



# Draft Design and Monitoring Framework

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Project Number: 42145  
July 2010

## Armenia: Proposed Multitranche Financing Facility for the North-South Road Corridor Development Program (Tranche 1)

A design and monitoring framework is an active document, progressively updated and revised as necessary, particularly following any changes in project design and implementation. In accordance with ADB's public communications policy (2005), it is disclosed before appraisal of the project or program. This draft framework may change during processing of the project or program, and the revised version will be disclosed as an appendix to the report and recommendation of the President.

**Asian Development Bank**

## DESIGN AND MONITORING FRAMEWORK

### Tranche 1 Project

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Increased subregional trade and accelerated economic growth in Armenia</p>	<p>Increase in Armenia's exports to Georgia from \$87.9 million in 2007 to \$150.0 million in 2017</p> <p>Increase in imports to Armenia from Georgia from \$46.3 million in 2008 to \$100.0 million in 2017</p>	<p>Investment Program and tranche completion reports</p> <p>Investment Program and tranche progress reports</p>	<p><b>Assumptions</b> Other aid agencies' support for the north–south road corridor development</p> <p>The Government's implementation of sustainable road maintenance</p>
<p><b>Outcome</b> Improved section of road corridor from Yerevan to Gyumri</p>	<p>Reduced travel time from Yerevan to Gyumri to 1.0 hour by 2015 from 1.5 hours in 2008</p> <p>Increased daily traffic from Yerevan to Gyumri to 7,000 vehicles in 2015 from 3,000 vehicles in 2008</p> <p>About 1.6 million people will benefit from improvement of Yerevan to Gyumri road</p>	<p>Investment Program and tranche completion reports</p> <p>Investment Program and tranche progress reports</p> <p>National traffic statistics</p>	<p><b>Assumption</b> The Government secures enough finance, the design work is adequate and the contractor efficient</p> <p><b>Risk</b> Reduced commitment to corridors and weak implementation capacity</p>
<p><b>Outputs</b> Yerevan–Ashtarak section improved</p> <p>Road subsector plan strengthened and implemented</p>	<p>18.4-km four-lane road improved to 100 km/hr operational standard</p> <p>5% annual increase in road maintenance financing from actual budget in 2008 adjusted for inflation</p> <p>Road asset management system introduced</p> <p>Project planning, evaluation, execution and reporting capacities reinforced</p>	<p>Investment Program and tranche progress and completion reports</p> <p>Investment Program and tranche performance monitoring system</p> <p>Investment Program and tranche audit reports</p>	<p><b>Assumptions</b> Timely provision of counterpart funds</p> <p>PMU's diligent oversight of works and efficient administration of contracts to deliver program on time and budget</p> <p><b>Risk</b> Cost overrun due to the sharp escalation of prices of construction materials and labor</p>
<p><b>Activities with Milestones</b></p> <p>1.1 Project supervision consultants recruited by October 2010</p> <p>1.2 Civil works contracts for road improvements awarded by mid November</p>			<p><b>Inputs</b></p> <p><b>ADB:</b></p> <p style="padding-left: 40px;">ADF \$60 million</p> <p><b>Government:</b> \$10 million</p>

<p>2010</p> <p>1.3 Road improvement works started by May 2011 and completed by December 2014</p> <p>2.1 Consulting services for road subsector strategy advertized by January 2011</p> <p>2.2 Consultants recruited and mobilized by June 2011</p> <p>2.3 The consulting services completed by 2013</p>	<p><b>Total</b>                    <b>\$70 million</b></p>
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ADB = Asian Development Bank, ADF = Asian Development Fund, ARD = Armenian Roads Directorate.