

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)
AIIB Financing Type:	Loan: 114 USD million	Co-financier(s):	ADB
E&S category:	A	Borrower:	Georgia
Red Flags Assigned:	1	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Roads Department, Ministry of Regional Development and Infrastructure		
Project Team Leader:	Woo-Hyun Kwon		
Project Team Members:	Yi Geng, Senior Financial Management Specialist Michaela Bergman, Principal Social Development Specialist Giacomo Ottolini, Procurement Consultant Chongwu Sun, Environmental Consultant		
Completed Site Visits by AIIB:	Jan, 2019 ADB, AIIB Jul, 2018 ADB, AIIB		
Planned Site Visits by AIIB:	Jul, 2021 Q3 2021		

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. Total Project Cost: USD 315.2 million; USD 114.0 million (AIIB), EUR 108.2 (ADB), and USD 87.2 million (Govt. of Georgia).

The Project objective is to improve regional connectivity and efficiency of road transport along the East-West Highway in Georgia.

3. Key Dates

Approval:	Jun. 15, 2017	Signing:	Jun. 17, 2017
Effective:	Oct. 12, 2017	Restructured (if any):	
Orig. Closing:	Jun. 30, 2023	Rev. Closing (if any):	

4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	114	b) Cancellation (if any):	
c) Disbursed:	38.96	d) Most recent disbursement: (amount / date)	0.46, Mar. 15, 2021
e) Undisbursed:	75.04	f) Disbursement Ratio(%) ¹ :	34.2

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., $f = c / (a - b)$

5. Project Implementation Update

- The overall implementation is significantly behind schedule with physical progress of 56.7% as of Feb 28, 2021.
- ADB/AIIB is considering a 12-month Extension of Time (EOT) to Dec 2021 (total 16 month EOT from original completion date of Aug 2020) as per Road Directorate's request.
- During joint Mid-Term Review with ADB in July 2021, EOT request including project cost increase will be finalized.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Batumi Bypass civil works (USD100.5 million)	Contract Time Elapsed: 1388 days Progress Target: 81.0% Achieved Progress: 56.7% Lead/Lag Progress:24.3% Lag	No issues	No issues
Component 2: Construction supervision and quality assurance services (USD3.5 million)	Consultant providing services; Geotechnical Engineer mobilized	No issues	No issues

Financial Management:

The latest audit report for year 2019 was submitted and shared with AIIB this January in accordance with extension arrangement due to Covid-19 impact. The audit report was jointly reviewed by ADB and AIIB, and comments were provided to the borrower.

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.

A total of 173 persons have submitted 20 categories of grievances to the GRC out of which 93 grievances have been resolved as of Feb 28, 2021. 37 cases are requests for inclusion of their residential structures or land plots in the acquisition list, out of which 19 cases are finalized. 57 cases are applications compensation for damage to their assets due to construction activities, out of which 21 cases are finalized and 17 cases are from tunnel blasting zones. 29 cases relate to dissatisfaction due to disturbance by noise/vibration and dust out of which 13 cases were resolved. 11 cases are from the tunnel N2, N3 and N4 areas.

7. Results Monitoring

N/A

Baseline Year: Oct. 12, 2017 End Target Year: Dec. 31, 2021

Project Objective Indicators #1

Reduced travel time from Sarpi to Poti to 1.5 hours by 2023

Year	Target	Actual	Others, if any
Dec. 31, 2021	1.5 Hrs	N/A	Baseline 3 Hrs

Project Objective Indicators #2

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

Year	Target	Actual	Others, if any
Dec. 31, 2021	14.3km	N/A	Baseline 0

Project Objective Indicators #3

(ADB only) 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 (IRI) no higher than 3.0 m/km

Year	Target	Actual	Others, if any
Dec. 31, 2023	200km	N/A	Baseline 0

Intermediate Result Indicators #1

No IRIs

Year	Target	Actual	Others, if any
Oct. 12, 2017	N/A	N/A	

Remarks: A final extension to Dec 2021 is expected. POIs will be revised when needed.