

SBF Project Implementation Monitoring Report

Georgia: Batumi Bypass Road Project

1. Project Information

Project ID:	000021	Investment Number:	L0021A
Member:	Georgia	Region:	Western Asia
Sector:	Transport	Sub-sector:	Roads (non-urban)
Financing Type:	<input checked="" type="checkbox"/> Loan <input type="checkbox"/> Guarantee	Co-financier(s):	Asian Development Bank (ADB)
Borrower:	Republic of Georgia		
Implementing Agency:	Roads Department, Ministry of Regional Development and Infrastructure		
Project Team Leader:	Roberto Salgado		
Site Visits:	Jul. 23-27, 2018 (ADB, AIIB) Jan. 20-Feb. 5, 2019 (ADB, AIIB) May 15-17, 2019 (ADB) Aug. 12-16, 2019 (ADB) Oct. 7-11, 2019 (ADB)		

2. Project Summary and Objectives

The Project will construct a new two-lane road approximately 14.3 km long, in a key section of the East–West Highway that skirts the port city of Batumi. The Project objective is to improve regional connectivity and efficiency of road transport along the East-West Highway in Georgia. Total Project Cost: USD 315.2 million; USD 114.0 million (AIIB), EUR 108.2 (ADB), and USD 87.2 million (Govt. of Georgia)

3. Key Dates

Approved:	Jun. 15, 2017	Signed:	Jun. 17, 2017
Effective:	Oct. 12, 2017	Restructured (if any):	n/a
Orig. Closing:	Jun. 30, 2023	Rev. Closing (if any):	n/a

4. Disbursement Summary (USD million)

a) Committed:	114.0	b) Cancelled (if any):	-
c) Disbursed:	26.7	d) Most recent disbursement: (amount /date)	1.2 / Dec. 27, 2020
e) Undisbursed:	87.3	f) Disbursement Ratio (%) ¹ :	23.4

5. Project Implementation Update

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

The overall implementation is behind schedule initially due to delayed access to site, site conditions, and Contractor performance. The Contractor has made progress and has been requested to add work resources and improve work package management. The Contractor submitted in November a Claim for contract Extension of Time (EOT) to July 2021 which is under review by the Engineer. The Contractor will submit a revised work program once EOT is approved. ADB restructured its loan effective Oct. 2019 to apply the savings from the Project civil works contract to other transport projects in the Batumi region at the request of the Government. The ADB also extended its loan closing date to Dec. 2025, to accommodate the 5-yr performance-based maintenance contract.

Components	Physical Progress	Environmental & Social Compliance	Procurement	Financial Management
Component 1: Batumi Bypass civil works (USD100.5 million)	Contract Time Elapsed: 646 days (75.2%) Progress Target: 65.2% Achieved Progress: 27.6% Lead/Lag Progress: 37.6% Lag	LARP Compliance Reports (CR) 1-3 approved by ADB. CR4 approval pending resolution of a dispute of property valuation submitted to ADB in March 2018 by property owner D. Gurgenidze; ADB issued letter in April 2019 to Roads Department indicating complainant had not been properly compensated and to revisit case. Issue pending as of Q4 2019.	Construction contract signed in Aug 2017	No issues
Component 2: Construction supervision and quality assurance services (USD3.5 million)	Consultant providing services; Geotechnical Engineer mobilized	n/a	Consultancy Agreement signed Sep 2017	No issues

6. Status of the Grievance Redress Mechanism (GRM)

The Local Grievance Redress Committee (GRC) was established on 14 Jun 2016 to receive written as well as verbal grievances. The GRM is functioning.

7. Results Monitoring

Project Objective Indicators	Baseline (2017)	2018		2019		2020		2021 (End Target)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual

Reduced travel time from Sarpi to Poti to 1.5 hours by 2023	3 Hrs							1.5 Hrs	
Project Result Indicators	Baseline (Year 2017)	2018		2019		2020		2021 (End Target)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
14.3 km of a new two-lane bypass road skirting Batumi constructed by 2021 with international roughness index no higher than 3.0 m/km	0							14.3 km	

Project Result Indicators	Baseline (Year 2016)	2020		2021		2022		2023 (End Target)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
200 km of international roads combined with connecting secondary roads maintained by private contractors on a long-term PBM contract of no less than 5 years, with international roughness index no higher than 3.0 m/km	0							200 km	

Key Activities with Milestones

Output 1: New bypass road skirting Batumi constructed	Target Date	Status
1.1 Complete payment for compensation and relocation of affected people with no dispute or complaint	by June 2017.	Not Completed See Section 10
1.2 Complete bid evaluation for civil works contract	by July 2017.	Completed Jul 2017 (Letter of Acceptance)
1.3 Recruit supervision consultants	by July 2017.	Completed Sep 2017 (Contract signed)
1.4 Award civil works contract	by October 2017.	Completed Aug 2017 (Contract signed)
1.5 Complete payment for compensation and relocation of all affected people	by December 2017.	Not Completed See Section 10
1.6 Complete civil works	by December 2021.	Works Ongoing. Contract end date Aug 2020. Extension of Time (EOT) request to July 2021

Output 2: Routine and periodic maintenance carried out using PBM contracts *	Target Date	Status
2.1 Recruit PBM design consultants	by December 2017.	Bid Evaluation Report under review. Procurement process to be completed in Q1 2020
2.2 Complete engineering design and procurement packaging	by June 2018.	Bid re-advertised. To be completed in Q2 2020
2.3 Award PBM contracts	by December 2018.	Not Completed Planned Q2 2020
2.4 Recruit supervision consultants	by December 2018.	Not Completed Planned Q3 2020
2.5 Complete PBM contracts	by June 2023.	ADB project extended to 2025. New Target Completion date is June 2025

*Activities under ADB administration

Remarks:

n/a