

REPORT

on “Gyumri Urban Roads” Project Implementation Process

(Reporting period 01.10-31.12.2019)

1) General Information

For the implementation of the project “Gyumri Urban Roads” (hereafter the Project), on 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) on December 30, 2016:

Taking into account the Project Entity’s responsibilities set out in section 2.08. point (b) of “Project Agreement” , we submit 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 grant means of Technical Cooperation, the “Dorproject Institute” LLC (herefter, 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 contract (hereafter the Contract 1), on June 7, 2017, in frames of which the Consultant has submitted the the design estiamate documents of first 2 lots provided for Tranche B, making design estimate documents of the other streets provided for Tranche B are in process. The Project Entity waits for the Bank’s no objection in order to announce the mentioned 2 tenders.

Within the framework of CW-ICB-2018/01 contract the construction works have been complied with some defects. Works for remedy of them are in process.

The contractor has submitted the Interim Payment Certificate N 2 for amount of 108 526.11 Euro, and the payment has been made 77 507.37 Euro from loan and 31 018.74 Euro from grant means.

Within the framework of CW-ICB-2018/02 contract the construction works have been complied with some defects. Works for remedy of them are in process. Performance acts have not been submitted yet.

Within the framework of CW-ICB-2018/03 contract the construction works have been complied with some defects. Works for remedy of them are in process. Performance acts have not been submitted yet.

Within the framework of CW-ICB-2018/04 contract the construction works have been complied with some defects. Works for remedy of them are in process.

The contractor has submitted the Interim Payment Certificate N 4 for amount of 551 803.90 Euro, and the payment has been made 367 869.27 Euro from loan and 183 934.63 Euro from grant means.

Within the framework of CW-ICB-2018/05 contract the construction works have been complied with some defects. Works for remedy of them are in process.

The contractor has submitted the Interim Payment Certificate N 3 for amount of 624 961.45 Euro, and the payment has been made 473 954.85 Euro from loan and 151 006.6 Euro from grant means.

A discussion on road construction works being implemented in Gyumri including “Gyumri Urban Roads” Project has been occurred during reporting period and the representatives of the Project Entity, Contractors, PIT participated in it. The phenomena which were problems for construction works have been identified during these discussions and clarifications and solutions have been recommended for them.

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.

The deadlines of all contracts -CW-ICB-2018/01, CW-ICB-2018/02, CW-ICB-2018/03, CW-ICB-2018/04 and CW-ICB-2018/05 of Project's Tranche A had been extended till October, 2019, however, as the delays of work are because of external influence, so the Project Entity intends extended the contracts' terms.

C) Expected changes in the completion date of the Project

The prolongation of fulfillment of Consultant and Contractors' obligations which are due to delays set out in the B point of this report may affect the deadlines of The Project closing.

According to schedule set out in the Appendix 1 of the Project Implementation Agreement signed between the Project Entity and the Bank, the Project closing 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 2021.

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

During the reporting period, no documents have been submitted regarding to the change of data on personnel involved in the tender packages submitted by the Contractors and the Consultant and on change of staff members involved in the

implementation phase of the works. What comes to the staff of Project Entity and PIT, no significant changes have been made to them.

E) Matters that may affect the cost of the Project

Variation orders with separate packages have been submitted to the Bank during the reporting period on the work that caused the project cost change.

F) 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 has been occurred.

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	291 200	291 200	-	-	-
1.1	Monthly progress Report, July-October	80 000	80 000	August-November, 2019	August-November, 2019	Completed
1.2	Inception Report	20 000	20 000	October-December, 2019	October-December, 2019	Completed
1.3	Road safety Audit Report	31 000	31 000	October-December, 2019	October-December, 2019	Completed
1.4	Detailed Design Report	100 200	100 200	October-December, 2019	October-December, 2019	Completed

1.5	Environmental and Social Impact Assessment Report	30 000	30 000	October-December,2019	October-December,2019	Completed
1.6	Environmental and Social Action Plan	20 000	20 000	October-December,2019	October-December,2019	Completed
1.7	Tender Documents	10 000	10 000	October-December,2019	October-December,2019	Completed
3	Road and street lighting rehabilitation works	6 388 822.40	1 285 291.46	-	-	-
3.1	Road and street lighting rehabilitation works on Komitas street	489 488.55	108 526.11	April 2018-June 2019	October 2019	Completed, works for remedy of defects are in process.
3.2	Road and street lighting rehabilitation works on Varpetac, Ghorghanyan, Jivanu, Abovyan streets	339 251.24	-	July 2018-June 2019	October 2019	Completed, works for remedy of defects are in process.
3.3	Road and street lighting rehabilitation works on Yerevan Highway and Mush II Link road	1 781 091.26	-	July 2018-June 2019	October 2019	Completed, works for remedy of defects are in process.
3.4	Road and street lighting rehabilitation works on Garegin Njdeh avenue, Tigran Mets avenue, Sayat Nova street, Hayuhu square	1 884 182.4	551 803.90	July 2018-June 2019	October 2019	Completed, works for remedy of defects are in process.

3.5	Road rehabilitation works on Vazgen Sargsyan street, Gertsen street and Sharl Aznavour square	1 894 808.94	624 961.45	August 2018- June 2019	October 2019	Completed, works for remedy of defects are in process.
-----	---	--------------	------------	---------------------------	--------------	--

3)Financial reports

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	7950.0	6388.8	1285.3	The contractors submitted performance acts	2802.3
2	Part B. Technical Cooperation	1360.0	1183.0	80.0	The contractor submitted performance act	330.0

* For coming years

4) Brief overview of fulfillment status of the terms provided in agreement

The project Entity Gyumri Municipality has fulfilled all the terms provided in agreement.