



Project Summary Information

Date of Document Preparation/Updated: 06/19/26	
Project Name	Trans-Caspian Corridor–Georgia Accessibility and Transport Enhancement Project
Project Number	P001123
AIIB member	Georgia
Sector/Subsector	Transport
Alignment with AIIB's thematic priorities	Green Infrastructure; Connectivity and Regional Cooperation; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	To improve safe, efficient, and climate-resilient road connectivity in the Kakheti region by linking it to national and cross-border trade corridors, and to strengthen climate-informed road network management in Georgia.
Project Description	<p>The Trans-Caspian Corridor–Georgia Accessibility and Transport Enhancement Project (the Project) will support the development of a climate-resilient transport corridor in eastern Georgia through the construction and maintenance of key highway segments along the Tbilisi-Bakurtsikhe-Lagodekhi Highway, including new four-lane access-controlled sections between Badiauri and Bakurtsikhe, a two-lane Gurjaani-Telavi bypass, and associated structures. The Asian Infrastructure Investment Bank (AIIB) is co-financing the Project with the World Bank (WB), which will act as the lead co-financier.</p> <p>The Project will integrate climate adaptation measures to strengthen network resilience and reduce exposure to climate-related risks while improving regional connectivity, road safety, tourism, and economic activity. It will also strengthen project management and supervision, modernize road asset management through digitalization and intelligent transport systems, enhance institutional capacity for climate-informed planning and maintenance, support regional connectivity and sector sustainability analytics, promote women's economic empowerment, and include a contingent mechanism for emergency response.</p>

	<p>The Project supports climate-resilient road connectivity in eastern Georgia through the following components:</p> <ul style="list-style-type: none"> - Component 1: Road Connectivity Improvement (USD336 million). This component will finance the construction and maintenance of two four-lane highway segments: Lot 4 (Badiauri-Chalabani, 21.7 km) and Lot 5 (Chalabani-Bakurtsikhe, 9.1 km) along the Kakheti Highway and a 36.6 km two-lane Gurjaani-Telavi Bypass Road. In addition, this component aims to enhance institutional, technical, and oversight arrangements to ensure effective implementation, including support to project management, supervision, audits, and capacity building. - Component 2: Road Sector Institutional Strengthening (USD23 million). This component will support activities that strengthen the Road Department's (RD's) capacity through digitalization, including the establishment of a National Highway Control Centre (NHCC) and a national Intelligent Transport Systems (ITS) linked to existing road asset management systems. It also develops tools, data, and institutional frameworks to enhance climate resilience of the road network. - Component 3: Economic Empowerment and Analytics for Regional Integration and Road Sector Sustainability (USD3.14 million). This component will support activities aimed at supporting rural women entrepreneurs in Kakheti. In addition, this component will support sector analytics and technical assistance to inform future transport sector investments and private-sector participation. - Component 4: Contingent Emergency Response Component: A zero-dollar component designed to provide swift response in the event of an emerging crisis or emergency.
Expected Results	<p>The Project is expected to enhance the safety, efficiency, and climate resilience of transport connectivity in eastern Georgia. This is anticipated to result in safer and more reliable travel conditions, shorter travel times, and improved access to markets, services, and trade corridors for both communities and businesses.</p> <p>The Project Objective indicators will include (a) direct users that benefit from improved access to sustainable transport infrastructure and services (number of people); (b) people benefiting from climate resilient infrastructure (number of people); (c) travel time between Telavi and Poti Port through Kakheti highway (minutes); (d) travel time between Poti Port and Lagodekhi border crossing (minutes); (e) a new state-of-the-art roads control center developed and functional (Yes/No); and (f) climate risk management embedded in roads planning, design, and construction stages (Yes/No).</p>
Environmental and Social Category	B

<p>Environmental and Social Information</p>	<p>Applicable Policy and Categorization: As the Project is being co-financed with the WB, its environmental and social (ES) risks and impacts have been assessed in accordance with the WB’s Environmental and Social Framework (ESF) and the relevant Environmental and Social Standards (ESSs). The WB’s Independent Accountability Mechanism (IAM) will apply to the Project. To facilitate a harmonized approach to managing the ES risks and impacts of the Project, and as permitted under AIIB’s Environmental and Social Policy (AIIB’s ESP), WB’s ESF and ESSs will apply to the Project in lieu of AIIB’s ESP. AIIB has reviewed the WB’s ESF and ESSs and is satisfied that: (a) they are consistent with AIIB’s Articles of Agreement and materially consistent with the provisions of AIIB’s ESP, including AIIB’s Environmental and Social Exclusion List, and the relevant ESSs; and (b) the monitoring procedures in place are appropriate for the Project. The WB has categorized the Project’s ES risks as Substantial but considers the risks manageable due to the implementing agency’s strong experience and capacity. AIIB concurs with this assessment and classifies the Project as a Category B if AIIB’s ESP applied, but with high-risk rating, though noting the stable context, the effective mitigation measures, and the advanced status of resettlement implementation, with no major concerns identified.</p> <p>Environmental and Social Instruments: An Environmental and Social Impact Assessment (ESIA) and two Resettlement Action Plans (RAPs) have been prepared for the Badiauri–Chalaubani (Lot 4) and the Chalaubani–Bakurtshikhe (Lot 5) sections of the highway. In addition, the Labor Management Procedures (LMP) have been prepared to manage risks and impacts associated with labor and working conditions, and a Stakeholder Engagement Plan (SEP) has also been developed to establish a systematic and inclusive approach to stakeholder engagement and consultation. An ESIA and RAP for the Gurjaani-Telavi bypass section will be updated and disclosed following the finalization of the detailed design. The Environmental and Social Commitment Plan (ESCP) includes an action requiring the RD to finalize and disclose the updated ESIA and RAP for the bypass section reports prior to the tendering of works.</p> <p>Environment Aspects: Potential adverse environmental impacts may include air, soil, and water pollution; increased noise and vibration levels; habitat degradation and disturbance to wildlife; removal of trees and vegetation; slope erosion; generation of surplus excavated material and construction waste; generation of solid and liquid waste; occupational and traffic-related accident risks; community health and safety impacts associated with increased traffic and construction machinery; potential damage to chance finds; and temporary nuisances affecting local communities. Noise assessments indicate that noise levels may increase during both construction and operation. Mitigation measures, including noise barriers, equipment controls, and monitoring programs, will be implemented to ensure compliance with WB and AIIB requirements. Contractors will follow regulated sourcing practices and implement Environmental and Social Management Plans (ESMPs). Cultural heritage impacts are not anticipated, and chance-find procedures have been established. A short segment of the highway in Lot 5 traverses a natural habitat characterized by mixed oak and hornbeam forest. The assessments indicate</p>
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that approximately 45 hectares of this area will be affected. While a small portion of natural forests will be impacted, including tree removal, no protected species are expected to be directly affected. Biodiversity offset measures and natural habitat restoration plans will be developed to achieve no net loss of natural forest habitat. The Project's ES risks and impacts are expected to be effectively managed through the implementation of project-specific ES instruments.

Social and Gender Aspects: The nature, scale, and severity of the Project's social risks and impacts have been screened and assessed against the WB's and AIIB's ESSs. The most significant social risk associated with the Project relates to Involuntary Resettlement. A total of 440 households (HH) across Lots 4 and 5 will be economically displaced, with the majority affected by impacts on more than 10% of their landholdings. However, only 12 HH, comprising 14 dwellings and all located in Lot 5, will experience physical displacement. Although economic displacement is significant, such impacts are not uncommon for road improvement projects. Implementation of the Project's SEP and RAPs have not raised significant risks or issues beyond the expected level of inquiries and requests to date. The resettlement entitlement and compensation frameworks are aligned with the requirements of WB ESS 5 and AIIB ESS 2. Compensation must be paid at full replacement cost, including market value, transaction costs, transitional support such as business income support, and additional allowances for vulnerable and severely affected households. The bypass section will be managed using the same methodologies and instruments applied to Lots 4 and 5 following completions of the detailed design. Construction of the bypass section is not expected to begin before 2028. In addition, this is a gender-responsive Project in which gender risks and opportunities have been identified and assessed through the ESIA, ESMP, SEP, RAPs, and LMP. The Project is designed to proactively address risks and impacts affecting women, particularly women-led households, throughout all stages of Project development.

Occupational Health and Safety (OHS), Labor and Working Conditions: The Project will implement robust labor and OHS measures aligned with WB standards and EHS Guidelines. A Local Hiring Plan will prioritize employment of local and vulnerable groups to maximize community benefits. An LMP consistent with the WB's requirements on labor and working conditions has been prepared. The LMP requires contractors to incorporate and comply with GIIP on labor and human rights issues, specifically the Core International Labor Organization Standards covering equal opportunity, non-discrimination, fair wages, freedom of association, collective bargaining, and the prevention of unfavorable working conditions. Codes of Conduct will be developed for Project workers to promote safe and secure worksites, orderly and appropriate quality worker accommodations, and positive interactions between workers and local communities.

Stakeholder Engagement, Consultation and Information Disclosure: The Project has established a fully operational SEP aligned with WB and AIIB requirements, including provisions to ensure inclusion and careful consideration of risks and

	<p>impacts on vulnerable groups. Stakeholder engagement activities will continue throughout the life of the Project. All ES instruments have been disclosed to Project-affected people and interested stakeholders through the RD's and the WB's websites in April 2026. The documents are available in both English and Georgian on the RD's website¹ and will be disclosed on AIIB's website.</p> <p>Project Grievance Redress Mechanism (GRM): The RD has established a local, multi-tiered, project-level GRM accessible through the Ministry of Infrastructure (MoI) website and the judicial system, in line with WB and AIIB requirements. GRM is available to project-affected people, workers, and other stakeholders through multiple channels, including phone, email, and websites. The GRM accepts anonymous submissions, maintains a grievance log, and includes procedures for escalating and prioritizing high-risk issues. The mechanism also integrates protocols for addressing sexual abuse, exploitation, and harassment in accordance with GIIP. The information about established GRM will be disclosed in an appropriate manner.</p> <p>Monitoring and Supervision Arrangements: The RD has the mandate to serve as the Project Implementing Agency (PIA) and will conduct monitoring and evaluation of the Project monthly. ES implementation progress will be reported as part of the quarterly project monitoring report and submitted to WB and AIIB for review, together with an annual report summarizing Project performance, key risks, opportunities, and challenges based on agreed format. AIIB will maintain regular communication with the WB, conduct enhanced supervision missions twice a year during the first two years of implementation or until critical milestones, including the bypass component, have been achieved, and provide implementation support and guidance to the RD through adaptive management as necessary.</p>
<p>Cost and Financing Plan</p>	<p>Estimated total project cost: USD362.14 million - AIIB: USD181.07m* - WB: USD181.07m *The AIIB loan is expected to be denominated in EUR, up to USD181.07 million equivalent.</p>
<p>Borrower/Investee Company/Counter party/Guaranteed entity</p>	<p>Georgia</p>
<p>Implementing Entity/Sponsor</p>	<p>Roads Department of Georgia</p>

¹ ESIA: English version: [მთავარი](#), Georgian version: [მთავარი](#); SEP: English version: [მთავარი](#), Georgian version: [მთავარი](#); RAP (Lot 4): English version: [მთავარი](#), Georgian version: [მთავარი](#); RAP (Lot 5): English version: [მთავარი](#), Georgian version: [მთავარი](#); LMP: English version: [მთავარი](#), Georgian Version: [მთავარი](#).

Estimated date of loan closing (SBF)	Dec. 31, 2031			
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Date of Single Review Decision	June 19, 2026			
Estimated Date of Financing Approval	September 2026			

Independent Accountability Mechanism	WB's independent accountability mechanism (IAM), the Inspection Panel, which reviews WB's compliance with its policies and procedures, will handle complaints relating to WB's compliance with its ESF under the Project. In accordance with AiIB's Policy on the Project-affected People's Mechanism (PPM), submissions made to the PPM regarding complaints under the Project will not be eligible for consideration by the PPM. Information on the WB's Inspection Panel is available at http://www.inspectionpanel.org .
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