

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-led
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:	Mar, 2021 Q1 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 (USD million)

a) Committed:	114	b) Cancellation (if any):	
c) Disbursed:	35.86	d) Most recent disbursement: (amount / date)	0.85, Sep. 28, 2020
e) Undisbursed:	78.14	f) Disbursement Ratio(%) ¹ :	31.5

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 47.8% as of Aug 31, 2020 (the last day in the original contract)
- In mid-Aug 2020, an interim extension of 4-month to Dec 2020 was granted as per the Contractor's Extension of Time request to July 2021. Implementable work program shall be resubmitted by the contractor in the mean time.
- As of September 2020, the contractor has made 31 variation orders which increased the cost amounted to USD 14.3 million (GEL 46.33million).

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Batumi Bypass civil works (USD100.5 million)	Contract Time Elapsed: 900 days (100%) Progress Target: 100% Achieved Progress: 47.8% Lead/Lag Progress: 52.2% 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:

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.

A total of 161 persons have submitted 18 categories of grievances to the GRC out of which 75 grievances have been resolved as of August 31, 2020. People now mostly (39Nos.) applied for inclusion of their residential structures or land plots in the acquisition list, out of which 19 cases are finalized. 39 APs express dissatisfaction due disturbance by noise/vibration and dust out of which 35 cases are from the tunnel N3 and tunnel N4 areas.

7. Results Monitoring

No interim indicators until 2021.

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

Project Objective Indicators	Year	Target	Actual	Others, if any
Reduced travel time from Sarpi to Poti to 1.5 hours by 2023	Dec. 31, 2021	1.5 Hrs	NA	
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	Dec. 31, 2021	14.3km	NA	
(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	Dec. 31, 2023	200km	NA	
Intermediate Result Indicators	Year	Target	Actual	Others, if any
No IRIs	Oct. 12, 2017	N/A	N/A	

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