

Potential Socio-Economic And Gender Impact Of The Kvesheti-Kobi Road Project On The Local Population



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Overview

The former United Nations High Commissioner for Human Rights Zeid Ra'ad Al Hussein wrote: “Infrastructure, if well-conceived and implemented, is vital for the realisation of many human rights, including health, water and sanitation, and for economic growth. Growth, in turn, generates resources which can be harnessed for investments in people and the environment”.

That is, infrastructure projects should help improve individuals' quality of life and protect the environment. However, Al Hussein noted: “...these ambitious plans are laden with un-assessed human rights risk. Highway projects, like large dams and pipelines, have been lightning rods for human rights abuses in Africa, Asia and elsewhere”.¹

The 23 kilometre Kvesheti-Kobi road project is a new section of the North-South Corridor, which aims to improve access to road infrastructure and road safety, land transit for cargo and the region's tourism potential. The total cost of this section is an estimated USD 558 million. According to the project documentation, “The main beneficiaries are the local population and road users, including entrepreneurs and commercial, trading and/or industrial entities; drivers of public transport services; and tourists. The project will link Tbilisi to the South Caucasus and Russia, enhancing the movement of people and goods”². The incomes of the local population are expected to increase, as the project will make it possible to use the local road and the newly established Khada Valley Visitor Centre during all seasons.³ However, the local population is rather sceptical about the promises made by the project leaders. The project will be implemented by the State Road Department, under the Ministry of Regional Infrastructure and Development.

We tried to determine the reasons for locals' scepticism, as well as the potential impact of the construction on the population, including whether their socio-economic, gender and development rights have been respected thus far. It should be noted that the European Bank for Reconstruction and Development (EBRD) issued a USD 60 million loan and the Asian Development Bank (ADB) a USD 415 million loan to finance the project. One of our goals was to assess the added value the engagement of the international financial institutions brought to the project with respect to raising social standards and meeting human rights and sustainable development goals.

Unfortunately, as clearly seen from the project documents and our interviews with the community, the Kvesheti-Kobi road creates many problems for the local population, both in

¹ Zeid Ra'ad Al Hussein, ‘Human rights trampled in push to build infrastructure’, *Miami Herald*, 10 March 2017.

² Asian Development Bank, Summary Poverty Reduction and Social Strategy: North-South Corridor (Kvesheti-Kobi) Road Project (RRP GEO 51257), accessed 14 August 2020.

³ Asian Development Bank, ADB Report and Recommendation of the President to the Board of Directors, Project Number: 51257-001: Proposed Loan Georgia: North-South Corridor (Kvesheti-Kobi) Road Project, July 2019.

terms of the harm it will cause the living environment and quality of life, as well as the destruction of local development opportunities.

The project's implementation may have severe negative consequences for approximately nine kilometres of the Khada Valley, located 100 kilometres from Tbilisi. Because there is no access to the road during winter, only 10 houses in the entire valley are occupied year-round (primarily by elderly women). The population returns to the villages in other seasons to take part in agricultural activities, their main source of income.

The project promoters have assured residents that the road will have an indirect positive impact on the socio-economic situation of Khada's population, as well as income growth and poverty alleviation in the whole region. However, the project's environmental impact assessment (EIA) and other documents do not address the project's direct impact on poverty at the region level. This is particularly problematic given that, according to the document, 108 households will lose more than 10% of their agricultural lands, which will significantly reduce local economic activities and agriculture productivity⁴. According to the project documents, the road will have an impact on both agricultural and residential lands. 158 families will lose 288 plots of land, out of which 261 plots are agricultural⁵. In total, the loss of land amounts 34 hectares.⁶ Because there is not much land available in the valley, the project has not offered these households alternative land plots. The proposed compensation per square meter (GEL 22, or USD 7) is instead defined by the state and is not a result of negotiations with the landowners. In the project's implementation, the issue of registration and compensation of traditional lands remains problematic. Furthermore, instances of seized lands or the arbitrary registration of traditional community lands by the Roads Department have emerged.

Moreover, the population has complained that they were not sufficiently involved in the project decision-making process, and as a result, that viable alternatives and local needs the project should meet were not considered. The project does not solve the issue of the valley's internal roads, which are in very poor condition and used for movement within the villages – the population's most pressing problem. Local residents stated, "*the project brings no benefit to the village (woman)*", as it will result in the loss of part of their agricultural lands, limit access to natural resources and may damage their houses.

Local residents highlight project risks such as a complete change in the landscape of the Khada Valley, increased pollution, intensification of seismic processes, increased threats to cultural heritage and the loss of sustainable development prospects for the valley. Locals believe that

⁴ Asian Development Bank, 'GEO: North-South Corridor (Kvesheti-Kobi) Road Project Tunnel Section (CP-01)', April 2019: '14 will lose more than 10% of their productive agricultural and/or residential land'; Asian Development Bank, 'GEO: North-South Corridor (Kvesheti-Kobi) Road Project Road Section (CP-02)', May 2019: "There are 90 AHs which will lose more than 10% of their total landholdings."

⁵ Asian Development Bank, 'GEO: North-South Corridor (Kvesheti-Kobi) Road Project Tunnel Section (CP-01)', 19-20 and Asian Development Bank, 'GEO: North-South Corridor (Kvesheti-Kobi) Road Project Road Section (CP-02)', 24-25.

⁶ Ibid.

because of the project, they will no longer be able to grow clean agricultural products or collect and process medicinal plants. Furthermore, they are worried it will reduce the number of tourists and vacationers who have recently discovered the cultural and recreational potential of the Khada Valley.

A study of the project documentation, along with field visits and interviews with the population, led us to believe that the project will not be able to improve the living conditions of local residents. In addition to this, a comprehensive environmental and social impact assessment of the project and stakeholder involvement in the decision-making process should have been ensured, in line with EBRD and ADB social and environmental safeguard policies, prior to the project approval.

As the project is funded by international financial institutions, the road construction should have had a positive impact on the social situation both at the regional and national levels. The project should have also benefited local people (both men and women alike), which is hardly possible given the project design.

The Environmental and Social Impact Assessment (ESIA) and other mandatory documents do not comply with the EBRD's Environmental and Social Policy (2014) and Performance Requirements – in particular, PR 1, “Assessment and Management of Environmental and Social Impacts and Issues”; PR5, “Land Acquisition, Involuntary Resettlement and Economic Displacement”; PR8, “Cultural heritage”; and PR10, “Information disclosure and stakeholder engagement”.

The project do not comply with the ADB's safeguard policy (2009). It impacts so called critical habitat, “areas having biodiversity of significant social, economic, or cultural importance to local communities” and pose danger to physical cultural resources.

In line with the ADB's safeguard policy, the project has been assigned a gender-mainstreaming category, and a number of activities are planned to be implemented under the associated Action Plan (such as a road safety campaign, employment of women in the Visitor Centre and women's tourism activities). However, the planned activities are disproportionate with the problems of the population and especially of women in the Khada Valley (lack of roads and medical and other basic services). They also do not create opportunities for women's empowerment in the valley and the wider region.

Khada residents believe that this project should not be implemented in the valley. Instead, they believe that the rehabilitation of the internal road in Khada will, on the one hand, increase the population of the valley and, on the other hand, preserve the natural environment and cultural heritage and create more opportunities for local development. According to them, the country will also benefit from leaving Khada intact and developing tourism there.⁸

⁷ Asian Development Bank Safeguard Policy Statement , 2009

⁸ Petition გადავარჩინოთ უნიკალური ხადის ხეობა / Save the unique Khada Valley in the Caucasus Mountains.

Methodology

This report was prepared in a number of stages. In the first stage, project documentation, letters from local residents and media publications were examined. In the second stage, several field visits were arranged to the Khada Valley. In June 2020, 22 in-depth interviews were conducted with 22 local residents (11 men and 11 women) in Khada Valley and surrounding villages: Benian-Begoni, Tskere, Rostiantkari, Bedoni, Jaghmiani, Kaishauri, Zakatkari and Kvesheti.

Project description

The North-South Corridor connects Russia with Armenia and Iran via Georgia. The Zhinvali-Larsi road construction project aims to improve access to road infrastructure and road safety, ease land transit for cargo and enhance the region's tourism potential. Kvesheti-Kobi, a new stage of the project, is envisaged as a 23 kilometre section of road.⁹ The total cost of this section of the



⁹ Carrying out environmental and social impact assessments on segregated projects, section by section, is in conflict with EU legislation, based on the Salami Principle. It should be noted that this practice is common in Georgia mainly during road construction. Currently, the Ministry of Regional Development and Infrastructure is considering different sections of Zhinvali-Larsi and trying to issue an environmental decision for each section. According to Article 2 of the Environmental Impact Assessment Directive 2014/52/EU (EU 2014), projects that have a significant impact on the environment are subject to assessment. Screening and EIA should take into account the impact of the entire project, including during construction,

project is estimated at USD 558 million. Out of this, USD 415 million is an ADB loan, USD 60 million is an EBRD loan commitment, and USD 83 million is the share of the Government of Georgia. The recipient of the loans is the Ministry of Regional Development and Infrastructure of Georgia. The project promoter is the State Road Department.

The project envisages the construction of five tunnels over these 23 kilometres, the total length of which is 11.4 kilometres. Out of them, the longest will be a tunnel of approximately nine kilometres long, and the rest are relatively small (1,541 metres, 194 metres, 388 metres and 299 metres). It also plans the construction of six bridges, with a total length of two kilometres. One of them will be an arched bridge 426 metres long and 166 metres high, in addition to one bridge that is 435 metres long and four relatively small ones (322 metres, 218 metres, 148 metres and 28 metres). The project is implemented by the Roads Department of Georgia.

Construction is planned in the Khada Valley. In addition to the construction of the main highway, the construction of a road connecting the highway to Gudauri and the arrangement of auxiliary roads, construction camps, a concrete plant, landfills, etc. are also planned in the valley and its surrounding villages.

The international financial institutions classify the project as Category A, which means it has significant expected impacts on the natural and social environment. Under the project, improved road infrastructure will promote access to cheap transport, trade and economic opportunities for the local population. ADB emphasizes that the project promotes effective gender mainstreaming.¹⁰¹¹

According to the project's Environmental and Social Impact Assessment (ESIA), construction will lead to involuntary resettlement of both an economic and physical nature. The ESIA only addresses the needs and impacts of people directly affected by the project in some villages (Tskere, Kobi, Kvesheti, Arakhveti, Zakatkari, Beniani, Begoni, Sviana, Rostiani and Mugure) of the Khada Valley¹²; it does not address the wide array problems (pollution, noise, intensification of traffic flows, etc.) that all of the project-affected communities will face, including those of villages not listed here (see below). Furthermore, the report does not assess the socio-economic and gender impact of the project on the communities within the project

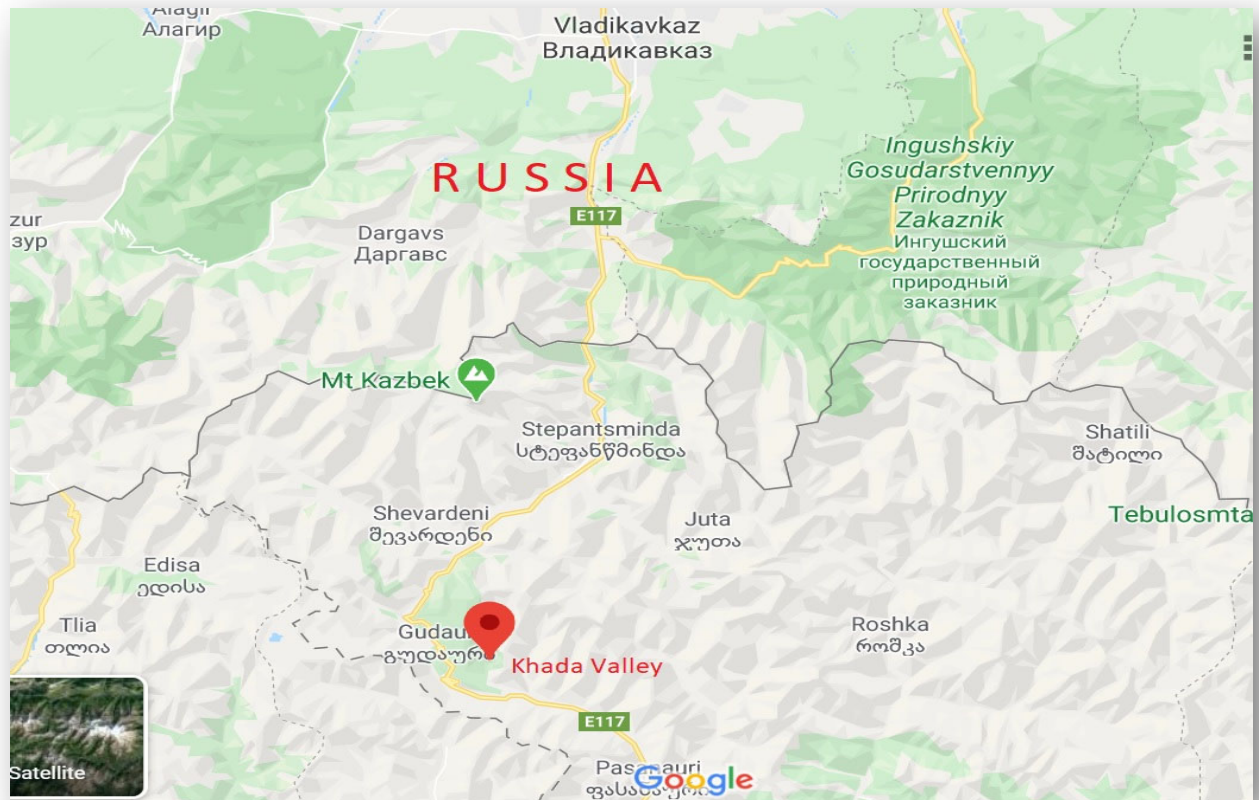
operation and, where relevant, project liquidation. Segregation of the project into parts is in conflict with the Directive. European Commission, Interpretation of the definitions of project categories in Annex I and II to the EIA Directive, 2015.

¹⁰ Asian Development Bank, [Georgia: North-South Corridor \(Kvesheti-Kobi\) Road Project](#), accessed on 12 August 2020.

¹¹ Gender mainstreaming of policies, programs and projects is a process that identifies development issues, needs and impacts from a gender perspective at all stages of the project development, including planning, implementation, monitoring and evaluation. This process is the basis for achieving gender equality in such projects. Asian Development Bank, [Gender Tool Kit: Public Sector Management](#), 2012.

¹² According to the project documentation, an affected person is one who has lost / will lose his/her land and/or property, or other assets, in whole or in part, temporarily or permanently. Project-affected communities are the population living in the vicinity of the project that may be subject to positive or negative impact of the project and its associated infrastructure. European Bank for Reconstruction and Development, [Resettlement Guidance and Good Practice](#), 2017.

area. The study also poorly addresses the direct impact of land acquisition on project-affected persons.



It should be noted that a number of villages in Khada Valley are not considered ‘affected’ in the project documents, despite the fact that there are plans for additional infrastructure that impacts those villages. Accordingly, the project documentation does not include the environmental and social impacts of these activities or risk reduction plans. For example, maps provided by the Roads Department¹³ show that the road connecting to Gudauri will pass through the villages of Zakatkari, Kaishauri, Jaghmiani and Seturebi. The villages of Kaishauri, Jaghmiani and Seturebi are not considered affected settlements in the project documents.

Socio-economic situation of the population in the Khada Valley

Khada Valley is an integral part of the Mtskheta-Mtianeti region. According to the Mtskheta-Mtianeti Region Development Strategy for 2016-2021,¹⁴ the region faces a number of specific

¹³ Public information provided by the Roads Department to Green Alternative by letter N2-07/5691, 8 June 2020.

¹⁴ Decree of the Government of Georgia, document number 1285, on the Approval of the Mtskheta-Mtianeti Region Development Strategy for 2016-2021, 1 July 2016.

challenges and needs. It is characterised by increasing migration and population decline caused by low quality of life, lack of services and an insufficient social security system. There is a high demand for medical services in the region, since a large part of the population is elderly and there is a shortage of highly qualified staff in local medical institutions. Access to public schools and preschool institutions, as well as the quality of these schools, is an acute problem in the region. Women are employed mainly in low-skill positions and are less involved in political or economic activities. These problems are particularly acute in the life of the Khada Valley.

Khada Valley, a nine kilometre long valley located 100 kilometres from Tbilisi, is known in Georgia as the Valley of 60 Towers. Due to the lack of road access, the entire valley's population during winter consists mostly of elderly people (primarily women), living in up to 10 houses. In other seasons, the population returns to the villages to engage in agricultural activities, its main source of income.

Internal road malfunction is one of the main problems. Periodically, the roads are covered with gravel, paid for by the local self-government's budget, although this work has never been carried out fully. In the villages, there are places where landslides and avalanches occur, complicating local residents' lives even more: *"The road has been ruined for 25 to 35 years. When a landslide comes the locals repair it and then it comes again. Many people lived there previously, but the valley was slowly emptied"* (man). Lack of public transport creates problems for families with young children, especially in winter: *"Not everyone owns a car. Four children walk from Khada to school. It is about seven kilometres, it is a dangerous road in winter because of avalanches. That is why they go to Kvesheti and rent houses there"* (woman).

There are no basic services, such as a medical facility, a school, a kindergarten, a shop, or a pharmacy, to satisfy the needs of Khada's population. One resident said, *"We are suffering. If someone comes here, we ask them to bring products and medicine"* (woman). Services are insufficient not only in Khada, but also in the region as a whole. *"A doctor comes to Kvesheti on Thursdays and we go there"* (woman). Other infrastructure conditions in the villages are also problematic: water supply is unstable in some villages in the valley, and the situation is even worse in winter as water freezes. Mobile connection, and consequently, internet access, are weak in some villages. There is no sewerage system in the villages, and natural gas pipes and electricity transmission lines needs replacement.

Leaving the valley is rarely a subjective choice for families. The main reason they do so is the lack of roads and living conditions in winter and the distance from schools. Those families who have nowhere else to go have to rent houses in Kvesheti during the winter. According to these respondents, *"we are tired of walking back and forth and living in different houses that we rent"* (woman). Locals recall that there was a school in the valley 10 years ago and boarding houses in the surrounding villages; therefore, families did not have to leave the villages to give education to their children.

Currently, mostly elderly people stay in the valley during the winter. Some of them can leave and go to their children, but they prefer to stay in Khada because they cannot imagine living anywhere other than their home.

The population in the valley and surrounding villages is mainly engaged in livestock farming. In addition, they produce hay, potatoes, dairy products, etc. for sale, and grow vegetables for their own consumption. Agricultural plots are mostly located away from the homes, while houses have small homestead plots. The pastures are mostly on mountain slopes, often in hard-to-reach areas.

Traditionally, women are engaged in household activities (cooking, housekeeping, childcare and care for family members), growing potatoes and other vegetables, raising poultry, making dairy products, etc. It is also noteworthy that many women in the valley make handicrafts: *‘We make wool, weave, knit, everyone knows knitting’ (woman)*. They also mentioned during the interviews that cooking traditional dishes is part of their daily lives. The main activities for men are mowing, caring for livestock and tending sheep, growing potatoes and participating in community affairs.

Traditional holidays are an important part of the region and the daily life of the valley. These holidays are one of the reasons that the population returns. *“ We celebrate every holiday, people who have left, are also coming” (man)*. Traditionally, only men can visit most of the shrines in Khada. Shrines are led by male deacons who are responsible for leading the people and caring for the shrines. Families traditionally pass the deaconship from generation to generation in order to ensure the shrines are taken care of.

A large part of the region’s income (cash and non-cash) is the benefits received from agriculture. Part of the population is employed in Gudauri resort, both on long-term and temporary jobs, and their income is tied to tourism. The primary source of income for the elderly population is pensions, which are not sufficient to purchase needed items such as medicine.

Project benefits and risks for the local population

According to the project documentation, Kazbegi and Dusheti municipalities are characterised by inadequate infrastructure, non-existent formal employment and scarce economic development opportunities. Accordingly, the main beneficiaries of the construction of the Kvesheti-Kobi road section ‘are the local population and road users, including entrepreneurs and commercial, trading and/or industrial entities; drivers of public transport services; and tourists’¹⁵, as the project will connect Tbilisi with the South Caucasus and Russia. The incomes of the local population are expected to increase, as the project will make it possible to use the

¹⁵ Asian Development Bank, Summary Poverty Reduction and Social Strategy, 2019.

local road and the newly established Khada Valley Visitor Centre during all seasons.¹⁶ However, the local population is rather sceptical about the promises made by the project leaders.



Local residents highlight that their main need is the rehabilitation of the existing internal road, which they believe is a prerequisite for the valley's development. Locals say that the planned project does not envisage the repair of internal roads and that a traffic junction connecting the villages with the highway is to be arranged in an inconvenient place: "*Three kilometres up to Tskere is the most difficult section and it will be left like this again. A junction will be made three kilometres away*" (man). The local population was told from the beginning that the highway is not being constructed to address their needs.

Furthermore, residents point out that '*the project has no benefit for the village*' (woman), since they believe that the project will result in the loss of some agricultural land, limited access to natural resources and damage to their houses. The population constantly refers to the expected direct and indirect negative impacts of the project rather than its benefits. They also highlight risks such as a complete change in the landscape of the Khada Valley and an increase in pollution, intensification of seismic processes, and increased threats to cultural heritage.

According to the local residents, it will be impossible to stay safe in the valley even after the project works are completed. The project documents themselves raise concerns about the effects of climate change in the construction area, and thus locals worry that the construction will activate seismic processes such as avalanches in Tskere and landslides in Rostiantkari and Bedoni.¹⁷ The population fears that they will no longer be able to live safely in the valley: "*We will have to close the doors if people start walking in the valley*" (man). According to the interview respondents, the project will lead not to the return of people to the valley, but to their eventual evacuation.

The potential impact on the elderly and children is very clear. The elderly say that the increased number of people entering the valley, the noise of the road works, pollution and the

¹⁶ Asian Development Bank, Proposed Loan Georgia: North-South Corridor (Kvesheti-Kobi) Road Project, 2019.

¹⁷ Asian Development Bank, TA 9552-GEO: Preparing the North-South Corridor (Kvesheti-Kobi) Road Project: Climate Risk and Vulnerability Assessment, April 2019.

eventual continuous movement on the road is unacceptable for them. They want to live in peace, in the houses built with their own hands, which may also be in danger. *“I have a child in Tbilisi, but I do not go. I prefer to stay here. I was born here. I grew up here. I grew old here. I love what I do. In the city, I sit in one place alone and count cars from the window” (woman)*. Families with children also see a problem in the implementation of the project, both in terms of construction and operation. They say that the constant movement of heavy equipment, as well as the movement of strangers into the valley will increase women’s labour to ensure children’s safety. *“There is already few children in the valley, and nobody will bring them after construction will start” (man)*.

The project authors and promoters do not deny that the construction will lead to a visual change in the Khada Valley, increased noise and pollution of the valley. According to Khada’s residents, these impacts will cause other problems that are not properly assessed in the project documentation. For example, because of the continuous movement on the highway, the population believes it will have to live in constant echo mode: *“The valley is narrow in itself and it echoes back: if you speak loudly, it echoes through the valley” (man)*. Residents are concerned that this will increase tension and stress among the population.

Local residents also believe that the project will lead to a significant increase in air pollution as well. The polluted air coming out of the nine kilometre-long tunnel will be completely spread through the valley. During the construction process, the concrete plant will deteriorate the air quality. Moreover, residents fear they will no longer be able to grow organic products in the valley: *“We will not be able to grow organic products and we will not be able to collect medicinal plants. Now that we go out and collect dog rose (rosa canina) and our children drink it, then it will be polluted” (man)*. They also fear that air pollution will have an impact on the health of local population.

Local residents also perceive increased waste pollution as a risk. One respondent from Kvesheti (who lives near the existing highway) says that he is constantly cleaning his yard. Passers-by throw garbage, and the wind carries the waste that is thrown away to the village.

It should be noted that the population believes the pollution in the valley will start as soon as the road construction works intensify. They think that the movement of equipment and carrying out of construction works will immediately raise dust in the valley. It is also problematic that the project plans to dump part of the land extracted to create the tunnels in the valley. One respondent said, *“They were looking for five hectares of land. They wanted to dump the land taken out of the tunnel*



and could not find enough space in the valley. First they were going to dump it on the mountain and rain would bring them down, then they were thinking to dump it behind Tskere” (man). According to locals, the valley is so narrow and the area of land there so small, that they will not be able to find room for this land in the valley, or that they will fill the whole valley with this waste.

In the opinion of the respondents, the benefits offered by the project are not based on needs of the population. The project also does not take into account real risks (worsened health conditions, increased workload of the population due to the distance between connection line and villages, reduced safety, etc.). Therefore, the population believes that benefits presented in the project documents (trade development, emergence of new sources of income, etc.) will remain minimal or unattainable. On the contrary, they worry that ignoring these problems will lead to the emptying of the valley: *“I am here with my children because of fresh air and I do not want this road because this air will be no longer here and I cannot bring children here”.* (woman).

One of the main expected benefits of the project is the development of tourism in the valley, and in particular, the establishment of a tourist information centre. However, some local residents perceive this as a mockery. They fear that project implementation will have a negative impact on the tourism and recreational potential of the valley and its surrounding villages. In recent years, the number of visitors to Khada has been slowly increasing. In addition to visiting the abundance of cultural monuments and biodiversity, they relax in Khada, enjoying the pristine environment, tranquillity, coolness and fresh air.

Local residents planned to develop tourism as much as they could; however, the road project has had a negative effect on their plans: *“I was planning to make a family hotel, I am a craftsman, but now I’ve stopped. Who will come if this highway is built here?” (man).*

Respondents from older generations said that the project deprives the valley of the opportunity for development, the implementation of the road project will leave no opportunities for youth in the valley, and no one will be willing to return. *“The youth will be ruined. We will ruin our young people who have capabilities, strength and opportunities” (woman).* Young people also want the development of the valley without a highway. For them, the current Khada is more valuable and has more potential than the Khada with the highway, which, in their opinion, only poses a threat: *“I prefer Khada to be like it is now. Even if the road is bad and I go up twice a month, I prefer to find it like it is now. I know that this project will damage my village” (man).*

In general, according to the respondents, no compensation can outweigh the damage that this road will bring to the valley: *“The issue is not only about compensation. It will destroy everything; everything is falling apart in itself. This project will empty the valley” (woman).*

The majority of the valley felt similarly to one respondent who said: *“We’d love to have people and the road. If they had made an internal road, it would have been for u” (man).*

Thus, part of the population demands that this project not be implemented in the valley. Instead, they believe that the rehabilitation of Khada's internal road is a preferable solution, because it will increase the population of the valley on the one hand, and will preserve the natural environment, cultural heritage and create more opportunities for local development on the other. According to them, by leaving Khada intact and developing tourism there, the country will also benefit from it:

“This road is unacceptable. It would be better to improve the tourist infrastructure in the valley. The state would receive more benefits” (man).



Participation of the population in the decision-making process

According to the project documentation, more than 40 meetings were held with the local population and other local stakeholders during the decision-making process. The meetings covered environmental, social and economic impacts, as well as the technical design of the project.

Despite the deep belief of the project promoter that enough has been done to inform the population, the state's arguments for building the highway remain vague for local residents. They do not understand why the government decided to build this highway in the Khada Valley. The population is still concerned about why Khada was chosen as the optimal route, especially because they know that although it has been proclaimed the geologically mostly justified route¹⁸, it nevertheless passes closest to a volcanic zone and will have a major impact on cultural heritage. At the meetings, the locals expressed numerous concerns regarding the road route. A large part of the population supports the Ganisi alternative, which would place the road in the Ganisi Valley. They believe this route will cause the least damage, as road works were already carried out there during the USSR.

It is noteworthy that the population emphasizes poor communication regarding the project: „I found it on the Internet last year. They come here, look around and do not talk to us. This village will be evicted“ (man). The population is also concerned that the authors of the project

¹⁸ Asian Development Bank, Georgia: North South Corridor, (kvesheti- Kobi Road Project), Frequently asked questions, April 2019.

almost never take into account the issues they raise: „*Each time they say different things and do not take into account what we say*“ (woman).

Impact of the project on the agricultural lands and dwellings of the population and related problems

According to the project documents, the project will have an impact on both agricultural and residential lands. 158 families will lose 288 plots of land (each around 1,500-2,500 square meters), of which 261 plots are agricultural. the project promoters did not offer alternative land plots, which is a remediation action consistent with high standards for involuntary resettlement. From the very beginning, the focus was on financial compensation for land losses. It should also be emphasized that the Roads Department of Georgia, which is authorised to make land compensation on behalf of the state, did not enter into negotiations with the local population and simply set the price of compensation for one square metre of land at GEL 5.60¹⁹, which, according to one local resident, is „*the cost of one pack of cigarette*“.²⁰

The population is clearly aware that the impact of the project on the land will be quite large and that the project will leave a large part of the population without land: „*I have 2 boys and I will no longer have land*’ (woman), one said. Another said: ‘*I will not give up my land, I have one plot only*“ (woman).

According to the locals, agricultural activities are the main source of economic income for the families living in Khada, as well as for families who have already been resettled. If they lose their agricultural land, local residents will have to buy all of their vegetables and products, which will change their lifestyle and make it more expensive. Eventually, this will become one of the reasons that the valley will become empty. The population thinks that „*land is more important than money in the mountains*“ (woman) and that it would be impossible to live without land in the village.

It should be noted that the villages surrounding Didveli (Mleta, Arakhveti, etc.) are used for grazing. However, the project plans to construct the highway and access roads to Gudauri, as well as tourist infrastructure, on this land, which will make grazing impossible. The locals have no other pastures and are concerned about how they will be able to keep their cattle. These lands used to be community lands. During the project implementation, however, it became obvious that these plots are currently owned by relatives of local government officials. It is unclear to the population how these individuals managed to register these pastures, as existing legislation makes it quite difficult to register this type of land. Locals expressed worries that the registration of lands was carried out as a result of corrupt bargains.

¹⁹ Collective appeal of the population of the Khada Valley in Dusheti municipality to the Government of Georgia and international financial institutions on the North-South Corridor, Kvesheti-Kobi road project, 2 September 2019.

²⁰ Luka Pertaia, ‘We offered 5.6 GEL for 1 square meters of land for Kobi-Kvesheti road to 58 owners - Roads Department’, *Netgazeti*, 7 February 2020.

In the spring of 2020, the Roads Department had to increase the compensation package for one square metre of land from GEL 5.60 to GEL 22, but their attitude towards the local population has not changed. On 20 March 2020, the Roads Department sent a letter to the residents living in the Kvesheti-Kobi road project area, according to which the residents had to agree to the land compensation package offered by the Department within five days and notify the Department in writing. On 21 March, a state of emergency was declared in the country due to the COVID-19 pandemic. Further telephone communication between the population and representatives of the Roads Department revealed that the population could confirm their consent with a representative of the Department by telephone; however, after doing so, citizens needed to appear immediately in Tbilisi or Dusheti public city hall. As local residents reported, a spokesperson for the Roads Department informed them that if they rejected this offer, the expropriation process would begin and lands designated for the project would be taken away from the residents.

Part of the project-affected population still does not know whether the project will pay them any kind of compensation or not. Though one Khada resident said that *„a 600-page book on the project is kept in the premises of the local self-government and one can get acquainted with this book on-site, as well as maps“* (man), another said: *‘on the same map we could not identify our land, or where the road will pass through’* (woman). The residents of the villages of Jaghmiani, Kaishauri and Seturebi do not know exactly how the road will pass over their lands and do not have their lands registered yet.

Problems, such as the status of orphaned land and access to property that is not addressed in the project, remain. For example, locals remain concerned that part of the population of the village Beniani will be no longer able to cultivate the land that will be on the other side of



the highway once it is built, because they will have to use the junction connecting to the village to get there. This will be an issue for the population, especially for the elderly, because of the distance: *„I have land on the other side and, as it was said, they will not compensate for this land, but how can I cross the road and how can I use it?“ (woman)*. According to the elderly, they have difficulties with mobility and will not be able to walk long distances to use the junction connecting the village to reach their plot: *„I can hardly walk here and how can I get to that junction“ (woman)*.

Land registration is still unresolved. Many Khada residents addressed the Prime Minister of Georgia, as well as the relevant remediation structures of the ADB and EBRD. However, the problem still remains. Although the project's preparatory works have already started, there are some families in the valley who still cannot register the lands that the highway will cross: *„The road will pass over my three plots and I cannot register them“ (woman)*.

At the same time, the term „seized lands“ has emerged in the valley, which refers to the lands traditionally owned by Khada residents that were re-registered in the public registry for the Roads Department. The local population said that about 845,000 square metres of land have been re-registered in recent months, while locals face significant problems in the land registration process. This is confirmed by the residents of the village of Rostiantkari, who themselves could not register the lands which later have occurred in the ownership of the Roads Department.

In addition to the land, the residents believe that the project will impact their living environment and houses. Houses are mostly built of dry stone, many are already in need of rehabilitation. The project's construction works or the continuous movement of trailers during the road's operation may damage them. Eventually, life in these houses will become dangerous and villages will be further emptied. For example, a nine kilometre-long tunnel will pass very close to the village of Tskere, and several families are already at risk of resettlement at this stage. According to the locals, after the construction of this tunnel, Tskere will remain a „village on the shelf“, which will be destroyed by the project and project activated avalanches.

The project puts the local population in danger and avoids responsibility for its impact, which it has not properly assessed. For example, in the village of Zakatkari, as well as Tskere, the highway will be located 20 to 50 metres away from the houses. In some houses, three or four families are living. If houses are damaged due to highway construction and operation, the project will simply repair them, rather than resettle these people.

Meanwhile, people that will be resettled by the project are not very interested in the amount offered. The main issue for them is to live in the valley: *„They say [they want] to compensate us, but we want to live here. Let them build a house for us in the same village“ (man)*.

According to ABD and EBRD requirements, the project promoters were required to enter into negotiations with each affected person whose property will be impacted by the project

and to assist with the registration of their land in the public registry, and if registration is not possible, to determine compensation in accordance with the banks' policies.

International financial institutions recognise customary and traditional forms of ownership; therefore, the project should have mechanisms in place to compensate for the loss of these forms of ownership as well. It should be noted that the Resettlement Action Plan describes in detail the difference between Georgian law and ADB and EBRD requirements, including the fact that, unlike Georgian legislation, registration in line with bank requirements is not a basis for compensation and, that the project is required to compensate in case of registered or legalised, as well as unlegalised, customary and traditional property. In line with the policy of the banks, the project should ensure the improvement or at least the maintenance of the living conditions and incomes of the affected persons,²¹ i.e. the population should not suffer material losses in the case of projects financed by these international financial institutions. Moreover, in accordance with EBRD policy, compensation must be available before the project starts using this land/property. Though the project has a so-called dispute resolution mechanism, a large part of the population knows nothing about this mechanism.

In line with the ADB's safeguard policy, the project was assigned a gender-mainstreaming category²². Accordingly, a Gender Mainstreaming Action Plan was prepared. In line with the plan, gender-segregated data has been reflected in the project EIA, although a gender impact assessment has not been prepared. Gender-segregated data in the project's natural and social impact document are not assessed. Furthermore, a number of activities are planned to be implemented under the Action Plan (road safety campaign, employment of women in the Visitor Centre, women's tourism activities). However, the planned activities are disproportionate with the problems of the population (lack of roads and medical and basic services), and especially to women in the Khada Valley. They also cannot create tangible gender mainstreaming in the socio-economic life of the region or Khada Valley.

Impact on cultural monuments

Khada is a tiny, hidden valley at the edge of Caucasus mountains. It was historically part of Mtiuleti Region, a stronghold defending the road between northern and southern Caucasus with 60 towers (hence its popular name, 'the Valley of 60 towers'). The Valley has a variety of landscapes and villages located in a small area. There are patterns of traditional dwellings and magnificent architectural monuments, including the church of Korogho (tenth century), Tsetskhlisjvari (Cross of Fire) Fortress (ninth-tenth centuries) and Iukho Tower (estimated ninth-tenth centuries). Continuous human life in the valley starting in the Eneolithic period

²¹ Asian Development Bank, Resettlement Plan: GEO: North-South Corridor (Kvesheti-Kobi) Road Project, Tunnel Section (CP-01), July 2019.

²² 'A project is assigned EGM if the project outcome is not gender equality or women's empowerment, but project outputs are designed to directly improve women's access to social services, and/or economic and financial resources and opportunities, and/or basic rural and urban infrastructure, and/or enhancing voices and rights, which contribute to gender equality and women's empowerment.' Asian Development Bank, Guidelines for Gender Mainstreaming Categories of ADB Projects, 2012.

is archaeologically confirmed. Archaeological artefacts from rock caves; fortified, detached towers; churches; memorial sites (such as the Kaishauri valley and old cemeteries); and inscribed stones and stone crosses demonstrate some of the cultural and historical value of the Khada Valley. The cultural heritage, both the architecture as well as the archaeology of the Khada Valley, has not been studied by scientists²³. The impact that the construction works will have on the archaeological or architectural heritage sites has not been studied either. Most of the architectural heritage sites date from the ninth to seventeenth centuries. The dry stone technique, using slate stone, was used to construct many of these structures. Their current condition requires urgent attention.



The valley's population does not believe the project authors' promise that its cultural heritage will not be endangered. Local residents claim it would be impossible to implement the project in a way that would not damage cultural monuments. According to them, the monuments were mostly built using

the dry stone technique, and many are already falling apart. The road will pass very close to some shrines and towers, and in the village of Zakatkari, the road will be built very close to the Trinity Church. Cultural monuments in almost every village face this risk: *„In Rostiani, where the road is to be built, there are three castles and a shrine. These castles are already collapsing. These castles will be 100 metres and 50 metres away and how will they not be affected? Also, the road will be close to Khada 12 Martyrs“ (woman).*

The population is also worried that the road will pass close to the cemeteries. Furthermore, auxiliary road works were underway in the area of Didveli, and one respondent said that *‘an archaeologist was not involved in the road construction’ (man)*. They fear that the project will damage their holy places and shrines, and in such a case they will have to take extreme measures: *“The population will protect the shrines and castles to the last drop of blood. We have an old fortress in Didveli and we light candles there” (man).*

²³ Letter of Chubinishvili National Research Center, 23 August 2019; Letter of G.Gogochuri, Archeologist, 5 August 2019.

Measures taken to protect cultural heritage do not comply with the ADB's Safeguard Policy Statement²⁴, the EBRD's Environmental and Social Policy Performance Requirement 8²⁵ or Georgian legislation on cultural heritage. According to the project, the cultural heritage management plan should have been ready by February 2020, but it still not available.

According to the monitoring plan, the contractor is obliged to comply with the law of Georgia, according to which construction is allowed at least 300 metres away from a building that has the status of a monument²⁶.

In June 2020, China Railway 23rd Bureau Group Co., the construction company hired to build the Kvesheti-Kobi section, started the construction of a workers' housing complex near the late medieval Naghvarevi monument without permission. According to the residents, the construction of the foundation of the building was about 70 metres from Naghvarevi Church. According to the local municipality, the construction was supposed to be carried out within 200 metres of the church; however, at the end it turned out that it was carried out without any permission.²⁷ Only after the alarm of the local residents and specialists did the National Agency for Cultural Heritage Preservation declare the construction illegal.²⁸

On 16 July, a representative of the public relations department of the National Agency for Cultural Heritage Preservation wrote on social media that, based on the proposal of the Roads Department, the Agency is currently working on a technical assessment and inventory project of the road adjacent area that most likely will be carried out by the Agency. According to him: The Agency had not issued a permit for the implementation of the infrastructure project, despite being aware of the preliminary study of cultural heritage conducted within the framework of the environmental impact assessment document. Obviously, the inventory process will be complex and will involve the reconnaissance and study of archaeological sites. Therefore, the issue of defining the road route and possible adjustments in future will depend on the report of this research.²⁹

However, according to letter N17/3158 dated 2 August 2019 from the National Agency for Cultural Heritage Preservation to the Roads Department, the Agency previously issued an approval for the excavation works. Archaeologist Giorgi Gogochuri said that the Roads Department submitted only 'Surface Archaeological Reconnaissance', which says that 'based on the surface archaeological reconnaissance carried out to identify archaeological sites, objects and artefacts with archaeological signs are observed on the study area and its surroundings'. Therefore, according to his opinion, 'the project road passes through [an] archaeologically less researched but probably archaeologically rich area, where historical and architectural buildings are located, we [archaeologists] believe that archaeological

²⁴ Asian Development Bank, Safeguard Policy Statement, June 2009.

²⁵ European Bank for Reconstruction and Development, Environmental and Social Policy: Performance Requirement 8, Cultural Heritage.

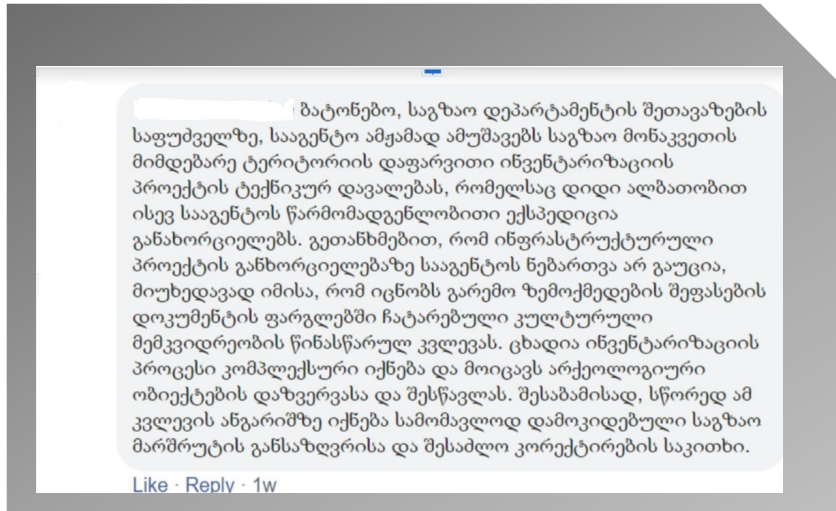
²⁶ Legislative Herald of Georgia, Law of Georgia on Cultural Heritage, 2020.

²⁷ Nika Gurini, 'It's disinformation that Chinese are destroying the historic church of Naghvarevi', *Myth Detector*, 7 July 2020.

²⁸ 'Illegal construction near Naghvarevi Church has been stopped', Reginfo, 11 June 2020.

²⁹ Beka Baramidze, 'on the basis of road department offer', Facebook, July 2020.

monitoring should be carried out during the entire period of the road construction.³⁰ The authors of the project, the EBRD, the ADB and the National Agency for Cultural Heritage Preservation, on the other hand, plan to carry out the fundamental archaeological monitoring during road construction.



Thus, this type of permit does not comply with the EBRD’s Environmental and Social Policy Performance Requirement 8, which requires that the Bank’s client develop a specific cultural heritage management plan based on fieldwork and expert assessments. Presenting ‘surface archaeological reconnaissance’ as a field research is problematic because research, at the

request of EBRD, should assess ways to avoid impacts. If the impact can be avoided, the client is obliged to study the potential impact and change the project design, and this should be agreed upon with the EBRD on a case-by-case basis.

It should also be noted that the project promoter has not carried out any research on any impact on intangible cultural heritage that the project may have.

In the light of this, it is clear that there were no cultural heritage studies made available to show the overall impact of the project on cultural heritage during the EBRD Board of Directors’ approval of the Kvesheti-Kobi road construction project.

³⁰ Giorgi Gogochuri, ‘I was writing that on Didveli’, Facebook, July 2020.

The poor handling of the issue of cultural heritage in this project is also illustrated by the recent statement of the Georgian National Committee of the International Council on Monuments and Sites (ICOMOS). The statement says that claims made by Kvesheti-Kobi project promoters that ICOMOS was involved in any preliminary research are far from the truth.³¹



³¹ Georgian National Committee of the International Council on Monuments and Sites, ICOMOS Georgia National Committee Statement, Facebook, 29 June 2020.