



# Proposed Remedial Action Plan

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Project Number: 51257-001  
Loan Number: 3803  
April 2023

## Georgia: North–South Corridor (Kvesheti–Kobi) Road Project

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## I. INTRODUCTION

1. On 1 August 2019, the Asian Development Bank (ADB) approved a regular loan of €370,238,000 to Georgia for the North–South Corridor (Kvesheti–Kobi) Road Project.<sup>1</sup> The project aims to improve the connectivity, safety, and livelihoods along the North–South Corridor. Its outputs will include construction of a 23-kilometer climate-resilient, two-lane highway from Kvesheti to Kobi. The executing agency is the Ministry of Regional Development and Infrastructure of Georgia; the implementing agency is the Roads Department of Georgia. The project is cofinanced by the European Bank for Reconstruction and Development.

2. The project, which is categorized as *complex*, has engineering, construction, and safeguard challenges, particularly because the transport artery spans diverse and spectacular terrain. The project road will pass through a remote and mountainous valley, which is largely inaccessible in winter between from November to April. The project road was designed to European Union standards and provides for five tunnels and five bridges, including the longest tunnel in Georgia (9 kilometers, of which 55% has been completed). The project road is divided into two lots for construction works: lot 1 from Tskere to Kobi and lot 2 from Kvesheti to Tskere. The ADB and European Bank for Reconstruction and Development are cofinancing lot 1 contract, while ADB is the sole financier of lot 2 contract.

3. On 10 March 2021, ADB’s Compliance Review Panel (CRP) determined that a complaint filed by two named individuals at the Green Alternative, a nongovernment organization acting as representatives of the complainants, was eligible for consideration under the compliance review function of ADB’s Accountability Mechanism Policy 2012 (AMP). ADB’s Board of Directors authorized a compliance review on 21 April 2021, which culminated in the CRP’s final report that was approved by the Board on 24 January 2023.

4. The CRP’s final report identified direct and material harm resulting from ADB’s noncompliance with its policies and procedures in four areas: (i) physical cultural resources, (ii) socioeconomic impacts and project benefits, (iii) income and livelihood restoration, and (iv) monitoring and supervision.<sup>2</sup> The AMP (para. 190) provides that “if the CRP concludes that ADB’s noncompliance caused direct and material harm, Management will propose remedial actions to bring the project into compliance with ADB policies and address related findings of harm.” Accordingly, the CRP’s final report notes the requirement for remedial actions under the four areas (Appendix 1).<sup>3</sup>

5. This document outlines Management’s proposed actions to bring the project into compliance and/or mitigate any harm. It is submitted to the Board for approval in accordance with the AMP (para. 191). The actions were discussed with and agreed upon by the borrower, and the document incorporates the CRP’s comments received on 11 April 2023 (Appendix 3).

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<sup>1</sup> ADB. 2019. [Report and Recommendation of the President to the Board of Directors: Proposed Loan to Georgia for the North-South Corridor \(Kvesheti-Kobi\) Road Project](#). Manila

<sup>2</sup> ADB. 2023. *Final Report on Compliance Review Panel Request No. 2021/1 on the North–South Corridor (Kvesheti-Kobi) Road Project in Georgia (Asian Development Bank Loan 3803)*. Manila. Table 5. <https://lnadbq4.adb.org/dir0035p.nsf/alldocs/JABM-BX83CV?OpenDocument>

<sup>3</sup> Remedial actions required pursuant to the AMP (para. 190) are referred to individually as “Action Required” in Table 5 of *Final Report on Compliance Review Panel Request No 2021/1 on the North–South Corridor (Kvesheti-Kobi) Road Project in Georgia (Asian Development Bank Loan 3803)* <https://lnadbq4.adb.org/dir0035p.nsf/alldocs/JABM-BX83CV?OpenDocument>

## II. REMEDIAL ACTION PLAN AND MITIGATION ACTION PLAN

6. The borrower and ADB Management have carefully considered the CRP's initial findings throughout the compliance review process and prepared project-level action plans in 2021 and 2022 to address the compliance issues identified in the CRP's intermediate reports. This proactive approach facilitated the timely inclusion of remedial and optimization measures in project implementation and enhanced responsiveness to the concerns of the complainants. The proposed time-bound Remedial Action Plan (RAP) is in Appendix 1. ADB will support the borrower in implementing these actions to address the CRP's findings of ADB noncompliance by the indicated due date.

7. As a complement to the RAP, Appendix 2 sets out the mitigation actions that are being taken to address actions suggested by the CRP in four areas: (i) environmental impact assessment and mitigation of induced impacts; (ii) post-Board-approval noncompliance relating to physical cultural resources; (iii) adverse social impacts regarding reduced community access to land and assessment and mitigation of social dimensions of landscape impacts and operational stage impacts regarding litter, waste, and community safety and security; and (iv) access to information. Appendix 2 is included to provide a complete picture of all ongoing measures. It is not a formal part of the RAP since these actions are not required under the AMP (para. 190) but nonetheless suggested by the CRP to address remaining risks of direct and material harm.<sup>4</sup>

## III. IMPLEMENTATION ARRANGEMENTS

8. Implementation of the RAP and the mitigation action plan is expected to cost about \$200,000 and will be financed by ADB loan proceeds and existing technical assistance resources. The RAP includes the actions and timelines to bring the project back into compliance with ADB policies and procedures and/or mitigate any harm, as appropriate. The Roads Department will implement these measures unless otherwise indicated in the RAP. ADB will supervise and monitor implementation in accordance with its Safeguard Policy Statement (2009).

9. ADB expects the proposed actions to be implemented and completed by January 2024. ADB will work with the Roads Department to (i) regularly monitor implementation of the RAP and actions suggested by the CRP and summarize key achievements in the semiannual safeguards monitoring reports and (ii) provide the CRP with semiannual progress reports (including evidentiary documentation) by the end of September 2023 and March 2024. These progress reports, which will include a status update for each action, will be publicly disclosed on ADB's website. The CRP's monitoring reports will also be publicly disclosed on ADB's website, in accordance with para. 3 (viii) of Appendix 9 of the AMP.

## IV. RECOMMENDATION

10. The President recommends, in accordance with paragraph 191 of the Accountability Mechanism Policy (2012), that the Board approve the Remedial Action Plan set out in Appendix 1 of this paper.

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<sup>4</sup> Footnote b to Table 5 of *Final Report on Compliance Review Panel Request No 2021/1 on the North–South Corridor (Kvesheti-Kobi) Road Project in Georgia (Asian Development Bank Loan 3803)*  
<https://lnadbg4.adb.org/dir0035p.nsf/alldocs/JABM-BX83CV?OpenDocument>

## REMEDIAL ACTION PLAN

The Remedial Action Plan will address the actions required by the Compliance Review Panel.

No.	Finding of ADB Noncompliance	Description of Actions	Due Date
<b>Physical Cultural Resources</b>			
1(a).	Baseline assessment of PCR	<p>The Roads Department will prepare a report consolidating the PCR baseline data collected by NACHP and disclose it on the project website.</p> <p>The report will include NACHP's second interim report and cultural heritage general action plan and their respective annexes and appendixes.</p>	June 2023
1(b).	Assessment and mitigation of cultural landscape impacts	<p>The Roads Department will disclose on the project website the final Historic-Cultural Reference Plan, as endorsed by NACHP.</p> <p>The Historic-Cultural Reference Plan will include an assessment of the cultural landscape and a geo-referenced inventory of cultural heritage objects.</p>	December 2023
		<p>The Roads Department will disclose on the project website the draft Khada Valley Development Plan, as submitted to MOESD for endorsement.</p> <p>The Khada Valley Development Plan will be informed by the Historic-Cultural Reference Plan and include measures to mitigate the project's impacts on the cultural landscape.</p>	December 2023
<b>Socioeconomic Impacts</b>			
2.	Temporary land take by works contractors	<p>The Roads Department will (i) prepare guidelines for works contractors on due diligence for temporary land take and (ii) put in place arrangements to monitor their implementation and effectiveness.</p> <p>The guidelines will be developed in accordance with ADB's SPS requirements and include procedures for price determination, negotiation, compensation, and contractualization.</p>	September 2023

<b>Involuntary Resettlement</b>			
3.	Income and livelihood restoration	<p>The Roads Department will (i) prepare a time-bound livelihood restoration plan based on community consultations and community needs assessment and disclose it on the project website and (ii) communicate livelihood restoration entitlements to project-affected people.</p> <p>The livelihood restoration plan will be integrated within the LAR plans and include provisions of noncash assistance for income and livelihood restoration. The plan will target all people directly affected by the LAR, while being accessible to indirectly affected people in the project area.</p>	June 2023
		<p>The Roads Department will facilitate the delivery of noncash assistance for income or livelihood restoration or improvement in the form of targeted and practical training sessions and other appropriate interventions.</p> <p>This assistance will improve subsistence farming and food security and help market local produce so that affected people can improve, or at least restore, their income-earning capacity, production levels, and standards of living to pre-displacement levels.</p>	December 2023
<b>Monitoring and Supervision</b>			
4.	ADB monitoring and supervision	<p>ADB will (i) complement the existing environmental and social safeguard tracking tool with resolution procedures to deal with high-risk and long-standing issues and (ii) establish a system for implementation of these resolution procedures and monitor their effectiveness.</p> <p>The procedures will be developed in accordance with para. 58(iv) of ADB's SPS and require the preparation of a time-bound corrective action plan to bring the project back into compliance for long-standing issues that have not been addressed.</p>	June 2023
		<p>ADB will prepare a summary report on the implementation of the new resolution procedures and corrective action plan(s), if any, for July–December 2023.</p>	January 2024

ADB = Asian Development Bank, LAR = land acquisition and resettlement, MEPA = Ministry of Environmental Protection and Agriculture of Georgia, MOESD = Ministry of Economy and Sustainable Development of Georgia, NACHP = National Agency for Cultural Heritage Preservation of Georgia, PCR = physical cultural resources, SPS = Safeguard Policy Statement.

Notes:

1. All scheduled dates are for the completion of the action by the end of the specified month.
2. The final Khada Valley Development Plan will be disclosed on the project website upon MOESD's approval.
3. All monitoring systems developed under the project will be used throughout project implementation.

## MITIGATION ACTION PLAN

The Mitigation Action Plan will address the actions suggested by the Compliance Review Panel.

No.	Finding of ADB Noncompliance	Description of Actions	Due Date
<b>Environmental Impact</b>			
1.	Assessment and mitigation of project-induced impacts	<p>The Roads Department will prepare the IEE for the Gudauri Access Road (Zakatkari–Seturebi section) and disclose it on the project and ADB websites.</p> <p>The IEE will include an assessment of induced impacts and mitigation measures in relation to the connection established by the project between Gudauri and the Khada Valley.</p>	June 2023
		<p>The Roads Department will disclose on the project website the draft Khada Valley Development Plan, as submitted to MOESD for endorsement.</p> <p>The Khada Valley Development Plan will incorporate the findings of a strategic environmental assessment that addresses the project's induced impacts.</p>	December 2023
<b>Physical Cultural Resources</b>			
2.	Assessment and mitigation of impacts on PCR	<p>The Roads Department will approve, through the construction supervision consultant, the updated cultural heritage management plans to be implemented by lot 1 and lot 2 contractors.</p> <p>These plans will be prepared in line with ADB's SPS requirements and NACHP's recommendations (as set out in its second interim report and cultural heritage general action plan). The plans will include avoidance and mitigation measures for all project infrastructure within the physical and visual buffer zones of PCR, as defined in the Law on Cultural Heritage of Georgia and NACHP's 65 meters buffer from points of blasting.</p>	September 2023
3.	Supervision of PCR sites	<p>The Roads Department will develop and implement a system to track regular inspections of PCR sites within the project road's physical and visual buffer zones.</p> <p>The system will be aligned with contractors' cultural heritage management plans and para. 57 of ADB's SPS.</p>	September 2023



<b>Socioeconomic Impacts</b>			
4.	Community access to land	The Roads Department will (i) approve the detailed design for the two proposed underpasses near Zakatkari village and (ii) instruct the lot 2 contractor to build them.  The underpasses will secure continued community access to land on the Didveli plateau.	September 2023
5.	Assessment and mitigation of visual landscape impacts	Roads Department will prepare an assessment of the project's visual landscape impacts and associated mitigation measures and disclose it on the project website.  The assessment will include spoil disposal sites and a compendium of photomontages at selected locations.	December 2023
		The Roads Department will approve, through the construction supervision consultant, the updated reclamation plans to be implemented by lot 1 and lot 2 contractors.  These plans will address the project's visual landscape impacts, in accordance with para. 56 of ADB's SPS and the recommendations of the Khada Valley Development Plan.	December 2023
6	Litter, waste, and community safety and security	The Roads Department will prepare a report on measures to mitigate risks related to waste, litter, and community safety and security during project road operation, in accordance with para. 56 of ADB's SPS.	December 2023
<b>Access to Information</b>			
7.	Semiannual environmental reports	The Roads Department will expand reporting of contractors' noncompliance in the semiannual environmental safeguard monitoring reports to reflect a picture of contractors' environmental and social performance.	January 2024
8.	Site- and topic-specific management plans	The Roads Department will (i) publish and maintain an up-to-date list of all site- and topic-specific EMPs on the project website (as set out in the EMPs for lot 1 and lot 2) and (ii) make them available upon request.	June 2023
9.	NACHP reports	The Roads Department will disclose on the project website the NACHP's second interim report and cultural heritage general action plan and their respective annexes and appendixes.	June 2023

ADB = Asian Development Bank, EMP = environmental management plan, IEE = initial environmental examination, MOESD = Ministry of Economy and Sustainable Development of Georgia, NACHP = National Agency for Cultural Heritage Preservation of Georgia, PCR = physical cultural resources, SPS = Safeguard Policy Statement.

Notes:

1. All scheduled dates are for the completion of the action by the end of the specified month.
2. The final Khada Valley Development Plan will be disclosed on the project website upon MOESD's approval.
3. All monitoring systems developed under the project will be used throughout project implementation

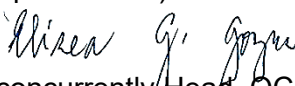


## Memorandum

### Compliance Review Panel

11 April 2023

To: Shixin Chen  
Vice-President (Operations 1)

From: Elisea Gozun   
Chair, CRP and concurrently Head, OCRP

Subject: **Compliance Review Panel's Comments on the Remedial Action Plan and Mitigation Action Plan for the Complaint under Loan 3803-Georgia: North-South Corridor (Kvesheti-Kobi) Road Project**

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#### I. INTRODUCTION

1. The Compliance Review Panel (CRP) received the proposed Remedial Action Plan (RAP) on 30 March 2023 from the Management under the above-captioned project. The proposed RAP is prepared in response to the CRP's final compliance review report approved by the ADB Board of Directors (Board) on 24 January 2023 (CRP's Final Report).
2. Para. 190 of the Accountability Mechanism Policy 2012 (AMP) requires CRP to provide its comments on the Management's proposed RAP. The CRP has reviewed the proposed RAP and provide the following detailed comments:

#### II. OVERALL COMMENTS

3. The Board endorsed the following approach as set out in para. 486 of the CRP's Final Report:

*"The CRP recommends that the Board: (i) require the Management to prepare a Remedial Action Plan in accordance with para.190 of the Accountability Mechanism Policy 2012, which should include both the required actions and those actions suggested by the CRP in this Report and summarized in Table 5; and (ii) authorize the CRP to monitor implementation of all actions included in the Management Remedial Action Plan to be approved by the Board."*

4. In this document, the CRP notes that both the entire document and Appendix 1 are referred to as the 'Remedial Action Plan'. Appendix 1 responds to those areas where the CRP's Final Report made findings both of ADB noncompliance and of harm under the Accountability Mechanism Policy. Appendix 2 is referred to as a 'Mitigation Action Plan', responding to those areas where the CRP's Final Report identified ADB noncompliance and remaining risk of direct and material harm. While the CRP has no problem with Appendix 2 being referred to as "Mitigation Action Plan", we note that both Appendix 1 and Appendix 2 contain details of actions to be undertaken to bring the project back into compliance with ADB's relevant policies and procedures

and/or to mitigate harm or remaining risk of harm. This is in line with para. 191 of the AMP which provides that:

*“The Board will consider Management’s proposed remedial actions within 21 calendar days of receiving them. The Board will make a decision regarding the remedial actions to bring the project into compliance and/or mitigate any harm, as appropriate”.*

5. In addition, sections A-C of this document introduce the remedial and mitigation actions together with their implementation arrangements. Therefore, both Appendix 1 and Appendix 2 actions, as well as the text in Sections A-C of the RAP together with these comments by CRP, must be submitted to the Board for their approval and their implementation thereafter monitored by the CRP.

6. The CRP highlights that a number of its comments below have the aim of bringing the Appendix 1 and Appendix 2 actions closer to the CRP’s findings of noncompliance with the Safeguards Policy Statement (SPS) in areas where the proposed actions refer to undertaking and/or publishing assessments, but do not set any expectations for the substantive qualities of the said assessments. We propose referring to the SPS in such instances to ensure that the over-literal application of the CRP’s monitoring mandate does not frustrate the intent or purpose of the Accountability Mechanism Policy.

7. The CRP will take account of Sections A, B, and C when monitoring the implementation of actions set out in its Appendix 1 and Appendix 2, notably that:

- (i) “Implementation will be supervised and monitored by ADB in accordance with its Safeguard Policy Statement (2009). ADB will support the Borrower in the implementation of these actions in such a way as to address the corresponding CRP findings of ADB noncompliance by the indicated due date”, and that
- (ii) “ADB will work closely with RD and (i) monitor implementation of the RAP and actions suggested by the CRP on an on-going basis and summarize key achievements in the semi-annual safeguards monitoring reports, as well as (ii) provide the CRP with semi-annual progress reports (including evidentiary documentation) by end of September 2023 and March 2024. These progress reports will include a status update for each action and will be publicly disclosed on ADB’s website.”

8. Finally, the CRP’s comments below amend the proposed end date for implementation of some remedial and mitigation actions, where needed in its view to ensure meaningful implementation and monitoring of effectiveness. The CRP will monitor the implementation of the Board-approved actions in accordance with para. 193 of the AMP.

### III. COMMENTS ON SECTIONS A TO C

9. **Para. 5, Section A:** The proposed actions should bring the project into compliance and/or mitigate any harm, as provided in para. 191 of the AMP; and not only bring the project into compliance. Therefore, to align para. 5 with para. 191 of the AMP, the words “and/or mitigate any harm” should be included after “back into compliance”.

10. **Para. 6, Section B:** To introduce both remedial actions and mitigation actions in Section B, the title should be ‘Remedial Action Plan and Mitigation Action Plan’, and further the following sentence should be added at the end of current para. 6: *“Additional mitigation actions in areas*

where remedial action was suggested by the CRP but not required under para. 190 of the Accountability Mechanism Policy are set out in Appendix 2.”

11. **Para. 7, Section C:** (i) This para. needs to incorporate a reference to the Mitigation Action Plan as well as the RAP; and should also completely reference relevant para. 191 AMP text, which includes the words ‘and/or mitigate any harm’; and (ii) the cost of implementation must include the cost of implementing actions in both Appendix 1 and Appendix 2.

12. **Para. 9, Section C:** The CRP insists that the document in its entirety be submitted to the Board for its approval, and that the Board authorize the CRP to monitor implementation accordingly. Therefore:

- (i) the words at the start of para. 9 (“As a complement to the RAP”) should be deleted.
- (ii) The words “that are being taken” should be deleted from the first sentence, to avoid the suggestion that Appendix 2 actions are implemented in a different manner to those in Appendix 1.
- (iii) The sentence beginning “Appendix 2 is included so that this document...” should be deleted.
- (iv) The sentence beginning “It does not constitute a formal part of the RAP” should similarly be deleted to avoid the suggestion that Appendix 2 actions are of a lesser status.
- (v) A new final sentence should be inserted as follows: “Both Appendix 1 and Appendix 2, as well as the CRP’s comments in Appendix 3, form integral parts of this document.”

**IV. COMMENTS ON APPENDIX 1: REMEDIAL ACTION PLAN**

No.	Finding of ADB noncompliance	Description of Actions	Due Date	CRP Comments
<b>Physical Cultural Resources</b>				
1(a)	Baseline assessment of PCR	RD to prepare one report consolidating the PCR baseline data collected by NACHP and disclose it on the project website. The report shall include NACHP’s second interim report and cultural heritage general action plan and their respective Annexes/Appendices.	June 2023	The CRP notes that this action and action under Appendix 2 # 2 below are integrally linked. Disclosure of the NACHP’s baseline data is not sufficient alone to remedy ADB’s non-compliance and mitigate harm regarding PCR at pre-Board-approval stage. Adequate remedial action will depend also on preventive and mitigation action undertaken as a result of the additional baseline assessment. These actions are contained in Appendix 2 and their action will be considered by the CRP alongside this action during monitoring.
1(b)	Assessment and mitigation of cultural landscape impacts	RD to disclose on the project website the final Historic-Cultural Reference Plan as endorsed by NACHP. The Historic-Cultural Reference Plan shall include	December 2023	To remedy the corresponding non-compliance, the assessment must adequately cover the project’s cultural landscape impacts and their mitigation in accordance with the SPS.

No.	Finding of ADB noncompliance	Description of Actions	Due Date	CRP Comments
		an assessment of cultural landscape and a geo-referenced inventory of cultural heritage objects.		
		RD to disclose on the project website the draft Khada Valley Development Plan as submitted to MOESD for endorsement.	December 2023	After the Khada Valley Development Plan has been endorsed by MOESD, the final Plan must also be disclosed on the project website.
		The Khada Valley Development Plan shall be informed by the Historic-Cultural Reference Plan and include measures to mitigate the project's impacts on cultural landscape.		Project measures to mitigate the project's impacts on the cultural landscape must be integrated within project documents such as the EMP and/or CHMPs and must meet SPS requirements. The CRP will assess whether cultural landscape mitigation measures under this remedial action are adequate to meet the requirements of the SPS.
<b>Socio-economic Impacts</b>				
2.	Temporary land take by works contractors	RD to (i) prepare guidelines for works contractors on due diligence for temporary land take, and (ii) monitor their implementation and effectiveness. The guidelines shall be developed in accordance with ADB's SPS requirements and include procedures for price determination, negotiation, compensation, and contractualization.	September 2023	Monitoring of implementation and effectiveness needs to take place over a sufficiently long timeframe to allow a meaningful assessment of effectiveness. The CRP is of the view that September 2023 is an appropriate timeline for (i). However monitoring of implementation and effectiveness should take place until the end of the project. A more appropriate action (ii) would be to "prepare a system for monitoring their implementation and effectiveness". This system should be prepared by September 2023. An additional action (iii) would then be to monitor implementation and effectiveness of the guidelines until the end of the project.
<b>Involuntary Resettlement</b>				
3.	Income and livelihood restoration	RD to (i) prepare a time-bound livelihood restoration plan based on community consultations and community needs assessment and disclose it on the project website, and (ii) communicate livelihood	September 2023	No comment

No.	Finding of ADB noncompliance	Description of Actions	Due Date	CRP Comments
		<p>restoration entitlements to project-affected people. The livelihood restoration plan shall be integrated within the LARPs and include provision of non-cash assistance for income and livelihood restoration. The plan will target all directly LAR affected-people while being accessible to indirectly affected-people in the project area.</p>		
		<p>RD to facilitate the delivery of non-cash assistance for income or livelihood restoration or improvement in the form of targeted and practical training sessions and other appropriate interventions. This assistance will improve subsistence farming and food security and help market local produce so that affected people can improve, or at least restore, their income-earning capacity, production levels, and standards of living to pre-displacement levels.</p>	December 2023	<p>The CRP does not consider that the December 2023 date allows for implementation of a meaningful program of interventions; particularly given that these may only have been developed and communicated to affected people by September 2023 (see previous action). December 2024 would set a more appropriate timeframe, allowing the CRP to monitor implementation of non-cash assistance across a full year's cycle of growing, producing and marketing.</p>
<b>Monitoring and Supervision</b>				
4.	ADB monitoring and supervision	<p>ADB to (i) complement the existing environmental and social safeguard tracking tool with resolution procedures to deal with high-risk and longstanding issues, and (ii) implement these resolution procedures and monitor their effectiveness. The procedures shall be developed in accordance with para. 58(iv) of ADB's SPS and require the preparation of a time-bound corrective action plan to bring the project back into compliance for longstanding issues that have not been addressed.</p>	June 2023	<p>The action at (ii) should be reworded to <i>"establish a system for implementation of these resolution procedures"</i> (with a target date of June 2023), and then an additional item (iii) should be added after the words "procedures and": <i>"monitor the effectiveness of the resolution procedures from their adoption until the end of the project"</i> (with a target date corresponding with the project end date).</p>
		ADB to prepare a summary report on the implementation of the new resolution	January 2024	No comment

No.	Finding of ADB noncompliance	Description of Actions	Due Date	CRP Comments
		procedures, and corrective action plan(s) if any, for the period July-December 2023.		

## V. COMMENTS ON APPENDIX 2: MITIGATION ACTION PLAN

No.	Finding of ADB noncompliance	Description of Actions	Due Date	CRP Comment
<b>Environmental Impact</b>				
1.	Assessment and mitigation of project induced impacts	RD to prepare the IEE for the Gudauri Access Road (Zakatkari-Seturebi section), and disclose it on the project website and ADB website. The IEE shall include an assessment of induced impacts and mitigation measures in relation to the connection established by the project between Gudauri and the Khada Valley.	June 2023	Regarding induced impacts, this action should refer to the SPS to provide a substantive expectation for the content of the assessment and associated mitigation measures. Thus the action should be <i>“The IEE shall include an SPS-compliant assessment of induced impacts and associated mitigation measures in relation to...”</i> This is the benchmark against which the CRP will monitor implementation of this action.
		RD to disclose on the project website the draft Khada Valley Development Plan as submitted to MOESD for endorsement. The Khada Valley Development Plan shall incorporate the findings of a Strategic Environmental Assessment that addresses the project’s induced impacts.	December 2023	During monitoring, the CRP will consider whether the project’s induced impacts are addressed in such a way as to meet the requirements of the SPS. In light of the KVDP’s role in addressing any adverse induced impacts, it is important that ADB track its implementation for the duration of the project.
<b>Physical Cultural Resources</b>				
2.	Assessment and mitigation of impacts on PCR	RD to approve, through the construction supervision consultant, the updated cultural heritage management plans to be implemented by Lot 1 and Lot 2 contractors.	September 2023	No comment
		These plans shall be prepared in line with ADB’s SPS requirements and NACHP’s recommendations (as set out in its second interim report and cultural heritage general action plan). The plans shall include avoidance and mitigation		This must refer not only to the project road but to all project infrastructure, and be amended to make clear that the buffer zones are created around PCR, (not project infrastructure), as provided for in the Law of Georgia on Cultural Heritage. Furthermore when considering whether the plans include

No.	Finding of ADB noncompliance	Description of Actions	Due Date	CRP Comment
		measures for all PCR within the project road's physical and visual buffer zones as defined in the Law on Cultural Heritage of Georgia.		<p>avoidance and mitigation measures for “<i>all project infrastructure within the physical and visual buffer zones of PCR...</i>” the NACHP’s project-specific adoption of a 65m buffer from the point of blasting must be taken into account. Furthermore, the action must ensure that the potential project relevance of cultural heritage objects and monuments that are identified and inventorized in the historic-cultural reference plan but not in the NACHP’s earlier work is taken into account; i.e. in those instances where project infrastructure is within the physical and visual buffer zones of such objects and monuments. The CRP will monitor implementation of this action accordingly.</p> <p>The CRP further reiterates the expectation, set out in its Final Report, that project implementation will respect the restrictions included in the provisions of the Law of Georgia on Cultural Heritage on primary protection zones when mitigating construction risk to objects and sites that were previously temporarily listed and that have again been recommended for listing during the historic-cultural reference plan process. When monitoring implementation of action #2, to address the CRP’s finding of noncompliance and associated risk of harm, the CRP will consider whether the cultural heritage management plans adequately reflect the hierarchy set out in Principle 4 of the SPS Environmental Safeguards.</p>
3.	Supervision of PCR sites	RD to develop and implement a system to track regular inspections of PCR sites within the project road's physical and visual buffer zones.	September 2023	The September 2023 target date is appropriate for development of the system. However implementation of the system, once developed, should be



No.	Finding of ADB noncompliance	Description of Actions	Due Date	CRP Comment
		The system shall be aligned with contractors' cultural heritage management plans and para. 57 of ADB's SPS.		throughout the whole period of the project.
<b>Socio-economic Impacts</b>				
4.	Community access to land	RD to (i) approve the detailed design for the two proposed underpasses near Zakatkari village, and (ii) instruct the Lot 2 contractor to build them. The underpasses shall secure continued community access to land on the Didveli plateau.	September 2023	No comment
5.	Assessment and mitigation of visual landscape impacts	RD to prepare an assessment of the project's visual landscape impacts and associated mitigation measures, and disclose it on the project website. The assessment shall include spoil disposal sites and a compendium of photomontages at selected locations.	December 2023	The assessment of visual landscape impacts and associated mitigation measures must be prepared in accordance with the SPS, including consideration of both environmental and social dimensions of landscape impacts. During monitoring, the CRP will consider whether the assessment and associated mitigation measures are adequate to meet the requirements of the SPS.
		RD to approve, through the construction supervision consultant, the updated re-cultivation plans to be implemented by Lot 1 and Lot 2 contractors. These plans shall address the project's visual landscape impacts in accordance with para. 56 of ADB's SPS and the recommendations of the Khada Valley Development Plan.	December 2023	No comment
6	Litter, waste, and community safety and security	RD to prepare a report on measures to mitigate risks in relation to waste, litter, and community safety and security during the project road operation phase in accordance with para. 56 of ADB's SPS.	December 2023	No comment

No.	Finding of ADB noncompliance	Description of Actions	Due Date	CRP Comment
<b>Access to Information</b>				
7.	Semi-annual environmental reports	RD to expand reporting of contractors' noncompliances in the semi-annual environmental safeguard monitoring reports to reflect an adequate picture of contractors' environmental and social performance.	January 2024	No comment
8.	Site- and topic- specific management plans	RD to (i) publish and maintain an up-to-date list of all site- and topic-specific EMPs on the project website (as set out in the specific EMPs for Lot 1 and Lot 2), and (ii) make them available upon request.	June 2023	No comment
9.	NACHP reports	RD to disclose on the project website the NACHP's second interim report and cultural heritage general action plan and their respective Annexes/Appendices.	June 2023	No comment

*Note: All scheduled dates are for the completion of the relevant action by the end of the specified month*

ADB = Asian Development Bank, EMP = environmental management plan, IEE = initial environmental examination, LARP = land acquisition and resettlement plan, MOESD = Ministry of Economy and Sustainable Development of Georgia, NACHP = National Agency for Cultural Heritage Preservation of Georgia, PCR = physical cultural resources, RD = Roads Department of Georgia, SPS = safeguard policy statement.

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