

GEORGIA: NORTH-SOUTH CORRIDOR (KVESHETI-KOBI) ROAD PROJECT

Fact Sheet

Updated January 2019



OVERVIEW

Improving the North-South Road Corridor is a priority for Georgia. The corridor is a vital transport and trade network that facilitates connections across the country, from Armenia to Russia and beyond.

Various portions of the corridor are currently being upgraded and modernized. The central section of the corridor connecting Kvesheti to Kobi through the Jvari Pass, 2,400 m above sea level, needs to be fully realigned. The existing 35-km road is unsafe, experiences heavy traffic, and is difficult to maintain in winter, resulting in lanes being closed to trucks and occasionally full closure of the road.

A new bypass road from Kvesheti to Kobi will be built to allow increasing traffic to travel on it safely, and will remain fully operational all year. The Government of Georgia has applied for financing from the ADB (\$350 million) and EBRD (\$50 million) toward the cost of the North-South Corridor (Kvesheti-Kobi) Road Project. The government will provide counterpart funding equivalent to \$150 million to cover taxes and duties, land acquisition and resettlement costs, financing charges, and other miscellaneous costs.

ADB SUPPORT

- Engineering design work will ensure that impacts on the local environment and affected communities are minimized, while cutting travel times and improving accessibility.
- In addition to a proposed \$350 million in financing, ADB will bring international best practices that ensure the project delivers the maximum benefit to Georgia.
- ADB also provides grant-based assistance to strengthen project readiness and compliance with environmental and social safeguards requirements.

PROJECT RATIONALE

Status of Existing Road

- The road is inadequate for the volume of current traffic (3,000-4,000 vehicles per day), causing congestion, pollution, and accidents. Up to 35% of all traffic is delayed, a number that is expected to double in the next 15 years.
- Snow causes the road to occasionally close in winter.
- Open tunnels are too narrow for two-way travel of modern trucks.
- Slow travel times impact local development, including local tourism and agriculture.

Benefits of New Road

- The new bypass will improve traffic flow and safety, increase trade, boost tourism, create jobs and raise living standards for local populations.
- Full-year access for rural populations in the area, who are cut off from economic and social services, including schools and hospitals, when the existing road closes in winter.
- Improved road safety, including through settlements, that will reduce accidents and congestion. Tunnel work, built to European Union standards, will eliminate avalanche risks in key locations.
- The new road will seek to preserve Georgia's rich natural and cultural heritage and provide opportunities for tourism development by improving access to recreation and natural areas, including the Gudauri ski resort and Kazbegi National Park.

AT A GLANCE

• Length

The new bypass road is 23-km long, 12-km shorter than the existing road.

• 2 lanes, asphalt road

The road will have one lane each way, plus an additional climbing lane uphill for heavy vehicles

• 5 tunnels and 6 bridges

The road includes 5 tunnels at a total length of 11 km, one of which is 9 km long, and 6 bridges at a total length of 1.6 km, including a concrete arch bridge spanning the Khadistskali River.

• Network of local roads

The project scope includes improvements to about 5 km of local roads that connect with the project road.

PROJECT FINANCE*

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

ADB	\$350 million
EBRD	\$50 million
Government of Georgia	\$150 million
Total	\$550 million

*Preliminary, and project finance is subject to change.

ENVIRONMENTAL IMPACTS

- An extensive environmental assessment of the proposed project area is underway. The assessment includes biodiversity surveys; aquatic surveys; air and noise surveys; and archaeological/cultural heritage surveys. It also includes noise and vibration modellings.
- Vegetation and flora surveys of the project area were done, with a focus on the presence of protected species. Particular attention was paid to avian fauna in the Kobi area, located close to Kazbegi National Park, within the Special Protection Area for Birds (SPA 9).
- The archaeological and cultural heritage survey identified and registered cultural monuments and potential sites of archaeological significance.
- The environmental impact assessment for the project includes a systematic comparison of feasible project alternatives (in terms of location, technology, design and operation). Each alternative includes potential impacts; feasibility of mitigation; capital and recurrent costs; suitability under local conditions; and residual impacts on the natural and social environment and on the cultural heritage.
- Given the rich natural and cultural heritage of Georgia's countryside, all works that could potentially impact biodiversity or cultural sites will be carried out in consultation with ecologists and archeologists.

SOCIAL IMPACTS

- 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 and structures, such as bridges and tunnels. A Resettlement Plan is being prepared by the government and, if appropriate, a Livelihood Restoration plan will also be prepared to respond to these issues.
- Some communities will be affected by project activities during both construction and operation. These impacts may include traffic, noise, and dust emissions; vibrations; or economic impacts. Independent consultants have been hired to collect data on noise, vibration, air quality and other features as necessary. This is to ensure the impact assessment can be completed, that the proposed environmental and social impact mitigation measures are relevant, and that the conclusions are robust. The findings of these assessments will be part of the public consultation process.

PUBLIC CONSULTATIONS

The Government of Georgia has committed to conduct a meaningful consultation and participation process involving project-affected people and other stakeholders in compliance with ADB's 2009 Safeguard Policy Statement.

The objectives of ADB's safeguards are to:

- avoid adverse impacts of projects on the environment and affected people, where possible;
- minimize, mitigate, and/or compensate for adverse project impacts on the environment and affected people when avoidance is not possible; and
- help borrowers/clients to strengthen their safeguard systems and develop the capacity to manage environmental and social risks.

With regard to information disclosure, ADB is committed to working with the Government of Georgia to ensure that relevant project information is made available in a timely manner, in an accessible place, and in a form and language(s) understandable to affected people and to other stakeholders, including the general public, so they can provide meaningful inputs into project design and implementation.

MORE INFORMATION:

ASIAN DEVELOPMENT BANK

Project Website:

<https://www.adb.org/projects/51257-001/main>

Safeguard Policies and Documents:

<https://www.adb.org/site/safeguards/main>

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GOVERNMENT OF GEORGIA

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<http://www.georoad.ge>

Building Better Georgia:

<http://build.gov.ge/ge/projects>

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