



East-West Highway Corridor Improvement (P149952)

EUROPE AND CENTRAL ASIA | Georgia | Transport Global Practice |
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 16 | ARCHIVED on 18-Mar-2024 | ISR59938 |

Implementing Agencies: Ministry of Finance, Roads Department of the Ministry of Regional Development and Infrastructure (RDMRDI)

Key Dates

Key Project Dates

Bank Approval Date: 03-Dec-2015

Effectiveness Date: 19-May-2016

Planned Mid Term Review Date: 30-May-2022

Actual Mid-Term Review Date: 30-May-2022

Original Closing Date: 31-Dec-2020

Revised Closing Date: 30-Jun-2025

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed PDOs are to: (i) reduce road user costs along the East-West Highway Corridor section upgraded under the project; and (ii) strengthen the capacity of the Roads Department and the Ministry of Economy and Sustainable Development to respectively manage the road network and provide an enabling environment to improve logistics services.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name

Component 1: Corridor Improvement:(Cost \$283.45 M)

Component 2: Institutional strengthening:(Cost \$6.00 M)

Component 3: Project management support:(Cost \$1.50 M)

Component 4: Preparation of designs and supporting studies for future projects for the development of the

East-West Highway:(Cost \$3.00 M)

Front-end fee (0.25%):(Cost \$0.05 M)

Overall Ratings

| Name | Previous Rating | Current Rating |
|--------------------------------------|--|--|
| Progress towards achievement of PDO | <input type="checkbox"/> Moderately Satisfactory | <input type="checkbox"/> Moderately Satisfactory |
| Overall Implementation Progress (IP) | <input type="checkbox"/> Moderately Satisfactory | <input type="checkbox"/> Moderately Satisfactory |
| Overall Risk Rating | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |

Implementation Status and Key Decisions

The project continues to make progress under two contracts within the project, F0 – Lot 2.B (Zemo Osiauri to Chumateleti) and F1 (Chumateleti-Khevi Section of E-60 Highway) have achieved a physical progress of 62 and 67 percent respectively. The Contractors have increased the number



of personnel by employing additional staff from already completed highway sections. The contractors still need to deploy modern equipment with high capacity that would be critical for improving their performance on works related to tunneling, bridges and retaining walls. The Roads Department and the Ministry of Regional Development and Infrastructure are closely monitoring the work on site to ensure improvement in pace of implementation.

Risks

Systematic Operations Risk-rating Tool

| Risk Category | Rating at Approval | Previous Rating | Current Rating |
|--|--------------------|-----------------|----------------|
| Political and Governance | ☐ Moderate | ☐ Moderate | ☐ Moderate |
| Macroeconomic | ☐ Moderate | ☐ Moderate | ☐ Moderate |
| Sector Strategies and Policies | ☐ Moderate | ☐ Moderate | ☐ Moderate |
| Technical Design of Project or Program | ☐ High | ☐ Moderate | ☐ Moderate |
| Institutional Capacity for Implementation and Sustainability | ☐ Moderate | ☐ Moderate | ☐ Moderate |
| Fiduciary | ☐ Moderate | ☐ Moderate | ☐ Moderate |
| Environment and Social | ☐ Moderate | ☐ Substantial | ☐ Substantial |
| Stakeholders | ☐ Low | ☐ Low | ☐ Low |
| Other | -- | ☐ Substantial | ☐ Substantial |
| Overall | ☐ Substantial | ☐ Moderate | ☐ Moderate |

Results

PDO Indicators by Objectives / Outcomes

| Reduce road user costs along the East-West Highway Corridor section | | | | |
|---|-------------|-------------------|------------------|-------------|
| ▶ Travel time from Zemo Osiauri to Khevi (Minutes, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 17.70 | 17.00 | 17.00 | 13.20 |
| Date | 31-Dec-2015 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |
| ▶ Vehicle Operating Costs from Zemo Osiauri to Khevi (cars) US\$/km (Amount(USD), Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |



| | | | | |
|--|-------------|-------------------|------------------|-------------|
| Value | 0.31 | 0.31 | 0.31 | 0.28 |
| Date | 31-Dec-2015 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |
| ► Vehicle Operating Costs from Zemo Osiauri to Khevi (trucks) US\$/km (Amount(USD), Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.56 | 0.56 | 0.56 | 0.55 |
| Date | 31-Dec-2015 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |

| | | | | |
|---|--|-------------------|------------------|-------------|
| Strengthen the capacity of RD and MESD | | | | |
| ► National Logistics Program approved by GoG (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | Yes | Yes | Yes |
| Date | 31-Dec-2015 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |
| Comments: | Georgia's National Transport and Logistics Strategy for the period 2023-2030 is being finalized. This strategy builds on the original strategy developed in 2017 under the EWHCIP. Following internal government discussions, the Ministry of Economy and Sustainable Development has utilized State budget to widen the scope of the original strategy (increasing the sectors covered under the document). | | | |
| ► The study for the development of ITS system completed (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | No | No | Yes |
| Date | 30-Oct-2023 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |
| Comments: | RD is in the process of finalizing a contract signing procedure with the selected consultant for the Establishment of the Roads Department National Highway Control Center. | | | |

Intermediate Results Indicators by Components

| | | | | |
|--|-------------|-------------------|------------------|-------------|
| Component 1: Corridor Improvement | | | | |
| ► Roads constructed, non-rural (Kilometers, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 1.90 | 1.90 | 19.00 |
| Date | 31-Dec-2015 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |



| | | | | |
|---|---|-------------------|------------------|-------------|
| Comments: | <ol style="list-style-type: none"> Zemo Osiauri - Chumateleti (F0 Lot 2.B): Physical progress is 60 percent. Chumateleti -Khevi section (F1): Physical progress is 67 percent. | | | |
| ► Road users satisfied with quality of road and services and the project's responsiveness to their transport needs (gender disaggregated) (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 80.00 |
| Date | 31-Dec-2015 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |
| Comments: | The survey was launched at the end of February 2023. However, the interview process had to be suspended until the removal of restrictions on movement along the Rikoti section. The consultant has resumed the activities at the end of 2023 and produced an Interim Report #2. | | | |
| ► Key ITS equipment installed on selected and prioritized East-West Highway locations (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 100.00 |
| Date | 31-Dec-2015 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |
| Comments: | This will follow the construction of the Highway. | | | |

| | | | | |
|---|-------------|-------------------|------------------|-------------|
| Component 2: Institutional strengthening | | | | |
| ► RD/ITS staff (5) staff trained in ITS services management and monitoring (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 3.00 | 3.00 | 5.00 |
| Date | 31-Dec-2015 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |
| ► Key legislation/measures to provide an enabling environment to enhance logistics services drafted (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | Yes | Yes | Yes |
| Date | 31-Dec-2015 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |
| ► Preparation and endorsement of an Annual Road Safety Action Plan aligned with the National Road Safety Strategy (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | Yes | Yes | Yes | Yes |
| Date | 26-Apr-2017 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |



| | | | | |
|--|--|-------------------|------------------|-------------|
| Comments: | National Road Safety Strategy for 2022-2025 and its Action Plan (2022-2023) were approved by the Government of Georgia on July 4, 2022. Preparatory work has commenced for drafting the action plan for 2024-2025. | | | |
| ▶ Studies to support logistics sector development completed (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | Yes | Yes | Yes |
| Date | 31-Dec-2015 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |

| | | | | |
|---|-------------|-------------------|------------------|-------------|
| Component 3: Project management support | | | | |
| ▶ Percentage of project related grievances addressed by the RD (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 100.00 | 100.00 | 100.00 |
| Date | 26-Apr-2017 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |

| | | | | |
|---|--|-------------------|------------------|-------------|
| Component 4: Preparation of designs and supporting studies for future projects for the development of the East-West Highway | | | | |
| ▶ Number of studies completed (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 1.00 | 1.00 | 1.00 |
| Date | 01-Jun-2016 | 30-Oct-2023 | 09-Feb-2024 | 30-Jun-2025 |
| Comments: | Feasibility study for upgrading of Tbilisi-Bakurtsikhe, Tsnori-Lagodekhi road and detailed design for upgrading of Tbilisi-Sagarejo and Sagarejo-Bakurtsikhe road was undertaken under the EWHIP-4 and at the closure of the EWHIP-4 was transferred to the EWHCIP, utilizing allocations of Component 4 of the Project. | | | |

Performance-Based Conditions

Data on Financial Performance

Disbursements (by loan)

| Project | Loan/Credit/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|----------------|-----------|----------|----------|---------|-----------|-----------|-------------|-------------|
| P149952 | IBRD-85470 | Effective | USD | 140.00 | 140.00 | 0.00 | 110.05 | 29.95 | 79% |

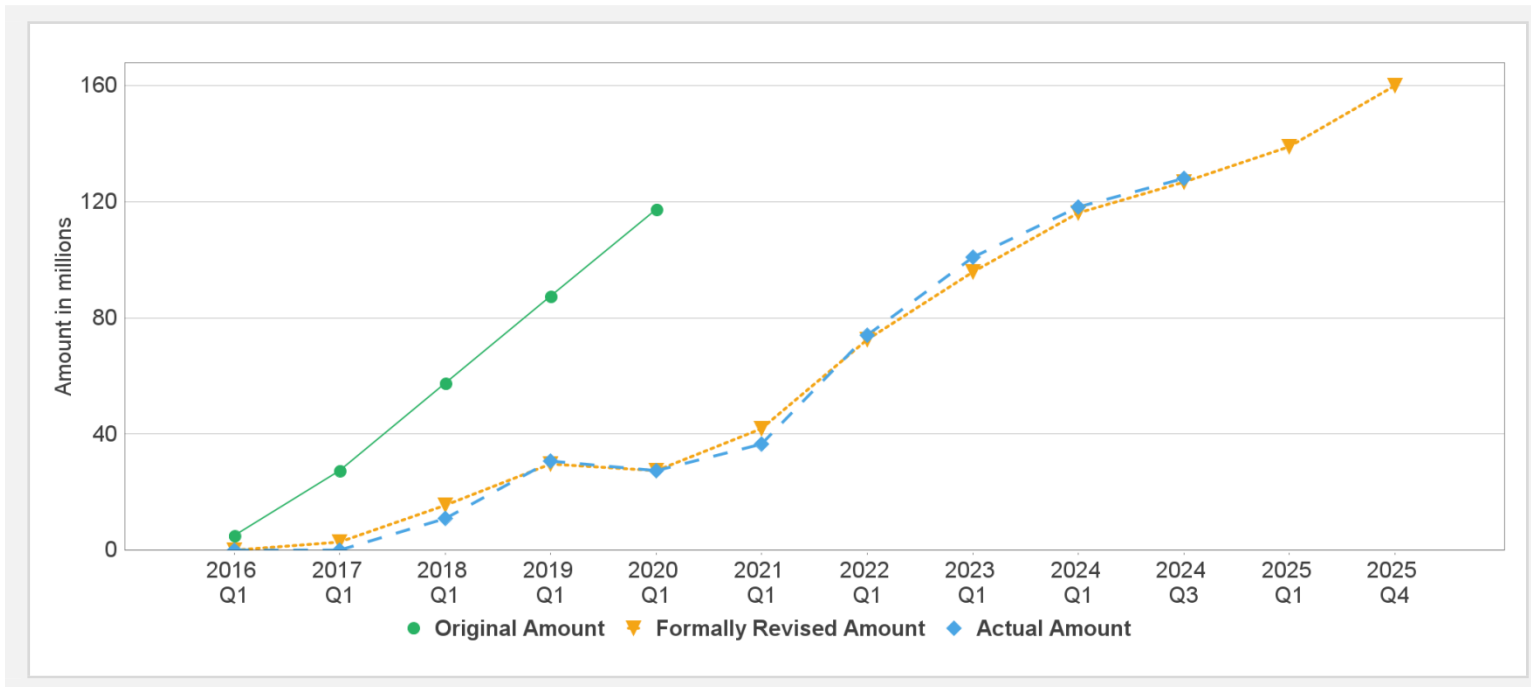


| | | | | | | | | | | |
|---------|------------|-----------|-----|-------|-------|------|-------|------|--|-----|
| P149952 | IBRD-87880 | Effective | USD | 20.00 | 20.00 | 0.00 | 18.36 | 0.25 | <div style="width: 99%; height: 10px; background-color: #4CAF50;"></div> | 99% |
|---------|------------|-----------|-----|-------|-------|------|-------|------|--|-----|

Key Dates (by loan)

| Project | Loan/Credit/TF | Status | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P149952 | IBRD-85470 | Effective | 03-Dec-2015 | 10-Feb-2016 | 19-May-2016 | 31-Dec-2020 | 30-Jun-2025 |
| P149952 | IBRD-87880 | Effective | 08-Nov-2017 | 04-Dec-2017 | 02-Apr-2018 | 31-Dec-2023 | 30-Jun-2025 |

Cumulative Disbursements



Restructuring History

Level 2 Approved on 07-Dec-2023

Related Project(s)

P160152-East West Highway Corridor Improvement Project Additional Financing