

Biannual Environmental Monitoring Report

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GEORGIA: GEORGIAN SUSTAINABLE URBAN TRANSPORT INVESTMENT PROGRAM, Tranche 3

(Financed by the Asian Development Bank)

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ABBREVIATIONS

ADB	Asian Development Bank
EA	Executing Agency
EARF	Environmental Assessment and Review Framework
EIA	Environmental Impact Assessment
EIP	Environmental Impact Permit
EMP	Environmental Management Plan
EPSM	Engineering Procurement and Construction Management
GoG	Government of Georgia
SUTIP	Georgian Sustainable Urban Transport Investment Program
IA	Implementing Agency
IEE	Initial Environmental Examination
MDF	Municipal Development Fund of Georgia
MFF	Multi-tranche Financing Facility
MoENRP	Ministry of Environmental and Natural Resources Protection
MoRDI	Ministry of Regional Development & Infrastructure
SSEMP	Site-Specific Environmental Management Plan

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PART I. INTRODUCTION

1.1. Preliminary information

Program background

Upgrading and improvement of local transport and transport-related infrastructure plays a significant role in the development of Georgia's urban infrastructure. To this effect a number of important activities have been implemented and financed from the budget of Georgia and from other sources. Recently several significant programs, financed through state budget, loans and grants, have been implemented with this regard.

On December 19, 2013 - Sustainable Urban Transport Investment Program Tranche 3 Loan and Project agreements were signed between Georgia and Asian Development Bank. Under Tranche 3, ADB has agreed to lend to the Borrower from ADB's ordinary capital resources an amount of seventy three million Dollars (\$73 million). Tranche 3 is scheduled for completion by 30 June 2018, with a loan closing on 31 December 2018.

The program will provide efficient, reliable and affordable urban transport infrastructure and services, thereby increasing economic growth potential and competitiveness of urban communities, improving livelihoods of over 1.5 million people (approx. 35% of Georgian population). The project will also: (I) improve urban, environment and communities' access to economic opportunities and to public and social services; (II) promote efficient and sustainable urban transportation; and (III) generate income and employment opportunities.

The environment classification for tranche is Environmental Category B, as the subprojects under SUTIP 3 were classified as category B which will not have significant irreversible or permanent negative environmental impacts during or after construction and required preparation of Initial Environmental Examination (IEE). The environmental categorization of subprojects was conducted by using ADB's Safeguard Policy Statement (2009).

Program Area

Sustainable Urban Transport Investment Program – Tranche 3 (SUTIP T3) includes:

- (a) Construction of an approximately 6.8 kilometers 4-lane urban road link between the cities of Rustavi and Tbilisi, including a 2 kilometers urban boulevard and recreational areas;
- (b) Construction of an approximately 1.2 kilometers coastal protection structure in the city of Anaklia (Phase II); and
- (c) Project implementation support through financial audit and independent safeguards monitoring.

Tbilisi-Rustavi urban link (Section 2) CW Project description:

The project envisages Modernization of Tbilisi-Rustavi portion of the Tbilisi-Red Bridge (Azerbaijani border) automobile road. The design road links the capital of Georgia with the major industrial and administrative center Rustavi and the district center Gardabani. Designing and constructing of other portions of the road will enable the citizens to travel and commodities to be trafficked on comfortable and modern highway to the capital of Azerbaijan Baku. It also will make more accessible Tbilisi and the Black sea ports of Georgia for population of Azerbaijan. Apart from the abovementioned, the population of Rustavi and Gardabani are the priority road customers. The mentioned portion of the design road is

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over-trafficked, the AADT being about 15,100 vehicles per day, when the road capacity is just 7,000. The latter determined priority of modernization of the Tbilisi-Rustavi road to the level of I category road with 4 traffic lanes and design speed 120 km/h. Total length of the urban link is 18.1km. Bidding is planned for the Q2/2015. Estimated contract amount: USD 65,8mln

Anaklia Coastal improvement (phase 2) Project description: Anaklia is a small town and seaside resort in western Georgia. It is located in the Samegrelo-Zemo Svaneti region, at the place where the Enguri River flows into the Black Sea, near the administrative border with Abkhazia. The project aims at Anaklia shoreline rehabilitation, restoration of the full profile of beaches to the possible limits (which is necessary for wave breaking and suppression of its power and assigns to the beach a function of bank protecting structure), selection of the most optimum types and design of hydro-technical coast protecting structures. Infrastructure improvement will support infrastructure investments to rehabilitate, improve and expand the beach of Anaklia and will benefit accrue principally from the protection of land and infrastructure from erosion and damage, the avoidance of some other costs and increasing number of tourists. For the interventions, benefits arise from the protection of (i) rural land, (ii) houses (iii) roads and other infrastructure. Coast protection measures need to be taken to protect the unique place and landscape. The design of approximately 4 kilometers of coastal line will create a new and attractive tourist destination on the Black Sea Coast, able to be the engine of the development of the region of Zugdidi, Ganmukhuri and Anaklia.

1.2. Construction activities and project progress during the reporting period

N/A - No construction activities started yet under the projects.

1.3. Changes in project organization and environmental management team

The MDF has an overall responsibility for the Projects' implementation. The MDF is the projects executing, implementing and disbursing agency. MDF undertook a structural reorganization from 2013 to 2015, in consultation with the donor community. The reorganization included rationalization of units and appointment of new staff with relevant background and experience to reinforce the pre-existing teams. MDF's new ED Mr. Giorgi Amashukeli¹ (First deputy of MRDI) has been appointed (August, 2014) by the Georgian Prime Minister's Decree.

MDF is responsible for general management, planning and supervision of the projects. MDF ensures that potential adverse environmental impacts arising from the projects are minimized by implementing all the mitigation measures presented in the environmental impact assessment ("EIA") or Initial Environmental Examination (IEE), including EMPs, as applicable.

The Environmental and Resettlement Unit of MDF is involved in addressing of environmental and social safeguard issues throughout the entire projects' cycles. Environmental Specialist (Nino Nadashvili) designated to supervise ADB projects, reviews the EIAs, EMPs, and SSEMPs of projects and carries out supervision of the performance based on approved EMPs, EIAs, and environmental standards in accordance with ADB "Safeguard Policy Statement" (2009) requirements' and acting Georgian Legislation.

¹ In March MDF's Executive Director became Mr. Ilia Darchiashvili

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In addition, the individual consultants recruited by MDF contributed to a gradual increase in MDF's responsiveness and the quality of the submissions to ADB.

1.4. Relationships with contractors, owner, lender, etc

All goods, works and consulting services to be financed under the T3 will be procured in accordance with ADB's Procurement Guidelines and Guidelines on Use of Consultants (March 2013, as amended from time to time). Consulting services contracts of Project 3 have been budgeted with total contract value of \$1.1 million, including independent monitoring agency and audit firm recruitment proposed in Q3 2014 to perform auditing of project financial statements for fiscal years 2014, 2015, 2016, 2017, and 2018.

Tbilisi Rustavi Urban Road Link (section 2)

EPCM consultant JV "Dohwa Engineering Ltd" (Korea) and "Transproject Ltd" (Georgia) prepared the detailed design which was submitted to MDF on July 30, 2013. Detailed design was amended according to the comments and recommendations given by the International Road Consultant, Georgian Expertise and MDF. The final draft detailed design was submitted to MDF in February, 2014.

Tbilisi-Rustavi Urban Road Link Section 2 project will be tendered out after finalization of the detailed design, which should reflect the results and recommendations of the structural integrity survey of 10 apartment buildings, noise and vibration modeling. IEE will also be finalized on the basis of the conclusions of the mentioned study.

The consulting company which has to conduct structural integrity survey has been selected and contract was signed on December 19, 2014. MDF is working closely with the survey consultant, Tbilisi-Rustavi Urban Link project EPCM consultant "Dohwa" and individual road consultant in order to execute planned activities without delay and secure finalization of the detailed design and bidding documents in due time.

Anaklia Coastal Improvement (Phase 2)

The civil works contract was awarded to Modern Business Group (Azerbaijan) on 26 September 2014 with an amount of GEL12,252,937.48 (approximately USD7.0 million). The contractor is the same as for the Anaklia Coastal Improvement (phase 1) subproject. As far as MDF was not satisfied with Contractor's performance for Anaklia coastal improvement (phase 1) subproject, decision has been taken that the notice to proceed will be sent by mid-February 2015, only after Contractor shows significant progress in the on-going marine works for phase 1 subproject. Contractor was requested to mobilize all necessary marine equipment on-site. Contractor mobilized additional vessels and other marine equipment on site.

PART II. ENVIRONMENTAL MONITORING

An environmental assessment and review framework was approved by the government on 16 April 2010. With reference to Sustainable Urban Transport Investment Program – Tranche 3 (SUTIP T3) Environmental Assessment and Review Framework (EARF) an EMP will be a part of the overall project monitoring and supervision and will be implemented by the Contractor with oversight from the Supervision Consultant (the Engineer) and MDF.

EMP will be an integral part of construction contracts. MDF requires the Construction and its Supervision

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Companies to implement construction activities in accordance with the environmental management plan (EMP), which is the part of the initial environmental examination document (IEE) and included in the environmental assessment and review framework.

Environmental monitoring will start immediately after the commencement of civil works under the SUTIP T3. Environmental safeguard monitoring will be performed as required in the EMPs. MDF will submit to ADB a semiannual environmental safeguards monitoring reports, describing progress of implementation of EMPs and any compliance issues and corrective actions, within 1 month after each reporting period. If any unanticipated environmental and/or social risks and impacts will arise during construction, implementation or operation of the Project that were not considered in the IEE, the EMP, MDF ensures to promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan.

PART III: ENVIRONMENTAL MANAGEMENT

3.1. The environmental management system (EMS), site-specific environmental management plan (SSEMP) and work plans

An environmental assessment and review framework was approved by the government of Georgia on 16 April 2010. The environmental classification for tranche 3 is B as its subprojects will not have significant irreversible or permanent negative environmental impacts during or after construction.

The Projects were categorized as B for environment under ADB's Safeguard Policy Statement (2009). The initial environmental examinations (IEE) for Tbilisi-Rustavi Urban Road Link (section 2) and Anaklia Coastal Improvement (phase 2) were prepared. Implementation of all mitigation measures during construction activities under the SUTIP T3 will be closely monitored. IEE including EMP are integral part of all contracts under SUTIP T3 and implementation thereof is mandatory for all contractors. The environmental management plans (EMP) will be updated by construction contractor(s) and submitted to the supervision consultant for approval.

MDF is responsible for overall implementation of the EMP. The contractor is responsible for implementing mitigation measures given in EMP/SSEMP. Monitoring of environmental quality and implementation of contractor's site-specific EMP is the responsibility of the construction Supervision Consultant Company –DOHWA International, which will conduct construction supervision of **Anaklia Coastal Improvement (Phase 2) project**. It will undertake environmental monitoring of project progress and submit quarterly Environmental Monitoring Report to MDF.

Contractors will submit monthly progress reports to the supervisor and MDF which will include a chapter on environmental performance. The contractors will be requested to prepare and submit Site-Specific EMPs to MDF. The environmental management plans (EMP) will be updated as necessary during detailed engineering design and incorporated in bidding documents and civil works contracts.

MDF requires the consultant company to supervise implementation of the environmental management plan (EMP)/SSEMP which is an integrated part of initial environmental examination, prepared in accordance with environmental assessment and review framework. Safeguards will be monitored by the MDF safeguards unit team with the support of the consulting services firms and the consultants recruited for the implementation of the safeguards plans.

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Contractors will be required to prepare site-specific environmental management plans (SSEMPs) as needed under the guidance of MDF and the construction supervision consultant. The site-specific EMPs will be endorsed by construction supervision consultant, than approved by MDF and send to ADB for information.

- **Tbilisi-Rustavi urban link (Section 2)**

During ADB mission conducted on August 6, 2014 important notes concerning to Section 2 were prepared and list of actions were pointed out, which are as follows:

- In case if new detailed design will propose any encroachment to the “Krtsanisi Park” territory, park management and owners should be identified and consultations with them and NGOs should be conducted;
- Dohwa should calculate the number of trees to be cut at section 2 and mitigation measures presented in this regard;
- Biodiversity value of forested territory should be determined;
- Percentage of area under impact with respect to the total forest area should be determined;

In regards to above mentioned issues, additional survey of “Krtsanisi Forest Park” and its impacts under the road construction activities, was conducted in November 2014. Performed survey identified the following:

- Biodiversity value of park territory which will be under the influence;
- The number of trees to be cut at section 2 and relevant mitigation measures;
- Percentage of area under impact with respect to the total forest area is determined as well (it will be approximately 0,8% of whole park territory, which is 210 Hectares totally);
- Informational meeting with NGOs, population living at surrounding territories and park management and owners, was conducted on December 16, 2014, where findings of the survey were presented.

Meeting materials, with above mentioned survey findings and results, of additional studies of building integrity (10 apartment buildings along the corridor of impact), and noise and vibration, will be included in final draft IEE. IEE of Tbilisi Rustavi Urban Road Link (section 2) will be finalized only after the additional surveys, noise and vibration modeling is conducted.

- **Anaklia Coastal Improvement Project (Phase 2):**

Final version of IEE was provided for tender announcement - June 20, 2014. IEE document has been disclosed and is available on ADB and MDF web sites.

3.2 Site inspections and audits

Not yet applicable.

3.3 Grievance Redress Mechanism

No civil works has been started yet within the projects. After starting the implementation of the Projects, there might be several issues related to environmental hazards and disputes on entitlement processes may occur due to the Projects’ activities. For example, intensive schedule of construction activities, inappropriate timing of construction vehicle flow, waste, noise and air pollution from construction

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activities, ecological disturbances are some of the environmental issues that are likely to arise from the Project activities.

As the work is being done in inhabited areas, most of the impacts are construction related, and therefore it is anticipated that improper or inadequate implementation of EMP may lead to disturbance and inconvenience to local people during construction. In order to provide a direct channel to the affected persons for approaching project authorities and have their grievance recorded and redressed in an appropriate time frame, MDF will establish a Grievance Redress Mechanism. A Complaint Cell and a Grievance Redress Committee will be established in Anaklia municipality to function throughout the construction period.

Grievance redress procedure for the projects aims to provide an effective and systematic mechanism in responding to queries, feedbacks and complaints from affected persons (AP), other key stakeholders and the general public. APs will be fully informed of their rights and of the procedures for addressing the complaints whether verbally or in writing during consultation, survey, and time of compensation.

In order to ensure that grievances and complaints are addressed in a timely and satisfactory manner and that all possible avenues are available to APs to air their grievances, Complaints Log books will be established at construction sites and MDF office, where complaints can be registered in special journal or electronic register (MS Excel or similar). The copy of complaints log journal with mobile numbers of relevant persons can be placed at local Municipalities as well. A grievance register will be maintained at each of the locations above to record grievances and keep track of their status.

APs or other concerned individuals may visit, call or send a letter, fax or e-mail to any of the relevant persons to register their comments or complaints related to any problem raised because of environmental aspects of the project. Grievances will be logged into either at Complaints Log Book or an electronic register (MS Excel or similar) assigning complaint number with date of receipt. Complaints' will be investigated and each grievance will be assigned to the designated staff for resolution. Abovementioned grievance mechanism does not limit the citizen's right to submit the case to the court of law just in the first stage of grievance process.

Efforts will be made to prevent and amicably resolve grievances rather than going through a legal redress process. This can be achieved through, ensuring full participation and consultation with the project affected persons, and establishing extensive communication and coordination between affected communities, EA, and relevant local governments, as necessary.

3.4. Action plan for the next period

Next EMR for March – August, 2015 period, will be submitted in September, 2015.

Anaklia Coastal Improvement Project (Phase 2): A detailed site specific EMP shall be prepared by contractors and submitted to the Engineer for approval. Prior to the start of the works, the Contractor shall consult with the local authorities that nuisance (noise, dust, distribution etc) as a result of his working method will not be in conflict with local law and regulations. The contractor shall apply for all necessary permits in order to execute the works according to his proposed working method or modify his working method in accordance with permit conditions.