

# Environmental Safeguard Framework

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Environmental Assessment and Review Framework  
Project Number: P42414  
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## Georgia: Sustainable Urban Transport Investment Program

The Environmental Assessment and Review Framework is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management or staff, and may be preliminary in nature.

## ABBREVIATIONS

ADB	-	Asian Development Bank
AP	-	Affected Person
CWRD	-	Central and West Asia Region Department
EA	-	Executing Agency
EARF	-	Environmental Assessment and Review Framework
EIA	-	Environmental Impact Assessment
EMP	-	Environmental Management Plan
GRC	-	Grievance Redress Committee
GRP	-	Grievance Redress Procedure
IA	-	Implementing Agency
IEE	-	Initial Environmental Examination
MDDP	-	Municipal Development and Decentralization Project
MDF	-	Municipal Development Fund
MFF	-	Multi-tranche Financing Facility
MLARO	-	Municipal Land Acquisition and Resettlement Office
MoE	-	Ministry of Environmental Protection and Natural Resources
NGO	-	Non-Governmental Organisation
REA	-	Rapid Environmental Assessment

## NOTE

In this report, "\$" refers to US dollars.

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## I. INTRODUCTION

1. This document is the Environmental Assessment and Review Framework (EARF) for the Georgia Urban Transport Investment Program (the Program). This paper is prepared to adequately address the ADB Safeguard Policy Statement (2009) requirements and is fully endorsed by the Georgian government. The Program was developed as the Government's response to the transportation problems in urban areas, which include large traffic volumes causing increasing delays, as a result of previous under-investment in infrastructure maintenance and expansion.

2. The Program will be financed by the Asian Development Bank (ADB) under a Multi-tranche Financing Facility (MFF), and is aimed at promoting a sustainable, integrated, socially-affordable and cost-efficient urban transport system in cities of Georgia, to energize the economy and improve the quality of life of citizens. Projects will involve rehabilitation and repair of existing infrastructure (mainly roads and the underground railway), provision of new facilities (roads, tunnels, junctions, bridges, a Metro extension, etc) and capacity building. Projects proposed for early implementation are:

- (i) An extension of the Tbilisi Metro to the University district to benefit 150,000 residents and university staff and students;
- (ii) An urban environment improvement with the reconstruction of Gorgasali tunnel and road in Tbilisi, which will improve throughputs by segregating transit and local traffic via a tunnel on the main road along the bank of the River Mtkvari;
- (iii) The development of urban transport alternative in Kutaisi and Anaklia
- (iv) The improvement of some urgent urban roads sections in Tbilisi, Kutaisi, Batumi and Mestia.

3. Some projects are already identified for Tranche 2:

- (i) Tbilisi Mtkvari North Bridge, which will provide a new river crossing to reduce congestion around existing bridges and improve access to a potential development area.
- (ii) Tbilisi-Rustavi urban link

4. Municipal Development Fund of Georgia (MDF) will be the Executing Agency (EA) implementing the Program and is therefore responsible for compliance with ADB procedures, including environmental and social safeguards. This EARF assesses the requirements of Georgian environmental law and ADB safeguards policy, and describes the procedures MDF will follow to ensure that projects comply with both. It also provides guidance on various related matters including: anticipated impacts of project activities; procedures for stakeholder consultation; information disclosure and grievance redress; institutional arrangements and responsibilities; and monitoring and reporting. Before Program appraisal this EARF will be translated into Georgian and distributed to all interested stakeholders; and the English version will be posted on the ADB website.

## II. ASSESSMENT OF LEGAL FRAMEWORK AND INSTITUTIONAL CAPACITY

### A. National legislation and ADB policy

5. The Georgian system of environmental assessment and environmental permitting dates from 1997, when the laws "On Environmental Permits" and "On State Ecological Expertise" were passed. The former prescribed procedures for granting approval for existing and proposed

developments, environmental impact assessment (established as an integral part of the permitting process), and public information and participation in the decision-making process. Projects were divided into four categories based on their size, importance and potential environmental impact, and the requirements of the permitting process were different for each category. The Law on State Ecological Expertise however required all projects to undergo Ecological Expertise (review by an expert committee set up by the Ministry of Environmental Protection and Natural Resources – MoE) as part of the permit application.

6. At present, the environmental permitting procedure in Georgia is set out in three laws:
- (iii) The Law on Licenses and Permits (2005); (ii) The Law on Environmental Impact Permits (EIP), and (iii) The Law on Ecological Expertise (EE) 2008. Guidelines (Regulations) on EIA have been adopted in March 2009 by the Order No89 of the MoE in accordance with the requirements of the Law on Environmental Impact Permits.
  - (iv) The Law on Licenses and Permits was adopted by Parliament of Georgia, on 24 June 2005. The new Law regulates legally organized activities posing certain threats to human life and health, and addresses specific state or public interests, including usage of state resources. It also regulates activities requiring licenses or permits, determines types of licenses and permits, and defines the procedures for issuing, revising and canceling of licenses and permits (Article 1, Paragraph 1).
  - (v) The Laws on Environmental Impact Permit and on Ecological expertise have been published on 14 December 2007 and entered in force on 01 January 2008. The Law of Georgia on Environmental Impact Permit determines the complete list of the activities and projects subject to the ecological expertise (clause 4 p.1) and the legal basis for public participation in the process of environmental assessment, ecological expertise and decision making on issuance of an environmental impact permit.
7. Under the “activities” subject to the ecological expertise the law considers construction of new or upgrading of existing facilities imposing change of technology and operational conditions for the projects and activities included into the list. The routine maintenance works in relation with the same facilities do not require ecological expertise and permit.
8. In case if the activity included into the list given in clause 4 p.1 at the same time requires Construction Permit, the administrative body responsible for issuance of the Construction Permit ensures involvement of MoE, as a separate administrative body, in the administrative procedures initiated for the purpose of issuing Construction Permit, as it is envisaged by the Law on Licenses and Permits. In such cases the MoE is issuing the Conclusion on the Ecological expertise of the project based on the documentation provided to MoE by the administrative body issuing the Permit. The Conclusion on the Ecological expertise is adopted by the administrative (executive) legal act of the MoE and compliance with the conditions of the Conclusion is obligatory for the project proponent. The Conditions of the Conclusion on Ecological expertise are a part of conditions of the Construction Permit.
9. In case if the activity included into the list given in clause 4 p.1 does not require Construction Permit, based on the Conclusion on the Ecological expertise the MoE will issue the Environmental Impact Permit, supported by the administrative (executive) legal act issued by the minister. The ecological expertise is carried out in accordance with the law of Georgia on

Ecological Expertise and the conditions set forth by the Conclusion present the Conditions of the Permit.

10. The aforementioned laws do not provide details of screening procedure and do not define responsibilities of parties. According to the practice, the screening of project proposals and the preliminary assessment of their environmental impact and proposed mitigation measures (scoping) are being carried out by the project proponent in consultation with the MoE. The list of the projects subject to EIA and Environmental Impact Permit is adopted in the Law on Environmental Impact Permits. These include the following activities that could be components of this program:

- (i) Construction of roads and railways of national and international importance; and associated bridges, tunnels and engineering structures/facilities;
- (ii) Construction of underground railway (subway/metro);
- (iii) Construction of aerodrome, airport, railway station or sea port; and
- (iv) Production of cement, asphalt, lime, sheetrock, gypsum or bricks.

11. The Georgian system of environmental assessment is therefore different from ADB requirements (as set out in the Safeguard Policy Statement of 2009), as ADB classifies projects into three categories (A, B and C) depending on the nature and scale of the expected impacts, and requires a different level of environmental study for each category. This includes EIA and Initial Environmental Examination (IEE), which is a shorter form of environmental assessment that is not represented in the Georgian system. Furthermore, in determining environmental standards for projects it supports, ADB follows the approach set out in the World Bank group's Environment, Health and Safety Guidelines (2007), although alternative emission levels and approaches to pollution prevention/abatement can be adopted if necessary to better reflect national legislation and local conditions.

12. The MoE receives the application, organises Ecological Expertise, makes the final decision on the permit (if required), and informs the proponent accordingly, within 20 days of submission of the EIA. A permit cannot be granted without a positive Ecological Expertise conclusion, and any recommendations made in the conclusion are normally incorporated as permit conditions, with which the proponent must comply. A proponent may appeal against a negative decision through the law courts.

## **B. Institutional capacity and development**

13. MDF is a financially autonomous legal entity established under Georgian law, whose purpose is to mobilize financial resources from donors (including international and domestic financial institutions, development partners and government agencies) for investments in local infrastructure and services. MDF was established by a presidential decree for the purpose of managing the investment component of the World Bank's First Municipal Development and Decentralization Project (MDDP I) and its remit was subsequently extended to MDDP II and other development-agency funded projects.

14. In carrying out its activities, MDF acts in accordance with the provisions of the Law on Legal Entities of Public Law (1999) and other relevant laws, orders and decrees of the president of Georgia; agreements between the government and international financial institutions; MDF's charter; and the procedures and instructions contained in the MDF operations manual.

15. MDF presently has one environmental specialist within the Management, Monitoring and Evaluation Division, who is responsible for all environmental aspects of the division's work. This includes providing technical assistance to borrowing municipalities, supervising the environmental assessment process conducted for all investments financed under the World Bank's MDDP II and by the Millennium Challenge Corporation, and ensuring compliance with national law and the environmental safeguards requirements of the donors. Approval of the loan for the Georgia Sustainable Urban Transport Investment Program, and implementation of the projects within the tranches of funding, would stretch the capacity of the environmental specialist, particularly as ADB procedures, despite their broad similarities with those of the World Bank, are new to Georgia and MDF. It would therefore be of long-term benefit to this program and subsequent investments if an element of capacity building were included in the loan provisions to increase the number of environmental specialists and provide them with support as needed.

### III. ANTICIPATED ENVIRONMENTAL IMPACTS

16. ADB's Rapid Environmental Assessment (REA) Checklists are used to identify impacts, assess their likely significance and examine how negative impacts may be mitigated. The checklists comprise a series of questions regarding the location and potential impacts of a project, which are derived from ADB experience in implementing projects in the sector. Impacts are identified and assessed in the responses to each question. Template is provided in Appendix 1.

17. The initial projects include an extension to Tbilisi's underground railway, and urban environment improvement with the construction of a tunnel and surface parking to relieve a major congestion point on one of the main roads in the city, alternative urban transport development in Kutaisi and Anaklia, and some projects already identified for tranche 2 with a new bridge over the River Mtkvari in Tbilisi and Tbilisi – Rustavi Urban link. They are quite different schemes and should therefore give a broad indication of the range of environmental and social impacts that could occur within these and other projects that may be considered for future funding within the Program.

18. The checklists indicate that the most of the environmental and social risks occur during the construction stage, which is as expected as these are major construction projects, conducted in heavily populated urban areas, often in locations where there are already traffic and transportation problems. Most construction impacts are however temporary, related to the construction process itself, and can be mitigated by relatively straightforward measures that are common practice at sites of urban construction. These include:

- (i) Reducing dust by using wheel washes, watering site roads and covering loose material when carried on trucks (including removal of waste soil and delivery of sand);
- (ii) Reducing noise, dust and visual intrusion by retention of existing mature trees and erecting barrier fences around sites;
- (iii) Preparing and implementing pollution prevention and abatement plans to reduce risks of accidental spills of toxic materials and to contain and treat any spills that do occur;
- (iv) Preparing and implementing traffic management plans to avoid exacerbating congestion problems and maintain vehicle and pedestrian safety in the vicinity of sites; etc.

19. There are certain other construction impacts that are related to a particular project or component, which may require more site-specific mitigation measures. These include:

- (i) Using sediment traps to reduce the silt content of water pumped out of tunnels or other excavated areas before discharge to the River Mtkvari, directly or via roadside drains;
- (ii) Amending designs where necessary to retain as many of the existing mature roadside trees as possible, because of their ecological and aesthetic value;
- (iii) Reducing waste disposal by re-using excavated material where possible and planning routes to disposal sites to limit disturbance to road-side residents;
- (iv) Careful site selection and design to avoid or minimize the acquisition of privately-owned land, demolition of occupied buildings and relocation of households and businesses.

20. Once the schemes are operating, they should all have beneficial environmental and social impacts by improving particular elements of the transportation system of the city, and thus contributing to overall reductions in: travel times; traffic congestion; economic losses; exposure to noise and exhaust gases, etc. There may also be certain negative impacts, which will need to be reduced by action in the design and procedures for operation of the facilities. These include:

- (i) Increased noise and vibration from new roads and metro lines, so routes will need to avoid susceptible buildings, historical locations and other sensitive areas (e.g. schools, hospitals);
- (ii) Increased numbers of pedestrians at transportation hubs, so designs should include safety features such as aerial walkways, subways, roadside barriers and effective signage;
- (iii) Pollution risk from traffic accidents, so roadside drains alongside the River Mtkvari should include silt traps and oil interceptors that are regularly cleared and maintained.

#### **IV. ENVIRONMENTAL ASSESSMENT FOR PROJECTS AND COMPONENTS**

##### **A. Existing MDF procedure**

21. MDF presently conducts environmental assessment at three stages in a typical project cycle: identification; appraisal; and implementation.

22. **Project Identification: Preliminary Environmental Assessment.** Projects proposed for MDF funding are screened to ensure that those with adverse impacts that cannot be effectively mitigated are excluded from financing. The process consists of three steps as follows:

- (i) A desk-study is conducted using available documents to examine whether the likely area of impact of the project is near any protected areas, resorts, or other restricted or highly sensitive locations;
- (ii) Evidence is collected to determine whether the project violates any environmental laws or regulations;
- (iii) The potential impacts of the project are then examined along with design alternatives and mitigation measures, to determine whether there are any adverse impacts that cannot be avoided or mitigated. If that is the case or mitigation is deemed unfeasible at a reasonable cost within the limits set by the local government's borrowing capacity, the project is declared ineligible or local government is directed to other possible financing sources.

23. The results of the environmental screening are summarized via statements such as "no significant environmental impacts are anticipated", possible adverse impacts can be effectively mitigated", "the proposed subproject would violate existing environmental regulations", "the



project will lead to positive environmental impacts”, etc. The written comments of the evaluation include a brief description of the affected environment, potential impacts, and recommendations on:

- (i) the involvement of environmental consultants;
- (ii) the need to consider alternative locations, technical approaches and/or other solutions;
- (iii) the need for specific prevention and mitigation measures; and
- (iv) the desired level of environmental assessment and public involvement in future stages.

24. **Final Appraisal: Environmental Assessment.** During the appraisal stage, MDF conducts a more detailed assessment of the impacts of projects, which involves the following:

- (i) Visiting the project site to conduct a field assessment, and participating in public hearings and consultations;
- (ii) Comparing results and recommendations of the preliminary environmental assessment with the final project documentation and ascertaining that all necessary environmental permits (land use, resources use, waste disposal, sanitary inspection, etc) and approvals have been or can be obtained;
- (iii) Preparing the environmental assessment including, where needed, an environmental management plan (EMP);
- (iv) Consulting stakeholders and disclosing relevant information on the project's environmental impacts in a form and manner that is understandable to those consulted;
- (v) Examining project documentation to ensure that: (a) the environmental assessment was performed in accordance with regulations and that it followed the recommendations of the preliminary environmental assessment; (b) the documentation includes all necessary permits and approvals required at appraisal stage; (c) appropriate prevention and mitigation measures have been planned and necessary resources have been allocated; and (d) project documentation and the findings of site visits have been disclosed to the public and the project does not draw public objections;
- (vi) Making recommendations on the level and mechanisms of environmental monitoring to be conducted during construction and subsequent operation of the project facilities.

25. **Project Implementation: Environmental Management Plan.** During project implementation MDF monitors execution of the EMP as well as the mitigation of any unexpected adverse environmental impacts. If there is a significant change in project scope, MDF ensures that an environmental assessment is triggered, undertaken by the project proponent. MDF prepares a semi-annual monitoring report, which describes EMP implementation and results, compliance with loan covenants and applicable national environmental legislation, and the overall performance of MDF's environmental management system and any required improvements. Finally MDF ensures that the EMP is included in tender and contract documents for projects.

## **B. Environmental Assessment procedure for this Program**

26. The existing MDF environmental assessment procedure was designed to comply with both national law and the safeguard policies of the major lenders (including the World Bank and ADB). It therefore requires only minor adjustment to comply with the updated ADB procedure as described in the Safeguard Policy Statement (2009). The approach to environmental assessment to be adopted in this program is thus as follows.

27. **Environmental criteria for project/subproject selection.** Projects and subprojects will be selected based on compliance with the criteria set out in Table 1, which are derived from the

preliminary environmental assessment of proposed Tranche 1 projects in Appendix 1. Additional criteria will be added if IEE/EIA studies or preliminary assessments of other projects identify additional environmental or social risks.

**Table 1: Environmental criteria for project selection**

<b>Project Selection Criteria</b>
<ul style="list-style-type: none"> <li>• Projects should be located entirely on Government-owned land wherever possible, to avoid impacts related to involuntary resettlement;</li> <li>• If it is not possible to locate all project components or construction activities on Government land, designs should minimise the acquisition of privately-owned land, buildings and businesses;</li> <li>• Projects that involve significant resettlement impacts (where 200 or more people are physically displaced from housing and/or lose 10% or more of their income-generating assets) should first be avoided wherever possible with alternative design;</li> <li>• Projects, project components or construction activities should be as much as possible avoided or mitigated when they are located in areas that are protected under Georgian law (e.g. for their importance to biodiversity or physical cultural resources) or areas that are sensitive for other reasons (e.g. cemeteries, buildings for religious worship, etc);</li> <li>• Projects must not subject buildings and their inhabitants to unacceptable levels of noise or vibration during either construction or operation (unacceptable noise would be levels above ambient noise standards; unacceptable vibration is vibration with the potential to cause structural damage);</li> <li>• Projects must not damage any nationally protected monuments or other important locations or artefacts and designs must ensure that any such items that are located in or near the project area are retained in an appropriate context (in terms of appearance, access, noise/vibration, etc) when the project is operating;</li> <li>• Designs should incorporate measures to re-use waste (from excavation and demolition) in project construction to the maximum extent possible;</li> <li>• Designs should also incorporate measures to avoid the loss of mature trees by retaining as many existing trees as possible.</li> <li>• If, during the implementation of a project, the contractor encounters chance-finds, such chance-finds shall be dealt with according to Ministry of Culture regulations.</li> </ul>

28. **Screening and classification.** MDF will screen all potential projects using REA checklists provided by ADB (see Appendix 1); and on the basis of the screening will classify projects according to the categorisation given in ADB’s Safeguard Policy Statement (2009). This is as follows:

Category A: Projects likely to have significant adverse environmental impacts, which are irreversible, diverse or unprecedented and may affect an area larger than the location subject to physical works. An Environmental Impact Assessment (EIA) is required;

Category B: Projects with adverse environmental impacts that are less significant than those of Category A projects, are site-specific, generally not irreversible, and in most cases can be mitigated more readily than for Category A projects. An Initial Environmental Examination (IEE) is required;

Category C: Projects with minimal or no adverse environmental impacts. No environmental assessment is required, although environmental implications are reviewed.

29. **Preparation of Initial Environmental Examinations (IEE).** For Category B projects an IEE will be prepared in accordance with the requirements of ADB's Safeguard Policy Statement (2009). The IEE will be undertaken as part of the Feasibility Study and the environmental assessment team will work closely with the technical planning and design group to ensure that environmental considerations are integrated into the project design.

30. An IEE study deals with the same issues as an EIA (see below), but is narrower in scope and issues may be covered in less detail. An IEE examines the project's potential negative and positive impacts and recommends measures needed to prevent, minimise, mitigate or compensate for adverse impacts and improve environmental performance. As mitigation is relatively straightforward the IEE may not require a comprehensive analysis of project alternatives or as detailed an Environmental Management Plan (EMP) as an EIA, and may involve less public consultation. Stakeholders will however be consulted at least once (when the draft final IEE report has been produced), and may be involved at an earlier stage if deemed necessary by MDF and/or ADB.

31. **Preparation of Environmental Impact Assessments (EIA).** If Category A projects are approved for financing, an EIA will be conducted of each, in accordance with the requirements of ADB's Safeguard Policy Statement (2009). The EIA will be undertaken in the Detailed Design stage, or if carried out earlier during the Feasibility Study, the assessment and its findings will be reviewed during the detailed design and revised if necessary to reflect any changes in the project or to revise interpretations as a result of more information becoming available.

32. An EIA examines the project's potential negative and positive environmental impacts, compares them with those of feasible alternatives (including the "without project" situation), and recommends measures needed to prevent, minimise, mitigate or compensate for adverse impacts and improve environmental performance. The EIA is a more comprehensive and detailed study than an IEE and as mitigation is generally more complex, an EIA should always include an Environmental Management Plan (EMP) setting out in detail how each mitigation measure will be provided and monitored. An EIA also requires a greater degree of consultation, as stakeholders are involved at an early stage in deciding the scope of the EIA study, as well as determining its outcome and the nature of the mitigation at draft final report stage.

## V. CONSULTATION, DISCLOSURE AND GRIEVANCE REDRESS

33. For both Category A and B investments, MDF will consult with persons and groups likely to be affected by the proposed development, plus local non-governmental organisations and other stakeholders. For category B projects at least one consultation will be conducted, when the draft IEE has been prepared, with the aim of informing stakeholders about the project, its potential impacts and likely mitigation. For Category A projects there will be at least one further consultation at the beginning of the EIA study, to involve stakeholders in determining the scope of the EIA and allow them to raise any issues of particular local concern. In all cases, additional consultations will be held (with particular groups or individuals, or with all stakeholder representatives) if considered necessary by MDF and/or ADB. The consultation process and its outcome will be documented in the environmental assessment report, which will explain how relevant comments from stakeholders were addressed in project design and will give a justification for any comments not acted upon.

34. Relevant project documents will be disclosed to the public following ADB requirements and normal MDF procedure. For Category B investments the final IEE report will be posted on MDF and ADB websites, and hard copies will be available for consultation at the MDF office. For Category A investments the draft EIA (including the draft EMP) will be posted on ADB and MDF websites and hard copies will be available at the MDF office and at the project site, at least 120 days before the loan is considered by the ADB board. These documents will be substituted by the final EIA when completed, and new or updated EIA reports if prepared to reflect significant changes in the project during design or implementation. Environmental monitoring reports (prepared during project implementation, see below) will also be added in due course. All documents provided locally will be in the Georgian language.

35. All efforts will be made to avoid dissatisfaction by stakeholders (in particular persons affected directly by the project) by sensitive site selection applying the criteria set out in Table 1, effective consultation and disclosure as described above, and by responding promptly and appropriately to stakeholder concerns. Stakeholders may still wish to raise concerns and complaints about the project's environmental performance, so MDF has established a grievance redress procedure (GRP) to enable them to do so.

36. MDF has the overall responsibility for the project implementation and environmental compliance. The administrative bodies responsible for the environmental protection are the Ministry of Environmental Protection and Natural Resources and the City Hall. The affected population and stakeholders may send their grievances, related to the project induced environmental impacts and nuisance to PIU or directly to the administrative bodies responsible for the environmental protection.

37. The MoE and city hall are obliged to respond on the grievances, which have been received from population or other interested parties in accordance with the requirements of the Administrative Code of Georgia.

38. However, the PIU will facilitate the response through implementing following grievance redress mechanism. During the public consultation process, the PIU will inform the stakeholders and public that PIU is responsible for environmental compliance and grievance redress. PIU will provide on the public consultation meetings and dispose on the MDF web-site the contact details of the persons responsible for grievance collection and response. Upon the receiving the grievance (in written or oral communication) the PIU will execute following actions:

- (i) send its representatives to check the claims and monitor the situation
- (ii) involves MoE and City Hall when and where appropriate
- (iii) receives expert's conclusion (from MDF personnel, independent experts or MoE/City Hall experts)
- (iv) Submits to the constructing company and operator request on corrective measures
- (v) during 10 days after receiving the grievance informs the affected person or persons about the expert's decision and applied corrective measures
- (vi) In case if the affected stakeholder or person is not satisfied by the response of PIU or administrative bodies, the grievance may be directed to the court.
- (vii) If the complainant is dissatisfied with the decision, they may present further information in support of their case, the subsequent decision of the PIU/MoE and participating municipality is considered final.

## VI. INSTITUTIONAL ARRANGEMENTS AND RESPONSIBILITIES

### A. Responsibilities and authorities

39. MDF the Executing Agency for the program will bear the overall responsibility of ensuring that all funded projects comply with Georgian environmental law and ADB policy and procedure throughout planning, design and implementation stages. This includes:

- (i) Selecting projects for support based on the environmental criteria listed above and any others that may subsequently be added;
- (ii) Preparing the potential impacts of each project using the REA checklists provided in Appendix 1 below, and categorising each scheme based on the ADB classification system outlined above;
- (iii) Engaging qualified consultants to conduct the environmental assessment during project design or feasibility study, including public consultation, and an EMP if required;
- (iv) Ensuring and reporting that the appropriate level of environmental assessment is conducted and that the assessment is carried out and presented according to ADB requirements;
- (v) Ensuring that all necessary environmental permits and approvals are obtained;
- (vi) Monitoring during construction to ensure that the EMP is fully implemented and that an appropriate response is provided to any unexpected impacts that may occur;
- (vii) Coordinating throughout with ADB's Central and West Asia Department (CWRD) in applying ADB's environmental safeguard procedures.

40. The MoE and its regional offices (within their competence and in cases determined by the Law on Environmental Impact Permit), will be responsible for reviewing EIA documents and environmental permit applications and issuing permits for projects when all conditions are met. MoE may also participate in the environmental monitoring conducted by MDF during project implementation, with the purpose of ensuring compliance with any conditions imposed by the permit.

41. ADB, via CWRD will be responsible for the following:

- (i) Screening and categorizing the potential impacts of each project using the REA checklists prepared by MDF;
- (ii) Advising borrowers/clients about ADB's SPS requirements;
- (iii) Determining the feasibility of ADB financing to carry out due diligence and review;
- (iv) Reviewing and approving all EIA reports for Category A projects and selected IEE reports for Category B projects;
- (v) Monitoring, supervising and conducting review missions to monitor implementation of the EMP during project construction and operation;
- (vi) Providing technical guidance and capacity building support to MDF in the implementation of ADB safeguards policy and procedures as necessary;
- (vii) Disclosing all relevant information applying to ADB's environmental safeguard procedures.

### B. Staffing and budget

42. ADB and MoE will fulfil their responsibilities outlined above as part of their normal work schedule and require no additional provision from the Program in terms of budget or manpower.

43. MDF will also perform their responsibilities as part of their normal work schedule. Some financial support from the Program has been allocated to finance assistance and incremental administration. EIA and IEE studies will be conducted by consultants funded by the Program, so budgetary provision will also be needed for this key activity. Support will also be required to enable MDF to monitor implementation of the Environmental Management Plans during the construction stage of each project.

44. Table 3 shows the estimated cost of these activities over the four year timescale of Tranche 1 of the Program (one year design, three years construction). This assumes that the three projects currently proposed will be implemented in the first tranche and that two will be classified as Category B, requiring IEE studies, and that one (Mtkvari north bridge) will be classified as Category A, requiring an EIA.

**Table 3: Cost of implementing the EARF in Tranche 1 (GEL)**

Item	Quantity	Unit Cost	Total Cost	Sub-total
<b>1. MDF Capacity Building</b>				
Incremental environmental administration	1 x 4 y	30,000	120,000	
Training	2 x 4 m <sup>1</sup>	5,000	40,000	160,000
<b>2. Environmental Assessment during design</b>				
Environmental consultants for IEE	2 x 2 x 3 m <sup>2</sup>	5,000	60,000	
Environmental consultants for EIA	3 x 4 m <sup>3</sup>	5,000	60,000	
EIA survey expenses	Sum	20,000	20,000	140,000
<b>3. Environmental Monitoring during construction (EMP implementation)<sup>4</sup></b>				
Transport	Sum	10,000	10,000	
Environmental monitoring (e.g. noise, air quality)	Sum	10,000	10,000	20,000
<b>TOTAL</b>				<b>320,000</b>

45. The cost of implementing this EARF in Tranche 1 is therefore estimated at GEL 320,000 (US\$190,000). Implementing the EARF in future tranches is expected to require a similar budget, although this would need to be adjusted if the number of projects or types of environmental studies differed from those in Tranche 1.

## VII. MONITORING AND REPORTING

46. MDF will monitor the performance of consultants conducting the EIA and IEE studies during feasibility study and design stages, and will also monitor implementation of the EMP (mainly by contractors) when the projects are constructed. They will report the outcome of these checks in regular monitoring reports submitted to ADB.

<sup>1</sup> Allows 1 month of training per person per year, at a cost of GEL 5,000 per month

<sup>2</sup> Assumes there will be two IEE studies, each conducted by two specialist consultants (covering natural environment and socio-cultural environment), working for three months each

<sup>3</sup> Assumes there will be one EIA, conducted by three specialist consultants, working for four months each

<sup>4</sup> No staff costs are included in this item as the Senior Environmental Specialist is already employed by MDF and the cost of the Assistant Environmental Specialist is covered in Item 1

47. MDF will then submit all draft EIA and IEE reports to ADB for review and will ensure that the consultants address all comments in producing final versions. MDF will also submit EIA and IEE reports and environmental permit applications to MoE when required by Georgian law (see above).

## APPENDICES



**APPENDIX 1:  
RAPID EXAMINATION ASSESSMENT (REA) CHECKLIST  
FOR POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS**

Country/Project Title: Georgia / Georgia Sustainable Urban Transport Investment Program

Project Name:

Sector Division: Urban services

Conducted by

Date:

**Instructions:**

- This checklist is to be prepared to support the environmental classification of a project. It is to be attached to the environmental categorization form that is to be prepared and submitted to the Chief Compliance Officer of the Regional and Sustainable Development Department.
- This checklist is to be completed with the assistance of an Environment Specialist in a Regional Department.
- This checklist focuses on environmental issues and concerns. To ensure that social dimensions are adequately considered, refer also to ADB checklists and handbooks on; (i) involuntary resettlement; (ii) indigenous peoples planning; (iii) poverty reduction; (iv) participation; and (v) gender and development.
- Answer the questions assuming the “without mitigation” case. The purpose is to identify potential impacts. Use the “remarks” section to discuss any anticipated mitigation measures.

SCREENING QUESTIONS	Yes	No	REMARKS
<b>A. Project siting:</b> Is the project area adjacent to or within any of the following environmentally sensitive areas?			
• Cultural Heritage site			
• Protected Area			
• Wetland			
• Mangrove			
• Estuary			
• Buffer zone of protected area			
• Special area for protecting biodiversity			
<b>B. Potential Environmental Impacts:</b> Will the project cause:			
• Encroachment on historical/ cultural areas, disfiguration of landscape by road embankments, cuts fills and quarries?			
• Encroachment on precious ecology (e.g. sensitive or			

protected areas)?			
<ul style="list-style-type: none"> <li>• Alteration of surface water hydrology of waterways, resulting in increased sediment in streams affected by increased soil erosion at construction site?</li> </ul>			
<ul style="list-style-type: none"> <li>• Deterioration of surface water quality due to silt runoff, sanitary wastes from worker-based camps and chemicals used in construction?</li> </ul>			
<ul style="list-style-type: none"> <li>• Increased local air pollution due to rock crushing, cutting and filling works and chemicals from asphalt processing?</li> </ul>			
<ul style="list-style-type: none"> <li>• Noise and vibration due to blasting and other civil works?</li> </ul>			
<ul style="list-style-type: none"> <li>• Dislocation or involuntary resettlement of people?</li> </ul>			
<ul style="list-style-type: none"> <li>• Other social concerns relating to inconveniences in living conditions in the project areas that may trigger cases of upper respiratory problems and stress?</li> </ul>			
<ul style="list-style-type: none"> <li>• Hazardous driving conditions where construction interferes with pre-existing roads?</li> </ul>			
<ul style="list-style-type: none"> <li>• Poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases from workers to local populations?</li> </ul>			
<ul style="list-style-type: none"> <li>• Creation of temporary breeding habitats for mosquito vectors of disease?</li> </ul>			
<ul style="list-style-type: none"> <li>• Dislocation and compulsory resettlement of people living in right-of-way?</li> </ul>			
<ul style="list-style-type: none"> <li>• Accident risks associated with increased vehicular traffic leading to accidental spills of toxic materials and loss of life?</li> </ul>			
<ul style="list-style-type: none"> <li>• Increased risk of water pollution from oil, grease and fuel spills, and other materials from vehicles using the road?</li> </ul>			

## **APPENDIX 2: OUTLINE OF AN ENVIRONMENTAL IMPACT ASSESSMENT REPORT**

This outline is part of the Safeguard Requirements 1. An environmental assessment report is required for all environment category A and B projects. Its level of detail and comprehensiveness is commensurate with the significance of potential environmental impacts and risks. A typical EIA report contains the following major elements, and an IEE may have a narrower scope depending on the nature of the project. The substantive aspects of this outline will guide the preparation of environmental impact assessment reports, although not necessarily in the order shown.

### **A. Executive Summary**

This section describes concisely the critical facts, significant findings, and recommended actions.

### **B. Policy, Legal, and Administrative Framework**

This section discusses the national and local legal and institutional framework within which the environmental assessment is carried out. It also identifies project-relevant international environmental agreements to which the country is a party.

### **C. Description of the Project**

This section describes the proposed project; its major components; and its geographic, ecological, social, and temporal context, including any associated facility required by and for the project (for example, access roads, power plants, water supply, quarries and borrow pits, and spoil disposal). It normally includes drawings and maps showing the project's layout and components, the project site, and the project's area of influence.

### **D. Description of the Environment (Baseline Data)**

This section describes relevant physical, biological, and socioeconomic conditions within the study area. It also looks at current and proposed development activities within the project's area of influence, including those not directly connected to the project. It indicates the accuracy, reliability, and sources of the data.

### **E. Anticipated Environmental Impacts and Mitigation Measures**

This section predicts and assesses the project's likely positive and negative direct and indirect impacts to physical, biological, socioeconomic (including occupational health and safety, community health and safety, vulnerable groups and gender issues, and impacts on livelihoods through environmental media [Appendix 2, para. 6]), and physical cultural resources in the project's area of influence, in quantitative terms to the extent possible; identifies mitigation measures and any residual negative impacts that cannot be mitigated; explores opportunities for enhancement; identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions and specifies topics that do not require further attention; and examines global, transboundary, and cumulative impacts as appropriate.

## **F. Analysis of Alternatives**

This section examines alternatives to the proposed project site, technology, design, and operation—including the no project alternative—in terms of their potential environmental impacts; the feasibility of mitigating these impacts; their capital and recurrent costs; their suitability under local conditions; and their institutional, training, and monitoring requirements. It also states the basis for selecting the particular project design proposed and, justifies recommended emission levels and approaches to pollution prevention and abatement.

## **G. Information Disclosure, Consultation, and Participation**

This section:

- (i) describes the process undertaken during project design and preparation for engaging stakeholders, including information disclosure and consultation with affected people and other stakeholders;
- (ii) summarizes comments and concerns received from affected people and other stakeholders and how these comments have been addressed in project design and mitigation measures, with special attention paid to the needs and concerns of vulnerable groups, including women, the poor, and Indigenous Peoples; and
- (iii) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for carrying out consultation with affected people and facilitating their participation during project implementation.

## **H. Grievance Redress Mechanism**

This section describes the grievance redress framework (both informal and formal channels), setting out the time frame and mechanisms for resolving complaints about environmental performance.

## **I. Environmental Management Plan**

This section deals with the set of mitigation and management measures to be taken during project implementation to avoid, reduce, mitigate, or compensate for adverse environmental impacts (in that order of priority). It may include multiple management plans and actions. It includes the following key components (with the level of detail commensurate with the project's impacts and risks):

- (i) Mitigation:
  - (a) identifies and summarizes anticipated significant adverse environmental impacts and risks;
  - (b) describes each mitigation measure with technical details, including the type of impact to which it relates and the conditions under which it is required (for instance, continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; and
  - (c) provides links to any other mitigation plans (for example, for involuntary resettlement, Indigenous Peoples, or emergency response) required for the project.

- (ii) Monitoring:
  - (a) describes monitoring measures with technical details, including parameters to be measured, methods to be used, sampling locations frequency of measurements, detection limits and definition of thresholds that will signal the need for corrective actions; and
  - (b) describes monitoring and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures and document the progress and results of mitigation.
  
- (iii) Implementation arrangements:
  - (a) specifies the implementation schedule showing phasing and coordination with overall project implementation;
  - (b) describes institutional or organizational arrangements, namely, who is responsible for carrying out the mitigation and monitoring measures, which may include one or more of the following additional topics to strengthen environmental management capability: technical assistance programs, training programs, procurement of equipment and supplies related to environmental management and monitoring, and organizational changes; and
  - (c) estimates capital and recurrent costs and describes sources of funds for implementing the environmental management plan.
  
- (iv) Performance indicators: describes the desired outcomes as measurable events to the extent possible, such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods.

## **J. Conclusion and Recommendation**

This section provides the conclusions drawn from the assessment and provides recommendations.

**APPENDIX 3:  
OUTLINE TERMS OF REFERENCE FOR CONSULTING SERVICES  
FOR ENVIRONMENTAL ASSESSMENT**

**A. Objectives**

1. The objectives of the services are (i) to conduct an initial environmental examination (IEE) and/or environmental impact assessment (EIA) of the proposed project to identify potential environmental impacts on physical, environmental, ecological, social, cultural, and economic resources, and (ii) to prepare IEE/EIA report(s) along with environmental management and monitoring plans. The duration of an IEE study is about three months and an EIA study about five months.

**B. Scope of Work**

2. The consultant's scope of work will include the following tasks:

- (i) review prevailing government regulations and donor guidelines governing the assessment and management of environmental impacts of road projects;
- (ii) prepare a scoping document for the environmental studies to be carried out under the project;
- (iii) undertake the IEE/EIA<sup>5</sup> study to assess the direct and indirect environmental impacts of the project including, as necessary (a) ecological impacts (plants and wildlife); (b) soil erosion and desertification; (c) protection of wetland habitat; (d) impact of quarry sites; (e) impact of construction camps on local environment (natural and social); (f) operational traffic safety measures; (g) areas with known archaeological value; and (h) potential spills of hazardous or toxic chemicals and an appropriate response plan for the project;
- (iv) prepare the IEE/EIA report in accordance with ADB's *Safeguard Policy Statement* (2009) and *Public Communications Policy* (2005);
- (v) assess all potential direct and indirect environmental impacts of the project in the IEE/EIA study and present the assessment and appropriate mitigation and monitoring measures together with their costs in the order of project cycle: pre-construction, construction, and operation;
- (vi) conduct formal public consultations with affected people (at least two consultations for EIA and at least one consultation for IEE). The first consultation aims to gather environmental concerns from affected people and the final consultation aims to share the result of the assessment and the proposed mitigation measures;
- (vii) record in systematic manner the list of people who attended the consultation, the time and locations, and the subjects discussed during consultation and attach the record in the IEE/EIA report as an appendix;
- (viii) solicit and incorporate comments on the draft IEE/EIA reports from ADB, MNP, NGOs, civil society, and other stakeholders and finalize the reports to accommodate inputs from all the stakeholders; and
- (ix) submit the reports to MNP and make presentations as required by MNP to obtain environmental impact clearance certificates or equivalent.

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<sup>5</sup> ADB requires the preparation of and EIA for environment category "A" projects. Environment category "B" projects require an IEE followed by an EIA only if the IEE concludes that an EIA is necessary.

**C. Organization and Staffing**

3. The services are expected to be provided by a team comprising one international environmental specialist and national specialists in appropriate disciplines to suit each project and corresponding IEE/EIA.

4. **The International Environmental Specialist** shall at least be graduate of a recognized university in environmental science, environmental engineering, geological science, engineering hydrology, biology, or related discipline and have at least 15 years experience and familiarity with all aspects of environmental management and with significant experience in environmental management and monitoring of projects, environmental assessment and / or implementation of environmental mitigation measures on construction projects. The specialist shall also have experience working in teams of multi-discipline experts and leading a national team of consultants. Candidates with higher degrees in environmental engineering or environmental science or environment management are preferred.

5. Each **National Specialist** shall at least be a graduate of a recognized university in environmental science, environmental engineering, geological science, engineering hydrology, biology, or related discipline with significant experience in environmental management and monitoring of projects, environmental assessment, and/or design and implementation of environmental mitigation measures. A reasonable command of the English language, both spoken and written, is required.