



# Armenia: Armenia-Georgia Border Regional Road (M6 Vanadzor-Bagratashen) Improvement Project

Project Name	Armenia-Georgia Border Regional Road (M6 Vanadzor-Bagratashen) Improvement Project									
Project Number	49244-002									
Country / Economy	Armenia									
Project Status	Active									
Project Type / Modality of Assistance	Loan									
Source of Funding / Amount	<table border="1"><tr><td colspan="2">Loan 3449-ARM: Armenia-Georgia Border Regional Road (M6 Vanadzor-Bagratashen) Improvement Project</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 50.00 million</td></tr><tr><td colspan="2">Loan: Armenia-Georgia Border Regional Road (M6 Vanadzor-Bagratashen) Improvement Project</td></tr><tr><td>European Investment Bank</td><td>US\$ 56.40 million</td></tr></table>		Loan 3449-ARM: Armenia-Georgia Border Regional Road (M6 Vanadzor-Bagratashen) Improvement Project		Ordinary capital resources	US\$ 50.00 million	Loan: Armenia-Georgia Border Regional Road (M6 Vanadzor-Bagratashen) Improvement Project		European Investment Bank	US\$ 56.40 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration									
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development									
Sector / Subsector	Transport / Road transport (non-urban)									
Gender	No gender elements									
Description	The proposed project will improve a strategic regional link between Armenia (Vanadzor) and Georgia Border (Bagratashen), one of the most heavily traveled roads for internal and external trade. It will rehabilitate and upgrade 51.5 kilometers (km) of the two-lane M6 highway from Vanadzor to the border with Georgia at Bagratashen, improve facilities and safety along and in the vicinity of this road section in northern Armenia, strengthen the institutional capacity of the Ministry of Transport, Communication and Information Technologies (MTCIT).									
Project Rationale and Linkage to Country/Regional Strategy	Armenia's economy relies heavily on trade with neighboring countries through one border crossing with Iran at Meghri and two major border crossings with Georgia at Bavra and Bagratashen. Bavra is at the north end of the ongoing North-South Road Corridor Investment Program financed by Asian Development Bank (ADB). The North-South road corridor will mainly serve cross-border freight traffic to western Georgia and the Black Sea ports. Bagratashen is connected to the country's national network via the two-lane M6 highway, which will be upgraded by the proposed project. The M6 is a vital link connecting Armenia with Georgia and beyond. It is the shortest link between the respective capitals, Yerevan in Armenia and Tbilisi in Georgia. In 2014, the Bagratashen border crossing point handled 0.85 million tons of import and export freight, representing 49% of the total import freight tonnage and goods by road. Several international financial institutions are working jointly to improve border crossing efficiency and develop integrated border management systems in Armenia, including improvements at Bagratashen. The project is crucial to the country's trade and economy, and will be indispensable in the long term.									
Impact	Accelerated deterioration of the road network prevented; and safe, quick, and easy transportation ensured.									
<b>Project Outcome</b>										
Description of Outcome	Transport efficiency and safety along the VanadzorBagratashen section of the M6 improved.									
Progress Toward Outcome	Civil works contracts awarded in November 2017 and advance payments paid in December 2017. Contract for design review and civil works technical supervision consultant was awarded on 03 April 2018.									
<b>Implementation Progress</b>										
Description of Project Outputs	Road in M6 Vanadzor-Bagratashen section totaling 51.5 km (Km 38+500Km 90+000) reconstructed Institutional capacity of MOTC strengthened Design of the rehabilitation of Dilijan and Pushkin tunnels prepared									
Status of Implementation Progress (Outputs, Activities, and Issues)	Civil works contracts awarded in November 2017. As of October 2021, the overall physical progress of the project is 67.2%, and the financial progress is 63.2%. Recruitment of consultants for the institutional development component of the loan has commenced and the training workshops are planned in Q4 2021 and Q1 2022.									
Geographical Location	Alaverdi, Bagratashen, Vanadzor									
<b>Safeguard Categories</b>										
Environment	B									
Involuntary Resettlement	A									
Indigenous Peoples	C									
<b>Summary of Environmental and Social Aspects</b>										
Environmental Aspects	According to ADB's Safeguard Policy Statement (SPS), 2009, the project for the ADB-financed section is classified as category B for environment. Mitigation measures to address all construction and operational impacts have been included in the environmental management plan (EMP) prepared as part of the initial environmental examination (IEE) for the ADB-financed road section. The EMP has been included in the bidding document. The Road Department Fund is responsible for implementation of all safeguards requirements.									

Involuntary Resettlement The project for ADB-financed section has been updated from category B to category A for the Involuntary Resettlement. MTAI prepared and implemented land acquisition and resettlement plan (LARP) prior to commencement of the civil works. In addition to the main LARP, three Correction Action Plans (CAPs) have been prepared and implemented prior to the civil works in the relevant sections to address the design adjustments encountered during implementation. The 4th CAP is under preparation to address the revised design of Odzun junction.

Indigenous Peoples IP for the proposed project is categorized C.

#### Stakeholder Communication, Participation, and Consultation

During Project Design Stakeholders' participation in meetings during project design is encouraged.

During Project Implementation Public consultations with relevant NGOs and local residents will be held regularly to ensure greater participation and information sharing.

#### Business Opportunities

Consulting Services All consulting services to be financed by the loan will be recruited following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).

Procurement All works to be financed by the loan will be procured following ADB's Procurement Guidelines (2015, as amended from time to time).

Responsible ADB Officer	Naqvi, Zaigham Ali Akbar
Responsible ADB Department	Sectors Group
Responsible ADB Division	Transport Sector Office (SG-TRA)
Executing Agencies	Ministry of Territorial Administration and Infrastructure Ministry of Transport, Communication and Information Technologies

#### Timetable

Concept Clearance	30 Mar 2016
Fact Finding	15 Feb 2016 to 26 Feb 2016
MRM	29 Jul 2016
Approval	28 Oct 2016
Last Review Mission	-
Last PDS Update	02 Nov 2021

## Loan 3449-ARM

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
28 Oct 2016	09 Nov 2016	24 Apr 2017	31 May 2021	31 Aug 2024	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	62.00		Cumulative Contract Awards			
ADB	50.00		22 Feb 2024	42.50	0.00	92%
Counterpart	12.00		Cumulative Disbursements			
Cofinancing	0.00		22 Feb 2024	41.47	0.00	90%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Satisfactory	Satisfactory	Satisfactory	-	-	Satisfactory

Project Page <https://www.adb.org/projects/49244-002/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=49244-002>

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