

Georgia: Country Portfolio Performance Review

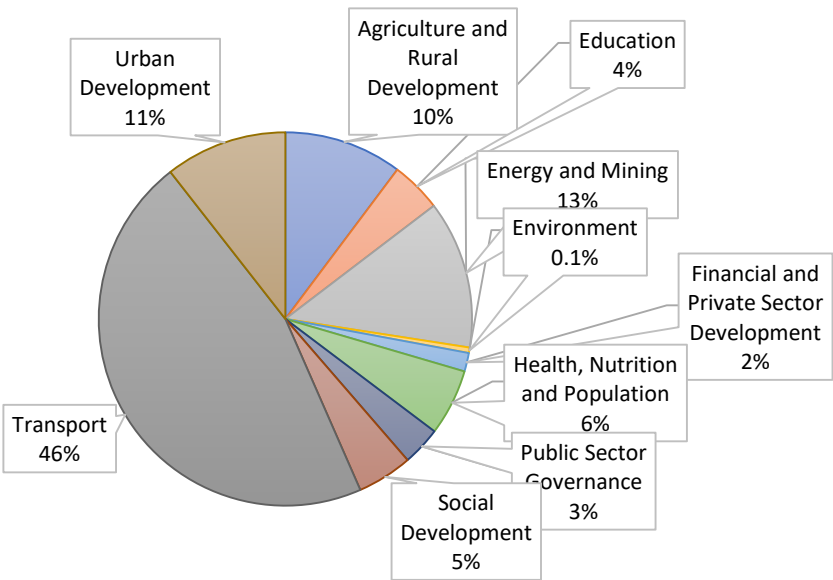
- December 19, 2019



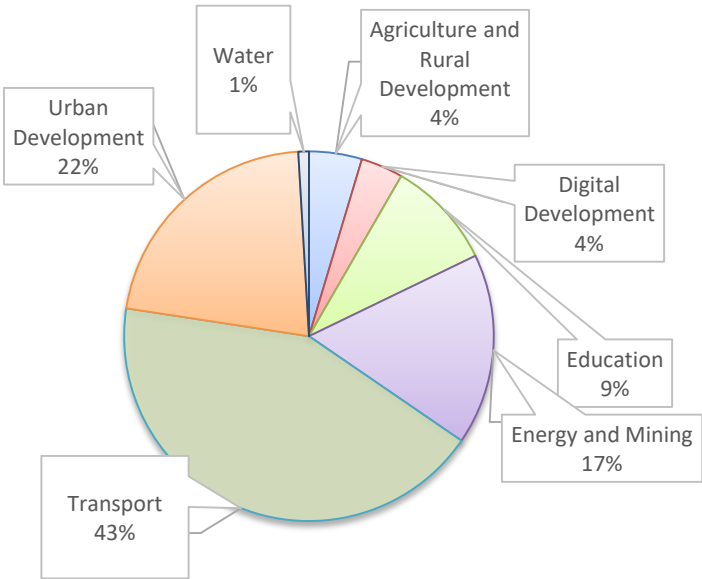
WORLD BANK GROUP

Evolution of Georgia Lending Program (FY93-FY10 & FY11-FY20)

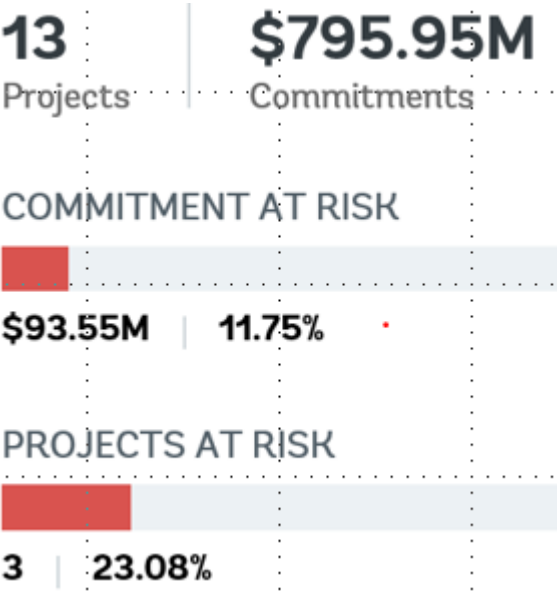
FY93-FY10



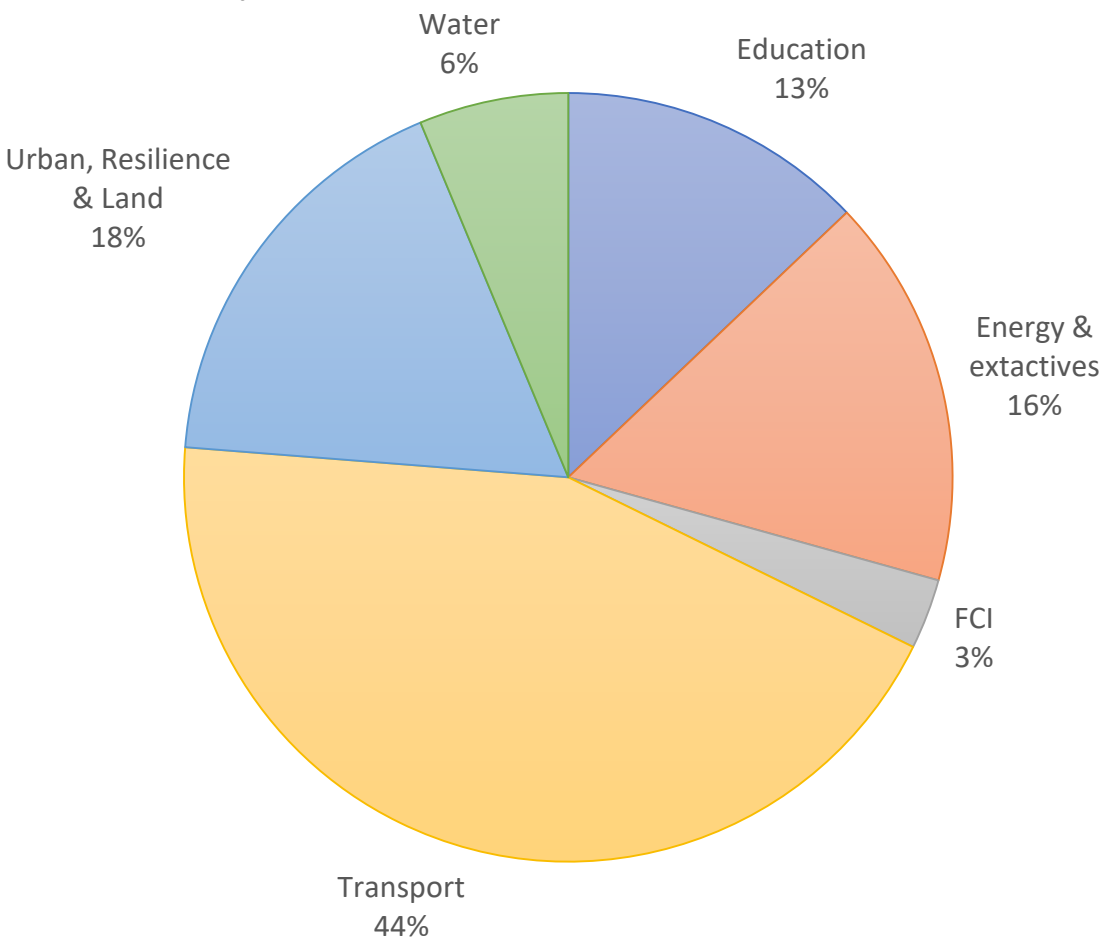
FY11-FY20



Active Lending Portfolio



Portfolio by Themes



Portfolio Trends (FY13-FY20)

Data as of	Trend	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20 @ Nov 30
PORTFOLIO AND DISBURSEMENTS									
Active Projects #		8	10	13	13	14	13	13	13
Net Commitments Amt \$m		600.00	742.69	799.25	749.05	798.25	759.05	812.45	795.95
Total Disbursements \$m		347.11	393.54	489.29	229.70	373.66	389.73	326.01	339.48
Total Undisbursed Balance \$m		250.13	348.93	300.71	511.81	420.87	364.83	479.10	448.90
Disbursements in FY \$m		79.94	46.34	179.29	66.56	143.80	128.90	52.25	13.23
Disbursement Ratio for IPF only %		48.3	24.0	23.3	22.9	17.7	18.1	14.6	2.8
IBRD/IDA Disb Ratio		48.3	24.0	24.0	23.6	17.7	17.7	14.2	2.6
Slow Disbursements %		0.0	10.0	7.7	0.0	0.0	0.0	0.0	7.7
PORTFOLIO RISKINESS									
Actual Problem Project #		0	1	0	0	1	3	4	2
Problem Project %		0.0	10.0	0.0	0.0	7.1	23.1	30.8	15.4
Potential Problem Project #		0	0	0	0	0	0	1	1
Projects At Risk #		0	1	0	0	1	3	5	3
Projects At Risk %		0.0	10.0	0.0	0.0	7.1	23.1	38.5	23.1
Commitments At Risk \$m		.00	190.00	.00	.00	40.00	110.05	209.05	93.55
Commitments at Risk %		0.0	25.6	0.0	0.0	5.0	14.5	25.7	11.8
Proactivity %				100.0			0.0	66.7	100

World Bank Country Partnership Framework: Portfolio and Pipeline Projects

Portfolio	Net Comm (\$M)	Share %	Pipeline	Net Comm (\$M)	Share %
Focus area 1: Enhance Inclusive Growth and Competitiveness					
CPF Objective 1.1: Support Agricultural Modernization and Access to Markets					
Irrigation and Land Market Development	50.00	6%	Additional Financing for Irrigation and Land Market Development	20.00	6%
Subtotal	50.00		Subtotal	20.00	
CPF Objective 1.2: Improve Connectivity and Integration					
Fourth East West Highway Improvement	75.00	60%	Log-in Georgia	35.00	27%
Third Secondary and Local Roads	75.00		MfD in Transport	60.00	
East West Highway Corridor Improvement	160.00				
Secondary Road Asset Management	40.00				
Transmission Grid Strengthening	60.00				
Energy Supply Reliability and Financial Recovery	70.70				
Subtotal	480.70		Subtotal	95.00	
CPF Objective 1.3: Delivery of Sources of Finance and Strengthen Innovation Capacity					
Georgian National Innovations Ecosystem (GENIE)	23.50	3%			
Subtotal	23.50				
CPF Objective 1.4: Increase Economic Participation in the Regions					
Second Regional Development Project	39.00	18%	Second Regional Development AF	9.00	17%
			Georgia Integrated Regional and Local Development	50.00	
Third Regional Development Project	60.00				
Second Regional and Municipal Infrastructure Development	30.00				
Sustainable Wastewater Management	10.05				
Subtotal	139.05	Subtotal	59.00		
Total Focus Area 1	693.25	87%	Total Focus Area 1	174.00	49%

World Bank Country Partnership Framework: Portfolio and Pipeline Projects

Portfolio	Net Comm (\$M)	Share	%	Pipeline	Net Comm (\$M)	Share	%
CPF Objective 2.1: Support Education System for Improved Quality and Relevance							
Georgia I2Q - Innovation, Inclusion and Quality	102.70						
Subtotal	102.70	13%					
CPF Objective 2.2: Increase Efficiency in Healthcare Delivery System							
			Georgia Health Services Improvement	30.00			
Total Focus Area 2	102.70	13%	Total Focus Area 2	30.00	9%		
Focus area 3: Build Resilience							
CPF Objective 3.1: Improve Micro-fiscal Management and Mitigate Risks							
			Georgia Economic Management and Competitiveness	50.00	14%		
			Subtotal	50.00			
CPF Objective 3.2: Strengthen Resilience of Households							
			Georgia Integrated Regional and Local Development	50.00	14%		
			Subtotal	50.00			
CPF Objective 3.3: Enhanced Management of Natural Resources and Climate Risks							
			Emergency Preparedness and Resilient Critical Infrastructure	50.00	14%		
			Subtotal	50.00			
			Total Focus Area 3	150.00	42%		
Portfolio Grand Total	795.95		Pipeline Grand Total	354.00			
Potential Projects							
Energy Sector Project	Innovation and Skills for the 21st Century						
Mining Sector Development	Forest/Landscape Management						
High-value Agriculture Development	Development Policy Operation						
Access to Market and Climate Smart Agriculture							

Georgia: PROJECT SNAPSHOT



Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
05/09/2013	02/28/2018	12/31/2019	08/05/2013	A	75	71.18	96.5%	0.64	20.1	6.6	1.8	-	-	M

PDOs are: (i) to contribute to the gradual reduction of road transport costs and to improve road safety along the section upgraded under the project; and (ii) to strengthen the capacity of the Roads Department (RD) and Ministry of Regional Development and Infrastructure (MRDI) to plan and manage the road network and improve road traffic safety.

PDO level Indicators:

- Benefits (time savings, reduced accidents and vehicle operating costs) to road users
 - Reduced transit time from Agara to Khashuri
 - Reduced vehicle operation costs from Agara to Khashuri (cars and trucks)
 - Reduction in road facility rate on EW E60 corridor
- Road development and asset management of the infrastructure
 - Increase asset value of the EW Highway corridor from Tbs to Sarpi
 - Social and gender dimensions incorporated in road sector strategy

• Project Components: (\$m)

- Improvement and Asset Management of the East-West Highway – 74.5
- Institutional Strengthening – 2.5
- Preparation of supporting studies and future projects for the development of the East West Highway – 10.8
- Project management support – 1.4

Project Status:

All activities are on track to be completed by the project closing date of Dec 30, 2019. The project is on track to achieve the PDO. IP will be upgraded to S in next ISR in light of progress made on studies and on the procurement gap analysis. Remaining activities include capacity building measures and studies. All civil works have been completed successfully.

Component I – Civil works and Defect Liability Period completed; 2-year maintenance contract of Natakhtari-Ruisi section signed in April 2019. Small Scale Road Safety Improvements and Lighting contracts completed, both in the DLP.

Component II – Bidding process for the assessment of RD and MRDI's capacity and needs assessment launched by RD. No objection for financing "Presentation of RD's Short to Medium Term Program" issued by the Bank

Component III – One study (Detailed Design) ongoing, with all other three already completed.

Key issues:

- No significant issues.
- Needs Assessment (Gap Analysis) and Detailed Design will not be delivered by closing date, and will be financed under the EWHCIP.

Next Steps:

- Completion of phase 3 of the Needs Assessment (gap analysis).

IMPLEMENTATION						LATEST ISR
Key Project ratings	19-Jan-2016	24-Aug-2016	21-Jun-2017	19-Jan-2018	26-Nov-2018	30-May-2019
Progress towards achievement of PDO	S	S	S	S	S	S
Overall IP	S	MS	MS	S	MS	MS
Overall Safeguards Rating	MS	MS	S	S	S	S

High value contracts major issues	#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
These two consultancy contracts will be partially completed by project closing date. Remaining part of the task will be completed under EWHCP.	1	Preparation of Feasibility Study and Detailed Design for the Upgrading of Rustavi-Red Bridge and Rustavi-Sadakhlo Roads	GEL 1.8 Euro 1.7	Feb 17	Dec 19	67%	67%	No
	2	Preparation of Feasibilify Study for Upgrading of Tbilisi-Bakurtsikhe, Tsnori-Lagodekhi Road and Detailed Design for the Upgrading of Tbilisi-Sagarejo and Sagarejo-Bakurtsikhe Road	GEL 3.8 Euro 2.9	Jun 17	Dec 19	42%	65%	No

Safeguards issues (if applicable)/Other issues	Major issues follow up	
<ul style="list-style-type: none"> None. One previous complaint has been partially addressed. Bring to the attention to RD before closing the project (Agarabi village). 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None

Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
12/03/2015	12/31/2020	12/31/2023	05/19/2016	A	160	20.58	12.9%	-4.94	-3.7	4.0	3	20	11/08/2017	S

- PDOs** are to: (i) reduce road user costs along the East-West Highway Corridor section upgraded under the project; and (ii) strengthen the capacity of the Roads Department and the Ministry of Economy and Sustainable Development to respectively manage the road network and provide an enabling environment to improve logistics services.
- PDO level Indicators:**
 - Reduced road user costs along the East-West Highway Corridor section
 - Travel time from Zemo Osiauri to Khevi
 - Vehicle operating costs from Zemo Osiauri to Khevi \$/km (cars)
 - Vehicle operating costs from Zemo Osiauri to Khevi \$/km (trucks)
 - Strengthened capacity of RD and MESD
 - Asset value of the East-West Highway Corridor from Tbilisi to Sarpi
 - National Logistics Program adopted by MESD
- Project Components: (\$m)**
 - Corridor Improvement – 283.45
 - Institutional Strengthening – 6.00
 - Project Management Support – 1.5
 - Prep of designs and supporting studies for future projects for the dev of East-West Highway – 3.00
 - Front-end fee – 0.05

Project Status:

Despite the setback due to e termination of the civil works contract for F0 (Zemo Osiauri – Chumateleti), the project is on track to achieve its PDO (in view of 3-year extension of closing date) and rated S. The IP has been downgraded to MS due to delays of civil work contracts. After 4 years of implementation disbursement is only 12.9%.

Component I Three main civil works contracts had been on hold, but have recently achieved key milestones. See next slide.

Component II – RD staff received ITS and road safety training. RD will coordinate with the Bank to develop a plan for the utilization of the balance under this component.

Component III – progressing well, two consultants hired to support RD covering procurement.

Component IV – Several activities proposed during the workshop “RD’s Short to Medium-term Program”. WB and IFIs to discuss possibilities of structuring and financing these activities.

Key issues:

- Delays in submitting the tender documents for the F0.
- Material disorganized disposal in F0 (will be addressed under new contract)

Next Steps:

- Sinohydro will send performance certificate to RD next week (as promised).
- RD to share bidding documents for F0 with the Bank for review and clearance.

	IMPLEMENTATION					LATEST ISR
Key Project Ratings	<u>2-Jun-16</u>	<u>24-Jan-17</u>	<u>3-Oct-17</u>	<u>7-May-18</u>	<u>28-Dec-18</u>	<u>30-May-19</u>
Progress towards achievement of PDO	S	S	S	S	S	S
Overall Implementation Progress (IP)	S	MS	S	S	MS	MS
Overall Safeguards Rating	S	S	S	S	MS	MS

High value contracts major issues

Contact 1: The F0 part to be tendered has faced delays in submitting the tender documents by RD to the Bank for review and clearance. This was due to adjustments to design that RD was undertaking. RD agreed documents will be submitted by December 19, 2019. This contract presents the one where the largest disbursements from Bank loan will take place and will assist in improving the slow-disbursing status of the project.

Contact 2 and Contract 3: Other major contracts faced delays in the past (from a procurement point of view) but have both been awarded (commencement started for one in October 2019 and the other has been awarded and due to start Dec/ Jan.

#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
1	Construction works for the E-60 Highway Section from Zemo Osiauri to Chumateleti (F0 -part 1)	Estimated cost (US\$ 120M)					Yes
2	Construction works for the E-60 Highway Section from Zemo Osiauri to Chumateleti (F0 -part 1)	GEL 50,653,768.63 (eqv. US 18)					Yes
3	Construction Works for Upgrading of Chumateleti-Khevi Section of E-60 Highway (F1)	GEL 115 USD 80 (eqv. US\$122)	Aug 19	Aug 22	0%	19%	Yes

Major issues follow up

Safeguards issues (if applicable)/Other issues

- Overall safeguards rating remains MS due to disorganized on-site storage of excess materials and lack of arrangements for disposal. This issue will be addressed under the new contract to be signed with the new contractor for F0.

- Agree on time bound action plan for contract 1 from bidding to contract award to minimize procurement delay.
- RD to put pressure on contractor to submit the Performance Security for the direct contracted contract with Sinohydro (Contract 2) and sign the contract.
- Monthly coordination meeting on contract monitoring between PIU and Bank to identify the key issues and take proactive measures.

Third Secondary and Local Roads Project Georgia | Transport; TTL Aymen Ahmed Osman Ali

Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
07/03/2014	09/30/2018	06/30/2020	10/09/2014	B	75	63.08	84.1%	7.51	38.6%	5.4	1.8	-	-	L

- **PDOs** are: to reduce transport costs on project roads and improve the sustainability of road asset management in the secondary and local project road network.
- **PDO level Indicators:**
 - Reduction in vehicle operating costs for cars, GEL/km
 - Reduction in travel time measured by a proxy variable = average vehicle speed, km/hour
 - Improved condition of project roads, IRI
- **Project Components: (\$m)**
 - Rehabilitation and Improvement of Secondary and Local Roads – 89.86
 - Capacity building and strengthening in local and secondary roads management – 1.0
 - Road Safety Technical Assistance – 2.7

Project Status:

The project implementation has been rated MS for the past 3 years due to overall slow progress. However, implementation is now picking up, and disbursement (\$6m) is slightly lagging behind the formally revised disbursement estimates. With progress on 12 contracts and resolution of challenges on Gurjani bypass, the rating will be upgraded in the next ISR.

Just over 200km out of 222km (90%) of secondary roads, and 48 km of local roads (100%) have been rehabilitated as of end-June 2019. RD has awarded contracts for 12 new road sections. Construction works have commenced, of which 11 are on track and will be fully completed by end of 2019; one will be completed in Feb. 2020.

Key issues:

- **No progress on Bakurtsikhe-Gurjaani bypass** due to resettlement issues, which have now been addressed. Contractor indicated ability to complete the works on time.
- \$3M savings expected by closing date.

Next Steps:

- The Bank is waiting for a revised RAP for the section 1 (0-2 km) which includes new impacts such as resettlement of 2 apartment buildings (36 households), residential houses and additional impacts on vineyard lands.
- RD will share in Dec. proposals to utilize the \$3M saving.

IMPLEMENTATION						LATEST ISR
Key Project Ratings	29-Jun-16	9-Feb-17	11-Sep-17	7-May-18	28-Dec-18	28-Jun-19
Progress towards achievement of PDO	S	S	S	MS	MS	MS
Overall Implementation Progress (IP)	S	MS	MS	MS	MS	MS
Overall Safeguards Rating	S	MS	S	MS	MS	S

High value contracts major issues	#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
<p>Contract 1: In 3 years only 50% of works have been completed. There is very low likelihood that the contract will finish on time.</p> <p>A time bound action plan needs to be prepared how the contactor will complete the remaining task within project closing date.</p> <p>Monthly coordination meeting on contract monitoring between PIU and Bank to identify the key issues and take proactive measures.</p>	1	Design and Build of Bakurtsikhe - Gurjaani Road Section Bypass Improvement/Construction under Output- and Performance-based Contracting (OPRC)	38 GEL: GEL 11.4 + USD 6.2 + EUR 4.3 (USD 15.9)	Jan, 17	Jun, 20	48%	52%	Yes
	2	Supervision of construction works for Rehabilitation of SLRP III project	GEL 2.2 + 0.88 Euro	Jan, 15	Nov, 20	99.21	98.91	No
	3	Supervision of Construction (Under Design-and-Build Contracting Methodology) of New Gurjaani-Bakurtsikhe Bypass section of Akhmeta-Telavi-Bakurtsikhe Secondary Road	GEL 1.2 + USD 1.1	Dec, 16	Jun, 20	73.77%	73.77	No
	4	feasibility study, preliminary design, environmental and social impact assessment, and bidding documents for design-and-build contract for construction of bakurtsikhe-tsnori (16km) and gurjaani (chumlaki)	GEL 1.5 + USD 0.63	Mar, 17	Nov, 19	95%	95%	No

Major issues follow up

Safeguards issues (if applicable)/Other issues		
	<ul style="list-style-type: none"> Submission of revised RAP. 	<ul style="list-style-type: none"> RD will submit proposal for the utilization of a loan balance of 3.0 million (by end December)

Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
03/18/2016	12/31/2021	12/31/2021	07/06/2016	B	40.00	20.74	51.8%	0.00	0.0%	3.7	-	-	-	M

- **PDOs** are:(i) to improve road user's access to social services and markets on the project roads in a sustainable manner, and (ii) to enhance road asset management for the secondary roads network in Georgia.
- **PDO level Indicators:**
 - Share of the secondary road network in good and fair condition
 - Travel time to socio-economic centers or district centers on Guria OPRC roads
 - Travel time to socio-economic centers or district centers on project roads under design-build contracts
 - Length of project roads managed under innovative practices (OPRC and design-build) as part of the Five-Year Rolling Program
- **Project Components: (\$m)**
 1. Secondary Road Assets Improvement and Preservation – 46.4
 - 1.1 improvement and maintenance of secondary roads in Guria through OPRC).
 - 1.2 Rehabilitation and improvement of secondary roads assets through design-build contracts.
 2. Enhanced Secondary Roads Asset Planning and Management – 1.5

Project Status:

Implementation progress has been rated as MS since project approval. As of November, the project lagged its original disbursement estimates by 35.6% (7 months). This is mainly due to delays with Guria OPRC contract (initially caused by significant delays in contracting of consultancy service for feasibility study) under sub-component 1.1. Out of the targeted 80kms, around 57kms have been rehabilitated under sub-component 1.2. Out of three PDO indicators: one is nearly met, one is on track (improved travel time on project roads under design-build contracts), and one has not progressed (Guria OPRC roads).

Key issues:

- **Delays in Guria OPRC contract** (see procurement section)
- **Performance Verification Audits will be delayed.** Awaiting final ToR from the Audit Department (SAO). RD will be able to request funds for year 2018 only once the verification has been carried out (2-3 months lead time). The cashflow available with RD is unlikely to be sufficient to honor contractors' dues beyond first quarter of 2020.
- **Re-bidding of terminated contracts** – The bid documents for the two contracts terminated this quarter need to be re-tendered early so the work could be completed before the project closing.

Next Steps:

1. Award of Guria OPRC and the remaining contracts.
2. Carry out technical audit for 2018 and 2019 to access Bank financing for payments under the project.

IMPLEMENTATION						LATEST ISR
Key Project Ratings	19-Jan-2016	24-Aug-2016	21-Jun-2017	19-Jan-2018	26-Nov-2018	30-May-2019
Progress towards achievement of PDO	S	S	S	MS	MS	MS
Overall Implementation Progress (IP)	MS	MS	MS	MS	MS	MS
Overall Safeguards Rating	S	S	S	S	S	MS

High value contracts major issues	#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
<p>Contract 1: Guria OPRC is under evaluation. This is a pilot with a maintenance period of 5 years. The Bank portion of this contract is Gel 40 million. Significant delay in bid evaluation.</p> <p>Contract 2: To be extended until 31 May 2020. Within 1.5 years only 46% physical progress. Initial completion date was Feb 19.</p> <p>Contact management is an issue in RD and needs strengthening.</p>	1	Rehabilitation and Maintenance of Roads in Guria Region under Output- and Performance-based Roads Contract (OPRC)	Cost estimate GEL 120 (Bank's portion GEL 40 mln)	Under evaluation				Yes
	2	Design – Build and Take-Over of Tianeti – Akhmeta – Kvareli - Ninigori Road Section Rehabilitation from km 1 to km 30 under OPRC	GEL 18.9 (USD 7.7)	Jun 17	Nov 19	47%	54%	Yes
	3	Design-build and take over of Chrebalo- Nikorcminda Road Section Rehabilitation from km1-km14.6 under OPRC	GEL 8.046 (USD 3.2)	Nov 17	Jul 19	90%	93%	No
	4	Design-build and take over of Chrebalo- Nikorcminda Road Section Rehabilitation from km14.6 to km25.8 under OPRC	GEL 9.7 (USD 4.0)	Nov 17	Jun 19	95%	93%	No

Major issues follow up

Safeguards issues (if applicable)/Other issues		
<ul style="list-style-type: none"> Social Safeguards has been downgraded to MS due to slow follow-up on grievances received. In January 2019, the Bank received complaint of workers on the project claiming non-payment of wages. The contractor was supposed to make payments by May 2019, but evidence of payments has not been received. Involuntary Resettlement has been downgraded to MS due to the grievance management on the 13 workers issue as this is the only policy that addresses grievance redress mechanism. 	<p>The RD was able to provide proof that the payments due from the contractor to the sub contractor was made by the contractor. However, no confirmation has been received as regards payments from the sub-contractor to the workers. The sub contractor has demobilized some time ago and the workers returned to Turkey. Despite numerous calls and meetings with RD following up on this issue, it is clear that RD has not been able to access this information. Therefore, the team has written to GRS seeking their guidance on next steps for which no response has yet been received.</p>	

Irrigation and Land Market Development Project Georgia | Water Global Practice; TTL Wilfried Hundertmark, Rufiz Vakhid Chirag-Zade

Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
5/23/2014	7/31/2019	07/31/2021	03/13/2015	B	50	24.12	48.2%	0.80	3.7%	5.5	2.0	-	-	M

- **PDO** is to (i) improve delivery of irrigation and drainage services in selected areas and (ii) develop improved policies and procedures as a basis for a national program of land registration.

- **PDO level Indicators:**

- Absolute volume of irrigation water supplied to Project rehabilitated schemes (million m3 to first Project schemes)
- Area provided with irrigation and drainage services (ha)
 - Area provided with irrigation and drainage services - Improved (ha)
- Recommended policies and procedures for national program of land registration submitted to government

- **Project Components: (\$m)**

1. Irrigation and Drainage Improvement 45.65
2. Land Market Development 2.25
3. Project Management 2.10

Project Status:

The Project is demonstrating relatively good progress. The Irrigation and Drainage Component is on track with main canal works at the completion stage and works on secondary and tertiary canals under preparation. The Law on Water Users' Organization is pending the final and third hearing by the Parliament; the Law is critical for bringing the local water management institutions to a new phase. Land Market Development Component already overachieved by 20% its target of 48,000 titles registered. Additional Financing of \$20m will be negotiated in Jan. 2019.

Key issues:

- Need to accelerate water user legislative process (another failure to pass the law poses a substantial risk for the timely implementation of local irrigation management arrangements and respective irrigation system investments);
- Likely cost overrun due to high cost estimates for irrigation rehabilitation works
- Closer attention to the safeguards issues will be required under the second batch of civil works.

Next Steps:

- Finalize land registration on 12 pilot sites (still 8,000 titles are pending due to administrative delays of Reconciliation Commissions)
- Need to start establishment of Water User Organization at local levels.

Key Project Ratings	Implementation					Latest ISR
	4/10/2017	11/29/2017	6/25/2018	1/1/2019	6/28/2019	Draft
Progress towards achievement of PDO	MS	MU	MS	MS	MS	MS
Overall Implementation Progress (IP)	MS	MS	MS	MS	MS	MS
Overall Safeguards Rating	S	MS	MU	MS	MS	MS

High value contracts major issues
Component 1: (Irrigation & Drainage Improvement)

- Consultancy contract for detailed design of secondary and tertiary irrigation systems
- Consultancy for dam safety assessment

Component 2: (Land Market Development)

- All regular pilot activities have been completed successfully; and improved procedures for systematic land registration adopted by the Parliament on December 10, 2019
- Land registration field activities continue at the Kvemo Samgori irrigation schemes, where the need has arisen to identify all property owners prior to the start of irrigation works.

#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
1	ILMDP/C/QCBS/01-2015 (Consultancy Service)	1.5	Feb 2015	Aug 2019	100%	100%	No, Defect Liability Period
2	Detailed design; IDIC/CS/QCBS/02 (USD 580 K; lumpsum)	0.58	Feb 2019	Jul 2021	75%	75%	No
3							
4							
5							

Major issues follow up
Safeguards issues (if applicable)/Other issues

- No major environmental or social safeguard issues
- Dam safety consultancy has identified no major issues with the stability of Sioni and Algeti dams; tests must be continued and validated when water levels inside the Sioni dams are critical)
- The Bank team prepared comments and informed Borrower on the need to improve emergency actions at Sioni dam (recreation facility in the downstream area of area)

- Possible cost overrun arising from high cost estimates for the full rehabilitation of all three pilot irrigation schemes
- Current project completion date of July 2021 insufficient to get works contracts completed.
- Concurrently to AF, the project completion date will be extended to Sept. 2022; no other extension permitted.

Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
07/12/2013	12/31/2015	02/28/2020	08/15/2013	B	10.05	8.74	87%	0.79	37.7%	6.4	4.2	-	-	M

- **PDO** is to promote sustainable wastewater management in Georgia and pilot the implementation of wastewater treatment plants.
- **PDO level Indicators:**
 - Increased institutional and technical capacity for wastewater management.
 - Increased number of urban population in Project areas that have access to sustainable wastewater services.
 - Decreased volume of untreated wastewater discharged in Project areas.
 - Direct project beneficiaries (disaggregated female beneficiaries).
- **Project Components: (\$m)**
 1. Technical Assistance 2.10
 2. Investment Grants 7.95

Project Status:

There are concerns about the feasibility of timely completion of all remaining works with the required quality standards before the closing date. While the works are close to completion in Tskaltubo, construction at the Telavi site is significantly lagging behind. While the contractor has committed to 100% works completion before the closing date there are concerns about realism due to unpredictable weather conditions, which could further delay progress. The Bank team is continuously and very closely monitoring progress.

The water/wastewater tariff revision application originally scheduled to take place during summer 2019 has been delayed by UWSCG due to upcoming elections in 2020. With the upcoming elections, a change in the water/wastewater tariff is judged unlikely. Adequate tariff rates are critical to ensure operation and maintenance of the delivered assets.

Key issues:

Continued construction work delays are occurring due to (i) rectification works needed and (ii) delayed allocation of the contractor’s resources endangering the timely completion before project closing.

Next Steps:

- Submission of an update and more realistic workplan, which shows relevant dates for the completion of all activities to make the plants operational (agreed by all parties).
- The team will continue active collaboration between MDF, the Contractor (Sade) and the Supervision Consultant (Safege) to make sure required resources are mobilized and activities are performed as planned.

Key Project Ratings	Implementation					Latest ISR
	4/14/2017	11/2/2017	5/16/2018	10/25/2018	5/3/2019	10/25/2019
Progress towards achievement of PDO	MS	MU	MU	MS	MU	MU
Overall Implementation Progress (IP)	MS	MS	MS	MS	MU	MU
Overall Safeguards Rating	MS	S	S	S	MS	MS

High value contracts major issues	#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
Contract 2 and Contract 3: Significant delay in contract implementation. There is high possibility of not completing the work within project closing date. If the treatment plants are not operational within project closing date then the whole investment on capital expenditure will be unutilized.	1	Construction Supervision for the Rehabilitation of the Tskaltubo and Telavi Wastewater Treatment Plants	2.14	Dec, 16	Dec, 19	71%	71%	No
	2	Construction of Tskaltubo Waste Water Treatment Plant	3.07	Nov, 16	Nov, 18	79%	72%	Yes
	3	Construction of Telavi Waste Water Treatment Plant	5.23	Nov, 16	Nov, 18	74%	69%	Yes
Major issues follow up								
Safeguards issues (if applicable)/Other issues								

Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
7/01/2015	12/31/2019	12/31/2022	10/15/2015	B	60	20	34%	1.8	4.3	4.4	3	-	-	Substantial

- **PDO** is to improve infrastructure services and institutional capacity to support increased contribution of tourism in the local economy of the Samtskhe-Javakheti and Mtskheta-Mtianeti regions.
- **PDO level Indicators:**
 - Number of jobs created by activities linked to support tourism industry
 - Increased annual number of visitors at Project sites
 - New or rehabilitated urban public spaces in selected municipalities
 - Increased volume of private sector investments in targeted areas.
 - Number of functioning destination organizations in the project area
- **Project Components: (\$m)**
 1. Infrastructure Investment 53.00
 2. Institutional Development 7.00

Project Status:

On October 17, 2019, a three-year extension of the closing date was approved. The restructuring also included changes to the results framework, including the addition of one new PDO indicator and removal of two existing PDO indicators, with the aim to better align the framework with the PDO and to ensure that the PDO indicators are attributable to the RDP3-supported activities

Key issues:

Disbursement projections and implementation schedule are being revised by MDF.

Next Steps:

As part of the restructuring, it was agreed to conduct quarterly review meetings, chaired by the Country Director and the MRDI Minister and monthly meetings between MDF and the Bank team to monitor the Project’s implementation progress.

The first monthly meeting took place on October 29, 2019, while the first quarterly meeting is scheduled for January-February. Given the upcoming holiday season, the November and December monthly meetings will be combined and take place the week of December 16, during the Bank mission.

MDF is expected to submit a revised procurement plan by mid-December to reflect the expanded pipeline of investments and new closing date.

IMPLEMENTATION						LATEST ISR
Key Project Ratings	6/20/2017	12/27/2017	6/28/2018	12/30/2018	9/3/2019	11/22/2019
Progress towards achievement of PDO	S	MS	MS	MU	MU	MS
Overall Implementation Progress (IP)	MS	MS	MS	MU	MS	MS
Overall Safeguards Rating	S	S	S	S	MS	MS

High value contracts major issues

#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
1	Bakuriani Urban Upgrading	8.50	August 20	Sep, 22	0%	0%	NA, since detailed designs are under way
2	Mtskheta Urban Upgrading	8.5	Nov. 20	June 22	0%	0%	NA, since detailed designs are under way
3	Abastumani Urban Upgrading	8.5	Aug. 20	Jan. 22	0%	0%	NA, since detailed designs are under way
4	Zakagori Complex and Truso Valley	3.30	Mar. 21	Dec, 22	0%	0%	NA, since detailed designs are under way
5	Tbilisi National Park	2.30	Oct. 20	Dec, 22	0%	0%	NA, since detailed designs are under way

NA

Major issues follow up

Safeguards issues (if applicable)/Other issues



Recommended measures to ensure timely procurement process and effective contract implementation at the time of tendering: (i) introduce procurement key performance indicators, (ii) monthly high value contract monitoring meeting (iii) introduce milestone based penalty clauses for works contracts



NA

Approval	Original Closing	Revised Closing	Effective ness	EA Cat	Net (\$m)	Tot Disb (\$m)	Total% Disb	Disb in FY (\$m)	FY DR	Years Extended	AF (\$m)	AF date	Overall Risk
05/09/2013	02/28/2018	12/31/2019	08/05/2013	B	75.00	71.18	94.9%	0.64	20.1%	1.8	9	08/03/2016	M

PDO is to improve infrastructure services and institutional capacity to support increased contribution of tourism in the local economy of the Imereti Region.

PDO level Indicators:

- Increased number of hotel beds in circuit route areas Increased annual number of visitors at Project sites
- Square meters of new or rehabilitated urban public spaces in selected municipalities
- Increased volume of private sector investment in Tskaltubo mobilized by the Imereti Destination Management Office.
- Increased revenues from tickets sold at Vani museum.

Project Components: (\$m)

- Infrastructure Investment (IDA: 26.46 m ; Recipient 6.62m
- Urban Regeneration of Tskaltubo
- Tourism Circuits Development
- Institutional Development (IDA: 3.54m; Recipient: 0.88 m)
- Establishment of Tskaltubo destination management and development office
- Sustainable Tourism development and promotion

Project Status:

The reason for downgrading the PDO and IP ratings from MS to MU earlier was the slow construction progress in Vani Museum. Since the last mission in April 2019, the World Bank engaged in by-weekly monitoring of the construction by visiting the site and validating the milestones from the revised work plan on the ground.

In the past three months, the team took note of the following: (i) the needed material is purchased and made timely available on site; and (ii) the necessary daily workforce is regularly mobilized to ensure contract completion within the planned deadline.

The Supervision Consultant's monthly progress reports also confirm compliance with the work plan. Therefore, the task team has solid grounds now to revise the ratings and upgrade them from MU to MS.

Key issues:

Next Steps:

Implementation Completion Report

IMPLEMENTATION					LATEST ISR	
Key Project Ratings	4/25/2017	10/30/2017	4/18/2018	10/18/2018	4/30/2019	7/12/2019
Progress towards PDO	S	S	MS	MU	MU	MS
Overall Implementation Progress	MS	MS	MS	MU	MU	MS
Overall Safeguards Rating	S	S	MS	MS	MS	MS

Second Regional Development Project Georgia | Urban, Resilience and Land Global Practice

Procurement Major issues	#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
	1	Consulting Services for: Consulting services for supervision of civil works to be implemented in Imereti region under Regional Development Project II	3.9	Jan, 13	Mar, 20	94%	94%	No
	2	Mtskheta Urban UpgradingTourism Marketing, Promotion, Online Coverage and Destination Management for Kakheti and Imereti Regions in Georgia	1.06	July, 17	Sep, 19	86%	86%	No
	3	Reconstruction of Vani Archaeological Museum (3 Phase)	3.29	Jan, 17	Sep, 19	78%	87%	No

Major issues follow up	
Safeguards issues (if applicable)/Other issues	

Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
07/03/2014	06/30/2019	04/30/2021	12/16/2014	B	30	22.11	74%	1.6	17.2	5.4	1.8	-	-	Moderate

Project Development Objective (from Project Appraisal Document)

- To improve the efficiency and reliability of targeted municipal services and infrastructure.

Revised Project Development Objective

- To improve access to quality municipal services and infrastructure

PDO level Indicators:

- Number of direct project beneficiaries (disaggregated: female Beneficiaries)
- Average number of hours per day of piped water service in selected municipalities
- Percentage of Local Self-Governments with improved asset management system

Project Components: (\$m)

1: Infrastructure Investment, Project Management and Monitoring (IBRD: 27.925 m; MDF: 12.93 m; Borrower: 9.25m

2: Institutional Development (IBRD: 2m; SDC: 5m; Borrower: 1.75m).

Project Status:

The project continues to be on track towards achieving the PDO. Following the restructuring, which entailed revisions in the results framework, reallocation of loan proceeds between the components and extending the project closing date by 22 months from June 30, 2019, to April 30, 2021, the PDO is now fully attainable. Therefore, the PDO and IP ratings have been upgraded from MS to S.



Opportunities for a **potential scale-up additional financing** is being discussed for lagging and high poverty regions, focusing on interventions which will improve access to potable water, roads, sidewalks, public spaces and street lighting, and public/social buildings, such as kindergartens and pre-schools.

Key issues:

Next Steps:

- MRDI and MDF are expected to send the revised long list of the proposed investments to be considered by the project, supported by the amounts and the timeline for implementation. This will help to determine the required amount and time needed for the extension under the AF.
- The formal request letter is expected to arrive from the MoF before December 31, 2019 to allow processing under the current arrangements (ESF)

						LATEST ISR
Key Project Ratings	4/25/2017	11/8/2017	5/14/2018	11/14/2018	5/2/2019	10/25/2019
Progress towards PDO	S	S	MS	MS	MS	S
Overall Implementation Progress (IP)	S	S	MS	MS	MS	S
Overall Safeguards Rating	S	S	MS	S	S	S

Procurement Major issues		#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
Issues during procurement stage 1. Taking significant time in bid evaluation and contract award. 2. Contract preparation work needs to improve to allow for smoother implementation		1	Consulting services for supervision of civil works (Phase 1 and Phase 2)	2.45	Mar, 15	Apr, 21	95%	95%	No (it's a framework contract)
		2	Gardabani 5 villages Water supply	5.48	Aug 19	Jan 21	0.03%	0.22%	No
Issues during contract implementation stage Frequent amendments (for illustrative purposes) 1. 23 Amendments. Initial completion date was Sep 17. Initial Contract amount was 1.3. significant increase in scope of work 2. 1 Amendment was signed since contract signing in August, 2019.		<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div>Major issues follow up</div> <div style="text-align: center;">  </div> </div>							
Safeguards issues (if applicable)/Other issues									

Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
May 13, 2014	March 31, 2019	March 1, 2021	Dec 29, 2014	A	60	48.	81	1.34	10.6	66.9	1.9	-	-	S

- **PDO** is to provide reliable power transmission to the southwestern part of the grid, upgrade electricity exchange systems, and provide economically efficient, environmentally and socially sustainable electricity sector planning.
- **PDO level Indicators:**
 - Total duration of outages in Batumi substation
 - Total electricity evacuated from the newly developed power generation stations in southwestern Georgia
 - Transmission lines constructed or rehabilitated under the project through the grid
 - Upgrade energy exchange systems
 - Provide economically efficient, environmentally and socially sustainable electricity sector planning
- **Project Components: (\$m)**
 - 1. Transmission System Strengthening (\$52.35 M)
 - 2. Wholesale Power Exchange Platform (\$6.00 M)
 - 3. Electricity Sector Strategic Environmental and Social Assessment: (\$1.00 M)
 - 4. Project Management and Transmission Systems Studies: (\$0.50 M)

Project Status:

Two Level II restructurings completed, most recently in March 2019 to extend the project by 23 months. Project implementation has faced challenges, including on safeguard issues and an ongoing contract dispute with the main contractor (KEC) resulting in additional delays.

Out of the nine agreed actions the following five are pending: 1. Submission of the signed tri-party agreement for Dispute Board; 2. submission of the amendment to the contract with KEC; 3. submission of the revised Environmental and Social Impact Assessment for the Segment I of the transmission line; 4. submission of a request for emergency works for temporary river protection of the towers in the riverbed; and 5. submission of the ToR for the preparation of the design for permanent river protection for the towers in the riverbed.

Key issues:

Finding resolution on the contract dispute that would allow works to continue on Segment I of the transmission line.

Next Steps:

- Sign a tri-party agreement for Dispute Board and continue negotiations with KEC
- If no resolution is found for the contract with KEC to complete the line within the allotted time, the IP rating will be downgraded to MU
- Finalize the SESA and carry out public disclosure and consultations in Jan. 2020.

Key Project Ratings	20-Dec-2016	30-June-2017	09-Jan-2018	05-Oct-2018	27 Feb 2019	21-Oct-2019
Progress towards achievement of PDO	S	S	MS	MU	MS	MS
Overall Implementation Progress (IP)	MS	S	MU	MU	MS	MS
Overall Safeguards Rating	MS	MS	MU	U	MU	MU

<p>Issues during contract implementation stage</p> <p>Contract 1: The Time Extension for the Project has been approved by the WB till the end of 2019, however, the Contractor has not signed respective change order. In October 2018, the Contractor requested 'Deletion of remaining Scope of Contract' due to extended period of temporary suspension of works in summer 2018. Currently parties are working on the Change of Scope. In parallel, the Dispute Board is being constituted to resolve number of claims. Till now 8 Amendments.</p> <p>Contract 2: The completion of assignment is dependent on the completion of the construction contract (with KEC), which may undergo Change of Scope. Till now 7 Amendments.</p>	#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
	1	Plant Design, Supply and Installation of 220kV Akhaltsikhe-Batumi Overhead Transmission Line (ABTL)	33.5 USD	Jun, 15	Oct, 18	85%	78%	Yes
	2	Supervision & Management of 220kV Akhaltsikhe-Batumi Overhead Transmission Line (ABTL) Construction	3.03 USD 4.17 GEL	Jun, 15	Dec, 19	90%	88%	Yes
	3	Supply of Conductors for 220kV OHL Kolkhida-1	2.32	July, 17	Feb, 18	95%	94%	No
	4	Upgrade of EMS/SCADA System of Georgian State Electrosystem, JSC	2.81 Eur	Dec, 17	Apr, 20	65%	55%	No
		Preparation of Basic Design, BD and Support in Procurement Process, 500 kV Jvari-Tskaltubo OHL	0.29 USD	Sept, 17	Dec, 19	65%	80%	No
					Major issues follow up			
Safeguards issues (if applicable)/Other issues								
The Overall Safeguards rating remains MU due to: 1. continued resettlement/land acquisition compensation; 2. Pending RAP Completion Report for Segment II; and 3. pending bird collision monitoring.								

Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
May 23, 2019	Dec. 31, 2024	NA	Nov. 28, 2019		70.7	0	0	0	0	0.1	0	-	-	S

- **PDO** is to increase electricity supply reliability in the western part of Georgia, achieve the financial viability of GSE, and help it access long-term commercial financing
- **PDO level Indicators:**
 - Number of end-user outages caused by failures of 500 kV OHLs in the western part of Georgia
 - Average annual duration of end-user outages caused by failures of 500 kV OHLs in the western part of Georgia
 - End of GSE rehabilitation regime
 - Elimination of cash deficit of EnergoTrans
 - Improved decision-making on new investments in power transmission network as a result of institutional strengthening
- **Project Components:**
 1. Strengthening of the power transmission network (€ 57.8M)
 2. Support to financial recovery of GSE and preparatory work to access the capital markets (€ 5.8M)
 3. IBRD Guarantee to help GSE raise long-term commercial financing (US\$ 50M)

Project Status:
Project was declared effective on November 28, 2019 and implementation is on track.

Key issues:
No key issues identified.

Next Steps:

- In line with CD vision, CMU will work closely with the GP to ensure a good start to project implementation
- Particular attention should be paid to the environmental risk, which is rated H

*** Related Project: P170552-Energy Supply Reliability and Financial Recovery Guarantee (IBRD US\$50M; effective on July 31, 2019.**

Last ISR	16-Sept-2019
Key Project Ratings	
Progress towards achievement of PDO	S
Overall Implementation Progress (IP)	S

Procurement stage agreed action and follow-up:

Contract 1: Bid received on October 16, 2019. Agreed action –submit bid evaluation report to Bank by January 10, 2020 and signing of contract by February 25, 2020.

Contract 2: Proposal received on September 24, 2019. Agreed action –submit technical evaluation report to Bank by December 16, 2019 and signing of contract by January 15, 2020.

#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
1	Design, Supply & Installation of 500kV Jvari-Tskaltubo Overhead Transmission Line and Substation in Tskaltubo,	Estimated cost 62.77 USD					No
2	Design, Supply & Installation of 500kV Jvari-Tskaltubo Overhead Transmission Line and Associated 500kV Substation in Tskaltubo, 2 lots	Estimated cost 2.01					No



Major issues follow up

Safeguards issues (if applicable)/Other issues

Monthly follow-up meeting between Bank and PIU to assess progress procurement of process of two major contracts and tanking proactive measures as necessary

Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
03/18/2016	04/30/2021	04/30/2021	07/21/2016	B	23.50	6.20	26.4%	1.00	2.9%	3.7	-	-	-	S

- **PDO is to increase innovative activities of firms and individuals in the Borrower's territory and their participation in the digital economy.**
- **PDO level Indicators:**
 - Number of new/improved products or services introduced to new or existing markets by Project beneficiaries
 - Number of start-ups launched by Project beneficiaries
 - Access to broadband Internet (number of subscribers per 100 people)
 - Number of beneficiary MSMEs selling via e-commerce platforms
- **Project Components:**
 1. Innovation Infrastructure
 2. Innovation Services
 3. Innovation Financing

Project Status: Restructuring became effective on Nov 18, 2019. The project has been in problem status since Jan 2017. The project has made significant progress between Aug and Nov, 2019, including: (i) more than doubling (from 15 to 34) the number of firms that introduced new products or reached new markets; (ii) increasing the number of start-up launched by beneficiaries from 37 to 57; and (iii) increasing access of subscribers to internet services from 173 to 642. The only PDO indicator that is below target is the number of MSMEs that sell through e-commerce platforms. This is due to the definition of the threshold for the sales (2500 GEL, which is likely to excludes micro firms; the target would have been fully met without the threshold). Disbursements are expected to reach \$5.4m by January 2020 (23% of restructured loan value). GITA's capacity is notably improved since the restructuring, and significant progress is being made in implementation. In response, the Project is being upgraded by one-notch to Marginally Unsatisfactory (MU).

Key issues:

- Need more clarity on longer-term plans to support innovation beyond GENIE (which accounts for 81% of GITA's budget).
- A few activities are scheduled to continue past the project's end-date (April 2021). Unless the Project is extended, the Government will be liable for the payments due after April 2021. Extension of the project could be considered in case of continued progress in implementation and disbursement and increased ownership of innovation agenda.

Next Steps:

- Agreed actions by end of December 2019:
 - SRNSF open call for proposals – on track.
 - GITA to contract Digital Skills training services firm – delayed (see next slide).
 - GITA to contract Accelerator Services firm - on track
- MOF/MOESD and WB to continue discussions on potential extension. In the meantime, MOF to confirm that in case project is not extended, liabilities beyond April 2021 will be covered from other sources.

Key Project Ratings	Implementation					Latest ISR
	01/05/17	06/30/17	01/28/18	09/19/18	06/04/19	19/04/19
Progress towards achievement of PDO	MS	MS	MU	U	U	MU
Overall Implementation Progress (IP)	MU	MU	U	U	U	MU
Overall Safeguards Rating	S	S	S	S	S	S

High value contracts major issues		#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
<ul style="list-style-type: none">Digital Skills contract (Component 2), valued at approximately \$2.5 million, will be re-advertised due to insufficient response. The ToR will be simplified to attract a larger number of quality proposals.Enterprise acceleration contract (approximately \$2.0 million) is behind schedule but will be signed in January 2020 – a number of quality proposals were received and the selection is being finalized.While there are no contract-related issues with the Innovation Matching Grants firm contract, the program is on hold until agreement is made for financing after April 2020¹ (by the Project, if extended, or state budget, if not).	1	Digital Skills Firm Contract	\$2.5 m	February 2020	April 2021	EOI stage	n/a	Being readvertised (low response – see box at left)	
	2	Enterprise Acceleration Firm Contract	\$2.0 m	January 2020	April 2021	Contracting stage	n/a	none	
	3	Innovation Matching Grants Firm Contract	\$0.39	July 2019	April 2021	On hold	On hold	No issues with firm, however, program is on hold (see box at left)	
	4	Startup Matching Grants Firm Contract	\$0.24	July 2019	February 2020	On track	On track	none	
Safeguards issues (if applicable)/Other issues									
<ul style="list-style-type: none">Overall Safeguard rating is Satisfactory. Task Team applied due diligence to revealing recorded or possibly unrecorded occupational, health and safety incidents that may have occurred at project sites during the period since the previous ISR Report and did not find any.									
					<ul style="list-style-type: none">GITA staffing and budgeting – without additional staff and stable budget allocations, the Agency’s ability to maintain its work past the end of the Project will be compromisedGENIE Project extension will be considered once disbursement picks up according to the agreed schedule; without an increase in disbursement pace, the Project is likely to slip back into problem status and further cancelation may be necessary				

Approval	Original Closing	Revised Closing	Effectiveness	EA Cat	Net (\$m)	Tot Disb (\$m)	Tot Disb %	Disb in FY (\$m)	DR FY (%)	Age yrs	Extension yrs	AF (\$m)	AF Date	Overall Risk
05/29/2019	03/31/2026	03/31/2026	11/27/2019	B	102.70	0.25	0.2%	0.00	0.0%	0.5	-	-	-	M

- **PDO** is to (i) expand access to preschool education and (ii) improve the quality of education and learning environments.
- **PDO level Indicators:**
 - Percentage of 5-6-year-old children enrolled in School Readiness Programs (preschools), including percentage of 5-6- year-old girls.
 - Number of beneficiary students with access to improved learning environments in project-supported schools.
 - Learning outcomes of students in national formative assessments in project-supported general education schools measured (baseline/endpoint).
- **Project Components: (\$Mm)**
 1. Improving Quality of and Access to Early Childhood Education and Care. 11.737
 2. Fostering Quality Teaching and Learning in General Education. 91.312
 3. Strengthening Financing Options and Promoting Internationalization in Higher Education. 17.575
 4. System Strengthening and Stakeholder Communication. 3.088
 5. Supporting Project Management, Monitoring, and Evaluations. 4.342

Project Status:
The project was approved in May 2019 and became effective on November 27, 2019.

Key issues:
No issues.

Next Steps
Designated Accounts need to be created in the state treasury for both implementing entities; PMU of the Ministry of Education needs to be staffed with Financial and Procurement staff; space to be allocated to the PMU staff by MESCS; Procurement Plan to be updated and submitted via STEP by both entities;

Key Project Ratings	Implementation					Latest ISR
	09/16/19					
Progress towards achievement of PDO	S					
Overall Implementation Progress (IP)	S					
Overall Safeguards Rating	S					

High value contracts major issues

New project, at present both implementing agencies are in the process of hiring project implementation staff.

There will be few high value works contracts under this project.

#	Largest Contracts	Contract Size (M US\$)	Start	Completion	Physical Prog	Financial Prog.	Major issue
1							
2							
3							
4							
5							

Major issues follow up**Safeguards issues (if applicable)/Other issues**

- No issues.

Recommended measures to ensure timely procurement process and effective contract implementation at the time of tendering: (i) Prepare time bound action plan from planning to contract signing, (ii) introduce procurement key performance indicators, (iii) monthly coordination meeting on the procurement status of high value contracts (iv) interduce milestone based penalty clauses for works contracts

Advisory Services and Analytics (FY20)

Task Name	Objective	Country	Global Theme	Delivery Date	Implementing Partner
The Ministry of Economy and Sustainable Development of Georgia					
Supporting Sustainable Mining sector development in Georgia and Armenia	To contribute to sustainable and transparent development of the mining sector in Armenia and Georgia, through advisory support to the client, knowledge-sharing for stakeholders in the sector, and support for ongoing WBG operations.	Caucasus	Energy & Extractives	30-Sep-20	
Georgia Wholesale Electricity Market Reform Just-in-time Support	To provide just-in-time technical assistance to inform the wholesale electricity market reform in Georgia	Georgia	Energy & Extractives	31-Jan-2020	
Improving Freight Transit and Logistics Performance of the Trans-Caucasus Transit Corridor	To provide support to the Governments along the Caucasus Transit Corridor to identify physical and non-physical impediments along the Corridor, assess its performance and identify priority actions.	Caucasus	Transport	30-Sep-2019	
Georgia's Energy Efficiency and Social Equity	To inform Government's policies on energy efficiency for space heating and energy pricing and support Government with identification of the primary energy efficiency interventions.	Georgia	Energy & Extractives	31-Jan-2020	
South Caucasus Pensions	To provide support and advice to the governments in the three South Caucasus countries as they implement their pension reforms. The goal is to help the countries improve the administration and fiscal sustainability of their pension systems while ensuring benefit adequacy and equity	Caucasus	Social Protection & Jobs	29-May-2020	Pension Agency
Assessment of Economic Viability of Georgia-Europe Undersea Interconnection	To carry out an economic assessment of the proposed undersea cable interconnection between Georgia and Romania through analysis on electricity markets in Europe and South Caucasus.	Georgia	Energy & Extractives	15-May-2020	Georgia State Electrosystem
Georgia #P018 Financial Sector Deepening and Inclusion	To create broader and deeper financial markets by encouraging savings and private investment, strengthening the regulatory and supervisory framework in the insurance sector.	Georgia	Finance, Competitiveness and Innovation	31-Jan-2020	Ministry of Finance; National Bank of Georgia; Insurance State Supervision Service of Georgia
Resilient Building Regulation and Emergency Preparedness	To strengthen the capacity of the Government of Georgia to make the transition to Eurocode 8 and improve the country's emergency preparedness and response system.	Georgia	Urban, Resilience and Land	20-Dec-20	Georgia Hydrometeorological Department

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Task Name	Objective	Country	Global Theme	Delivery Date	Implementing Partner
The Ministry of Environmental Protection and Agriculture of Georgia					
Maximizing Finance for Inclusive Development of Agri-food Value Chains in Georgia	Support the Government of Georgia to identify key issues and potential measures for leveraging private-sector investment for the development of inclusive domestic and international agri-food value chains.	Caucasus	Agriculture and Food	29-May-2020	
South Caucasus Smart Villages Program	To present policy options and enable dialogue with governments in the South Caucasus region to develop technology and social innovation driven “Smart Village platforms” that can improve service delivery and local economic development in rural areas.	Caucasus	Social	29-May-2020	
South Caucasus: Regional Environment and Natural Resources (ENR) Management Program	Improved knowledge on selected topics in environment and natural resource management and identification of development options in the three target countries; regional collaboration supported.	Caucasus	Environment, Natural Resources & the Blue Economy	31-Jul-2020	
National Action Plan for Adapting to Climate Change Impacts in the Coastal Zone (Georgia)	To contribute to the implementation of Georgia’s Nationally Determined Contribution (NDC) under the United Nations Framework Convention on Climate Change (UNFCCC) by enhancing national capacity for climate resilient coastal development and developing a National Action Plan for climate change adaptation in the coastal zone.	Georgia	Environment, Natural Resources & the Blue Economy	31-Jul-20	
South Caucasus Region - Irrigation and Water Security	To engage with Governments of Armenia, Azerbaijan and Georgia on irrigation and water security dialogues, while focusing on specific water systems policy analysis in Armenia.	Caucasus	Water	28-Feb-2020	
Georgia: Environmental and Social Borrower Framework Assessment	Identify key gaps between existing environmental and social legislation and practices in Georgia and the World Bank's Environmental and Social Framework on selected ESF standards and recommend gap filling measures	Georgia	Social	29-May-2020	Municipality Development Fund; Ministry of Internally Displaced Persons, Labor, Health and Social Affairs
South Caucasus - Forests and Private Sector Development	Generate regional knowledge on private sector’s role in the forest sector and enhance opportunities for public-private collaboration around forest-based job creation and economic development	Caucasus	Environment, Natural Resources & the Blue Economy	31-Dec-2019	National Forest Agency

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Task Name	Objective	Country	Global Theme	Delivery Date	Implementing Partner
The Ministry of Economy and Sustainable Development of Georgia					
South Caucasus Digital Development Initiatives	To promote regional dialogue and knowledge exchange to foster digital economy development in the South Caucasus, through a mix of regional and national initiatives.	Caucasus	Digital Development	31-Dec-2020	
Georgia Financial Inclusion and Accountability Project	To strengthen key elements and lay foundation for enhancing financial inclusion and accountability. The objective will be achieved by supporting (i) enabling framework for capital and insurance market development,(ii) improving financial infrastructure and responsible finance inclusion, and (iii) promoting better corporate and SOE governance and reporting.	Georgia	Finance, Competitiveness and Innovation		National Bank of Georgia; Pension Agency
Maximizing Finance for Development in the Georgian Power Sector	The objectives are to: (a) identify the obstacles to optimizing available financing for power generation and transmission investments while limiting the impacts on the public finances; and (b) propose recommendations to overcoming those obstacles.	Georgia	Energy & Extractives	30-Jul-2020	Ministry of Finance; Georgian State Electrosystem
Resilient Building Regulation and Emergency Preparedness	To strengthen the capacity of the Government of Georgia to make the transition to Eurocode 8 and improve the country's emergency preparedness and response system.	Georgia	Urban, Resilience and Land	20-Dec-2020	Georgia Hydrometeorological Department
The Ministry of Education, Science, Culture and Sport of Georgia					
Georgia: Strengthening Teacher Quality in VET Education	To support Georgia in strengthening quality of Vocational Education and Training Sector (VET) through developing teacher management and professional development system.	Georgia	Education	17-Oct-2019	
Georgia: Research Program to Support the National Financial Education Strategy	To draft a report/diagnostic study describing the state of financial education and literacy in Georgia, including financial markets access. As there is a correlation between financial literacy levels and life long incomes, it is an important area of focus.	Georgia	Education	30-Sep-2020	National Bank of Georgia

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Task Name	Objective	Country	Global Theme	Delivery Date	Implementing Partner
The Ministry of Finance of Georgia					
Georgia Economic Governance and Fiscal Accountability	To strengthen fiscal governance framework and independence and capacity of external audit.	Georgia	Governance	30-Jun-2021	Georgia Revenue Services
Informality in Georgia - how widespread and why does it matter	To better understand Georgia’s informal sector, including its size, underlying causes and links to policies and structural constraints, and its impact on the broader economic outcomes in the country.	Georgia	Macroeconomics, Trade and Investment		National Statistics Office of Georgia, Ministry of Health, Labour and Social Affairs
Strategic Procurement		Georgia	Governance		State Procurement Agency
Spatial Work		Georgia	Finance, Competitiveness and Innovation		
The Ministry of Internally Displaces Persons, Labor, Health and Social Affairs of Georgia					
South Caucasus: Strengthening the strategic purchasing of health care services to improve health system efficiency and equity	To support the efforts of the governments of the South-Caucasus countries in strengthening the function of healthcare services purchasing to expand coverage of quality health care services, to ensure transparency and accountability in the financing of public and private providers, and to enhance financial protection.	Caucasus	Health, Nutrition & Population	30-Jun-2021	
South Caucasus Social Protection and Jobs ASA	To inform evidence-based policy making in Armenia, Azerbaijan and Georgia in the areas of social assistance, jobs and migration policies.	Caucasus	Social Protection & Jobs	30-Jul-2020	
Tbilisi City Municipality					
Tbilisi Urban Regeneration and Energy Efficiency - phase 2	To help the City of Tbilisi develop energy efficiency (EE) standards and processes for the rehabilitation of the dilapidated housing stock (Khrushovkas)	Georgia	Urban, Resilience and Land	31-Mar-2020	
The Ministry of Education, Science, Culture and Sport of Georgia					
Accelerating Human Capital Development in Caucasus Countries	To help each of the Caucasus Countries Georgia, Armenia and Azerbaijan accelerating human capital development by developing a plan and strategy through the operational diagnostic of key data and policies and benchmarking these in addition to some discrete analytical pieces.	Caucasus	Education	29-May-2020	Ministry of Finance; Ministry of Health

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Task Name	Objective	Country	Global Theme	Delivery Date	Implementing Partner
The Ministry of Environmental Protection and Agriculture of Georgia					
National Action Plan for Adapting to Climate Change Impacts in the Coastal Zone (Georgia)	To contribute to the implementation of Georgia’s Nationally Determined Contribution (NDC) under the United Nations Framework Convention on Climate Change (UNFCCC) by enhancing national capacity for climate resilient coastal development and developing a National Action Plan for climate change adaptation in the coastal zone.	Georgia	Environment, Natural Resources & the Blue Economy	31-Jul-2020	
South Caucasus: Regional Environment and Climate Program	Improved knowledge on selected topics in environment and natural resource management and identification of development options in the three target countries; regional collaboration supported.	Caucasus	Environment, Natural Resources & the Blue Economy	31-Jul-2020	
Supporting Sustainable Mining sector development in Georgia and Armenia	To contribute to sustainable and transparent development of the mining sector in Armenia and Georgia, through advisory support to the client, knowledge-sharing for stakeholders in the sector, and support for ongoing WBG operations.	Caucasus	Energy & Extractives	30-Sep-2020	National Agency of Mines
The Ministry of Internally Displaces Persons, Labor, Health and Social Affairs of Georgia					
South Caucasus: Strengthening the strategic purchasing of health care services to improve health system efficiency and equity	To support the efforts of the governments of the South-Caucasus countries in strengthening the function of healthcare services purchasing to expand coverage of quality health care services, to ensure transparency and accountability in the financing of public and private providers, and to enhance financial protection.	Caucasus	Health, Nutrition & Population	30-Jun-2021	
South Caucasus Social Protection and Jobs ASA	To inform evidence-based policy making in Armenia, Azerbaijan and Georgia in the areas of social assistance, jobs and migration policies.	Caucasus	Social Protection & Jobs	30-Jul-2020	

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Task Name	Objective	Country	Global Theme	Delivery Date	Implementing Partner
The Ministry of Regional Development and Infrastructure of Georgia					
PPP Diagnostic in Georgia		Georgia	Transport	29-May-20	
Gender Patterns Profiling in the Caucasus		Georgia	Transport		
Gender Patterns Profiling in the Caucasus		Georgia	Transport		
European Commission					
TA for local economic development in Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine via the European Commission	To support the European Commission in maintaining the quality of design and implementation of Local Economic Development Plans (LEDPs) in six countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine), under the Mayors for Economic Growth (M4EG) initiative.	Europe	Finance, Competitiveness and Innovation	31-Mar-2021	
Partnership with DG NEAR on strengthening the financial sector in Eastern Partnership (EaP) countries	To, jointly with the EU, assist the Eastern Partnership (EaP) countries in their efforts to identify and implement key financial sector reforms aimed at diversifying and deepening the financial sector.	Europe	Finance, Competitiveness and Innovation	26-May-2021	