

## PROJECT RATIONALE

### 1. Status of Existing Road

#### **Why is construction of the Kvesheti-Kobi road necessary?**

The existing 35-km road connecting Kvesheti and Kobi is unsafe and does not conform to international standards. It has an inadequate horizontal and vertical alignment, climbing from 1,370m to 2,200m via a series of hairpin bends. It is difficult to maintain in winter, meaning it is closed for extended periods each year. The existing road is also dangerous, with six deaths and 89 injuries recorded between 2012 and 2017. The new bypass road and tunnel connecting Kvesheti and Kobi will allow more traffic to travel on it safely and will remain open all year.

#### **Will this new road make Georgia an international transit corridor?**

Yes. The North-South Corridor is a vital transport and trade network that facilitates connections across the country, from Armenia to Russia, and beyond. It's crucial for the connectivity of international trade between the Caspian Sea and the Black Sea and is also essential for Georgia's global market access and socioeconomic development. The new road is a crucial component of this growing interconnected network.

### 2. Benefits of New Road

#### **How will the road benefit Georgia's economy?**

Improving the North-South Road Corridor is a priority for Georgia. Slow travel times impact local development, including local tourism and agriculture, and traffic discontinuity is a major impediment to meeting increasing transport demand and harnessing the tourism potential of the area.

The new road and tunnel will open up the area to tourists coming south from Russia and north from Tblisi.

#### **How will travel times and accidents be decreased?**

The existing road is inadequate for the volume of traffic, which currently ranges between 3,000 and 4,000 vehicles per day (70% cars and 30% trucks). At present, traffic flows cause high rates of congestion, pollution, and accidents. Up to 35% of all traffic is delayed, a number that is expected to double in the next 15 years. In addition, modern trucks cannot pass simultaneously through the existing open tunnels due to insufficient clearance. The road is inadequate for weather conditions in the area and therefore closed for significant periods of the winter. The new road and tunnel will improve road safety, reduce congestion and accident rates.

#### **Will the new road be open year around?**

Yes

#### **How will the area benefit from the new road?**

Because the road is closed during the winter months, many communities in the area are cut off from economic and social services. In some areas, villagers are snow-bound for up to four months a year meaning they have to evacuate the village during those months or stay behind and endure potentially dangerous hardships throughout the winter. Children in local villages are also often cut off from their schools and health centers. The new by-pass will provide year-round access for rural populations in the area, meaning they can access important economic and social services in all seasons.

### ***How will the road and tunnel project affect people's livelihoods?***

Lack of access roads to main roads and the absence of regularly scheduled public transport in villages and secondary towns makes it difficult for people to access employment opportunities. Improved rural roads will increase trade, boost tourism, enhance access to markets and social services for local communities and stimulate economic activities.

In the short term, the proposed road and tunnel will contribute to poverty reduction by providing job opportunities in road construction, operation, and the maintenance of transport infrastructure.

The road and tunnel project will also facilitate the further development of the popular Gudari resort as it will mean that people can get in and out of the area more quickly. And Gudari's growth will have an effect in the wider area, including the Khada valley.

### **Will the new bypass road make driving in the area safer or more dangerous?**

The lack of street lighting, pedestrian crossings and road safety signs all pose risks to people in the area. The project is expected to tackle these problems as well as reduce risks and disturbances caused by heavy goods vehicles passing through Gudari and other populated areas.

## PROJECT DESCRIPTION

### 1. Project Status

#### **What is the current status of the project?**

The project is currently in the preparation and procurement stages.

#### **When will construction begin?**

At present, construction of the Gudauri tunnel is expected to begin at the end of 2019 and be completed at the end of 2023. Construction of the bypass road is expected to begin at the end of 2019 and finish at the end of 2022.

#### **Has a construction company been selected?**

No companies have been selected yet for the construction of the Gudauri tunnel (Lot 1) and bypass road (Lot 2). Bids are expected to be invited by the end of 2018.

## **How will the construction companies be selected?**

The Roads Department of Georgia will select construction companies through international competitive bidding in accordance with ADB Procurement Policy and Regulations. The companies that are selected will have had to prove that they are capable of meeting a wide range of technical specifications and financial requirements.

## 2. Project Scope

### **How long is the proposed road and tunnel?**

The new bypass road is 23-km long, 12-km shorter than the existing road. The road is made of asphalt and has one-lane each way plus an additional uphill climbing lane for heavy vehicles. The road will be constructed to 80 km/hour design speed standards. Tunnel work, built to European Union standards, will eliminate avalanche risks in key locations.

The road includes 5 tunnels totaling 10.5km. The longest tunnel is about 9km in length and will be the longest in Georgia.

### **What tunneling method will be used?**

A tunnel boring machine (TBM) will be used for construction of the main tunnel. The New Austrian Tunneling Method (NATM) will be used for construction of the emergency tunnel. Blasting Method?

### **Will the new road have lighting?**

Yes.

### **Will there be designated road crossings or underpasses?**

Yes. Designated road crossings and underpasses are an integral part of the project design.

### **What alternatives to the proposed route were examined? And why were they rejected?**

As part of the Environmental Impact Assessment (EIA) the government, with assistance from ADB and the European Bank for Reconstruction and Development (EBRD), carried out a systematic comparison of feasible project alternatives in terms of location, technology, design and operation. Each alternative was judged in terms of a range of potential impacts including feasibility of mitigation; capital and recurrent costs; suitability under local conditions; and residual impacts on the natural and social environment and on the area's cultural heritage.

### **Will the Roads Department build new roads to connect nearby villages to the Kvesheti-Kobi section of road?**

This project is not just about the new bypass road and long tunnel. The project scope also includes a new network of local roads and improvements to several existing connecting roads. These will connect villages and rural communities to provincial centers and beyond, meaning better access to bigger markets, better social services, and more economic opportunities.

**Are there footpaths on the road that people can use to walk to neighboring villages?**

The new road has been designed and will be built to conform to international standards. As such, it will not be permitted to walk on the highway. However, safe pedestrian crossings and footpaths will be provided alongside the road.

***Residents of Kveshti village want the road to be built on the other side of the river. Is that possible?***

There are a number of technical and safety reasons why this is not possible. The main reason is that the slope on the other side of the river is difficult to stabilize, and if we put the road there it would be quite susceptible to sliding.

***Are water, communications, and other critical infrastructure at risk of damage during construction?***

Part of the contractor's work is to identify all of the utilities that will potentially be affected and then work with the community, should any of the services need to be temporarily cut off, to ensure there is no lack of service to the community until normal services are restored.

***What will be done to avoid noise and vibrations during the construction process?***

The contractor will have to produce a site-specific Environment Management Plan and implement mitigation measures in relation to noise and vibration. We will have monitoring equipment on site so if there is a sensitive location we can monitor if vibration levels exceed normal standards. The contractor will also conduct noise monitoring so if noise is above standard levels they can tailor the construction activity to reduce noise impacts by using different equipment or they can perform activities further away from residential areas. This is one of the reasons why it's mandated that construction camps be located at least 500 meters away from communities.

**Who's going to be responsible for maintaining the existing road?**

The Roads Department of Georgia will be responsible for maintaining the existing road.

**3. Project Financing**

**How much will this project cost?**

The total cost of the project is currently estimated at \$550 million.

**How is the project to be financed?**

The new road, tunnel, and associated infrastructure will be financed by the Government of Georgia (\$130 million) with support from the Asian Development Bank (\$250 million) and the European Bank for Reconstruction and Development (\$60 million), and other sources to be determined (\$110 million).

**PROJECT IMPACTS**

## 1. Environmental Impacts

**There are many natural habitats in the project area and in the Kazbegi National Park. These include bird overflow corridors and mammal crossing points. Will these be protected?**

The project runs 200m beneath about 150m of the Kazbegi National Park and the proposed Emerald Network site.

Mammal crossing points and bird migration corridors are among the many important natural habitats that have been studied by experts at the design and construction stage and which will be addressed in the Environmental Impact Assessment.

In terms of birds, the broad project area of Jvari contains a migratory flight way through which, at peak migration, more than 30,000 raptors pass each day. However, recent surveys indicate that the specific project area of the Khada valley is of lesser importance to birds compared to Jvari itself.

In terms of mammals, six species—the Brown Bear, the Eurasian Lynx, the Eurasian Otter, the Chamois, the Tur and the Grey Wolf—are potentially present within the specific study area. Other species of small mammals, reptiles and amphibians—including the Kazbegi Birch Mouse and Dinniks Viper—are also potentially present.

Meetings have been held with the following stakeholders to discuss biodiversity issues in the project area: The Georgian Centre for Biodiversity Conservation and Research (NACRES); the Caucasus Nature Fund (CNF); the Ilia State University Georgian Centre for the Conservation of Wildlife; and the Agency for Protected Areas

**Right now eco-tourism is very popular in the area. Will the project make the area less appealing to eco-tourists?**

The construction phase of the project will have negative impacts in terms of eco-tourism, but all efforts will be made to avoid disruption and to ensure that all development is sustainable.

In the long term, the new road and tunnel will increase the accessibility and decrease the seasonality of the area. It will also improve the experiences and safety of visitors to the area, opening up destinations such as the Kazbegi National Park, spectacular valleys and picturesque villages to eco-tourists from around the world.

**What is a Scoping Report?**

A Scoping Report considers the biological, social, economic and cultural impacts of a proposed activity, in this case the road and tunnel project. It also considers alternatives to the chosen project site and explains why the alternatives were not chosen. In addition to other important functions, the Scoping Report serves as a roadmap for an Environmental Impact Assessment. Scoping Reports are required under Georgian law and are a policy requirement of the EBRD.

**What is an Environmental Impact Assessment?**

An Environmental Impact Assessment (EIA) is an assessment of the environmental consequences (positive and negative) of a plan, policy, program, or actual projects prior to the decision to move forward with the proposed action. Scoping Reports are required under Georgian law and are a policy requirement of the EBRD.

### **What's going to happen to the spoil material generated by the project?**

The project will generate around 1.9 million m<sup>3</sup> of inert spoil material that is surplus to the requirements of the project. This must be transported to permanent spoil disposal sites within the project area. During the Public Consultations and Focus Group Meetings, some local communities expressed interest in accommodating some of the spoil, assuming it is of appropriate quality, for filling and levelling land in their communities.

### **In the project zone there is a St. George Cross, a Soldiers' Monument, graveyards, and other important cultural moments. Will these be affected by the construction?**

The Georgian National Agency of Heritage Protection has undertaken a review to identify and register cultural monuments and important archaeological sites. Georgian law states that it is forbidden to carry out construction closer than 300m from a protected site if the construction hinders a view or damages a monument. According to the project design, graves and shrines will not be affected. In fact, the plan calls for the construction of a protective wall around graves and shrines in order to prevent them from being damaged during construction. Given the rich cultural heritage of Georgia's countryside, all works that could potentially impact cultural heritage sites will be carried out in consultation with archeologists. The contractor is required to conduct a pre-construction survey to document the condition of all cultural heritage sites that could potentially be affected.

### **Will homeowners be compensated if their houses are damaged during the construction process?**

Yes. The contractor is required to conduct a pre-construction survey to document the condition of potentially affected structures. Should a structure that has not been included in the Land Acquisition and Resettlement Plan (LARP) be damaged, compensation will be payable. People who are concerned that their property might be damaged during construction are encouraged to document the pre-construction condition of their structures, if possible.

## **2. Involuntary Resettlement**

### **What is the policy regarding involuntary resettlement?**

The Government of Georgia is in the process of preparing a Land Acquisition and Resettlement Plan (LARP) that identifies who will be affected by the road and tunnel project, estimates the economic impacts they will suffer, and determines how they will be compensated or have their incomes restored.

For the development of the project it will be necessary to acquire a number of land plots and houses located within (or in the immediate vicinity of) the footprint of the road, structures and spoil areas. A Resettlement and Livelihood Restoration Plan is being prepared by the government to address these issues. There may be cases where an affected person refuses to be resettled. In such cases, all efforts will be made to reach an agreement. In case an agreement cannot be reached, the provisions of eminent domain shall apply.

***Some people in the area say they are having trouble registering their land. They think that local officials don't want to register their land because it will raise its value and make it more difficult for the government to purchase. Is this true?***

The ADB and the Roads Department want for all affected land to be registered and are committed to this being a transparent process. The ADB stands ready to assist the Roads Department in conducting the registration process and is hiring an international firm to conduct a due diligence check on the methodology being used by the Roads Department to assess the value of affected land.

If affected people have questions or concerns about registering their land they should contact the Roads Department or the ADB Resident Mission office in Tblisi (see contact details section).

***What is eminent domain?***

If affected people do not agree with the amount of money they are being offered as compensation, then the only step forward for the Roads Department is the law of Eminent Domain, which is the forcible expropriation of property by the courts.

**How do I know if the project is going to affect my land?**

All affected people will be contacted formally by representatives from the Roads Department during the preparation of the Land Acquisition and Resettlement Plan (LARP).

**What can I do if my land is not registered?**

If land is entitled to be registered, it is recommended that the registration process be undertaken as soon as possible. Assistance in navigating the process may be requested from the Roads Department

**Who can I go to for help in registering my land?**

The Roads Department resettlement team should be contacted if assistance is required with land registration

**If my parcel of land is not registered, what is going to happen?**

If it is possible to legally register the land, the registration process will be completed and the land will be compensated at market value. If the affected person is not legally entitled to register the land plot, market value cannot be paid, however other allowances and compensation will be payable, and all improvements made to the land will be compensated at replacement cost.

**What should people do if officials are not being helpful in resolving land registration issues?**

Any issues should be communicated to the Roads Department in the first instance. Affected persons may also contact ADB.

**What happens if people's livelihoods are going to be negatively affected on a permanent basis?**

Loss of livelihood will be compensated by the project. Various allowances will be paid to affected persons, based on various criteria that will be explained in the project information brochures distributed during the preparation of the Land Acquisition and Resettlement Plan (LARP). Full details will be provided in the final LARP, which will be disclosed in English (on ADB's web site) and in Georgian (on the Roads Department web site) prior to implementation.

### **How will compensation be calculated?**

This is being explained during Public Consultations and in the project information brochures distributed during the preparation of the Land Acquisition and Resettlement Plan (LARP). Full details will be provided in the final LARP, which will be disclosed in English (on ADB's web site) and in Georgian (on Roads Department web site) prior to implementation.

## STAKEHOLDER ENGAGEMENT

### 1. Consultations with Directly Affected Persons

#### **What is being done to consult with people in the area who will be affected by the project?**

The Government of Georgia, ADB and the EBRD are committed to a robust and meaningful consultation and participation process involving project-affected people and other stakeholders. A Stakeholder Engagement Plan (SEP) has been prepared under EBRD financing which serves as a general framework for building and maintaining positive relationships with stakeholders throughout the entire project lifecycle.

More than 20 Public Consultations and Focus Group Discussions have taken place with village residents as part of the project design process. In addition, several Working Group Meetings have been held with representatives from environmental NGOs and academia. Issues raised and discussed include environment and social safeguards, land acquisition and resettlement, gender concerns, and planning and implementation. The Public Consultations and Focus Group Discussions have provided the government and its partners with a greater understanding of the impacts the road and tunnel project will have on local communities, and several significant design changes have been made as a result.

The outcomes of the consultations is being documented and reflected in the Environmental Impact Assessment (EIA) and the Land Acquisition and Resettlement Plan (LARP) and in the project's overall scope and design.

It should be noted that consultations continue to be held as engagement is an ongoing activity throughout the life of the project.

#### ***Have the Public Consultations had any effect on the design process?***

Yes, there are many instances where the views expressed at the Public Consultations have led to design changes and re-engineered solutions. For instance, (i) an underpass will be built in Kvesheti, and that's directly the result of a Public Consultation; (ii) and at the opening to the big tunnel in Tskere, consultation with the residents who live there year-round led to extending the

cut and cover entrance (southern portal) by another approximately 100 meters in order to maintain access to a nearby graveyard.

## 2. Information to the General Public

### **Are there mechanisms for people to make formal complaints about the project to the Georgian government, the ADB and/or the EBRD?**

Yes, there is a Grievance Redress Mechanism (GRM) established by the project. This mechanism is explained in the project information brochure. People should address any complaints to the local level focal person indicated in the GRM. If the complaint is not able to be resolved at local level it may be elevated for consideration at the national level. Should the complainant be unsatisfied by the ruling made, the complaint may be submitted to a court of law. The complainant may also submit a complaint to ADB or EBRD.

### **How do I find out more about this project?**

Government of Georgia: Roads Department of Georgia: <http://www.georoad.ge>

Building Better Georgia: <http://build.gov.ge/ge/projects>

Asian Development Bank Project Website: <https://www.adb.org/projects/51257-002/main>

ADB Safeguard Policies and Documents: <https://www.adb.org/site/safeguards/main>

EBRD website(s)?

Executing Agency:

Ministry of Regional Development and Infrastructure of Georgia:

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