

COMPLAINTS MECHANISM

SG/E/2025/02

GEORGIA TRANSPORT CONNECTIVITY (GEORGIA)

INITIAL ASSESSMENT REPORT

19 SEPTEMBER 2025



SG/E/2025/02

Georgia Transport Connectivity (Georgia)

Initial Assessment Report

Complaint confidential: No

External distribution

Complainant

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Inspector General
Relevant EIB services

Disclaimers

This report is based on the information available to the EIB Group Complaints Mechanism Division up to 29 July 2025.

The EIB Group Complaints Mechanism

The EIB Group Complaints Mechanism (EIB-CM) is a tool enabling the resolution of disputes if any member of the public feels that the European Investment Bank (EIB) might have done something wrong, that is, if it has committed an act of maladministration. The EIB-CM is not a legal enforcement mechanism and will not substitute the judgment of competent judicial authorities.

Maladministration means poor or failed administration. It occurs when the EIB fails to act in accordance with a rule or principle that is binding upon it, including its own policies, standards and procedures. The concept of maladministration includes failure by the EIB to comply with human rights, applicable law or the principles of good administration. Maladministration may relate to the EIB Group's decisions, actions or omissions and may include the environmental or social impact of the EIB's projects and operations.

One of the main objectives of the EIB-CM is to ensure the right to be heard and the right to complain. The mandate of the EIB-CM includes the resolution of problems raised by complainants in cooperation with relevant internal and external stakeholders. Where possible, the EIB-CM also actively promotes and supports local resolution efforts (for example, through project-level grievance mechanisms). For more information on the EIB-CM please visit: <https://www.eib.org/en/about/accountability/complaints/index.htm>.

The Initial Assessment Report

The initial assessment generally aims to:¹

- clarify the concerns raised by the complainant and gain a better understanding of the complainant's position as well as the views of other stakeholders, whenever appropriate (such as the project promoter or national authorities);
- understand the validity of the concerns raised;
- assess whether and how the stakeholders (such as the complainant, the relevant EIB Group project team and the project promoter) could seek resolution of the issues raised by the complainant;
- determine if further work by the EIB-CM is necessary and/or possible (investigation, compliance review or mediation between the parties) to address the allegation or resolve the issues raised by the complainant.

¹ As outlined in §§ 2.2.1, 2.2.2 and § 2.2.7 of the EIB Group Complaints Mechanism procedures, available at: [EIB Group Complaints Mechanism Procedures dated November 2018](#)

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EXECUTIVE SUMMARY

In January 2025, the EIB Group Complaints Mechanism (EIB-CM) of the European Investment Bank (the EIB or the Bank) received a complaint concerning the sub-projects E60 Chumateleti-Khevi (section F1) and E-60 Ubisa-Shorapani (section F3) under the Georgia Transport Connectivity Project (the project).

The complaint was submitted jointly by Green Alternative and CEE Bankwatch Network, two civil society organisations. The complainants allege non-compliance with the relevant environmental and social standards, policies and procedures of the EIB. The complaint alleges deficiency in the assessment and management of environmental and social impacts and risks, in particular with regard to the consideration of viable alternatives, the risk of landslides, waste management and stockpiling, hydrological risks, health and safety and disaster risk management, negative economic impact on local communities and accessibility issues.

The allegations were reviewed against the EIB-CM Policy admissibility criteria.² Some allegations – namely those concerning gaps in the public Environmental and Social Impact Assessments (ESIAs),³ including baseline studies (such as hydrology studies) related to sections F1 and F3 of the project and slope stability works in section F3, completed in October 2023 – were deemed inadmissible under article 4.3.10 of the policy.

Following the initial assessment, the EIB-CM decided to proceed with a compliance review of the remaining allegations regarding the sub-projects' non-compliance, during construction, with EIB environmental and social standards (which are a continuous obligation) and with mitigation measures defined in the ESIA. The complainants have also engaged with the EIB to share information on the environmental and social challenges verified during construction, and the complaint further alleges a lack of adequate monitoring by the Bank in view of the issues and information shared. The enquiry will assess the compliance of the project – and more specifically of the sub-projects – with the EIB environmental and social standards and the appraisal and monitoring by the Bank in relation to the allegations raised.

² See Article 4.3.10 of the [EIB Complaints Mechanism Policy](#)

³ Such as allegations of gaps in baseline studies and evaluations.

1 THE BACKGROUND

- 1.1 On 21 November 2016, the EIB's Board of Directors approved the financing of the Georgia Transport Connectivity Framework Loan (the project)⁴ for an amount of up to €500 million. The financing is accompanied by an EU investment grant of €16 million and EU Neighbourhood programme technical assistance of €5.75 million.
- 1.2 The project consists of a framework loan to support new construction and rehabilitation of approximately 250 km of priority primary and secondary roads on the Georgian road network. The Bank has defined an indicative list of potential road projects to be financed under the framework loan (schemes or sub-projects), some with other international financial institutions under co-financing. All sub-projects are either located directly on the East West Highway (Figure 1) or on roads connecting to it. Two such sub-projects are E60 Chumateleti-Khevi (section F1),⁵ co-financed with the World Bank, and E-60 Ubisa-Shorapani (section F3),⁶ solely financed by the EIB (referred to collectively as the sub-projects; appraised separately). A complaint regarding both was submitted to the EIB-CM.



Figure 1: East West Highway

- 1.3 The project promoter is the Ministry of Regional Development and Infrastructure of Georgia (the promoter) and the project is being executed by the Roads Department of Georgia (the executor).
- 1.4 The EIB completed its appraisal of the project in October 2016. The finance contract for the first tranche of €250 million was signed in December 2016 and a second contract for the same amount was signed in June 2017. The works are almost completed for section F1 and are fully completed for section F3 (Figure 2).

⁴ [GEORGIA TRANSPORT CONNECTIVITY](#)

⁵ [E60 CHUMATELETI - KHEVI SECTION F1 \(FL 20160404\)](#)

⁶ [E-60 UBISA - SHORAPANI SECTION F3 \(FL 20160404\)](#)

EIB Group Complaints Mechanism – Initial Assessment Report

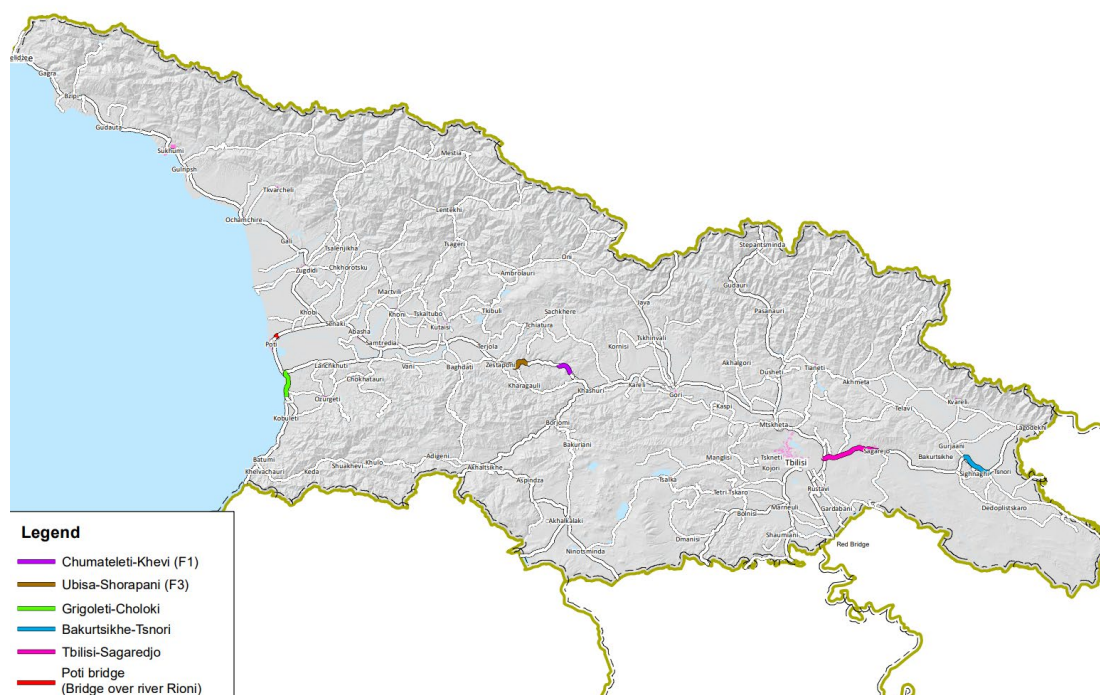


Figure 2: Location of F1 and F3 sections

2 THE COMPLAINT AND THE SUB-PROJECTS

- 2.1 On 10 January 2025, the EIB-CM received a complaint from the civil society organisations Green Alternative and CEE Bankwatch Network regarding the sub-projects and two adjacent sections (F2 and F4) not financed by the EIB but part of the EIB project, all of which are subject to the relevant EIB environmental and social standards as covered under the project description included in the EIB finance contracts related to the project. The complainants allege instances of non-compliance with the EIB's relevant environmental and social standards, policies and procedures resulting from an absence of proper assessment and management of the sub-projects' environmental and social risks and impacts. Areas cited include the consideration of viable alternatives, the risk of landslides, waste management and stockpiling, hydrological risks, health and safety and disaster risk management, negative economic impact on local communities and accessibility issues.
- 2.2 The complainants provided the Complaints Mechanism with copies of the communication exchanged with the EIB between October 2023 and August 2024, which contains the complainants' concerns regarding environmental and social risks and impacts during the sub-projects' construction.
- 2.3 The complainants allege the following:
- i. *Lack of adequate monitoring by the Bank during the sub-projects' implementation.*
- The complainants allege that, during that period, the Bank failed to take actions to bring the sub-projects into alignment with the applicable EIB's environmental and social standards, despite the information shared by the complainants.

ii. *The alignment alternatives for sections F1 and F3 were not properly considered in the ESIA.*

It is indicated that, for section F1, the sub-project's Environmental and Social Impact Assessment (ESIA) process did not consider enough alignment options for the widening of the road. The complaint states that only two alternatives were considered ("separate ways" and "2+2 alignment"). Regarding section F3, the complaint indicates that, despite the provision of information on a number of alternatives, this section's ESIA does not sufficiently justify the priority given to the option finally adopted for the section alignment.

iii. *There were issues related to slope instability during construction posing risk to commuters and communities regarding F1 and F3.*

It is claimed that there has been an intensification of landslides in the area adjacent to the East West Highway after commencement of the construction works of both sub-projects. The complaint provides indications of areas of landslide "hotspots." In addition, the complainants allege that geotechnical studies were not sufficiently carried out as part of the ESIA and that slope stabilisation works were inadequate or poorly executed.

iv. *There was irregular and/or inadequate stockpiling of inert waste generated by the construction works generating safety and security risks, and environmental impacts to rivers, regarding F1 and F3 as well as partially F2.*

The complaint alleges that the locations identified in the ESIA for stockpiling of inert waste from excavation works were not respected. Instead, it is alleged that the executor applied for the use of alternative locations and that the relevant screening decisions for such use were not subject to a comprehensive ESIA process with a consequent lack of information and consultation of the public. It is indicated that two current stockpiles are situated in critical locations. One stockpile⁷ is located above and near a populated area and public infrastructure, while another⁸ is located in a forest and next to a river. Details about insufficient drainage coverage systems are also provided (Figure 3).

v. *The hydrological studies were incomplete, and works have altered the river, regarding F1 to F4.*

The complaint points out to inadequate hydrological studies prepared regarding the sub-projects' impact on groundwater and slope stability. In addition, the complaint highlights the potential narrowing of the river and the enhanced risk of flooding. In particular, the complaint refers to the risk posed to a public school downstream of the narrowed river stretch in F1. The complaint also refers to works altering the riverbed.

vi. *There are unmitigated negative social and economic impacts to the communities, regarding F3 as well as partially F2 and F4.*

The complaint indicates reduced access and loss of potential revenue to local businesses from a decrease in local traffic. It also alleges non-compliance with the sub-projects' commitments to provide compensation for loss of income and timely relocation opportunities for local markets to be placed near the East West Highway.

⁷ Stockpile N2 Khevi village, Kharagauli Municipality, F1

⁸ Stockpile N11 Vertkvichala village, Kharagauli Municipality, F2

EIB Group Complaints Mechanism – Initial Assessment Report

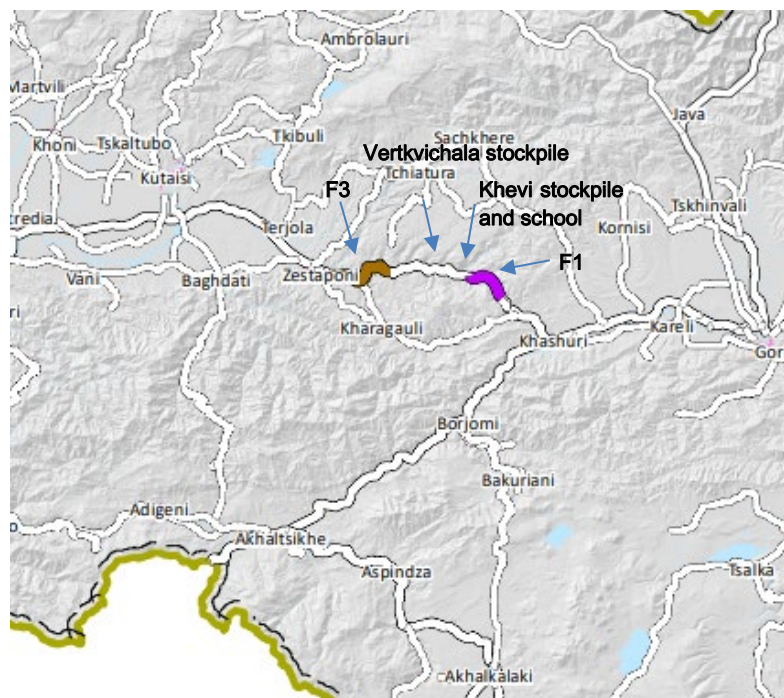


Figure 3: Indicative location of complaints raised

2.4 The complainants allege non-compliance of the sub-projects with the following EIB environmental and social standards:

- i. Standard 1 on assessment and management of environmental and social impacts and risks: alleging (i) gaps in the ESIA with regard to assessment of alternatives, slope stability, incomplete hydrological studies; (ii) failure to comply with the ESIA's mitigation measures; and (iii) lack of identification and management of impacts during the sub-projects' construction;
- ii. Standard 2 on pollution prevention and abatement and Standard 4 on EIB-climate related standards: alleging (i) inadequate inert waste stockpiling; and (ii) lack of consideration of physical climate hazards on slope stability and hydrology with environmental impacts and risks for the local population;
- iii. Standard 6 on involuntary resettlement and Standard 10 on stakeholder engagement: alleging (i) unmitigated negative economic impact on communities; and (ii) lack of meaningful engagement;
- iv. Standard 9 on occupational and public health, safety and security: life and safety risks to workers, road users and the local population resulting from some of the above alleged non-compliance (such as the risk of floods and landslides).

3 REGULATORY FRAMEWORK

EIB Group Complaints Mechanism

- 3.1 Article 3 of the EIB-CM Policy⁹ states that maladministration means poor or failed administration. It occurs when the EIB fails to act in accordance with a rule of principle that is binding upon it, including its own policies, standards and procedures. Maladministration may relate to the EIB Group's decisions, actions or omissions, and may also relate to the environmental or social impact of the EIB's projects and operations.

⁹ [EIB Group Complaints Mechanism Policy](#)

- 3.2 The EIB-CM Policy specifies that it is the role of the EIB-CM to review the EIB's activities with a view to determining whether maladministration attributable to the EIB has taken place.¹⁰ This review may include a substantive review of the project's compliance with environmental and social standards.¹¹
- 3.3 Compliance of a project with international, EU, national or local standards is the responsibility of the relevant project promoter and local authorities. However, the EIB has a duty to verify compliance with its applicable policies, procedures and standards. Complaints may relate to any aspect of the planning, implementation or impact of EIB projects, including but not limited to:
- i. the due diligence of the project;
 - ii. the adequacy of measures for the mitigation of the social and environmental impacts of the project;
 - iii. arrangements for involvement of the affected communities, minorities and vulnerable groups in the project;
 - iv. the monitoring of the project.¹²

EIB environmental and social standards

- 3.4 The applicable environmental and social regulatory framework includes, beyond national regulations, the EIB's Environmental and Social Handbook¹³ describing the procedures for the appraisal and monitoring of projects by the Bank and the EIB environmental and social standards applicable at the time the financing of the project is approved.¹⁴ The allegations of this complaint concern the EIB's appraisal and the monitoring of the sub-projects' compliance with the EIB environmental and social standards, in particular, compliance with: (i) Standard 1 on assessment and management of environmental and social impacts and risks; (ii) Standard 2 on pollution prevention and abatement; (iii) Standard 4 on EIB-climate related standards; (iv) Standard 6 on involuntary resettlement; (v) Standard 9 on occupational and public health, safety and security; and (vi) Standard 10 on stakeholder engagement.

4 INITIAL ASSESSMENT

- 4.1 In January 2025, the EIB-CM acknowledged receipt and confirmed the admissibility of the complaint. Article 6.1.2 of the EIB-CM Policy¹⁵ and article 2.2.1 of the EIB-CM Procedures¹⁶ require the EIB-CM to carry out the initial assessment of the complaint.¹⁷ The objective of the initial assessment is to clarify the concerns raised by the complainant, to understand its position and the validity of the concerns raised, and to determine if further work by the EIB-CM is necessary and/or possible in order to address the allegation or resolve the issues raised by the complainant.¹⁸

¹⁰ Section 5.3.3 of the EIB Group Complaints Mechanism Policy.

¹¹ Section 5.3.3 of the EIB Group Complaints Mechanism Policy.

¹² Section 4.3.14 of the EIB Group Complaints Mechanism Policy.

¹³ Volume II of the [EIB Environmental and Social Handbook \(2013\)](#).

¹⁴ Volume I of the [EIB Environmental and Social Handbook \(2013\)](#). Note: This version is not available online. However, version 10.0 of the [Environmental and Social Standards \(2018\)](#), which is available on the EIB website, is similar to the version of the 2013 Handbook with minor modifications to Standard 3.

¹⁵ Available [here](#).

¹⁶ Available [here](#).

¹⁷ In line with article 2.1.2 of the EIB Complaints Mechanism Procedures, for complaints related to social impact of EIB-financed projects, the complaints-handling process is formally structured in two phases: an initial assessment phase and a compliance review or collaborative resolution process phase.

¹⁸ Article 2.2.1 of the EIB Complaints Mechanism Procedures.

EIB Group Complaints Mechanism – Initial Assessment Report

4.2 During the initial assessment, the EIB-CM:

- i. engaged with the complainants to further understand the information provided and clarify their allegations and expectations (see paragraphs 2.21 to 2.4);
- ii. had meetings, followed by information exchanges, with the EIB teams involved during the months of February, March and April 2025;
- iii. had a virtual meeting with the project executing agency (The Roads Department of Georgia) in April 2025;
- iv. between March and April 2025, engaged with the relevant parties to explore their willingness to resolve the topics raised through a dispute resolution process;¹⁹
- v. reviewed the relevant EIB project documentation, and
- vi. reviewed project-related information available on the EIB's project website.²⁰

4.3 While the complaint was initially considered globally admissible, the EIB-CM assessed the admissibility of the various allegations of the complaint separately during the initial assessment based on the information gathered, and in line with the following articles of the EIB-CM Policy and Procedures:

- i. as per article 4.3.10 of the EIB-CM Policy, in order to be admissible, complaints must be submitted within one year from the date on which the facts upon which the allegation is based could reasonably be known by the complainant;
- ii. according to article 1.1.3 of the EIB-CM Procedures, the decision taken in the admissibility check does not prevent the EIB-CM from reconsidering the (full or partial) admissibility of the complaint on the basis of information obtained at a later stage.

4.4 As such, following the review of the sub-projects' information (F1 and F3), allegation (ii) concerning gaps in the ESIA's (paragraph 2.3(ii)) (such as gaps in baseline studies and evaluations²¹), part of allegation (iii) related to slope stability in F3 (paragraph 2.3(iii)) and part of allegation (v) concerning the hydrological baseline studies developed for F1 and F3 during the ESIA phase (partial paragraph 2.3(v)), are deemed non-admissible in line with article 4.3.10 of the EIB-CM Policy. The reason for this partial inadmissibility is that the information was reasonably known to the complainants more than one year prior to the submission of the complaint to the EIB-CM, considering that:

- i. the ESIA for section F1 was approved by the Ministry of Environment of Georgia in November 2018²² after all regular steps for approval had been completed – including a public consultation held during 2016 and 2017 – and was published online. The ESIA was subsequently published online on the websites of the World Bank²³ (which is co-financing the sub-project) and the EIB;²⁴
- ii. similarly, the ESIA for section F3 was approved by the Ministry of Environment of Georgia in May 2018,²⁵ after all regular steps for approval had been completed – including a public consultation held during 2017 – and was published online;²⁶
- iii. the construction of F3, including slope stabilisation works, was completed in October 2023.

¹⁹ Several meetings took place for this purpose, including to explore opportunities for dialogue and information exchange facilitation. Based on feedback of the parties and its initial assessment, the Complaints Mechanism decided not to engage in dispute resolution.

²⁰ The EIB's project website available [here](#).

²¹ Such as but not limited to the assessment of alternatives, geological or hydrogeological baseline studies and impact evaluations incorporated in the ESIA.

²² [E60 CHUMATELETI - KHEVI SECTION F1 \(FL 20160404\)](#)

²³ [Georgia - East-West Highway Corridor Improvement Project: Environmental Assessment \(Vol. 2 of 2\) : Environmental and Social Impact Assessment of Works for the Improvement of Chumateleti-Khevi Section of E-60 Highway](#), 1 November 2018

²⁴ [E60 CHUMATELETI - KHEVI SECTION F1 \(FL 20160404\)](#)

²⁵ Available [here](#).

²⁶ [E-60 UBISA - SHORAPANI SECTION F3 \(FL 20160404\) - EIA](#), 18 July 2018

- 4.5 It is important to note that, despite the allegations of gaps in the sub-projects' ESIA's being deemed non-admissible, the allegations (i) and (iii) to (vi) regarding a lack of management of the sub-projects' environmental and social impacts during construction (with the exception of the non-admissible items listed in 4.4 above) are admissible to the extent there may be a non-compliance of the sub-projects with the EIB's environmental and social standards (compliance with the EIB environmental and social standards is a continuous obligation) and/or with mitigation measures defined in the ESIA.

5 WAY FORWARD

- 5.1 Based on the initial assessment of the complaint, the EIB-CM will proceed with a compliance review of the admissible allegations described in paragraphs 2.3(i) and 2.3(iii) to 2.3(vi) above.
- 5.2 The EIB-CM will assess the sub-projects' compliance with the relevant EIB environmental and social standards and will review the above allegations with a view to investigating possible maladministration by the EIB in terms of due diligence and monitoring of the sub-projects as per the applicable environmental and social policies and procedures (see section 3). The review will focus on the compliance of the EIB-financed sub-projects (sections F1 and F3) with the applicable EIB environmental and social standards. However, since the adjacent sections F2 and F4 are part of the project's description under the EIB framework loan and are associated facilities (see EIB Environmental and Social Standard 1, paragraph 27) of the EIB-financed sub-projects, the allegations raised in the complaint regarding these sections will be considered indirectly from the broader perspective of assessing the overall project's environmental and social management and the Bank's monitoring.
- 5.3 The outcome of the compliance review will be communicated to the complainants through a Conclusions Report in line with articles 1.6 and 2.4.6 of the EIB-CM Procedures.²⁷
- 5.4 In the meantime, the EIB-CM notes that the Bank continues to monitor the sub-projects.

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²⁷ See also [EIB Group Complaints Mechanism Procedures](#)