EUROPEAN UNION - TACIS

Technical Assistance to the Southern republics of the CIS and Georgia - TRACECA

CAUCASIAN ROAD SECTOR

Terms of Reference

for

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

Final Recipient :
Caucasian Ministries of Transport and Road Departments
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1. BACKGROUND

1.1. Needs of Beneficiary

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 (+40% 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 and EBRD programs for financing and co-financing with other IFI(s) and investors of the reconstruction and rehabilitation of the road connection between the three capitals of the Trans-Caucasian Republics: Baku, Tbilisi and Yerevan.

1.2. Problems to be Addressed

Azerbaijan Republic:

The Government of Azerbaijan has requested the European Bank for Reconstruction and Development (EBRD), together with the World Bank, to finance the rehabilitation of the main transit route to Georgia. The total length of this road corridor is 859 km, of which 444.1 km is within Azerbaijan and 414.9 km within Georgia. It provides an important transit link for traffic between Central Asia, through Baku Port, to the Black Sea ports of Poti and Batumi. Average daily traffic is in the region of 4,000 vehicles a day. The first 40 km of this route are presently being upgraded using the proceeds of loans from the Islamic Development Bank (IDB) and the Kuwait Fund of Arab Economic Development. The rest remains to be rehabilitated/upgraded, amounting to a total distance of 400 km.

No designs are available at present for the section Georgian border-Ujar. The design, but not the construction, of the section Ujar-Kyurdamir (46 km) would be financed by the Kuwait Fund. The design of section Kyurdamir-Gazi Mammed (80 km) already has financing available (Tacis/EBRD).

Responsibility for the road network in Azerbaijan rests with the State Concern “Azeravtoyol” (AZYOL) who are responsible for the planning and execution of the roads program. In the absence of a Ministry of Transport, they are directly accountable to the Cabinet of Ministers, where a specific department carries out the co-ordination of their activities.

The recent involvement of the World Bank has changed the Government’s approach to this project and they now wish to focus on the rehabilitation/upgrading of the entire route as one large co-financed project (EBRD, World Bank, IDB, Kuwait Fund). Following a request from Azerbaijan’s Cabinet of Ministers, a decision has been made that the present assignment will cover: preliminary studies and analysis of all available materials, preparing of Detailed Design (Final Design) with bill of quantities and cost of works and cost estimates of the construction and tender documents, economic internal rates of return, Net Present Value, and environmental impact assessment for the Ujar to Georgian border section of road.
In undertaking the present assignment it is necessary to use the "Feasibility Study for Rehabilitation of Transit Roads in Azerbaijan", "Final Feasibility Report (Kocks Consult/TecnEcon, December 1997), additional Analysis for the Gazi-Mammad to Kyurdamir Road (TecnEcon, November 1997) and Phase 1 of this assignment.

**Georgian Republic:**

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 programme, 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.

**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, utilises this route.

The paving of the section within Armenia was completed in the year 1999. However, the road has poor geometric and a design speed of 70 km/h only. The road is just about acceptable at present traffic levels, and traffic accidents frequently occur. Due to a landslide problem on a part of the road, the Ministry of Transport considers moving the road to the opposite side of the river. The Roads Department believes the road further west via Tashir-Stephanavan would be more feasible to upgrade when required, which would also require a corresponding upgrade of the road via Bolnisi in Georgia.

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 potholes, 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 urgent reconstruction and rehabilitation appears obvious. Detailed studies proposed in this project are expected to confirm this.

1.3. **Co-ordination with Other Donors**

*World Bank (WB), European Bank for Reconstruction and Development (EBRD), Islamic Development Bank (IDB) and Kuwait Fund: see paragraph 1.2 above.*

**TACIS**

The TACIS Inter-State programme ‘TRACECA’ has involved the Caucasian Republics in a number of technical assistance projects since 1995. The countries have benefited from various

The TACIS Bangkok project “ Tender documents for the Road from Gazi Mammed to Kyurdamir and Preliminary Design from Kyurdamir to the georgian border”.

So far, the TACIS National programs for the Caucasian Republics were focused on privatization, institutional strengthening, social support, nuclear safety and environment, as well as on the agricultural, energy and financial sectors.

2. RATIONALE AND OBJECTIVES

2.1. Overall Objectives

As for Azerbaijan, this assignment has the following objectives: preliminary studies and analysis of all available materials, preparing of Detailed Design (Final Design) with bills of quantities and cost of works and cost estimates of the construction and environmental impact assessment and preparation of tender documents for the Ujar to Georgian border section of road. The principal outputs will be: (a) detailed design, cost estimates, economic internal rates of return and an environmental impact assessment; and (b) pre-qualification/tender documents.

The consultant shall provide assistance with tendering for the whole section from Gazi Mammed to the Georgian border.

As for Armenia and Georgia the project will prepare a complete feasibility study and tender documentation for the rehabilitation and reconstruction of deteriorated sections of the road Tbilisi -Yerevan, Tbilisi-Red Bridge, Tbilisi -Marneuli and Tbilisi by pass, in order to prepare loans by the World Bank and other IFIs.

These loans will allow the Republics to catch up with their serious backlogs in road maintenance and to cope with growing local, international and transit traffic.

There is a difference in the procurement procedures used by the World Bank and the EBRD, which needs to be taken account of.

2.2. Project Purpose

Three road sections are covered by the present project:

- in Azerbaijan: Kyurdamir - Georgian border (Red Bridge);
- in Georgia: Tsiteli Khedi (Red Bridge) - Tbilisi - Marneuli -Tbilisi by pass
• in Armenia: Vanadzor - Georgian border (Ayrum-Sadakhlo / Tashir).

The study will carry out an investigation and design of the 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.

Consultant shall carry out in Azerbaijan:

• Acquaintance with the existing surveys, and also revealing of an extra problems or issues not taken into account in these surveys
• Identification of transport and economic characteristics of the regions.
• Survey of factual strength of pavement
• Surveys of bridges with detailed test and identification of load capacity
• Carry out detailed topographical surveys
• Carry out detailed hydrological surveys
• Carry out detailed geo-technical surveys
• Surveys of structures, culverts, retaining walls, etc
• Surveys of traffic security issues, lighting, road marking, noise absorbing equipment and architecture design etc
• Survey of issues on transfer of engineering communications
• Detailed ecological investigations and assessment of environmental impact.
• Investigations of pits-road constructing materials
• Surveys of the conditions of the existing asphalt concrete, crashing and sieving equipment, production of mineral powder equipment.
• Analysis and use of the existing in Azerbaijan normative documents, standards, etc.
• Preparation of the Detailed Design (Final Design) of road Ujar-Georgian border on sections
1. Ujar-Yevlakh
2. Yevlakh-Gyanja
3. Gyanja-Tauz
4. Tauz-border with Georgia

For each road section it will be required to produce the detailed working project with the scope of work, specification and cost estimates for the construction (+/-5%) including Tender documents.

Surveys and topographic investigations of the road sections should be carried out under the first technical category for four lane.

The detailed design of the existing two lines road and artificial constructions should be carried out with geometrical parameters of the first technical category for the purpose of possible construction of the second lane line in the future including locations of bypasses of settlements.
and second carriageway. In survey and design of the sections of the road, circuits of the settlements should be provided.

- Identification of IRR.
- Training of local staff in update survey methods.
- While carrying out investigations and preparing of deliverables required for the project, the appointed Consultant will be required to co-operate closely with local consulting organisations.

The State Concern “Azeravtoyol” will provide the Consultant with all required information, data and reports related to this project. However, the Consultant will be responsible for analysis and data interpretation received for this completion and presentation.

All information, data reports received by the Consultant from the State Concern “Azeravtoyol” will be /should be received and analysed by the Consultant. The Consultant will be responsible for accuracy of the said facts. All information, data and reports should be confidential.

In Azerbaijan, Tender documents for the road Gazi Mammed to Kyurdamir and Preliminary Design Study for the section Kyurdamir-Georgian border will be provided within a Project from TACIS Bangkok Facility by the end of 1999. The contractor will have to carry out the project on the basis of above mentioned study.

The consultant will perform in Georgia and Armenia:

- a 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 of 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 and 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 ( +/- 5% )
- environmental impact assessment;
• division of the proposed works into appropriate contractual packages and preparation of pre-qualification and bidding documents, in conformity with the procurement procedures of the financial institutions involved.

While carrying out the studies and preparing the deliverables required for the project, the appointed Consultant will be required in partnership with local design entity, to familiarise 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.

2.3. Results

The results expected are, firstly, detailed bankable documents confirming the justification of the preparatory negotiations which have taken place between the World Bank, EBRD, other IFIs and the beneficiary states. This will enable the World Bank loan authorisations 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.

Secondly, the project will result in a bankable feasibility study for the rehabilitation, including upgrading to cat.I (only for Azerbaijan) II - III or equivalent design standards, of the road sections:

• Ujar-Georgian Border;
• Tsiteli Khedi (Red Bridge) - Tbilisi - Marneuli - Tbilisi by pass
• Vanadzor-Ayrum/ Stephanovan-Tashir

This should enable the Governments of the Caucasian Republics to negotiate funding from IFIs, without need for further studies.

Thirdly, the three Road State Departments will be involved in the project, which will enhance transfer of know-how from the EU to the Caucasian Republics.

Finally, the project will make a synthesis of the available studies, designs, surveys and plans, as well as update, consolidate and complete them.

3. RISKS AND ASSUMPTIONS

Various difficulties will be encountered:

a) the existing data are outdated;

b) the existing designs were made to FSU standards;

c) the consultant should decide, in consultation with the beneficiaries, what design to apply, in particular regarding the axle load standard for the pavement design (either the EU standard of 11.5 tons, or any standard more suitable - economically and technically - for traffic, trade and transit conditions in the Caucasus);

d) the existing information is partial only and fragmented, and must be supplemented by much field work;

e) the field work is challenging, and accommodation during project execution will be basic;
f) inspection of roads, geo-technical and topographical surveys, traffic surveys, need to be done in a timely manner;

g) **Local design institutes** may be expected to fully partnership.
The staff of the Road Departments are competent, very experienced and motivated.

### 4. MAIN COMPONENTS

#### 4.1. Tasks

#### 4.1.1 Review of Previous Studies

These include but would not be limited to:

- TRACECA ‘Road Maintenance’ project;
- TRACECA ‘Implementation of Pavement Management Systems (PMS)’ project;
- TRACECA ‘Regional Traffic Database and Forecasting Model’; there will be a further TRACECA traffic database project with which this project will be expected to collaborate on a mutual help basis, but there is no interdependence, and all responsibility for obtaining traffic data for the purposes of this project remains with the consultant appointed to carry it out.

Detailed information, including full reports, on these projects can be downloaded from the technical library on the TRACECA web site: [http://www.traceca.org](http://www.traceca.org). Alternatively, hard copies of all reports can be consulted free of charge in the Permanent Secretariat in Baku.

The team leader will be responsible for ensuring that all experts engaged on the project are fully aware of the relevant groundwork from preceding TACIS projects and other sources.

#### 4.1.2 Feasibility Studies

The consultant will perform all the works necessary to attain the objectives set out in chapter 2. ‘Rationale and Objectives’ above, including field investigations, data collection, traffic surveys, soils and materials investigations, detailed engineering design, cost estimates, economic studies and preparation of pre-qualification and bidding documents. The previous TRACECA studies provide abundant and efficient documentation on all above requirements, except for final engineering design and pre-qualification/bidding documentation. The consultant shall use this information and draft a work program for the additional surveys required by recent changes. In particular, for the updating of the Feasibility Study and for the preparation of the Detailed Engineering Design and Bidding Documents, the Consultants shall carry out the following tasks:

**Data Collection** - Required data, if missing, on the history, design standards, traffic, vehicle operating costs and vehicle loads shall be collected from local and other agencies.
Road Condition Survey - A detailed inventory of existing road conditions, following the existing inventory, shall be completed including pavement, shoulders, bridges, drainage structures, retaining walls and road furniture;

Traffic Surveys - A two-day classified count on each road sub-section, updating existing traffic surveys and traffic forecasts.

The consultant shall prepare traffic forecasts, including the following activities:

- carry out reconnaissance, field investigations and data collection at several locations and times, including traffic counts, origin-destination and commodity surveys, traffic composition and vehicle occupancy, to develop sufficiently detailed information on the present pattern of movement of goods and people, and of traffic by various modes in the project area; seasonal factors must certainly be considered;

- based upon the traffic counts and origin-destination survey, obtain any additional necessary information on the present pattern of traffic by vehicle type and mode in the zones of influence of the roads, relate it to the economy of the area, and to regional economic activity due to transit traffic;

- forecast future movements of goods and people and transport demand, based on the expected level of economic activity, sector by sector;

- analyse the interaction between road and rail to come to a conclusion as to the future influence of railways, if any;

- assess the possibility of passenger and goods traffic diversion from other transport modes along the road, taking into account transport costs and other relevant factors;

- assess the capacity of roads and the effects of any congestion on vehicle operating costs (VOCs);

- prepare traffic forecasts in terms of vehicles per day by representative vehicle types, related to the sectional forecasts; estimate possible generated traffic, if any, arising from improved road transport and diverted traffic from the existing roads;

Deflection Survey - A deflection survey of the entire road to portray the existing road strength.

Pavement Cross-section Survey - Existing pavement cross section survey to calculate the overlay thickness needed to archive the required strengthening, depending on the axle load standard used (either the EU standard of 11.5 tons, or any standard more suitable – economically and technically - to local conditions).

Identification of Failed Segments - Identification and detailed survey of failed or likely to fail segments of each road section, and of the remedial measures which should be carried out.

Soil and Materials Investigations –
Investigations of pavement thickness, sampling and testing of various layers, location of quarries and their sampling (type and quality of aggregate materials available for exploitation); and quality and availability of local bitumen and its suitability for utilization in high quality overlay works;

Design and calculation of overlay and leveling layer thickness, and design of improvement works, including redesign of drainage structures and bridges where necessary;

Consideration of alternatives to conventional overlays, such as recycling to produce a restabilized base course if this would result in lower costs.

**Specifications** - Preparation of the required general specifications and well detailed special specifications.

**Miscellaneous Works** - Pavement markings safety devices, widening of road pavement where necessary, improvement of shoulders, retaining walls, consolidation of bridge abutments, side slope protection, debris control, guard rails.

**Environmental Assessment** –

It can be assumed that the layout of the road (alignment, width and gradient) shall mainly remain unchanged – except possibly for any bypasses needed –, and that the project will not entail significant impacts on the natural environment such as large erosion, changes of streams, underground water, and/or interference with animal/plants life. However, this does not exclude the need to plan measures that will help to avoid or minimize construction-related impacts which could potentially be related to the extraction of construction materials from borrow pits, manufacturing of bitumen mixtures (asphalt equipment and plants), and adequate conditions in works-related human settlements.

In preparation of the planning stages to follow, the consultants will prepare an Environmental Assessment analysis (Bank Environmental Category “B”), comprising:

(a) identification of project-related key concerns with regard to environmental impacts, human health and safety;
(b) compilation of key environmental, health and safety regulations that will be relevant to the proposed project; and
(c) cost estimates of the mitigation measures and their incorporation in the engineering designs and contract documents, and an Environmental Action Plan outlining the steps to be taken to implement the recommended mitigation measures.

**Economic Analysis** –

The consultant shall undertake the economic evaluation of the project for the thirty year-period following the completion of the road betterment. In that perspective, the economic costs of construction to the proposed standards shall be compared with the economic benefits derived for different alternatives of design, and the residual value. For the purposes of the evaluation the project is to be much desegregated into discrete but co-ordinated alternative betterment options, to determine the priority investment actions displaying the highest socio-economic interest.

- estimate the economic benefits of improving each road segment or sub-project with and without improvement, assessing vehicle operating costs for various types of vehicles using the World
Bank's HDM-III Model and undertake a seminar to teach the local counterpart staff to use HDM-III;

• carry out the economic analyses (feasibility study) for each road section based on current traffic volumes, vehicle operating costs, and construction and maintenance cost to provide an estimated Internal Economic Rate of Return, Net Present Value (based on cost of capital of 12%), and appropriate analyses;

• undertake sensitivity analysis to test the project result against possible and likely changes in key variables, that may include the growth rate for forecast traffic, design parameters, project capital costs, traffic diversion, implementation delays, and VOCs.

**Economic Costs**

The user and agency cost evaluations should include:

• any transit fees that might be levied, and the economic value of any expenditures that are made during transit;

• border crossing improvement and/or institutional development costs;

• Vehicle Operating Costs; review available VOCs by vehicle type, calculate VOCs for the existing and proposed road sections and quantify the benefits divided into VOCs savings for normal, generated, and diverted traffic, including savings that would result from the congestion and travel distance, road maintenance cost savings, and other benefits such as reduction in road accident costs (if these can be quantified);

• time savings.

Some indirect costs and social benefits are intangible or difficult to quantify accurately. The consultant shall undertake detailed qualitative analysis of such benefits.

**Cost Estimates**

Cost estimates shall be prepared, indicating foreign exchange costs, both direct and indirect, and local currency costs. Clearly indicate as a separate line item the amount of local taxes, value-added taxes, and import duties as appropriate.

Cost estimates should be accurate to within at most ±10%.

Separate estimates shall be presented for:

• each alternative proposal;

• each section of road for ranking of priorities;

• each main structure;

• maintenance costs;

• any border crossing facilities needed;

• other exogenous costs such as environment mitigation costs, road safety costs, training programs (e.g. maintenance, border crossing administration, etc.).
For the border crossing facilities, the study should also include examinations, considerations and advice on possible improvements, not exclusively through improvement of the infrastructure.

**Design Report**

Engineering design report presenting the criteria and assumptions which led to the design and cost estimates. The design should be to a level suitable for International Competitive Bidding/Opening Tendering in accordance with IBRD/EBRD procurement procedures. The report should also justify the most appropriate form of contract packaging ("slice and packaging") for bidding and include the Environmental Assessment report in consultation with the beneficiaries and the financing agencies involved.

**Pre-qualification Documents**

Preparation of the Pre-qualification Questionnaire following World Bank/EBRD standard model and evaluation criteria for the qualification of contractors. The evaluation criteria will specify the rules and scores for selection of contractors applying for each contract on the basis of their technical, financial, managerial, and staff capacity and experience. Only those contractors who qualified satisfactorily should, exclusively, be invited to bid for each or any group of the works contracts identified and prepared through "slice and packaging" procedures. The purpose of "slice and packaging" is to make contracts, and achieve for each contract the highest degree of quality and price competition among the national and international community of contractors.

**Bidding Documents**

Preparation of Bidding Documents following “Bank Standard Bidding Documents for Smaller Works” of January 1995 in English (ruling language) and Russian (Smaller Works are those with an estimated contract cost not above US$ 10 million equivalent ) for the World Bank (Kyurdamir-georgian border, Tsieli Khedi (Red Bridge) - Tbilisi - Marneuli -Tbilisi by pass Vanadzor - Georgian border (Ayrum-Sadakhlo / Tashir ).

“Bank Standard Tender Document for works” in English (ruling language) and Russian for the EBRD (Gazi Mammed-Kyurdamir ). They should include, among other documents specified in the Bank Standard Bidding documents, the Bills of Quantities, a soils and materials report, detailed engineering drawings, and engineer’s cost estimates (with and without taxes; showing the local and foreign cost share for each cost estimate).

4.2. **Implementation Procedures**

The Consultant should foresee expertise in the following domains:

- road rehabilitation project management;
- geo-technical, hydrological and topographical surveys;
- road inspection and design;
- bridge inspection, design and maintenance;
• road maintenance operations and equipment;
• economic analysis;
• social and environmental analysis;
• customs, trade facilitation, border crossings.

The team should thus minimally comprise a highway engineer who will also act as team leader, a geo-technical engineer, a pavement specialist, a bridge engineer, a traffic engineer, a materials specialist, a procurement specialist (with experience of Open Tendering), a transport economist and an environmentalist.

The key experts should be familiar with work overseas, preferably in the CIS.

The Consultant should collaborate as much as possible with the Beneficiaries.

The Consultant will make full use of the Design and Scientific Research Institutes, making maximum use of the resources they have to offer.

The Consultant should spend a maximum of time in the Caucasian Republics to involve the Beneficiaries, address their needs and transfer know-how.

In Azerbaijan, Tender documents for the road Gazi Mammed to Kyurdamir and Preliminary Design Study for the section Kyurdamir-Georgian border will be provided within a Project from TACIS Bangkok Facility by the end of 1999. The contractor will have to carry out the project on the basis of above mentionned study.

4.3. Rough Timetable

The total duration of the project will be 12 months.

The project’s milestones are:

• Inception Report end of month 2;
• Progress Report end of month 6;
• Draft Final Report end of month 10;
• Final Report end of month 12.

As for Azerbaijan, the principal outputs from this assignment together with the expected time of delivery are as follows:

• Pre-qualification and Tender Documents M+2 for the Gazi-Mammed to Kyurdamir Road
• Traffic Analysis M+2
• Road/Bridge condition surveys M+3
• Environmental analysis M+3
• Preliminary design and cost estimates M+4
• Economic analysis M+5
• Contract packaging M+5
4.4. Global Budget

The global budget is 2 000 000 EURO, broken down as follows:

- Azerbaijan 1 000 000 EURO
- Georgia 500 000 EURO
- Armenia 500 000 EURO

5. REPORTING

The Inception Report, Progress Reports and (Draft) Final Report for the project are to be delivered in the numbers, languages and locations as follows:

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Lists of addressees for each report are to be provided to the TACIS CUs.

At least one copy of each report should be delivered directly to the key project counter-part.

Copies of the Delivery Notes to the recipient(s) are to be provided by fax to the Tbilisi TRACECA co-ordination office.

In order to implement the reports on the TRACECA web site, the report must be provided by the contractor under an electronic format such as PDF – Acrobat Reader in order to include photographs, booklets, maps, diagrams, drawings … One report have to correspond to one acrobat reader file. Reports transmitted in multiple files and of different kind will be refused.
All information to obtain the necessary software (Adobe Acrobat Pro 4.0 or higher) for creating Acrobat Reader files can be obtained at the following Internet address:


The importance of high quality Russian texts, delivered on time, cannot be over emphasized. The reporting dates in these TOR are for the delivery of the Russian language text and the English language text to be provided at the same time.

Reporting is to be in accordance with TACIS Guidelines.

These foresee:

*Project Inception Report*

An Inception Report shall be issued within 2 months of the start of the project. It shall summarize initial findings and propose any modifications to the methodology and work plan. In particular it will adapt the work plan to the needs of the Beneficiary, taking into account the activities of other Technical Assistance programs, avoiding duplication of effort and addressing unfilled needs.

It will also confirm or modify institutes/organizations/consulting bodies to be directly involved in the implementation.

Report distribution lists will be included.

*Project Progress Report*

This report will be submitted at the end of months 6. It will cover progress to date.

*(Draft) Final Report*

The Draft Final Report will be submitted at the end of month 10 and the Final Report at the end of month 12.

All reports must include an Executive Summary.

It would be incorrect to assume that changes to project scope which require changes to the contract can be effected by a Report. Any such changes can only be made with the explicit approval of the Task Manager in charge of the project.

6. **FACTORS ENSURING SUSTAINABILITY**

6.1. **Institutional Appraisal**

Large transport investment projects are already being undertaken by development banks. They are examining in detail the institutional structure of the Beneficiary. These TOR require the consultant to take institutional initiatives by other donors, as well as previous Tacis TRACECA projects, into account.

6.2. **Economic and Financial Appraisal**
The feasibility studies included in this project are linked to investment projects for the road link between Baku, Tbilisi and Yerevan, mostly by development banks. Private investors interested in road service centers will scrutinize the corresponding business plans.

7. ENVIRONMENTAL IMPACT

Environmental impacts are an issue for the feasibility studies and will be addressed in the project. The direct environmental impact of the project is expected to be low, though the construction of potentially required new bridges and bypasses may have a non-negligible environmental impact. However, the safer road traffic conditions resulting from the rehabilitation and upgrading of roads are likely to reduce the number of accidents.

8. MONITORING AND EVALUATION

Key indicators:

- the existing studies, designs, surveys and plans are inventoried, consolidated, updated and completed;
- additional investigations, surveys, plans, engineering designs, drawings, bills of quantities, technical specifications and cost estimates are made;
- a detailed bankable feasibility study, including technical, economic and environmental feasibility, is prepared;
- pre-qualification and bidding documents are issued;
- transfer of know-how to Beneficiaries and local design institutes is realized.
STATEMENT OF ENDORSEMENT

Project Title: Feasibility study for rehabilitation and the reconstruction of the road link between Baku, Tbilisi and Yerevan

Recipient-Institution: State Department of Roads

We, the undersigned with principal seat in Tbilisi, hereby declare that we,

1. have carefully read the outline Terms of Reference of the above mentioned Project (hereinafter TOR), which are attached to the present Statement of Endorsement as an Annex.
2. agree that the outline TOR appended here to will serve as the basis for the development of the full terms of reference
3. accept that this Statement of Endorsement is also applicable to the full Terms of Reference, and that no further endorsement will be necessary for project implementation (e.g. launch of tenders, preparation of contracts etc.) to commence.
4. approve the TOR and are prepared to accept the technical assistance therein described;
5. accept that the experts in charge of rendering the technical assistance according to the outline TOR be selected according to the procedures of the Commission of the European Communities;
6. undertake to exert all our best efforts in order to make the rendering of the experts’ technical assistance possible and to extend said experts our fullest co-operation. In particular, we undertake to put at the experts’ disposal, free of charges, all necessary facilities and staff, as they may be necessary;
7. undertake to acquire, free of charges, the ownership of the equipment purchased for the implementation of the Projects, if and when the transfer of property of said equipment is provided for under the outline TOR and/or the contract between the Commission of the European Communities and the experts, and to provide said experts with separate official statements certifying the receipt of the equipment;
8. shall allow, upon reasonable notice, independent inspectors, appointed by the Commission of the European Communities, and/or the Court of Auditors of the European Communities, to
monitor the development of the Project and undertake to give said inspectors and/or the Court of Auditors the necessary assistance

For and on behalf of:

GEORGIA

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