

## REPORT

### on "Gyumri Urban Roads" Project Implementation Process

(Reporting period 01.10-31.12.2017)

#### 1) General Information

For the implementation of the project "Gyumri Urban Roads" (hereafter the Project), in May 11, 2016 European Bank for Reconstruction and Development (hereafter the Bank), Republic of Armenia (hereafter the Borrower) and Gyumri cummune (hereafter the Project Entity) have signed "Loan Agreement", "Grant Agreement Tranche A", "Project Agreement", which have been ratified as prescribed by law and "Project Implementation Agreement" has been signed between the Borrower and the Project Entity (hereafter the above agreements together –the Project Documents) in December 30, 2016:

Taking into account the Project Entity's responsibilities set out in section 2.08. point (b) of "Project Agreement", we present the quarterly report which is noticed in the section 4.04(a)(iv) of Standard Terms and Conditions.

#### A) The works carried out during the reporting period

Due to Technical Cooperation Grants, the "Dorproject Institute" LLC (hereafter, the Consultant) and the Project Entity have signed with the first dose "Gyumri Urban Roads-Project Implementation Support, Detailed Design, Construction Supervision, Maintenance Contracts Preparation" consultancy services contract (hereafter the Contract), in June 7, 2017. Within the frames of the Contract The Consultant has drawn and has submitted a report on Environmental and Social Action Plan to the Project Entity (it will be presented to the Bank as well after discussions ) during the reporting period.

The package of tender documents have been prepared on the basis of design estimate documents made for implementation of construction works on Komitas street and after



conforming it with the Bank, a tender is announced for the capital repair works of Komitas street

The works on detailed design of Jivani, Ghorghanyan, Abovyan and Varpetac streets have been accomplished, and the formed documents (design estimate documents) have been coordinated with the structures regulating the aspects as prescribed by law. The package of tender documents of Jivani, Ghorghanyan, Abovyan and Varpetac streets have been prepared and submitted to the Bank for approval.

The design estimate documents which are formed by the Consultant for Yerevanian, Tigran Mets, Sayat Nova, Garegin Njdeh, Vazgen Sargsyan, Mush 2 link road streets, Hayuhu and Charles Aznavour Squares are at the stage of discussions and agreements with the Project Entity.

The German company "ENVIDATEC" chosen by the Bank together with the Armenia Renewable Resources and Energy Efficiency Fund carry out feasibility studies on modernization of the external lighting network of the project component, within the frames of which the experts of the mentioned organizations visited Gyumri and implemented series of research and expertise works together with the City specialists, the report on research results is at the stage of agreements.

The tender on selection of Consultancy service for implementation the component "Organizing Parking Strategy and Action Plan" is evaluated, as a result of which The Bank negotiated with the winning bidder ROM Transportation Engineering agreeing with the Project Entity. As a result of negotiations, the selected bidder is offered to seal a contract for consultancy services for implementation the component "Organizing Parking Strategy and Action Plan".

B) Actual or expected difficulties or delays in the implementation of the project and their effect on the implementation schedule, and the actual steps taken or planned to overcome the difficulties and avoid delays.

During the Project implementation, some delays have been happened related to the implementation of all the preconditions set out in Section 5.01 of the Loan Agreement, particularly with the Consultant selection tender and the process of terms for Contract award, which, in its part, affected the Terms of Project effectiveness. The terms of Project effectiveness have been delayed several times by the mutual agreement. In order to avoid further similar



situations, we offer to carry out the tenders appropriate to the Bank's procurement standard conditions electronically.

During the implementation of the project some date delays have been happened when carrying out feasibility studies on modernization of the external lighting network of city realized by the German company "ENVIDATEC": till now the company did not formed the final version of the report on mentioned studies, which would be the base for organizational works on modernization of the external lighting network of city. The Bank and the Project Entity realized explanatory works , orgaznized telephone conversations several times.

**C) Expected changes in the completion date of the Project**

According to schedule set out in the Appendix 1 of the Project Implementation Agreement signed between the Project Entity and the Bank, the Project end is foreseen December, 2019. However, taking into account the difficulties and delays described in 2-nd point of this report, the Project is expected to be completed in November 2020.

**D) Key personnel changes in the staff of the Project Entity, the PIT, the Consultants or the Contractors**

Concomitant with the increase of scope of the project works during the reporting period some personnel changes have been in the PIT staff created by the Project Entity: two members left PIT and some people are added ( The appropriate decision of the Project Entity is attached).

**E) Any development or activity likely to affect the economic viability of any Part of the project**

No development or activity likely to affect the economic viability of any Part of the project during the reporting period have been recorded.



2) Column diagram of the implemented work

Currency Euro

N	The description of implemented work	Planned expenditures	Actual expenditures	Timetable		Work processes
				According to the Contract	Actual	
1	Support on Project Implementation: first Contract	613000.0	31460.0			In progress
1.1	Environmental and Social Impact Assessment	47190.0	-	June-December2017	June-July 2017	At the stage of agreements
1.2	Environmental and Social Action Plan	31460	-	June-December2017	June-August 2017	At the stage of agreements
1.3	Report on detailed design works	141570	-	June-December2017	June-December 2017	At the stage of agreements
2	"Parking Strategy and Action Plan"	160000.0	-			There is a selected tenderer in the Consultant selection tender



### 3) Financial report

Currency: Euro/ Thousand

N	Description	Preliminary estimates of expenditures	Revised estimates of expenditures	Amount of expenditures made during the reporting period	Justifications for difference between made and calculated expenditures	Expenditures calculated for the remaining quarters of year
1	Part A. Capital Expenditures .Tranche A	6655.0	6655.0	0	No expenditures have been made, so there are not differences	No other expenditures are foreseen for the reporting year
2	Part B. Technical Cooperation	1360.0	1280.0	31.46	Only one invoice is presented till now	No other expenditures are foreseen for the reporting year