

## North-South Corridor (Kvesheti-Kobi) Road Project

For more information

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The project aims to improve connectivity, access and road safety and to increase the transit of goods between Georgia and Russia, as well as to develop the tourism potential in the region. In addition, it plans to strengthen the capacity of the Roads Department and technical universities on construction, operation, and maintenance of large bridges and tunnels. According to the project it is an important transport axis for moving freight between Russia, Belarus and Ukraine, on the one hand, and Georgia, Armenia, Azerbaijan, Iran and Turkey on the other.

The project involves the construction of 23 kilometres of road, including five tunnels totaling 11.4 kilometres, the longest being nine kilometres and the others (1541m, 194m, 388m and 299m) and six bridges totaling two kilometres. According to the project, one bridge will be 426 metres long and 166 meters high, coupled with five other bridges (435, 322, 218, 148 and 28 meters.)

The total costs of the project is up to USD 550 million, from which the Asian Development Bank would pledge USD 350 million and the European Bank for Reconstruction and Development up to EUR 50 million. An additional USD 150 million will be provided by the Georgian government to cover the costs of taxes and duties, land acquisition, resettlement costs and financing charges. The project still awaits environmental clearance from the Ministry of Environment Protection and Agriculture.

### Absence of a sustainable transport policy

The project plans to mitigate the situation in the region and improve the conditions of the road, including the congestion and air pollution, avoiding geological and weather hazards (avalanches and snow) and increase accessibility for local communities and the development of local tourism. As it is planned however, the project may even worsen the situation.

According to the project the current road is inadequate for the volume of traffic (3000 to 4000 vehicles per day), with up to 35 per cent delays and government projections that this will double in the next decade. However, the proposed project would not improve the situation, as at least one third of the current traffic is heavy trucks moving towards Russia. The vast number of trucks not only creates air pollution, but also represents safety threat to passenger cars.

The increased amount of trailer trucks on the Kvesheti Kobi road is due to the fact that Georgian border fees for trailers transiting Georgia is low<sup>1</sup> and that trucks crossing Georgia will cause USD 200 of damage per trip, while current tolls (USD 80) cover only 40 per cent of the damage caused. This means that the government encourages heavy road cargo traffic through below-market prices, whilst also subsidising roads construction by spending public funds without any tangible public benefit.

The ADB in its assessment acknowledges the core weakness and threat to Georgia's transport sector is the lack of an overarching transport policy and skilled workforce, which "*are relatively easy to correct, and ADB can play a leading role in facilitating that*". However, the Kobi Kvesheti project design and costs

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<sup>1</sup> <https://www.adb.org/sites/default/files/institutional-document/34108/files/georgia-transport-assessment-strategy-road-map.pdf>

raise doubts about the bank's ability to play this important role in the formation of a sustainable transport policy for Georgia.

### **Proposed road alternatives**

The alternatives to the proposed road are not presented adequately in the ESIA study. The main alternative – the improvement of the existing road combined with policy instruments to decrease the heavy cargo traffic in high mountainous area of Georgia – has never been presented. The ESIA does not analyze the option to have cargo travel via freight railway, which would decrease pollution and increase road safety.

The feasibility study for the project prepared by the World Bank is not accessible to the public. Green Alternative was denied the study by the Roads Department of Georgia on the grounds of confidentiality.

According to expert opinions, it is possible to rehabilitate the existing roads from a cost-benefit perspective, which also presents less risk than the proposed project from the environmental, social and geological point of view.

### **Project impact on environment and biodiversity**

Despite claims in the ESIA, as a greenfield project it would have significant impacts on biodiversity and the environment. The existing road rehabilitation was rejected already during planning due to its heavy impacts on the neighbouring Kazbegi national park. However the existing road does not cross the Kazbegi national park, while the new road will not only cross the Kazbegi national park but also a number of Emerald sites.

In addition the project ESIA does not assess properly impacts to flora and fauna in the region. According to a report from Sabuko, even the baseline data is misleading, claiming that the majority of birds in the region are widespread in Georgia and not protected. On the contrary, from the few listed species in the ESIA, six found on Georgia's red list and two are on the IUCN red list 'near threatened', including the Caucasian Goose and Bearded Vulture. Other species such as the Egyptian Vulture and Black Vulture are simply ignored. While the ESIA claims that there are few bird species in the region, it also notes that area is important for the protection not only of local species but also home to more than 30 000 migratory species per year. The lack of study of the existing impacts on biodiversity and mitigation measures is alarming.

The proposed project's impact on protected areas would be higher during the construction and exploitation phases, especially with increased cargo traffic. The existing road passes at an altitude of 2 400 metres, 500-900 metres lower than the new road. With some parts of the major tunnel to appear below 800 meters, concerns persist among geologists because in the gorge three strong volcanoes are active: Sakvokhe, Sadzile and Milliona. The implementation of the project that deep may reach active zones of magma”

### **Public concern about the project**

The social impact assessment for the project needs to ensure that those considered affected people includes not only those directly impacted but also those living in communities that may be indirectly or directly impacted by construction. Such an assessment would include a proper baseline of villages and infrastructure and physical and economic resettlement in accordance with best international practice, including full compensation for traditional ownership. For example the project claims that it will reimburse only the loss of crops and buildings but not the land of informal settlers. Traditional ownership (mainly of communities in the Kazbegi region) is not recognised by the Georgian government, and thus would be absent from the social assessment in its present form.

Locals and experts have concerns about the assessments' failure to examine livelihood and cultural heritage. The project claims that road construction would bring minimal noise and vibration impacts, but locals point out that blasting and drilling operations may damage and destroy houses and historic buildings constructed with 'dry masonry,' a point that is absent in the ESIA<sup>2</sup>.

According to the ESIA there is significant cultural heritage within the project area: "*The Khadistskali Gorge itself is often referred to as the Gorge of 60 Towers. Accordingly, most of the physical cultural resources (PCR) identified in the Project area are towers, in addition to a few churches, some memorials and three cemeteries. Nearly all of the identified PCR is set back from the proposed alignment more than 50 meters.*" The Khada valley lies along the original route of the Georgian Military Road. However, the ESIA does not assess the overall impact of the road construction on the gorge, where cultural, historical, ethnographic and architectural heritage has not been studied fully. Places like the Tsetskhlijvari complex from the ninth and tenth centuries has significant cracks on the walls and even low-level blasting may damage the fortress. Additionally the valley has a rich religious significance: it is believed that Saint Nino first declared Georgia a Christian nation in this place. It remains authentic and today stands out as a pristine example of Georgia's rich medieval inheritance.

Locals, tourism agencies and cultural heritage experts are concerned that the project may negatively impact the region by blasting and increased heavy traffic during construction and exploitation.

Additionally, locals are concerned by the fact that the project poses political risks for the country, enabling easy military traffic to bypass the road from Russia towards Georgia. Local authorities have been concerned that proposed road passes close to the Ossetian Towers and fear that if road construction would impact these heavily, a conflict again may occur. In February 2019, the non-recognised South Ossetia Republic claimed the Kobi Cavern and Truso Gorge as historical heritage of Eastern Ossetia. With Russia fueling unrest in the region, locals are rightfully asking for a risks assessment.

### Stakeholder meetings during the environmental permit process

Both scoping and EIA consultations in Georgia have been flawed. The locals expressed dissatisfaction with the fact that the proposed version of the road was presented as a major alternative without any supporting evidence. During the scoping meeting, the Road Department said that the project route is already finalized, and no changes will be possible. Why then hold a consultation when a decision has been made? During both scoping and EIA hearings, locals stressed that governmental officials gave no clear answer on the majority of issues raised by locals.

### Conclusions

*The proposed Kvesheti-Kobi road is an expensive project that will not solve the problems with the Georgian Military Road. We ask the ADB's Executive Directors to work with the Georgian government in order to first ensure the development of a sustainable transport policy and then address the weaknesses that have been highlighted in the ADB study Georgia's transport sector assessment.*

To ensure that Kvesheti-Kobi Road really does support sustainable transportation in Georgia, it is important that bank refrain from financing until

- The feasibility study and a full assessment of alternatives is disclosed and subject to public scrutiny;
  - A full calculation of the environmental, economic and social impacts of the proposed alternatives are presented;
  - A study is conducted on the project's impact on cultural heritage of the Khadi Gorge;
  - genuine public participation in the process is ensured;
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- all external risks of the project are assessed; and
- for decreasing heavy freight cargo traffic through the Georgian military road is assessed.