



Roads Department of Georgia

Project Number: 51257-001  
June 2023

# North–South Corridor (Kvesheti-Kobi) Road Project Livelihood Restoration Plan

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

## ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AH	Affected Household
AP	Affected Person
CNA	Community Needs Assessment
CSC	Construction Supervision Consultant
DD	Detailed Design
EMA	External Monitoring Agency
ESIA	Environmental and Social Impact Assessment
EWHCI	East West Highway Corridor Improvement Project
FAO	Food and Agriculture Organization of the United Nations
FGD	Focus Group Discussion
FS	Feasibility Study
GoG	Government of Georgia
GRCN	Grievance Redress Commission
GRM	Grievance Redress Mechanism
HH	Household
IA	Implementing Agency
Km	Kilometer
LARP	Land Acquisition and Resettlement Plan
LEPL	Scientific-Research Centre of Agriculture
LRP	Livelihood Restoration Plan
MOES	Ministry of Economic and Sustainable Development
MEPA	Ministry of Environmental Protection and Agriculture of Georgia
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MRDI	Ministry of Regional Development and Infrastructure
PR	Public Relations
PRRC	Property Rights Recognition Commission
NGO	Non-governmental Organization
RD	Roads Department of the Ministry of Regional Development and Infrastructure of Georgia
ROW	Right of Way
SES	Socioeconomic Survey
SPS	Safeguard Policy Statement

## GLOSSARY

<b>Affected Household (AH)</b>	All members of a household residing under one roof and operating as a single economic unit, who are adversely affected by the Project. It may consist of a single nuclear family or an extended family group.
<b>Affected People (AP)</b>	Individuals affected by Project-related impacts.
<b>Eligibility</b>	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.
<b>Entitlement</b>	Means the range of measures comprising cash 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.
<b>Land Acquisition</b>	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 favor of the State due to the implementation of the Project or any of its components in return for consideration.
<b>Replacement Cost</b>	Means the method of valuing assets to replace the loss at market value, or its nearest equivalent, plus any transaction costs such as administrative charges, taxes, registration, and titling costs. Where national law does not meet this standard the replacement cost will be supplemented as necessary. Replacement cost is based on market value before the project or dispossession, whichever is higher. 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.
<b>Rehabilitation</b>	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 seriously 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.
<b>Resettlement</b>	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.
<b>Land Acquisition and Resettlement Plan</b>	Means the time-bound action plan prepared to compensate and/or mitigate the impacts of resettlement.
<b>Relocation</b>	Means the physical shifting of APs from his/her pre-project place or residence, place for work or business premises.
<b>Sakrebulo</b>	This is the representative body of local self-government. The middle level of local government consists of 67 municipalities and six cities in Georgia: Tbilisi, Kutaisi, Rustavi, Poti, Batumi and Sukhumi. The representative branch of municipality level is the municipality level Local Councils (Municipality Sakrebulo) and the executive branch is represented by Municipality Gamgeoba (Gamgebeli). The self-government level consists of settlements (self-governed cities) or groups of settlements (municipalities). Settlements could be villages, small towns (minimum 3,000 inhabitants) and cities (minimum 5,000 inhabitants). The representative and executive branches of self-government are represented accordingly by Local Council (Sakrebulo) and the Gamgebeli of municipal level. The exclusive responsibilities of self-government include land-use and territorial planning, zoning, construction permits and supervision, housing, and communal

	infrastructure development.
<b>Severely Affected Household</b>	Include those AHs (i) losing 10% or more than 10% of their productive assets/income generating which is the total land holding of the AH compared to the affected land by the project, (ii) physically displaced HH and (iii) households losing commercial/business establishments.
<b>Informal Settlers</b>	Non-legalizable AHs losing land plot used without authorization, for living and/or provision of source of income for the AH.
<b>Vulnerable Households</b>	Particularly disadvantaged Households who might suffer disproportionately or face the risk of being marginalized from the effects of land acquisition and resettlement. These are; (i) female-headed households with and/or without dependents; (ii) disabled household heads; (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) cultural or ethnic minorities; and (vii) refugees or internally displaced people.

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## 1. Project Description

The Government of Georgia has launched a program (Regional Development Program of Georgia 2018-2021) to upgrade the major roads of the country. The program is managed by the Roads Department of the Ministry of Regional Development and Infrastructure and aims to improve transportation and transit of goods in Georgia and to surrounding countries.

As a part of the program, upgrading Jinvali-Larsi section of the E117 is planned. The Jinvali-Larsi corridor crosses the Caucasus mountains and aims to improve transportation to and from Russia. It consists of three sections: Jinvali - Kvesheti, **Kvesheti-Kobi** and Kobi-Larsi. The Kvesheti-Kobi section (hereafter the Project) is the first of the three to be developed and is the subject of this Livelihood Restoration Plan (LRP). The Kvesheti-Kobi section is the most challenging one as it includes the 9 km main tunnel that will cross the Caucasus ridge and bypass the existent road that connects Kvesheti to Kobi through Gudauri area and the Jvari pass.

The main results expected from investment in Kvesheti - Kobi Road include guaranteeing operational continuity during wintertime when transportation has been hindered historically, improvement of safety by reduction in fatality, injury and accident rates and travel time savings for passengers and freight transport.

From an administrative standpoint, the proposed Project is situated entirely in the Mtskheta-Mtianeti Region, across the Dusheti and Kazbegi municipalities. Specifically, the Project spans from the Kvesheti area and Khada Valley in the Dusheti Municipality to the Kobi area in the Kazbegi Municipality.

For the construction and tendering process, the alignment has been split into two sections:  
Lot 1 – Tskere –Kobi (10 km), comprising of the main tunnel, and

Lot 2 – Kvesheti-Tskere (12 km).

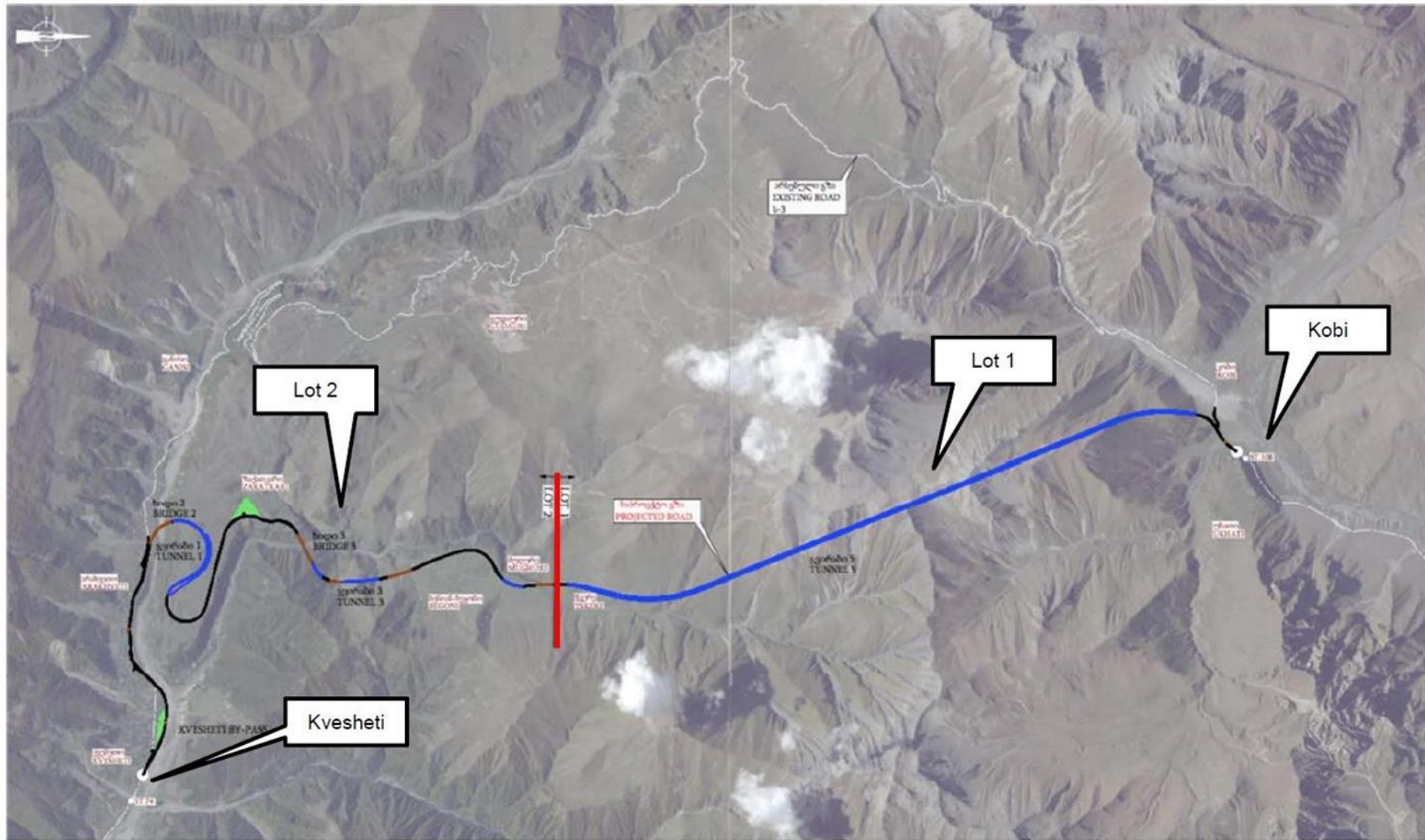
Key design features of Lot 1 and Lot 2 sections are summarized below, and an overview of the alignment location is presented in Figure 1:

Lot 1 includes:

- 178m long section of the road from Tskere to the south portal of the tunnel
  - 8.86km long bidirectional, 2 lane tunnels (max. gradient 2.35%)
  - 9.06km emergency gallery parallel to the tunnel and 17 connections to the main tunnel.
  - Technical buildings next to the North and South portal; the buildings include facilities building, pumping station and ventilation room.
  - Design speed 80 km/h.
- Lot 2 starts near Kvesheti and continues to Tskere before reaching the village at chainage 12+720. The route includes 2.5 km of tunnels and 1.5 km of bridges. The main elements of this section are:
- Kvesheti bypass road
  - 6 bridges
  - 4 tunnels, two built with the drilling/blasting technique and two built with the cut and cover technique
  - 5 grade junctions and 3 service roads
  - Design speed 80 km/h.

The construction of the tunnels will generate surplus earthworks materials; landfilling will hence be required for these materials.

Figure 1. Project Alignment



## 2. Objective of Livelihood Restoration Plan

In frame of KKRK project LARPs have been developed for two Lots. The LARPs outline the cash compensation and other cash rehabilitation assistance for livelihood restoration. The entitlement matrix developed for the project covers the type of impact, eligibility criteria, compensation requirement, development assistance and additional benefits to APs/AHHs.

The APs directly affected by the project have already received monetary compensation for the loss of land assets, but to further mitigate the negative impact, address vulnerability and provide for sustainable growth, this Livelihood Restoration Plan (LRP) prepared to compliment the LAR plans under the Project with provision of noncash assistance for income or livelihood restoration or improvement in the form of targeted and practical training sessions and other appropriate interventions based on community consultations and community needs assessment. This assistance will improve subsistence farming and food security and help market local produce so that affected people can improve, or at least restore, their income-earning capacity, production levels, and standards of living to pre-displacement levels. The plan will target all people directly affected by the LAR, while being accessible to indirectly affected people in the project area.

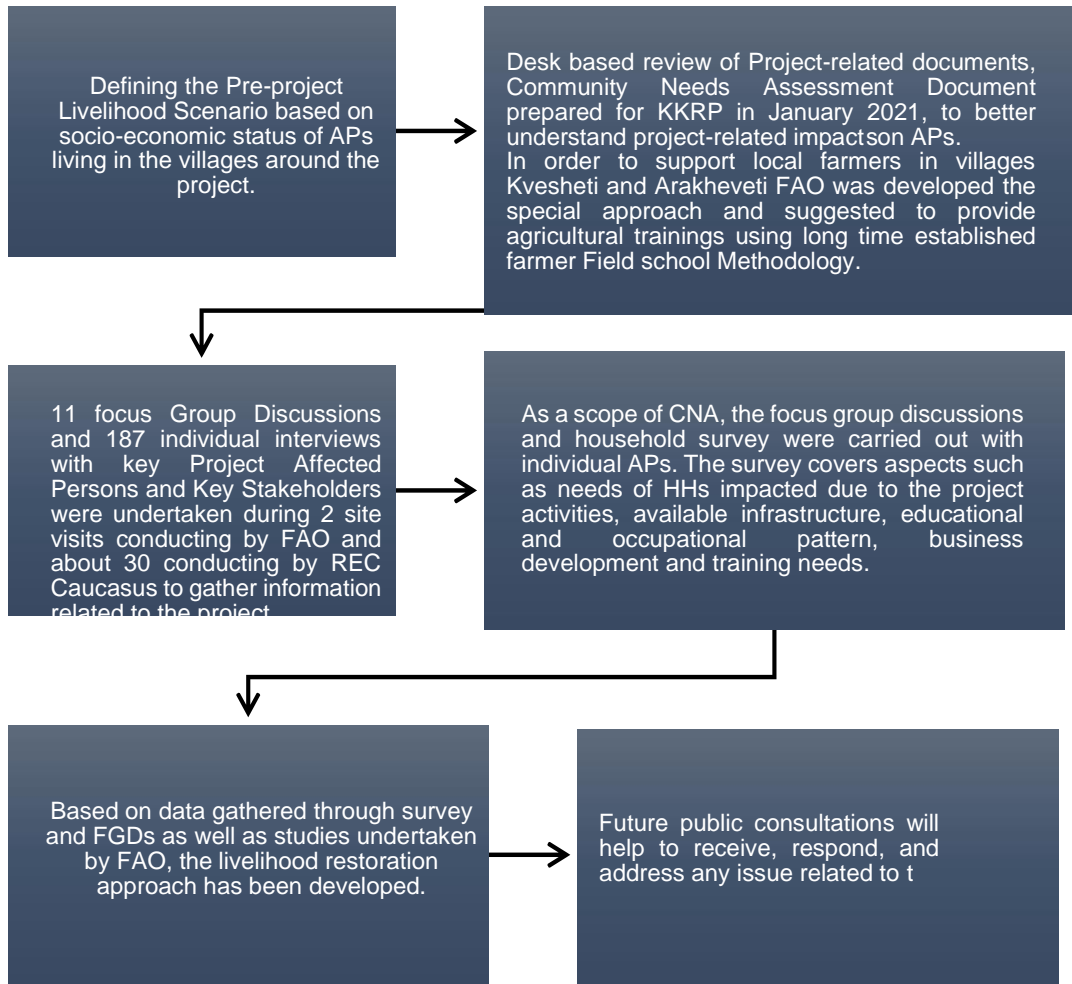
This document includes:

- Background on demographic profile and livelihoods in the project affected area, including APs,
- Presents the findings of community need assessment and consultations/focus group discussions with the affected communities,
- Identifies feasible livelihood restoration options/measures,
- Provides an implementation schedule for activities and programs along with institutional arrangement and budget.

The goal of LRP is to improve and restore livelihood conditions of the APs with a focus on ensuring the APs are at least able to regain and improve their living standard. The livelihood restoration options provide a wide array of activities that can restore livelihoods for short term and improve long term, especially for people whose livelihood depends mainly on the land produce and agriculture, tourism, small business and local trading and those who have interests to create the source of income in area of the project implementation. The suggested livelihood measures have been developed based of Needs Assessment Report and some preliminary consultations with APs also to the investigations implemented by the FAO, which is described in Annex 1.

### 3. Methodology used for LRP Preparation

The approach and methodology for data collection for the preparation of LRP involved both qualitative and quantitative measures. The procedural steps were as follows:



## 4. Demographic Profile of Villages affected by LRP<sup>1</sup>

The demographic profile and socio-economic data were taken from Community Needs Assessment Report prepared by REC Caucasus in January 2021. Besides, there are two LARPs prepared for the KK project for Lot 1 and Lot 2 (July 2019). In these LARPs the socio-economic and demographic profile for directly impacted APs are described and assessed, this data is also attached to the LRP in Annex 2 and Annex 3.

The Kvesheti Administrative Unit (Kvesheti Community) of Dusheti Municipality consists of 31 villages. 12 of them are located in the Khadistskali Gorge (the left tributary of the river Tetri Aragvi) while the other 19 villages are situated on the left and right tributaries of the river Tetri Aragvi (including Sanchoskhevi, Gvidaqe, Pshariskhevi, etc). The 12 villages of Khadistskali Gorge are: 1. Tskere; 2. Mughure; 3. Bennian-Begoni; 4. Korogho; 5. Iukho; 6. Sviana-Rostiani; 7. Sharmiani; 8. Tsikhiani; 9. Zakatkari; 10. Kvesheti; 11. Bedoni; 12. Arakhveti. Eight of the aforementioned villages are in the project impact zone: Tskere, Mughure, Bennian-Begoni, Sviana-Rostiani, Zakatkari, Kvesheti, Bedoni, Arakhveti.

According to the 2014 General Population Census of Georgia, the population of Kvesheti Community villages located in the Khadistskali Gorge totaled 653 persons, or 53,5% of the total population of Kvesheti Community. The share of males and females in the population was almost equal. 88% of the Khadistskali Gorge population are settled in the environs of the Tetri Aragvi and Khadistskali confluence, mostly in the three villages of Kvesheti, Arakhveti and Bedoni, located nearby the Mtskheta-Stepantsminda-Larsi international road. Zakatkari village is relatively densely populated (57 residents) compared to the other upper reach villages of the gorge. The population data provided by Dusheti Municipality differs from the 2014 General Population Census numbers.

### 4.1. Land Use and Land Ownership

As of 2018, unofficial operative data of the Regional Service of the Ministry of Environmental Protection and Agriculture of Georgia found that there are 9594 hectares of agricultural land in the Kvesheti community, out of which 78 ha is arable land, 8 ha is covered by orchards, 317 ha consists of land for hay-making, and 9191 ha are covered with grassland (pastures). There are agricultural lands, forest areas, and subalpine and alpine meadows, which are mainly used as pastures and hay-making land in Khada Valley.

Out of 142 responses received regarding land ownership, results show that the majority of HHs (73%) own between 0,5-1 ha of agriculture land. The distribution is as follows:

- 0,5-1 ha – 104 HHs (73%);
- 1-5 ha – 28 HHs (20%);
- 5-10 ha – 10 HHs (7%).

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<sup>1</sup>The demographic profile and socio-economic data were taken from Community Needs Assessment Report prepared by REC Caucasus in January 2021. Besides, there are two LARPs prepared for the KK project for Lot 1 and Lot 2 (July 2019). In these LARPs the socio-economic and demographic profile for directly impacted APs are described and assessed, this data was also attached to the LRP in annex 2 and annex 3.

**Table 1. - Population of Kvesheti Community villages located in the Khadistskali Gorge.**

	2002 Census data	2014 Census data			Data provided by Municipalities, 2020**		
		Total	Men	Women	Total	Men	Women
<b>Kvesheti Community*</b>	1 989	1 221	621	600	-	-	-
<b>Villages of the Kvesheti Community located within and near the Khada Valley</b>							
Kvesheti	355	257	122	135	299	128	171
Arakhveti	326	205	110	95	212	93	119
Bedoni	153	110	53	57	110	49	68
Benian-Begoni	65	12	...	...	40	24	16
Zakatkari	81	57	30	27	58	27	31
Iukho	12	...	...	...	16 (only in summer)	10	6
Mughure	0	0	0	0	6 (only in summer)		
Sviana-Rostiani	15	...	...	...	10	10	11
Korogho	6	0	0	0	0		
Sharmiani	3	0	0	0	0		
Tsikhiani	2	0	0	0	0		
Tskere	40	...	...	...	48***	25	13
<b>Total</b>	<b>1018</b>	<b>641</b>	<b>315</b>	<b>314</b>	<b>688</b>		

\*These figures indicate the total population of the Kvesheti community, which includes 31 villages, out of which 12 villages are located in the Khadi valley.

\*\* Population data only provided at the village level from the local municipality.

\*\*\* Including all people who have houses and land plots in Tskere and spend some time in the village each year. The number of year-round residents is known to be only two individuals.

**Table 2. Demographic situation of the target villages, according to Dusheti Municipality Data**

Village	Ethnicity of population		Age groups of population			People with disabilities	Education	
	Georgian	Other	under 18	18-60	over 60		Secondary	High
Kvesheti	299	0	35	210	54	6	125	40
Arakhveti	212	0	11	158	43	3		
Bedoni	109	1 Russian	17	73	20	3		
Zakatkari	57	1 Chechen	8	38	12	0		
Sharmiani	0	0	0	0	0	0		
Tsikhiani	0	0	0	0	0	0		
Korogho	0	0	0	0	0	0		
Iukho	16	0				0		
Benian-Begoni	40	0	3	32	5	0		
Mughure	6	0		6		1		
Tskere	48	0	10	29	9	1		
Sviana-Rostiani	21	0	1	17	3	1		

#### 4.2. Education

The nearest public school for the Khada Gorge villages is in Kvesheti village. Pupils from Zakatkari village go to school in Gudauri. There is an elementary school in Arakhveti village, but its building is more like a two-room wooden booth. Therefore, pupils of lower grades also go to Kvesheti school, which is quite far away from Arakhveti. As mentioned before, internal roads from the highway to certain villages are in a very bad condition. In some villages (such as Zakatkari village), transportation is possible only by off-road vehicles during heavy snow. Transportation services are not provided for the pupils of Zakatkari village. Since it is very difficult (and in some cases even impossible) for children to be taken to school every day, seasonal migration has occurred, where some of the families who have school-age children move to other places in winter.

Kvesheti public school needs renovation. Whilst the building has metal-plastic windows, its facade and interior are old. Special attention should be paid to the use of firewood for heating the building (while the population of the gorge is provided with natural gas with preferential tariffs during winter). Moreover, due to the insufficient supply of firewood, pupils have to "help" the school, bring firewood from their homes to keep warm.

The education level is quite low at school. The school doesn't have teachers with relevant qualifications in a number of subjects, including mathematics.

Only Kvesheti village has a kindergarten, but doesn't have the capacity to serve all children of the

gorge, and presents an obstacle for female employment. Children also are not divided into age groups due to the lack of teachers.

As it has been mentioned, the absence of schools is mainly a problem for the upper reach villages of the Valley. Consequently, only 23% of the population named the absence of schools as a priority for improving living levels. In those villages very few school-age children live (the number of people under the age of 18 is 10 in Tskere, 8 in Zakatkari, 3 in Benian-Begoni and 1 in Sviana-Rostiani). The best solution for this problem is to upgrade village access roads and transportation of provisions for the pupils. It might be also reasonable to discuss the establishment of another primary school, considering the development potential of Khada Valley.

The Khadiskhevi Gorge villages don't have any art and sport schools. There are no stadiums, playgrounds or children entertainment spaces there.

### **4.3. Agriculture**

Households tend to not specialize in any specific area, rather they engage in livestock production and vegetables only or mostly for on-farm consumption, rather than for sale. This causes a restriction to the HHs to expand their production systems and operate as business operators. Only in a few cases livestock production is carried out mainly for selling.

As of 2018, unofficial operative data of the Regional Service of the Ministry of Environmental Protection and Agriculture of Georgia outline that there are 875 cattle and 1235 sheep registered in total in the Kvesheti community (including non-target villages), which makes up 5% and 4% of the cattle and sheep registered in Dusheti municipality, respectively. Only 42% of the interviewees reported having livestock, 31% noted that they didn't have any and the rest of respondents didn't answer this question. This can be explained by the fact that some people are reluctant to provide information about the livestock they own, in order to avoid losing different assistances.

Locals mentioned another reason why particularly poor population avoid having cattle. In case a person owned just one cow, they would be deprived of social assistance from the government. Hence, some of the families, preferring to receive regular money assistance from the government, sold their cattle and sheep.

Among those who reported owning cattle, 57% have 1-3 cows and 35% have 4-10 cows. Only three respondents mentioned that they own 21-30 cows.

## **5. Stakeholder Consultations**

Consultations and information dissemination are carried out with APs and other stakeholders so that their involvement in project activities is assured and their views and suggestions are meaningfully obtained during the LRP preparation and implementation. Involvement develops a sense of belongingness and thus ownership for the project outcome, and this increases the sustainability of project components.

The key stakeholders of this LRP are:

- APs and indirectly affected people<sup>2</sup> living in the project area and have an interest to develop small business;
- APs and indirectly affected people living in project area and already have local business and interesting in further development and acquire new skills;
- APs and indirectly affected people seeking for a job and need a skills development and guideline.
- APs and indirectly affected people practicing subsistence livelihood activities in agriculture and livestock who are interested in improving efficiency and safety as well as adding value.

Participatory approach is ensured for the livelihood's assessment and identification of opportunities to improve or at least restore the livelihoods. Two small group meetings, 11 focus group discussions (FGD) and 187 face to face interviews were already undertaken during two site visits conducted jointly by FAO and ADB during 2021-2023, as well as during the need assessment survey implemented by REC Caucasus in January 2021. The consultations/FGDs/individual interviews were focused on a number of topics including but not limited to agricultural and economic activities, livelihood restoration activities including activities to improve their economic condition, and the best feasible options that could help improve the livelihood of the affected APs and communities.

Consultations in frame of this LRP were undertaken to:

- Obtain information from APs and significant others to assess the project's impact on them
- Asses need and priorities of APs and affected communities for effective planning and concluding of LRP
- Prepare and finalize an effective LRP that would best support the life and livelihood of the APs

The conducted consultations and FGDs allowed to develop proposed interventions and entitlements in this LRP. Six more consultations are planned to be conducted with different target groups in order to:

- Communicate the proposed livelihood restoration activities and entitlements to project-affected people and other stakeholders,
- Identify and roll in the target participants for each proposed activity/intervention (based on their interests and priorities).

This LRP will be disclosed on the project website to ensure the APs' and wider community populations' awareness prior the next round of consultations.

The details about planned public consultations are as follows:

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<sup>2</sup> The consultations will ensure accessibility and awareness of LRP-proposed benefits to indirectly affected people in project communities.

**Table 3. Planned public consultations**

	<b>Location</b>	<b>Subject</b>	<b>Target Group</b>	<b>Notes</b>
July 11	Arakhveti	Training	Local Population, including vulnerable and severe impacted people.	10-10 representatives of vulnerable and severe affected HHs will be invited to participated in the training module.
July 11	Bedoni; Zakatkari	Training	Local Population, including vulnerable and severe impacted people.	10-10 representatives of vulnerable and severe affected HHs will be invited to participated in the training module.
July 11	Kvesheti	Training	Local Population, including vulnerable and severe impacted people.	10-10 representatives of vulnerable and severe affected HHs will be invited to participated in the training module.
July 12	Benian-Begoni;	Training	Local Population, including vulnerable and severe impacted people.	10-10 representatives of vulnerable and severe affected HHs will be invited to participated in the training module.
July 12	Korogho; Mughure; Tskere.	Training	Local Population, including vulnerable and severe impacted people.	2-5 representatives of vulnerable and severe affected HHs will be invited to participated in the training module.
July 12	Lukho; Sviana-Rostiani;	Training	Local Population, including vulnerable and severe impacted people.	2-5 representatives of vulnerable and severe affected HHs will be invited to participated in the training module.

## 5. Livelihood Restoration Program

### 5.1. Approach

As compliment to the cash compensation and other cash rehabilitation assistance for livelihood restoration under the project LARPs, as well as to further mitigate the negative impact, address vulnerability and provide for sustainable growth, the APs will also be entitled to the following additional non-cash assistance:

- Some APs are already provided with employment opportunities as per their skills and project requirements by the civil works contractor. Beside this, for APs who will be interested in opportunities to develop vocational skills, in frames of LRP the special training programs will be provided to them.

- APs will be given training on improving their skill and acumen for improving agriculture-based activities, and the improvement of produce on lands.
- APs will be given training on improving business skills, financial management, tourism;
- APs will be engaged in various awareness programs covering, tourism industry, functioning as cooperatives and community groups, business possibilities etc.

Demand for Vocational Trainings - during Need Assessment Survey, the several options of development (tourism, agriculture, small enterprises) have been prioritized by most of respondents, 50% of which opted for tourism, 29% for agriculture and 20% for small enterprises.

Thus, the proposed assistance programs are proposed in two main areas as follows:

- Agricultural Assistance Program:** The training modules of this program will be oriented to conduct a training on agriculture activities, to strengthen capacity and skills of population who is involved in agricultural activities locally (or want to be involved), to start or develop their agriculture production development and selling, be able to identify which local agricultural products have more potential, facilitate and establish linkages to market, provide information on enterprise management, product development, packaging, marketing and other related topics.
- Skill enhancement & Employment Program:** The training modules of this program awareness raising and information sharing about existing employment opportunities, orientation on various vocation trainings in different areas of interest, as well as basic computer training courses. To support the local population, skill-oriented trainings will be provided to the interested APs in order to enhance their vocational skills and improve their livelihood opportunities. This will allow the participants explore on new livelihood opportunities through existing or newly obtained skills.

The proposed programs will be a combination of awareness raising activities, as well as opportunities for employment and new skills development.

The program will target APs living in the areas impacted by the project and efforts will be made to include vulnerable HHs and severely affected HHs.

**Table 4. Livelihood Restoration Activities**

Area/Sector	Activity and expected outcome	Responsible party	Activity Tentative Dates	Estimated No. of beneficiaries
<b>1. Agricultural Assistance Program</b>				
<p>1.1 Awareness Raising about agriculture related government schemes</p>	<p>With the support of IFI, the government of Georgia, namely the Ministry of Environmental protection and Agriculture of Georgia, has implemented and will implement number of projects for agroindustry, agricultural mechanization, farmers' activities development and etc. The awareness raising program module will provide the information to local population regarding this project and and share knowledge how to start new activities in this field or expand already existing ones.</p>	<p>LEPL Scientific-Research Centre of Agriculture under the MEPA.</p>	<p>October 2 - October 13, 2023  December 15 - December 28, 2023.</p>	<p>50</p>
<p>1.2 Training on improving farming skills –harvesting, preservation techniques, vegetable production</p>	<p>In rural communities, few people have had the chance to gain a formal education or technical training in agricultural best practices, this training module will help to organize and deliver appropriate agricultural extension services to farmers and advise farmers in good agricultural practices according to their specific crops or livestock. It is expected that as a result of these training module, farmers will:</p> <ul style="list-style-type: none"> <li>• <b>Increase their yields.</b> Learning how to properly utilize inputs can drastically improve a farmer's productivity throughout the season.</li> <li>• <b>Build their skills in farm management.</b> Through training, farmers learn how to better manage both the business and agricultural aspects of their farms.</li> <li>• <b>Earn more income.</b> With significant yield increases, farmers can earn more at harvest and repay their loans (if any) in full without straining their household's cash flow.</li> <li>• <b>Improve the local economy.</b> As their farms grow, they also create more demand for products such as fertilizer, pesticides, and irrigation systems, improving the entire agricultural economy.</li> </ul>	<p>Outsourced agency.</p>	<p>October 2 - October 13, 2023  December 15 - December 28, 2023.</p>	<p>50</p>

Area/Sector	Activity and expected outcome	Responsible party	Activity Tentative Dates	Estimated No. of beneficiaries
1.3 Training on beekeeping and marketing	This training course will provide the participant with all the basic information required to conduct beekeeping in the mountain regions of Georgia. The program will be developed for new beekeepers as well as those with less than two (2) years' worth of experience.	LEPL Scientific-Research Centre of Agriculture under the MEPA.	October 2 - October 13, 2023  December 15 - December 28, 2023.	50
1.4 Training on connecting with extension services	Agricultural Extension Services refers to a set of services targeted to help farmers improve their agricultural output. These services may include technical assistance, imparting of knowledge about efficient crop production, risk management advices, etc. This training module will ensure that current best practices existing in the country are acknowledged and disseminated.	Outsourced Agency.	October 2 - October 13, 2023  December 15 - December 28, 2023.	50
1.5 Training on agriculture related best practices and financial/business loan institutions	Provide knowledge and skills on the enterprise management, market extension, included market principle, creation market value chain, market demand, how to build a connection to the private sector and loan institutions, buyer mapping; Value-adding for products, product development, costing products, improving production capacity, increase knowledge on proper branding, packaging, and labeling; This training will improve farmers' skills and knowledge in areas such as planting techniques, irrigation, pesticides, crop rotation, and crop storage after harvest. These skills enable farmers to improve yields, protect their crops against weather-related shocks (Heavy rain and snow in mountain area), and smooth their incomes year-round.	Outsourced Agency.	October 2 - October 13, 2023  December 15 - December 28, 2023.	50
<b>2. Skill Enhancement &amp; Employment</b>				
2.1 Establish Employment Opportunity Information Centers	Project provides a large scale of job opportunities during its implementation and operation. The training module will guide the local population where and how they can receive relevant information regarding the potential employment, job description and which skills are required.	RD with assistance from CSC and Contractor.	September 18 - September 29, 2023; April 15- April 26; 2024.	30

Area/Sector	Activity and expected outcome	Responsible party	Activity Tentative Dates	Estimated No. of beneficiaries
2.2 Orientation on different Training Programs	This training module will include information sharing about training services provided through various livelihood support initiatives offered through municipalities, NGOs, government agencies or international organizations.	Outsourced Agency.	September 18 – September 29, 2023; December 11 – December 22; 2023.	30
2.3 Awareness raising on various technical & vocational courses	<p>This Vocational Awareness training module will be designed to assist interested local population with identifying a path toward employment, through the understanding of their vocational preferences, skills and abilities. This awareness raising program module will provide the information to the local population regarding the challenges in tourism development, mainly in mountain regions of Georgia; will instruct the local population regarding of different techniques to deal with climate change and adaptation: how the climate change impacts the farmers livelihoods.</p> <ul style="list-style-type: none"> <li>Vocational training can be a desirable option for local population entering a highly technical or hands-on field, as well as for those who wish to develop new skills. This training module will provide information about different types of vocational education such as souvenirs making, Cattle, Poultry Farming, etc.</li> <li>Awareness on tourism related government schemes and opportunities.</li> <li>Awareness raising and increasing the awareness of farmers to climate change</li> </ul>	Outsourced Agency.	September 18 – September 29, 2023; December 11 – December 22; 2023.	30
3. Basic Computer Training Course	Basic computer course is focused on the basics of computers including computer types, Computer Applications, hardware systems, and more. It also covers the basics of various areas such as Web Designing, computer technology, Microsoft office, Tally, etc.	Outsourced Agency.	November 13 – September 17, 2023.	
4. Other training module which can be proposed by the selected training organization	Will be identified during the public consultations	Outsourced Agency.	December 4 – December 8 2023.	Will be identified during the public consultations

## 6. Public Consultations and Documents Disclosure

In accordance with the lender’s guidelines, to maintain clarity and transparency in all project activities consultations and disclosures of project activities and plan documents at regular intervals are essential. The communication and disclosure activities are provided in the table below.

**Table 5. The communication and disclosure activities**

<b>Activity</b>	<b>Description</b>	<b>Timeline</b>
1. Disclosure of the LRP on project website	LRP, accepted by ADB will be disclosed on project website in Georgian and English versions	30 June 2023
2. Communication of proposed livelihood restoration measures and entitlements to project-affected people and communities at project area	This will be done through: <ul style="list-style-type: none"> <li>• Disclosure of LRP on project website</li> <li>• Printed version available at Project Information center in Kobi</li> <li>• Public consultations</li> </ul>	<ul style="list-style-type: none"> <li>• 30 June 2023</li> <li>• 03 July 2023</li> <li>• July 2023 (as per timeline provided in this LRP)</li> </ul>
3. Public consultations	Disclosure of the LRP content & mitigation measures to the APs, in Georgian, for their suggestions & query/clarifications through public meetings organized by RD.	July 31,2023)
4. Presentation of updated LRP to the APs & local municipality and its disclosure on project website	The LRP will be updated based on outcomes of next round of consultations. This will also include final list of participants for each assistance program/training modules.	July 31, 2023
5. Disclosure of updated LRP on ADB website	The updated LRP will be reviewed, cleared and disclosed by ADB.	July 31, 2023

## 7. Grievance Redress Mechanism

The project has an operation GRM in place (established under the LARPs), which will be available throughout the implementation of LRP to address any query, concern or complaints from APs, communities and other stakeholders.

## 8. Institutional Arrangement and Implementation

Timely identification and involvement of relevant institutions will facilitate smooth implementation and

achievements of the objectives of the LRP Program. This section presents the institutional arrangements and reflects the implementation procedures for LRP.

The Road Department of the Ministry of Regional Development and Infrastructure of Georgia (RDMRDI) will be the Executing Agency (EA) having the lead responsibility for road construction, as well as the implementation of this LRP. RDMRDI with the assistance of the consultants was developed and will implement the LRP based on the policy and procedures set out by the ADB.

The LEPL Scientific-Research Centre of Agriculture under the MEPA (Ministry of Environmental Protection and Agriculture of Georgia) will be involved in awareness raising activities under the agricultural program. Also, the training organization will be engaged by the RD for imparting different trainings to the APs and raising their awareness on where they can utilize their skill sets obtained from the training. The potential training organizations have been identified by RD, these organizations have expressed their interest to conduct similar trainings to Khevi-Ubisa (F2) and Shorapani-Argveta (F4) projects of E-60 Highway construction.

These organizations are listed below:

- 1) ACT - Georgia
- 2) BDO Consulting LLC - Georgia
- 3) CIVITTA Georgia - Georgia
- 4) Grant Thornton - Georgia
- 5) PMCG - Policy and Management Consulting Group - Georgia

In parallel with conducting the next round of public consultations, RD will negotiate with the candidate organization and sign a contract. It is expected that this organization will be on board by mid-Aug 2023.

## 9. LRP Budget

The total estimated cost for implementation of Livelihood Restoration Plan is as per the following:  
Table

<b>N</b>	<b>Programs</b>	<b>Activities<sup>3</sup></b>	<b>No. of Beneficiaries</b>	<b>Training Recipients</b>	<b>Activity Timeline</b>	<b>Activity Frequency</b>	<b>Cost Unit per</b>	<b>Cost in GEL</b>
1	Agricultural Assistance Program	Training Module	50	Local Population living in the villages impacted by the project and nearby villages; Vulnerable HHs; Severely affected HHs.	Two weeks program	Two times in year	25,000.00	50,000.00
2	Skill Enhancement & Employment Program	Training Module	50	Local Population living in the villages impacted by the project and nearby villages; Vulnerable HHs; Severely affected HHs	Two weeks program	Two times in year	25,000.00	50,000.00
3	Skill Enhancement & Employment Program (Basic Computer Training)	Training Module	30	Local Population living in the villages impacted by the project and nearby villages; Vulnerable HHs; Severely affected HHs	One-week program	Once in Year	30,000.00	60,000.00
4	Some other training module which can be proposed by the selected training	Training Module	will be identified during the public consultations	Local Population living in the villages impacted by the project and nearby villages; Vulnerable HHs; Severely affected HHs	One-week program	Once in Year	Will be supported from contingency funds.	N/A

<sup>3</sup> Delated training modules are described in the chapter E, paragraph 2.

	organization							
5	External Monitoring of LRP	Semi-annual monitoring of LRP Implementation Status	N/A	N/A	N/A	Two times in year	7,500.00	15,000.00
Total								195,000.00
Contingency 20% of total sum								39,000.00
Total Budget								234,000.00

The cost of activities by FAO will be covered by ADB.

## 10. Monitoring and Evaluation

The Project has already established GRM (In the scope of LARPs developed for the project) and a system for internal and external monitoring. The main purpose of effective monitoring is to ensure that the course and pace of implementation continues as originally planned. The implementation of the LRP will be subjected to both, internal and external monitoring.

A detailed monitoring plan (measurement indicators) will be elaborated by RD as part of updated of LRP upon completion of next round of public consultations. This plan will include performance and impact monitoring. The performance monitoring is an internal management function, which will allow the Project to measure concrete progress against milestones established in the LRP. Progress will be reported in semi-annual report. The following indicators will be included as part of the detailed performance monitoring plan:

- Overall spending against planned budget;
- Number of affected persons benefitting from each LRP support activity;
- Number of public meetings and engagements held during the monitoring period;
- Monitoring reports submitted.

Impact monitoring is an internal monitoring component that is used to determine the effectiveness of the LRP in supporting affected persons in the restoration of their livelihoods. It is also used to identify any adjustments that may be necessary in the LRP's implementation. The effects of the LRP will be tracked against the baseline conditions of the affected households prior to the livelihood restoration support performed. Impact monitoring will monitor changes in household livelihood patterns, wellbeing, new business activities, expansion of acting business, etc. Potential measures include, but are not limited to the following:

- Participation in training programs;
- Households reporting maintenance or increases in agricultural production (or income generated therefrom);
- Households reporting maintenance or increases in livestock production (or income generated therefrom);
- Increase of monthly/annually household income from all sources;

RD will monitor the progress of implementation of the LRP and will submit quarterly progress report to ADB, as well as reflect the outcomes in the semi-annual social monitoring report to ADB. Upon full implementation completion of LRP, Compliance Report will be prepared and submitted by external monitor for ADB's review and clearance. All Monitoring reports are disclosed on the ADB, KKRP project and RD websites.

## Annex 1

### Concept Note for FAO Collaboration with ADB

#### Support local communities of Kvesheti and Arakhveti resilience in agriculture through Farmer Field Schools

Value Chain:	Dairy, honey and potatoes
Target Farmers:	Smallholders with a focus on women
Locations:	Villages Kvesheti and Arakhveti in Dusheti Municipality
Methodology:	Farmer Field Schools with Smallholders farmer members

Based on a Rapid Needs Assessment done through a focus group with several neighbors of Kvesheti and Arakhveti, FAO (Food and Agriculture Organization of the United Nations) has developed this Concept Note, to design the intervention in those two villages and possibly some neighboring villages.

#### Objectives:

- Increase the productivity, quality (food safety) of produce and consequently the food security and economic opportunities of beneficiary households.
- Raise the capacity in sustainable agriculture production to farmers and other actors in the locations of intervention, with a focus on terroir products.
- Increase the resilience of farmers to climate change through implementation of Climate Smart Agriculture (CSA)
- Diversification of production to provide economic opportunities for beneficiaries.

Georgia's agriculture, despite enjoying natural resources required for very high productivity, still is delivering very poorly in terms of productivity. Besides the fragmented land tenure, the biggest challenges remain the severe lack of technological know-how at many levels which doesn't allow to reach the potential of the agricultural sector.

Good Agriculture Practices (GAPs), Integrated Pest Management (IPM) and Climate Smart Agriculture (CSA) are not highly disseminated between farmers, leading to overuse of pesticides and chemicals and general misuse of resources (land, water, etc.)

The promotion of terroir products, with a focus on local varieties of cheese or dairy products, as well as processed fruits and vegetables (jams, dried fruits, etc.) may have more potential in the future for smallholder farmers.

#### Farmer Field School Methodology

Farmer Field Schools (FFS) is a long-term methodology of extension established by FAO in many countries, customized to the level of technology, priority value chains, agricultural economic orientation, gender and youth targeted in some value chains and above all, to beneficiaries' expressed needs, which has proven effective to disseminate technical knowledge to smallholder farmers. The FFS puts forward a system of hands-on training, or training by doing, where farmers learn from their peers by practicing agricultural methods and technologies on the farm, through a framework of curricula that set up targets to acquire knowledge during the production cycle using demonstration plots of farms.

FAO Georgia has implemented this methodology for 4 years in country now and understands the idiosyncrasy of Georgian smallholder vegetable and dairy farmers who as first option prefer not to work in groups. FAO has successfully implemented FFS in 15 municipalities not only working with smallholders but motivating them to work in groups for a couple of seasons.

Farmers in most locations can see the benefit of working together for common goals, and FAO has learned and documented the capacity building needs of vegetable/fruits, dairy and other smallholder farmers in Georgia, in over 15 municipalities through Needs Assessments done through Focus

Groups of different actors (Farmers, Information and Consultation Centers of the Ministry of Agriculture, Input Suppliers, Equipment Suppliers, Buyers and Local Action Groups) and through field work with farmers during more than 4 main production seasons and 3 off seasons in open field and under greenhouse conditions.

The technical assistance to farmers using FFS is focused on hands-on training using demonstration plots as a practice terrain. The demonstration plots show the CSA, GAP and IPM practices for farmers to evaluate and later adopt, after seeing on their own the positive results achieved through them.

During the establishment of the FFS, there are several meetings done with members before the season to set up the curricula of trainings during the production season. As a complement to this, a couple of Field Days (FD) are organized in each FFS, when neighbor farmers are also invited. The FD use an interactive participatory method in which the FFS farmers talk about what they see in the demo plot and discuss results and challenges to implement the new techniques.

To achieve a sustainable impact, the FFS must be accompanied for at least 2 main production seasons. After that, other activities can be implemented as a complement or follow up, depending on the objectives of the group and its cohesion as a group. During the first season only very early adopters copy one technique, but on the following season many participants copy more than 2 techniques from the package shown, which makes a significant impact on their production and income.

Group cohesion within the FFS is very important, and facilitation of FAO leads often to informal chats to be formed amongst farmers, also to increase the communication with FAO and share good experiences, pictures and achievements, together with issues and requests of technical nature.

### **Needs assessment in Kvesheti and Arakhveti**

FAO and ADB jointly commissioned two visits to the area of the project to evaluate the potential of the area in term of agriculture production. As a result, dairy, honey and potato production were identified as the areas where the communities could be more involved, allowing for a mix of food safety intervention as well as developing economic opportunities that already exist.

In terms of dairy production, the existing practice is based on a very small-scale farming, with most households still having few cattle, less than five cows, normally local breeds (Caucasian brown) with little milk productivity, small and well adapted to local conditions. In terms of nutrition, the animals are mainly free ranging, with little and of poor-quality feed supplement, leading to reduced amount of milk produced compared to the potential of this rustic breed.

The main problem in terms of animal health is linked to mastitis, which has a significant impact on the quality and quantity of milk produced, as well as with internal and external parasites. The prevalence of brucellosis is unknown, and there are concerns of the misuse of antibiotics. Milk is processed into cheese, which is used to a major degree for household consumption, with a part of it being dedicated to selling at community level, sometimes by buyers that will later sell in other markets.

In terms of vegetable and potato production, families keep small gardens for vegetable production in the homes, and some of the households also have some small potato fields, with a very low use of mechanization due to the difficult mountainous terrain in altitude and difficult access. These activities in terms of vegetable and potato production are mostly dedicated for household consumption.

In terms of honey, the area could have a limited potential for honey production, as it is a high-altitude area which can produce a high quality honey. So far, the honey production is small and limited to few beehives, and dedicated to household consumption.

## **Proposed activities under the project.**

### **Impact**

Impact: Improved resilience of farming communities through enhanced small scale agriculture production

Outcome – Increased livelihoods opportunities for farming communities residing in **Kvesheti and Arakhveti** through demonstration of sustainable agricultural practices applied to crop production (vegetables, potatoes) and livestock management.

The project will promote the creation and maintenance of 2 Farmer Field Schools focused on sustainable crop production and improved livestock management.

Agricultural demonstrations (demonstration farms/plots) are an important tool for enabling farmers to learn about improved agricultural practices. The quality of the demonstration plays a critical role in enabling adoption. When farmers can observe how well a new technology works, they are more likely to adopt it. Demonstrations are a key tool for extension outreach.

The project will outreach to and train local farmers through the elaboration and implementation of hands-on trainings curricula by FAO experts together with the more advanced farmers of the community.

Curricula of the Farmer Field Schools implemented under this project will have two components designed by FAO experts, covering technical aspects of sustainable crop production and livestock management. The curricula will also include a complementary module which will support farmers' economic empowerment, including strengthening of decision-making at farm level in connection to the market's needs. The approach not only improves technical skills but changes social dynamics, and contributes to building mutual trust within the communities. The training will provide opportunities to improve agricultural production and resilience for affected households, including severely affected and vulnerable households. It is expected that the entire communities will benefit, and the training will initially select 50 participants for the FFS. Improvements to agricultural production will be achieved through the following activities.

### **Output 1: Promoted sustainable practices in crop production (vegetables, potatoes) and livestock management through two Farmer Field Schools**

- Activity 1.1. Selection of beneficiaries
- Activity 1.2. Develop a curricula of needs-based trainings and capacity building materials, with a focus on crop production, livestock management and dairy production.
- Activity 1.3. Implementation of the training curricula
- Activity 1.5. Distribution of small items linked to the trainings (feed for cattle, vegetable and potato seeds, small equipment and tools, small materials for cheese production, hygiene and food safety, California mastitis tests, rennet, etc.)

This output will outreach to 50 farmers through 2 Farmer Field Schools

The demo plots and demo farms are living displays of these good practices to which any neighbor will have access to see. To accelerate adoption, FAO can provide small amounts of some high-quality inputs to farmers, small equipment or agricultural inputs.

### Cost Estimates (1 season)

Items	Proposed Allocation(US\$)
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	5000
ii. National consultants	8000
b. Out-of-pocket expenditures	
i. International and local travel	4000
ii. Surveys	
iii. Training, seminars,	5000
iv. Practical demonstrations	4000
v. Reports and communications	4000
<b>Total</b>	<b>30.000</b>

## Annex 2

### Socio-economic information prepared for KK LARP project Lot 1 (Tunnel section)

This Chapter presents the findings on the major socio-economic characteristics of the affected Project communities. The chapter is based on information from the official Georgian statistics for the region and data collected through the socioeconomic surveys and census undertaken in the Project area. The main objectives of the SES and census surveys are to understand the existing socioeconomic environment and vulnerability of affected people in the Project area, to use the data for preparation of the LARP budget and to identify groups and persons who may need additional support due to the Project's impact.

The Project is located in two municipalities of the Mtskheta-Mtianeti region, Dusheti and Kazbegi. Mtskheta-Mtianeti is a region in eastern Georgia. The town of Mtskheta serves as the regional capital, which extends to its districts and the adjoining mountainous areas. The region is comprised of five municipalities: Akhgori, Dusheti, Tanti, Mtskheta and Kazbegi. Dusheti, the main town in Dusheti municipality, has a population of 25,659. Kazbegi municipality has a population of 3,795 inhabitants. Its main settlement is Stepantsminda, which accounts for about half of the municipality's population.

**Table 1: Population in Project Municipalities**

Municipality	Male	Female	Total
Kazbegi	1,859	1,936	3,795
Dusheti	12,785	12,874	25,659
<b>Total</b>	<b>14,644</b>	<b>14,810</b>	<b>29,454</b>

Source: Municipality administration

#### Socio-Economic Survey Results

The socioeconomic survey in the area covered by Lot 1 of the Project was conducted in April 2018 and updated in September 2018. The SES aimed to sample 100% of all affected households. The resettlement team completed the socioeconomic study with each of the 17 AHs.

The objective of the socioeconomic survey was to gather general information on socioeconomic condition of the affected people.

The SES Questionnaire included questions which aim to measure the main characteristics of affected households such as type of land use, land holdings, buildings, businesses, family type and size, main demographic data of the household members, self-reported monthly income and total monthly expenditure, sources of income, house facilities, ethnicity, vulnerability, women's status, opinion about the Project, etc. Each questionnaire took around 20 to 30 minutes to complete. The collected data was processed using Microsoft Excel.

In total, the Project impacts 17 households with 67 members (32 male and 35 female). During the Socioeconomic Survey of AHs, representatives of all 17 AHs were interviewed. There were 3.9 persons per surveyed household on average. A total of 15 out of 17 AH members live outside of the Project area. Information about the place of residence of AHs is presented in Table 3-2 below.

**Table 2: SES Sample**

Village	No of AHs	No of surveyed AHs	Male	Female	Total APs
Kobi	1	1	1	1	2
Tskere	16	16	31	34	65
<b>Total</b>	<b>17</b>	<b>17</b>	<b>32</b>	<b>35</b>	<b>67</b>

Source: SES

**Table 3 Living Place of Members of AHs**

City/Village	Number of AHs
Tbilisi	6
Rustavi	1
Kvesheti	3
Nagvarevi	1
Bedoni	2
Tskere	2
Kaspi	1
Kobi	1
<b>Total</b>	<b>17</b>

The two Project villages have electricity, gas and a supply of drinking spring water in front of the houses. There are no schools, medical facilities or shops in Tskere village. The closest school is 9 km away in Kvesheti. There is mobile phone reception in the village and some TV programs are available.

Kobi village does not have a school or medical facility either. The village has some small shops where the residents can purchase household items. Almasiani village is located around 1 km from Kobi where there is a free minibus service for school children to Gudauri or Stepansminda as well as regular minibuses. Medical services are also available in Gudauri and Stepansminda. These villages are about 15 km from Kobi. Nevertheless, the road may be closed for days during the winter, preventing access to these services.

Affected persons who live in these villages permanently keep some cattle. Sheep and horses can be seen grazing near villages. The APs sow potatoes, garlic and carrots, which can be cultivated successfully under such climatic conditions. The vegetables are used for the households' own consumption and nobody reported selling vegetables.

Hay is the main product produced in these villages. Grass is left to grow on some lands so that the villagers can harvest enough hay for the winter. Hay is also used for their own livestock and in these villages, only one household reported selling hay.

The villagers cultivate apples, pears and plums. All harvested fruit is used for personal consumption.

Every surveyed household has a latrine, which is common in this area. Mobile phones are used by 94.12% of surveyed households. Televisions and satellite antennas are available in 76.47% of the AHs. Electric or gas stoves are available in 13 AHs (76.47%). Refrigerators and washing machines are owned by 47.06% and 41.18 % of households, respectively. Utilities such as hot water systems, in-house flush toilets or an Internet connection are not available in these households. There were no other assets listed by the APs. (Table 3-4)

**Table 4: Households Assets and Amenities**

Items	No of AHs	%
Latrine	17	100
Flash toilets	0	0
Hot water system	0	0
TV	13	76.47
TV antenna/ dish	13	76.47
Computer	1	5.88
Internet	0	0
Mobile phone	16	94.12
Electric stove	13	76.47
Refrigerator	8	47.06
Washing machine	7	41.18

Each of the 17 AHs will lose some land. The total land held by AHs amounts to 133,723 (m<sup>2</sup>) and 32.4% of it needs to be acquired by the Project. Five AHs (29%) own registered land and 11 AHs (65%) have legalizable land. One AH will lose 60 m<sup>2</sup> of non-legalizable land which is 0.89% of his total land holding (6,758 m<sup>2</sup>). Most of the land held by AHs is registered as agricultural land (102,640.5 m<sup>2</sup>) while only three affected plots are classified as residential/agricultural (50,520 m<sup>2</sup>). Only two AHs reported an income from 50 to 600 Gel/month from selling hay. One of these two AHs will lose 16% and one 1% of their total land holdings. (Table 3-5)

**Table 5: Land Holdings**

No of APs	Total landholding area (m <sup>2</sup> )	Affected area (m <sup>2</sup> )	Affected area (%)	Income from agriculture (Gel/month)
4	5,000	877	17.54	
7	9,000	166	1.84	
2	4,500	3,022	67.16	
4	8,300	2,918	35.16	
4	5,685	1,999	35.16	
7	2,810	372	13.24	
6	8,000	1,255	15.69	50
4	7,870	5,628	71.51	
2	7,500	3,891	51.88	
7	25,000	159	0.64	
2	800	325	40.63	

3	10,700	741	6.93	
2	15,000	1,456	9.71	
6	4,900	2,328	47.51	
3	7,000	5,018	71.69	
2	3,500	1,074	30.69	
2	8,158	60	0.89	600
<b>67</b>	<b>133,723</b>	<b>31,289</b>	<b>23,39</b>	<b>650</b>

## Gender and Household Composition

There are 17 AHs with 32 males and 35 females. There are no female nor male, head of household living alone with dependent children. More than (64.70%) of surveyed people live in nuclear families. Extended families (those having members, other than parents and their children, living in one household; these may be spouses of their married children, grandchildren, gear grandparents etc.) comprise 35.29% of all surveyed families. The household size of the surveyed population ranges from one to seven persons in a household. A total of 13 AHs (81.25%) have up to 4 members in a household. Two AHs have six members and three AHs have seven persons in their households. Out of 67 APs, 65 are Georgian who are Orthodox Cristian.

**Table 6: Type of Families**

Family Type	Number of AHs	Percentage (%)
Nuclear	11	64.70
Extended	6	35.29
<b>Total</b>	<b>17</b>	

## Age and Marital Status

There are six female and two male-widowed heads of households. One single-man head of household is divorced. Out of five poor single heads of households, three are women and two are single men. No vulnerable households among other single-headed households. The heads of households are well educated. The table 3-7 a shows that 13 (76.47%) out of 17 head of HH have completed secondary education, while one has a higher education degree and two have a vocational education. Almost half (47.06%) of the head of households are pensioners, while 35.29% (8) are self-employed or employed in private sector.

The age distribution of the surveyed population for this LARP, shows that the 18-35 age group was the most represented (20.90%). When the two age groups, 0-7 and 8-17 are combined, minors account for 22.39% of the surveyed population. The 36-45 and 46-55 age groups account for 16.42% each. The 66 and above age group accounts for 14.93 % of the surveyed population. (Table 3-7)

Married APs account for 43.28% of all APs. A total of 14.93% of APs are widowed and 2.99 % divorced. Unmarried APs and minors account for 38.81%. One married man did not agree to give information about his wife. He insisted that only his mother's and his data are recorded as they live in the village and his wife lives elsewhere. This explains the odd number (29) of married people.

**Table 7 a: Profile of the Heads of Households**

No	No of HH members	Gender	Age	Marital status	Educational level	Occupation	Vulnerability
1	4	Male	37	Married	Secondary	Unemployed	Poor
2	7	Male	58	Married	Secondary	Self-employed	
3	2	Female	84	Widowed	Secondary	Pensioner	Poor
4	4	Male	45	Married	Secondary	Self-employed	
5	4	Male	49	Married	Secondary	Employed in private sector	
6	7	Female	87	Widowed	Secondary	Pensioner	Poor

7	6	Male	66	Married	Secondary	Pensioner	
8	4	Male	40	Married	Secondary	Employed in private sector	

No	No of HH members	Gender	Age	Marital status	Educational level	Occupation	Vulnerability
9	2	Female	68	Widowed	Secondary	Pensioner	
10	7	Male	55	Married	Secondary	Employed in private sector	
11	2	Female	69	Widowed	Secondary	Pensioner	
12	3	Male	82	Widowed	Secondary	Pensioner	
13	2	Male	61	Married	Vocational	Self-employed	
14	6	Male	75	Widowed	Secondary	Unemployed	Poor
15	3	Female	65	Widowed	Vocational	Pensioner	
16	2	Female	93	Widowed	Secondary	Pensioner	Poor
17	2	Male	52	Divorced	Higher	Farmer	

**Table 7: Age**

Age	All AH members			
	Male	Female	Total No	Age group (%)
0 - 7	4	5	9	13.43
8-17	5	1	6	8.96
18 - 35	7	7	14	20.90
36 - 45	6	5	11	16.42
46 - 55	6	5	11	16.42
56 - 65	3	3	6	8.96
66 or more	3	7	10	14.93
<b>Total</b>	<b>34</b>	<b>33</b>	<b>67</b>	<b>100.00</b>

**Table 8: Marital Status**

<b>Marital status</b>	<b>Number</b>	<b>APs</b>	<b>%</b>
Married	29		43.28
Unmarried	26		38.81
Widowed	10		14.93
Divorced	2		2.99
<b>Total</b>	<b>67</b>		<b>100.00</b>

**Education**

The following table shows a high level of literacy among the surveyed population. More than half (53.73%) APs have completed secondary education and 7.46% obtained a university degree. A further 16.42% obtained vocational education. There are no illiterate APs among the surveyed population. (Table 3-9)

**Table 9: Education Level of APs**

No education	Pre-school	School age	Secondary	Vocational	University degree	Other
0	9 (13.43%)	6 (8.95%)	36 (53.73%)	11 (16.42%)	5 (7.46%)	0

### Employment, Income Sources and Expenses

Employment and income data were collected from all APs. All data is self-reported. Work in the private sector is the most common type of employment, accounting for 23.64%. Housewives and pensioners make up 21.82% and 20% respectively. The unemployment rate among the surveyed APs is 14.55%. (Table 3-10). Only one of a few permanent inhabitants of Tskere and Kobi villages is employed as a seasonal worker at Gudauri ski center.

**Table 10: Type of Employment**

Type of employment	No of APs	%
Pensioner	11	20.00
Private sector employee	13	23.64
Self employed	3	5.45
Farmer	1	1.82
Housewife	12	21.82
Pupil/Student	7	12.73
Unemployed	8	14.55
<b>Total</b>	<b>55</b>	<b>100.00</b>

Data on income is self-reported and was obtained from 16 out of 17 surveyed households. One AP did not wish to talk about income and one lives abroad. The data on monthly income ranges from 190 to 3,180 Gel per household. A total of 47.05% respondents reported salaries as their source of income, followed by pension (29.41%). Two AHs reported income from business and self-employment and two AHs reported 50 – 600 Gel/month income from agriculture. More of AHs reported some source of secondary income (52.94%), while 47.05% do not have any additional income. The average household income amounts to 876 Gel per month.

**Table 11: Self-reported Monthly Income**

Monthly income	No of AHs	Percentage
up to 300 gel	3	18.75
301-600	5	21.25
601-1000	3	18.75
>1001	5	31.25
<b>Total</b>	<b>16</b>	<b>100.00</b>

Income and expenses were self-reported by surveyed persons. The average monthly expenditure for a household was around 691 Gel per month. It was difficult to get itemized information on monthly expenses for food, clothing, schooling, healthcare etc., so total monthly expenditures were obtained from the respondents instead. The self-reported monthly income and expenditure for each of the surveyed household, are presented in the following table:

**Table 12: Self-reported Monthly Income and Expenses**

AHs No	Monthly income (Gel)	Monthly expenses (Gel)
1	500	
2	482	600
3	780	700
4	1,380	1,500
5	680	500
6	190	190
7	216	
8	316	300
9	1,680	1,500
10	320	400
11	600	600
12	N/A	
13	1,000	1,200
14	250	
15	1,050	300
16	3,180	2,500
17	1,400	100
<b>Total</b>	<b>14,024</b>	<b>8,990</b>

The most reported as a primary source of income is work at private sector (8 AHs; 47.05%), followed by 17.65% pension and self-employment/business (each 3 AHs) as the main source of income. There are 7 (41.18%) of AHs who reported pension as a secondary source of income. Only two AHs reported secondary income from agriculture (selling hay). (Table 3-13)

**Table 13: Sources of Income**

AHs	No of APs	Primary income (Gel)	Secondary income (Gel)	AHs' monthly income (Gel)
1	4	Private sector		500
2	6	Pension	Agriculture	482
3	2	Private sector	Pension	780

4	3	Private sector	Pension	1,380
5	2	Private sector	Pension	680
6	2	Pension		190
7	3	Pension		216
8	2	Private sector	Pension	316
9	7	Private sector	Pension	1,680
10	4	Unemployed	Self-employed	320
11	4	Salary		600
12	6	Self-employment		N/A
13	7	Private sector		1,000

AHs	No of APs	Primary income (Gel)	Secondary income (Gel)	AHs' monthly income (Gel)
14	4	Self-employment		250
15	7	Private sector	Pension	1,050
16	2	Business	Pension	3,180
17	2	Farming	Agriculture	1,400

Five households have some livestock used primarily for their own consumption. The AHs have some cattle, sheep and chicken. These livestock is not difficult to sustain during the long winter period as the households' hay production is sufficient for the winter period. Table 3-14 shows the AHs and the existing livestock.

**Table 14: Livestock in AHs**

No	AHs	Horses	Cattle	Sheep/ goat	Chicken	Pigs	Other/ specify
1	V. Ts.		2		4		
2	I. Z.		3				
3	T. Z.		2				
4	A. A.		6	6	5		
5	E. Z.				4		
	<b>Total</b>	<b>0</b>	<b>13</b>	<b>6</b>	<b>13</b>	<b>0</b>	<b>0</b>

A total of 7 AHs (43.75%) reported having a bank loan. Information about the purpose of their bank loans was unavailable. The APs who reported more expenditures than income per month explained that they have loans to repay and that they are constantly in debt.

### Women in Project Villages

During the SES and DMS studies, a limited information was gathered on women's activities in the Project villages. All women, regardless of employment status, do housework and care for children and household members. These who have some land and livestock, do gardening work and mind livestock. Four women reported being employed.

**Table 15: Women's Activities**

Type of activities	No of AHs	% of AHs
Gardening	9	56.25
Minding livestock	9	56.25
Making and selling handmade products	0	0
House work, family care	16	100
Employed	4	25
<b>Total</b>	<b>16</b>	<b>100</b>

### Annex 3. Socio-economic information prepared for KK LARP project Lot 2

This Chapter presents the findings on the major socioeconomic characteristics of the affected Project communities. The chapter is based on information from the official Georgian statistics for the region, the data collected by EBRD for the ESIA for the Lot 1 and the data collected through the Socioeconomic Survey and Census undertaken during the preparation of the LARPs. The main objectives of the SES and Census are to understand the existing socioeconomic environment and vulnerability of affected people in the Project area, to use the data for preparation of the LARP budget and to identify groups and persons who may need additional support due to the Project's impact.

The Project is located in two municipalities of the Mtskheta-Mtianeti region, Dusheti and Kazbegi. Mtskheta-Mtianeti is a region in eastern Georgia. The town of Mtskheta serves as the regional capital, which extends to its districts and the adjoining mountainous areas. The region is comprised of five municipalities: Akhgori, Dusheti, Tanti, Mtskheta and Kazbegi. Dusheti, the main town in Dusheti municipality, has a population of 25,659. Kazbegi municipality has a population of 3,795 inhabitants. Its main settlement is Stepantsminda, which accounts for about half of the municipality's population.

**Table 1: Population in Project Municipalities**

Municipality	Male	Female	Total
Kazbegi	1,859	1,936	3,795
Dusheti	12,785	12,874	25,659
<b>Total</b>	<b>14,644</b>	<b>14,810</b>	<b>29,454</b>

Source: Municipality administration

The Lot 2 Project impacts eight villages – Kvesheti, Arakhveti, Zakatkari, Beniani, Begoni, Sviana, Rostiani and Mugure. There are 550 people (276 males and 274 females) living in these villages.

**Table 2: Population in Affected Persons' Villages**

Village	Total	Male	Female
Kvesheti	257	122	135
Arakhveti	205	110	95
Zakatkari	57	30	27
Beniani-Begoni	12	5	7
Sviana-Rostiani	18	8	10
Mugure	1	1	0
<b>Total</b>	<b>550</b>	<b>276</b>	<b>274</b>

## Socioeconomic Survey Results

The socioeconomic survey in the area covered by Lot 2 of the Project was conducted from 22 June 2018 to 8 August 2018 and updated in September, October and November 2018. The SES aimed to sample 100% of all affected households. The resettlement team completed the socioeconomic study with 126 out of 141 households. The owners of 15 AHs have not been located as they do not live at the locations where the land and other assets are acquired. When the local authorities locate these APs, the SES will be completed, the listing, compensation terms and compensation delivery status to these 15 HH will be discussed in the final compliance report. It is anticipated that only land and minor structures (non-residential) will be impacted for these 15 AH. The DMS was completed for all remaining 141 AHs by the assistance of the local authorities.

The objective of the socioeconomic survey was to gather general information on the socioeconomic conditions of affected people. The SES Questionnaire included questions which aim to measure the main characteristics of affected households such as type of land use, land holdings, buildings, businesses, family type and size, main demographic data of the household members, self-reported monthly income and total monthly expenditure, sources of income, house facilities, ethnicity, vulnerability, women's status, opinions about the Project, etc. Each questionnaire took around 20 to 30 minutes to complete. The collected data was processed using Microsoft Excel.

In total, the Project impacts 141 households with 549 members (268 male and 281 female). During the Socioeconomic Survey of AHs, representatives of 126 AHs were interviewed. Out of these, 112 (89%) were heads of households. There were 4 persons per surveyed household on average.

**Table 3: SES Sample**

No of AHs	No of surveyed AHs	Male	Female	Total APs
141	126	268	281	549

Source: SES

All Lot 2 Project villages have electricity, gas and a supply of drinking water in house or in front of the houses. There is mobile phone reception in the village and some TV programs are available.

Schools, medical facilities and shops are available only in Kvesheti. Families with school age children, move to Kveshwti during the winter time. Children from Zakatkari village are going in school in Gudauri which is 5-6 kilometers away.

There are no hospitals and pharmacy services in the Project area. There is only a small clinic with one doctor in Kvesheti. For all other than basic medical services, people are travelling to Tbilisi.

In winter time, only few people live in Khada valley villages because of absence of school, transportation problems and because villages are inaccessible from December till the end of March. Travelling from Khada valley to Kvesheti is almost impossible. In Tckere, usually 3 residents stay during the winter, in Mugure, one resident and in Beniani-Begoni, based on consultations with villagers, it is estimated that a maximum of 10 % of the residents stay in these villages during the winter time. The number of people living in these villages during the winter months depends on the weather condition and access to the village.

Affected persons who live in these villages permanently keep some cattle. Sheep and horses can be seen grazing near villages. The APs sow potatoes, corn, vegetables, which can be cultivated successfully under such climatic conditions. The vegetables are used for the households' own consumption and nobody reported selling vegetables.

Hay is the main product produced in these villages. Grass is left to grow on some lands so that the villagers can harvest enough hay for the winter. Hay is also used for their own livestock and in these villages, there was no sale of hay reported.

The villagers cultivate cherries, pears, walnuts, hazelnuts, quinces, grapes and plums. All harvested fruit is used for personal consumption.

More than half (59.57%) surveyed household has a latrine, which is common in this area, while one quarter (25.53%) of the AHs have in-house flash toilet. Mobile phones are used by 69.50% surveyed households. Televisions and satellite antennas are available in 70.21% and 63.83% of the AHs respectively. Electric or gas stoves are available in 98 AHs (69.50%). Refrigerators and washing machines are owned by 59.57% and 58.87 % of households, respectively. Utilities such as hot water systems, in-house flush toilets or an Internet connection are available in 35.46% of surveyed households. There were no other assets listed by the APs.

**Table 4: Households Assets and Amenities**

Items	No of AHs	%
Latrine	84	59.57
Flash toilet	36	25.53
Hot water system	50	35.46
TV	99	70.21
TV antenna/dish	90	63.83
Computer	46	32.62
Internet	25	17.73
Mobile phone	98	69.50
Electric/Gas stove	98	69.50
Refrigerator	84	59.57
Washing machine	83	58.87

Each of the 141 AHs will lose some land. The total land held by AHs amounts to 1,519,213 m<sup>2</sup> and out of it, 311,132 m<sup>2</sup> (20.48%), needs to be acquired by the Project. There are 90 AHs which will lose more than 10% of their total landholdings. Eight AHs reported agriculture and a source of income while four out of these, reported agriculture as the only source of income. (Table 3-5)

**Table 5: Land Holdings**

No of AHs	Impact on landholdings
31	10-20%
36	21-50%
11	51-70%
12	71-99%
<b>Total: 90</b>	

## Gender and Household Composition

The data on the heads of 126 AHs is presented in the following table. Fifteen of the AHs could not be identified during the LARP preparation. There are 88 (69.84%) of male and 38 (30.12%) of female head of households. Most of the heads of households are concentrated in the 51 plus age category. Only 24 (19.02%) of the heads of households are younger than 50 years. Married head of HH account for 68.25% of all heads of HHs. A total of 25.39% are widowed and 6.35 % divorced or single.

A head of HH data shows that 31.75% of head of HH stated pension as their primary source of income and 57.14% stated salary as their source of income. Other sources of income are rent, remittance and agriculture. (Table 3-10 a)

**Table 6: Profile of Heads of Households**

Age	Male	Female	Married	Divorced	Single	Widow	Pension	Salary	Rent	Remittance	Business/ Self- employed	Agriculture
27-40	8	1	6	1	1	1	2	4	1	1	0	0
41-50	16	5	17	0	1	3	2	15	1	0	1	2
51-60	27	7	27	1	0	6	6	25	0	1	0	1
61+	37	25	36	3	1	22	30	28	0	1	2	1
	<b>88</b>	<b>38</b>	<b>86</b>	<b>5</b>	<b>3</b>	<b>32</b>	<b>40</b>	<b>72</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>

In total, there are 141 AHs with 268 males and 281 females. There are 6 female-headed households in which women live alone. More than 87% (123) of surveyed households have nuclear families. Extended families comprise 17% of all surveyed families. The household size of the surveyed population ranges from one to 18 persons in a household. A total of 74 AHs (52.48%) have up to 4 members in a household. 51 (36.17%) AHs have five to ten members and one AHs have 18 persons in their households. All APs are Georgians who are Orthodox Cristian.

**Table 6 a: Type of Families**

Family Type	Number of AHs	Percentage (%)
Nuclear	123	87.23
Extended	18	12.77
<b>Total</b>	<b>141</b>	<b>100.00</b>

### Age and Marital Status

The age distribution of the surveyed population for this LARP, shows that the 18-35 age group was the most represented (24.59 %). When the two age groups, 0-7 and 8-17 are combined, minors account for 19.12% of the surveyed population. The 36-45 age group accounts for 18.40% while 46-55 and 56-65 age groups, account for 11.66% and 11.11%, respectively. The 66 and above age group accounts for 15.12 % of the surveyed population. When the groups 18-65 years of age are combined, the working age population amounts to 65.76%. (Table 3-7)

**Table 7: Age**

Age	All AH members			
	Male	Female	Total number	Age group (%)
0 - 7	24	24	48	8.74
8-17	32	25	57	10.38
18 - 35	75	60	135	24.59
36 - 45	47	54	101	18.40
46 - 55	31	33	64	11.66
56 - 65	24	37	61	11.11
66 or more	35	48	83	15.12
<b>Total</b>	<b>268</b>	<b>281</b>	<b>549</b>	<b>100.00</b>

Married APs account for 49% of all APs. A total of 2.37% of APs are widowed and 8.74 % divorced. Unmarried APs and minors account for 39.89%. (Table 3-8).

**Table 8: Marital Status**

Marital status	APs	
	Number	%
Married	269	49.00
Unmarried	219	39.89
Widowed	13	2.37
Divorced	48	8.74
<b>Total</b>	<b>549</b>	<b>100.00</b>

## Education

The following table shows a high level of literacy among the surveyed population. Almost a half (48.09%) APs have completed secondary education and 35.28% obtained a university degree. A further 12.81% obtained vocational education. There are no illiterate APs among the surveyed population. (Table 3-9)

**Table 9: Education Level of APs**

<b>Education level of APs</b>	<b>Number</b>	<b>%</b>
Primary school	17	3.82
Secondary education	214	48.09
Technical/other college	57	12.81
University degree	157	35.28
<b>Total</b>	<b>445</b>	<b>100.00</b>

## Employment, Income Sources and Expenses

Employment and income data were collected from 490 APs. All data is self-reported. Pensioners are represented with 18.98%. Work in the private sector and work as a civil servant, are accounting for 13.47% and 13.67% respectively. Housewives make up 13.88%. The unemployment rate among the surveyed APs is 21.43%. (Table 3-10).

A household level data shows that 70 households stated pension as their primary source of income. Civil servant and private sector are primary source of income for 20 AHs and 16 AHs respectively. There are 7 AHs in which there are no pensioners or employed members of the households. They live from help from other family members or remittance. However, the extent of such help is not stated by the AHs. The data shows that, out of 125 surveyed households, 102 AHs (81.6%) have some secondary source of income. Pensioners are most likely to have a secondary source of income (85.72%) (Table 3-10 a)

**Table 10: Type of Employment**

Type of employment	No of APs	%
Pensioner	93	18.98
Civil servant	67	13.67
Private sector employee	66	13.47
Self-employed	46	9.39
Farmer	0	0.00
Housewife	68	13.88
Pupil/Student	45	9.18
Unemployed	105	21.43
<b>Total</b>	<b>490</b>	<b>100.00</b>

**Table 10 a: AHs' Primary Source of Income**

Type of occupation	No of AHs-primary occupation	No of AHs-secondary occupation
A1. Pensioner	70	60
A2. Civil servant	20	17
A3. Private sector employee	16	14
A4. Self-employed	9	9
A.5 Farmer	0	0
A.6 Housewife	3	2
A.8 Unemployed	7	0
<b>Total</b>	<b>125</b> (Without double counting)	<b>102</b>

Data on income is self-reported and was obtained from 125 out of 126 surveyed households. The data on monthly income ranges from 100 to 13,500 Gel per household. Most of the respondents (36.07%) have income between 600 and 1,500 Gel. Almost a quarter of households have their monthly income above 1,500 Gel per month. A total of 66.39% respondents reported salaries as their source of income, followed by pension (63.93%). Four AHs reported income from business and self-employment and eight AH reported 16-600 Gel/month income from agriculture. More than third of AHs reported some source of secondary income (39.34%), while 18.03% do not have any additional income. The average household income amounts to 1,184.49 Gel per month.

Income and expenses were self-reported by surveyed persons. The average monthly expenditure for a household was around 1,144.79 Gel per month. It was difficult to get itemized information on monthly expenses for food, clothing, schooling, healthcare etc., so total monthly expenditures were obtained from the respondents instead. The self-reported monthly income and expenditure for each of the surveyed household, are presented in the following tables:

**Table 11: Self-reported Monthly Income and Expenses**

Monthly income (Gel)	No of AHs	%	Monthly expenses (Gel)	No of AHs	%
<300	22	18.03	<300	23	19.01
301-600	26	21.31	301-600	30	24.79
601-1500	44	36.07	601-1500	41	33.88
>1,500	30	24.59	>1,500	27	22.31
<b>Total</b>	<b>122</b>	<b>100.00</b>		<b>121</b>	<b>100.00</b>

**Table 12: Sources of Income**

Source of income	No of AHs (Double counting)	No of AHs (Without double counting)	%	Remarks
A1.Salary/wages	77	77	64%	
A2.Business	4	3	3%	1 AHs are included in A1
A3.Agriculture	9	4	3%	5 AHs are included in A1
A4.Rent	2	2	2%	
A5.Remittance	3	2	2%	1 AHs are included in A1
A6.Pension and Government allowances	78	32	27%	46 AHs are included in A1, 1 AHs are included in A2 and 1 AHs are included in A3

A total of 54 AHs (44.26%) reported having a bank or a microfinance organizations loan. Information about the purpose of their bank loans was unavailable. The APs who reported more expenditures than income per month explained that they have loans to repay and that they are constantly in debt.

## **Women in Project Villages**

During the SES and DMS studies, limited information was gathered on women activities in the Project villages. All women, regardless of employment status, do housework and care for children and household members. Those who have some land and livestock do agricultural work and mind livestock. Four women reported being employed.

Women in Gudaury work as housekeeper in hotels and tourist centers. They also sell knitwork and dairy products to hotels in Gudaury.

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