52,930

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719	Auxiliary building	54.7	17635
719	Poultry house	3.6	875
721	Auxiliary building	96.16	41,430.00
721	Barn and poultry house	10.7	2,850
726	Gas station	20.38	396,965.00
729	Car wash and shop	147.6	92,550
732	Car repair workshop	28.95	48,515
735	Metal workshop	57.97	38,175
736	Workshop	31.64	43,890
738	Warehouse	49.68	23,920
739	Warehouse	205.72	137,360
740	Shop	584.21	526,265.00
741	Shop	1062.65	1,326,320
745	Commercial facility	410.18	427,290
745	Toilet	1.15	1,480
747	Commercial facility	278.4	412,495
747	Refrigerator	2.98	750
748	Residential building	254.15	267,925.00
748	Barn and storage facility	65.65	50,060.00
748	Toilet	2.08	2,255.00
751	Shop, semi-basement	264.64	343,930
752	Bakery	41.04	42,380
753	Pharmacy	23.89	28395
754	Residential building	374.2	646720
754	Wine cellar and storage shed	109.3	32,920
755	Residential building	338.34	529875
755	Car painting workshop	35	39,940
755	Chocolate production facility	80.33	35,925
755	Wine cellar	55.28	58,840
756	Toilet	0.81	1,250
759	Residential building	160.32	300,380
759	Auxiliary shed	45.03	30,370
759	Auxiliary shed and storage shed	42.13	17,350
759	Toilet	1.82	1,890
759	Wooden auxiliary shed	5.27	2,520
760	Residential house	274.52	471,485
760	Bakery and auxiliary building	63.37	46,250
760	Auxiliary building	35.81	38,200
760	Toilet	3.04	8,600
763	Residential house	288.34	451,190
763	Storage shed	29.83	4,720

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763	Barn and storage sheds	81.48	18,280
763	Wine cellar	11.57	8,195
763	Toilet	1.61	3,075
767	Residential house	276.81	345,225
769	Beer shop	63.16	85,590
773	Workshop	37.59	30,335
773	Auxiliary shed	10.8	11,825
776	Residential building	285.84	399,120
776	Auxiliary building and storage shed	101.64	57,095
776	Barn	9.17	3,240
776	Toilets and storage shed	9.72	4,480
776	Storage shed	8.1	1,645
787	Barn	5.66	2,955
787	Toilet	1.16	2,025
Sub-total 1		11143.49	13,067,725

Small Buildings			
Number of Land Plots	Gates and Fences	Description (Lineal M)	Price (Gel)
80	Fence (different type)	2903.15	300450
40	Gate (different type)	187.75	130575
8	Wire and poles used for the vineyards	2190	9198
Sub-total 2			440,223

Number of Land Plots	Other structures	Price (Gel)
80	Other objects (yard paving works, concrete surfacing within the yard, asphalt paving, graveled yard, septic pit, well, water cistern, container, pergola, pipes, concrete foundation, concrete retaining walls, internal fences, and others).	1,779,172
Sub-total 3		1,779,172
Total		15,287,120

11.4 Compensation for Loss of Business and other Incomes

256. The road constructions under this project for Lot 5, affects 22 businesses owned by 18 HHs. Most owners are registered as an individual entrepreneur having small business. The businesses failed to provide financial documents confirming their taxable profit of the affected business over the past three years. over the past one year. 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 11.3 Information about compensation for loss of businesses and other incomes

Business Number	Land Parcel Number	Owner	Description	Average Profit	Compensation
1	651	[REDACTED]	Restaurant	-	6774,3
2	661	[REDACTED]	Retail Shop	-	6774,3
3	663	[REDACTED]	Retail Shop	-	6774,3
4	674	[REDACTED]	Concrete Block Production Workshop	-	6774,3
5	686	[REDACTED]	Car Wash and Auto Repair Workshop	-	6774,3
6	697	[REDACTED]	Fuel Station, SPS, Libres, A.S., and Tire Repair Facility	-	6774,3
7	706	[REDACTED]	Agrochemical Shop (currently non-operational)	-	6774,3
8	718	[REDACTED]	Retail Shop (leased out)	-	6774,3
9	726	[REDACTED]	Fuel Station	-	6774,3
10	729	[REDACTED]	Retail Shop and Laundry Facility	-	6774,3
11	732	[REDACTED]	Auto Repair Workshop	-	6774,3
12	735	[REDACTED]	Metal Workshop	-	6774,3
13	736	[REDACTED]	Auto Repair Workshop (currently used as storage)	-	6774,3
14	740	[REDACTED]	Agrochemical Shop	-	6774,3
15	741	[REDACTED]	Banquet Hall, Retail Shop, Pharmacy, and Bakery	-	6774,3
16	745	[REDACTED]	Drive-through Facility, Agrochemical Storage, and Metal-Plastic Workshop	-	6774,3
17	747	[REDACTED]	Retail Shop and Bakery	-	6774,3
18	751	[REDACTED]	Retail Shop	-	6774,3
19	752	[REDACTED]	Bakery	-	6774,3
20	753	[REDACTED]	Pharmacy	-	6774,3
21	755	[REDACTED]	Chocolate Production Workshop and Bakery		6774,3
22	769	[REDACTED]	Beer Shop	-	6774,3
Total					149,034.6

257. **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.

258. The most of businesses failed to provide financial documents confirming salary transfers and/or number of employees - only 7 businesses were provided such information, the total number of employees are 18. The information regarding employment is provided in Table 11.4 below:

Table 11.4

ID	NN	Type of Business	Number of Employees	Average monthly salary calculated over a three-month period	Compensation Amount
1	651	Restaurant	-	0	0
2	661	Retail Shop	-	0	0
3	662	Retail Shop	-	0	0
4	663	Concrete Block Production Workshop	-	0	0
5	674	Car Wash and Auto Repair Workshop	-	0	0
6	697	Fuel Station, SPS, Libres, A.S., and Tire Repair Facility	6	1700	30600
7	706	Agrochemical Shop (currently non-operational)	-	0	0
8	718	Retail Shop (leased out)	-	0	0
9	726	Fuel Station	-	0	0
10	729	Retail Shop and Laundry Facility	2	based on earnings	3387.14
11	732	Auto Repair Workshop	-	0	0
12	735	Metal Workshop	-	0	0
13	736	Auto Repair Workshop (currently used as storage)	-	0	0
14	740	Agrochemical Shop	-	0	0
15	741	Banquet Hall, Retail Shop, Pharmacy, and Bakery	3	based on earnings	5080.71
16	745	Drive-through Facility, Agrochemical Storage, and Metal-Plastic Workshop	1	based on earnings	1693.57
17	747	Retail Shop and Bakery	1	based on earnings	1693.57
18	751	Retail Shop	1	based on earnings	1693.57
19	752	Bakery	4	based on earnings	6774.28
20	753	Pharmacy	-	0	0
21	755	Chocolate Production Workshop and Bakery	-	0	0
22	769	Beer Shop	-	0	0
Total			18		50922.84

11.5 Compensation for Crops

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

Table 11.5

N	Type of agricultural crop	Number of Plots	Area	Unit Price	Total Price	Number of AHs
<u>1</u>	<u>Maize (corn)</u>	<u>2</u>	<u>1350</u>	<u>0.8</u>	1080	<u>1</u>
<u>2</u>	<u>Strawberry</u>	<u>1</u>	<u>13</u>	<u>5</u>	65	<u>1</u>
<u>3</u>	<u>Hay</u>	<u>8</u>	<u>5601</u>	<u>0.24</u>	1344.2 4	<u>6</u>
<u>4</u>	<u>Vegetables Mix</u>	<u>10</u>	<u>383</u>	<u>1.7</u>	651.1	<u>10</u>
<u>5</u>	<u>Wheat</u>	<u>1</u>	<u>440</u>	<u>0.24</u>	105.6	<u>1</u>
Total		22	7787		3245.94	20
		21(With Double Counting)				19 (With Double Counting)

Note: Differences between the number of land plots and households arise because some land plots are jointly cultivated by several households with the same crop types, some households cultivate land plots with different crop types, and multiple crop types may be cultivated within a single land plot.

11.6 Compensation for Trees

260. 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. The various trees include 1 decorative (Paulownia) are recorded on 107 land plots belonging to 71 households.

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 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	48	1440
	5-9	10	2	6	12	24	154	100	41	4100
	10-30	10	2	8	18	36	298	210	52	10920
	>30	10	2	8	15	30	250	170	6	1020
Apple	seedling (<5)	8	1	4	5	5	28	20	11	220
	5-8	8	1	6	25	25	158	110	20	2200
	9-25	8	1	7	55	55	393	290	31	8990
	>25	8	1	7	35	35	253	170	2	340

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Mulberry	seedling (<7)	8	1.5	5	4	6	38	25	35	875
	7-15	8	1.5	7	8	12	92	65	67	4355
	16-35	8	1.5	9	16	24	224	140	50	7000
	>35	8	1.5	9	12	18	170	100	10	1000
Hazelnut	seedling (<4)	3	4	3	2	8	27	15	9	135
	4-8	3	4	4	3.5	14	59	40	12	480
	9-20	3	4	7	6	24	171	100	39	3900
	>20	3	4	7	5	20	143	80	7	560
Walnut	seedling (<5)	10	5	4	4	20	90	70	23	1610
	5-10	10	5	6	15	75	460	340	55	18700
	11-45	10	5	10	30	150	1510	1100	117	128700
	>45	10	5	10	40	200	2010	1450	14	20300
Persimmon	seedling (<5)	7	1	4	5	5	27	20	2	40
	5-9	7	1	6	10	10	67	50	3	150
	10-25	7	1	8	30	30	247	170	18	3060
	>25	7	1	8	20	20	167	110	15	1650
Quince	seedling (<5)	7	1.5	4	3	4.5	25	15	9	135
	5-9	7	1.5	5	15	22.5	119.5	80	13	1040
	10-30	7	1.5	7	25	37.5	269.5	190	20	3800
	>30	7	1.5	7	20	30	217	120	15	1800
Fig	seedling (<5)	6	1.5	4	5	7.5	36	25	35	875
	5-9	6	1.5	5	15	22.5	118.5	70	39	2730
	10-20	6	1.5	7	30	45	321	210	61	12810
	>20	6	1.5	7	20	30	216	140	52	7280
Pear	seedling (<5)	7	1.2	5	7	8.4	49	30	11	330
	5-8	7	1.2	7	20	24	175	120	7	840
	9-25	7	1.2	7	70	84	595	415	14	5810
	>25	7	1.2	7	45	54	385	270	10	2700
Apricot	seedling (<5)	6	2	4	4	8	38	25	1	25
	5-8	6	2	5	15	30	156	100	1	100
	9-20	6	2	7	22	44	314	190	9	1710
	>20	6	2	7	18	36	258	155	5	775
Grape (Rkatsiteli)	seedling (<5)	2.5	1.5	4	2	3	14.5	18	1	16
	5-8	2.5	1.5	5	4	6	32.5	32	509	14252
	9-25	2.5	1.5	8	6	9	74.5	63	647	36879
	>25	2.5	1.5	8	5	7.5	62.5	54	0	0
Grape Red (Saperavi)	seedling (<5)	3	2.5	4	2	5	23	25	0	0
	5-8	3	2.5	5	3	7.5	40.5	38	0	0
	9-25	3	2.5	8	5	12.5	103	85	0	0
	>25	3	2.5	8	4	10	83	70	5	320
Grape (Aladasturi)	seedling (<5)	3	2.25	4	2	4.5	21	23	0	0
	5-8	3	2.25	5	3	6.75	36.75	35	0	0
	9-25	3	2.25	8	5	11.25	93	77	2	140
	>25	3	2.25	8	4	9	75	64	1	60

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Grape (white table grapes - French pink, Italian)	seedling (<4)	5	2.5	3	2	5	20	23	2	36
	4-7	5	2.5	4	3	7.5	35	34	0	0
	8-20	5	2.5	7	5	12.5	92.5	75	20	1400
	>20	5	2.5	7	4	10	75	64	3	180
Grape (pergola-trained)	seedling (<6)	5	1	5	5	5	30	22	13	260
	6-10	5	1	6	10	10	65	50	11	528
	11-35	5	1	8	16	16	133	95	71	6532
	>35	5	1	8	13	13	109	80	22	1694
Grape (pergola-trained Adesa)	seedling (<6)	5	0.8	5	5	4	25	18	0	0
	6-10	5	0.8	6	10	8	53	40	1	30
	11-25	5	0.8	8	16	12.8	107.4	80	0	0
	>25	5	0.8	8	13	10.4	88.2	65	0	0
Cherry plum, Sour cherry plum, damson	seedling (<5)	8	2	4	5	10	48	35	12	420
	5-9	8	2	5	13	26	138	100	37	3700
	10-35	8	2	8	22	44	360	250	80	20000
	>36	8	2	8	18	36	296	200	4	800
Raspberry	seedling (<3)	3	3.5	2	1	3.5	10	6	0	0
	3-4	3	3.5	3	1.2	4.2	15.6	10	29	290
	5-15	3	3.5	4	2	7	31	22	0	0
	>15	3	3.5	4	1.5	5.25	24	18	0	0
Blackberry	seedling (<3)	3	3	2	1.5	4.5	12	8	0	0
	3-4	3	3	3	2	6	21	15	0	0
	5-15	3	3	4	3.5	10.5	45	28	16	448
	>15	3	3	4	2.5	7.5	33	22	0	0
Blueberry	seedling (<5)	8	4	3	2	8	32	25	0	0
	5-7	8	4	5	3.5	14	78	55	0	0
	8-20	8	4	7	6	24	176	135	1	135
	>20	8	4	7	4.5	18	134	100	0	0
Thornless blackberry	seedling (<3)	4	3.5	2	1.5	5.25	14.5	10	0	0
	3-4	4	3.5	3	2	7	25	18	2	36
	5-15	4	3.5	4	3.5	12.25	53	30	0	0
	>15	4	3.5	4	2.5	8.75	39	24	0	0
Medlar	seedling (<5)	7	1.5	4	3	4.5	25	20	0	0
	5-9	7	1.5	5	10	15	82	60	7	420
	10-30	7	1.5	8	20	30	247	150	6	900
	>30	7	1.5	8	15	22.5	187	120	2	240
Plum, Sloe	seedling (<5)	8	0.8	4	8	6.4	33.6	25	21	525
	5-9	8	0.8	5	15	12	68	45	42	1890
	10-25	8	0.8	8	30	24	200	125	49	6125
	>25	8	0.8	8	20	16	136	95	2	190
Cornelian cherry	seedling (<5)	6	2	4	2	4	22	17	2	34
	5-9	6	2	5	4	8	46	30	4	120
	10-30	6	2	8	6	12	102	65	38	2470
	>30	6	2	8	5	10	86	55	14	770

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Peach	seedling (<3)	8	1.5	4	5	7.5	38	30	0	0
	3-7	8	1.5	5	20	30	158	90	4	360
	8-18	8	1.5	5	40	60	308	210	17	3570
	>18	8	1.5	5	25	37.5	195.5	140	0	0
Jonjoli (staphylea colchica)	seedling (<5)	5	1	6	3	3	23	15	2	30
	5-8	5	1	6	10	10	65	45	7	315
	9-20	5	1	6	15	15	95	70	40	2800
	>20	5	1	6	12	12	77	60	12	720
Feijoa	seedling (<5)	4	1.5	4	5	7.5	34	22	1	22
	5-9	4	1.5	5	15	22.5	116.5	75	0	0
	10-25	4	1.5	8	25	37.5	304	200	0	0
	>25	4	1.5	8	20	30	244	155	0	0
Loquat	seedling (<5)	7	2	4	3	6	31	20	4	80
	5-9	7	2	5	10	20	107	70	5	350
	10-30	7	2	8	20	40	327	210	9	1890
	>30	7	2	8	15	30	247	150	2	300
Jujube	seedling (<5)	8	2	4	3	6	32	25	2	50
	5-9	8	2	5	10	20	108	80	3	240
	10-20	8	2	8	25	50	408	400	4	1600
	>20	8	2	8	20	40	328	250	1	250
Strawberry, raspberry, and blackberry trees	seedling (<5)	6	1.5	4	3	4.5	24	18	1	18
	5-9	6	1.5	5	8	12	66	50	1	50
	10-20	6	1.5	8	15	22.5	186	120	0	0
	>20	6	1.5	8	12	18	150	90	0	0
Kiwi	seedling (<5)	6	2.5	4	3	7.5	36	25	0	0
	5-9	6	2.5	5	6	15	81	60	0	0
	10-25	6	2.5	8	15	37.5	306	210	3	630
	>25	6	2.5	8	10	25	206	145	0	0
Pomegranate	seedling (<5)	6	2	3	5	10	36	30	4	120
	5-9	6	2	4	10	20	86	55	17	935
	10-25	6	2	8	25	50	406	260	82	21320
	>25	6	2	8	20	40	326	220	28	6160
Paulownia	seedling (<5)	10				0	0	100	0	0
	5-9	10				0	0	500	0	0
	10-25	10				0	0	800	1	800
	>25	10				0	0	1000	0	0
Almond	seedling (<5)	8	10	4	2	20	88	65	0	0
	5-8	8	10	5	4	40	208	200	1	200
	9-25	8	10	8	7	70	568	420	2	840
	>25	8	10	8	6	60	488	360	2	720
Hawthorn	seedling (<6)					0	0	8	0	0
	7-10					0	0	15	1	15
	>10					0	0	25	7	175

Barberry	seedling (<5)	5	2	4	3	6	29	18	2	36
	5-7	5	2	5	4	8	45	30	2	60
	>7	5	2	5	6	12	65	45	3	135
Bay laurel	seedling (<5)	1	3	3	1	3	10	5	35	175
	5-9	1	3	4	1.5	4.5	19	10	11	110
	>9	1	3	8	2	6	49	30	42	1260
Total									3,023	412,681

11.7 Resettlement Assistance

261. 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 86 accordingly compensation for above mentioned families is 145,647.02 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 11, accordingly compensation for above mentioned families is 18,629.27 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 14 physically relocated houses (Owned by 12 HHs) under the Lot 5 RAP.

262. Information about detailed calculation of allowances is given in Table 11..

Table 11.7 Detailed calculation of allowances

Vulnerability Category	Number of Households	Unit	Compensation Total
Poor households as defined by the official poverty line	3	1693.57	5080.71
Elderly households with no means of support	4	1693.57	6774.28
Female-headed households with and/or without dependents	4	1693.57	6774.28
Severely Impacted HHs	86	1693.57	145,647.02
Relocation Assistance	14	1943.57	27,209.98
Total			191,486.27

263. There are 14 Houses owned by 12 HHs under the physical resettlement, the assistance for relocation in amount of 1943.57 Gel will be given to all 14 houses. The total amount of allowances is included in the total budget presented below.

11.8 Cost of resettlement

264. 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 **22,639,071.01 Gel**. which is equivalent to the **8,390,745,714 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	87276	2771401.86
Structures	Various	133/ 11143.49	15287120
Trees	Various	3023	412,681
Crop	Various	7787	3,245.94
Compensation For Business Stoppage	Various	22	149,034.6
Compensation for Employees	Various	18	50,922.84
Allowances for Vulnerable AHs	1693.57	11	18,629.27
Severe Impact Allowance	1693.57	86	145,647.02
Allowance for Physical Resettlement	1943.57	14 ¹²	27,209.98
Sub-total			18,865,892.51
Contingency Amount	20%		3,773,178.50
Total Budget			22,639,071.01

¹² Although the 14 houses are owned by 12 households (HHs), relocation allowance will be provided for all 14 houses, as physical relocation and the transfer of household belongings will be required from each affected dwelling.

12. Monitoring and Reporting

265. 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

266. Internal monitoring will be carried out routinely by RDRD/RDMOI either directly or through the services of a 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 I 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.

267. 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

268. 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.

269. 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.

270. 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) 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.

271. 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 5: ROAD SECTION FROM CHALaubANI TO BAKURTSIKHE EAST

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 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.

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. The updated RAP was prepared by the Alligator LTD. RAP is prepared according to WB ESF which is active from October 1, 2018.

This particular RAP is related to only Constructional Lot 5 of wider Tbilisi – Bakurtsikhe motorway, extended from the eastern to Chalaubani until the easterner of Bakurtsikhe. The total length of the Constructional lot is 9,12km and it is a new connection between Chalaubani and Bakurtsikhe. The Motorway is being designed initially in the South - East bank of the river Chalaubanis Khevi and it ends up in the north west part of the river in Bakurtsikhe. After Bakurtsikhe the motorway connects to the new designed motorway of Tsnori – Gurjaani.

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 ESF 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 ESF ESS 5 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 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			
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.

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

Resettlement Action Plan - ROAD SECTION
FROM CHALaubAN TO BAKURTSIKHE

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.

Resettlement Action Plan - ROAD SECTION
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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 taxable profit of the affected business over the past three years. over the past one year 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.	<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.

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 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.

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.

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 RAP 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 Team 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, GRCE s 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 RAP team	: Member Secretary
(x)	Representative of Mayor	: Member
(xi)	Representative of APs	: Member
(xii)	Representative of NGO	: Member
(xiii)	Representative of Civil Works Contractor	: Member
(xiv)	Social 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.

The composition of the Standing Commission for the Review of Issues Arising in Relation to Resettlement and Environmental Protection Procedures on 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 0.1 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	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

Steps	Action level	Process
	Commission	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 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
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:

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Annex 2 Synopsis of Selected Georgian Laws and Regulations on Lar

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 14 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

¹⁴ In the hierarchy of the laws, the Organic Law stands between the Constitution and other laws, which highlights its significance.

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 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 Methodology will be attached as separate document.

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 Safeguards 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.

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**.

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.

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.

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.

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.

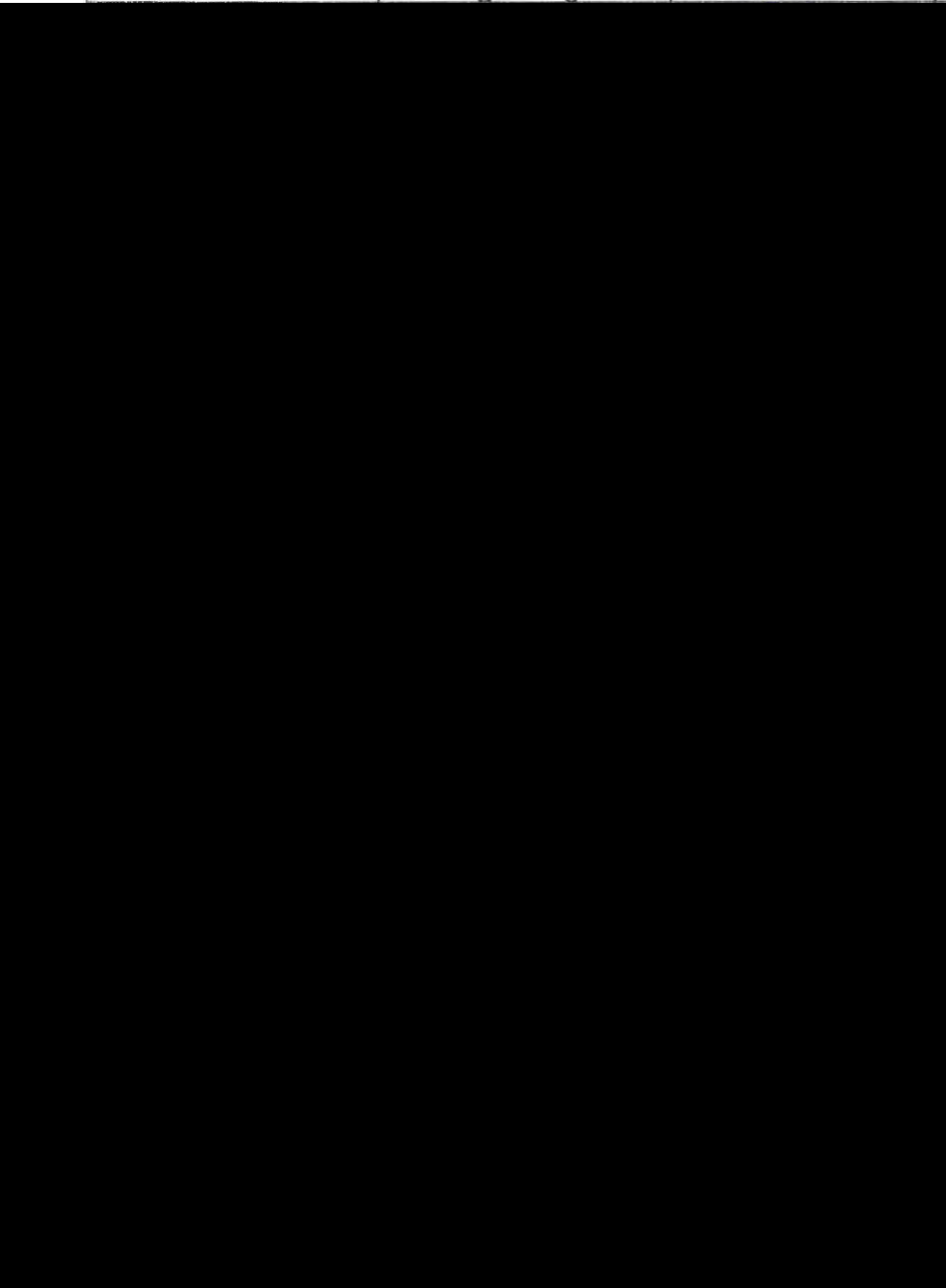
Project maps were presented by **Malkhaz Komladze**, who provided detailed explanations to the participants regarding the measurement and inventory process, inventory of trees and annual crops, identification of household vulnerability and socio-economic characteristics, as well as other related field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

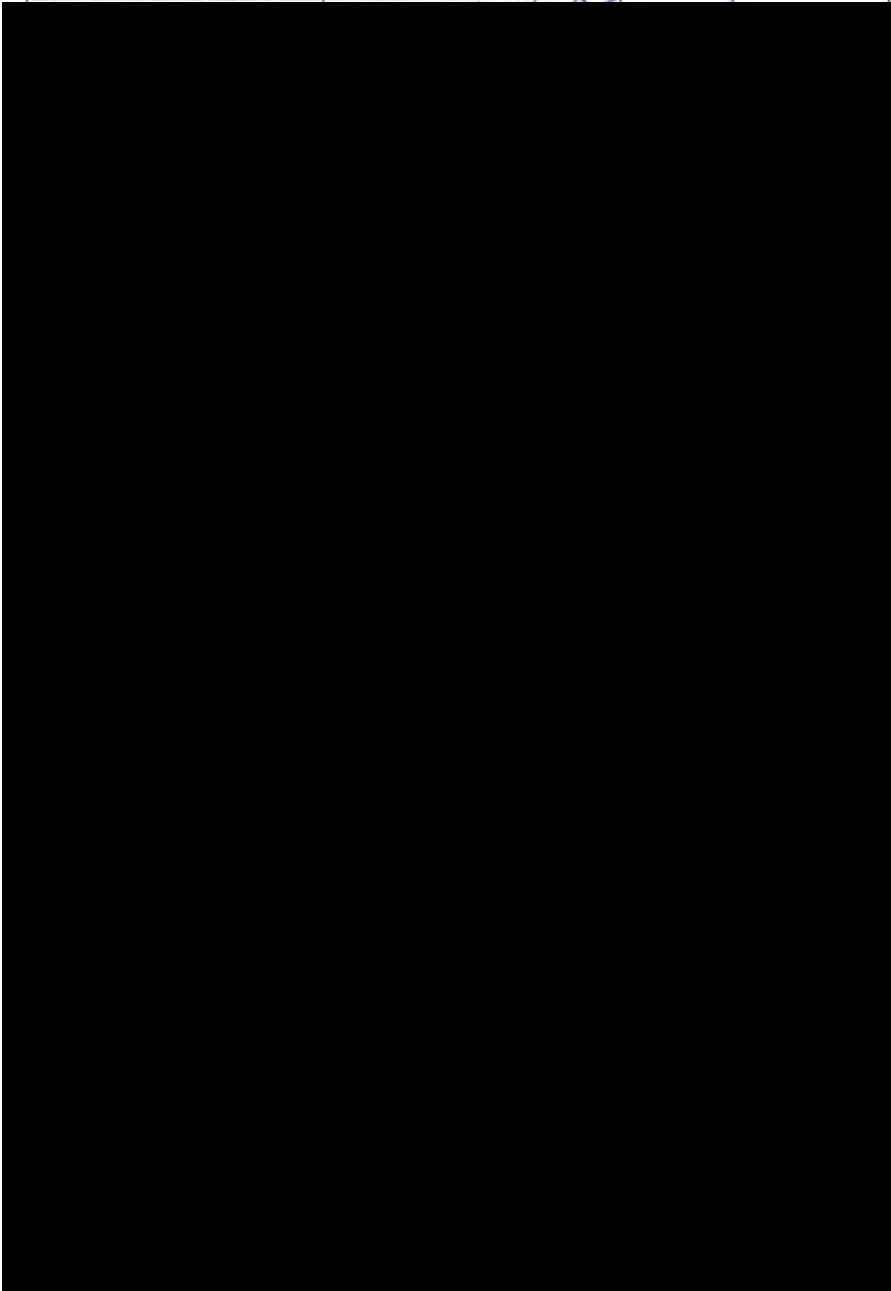
Following the presentation, participants raised questions primarily related to **asset valuation procedures and other issues**. The key issues raised during the discussion are summarized below.

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

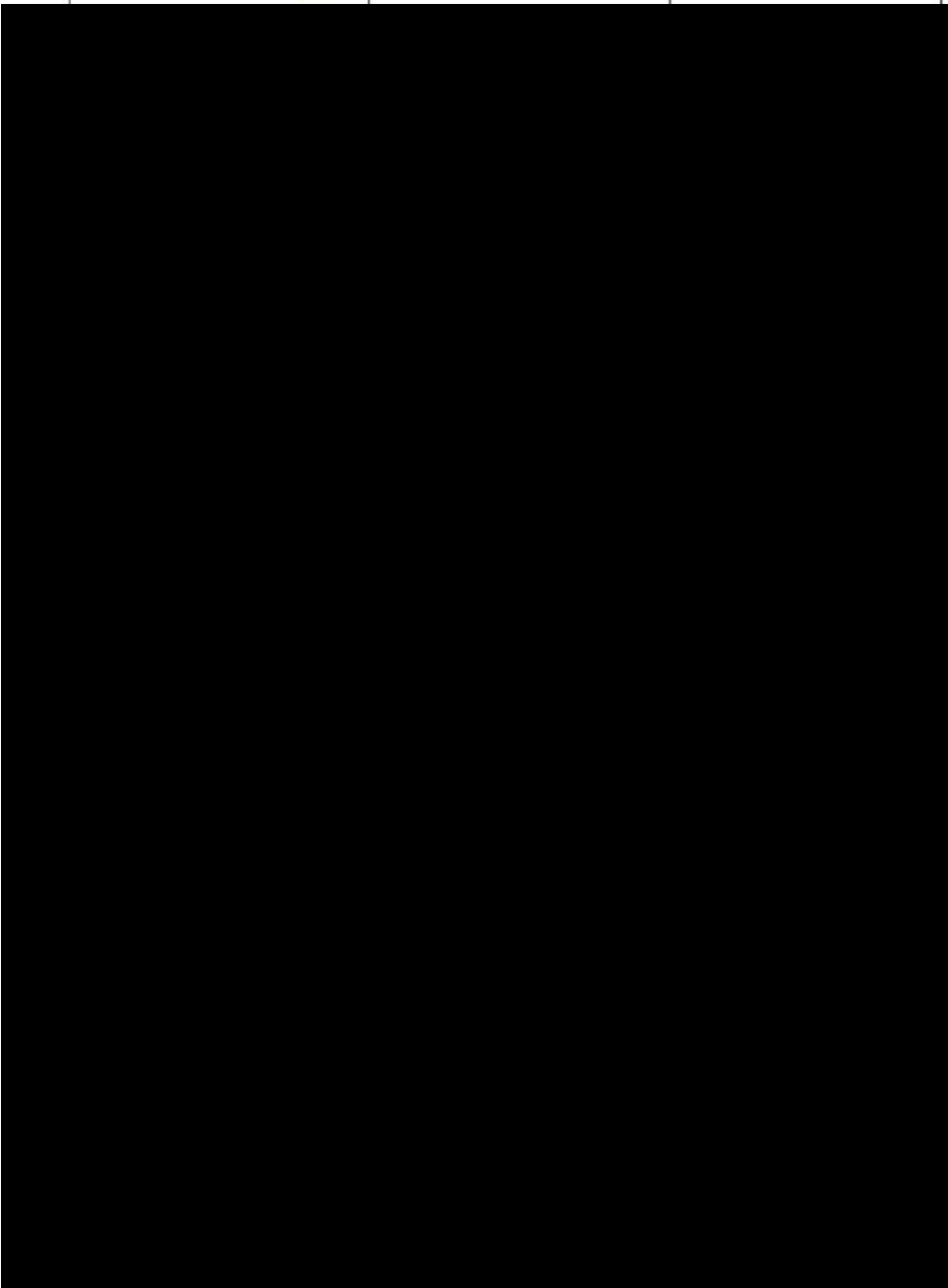


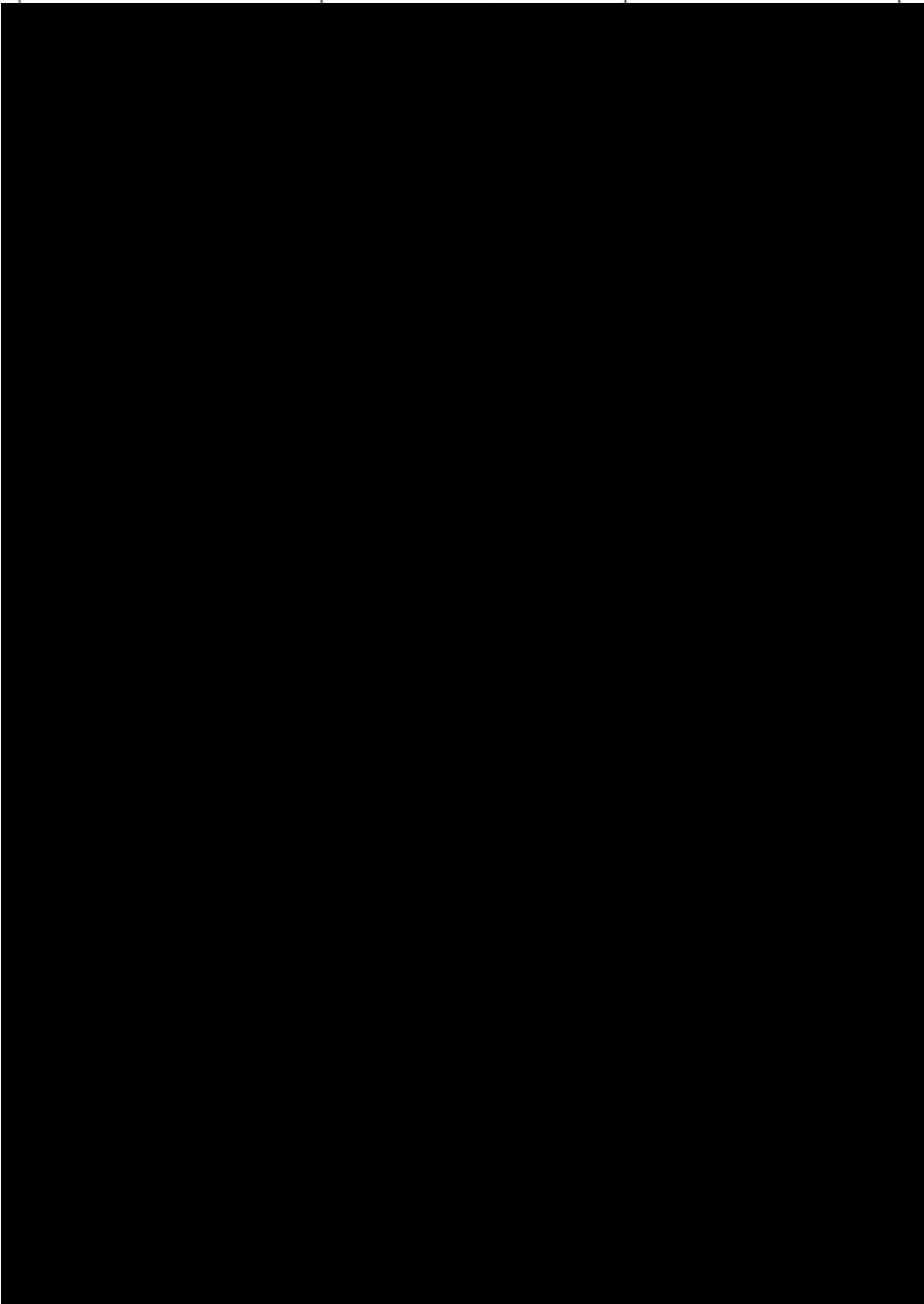
Number of APs attending the meeting – 160; Out of this 150 have confirmed their presence by signature

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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, Mellani, 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

Resettlement Action Plan - ROAD SECTION
FROM CHALaubAN TO BAKURTSIKHE

Question/Comment	Author	comment
		structures, fences, trees, and annual crops. Eligibility is subject to verification by local Municipality of land use prior to the cut-off date.
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 Mzisguli, 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.

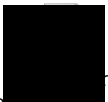
2. The Summary of impacts under Lots 4 and 5 on land ownership/usage and assets.
3. Eligibility for compensation, defined by the Entitlement matrix namely: in accordance with the Resettlement Action Plans, compensation and/or rehabilitation assistance shall be provided to all affected registered landowners 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.
4. Unit rates were determined by an independent, licensed appraiser.
5. 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.
6. 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:


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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?	Representative of [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.

Resettlement Action Plan - ROAD SECTION
FROM CHALaubAN TO BAKURTSIKHE

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*2.25=564.52 GEL per month; 1693.57. GEL for 3 months, 3387.15 GEL for 6 month, 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	