

- Annex 7

# **CONSTRUCTION OF AKHALTSIKHE-BATUMI 220kV DOUBLE CIRCUIT POWER TRANSMISSION LINE**

## **RESETTLEMENT ACTION PLAN Addendum No.2**

**for**

**Segment II – Section II: km 40.8 - km 52.6**

**(From Tower # 273– to Tower # 355)**

***Tower No.276 location polygon***

***Realignment of ROW between Towers No. 274A-  
No.277)***

***Dated: February 2019***

***Revised: August 2019***

### **1. NEED FOR THIS ADDENDUM**

During site inspection in February 2018 the need for additional and unanticipated civil works for safety considerations was identified. Such works would entail additional resettlement impacts.

Specifically, after the finalisation of civil works, GSE discovered that the area where tower No.276 was initially located, was covered in cracks (see Picture 1). The site inspection conducted in February 2018, revealed significant damages on the land plot.

Based on the site observation, it was found that due to landslide there has been a shift in the entire hill from the bottom to top affecting the base of the tower and its surrounding area, and risking the structural integrity of the tower. Immediate attention and further action and decision was necessary to change the tower location and make the appropriate realignment. This realignment involves the relocation of Tower No. 277 and new construction of tower No. 275

Public consultation was conducted with newly affected households on January 29, 2019 in order to inform and discuss the relocation/new construction of the two Towers (No 275 and No 277) on new locations as determined by the Supervision Consultant and GSE.

This Addendum to the RAP for Segment II Section II (km 7.7 - km 40.8, from tower No.274A – No.277) is prepared to reflect additional impacts, inventory of losses, and affected persons related to the realignment described above. The eligibility, entitlements, and methodology used for valuation of compensation under the RAP Addendum are the same as those of the originally approved RAP for Segment II Section 2 (km 40.8 - km 52.6, from tower No.273 – No.355). Entitlement matrix and valuation methodology relevant to this Addendum are attached in the annex.

**Picture 1: Foundation of Tower # 276**



**Impacts Summary:** Land impacts include impacts on 18 (eighteen) private plots - 10 initially impacted by the original RAP and compensated accordingly and 8 new – measuring in total 52,611 sq.m, of which 23,504 sq.m are subject to land use restrictions under easement and 1,060 sq. m are subject to permanent acquisition. Impacted land is mostly agricultural (17 land plots have agricultural status and only one commercial). No physical resettlement is expected under this sub-section. The realignment will also impact 914 fruit trees, and in total 2755 sq. m. of land under annual crops: maize (1,950 sq.m.), potato (450 sq.m.), and beans (155 sq.m.) and tobacco (200 sq.m.). The realignment will also impact one abandoned building (no longer operational former car wash facility, with total land size 578 sq.m. and under project easement impact 454 sq.m.).

## **CENSUS AND BUDGET**

This impacts assessment details loss of land, structures and other assets under the RAP Addendum and comprises impacts only for 18 (eighteen) land parcels owned by 15 households (9 HH / 10 plots are already impacted by original RAP and 6 HH / 8 plots are under the new impact). The ten land parcels that were already identified within the original RAP are affected only by easement. Impacts on the eight new land parcels include both permanent land acquisition and easement. Compensation and rehabilitation measures have been calculated based on these impacts. The need for realignment was discovered in February 2018, but detailed inventory of all impacts was only completed in November and December 2018. Prior to the inventory and re-measurement works, based on precise and time consuming geological investigation, a new design was elaborated and agreed with GSE engineers. During the RAP preparation process the civil works was stopped on this particular section.

Detailed measurement survey (DMS) and census only for this additional land parcels was concluded on December 31, 2018, which is considered as the **Cut-Off Date** for compensation eligibility for this Addendum.

## SUMMARY of IMPACT

The realignment will affect 18 private plots (52,611 sq.m), of which 23,504 sq.m. under easement and 1,060 sq. m under permanent acquisition. Eight of these plots (Totally 11 078 sq. m 10 694 under easement and 384 under permanent impact) are newly impacted, i.e., were not identified under the original RAP. 914 fruit trees in fully productive and semi-productive ages – chestnut, walnut, hazelnut, apple, persimmon, cherry-Lauren, quince and etc. One non-operating commercial building (former car wash shed) and four land plots with crops (maize 1950 sq. m, beans 155 sq.m. and potato 450 sq. m and tobacco 200 sq.m.).

Land acquisition and resettlement (within this sub-section) will not affect registered operating businesses, employees or agricultural tenants.

During the public consultation newly affected HH were informed that only tree species growing higher than 4m are subject for felling and removal. The fruit trees of lower height than 4m could be maintained in the RoW. Depending on the construction methodology and equipment, such impacts will be limited to the narrower corridor of 6-10 m. During project implementation, the impact on fruit trees will be minimized and compensations will be paid according to the actual damages reflected in the compliance report. Thus, it is expected that all of the inventoried 914 fruit trees will be actually impacted and compensated,

| <b>Impact Category</b>                            | <b>Initial RAP<br/>from Tower No<br/>274a to Tower<br/>No 277<br/>(sq.m/number<br/>of land plots)</b> | <b>Budget<br/>GEL</b> | <b>Addendum for<br/>RAP<br/>(sq.m/number<br/>of land plots)</b> | <b>Budget<br/>GEL</b> |
|---|---|-----------------------|---|-----------------------|
| Total Area of Land Plots under impact             | 37 417 sq m   | 135 097.90            | 52 611 sq.m.  | 221 117.50            |
| Impact under Servitude                            | 12 810 sq m   | 26 394.9              | 23 504sq.m.   | 47 512.4              |
| Impact for Permanent Acquisition                  | 676 sq m  | 12 531                | 1060 sq.m.  | 18 867                |
| Total land plots under impact                     | 10  |                       | 18  |                       |
| Total HH under impact                             | 9   |                       | 15  |                       |
| Number and size of land plots with Crops          | 1 (1200 sq.m)   | 772                   | 4(1555 sq.m.)   | 1 606,50              |
| Number of land plots with Trees                   | 10  | 112 060               | 15  | 142 373               |
| Number of land plots with Supplementary Buildings | 0   | 0                     | 1   | 23 225                |
| Severe impact                                     | 0   | 0                     | 1   | 960                   |
| <b>TOTAL</b>                                      |   | <b>286 855.8</b>      |   | <b>455 661.4</b>      |

## Demographic and Socio-economical profile of affected HH

The RAP Addendum affects 18 households and a total of 83 affected persons.

**Table: Demographic Profile of APs**

| Age Group  | Male      | Female    | Total     |
|--|-----------|-----------|-----------|
|  | No.       | No.       | No.       |
| Children (Below 6 Years)   | 3         | 4         | 7         |
| Children & teenagers (6–18 Years)                                    | 6         | 8         | 14        |
| Adult (19–64 Years male and 19–59 years for female)                  | 21        | 24        | 45        |
| Pension age (65 Years and Over males and 60 years and over - female) | 8         | 9         | 17        |
| <b>TOTAL</b>   | <b>38</b> | <b>45</b> | <b>83</b> |

The Main source of income of impacted HH is agricultural activity.

## 2. Compensation Entitlement Matrix

| Type of Loss   | Application   | Definition of APs | Compensation Entitlements   |
|--|---|-------------------|---|
| <b>Land</b>  |   |                   |   |
| Permanent loss of agricultural and non-agricultural land (e.g. tower sitting, enhancement of access roads) | PAPs permanently losing agricultural land regardless of impact severity | Registered owners | For agricultural lands - Cash compensation at full replacement cost at current market value without deduction of depreciation value and transaction fees or replacement land of same value of land lost and at location acceptable to PAPs where feasible. If any remaining part of the land owned by the registered owners is no longer appropriate for use, such remaining part will be purchased subject to the agreement with the owner.<br><br>For non-agricultural lands - Cash compensation at full replacement cost at market value without deduction of depreciation value and transaction fees. |
|  |   | Legalizable Owner | For agricultural lands - These PAPs will be legalized and provided with cash compensation at full replacement cost of land.<br><br>This compensation entitlement will also apply to the legalizable owners using unregistered land plots far from their residence, without registration of such land.<br><br>For non-agricultural lands - these PAPs will receive the cash compensation as legalized owners after their title will be legalized and registered at the public register.  |
|  |   | Renters/Lease     | Non eligible for land compensation; though, they are eligible for allowance considered in the Entitlement Matrix for other losses.  |



| Type of Loss   | Application   | Definition of APs                              | Compensation Entitlements   |
|--|---|--|---|
|  |   | Non-legalizable owners (squatters/encroachers) | Non-legalizable PAPs losing agricultural land plot, which is the only land plot used and provides main source of income for AH, will be compensated with one time allowance in cash equal to 1 year of minimum subsistence income). Besides, they will be paid allowance considered in the Entitlement Matrix for other losses. |
| Restrictions on use land (e.g. easement for TL's right of way) | PAP not losing their land falling within RoW, but land use restrictions imposed (prohibition of constructing structures and planting trees)                 | Registered owners                              | Easement agreement will include a lump sum easement fee payable to the owner. Such fee is established by an independent valuation experts.  |
|  |   | Legalizable Owner                              | These PAPs will be legalized and the owner will receive easement fee as a lump sum in the amount is determined by an independent valuation experts  |
|  |   | Renter/Leaseholder                             | Not eligible for easement fee for land-use restriction; though, they are eligible for allowance considered in the Entitlement Matrix for other losses.  |
|  |   | Non-legalizable users                          | Not eligible for easement fee for land-use restriction; however, PAP will receive allowance for other losses, as per Entitlement Matrix.  |
| <b>Buildings and Structures</b>                                |   |  |   |
| Residential buildings  | Landlords /tenants of houses within the entire RoW are subject to physical displacement, as presence of residential structures within the ROW is prohibited | Registered owners                              | In addition of compensation for loss of land, PAPs will receive compensation and replacement value for the house and will be provided with resettlement assistance to ensure that the family relocates in a new house with access to services and security of tenure.   |
|  |   | Legalizable Owners                             | These PAPs will be legalized and in addition of compensation for loss of land, PAPs will receive compensation and replacement value for the house and will be provided with resettlement assistance to ensure that the family relocates in a new house with access to services and security of tenure                           |
|  |   | Renter/Leaseholder                             | Non eligible for compensation for the house. The PAP will be informed well in advance to move and receive the equivalent of three months' rent and support to transport belongings to new location.   |
|  |   | Non-legalizable users                          | Non eligible for compensation for land, but will receive compensation at full replacement cost for the house and will receive additional assistance to ensure that adequate housing with security of tenure and access to services is provided.   |
| Non-residential structures (barns, irrigation, fences, etc.)   | Entire RoW, where deployment of some non-   | Registered owners                              | Compensation at full replacement cost for lost structures, in addition of compensation for loss of land.  |

| Type of Loss  | Application   | Definition of APs   | Compensation Entitlements   |
|---|---|---|---|
|   | residential structures prohibited                       | Legalizable Owner   | These PAPs will be legalized and receive compensation at full replacement cost for lost structures, in addition of compensation for loss of land.   |
|   |   | Renter/Leaseholder  | Non eligible  |
|   |   | Non-legalizable users   | Eligible for compensation at full replacement cost of all structures built by the non- legalizable user   |
| <b>Loss Of Community Infrastructure/Common Property Resources</b> |   |   |   |
| Loss of common property and/or resources                          | Community/Public Assets                                 | Community/Government  | Reconstruction of the lost structure or reestablishment of agricultural lands in consultation with community and restoration of their functions   |
| <b>Loss of Income and Livelihood</b>                              |   |   |   |
| Crops   | Standing crops affected or loss of planned crop incomes | All PAPs regardless of legal status (including registered owners, legalizable, non-legalizable users, and renters)  | When possible people will be given enough time to harvest existing crops. Crop compensation in cash at gross market value of actual or expected harvest. Compensation for this item will be provided even in case if the crops were harvested. This compensation is in addition for compensation for permanent acquisition of land or easement fee. |
| Trees   | Removal of trees from the ROW                           | All PAPs regardless of legal status (including registered owners, legalizable, non-legalizable users, and renters)  | Cash compensation at market rate on the basis of type, age market price of product and the productive life of the trees. This compensation is in addition for compensation for permanent acquisition of land or easement fee  |
| Business/Employment   | Business/employment loss                                | Business owner  | (i). (permanent impact) cash indemnity of 1 year net income;<br>(ii) (temporary impact) cash indemnity of net income for months of business stoppage (up to maximum 3 months).<br>Assessment to be based on tax declaration or, in its absence, minimum subsistence income, whichever is greater.   |
|   |   | Workers/employees:  | Indemnity for lost wages equal to 3 months of minimum subsistence income and job trainings.   |
| <b>Allowances</b>   |   |   |   |
| Severe Impacts  | >10%loss of productive lands                            | APs losing permanently (sitting of towers) more than 10% of affected agricultural land (including registered owners, legalizable and non-legalizable users, Renters are not eligible) | Additional allowance equivalent to market value of two-year yield from affected land or compensation for 3 months of minimum subsistence income<br>Other income <sup>1</sup> : 1 additional compensation for 3 months of minimum subsistence income.  |

<sup>1</sup> Non-agricultural income includes all economic activities except Category A: Agriculture. Please refer to <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27>

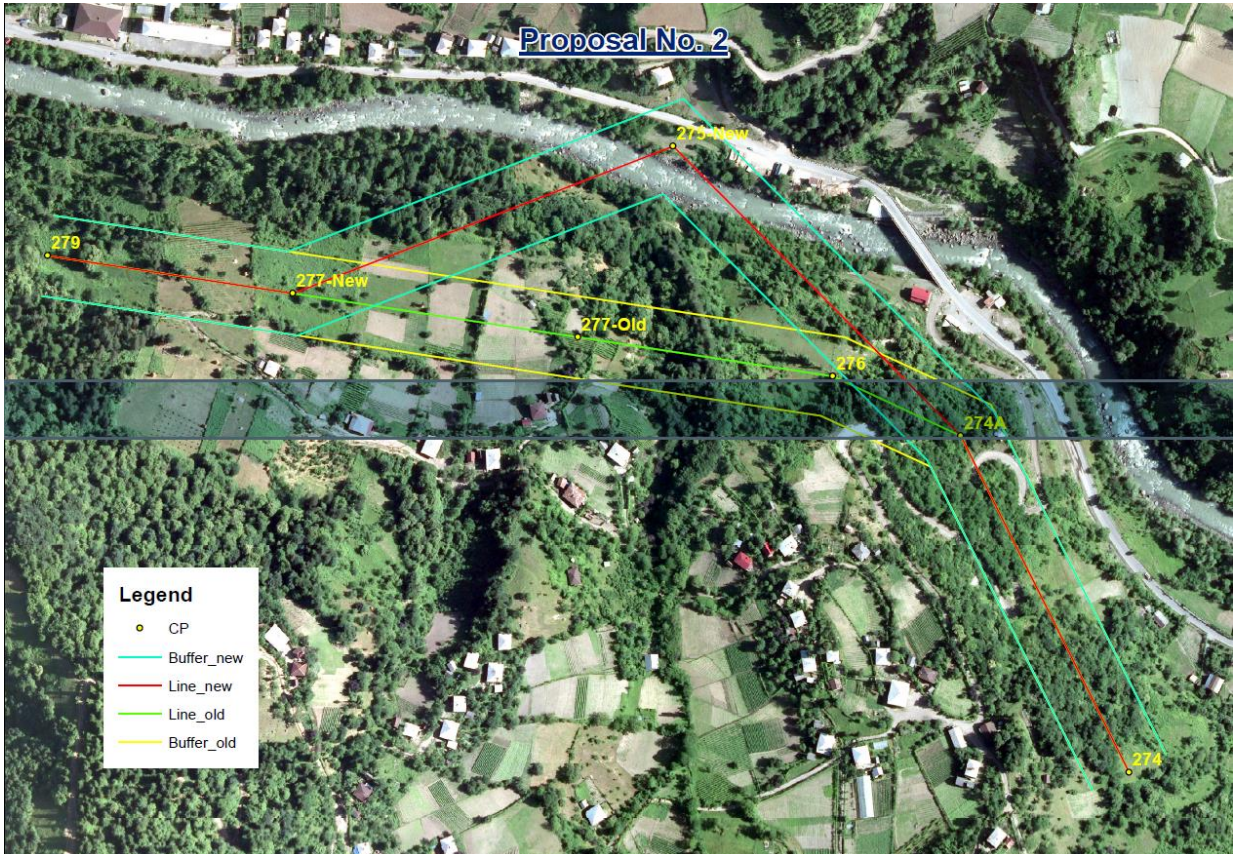
| Type of Loss   | Application   | Definition of APs   | Compensation Entitlements  |
|--|---|---|--|
| Physical relocation /Transportation of personal belongings to new location (new house) | Transport/transition costs  | All PAPs to be physically relocated(including registered owners, legalizable, non-legalizable users, and renters) | Provision of allowance covering transport expenses and a livelihood expenses for the transitional period for 3 months equal to 3 months of minimum subsistence income. 200 GEL as vehicle hire charge + minimum subsistence income x 3 months.   |
| Vulnerable people allowances   | Impact on vulnerable people   | Economically Disadvantaged AHs, single mother headed household, disabled or elderly                               | One time allowance equal to 3 months minimum subsistence income; and employment priority in project-related jobs for capable members of all vulnerable households.   |
| <b>Temporary use of land</b>   |   |   |  |
| Temporary use of land during construction  | Lease of land for project purposes (e.g. camps, storage)  | All PAPs  | Contractor will lease land required temporarily during construction on voluntary basis (e.g., willing leaser-willing lessee basis). Landowner will have right to refuse the offer. The maximum period for temporary use is defined as 2 years. Lease rates to be paid should not be less than lease at current market rates, plus compensation for any loss of crops or tress <sup>2</sup> at gross value of 4 year's harvest of crops on the affected lands. Affected trees will be cash compensated as described in this RAP. It is also required that lands (or other assets) be fully cleared and restored following the use.  |
| <b>Construction impacts not related to land acquisition<sup>3</sup></b>                |   |   |  |
| Damages to houses, buildings, and structures affected during construction.             | In relation to impacts that are not related to land acquisition such as potential damages of vibrations or discomfort caused by road traffic. | All PAPs regardless of legal status   | Construction contractor will conduct assessment of damages and create the baseline information on the physical condition of structures; if claims lodged Construction contractor will compare current condition with the existing baseline information <sup>4</sup> and propose corresponding remedial actions (e.g. reparations, etc.) to the affected party. If damages cannot be mitigated or fixed the affected houses and other buildings will be managed in accordance to the principles of the RPF, this RAP and it will be compensated in full for the whole building irrespective of the specific degree of impact. Compensation will be provided in cash at replacement cost free of deductions for depreciation, transaction costs or salvaged materials. All relevant PAPs are entitled to this provision by default irrespective of the registration status of the affected item. Salvaged materials after demolition of the building are deemed to be owned by the AH. |

<sup>2</sup> Construction Company will adopt the same approach of compensating the felled trees as described in the compensation entitlement matrix during construction activities outside of the RoW.

<sup>3</sup> The requirement should be incorporated in the contract of a construction contractor

<sup>4</sup> Construction Company is responsible for conducting baseline assessment of possible damages outside the RoW and then compare the existing baseline information with actual damages and compensate the losses considering the similar principles as described in the compensation entitlement matrix. Damages can be identified through comparing the baseline data with actual damages as well as information received from AHs through grievance redress mechanisms.

### 3. AREA MAP



The cadastral-measurement drawings are also attached to this document.

*According to the changed design, Towers No 277 (new) and No 275 are newly added. The towers No 276 and No 277 (old) are from old design and will be not constructed any more. (Canceled). The towers No 279 and No 274a and No 274 are from old design and will be contracted unchanged.*



#### 4. Annex 1 - PUBLIC CONSULTATIONS

### THE MEETING RELATED TO CONSTRUCTION OF AKHALTSIKHE-BATUMI 220KV DOUBLE CIRCUIT POWER TRANSMISSION LINE, PREPARATION OF RAP ADDENDUM

#### Minutes of Public Consultation

Dated: 29.01.2019

Village Kokotauri (Keda Municipality)

**Chairman of the meeting:** Mariam Begiashvili

**Secretary of the meeting:** David Gogvadze

**Speaker:** Mariam Begiashvili, Social Safeguards Consultant

#### **Attendees of the Meeting:**

From Georgian State Electrosystem (GSE) – Mariam Begiashvili, David Gogvadze.

10 Representatives of 8 newly affected HH (2 women 8 men) From Village Kokotauri attended the public consultation meeting– see list of attendees

#### **Agenda of the Meeting:**

- ✓ Need for the addendum to RAP prepared for Akhaltsikhe – Batumi 220 double circuit power transmission line project.

**Topics presented:** Background information was presented by Mariam Begiashvili regarding Resettlement additional need form preparing the RAP Addendum 2 and project implementation. The speaker mentioned that both documents were prepared according to the requirements set out in the World Bank Safeguard Policies OP/BP 4.01 Environmental Assessment and OP/BP 4.12 Involuntary Resettlement. The Grievance Redress Mechanism is available locally for newly affected HH. The information brochure with contact information and description of grievance redress process was disseminated between HH. The document will be disclosed on GSE web-site and the WB's info shop.

Mariam Begiashvili provided information on present document and focused attention on Safeguard Policy Requirements and main principles, also on land and other assets evaluation methodology and also mentioned that contraction of Tower No.276 and No 277 (old) will be cancelled and some additional new towers will be constructed No 277 (new) and No 275, eight land parcels will be affected additionally.

**Questions/Answers**

| Question   | Initiator of the question | Response  |
|--|---------------------------|---|
| <p>What will be the land and perennials compensation rate?</p> |                           | <p>For these particular land plots the rate price will be the same as it was elaborated in the initial RAP.</p> <p>Compensation value of perennial plants will be defined according to the cash compensation at market rate on the basis of type, age and productive value of the trees.</p> <p>These Rates are also presented in the initial RAP and are the same.</p> |

List of Attendance on the Public Consultations

Գյու. Երայ Հոյնյախո 23 01.2019.

| № | Կնիքի անուն   | Հայրենիքի անուն | Խորհրդանշան |
|---|---------------|-----------------|-------------|
|   | Կոմուի Գրեգոր | 557410164       | Գ. Կոմուի   |
|   | Կոմուի Զինար  | 591 81 39 57    | Զ. Զինար    |
|   | Զոհրա Կոմուի  | 593 98 85 69    | Զ. Կոմուի   |
|   | Կոմուի Գրեգոր | 538 52 92 19    | Գ. Կոմուի   |
|   | Կոմուի Զինար  | 593 53 33 18    | Զ. Կոմուի   |
|   | Կոմուի Գրեգոր | 55715 47 42     | Գ. Կոմուի   |
|   | Կոմուի Զինար  | 538 74 95 88    | Զ. Կոմուի   |
|   | Կոմուի Զինար  | 544 55 85 45    | Զ. Կոմուի   |
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|   | Կոմուի Զինար  | 533 75 80 06    | Զ. Կոմուի   |
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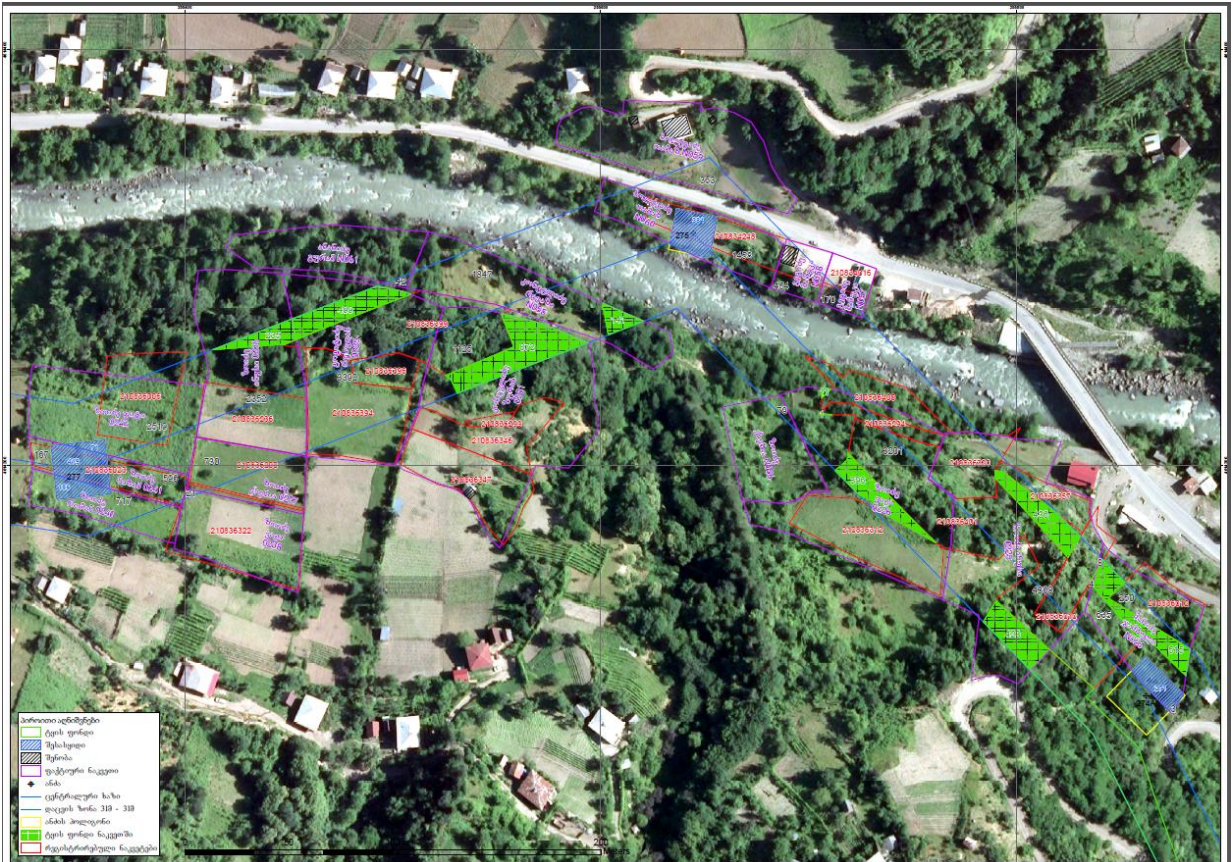
## Photos from the Public Consultations







## Annex 2. New Cadastral-Measurement Drawings/Maps



## Annex 3

### Valuation Methods as is presented in original RAP.

1. **Land Valuation;** Land has been valued at replacement cost based on the average market value. That is based on the average sale value of comparable land in type, location and features. Based on the average market sales, adjustments were made according to the comparison parameters, in the following sequence as applicable:

- (i) Transfer of ownership rights for the real estate property;
- (ii) Financial conditions;
- (iii) Sale conditions;
- (iv) Further costs related to sale;
- (v) Sales dynamics at the market (the sale date);
- (vi) Location;
- (vii) Physical parameters;
- (viii) Economic parameters;
- (ix) Use;
- (x) Existence of real estate property.

#### Calculation of the market prices of the land plots with a sales comparison method

The sales comparison method was used to fix the monetary value of the affected land plots. This method implies comparing the object to be assessed to other objects with the market value known (i.e. the land plot in question was sold or bought).

The land plots to be evaluated are located on the territory of Keda (villages: Zesopeli, Gulebi, Zendidi, Khunkuda, Koromkheti, Pirvelimaisi, Kolotauri, Kvemo makhuntseti, Kvemo Bzubzu, Dologani, Namlisevi, Qosopeli, Tchalakhemla etc.)

220 kV transmission line is located in the gorge of the river Adjaristskali.

The land plots to be evaluated are different with their locations, shapes, parameters, soil structure, designation and other data. This is why, in the course of evaluation, the land plots were classified in groups. Each group consists of the land plots with similar parameters (their market value is also similar accordingly). Then, the types of the land plots of different groups were evaluated.

The following types of the land groups were identified:

**Type 1 – Non-agricultural land plots** located adjacent to Akhaltsikhe-Batumi motor road, 5-50 m from it and having a commercial value due to their border with the central road.

**Type 2 - Agricultural land plots** located adjacent to Akhaltsikhe-Batumi motor road, 5-50 m from it.

**Type 3 – Agricultural land plots** located not so near Akhaltsikhe-Batumi motor road, but 50 m or more from it, with no border with Akhaltsikhe-Batumi road and used as homestead lands.

**Type 4 – Agricultural land plots** located not so near Akhaltsikhe-Batumi motor road, but 50 m or more from it, with no border with Akhaltsikhe-Batumi road, with perennial agricultural crops growing on them, showing the trace of cultivation and people grow agricultural crops on them.

**Type 5 – Agricultural, non-cultivation land plots** not belonging to Type 4, not used to grow agricultural crops, with their surface inclined and/or steep. Such plots of land are apparently used as pastures, or to grow perennial plantings, which are not agricultural crops.

In order to evaluate the land plots, the relevant market segment and values under the agreements and contracts concluded for similar real estate on the territories of the above-said villages and their adjacent villages must be considered.

Aiming at fixing the market values in the course of evaluation, we obtained the data about similar properties based on the present market offers and data of the agreements provided by the National Agency of the Public Registry (NAPR) (the sources of information are referred to in the table below) given in Table A1. In addition, it should be noted that NAPR has too scarce information about selling and buying the land plots in Shuakhevi and Keda regions, as free land plots, due to the peculiar relief (sloping, steep) in the regions are almost absent, and importantly, the land plots in the villages are distributed among the old families living there and are given to the future generations by heritage or as gifts. The analogics to fix the market prices of the lands were obtained based on the agreements concluded for the compensation amounts paid for the land plots expropriated with the similar purpose. The information received as a result of the oral questioning of the population was also taken into account.

Table A1

| Area                       | Designation  | Address/location                        | Deal/offer unit price, Gel | Source of information   |
|----------------------------|--------------|---|----------------------------|---|
| 2805.00 sq.m.<br>land plot | Agricultural | Village Takidzeebi,<br>Shuakhevi region | 1.0 sq.m. –<br>9.90        | LEPL NAPR, Real Property<br>Purchase Agreement, Statement<br>Registration No. 882013382041<br>Cadastre Code: 24.07.35.298 |
| 2900.00 sq.m.              | Agricultural | Village Takidzeebi,<br>Shuakhevi region |                            | LEPL NAPR, Real Property<br>Purchase Agreement, Statement<br>Registration No. 882013446517                                |



|                         |                  |  |                   |   |
|-------------------------|------------------|--|-------------------|---|
| land plot               |                  |  | 1.0 sq.m. – 9.90  | Cadastre Code: 24.07.35.006   |
| 1400.00 sq.m. land plot | Non-agricultural | Village Takidzeebi, Shuakhevi region “Khichauri” | 1.0 sq.m. – 10.05 | LEPL NAPR, Real Property Purchase Agreement, Statement Registration No. 882013384934<br>Cadastre Code: 24.07.35.020 |
| 5299.00 sq.m. land plot | Agricultural     | Village Koromkheti, Keda region                  | 1.0 sq.m. – 1.13  | LEPL NAPR, Real Property Purchase Agreement, Statement Registration No. 882012115256<br>Cadastre Code: 21.03.31.024 |
| 270.00 sq.m. land plot  | Agricultural     | Khelvachauri settlement, the city of Batumi      | 1.0 sq.m. – 22.78 | LEPL NAPR, Real Property Purchase Agreement, Statement Registration No. 882014018344<br>Cadastre Code: 05.35.23.376 |

**Table A2. Corrections to the land plots to be evaluated located in the buffer zone of the high-voltage power transmission line (Gel, unit: 1.00 sq.m.)**

| Comparison element         | Analogue No. 1     | Analogue No. 2     | Analogue No. 3     | Analogue No. 4     | Analogue No. 5     |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Price of 1 sq.m. (Gel)     | 9.90               | 9.90               | 10.05              | 1.13               | 22.78              |
| Selling costs              | The one of a buyer | The one of a buyer | The one of a buyer | The one of a buyer | The one of a buyer |
| Correction coefficient     | No                 | No                 | No                 | No                 | No                 |
| Corrected price of 1 sq.m. | 9.90               | 9.90               | 10.05              | 1.13               | 22.78              |
| Location                   | Not so good        | Not so good        | Not so good        | Not so good        | Better             |
| Correction coefficient     | 1.5                | 1.5                | 1.5                | 3.0                | 0.7                |
| Corrected price of 1 sq.m. | 14.85              | 14.85              | 15.07              | 3.39               | 15.95              |
| Physical properties        | Better             | Better             | Better             | Not so good        | Better             |
| Correction coefficient     | 0.9                | 0.9                | 0.9                | 1.5                | 0.8                |
| Corrected price of 1 sq.m. | 13.36              | 13.36              | 13.56              | 5.08               | 12.76              |
| Partial purchase           | Similar            | Similar            | Similar            | Similar            | Similar            |
| Correction                 | No                 | No                 | No                 | No                 | No                 |
| Corrected price of 1 sq.m. | 13.36              | 13.36              | 13.56              | 5.08               | 12.76              |

Correction comment:

- The first correction considers the location of the land plots (distance from a motor road, settled area, etc.).
- The second correction is done according to the physical properties of the plots (area, parameters, structure, etc.).



**Fixing the land compensation value**

After considering the analogues and studying the data and corrected prices, the value of the unit land was fixed by calculating the mean weighted value. When agreeing the results of the corrected prices, the analogues being most comparative to the objects to be evaluated and with least corrections were given the highest specific weight. The market value of the unit land to be evaluated (by using the weighted value) was calculated by us with the following formula:

$$Vwa = \sum_{i=1}^n Pi^* \left\{ Ri / \sum_{i=1}^n R \right\}$$

Where

**Vwa** – is the mean weighted value;

**Pi** – is the corrected price of each analogue;

**∑ R** – is the sum of the rated weights of the corrected prices of the analogues of comparison;

**Ri** – is the rated weight of the corrected price of each object of comparison.

Consequently, the calculation of the market value of the object to be evaluated by using the mean weighted value is given in Tables A3 and A4.

**Table A3**

| Description  | Pi    | Ri          | Vi          |
|--|-------|-------------|-------------|
| Price of the corrected analogue No. 1                              | 13.36 | 1.50        | 3.1         |
| Price of the corrected analogue No. 2                              | 13.36 | 1.50        | 3.1         |
| Price of the corrected analogue No. 3                              | 13.56 | 1.50        | 3.1         |
| Price of the corrected analogue No. 4                              | 5.08  | 0.50        | 0.4         |
| Price of the corrected analogue No. 5                              | 12.76 | 1.50        | 2.9         |
| <b>∑ R</b>   |       | <b>6.50</b> |             |
| <b>Vwa</b>   |       |             | <b>12.6</b> |
| <b>Corrected market value of 1 sq.m. land to be evaluated, Gel</b> |       |             | <b>12.5</b> |

**Note:** the value of the land plots was fixed by considering the present market demand and supply and factors influencing the value (designation, use, distance from recreation and/or entertainment zone, distance from motor roads/settled areas/communications, etc.). For this purpose, the data of the real estate market of Georgia was studied based on the market offers and data provided by NAPR. The basic price was fixed in comparison to an agricultural cultivation land plot. The given data were used to fix the ratio between the calculated prices and the prices of the other plots.

**Table A4**

| Calculation of the compensation amounts of the land plots for different types and functions |   |                                       |                        |  |
|---|---|---------------------------------------|------------------------|--|
| Type  | Designation of the plot   | Basic value of 1 sq.m. land plot, Gel | Correction coefficient | Compensation value of 1 sq.m. land plot, Gel |
| I   | Non-agricultural land plots located adjacent to Akhaltsikhe-Batumi motor road, 5-50 m from it and having a commercial value due to their border with the central road.        | <b>12.50</b>                          | <b>1.32</b>            | <b>16.5</b>                                  |
| II  | Agricultural land plots located adjacent to Akhaltsikhe-Batumi motor road, 5-50 m from it.  |                                       | <b>1.2</b>             | <b>15</b>                                    |
| III   | Agricultural land plots located not so near Akhaltsikhe-Batumi motor road, but 50 m or more from it, with no border with Akhaltsikhe-Batumi road and used as homestead lands. |                                       | <b>1.0</b>             | <b>12.50</b>                                 |
| IV  | Agricultural land plots located not so near   |                                       | <b>0.64</b>            | <b>8</b>                                     |

|   |  |  |          |
|---|--|--|----------|
|   | Akhalsikhe-Batumi motor road, but 50 m or more from it, with no border with Akhalsikhe-Batumi road, with perennial agricultural crops growing on them, showing the trace of cultivation and people grow agricultural crops on them.                                    |  |          |
| V | Agricultural, non-cultivation land plots not belonging to Type 5, not used to grow agricultural crops, with their surface inclined and/or steep. Such plots of land are apparently used as pastures, or to grow perennial plantings, which are not agricultural crops. |  | 0.4<br>5 |

**Note:**

1. The Table shows the land plots only with the designation and use affected by the Project.
2. The Table gives the calculation of the compensation values of all land plots by using the correction coefficients multiplied by the basic compensation value of 1 sq.m. of land.
3. The correction coefficients are fixed based on the study of the market data and consider the present demand and supply and designation, use, distance from the sea/transport infrastructure and communications).
4. All gained results are rounded.

As for the single compensation for servitude of 1 sqm. of land, following the international evaluation standards, it was fixed by using the ratio between the market value of each category and inflicted damage/not received profit (Table 5).

**Table A5**

| Type | Designation of the plot   | Compensation value of 1 sq.m. land plot, Gel | Single compensation value for servitude of 1 sq.m. of land |
|------|---|--|--|
| I    | Non-agricultural land plots located adjacent to Akhalsikhe-Batumi motor road, 5-50 m from it and having a commercial value due to their border with the central road.   | 16.5   | 8.50   |
| II   | Agricultural land plots located adjacent to Akhalsikhe-Batumi motor road, 5-50 m from it.   | 15   | 7  |
| III  | Agricultural land plots located not so near Akhalsikhe-Batumi motor road, but 50 m or more from it, with no border with Akhalsikhe-Batumi road and used as homestead lands.   | 12.50  | 4.50   |
| IV   | Agricultural land plots located not so near Akhalsikhe-Batumi motor road, but 50 m or more from it, with no border with Akhalsikhe-Batumi road, with perennial agricultural crops growing on them, showing the trace of cultivation and people grow agricultural crops on them. | 8  | 1.2  |
| V    | Agricultural, non-cultivation land plots not belonging to Type 4, not used to grow agricultural crops, with their surface inclined and/or steep. Such plots of land are apparently used as pastures, or to grow perennial plantings, which are not agricultural crops.          | 5  | 0.75   |

2. **Buildings Valuation.** Buildings have been valued at replacement cost based on the direct and indirect costs at market value necessary for the construction of a comparable building i.e. what construction of a building of similar parameters would cost today. No deductions were made for amortization. The parameters for calculating the direct and indirect costs are the following as applicable to individual cases.

- a. Direct costs include:
  - (i) Salaries of workers;
  - (ii) Purchase of construction materials;
  - (iii) Preparatory expenses;
  - (iv) Rent or purchase of equipment;

- (v) Profit and overhead expenses of the constructor;
- (vi) Expenses incurred to ensure safety measures during the construction/repair;
- (vii) The cost of arranging temporary structures;
- (viii) Temporary communications (electricity, water, gas supply etc.);
- (ix) Warehouse costs;
- (x) Transportation costs;
- (xi) Other costs

b Indirect costs include:

- (i) Cost of professional services:
  1. Compensation of the architect/designer;
  2. Compensation for engineering services;
  3. Legal expenses;
  4. Compensation for valuator's services;
  5. Other expenses
- (ii) Expenses incurred to receive permits;
- (iii) Insurance costs;
- (iv) Financing %;
- (v) Guarantee necessary to secure the contract implementation by the contractor building the new building;
- (vi) Other expenses

3. **Compensations for Annual Crops.** This item has been valued at market ha, area of affected crops and current gross market values of the crop. The details are given in a table A 6.

**TableA6 Compensation for the Annual Crops**

| Crops      | Unit | Productivity per 1 ha | Market price of unit of crops, GEL | Crop Compensation Price (GEL) per 1 ha | Crop Compensation Price (GEL) per 1 sq.m |
|------------|------|-----------------------|------------------------------------|--|--|
| Potato     | ton  | 26                    | 600                                | 15600                                  | 1.56                                     |
| Cabbage    | ton  | 22                    | 300                                | 6600                                   | 0.66                                     |
| Beans      | kg   | 800                   | 5                                  | 4000                                   | 0.4                                      |
| Garlic     | kg   | 1600                  | 5                                  | 8000                                   | 0.8                                      |
| Tomatoes   | ton  | 20                    | 800                                | 16000                                  | 1.6                                      |
| Barley     | kg   | 3000                  | 0.6                                | 1800                                   | 0.18                                     |
| Maize      | kg   | 5000                  | 0,8                                | 4000                                   | 0.4                                      |
| Wheat      | kg   | 4000                  | 1                                  | 4000                                   | 0.4                                      |
| Strawberry | kg   | 4000                  | 1,3                                | 5200                                   | 0.52                                     |
| Alfalfa    | Bale | 350                   | 4.0                                | 1400                                   | 0.14                                     |
| Hay        | Bale | 300                   | 4.0                                | 1200                                   | 0.12                                     |

|                         |    |      |      |             |      |
|-------------------------|----|------|------|-------------|------|
| <b>Capsicum</b>         | kg | 500  | 1.20 | <b>600</b>  | 0.06 |
| <b>Tobacco</b>          | kg | 1500 | 0.8  | <b>1200</b> | 0.12 |
| <b>Other vegetables</b> | -  | -    | -    | <b>5000</b> | 0.5  |

4. **Cost of perennial plants** - For determining the costs of perennial plants was used the lost income determining method, during analogue plant growth period until the appropriate age.

The cost of perennial plants are determined according their age. The cost of fruit trees will be calculated my multiplication of an annual harvest costs to the quantity of the necessary for growing the new perennial plants until the age of existed plants or plant of the same productivity.

Fruit trees calculation is made using the following formula:

$$Q = pY [af - x]1, [x - 1]2, [as - 1]3 \quad as < x < af,$$

where in :

Q – the compensation cost of perennial trees;

p – the unit cost of fruit trees/product, which is determined according the current market costs;

Y – Fertility rate, which is determined by the monography named „Georgian Fruit Production— by science doctor of statistics department and agriculture, the real member of Georgian and Russian federation agriculture science academy, The State Prize Laureate of Georgia, mr. Gogotur Agladze; volume III (1973 w.) and volume IV (1978 w), through the data summarization and are drafted in table #7.

X – the age of perennial plant ,which are determined through the visual observation of the plant and interviewing an owner.

as – the age of starting full productivity , is determined through table #7, which is composed according an interviewing the specialists.

af – the age of finishing the fertility, is determined through table #7, which is determined through an interviewing the specialists.

1 – the quantity of the years until the age of fertility for specific tree;

2 – the quantity of necessary years for growing the tree until current age;

3 – the quantity of years until full fertility of the tree .

**Note:** From 1, 2 and 3 varieties is used one of them, according the appropriation (prioring the less years) is used to determine the sum of lost income compensation for specific tree.

Calculated unit prices for each tree species are provided in a table A7:

| Type                              | Groups by Age | n Cost for 1 seedling | wholesale Market price 1 kg., GEL | Years to be compensate d | Average productivity in 1 year, kg. | Annual income, GEL | Cost for 1 tree, GEL |
|-----------------------------------|---------------|-----------------------|-----------------------------------|--------------------------|-------------------------------------|--------------------|----------------------|
| 1                                 | 2             | 3                     | 4                                 | 5                        | 6                                   | 7                  | 8                    |
| <b>Black Cherry /Sweet Cherry</b> | Seedling (<5) | 5                     | 2                                 | 5                        | 3                                   | 6                  | 35                   |
|                                   | 5-10          | 5                     | 2                                 | 5                        | 10                                  | 20                 | 75                   |
|                                   | 10-20         | 5                     | 2                                 | 5                        | 16                                  | 32                 | 117                  |
|                                   | 20+           | 5                     | 2                                 | 5                        | 10                                  | 20                 | 75                   |
| <b>Peach</b>                      | Seedling (<5) | 6                     | 1,5                               | 5                        | 4                                   | 6                  | 27                   |
|                                   | 5-10          | 6                     | 1,5                               | 5                        | 15                                  | 22,5               | 85                   |



|          |               |    |     |    |    |      |      |
|----------|---------------|----|-----|----|----|------|------|
|          | 10-20         | 6  | 1,5 | 5  | 40 | 60   | 216  |
|          | 20+           | 6  | 1,5 | 5  | 25 | 37,5 | 137  |
|          |               |    |     |    |    |      |      |
| Apricot  | Seedling (<5) | 4  | 1,5 | 5  | 3  | 4,5  | 27   |
|          | 5-10          | 4  | 1,5 | 5  | 15 | 22,5 | 83   |
|          | 10-20         | 4  | 1,5 | 5  | 40 | 60   | 214  |
|          | 20+           | 4  | 1,5 | 5  | 25 | 37,5 | 135  |
|          |               |    |     |    |    |      |      |
| Walnut   | Seedling (<5) | 10 | 5   | 5  | 4  | 20   | 80   |
|          | 5-10          | 10 | 5   | 10 | 15 | 75   | 535  |
|          | 10-20         | 10 | 5   | 10 | 25 | 125  | 1235 |
|          | 20+           | 10 | 5   | 10 | 30 | 150  | 1510 |
|          |               |    |     |    |    |      |      |
| Quince   | Seedling (<5) | 4  | 1,5 | 5  | 3  | 4,5  | 20   |
|          | 5-10          | 4  | 1,5 | 5  | 15 | 22,5 | 83   |
|          | 10-20         | 4  | 1,5 | 5  | 30 | 45   | 162  |
|          | 20+           | 4  | 1,5 | 5  | 20 | 30   | 109  |
|          |               |    |     |    |    |      |      |
| Pear     | Seedling (<5) | 4  | 1,2 | 5  | 7  | 8,4  | 33   |
|          | 5-10          | 4  | 1,2 | 7  | 20 | 24   | 122  |
|          | 10-20         | 4  | 1,2 | 7  | 70 | 84   | 416  |
|          | 20+           | 4  | 1,2 | 7  | 45 | 54   | 269  |
|          |               |    |     |    |    |      |      |
| Plum     | Seedling (<5) | 4  | 0,8 | 5  | 8  | 6,4  | 26   |
|          | 5-10          | 4  | 0,8 | 5  | 15 | 12   | 46   |
|          | 10-20         | 4  | 0,8 | 5  | 30 | 24   | 88   |
|          | 20+           | 4  | 0,8 | 5  | 20 | 16   | 60   |
|          |               |    |     |    |    |      |      |
| Mulberry | Seedling (<5) | 5  | 1,5 | 5  | 4  | 6    | 26   |
|          | 5-10          | 5  | 1,5 | 5  | 10 | 15   | 58   |
|          | 10-20         | 5  | 1,5 | 5  | 16 | 24   | 89   |
|          | 20+           | 5  | 1,5 | 5  | 10 | 15   | 58   |
|          |               |    |     |    |    |      |      |
| Hazelnut | Seedling (<5) | 2  | 2   | 5  | 2  | 4    | 30   |
|          | 5-10          | 2  | 2   | 5  | 5  | 10   | 75   |
|          | 10-20         | 2  | 2   | 5  | 6  | 12   | 90   |
|          | 20+           | 2  | 2   | 5  | 4  | 8    | 55   |

|                  |               |   |     |   |    |      |     |
|------------------|---------------|---|-----|---|----|------|-----|
| Wild Plum        | Seedling (<5) | 3 | 0,8 | 5 | 7  | 5,6  | 23  |
|                  | 5-10          | 3 | 0,8 | 5 | 15 | 12   | 45  |
|                  | 10-20         | 3 | 0,8 | 5 | 50 | 40   | 143 |
|                  | 20+           | 3 | 0,8 | 5 | 25 | 20   | 73  |
| Apple            | Seedling (<5) | 4 | 1   | 5 | 5  | 5    | 22  |
|                  | 5-10          | 4 | 1   | 6 | 25 | 25   | 109 |
|                  | 10-20         | 4 | 1   | 6 | 70 | 70   | 298 |
|                  | 20+           | 4 | 1   | 6 | 40 | 40   | 172 |
| Grape            | Seedling (<5) | 2 | 1,5 | 4 | 5  | 7,5  | 23  |
|                  | 5-10          | 2 | 1,5 | 4 | 7  | 10,5 | 31  |
|                  | 10-20         | 2 | 1,5 | 4 | 9  | 13,5 | 40  |
|                  | 20+           | 2 | 1,5 | 4 | 5  | 7,5  | 23  |
| Cornelian cherry | Seedling (<5) | 3 | 2   | 5 | 2  | 4    | 17  |
|                  | 5-10          | 3 | 2   | 5 | 3  | 6    | 24  |
|                  | 10-20         | 3 | 2   | 5 | 4  | 8    | 31  |
|                  | 20+           | 3 | 2   | 5 | 3  | 6    | 24  |
| Persimmon        | Seedling (<5) | 2 | 1   | 5 | 5  | 5    | 20  |
|                  | 5-10          | 2 | 1   | 6 | 10 | 10   | 44  |
|                  | 10-20         | 2 | 1   | 6 | 30 | 30   | 128 |
|                  | 20+           | 2 | 1   | 6 | 20 | 20   | 86  |
| Fig tree         | Seedling (<5) | 3 | 1,5 | 5 | 5  | 7,5  | 29  |
|                  | 5-10          | 3 | 1,5 | 6 | 10 | 15   | 66  |
|                  | 10-20         | 3 | 1,5 | 6 | 30 | 45   | 192 |
|                  | 20+           | 3 | 1,5 | 6 | 20 | 30   | 129 |
| Kiwi             | Seedling (<5) | 3 | 1,5 | 4 | 5  | 7,5  | 24  |
|                  | 5-10          | 3 | 1,5 | 4 | 10 | 15   | 45  |
|                  | 10-20         | 3 | 1,5 | 4 | 30 | 45   | 129 |
|                  | 20+           | 3 | 1,5 | 4 | 20 | 30   | 87  |
| Pomegranate      | Seedling (<5) | 4 | 2   | 5 | 5  | 10   | 39  |

|                |               |   |      |    |     |      |      |
|----------------|---------------|---|------|----|-----|------|------|
|                | 5-10          | 4 | 2    | 6  | 10  | 20   | 88   |
|                | 10-20         | 4 | 2    | 6  | 30  | 60   | 256  |
|                | 20+           | 4 | 2    | 6  | 20  | 40   | 172  |
|                |               |   |      |    |     |      |      |
| Tangerine tree | Seedling (<5) | 3 | 1,25 | 5  | 10  | 12,5 | 47   |
|                | 5-10          | 3 | 1,25 | 5  | 30  | 37,5 | 134  |
|                | 10-20         | 3 | 1,25 | 5  | 80  | 100  | 353  |
|                | 20+           | 3 | 1,25 | 5  | 50  | 62,5 | 222  |
|                |               |   |      |    |     |      |      |
| Orange tree    | Seedling (<5) | 4 | 1,5  | 5  | 10  | 15   | 57   |
|                | 5-10          | 4 | 1,5  | 5  | 30  | 45   | 167  |
|                | 10-20         | 4 | 1,5  | 5  | 80  | 120  | 424  |
|                | 20+           | 4 | 1,5  | 5  | 50  | 75   | 267  |
|                |               |   |      |    |     |      |      |
| Lemon tree     | Seedling (<5) | 4 | 1,3  | 5  | 5   | 6,5  | 27   |
|                | 5-10          | 4 | 1,3  | 5  | 15  | 19,5 | 72   |
|                | 10-20         | 4 | 1,3  | 5  | 35  | 45,5 | 163  |
|                | 20+           | 4 | 1,3  | 5  | 20  | 26   | 95   |
|                |               |   |      |    |     |      |      |
| Chestnut       | Seedling (<5) | 7 | 1    | 5  | 30  | 30   | 112  |
|                | 5-10          | 7 | 1    | 10 | 50  | 50   | 357  |
|                | 10-20         | 7 | 1    | 10 | 120 | 120  | 1057 |
|                | 20+           | 7 | 1    | 10 | 120 | 120  | 847  |
|                |               |   |      |    |     |      |      |
| Berry          | Seedling (<5) | 2 | 2,5  | 5  | 2   | 5    | 20   |
|                | 5-10          | 2 | 2,5  | 5  | 3   | 7,5  | 28   |
|                | 10-20         | 2 | 2,5  | 5  | 4   | 10   | 37   |
|                | 20+           | 2 | 2,5  | 5  | 3   | 7,5  | 28   |
|                |               |   |      |    |     |      |      |
| Laurel         | Seedling (<5) | 1 | 4    | 5  | 1   | 4    | 15   |
|                | 5-10          | 1 | 4    | 5  | 2   | 8    | 29   |
|                | 10-20         | 1 | 4    | 5  | 2   | 8    | 29   |
|                | 20+           | 1 | 4    | 5  | 1   | 4    | 15   |
|                |               |   |      |    |     |      |      |

|                      |               |   |      |   |    |      |     |
|----------------------|---------------|---|------|---|----|------|-----|
| <b>Cherry Laurel</b> | Seedling (<5) | 2 | 0,25 | 8 | 2  | 0,5  | 5   |
|                      | 5-10          | 2 | 0,25 | 8 | 4  | 1    | 8   |
|                      | 10-20         | 2 | 0,25 | 8 | 10 | 2,5  | 16  |
|                      | 20+           | 2 | 0,25 | 8 | 7  | 1,75 | 12  |
|                      |               |   |      |   |    |      |     |
| <b>Barberries</b>    | Seedling (<5) | 5 | 2,5  | 5 | 3  | 7,5  | 31  |
|                      | 5-10          | 5 | 2,5  | 5 | 5  | 12,5 | 49  |
|                      | 10-20         | 5 | 2,5  | 5 | 7  | 15,5 | 66  |
|                      | 20+           | 5 | 2,5  | 5 | 5  | 12,5 | 49  |
|                      |               |   |      |   |    |      |     |
| <b>Medlar</b>        | Seedling (<5) | 4 | 1,5  | 6 | 3  | 4,5  | 23  |
|                      | 5-10          | 4 | 1,5  | 6 | 10 | 15   | 67  |
|                      | 10-20         | 4 | 1,5  | 6 | 20 | 30   | 130 |
|                      | 20+           | 4 | 1,5  | 6 | 10 | 15   | 67  |
|                      |               |   |      |   |    |      |     |
| <b>Loquat</b>        | Seedling (<5) | 4 | 2    | 6 | 3  | 6    | 29  |
|                      | 5-10          | 4 | 2    | 6 | 10 | 20   | 88  |
|                      | 10-20         | 4 | 2    | 6 | 20 | 40   | 172 |
|                      | 20+           | 4 | 2    | 6 | 10 | 20   | 88  |
|                      |               |   |      |   |    |      |     |
| <b>Dog rose</b>      | Seedling (<5) | 5 | 2    | 5 | 3  | 6    | 26  |
|                      | 5-10          | 5 | 2    | 5 | 5  | 10   | 40  |
|                      | 10-20         | 5 | 2    | 5 | 7  | 14   | 54  |
|                      | 20+           | 5 | 2    | 5 | 5  | 10   | 40  |
|                      |               |   |      |   |    |      |     |