CAUCASIAN ROAD SECTOR
FEASIBILITY STUDY FOR
THE REHABILITATION AND RECONSTRUCTION OF
THE ROAD LINK BETWEEN BAKU, TBILISI AND YEREVAN

Final Recipients: The Ministries of Transport and Road Departments of the three Trans-Caucasian Republics

Justification and Objectives:

Since the independence of the Caucasian Republics from the former Soviet-Union, their national economies have declined and their road rehabilitation and maintenance has been neglected. At the same time, road traffic has increased dramatically (+40% per year during the last three years). Therefore, extensive road rehabilitation and improvement programs are required throughout the region. Several International Financial Institutions (IFIs) and other donors are planning major investments in road works for the three Trans-Caucasian Republics. TRACECA has previously provided road maintenance management systems, support for institutional reform, economic analysis and technical studies, to facilitate the mobilization of external investment. Against this background, the project aims to sustain the existing and planned World Bank programs for financing and co-financing with other IFI(s) and investors, the reconstruction and rehabilitation of the road connection between the three capitals of the Trans-Caucasian Republics: Baku, Tbilisi and Yerevan.

Armenian Republic:

As a result of the political situation in the region the road connection Yerevan-Vanadzor-Ayrum-Sadakhlo-Marneuli-Tbilisi (280 km) has become the main road transport axis for Armenia. It is the main link with the Black Sea ports, which are of primary importance for the development of the Armenian economy, through TRACECA. Practically all Armenian transit traffic, as well as an important part of national traffic, utilizes this route. At present the road sector Yerevan-Vanadzor (130 km) has been rehabilitated in the framework of the first World Bank loan. The remaining 150 km road section is in a dramatic condition: about 60% of the road surfacing is degraded, exhibiting severe cracking and pot-holes, symptomatic of a complete and irrecoverable loss of the physical structure of the road pavement. Given the economic importance of this road connection, the necessity for the urgent reconstruction and rehabilitation appears obvious. Detailed studies proposed in this project are expected to confirm this.

Azerbaijan Republic:

The Government of Azerbaijan has requested the World Bank to finance the rehabilitation, reinforcement, and upgrading where appropriate, of the 274 km road section Ujar-Georgian border of the TRACECA corridor in Azerbaijan. This corridor is an important transit transport link between the Central Asian countries and the Black Sea ports of Poti and Batumi. Adjoining links of the corridor within Azerbaijan will be rehabilitated with the assistance of investments planned by the EBRD, the Islamic Development Bank and the Kuwait Fund. In agreement with the Government of Azerbaijan and the World Bank, the TRACECA study will provide the technical assistance for the preparation of the Feasibility Study, Engineering Designs and Bidding Documentation for the project to be financed by a World Bank loan.

Georgia:

The road from Poti over Tbilisi to the Azeri border, branching off southwards to Yerevan in Tbilisi, is a principal trans-Caucasian TRACECA road corridor, linking the Black Sea to the Caspian Sea. It continues the
Armenian and Azeri road sections described above. Under the TRACECA program, EUR 2.5 million were invested in the road border crossing between Georgia and Azerbaijan: rehabilitation of the historical Red Bridge, construction of a parallel road bridge and refurbishing of the Georgian and Azeri border posts. In the last few years, the World Bank has financed the rehabilitation of some priority sections of this road, and now negotiations between Georgia and the World Bank on the rehabilitation of the remaining sections are in an advanced stage, while other IFIs and investors have shown interest in co-financing. In order to support this road rehabilitation project, the current TRACECA project will provide a complete feasibility study and detailed tender documents in bankable format.

The results expected are, firstly, the detailed bankable documents confirming the justification of the preparatory negotiations which have taken place between the World Bank, other IFIs and the beneficiary states. This will enable the World Bank loan authorizations and possibly attract co-financing by IFIs or investors. The designs and contract documents for the rehabilitation works to be contracted will also be delivered by the project.

**Main components**

For the three road sections:
- **Azerbaijan**: Baku / Georgian border (Red bridge),
- **Georgia**: Red Bridge / Tbilisi / Armenian border (Sadakhlo-Ayrum),
- **Armenia**: Yerevan / Georgian border (Ayrum-Sadakhlo)

the study will carry out an investigation and design of upgrading and appropriate pavement strengthening, improvement and rehabilitation works, needed to extend the useful life of the road for the most economic number of years, taking the existing and forecasted traffic loads into account. The consultant will perform:

- preliminary identification of the priority sections and the degree of improvement appropriate to the different road sub-sections, with respect to the present level of service, traffic volumes, and safety;
- economic and technical studies for the remedial measures to be taken and the optimal allocation the planned investments on the road links;
- detailed field investigations of soils and materials, of the residual strength of the pavements, of road geometry etc.;
- surveys of structures including bridges, culverts, retaining walls, erosion protection works etc.;
- traffic surveys, including traffic counts at several locations and origin-destination surveys;
- detailed engineering design of proposed upgrading, rehabilitation, reinforcement, realignments in accordance with the preliminary technical and economic indications for the allocation of the loan funds;
- preparation of drawings, bills of quantities and specifications, for the eventual execution of the works by international competitive bidding;
- cost estimates;
- environmental impact assessment;
- division of the proposed works into appropriate contractual packages and preparation of prequalification and bidding documents, in conformity with the procurement procedures of the financial institutions involved (led by the World Bank).

While carrying out the studies and preparing the deliverables required for the project, the appointed Consultant will be required to fully collaborate with local technical institutions or partners, to familiarize them with the methodology of such studies. Specific training components will be foreseen within the project to ensure a maximum practicable degree of know-how transfer.
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<tr>
<th>Project Budget</th>
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<td>TOTAL</td>
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| Implementation Timetable | 12 months |