



## East-West Highway Corridor Improvement (P149952)

EUROPE AND CENTRAL ASIA | Georgia | Transport Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 15 | ARCHIVED on 01-Sep-2023 | ISR57330 |

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: 31-Dec-2023

### 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 under the project, F0 – Lot 2.B (Zemo Osiauri to Chumateleti) and F1 (Chumateleti-Khevi Section of E-60 Highway) have achieved progress of 43% and 50%. The Contractors are still facing difficulties with bringing skilled workers



and modern equipment on site that would be a key factor for improving their performance on works for tunneling, bridges and retaining walls. The Roads Department and the Ministry of Regional Development and Infrastructure will closely monitor 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	06-Feb-2023	08-Aug-2023	31-Dec-2023
▶ 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	06-Feb-2023	08-Aug-2023	31-Dec-2023
<b>► Vehicle Operating Costs from Zemo Osiauri to Khevi (trucks) US\$/km (Amount(USD), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.56	0.56	0.56	0.55
Date	31-Dec-2015	06-Feb-2023	08-Aug-2023	31-Dec-2023

Strengthen the capacity of RD and MESD				
<b>► Asset value of the East West Highway corridor from Tbilisi to Sarpi (GEL Million) (Amount(USD), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1,246.50	2,260.00	2,260.00	5,755.00
Date	31-Dec-2015	06-Feb-2023	08-Aug-2023	31-Dec-2023
Comments:	Underachievement is due to the delay in completion of Samtredia-Grigoleti sections and termination of Samtredia-Grigoleti Lot1 and Lot 3 CWs contracts, delays in upgrading of Zemo Osiauri - Chumateleti Lot 2 section due to the CWs contract termination in December 2018 and due to prolonged Batumi Bypass - Sarpi design preparation. None of these sections are financed by the World Bank. This is identified for replacement during restructuring and the discussions are underway with the RD.			
<b>► National Logistics Program adopted by MESD (Yes/No, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Dec-2015	06-Feb-2023	08-Aug-2023	31-Dec-2023
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).			

### Intermediate Results Indicators by Components

Component 1: Corridor Improvement				
<b>► Roads constructed, non-rural (Kilometers, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.90	1.90	19.00



Date	31-Dec-2015	06-Feb-2023	08-Aug-2023	31-Dec-2023
Comments:	<ol style="list-style-type: none"> <li>Zemo Osiauri - Chumateleti (F0 Lot 2.B): Physical progress is 43 percent.</li> <li>Chumateleti -Khevi section (F1): Physical progress is 50 percent.</li> </ol>			
<p>► Road users satisfied with quality of road and services and the project's responsiveness to their transport needs (gender disaggregated) (Percentage, Custom)</p>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	80.00
Date	31-Dec-2015	06-Feb-2023	08-Aug-2023	31-Dec-2023
Comments:	The survey was launched at the end of February 2023. The interview process has been suspended until the removal of restrictions on movement along the Rikoti section.			
<p>► Key ITS equipment installed on selected and prioritized East-West Highway locations (Percentage, Custom)</p>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	31-Dec-2015	06-Feb-2023	08-Aug-2023	31-Dec-2023
Comments:	This will follow the construction of the Highway.			

<b>Component 2: Institutional strengthening</b>				
<p>► RD/ITS staff (5) staff trained in ITS services management and monitoring (Number, Custom)</p>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	3.00	5.00
Date	31-Dec-2015	06-Feb-2023	08-Aug-2023	31-Dec-2023
<p>► Key legislation/measures to provide an enabling environment to enhance logistics services drafted (Yes/No, Custom)</p>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	Yes	Yes
Date	31-Dec-2015	06-Feb-2023	08-Aug-2023	31-Dec-2023
<p>► MESD staff (8) trained in relevant areas including logistics (Number, Custom)</p>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8.00	8.00	8.00
Date	31-Dec-2015	06-Feb-2023	08-Aug-2023	31-Dec-2023



Comments:	Total number of MoESD staff trained on topics related to transport and logistics planning and management is eight. Mentioned staff have been trained through different programs supported by different organizations.			
<b>► Preparation and endorsement of an Annual Road Safety Action Plan aligned with the National Road Safety Strategy (Yes/No, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	26-Apr-2017	06-Feb-2023	08-Aug-2023	31-Dec-2023
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.			
<b>► Studies to support logistics sector development completed (Yes/No, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	31-Dec-2015	06-Feb-2023	08-Aug-2023	31-Dec-2023

<b>Component 3: Project management support</b>				
<b>► Percentage of project related grievances addressed by the RD (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
Date	31-Dec-2015	06-Feb-2023	08-Aug-2023	31-Dec-2023
Comments:	There are two new grievances logged from the Lot 2 of F0 section since the last ISR, and twenty-three new complaints on F1 section, the majority of which concern the landslides that occurred in April and May 2023. Three of these cases are requests for physical resettlement where RD has commissioned an assessment from the National Forensics Bureau. There are three pending grievances logged in 2021 and 2022 for which RD is expected to provide the progress update by the end of August 2023.			

<b>Component 4: Preparation of designs and supporting studies for future projects for the development of the East-West Highway</b>				
<b>► Number of studies completed (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	1.00	3.00
Date	01-Jun-2016	06-Feb-2023	08-Aug-2023	29-Dec-2023
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**

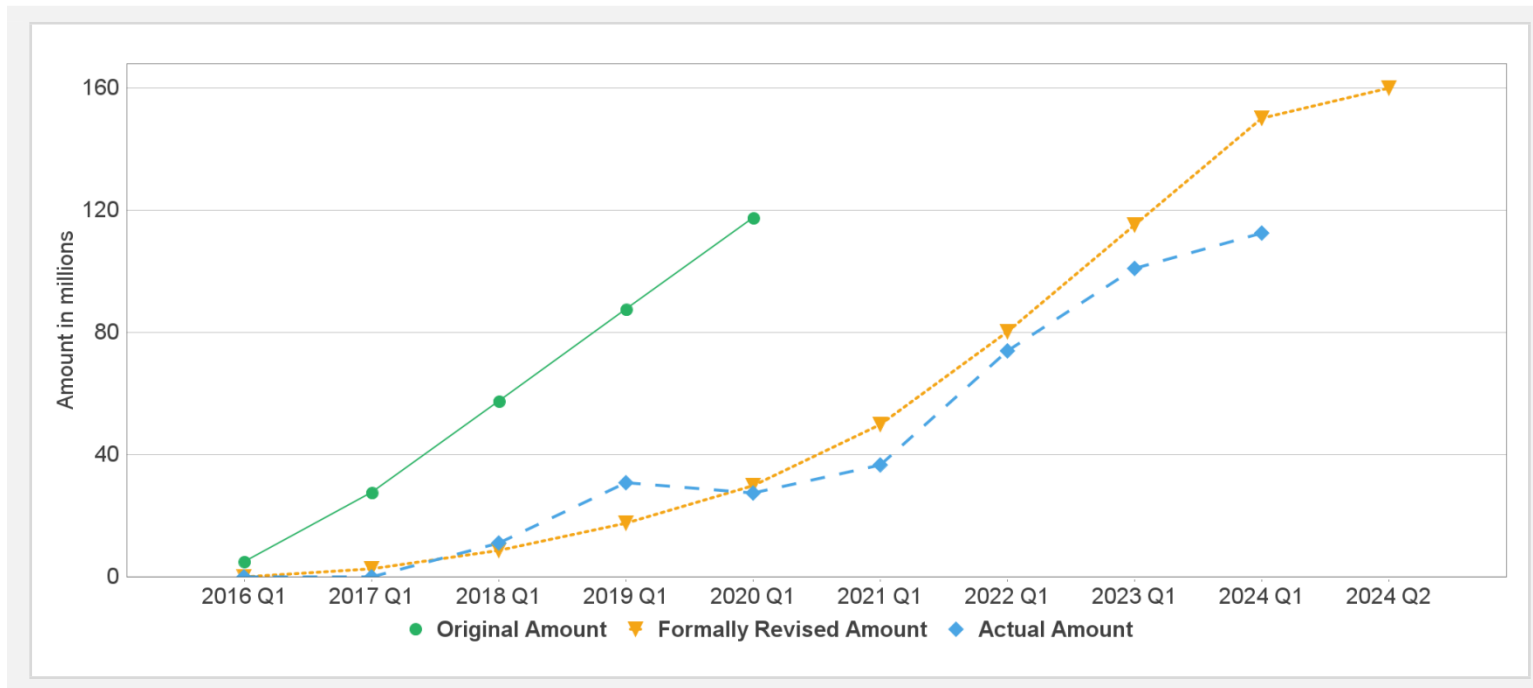
**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P149952	IBRD-85470	Effective	USD	140.00	140.00	0.00	95.42	44.58	68%
P149952	IBRD-87880	Effective	USD	20.00	20.00	0.00	17.50	1.19	94%

**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	31-Dec-2023
P149952	IBRD-87880	Effective	08-Nov-2017	04-Dec-2017	02-Apr-2018	31-Dec-2023	31-Dec-2023

**Cumulative Disbursements**





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### **Restructuring History**

There has been no restructuring to date.

### **Related Project(s)**

P160152-East West Highway Corridor Improvement Project Additional Financing

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