

BTC Project Resettlement Action Plan (RAP) Implementation Strategy for Development of the RAP Fund in Georgia

1. Introduction

The BTC Project RAP aims to ensure that all affected parties are compensated and assisted in restoring their livelihoods. In the majority of situations, Georgian laws provide an adequate framework for the valuation and compensation of project impacts on land, assets and livelihood. There are, however, a number of circumstances where impacts will arise that are not foreseen by current Georgian legislation. In particular, these include impacts leading to temporary or permanent restrictions on local communities' access to communal resources such as pastures and forests.

The World Bank's Involuntary Resettlement policy (OD 4.30) makes reference to loss of access to "...fishing, grazing, or forest areas..." and goes on to note such losses "...cannot easily be evaluated or compensated for in monetary terms". OD 4.30 advises that "...attempts must therefore be made to establish access to equivalent and culturally acceptable resources and earning opportunities" (OD 4.30, Article 15).

The RAP Fund in Georgia has been established to provide a basis for compensation in cases such as envisaged under OD 4.30 Article 15, and where there is no compensation payable under local Georgian law.¹ In addition to other forms of compensation described in the RAP, the RAP Fund will be used to support modes of assistance that will ensure (i) cash compensation received by the affected population is not wholly consumed in non-productive expenditure; (ii) incomes are enhanced or restored; and, (iii) losses suffered as a result of constrained access to community resources such as pastures and forests are compensated.

2. Purpose of the RAP Fund

The primary purpose of the RAP Fund is to support implementation of measures to compensate for losses suffered as a result of communities experiencing restriction of their access to communal resources.

Other purposes include:

- Providing compensation in other circumstances where direct losses caused by the project are not covered by local laws
- Providing targeted assistance to vulnerable groups
- Providing legal or other assistance to affected people to assist them to legitimize their entitlement to compensation
- Delivering financial advice to project affected people on how to secure and invest their compensation monies

¹ A RAP Fund has also been established in Turkey (for further information please see "Use of RAP Fund in Turkey Annex" in RAP Part D Turkey). In Azerbaijan, there has been no need to establish a RAP Fund, as the government has agreed to compensate in accordance with World Bank principles, even in cases where these exceed requirements under Azeri law. In Azerbaijan, very limited forest areas are affected by the project, and these are not generally utilized by local communities.

3. RAP Fund Principles

The RAP Fund will be implemented according to following principles:

- Fair and transparent valuation and compensation for loss of resources
- It will ensure that the requirements of OD 4.30 are met
- It will act where local law does not provide a basis for compensation
- Proposed schemes will take into account the views, roles and rights of groups, including NGOs and local communities
- Schemes will be developed that take into account and balance the socio-economic needs of local communities

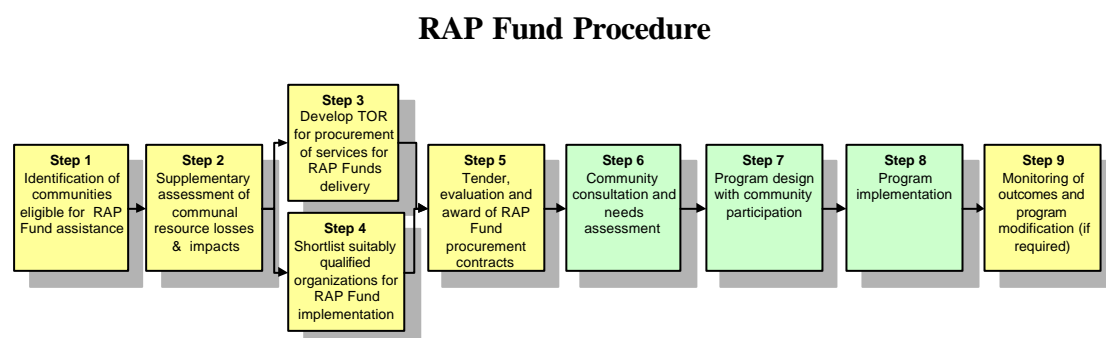
4. Broad Approach

A similar approach to that adopted for the design and implementation of BTC Co.'s Community Investment Program in Georgia will be adopted for the RAP Fund. Local, national and international organizations with relevant experience, capacity, and networks in the project area will be invited to propose programs targeting groups eligible for assistance under the RAP Fund. The scope of work to be tendered will include community consultation and needs assessment, participative design of community assistance measures, program implementation and outcome monitoring.

The principle differences between the Community Investment Program and application of the RAP Fund will be as follows: (i) RAP Fund interventions will be specifically targeted at project affected vulnerable groups and communities whose communal resources are directly impacted by the project; and, (ii) measures will focus on livelihood restoration or other forms of benefit sharing.

5. Procedure for Design and Implementation of the RAP Fund

The key steps that will be followed to design and deliver assistance under the RAP fund are summarised in the figure below. A brief description of the broad activities involved in each step follows. A specialist consultant has been engaged to oversee setting up of the RAP Fund commencing in June 2003.



Step 1: Identification of eligible communities – through reference to the project GIS database and consultation with the BTC Co. Land Team, and Association for the Protection of Landowner's Rights (APLR), information will be collated to achieve the following:

- Identify communities affected by loss of access to communal resources (for which compensation has not been paid through other avenues²), and any other groups or individuals who may be project affected, but not entitled to compensation under law
- Develop eligibility criteria (i.e. identify specific criteria to define who will be eligible to receive assistance from the RAP Fund)

Where necessary, interviews will be conducted with local government officers and representatives of communities to verify findings. This step will identify the broad categories of people who will be eligible and targeted for assistance through the RAP Fund.

Step 2: Supplementary assessment of uncompensated communal resource and other types of losses – the socio-economic survey conducted during RAP preparation provides basic information about the reliance of sampled households on communal resources. The project will initiate any necessary additional surveys of households eligible for assistance under the RAP Fund to determine the nature and extent of any uncompensated livelihood losses. Where possible, losses will be evaluated. Where losses cannot be evaluated, provision will be made in procurement contracts for participatory approaches to agreeing appropriate, non-cash based compensatory measures.

Step 3: Develop Terms of Reference for tendering to obtain services for the design and delivery of the RAP Fund – the terms of reference will define the following:

- Eligibility criteria for households to receive assistance under the RAP Fund
- Nature of impacts to be addressed by bidders
- Goals and outcomes to be achieved through assistance
- Services to be provided including an emphasis on thorough consultation and broadly based participative approaches to designing interventions
- Monitoring and reporting requirements

Step 4: Identify suitably qualified and experienced organizations to be invited to bid – interviews will be conducted with local, national, and international civil society and non-governmental organizations active within Georgia, to ascertain their suitability as project partners to design and deliver compensatory measures under the RAP Fund.

Step 5: Tendering, Evaluation and award of contracts – suitably experienced organizations will be invited to submit proposals to cover community consultations, needs assessments, design of interventions and implementation of programs to meet RAP Fund goals and objectives, and to deliver benefits to eligible groups. Bidding will be competitive and will be assessed on proposals' fit with RAP Fund goals and desired livelihood restoration outcomes, as well as technical and financial merits

² As an example, *Sakrebulo*s (elected village councils) will receive compensation for *sakrebulo* grazing lands where these are crossed by the pipeline. In these cases, the village council will have responsibility for determining how compensation funds are deployed to benefit affected villagers.

Step 6: Consultation and needs assessments – selected partner organizations will initiate community consultations to assist eligible communities to identify and prioritize their development needs. As part of the needs assessment, partner organizations will also prepare a census of parties eligible for RAP Fund assistance. Using the census results, BTC Co, in consultation with its partner organizations, will determine how funds will be allocated.

Step 7: Program design – using participatory approaches, the partner organizations will work with eligible groups to design assistance measures.

Step 8: Program implementation – partner organizations will implement their assistance programs.

Step 9: Monitoring and evaluation – BTC Co and its partners will monitor the effectiveness and outcomes of delivered assistance programs. Where necessary programs will be adjusted based on monitoring findings.

6. Program for Implementation

An indicative program for implementing RAP Fund activities is shown below.

RAP Fund Schedule

ID	Task Name	Start	Finish	Duration	2003		2004				2005				2006	
					Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	Identification of eligible groups	2/06/2003	27/06/2003	4w	■											
2	Supplementary loss assessment	16/06/2003	11/07/2003	4w	■											
3	Develop TOR for tendering to RAP Fund partners	30/06/2003	11/07/2003	2w	■											
4	Short list suitable partner organizations	16/06/2003	11/07/2003	4w	■											
5	Tendering, evaluation and award	14/07/2003	19/09/2003	10w	■	■										
6	Community consultations and needs assessments	6/10/2003	26/12/2003	12w		■	■									
7	Program design	29/12/2003	6/02/2004	6w			■									
8	Program implementation	9/02/2004	6/01/2006	100w				■	■	■	■	■	■	■	■	■
9	Monitoring and evaluation	16/02/2004	14/02/2007	156.6w				■	■	■	■	■	■	■	■	■

7. Progress to Date

As indicated in the Part C Georgia RAP, the initial RAP Fund activity of providing financial advice to affected people was to be implemented prior to or in conjunction with land negotiations and payments. Land payments began in January 2003. At the same time, APLR, together with the Bank of Georgia, which is the bank that BTC Co. is using to make land and crop payments, began providing advice to landowners on reasonable spending, securing and investing of funds received as compensation. APLR used its regular newspaper, 'Landowner', to inform owners of seminar dates. Seminars were held in each of the 45 villages where affected landowners live. The agenda included information on risks (theft, fraud), options for securing funds (eg. use of bank accounts), sensible expenditure (purchase of seeds, fertilizers, agrochemicals)

and opportunities for micro investing (real estate, tourism, trade, agriculture, etc.). The Bank of Georgia is participating in order to provide information on the banking system, including details such as opening accounts, withdrawal process, interest on deposits, etc.

Also as indicated in the RAP, other possible uses of the RAP Fund were to be defined during the land acquisition process as field knowledge of particular areas of concern grows. Thus far, with just over 50% of the private land transactions complete, the land acquisition process has been progressing smoothly and no obviously identifiable gaps or needs for use of the RAP Fund.

8. Monitoring

Monitoring of the design, implementation and effectiveness of RAP Fund measures will be covered as part of overall RAP monitoring framework (see BTC RAP Part C, Chapter 8). The Expert RAP Monitoring panel will pay particular attention to ensuring that (i) all communities eligible for assistance under the RAP Fund are efficiently identified and consulted; (ii) programs of assistance are appropriate and sufficient to address types of losses experienced by communities; and, (iii) that measures are effective in extending benefits to entitled groups.

Local NGO, APLR, will also be closely involved in monitoring during the land acquisition process and will assist BTC Co.'s Land Acquisition Team with identifying circumstances where RAP Funds will be applicable.

9. Budget

A RAP Fund budget of USD 1.1 million has been established for use in Georgia.

10. Next Steps

A consultant has been engaged to undertake investigations to identify communities eligible for Georgia RAP Fund assistance, identify prospective partners to be involved in the delivery of RAP Fund assistance and prepare a terms of reference commencing early in June 2003.

An immediate priority will be to proceed with the payment of grazing fees to the Sakrebulo. The RAP Fund committed to pay grazing fees to each Sakrebulo for three years thereby making community members exempt from making these payments. This will benefit both the individuals, who are exempt from making grazing fee payments and can still use Sakrebulo grazing land except for the 44 meter corridor, and the Sakrebulo, who rarely collect the full amount in grazing fees and are therefore continually facing budgetary constraints. An immediate action will be to notify community members that BTC Co. is paying grazing fees on their behalf. Additionally, a method of calculation of grazing fees for each Sakrebulo will be agreed with the government, and mechanisms for making this payment will be put in place.

This RAP Fund Strategy will be expanded and updated upon achievement of the following milestones:

- Completion of the Consultant's additional RAP Fund studies and terms of reference (Step 3 of the RAP Fund Procedure)
- Finalization of the RAP Fund Program design (Step 7)

RAP Fund Strategy updates will be shared with affected local communities, NGOs and the Lenders Group. A brief local language pamphlet explaining implementation arrangements for the RAP Fund will be prepared for circulation to eligible communities.