



Georgia: Sustainable Urban Transport Investment Program - Tranche 3

Project Name	Sustainable Urban Transport Investment Program - Tranche 3	
Project Number	42414-043	
Country / Economy	Georgia	
Project Status	Closed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 3063-GEO: MFF- Sustainable Urban Transport Investment Program Tranche 3	
	Ordinary capital resources	US\$ 73.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Gender Equity and Mainstreaming	
Sector / Subsector	Transport / Transport policies and institutional development - Urban roads and traffic management	
Gender	Some gender elements	
Description	Project 3 will improve the urban transport system and infrastructure in urban areas and comprises two subprojects: (i) section 2 (km 4.0-10.8) of the international standard Tbilisi-Rustavi Urban Road Link; and (ii) phase 2 of Anaklia Coastal Improvement; both of which are in line with components of the Investment Program. These investments will improve the urban environment, strengthen economic and tourism development, and regional integration.	

The government envisions the cities as engine of economic growth and job creation. The government emphasizes city cluster development and the delivery of quality infrastructure and urban services. These are considered essential to increase quality of life, attract investment, and increase productivity and competitiveness. The strategic vision is shared by all municipalities. In this regard, the government has been working out an urban and regional renewal strategy and has been supporting the business plan to attract private investments.

Project Rationale and Linkage to Country/Regional Strategy

In line with the sector roadmap prepared for the MFF, these operational plans are now detailed in all regions and cities with the support of the international community. Urban transport, with the other urban services, constitutes the core of this strategy. The policy reform framework outlined in 2010 is still valid and is being implemented and rolled out. It promotes competition, private sector involvement, efficiency, fairness, transparency, environmental sustainability, value for money with regard to capital investment, maintenance, and sound service provision.

With regard to urban infrastructure, the sector roadmap priorities approved on 25 June 2010 are to: (i) complete and upgrade the road network; (ii) develop public transport and non-motorized transport to reduce pollution, noise, and traffic crashes; and (iii) improve living conditions. These strategic objectives are fully consistent with the Interim Operational Strategy of Georgia, in line with the country partnership strategy currently under preparation (scheduled to be approved in 2014), and with ADBs sustainable transport objectives. The policy reform framework has been actively implemented in Tbilisi under Tranche 1.

The long-term urban transport investment plan (2010-2020) prepared in 2010 draws from the government priorities and is estimated at approximately \$1.4 billion, comprising physical and nonphysical investments to address medium-term (2010-2015) and long-term (2016-2020) needs.

Impact

Improved urban environment, local economy, and better living conditions within urban areas

Project Outcome

Description of Outcome

Efficient, reliable, and affordable urban transport services provided in relevant cities

Progress Toward Outcome

The Board approved the remedial action plan (RAP) on 30 June 2017. ADB submitted the Remedial Action Plan (RAP) - Final Solutions on 15 December 2017 to the Compliance Review Panel for review. On 6 March 2018, the Board Compliance Review Committee of the Board of Directors reviewed the RAP - Final Solutions. The RAP was disclosed on 3 April 2018. Next steps require the preparation of variations, detailed designs for strengthening of the buildings, noise barriers and tunnel, vibration and noise monitoring protocols, site specific environmental management plan and continued targeted consultation with the vulnerable people on construction and general consultations. All final designs and reports of the actions are to be submitted to the CRP for review.

Implementation Progress

Description of Project Outputs	Urban transport infrastructure extended, rehabilitated, and improved by MDF and relevant municipalities.
Status of Implementation Progress (Outputs, Activities, and Issues)	Closing date extended until 18 July 2020.
Geographical Location	Anaklia, K'alak'i Rust'avi, Rustavi, Zugdidi

Safeguard Categories

Environment	B
Involuntary Resettlement	A
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	<p>These Tranche 3 subprojects finance construction of one 6.8 km section (Section 2) of the urban road link Tbilisi-Rustavi, and Anaklia coastal protection from beach and shoreline erosion. The road would partly be a new alignment including a segment along the riverbank of Mktvari river. The Anaklia coastal project would be for 1.4-km structure of underwater breakwaters and beach nourishment in an area for future tourism development. The subprojects would have environmental impacts mainly during the construction phase involving large amount of earthwork, land filling and embankment protection. These impacts can be minimized and mitigated. An IEE report for the Anaklia coastal subproject has been approved. An IEE report for the road subproject has been approved and includes adequate mitigation measures. Tranche 3 is category B for Environment.</p>
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Involuntary Resettlement	<p>Subproject 1: Tbilisi-Rustavi Urban Road Link (section 2) Alignment alternatives have been considered and analyzed against a number of aspects including potential LAR impacts. The preferred option is 6.8km long. The alignment of TRURL Section 2 was selected by the government in April 2013 based on this multicriteria analysis. The selected option significantly minimizes resettlement impacts and is less disruptive for the urban environment and residents. The engineering design has been finalized in Q3 2015. The LARP has been updated accordingly and disclosed. The sub-project is therefore Category A.</p> <p>Subproject 2: Anaklia Coastal Improvement Project (Phase 2) The project is an extension of phase 1 works carried out under earlier tranches and includes (i) construction of underwater breakwaters (1.4 km); (ii) beach line Improvement with Artificial Nourishment of Sand; (iii) reinforcement of Enguri River banks, with armor stones. This subproject will create no resettlement impact.</p>
Indigenous Peoples	<p>Subproject 1: Tbilisi-Rustavi Urban Road Link (section 2) There will be no impact on Indigenous or Ethnic Minority People.</p> <p>Subproject 2: Anaklia Coastal Improvement Project (Phase 2) There will be no impact on Indigenous or Ethnic Minority People.</p>

Stakeholder Communication, Participation, and Consultation

During Project Design	<p>Consultations were carried out with all the stakeholders during Tranche preparation and finalization of engineering design and safeguards documents, with local residents and civil society. Stakeholders were informed about the subprojects, and information will continue to be provided during implementation of the project. Consultations were also held at various levels of government, including Ministry of Regional Development and Infrastructure, Tbilisi City Hall, local governments at the rayon (district municipality) level.</p>
During Project Implementation	<p>Stakeholder participation and consultation will be assessed in the course of implementation of the project.</p>

Business Opportunities

Consulting Services	<p>Total consulting services contracts is estimated at \$1.1 million comprising:</p> <ul style="list-style-type: none"> - Project financial statement and independent audit (contracted), and - Independent monitoring agency
Procurement	<p>There are 2 civil works contracts (ICB method), totaling \$73.35 million, as follows:</p> <ul style="list-style-type: none"> (1) Tbilisi-Rustavi Urban Road Link (section 2), contract awarded on 12 December 2016 (2) Anaklia Coastal Improvement (phase 2), contract awarded on 26 September 2014
Responsible ADB Officer	Llorens, Cesar
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Urban Development and Water Division, CWRD
Executing Agencies	<i>Municipal Development Fund of Georgia</i>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	26 Sep 2013
Approval	25 Nov 2013
Last Review Mission	-
Last PDS Update	27 Sep 2018

Loan 3063-GEO

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
25 Nov 2013	19 Dec 2013	14 Mar 2014	31 Dec 2018	18 Jul 2020	19 Apr 2021

Financing Plan

Loan Utilization

	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	118.20	Cumulative Contract Awards			
ADB	73.00	05 Oct 2022	34.20	0.00	100%
Counterpart	45.20	Cumulative Disbursements			
Cofinancing	0.00	05 Oct 2022	34.20	0.00	100%

Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

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