Dear officer,

We would like to ask you to start the compliance review process, in order to ensure that the 23 kilometer Kvesheti-Kobi road project, a new section of the North-South Corridor, would be in compliance with the ADB’s environmental and social standards and minimize the impacts of the project, that is on the early stage of construction.

The project causes implicit danger to the unique valley, well known as the valley of 60 towers, without proper safeguarding and mitigating impacts on cultural heritage and landscape, people’s economic and social life, not bringing any traceable benefits for local communities.

**Destruction of the Khada Valley and incomplete alternatives**

Local communities have been vocal when asking the state Roads Department to find out the ways that would avoid the destruction of the Khada valley, its landscape and cultural heritage, that directly threatens the livelihood of the people. We have been asking that the highway avoids the valley and go alternatively through the neighboring valley (with almost no population and cultural heritage sites), or design other alternatives. That was explicitly stated during the public hearings in spring 2019, however, the project proponent never provides clear arguments for the final selection road route, including the
provision of alternatives. Opposing the claim that the major selection criteria for the alternatives were the geo-engineering assessment, neither the ESIA, nor any other documents published later, do not contain the full pledge analysis of the alternatives and reasons for their rejection, including the essential constructible alternative (a single tunnel from Kvesheti to Kobi, estimated length 15.5 km, versus 9 km tunnel proposed in the project), as well as “No-project” alternative essentially not considered and discarded outright. Meanwhile, we heard numerous concerns regarding geological and seismological safety from the local community members and experts during the consultation period.

Therefore, we consider that it's important to ensure that all alternatives are properly studied and disclosed to the public. Also the project documentation does not specify all necessary details, including the detailed route, so that the project implementation should be on hold while all the mitigation and safeguard measures would not be in place.

**Impact on livelihood and local benefits**

The project claimed that it will bring prosperity to the region and according to the project documentation, one of the major beneficiaries is the local population. It is expected that the incomes of the local population will increase, as the project will make it possible to use the local road and the newly established Khada Valley Visitor Centre during all seasons. However, in general, for the local benefits from 558 mln USD projects benefits for locals are more than modest. The project even not clearly addresses the need to ensure the internal four season road within the Valley that would be functional and easily accessible for villagers, while a new highway may even prevent accessibility of the people towards their own lands.

According to the project and follow up communications, “the EIA considered all types of Project-related impacts during construction and operation (noise, vibration, air quality, biodiversity...) and their relevant functional boundaries. As set out in the EIA, air quality and noise modelling established that traffic utilizing the road would not cause significant noise and air pollution above national or international standards.” However, the lack of proper baseline studies for noise and air pollution and considering the impacts during the exploitation phase presented by ESIA does not bring any confidence. e.g. despite the claims that IFC standards for air quality would be applied, in baseline study the air pollution monitoring was done in line with Georgian standards, and only for very few sites.Vibration was not also measured in the valley, instead of identifying and mitigating risks of the vibration in Khada, EIA states: “At this point, it is difficult to accurately calculate the extent to which the vibration exceeds the allowable limit.” Air quality management and Noise pollution prevention action plans have been transferred as the obligations to the project constructor. It raises questions, especially on the background of the non-existence of proper legislation on noise pollution. Therefore, during the construction and later exploitation phase, for some communities the noise and air pollution level may be higher than WHO given standards. This would definitely deteriorate the livelihood of the locals.

The ESIA only addresses the needs and impacts of people directly affected by the project in some villages (Tskere, Kobi, Kvesheti, Arakhveti, Zakatkari, Beniani, Begoni, Sviana, Rostiani and Mugure) of the Khada Valley; it does not address the wide array problems (pollution, noise, intensification of traffic flows, etc.) that all of the project-affected communities will face, including those of villages not listed here (see below). Furthermore, the report does not assess the socio-economic and gender impact of the project on the communities within the project area during construction and exploitation, including the impact of the workforce. The study also poorly addresses the direct impact of land acquisition on project-affected
It should be noted that several of villages in Khada Valley are not considered ‘affected’ in the project documents, although there are plans for additional infrastructure that impacts those villages. The response from the ADB and EBRD confirms that the project documentation does not include the environmental and social impacts of these activities or risk reduction plans for the road of Gudauri. “The existing track from Zakatkari to Gudauri will be temporarily improved during construction to enable access to spoil disposal sites and for other construction purposes subject to all necessary EMP requirements. Specific method statements will be prepared by the works contractors for all temporary roads, which will then be reviewed and approved by the Construction Supervision Consultant and RD before commencement of works. As indicated in the EIA (Section B.5.4) and during earlier consultations, the existing track to Gudauri is envisaged to be made into a permanent road in the future. Prior to that, the potential social and environmental impacts associated with the road will be studied further and additional consultations will be held with relevant stakeholders. The same approach will be followed for the proposed visitor center. Thereafter, the EIA and LARPs for the road section will be updated accordingly with property valuations that reflect current market value for land and replacement cost of non-land assets.” Therefore, it looks like that while Gudauri road is considered to be permanent, it is not considered as a part of the project and all activities are postponed for an undefined future.

ESIA claims that local households’ income would increase through the development of the touristic opportunities and local employment opportunities. However, the amount of local workforce that would be obligatory for the company is not specified.

In addition, the local touristic companies express their concerns as they consider that the new road will reduce the touristic opportunities within the valley due to increased noise, pollution and other construction and exploitation risks. The touristic companies never have been part of the project review, that comes clear from their statements.

Besides, when asked about long term development of the Khada valley, surprisingly it comes out that only now project sponsor, the Ministry of the Regional Development and Infrastructure, “requested ADB’s assistance to help develop a plan for sustainable land-use in the Project area, which will be prepared in coordination with all relevant stakeholders. Specific attention will be paid to preserve nature based and cultural heritage values, and to improve women’s access to social services and economic opportunities. The findings of this plan will also determine the concept of tourism development and the potential visitor center development, with the aim of maximizing benefits for local community members and supporting sustainable tourism value”. How in that case the project claims that it will bring increased incomes from tourism when even the concept was not developed? How would the project respond if the newly developed sustainable land use plan will require certain changes in highway design?

All above mentioned are concerns of the local community members, alongside with the fact that the project does not address any aspect of the social-economic problems that Khada valley communities are experiencing, including absence of kindergarten, school, ambulatory and etc. Investing around half a billion USD and not ensuring even 1% for local communities’ livelihood improvement is an absolutely unacceptable practice.
The lands compensation process in public registry is still problematic, while there is a lack of information about the rights of the people (including existence of the project grievance mechanism, IFI’s accountability mechanisms and etc.) that are affected in different ways - loss of the lands, potential damages of houses during the construction work, air and noise pollution, geological safety and etc. All those issues still are the subject of the concerns for locals. Despite the assurances from EBRD and ADB that the land compensation process goes in line with their own standards, on the ground people are forced to fight to protect their rights. One of the clear examples is the property valuation. The prices for 1 sq.m raised from 5.60 GEL (1.80 USD 2019) to 16-22 GEL (5-7 USD 2020), however still the proposed price was not negotiated with owners.

**Problems of project design and impact on cultural heritage**

The quality analysis of ESIA, done by the independent expert, confirms our concerns regarding the project’s impact on nature and livelihood.

The EIA clearly “postpones” numerous critical decisions from the EIA stage to the construction stage and therefore it does not get under the proper approval by environmental decision-making statutory authority. That includes issues such as the road from Gudauri, soil disposal, asphalt plants, that left to

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1 Extract from EBRD, ADB consolidated answer from 25.09.2020
construction company remits. In numerous cases, the ESIA defines some activities as recommendations, rather than mandatory requirements. The issue of the disposal of 2 mln cubic meter soil is one of the most important issues for our safety, and while the project promoter starts to work, there is no clear answer how it plans to address this very particular issue. The numerous proposals we occasionally hear from the project company on allocation of the disposal on slopes, even more raises our concerns.

The project ESIA describes the cultural heritage that may be severely impacted but not mitigates it. The analysis and measures taken for cultural heritage protection raise lots of questions. E.g. ESIA claims that all cultural heritage was avoided during the selection of the route, but does not explain how it would do that. E.g. it claims that Begoni tower will not be impacted as it is already ruined. The lack of the proper assessment that has been well proved by the follow up process, developed during the pre-construction phase.  

The latest acknowledgements from the ADB side, states that based on the concerns of local communities, as well as Green Alternative, in order to ensure cultural heritage protection all measures have been undertaken, including feasibility study, identification of the cultural heritage, consultations and so on. Based on it, six residual cultural heritage sites are located within 50m of the project road’s right of way and for these sites and some other sensitive areas mitigation measures have been developed. However, the same time from the letter becomes clear that there will be prepared two management plan: The first one a Cultural Heritage Management Plan (CHMP) that should be developed by the project works contractor, and second a Cultural Heritage General Action Plan (CHGAP) will be developed by Georgia National Agency for Cultural Heritage Preservation with support of International experts. The moves are welcomed, but as the project promoter already started to do work, there is a danger that in some cases mitigation activities will be developed very late, and/or would be not possible at all to reroute the project if needed. Therefore, it is important to ensure the transparency of the process, publicly declare the composition of the working group, Terms of Reference, organise the open discussions around the Action Plans through involvement of different stakeholder groups (NGOs, experts etc).

It’s also important to notice, that the major restrictive factor for the alternatives were the mountainous terrain followed with geological instability and climate fragility, however, in the project EIA for construction of “climate resilient road” that claimed to represent the “adaptation” measures, fails to address how it responds to the increased extreme weather events, the landslides, mudflows, rockfalls and avalanches, that will also affect the newly designed road. The ESIA document also does not address the question, whether various seismic processes will be activated due to the project construction and exploitation process or not.

The quality of ESIA

The analysis of ESIA, which forms the basis for environmental and construction permits under national legislation and of the ADB ESIA, shows that its quality is extremely poor. It does not contain important pieces of information needed for proper understanding of the project impacts that leads towards poor mitigation results. Along with a deficiency of baseline studies, ESIA and its related publicly available materials do not contain sufficient justification of the project, including proper cost-benefit analysis that is required by Georgian Environmental Assessment Code. Even mitigation measures and additional

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2 Uncertainties with permitting on the National level is described in the publication.
infrastructure due to the project implementation (for example, allocation of Russia-Armenia gas pipelines) are not properly budgeted.

Correspondence with ADB staff and project

Please find attached correspondence

GA letters and responses to ADB

Letter to Director General Mr. Werner Liepach CC: Deputy Director General Mr. Nianshan Zhang Central and West Asia Department Asian Development Bank, 4 September 2020
Letter to Director General Mr. Werner Liepach CC: Deputy Director General Mr. Nianshan Zhang Central and West Asia Department Asian Development Bank, September 6, 2019
Letter to ADB local office, March 31, 2020

Letters from local citizens
- Letter from local citizens August 1, 2019, sent to project leader Mr. Kamel Bouhmad, submitted also to ADB accountability mechanism,
- November 18, 2019, to Mr. Werner E. Liepach; Mr. Jesper Klindt Petersen; Mr. Dong Soo Pyo; Numerous letter and communication were held between local communities and project unit both in Khada valley as well as in Tbilisi

Additional information

Brief for ADB AGM 2019, Green Alternative

Experts Opinion on Kvesheti Kobi Road 2019

Report on Kvesheti-Kobi 2020, Green Alternative

Petition,

ESIA quality analysis, M.Gvilava, Georgian language

What we ask:

Based on the above mentioned, we would like to ask you to study the project impact on the environment and its compliance with the safety standards of the ADB, what impact the project will have on our livelihood and quality of life, and what should be relevant measures to address them.

Please, protect confidentiality of the local community signatories, in order to avoid pressure from the governmental structures. Meantime, we would like to give the representation authority regarding the complaint to the Chairman of the Association Green Alternative, Manana Kochladze and Green Alternative social & environmental programs expert, Mrs. Mariam Devidze. (see annex 1).