

WORLD BANK FINANCED  
LOG IN GEORGIA PROJECT  
(P169698)

## DRAFT RESETTLEMENT POLICY FRAMEWORK

May, 2025

## PREFACE

The State Program for Broadband Infrastructure Development (Open Net NNLE, henceforth called Open Net) has prepared this Resettlement Policy Framework (RPF), covering involuntary resettlement and land acquisition and land use restriction issues in accordance with World Bank Environmental and Social Standard (ESS) 5. Open Net NNLE (ON) is a legal entity that performs its activities in accordance with Government of Georgia Resolution 375, which was approved by the Government on July 28, 2016. The RPF is one of key Environmental and Social Framework instruments for the Log-In Georgia Project supported by the World Bank. The present RPF is supplementary document to the Project Operations Manual (OM) and should be considered as its essential part. The screening tools mentioned in the RPF are found in the OM. Other environmental and social standards instruments, such as Environmental and Social Management Framework, Stakeholder Engagement Plan, and Labor Management Procedure, are also reflected in the Operational Manual (OM).

The Log-In Georgia Project aims to increase access to affordable broadband internet, and to promote its use by individuals and enterprises, in targeted rural settlements. The project has 3 components – Component 1: Increasing access to broadband; Component 2: Promoting the use of broadband-enabled digital services; and Component 3: Project implementation support. The Project will be implemented under the overall leadership of the Ministry of Economy and Sustainable Development (MOESD) with ON serving as the project implementing entity for all activities financed by the project. ON will implement specific subcomponents of the project jointly with other related agencies, namely MOESD and the Georgian National Communications Commission (ComCom).

This document takes into account the approaches and policies for land acquisition and resettlement required by the Government of Georgia and the World Bank, as well as international good practices. The document provides the framework for ensuring compliance with the requirements of all parties, with understanding that the most stringent requirements of any party would be applied. Site Specific resettlement action plans, where applicable, will be prepared based on RPF after identification and screening of the sub-project sites, in the event that resettlement impacts as described in the World Bank Environmental and Social Standard (ESS) 5. Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, are unavoidable.

ON is responsible for managing the finances received from the central and local budgets, international financial institutions and other donors and proceeds gained through the Fund loans as principal and interest amounts used to finance local and regional infrastructure and investment projects and appropriate technical assistance in the field of service.

Open Net, within the limits of the programs accomplished by it, is responsible for procuring the design and EIA research, as well as the construction and rehabilitation works of the project. To this extent,

ON is obliged to follow the legislation of Georgia under the established rule and observe the environmental and social requirements of the World Bank Environmental and Social Framework, specifically Environmental and Social Standard (ESS) 5 on Land Acquisition, Restrictions of Land Use, and Involuntary Resettlement. The ON is responsible for proper consideration of the environmental and social safeguards of donor organizations in relation with the accomplished projects.

## Contents

PREFACE.....	2
ABBREVIATIONS.....	5
1. Project Objective and Potential Resettlement Impacts.....	6
1.1 Project Development Objective and Components.....	6
1.2 Potential Resettlement Impacts .....	8
2. Legal and Administrative Framework.....	10
2.1. Institutional Responsibilities .....	10
2.2. Resettlement Related Legislation of Georgia.....	11
3. The World Bank Policy, Standards and Georgian Legislation .....	13
3.1. The World Bank Environmental and Social Standard (ESS) 5 on Land Acquisition, Restrictions of Land Use and Involuntary Resettlement .....	13
3.2 Comparison of Georgian Legislation and World Bank ESS5 on Land Acquisition, Restrictions of Land Use and Involuntary Resettlement .....	15
4. Principles of Resettlement and Land Acquisition Adopted for the Log In Georgia Project .....	16
5. Eligibility and Entitlements .....	17
5.1 Eligibility.....	17
5.2 Entitlements.....	17
5.3 Assessment of Compensation Unit Values.....	18
6. Implementation.....	24
7. Grievance Redress Mechanism .....	29
ANNEX 1. SYNOPSIS OF SELECTED GEORGIAN LAWS AND REGULATIONS ON RAP .....	31
ANNEX 2. Outline of a Resettlement Action Plan .....	36
ANNEX 3. Sample of the Demarcation Act.....	40
ANNEX 4. Minutes of Public Consultation Meeting on the RPF.....	41

## ABBREVIATIONS

ADB	Asian Development Bank
ACHP	Agency of Culture Heritage Presence
AF	Affected Family
AH	Affected Household
AP	Affected Person
BP	Bank Procedure
DP	Displaced Person
EA	Executing Agency
EBRD	European Bank for Reconstruction and Development
EIA	Environmental Impact Assessment
ESS	Environmental and Social Standard
ESSU	Environmental and Social Safeguards Unit
GEC	Grievance Examination Commission
GIZ	German Technical Cooperation
IFI	International Financial Institutions
IMA	Independent Monitoring Agency
IPSA	Initial Poverty and Social Assessment
LAR	Land Acquisition and Resettlement
LSG	Local Self Government
MCC	Millennium Challenge Corporation
MCG	Millennium Challenge for Georgia
MLARO	Municipal Land Acquisition and Resettlement Office
NAPR	National Agency for Public Registration
NGO	Non-Governmental Organization
OD	Operational Directive
OP	Operational Policy
PAB	Project Affected Businesses
PAP	Project Affected Person
PIC	Public information center
PRRC	Property rights Recognition Commission
RAP	Resettlement Action Plan
ROW	Right of Way
RP	Resettlement Plan
RPF	Resettlement Policy Framework
WB	World Bank

# **1. Project Objective and Potential Resettlement Impacts**

## **1.1 Project Development Objective and Components**

The Project Development Objective is to increase access to affordable broadband internet, and to promote its use by individuals and enterprises, in targeted rural settlements.

### **Project components:**

The Log-In Georgia Project comprises three components which are briefly described below:

#### **Component 1: Increasing access to broadband**

This Component will help expand access to broadband internet in rural settlements across Georgia and improve the enabling environment for digital development. Subcomponent 1.1 will support the Government's Open Net Program, which seeks to expand access to broadband services to targeted rural settlements. Subcomponent 1.2 will finance activities to enhance the enabling environment for Georgia's digital infrastructure development.

#### **Subcomponent 1.1: Supporting the Open Net Program**

The Government's Open Net Program aims to develop infrastructure to offer national open access, wholesale, broadband telecommunications services. The ON Program will fill the existing and persistent gap in middle-mile broadband infrastructure that will not be filled by private investment alone within a reasonable period. This infrastructure will provide open access wholesale connectivity to any authorized (third-party) electronic communications service provider at an open access point of presence (PoP) in that settlement. Access will be provided at regulated prices, as defined by the ComCom. Those service providers will then provide the services on commercial terms through their own last-mile infrastructures, to the settlements' households, enterprises, and organizations. The Program will thus allow SPs to expand and improve access to broadband internet in rural areas. In this way, the ON Program will extend access to broadband internet to settlements (villages and towns) across Georgia at the same quality and effective prices per unit as available in the capital.

This subcomponent will finance the design, building and installation, and activation of infrastructure in up to 800 settlements identified by the ComCom as eligible for being connected by the ON network (of a total of 2,500 settlements across Georgia). The network deployment will be phased based on objective criteria, including technical feasibility and assessment of demand in coordination with service providers. The ON network will include sections that are newly constructed and, where suitable existing infrastructure exists, the program will use that infrastructure either through leasing of capacity or the purchase of indefeasible rights of use (IRUs).

#### **Subcomponent 1.2: Improving the enabling environment for digital infrastructure**

This subcomponent will support activities to improve the enabling environment for digital infrastructure development in Georgia. This includes support to develop the legal, policy, and regulatory instruments, and design of investment attraction measures included in the action plan of

the national broadband development strategy (adopted in 2020). The subcomponent will finance activities to design and implement legal and policy reforms, and to support institutional coordination to support digital infrastructure development. It will also include technical assistance to design and implement regulatory reforms, as well as development of the IT systems and institutional mechanisms to support their implementation, including those for broadband cost reduction. The subcomponent will also include support to engage with foreign and private investors to attract investments into and develop Georgia's telecommunications infrastructure.

## **Component 2: Promoting the use of broadband-enabled digital services**

This Component will support the development of Georgia's digital economy through a strengthened enabling environment, promoting digital use-cases of broadband, and addressing barriers to the participation of individuals in the digital economy. Subcomponent 2.1 will strengthen the enabling environment to develop Georgia's digital economy. Subcomponent 2.2 will identify and promote broadband-enabled digital use-cases to help solve meaningful problems in the targeted settlements and for specific user-groups. Subcomponent 2.3 will support activities that ensure the digital inclusion of specific groups of individuals that are at risk of missing out on digital opportunities.

### **Subcomponent 2.1: Enabling environment for digital economy development**

This subcomponent will support activities to improve the enabling environment for digital economy development in Georgia. This includes support to develop the legal, policy, and regulatory instruments, and design of investment attraction measures that will be identified in the action plan of the upcoming national digital economy development strategy (planned for adoption in 2021). Specific activities will include technical assistance to design and implement policy and legal reforms, support institutional coordination, and engage with international investors to attract investments into Georgia's digital economy.

### **Subcomponent 2.2: Promoting use-cases**

The subcomponent will promote the use-cases of improved broadband connectivity in targeted rural settlements. Specific tasks include stakeholder and citizen engagement to develop and implement programs to promote use-cases in targeted settlements (in the first phase, education, health, and financial services), and mobilization of facilitators to coordinate and deliver training and outreach activities in targeted settlements. These activities will be implemented in coordination with other public agencies and entities to informing the development of digital platforms and services related to identified use-cases.

### **Subcomponent 2.3: Increasing digital inclusion**

This subcomponent will finance targeted interventions to boost the digital inclusion of rural women, social minorities, older people, and persons with disabilities. This includes the design and implementation of a mobilization and training program to address the causes of digital exclusion of the identified groups (initial focus will be on ethnic minorities, elder people, persons with disabilities, and women heading households). The project will also support the design and implementation of a pilot program to provide accessible technologies to facilitate digital accommodation for persons with

disabilities in targeted rural settlements. Support for monitoring of the impact of all Project activities, with a focus (as applicable to the settlement) on digital inclusion of women, households headed by women, older people, social minorities, and persons with disabilities, will also be included in this subcomponent.

### **Component 3: Project implementation support**

This component will support the management and implementation of the Project and associated activities, including capacity building. This would include hiring of consultants needed for key areas such as project management, technical expertise, procurement, financial management, environment and social protection, monitoring and evaluation, communications, and citizen and stakeholder engagement, to enable Project implementation. Relevant public officials will also receive trainings on climate change adaptation measures in the context of the Project, such as on emergency response procedures at times of natural disasters, to ensure rapid restoration of the telecom networks and minimize service outage.

## **1.2 Potential Resettlement Impacts**

The project will be implemented nation-wide. Construction under the project may occur in any of Georgia's nine regions (including the autonomous Republic of Adjara), and 69 municipalities. The methodology for selecting municipalities is being developed by the Open Net Georgia. The selection of targeted settlements under the Project will be discussed and agreed with the World Bank prior to the start of civil works.

The table below summarizes the likelihood and scale of possible resettlement impacts that may occur under the Project, the likelihood of such impacts, and actions to be taken in the event of their occurrence.

**Table 1. Anticipated Resettlement Impacts under the Project**

<b>Resettlement Situational Scenarios</b>	<b>Probability</b>	<b>Status/Action</b>
Temporary impact on the visual quality of private land; disturbance during construction works without any losses of income or property	Low	Allowed/ impact mitigation measures within ESMP
Temporary disturbance associated with the loss of income (Temporary losses of income for small businesses, such as commercial activities (the school cafeteria, clubs, sports, salaries of employees, etc.	Low	Allowed/ Abbreviated RAP, compensation of losses



Land take; (less than 10 affected households) Acquisition of certain part of private land parcels without or with associated loss of assets; change in use of public land under use by informal settlers	Low	Allowed/ Abbreviated RAP, compensation of losses
Temporary Impact on private land. Losses of productive assets (trees; ancillary buildings); Temporary disturbance associated with the loss of income (Temporary losses of income for small businesses outside school, such as vendors in the very close vicinity and associated with school.)	Low	Allowed/ Assistance and/or Abbreviated RAP, compensation of losses
Land take; (more than 10 affected households) Acquisition of certain part of private land parcels without or with associated loss of assets; change in use of public land under use by informal settlers	Low	Allowed/ RAP, compensation of losses
Structural demolition resulting in physical relocation of households or businesses	Low	Allowed/ RAP, compensation of losses
Loss of livelihood or reduction in income (less than 10 affected individuals)	Low	Allowed/ Abbreviated RAP (that includes livelihood restoration plan when needed), compensation of losses.
Loss of livelihoods or reduction in income (more than 10 affected individuals)	Low	Allowed/ RAP (that includes livelihood restoration plan when needed), compensation of losses.
Restriction of access to land or natural resources, including informal users	Low	Allowed/ RAP, compensation of losses

## 2. Legal and Administrative Framework

### 2.1. Institutional Responsibilities

Open Net NNLE is the Project Implementing Entity (PIU). ON is responsible for implementation of all activities of the Project, including construction and operation of the ON fiber optic broadband connectivity network. ON will be assisted by number of other government departments and private agencies in the design, implementation and operation of the project. Pursuant to the active legislation, the National Agency of Public Registry within the Ministry of Justice is in charge of recognition of ownership rights owners, registration of land ownership, based on verification and certification from village communities, notaries, rights recognition commissions at local administration/municipalities.

**Table 2. State Institutions involved in land acquisition process**

<b>Government of Georgia Agencies and Ministries</b>	
<b>Ministries and Departments</b>	<b>Responsibilities</b>
1. Ministry of Economy and Sustainable Development	Matters pertaining to the project site approval, for the projects of Specific Importance (approval within the Construction Permit).
2. Ministry of Justice - National Agency of Public Registry	Identifies the land plots and ownership rights and their registration into the Public Registry.
3. Ministry of Environmental Protection and Agriculture	Resolves the issues related to the changes of the designation of land. Site approval within the Construction Permit. Information regarding the yield capacity of given agricultural lands
4. Georgian National Tourism Administration	Site approval within the Construction Permit. Certain restrictions on construction in a sanitary protection zones of resorts.
5. Ministry of Culture and Sports	Site approval within the Construction Permit. Certain restrictions on construction in archaeologically valuable sites.
<b>Regional/ Local Authorities</b>	
<b>Regional/local Authorities</b>	<b>Responsibilities</b>
6. Local Municipality	Has the primary role in the process of legalization and registration of lands.
7. Local Town Hall	Assists PRRC in the process of authorization of application of non-rightful owners.
8. Local governing Units and their architectural and Construction service units	Implement the decisions on the land parcellation as well as they issue construction permit on Broadbent infrastructure – the I class linear building

**Table 3. The responsibilities of the entities involved in the process of expropriation as defined under the Legislation of Georgia**

Measures/activities	Responsible Body
The Minister of Economy and sustainable Development, based on information filled by implementing agency issues expropriation applications for each property where no agreement could be reached.	Ministry of Economy and Sustainable Development
Right to Undertaking Expropriation	Through the Court Decision
Conducting appraisal (evaluation) of land and real property	Independent expert invited by the Expropriator

## 2.2. Resettlement Related Legislation of Georgia

The table below provides a list of legal acts directly regulating or having relation to land acquisition issues.

**Table 4. Relevant legislation impacting land acquisition issues in Georgia**

	The Frame Legislation	Issues addressed
1	The Constitution of Georgia, August 24, 1995;	Framework legislation covering private ownership, privatization, compensation, expropriation and public information issues.
2	The Civil Code of Georgia, June 26, 1997;	Framework legislation covering Ownership Rights, Construction Rights, Servitude Rights and Necessary Right of Way issues.
3	The Law of Georgia on Agricultural Land ownership, July 02, 2019;	The law regulates ownership right for agricultural land only.
5	The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need, July 23, 1999	Eminent Domain Law – regulates expropriation of land or property for Necessary Public Needs.
6	Procedural Civil Code of Georgia, November 14, 1997	The general courts of Georgia consider the cases (including land ownership expropriation cases) according to the rules identified under the Procedural Civil Code of Georgia.
7	The Law of Georgia on Protection of Cultural Heritage, 2007	Permits and procedures for the RoW approval through Archaeological clearance (within the Construction Permit)

8	Presidential Decree No 588, October 1, 2007 about Granting of Ownership Expropriation Rights for Necessary Public Needs.	
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A more expanded review of the Georgian legislation pertinent to the resettlement issues is provided in the Annex 1 of this RPF.

Overall, the above laws/regulations provide that the principle of replacement cost is reasonable and legally acceptable. 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 incomes. Finally, these laws place strong emphasis on consultation and notification to ensure that the Project Affected People (PAP) participate in the process. As in practice, public opposition to expropriation is very strong, public authorities exercise it only when negotiations between the agency acquiring the land and the owners fail, and very rarely use eminent domain.

### **3. The World Bank Policy, Standards and Georgian Legislation**

#### **3.1. The World Bank Environmental and Social Standard (ESS) 5 on Land Acquisition, Restrictions of Land Use and Involuntary Resettlement**

All projects funded by the WB must comply with the WB environmental and social standards. The WB financed projects, in their turn, require compliance with the WB standards instruments, such as the present Resettlement Policy Framework. WB ESS5 is the ES standard guiding land acquisition, land use restrictions, and related resettlement and/ compensation issues during project implementation. In line with its responsibilities as Borrower within the Log In Georgia, Georgia is committed to implement the WB financed projects in compliance with the requirements of ESS5.

Generally, Georgian legislation is compatible with the main provisions of the WB ESS5, but a few important differences are to be noted. The WB ESS 5 is directed at improving (or at least restoring) incomes and living standards, rather than merely compensating people for their expropriated assets. This improvement of incomes and living standards broadens the objective of the standard to include the restoration of income streams and retraining of people unable to continue their old income-generating activities after displacement. The emphasis on incomes and living standards, in addition to the conventional emphasis on expropriated property, expands the range and number of people recognized as adversely affected. Recognition of this broader range of adverse impacts leads to a greater appreciation of the issues to be considered in resettlement and consequently requires careful delineation of responsibilities, elaborate risk management and explicit and distinct resettlement planning.

The WB ESS5 complements the Georgian legislation with certain additional requirements, which are mandatory for the WB financed projects. In particular, appropriate planning/management instruments must be developed prior to project appraisal, such as **Resettlement Policy Framework (RPF)** and **Resettlement Action Plan (RAP)**, as appropriate.

**Resettlement Policy Framework (RPF).** A policy framework needs to be prepared if the extent and location of resettlement cannot be known at appraisal because the project has multiple components, as typically happens in projects with financial intermediaries or multiple sub-projects. The policy framework establishes resettlement objectives and principles, organizational arrangements, and funding mechanisms for any land acquisition or resettlement impacts mitigation that may be necessary during project implementation. The framework also assesses the institutional capability to design, implement, and oversee resettlement operations.

**Resettlement Action Plan (RAP).** All projects that entail land acquisition, land use restrictions, or involuntary resettlement impacts as defined in ESS5 require a **RAP**. RAP is location-specific and comprehensive action plan including preliminary studies (socio-economic assessment, sociological survey, census, valuation of impacts, and consultation with affected persons), a set of compensation/mitigation measures for each affected person/household, and detailed implementation plan with indication of responsible parties and schedule.

The WB ESS 5. Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, has the following objectives:

- Avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives.
- Avoid forced eviction.
- 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 prior to the beginning of project implementation whichever is higher.
- Improve living conditions of poor and vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- 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.

As noted above ESS5 provides that compensation will be paid at replacement cost to affected persons, without deduction for depreciation or any other purpose. Lack of legal title should not be a bar to compensation or alternative forms of assistance in terms of livelihood restoration as needed to achieve policy objectives. An important principle of ESS5 is that compensation and resettlement subsidies, such as livelihood restoration assistance, will be fully provided to affected persons before any material impact on their property occurs.

### 3.2 Comparison of Georgian Legislation and World Bank ESS5 on Land Acquisition, Restrictions of Land Use and Involuntary Resettlement

Overall, the legislation of Georgia adequately reflects the main provisions of WB ESS 5, but a few differences are to be noted. The most significant of these differences is that under Georgian legislation/regulation, 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 WB ESS 5 emphasis is put both on the compensation of rightfully owned affected assets and on the general rehabilitation of the livelihood of the Project Affected People (PAP) and Households (AH). In addition, the legislation of Georgia does not require any specific planning/implementation instrument such as RPF or RAP based on extensive public consultations. The differences between the legislation of Georgia and WB ESS5 are outlined in Table below.

**Table 5: Comparison of Georgia Laws/Regulations on LAR and WB Resettlement Policy**

Georgia Laws and Regulations	ESS 5. Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
Land compensation only for titled landowners.	Lack of title should not be a bar to Compensation or alternative forms of assistance. Non-titled landowners may receive rehabilitation assistance and compensation for lost assets and incomes.
Only registered houses/buildings are compensated for damages/demolition caused by a project	All affected houses/buildings are compensated for the damages/demolition caused by a project
Crops and trees losses compensation provided only to registered landowners.	Crops and trees losses compensation provided to landowners and sharecrop/lease tenants whether registered or not
Land valuation based on replacement cost: (i) current market value where active land markets exist; (ii) Reproduction cost of an identical plot where no active land markets exist.	Land valuation based on replacement cost.
PAPs who have grievances can lodge their complaints at the court.	Adequate grievance redress mechanism (GRM), which consists of both formal and informal venues, should be developed and made accessible to all PAP
No formal requirements to organize public consultation to inform the PAP on the nature of the project and expected impacts	Information on quantification, affected items value assets, entitlements amounts of cash compensation financial assistance, additional rehabilitation measures is to be disclosed to the APs prior to appraisal.

#### **4. Principles of Resettlement and Land Acquisition Adopted for the Log In Georgia Project**

The overarching objective of the Project in relation to land and asset acquisition is to assist the project-affected populations (PAPs) in restoring their livelihoods at least to the level equal to the pre-project level. Therefore, during implementation ON is committed to ensure that:

1. For each subproject that involves acquisition of private land, temporary or permanent income loss, physical displacement of households or businesses, or other impact that triggers the ESS 5, a Resettlement Action Plan (RAP) will be developed in compliance with policies and procedures set out in this RPF, the WB ESS 5. and Georgian legislation.
2. ON will be responsible for the preparation and implementing the relevant RAP
3. No civil work can start at the section where impacts that trigger ESS 5. occur before a RAP implemented and compensation is paid.
4. PAP will receive compensation or support of various kinds, without regard to the status of land registration and ownership, in accordance with the entitlement matrix included in this RPF and in compliance with the active legislation of Georgia and the World Bank safeguard policy.
5. PAPs will be informed about their rights and existing alternatives;
6. PAP will be consulted on, offered choices among and provided with technically and economically feasible resettlement alternatives;
7. PAP will be offered effective compensation at full replacement cost for losses of assets;
8. PAP will be offered additional support in case impact is considered to be severe, to support their livelihood during the transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living;
9. PAP will be provided with development assistance in addition to compensation measures described, such as land preparation, credit facilities, training, or job opportunities;
10. Special attention will be paid to the needs of the most vulnerable groups of the population – children, women, the elderly, those below the poverty line, disabled, refugees, etc.;
11. A fair and accessible grievance redress mechanism will be developed;
12. Compensation measures are completed prior to startup of the particular construction activities that trigger ESS 5.



## **5. Eligibility and Entitlements**

### **5.1 Eligibility**

PAPs entitled for compensation or at least rehabilitation provisions under the Project are:

1. All PAPs losing land, or access to land, permanently or temporarily either covered by legal title/traditional land rights or without legal status;
2. Tenants and sharecroppers whether registered or not;
3. Owners of affected buildings, crops, plants, or other objects attached to the land; and
4. PAPs losing business, income, and salaries.

Compensation eligibility will be limited by a cut-off date to be set for each subproject on the day of the beginning of the Census. Persons who settle in the affected areas after a locally publicized cut-off date will not be considered project-affected, and persons initiating improvements to land or structures after a locally publicized cut-off date will not be eligible for additional compensation. They, however, will be given sufficient advance notice, of minimum 60 days, requested to vacate premises or dismantle affected structures prior to project implementation. They will be allowed to retain any dismantled structures materials and they will not pay any fine or suffer any sanction.

In the event of temporary impacts or restriction on access to public or government land, land will be restored Open Net will (or will cause the contractor) to fully restore access and land to its pre-project conditions. In temporary impacts to access to public lands, for example, grazing fields or recreational facilities, an alternative location of comparable quality and accessibility will be selected for public use of the same purpose.

### **5.2 Entitlements**

At present, the following categories of people are expected to be affected by the project (see Entitlement Matrix, below):

- Private landowners (with or without an established legal title to the land) parts of whose land may be acquired to implement subprojects.
- Private owners (with or without an established legal title to the property) whose assets such as residence, stables, workshops, fences, barns, warehouses, trees, standing crops, and other valuable assets may be damaged, purchased, or expropriated.

- PAPs (including formal and informal businesses) who experience temporary loss of income or asset as results of restriction of access to land or assets during civil works.
- PAPs (including formal and informal businesses) who experience loss of income or asset as a result of purchase or expropriation of land for implementation of subprojects.
- Leaseholders (individual and enterprise) who have lease agreements with the Municipalities or other owners in existing and alternative alignments and sites
- Informal/illegal occupants and land users on existing rights of way and new alignments and sites.

Affected persons will be compensated for land purchased for permanent structures and for servitude agreements (i.e., easements) on existing and new alignments for land they own or use, formally or informally. Affected persons (i.e., owners, informal users and leaseholders) will also be compensated for damages and structures, standing crops, trees and other economic assets that are affected. If permanent relocation is involved, whenever possible, and when acceptable to ON , the affected persons will be relocated to new properties of equal quality identified by the Project. Affected persons will be compensated for transportation costs if relocation is involved. Persons affected temporarily by construction activities will be compensated for any lost income, assets and damages.

### **5.3 Assessment of Compensation Unit Values**

The methodology for assessing unit compensation values of different items is as follows:

Agricultural Land will be valued at replacement rates according to two different methodologies depending on whether in affected areas active land markets exist or not. Where active land markets exist, loss of land will be compensated at the replacement rate based on a survey of land sales in the year before the impact survey. Where active land markets do not exist, loss of land will be compensated based on the cost of reproduction of a plot with equal characteristics, access and productivity to the plot lost. A clear valuation methodology for these cases will be detailed in RAPs.

If damages to residences or commercial structures occur, houses/buildings will be valued at replacement value based on the cost of materials, types of construction, labor, transport and other construction costs. No deductions will be applied for depreciation, salvaged materials and transaction costs.

Annual crops will be valued at net market rates at the farm gate for the first year crop. In the event that more than one-year compensation is due to PAPs, the crops after the first year will be compensated at gross market value (total farm gate sales value minus input costs).

Trees will be valued according to different methodologies depending whether the tree lost is a wood tree or a productive tree:

- Wood trees will be valued based on age category (a. seedling; b. medium growth and c. full growth) and wood value and volume.

- Fruit/productive trees will be valued based on age (a. seedling; b. adult-not fruit bearing; and c. fruit bearing) whereas trees at stage a and b will be compensated based on the standard value of the investment made; trees at stage c, instead will be compensated at the net market value of 1 year income x the number of ON needed to grow a new fully productive tree.

Project consultants based on clear and transparent methodologies acceptable to WB will assess the unit compensation rates. The assessed compensation rates will then be verified and certified by ON.

**Table 6. Entitlement Matrix**

Type of Loss	Application	Definition of PAPs	Compensation Entitlements
<b>Land</b>			
Permanent loss of land (agricultural or non-agricultural)	Agricultural, commercial, or residential land affected by permanent land acquisition	Owner with full registration	Cash compensation at replacement cost.
		Legalizable Owner	These PAPs will be legalized and provided with cash compensation at replacement cost.
		Renter/Leaseholder	Rental allowances in cash equal to 3 months of leasing costs, according to leasing fees approved by the municipalities for leasing the land of such category.
		Informal Settlers (AHs with no registration/valid documentation and not legalizable).	One time self-relocation allowance in cash The relocation allowance is not dependent on the amount of AH members or land characteristics and constitutes fixed amount per family equal to 1 year at minimum subsistence income.
Non-viable (“orphan” or “residual” land)	Land that is affected partially but to an extent that the remainder is not usable	Owner with full registration or legalizable owner (subject to legalization)	Subject to a request being lodged by the land owner, orphan land may be compensated in full if the review of the request indicates that the remainder cannot be used economically
<b>Buildings and Structures</b>			
Residential and non-residential structures/assets	Residential or non-residential structure/s or asset/s affected	All AHs regardless of their legal ownership/ registration status (including legalizable and Informal Settlers)	Full impact: Cash compensation for loss of building/ structures at full replacement costs free of depreciation, tax, and transaction costs.  Partial impact: compensation for repairs
<b>Loss Of Community Infrastructure/Common Property Resources</b>			
Loss of common property resources	Community/public Assets affected	Community/Government	Reconstruction of the lost structure in consultation with community and restoration of their functions.
<b>IDPS and Eco migrants</b>			

IDPs and Eco migrants living in municipal or other housing	Support to relocation	IDPs and Eco emigrants (displaced by conflict or natural disaster)	Assistance to the identification of suitable municipal housing in cooperation with relevant authorities in charge of support to IDPs and Eco migrants
<b>Loss of Income and Livelihood</b>			
Crops	Standing crops affected	All AHs regardless of legal status (including legalizable and Informal Settlers)	Crop compensation in cash at market rate at gross crop value of expected harvest.
Trees	Trees affected	All AHs regardless of legal status (including legalizable and Informal Settlers)	Cash compensation at market rate on the basis of type, age and productive value of the trees. In addition, trees will be cut by the construction contractor and made available to PAPs for timber
Business/Employment	Business/employment loss	All AP/AHs regardless of legal status (including legalizable and Informal Settlers)	<p>Owner:</p> <p>(i). (permanent impact) cash indemnity of 1 year net income and in the absence of tax declaration based on minimum subsistence income and technical and administrative support from the MDF to relocate the business in appropriate premises</p> <p>(ii) (temporary impact) cash indemnity of net income for the months of business stoppage. Income will be calculated based on tax declaration or in its absence on minimum subsistence income.</p> <p>Permanent worker/employees:</p> <p>(i) indemnity for lost wages equal to 3 months of minimum subsistence income</p> <p>AND</p> <p>(ii) support to business owner to relocate the business as quickly as possible (see above) AND</p> <p>(iii) support from MDF to enrolment into existing livelihood restoration programs such as business training and micro-credit</p>
<b>Allowances</b>			

Severe Impacts	>10% land impact Physically displaced households Owners of businesses that have to interrupt activity permanently or temporarily	All severely affected AHs including informal settlers	Agricultural income: additional crop compensation covering 1-year yield from affected land. Other income: additional compensation for 3 months of minimum subsistence income.
Relocation/Shifting	Transport/transition costs	All AHs to be relocated	Provision of allowance covering transport expenses. If the PAP left residential house but over a certain period of time due to objective reasons could not move in a new one will be get relevant rental allowances
Vulnerable People Allowances	Households affected belonging to vulnerable category	AHs below poverty line, headed by women, disabled or elderly, IDP households	Allowance equivalent to 3 months of minimum subsistence income and employment priority in project-related jobs
<b>Other Losses</b>			
Temporary land use during construction		All AHs	A Rent fee will be assessed and paid based during construction.
Damages during construction		All AHs	Case by case basis: In close communication with beneficiaries, Damages will be restored or compensation will be assessed and paid by the contractor based on rates in this RPF if damages occur during construction.

## 6. Implementation

This policy framework will be implemented in four stages, each of which is described briefly below.

a) **Resettlement Screening and Scoping.** The project environmental and social specialist will ensure that TOR for the Feasibility Studies (FS) and EIA for each subproject (including the private sector investments to be supported under Component 1.2) includes resettlement screening/scoping paragraph. Resettlement screening will provide sufficient information to determine whether the subprojects involve resettlement impacts as defined in this framework and under ESS 5, and to identify broad scope and scale of impact. All measures will be taken to avoid activities that require physical resettlement of households or businesses.

b) **Preparation of RAPs.** The Consultant to be hired by ON to conduct the FS will, at an early phase of the FS, carry out a field survey and consult with the land cadaster, to determine if ESS 5 is triggered. If it is determined that resettlement impacts will occur, then the Consultant will prepare abbreviated RAP, under the guidance of the environmental and social specialist of ON. The environmental and social specialist will swiftly inform the Bank task team that resettlement impacts are expected and that a RAP will be prepared. If it is determined that there are no resettlement impacts as per ESS 5, the FS for the particular subproject will clearly state to the effect. A sample outline of Abbreviated RAP is included in Annex 2. Activities that may cause impacts on more than 200 affected persons thus requiring preparation of ‘full RAP’ will not be eligible under the project.

Once it is determined that resettlement impacts will occur, ON is responsible for RAP implementation. ON will establish special Commission (RAP Implementation Unit) consisting of municipal officials, head of land use and land management services of municipalities, heads of other relevant services of Municipalities, head of legal services, the environmental and social specialist and the lawyer of ON etc. The Working Group will consist of specialists of the land use and land management services of Municipalities (topographers, GIS and land cadaster specialists, etc.), highly skilled experts of economic and law procured to fit the purpose. On a basis of agreement with ON management and the Commission, if necessary, the structure of the Working Group can be expanded on the account of the invitation of professionals of different spheres in view of the specification of the concrete project.

ON will also procure Consultant to prepare a RAP that complies with this RPF and ESS 5 for each subproject requiring RAP. ON will ensure that RAP preparation process will meet Bank’s consultation and disclosure requirements and will submit draft RAPs to the Bank and other stakeholders for review and clearance. Approval of the RAP by the Bank is required before imposition of impacts and initiation of works.

The preparation and implementation of RAP includes the following steps:

1. The preliminary screening and identification of the key problems, selection of the appropriate mechanisms for the organization of the resettlement as well as the collection of the information necessary for the preparation of resettlement actions under the component



or sub-component of the Project linked with the resettlement. The use and details of such working mechanisms on the settlement depend on the scales and complexity of the supposed action.

2. The disclosure of all legal and physical entities affected by the resettlement, the collection of related socio-economic information about all affected people.
3. The appointment and announcement of the cut-off date by which affected persons will be identified.
4. All claims for compensations received after the cut-off date will not be eligible; this includes properties and assets appearing on the site after the cut-off date, and 100% census of affected persons and assets.
5. The elaboration of the compensatory strategy and valuing of the compensatory measures. The certified appraiser shall be engaged in the evaluation of the properties and assets. The consultations with affected people on the compensatory measures.
6. The development of the resettlement schedule and procedures, including timely and adequate disclosure of information and consultations with all affected people.
7. The implementation of RAP including defining implementing actors/agencies and their responsibilities
8. The audit and monitoring of RAP.

c) **Implementation of the RAPs.** ON with participation of local municipality will be responsible for the implementation of the RAP. Compensation/rehabilitation measures will be implemented as the civil works progress but prior to the start of the construction on the particular section where land acquisition will take place.

The details of land acquisition procedure will be spelled out in RAP(s), but they will include:

- Initial consultation with PAP to notify about the project and types of identified social and environmental impacts, including resettlement impacts
- Census, geographic survey and socioeconomic survey of PAP
- Determination of PAP and scope/ scale of impact on each PAP
- Compensation package and drafting of RAP
- Consultation with each PAP
- Negotiation with PAP and payment of compensation
- Payment of compensation and implementation of rehabilitation measures

In the process of implementation of concrete projects, the most important function of Open Net in collaboration with local authorities is to check the alienation of affected land and the demarcation made by the contractor, also to correct measuring and inventory data stipulated by project possible changes. Open Net and the local government representative assigned to support RAP implementation will work closely with local residents. Namely, the process of creating an inventory of impacts will include as witnesses the owner, also his/her neighbors, representatives of Sakrebulo and, if applicable, rayon administration. When developing an inventory of impact, the Demarcation

Act, similar to what is developed for the East-West Highway Improvement project and attached to the RPF, will be developed and used to ensure that all stakeholders, including the affected persons, their neighbors, the Municipality and the representative of ON agree on the scope and scale of impact.

In accordance with approved RAP and active legislation, ON will prepare all necessary documentation (extract from public registry, demarcation act, audit conclusion, copy of ID, bank requisites, etc.), which should be presented then to the Commission. Based on these submitted documents the Commission makes a decision concerning the delivery of compensation and in case of owner's consent makes a deed of purchase. Based on contract with the owner the amount will be transferred to his/her private bank account, and afterwards ON will obtain the right to the land.

If ON fails to reach agreement over terms of compensation, then it may either revise the design of civil works to accommodate requests of PAP, or start a process of expropriation. The Constitution of Georgia establishes the right to involuntary expropriation of property for public needs. The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need (July 23, 1999) defines the procedures, obligations and the rules of implementation of expropriation. The permit on property expropriation should be issued by the District (City) Court Decision. Expropriation can be undertaken only after the compensation that regional court has judged as fair and equal to the market value has been paid to the relevant land owners. The PAP may lodge a complaint over the amount compensated, however, the Municipality will be granted right to expropriate and initiate civil works once the court decision for expropriation is established and compensation as considered fair by the court is paid into the PAP.

The project shall resort to property expropriation only in exceptional cases as the last resort: (i) when negotiation over the purchase price of land and other project-affected properties fails; and (ii) re-design of investments is impossible. When an empty land or abandoned structures whose owners cannot be physically identified needs to be acquired, the compensation amount due to the PAP shall be deposited in an escrow account and saved at the bank account, and the notice will be posted in national newspapers, until the PAP is identified.

The elaborated RAP shall cover the aspects below:

1. Identify all residents to be displaced or affected by the project;
2. Explain the reasons and efforts made to avoid or minimize the resettlement; or negative impacts;
3. Describe the consultation process with the affected people, including all reasonable alternatives discussed and the participation of the people of the people in decision-making process;
4. Describe the rights of all categories subject to the resettlement;
5. Give the examples of compensation rates for the loss of the properties and prove the adequacy of such rates, i.e. the equality of the rates to the replacement costs, at least (the total sum needed for the property replacement);

6. Describe the assistance that will be rendered during the resettlement;
7. Describe the institutional responsibilities for RAP and the grievance redress procedure and mechanisms;
8. Describe the monitoring and evaluation measures for the Project implementation;
9. Describe the schedule and budget assigned for RAP implementation;
10. Describe the assistance rendered to the most vulnerable groups;
11. Describe the measures aimed at the adaptation of the resettled people.

The approval of each RAP by the World Bank is required prior to displacement and initiation of works.

#### **d) Methods of consultations with and participation of affected people**

The ESS5 envisages the following measures:

- i) The project affected people shall be duly informed about the opportunities and rights during the resettlement;
- ii) The people shall participate in the consultations and may select among the various resettlement options reasonable technically and economically.

The public consultations shall be carried out at every stage of the resettlement:

- At the preliminary stage;
- During the resettlement;
- At the stage of monitoring and evaluating the adequacy of compensatory measures and resettlement.

Special attention shall be paid to the consultations with the most vulnerable groups, such as elderly, persons with disabilities, ethnic minorities, among others. The PIU would include tailored outreach and communication measures (e.g., special transportation, individual consultation with households, translation and/or interpretation into the main language spoken by the PAPs, etc.) to ensure their meaningful participation. The PIU shall promote the decision-making process related to the resettlement among the public. The PIU shall prepare the program of consultations comparable with the scope of resettlement or other negative impacts.

The key method of the consultations is the public hearings aimed at the discussion of the resettlement and its consequences. The owners and users of the affected properties and assets shall be invited to participate in the discussion. According to the Georgian legal frameworks, the appropriate municipalities and/or other authorities are responsible for the public hearings. PIU shall not transfer the task to the municipal authorities, but engage the independent consultants who undertake the necessary steps to guarantee the consultations with the affected people. The content and results of the consultations shall be recorded and kept together with other Projects documents and submitted to the World Bank as well.

Besides the public hearings it is essential to conduct the series of consultations with various groups/particular representatives depending on the volume of resettlement actions. The results of the consultations shall be recorded, signed by PIU and the representative of the affected people. All documents relevant to Project Affected Persons such as Resettlement Policy Framework, Resettlement Action Plans, contact and process information on grievance mechanisms, time and agenda of public consultations will be disclosed publicly by the PIU and municipal authorities.

E) **Monitoring.** ON and Municipalities will develop a mechanism to monitor implementation of the RAPs. RAP implementation, depending on the scale of RAP will be conducted by Open Net staff, or by Open Net staff with the support of RAP Consultant team. During RAP implementation, Open Net – via its Environmental and Social Specialist and in close collaboration with local authorities – will ensure that all provisions of the RAP are followed. At the completion of each RAP Open Net will produce a brief RAP Completion report assessing adequacy of the RAP implementation, including among others:

- The compliance with the RAP eligibility and entitlements;
- Adequacy of the public consultations and engagement of PAPs;
- The successful completion of the displacement process (ensuring that no PAPs are in worse-off position, and that assets and livelihoods of vulnerable PAPs are improved as a result of resettlement activities);
- The assistance and support of the vulnerable groups of the population;
- The impact on the living standards of the resettled people;
- The resettlement costs and compliance with the budget;
- Adequacy and functioning of the grievance redress mechanism;

At any stage of RAP implementation, Open Net should maintain up-to-date records and be able to report on:

- The monitoring indicators for every sub-project include as follows:
- Number of households to be displaced, including number of people in every household;
- Number of legal entities subject to the resettlement, including number of employees;
- Number of resettled households, including number of people;
- Number of resettled legal entities, including number of employees;
- Number of individuals/households whose income lessens due to the sub-project and related works (number of people);
- Number of individuals/households, who received the support in search for the alternative income sources (number of people);
- Number of redressed grievances;
- Number of settled complaints;

- The sums of monetary compensations;
- Types and value of non-cash compensations;
- Types of rendered assistance (except for compensations).

## **7. Grievance Redress Mechanism**

The Project implementing entities will put in place a Grievance Redress Mechanism, by way of which any citizen may submit feedback, questions, or complaints throughout the project implementation. ON will be specifically responsible to address grievances that relate to construction activities or impacts. The Stakeholder Engagement Plan of the Log In Georgia Project provides a full description of the project grievance redress mechanism. Construction-related grievances may refer, for example, to intensive schedule of construction activities; inappropriate timing of construction vehicle flow; waste; noise and air pollution from construction activities; ecological disturbances; compensation or other resettlement and environmental issues that are likely to arise from the Project activities.

According to the existing legal and administrative system in Georgia, there are several entities responsible for addressing environmental complaints of population and interested parties. The administrative bodies directly responsible for environmental protection within the subprojects areas are MEPA and municipalities administrations. The affected population and stakeholders may send their grievances, related to the project-induced environmental impacts directly to the mentioned administrative bodies responsible for environmental protection.

A Grievance Redress Mechanism (GRM) will be set up for the Project to deal with both the environmental and social issues of the subprojects. Grievances can be submitted either on site by using grievance box or using other channels such as e-mail, phone number, web page. The grievance forms will be available on site and stakeholders can fill anonymous complaints if needed. If grievances are submitted on site, Contractor Company will be responsible for logging complaints and solve them according to Stage 1. In case contractor cannot solve the complaint ON will be involved in the process as it is described on Stage 2. The Supervision Company will be responsible for receiving complaint log from Contractor Company and sharing it with ON. Stakeholders have the opportunity to use one of the stages for submitting grievances. They can directly apply to stage 2.

All verbal or written complaints or grievances will be logged immediately after receiving to the contractor or to ON. Complaints will be responded according to Georgian legislation. Individuals can request the right to have their name kept confidential and this mechanism does not preclude the right for stakeholders to process grievances through other judicial means.

ON will provide training and awareness raising to communities, project-affected persons, Contractor, and Supervisor staff on the GRM. ON will frequently monitor contractor's GRM logs, collect information from them, and maintain a consolidated GRM log for the Project.

Grievances submitted will be solved and followed-up in accordance with the procedures given below:

Stage 1 – Contractor Company with Supervision Company receives and solves complaints. If at Stage 1 the project-affected person's (PAP) complaint is not solved, the PAP should be informed about grievance resolution procedures of Stage 2. The PAP has the right to use the procedures of Stage 2 without applying to Stage 1 procedures. ON will be aware of all the grievances submitted at Stage 1 through the logbook, and will monitor their resolution remotely.

Stage 2 – ON receives and solves complaints of PAP's which were not satisfied at the Stage 1. GRC exists at ON and in a need basis GRC shall make decision in compliance with the Administrative Code of Georgia.

The PAP has the right to apply to the Court in case his/her complaint was not resolved on the Stage 1 and Stage 2.

Grievance redress procedures of Stage 1 are an informal tool of dispute resolution allowing the PAPs and project implementation team to resolve the disagreement without any formal procedures, procrastination and impediments. The international experience of resettlement shows that such informal grievance redress mechanism helps to solve most of the complaints without formal procedures (i.e. without using the procedures specified in the Administrative Code or litigation). This mechanism enables unimpeded implementation of the Project and timely satisfaction of complaints.

PAPs shall be fully informed of the grievance redress mechanism, its functions, procedures, contact persons and rules of making complaints through oral information and booklets during the public consultation meetings. Contact information regarding GRM focal points will be available on the informational banners at each construction site. Every verbal/written complaints will be recorded and grievance log managed by ON .

## ANNEX 1. SYNOPSIS OF SELECTED GEORGIAN LAWS AND REGULATIONS ON RAP

### Framework Legislation

#### **The Constitution of Georgia, August 24, 1995;**

The Constitution determines the essence of **private ownership** and defines presumption of inviolability however also determines the issues related to legislative frames of **compensation** issues and **expropriation** of land and immovable property for necessary public need. The Constitution of Georgia ensures the **publicity** of information. Pursuant to the Article 19 of the Constitution of Georgia "the right of ownership and inheritance is declared and secured". Nobody is eligible to cancel the universal right of ownership and legacy. Throughout of the necessary public need or in case of emergency necessity the Article 19.3 of the Constitution the expropriation of the private ownership is allowed however, only according to the Court Decision or under the rules identified in the organic laws on basis of the appropriate (fair) reimbursement. The present law regulates **privatization** issues of the existing lands at state ownership and out of subject its topicality less presumable (Existing private owned land parcels assignation to the State). **Herewith is to be noticed that in present some draft law is submitted to the Parliament and after they are adopted they may make influence of the discussion of the existing document.** Organic law is among Constitution and other laws in the hierarchy of the legislation, which underlines its particular importance. Other articles of the Constitution also create legislative basis related to resettlement measures of the motor road construction. **This includes State expropriation of land for urgent public necessity by power of eminent domain, information disclosure and public consultation, protection of cultural property, and grievance resulting** from land acquisition and displacement of the population. The stated regulations create the set of procedures that allow obtaining the land ownership rights for road construction from private owners.

The Article 31 of the Constitution makes the citizens eligible to claim, in particular protects them and encourages appealing to the court for protection of their rights and freedom.

#### **The Civil Code of Georgia, June 26, 1997;**

The Civil Code of Georgia regulates private civil relationships, and it evolves property rights, the law of obligations, family law and the law of inheritance. Those regulations of the Civil Code particularly relevant in the property law section where the ownership, construction and servitude rights are discussed, and other type rights directly spreads on the existing project.

**Ownership Rights.** The ownership right entitles its beneficiary to freely possess and use property. Mentioned right can be limited within legislative or other agreement. Ownership on the land parcel gives implicit right to land owner to implement construction activities if it is not restricted by any agreement or law.

**Construction Right.** The owner is allowed to transfer a land plot to another person in temporary usage (not to exceed 59 years) for charge or free of charge. The transferee obtains the right to build a building/construction on or under the land plot, as well as to assign and transfer this right under inheritance or tenancy, borrowing or renting. The construction right may cover such part of a land plot that is not necessary for the actual construction but allows a better use of the facility constructed on the basis of the construction permit. Termination of the construction right requires consent from the landowner. However, as the terms of construction right refer to motor road construction aside to this approach also possible to be utilized the right to request necessary right of way. On the basis of the Article 180 of this Code, if a land parcel lacks the access to public roads that are necessary for its adequate use, the other owner may claim from a neighbor to tolerate the use of his land parcel by the owner for the purpose of providing the necessary access. The mentioned article may be used for road construction, though the determination of necessary right of way is rather complicated procedure

and in case of road construction evolves the obligations to prove the existence of the elements of such rights. In case of necessary right of way, the implementer of road project shall have the right to undertake road construction notwithstanding the owner's will.

It should be noted also Servitude Right on the property, that due to Georgian Civil Code presents establishment the limits on land parcel or on other property in favor to other land parcel or owner of the property (beneficiary). The Beneficiary is granted the right to use land parcel under restriction with some conditions and /or restrict concrete activities or prohibits land owner from using significant rights against this land parcel. Necessary Right of Way. The Georgian Civil Code gives utilities and state agencies the ability to obtain rights of way under the Necessary Right of Way provision

However, in regard with this project, any rights (among them ownership, construction, inevitable road or servitude) the terms and conditions for transfer the right for construction shall be defined against each land parcel in accordance to the identified rules and on the basis of entered and registered agreement entered by a landowner and the party holding the corresponding right of construction.

### **Land and Property Ownership Related Legislation**

In Georgia, land acquisition for public use is governed by the following laws, reviewed below:

#### **Legislation and Procedures Related to Expropriation of Ownership**

In Georgia the legislative acts given below regulate the issues related to legal ownership rights to land and real property and the expropriation of land for public needs: The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need July 23, 1999 and Procedural Civil Code of Georgia.

In general terms, the above-listed laws and regulations give the possibility of applying the following three mechanisms for legal application of the property rights:

- Obtaining the right on way without expropriation though the payment of due compensation
- (on the basis of negotiations or a court decision) prior to commencement of the activities;



- Expropriation which gives the possibility of obtaining permanent right to land and/or necessary road on the basis of Eminent Domain Law or a court decision through the payment of due compensation;
- Expropriation of ownership for urgent public necessity, which gives the possibility of obtaining permanent rights on land and/or necessary road for the purpose of national security or accident prevention. Expropriation is to be made on the basis of the

In more details the legal requirements and procedures are described below:

### **The Law of Georgia on the Rules for Expropriation of Ownership for Necessary Public Need July 23, 1999**

The aim of this Law is to determine rules of granting the Right to Expropriation for pressing public needs and rules of implementing Expropriation. Expropriation for pressing public needs may be effected on the basis of an Order issued by the Georgian Minister of Economy and Sustainable Development (hereinafter, “the Minister) and a court decision, in favor of a State body, a local self-governance body, a public law entity or a private law entity, which has been granted the Right to Expropriation under this Law.

It is allowed to take away property for pressing public needs in accordance with Article 19 of the Georgian Constitution. The Right to Expropriation may be granted through an Order issued by the Minister and by a decision of a court. A ministerial order shall determine the inevitability of expropriation for pressing public needs and the subject who may be granted the Right to Expropriation.

Only a court may decide on expropriation. A court decision must indicate the State body, the local self-governance body, the public law entity or the private law entity, which has been granted the Right to Expropriation. A court decision shall also include a detailed description of the property subject to expropriation and a reference to the obligation to provide the proprietor with proper compensation.

After the relevant ministerial order has been promulgated, the person seeking the Right to Expropriation shall provide every proprietor whose property is subject to Expropriation with information, which shall be published in the central and the relevant local press. The information shall include a brief description of the project, the scope and the territorial area of its implementation, and the property that may be subject to expropriation.

Every proprietor indicated in the first paragraph shall also be informed about the date when the application has been lodged with the court and the scheduled date of hearing the application by the court.

District (town) courts are empowered to decide on granting the Right to Expropriation.

A person seeking the Right to Expropriation shall apply to a district (town) court with an application for granting the Right to Expropriation. The application shall include

- (a) The name of the district (town) court;
- (b) The name and the legal address of the applicant;
- (c) The first name, the last name and the address of the representative, if the application is being lodged by a representative;

- (d) The applicant's request;
- (e) Circumstances on which the applicant bases his/her request; (f) Evidence corroborating these circumstances;
- (g) A list of documents attached to the application.

3. An application shall also be accompanied with:

- (a) A detailed description of a project for which the Right to Expropriation is being sought;
- (b) A relevant ministerial order
- (c) A detailed description of the property subject to expropriation;
- (d) A document confirming that the information indicated in Article 4 of this Law has been published. A district (town) court will hear the application according to this Law and in accordance with terms and rules prescribed by the Georgian Civil Procedure Code. A decision of a district (town) court will be enforced pursuant to rules applicable to decisions subject to immediate enforcement. If an Expropriator and a proprietor cannot agree about a market value of the property or a compensation sum or another property to be transferred to the proprietor as compensation, each party shall have the right to file a lawsuit with a court having jurisdiction over the subject matter. An Expropriator's lawsuit must be accompanied with:
  - (a) A detailed description of the property subject to Expropriation;
  - (b) Documents confirming the existence of a pressing public need for expropriating the property;
  - (c) Documents about the project to be implemented for pressing public needs;
  - (d) A district (town) court decision granting the Right to Expropriation.

3. A court is authorized to determine the type of compensation of the property subject to Expropriation on its own, based on a reasoned motion of a party. A court is authorized to appoint an independent expert to have the property evaluated, according to rules prescribed by the Georgian Civil Procedure Code. An independent expert shall, within a term indicated, furnish the court with a report about market values of the property subject to expropriation and other property offered to the proprietor as compensation in lieu of his/her property. Based on the expert's report and evidence submitted by the parties, a court will make a final determination about the value of compensation to be awarded to the proprietor in exchange for the property subject to Expropriation.

#### **Procedural Civil Code of Georgia, November 14 1997, as amended;**

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

The Procedural Civil Code of Georgia also regulates those cases when determination of the defendant is impossible. This may be important for the Project in the cases when the landowner is not found and correspondingly ownership to his/her land parcel cannot be obtained in legally valid manner, i.e. it is impossible to enter corresponding agreement with the landowner or him/her cannot sign other type of document.

According to article 18 of the Procedural Civil Code of Georgia if the claim refers to real property the claimant has the right to submit a claim to the court against the owner according to the land parcel location.

According to Article 78, of the Procedural Civil Code, when the location of the defendant is unknown, there are two alternative ways to provide him/her the information on lawsuit: (1) notice of lawsuit appointment is delivered to local self-government or government bodies; or (2) makes a

decision on public notification through publication. Public notification is in written format and contains major data of the documents that the defendant shall be introduced to. Public notification is placed on the Board for Applications in the Court. However, the claimant is eligible to ensure the distribution of public notification on its own expenses.

In both cases, the Civil Code defines one-month term for considering the notification on appointment of a lawsuit as delivered. However, the legislation allows the Court to extend this term not more than for a month. The consideration of notification on application of a lawsuit as delivered allows the judge to conduct the sitting of the court and make a default judgment in regard with real property.

### **Summary**

Overall the above laws/regulations provide that the principle of replacement cost compensating at market value is reasonable and legally acceptable. The laws also identify the types of damages eligible to compensation and indicate that compensation is to be given both for loss of physical assets and for the loss of incomes. Finally, these laws place strong emphasis on consultation and notification to ensure that the AP participate in the process. As in practice, public opposition to expropriation is very strong this instrument to acquire land is used only in extreme cases when negotiations between the agency acquiring the land and the owners fail. Usually once public interest is established, the investor (RDMRDI, in this case) negotiates compensation for the sale or use of land with landowners and land users. **Other Laws having regard to the land acquisition process.**

### **Government Ordinance N134 04.07.2007 on Protecting linear structures of electronic communication networks and defining their protection zones.**

This act defines the protection zones for different types of electronic communication lines and sets number of restrictions for construction and other activities (including activities by land owners) in such zones without the permit of the owner of certain line.

### **Public Registry Instruction (Order of the Ministry of Justice of Georgia – 31.12.2019, N487).**

4th and 10th paragraphs of Article 15 of the abovementioned document set the regulation, that the linear structures (e.g. electronic communication networks), including Open Net's ones, are subjects of property rights that ARE INDEPENDENT FROM PROPERTY RIGHTS ON THE LAND PLOT itself. Thus: this regulation, in case the cable is to be deployed in the private land plot, prevents the need of obtaining property rights on such land plot by the cable owner, as servitudes would be enough for such situations.

## **ANNEX 2. Outline of Abbreviated Resettlement Action Plan**

This section provides an annotated outline for a Resettlement Action Plan. The outline is adapted from the World Bank, Resettlement and Rehabilitation Guidebook, which is available on CD-ROM from the World Bank Info Shop. Excerpts from the Guidebook, as well as other information related to resettlement, can be found on the World Bank-internet web site.

### ***Introduction***

- Briefly describe the project.
- List project components including associated facilities (if any)
- Describe project components requiring land acquisition and resettlement; give overall estimates of land acquisition and resettlement.

### **Minimizing Resettlement**

- Describe efforts made to minimize displacement.
- Describe the results of these efforts.
- Describe mechanisms used to minimize displacement during implementation.

### **Census and Socioeconomic Surveys**

- Provide the results of the census, assets inventories, natural resource assessments, and socioeconomic surveys.
- Identify all categories of impacts and people affected.
- Summarize consultations on the results of the various surveys with affected people.
- Describe need for updates to census, assets inventories, resource assessments, and socioeconomic surveys, if necessary, as part of RAP monitoring and evaluation.

### **Legal Framework**

- Describe all relevant local laws and customs that apply to resettlement
- Identify gaps between local laws and World Bank Group policies, and describe project-specific mechanisms to address conflicts.
- Describe entitlement policies for each category of impact and specify that resettlement implementation will be based on specific provisions of agreed RAP.
- Describe method of valuation used for affected structures, land, trees, and other assets
- Prepare entitlement matrix.

## **Legal Framework**

- Does the project require community relocation sites? Have affected people been involved in a participatory process to identify sites, assess advantages and disadvantages of each-site, and select preferred sites?
- Have the affected people been involved in developing an acceptable strategy for housing replacement? Will new housing be constructed/allocated?
- Does the project involve, allocation of agricultural land or pasture/rangeland? Have the individual households that will be allocated lands been involved in identifying-potential new sites, and have they explicitly accepted the selected sites?
- Describe the specific process of involving affected populations in identifying potential housing sites, assessing advantages and disadvantages; and selecting sites.
- Describe the feasibility studies conducted to determine the suitability of the proposed sites, including natural resource assessments (soils and land use capability, vegetation' and livestock carrying capacity, water resource surveys) and environmental and social impact assessments of the sites.
- Demonstrate that the land quality sand area are adequate for allocation to all of the people eligible for allocation of agricultural land. Provide data-on land, quality and capability, productive potential, and quantity.
- Give calculations relating to site requirements and availability.
- Describe mechanisms for:1) procuring, 2)developing and 3) allotting resettlement sites, including the awarding of title or use rights to allotted lands.
- Provide detailed description of the arrangements for site development for agriculture, including funding of development costs.
- Have the host communities been consulted about the RAP? Have they participated in the, identification of likely impacts on their communities, appropriate mitigation measures, and preparation of the RAP? Do the host communities have a share of the resettlement benefits?

## **Income –Restoration**

- Are the compensation entitlements sufficient to restore income streams for each category of impact? What additional economic rehabilitation measures are necessary?

- Briefly spell out the restoration strategies for each category of impact and describe their-institutional, financial, and technical aspects.
- Describe the process of consultation with affected
- populations
- and their participation in finalizing strategies for income restoration.
- How do these strategies vary with the area of impact?
- Does income restoration require change in livelihoods, development of alternative farmlands or some other activities that require a substantial amount of training, time for preparation, and implementation?
- How are the risks of impoverishment to be addressed?
- What are the main institutional and other risks for the smooth implementation of the resettlement programs?
- Describe the process for monitoring the effectiveness of the income restoration measures.
- Describe any social or community development programs currently operating in or around the project area. If programs exist, do they meet the development priorities of their target communities? Are there opportunities for the project proponent to support new programs or expand existing programs to meet the development priorities of communities in the project area?

### **Institutional- Arrangements**

- Describe the institution(s) responsible for delivery of each item/activity in the entitlement policy; implementation of income restoration programs; and coordination of the activities associated with and described in the resettlement action plan.
- State how coordination issues will be addressed in cases where resettlement is spread over a number of jurisdictions or where resettlement will be implemented in stages over a long period of time.
- Identify the agency that will coordinate all implementing agencies. Does it have the necessary mandate and resources?
- Describe the external (non-project) institutions involved in the process of income restoration (land development, land allocation, credit, and training) and the mechanisms to ensure adequate performance of these institutions.
- Discuss institutional capacity for and commitment to resettlement.
- Describe mechanisms-for ensuring independent monitoring, evaluation, and financial audit of the RAP and for ensuring that corrective measures are carried out in a timely fashion.

### **Implementation Schedule**

- List the chronological steps in implementation of the RAP, including identification of agencies responsible for each activity and with a brief explanation of each activity.
- Prepare a month-by-month implementation schedule (using a Gantt chart, for example) of activities to be undertaken as part of resettlement implementation.
- Describe the linkage between resettlement implementation and initiation of civil works for each of the project components.

### **Participation and Consultation**

- Describe the various stakeholders.
- Describe the process of pron0oting consultation/participation of affected populations and stakeholders in resettlement preparation and planning.
- Describe the process of involving affected populations and other stakeholders in implementation and monitoring.

- Describe the plan for disseminating RAP information to affected populations and stakeholders, including information about compensation for lost assets, eligibility for compensation, resettlement assistance, and grievance redress.

### **Grievance Redress**

- Describe the step-by-step process for registering and addressing grievances and provide specific details regarding a cost-free process for registering complaints, response time, and communication modes.
- Describe the mechanism for appeal.
- Describe the provisions for approaching civil courts if other options fail.

### **Monitoring and, Evaluation**

- Describe the internal/performance monitoring process.
- Define key monitoring indicators derived from baseline survey. Provide a list of monitoring indicators that will be used for internal monitoring.
- Describe institutional (including financial) arrangements.
- Describe frequency of reporting and content for internal monitoring.
- Describe process for integrating feedback from internal monitoring into implementation.
- Define methodology for external monitoring.
- Define key indicators for external monitoring.
- Describe frequency of reporting and content for external monitoring.
- Describe process for integrating feedback from external monitoring into implementation.
- Describe arrangements for final external evaluation

## ANNEX 3. Sample of the Demarcation Act

Demarcation act N

of the  
Land Parcel located within the  
Georgia Road Construction Project affected area

Date: \_\_\_\_\_ 2014

Land Parcel Location: \_\_\_\_\_ Rayon, Village \_\_\_\_\_

We,

\_\_\_\_\_  
(Names of: the landowner, village Municipality Rtsmunebuli, representative of Rayon  
Municipality  
Gamgeoba, surveyor)

Composed the hereby Act on the following:

1. In respect with Georgia, -----Auto Road -----  
Section Road Construction Project the survey and demarcation activities have been undertaken to  
land parcel located on the territory of village \_\_\_\_\_ and is under private ownership of

\_\_\_\_\_  
(landowner's full name and ID number)

2. The location and the boundaries of the stated land parcel are endorsed and confirmed

by: Chief land arranger of \_\_\_\_\_ rayon:

\_\_\_\_\_  
Owner of the land parcel:

\_\_\_\_\_  
Owner(s) of the adjacent land parcel:

\_\_\_\_\_  
Full name: \_\_\_\_\_

Representative (Rtsmunebuli) \_\_\_\_\_ rayon Municipality in village \_\_\_\_\_  
of

3. We, hereby endorse the fact of conducting Demarcation and survey activities to the stated Land Parcel:

Land parcel Owner:

\_\_\_\_\_  
Full name: \_\_\_\_\_

Representative (Rtsmunebuli) \_\_\_\_\_ rayon Municipality in village Agaiani  
of

Land surveyor:

\_\_\_\_\_  
Representative of \_\_\_\_\_ rayon Municipality Gamgeoba



## **ANNEX 4. Minutes of Public Consultation Meeting on the RPF**

LOG IN GEORGIA Project

Public Hearing

On

Environmental and Social Environmental Impact Management and Resettlement Policy  
Frameworks

