



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	Armenia		
Project Status	Active		
Project Type / Modality of Assistance	Loan		
Source of Funding / Amount	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	
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 Equity and Mainstreaming	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 (MOTCIT).		
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 ter.		
Impact	Accelerated deterioration of the road network prevented; and safe, quick, and easy transportation ensured.		

Project Outcome

Description of Outcome	Transport efficiency and safety along the Vanadzor Bagratashen section of the M6 improved.
------------------------	--

Progress Toward Outcome

Implementation Progress

Description of Project Outputs	Road in M6 Vanadzor Bagratashen section totaling 51.5 km (Km 38+500 Km 90+000) reconstructed Institutional capacity of MOTC strengthened
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	According to SPS 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 will form part of the bidding documents. During project implementation, ADB will be responsible for supervision and monitoring of the environmental of the ADB-financed section. The Transport Projects Implementation Organization (TPIO) at MOTCIT will be responsible for implementation of all safeguards requirements, for this purpose the TPIO has a contractual environment specialist, however, capacity in environment needs to be built and the TPIO will be required to hire a full time qualified environment specialist to review and oversee implementation of the IEE and EMP.
Involuntary Resettlement	The project for ADB-financed section is classified as category B for the involuntary resettlement safeguard according to requirements set out in the SPS. A draft land acquisition and resettlement plan (LARP) for ADB-financed section has been prepared by the MOTC with ADB's assistance that contains a preliminary social impact assessment based on the cadastral data, which suggests that the project will permanently acquire a total of 542 land plots covering 212,871.38 m2 in nine communities, affecting private land, community land, and state land. This includes 44 residential land plots, 10 businesses, and 11 leaseholders on state and community lands. The number of affected households is 303 (788 affected persons, at an average household size of 2.6), most of which will be partially but permanently affected. The LARP will be updated to an implementation-ready LARP with census, assets inventory and detailed consultations with the identified affected households during the detailed measurement survey upon issuance of the requisite decree by the government. In Armenia there is a chronic discrepancy between the cadastral maps and the objects on the ground; so, the detailed measurement survey will determine the correct status of the affected structures and the consequent number of the project affected persons, which presently may have been over-estimated. Based on the present data, it is assumed that the 44 residential and 10 business structures will need to be relocated.
Indigenous Peoples	The proposed project intends to rehabilitate and improve the exiting two-lane M6 highway located in northern Armenia between Vanadzor and Alaverdi up to the Georgian border with a total length of about 90 km, parallel cofinanced by the EIB. The EIB project comprises the first 37 km and the ADB project comprises the latter 53 km. ADB and EIB agreed on a common approach for the assessment and planning process of social risks that includes documentation, consultation, and disclosure requirements. There will be minimal land acquisition and critical spots that will partially affect land owners, but the country does not have IP communities as defined in the SPS for operational purposes. 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 Staff

Responsible ADB Officer	Herz, Thomas
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Transport and Communications Division, CWRD
Executing Agencies	<i>Ministry of Transport, Communication and Information Technologies Nalbandyan Str. PO Box 69, 0010 Yerevan, Armenia</i>

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	16 Mar 2017

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	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	118.40	Cumulative Contract Awards			
ADB	50.00	28 Oct 2016	0.00	0.00	0%
Counterpart	12.00	Cumulative Disbursements			
Cofinancing	56.40	28 Oct 2016	0.03	0.00	0%

Project Page	https://www.adb.org/projects/49244-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=49244-002
Date Generated	09 June 2017

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.