

Second Annual Monitoring Report to the Board of Directors
on the
Implementation of Remedial Actions
for the
Sustainable Urban Transport Investment Program Tranche 3 in Georgia
(Asian Development Bank Loan 3063)

11 November 2019

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The Compliance Review Panel thanks all those who contributed to this second annual monitoring report of the Sustainable Urban Transport Investment Program Tranche 3, notably, the Municipal Development Fund of Georgia including project consultants, the complainants, and Green Alternative for their cooperation during our site visit, the Asian Development Bank (ADB) Board of Directors, in particular, the members of the Board Compliance Review Committee; and the ADB Management and staff concerned.

ABBREVIATIONS

ADB	– Asian Development Bank
BCRC	– Board Compliance Review Committee
CRP	– Compliance Review Panel
km	– kilometer
km/h	– kilometer per hour
IEE	– initial environmental examination
MDF	– Municipal Development Fund of Georgia
MFF	– multi-tranche financing facility
RAP	– Remedial Action Plan
RAP-FS	– Remedial Action Plan-Final Solution
SPS	– Safeguard Policy Statement
SSEMP	– site-specific environmental management plan
TRURL	– Tbilisi-Rustavi Urban Road Link

NOTE

In this report, “\$” refers to US dollars.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

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I. INTRODUCTION

1. This monitoring report concerns three of a total of four complaints received by the Compliance Review Panel (CRP) of the Accountability Mechanism of the Asian Development Bank (ADB) concerning Loan 3063: Sustainable Urban Transport Investment Program (Tranche 3) (Project) in Georgia.¹ The complaints concern sub-project 1: Tbilisi-Rustavi Urban Road Link (section 2) of the Project, which involves the modernization of an existing and the construction of a new road from Ponichala to Rustavi. The first three complaints which are the subject of this monitoring report address environmental issues associated with sub-project 1, as further described below.

2. The first complaint was received by the CRP on 14 March 2016 from 81 residents of a 9-storey building identified as 12 v/g. The second complaint was received by the CRP on 10 November 2016 from 72 residents of building 16 a/b. The third complaint was received by the CRP on 21 June 2018 from 30 residents of a 5-storey building identified as 28a. All three complainant groups reside in buildings in the Ponichala area of the Rustavi Highway in Tbilisi, Georgia where a 6.8 km stretch of new road will be constructed. Based on the procedures stated in the ADB Accountability Mechanism Policy (AMP), each of the complaints was assessed by the CRP as within the mandate of compliance review and subsequently, all were deemed eligible for compliance review by the CRP. However, considering the timing of complaint submission, the compliance review was conducted based on the first complaint. The CRP considered the second complaint ineligible and did not request the authorization of the Board to conduct a separate compliance review as the compliance review triggered by the first complaint had been completed. Furthermore, the issues raised by the second group of complainants were very similar to those of the first complaint and would in any event need to be addressed by Management as part of the remedial actions associated with compliance review of the first complaint. The third complaint shared many common issues with the first and second complaints, save for lack of assessment of site-specific vibration impact on building 28a. It was received by the CRP during the early stages of implementation of Board-approved remedial actions (i.e., the Board-approved Remedial Action Plan [RAP],² including the Remedial Action Plan-Final Solution [RAP-FS]³). As such, the CRP considered that while there was strong evidence of noncompliance (i.e., lack of assessment of vibration impact on building 28a) and this was linked to likely harm to the third group of complainants, the new evidence was not serious enough to merit a separate compliance review. Further, the remedial actions for the Project were sufficient to address the issues raised in all three complaints as they were applicable to the Project in its entirety.

3. For purposes only of presenting the overall case history in its entirety, the CRP adds that on 11 October 2018, a fourth complaint concerning the Project was sent to the CRP by 18 residents of affected households at four numbered residential structures at Marneuli Street, Rustavi Highway, Tbilisi, Georgia. This fourth complaint differed from the first three complaints in respect of the Project as the focus of the complainant was on compensation for resettlement. The CRP conducted an eligibility determination and concluded that the complaint was at that time

¹ The Georgia: Sustainable Urban Transport Investment Program – Tranche 3 project web page is at <https://www.adb.org/projects/42414-043/main>.

² Board-approved Remedial Action Plan. [https://lnadbg4.adb.org/dir0035p.nsf/attachments/GEO-SUTIP3-RAP-Final%20Solutions%20\(Post%20CRP%20and%20BCRC%20Review\)_3May2018.pdf/\\$FILE/GEO-SUTIP3-RAP-Final%20Solutions%20\(Post%20CRP%20and%20BCRC%20Review\)_3May2018.pdf](https://lnadbg4.adb.org/dir0035p.nsf/attachments/GEO-SUTIP3-RAP-Final%20Solutions%20(Post%20CRP%20and%20BCRC%20Review)_3May2018.pdf/$FILE/GEO-SUTIP3-RAP-Final%20Solutions%20(Post%20CRP%20and%20BCRC%20Review)_3May2018.pdf)

³ ADB. Central and West Asia Department. Loan 3063-GEO: Sustainable Urban Transport Investment Program Tranche 3 Remedial Action Plan Final Solution; April 2018 available at [https://lnadbg4.adb.org/dir0035p.nsf/attachments/GEO-SUTIP3-RAP-Final%20Solutions%20\(Post%20CRP%20and%20BCRC%20Review\)_3May2018.pdf/\\$FILE/GEO-SUTIP3-RAP-Final%20Solutions%20\(Post%20CRP%20and%20BCRC%20Review\)_3May2018.pdf](https://lnadbg4.adb.org/dir0035p.nsf/attachments/GEO-SUTIP3-RAP-Final%20Solutions%20(Post%20CRP%20and%20BCRC%20Review)_3May2018.pdf/$FILE/GEO-SUTIP3-RAP-Final%20Solutions%20(Post%20CRP%20and%20BCRC%20Review)_3May2018.pdf)

ineligible as the complainants and ADB Management had expressed willingness to continue efforts to resolve the issues raised in the complaint.

4. ADB Management submitted a RAP to the Board Compliance Review Committee (BCRC) through the CRP in June 2017. Among other matters, this provided for the conduct of additional noise and vibration studies and for further consultation with affected persons, particularly those who were disadvantaged and visually impaired to address the areas of noncompliance that had been identified by the CRP in its final report on its compliance review of the Project. In April 2018, per para. 5 of the RAP, ADB Management submitted the identified solutions and actions for the review of the BCRC through the CRP. After considering comments from CRP and the BCRC, the solutions identified were included in an updated RAP in the form of the RAP-FS. The RAP, including the RAP-FS, became the basis of the subsequent annual monitoring of the CRP.

5. In July 2018, the CRP conducted its first annual monitoring of the implementation of the RAP, including the RAP-FS considering only the first and second groups of complainants. At that time, the third complaint was at the eligibility determination stage.

6. The present second annual monitoring report covers actions taken to address all of the first three complaints. In accordance with para. 192 of the AMP, the CRP has monitored the implementation by ADB Management and staff of the Board-approved RAP, including the RAP-FS, to ensure that the Project is brought into compliance with ADB's operational policies and procedures. This second annual monitoring report describes and assesses the progress made by ADB Management on the implementation of the Board-approved RAP which also includes, the Final Solutions⁴ submitted by ADB Management to BCRC in April 2018 together with the comments of the CRP and BCRC, for the Project, which are integral part of the RAP approved by the Board in June 2017. Unless otherwise specified by the Board, the CRP will monitor the implementation of the remedial actions annually for up to 3 years from the Board decision on the RAP.

7. This second annual monitoring report is based on the CRP's review of relevant project documents, including additional studies and other reports; meetings with government representatives of Georgia, particularly the executing agency (i.e., the Municipal Development Fund of Georgia-MDF), including its project consultants and contractors; meetings with representatives of all three groups of complainants; and meetings with ADB project team including relevant staff from the ADB Georgia Resident Mission. The CRP also conducted a monitoring mission from 10-11 September 2019, which included a project site visit. This second annual monitoring mission was led by Ajay Deshpande, CRP member, with Dingding Tang, Chair of the CRP, and Halina Ward, CRP member. Josefina Miranda, Senior Compliance Review Officer from the Office of the Compliance Review Panel (OCR) supported the CRP mission. A list of persons met by the CRP during its mission is provided in Appendix 3.

II. DESCRIPTION OF THE PROJECT

8. The subject complaints refer to sub-project 1: Tbilisi-Rustavi Urban Road Link (section 2) of the Project which involves the modernization of an existing road and the construction of a new road from Ponichala to Rustavi. When finished in its initially proposed form, the total road length

⁴ ADB. Central and West Asia Department. Loan 3063-GEO: Sustainable Urban Transport Investment Program Tranche 3 Remedial Action Plan Final Solution; April 2018 available at [https://lnadbg4.adb.org/dir0035p.nsf/attachments/GEO-SUTIP3-RAP-Final%20Solutions%20\(Post%20CRP%20and%20BCRC%20Review\)_3May2018.pdf/\\$FILE/GEO-SUTIP3-RAP-Final%20Solutions%20\(Post%20CRP%20and%20BCRC%20Review\)_3May2018.pdf](https://lnadbg4.adb.org/dir0035p.nsf/attachments/GEO-SUTIP3-RAP-Final%20Solutions%20(Post%20CRP%20and%20BCRC%20Review)_3May2018.pdf/$FILE/GEO-SUTIP3-RAP-Final%20Solutions%20(Post%20CRP%20and%20BCRC%20Review)_3May2018.pdf)

for the Project would be 6.8 km, of which 3.8 km would be new road construction along the Mtkvari river. Upon completion, the road was expected to be an international standard, Category I highway, with 4 lanes and with a general design that can accommodate vehicles with speeds of 80km/h. In some areas, a reduction of speed is anticipated to mitigate noise impacts.

9. The Project is part of an overall investment program valued at \$1.1 billion to be implemented from 2010-2020 which aims to improve the reach, quality, and continuity of urban transport in Georgia. To partially fund it, a multi-tranche financing facility (MFF) with a maximum financing amount of \$300 million was approved by ADB in July 2010. The MFF which is to be implemented from 2010 to 2018, is for the (i) extension, rehabilitation, and improvement of urban transport infrastructure in Anaklia, Batumi, Kutaisi, Poti, Rustavi, and Tbilisi; (ii) increased institutional effectiveness, including the reorganization and reforms at the Tbilisi municipality, other municipalities and urban transport service providers; and (iii) establishment of program management team with a capability and funds to handle project preparation, technical design, contract bidding, evaluation and award, contract supervision, progress monitoring and reporting.⁵ Investments funded under the MFF are intended to improve the transport system and infrastructure in urban areas. Tranche 3 includes two subprojects: (i) section 2 (km 4.0-10.8) of the international standard Tbilisi-Rustavi Urban Road Link (TRURL); and (ii) phase 2 of Anaklia Coastal Improvement.

10. The Project is funded under Tranche 3 of the MFF, which was approved on 25 November 2013. The total project cost is \$118.2 million with ADB providing \$73 million of funding under this Tranche. The borrower is the Government of Georgia (Government) and the Municipal Development Fund (MDF) of Georgia is the executing agency. The Project, which is implemented from ADB Headquarters by the Urban Development and Water Division of the Central and West Asia Department, is categorized as B for environmental impacts; A for involuntary resettlement impacts; and C for indigenous peoples' impacts. Construction work under the project has been in advance stage except the road stretch near Ponichala, where the construction works have not started due to opposition from residents, except some work of retaining wall in the riverbed. The revised project closure date as per website disclosure is 18 July 2020. A draft initial environmental examination (IEE) for the Project was completed and posted on the ADB website in September 2013. This initial IEE was revised as vibration and noise impacts needed to be studied. A revised IEE was posted on the ADB website in December 2015. The construction of Section 2 of 6.8 km will involve acquisition of 312 land plots with 29.5 hectares of land areas, demolition of 692 structures (82 residential structures, 90 industrial and commercial structures, and 520 minor structures). A total of 282 households and 33 businesses will be affected. Per ADB Safeguard Policy Statement (SPS),⁶ a land acquisition and resettlement framework (LARF) was prepared prior to the approval of the MFF. Subsequently, a land acquisition and resettlement plan (LARP) was prepared. However, since the properties of the first three groups of complainants will not be required by the Project, the complainants are not among the persons addressed by LARP.

III. COMPLIANCE REVIEW AND REMEDIAL ACTION PLAN

11. This section summarizes the findings and conclusions arrived at by the CRP as a result of its compliance review as well as the scope of Management's RAP, including the RAP-FS and the CRP's and BCRC's comments on it. Collectively, these form the basis for the CRP's monitoring of the progress of the implementation of actions to ensure that the Project is brought back to compliance with ADB's operational policies and procedures.

⁵ Project details are at <http://www.adb.org/projects/42414-013/main#project-pds>.

⁶ ADB. 2009. *Safeguard Policy Statement*. Manila.

12. In its compliance review, the CRP considered the Project's compliance with the following ADB policies and operational procedures that were in effect when the Project was processed and approved:

- (i) Safeguard Policy Statement (2009);
- (ii) Public Communications Policy (2011);
- (iii) Operations Manual (OM) Section F1 (Safeguard Policy Statement) issued on 1 October 2013;
- (iv) OM Section C3 (Incorporation of Social Dimensions into ADB Operations) issued on 6 December 2010; and
- (v) OM Section L3 (Public Communications) issued on 2 April 2012.

13. Following its fact finding, the CRP's final compliance review report⁷ stated that it found noncompliance primarily with the environment requirements of SPS as:

- (i) *the Project will create noise impacts on people living in a densely populated area above the ADB allowed maximum noise standards;*
- (ii) *people might be endangered from loose parts of buildings falling down during road construction;*
- (iii) *Vibration impacts have to be reassessed for all project-affected buildings which have annexes which – in terms of size – are a significant part of the building, and where impacts have only been modeled on the core structure of the building. Vibration impact assessments need to consider the core structure and the annexes. Moreover, natural frequencies need to be measured for all project-affected buildings included under the vibration impact studies. Measured data then need to be entered into the vibration impact model (rather than assumed data) to assess the vibration impacts on buildings. If revised calculations of the model show that the project affected buildings will be damaged by the impacts of vibrations, adequate mitigation measures need to be taken. Mitigation measures need to be implemented prior to the commencement of road construction to secure the buildings and assure safety of residents;*
- (iv) *impacts on vulnerable and disadvantage groups have not been assessed and no mitigation measures have been designed;*
- (v) *insufficiently targeted consultations have been conducted with vulnerable groups, especially vision impaired people;*
- (vi) *ecological impacts of the project on the Mtkvari River have not been assessed; and*
- (vii) *the Project has not been appropriately classified for environmental impacts.*

14. The CRP found however that the Project was compliant with ADB air quality standards and requirements.

⁷ The CRP's Final Report on the Compliance Review of Loan 3063: Sustainable Urban Transport Investment Program (Tranche 3) is available at [https://lnadbg4.adb.org/dir0035p.nsf/attachments/GEO-CRP-Final%20Report-6March-Board.pdf/\\$FILE/GEO-CRP-Final%20Report-6March-Board.pdf](https://lnadbg4.adb.org/dir0035p.nsf/attachments/GEO-CRP-Final%20Report-6March-Board.pdf/$FILE/GEO-CRP-Final%20Report-6March-Board.pdf)

IV. RESULTS OF THE SECOND ANNUAL MONITORING OF THE REMEDIAL ACTION PLAN

15. The CRP notes that there has been limited progress in the construction activities in Phases 2 and 3 of the section of the Project over the period since its first annual monitoring report. While there was active collaboration between ADB Management and the executing agency of the Project – MDF – no construction activity had occurred in the areas where the complainants reside during the relevant monitoring period.

16. The CRP was informed by ADB that considering the long delay and continued opposition of the residents for the road project, a major change in the scope of Tranche 3 is being processed by ADB in order to address a request from the borrower. The Ministry of Finance of the government of Georgia (Government) has requested removal of the remaining works under Phase II and Phase III of the TRURL Section 2 of the Project. The change consists of reduction of scope of TRURL, Section 2 works from 6.8 km to 3.5 km as only Phase I of the works and connections to the existing road will be completed as part of the Project. The borrower's proposal is that the connection between the road subsections improved under Phase I will be materialized through the existing road in Ponichala rather than through the alignment that had previously been envisaged under Section 2 of the Project.

17. Both the existing RAP and subsequent RAP-FS as well as the CRP and BCRC's associated comments were reviewed and approved by the ADB Board. The CRP is mandated to monitor the Board-approved RAP. Any change or deviation in the Project design and associated changes in the RAP need to be presented to BCRC, through the CRP, for the necessary review and consideration.

18. The following paragraphs detail the CRP's observations and its assessment of the Project's level of compliance; and provide suggestions to ADB Management to ensure that the Project is brought back into compliance with ADB's operational policies and procedures.

A. NOISE IMPACTS

Status of Compliance: At the time of this report, ADB is in partial compliance with this action.

Management's Action Plan No. 1: Action to address ADB's noncompliance in relation to CRP's findings on noise impacts

Noise Impacts Study:

- 1.1 Establish noise baseline in Ponichala and a model under different scenarios to meet WHO standards reflected in the WB EHS Guidelines.
- 1.2 Draft Noise Impact Study report reviewed by ADB and MDF and shared with CRP for review.
- 1.3 Selection of a noise mitigation approach which will bring the Project into compliance with ABD's policies and requirements.
- 1.4 Start implementation of mitigation option following the integrated approach.
- 1.5 Preparation and implementation of noise monitoring program during construction and operational phases (for at least up to 3 years of road operation with one set of sampling annually)
- 1.6 Inclusion of following in the agreement with contractor during project construction:
 - restriction of working hours from Monday until Friday with work conducted only between 7 am – 7 pm
 - installation of temporary noise barriers in construction areas located near residential buildings.

(See Appendixes 1 and 2 for the full text and details of the Management's Remedial Action Plan and the Management's Remedial Action Plan Final Solution, respectively.)

19. **CRP findings regarding compliance with Action No. 1.** In its first annual monitoring report,⁸ the CRP noted that ADB Management had completed a noise impact assessment study and had also finalized the technical solution for abatement of noise impact in the entire project stretch of Ponichala. This noise abatement proposal included a mix of various measures including an acoustic tunnel of 560-meter length covering both carriageways, together with two noise walls, one 5-meter high, 880-meter long wall and the second 8-meter high and 188-meter long. During the present monitoring period, the CRP was informed that there is continued resistance of the residents for the construction of the Ponichala section of the road and no construction work could be initiated in this stretch. The CRP was informed that considering the long delay and continued opposition of the residents for the road project, a major change in the scope of Tranche 3 was being processed in order to address a request from the borrower. The Ministry of Finance has requested removal of the remaining works under Phase II and Phase III of the TRURL Section 2 of the Project. The connection between the road subsections improved under Phase I will be materialized through the existing road in Ponichala rather than through the alignment that had previously been envisaged under section 2 of the Project.

⁸ The CRP's First Annual Monitoring Report to the Board of Directors on the Implementation of Remedial Actions for the Sustainable Urban Transport Investment Program Tranche 3 in Georgia (Asian Development Bank Loan 3063) is available at [https://lnadbg4.adb.org/dir0035p.nsf/attachments/GEO%20SUTIP-T3-1st%20Monitoring%20Report-ForWeb.pdf/\\$FILE/GEO%20SUTIP-T3-1st%20Monitoring%20Report-ForWeb.pdf](https://lnadbg4.adb.org/dir0035p.nsf/attachments/GEO%20SUTIP-T3-1st%20Monitoring%20Report-ForWeb.pdf/$FILE/GEO%20SUTIP-T3-1st%20Monitoring%20Report-ForWeb.pdf).

20. The CRP notes that as a result of these developments, no physical construction activities have been carried out since the CRP's last monitoring report, though some incomplete works remain in place. These include a retaining wall foundation about 60 meters long in the riverbed, making use of a cofferdam constructed with local rubble from the riverbed itself.

Figure 1: The 60-meter long retaining wall foundation in the riverbed with protruding metal rods and still uneroded cofferdam beside it



Source: Office of the Compliance Review Panel (OCRCP)

21. The CRP observes that the implementation of proposed noise abatement measures has not begun in the entire Ponichala stretch of the Project. However, ADB has conducted Noise Modeling studies of the existing Tbilisi-Rustavi Highway considering the proposed change in alignment requested by the borrower. The CRP understands that the resulting noise modelling report was shared by MDF with residents during its interactions with them in June 2019.

22. The CRP notes that activities related to implementation of various measures listed in Management Action No. 1 have not progressed due to the proposed change in alignment, and that ADB's decision-making process on this proposal is still underway.

23. Both the existing RAP and subsequent RAP-FS as well as CRP and BCRCs' associated comments were reviewed and approved by the ADB Board. The CRP is mandated to monitor the Board-approved RAP. Any change or deviation in the project design and associated changes in the RAP need to be presented to BCRC, through CRP, for the necessary review and consideration.

24. **CRP conclusions regarding compliance with Management Action No. 1.** The CRP concludes that ADB is in partial compliance with this action. In order to achieve full compliance, pending formal ADB approval and subsequent review and approval of updated/modified RAP, ADB should take measures as mentioned in Management Action No. 1 as follows:

- 1.4 Start implementation of mitigation option following the integrated approach.

1.5 Preparation and implementation of noise monitoring program during construction and operational phases (for at least up to 3 years of road operation with one set of sampling annually)

1.6 Inclusion of following in the agreement with contractor during project construction:

- restriction of working hours from Monday until Friday with work conducted only between 7 am – 7 pm
- installation of temporary noise barriers in construction areas located near residential buildings.

25. Further, ADB is also encouraged to follow the CRP's suggestions in para. 26 of its first annual monitoring report, which are reproduced below for ease of reference.

- (i) *The noise mitigation approach and strategies during construction and operation need to be finalized after the consultation with affected people (Action items 5.3 and 5.4) and record of such consultations be shared with the CRP...*
- (iii) *ADB shall share details of the proposed the temporary noise mitigation measures during construction period and its adequacy to comply with the applicable noise standards to CRP for review and comments. (Action item 1.6)*
- (iv) *The details of noise monitoring program (ToR) during construction and operation including the location of sampling, sampling frequency, duration, etc. shall be submitted to the CRP for review and comments.*
- (v) *The SSEMP which is expected to have detailed construction plan, temporary noise mitigation measures, enforcement strategies, etc., shall be shared with the CRP for review and comments before finalization.*
- (vi) *Implement the mitigation and monitoring measures. (Action items 1.4 to 1.6)*

B. VIBRATION IMPACTS

Status of Compliance: At the time of this report, ADB is in partial compliance with this action.

Management's Action Plan No. 2: Action to address ADB's noncompliance in relation to CRP's findings on vibration impacts

Vibration Impacts Study:

- 2.1 Measure the natural frequencies of the core and annexes of the buildings in the Ponichala. Model the impacts of the vibrations from the project and recommend appropriate mitigation measures.
- 2.2 Draft report with measured natural frequency reviewed by ADB and MDF and shared with CRP for review.
- 2.3 Second draft of the vibration report submitted to CRP for comments, including vibration impact assessments on the core and annexes, if annexes are significant, of the buildings under different noise mitigation scenarios.
- 2.4 Selection of a vibration mitigation approach which will bring the Project into compliance with ABD's policies.
- 2.5 Start implementation of mitigation option following the integrated approach.
- 2.6 Operation of an effective monitoring system of vibration impacts during construction phase and inclusion of following in the contractual agreement with contractor:
 - (i) Plan of location of vibration monitoring system (for structural assessment vibration of foundation, for impact on people in the flats);
 - (ii) Online analysis of vibration monitoring data (for structural assessment: DIN 4150-3; for impact on people: DIN 4150-2);
 - (iii) Definition of threshold values (early warning stage, exceedance) for an automatically generated message to a defined group of persons;
 - (iv) Action plan in case of exceedance; and
 - (v) Documentation and report of vibration monitoring.
- 2.7 Removal of loose parts from buildings subject to result of vibration impact study prior to beginning of construction work.
- 2.8 Adequate securing of all annexes prior to construction work.

(See Appendixes 1 and 2 for the full text and details of Management's Remedial Action Plan and Management's Remedial Action Plan Final Solution, respectively.)

26. **CRP findings regarding compliance with Action No. 2.** During its second annual monitoring visit, the CRP was informed about the proposed change in alignment. This would remove from the Project the stretch of road in Ponichala that was a cause of concern related to vibration and associated impacts on nearby buildings.

27. As a result of these developments construction works in the stretch in Ponichala have not started as the proposed change consists of reduction of scope of the TRURL, Section 2 works from 6.8 km to 3.5 km. Only Phase I of the works and connections to the existing road will be completed as part of the Project. The CRP during its site visit on 10 September held discussions with the residents and noted that they were aware of the proposed change in alignment, though they had concerns and questions related to the permanence of such a change in alignment and a possibility of reopening of the alignment in the near future. During discussions with MDF and ADB, the CRP heard that in the event of realignment, the issue of vibration would become

irrelevant as no ADB-financed work would be required on the construction of road in the Ponichala stretch which is a cause of concern for vibration.

28. The CRP therefore notes that there is no significant progress in implementation of measures suggested in Management Action No. 2 or the CRP's suggestions as per para. 36 of the CRP's first annual monitoring report.

29. **CRP conclusions regarding compliance with Action No. 2.** The CRP finds that ADB is in partial compliance with Action No. 2. Pending the formal ADB approval and subsequent review and approval of the updated/modified RAP, ADB should take measures as referred to in Management Action No. 2 below.

2.5 Start implementation of mitigation option following the integrated approach.

2.6 Operation of an effective monitoring system of vibration impacts during construction phase and inclusion of following in the contractual agreement with contractor:

- (i) Plan of location of vibration monitoring system (for structural assessment vibration of foundation, for impact on people in the flats);
- (ii) Online analysis of vibration monitoring data (for structural assessment: DIN 4150-3; for impact on people: DIN 4150-2);
- (iii) Definition of threshold values (early warning stage, exceedance) for an automatically generated message to a defined group of persons;
- (iv) Action plan in case of exceedance; and
- (v) Documentation and report of vibration monitoring.

2.7 Removal of loose parts from buildings subject to result of vibration impact study prior to beginning of construction work.

2.8 Adequate securing of all annexes prior to construction work.

30. ADB is also encouraged to follow the CRP's suggestions in para. 36 of the CRP's first annual monitoring report (reproduced below) to reach full compliance.

- (i) *The vibration impact mitigation approach and strategies for the construction and operation phase need to be finalized after the consultation with local people (Action 5.3 and 5.4 read with Action 2.7 and 2.8) and record of consultations be shared with the CRP. The CRP has already communicated its comments on consultation strategy through memo dated 27 June 2017.*
- (ii) *ADB shall examine specific impacts of vibration due to rock cutting near building 28a as the cutting activity is located only 14m from the building edge.*
- (iii) *ADB shall share the details of final solution and actions proposed along with methodology for works to be carried out under action 2.7 and 2.8 with the CRP for review and comments.*
- (iv) *The SSEMP which is expected to ensure compliance of action 2.6 and likely to include detailed construction plan; deployment of the machineries; temporary vibration control and mitigation measures; vibration monitoring system, enforcement strategies; shall be shared with the CRP for review and comments before finalization.*
- (v) *ADB shall implement the proposed mitigation measures and monitoring system as per action 2.5 to 2.8.*

C. IMPACTS ON VULNERABLE GROUPS

Status of Compliance: ADB is in partial compliance with this Action. ADB Management needs to do substantial additional work to reach compliance with SPS, Appendix 1, para. 8.

Management's Action Plan No. 3: Action to address ADB's noncompliance in relation to CRP's findings on impacts on vulnerable groups

- 3.1 Recruitment of a national communication consultant.
- 3.2 Prepare the methodology for targeted consultations with vulnerable people and groups.
- 3.3 Conduct targeted consultations with vulnerable groups and people to assess impacts during (i) construction phase, and (ii) operations phase.
- 3.4 Findings of the draft report to be reviewed by ADB and MDF and shared with CRP for review.
- 3.5 The report findings and proposed measures will be translated in to local language and disseminated and discussed with affected people.
- 3.6 Implement identified mitigation measures (including social assistance program for vision impaired persons during construction) following the integrated approach for protection of vulnerable people during (i) construction phase and (ii) operation phase.

(See Appendixes 1 and 2 for the full text and details of the Management's Remedial Action Plan and the Management's Remedial Action Plan Final Solution, respectively.)

31. **CRP findings regarding compliance with Action No. 3:** In para. 42 of its first annual monitoring report, the CRP listed specific suggestions to ensure compliance with Management Action No. 3. The CRP was informed by ADB Management that no activities related to implementation of that Action or to the CRP's suggestions have progressed as the borrower's request for a change in the alignment of the road is being processed. MDF informed the CRP that the proposed change in alignment would not result in any road development works near the complainants' buildings, and that there would not be any adverse impacts on vulnerable people who would potentially have been affected by the design of the previous alignment.

32. During the CRP's interaction with the residents, including vulnerable people on 10 September 2019, it became clear that the community is aware of the proposal to change the alignment, though there is apprehension regarding whether any change is likely to be permanent. Some residents expressed the view that once ADB's role in the Project ends, the alignment might be brought back to its original route.

33. The CRP was informed by MDF about structured interactions they have conducted with the residents, particularly visually impaired people, to inform them of the decision of the Government to change the alignment. MDF informed the CRP that out of the 95 visually impaired people identified and referred in RAP-FS, according to the most up to date information available to them, 10 are now deceased, 8 have moved out and 35 attended the meeting with the assistance of relatives. Subsequently, MDF had approached the remaining 42 visually impaired people individually and informed them of the proposed change in alignment. MDF also informed the CRP that records of such meetings and discussions had been maintained, in accordance with the CRP's suggestion in its first annual monitoring report.

34. The CRP notes that during interactions between MDF and the community, some specific requests for installation of traffic lights; modernization of the existing road; and signage in respect

of speed limits, among others, were made. ADB informed the CRP that if the proposed change in alignment is agreed to by ADB, then the existing road segment through Ponichala would not fall under ADB financing. MDF also mentioned that these issues fall within the mandate of the City Council, and that they would be requesting the City Council to take suitable actions on these requests. MDF told the CRP that it had also informed the community about the removal of construction debris while complying with all the statutory environmental norms.

35. The CRP notes that there is no significant progress in implementation of measures suggested in Management Action No.3 nor the CRP's suggestions in para. 42 of its first annual monitoring report.

36. **CRP conclusions regarding compliance with Action No. 3.** The CRP finds that Management is in partial compliance with this action item. Pending the formal ADB approval and subsequent review and approval of updated/modified RAP, ADB should take measures to implement Management Action No. 3 (reproduced below) to achieve full compliance.

- 3.5 The report findings and proposed measures will be translated in to local language and disseminated and discussed with affected people.
- 3.6 Implement identified mitigation measures (including social assistance program for vision impaired persons during construction) following the integrated approach for protection of vulnerable people during (i) construction phase and (ii) operation phase.

37. ADB Management is also encouraged to follow the CRP's suggestions in para. 42 of the CRP's first annual monitoring report, notably, the implementation of the actions listed at point (ii), (iii), (iv), and (vi) (reproduced below), which relate to consultation data compilation and disclosure and the formulation of a social assistance program, should be expedited and where feasible undertaken in advance of formal approval of the change in alignment, in the event that that decision-making process is protracted.

- (ii) *define a social assistance program of measures to mitigate impacts especially during construction of road;*
- (iii) *submit results of targeted consultations on impacts of road construction and proposed mitigation program to CRP for review and comment prior to finalization;*
- (iv) *translate results of consultations on impacts during construction and proposed mitigation measures into local language and post on ADB website (Action item 3.5);*
- (vi) *translate Consultations Report for Ponichala (pages 1-20, dated December 2017) and post on ADB and MDF website.*

D. IMPACTS ON RIVER ECOLOGY

Status of Compliance: ADB is in partial compliance with this action.

Management's Action Plan No. 4: Action to address ADB's noncompliance in relation to CRP's findings on impacts on water and river ecology

River Ecological Impact:

- 4.1 Establish baseline survey, conduct ecological screening and impact assessment study to investigate impacts of project construction and operation on the river, with particular attention paid to impacts on protected fish species, if detected.
- 4.2 Draft report reviewed by ADB and MDF and shared with CRP for review.
- 4.3 Translate summary of draft report into local language, disseminate and conduct consultations with local stakeholders.
- 4.4 Implement mitigation measures based on an updated environmental management plan (EMP), which would include specific EMP for the river ecosystem to be affected by the road with additional mitigation measures based on the findings and recommendations of the river ecology report.
- 4.5 Revise the design of the storm water drainage to protect the river water in case of traffic accidents. Contingency plans will be prepared as part of the site specific environmental management plan. The volume of storm water retention basin with oil separator, has to in the magnitude to store the content of one full tank volume of a truck.

(See Appendixes 1 and 2 for the full text and details of the Management's Remedial Action Plan and the Management's Remedial Action Plan Final Solution, respectively.)

38. **CRP findings regarding compliance with Action No. 4.** The CRP notes that ADB has conducted a river ecology screening and impact assessment study to investigate the ecological sensitivity of the river; assess the magnitude of impacts from the Project; and propose mitigation measures. The study concludes that impacts of the project on the river Mtkvari would be minor. ADB informed CRP that in order to meet the requirements of the SPS, a site-specific environmental management plan (SSEMP) has been prepared to address mitigation and management while working within the Mtkvari river. However, ADB informed CRP that with the proposed change in alignment, Action items 4.4 and 4.5 are no longer relevant given that the project will no longer be completed. However, CRP notes that the river ecology study does conclude that the Mtkvari River, while degraded, is still considered to be a natural habitat. ADB therefore informed the CRP that in order to meet the requirements of the SPS, the SSEMP will be prepared (Action item 4.4) with additional mitigation measures based on the findings and recommendations of the river ecology study report considering the proposed change in alignment.

39. MDF's due diligence report proposes to undertake habitat restoration along the riverbanks to mitigate residual impact on the natural habitat, to create additional riparian areas with connection to adjacent parklands and to meet 'no net loss'⁹ requirements of the SPS in respect of the river reinstatement works. The CRP is of the view that at a minimum, ADB needs to implement these actions simultaneously with project development activities, if not earlier.

⁹ As provided under ADB's Safeguard Policy Statement, para. 24, "The borrower/client will need to identify measures to avoid, minimize, or mitigate potentially adverse impacts and risks and, as a last resort, propose compensatory measures, such as biodiversity offsets, to achieve no net loss or a net gain of the affected biodiversity."

40. The CRP was informed that foundations for three sections of retaining wall (20m/section) have already been constructed including rebar arrangement at KM 5+800-KM6+600 in July-August 2019, when the water level in the river was low. However, the main body of retaining wall could not be concreted then as the works have been stopped. As a result, long sections of reinforcement bars are now protruding from the river. (See Figure 1 above).

41. In its project site visit with MDF and contractor representative, the CRP also visited a construction material dump located near the industrial area along with MDF officials and representatives of the contractor. According to estimates prepared by MDF, the dump has a volume of about 160,000 cubic meters and is located next to both the residential areas of Ponichala and the industrial area. The CRP was informed that a remedial plan for this dump is being finalized as part of environmental due diligence for the proposed change in alignment.

Figure 2: The CRP on top of the pile of construction material/debris while discussing with project contractor restoration works for it



Source: OCRP

42. The CRP was informed by ADB that a due diligence report was completed by MDF in June 2019 and according to the Hydrologic Analysis of the Mtkvari River carried out during design stage, even in the event of constructing a 1,700m long retaining wall, the river bed and its natural flows are not affected by presently constructed part of the retaining wall, which is only 60m long. The structure does not impede the flow since it is located at the shore of the river. ADB informed the CRP that this may even be beneficial in terms of habitat, with riverine species enabled to breed in relatively calm flows. It should be noted that flow rate at this section of the river is high, endangering breeding processes if they take place in the middle of the river. As to scouring, ADB informed the CRP that due to existing rocky material found at the shore, the risk of scouring is avoided. ADB further informed the CRP that an audit has been conducted by a hydraulic specialist and that according to that audit, construction works carried out in the area of the Mtkvari River did not affect river's sustainable riverbed width which is 80m. The sustainable width of the riverbed and the processes of its bedding; the migration routes of the fish; and the places of their immersion are not disturbed. In addition, the due diligence report takes the view that since the Project does not consider any active intervention into the river, the riverbed morphology at the lower section (Rustavi direction) of Mtkvari River is preserved or unaffected. All retaining wall components that directly interfere with the river flow will be removed and the river bank will be restored to the original slope profile to naturally re-vegetate. Retaining wall components can be left *in-situ* within the river bank assuming they do not impede natural river flow or are visible on the surface. The cofferdam has naturally been eroded away by spring peak flows and the flow within the river has been restored.

43. The CRP observed site conditions in the river stretch and reviewed the information provided by ADB. The CRP notes that all measures related to removal of the partly constructed retaining wall are part of the proposed remedial activities subsequent to the change in the alignment.

44. ADB informed CRP that the river ecology restoration program (Action 4.4) is no longer being developed as the Project is no longer to be completed. Residual works required to restore the local habitat loss at the small section completed has been addressed in Due Diligence report prepared by MDF. ADB further informed CRP that the methodology and detailing of the river ecology restoration program in the stretch is being finalized and will be submitted to the CRP for review and comments. The CRP would like to review the proposed action plan once the requested change in alignment has been approved by ADB and the associated Remedial Action Plan is submitted to the CRP for review and comments.

45. The CRP was also informed that 57 trees falling within the national red list (which relates to the government's commitments on biodiversity conservation) have already been cut and removed from the National Forest Park due to construction of the road. ADB informed the CRP that MDF has now obtained all the permissions required for municipal authorities to replant the trees at the designated places. The CRP would like to reiterate its concern over the time gap between tree cutting and subsequent tree replantation. Though MDF has reportedly paid monetary compensation for such tree cutting in advance, ecological considerations would demand that such replanting preferably take place prior to tree cutting, or at least simultaneously with it or during the first possible conducive season for such replanting. The CRP discussed this issue with ADB Management and encourages ADB Management to devise a suitable strategy to deliver replanting prior to tree cutting, or if that is not possible, then at least simultaneously with tree cutting or during the first available conducive season thereafter.

46. The CRP further notes that due to the developments related to change in alignment, there has not been any specific progress in the implementation of remedial measures as regards Action item No. 4 and also the CRP's suggestions for bringing the Project back into compliance as mentioned in para. 47 of the CRP's first annual monitoring report.

47. **CRP conclusion on compliance with Action No. 4.** This action item is in partial compliance. The following measures need to be undertaken to reach compliance:

- i. Pending formal ADB approval and subsequent review and approval of updated/modified RAP, ADB should take measures as mentioned in Action No. 4 RAPFS as below.

4.3 Translate summary of draft report into local language, disseminate and conduct consultations with local stakeholders.

4.4 Implement mitigation measures based on an updated environmental management plan (EMP), which would include specific EMP for the river ecosystem to be affected by the road with additional mitigation measures based on the findings and recommendations of the river ecology report.

4.5 Revise the design of the storm water drainage to protect the river water in case of traffic accidents. Contingency plans will be prepared as part of the site-specific environmental management plan. The volume of storm water retention

basin with oil separator, has to in the magnitude to store the content of one full tank volume of a truck.

- ii. ADB is encouraged to follow the CRP's suggestions in para. 47 of the CRP's first annual monitoring report (reproduced below).
 - (i) *ADB shall submit the SSEMP and the ecological restoration plan to the CRP for review and comments before finalization (Action items 4.4 and 4.5). The CRP finds it necessary that the ecological restoration plan need to include site details; quantum of restoration work; methodology for execution of works; monitoring and supervision; expected cost; and timelines proposed for such program.*
 - (ii) *ADB needs to ensure that all the proposed actions and measures as part of EMP are implemented in a time bound manner. (Action item 4.4.)*
- iii. ADB should submit the details of the remedial action plan, along with SSEMP for the river restoration and remediation activities including site details, methodology, implementation strategy and timelines for implementation of such action plan to the CRP for review and comments.
- iv. ADB should submit the details of the remedial action plan, including volume estimation, reuse strategies, disposal plans with details of area required, environmental safeguards while carrying out these works for the construction material dump to the CRP for review and comments.
- v. ADB should ensure that the tree plantation activities are carried out in the ensuing tree plantation season and the CRP may be informed on the tree plantation by end of such plantation season.

E. CONSULTATIONS

Status of Compliance: At the time of this report, ADB is in partial compliance with this action.

Management's Action Plan No. 5: Action to address ADB's noncompliance in relation to CRP's findings on consultations

- 5.1 Communications specialist, directed by the project team, prepares a methodology for conducting additional meaningful and targeted consultations with different stakeholders (this action is done in parallel to item 3.2 above).
- 5.2 Conduct consultations in accordance with actions specified in action items 1.3, 2.3, 3.3 and 4.3.
- 5.3 Records on consultation conducted for action items 1.3, 2.3, 3.3 and 4.3 to be reviewed by ADB and MDF and shared with CRP for comments.
- 5.4 Findings of further consultations to be shared with CRP.

(See Appendixes 1 and 2 for the full text and details of the Management's Remedial Action Plan and the Management's Remedial Action Plan Final Solution, respectively.)

48. **CRP findings regarding compliance with Action No. 5.** In its first annual monitoring report, the CRP made specific suggestions for compliance with Management Action No. 5

regarding communication matters. During the CRP's mission, ADB and MDF informed the CRP that residents had been informed about the RAP-FS based on the noise and vibration impact and ecological impact studies that were carried out in 2018. The CRP was further informed about the Government's request to remove the stretch in Ponichala section and resultant change in alignment to use the existing road. ADB and MDF both informed the CRP that this decision of the Government, which took the form of a decree, has been communicated to residents by various means including print media, as well as by holding targeted meetings with residents and visually impaired people in Ponichala. MDF also informed the CRP that it has maintained records of these structured consultations.

49. The CRP also held discussions with the local residents and visually impaired people during its site visit on 10 September and noted that residents were aware of the Government's decision. All of them were keen to know ADB's decision on the Government's request and the grounds on which such a decision would be taken by ADB.

50. The CRP has already noted in first annual monitoring report that consultation with project affected people needs to be complemented with a functional project level grievance redress mechanism that is accessible to affected people. In its first monitoring mission in 2018, the CRP was shown documents regarding such a grievance redress mechanism by MDF along with some specific records. During the CRP's interaction with residents on 10 September 2019, residents mentioned difficulties experienced when approaching the ADB Georgia Resident Mission.

51. **CRP conclusion regarding compliance with Action No. 5.** This action item is in partial compliance. In order to achieve full compliance, the following measures should be taken:

- (i) Pending the formal ADB approval of the borrower's request for a change in project scope and subsequent review and approval of an updated/modified RAP, ADB should take measures as mentioned in Action No. 5 of the RAP-FS
- (ii) ADB Management is also encouraged to follow the CRP's suggestions in para. 51 of the CRP's first annual monitoring report reproduced below.
 - (i) *conduct consultation process for Action item 3.3 (see paras. 37, 38, and 39);*
 - (ii) *inform residents about the selected final solution based on noise and vibration impact and ecological impact studies already presented;*
 - (iii) *conduct ongoing consultations during construction with representatives of a group of project affected people;...*

52. Further, it is suggested that ADB Management maintain the effective and functional project level grievance redress mechanism and review its functioning during project missions.

F. ENVIRONMENTAL CATEGORIZATION OF THE PROJECT

Status of Compliance: Project categorization remains as 'Category B' but it shall be monitored by ADB Management as if it was category A.

Management's Action No.6: Action to address ADB's noncompliance in relation to CRP's findings on environmental categorization of the Project

53. The CRP recommended that the Project be categorized as Environment Category A project. As per the Board-approved RAP of 30 June 2017, the eventual project categorization was to be determined following completion of all studies. The approved final solution of 03 May 2018 states that project environment categorization remains as 'B', but states that it shall be monitored by ADB Management as if the Project was a category A project for environment.

54. During its annual monitoring mission, the CRP was informed that ADB operations department has conducted four loan supervision missions from November 2018 to September 2019, which is in line with this monitoring protocol. Similarly, semi-annual progress reports on the implementation of the RAP covering July to December 2018 and January to June 2019 have been received by the CRP on 07 February and 06 August 2019, respectively.

55. **CRP conclusion regarding compliance with Action No. 6.** At the time of this report, ADB is in full compliance with this action item. ADB will remain in compliance as long as it implements and conducts environmental aspects of loan supervision and review of the Project in accordance with the requirements for category A projects for environment.

VI. CONCLUSION

56. The CRP summarizes the status of the implementation of remedial actions below based on its findings in its second annual monitoring of the Project.

Management's Action Plan Topic	Feedback to Management on Actions to Bring the Project into Full Compliance
Noise Impacts	<p>Status of compliance: Partial compliance</p> <p>To reach full compliance, pending formal ADB approval and subsequent review and approval of updated/modified RAP, ADB should take measures pertaining to the implementation of mitigation options; preparation and implementation of noise monitoring program during road construction and operation; and inclusion of those noise mitigation measures in the agreement with contractor. ADB Management is also encouraged to follow the CRP's suggestions in para. 26 of its first annual monitoring report referring to noise mitigation measures.</p> <p><i>(See details in paras. 24 and 25 of this report.)</i></p>
Vibration Impacts	<p>Status of compliance: Partial compliance</p> <p>To reach full compliance, pending formal ADB approval and subsequent review and approval of the updated/modified RAP,</p>

Management's Action Plan Topic	Feedback to Management on Actions to Bring the Project into Full Compliance
	<p>ADB should take measures relating to the implementation of vibration monitoring and mitigation measures, particularly on the removal of loose parts from subject apartment buildings and securing of annexes of those during road construction. Further, Management is also encouraged to follow the CRP's suggestions in para. 36 of the CRP's first annual monitoring report pertaining to the details of vibration assessment, monitoring and mitigation, including assessment of impact of rock cutting on building 28a and finalization of mitigation approach and strategies after consultation with local people.</p> <p><i>(See details in paras. 29 and 30 of this report.)</i></p>
Impacts on vulnerable groups	<p>Status of compliance: Partial compliance</p> <p>To reach full compliance, pending the formal ADB approval and subsequent review and approval of updated/modified RAP, ADB should take measures relating to the disclosure of results of consultation on impacts to vulnerable and implementation of identified mitigation measures following the integrated approach for the protection of these people during road construction and operation. Further, ADB</p> <p>ADB Management is also encouraged to follow the CRP's suggestions in para. 42 of the CRP's first annual monitoring report relating to consultation data compilation and disclosure and the formulation of a social assistance program which should be expedited and where feasible undertaken in advance of formal approval of the change in project scope, in the event that that decision-making process is protracted.</p> <p><i>(See details in paras. 36 and 37 of this report.)</i></p>
Impacts on river ecology	<p>Status of compliance: Partial compliance</p> <p>To reach full compliance, pending formal ADB approval and subsequent review and approval of updated/modified RAP, ADB should take measures to appropriately disseminate the results of the study on river ecology and implement mitigation measures based on an updated environmental management plan, including the revision of the design of the storm water drainage to protect the river water should traffic accidents occur and inclusion of contingency plans in the site-specific environmental management plan (SSEMP). ADB Management is also encouraged to follow the CRP's suggestions in para. 26 of the CRP's first annual monitoring report, notably on the submission of the SSEMP and the ecological restoration plan to the CRP for review before finalization and ensuring that all the proposed actions and measures are implemented in a time bound manner. Further, ADB should submit the details of the remedial action plan, along</p>

Management's Action Plan Topic	Feedback to Management on Actions to Bring the Project into Full Compliance
	<p>with SSEMP for the river restoration and remediation activities including site details, methodology, implementation strategy and timelines for implementation of such action plan to the CRP for review. On restoration works and construction material dump disposal, ADB should submit to the CRP for review the details of the remedial action plan, including volume estimation, reuse strategies, disposal plans with details of area required, environmental safeguards while carrying out these works. Also, ADB should ensure that the tree planting is carried out in the ensuing tree plantation season and the CRP is informed on the tree plantation once completed.</p> <p><i>(See details in para. 47 of this report.)</i></p>
Consultations	<p>Status of compliance: Partial compliance</p> <p>To reach full compliance, pending the formal ADB approval and subsequent review and approval of updated/modified RAP, ADB should take measures as mentioned in Action No. 5 of the RAP-FS and the CRP's suggestions mentioned in para. 51 of the CRP's first annual monitoring report.</p> <p>Further, it is suggested that ADB Management maintain the effective and functional project level grievance redress mechanism and review its functioning in the project mission.</p> <p><i>(See details in paras.51 and 52 of this report.)</i></p>
Environmental categorization of the project	<p>Status of compliance: Full compliance</p> <p>ADB will remain in compliance as long as it implements and conducts environmental aspects of loan supervision and review of the Project in accordance with the requirements for category A projects.</p>

/S/ Dingding Tang

Chair, Compliance Review Panel

/S/Ajay Deshpande

Part-time Member, Compliance Review Panel

/S/ Halina Ward

Part-time Member, Compliance Review Panel

Manila, Philippines

11 November 2019

Management's Remedial Action Plan



Project Number: 42414-043
Loan Number: 3063
June 2017

Proposed Remedial Action Plan Georgia: Sustainable Urban Transport Investment Program Tranche 3

This document will be disclosed by the Compliance Review Panel on the ADB website after the Board's decision on Management's proposed remedial actions, in accordance with the Accountability Mechanism Policy (2012).

Asian Development Bank

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this documents, the Asian Development Bank does not intend to make any judgement as to the legal or other status of any territory or area.

Attachment 1

**L3063-GEO: SUSTAINABLE URBAN TRANSPORT INVESTMENT PROGRAM (SUTIP)
TRANCHE 3
REMEDIAL ACTION PLAN**

1. This document outlines ADB Management's proposed remedial action plan ("Action Plan"), which is submitted to the Board of Directors for its consideration and approval pursuant to paragraph 191 of the Accountability Mechanism Policy (2012) ("**AM Policy**"). The Action Plan takes into account the comments of the Compliance Review Panel ("CRP") shown in attachment 2 and received on 29 May 2017. In accordance with paragraph 190 of the AM Policy, the executing agency has agreed to the remedial actions Action Plan on 30 May 2017.

A. Introduction

2. The Compliance Review Panel ("CRP") on 13 February 2017 submitted its final report ("**CRP Report**") for the above project ("**Project**"). The CRP found Asian Development Bank ("**ADB**") out of compliance with its operational policies and procedures in six aspects: (i) noise impacts, (ii) vibration impact, (iii) impacts on vulnerable groups, (iv) impacts on water and river ecology, (v) consultations, and (vi) environment categorization of the project. The report finds air quality impact compliant.

3. The Action Plan is attached as Appendix 1 and includes the actions and timelines to bring the Project into compliance with ADB's relevant policies. While it is ADB's responsibility to take all the required measures to bring the Project back into compliance with ADB's policies, the action to implement such measures 'on the ground' will be undertaken by Municipal Development Fund of Georgia ("**MDF**"), the executing agency for the loan, unless otherwise indicated in the Action Plan. Implementation will be monitored by ADB.

4. ADB acknowledges the ongoing cooperation of MDF in addressing the various issues which have arisen from ADB's noncompliance with its policies. This demonstrates Ministry of Regional Development and Infrastructure (MRDI) and MDF's strong commitment to ensure compliance with ADB's policies. Management is positive that, with the support of MRDI and MDF, ADB can implement the Action Plan effectively and within the required timeline.

B. Approach and Methodology

5. In order to bring the project back into compliance, and in response to the findings of the CRP report, ADB and MDF propose to undertake an integrated approach¹ involving additional studies for noise impact, vibration impact, impact on the river ecology and targeted consultations at the community level with a particular focus on the vulnerable. This approach will be instrumental in identifying suitable solutions that are technically feasible, cost effective, and compliant with all relevant standards. Several specific action items will be determined following completion of such studies. ADB and MDF will review and assess the results and any alternative options revealed by such studies, and identify specific remedial actions that will most effectively and efficiently bring the project back into compliance. The identified solutions and actions will be submitted, through CRP, to the Board Compliance Review Committee (BCRC) of the Board of Directors for review. ADB and MDF will take into account the BCRC's and CRP's views from this review prior to the definitive inclusion of such actions in the remedial plan and implementation. Also, as required by

¹ The integrated approach refers to identifying a solution based on the results of the additional actions, see section D. This will concurrently address all six OCRP findings to bring the Project as a whole back to compliance with ADB's policies. This will be done by examining options for addressing each OCRP finding.

2 Attachment 1

ADB's Safeguard Policy Statement, consultations with communities must continue throughout the project, or if there are changes in the project. A summary of all the reports will be translated into local language, disseminated, and consulted with stakeholders, including the affected people. Final reports will be disclosed in ADB and MDF websites. An Action Plan agreed with the government is in **Appendix 1** and the schedule of actions proposed is presented in **Appendix 2**. ADB will share drafts of the additional studies with the CRP, as they become available to solicit CRP's feedback, prior to finalization of the results. A summary of cost estimates in relation to the actions is set out in **Appendix 3**.

C. Implementation Timelines

6. The proposed Action Plan is to be implemented over a period of three (3) years, to be completed by June 2020. During this period, ADB and MDF will: (i) provide CRP with the final reports of the further studies, as stated in the Action Plan; (ii) monitor implementation of the actions on an on-going basis; (iii) and submit semi-annual progress reports to CRP at the end of June and December of each year. The reports to the CRP will detail, for each item, the latest status of the actions taken, in progress or to be taken, referencing the scheduled dates (including any updates) specified in the Action Plan. The objective of this semi-annual reporting is to assist the CRP in carrying out its monitoring and reporting to the ADB Board on the status of implementation of the Action Plan pursuant to paragraphs 192 – 194 of the AM Policy. The progress reports will be publicly disclosed on ADB's website. The CRP's monitoring reports will be publicly disclosed on ADB's website pursuant to paragraph 3 (viii) of Appendix 9 of the AM Policy.

D. Actions Taken and Update

7. As described in Section B, ADB and MDF have initiated activities that feed into the Action Plan to bring the project back into compliance. These activities are in the form of studies, surveys and researches including:

8. **Noise Impacts:** ADB has undertaken a study of the noise impacts of the project as required by the WHO noise standards reflected in the WB EHS Guidelines. As a part of this study, a comprehensive baseline of the ambient noise is established, followed by modelling for noise levels in the construction and operation stage of the project at various times in the future, and under various scenarios involving different mitigation methods. The report investigates four options through which compliance with the WHO standards reflected in the WB EHS Guidelines can be achieved, these are: (i) eight meter high noise wall and removal of five buildings (apartments 8, V, 12VG, 16A/B and hotel); (ii) nine meter high noise wall and removal of four buildings (apartments 8, V, 12VG and 16A/B); (iii) five meter noise wall, improved road surface, and removal of four buildings (apartments 8, V, 12VG and 16A/B); and (iv) five meter noise wall with noise tunnel. This study is expected to be completed by June 2017.

9. **Vibration Impacts:** MDF has initiated a vibration impacts study. Through this study the natural frequencies of the core and annexes (voluntary additions) of the buildings in the Ponichala area will be measured, the impacts of the vibration are then modelled for the core and annexes, if there are impacts, appropriate mitigation measures will be recommended. The study will include vibration modelling based on the changes in vibration impacts that may result from different noise mitigation scenarios and likely impacts and correspondent mitigation measures for the vibration affected buildings. The second draft will be ready in June 2017.

Attachment 1 3

10. **Targeted Consultations:** MDF has initiated a process of developing a comprehensive communications strategy for the project. A national communication specialist has been recruited to assist MDF to develop this strategy, which includes undertaking targeted consultations in the project area, with a focus on vulnerable and in particular vision impaired people. These consultations will include a combination of household surveys, focus group discussions, semi-structured interviews and open meetings and will be undertaken under the close supervision of ADB.

11. **River Ecological Impacts:** A river ecology screening and impact assessment study has been initiated to investigate the ecological sensitivity of the river to the project, and will assess the impacts and likely mitigation measures. Samples will be taken from the river and will be tested, examined and analyzed by experts involved in the study.

12. **Storm Water drainage:** The MDF through design engineer will revise the storm water drainage design to protect the river water in case of traffic accidents. Contingency plans will be prepared as a part of the site specific environmental management plan.

E. Next Steps

13. Implementation of the actions in Appendix 1 is as agreed between ADB and MRDI/MDF by the proposed target date.

APPENDIX 1 **PROPOSED ACTION PLAN**

Note: All scheduled dates (unless otherwise stated) are for the completion of the relevant action by the end of the specified month.

1	Action to address ADB's noncompliance in relation to CRP's findings on noise impacts²	Scheduled date
1.1	Noise Impacts Study: Establish noise baseline in Ponichala and model under different scenarios to establish compliance with WHO standards reflected in the WB EHS Guidelines.	April 2017 (completed)
1.2	Draft Noise Impact Study report reviewed by ADB and MDF and shared with CRP for review.	May 2017
1.3	Selection of a noise mitigation approach which will bring the Project into compliance with ADB's policies and requirements.	June 2017
1.4	Start implementation of mitigation option following the integrated approach.	August 2017
2	Action to address ADB's noncompliance in relation to CRP's findings on vibration impacts³	Scheduled date
2.1	Vibration Impacts Study: Measure the natural frequencies of the core and annexes of the buildings in the Ponichala. Model the impacts of the vibrations from the project and provide appropriate mitigation measures.	April 2017 (completed measurement of Natural Frequency)
2.2	Draft report with measured natural frequency reviewed by ADB and MDF and shared with CRP for review.	April 2017 (completed)
2.3	Second draft of the vibration report submitted to CRP for comments, including vibration impact assessments on the core and annexes, if annexes are significant, of the buildings under different noise mitigation scenarios.	June 2017
2.4	Selection of a vibration mitigation approach which will bring the Project into compliance with ADB's policies.	June 2017
2.5	Start implementation of mitigation option following the integrated approach.	August 2017
2.6	Operation of an effective monitoring system of vibration impacts during construction phase and inclusion of following in the contractual agreement with contractor: (i) Plan of location of vibration monitoring system (for structural assessment vibration of foundation, for impact on people in the flats);	Construction phase

² This corresponds with Findings A of the CRPs Report (pages 8 – 13).

³ This corresponds with Findings B of the CRPs Report (pages 13– 20).

Attachment 1 5

	<ul style="list-style-type: none"> (ii) Online analysis of vibration monitoring data (for structural assessment: DIN 4150-3 for impact on people DIN 4150-2); (iii) Definition of threshold values (early warning stage, exceedance) for an automatically generated message to a defined group of persons; (iv) Action plan in case of exceedance; and (v) Documentation and report of vibration monitoring. 	
2.7	Removal of loose parts from buildings subject to result of vibration impact study prior to beginning of construction work.	Prior to beginning of construction
2.8	Adequate securing of all annexes prior to construction work.	Prior to beginning of construction
3	Action to address ADB's noncompliance in relation to CRP's findings on impacts on vulnerable groups⁴	Scheduled date
3.1	Recruitment of a national communication consultant.	May 2017 (completed)
3.2	Prepare the methodology for targeted consultations with vulnerable people and groups.	May 2017
3.3	Conduct targeted consultations with vulnerable groups and people to assess impacts during (i) construction phase, and (ii) operations phase.	Jun 2017
3.4	Findings of the draft report to be reviewed by ADB and MDF and shared with CRP for review.	July 2017
3.5	The report findings and proposed measures will be translated in to local language and disseminated and discussed with affected people.	July to August - 2017
3.6	Implement identified mitigation measures following the integrated approach for protection of vulnerable people during (i) construction phase and (ii) operation phase.	Construction and operational phases
4	Action to address ADB's noncompliance in relation to CRP's findings on impacts on water and river ecology⁵	Scheduled date
4.1	River Ecological Impact: Establish baseline survey, conduct ecological screening and impact assessment study to investigate impacts of project construction and operation on the river, with particular attention paid to impacts on protected fish species, if detected.	April 2017
4.2	Draft report reviewed by ADB and MDF and shared with CRP for review.	June 2017
4.3	Translate summary of draft report into local language, disseminate and conduct consultations with local stakeholders.	
4.4	Implement mitigation measures, if required.	Construction and operational phases
4.5	Revise the design of the storm water drainage to protect the river water in case of traffic accidents. Contingency plans will be prepared as part	August 2017

⁴ This corresponds with Findings D of the CRPs Report (pages 21– 23).

⁵ This corresponds with Findings E of the CRPs Report (pages 23– 25).

6 Attachment 1

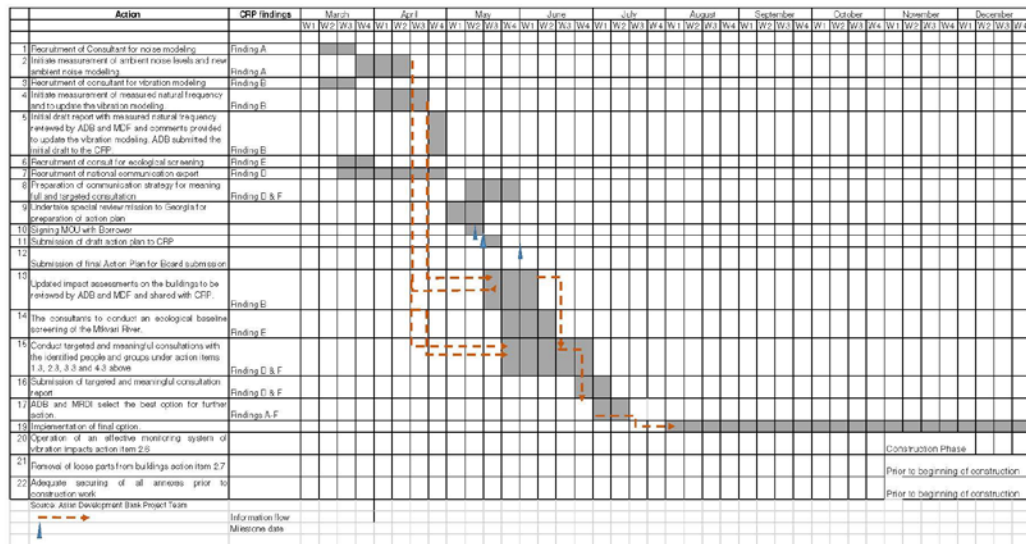
	of the site specific environmental management plan. The volume of storm water retention basin with oil separator, has to in the magnitude to store the content of one full tank volume of a truck.	
5	Action to address ADB's noncompliance in relation to CRP's findings on consultations⁶	Scheduled date
5.1	Communications specialist, directed by the project team, prepares a methodology for conducting additional meaningful and targeted consultations with different stakeholders (this action is done in parallel to item 3.2 above).	May 2017 onwards
5.2	Conduct consultations in accordance with actions specified in action items 1.3, 2.3, 3.3 and 4.3.	June 2017 (continuous thereafter)
5.3	Records on consultation conducted for action items 1.3, 2.3, 3.3 and 4.3 to be reviewed by ADB and MDF and shared with CRP for comments.	July 2017
5.4	Findings of further consultations to be shared with CRP.	As part of updates
6	Action to address ADB's noncompliance in relation to CRP's findings on environmental categorization of the Project⁷	Scheduled date
	To be determined after the completion of all studies.	

⁶ This corresponds with Findings F of the CRPs Report (pages 26– 28).

⁷ This corresponds with Findings F of the CRPs Report (pages 28– 30).

APPENDIX 2

SCHEDULE OF ACTIVITIES



**APPENDIX 3
SUMMARY OF COST ESTIMATES FOR ACTION PLAN**

**Action Estimated Cost
(in US Dollars equivalent)**

Action	Estimated Cost (in US Dollars equivalent)
Noise impacts Study	\$50,000
Implementation of noise mitigation plan	To be determined based on the selected option.
Ambient vibration survey and dynamic identification and vibration model update	\$60,000
Implementation of vibration mitigation plan	Additional cost to be determined (Bill 12 of the civil works contract already includes straitening of voluntary additions)
Vibration monitoring	Already include in the civil works contract
Engagement communication expert to conduct targeted and meaningful consultations	\$35,000
River ecology screening and impact assessment	\$20,000
Environmental categorization of the Project	No additional cost
Engagement by ADB or MDF of technical support as required	\$300,000

Asian Development Bank

**Compliance
Review
Panel**



Attachment 2

Memorandum

Compliance Review Panel

 CRP2017DT028
29 May 2017

To: Wencai Zhang
Vice President (Operations 1)

From: Dingding Tang 
Chair, CRP and concurrently Head, OCRP

Subject: **Draft Remedial Action Plan on L3063-GEO: Sustainable Urban Transport Investment Program – Tranche 3—CRP's Comments**

1. Thank you very much for your memo dated 19 May 2017 sharing the draft remedial actions with the Compliance Review Panel (CRP) on the above project and seeking its comments in accordance with paragraph 190 of the Accountability Mechanism Policy (AMP).
2. The detailed comments of the CRP on the remedial action plan and its Appendix 1 are provided in the attached matrix. Appendix 2 will need to be updated in light of these comments. Appendix 2 will need to include the additional action items outlined by the CRP for actions 2.6, 2.7, and 2.8. These will also extend the time frame as they will extend into the construction phase. Moreover, the consultation requirements listed by the CRP under action items 1.3, 2.3, 3.3, and 4.3 will need to be included in the list of actions in Appendix 2.

Attachment: Comments Matrix

cc: Chair, Board Compliance Review Committee; Director General, CWRD; Deputy Director General, CWRD; Deputy Director General, SDCC concurrently Chief Compliance Officer, SDCC; General Counsel, OGC; Country Director, GRM

MFF 0043: SUSTAINABLE URBAN TRANSPORT INVESTMENT PROGRAM (SUTIP)
Loan 3063 (SF)-GEO: SUTIP Tranche 3

CRP'S COMMENTS ON THE REMEDIAL ACTION PLAN

Proposed Remedial Actions by Management	CRP's Comments
<p>A. Introduction</p> <p>1. The Compliance Review Panel ("CRP") on 13 February 2017 submitted its final report ("CRP Report") for the above project ("Project"). The CRP found Asian Development Bank ("ADB") out of compliance with its operational policies and procedures in six aspects: (i) noise impacts, (ii) vibration impact, (iii) impacts on vulnerable groups, (iv) impacts on water and river ecology, (v) consultations, and (vi) environment categorization of the project. The report finds air quality impact compliant.</p> <p>2. This document outlines ADB Management's proposed remedial action plan ("Action Plan") to be submitted to ADB's Board for its consideration pursuant to paragraph 191 of the Accountability Mechanism Policy (2012) ("AM Policy"). In accordance with paragraph 190 of the AM Policy, the executing agency has agreed on 17 May 2017 to the remedial actions.</p> <p>3. The Action Plan is attached as Appendix 1 and includes the actions and timelines to bring the Project into compliance with ADB's relevant policies. While it is ADB's responsibility to take all the required measures to bring the Project back into compliance with ADB's policies, the action to implement such measures 'on the ground' will be undertaken by Municipal Development Fund of Georgia ("MDF"), the executing agency for the loan, unless otherwise indicated in the Action Plan. Implementation will be monitored by ADB.</p> <p>4. ADB acknowledges the ongoing cooperation of MDF in addressing the various issues which have arisen from ADB's noncompliance with its policies. This demonstrates Ministry of Regional Development and Infrastructure (MRDI) and MDF's strong commitment to ensure</p>	<p>This proposed remedial action needs to be submitted with CRP's comments to the Board for its review and consideration.</p> <p>The CRP is pleased to recognize the commitment of the ADB to conduct remedial actions to bring the project into compliance with ADB's requirements. As mitigation measures for vibration and noise impacts, for the protection of vulnerable people and ecological impacts will depend on outcomes of studies and consultations, the specific measures will be agreed upon with the CRP once studies and consultations have been completed.</p>

Proposed Remedial Actions by Management	CRP's Comments
<p>compliance with ADB's policies. Management is positive that, with the support of MRDI and MDF, ADB can implement the Action Plan effectively and within the required timeline.</p>	
<p>B. Approach and Methodology</p> <p>5. In order to bring the project back into compliance, and in response to the findings of the CRP report, ADB and MDF propose to undertake an integrated approach involving additional studies for noise impact, vibration impact, impact on the river ecology and targeted consultations at the community level with a particular focus on the vulnerable. This approach will be instrumental in identifying suitable solutions that are technically feasible, cost effective, and compliant with all relevant standards. Also, as required by ADB's Safeguard Policy Statement, consultations with communities must continue throughout the project, or if there are changes in the project. An Action Plan agreed with the government is in Appendix 1 and the schedule of actions proposed is presented in Appendix 2. ADB will share drafts of the additional studies with the CRP, as they become available to solicit CRP's feedback, prior to finalization of the results. A summary of cost estimates in relation to the actions is set out in Appendix 3.</p>	<p>To better understand the proposed "integrated" approach, the action plan should spell out what "integrated approach" means and what is the operational relevance of this approach for the remedial actions to be selected. The CRP assumes that what is referred to is that the option selected for noise mitigation also impacts the vibration mitigation actions and vice versa. Hence, the presentation needs to clarify the operational relevance of the "integrated approach".</p>
<p>C. Implementation Timelines</p> <p>6. The proposed Action Plan is to be implemented over a period of two (2) years, to be completed by June 2019. During this period, ADB and MDF will: (i) provide CRP with the final reports of the further studies, as stated in the Action Plan; (ii) monitor implementation of the actions on an on-going basis; (iii) and submit semi-annual progress reports to CRP at the end of June and December of each year. The reports to the CRP will detail, for each item, the latest status of the actions taken, in progress or to be taken, referencing the scheduled dates (including any updates) specified in the Action Plan. The objective of this semi-annual reporting is to assist the CRP in carrying out its monitoring and reporting to the ADB Board on the status of implementation of the Action Plan pursuant to paragraphs 192 – 194 of the AM Policy. The progress reports will be publicly disclosed on ADB's</p>	<p>(i) ADB needs to submit to CRP its semi-annual progress reports until all remedial actions have been completed up to 3 years. Remedial actions might extend beyond the 2-year framework laid out in the program as the CRP asks for inclusion of some measures which will take place when construction work commences (See action items 2.6, 2.7 and 2.8 in Appendix 1.)</p> <p>(ii) The CRP asks for submission of reports and comments prior to finalization and CRP review of mitigation option selected.</p>

Proposed Remedial Actions by Management	CRP's Comments
website. The CRP's monitoring reports will be publicly disclosed on ADB's website pursuant to paragraph 3 (viii) of Appendix 9 of the AM Policy.	
D. Actions Taken and Update	
7. As described in Section B, ADB and MDF have initiated activities that feed into the Action Plan to bring the project back into compliance. These activities are in the form of studies, surveys and researches including:	
8. Noise Impacts: ADB has undertaken a study of the noise impacts of the project as required by the WHO noise standards reflected in the WB EHS Guidelines. As a part of this study, a comprehensive baseline of the ambient noise is established, followed by modelling for noise levels in the construction and operation stage of the project at various times in the future, and under various scenarios involving different mitigation methods. The report investigates four options through which compliance with the WHO standards reflected in the WB EHS Guidelines can be achieved, these are: (i) eight meter high noise wall and removal of five buildings (apartments 8, V, 12VG, 16A/B and hotel); (ii) nine meter high noise wall and removal of four buildings (apartments 8, V, 12VG and 16A/B); (iii) five meter noise wall, improved road surface, and removal of four buildings (apartments 8, V, 12VG and 16A/B); and (iv) five meter noise wall with noise tunnel. This study is expected to be completed by June 2017.	The draft reports need to be submitted to the CRP for its review and comments before finalization and prior to selection of a mitigation option. At least a summary of the report needs to be translated into local language, disseminated, and consulted with stakeholders, especially the affected people. The final report should be disclosed to the public by posting it on ADB's website and MDF's project website, if possible.
9. Vibration Impacts: MDF has initiated a vibration impacts study. Through this study the natural frequencies of the core and voluntary additions of the buildings in the Ponichala area will be measured, the impacts of the vibration are then modelled, if there are impacts, appropriate mitigation measures will be recommended. The study will include vibration modelling based on the changes in vibration impacts that may result from different noise mitigation scenarios and likely impacts and correspondent mitigation measures for the vibration affected buildings. The second draft will be ready in June 2017.	(i) Vibration impacts need to be assessed on core structures and on annexes, if buildings have significant annexes. An assessment on core structures only is not sufficient. (ii) Draft study needs to be submitted to CRP for review and comments prior to finalization. (iii) Draft study needs to be disclosed and consulted with relevant stakeholders including, particularly, the affected people. Final report should be disclosed on ADB and MDF websites.
10. Targeted Consultations: MDF has initiated a process of developing	The communications strategy should be submitted

Proposed Remedial Actions by Management	CRP's Comments
a comprehensive communications strategy for the project. A national communication specialist has been recruited to assist MDF to develop this strategy, which includes undertaking targeted consultations in the project area, with a focus on vulnerable and in particular vision impaired people. These consultations will include a combination of household surveys, focus group discussions, semi- structured interviews and open meetings and will be undertaken under the close supervision of ADB.	to the CRP for review and comments prior to the commencement of consultations. Records need to be kept on consultations conducted and be available for monitoring by the CRP.
11. River Ecological Impacts: A river ecology screening and impact assessment study has been initiated to investigate the ecological sensitivity of the river to the project, and will assess the impacts and likely mitigation measures. Samples will be taken from the river and will be tested, examined and analyzed by experts involved in the study.	The report needs to be submitted to the CRP for review and comments prior to finalization. The final report should be disclosed at the ADB and MDF websites.
12. Storm Water drainage: The MDF through design engineer will revise the storm water drainage design to protect the river water in case of traffic accidents. Contingency plans will be prepared as a part of the site specific environmental management plan.	The design should be submitted to the CRP for review.
Next Steps	
13. Implementation of the actions in Appendix 1 is as agreed between ADB and MRDI/MDF by the proposed target date.	Noted.

APPENDIX 1 PROPOSED ACTION PLAN

Note: All scheduled dates (unless otherwise stated) are for the completion of the relevant action by the end of the specified month.

	Action item	Scheduled date	CRP's Comments
1	Action to address ADB's noncompliance in relation to CRP's findings on noise impacts¹		
1.1	Noise Impacts Study: Establish noise baseline in Ponichala and model under different scenarios to establish compliance with WHO standards reflected in the WB EHS Guidelines.	April 2017 (completed)	Noted.
1.2	Draft Noise Impact Study report submitted for review	May 2017	Noise Impact study submitted to the CRP for review and comments prior to finalization.
1.3	Most feasible noise mitigation option selected following the integrated approach described in Section B .	June 2017	<p>The CRP is of the view that it should state: "Selection of a noise mitigation approach which will bring the Project into compliance with ADB's policies and requirements."</p> <p>Consultation with the CRP on the mitigation option selected for noise mitigation prior to finalization.</p> <p>Translate at least a summary of the report and proposed mitigation measures into local language, disseminate and consult with relevant stakeholders, including affected people, prior to finalization. Post final report on ADB and MDF websites.</p>

¹ This corresponds with Findings A of the CRP's Report (pages 8 – 13).

1.4	Start implementation of mitigation option.	August 2017	
2	Action to address ADB's noncompliance in relation to CRP's findings on vibration impacts²		
2.1	Vibration Impacts Study: Measure the natural frequencies of the core and voluntary additions of the buildings in the Ponichala. Model the impacts of the vibrations from the project and provide appropriate mitigation measures.	April 2017 (completed measurement of Natural Frequency)	Vibration impacts need to be modeled on both, core structures and annexes, if annexes are significant.
2.2	Draft report with measured natural frequency submitted for review.	April 2017 (completed)	Submission of draft report to the CRP for review and comments.
2.3	Second draft of the vibration report submitted, including vibration impact assessments on the buildings under different noise mitigation scenarios.	June 2017	(i) Draft vibration report to be submitted to CRP for review and comments prior to finalization. (ii) Vibration impacts need to be assessed on both, core building and annexes, if annexes are significant. (iii) Translate at least a summary of the report and proposed mitigation measures into local language, disseminate and consult with relevant stakeholders, including affected people, prior to finalization. Post final report on ADB and MDF websites.

² This corresponds with Findings B of the CRP's Report (pages 13 – 20).

2.4	Most feasible vibration mitigation option selected following the integrated approach (section B)	June 2017	CRP suggests wording: "Selection of vibration mitigation option to bring Project to compliance with ADB policies." Please clarify what is meant by the reference to "following integrated approach"?
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2.5	Start implementation of mitigation option.	<p>August 2017</p> <p>Construction phase</p> <p>Prior to beginning of construction</p> <p>Prior to beginning of construction</p>	<p>The CRP suggests addition of action items 2.6 to 2.8 below with corresponding proposed timeline (in the 3rd column of this matrix).</p> <p>2.6 Operation of an effective monitoring system of vibration impacts during construction phase and inclusion of this in the contractual agreement with contractor. This includes:</p> <ul style="list-style-type: none"> (i) plan of location of vibration monitoring system (for structural assessment vibration of foundation, for impact on people in the flats); (ii) online analysis of vibration monitoring data (for structural assessment: DIN 4150-3 for impact on people DIN 4150-2); (iii) definition of threshold values (early warning stage, exceedance) for an automatically generated message to a defined group of persons; (iv) action plan in case of exceedance; and (v) documentation and report of vibration monitoring <p>2.7 Removal of loose parts from buildings subject to result of vibration impacts study prior to beginning of construction work. See para. 37 of the CRP's final report on the compliance review of the Project where measures are outlined.</p> <p>2.8 Adequate securing of all annexes prior to construction work.</p>
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3 Action to address ADB's noncompliance in relation to CRP's findings on impacts on vulnerable groups ³			
3.1	Recruitment of a national communication consultant.	May 2017 (completed)	Noted.
3.2	Prepare the methodology for targeted consultations with vulnerable people and groups.	May 2017	Methodology for consultations needs to be submitted to the CRP for review and comments prior to commencement of consultations.
3.3	Conduct targeted consultations with the identified people and groups	Jun 2017	The text should read: "Conduct targeted consultations with vulnerable groups and people to assess impacts during (i) construction phase, and (ii) operations phase." The specification of both construction and operations phase is important as the impacts will be particularly strongly felt by vulnerable people during the construction phase.
3.4	Findings of the draft report to be reviewed by ADB and MDF and shared with CRP	July 2017	Noted.
3.5	Implementation targeted identified measures	August - December 2017	The CRP suggests replacing 3.5 with "The report findings and proposed measures should be translated into local language and disseminated and discussed with affected people." Further, the CRP suggests moving current 3.5 to 3.6 and revising it as follows: "Implement identified mitigation measures for protection of vulnerable people during (i) construction phase and (ii) operation phase."

³ This corresponds with Findings D of the CRP's Report (pages 21– 23).

4	Action to address ADB's noncompliance in relation to CRP's findings on impacts on water and river ecology ⁴		
4.1	River Ecological Impact: Conduct ecological screening and impact assessment study to investigate the ecological sensitivity of the river to the project, impacts of the project construction and operation; and recommended mitigation measures.	April 2017	Establish baseline survey and conduct ecological screening and impact assessment study to investigate impacts of project construction and operation on the river, with particular attention paid to impacts on protected fish species.
4.2	Draft report submitted for review	June 2017	Submit draft report to the CRP for review and comments. The CRP suggests adding the action items below. 4.3 Translate summary of draft report into local language, disseminate and conduct consultations with local stakeholders. 4.4 Implement mitigation measures, if required.

⁴ This corresponds with Findings E of the CRP's Report (pages 23–25).

4.3	Revise the design of the storm water drainage to protect the river water in case of traffic accidents. Contingency plans will be prepared as part of the site specific environmental management plan.	August 2017	This now becomes 4.5. Add following specification to current 4.3 (which will eventually become 4.5): "The volume of stormwater retention basin, with oil separator, has to be in the magnitude to store the content of one full tank volume of a truck."
5	Action to address ADB's noncompliance in relation to CRP's findings on consultations⁵		The CRP is of the view that the consultations should be conducted on the action items 1.3, 2.3, 3.3 and 4.3 and that meaningful consultations should be conducted on the specific studies and mitigation measures identified.
5.1	Communications specialist, directed by the project team, prepares a methodology for conducting additional meaningful and targeted consultations with different stakeholders (this action is done in parallel to item 3.2 above).	May 2017 onwards	Proposed methodology for conducting meaningful consultation for action items 1.3, 2.3, 3.3, and 4.3 (in the draft) needs to be reviewed and commented by the CRP before commencement of consultations.
5.2	Conduct consultations	June 2017 (continuous thereafter)	The CRP suggests to add: "in accordance with actions specified in action items 1.3, 2.3, 3.3, 4.3."
5.3	Findings of the draft report to be reviewed by ADB and MDF and shared with CRP.	July 2017	The CRP suggests the following wording: "Records on consultations conducted for action items 1.3, 2.3, 3.3, and 4.3 to be reviewed by ADB and MDF and shared with the CRP for comments."
5.4	Findings of further consultations to be shared with CRP.	As part of updates	Noted.

⁵ This corresponds with Findings F of the CRP's Report (pages 26–28).

6	Action to address ADB's noncompliance in relation to CRP's findings on environmental categorization of the Project ⁶		
	To be determined after the completion of all studies.		Noted.

⁶ This corresponds with Findings F of the CRP's Report (pages 28–30).

Management's Remedial Action Plan Final Solution

L3063-GEO: SUSTAINABLE URBAN TRANSPORT INVESTMENT PROGRAM (SUTIP) TRANCHE 3 REMEDIAL ACTION PLAN FINAL SOLUTION¹

1. This document outlines the final remedial action plan ("Action Plan"), which is submitted, through the Compliance Review Panel (CRP), to the Board Compliance Review Committee (BCRC) of the Board of Directors for review. Asian Development Bank (ADB) and Municipal Development Fund of Georgia (MDF), the executing agency for the loan, will take into account the BCRC's and CRP's views from this review prior to the definitive inclusion of such actions in the remedial plan for implementation. The executing agency has agreed to the final remedial action plan on 12 December 2017.

2. The specific action items are determined following completion of all technical studies. Both ADB and MDF reviewed and assessed the results and alternative options revealed from the studies. The identified specific remedial actions are the most effective and efficient to bring the project back into compliance. The identified solutions and actions are detailed below.

A. Introduction

3. The CRP on 13 February 2017 submitted its final report (CRP Report) for the above project (Project). The CRP found ADB out of compliance with its operational policies and procedures in six aspects: (i) noise impacts, (ii) vibration impact, (iii) impacts on vulnerable groups, (iv) impacts on water and river ecology, (v) consultations, and (vi) environment categorization of the project. The report finds air quality impact compliant.

4. In accordance with paragraph 191 of the Accountability Mechanism Policy (2012) (AM Policy), the Remedial Action Plan was submitted to the Board of Directors on 7 June 2017 and a corrigendum to the action plan on 29 June 2017. The Board of Directors approved the proposed remedial action plan on 30 June 2017. As per paragraph 5 of the action plan, it requested the ADB to submit the final action plan, through CRP, to BCRC for review.

5. ADB acknowledges the continuous cooperation of MDF in addressing the various issues which have arisen from ADB's noncompliance with its policies. This demonstrates Ministry of Regional Development and Infrastructure of Georgia (MRDI) and MDF's strong commitment to ensure compliance with ADB's policies. Management is positive that, with the support of MRDI and MDF, the final remedial action plan will be implemented effectively and within the required timeline.

B. Actions Taken and Update

6. ADB and MDF initiated activities that feed into the Action Plan to bring the project back into compliance. The summary of the actions initiated, and current status is provided in Appendix 1. All studies are completed and submitted to CRP for review, and comments are publicly disclosed. The findings of the studies, surveys and research, and impact on the buildings are presented in Appendix 2 and summarized as follows:

7. **Noise Impacts:** The noise impact of the project was studied as required by the World Health Organization (WHO) noise standards reflected in the World Bank's Environmental,

¹ This Remedial Action Plan-Final Solutions include comments received from the CRP and BCRC.

2

Health, and Safety Guidelines (EHS Guidelines). As part of this study, a comprehensive baseline of the ambient noise was established, followed by modelling for noise levels in the construction and operation stages of the project at various times in the future, and under various scenarios involving different mitigation methods. For operation, the report suggested four options through which compliance with the WHO standards reflected in the EHS Guidelines can be achieved: (i) maximum of eight meter high noise wall (wall 1: 988m X 6 m and wall 2: 640m X 8m) and removal of five buildings (apartments 8, V, 12VG, 16A/B and hotel); (ii) maximum of nine meter high noise wall (wall 1: 1,120m X 6m, wall 2: 240m X 8m, and wall 3: 268m X 9m and removal of four buildings (apartments 8, V, 12VG and 16A/B); (iii) maximum of five meter noise wall (wall 1: 1,628m X 5m), improved road surface, and removal of four buildings (apartments 8, V, 12VG and 16A/B); and (iv) five meter noise wall (wall 1: 880m X 5m, and wall 2: 188m X 8m) with noise tunnel (length: 560m, width: 29.5m, and height: 5m). The report suggests during construction to provide temporary sound barriers in the areas of work.

8. **Action:** Following extensive consultations with the communities and the civil societies by both ADB and MDF, having a 5-meter noise wall with a noise tunnel was considered most efficient and effective in meeting the WHO noise standard and bringing the project back into compliance. This solution will only modify the already designed noise barrier in the existing contract (654.8 meters in length and height varied from 5 meters to 3 meters depending on the location) to one tunnel and noise walls. The tunnel will be 560m long, covering both carriageways and two noise walls, one 5-m high, 880 m long wall and the second 8-m high and 188 m long wall. The total area of the walls will be about 46% less than that of noise wall only option. As proposed originally, the speed in this section is limited to 80km/hour. The additional cost will be the modification of bill number 11 of current contract, with no involuntary resettlement, and no additional time to complete the works.

9. **Vibration Impacts:** MDF completed the vibration impacts study in two stages. Through the first study, measurement of the natural frequencies of the core and voluntary additions of the buildings in the Ponichala area was made. In the second study, vibration modelling was then completed based on the measured natural frequencies and vibration impacts that may result from construction of different noise mitigation measures. The report concludes that based on the analysis, vibration impacts are lower than the thresholds assigned by the UNI 9916 (Italian Criteria for the measurement of vibrations and the assessment of their effects on buildings) or International Standard Organization (ISO) 4866 for residential buildings and their annexes. The report recommends to: (i) instruct the contractor to strictly follow, with legal liability, the construction method and equipment list, and respect the boundaries of the construction provided in the contract; (ii) reinforce the annexes based on the engineering design of reinforcement works required in the original study and included as part of the contract; and (iii) conduct technical monitoring of all buildings with community participation.

10. **Actions:** ADB and MDF will continuously monitor the vibration impacts using electronic laser accelerometers during the construction phase with an action program that specifies procedure in case of exceedances of vibrations. The program will be implemented with participation of key stakeholders including the residents. As suggested in the original study and updated technical study, the safety measures to strengthen the annexes (voluntary additions) will be undertaken in all the buildings. The existing provisions and quantities in the contract will be modified to include all nine buildings to address this requirement. Safety instructions will be issued to all residents prior to reinforcement and strengthening of the annexes.

11. **Targeted consultations:** MDF and ADB completed the consultations with vulnerable residents in Ponichala, in an effort to explore and identify possible mitigation measures. This effort has been led and coordinated by a Communication Specialist (Georgian National) engaged by MDF, under the close supervision of ADB. The consultations methodology proposed consisted of: (i) individual household interviews; (ii) targeted focus group discussions; and (iii) open public consultations at locations close to the affected people. People were consulted on the anticipated impacts in relation to the construction and operation phases of the Project as well as on the challenges of their current day to day lives, and on potential mitigation measures that emerged through the additional studies. The consultations were delayed from initially anticipated time line due to delays in approval of the methodology and non-availability of residents due to the summer holidays.

12. **Individual household interviews:** A total of 95 visually impaired people in 75 households were identified, and an additional 71 households were identified belonging to other categories of vulnerability, namely (a) poor people, having under 65,000 points based on Government of Georgia social security scoring system (36 households); (b) internally displaced persons (IDPs) and refugees (8 households); (c) disabled and sick (9 households); (d) female led households (13 households); and (e) other mixed category (5 households). The visually impaired and other vulnerable households were identified through: (a) door to door survey of all units in 9 buildings; (b) the list of visually impaired people provided by the Union of Blind; (c) list of vulnerable people provided by the chairpersons of 9 buildings. The location and numbers by each building of these identified households are provided in Appendix 3. Only 19 number of visually impaired are facing the river or the proposed road. The balance people are either facing the old road or sidewalks.

13. **Individual household interviews** commenced in May 2017 and finished in September 2017. Although the target was to interview all visually impaired people, only 87% was covered by the interviews. Some visually impaired persons declined to participate in the process due to their ill health, absence from home, and other reasons. While the target for the poor households was 25%, the interviews covered 67%. Eighty-eight percent (88%) of IDPs were interviewed. Other groups of vulnerable households were covered 100% by interviews. Semi-structured interviews were used, with a set of questions used for guidance and to solicit points of view, while additional questions were asked based on specific responses provided.

14. **Focus group discussions:** Focus group discussions (FGD) with different categories of vulnerable people were organized in the Ponichala district during September 2017. In order to ensure easy access and comfortable atmosphere for the representatives of the vulnerable population, FGDs took place in the building of the Cultural Center of Union of Blind in the middle of the district. In total, 5 FGDs were organized with the following vulnerable categories: poor people (under 65,000 points), visually impaired (two FGDs), IDPs/refugees/disabled, and female led households. All FGDs were moderated by the communication specialist. ADB representatives acquainted the meeting participants with the preliminary outcomes of the individual household surveys, additional technical studies for noise and vibration, and study of the river ecology. Mitigation options recommended through these additional studies were discussed.

15. **During the FGDs with visually impaired people** participants were asked regarding the problems and challenges faced daily. Issues like poor condition of internal roads and sidewalks in the district, drainage system not in a proper condition, heavy traffic (outdated, overfilled busses) and the need for a functioning underpass and adding of several traffic lights with sound signal in this area were raised by participants. Regarding the proposed project, participants

expressed varied opinions. Some people proposed that they be resettled, while others did not. Those who were against resettlement said that they were used to live in a friendly environment, acquainted with neighbors who provide assistance to each other when needed. These people felt that it would be difficult for them to live somewhere else. Participants discussed their concerns regarding the possible noise and vibrations from the new road and expressed fears that buildings may collapse. Expert representatives explained that electronic laser accelerometers will be installed in the named buildings in order to detect any unsafe fluctuations in vibration levels.

16. Overall, some residents from 9 buildings are willing to be relocated, mainly because of perceived noise and vibration concerns. However, peoples' position on resettlement varies significantly. Individual household interviews with 65 visually impaired residents from 9 buildings show a considerable number (46%) of visually impaired households expressing reluctance to be resettled, as they perceive the process to be onerous and stressful. Only 15% wanted unconditional resettlement, while 19% said that only cancelling the project entirely would be an acceptable outcome. Nine percent (9%) of respondents withheld their opinion.

17. **Actions:** People's demands of the project vary. Some group of vulnerable people request the proposed new road to be cancelled, while others expect the project to provide for improvements to people's quality of life, especially for the visually impaired and vulnerable. Specific requests include improved road safety in Ponichala including speed cameras, more traffic lights with sound signals, more functional underpasses, paved sidewalks and access roads, improved drainage, bus stops and public transports geared for the visually impaired and disabled, recreational area and parks in Ponichala, and noise barriers on the new road.

18. **Open public consultations:** MDF and ADB conducted a series of open public meetings with residents of all 9 buildings between 17 and 20 November 2017. Two public meetings were held with the people from 9 buildings and one meeting held with representatives of civil society organizations (CSOs). All technical studies were disclosed in advance. Full technical reports in English and summary reports in Georgian language were posted on MDF website on 10 November and 13 November 2017, respectively. The printed technical reports in both languages were shared with people ahead of the public meetings. The residents from all 9 buildings were invited to the public meetings in advance; those who were unavailable to join the meeting on 17 November 2017 were offered the opportunity to attend on 20 November 2017.

19. A total of 67 people participated in the three open public meetings - 39 attending on 17 November 2017 and 28 on the two meetings on 20 November 2017, respectively. CSOs that attended the public meeting include: Union of Blind, Friends of Earth/Green Movement, REC-Caucasus, and Green Alternative. Transportation was provided by MDF to take residents to the venue of the public meetings and bring them back to Ponichala.

20. During the public meetings, ADB and MDF presented key findings of all technical studies, including results of targeted consultations with the vulnerable people, and explained the proposed solutions to bring the project into full compliance with ADB policy (See Appendix 6 for all technical documents disclosed). The presentation was followed by extended discussions, where specific mitigation measures, monitoring requirements, and assurances were reviewed. The main concerns and questions raised by residents during both public meetings included: (i) exact distance of the proposed road and noise barriers/tunnel to the buildings; (ii) safety of the buildings and voluntary additions during the construction (e.g. use of heavy machinery,

construction methods, extent of the road intrusion into the river); (iii) design of noise barriers and tunnel (e.g. height of barriers/tunnel, amount of light that buildings receive); (iv) improvements envisaged under the project for the visually impaired and the other groups of vulnerable people in Ponichala; (v) cost of the noise barriers and tunnel versus relocation of 9 buildings; (vi) compensation for inconveniencing residents, such as new windows, air conditioners, other forms of entitlements; (vii) special considerations in the project design for the visually impaired and other vulnerable people; and (viii) reinforcement of voluntary additions and balconies. Questions and answers are included in the minutes of the meetings. The possibility of conducting a series of follow-up meetings to address specific concerns was offered to participants.

21. **River Ecological Impacts:** A river ecology screening and impact assessment study was completed to investigate the ecological sensitivity of the river to the Project, assess the magnitude of impacts, and propose likely mitigation measures. The study was undertaken by qualified national and international experts. The report concludes that impacts from the Project on the Mtkvari river ecosystem will be very minor. However, the study does conclude that the Mtkvari River while degraded, is still considered to be a natural habitat. Therefore, to meet the requirements of ADB SPS 2009, the site specific environmental management plan (EMP) will be prepared with additional mitigation measures based on the findings and recommendations of the ecology report. Furthermore, to mitigate the minor residual impact on the natural habitat, habitat restoration will be undertaken along the river banks to create additional riparian areas with connection to adjacent parklands.

22. **Action:** Once construction has started, ADB and MDF will closely monitor the project to ensure that mitigation as outlined in the EMP and the river ecology report is implemented. Monitoring will also focus on collection of data to confirm compliance with Project Standards and local legislation as laid out in the EMP. In addition, ADB and MDF will work closely with design engineers to identify areas suitable for riparian habitat creation which can be suitably integrated into the overall parkland area already designed for the project.

23. **Project Categorization:** Based on the above, the environmental impacts of the Project are confirmed as being within the footprint of the project, foreseeable, mitigable, and reversible. Therefore, the environmental categorization of the project is not affected.

C. Conclusion

24. Both ADB and MDF reviewed and assessed the results and alternative options revealed from the studies and conducted meaningful consultations to discuss these with the affected communities. The consensus was that the identified specific remedial actions are the most effective and efficient to bring the project back into compliance. The identified solutions will increase the project costs by about \$18.5 million. These costs will be financed through contract savings from the civil works and unallocated contingencies. The proposed solutions will not increase the construction time.

D. Implementation Timelines

25. The proposed Action Plan is to be implemented over a period of 3 years, to be completed by June 2020 (see Appendix 3 for details). During this period, ADB and MDF will provide CRP with the final reports of the further studies, as stated in the Remedial Action Plan.

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E. Next Steps

26. Implementation of the actions will start upon completion of review of the final solutions by the BCRC of the Board of Directors.

APPENDIX 1

STATUS OF REMEDIAL ACTION PLAN

Note: All scheduled dates (unless otherwise stated) are for the completion of the relevant action by the end of the specified month.

1	Action to address ADB's noncompliance in relation to CRP's findings on noise impacts ²	Scheduled date	Status
1.1	Noise Impacts Study: Establish noise baseline in Ponichala and a model under different scenarios to meet WHO standards reflected in the WB EHS Guidelines.	April 2017 (completed)	Completed
1.2	Draft Noise Impact Study report reviewed by ADB and MDF and shared with CRP for review.	May 2017	Completed
1.3	Selection of a noise mitigation approach which will bring the Project into compliance with ADB's policies and requirements.	June 2017	Completed
1.4	Start implementation of mitigation option following the integrated approach.	August 2017	January 2018
1.5	Preparation and implementation of noise monitoring program during construction and operational phases (for at least up to 3 years of road operation with one set of sampling annually)	(June 2018 (indicate start date))	June 2021 (indicate date 3 years after end of construction)
1.6	Inclusion of following in the agreement with contractor during project construction: - restriction of working hours from Monday until Friday with work conducted only between 7 am – 7 pm - installation of temporary noise barriers in construction areas located near residential buildings.	May 2018 (indicate start of construction)	December 2019 (indicative end of construction)
2	Action to address ADB's noncompliance in relation to CRP's findings on vibration impacts ³	Scheduled date	Status
2.1	Vibration Impacts Study: Measure the natural frequencies of the core and annexes of the buildings in the Ponichala. Model the impacts of the vibrations from the project and recommend appropriate mitigation measures.	April 2017 (completed measurement of Natural Frequency)	Completed
2.2	Draft report with measured natural frequency reviewed by ADB and MDF and shared with CRP for review.	April 2017 (completed)	Completed
2.3	Second draft of the vibration report submitted to CRP for comments, including vibration impact assessments on the core and annexes, if annexes are significant, of the buildings under different noise mitigation scenarios.	June 2017	Completed
2.4	Selection of a vibration mitigation approach which will	June 2017	Completed

² This corresponds with Findings A of the CRP's Report (pages 8 – 13).

³ This corresponds with Findings B of the CRP's Report (pages 13 – 20).

	bring the Project into compliance with ABD's policies.		
2.5	Start implementation of mitigation option following the integrated approach.	August 2017	June 2018
2.6	Operation of an effective monitoring system of vibration impacts during construction phase and inclusion of following in the contractual agreement with contractor: (i) Plan of location of vibration monitoring system (for structural assessment vibration of foundation, for impact on people in the flats); (ii) Online analysis of vibration monitoring data (for structural assessment: DIN 4150-3; for impact on people: DIN 4150-2); (iii) Definition of threshold values (early warning stage, exceedance) for an automatically generated message to a defined group of persons; (iv) Action plan in case of exceedance; and (v) Documentation and report of vibration monitoring.	Construction phase	Construction phase
2.7	Removal of loose parts from buildings subject to result of vibration impact study prior to beginning of construction work.	Prior to beginning of construction	January 2017 onwards
2.8	Adequate securing of all annexes prior to construction work.	Prior to beginning of construction	Prior to beginning of construction
3	Action to address ADB's noncompliance in relation to CRP's findings on impacts on vulnerable groups⁴	Scheduled date	Status
3.1	Recruitment of a national communication consultant.	May 2017 (completed)	Completed
3.2	Prepare the methodology for targeted consultations with vulnerable people and groups.	May 2017	Completed
3.3	Conduct targeted consultations with vulnerable groups and people to assess impacts during (i) construction phase, and (ii) operations phase.	Jun 2017	Completed
3.4	Findings of the draft report to be reviewed by ADB and MDF and shared with CRP for review.	July 2017	December 2017
3.5	The report findings and proposed measures will be translated in to local language and disseminated and discussed with affected people.	July to August - 2017	Completed and posted on ADB and MDF websites Hard copies given to the residents (see Appendix 6)
3.6	Implement identified mitigation measures (including social assistance program for vision impaired persons during	Construction and operational	Construction and

⁴ This corresponds with Findings D of the CRP's Report (pages 21 – 23).

	construction) following the integrated approach for protection of vulnerable people during (i) construction phase and (ii) operation phase.	phases	operational phases
4	Action to address ADB's noncompliance in relation to CRP's findings on impacts on water and river ecology⁵	Scheduled date	Status
4.1	River Ecological Impact: Establish baseline survey, conduct ecological screening and impact assessment study to investigate impacts of project construction and operation on the river, with particular attention paid to impacts on protected fish species, if detected.	April 2017	Completed
4.2	Draft report reviewed by ADB and MDF and shared with CRP for review.	June 2017	Completed
4.3	Translate summary of draft report into local language, disseminate and conduct consultations with local stakeholders.		Completed and posted on ADB and MDF websites Hard copies given to the residents (see Appendix 6)
4.4	Implement mitigation measures based on an updated environmental management plan (EMP), which would include specific EMP for the river ecosystem to be affected by the road with additional mitigation measures based on the findings and recommendations of the river ecology report.	Construction and operational phases	Construction and operational phases
4.5	Revise the design of the storm water drainage to protect the river water in case of traffic accidents. Contingency plans will be prepared as part of the site specific environmental management plan. The volume of storm water retention basin with oil separator, has to in the magnitude to store the content of one full tank volume of a truck.	August 2017	Completed
5	Action to address ADB's noncompliance in relation to CRP's findings on consultations⁶	Scheduled date	Status
5.1	Communications specialist, directed by the project team, prepares a methodology for conducting additional meaningful and targeted consultations with different stakeholders (this action is done in parallel to item 3.2 above).	May 2017 onwards	Completed
5.2	Conduct consultations in accordance with actions specified in action items 1.3, 2.3, 3.3 and 4.3.	June 2017 (continuous thereafter)	Completed
5.3	Records on consultation conducted for action items 1.3,	July 2017	Summary is

⁵ This corresponds with Findings E of the CRP's Report (pages 23 – 25).

⁶ This corresponds with Findings F of the CRP's Report (pages 26 – 28).

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	2.3, 3.3 and 4.3 to be reviewed by ADB and MDF and shared with CRP for comments.		provided above in the main report
5.4	Findings of further consultations to be shared with CRP.	As part of updates	To do and not yet due
6	Action to address ADB's noncompliance in relation to CRP's findings on environmental categorization of the Project⁷	Scheduled date	Status
	Project categorization remains but it shall be monitored by ADB Management as if it was category A		No action required

⁷ This corresponds with Findings F of the CRP's Report (pages 28 – 30).

List of Persons Met During the Monitoring

The Compliance Review Panel (CRP) met with the following persons within and outside the Asian Development Bank (ADB) in carrying out its second annual monitoring mission for the Project. This list may not be exhaustive as it does not include persons who requested their identities to be kept confidential.

ADB Staff

1. Jesper Petersen, Advisor and Head, Portfolio, Results, Safeguards and Gender Unit (PSG-CWOD), Central and West Asia Department (CWRD)
2. Nicolas Dei Castelli, Urban Development Specialist (Transport)-Project Officer, Urban Development and Water Division [CWUW], CWRD
3. Michael Beauchamp, Senior Social Development Specialist, PSG-CWOD, CWRD
4. Duncan Lang, Environment Specialist, PSG-CWOD, CWRD
5. Yessim Elhan-Kayalar, Country Director, ADB Georgia Resident Mission, CWRD

Municipal Development Fund of Georgia

1. Giorgi Shengelia, Executive Director
2. Beka Toria, ADB Program Manager (Consultant) for MDF
3. Guja Kvantchilashvili, Head of Environmental and Resettlement Unit
4. Ketevan Papashvili, Environmental Specialist

Complainants and other project affected persons

1. Complainants and other project affected persons from Buildings 12 v/g
2. Complainants and other project affected persons Building 16 a/b
3. Complainants from Building 28a

NGOs

1. Manana Kochladze, Green Alternative
2. Irina Svanidze, Green Alternative