

Secondary and Local Roads Project

Key Dates:

Approved : June 24, 2004

Effective: October 21, 2004

Closing: October 31, 2011

Financing in million US Dollars:

<i>Financier</i>	<i>Financing</i>	<i>Disbursed*</i>	<i>Undisbursed</i>
IDA Credit	20.00	21.13	-
IBRD Loan	70.00	40.73	29.30
Government of Georgia	37.14		
Total	127.44	61.86	29.30

***World Bank Disbursements as of September 23, 2010.**

Note: Disbursements may differ from financing due to exchange rate fluctuations at the time of disbursement.



At the time of project preparation about 60% of secondary roads were in poor condition and required rehabilitation while large network of local roads was on average, in a very poor condition. Previous Bank operations in the Transport sector had focused on the main highway networks, which are important for trade and transit, and on institutional strengthening. Addressing rural poverty, however, required improvement of the extremely poor condition of secondary and rural roads networks. This is important both to stimulate agricultural output, and to make various social services more accessible to the rural poor.

The Project Development Objective is to (i) upgrade and rehabilitate the secondary and local roads networks; and (ii) increase RDMRDI's and local Governments' capacity to manage the road network in a cost effective and sustainable manner. The original \$20 million (IDA credit) project envisaged rehabilitating about **250 kilometers** of secondary and local roads, carrying out drainage improvements and providing signage and access to adjacent properties. Additional financing of 70 million USD (IBRD loan) approved in March 2009 envisaged to rehabilitate **additional 450 kilometers** of secondary and local roads, and also to strengthen capacity of local government units in management and maintenance of local roads network. Due to accumulated cost savings the Project was further restructured in February 2010 and new target is to rehabilitate total of 840-880 kilometers of secondary and local roads instead of 700 kms. As a result of the project, travel time will be reduced by 20% on the targeted road sections.

Results achieved to date:

- Rehabilitation of 250 km of secondary and local roads envisaged at the project preparation has been completed
- The works on the 27 road sections – 450 kilometers envisaged under the Additional Finance (AF) program - are successfully under implementation.
- The preparation works for the new road investments (to be financed with the accumulated cost savings) are well underway - the scaled up works will rehabilitate more roads and ensure greater impact. The likelihood of achieving the outcome indicators is high.
- As a result of civil works 7352 person-month of jobs have been created.
- 6 regional offices of the Roads Department are fully operational, 148 Traffic Police were trained.
- The Roads Department (RD) has developed a 5 year rolling plan and is using it as a planning tool for planning of investments.
- RD has initiated the adoption process of the Design and Maintenance standards.

Key Partners:

The Bank team works closely with (i) the Ministry of Regional Development and Infrastructure of Georgia (MoRDI), responsible for policy setting, (ii) Roads Department under the MoRDI which is responsible for implementing the project; and (iii) Transport Reform and Rehabilitation Center (TRRC) responsible for Financial Management and Disbursement functions within the Project.

Key Development Partners include JICA, ADB, MCC, EC, IBRD, EIB, Kuwait Fund which have been financing (or plan to finance) different sections of Georgia's road network, and with which the World Bank team maintains regular interaction through the donor coordination meetings.