



Draft Design and Monitoring Framework

Project Number: 41122
July 2009

Georgia: Proposed Multitranche Financing Facility for Subregional Road Corridors Development Program (Facility Concept)

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 (MFF)

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact Increased subregional trade</p>	<p>Increase in subregional trade by 4% for 5 years after completion of the 1st tranche project</p> <p>30% increase in cross-border freight traffic by 2015 from 1.0 million ton in 2008</p>	<p>National trade statistics</p> <p>RD surveys</p>	<p>Assumptions</p> <ul style="list-style-type: none"> ▪ Continued government commitment to regional cooperation <p>Risks</p> <ul style="list-style-type: none"> ▪ Political and macroeconomic instability in Georgia and the subregion
<p>Outcome Improved subregional road network</p>	<p>Reduced freight charges per ton-km in Georgia by 10% from 2009 to 2015</p> <p>Increased share of subregional roads in good and fair condition from 80% in 2008 to 90% in 2015</p> <p>Increased funding for road maintenance from \$35 million in 2009 to \$70 million in 2013</p> <p>Decrease in road accident rate from 1.3 per million vehicle-km on the existing road to 0.68 on the bypass road in 2014.</p>	<p>RD surveys</p> <p>Georgian International Road Carriers Association surveys</p> <p>Road subsector budget and expenditure records</p>	<p>Assumptions</p> <ul style="list-style-type: none"> ▪ Government's commitment to implement the road map and the Subregional Road Corridor Development Program ▪ Adequate counterpart financing <p>Risks</p> <ul style="list-style-type: none"> ▪ Limited budget for road maintenance
<p>Outputs Improvement of about 150-200 km of the Subregional Road Corridors</p> <p>Asset management capacity of the Road Department strengthened</p>	<p>IRI value for the improved roads maintained at no higher than 3.0 within 5 years after project completion</p> <p>Implementation of performance maintenance contracts on a PPP basis</p>	<p>RD surveys</p> <p>Supervision consultant's report</p>	<p>Assumptions</p> <ul style="list-style-type: none"> ▪ Support from local government and communities ▪ Disputes among contractors, supervision consultants and PIU avoided or promptly resolved

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
Road safety improved	Adoption of the intelligent traffic system within 5 years after project completion		Risks <ul style="list-style-type: none"> ▪ Delays in preparation and implementation of subsequent projects ▪ Cost overruns caused by unexpected increases in prices of fuel and raw materials
Activities with Milestones <ol style="list-style-type: none"> 1. Financing Framework Agreement signed by the Government and ADB by August 2009 2. Periodic Financing Request for the 1st tranche project submitted by the Government and approved by ADB in September 2009. 3. Periodic Financing Request for the 2nd tranche project submitted by the Government and approved by ADB in January 2010 4. Feasibility study for the 3rd tranche project completed by December 2010 			Inputs Investment Program <ul style="list-style-type: none"> ▪ ADB: \$500 million ▪ Georgia and other external financiers: \$3,024 million

ADB = Asian Development Bank, GEL = Georgian Lari, IRI = international roughness index, km = kilometer, MFF = multitranche financing facility, RD = Roads Department.