

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
MFF	Multi-tranche Financing Facility
MoENRP	Ministry of Environmental and Natural Resources Protection
MoRDI	Ministry of Regional Development & Infrastructure

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1. 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 infrastructure. To this effect a number of important activities have been implemented and financed from the budget of Georgia and from other sources. Development of transport and related infrastructure plays an important role in improvement of Georgia's urban infrastructure. 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; 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 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

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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 Q4/2014.

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 Inguri 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. Bidding for the Phase 2 is ongoing.

1.2. Construction activities and project progress during the reporting period

N/A - There is no construction activities started yet under the projects.

1.3. Changes in project organization and environmental management team

The MDF is the projects executing, implementing and disbursing agency. MDF is responsible for general management, planning and supervision of the projects. MDF's new ED Mr. Giorgi Amashukeli (First deputy of MRDI) has been appointed (August, 2014) by the Georgian Prime Minister's Decree.

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), as applicable and environmental management plans (EMPs).

Environmental and Social Safeguards issues are carried out by the MDF through a special unit called Environmental and Social Safeguards team which was established after deep institutional reform which has been undertaken at the MDF. The MDF is now composed of 12 units. Environmental and social safeguards team consists of three environmental safeguards and two social safeguards specialists. Environmental and Social Safeguards team has a Team Leader who is an advisor to Executive Director of MDF on environmental and social issues as well. Environmental unit reviews the EIAs and EMPs related to the MDF projects and performs supervision of the performance based on approved EMPs, EIAs, and environmental standards.

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. No contracts were signed within reporting period under the SUTIP 3.

Tbilisi Rustavi Urban Road Link (section 2). Estimated contract value is \$65.80 million. The detailed

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engineering design and bidding documents has been finalized after review by the independent Highway consultant recruited by MDF. However, as requested by the IEE, the detailed design will be finalized only after additional studies of building integrity (10 apartment buildings along the corridor of impact), and noise and vibration during construction studies have been completed. As the EPCM consultant refused to perform the additional tasks, a consulting firm is being recruited to perform the services (financed from Tranche 1) using CQS method. The consultant is expected to be fielded in October 2014. In particular, the results of the surveys and modeling may require adjusting the detailed design and construction methods in order to reduce vibration during construction. The design of noise mitigation measures such as double-glazing windows and noise-barriers (as requested by the IEE) will need to be finalized after the conclusion of the noise modeling. The EPCM consultant should be ready to mobilize relevant specialists to conduct these activities without delay. The tentative duration for completion of studies is 12 weeks. MDF will ensure close coordination of activities between the 2 consultants, and prompt achievement of deliverables and adequate incorporation in the detailed design. The road expert (individual consultant, SUTIP 1) will assist MDF in reviewing deliverables received from both consultants.

Anaklia Coastal Improvement (Phase 2). Estimated contract value is \$7.55 million. The detailed engineering design has been finalized using the same design standards as for the phase 1. Invitation for bids was advertised on 20 June 2014 and deadline for submission of bids was 19 August 2014. Contract award should be implemented not later than October 27, 2014.

2. 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 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 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. EMR for Mar – Aug is to be submitted in September 2014, EMRs for Sep – Feb will be submitted in March 2015. 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 ensure to promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan.

3. PART III: ENVIRONMENTAL MANAGEMENT

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. The environmental management plans (EMP) will be updated as necessary during detailed engineering design and incorporated in bidding documents and civil works

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contracts.

Contractors will be required to prepare site-specific EMPs as needed under the guidance of MDF and the construction supervision consultant. The site-specific EMPs will be endorsed by construction supervision consultant, then approved by MDF and sent to ADB for information.

MDF is responsible for overall implementation of the EMP. The contractor is responsible for implementing mitigation measures. Monitoring of environmental quality and implementation of contractor's site-specific EMP is the responsibility of the construction supervision consultant.

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

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

- 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;

All above mentioned findings should be incorporated in the final IEE together with noise and vibration modeling findings. It will be considered as changes to the approved IEE and thus will become subject to "No Objection" from ADB. In this regards, Dohwa is required to start implementation of actions necessary for updating of IEE for Section 2 as soon as possible and provide detailed information to MDF by the end of October (except of findings on "impact of vibration and noise on buildings"). Final IEE of Tbilisi Rustavi Rustavi Urban Road Link (section 2) should be ready by Q 3, 2014 (according to Aide Memoire, 4-8 September 2014).

MDF has already sent an official letter to DOHWA regarding the finalization of IEE for Section II. As finalization of the document is depended on the vibration and noise study results, MDF and DOHWA will organize the special meeting with the Consultant Company which will be hired for conducting above mentioned studies. Consultant Company will be asked to provide earliest obtained data to DOHWA to start reflecting it in IEE in order to faster the process of updating.

- **Anaklia coastal improvement Project (Phase 2):**

For tender announcement - June 20, 2014, final version of IEE was provided, which is available on ADB web site.

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

According to the existing legal and administrative system in Georgia, there are several entities responsible for addressing environmental complaints of population and interested parties. The administrative bodies directly responsible for environmental protection within the project area are MoE, municipal offices (gamgeoba) and Tbilisi City Hall. The affected population and stakeholders may send their grievances, related to the project-induced environmental impacts directly to the mentioned administrative bodies responsible for

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environmental protection. The official administrative bodies are obliged to respond to the grievances that have been received from population or other interested parties in accordance with the requirements of the Administrative Code of Georgia.

MDF as the Executive Agency (EA) will facilitate the grievance resolution by implementing a project-specific Grievance Redress Process (GRP) by the establishment of a Grievance Redress Committee (GRC) and Grievance Focal Points (GFPs) prior to the Construction Contractor's mobilization to the construction site. The functions of the GRC and GFPs will be to address concerns and grievances of the local communities and affected parties as necessary. Grievance Redress Mechanism will be set up for the projects to deal with both - the environmental and social issues.

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.

Process of establishment of Grievance Redress Mechanize is ongoing. Decree of Executive Director of MDF on creation of Grievance Redress Committee (GRC) will be issued in nearest future. The GRC will comprise from representatives of local authorities, affected parties, and other reputed NGOs or persons, as mutually agreed with the local authorities and affected persons. The role of the GRC is to address the Project related grievances of the affected parties that are unable to be resolved satisfactorily through the initial stages of the Grievance Redress Mechanism (GRM). Candidates from NGOs and local authorities for Grievance Redress Committee (GRC) will be presented to MDF in nearest future.