

SBF Project Implementation Monitoring Report

Georgia: Batumi Bypass Road Project

1. Project Information

Project Name:	Batumi Bypass Road Project	Project No:	000021
Region/Country:	Western Asia/Georgia	Sector(s):	Transportation
Year of Approval:	FY 2017	Financing Type:	SB
Financing Instrument:	Loan	Co-financier(s):	ADB
Project Team Leader:	Roberto Salgado	Implementing Agency:	Roads Department (RD), Ministry of Regional Development and Infrastructure (MRDI)
Field Visits	July 23-27, 2018 Jan 28-Feb 5, 2019		

2. Project Objective

To improve regional connectivity and efficiency of road transport along the East-West Highway in Georgia.

3. Key Dates

Loan Approval:	June 15, 2017	Loan Signing:	June 17, 2017
Effectiveness:	October 12, 2017	Restructuring (if any):	n/a
Orig. Closing:	June 30, 2023	Rev. Closing (if any):	n/a

4. Disbursement Summary

Approved Commitment:	USD114.00 million	Rev. Commitment (if any):	n/a
Total Disbursed Amount:	USD19.52 million	Most recent disbursement: (amount and date)	USD0.08 million June 21, 2019
Undisbursed Balance:	USD94.48 million	Disbursement Ratio:	17.12%

5. Project Implementation Status

Project implementation is progressing slower than planned on all activities. The Contractor will need to implement extensive recovery measures to complete works in Q3 2020. The project performance in the ADB project monitoring system (eOps) is rated 'potential problem'. The Project is expected to be completed within the original loan closing date.

Components	Physical Progress	Safeguards Compliance	Procurement	Financial Management
Component 1: Batumi Bypass civil works (USD100.5 million)	Progress to date: 11.22% (May 2019)	LARP Compliance Reports (CR) 1-3 approved by ADB. CR4 approval pending resolution of a dispute of property valuation	Construction contract signed in Aug 2017	No issues

		submitted to ADB in March 2018 by property owner D. Gurgenzidze; ADB issued letter in April 2019 to Roads Department indicating complainant had not been properly compensated and to revisit case. Issue pending as of Q2 2019.		
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. The May 2019 Monthly Progress Report indicated that there had been 66 grievances of which 46 had been resolved. Measures are ongoing to address the unresolved grievances.

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
Output 2: Routine and periodic maintenance carried out using PBM contracts *	Target Date	Status
2.1 Recruit PBM design consultants	by December 2018.	Completed December 2018 (Contract signed)
2.2 Complete engineering design and procurement packaging	by June 2018.	Not Completed Planned Q4 2019
2.3 Award PBM contracts	by December 2018.	Not Completed
2.4 Recruit supervision consultants	by December 2018.	Not Completed Planned Q4 2019
2.5 Complete PBM contracts	by June 2023.	Contract Tender planned for Q1 2020

* information source: ADB