

## Georgia : Batumi Bypass Road

### 1. Project Information

Project ID:	P000021	Instrument ID:	L0021A
Member:	Georgia	Region:	Western Asia
Sector:	Transport	Sub-sector:	Roads
Instrument type:	<input checked="" type="checkbox"/> Loan:114.00 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	Asian Development Bank
ES category:	A	Borrowing Entity:	Ministry of Finance, Georgia
Implementing Entity:	Roads Department of Georgia, Georgia		
Project Team Leader:	Runze Yu (Responsible DG: Gregory Liu; Responsible Department: INF2)		
Project Team Members:	Liu Yang, Project Counsel; Yi Geng, OSD - Financial Management Specialist; Chongwu Sun, OSD - Environment & Social Development Specialist; Rabindra Shah, OSD - Procurement Specialist; Yanyang Shi, Project admin		
Completed Site Visits by AIIB:	Jul, 2018 ADB, AIIB Jan, 2019 ADB, AIIB Jul, 2021 ADB, AIIB (Virtual) May, 2022 ADB, AIIB Sep, 2022 ADB, AIIB (Virtual)		
Planned Site Visits by AIIB:			
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	1		
Previous Red Flags Assigned Date:	2022/03		

### 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):	
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#### 4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	53.18	Most recent disbursement (amount/date):	698,695.04/Dec. 22, 2022
Undisbursed:	60.82	Disbursement Ratio (%) <sup>1</sup> :	46.65

#### 5. Project Implementation Update

Batumi bypass road covers the section from Makhinjauri to riv. Chorokhi. Total length of the road is 14.325km while the width is 14.0m. The mentioned section flows through mountainous terrain and considers construction of 5 tunnels, 6 bridges, 7 viaducts, 9 overpasses, 57 culverts, and 4 interchanges. 3 out of the 5 tunnels within the project have been completed. Critical path for project completion lies in Tunnel #1 and Tunnel #2. In 2022 there had been significant delay of commencing the civil works for both tunnels due to the financial difficulties of the contractor. The Extension of Time (EOT) to December 31, 2022 was granted as per Road Directorate (RD)'s request. In October 2022, the Contractor reported that funds were now available to recommence the Works for Tunnel #1 and Tunnel #2. The materials begun to arrive on October 28 and NATM Works are scheduled to begin on November 01 with Tunnel #2 Entrance and, Tunnel #1 Exit scheduled for realignment of ribs on November 01, 2022. For Relocation of Utilities, The Subcontractor commenced clearance works within Batumi Oil Terminal on October 31, 2022. As per the Contractor, it is expected to complete the Batumi Oil Terminal pipelines relocation works by December 15, 2022, i.e., within 45 days. By end of October 2022, achieved progress (Value of executed works including variations, VAT and Change in legislation & escalation) is 75.66%. Another EOT is expected in 2023.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Batumi Bypass civil works (USD100.5 million)	Progress Target (per revised work plan): 96.46%  Achieved Progress: 75.66%  Time Elapsed: 96.6%  Lead/Lag Progress: -20.8% Lag	No issues	No issues
Component 2: Construction supervision and quality assurance services	Consultant is providing services.	No issues	No issues

<sup>1</sup> Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

(USD3.5 million)			
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**Financial Management:**

Bank team had received and reviewed the Audit for FY 2021 in August 2022.

**6. Status of the Grievance Redress Mechanism (GRM)**

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

A total of 209 persons have submitted grievances across 11 categories to the GRC. Out of these, 149 grievances have been resolved as of 31 October 2022. Most people (80) applied for damage to their assets caused by construction activities, out of which 46 have been closed. Out of remaining open 25 cases, 13 cases are pending with the Contractor; and other cases are from tunnel blasting zones. 40 APs requested inclusion of their residential structures or land plots in the acquisition list, out of which 34 cases are closed. 28 APs expressed dissatisfaction due disturbance by noise/vibration and dust, out of which 14 cases closed. Left cases are from the tunnel N2, tunnel N3 and tunnel N4 areas.

In October 2022 no cases were resolved, 1 new grievance was received.

**7. Results Monitoring**

N/A

**Project Objective Indicators #1**

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

Year	Target	Actual	Comments, if any
Jun. 30, 2023	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	Comments, if any
Jun. 30, 2023	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	Comments, if any
Jun. 30, 2023	200km	N/A	Baseline 0

**Intermediate Result Indicators #1**

No IRIs

<b>Year</b>	<b>Target</b>	<b>Actual</b>	<b>Comments, if any</b>
Oct. 12, 2017	N/A	N/A	

**Remarks:**

Results Framework will be updated by June, 2022 due to 1) revision to the ADB loan components; 2) EOT till end of 2022 expected.

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