

**Tacis Regional 2000 Traceca Programme**

**Rehabilitation of Caucasian  
Highways**

**Azerbaijan, Georgia and Armenia**

**Inception Report - Georgia**

August 15, 2003



This Project is  
funded by the  
European Union



A technical  
Support Project  
By Louis  
Berger SA

### Report Cover Page

<b>Project Title</b>	<b>Rehabilitation of Caucasian Highways Azerbaijan, Georgia and Armenia</b>	
<b>Project Number</b>	<b>EUROPEAID/113179/C/SV/MULTI</b>	
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**Date of Report** August 15, 2003.  
**Reporting Period** Inception Report  
**Author of Report** Razek Degheim  
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<b>EC Delegation</b>			
<b>TACIS Bureau (Task Manager)</b>			
	<i>Name</i>	<i>Signature</i>	<i>Date</i>

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## 1.0 PROJECT SYNOPSIS

<b>Project Title</b>	Rehabilitation of Caucasian Highways Azerbaijan, Georgia and Armenia
<b>Project Number</b>	EUROPEAID/113179/C/SV/MULTI
<b>Country</b>	Georgia
<b>Specific Project Objectives</b>	Developing of a Pre-Feasibility Study for modernization of the existing Poti-Tbilisi-Red Bridge road under the standard of the international motorway passing by larger inhabited areas.  Duration estimated 10 months, in conjunction with the project in Armenia.

## 1.1 PROJECT OBJECTIVES

The general objective of the project is the developing of a Pre-Feasibility Study for modernization of the existing Poti – Tbilisi – Red Bridge road under standard of the international motorway passing by larger inhabited areas.

This road from Poti over Tbilisi to the Azeri border, branching off southwards to Yerevan in Tbilisi, is a principal Trans-Caucasian TRACECA road corridor, linking Black Sea to the Caspian Sea.

The Pre-Feasibility Study is intended to determine generally:

- The deadline for road carrying capacity based on the dynamics of traffic growth at sections of the existing road and modernizations periods;
- Establish priorities for the modernization of the existing road in accordance with requirements of international motorway;
- Technical and economic study and comparison of the modernization alternative with the alternative of construction of international motorway.

## 1.2 CLIENT COMMENTS

The Consultants have submitted the first version of the Inception Report and the Revised Inception Report for the main contract on February and April 2003 respectively. The State Department of Roads of Georgia has commented on requiring some modification.

In the Annex 2 there are copies of the two letters submitted by the State Department of Roads of Georgia to the EC and copied to the Consultants.

The Consultants have replied to the EC highlighting SDRG comments.

## 1.3 PLANNED OUTPUTS

The general scope of works is to provide final solution for the modernization of the existing Poti-Tbilisi- Red Bridge road.

The study will identify areas of motorway and local roads that require motorway construction. The study will also highlight the need to protect land reserves for new road alignment.

## **2 ANALYSIS OF PROJECT**

### **2.1 CONTAIN OF PRE-FEASIBILITY STUDY**

To obtain the specific activities required by the ToR (Section 4.2), Consultants will perform the following studies:

#### **A. Surveys**

- Data collection from local agencies as (history design standards, current vehicle operating cost, vehicle loads, volume of international traffic, and etc);
- Road condition Survey (inventory of existing road conditions based on visual reconnaissance);
- Traffic survey (two-day traffic counts and origin-destination (O-D) survey on three locations of the road.

#### **B. Specifications**

- According to the ToR Consultants must prepare specifications for designed international motorway, maintaining technical parameters of the existing road<sup>1</sup>.

#### **C. Environmental Assessment**

- According to the ToR the lay out of the existing road (alignment, width and gradient) shall remain unchanged<sup>2</sup>.

#### **D. Economic Analysis**

- Economic evaluation of the project sections for thirty-year period shall be done using the HDM-IV Model<sup>3</sup>.

#### **E. Economic costs**

The user cost evaluations will include the following:

- Any transit fees might be levied, and the economic value of any expenditures that are made during transit;
- Vehicle Operating Costs;
- Time savings.

#### **F. Cost estimates (to be accurate to within $\pm 10\%$ )<sup>4</sup>**

In addition to construction costs separate estimates will be presented for:

- Each section of road by types of works;

<sup>1</sup> The technical Parameters of existing road are below motorways standards, it seems that more than 1/5 of road length is constructed for design speed of 60 km/h.

<sup>2</sup> This requirement will not be realizable (see item above).

<sup>3</sup> The ToR requires applying the World Bank's HDM-III Model. We propose to substitute it using HDM-IV, which is more recent and powerful.

<sup>4</sup> The project will be carried out on map of the scales of 1:50 000 and 1:100 000.

- Each alternative proposal;
- Maintenance costs and other costs (if need be).

## **2.2 PROJECT ORGANIZATION**

The project is set up in the form of specific tasks. Duty on each task is shared between local Sub-consultancy TRANSPROJECT and Consultant Louis Berger.

## **2.3 PROBLEMS DEFICIENCIES OBSERVED TO DATE AND SOLUTIONS THEREOF**

First visual reconnaissance of existing road and the old design shows a contradiction between the ToR ' requirements and real situation on the site.

As stated in section 2.1, the technical parameters of existing road are below motorway standards. Generally a pavement width is between 8 - 9 m.

The pavement and shoulders are in bad conditions.

The total length of the road is about 398 km. Only 8 km have a dual two-lane carriageway without emergency lanes. 300 km represent single two-lane carriageway. All crossroads with the main railway are on grade separated. There are some grade separated interchanges and all intersections are usually without horizontal marking.

The police stations, inherited from former Soviet Union, are at the ends of every town and these have reduced a cross section to one lane for each direction. Very often when the police agent stops a car, it stays on the road lane and disturbs the traffic flow.

The improvement of some sections on the existing road performed recently shows up and highlights information regarding the actual technical conditions. The pavement, base and sub base are generally very poor, it seems that road's improvement to be set up by removal of existing structure and subsequently a re- build.<sup>5</sup>

The ToR requires that the cost estimates must be accurate to within  $\pm 10\%$ . Since the main layout will be carried out on map of the scale 1: 50 000, it seems that this requirement will be not achievable. We propose to try to be accurate within  $\pm 20\%$ , due to restrictions related to scales of available maps.

The existing road is used by mixed traffic. Modern and speediest cars to 38t trailer trucks have been observed. The percent of old slowest former soviet cars is very high (about 80%). Occasionally, horses and cars are using this road. The speed varies from 15 km/h to 160 km/h (exceptionally on the flat section from Poti to Senaki).

Pedestrian and cows pass through the road. Very often in west Georgia, the cows sleep on the road. Drivers are completely undisciplined ignoring all horizontal and vertical signs.

On both side of the road there is a market of different types of fruits. This manner disturbs the traffic and creates many accidents.

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<sup>5</sup> Decision will be taken after analysis conclusion during the next stage of the project (on Preliminary Study, for example).

In the mountainous sections between Zestaponi - Khashuri and on the north part of Tbilisi By-pass, the horizontal radii various from 100 m to 600 m and gradients are higher than 7%, thus reduce design speed to 60 Km/h. These two sections represent about 21% of the road length.

On the other hand, the settlements are usually implanted on the both side and close to existing road. Typical small rural town is compound of one line of houses with a yard. Any attempt to widening the existing road to motorway standards will effect in destruction of half of settlement located on one side of the road. In this case the cost of the construction of motorway will be very high due to social impacts.

A former Soviet Union Roads Standards SNIP accepted an access on the motorway for a local traffic.

Likewise a possibility of U-turn on the same level by a left turn lane, placed on the left side of the overtaking lane, and access to the acceleration lane one another carriageway, placed on the left side of the overtaking lane.

With reference to ToR and the former Soviet Union Roads Standards SNIP, these two possibilities described above, have had permitted for a motorway to go through settlement with mixed transit and local traffic. TEM Standards and all roads Western Standards ban this solution because this is very dangerous.


The substitution of existing road by a motorway requires the establishing of a road for local and agriculture traffic and for local buses line. This alternative local access road will be necessary from Poti to Red Bridge. This solution will necessitate a corridor of 37 m or 43 m (if local road will be on the both side) of land width.

The recent land verification carried out on the old maps of the scale of 1:25 000 has permitted to observe the following:

- The improvement of existing road to motorway standards with construction of local road would be possible only on 40% of the road length. This represents about 200 km and requires another verification on the recent satellite picture. For the left over of the road new alignments to be anticipated;
- On the section from Poti to Senaki, and on the north side, there is the railway line close to the existing road (less than 12 m). This line excludes the possibility to envisage the interchanges with another roads without reconstruction of the railway;
- Two sections are particularly difficult. The first one is from Zestaphoni to Khashuri and the second on the north part of the Tbilisi By-pass (about 20 km). Both sections are passing through mountains on the difficult relief with some geological and hydro geological problems. On these sections improvement of existing road to motorway Standards will be absolutely impossible.
- On the existing road from Zestaphoni to Khashuri, the Roads Department had carried out some improvement during the last years. Some new bridges were constructed or are under construction and some alignment was changed. The width of these new bridges is not in accordance with to the TEM Standards.

- On the same section there is a tunnel of 1 750 m length which is in a poor condition. The ventilation and the lighting are working in hazardous way. In addition the tunnel is not fulfilled with TEM Standards;
- On the entire length of the existing road, the water arising from the pavement is going directly to the land without any process of cleaning of hydrocarbon products.

The characteristics of the existing road are indicated in the Table<sup>6</sup> 2.3 main characteristics of the existing road. In this table the symbols are as follow:

ADT = results of traffic count in May, June and July 2003;  
 a/c = asphalt concrete;  
 1 050 N = traffic value on north part of Tbilisi By-pass;  
 4 081 S = traffic value on south part of Tbilisi By-pass;  
 Intersections = type "T" or "⊥ » ;  
 Junctions = type 

Finally Consultants propose to carry out the design of motorway<sup>7</sup> on fourteen different sections as below:

No	Section	Land Description	Design Speed Km/h
1	Poti-Teklati	flat	120
2	Teklati-Samtredia	flat	120
3	Samtredia-Kutaisi	flat	120
4	Kutaisi Bypass	flat	120
5	Kutaisi-Zestafoni	hilly	120
6	Zestafoni Bypass	hilly	120
7	Zestafoni-Khashuri	mountainous	80
8	Khashuri Bypass	hilly	120
9	Kashuri-Gori	hilly	120
10	Gori-Natakhtari	hilly	120
11	Natakhtari-Tbilisi	hilly	120
12	Tbilisi Bypass	first 20 km mountains next hilly	80 & 120
13	Tbilisi-Rustavi	hilly	120
14	Rustavi-Red Bridge	hilly	120

The ToR pre-determines that existing road and alternatives should be compared at the motorway Standards. On each section Consultants intend to consider two alternatives in order to find an appropriate technical solution:

- The first alternative will be improvement of the existing road to motorway standards;
- The second alternative will try to avoid settlements (using a new alignment).

For both alternatives cost estimates and economic costs will be calculated.

<sup>6</sup> This Table will be updated in the next stage of the project.

<sup>7</sup> According to the European Standards TEM prepared by UNECE in February 2002.



All designs will be studied on map of the scales of 1:10 000 to 1:50 000 depending on relief difficulties. The final designs presentation will be carried out on the same scale of 1:50 000. Design of new local road will be carried out where is necessary.

The final alignment of the future motorway will be selected from the alternatives with the best ratio of cost. The horizontal alignment and longitudinal profile will be carried out on the scale of 1:50 000.and the overall presentation on the scale of 1: 100 000.

**Table 2.3 Main Characteristics of the existing road**

No	Denomination of Sections	Length [km]	Width [ m ]	Bridges Unit / m	Culverts Unit/m		Tunnels Unit / m	Pavement structure	Surface roughness	Intersections / Junctions Unit	ADT
		Total / In Populated Area	Roadway / Carriageway		Pipe	Box					
1	2	3	4	7	8	9	10	11	12	13	14
1	Poti-Teklati	28/-	9-11/7-9	5/237	10/132	3/34	-/-	a/c	bad	4/3	2 545
2	Teklati-Samtredia	33/8.8	11-14/9	9/592	23/371	16/276	-/-	a/c	bad	2/5	2 523
3	Samtredia-Kutaisi	29/9.7	11-15/9-12	8/452	4/137	6/152	-/-	a/c	satisf.	3/5	3 408
4	Kutaisi	13/9.6	-	-	-	-	-	-	-	3/-	
5	Kutaisi-Zestafoni	27/-	12-15/8-9	4/179	29/637	12/486	-/-	a/c	bad	2/6	3 868
6	Zestafoni	10.5/7.2	12-20/8.5-15	1/91	16/414	5/207	-/-	a/c	bad	2/4	
7	Zestafoni-Khashuri	51.5/-	12-15/7.5-10	26/1 646	151/3075	32/1081	3/2011.6	a/c	bad	-/5	3136
8	Khashuri	15/5.5	12-15/7.5-11	5/237	10/132	3/34	-/-	a/c	bad	4/3	
9	Khashuri-Gori	39/-	12-15/8-10	10/597	39/829	7/199	-/-	a/c	satisf.	-/8	4 193
10	Gori-Natakhtari	65/-	12-16.5/ 7.5-9.6	12/538	104/2706	12/312	-/-	a/c	satisf.	3/10	8 630
11	Natakhtari-Tbilisi	8/-	13.2-28.5/ 9.2-7.5	10/715	8/568	4/251	-/-	a/c	satisf.	3/4	13 153
12	Tbilisi Bypass	49.2/-	12-17/9-14	19/1 823	68/2376	8/730	-/-	a/c	bad	6/5	1 050N 4 081S
13	Tbilisi-Rustavi	4/-	14-15/10	-/-	3/81	5/111	-/-	a/c	satisf.	-/2	
14	Rustavi-Red Bridge	35.8/-	11-12/7-7.5	4/254	35/641	23/388	-/-	a/c	bad	-/3	1 430

### **3 PROJECT PLANNING**

#### **3.1 RELATION WITH OTHER PROJECTS**

The project in Georgia is a sub-section of the main contract entitled Rehabilitation of Caucasian Highways (Azerbaijan, Georgia and Armenia). As stated in the First Progress Report (January – July, 2003), the tasks for Georgia are grouped under the second component.

#### **3.2 PROJECT GOALS**

The project objectives are outlined in the Project Synopsis. In Georgia, the project consists mainly of the production of a Pre-Feasibility study for the road improvements to the Poti to Red Bridge Road.

The study will also highlight the need to protect land reserves for new road alignment.

#### **3.3 PROJECT APPROACH**

For the purpose of this Inception Report, the component 2 is divided into 3 Stages:

- Stage I Works Implementation Program;
- Stage II Main Technical, Design and Economical Principles;
- Stage III Pre-Feasibility Study and Technical Documents.

The Project Team Leader visited Tbilisi on 24<sup>th</sup> and 25<sup>th</sup> March 2003 to meet with EC delegation who advised him of all the contacts of the interested parties. During this time he visited the State Roads Department and made acquaintance with Mr. Tasliashvili as the main Beneficiary's Representative. He also met Mr. Keldishvili of the TACIS Coordination Unit and Mr. G. Gogiasvili of the TRACECA IGC.

Works started with arrival of LBSA highway engineer to Tbilisi on June 17, 2003. Sub-consultancy agreement has been concluded with Transdorproject. Duration estimated 10 months, in conjunction with the project in Armenia.

During the 2 months period, the Works were focused on the Stage I, mainly as follows:

- Review of the available existing design documents, roads technical passports, cartographic materials, and data of natural conditions;
- Selection of the modernization route alignment on the maps;
- Establishing the existing Traffic Volume;
- Program developing for the elaboration of the Pre-Feasibility study to the Standards of International motorway and documents submission to the State Department of Roads for approval.

Status of works: done

#### **3.4 PROJECT OUTPUTS**

The project output for Georgia is presented in **Form 1.5 Overall Output Performance Plan**.

### 3.5 PLANNING FOR THE WHOLE DURATION OF THE PROJECT

Planning for component 2, Georgia is presented in **Form 1.4 Overall Plan Of Operations**. The Plan shows the 3 different stages. Works on Stage I are already done.

Consultants in Stages II and III propose to carry out the following:

<b>Stage II Main Technical, Design and Economical Principles</b>
Visual reconnaissance of the selected alternative on maps in order to assess the feasibility of technical documents in future; Field survey according with adopted plan; Final recommendation of the main design and technical principles; Detailed content of the Pre-Feasibility study, investment economic effectiveness; Discussion of Pre-Feasibility documents with the State Department of Roads, Georgia; Submission of the Progress Report and Draft Final Report in October and December 2003 respectively.

Status of works: ongoing

<b>Stage III Pre-Feasibility Study Technical Documents</b>
Completion of the Pre-Feasibility Study; Submission of Technical documents to relevant authorities for approval; Submission of Final Report in April 2004

Status of works: on target

According to the Consultant's plan, the documents for Final Report will be presented in the following contents:

<b>Volume I</b>	Explanatory note and tables of main works
<b>Volume II</b>	Drawings and photos
<b>Volume III</b>	Road transport economics
<b>Volume IV</b>	Conclusions and recommendations

### 3.6 CONSTRAINTS RISKS AND ASSUMPTIONS

This section has been clarified in the Inception Report, April 2003 of the main contract. Constraints risks for Georgia Component are detailed in **Form 1.5 Overall Output Performance Plan**.

### **3.7 PLANNING FOR THE NEXT REPORTING PERIOD**

The ToR requires the submission of Progress Report end of the month 4. The Progress Report is due in mid October 2003. The works for Georgia will form part of the next Quarterly Report of the main contract. The planning for the next reporting period is presented in **Form 1.6 Plan of Operations for the next period.**



## FORM 1.6: PLAN OF OPERATIONS FOR THE NEXT PERIOD (GEORGIA)

Project title: <b>Rehabilitation of Caucasian Highways</b>			Project number: <b>EUROPEAID/113179/C/SV/MULTI</b>				Country: <b>Azerbaijan, Georgia, Armenia</b>			Page: <b>1 of 1</b>						
Planning period: <b>August 2003 – October 2003</b>			Prepared on: <b>August 15, 2003</b>				EC Consultant: <b>LBSA</b>									
Project objectives: <b>Component 1: Supervision of six civil works contracts, assistance to PIU, Component 2: Pre-Feasibility Studies, Component 3: Design and Tender Documents for three tunnels</b>																
No	ACTIVITIES IMPLEMENTED	TIME FRAME												INPUTS		
		2003						2004						PERSONNEL Man Days		EQUIPMENT AND MATERIAL
		6	7	8	9	10	11	12	1	2	3	4	EC Consultant	Counterpart		
2	Component 2: Pre-feasibility Study for modernization of Poti-Tbilisi-Red Bridge Road in Georgia															
2.2	<b>Stage II Reports</b>  Submission of Progress Report												(45) <sup>1</sup>	265	n/a	n/a
<b>TOTAL:</b>												(45)	265	n/a	n/a	

<sup>1</sup> In Conjunction with Component 3 (Armenia)

## FORM 1.5 OVERALL OUTPUT PERFORMANCE PLAN (GEORGIA)

Project title: <b>Rehabilitation of Caucasian Highways</b>		Project nr: <b>EUROPEAID/113179/C/SV/MULTI</b>	Country: Azerbaijan, Georgia, Armenia	Page: 1 of 1
Prepared on: August 15, 2003			EC Consultant: LBSA	
Output results	Deviation original plan + or - %	Reason for deviation	Comments on constrains & assumptions	
Component 2: Pre-feasibility Study for modernization of Poti-Tbilisi-Red Bridge Road in Georgia				
<b>2.1 Stage I</b>	Completed		No comments	
<b>2.2 Stage II</b>	Ongoing		No comments	
<b>2.3 Stage III</b>	On target		No comments	
<b>Reports</b>				
Prepare Inception Report	Done		The Progress Report will form part of the next Quarterly Report of the main contract.	
Prepare Progress Report	Ongoing			
Prepare Draft Final Report	Ongoing			
Prepare Final Report	On target			



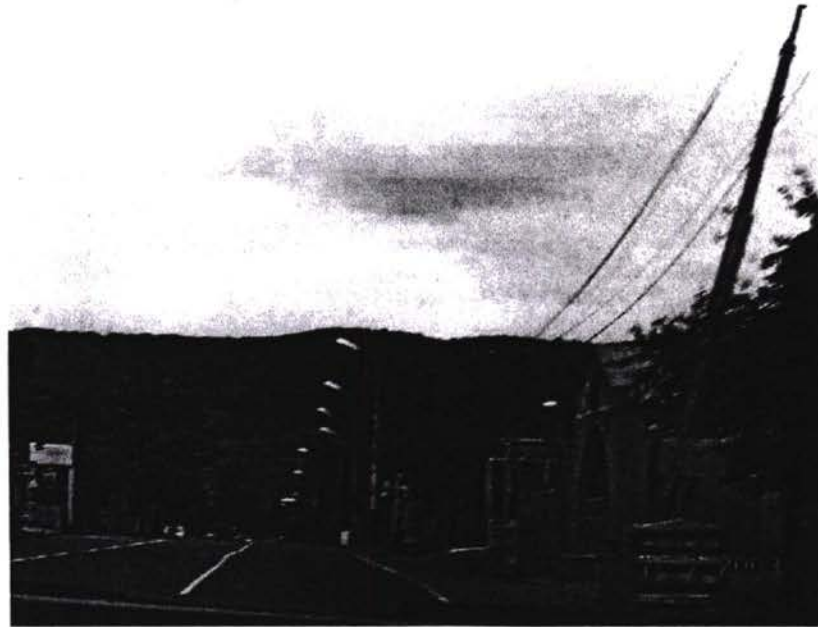
# **Annex 1**

**(It contains 5 pages excluding this one)**

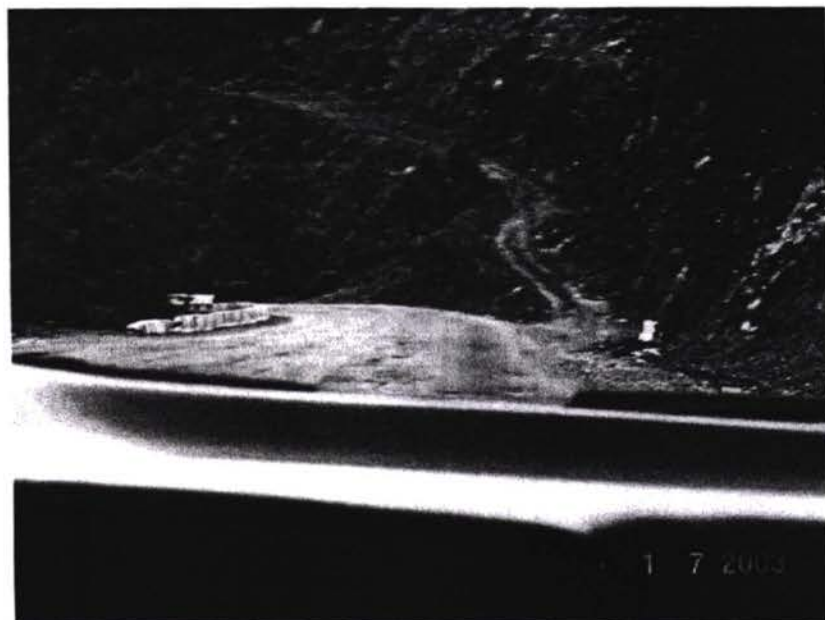
**Photos taken during Reporting Period**



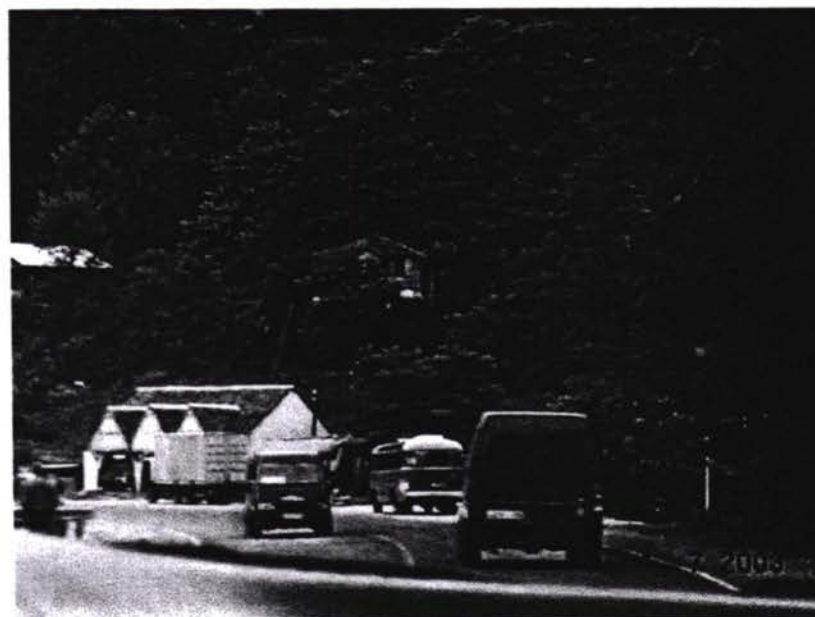
On the north of Tbilisi (8 km)



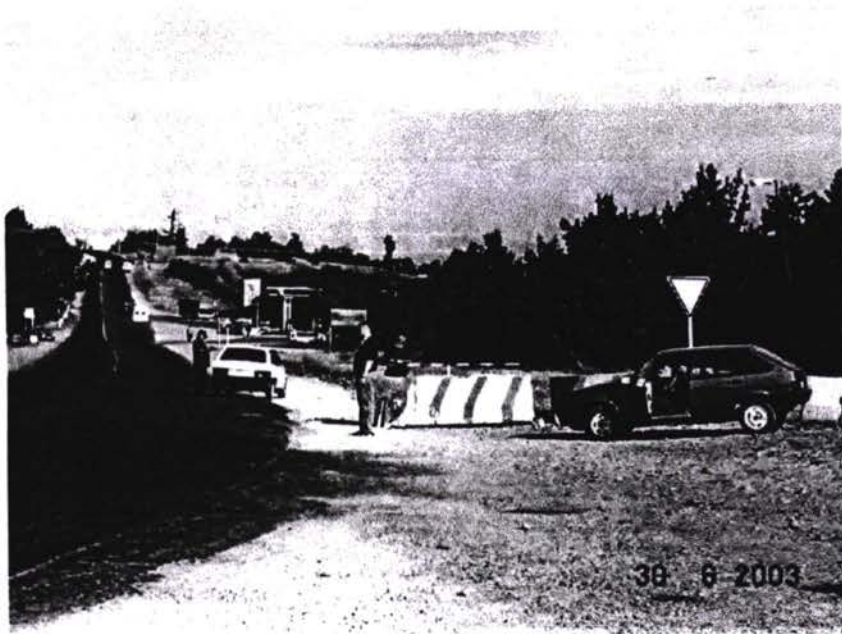
A settlement on the road



Between Khashurai and Zestafoni on the mountains



A trade on the road side



A police station near Natahtari



Between Natahtari and Gori



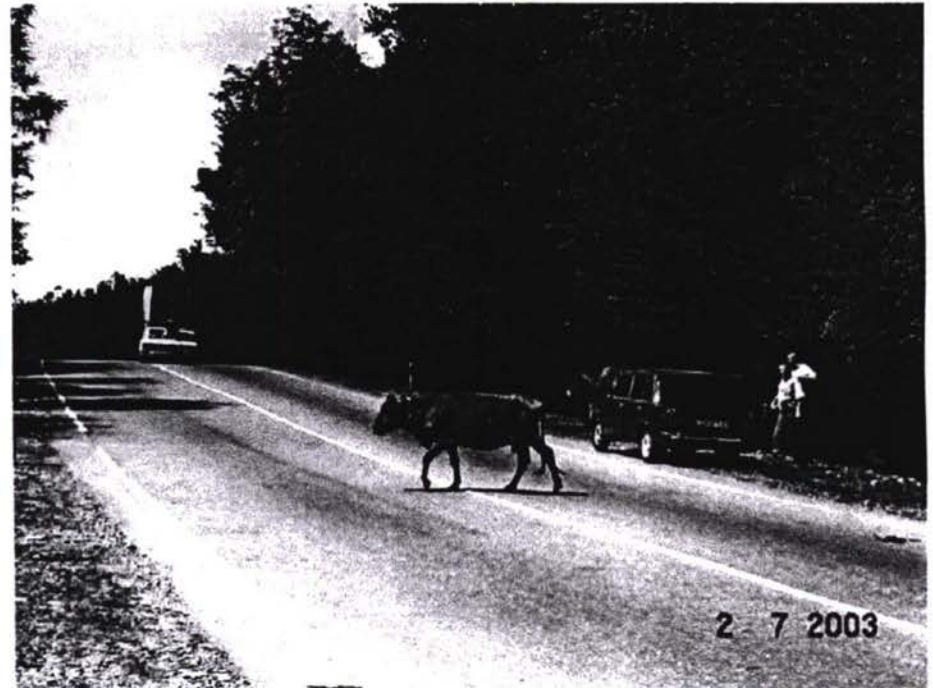
A settlement on the road



A railway on the north side of the road (Between Teklati and Poti)



The road between Teklati and Poti



On the east side of Kutaisi

## **Annex 2**

**(It contains 5 pages excluding this one)**

**Letters**



საქართველოს  
საავტომობილო გზების  
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**Subject: Comments of SDRG on TRACECA Inception Report (February 2003)  
Rehabilitation of Caucasian Highways in Azerbaijan, Georgia and  
Armenia**

Project Manager: Louis Berger  
Contract Number: EuropeAid/113179/C/SV/MULTI  
Author of the Report Mr. G.C. Tremlett, Team Leader, dated 21.02.2003

On examining the Inception Report concerning TRACECA-Rehabilitation of Caucasian Highways we would like to point out that it can't be considered as a Report on the initial stage of the project and below we attach the following comments:



1. Ministry of Transport and Communication of Georgia which has no actual relation to the project is mentioned as the Local Recipient of the Project in the Report, that's why the State Department of Roads of Georgia should be specified as the Local Recipient Agency 1.
2. **"2.3 The Five Main Components of the Project" - "The third component"** – "to provide solutions concerning modernization of Poti-Tbilisi-Red Bridge motorway in Georgia and to determine the effective use of attracted financing from IFI for investment in the roads rehabilitation." It is not clear what financing from IFI for investment in the roads rehabilitation is meant in this case. This issue was not mentioned in TACIS Terms of Reference the Year 2003. We would like you to clarify the point.
3. **"Appendix 1. - Project Component 3: Pre-feasibility Study for modernization of Poti-Tbilisi-Red Bridge Road in Georgia"** - This table contains integrated split of the sections of technical documentation which has no significant importance on the whole. Meanwhile, in TACIS Terms of Reference there is a detailed list of tasks for developing the Pre-feasibility Study, submitted on 4 pages. In addition, there is a brief description of the methodology for the execution of field survey and design works. Hence, it is not clear why those tables were included in the Report.
4. Form 1.4 "OVERALL PLAN OF OPERATIONS" - Time Frame for the execution of the main activities – in the last six months of 2003 and in the first six months of 2004. We suppose that Time Frame first should be agreed with the State Department of Roads of Georgia. Besides, it should be determined based on realistic dates for actual commencement of works. The Time Frame mentioned in Table 1.6 – "Plan of Operations for the Next Period" is also 2003. As the Time Frame for the execution of works is not specified yet, it is not clear what is done under the Form 1.4 and what is done under the Form 1.6.
5. We would like remind you that the Government of Georgia considers that the Y2003 TACIS Program in Georgia should cover the 80 km of Sarpi-Batumi-Poti motorway which is the integral part of TRACECA corridor and represents the extension of the motorway around Black Sea, construction of which is almost completed in Turkey, together with the increase in financing correspondingly. Thereby, the plan of developing the technical documentation and the Inception report should be modified based on the results of settling the issue.
6. In our opinion any report including the Inception Report should be only composed only after analyzing the existing situation and reviewing the available technical documentation. Nothing was done to develop Pre-feasibility Study for the modernization the existing TRACECA motorways in Georgia as the design works are not started yet that is the reason why the Inception Report couldn't be developed.
7. We would like to invite your representative to Tbilisi in order to prepare the technical documentation for the Pre-feasibility Study. Together with Georgian experts they will determine the composition and contents of technical documentation. The work will be split in stages. Upon the completion of each stage the experts will prepare corresponding reports. Such overall program will enable us to develop the Pre-feasibility Study on the required high technical level.

Taking into account the above-mentioned, you are kindly requested to assist us in the following:

- To include in TACIS Program 2003 the development of Pre-Feasibility Study for the modernization of the existing roads of Sarpi-Batumi-Poti-Tbilisi route totaling 500 km up to the standards of international motorway, instead of prior stipulated development of technical documentation for the rehabilitation of Tbilisi-Gori road totaling 70 km.
- Increase in the cost of design, which was initially provided in TACIS Project for Georgia due to the significant increase in the volume of technical documentation that shall be developed.

Sincerely yours

Tamaz Shaishmelashvili  
Vice Chairman of SDGR



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**Subject: Comments of SDRG on TRACECA Revised Inception Report (April 2003)**

**Rehabilitation of Caucasian Highways in Azerbaijan, Georgia and Armenia**

Project Manager: Louis Berger

Contract Number: EuropeAid/113179/C/SV/MULTI

Author of the Report Mr. G.C. Tremlett, Team Leader, dated 30.04.2003

On examining the Revised Inception Report concerning TRACECA-Rehabilitation of Caucasian Highways, we would like to point out that taking into account the works to be done in Georgia we can only consider the Report as conceptions concerning some organization issues. Below we attach the following comments:

8. The State Department of Roads of Georgia is the Beneficiary of the project in Georgia, an independent agency and is not under the Ministry of Transport and Communication of Georgia, to which effect we informed you in our "Comments of SDRG on TRACECA Inception Report dated February 2003".
9. **The third component** – "to determine the effective use of attracted financing from IFI for investment in the roads rehabilitation". Under TACIS Terms of Reference no determining the effective use of attracted financing from IFI for investment in the roads rehabilitation is mentioned. The point is to determine the effective use of

attracted financing in the modernization of TRACECA roads in Georgia. The rehabilitation is a separate issue. It was also mentioned in our previous comments on Inception Report as of February 2003.

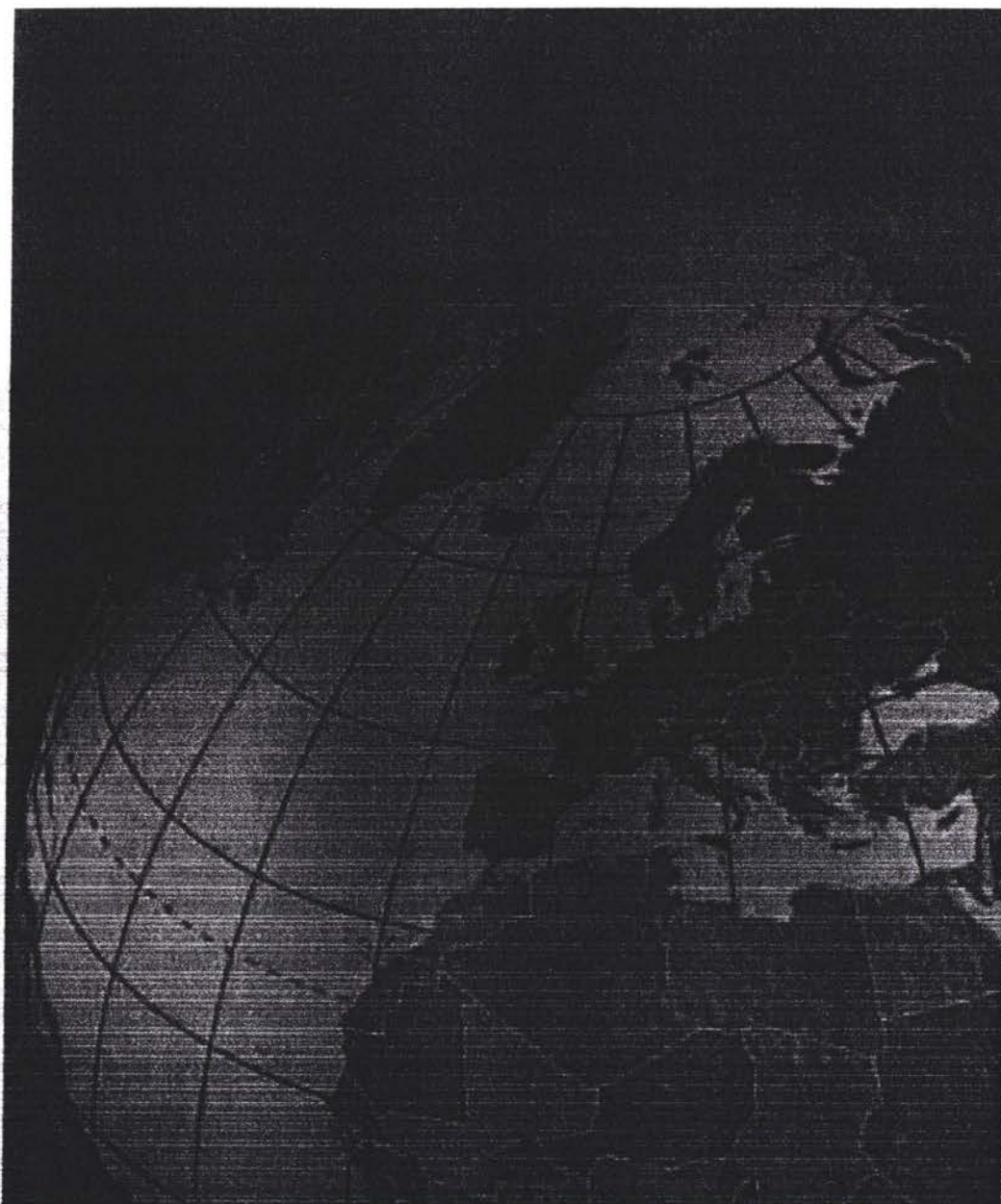
10. We would like to remind you that we applied to TACIS with a request to include the road Sarpi-Batumi-Poti, totaling 80 km, which is an integral part of TRACECA corridor, into Pre-feasibility study for the modernization of the existing roads in Georgia and to increase the financing respectively. We hope that the decision will be positive. We didn't apply to the Consultant and we don't understand why the Consultant takes the responsibility and doesn't apply directly to TACIS for settling of the issue of increasing financing.
11. The fifth component covers training, the transfer of know-how from Team Leader to experts of Caucasian Republics. We weren't involved in the discussion of this item and you can't include it in the Report.

Sincerely yours

Tamaz Shaishmelashvili

Vice-Chairman

State Department of Roads of Georgia



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