



## Virtual Joint Portfolio Performance Review (JPPR)

The World Bank and The Government of Georgia

*October 1, 2020*

### Summary of Key Issues and Actions

Project	Responsible Agency	Issues as of September 30, 2020	Key Actions	Due Date
<b>Secondary Roads Asset Management Project</b>  <b>Outlier triggered:</b> Actual Problem Project/Zero Disbursements  <b>Financing:</b> Total WB (IBRD): \$40M Government: \$8M  <b>Total Disbursements:</b> \$20.74M (51.8%)  <b>Closing Date:</b> 12/31/2021	Roads Department of Georgia (RD)	Ongoing discussions on regarding the upcoming restructuring; Results Framework and DLIs.	MOF to submit official request for restructuring.	October 20, 2020
		Independent Performance Audit for CY2018-2019 – two requests for proposals for the technical audit services were received by the completion date (Sept 28, 2020).	Completion of the Independent Performance Audit for CY2018-2019	December 31, 2020

<b>East-West Highway Corridor Improvement</b>  <b>Outlier triggered:</b> High Undisbursed Balance  <b>Financing:</b> Total WB (IBRD): \$160M Government: \$24M  <b>Total Disbursements:</b> \$36.98M (23.2%)  <b>Closing Date:</b> 31-Dec-2023	Roads Department of Georgia	Safeguards Issue: The worker has damaged an eye. Doctors managed to save it.	The RD to prepare a Root Cause Analysis and Safeguards Corrective Action Plan.	October 30, 2020
		Needs Assessment/Gap Analysis	The RD to complete Needs Assessment/Gap Analysis and share with the Bank.	October 30, 2020
		Detailed design for the upgrading of Tbilisi-Sagarejo and Sagarejo-Bakurtsikhe Road completed and undergoing final review by RD.	Draft final detailed designs to be completed and submitted to the Bank.	December 30, 2020
<b>Third Secondary and Local Roads Project</b>  <b>Financing:</b> Total WB (IBRD): \$75M Government: \$18.8M  <b>Total Disbursements:</b> \$63.64M (84.9%)  <b>Closing Date:</b> 31-Dec-2021	Roads Department of Georgia	Resettlement activities for Gurjaani bypass - the Bank has issued No Objection and RD has commenced the resettlement process.	Completion of the resettlement process and construction on Gurjaani Bypass.	December 30, 2020
		Incident on the Gurjaani Bypass – the child falling into the excavation site. The Root Cause Analysis and Safeguards Corrective Action Plan were submitted and approved.	RD to finalize recruitment of H&S Audit.	October 30, 2020
		Utilization of the uncommitted funds to the road safety barriers.	RD to prepare the bidding documents.	November 30, 2020

<p><b>Irrigation and Land Market Development Project</b></p> <p><b>Financing:</b> Total WB: IDA: \$50 mln IBRD: \$20.4 mln</p> <p><b>Total Disbursements:</b> \$28.18M (42.9%)</p> <p><b>Closing Date:</b> 30-Sept-2022</p>	<p>Ministry of Environmental Protection and Agriculture of Georgia (MEPA)</p> <p>National Agency of Public Registry</p>	<p>Approval and implementation of Dam Safety Emergency Preparedness Plan (DSEPP) for Project dam sites (Sioni and Algeti dams).</p>	<p>Dam Safety Panel met on October 12, 2020 and endorsed the DSEPP Georgia Amelioration to prepare budget and roadmap for DSEPP implementation.</p>	<p>October 30, 2020</p>
		<p>A fish restaurant and a fishpond are exposed to a potential risk of inundation arising from operational spilling of Algeti dam.</p>	<p>MEPA and Georgian Amelioration inform the local and national authorities to notify the respective owners on potential risks and pro-activity measures.</p>	<p>October 30, 2020</p>
		<p>Establishment and development of about fifteen Water User Organizations (WUOs).</p>	<p>MEPA and Georgian Amelioration to launch a WUO awareness and media campaign.</p>	<p>December 15, 2020</p>
<p><b>Third Regional Development Project</b></p> <p><b>Outlier triggered:</b> High Undisbursed Balance</p> <p><b>Financing:</b> Total WB (IBRD): \$60M Government: \$15M</p> <p><b>Total Disbursements:</b> \$23.94M (39.9%)</p> <p><b>Closing Date:</b> 31-Dec-2022</p>	<p>Municipal Development Fund of Georgia (MDF)</p>	<p>Due to the recent currency fluctuations, dropped investments, and the delays with the design preparation for flagship investments (Abastumani and Bakuriani), the unallocated amount is around USD 7-8 million. The risk of additional cancelations of construction works caused by the delays associated with the design preparation is also high.</p>	<p>MDF to revisit the implementation schedule and provide the revised timeline, accounting for all remaining investments, and commitment of the full project amount.</p>	<p>October 30, 2020</p>

<p><b>Second Regional and Municipal Development Project</b></p> <p><b>Financing:</b> Total WB (IBRD): \$70.6M Government: \$23.93M Private Capital: \$5M</p> <p><b>Total Disbursements:</b> \$24.91M (35.3%)</p> <p><b>Closing Date:</b> 30-Aug-2024</p>	<p>Municipal Development Fund of Georgia</p>	<p>New batch of investments yet to be identified.</p>	<p>The new list of investments for the second batch to be shared with the Bank.</p>	<p>October 30, 2020</p>
<p><b>Transmission Grid Strengthening Project</b></p> <p><b>Financing:</b> Total WB (IBRD): \$60M Government: \$1.87M</p> <p><b>Total Disbursements:</b> \$50.23M (83.7%)</p> <p><b>Closing Date:</b> 01-March-2021</p>	<p>JSC Georgian State Electrosystem (GSE)</p>	<p>Project extension to be consistent with the schedule for completion of the Part 3 with the new contractor.</p>	<p>MOF to request for TGSP closing date extension.</p>	<p>October 30, 2020</p>
		<p>The payment of compensations to the affected people under the Project remains slow. The slow pace of land registration, a prerequisite for GSE to process compensation payments, is one significant bottleneck.</p>	<p>GSE to deploy additional staff to support land registration process to enable expediting payments for servitude/easement and crop compensation to the Project affected people.</p>	<p>October 30, 2020</p>
		<p>The implementation of the Project is delayed due to the dispute between GSE and the Contractor (KEC) for the ABT line.</p>	<p>GSE needs to develop and implement a comprehensive action plan aimed at ensuring that all compensations are paid to the project affected people.</p>	<p>December 1, 2020</p>

<p><b>Energy Supply Reliability and Financial Recovery Project</b></p> <p><b>Financing:</b> Total WB (IBRD): \$70.7M Guarantee: \$50M</p> <p>Government: \$2M Private Capital: \$100M</p> <p><b>Total Disbursements:</b> \$0.79m (1.1%)</p> <p><b>Closing Date:</b> 31-Dec-2024</p>	<p>JSC Georgian State Electrosystem</p>	<p>The removal of the rehabilitation/bankruptcy protection regime of GSE is at final stage.</p>	<p>Completion of the removal of the bankruptcy protection regime.</p>	<p>October 30, 2020</p>
		<p>Project restructuring</p>	<p>MOF to request the Project restructuring to close the financing gap of \$5 million under TGSP.</p>	<p>October 30, 2020</p>
		<p>GSE to prepare accessing the capital market.</p>	<p>Procurement of financial and legal consultant to help GSE access capital markets.</p>	<p>December 30, 2020</p>
		<p>Pending decision on IBRD Guarantee</p>	<p>Decision on use of IBRD guarantee to be made after completion of the market sounding by GSE's financial advisor.</p>	<p>July 30, 2021</p>
<p><b>Georgia National Innovation Ecosystem (GENIE) Project</b></p> <p><b>Financing:</b> Total WB (IBRD): \$23.5M Government: \$2M</p> <p><b>Total Disbursements:</b> \$11.39M (48.5%)</p> <p><b>Closing Date:</b> 31-Apr-2021</p>	<p>Georgia's Innovations and Technology Agency</p> <p>Shota Rustaveli National Science Foundation</p>	<p>No Pending Issues</p>		

<p><b>Log-in Georgia</b></p> <p><b>Financing:</b> Total WB (IBRD): \$40M Government: \$40M</p> <p><b>Closing Date:</b> 31-Dec-2025</p>	Open Net NNLE	<p>Sufficient allocation required from MOF across various expense types to enable implementation of the Project activities across components in 2021.</p>	<p>The Government financing for the next CY to be allocated.</p>	January 29, 2021
<p><b>Georgia I2Q – Innovation, Inclusion and Quality Project</b></p> <p><b>Financing:</b> Total WB (IBRD): \$102.7 mln Government: \$25.61M</p> <p><b>Total Disbursements:</b> \$0.65M (0.6%)</p> <p><b>Closing Date:</b> 31-March-2026</p>	Ministry of Education, Science, Culture, and Sport of Georgia (MESCS);  Municipal Development Fund of Georgia	<p>Pending revised Project Operational Manual</p>	<p>PMU of MESCS to submit revised Project Operational Manual for Bank's approval.</p>	October 30, 2020
		<p>Staffing of the dedicated Project Management Team (PMT) at the MDF is pending.</p>	<p>MDF to finalize with PMT staffing.</p>	October 30, 2020
		<p>Procurement of IT equipment in response of COVID-19 - in progress, bidding documents to be furnished for Bank's review.</p>	<p>MESCS to finalize the procurement of the \$4.7M package IT/distance learning equipment.</p>	December 30, 2020

<p><b>Georgia Emergency COVID-19 Response Project</b></p> <p><b>Financing:</b> Total WB (IBRD): \$80M AIIB: \$100M</p> <p><b>Total Disbursements:</b> \$27.82M (34.4%)</p> <p><b>Closing Date:</b> 30-Apr-2022</p>	<p>Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia</p>	<p>No pending issues</p>
--	--	--------------------------