



Roads Department of Georgia

Project Number: 51257-001
November 2023

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

This Livelihood Restoration Plan (LRP) forms an integral part of Land acquisition and resettlement plans (LARPs) under the Project and is 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

Affected Household (AH)	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.
Affected People (AP)	Individuals affected by Project-related impacts.
Eligibility	Means any person(s) who at the Cut-off-date was located within the area affected by the project, its subcomponents, or other subproject parts thereof, and are affected by the project. Eligibility is irrespective of (a) formal legal rights to land, (b) customary claim to land or asset or (c) no recognizable legal right or claim to the land APs are occupying.
Entitlement	Means the range of measures comprising 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.
Land Acquisition	Means the process whereby a person is compelled by the Government through the Executing Agency of the Project to alienate all or part of the land s/he owns or possesses in favor of the State due to the implementation of the Project or any of its components in return for consideration.
Replacement Cost	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.
Rehabilitation	Means the measures required to (i) restore access to public facilities, infrastructure, and services; (ii) cultural property and common property resources; (iii) mitigate loss of access to cultural sites, public services, water resources, grazing, or forest resources including establishment of access to equivalent and culturally acceptable resources and income-earning opportunities; and, (iv) restore the economic and social base of APs 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.
Resettlement	Means full or partial, permanent or temporary physical displacement (relocation, loss of residential land/ or shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to parks and protected areas. The definition applies to impacts experienced, regardless of whether it involves actual relocation.
Land Acquisition and Resettlement Plan	Means the time-bound action plan prepared to compensate and/or mitigate the impacts of resettlement.
Relocation	Means the physical shifting of APs from his/her pre-project place or residence, place for work or business premises.
Sakrebulo	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.
Severely Affected Household	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.
Informal Settlers	Non-legalizable AHs losing land plot used without authorization, for living and/or provision of source of income for the AH.
Vulnerable Households	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.

Contents

1. Project Description	6
2. Objective of Livelihood Restoration Plan.....	8
3. Methodology used for LRP Preparation	9
4. Demographic Profile of Villages affected by LRP	10
4.1 Land Use and Land Ownership	10
4.2 Education	12
4.3 Agriculture.....	13
5. Stakeholder Consultations	13
6. Community Development and Livelihood Improvement	15
6.1 Resettlement and livelihood development.....	15
6.2 Community Needs Assessment.....	16
6.3 Community development initiatives	16
6.4 Khada Valley Masterplan+.....	18
7. Livelihood Restoration Program	19
7.1 Approach.....	19
7.2 Agricultural Assistance Program.....	19
7.2.1 Farmer Field School Methodology.....	20
7.2.2 Implementation of training programs for primary producers.....	21
7.2.3 Implementation of training programs for livestock farmers and dairy production	21
7.3 Skill enhancement & Employment Program in Tourism	22
8. Public Consultations and Documents Disclosure	27
9. Grievance Redress Mechanism.....	27
10. Institutional Arrangement, Implementation and Budget.....	27
11. Monitoring and Evaluation	29
Annex 1: Project Name: Kvesheti-Kobi Section of Mtskheta-Stepantsminda-Larsi Road Minutes of the public consultation	30
Annex 2: Socio-economic information prepared for KK LARP project Lot 1 (Tunnel section)	39
Annex 3. Socio-economic information prepared for KK LARP project Lot 2	50

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).

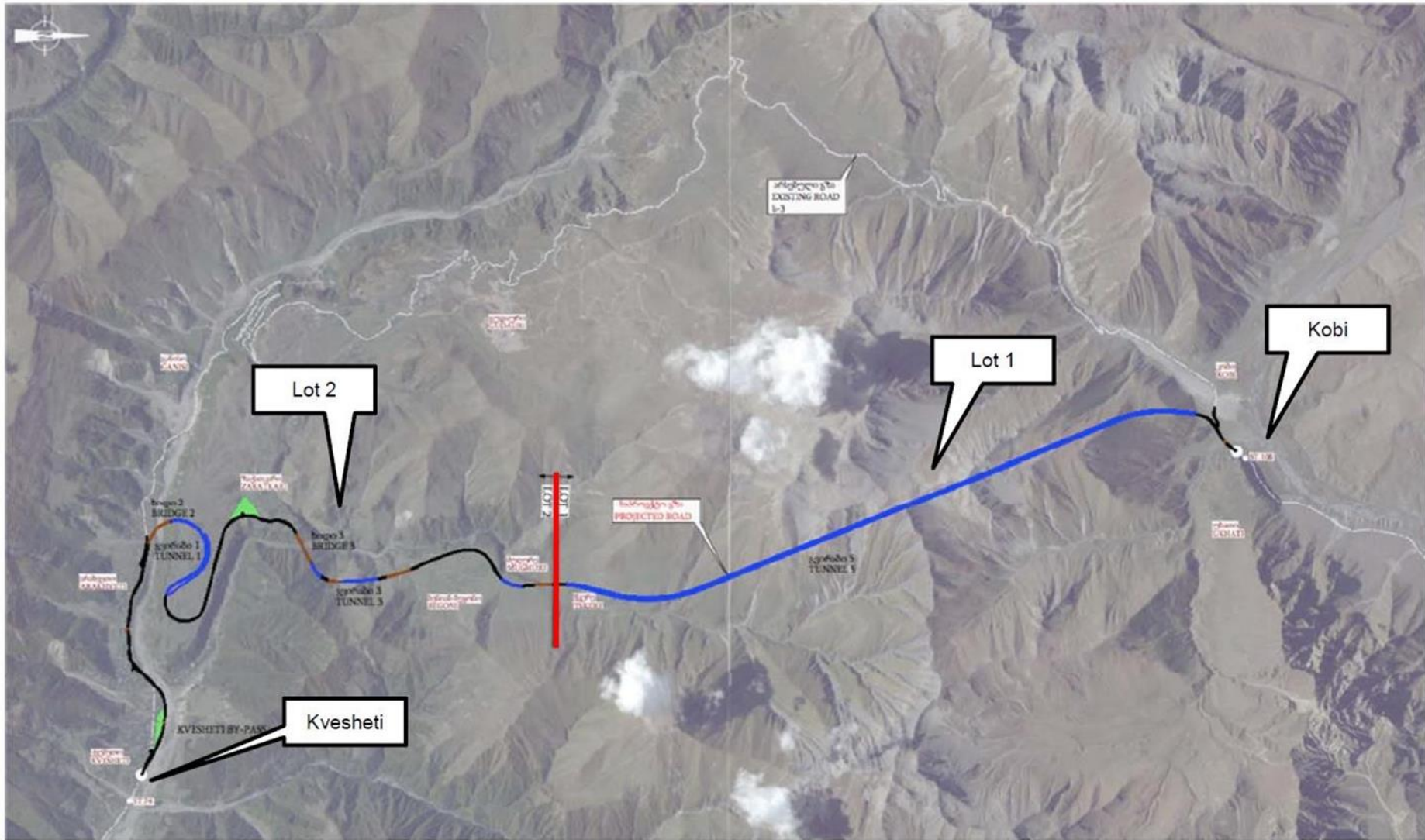
Key design features of Lot 1 and Lot 2 sections are summarized below, and an overview of the alignment location is presented in Figure 1:

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.

Prior to the development of this LRP, a Community Development and Livelihood Improvement plan was prepared in May 2022 and being implemented thereof based on outcomes of community need assessment – background and status of implemented community development initiatives are summarized in chapter 7 of this LRP.

Figure 1. Project Alignment



2. Objective of Livelihood Restoration Plan

In frame of KKR project LARPs have been developed for two Lots. The LARPs outline the cash compensation and other cash rehabilitation assistance for livelihood restoration (see Chapter 2, section 2.2). The entitlement matrix developed for the project covers the type of impact, eligibility criteria, compensation requirement, development assistance and additional benefits to APs/AHs.

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 LRP is considered as integral part of project LARPs to ensure additional revenues and services through benefit sharing assistance following one of the basic principles of ADB's safeguards policy¹. 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 communities²,
- Summarizes the outcomes of already implemented community development initiatives.
- Identifies feasible livelihood restoration measures,
- Provides an implementation schedule for activities and programs along with institutional arrangement and budget.

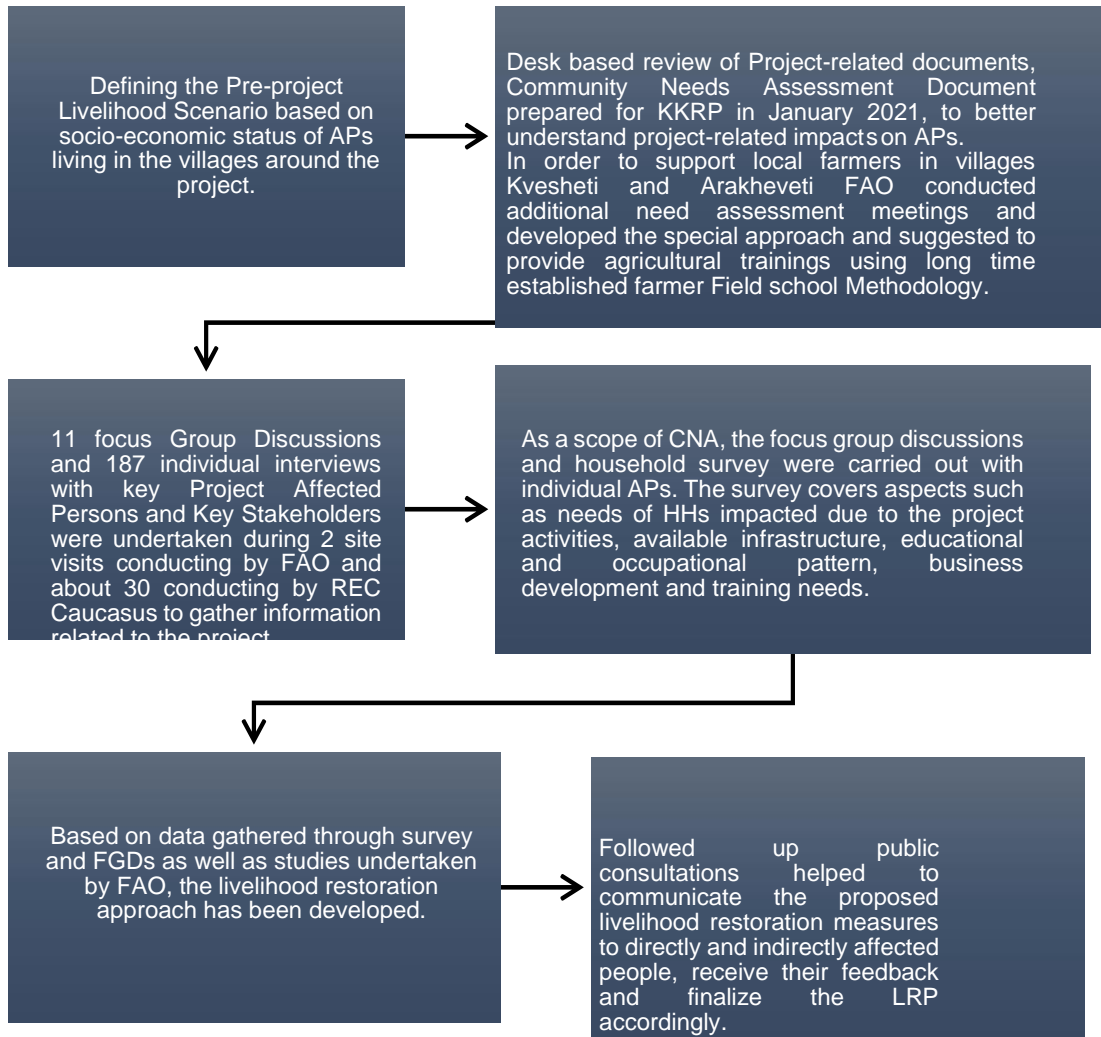
The goal of LRP is to improve and restore livelihood conditions of the APs with a focus on ensuring the APs are at least able to regain and improve their living standard. The livelihood restoration options provide a wide array of activities that can restore livelihoods for short term and improve long 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 extensive consultations with APs, as well as additional need assessments implemented by the Food and Agriculture Organization of the United Nations (FAO).

¹ See LARPs' Chapter 4 "Legal Background, section 4.2.2: IR principle #3 as per SPS 2009.

² This LRP has been updated based on outcomes of consultations following the preparation of draft LRP in June 2023.

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 LRP³

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, Benian-Begoni, Svania-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 Khadiskhevi 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, 317ha 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%).

³ 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
Kvesheti Community*	1 989	1 221	621	600	-	-	-
Villages of the Kvesheti Community located within and near the Khada Valley							
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
Total	1018	641	315	314	688		

*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 people⁴ living in the project area and have an interest to develop small business;

⁴ The consultations will ensure accessibility and awareness of LRP-proposed benefits to indirectly affected people in project communities.

- 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 the draft LRP. Three more consultations in six communities conducted in July 2023 with different target groups in order to:

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

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

The details about latest round of public consultations are summarized below while the minutes of meetings are attached in annex 1:

Table 3. Public consultations held for update/finalization of LRP

Date	Location	Target Group	Participants from Surrounding Villages	Notes
July 11 (13 p.m. and 15 p.m.)	Public school of Kvesheti, Construction Camp of Tskere.	Local Population, including vulnerable and severe impacted people.	Arakhveti, Kvesheti, Bedoni, Benian-Begoni, Tskere, and Mughure	20 people, among them 6 females and 14 males, from surrounded villages attended the meeting.
July 12	Construction Camp of Zakatkari	Local Population, including vulnerable and severe impacted people.	Zakatkari, Seturebi and Jaghmiani	Nine male representatives were participated in the meeting

During the period of July-August 2023, individual consultation meetings were held with local population from project surrounded villages, and information regarding the proposed training modules was provided to them. Also, during these meetings the interested persons and small groups, who raised the interest to participate in trainings, were identified by the Stakeholder Engagement Consultant for ADB Funded Projects and Local Social Safeguards Specialist, Asian Development Bank.

Additionally, comprehensive needs assessment meetings with local farmers from different locations were conducted by FAO team. These meetings served as a crucial step in understanding the unique challenges and opportunities present in these communities to inform the communities, identify the potential beneficiaries and design the trainings curriculum (see chapter 7 for details).

6. Community Development and Livelihood Improvement

The project area (Khada valley) is home to a wide range of physical cultural heritage. This cultural heritage, together with the region's mountains and winter sport, suggests that the Khada valley has strong tourism potential. The project will help the government preserve the region's rich natural and cultural heritage and provide opportunities for tourism development by improving access to recreation and natural area benefiting local communities, facilitating the generation of new sources of income and creating jobs opportunities. In addition, the project is committed to helping the government ensure sustainable development by finding a balance between community development aspirations, national conservation goals, and regional development.

Prior the preparation of this LRP, the "Community development and livelihood improvement plan" (CDIIP) prepared in May 2022⁵ to summarize the findings of community need assessment and outline the community development activities and priority projects which would contribute to sustainable livelihoods development of the communities in the valley.

6.1 Resettlement and livelihood development

The land acquisition and resettlement impacts of the project have a relatively small effect on the economy of the valley. The impact on pasture plots does not critically affect the pastoral activities of the local villagers. This is because most of the grazing surface used in summer is on public land and on the upper reaches of the watersheds, which are not affected by road construction. In addition, the

⁵ [Community-development-and-livelihood-improvement.pdf \(kveshetikobiroad.ge\)](#)

small plots which are affected by construction produce a negligible quantity of winter fodder, most of which is purchased from fodder producers in the plains.

Land acquisition for the project also affects some small garden plots mostly used for subsistence purposes, and various allowances and other provisions have been included in the Entitlement Matrix of the LARP to offset this. Additional livelihood development opportunities to offset impacts on small subsistence have also been considered. Although consultations with relevant organizations and experts have indicated that there is very little potential for livelihoods development based on agriculture in the Khada Valley. Notwithstanding this, the possibility of potential benefits through training in niche areas of dairy and beekeeping or improved use of organic fertilizer is being explored discussed with specialized agencies.

It has been observed, from the Community Needs Assessment as well as subsequent workshops and field visits, that a major impediment to development of livelihoods in the valley is connectivity – roads are very poor and there is not all year access to most vehicles. This effects access to education, employment, commerce, and health services. Upgrading of the existing road from Tskere to Begoni to an all-weather access road, to connect with the future Zakatkari-Gudaure road, will provide a significant upgrade to connectivity of Khada Valley villages, which will in turn provide a boost to livelihood development potential.

6.2 Community Needs Assessment

To determine the community's specific needs and development priorities, the project undertook a community needs assessment. Between October 2020 and January 2021, 11 focus group discussions and 185 rapid household surveys were conducted in the Khada Valley. The study was undertaken by the Regional Environmental Center for the Caucasus (RECC).

The assessment revealed priority areas in conversation land use and livelihood enhancement at the village level. Compared to census data for 2002, the population of the Khada Gorge has declined by 32%. Survey respondents cited reasons such as the following for migrating away from the valley:

- (i) Poor employment opportunities (59% of respondents);
- (ii) Lack of the village development perspective (48%);
- (iii) Insufficient income (45%).

During The 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.

Accessibility, both physical and virtual, was flagged as a key impediment to community needs, across the board. The survey revealed that inaccessibility of healthcare services, a lack of access to schools, and limited access to the internet are key social challenges facing residents. 65% of those surveyed considered tourism as a source of alternative income, and many potential employment paths related to tourism were flagged, given adequate connectivity. The findings from the needs assessment and follow-up consultations continue to inform the preparation of a Masterplan+ for the Khada Valley and its surroundings.

During project preparation, consultations with residents, Kazbegi and Dusheti municipalities, tourism associations, NGOs and other stakeholders revealed that there is a significant desire and need for sustainable tourism development within the region.

6.3 Community development initiatives

Community development initiatives have been formulated, based on the findings of the community

needs assessment. The project has set aside funds under the loan to develop social infrastructure and build capacity of local communities such as helping residents start businesses, and training to become tour guides. Improved local roads, and connectivity to Gudauri and Kvesheti, are also essential requirements to enable the facilitation of training and business development opportunities, especially in the tourism sphere.

As part of community development initiatives, extensive consultation and targeted discussions were conducted with communities which resulted in several agreements reached with locals. Most of the agreed activities are already completed as of now- the status of implemented activities is presented below:

(i) Construction of water tank and water supply system for village Bedoni

It was decided to fully rehabilitate the water supply system of Bedoni village and the Contractor of Lot-2 arranged a new water supply pipe with a length of 3km and two water tanks structures with the capacity of 3m³ and 100 m³. After completion of the mentioned works the local municipality with its budget arranged internal water supply networks for village Bedoni and chlorine room. Completed by November 2022.

(ii) Construction of water tank and water supply system for the villages of Tskere and Benian-Begoni

In November 2022 the contractor of Lot-1 arranged a new water collecting tank (50 tones) above the village Tskere and water pipes with a length of 2.5km to the villages of Benian-Begoni and Tskere. The project will be completed by a subcontractor company, which will arrange additionally a sewerage system and drainage system for the village Tskere. The works will be completed by the end of 2023 or Spring of 2024. In the same period, in November 2022 the contractor of Lot-1 arranged a sewage septic tank as well in the village of Tskere and installed a central sewage pipe for the residents.

(iii) Access road to Mugure village

In August-October 2023 Lot-1 Contractor upgraded/graveled the access road to the village Mugure and internal part (approximately 400 m). The contractor also arranged a new water supply pipe for the village and connected it to the water spring. Additionally, the water collecting tank (1 m³) will be arranged by the subcontractor company.

(iv) Zakarkari access road

In Zakarkari village access road has been upgraded and drainage system arranged by the Contractor of Lot-2. The work was carried out in May-June 2021.

(v) Khada valley access road rehabilitation

Khada Valley access road has been upgraded by both Contractors in the period of August-September 2023.

(vi) Awareness raising campaign on the environmental field

Within the framework of the new Kvesheti-Kobi Road Project, in cooperation with the environmental organization "Ecovision", an awareness raising project was implemented in the school of Kvesheti and an eco-club was established, the club members took part in various activities – trainings, workshops, competitions, an excursion to the TBM tunnel, etc.

The main goal of this educational project was to properly inform the population of Khadi Valley and raise their awareness on infrastructural and environmental issues: 5 lectures were held in frames of this project.

The final event of this educational environmental project was held in the school of Kvesheti. An exhibition of painting competition was organized in the yard of the school and commemorative gifts and certificates were given to the participants.

In total, about 20 children, who are V-XI grade students of the school of Kvesheti, took part in the competition.

Together with the representatives of "Ecovision", the eco-club has elaborated a annual action plan, which involves maintenance of the green area of the school surroundings in Kvesheti, cleaning the school yard and intellectual games on environmental topics.⁶

(vii) Medical care activities

In Cooperation with the non-governmental organization "Mountain Development Center", a social Activity was planned for the local population living in Khada Valley. About 70 pensioners were interviewed in Kvesheti and Khada valleys to determine their medical needs and necessities. As a result of the investigation, the following need to check was identified: the condition of internal organs, vision, blood pressure, etc.⁷

It was organized that different doctors visited Kushsheti and Khada valleys and check-up the locals and give them the necessary medical treatment and medicines. Namely, on April 23, 2021 and June 9, 2022 by organizing the new Kvesheti-Kobi Road Project, within the framework of the local population support and social protection program, a free medical preventive check-up was given to the population of the Kvesheti community and Khada valley. Free consultations were provided by the doctors of the Konstantine Eristavi National Center of Experimental and Clinical Surgery: general surgeon, angiolog, urologist, gynecologist, traumatologist, ophthalmologist, therapist, cardiologist, neuropathologist, endocrinologist. Also, depending on the need, ultrasound and cardiological examinations, determination of glucose in the blood and ophthalmoscopic studies were provided free of charge.

6.4 Khada Valley Masterplan+

While the road will deliver immediate benefits in terms of year-round accessibility and expanded tourism, it has the potential to act as a catalyst for wider development of the entire region. To develop the valley in a controlled way and take advantage of the opportunities generated by the new road, the Georgian government decided to go beyond a tourism strategy and committed to preparing a full-fledged. Masterplan includes binding land-use and zoning regulations for the future issuance of building permits. ADB and the government decided to go further and prepare a "Masterplan+" that will encompass four inter-related plans: (i) Community Needs Assessment (prepared by REC Caucasus; completed); (ii) Historic-Cultural Reference Plan (prepared by Geographic consulting firm; at final stages), (iii) a Development Plan (prepared by BAU Design consulting firm; ongoing), and (iv) a Priority Investment Program. Preparation of "Masterplan+" is separate activity beyond the road construction project.

The Masterplan+, which was developed and is currently being finalized with support from ADB's Technical Assistance, will articulate an overarching vision for the valley that incorporates spatial, social, environmental, cultural, and economic dimensions. It will foster participatory and inclusive planning, pay specific attention to nature-based and cultural heritage values, and provide an implementation framework for the long-term development of the valley.

⁶ <https://kveshetikobiroad.ge/qveshethi-kobis-akhali-gzis-proeqtis-pharglebshi-qveshethis-skolashi-saganmanathleblo-garemosdatsvithi-proeqti-khortsieldeba>; <https://kveshetikobiroad.ge/qveshethis-skolashi-moqmedma-ekoklubma-daskvnithi-ghonisdzieba-gamartha>.

⁷ <https://kveshetikobiroad.ge/khadis-kheobis-mosakhleobas-uphaso-sameditsino-prophilaqtikuri-shemotsmeba-chautarda-2>; <https://kveshetikobiroad.ge/uphaso-sameditsino-prophilaqtikuri-shemotsmeba-khadis-kheobis-mosakhleobisthvis/>;

7. Livelihood Restoration Program

7.1 Approach

Based on outcomes of community need assessments and public consultations, 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 ensure the sustainable growth and livelihood improvement, the APs will also be entitled to the additional non-cash assistance under the project.

The assistance programs are proposed in two main areas as follows:

- a. **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.
- b. **Skill enhancement & Employment Program in tourism:** 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. As part of livelihood assistance programs, awareness raising activities/sessions will provide information to the local population regarding the available agriculture related government funded programs, skills development and employment opportunities and share knowledge how to start new activities in this field or expand already existing ones.

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, however indirectly affected locals, interested in proposed measures will be also informed and provided with opportunity to enroll in assistance programs.

7.2 Agricultural Assistance Program

For the agricultural assistance of the Khada valley communities under this LRP the program entitled “Support local communities of Kvesheti and Arakhveti to build resilience in agriculture through Farmer Field Schools” is being implemented by the Food and Agricultural Organization (FAO) of the United Nations and is funded by the Asian Development Bank (ADB)⁸. The program aims to improve the livelihood of communities nearby the North-South Corridor (Kvesheti-Kobi) through the demonstration and application of Good Agriculture Practices (GAPs), Integrated Pest Management (IPM) and Climate Smart Agriculture (CSA) in crop production, livestock rearing and dairy production.

The project area straddles the municipalities of Dusheti and Kazbegi and includes several small towns and villages that consist of over 550 people in total: Kvesheti, Kobi, Arakhveti, Zakatkari, Beniani, Begoni, Sviana, Rostiani and Mugure.

⁸ An agreement was signed between FAO and ADB on 04 July 2023.

During winter, only a few people live in the Khada Valley because the villages are inaccessible from December to April (about three residents in Tskere and one resident in Mugure). Villages include a number of temporarily occupied or abandoned houses.

This status limits investment in accommodation improvements and social infrastructure support to smaller villages. Surveys also identified that agriculture, livestock, and apiaries are the activities in which the population is mostly engaged in. Livestock is the primary financial source while agricultural and apiary activities are generally undertaken for subsistence with excess produce sold for profit. The roadside markets along the existing road provide some economic opportunities for local people, for example through selling local products such as dairy products and honey.

Good Agriculture Practices (GAPs), Integrated Pest Management (IPM) and Climate Smart Agriculture (CSA) are not highly disseminated between farmers in Georgia, leading to under nourishing of both crops and livestock, antimicrobial resistance for overuse of antibiotics even as preventive measure, and general misuse of resources (land, water, etc.). The level of technology utilized in the area is low, as concluded by the Technical Needs Assessments performed by FAO and ADB, but there is a potential not only to increase productivity per area (very convenient as plots are small), but also improve the quality of the products sold, including from a point of view of food safety, and reduce the incidence of diseases and build more resilience to climate change.

This agricultural assistance program implemented by FAO has two outcomes:

- Outcome 1: Improve the livelihood of vegetable farmers through modern and more resilient/sustainable agriculture practices;
- Outcome 2: Improve the livelihood of livestock owners and dairy farmers through the promotion of better animal health and improved food safety practices;

For the achievement of each outcome, the following activities were performed: (i) performance of training/technical need assessment, (ii) development of training curricula based on needs assessments, and (iii) planning and implementation of training activities.

A preliminary Needs Assessment was performed jointly with ADB staff; however, a more detailed technical evaluation was done subsequently, at the start of the project. In total, 6 need assessment/8 information meetings conducted with potential beneficiaries. This has allowed for customized training according to the agroecological conditions in the area and the level of technology adopted by farmers. The potential for improvement is significant and farmers have shown interest in learning improved practices. Training material being developed addressing the main opportunity improvements in the communities- the ones with higher impact possible and less or non-investment requirement. To address these opportunities, the main training topics were identified (see figure 1).

Based on identified topics and training needs, training activities were designed/planned under each outcome. In line with the effort to support vegetable production under outcome 1, Farmer Field Schools will be established in the villages of Kvesheti and Khada Valley (Benian-Begoni), as well as training will be conducted for primary producers. Under this Outcome 2 FAO focuses its efforts on promoting better practices in the rearing of livestock and production of dairy products. Subsequent sections provide details on each of these activities.

7.2.1 Farmer Field School Methodology

The 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 learning 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.

As a result, dairy, honey, herbs, vegetable and potato production were identified as the areas where the communities could be more involved, allowing for an intervention that provides a mix of food security, food safety and developing economic opportunities that already exist.

In total, the project aims at creating 6 FFS in dairy and agricultural production and train 80 farmers in these two areas of work.

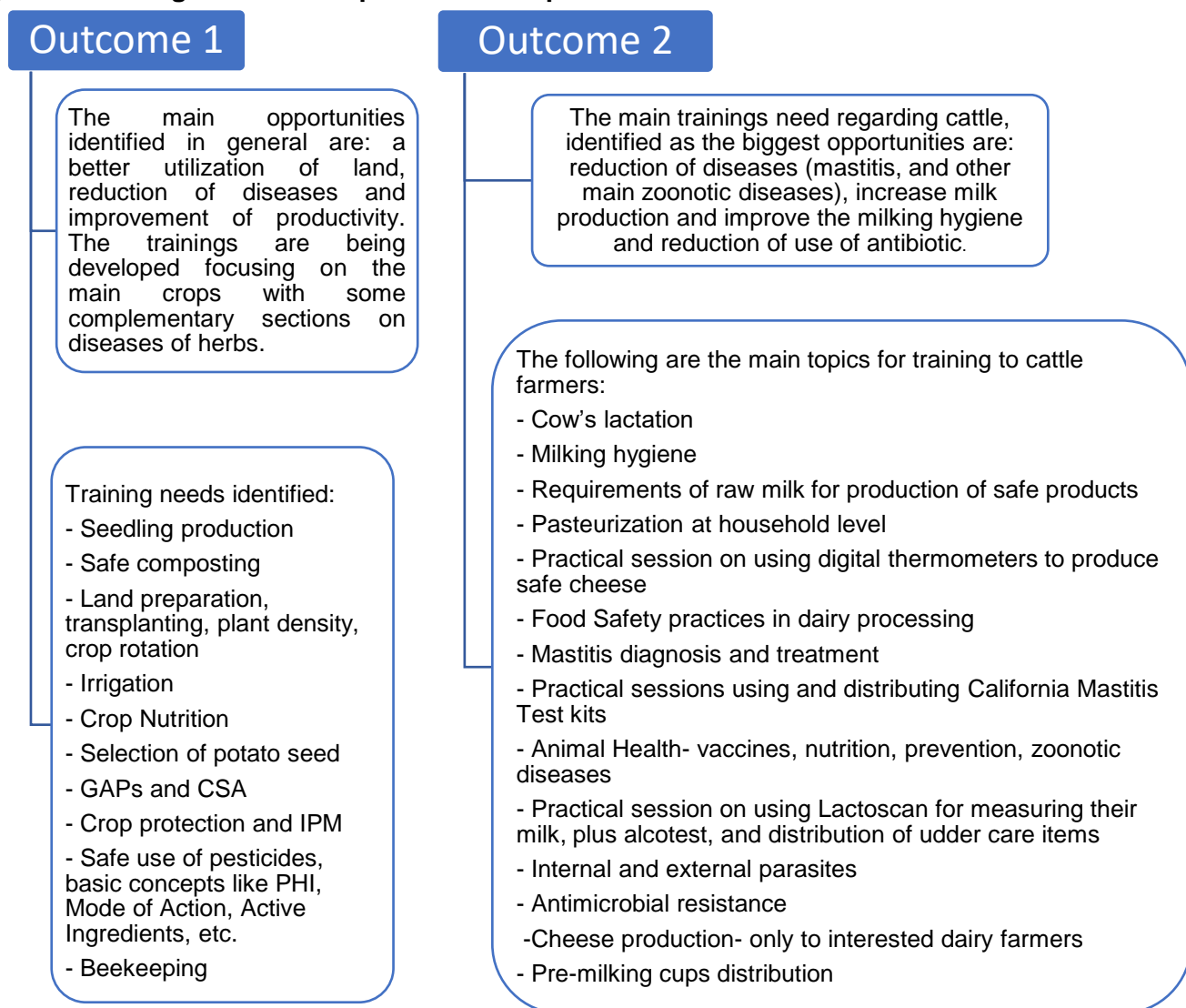
7.2.2 Implementation of training programs for primary producers

Trainings will be programmed according to the crop cycle, so farmers can implement the practices relevant to the crop stage right after the trainings. The trainings will be provided to FFS groups which will be formed by the farmers themselves based on proximity. These Farmer Field Schools then will be part of trainings, discussions, practices, which provide a better environment for learning than monologue trainings. The trainings will be complemented with trials and demonstration plots on the field to show farmer participants the impact of certain practices or inputs on the crop. FAO will provide small amounts of several high-quality agricultural inputs like high quality fertilizers and soft pesticides, and small equipment like moto blocks.

7.2.3 Implementation of training programs for livestock farmers and dairy production

Under this activity FAO targets dairy farmers in Arakhveti and Kvesheti mainly. In addition, training sessions will be conducted in Khada valley, Didveli and also from neighboring communities who might be interested in participating in programmed activities. Trainings will be programmed according to the lactation cycle, so farmers can implement the practices relevant to the calendar right after the trainings. The trainings will be complemented with the distribution of California Mastitis Test Kits for farmers to implement detection of subclinical mastitis, udder care products and brewery industry leftovers or other low-cost complementary feed to see the effect on milk production.

Figure 1. Training needs and topics identified per each outcome



7.3 Skill enhancement & Employment Program in Tourism

During project preparation, consultations with residents, Kazbegi and Dusheti municipalities, tourism associations, NGOs and other stakeholders revealed that there is a significant desire and need for sustainable tourism development within the region. The government has developed a tourism strategy for the region that identified several opportunities and priority interventions through a value chain analysis.

One of the project components (see Project DMF, output 2⁹) includes the establishment of a **Khada Valley Visitor Center**. This will be a flagship initiative which can serve as an anchor-node, connecting to other sustainable development initiatives in the region. In addition, the center will also be focused to support local livelihood improvement for residents in the Khada Valley and along the new project road. This multipurpose visitor center will be constructed to Georgian National Tourism Administration standards. The exact nature of the visitor center will be developed under the unfolding Masterplan+.

The other output envisaged under the Project, is arrangement of **trainings on tourism-related job and business trainings**. As per project DMF requirements, at least 50 local residents, including 50% of women, should benefit from knowledge and skills from tourism-related job and business trainings.

⁹ <https://www.adb.org/sites/default/files/project-documents/51257/51257-001-rrp-en.pdf>

The preliminary topics of training module is outlined below:

- (i) Orientation and awareness raising on various technical & vocational courses. This 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.
 - Provide information to the local population regarding the challenges in tourism development, mainly in mountain regions of Georgia; will inform the local population regarding of different techniques to deal with climate change and adaptation (how the climate change impacts the farmers livelihoods).
 - Provide information about different types of vocational education such as souvenirs making, Cattle, Poultry Farming, etc.
 - Raise awareness on tourism related government schemes and opportunities.
- (ii) Basic Computer Training Course
- (iii) English language courses
- (iv) Tourism business development support program

The detailed module for trainings on tourism-related job and business trainings will be designed by the selected training organization, based on outcomes of needs assessment and obtained feedback from project communities.

Table 4. Matrix of Livelihood Restoration Activities

Area/Sector	Activity and expected outcome	Responsible party	Activity Tentative Dates	Estimated No. of beneficiaries
1. Agricultural Assistance Program				
1. Awareness Raising about agriculture related government schemes	<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.</p> <p>The awareness raising activity will provide the information to local population regarding this project and share knowledge how to start new activities in this field or expand already existing ones.</p> <p>ADB will coordinate with Dusheti Municipality to invite Rural Development Agency, Enterprise Georgia and Georgina National Tourism Agency to deliver an information session on available Government funded programs and ways how to access those programs.</p>	<p>LEPL Scientific-Research Centre of Agriculture under the MEPA</p> <p>ADB will support the activities through TA resources to be agreed with RD/Municipality.</p>	1 st session in Q4 2023 and continues	50
2. Trainings on improving the livelihood of vegetable farmers through demonstration of modern and more resilient/sustainable agriculture practices applied to crop production (vegetables, potatoes)	<ul style="list-style-type: none"> a. Establishment of demonstration plots/trials (target 6) b. Establishment of Farmers Field Schools (target 3) c. Training of vegetable farmers (target 40) 	FAO funded by ADB	<p>1st season – July- Nov 2023</p> <p>2nd season – Q1-Q2 2024</p>	50
3. Trainings on improving the livelihood of livestock owners and dairy farmers through promotion of better animal	<ul style="list-style-type: none"> a. Establishment of demonstration plots/trials (target 15) b. Establishment of Farmers Field Schools (target 3) c. Training of vegetable farmers (target 40) 	FAO funded by ADB	Q1-Q2 2024	50

Area/Sector	Activity and expected outcome	Responsible party	Activity Tentative Dates	Estimated No. of beneficiaries
health and improved food safety practices.				
4. Training on beekeeping and marketing	<p>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 experience.</p> <p>Based on outcomes of beekeeping trainings, RD may consider providing beehives for interested farmers.</p>	<p>FAO</p> <p>RD</p>	<p>1st season – July- Nov 2023</p> <p>2nd season – Q1-Q2 2024</p>	Up to 10
2. Skill Enhancement & Employment in Tourism¹⁰				
1. Establishment of a Khada Valley Visitor Center.	This multipurpose visitor center will be constructed to Georgian National Tourism Administration standards. The center will also be focused to support local livelihood improvement for residents in the Khada Valley and along the new project road.	RD through Project loan resources	Upon establishment as per project implementation schedule	The exact nature of the visitor center will be developed under the unfolding Masterplan+
2. Training on tourism-related job and business trainings, including orientation and awareness raising on various technical & vocational courses	<p>This module will be designed to:</p> <ul style="list-style-type: none"> assist interested local population with identifying a path toward employment, through the understanding of their vocational preferences, skills and abilities. provide information to the local population regarding the challenges in tourism development, mainly in mountain regions of Georgia; will inform the local population regarding of different techniques to deal with climate change and adaptation (how the climate change impacts the farmers livelihoods). provide information about different types of vocational education such as souvenirs making, Cattle, Poultry Farming, etc. raise awareness on tourism related government 	Selected consultant under project TA or loan resources (to be discussed with RD)	Q4 2024– Q1 2025	At least 50 local residents, including 50% of women, should benefit from knowledge and skills from tourism-related job and business trainings (extract from DMF).

¹⁰ The provided activities are envisaged under project DMF output 2- [North–South Corridor \(Kvesheti–Kobi\) Road Project: Report and Recommendation of the President \(adb.org\)](#)

Area/Sector	Activity and expected outcome	Responsible party	Activity Tentative Dates	Estimated No. of beneficiaries
	<p>schemes and opportunities.</p> <ul style="list-style-type: none"> • Provide Basic Computer Training Course • Provide English language courses • Conduct tourism business development support program <p>The detailed module for trainings on tourism-related job and business trainings will be designed by the selected training organization, based on outcomes of needs assessment and obtained feedback from project communities.</p>			
3. Other training module which can be proposed by the selected consultant	May be identified during the design of training modules and implementation of the planned trainings by FAO, as needed.	Selected consultant under project TA or loan resources (to be discussed with RD)	TBD	TBD

8. 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

Activity	Description	Timeline
1. Disclosure of the draft LRP	LRP, accepted by ADB will be disclosed on project website in Georgian and English versions	Done 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"> • Disclosure of LRP on project website • Printed version available at Project Information center in Kvasheti • Public consultations 	Completed during the June- Aug 2023 period
3. Update of LRP	This LRP is updated based on outcomes of public consultations and FAO need assessment activities.	By 20 Nov 2023
4. Disclosure of updated LRP	The updated LRP on project website and communication with APs & local municipality	25Nov, 2023

9. 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.

10. Institutional Arrangement, Implementation and Budget

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, funding and reflects the implementation procedures for LRP.

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

- FAO will be responsible for overall implementation of “Agricultural Assistant Program” under LRP funded by ADB (60.000USD).
- Activities under the assistance program for “Skill Enhancement & Employment in Tourism” will be conducted as per Project DMF requirements and funded by Project TA and loan resources (250.000USD).

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.

11. 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 monitoring 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.

The monitoring of activities under the agricultural assistance program will be carried out as per the target/measurement indicators set by FAO as per their standards, including breakdowns of beneficiary data (training participants) for directly and indirectly affected people. The FAO relies on ZOHO cloud-based software as a tool for monitoring purposes. Project staff utilizes this application to track each field activity, ensuring a comprehensive overview of progress and further analyses of impact. Technical assistance interventions and training sessions are reported on spot in the system with real-time updates and geolocation information. During the training sessions, participants' details are recorded, with previously registered households being tagged in the respective sessions. This approach enhances data accuracy and facilitates effective participant management. The system's real-time monitoring capability enables project stakeholders to access uploaded information promptly, providing confidence in the data collected and reports generated. FAO will provide progress reports in the course of implementation of their activities which will serve as a basis for overall monitoring of LRP implementation.

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;

As for the trainings under assistance program for Skill Enhancement & Employment in Tourism – the detailed monitoring plan (including measurement indicators) will be elaborated by the selected consultant as part of design of training modules.

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 and KKR project websites.

Annex 1: Project Name: Kvesheti-Kobi Section of Mtskheta-Stepantsminda-Larsi Road Minutes of the public consultation

The objective of the public consultation is to introduce the approaches and measures envisaged by the Livelihood Restoration Plan (LRP) to the project affected people and the population living in the vicinity of Kvesheti-Kobi Road Project.

Venue: Public school of Kvesheti, Construction Camp of Tskere.

Chairman of the meeting: Mariam Begiashvili

Secretary of the meeting: Nana Bregadze

The meeting was attended by:

- **Mikheil Ujmajuridze** - Head of the Environmental and Social Safeguards Division;
- **Mamuka Basilashvili** – First Category Senior Specialist of the Resettlement Unit;
- **Mariam Begiashvili** - Stakeholder Engagement Consultant for ADB Funded Projects;
- **Nana Bregadze** – Local Social Safeguards Specialist, Asian Development Bank;
- **Tariel Karelidze** – CLO for Kvesheti-Kobi Project;;
- **Tamar Javakhi** - Social Safeguards Specialist of the supervision company "UBM";

Public consultation commencement time: 13:00 and 15:00, July11, 2023

Agenda: To provide information on approaches and measures outlined in the Livelihood Restoration Plan (LRP) to the project affected people and the population living in the vicinity of the project.

The public consultation was attended by the residents of different villages (Arakhveti, Kvesheti, Bedoni, Benian-Begoni, Tskere, and Mughure) impacted by the project. 20 people, among them 6 females and 14 males, attended the meeting.

Mariam Begiashvili provided the presentation of the Livelihood Restoration Plan.

The speaker, Mariam Begiashvili, informed the participants that the measures provided by the Livelihood Restoration Plan are financed by the Roads Department of Georgia. - Asian Development Bank (hereinafter - "ADB") and are based on the policies of ADB and the European Bank for Reconstruction and Development (EBRD). The goal of LRP is to enable people directly and indirectly affected by the project to restore or improve their standards of living to pre-project levels.

The speaker also informed the participants about the goals and objectives of the livelihood restoration plan, that the households directly affected by the project have already received monetary compensation for the loss of land and other assets as part of the pre-developed Land Acquisition and Resettlement Plan. The next stage of the implementation of the mentioned plan, in order to further mitigate the possible impact of the project, and address vulnerability, is the Livelihood Restoration Plan (LRP). Targeted and practical training sessions and other appropriate interventions are planned based on community consultations and community needs assessments. The mentioned plan will help the population increase their income with the acquired knowledge as well as identify and improve farming activities. Furthermore, this assistance will improve food security, increase productivity, improve the quality of the product, etc.

It was also communicated with attendees that trainings provided by FAO cover different parts of agricultural activities and are ongoing, all interested persons can also attend these training modules.

The speaker noted that in addition to the proposed measures, stakeholders can submit suggestions and opinions on what knowledge and skills would help them improve their living environment and raise awareness.

The speaker also discussed the proposed LRP program, the training descriptions, and the target audience, which are shown in the table 1 below:

Table 1. Proposed Trainings under LRP

N	Name of training	Description of the training	Target audience
1	Awareness Raising about agriculture related government schemes	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.	Concerned local population, Vulnerable groups; Severely affected persons
2	Training on improving farming skills –harvesting, preservation techniques, vegetable production	this training module will help to organize and deliver appropriate agricultural extension services to farmers and advise farmers on the best agricultural practices.	Concerned local population, Vulnerable groups; Severely affected persons
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 experience in this field.	Concerned local population, Vulnerable groups; Severely affected persons
4	Improving the provision of various services and establishing connections	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, etc.	Interested Local Population, vulnerable groups and severely affected people.
5	Introduce the agriculture related best practices and financial/business loan institutions	Provide knowledge and skills on the enterprise management, market extension, market demand, how to build a connection to the private sector and loan institutions.	Interested Local Population, vulnerable groups and severely affected people.
6	Skill Enhancement and Establish Employment Opportunity Information Centers	Local population are provided with information on where and how they can receive relevant information regarding the potential employment, job descriptions and new skills.	Interested Local Population, vulnerable groups and severely affected people.
7	Provision of information about various training programs and professional orientation	This training module includes information sharing about training services provided through various livelihood support initiatives offered through municipalities, NGOs, government agencies or international organizations.	Interested Local Population, vulnerable groups and severely affected people.
8	Awareness raising on various technical & vocational courses	This Vocational Awareness training module is designed to assist interested local population with identifying a path toward employment.	Interested Local Population, vulnerable groups and severely affected people.
9	Basic Computer Training Course	Studying various computer courses.	Interested Local Population, vulnerable groups and severely affected people.

Following the presentation, the participants expressed their interest in various issues and provided comments/suggestions of suggested training courses that will be considered during the training modules- see table 2.

Table 2. Q&A

N	Comment Author (Name, Surname)	Question/suggestion	Remark
1.	Maia Kavtaradze	The citizen noted that the group of women is interested in the Basic Computer Training Course for Microsoft Office programs like Word, Excel, and others.	The mentioned request from the representatives of the department will be taken into account when organizing the trainings. The interested group of women was also informed that proposed computer training course is already included in LRP, only the specific programs will be agreed with interested persons.
2.	Gela Tsamalaizde	How long will each course last, and where will it be held?	The representative of the department explained to the audience that the courses provided by the LRP program will be two-week long and result-oriented. Also, interested parties will be informed about the time and place of the courses which will be provided in frames of LRP.
3.	Several attendees	The population is interested in taking an English language course, both for adults and children.	The representative of the department supported the idea, therefore, the mentioned request will be taken into account when finalizing the trainings modules.
4.	Population of Zakatkari.	The readiness of the population of Zakatkari was expressed to participate in the second stage of training conducted by FAO on mastitis and various diseases.	A representative of the Asian Development Bank and CLO promised to inform them in advance about the time and place of the training.
5.	Tengiz Bedoidze.	What kind of funding for trainings will be provided by the state, and how should the application form be filled out?	The representative of the department noted that, in connection with the mentioned issue, detailed information regarding the timing and places of proposed trainings, as well as agreed content will be provided to interested persons by the representative of the RD in nearest future.

The population also expressed their interest in cooking courses, menu preparation courses for tourists, tourism business development support program, accounting courses, sheep breeding development programs, horse breeding and horse stable infrastructure, fundraising that will be considered under the LRP.

The attendees were given the information booklets under the Livelihood Restoration Plan (LRP) and were explained that the LRP is a supplement to the Land Acquisition and Resettlement Plan. Therefore, throughout the implementation of LRP, there is also a Grievance Redress Mechanism available under the project, which allows the population to promptly consider and respond to the

statements, queries and complaints received from affected people, communities and stakeholders.

In addition to the held public meetings, the representatives of the Department and the specialist of the supervisory company "UBM" in social issues held individual meetings with the population living in the vicinity of the project, with vulnerable and severely affected people, who were given the information booklets developed under the LRP and explained the goals and objectives of the plan. The opinions and demands of the population will be taken into consideration in the detailed program of the plan. The Social Safeguards Specialist of the supervision company "UBM" will register the local population from each village interested in specific training module the list of interested persons with contact information will be provided to RD.

Photos: Public meeting under the Kvesheti-Kobi project, introducing the approaches and measures envisaged by the Livelihood Restoration Plan (LRP) for the people affected by the Kvesheti-Kobi project and the population living in the vicinity of the project:





List of participants:

დასწრების ფურცელი

საჯარო კონსულტაცია-საარსებო პირობების აღდგენის გეგმის დაინტერესებულ მხარეებთან განხილვა
 პროექტის დასახელება: მცხეთა-სტეფანწმინდა-ლარსის საავტომობილო გზის, ქვეშეთი-კობის პროექტი
 თარიღი: 11.07.2023 18:00

სახელი გვარი	საკონტაქტო ინფორმაცია	ხელმოწერა	ქალი/კაცი
მამიაძე გიორგი	591455769, 5914558 591456287	გ. მამიაძე	კაცი
გიორგი ჯეჯეჭვიანი	527-67-67-09	გ. ჯეჯეჭვიანი	კაცი
მედი ქვიაშვილი	555 30-34-97	მ. ქვიაშვილი	ქალი
მისი ქვიაშვილი	590774074	მ. ქვიაშვილი	კაცი
თინო ქვიაშვილი	595909085	თ. ქვიაშვილი	ქალი
თინო ქვიაშვილი	551102790	თ. ქვიაშვილი	ქალი
თინო ქვიაშვილი	595177079	თ. ქვიაშვილი	ქალი
თინო ქვიაშვილი	57414-35-21	თ. ქვიაშვილი	ქალი
თინო ქვიაშვილი	597-68-10-23	თ. ქვიაშვილი	ქალი
თინო ქვიაშვილი	591 03 95 07	თ. ქვიაშვილი	ქალი
თინო ქვიაშვილი	527 67 17 22	თ. ქვიაშვილი	ქალი
თინო ქვიაშვილი	599 97 34 56	თ. ქვიაშვილი	ქალი
თინო ქვიაშვილი	595564442	თ. ქვიაშვილი	ქალი

დასწრების ფურცელი

საჯარო კონსულტაცია-საარსებო პირობების აღდგენის გეგმის დაინტერესებულ მხარეებთან განხილვა
 პროექტის დასახელება: მცხეთა-სტეფანწმინდა-ლარსის საავტომობილო გზის, ქვეშეთი-კობის პროექტი
 თარიღი: 12.07.2023 18:00

სახელი გვარი	საკონტაქტო ინფორმაცია	ხელმოწერა	ქალი/კაცი
მამიაძე გიორგი	599 19 36 30	გ. მამიაძე	კაცი
მამიაძე გიორგი	593256865	გ. მამიაძე	კაცი
მამიაძე გიორგი	592142917	გ. მამიაძე	კაცი
მამიაძე გიორგი	599 31-03-06	გ. მამიაძე	კაცი
მამიაძე გიორგი	59417-68-04	გ. მამიაძე	კაცი
მამიაძე გიორგი	599 97 34 56	გ. მამიაძე	კაცი
მამიაძე გიორგი	597 97 97 79	გ. მამიაძე	კაცი

**Project Name: Kvesheti-Kobi Section of Mtskheta-Stepantsminda-Larsi Road
Minutes of the public consultation**

The objective of the public consultation is to introduce the approaches and measures envisaged by the Livelihood Restoration Plan (LRP) to the project affected people and the population living in the vicinity of Kvesheti-Kobi Road Project.

Venue: Construction Camp of Zakatkari

Chairman of the meeting: Mariam Begiashvili

The meeting was attended by:

Mariam Begiashvili - Stakeholder Engagement Consultant for ADB Funded Projects;

Tariel Karelidze - Representative of the Asian Development Bank;

Tamar Javakhi - Social Safeguards Specialist of the supervision company "UBM";

Public consultation commencement time: 13:00, July12, 2023

Agenda: To provide information on approaches and measures outlined in the Livelihood Restoration Plan (LRP) to the project affected people and the population living in the vicinity of the project.

The public consultation was attended by the residents of different villages (Zakatkari, Seturebi and Jaghmiani) impacted by the project. The gathering was attended by nine men.

Mariam Begiashvili provided the presentation of the Livelihood Restoration Plan.

The speaker, Mariam Begiashvili, informed the participants that the measures provided by the Livelihood Restoration Plan are financed by the donor organization - Asian Development Bank (hereinafter - "ADB") and are based on the policies of ADB and the European Bank for Reconstruction and Development (EBRD). The goal of LRP is to enable people directly and indirectly affected by the project to restore or improve their standards of living to pre-project levels.

The speaker also informed the participants about the goals and objectives of the livelihood restoration plan, that the households directly affected by the project have already received monetary compensation for the loss of land and other assets as part of the pre-developed Land Acquisition and Resettlement Plan. The next stage of the implementation of the mentioned plan, in order to further mitigate the possible impact of the project, and address vulnerability, is the Livelihood Restoration Plan (LRP). Targeted and practical training sessions and other appropriate interventions are planned based on community consultations and community needs assessments.

The mentioned plan will help the population increase their income with the acquired knowledge as well as identify and improve farming activities. Furthermore, this assistance will improve food security, increase productivity, improve the quality of the product, etc.

The speaker noted that in addition to the proposed measures, stakeholders can submit suggestions and opinions on what knowledge and skills would help them improve their living environment and raise awareness.

The speaker also discussed the LRP program, the training descriptions, and the target audience, which are shown in the table 1 below.

Table 1. Proposed trainings under the LRP

N	Name of training	Description of the training	Target audience
1	Awareness Raising about agriculture related	With the support of IFI, the government of Georgia, namely the Ministry of	Concerned local population,

	government schemes	Environmental protection and Agriculture of Georgia, has implemented and will implement number of projects for agroindustry, agricultural mechanization, farmers' activities development and etc.	Vulnerable groups; Severely affected persons
2	Training on improving farming skills –harvesting, preservation techniques, vegetable production	this training module will help to organize and deliver appropriate agricultural extension services to farmers and advise farmers on the best agricultural practices	Concerned local population, Vulnerable groups; Severely affected persons
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 experience in this field.	Concerned local population, Vulnerable groups; Severely affected persons
4	Improving the provision of various services and establishing connections	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, etc.	Interested Local Population, vulnerable groups and severely affected people.
5	Introduce the agriculture related best practices and financial/business loan institutions	Provide knowledge and skills on the enterprise management, market extension, market demand, how to build a connection to the private sector and loan institutions.	Interested Local Population, vulnerable groups and severely affected people.
6	Skill Enhancement and Establish Employment Opportunity Information Centers	Local population are provided with information on where and how they can receive relevant information regarding the potential employment, job descriptions and new skills.	Interested Local Population, vulnerable groups and severely affected people.
7	Provision of information about various training programs and professional orientation	This training module includes information sharing about training services provided through various livelihood support initiatives offered through municipalities, NGOs, government agencies or international organizations.	Interested Local Population, vulnerable groups and severely affected people.
8	Awareness raising on various technical & vocational courses	This Vocational Awareness training module is designed to assist interested local population with identifying a path toward employment.	Interested Local Population, vulnerable groups and severely affected people.
9	Basic Computer Training Course	Studying various computer courses.	Interested Local Population, vulnerable groups and severely affected people.

The population expressed their interest in tourism business development support program, English language courses, beekeeping development program and fundraising that will be considered under the LRP.

The attendees were given the information booklets under the Livelihood Restoration Plan and were explained that the LRP is a supplement to the Land Acquisition and Resettlement Plan. Therefore, throughout the implementation of LRP, there is also a Grievance Redress Mechanism available under the project, which allows the population to promptly consider and respond to the statements, queries

and complaints received from affected people, communities and stakeholders.

In addition to the held public meetings, the representatives of the Department and the specialist of the supervisory company "UBM" in social issues held individual meetings with the population living in the vicinity of the project, with vulnerable and severely affected people, who were given the information booklets developed under the Livelihood Restoration Plan and explained the goals and objectives of the plan. The opinions and demands of the population will be taken into consideration in the detailed program of the plan.

Photos: Public meeting under the Kvesheti-Kobi project, introducing the approaches and measures envisaged by the Livelihood Restoration Plan (LRP) for the people affected by the Kvesheti-Kobi project and the population living in the vicinity of the project:



List of participants:

დასწრების ფურცელი			
საჯარო კონსულტაცია-სარსებო პირობების აღდგენის გეგმის დაინტერესებულ მხარეებთან განხილვა პროექტის დასახელება: მცხეთა-სტეფანწმინდა-ლარსის სააკტომობილო ზონის, ქვეშეთი-კობის პროექტი			
თარიღი: 12.07.2023			
სახელი გვარი	საკონტაქტო ინფორმაცია	ხელმოწერა	ქალი/კაცი
გომა გიორგი	577 32 70 47	გ. გომა	კაცი
დედას ჯანაშვილი მათი ნინოშვილი	551 528 729 593 88 383	დედას მ. ნინო	ქალი სამი
გუა გიორგი	595 434 521	გ. გუა	კაცი
მხარე ანდრონიკო	594 70-29-98	მ. ანდრონიკო	კაცი
პეტრიაშვილი	555-36-77-38	პ. პეტრიაშვილი	კაცი
საბოგო გიორგი	568 75-01-27	ს. საბოგო	კაცი
მხარე ხოსროშვილი	555 70 9084	მ. ხოსროშვილი	კაცი
მედიკი ნინოშვილი	557 25 12 24	მ. მედიკი	კაცი

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
Total	14,644	14,810	29,454

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
Total	17	17	32	35	67

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
Total	17

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 Stepanasminda as well as regular minibuses. Medical services are also available in Gudauri and Stepanasminda. 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 (m²) and 24% 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 m² of non-legalizable land which is 0.89% of his total land holding (6,758 m²). Most of the land held by AHs is registered as agricultural land (102,640.5 m²) while only three affected plots are classified as residential/agricultural (50,520 m²). 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 ²)	Affected area (m ²)	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
67	133,723	31,289	23,39	650

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
Total	17	

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 show 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 ofHH 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
Total	34	33	67	100.00

Table 8: Marital Status

Marital status	APs	
Married	29	43.28
Unmarried	26	38.81

Widowed	10	14.93
Divorced	2	2.99
Total	67	100.00

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
Total	55	100.00

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
Total	16	100.00

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
Total	14,024	8,990

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		
	Total	0	13	6	13	0	0

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
Total	16	100

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: Akhalkalaki, 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
Total	14,644	14,810	29,454

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
Total	550	276	274

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 flush 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 m² and out of it, 311,132 m² (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
3 1	10-20%

3 6	21-50%
1 1	51-70%
1 2	71-99%
Total: 90	

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	Agri culture
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
	88	38	86	5	3	32	40	72	2	3	3	4

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
Total	141	100.00

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
Total	268	281	549	100.00

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
Total	549	100.00

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

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

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
Total	490	100.00

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
Total	125 (Without double counting)	102

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
Total	122	100.00		121	100.00

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 activates 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 agricultural work and mind livestock. Four women reported being employed.

Women in Gudauri work as housekeeper in hotels and tourist centers. They also sell knit work and dairy products to hotels in Gudauri. Household members. These who have some land and livestock do agricultural work and mind livestock. Four women reported being employed.

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