



# Grant Assistance Report

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Project Number: 41038  
September 2007

## Proposed Grant Assistance Republic of Tajikistan: Sustainable Access for Isolated Rural Communities (Financed by the Japan Fund for Poverty Reduction)

## CURRENCY EQUIVALENTS

(as of 29 August 2007)

Currency Unit	–	somoni (TJS)
TJS1.00	=	\$0.291
\$1.00	=	TJS3.44

## ABBREVIATIONS

ADB	–	Asian Development Bank
CBO	–	community-based organization
GDP	–	gross domestic product
GIM	–	grant implementation memorandum
IEE	–	initial environmental examination
JFPR	–	Japan Fund for Poverty Reduction
JICA	–	Japan International Cooperation Agency
JRC	–	jamoat resource and advocacy council
MOF	–	Ministry of Finance
MOTC	–	Ministry of Transport and Communications
NCB	–	national competitive bidding
PIU	–	project implementation unit
PRC	–	People's Republic of China
TA	–	technical assistance
UNDP	–	United Nations Development Programme

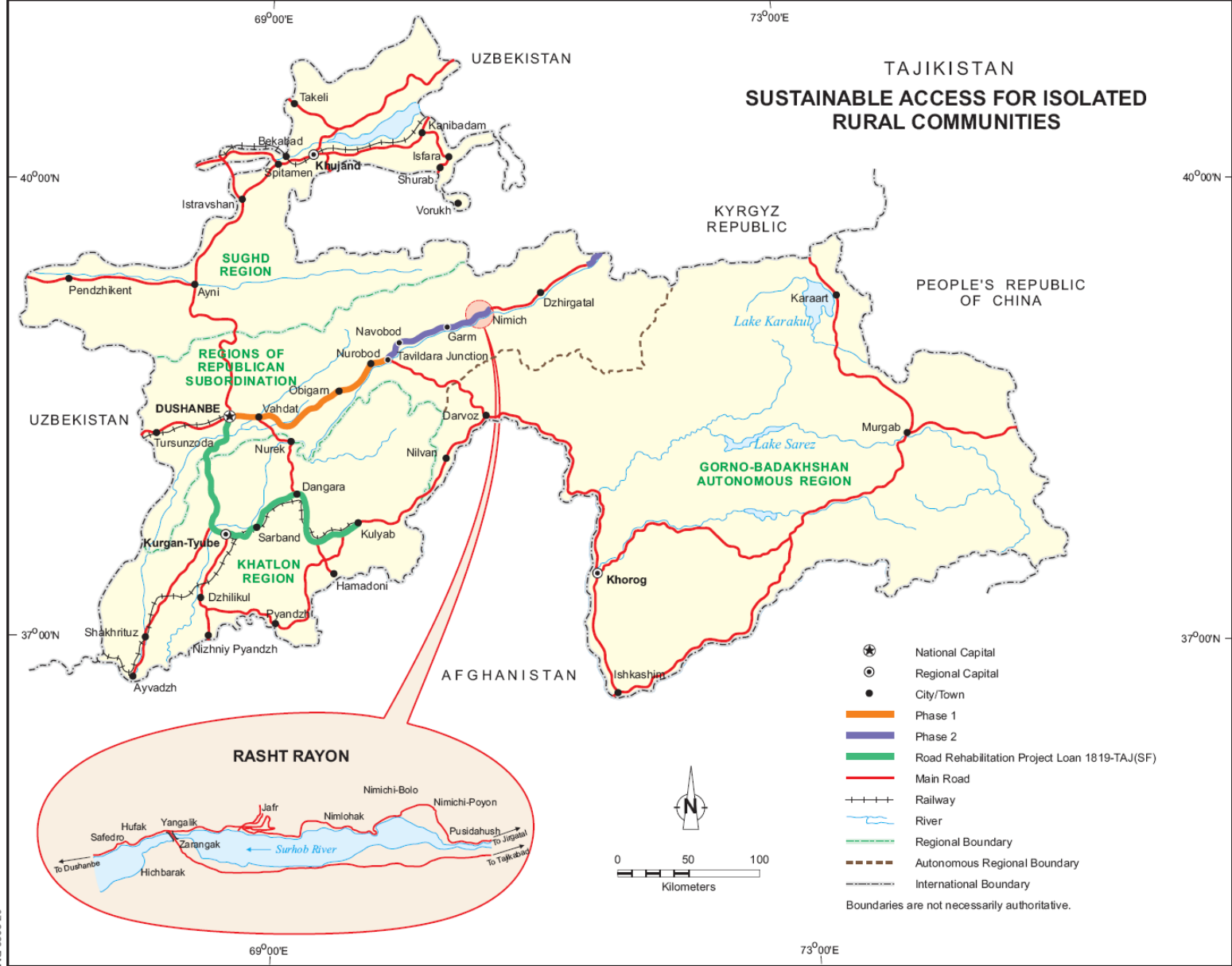
## GLOSSARY

jamoat	–	village cluster (the lowest administrative division)
rayon	–	District

## NOTES

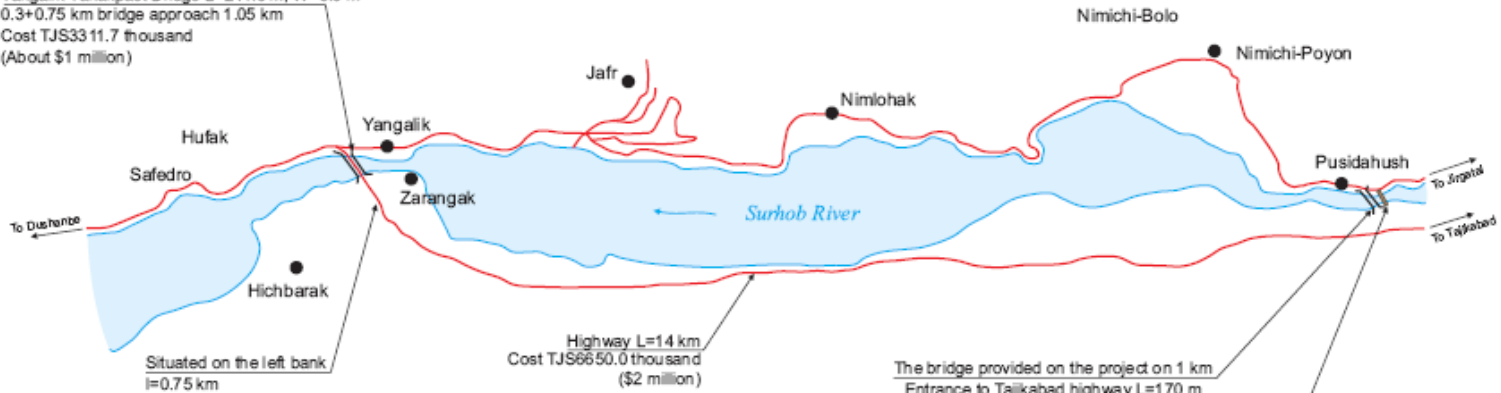
- (i) The fiscal year (FY) of the Government of Tajikistan ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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TAJIKISTAN  
**SUSTAINABLE ACCESS FOR ISOLATED  
 RURAL COMMUNITIES**  
 SKETCH OF PROJECT SITE

Yangalik-Yahakpast Bridge L=241.8 m, W=5.8 m  
 0.3+0.75 km bridge approach 1.05 km  
 Cost TJS33 11.7 thousand  
 (About \$1 million)



Situated on the left bank  
 l=0.75 km

Highway L=14 km  
 Cost TJS6650.0 thousand  
 (\$2 million)

The bridge provided on the project on 1 km  
 Entrance to Tajikabad highway L=170 m  
 8,0+2,0x1,0 m. cost TJS 7635.0 thousand  
 (\$2.5 m)

The destroyed suspension bridge  
 Entrance to Tajikistan Highway  
 Restoration of the bridge cost  
 TJS13.0 thousand (\$4 million)

- National Capital
- City/Town
- Road
- River

## JAPAN FUND FOR POVERTY REDUCTION (JFPR)

**JFPR Grant Proposal**

<b>I. Basic Data</b>	
<b>Name of Proposed Activity</b>	Sustainable Access for Isolated Rural Communities
<b>Country</b>	Republic of Tajikistan
<b>Grant Amount Requested</b>	\$2.0 million
<b>Project Duration</b>	30 months
<b>Regional Grant</b>	<input type="radio"/> Yes / <input checked="" type="radio"/> No
<b>Grant Type</b>	<input checked="" type="radio"/> Project / <input type="radio"/> Capacity building

**II. Grant Development Objectives and Expected Key Performance Indicators**

<p><b>Grant Development Objectives:</b>  The objective is to restore access for the isolated rural communities in the Rasht <i>rayon</i> (district). As a result of a flood which washed away a bridge on the Surkhob River in August 2006, people in these communities currently have to detour up to 80 kilometers (km) to access the road to Dushanbe and Tajikabad center. The Project will contribute to sustainable economic development and social stability by providing improved connectivity and mobility for economically marginalized rural poor so that they can undertake normal daily economic activities. It will further assist the self-sufficiency of the affected rural villagers by empowering them to be accountable for their infrastructure maintenance needs. The outcome will be the establishment of safe, efficient, and sustainable transport access for the rural poor. The anticipated outputs are (i) the rehabilitation of the Yangalik–Yahakpast bridge, (ii) the upgrade of rural roads in the immediate vicinity of the affected rural communities, and (iii) the introduction of community-based infrastructure maintenance practices.</p>
<p><b>Expected Key Performance Indicators</b></p> <ol style="list-style-type: none"> <li>1. Rehabilitation of one bridge and construction of 1.05 km of bridge approach-roads in Rasht rayon.</li> <li>2. Improvement of the 14-km rural road linking Yahakpast, Langary shoh, and Tajikabad center.</li> <li>3. The number of small-scale local contractors engaged for construction and maintenance works.</li> <li>4. The number of community-based infrastructure maintenance works and related activities.</li> </ol>

**III. Grant Categories of Expenditure, Amounts, and Percentage of Expenditures**

This information was deemed confidential according to exception # 10 of ADB's Public Communications Policy (2005).

## JAPAN FUND FOR POVERTY REDUCTION

**JFPR Grant Proposal  
Background Information**

<b>A. Other Data</b>	
<b>Date of Submission of Application</b>	June 2007
<b>Project Officer</b>	Hee Young Hong, Financial Analysis Specialist, Central and West Asia Department Infrastructure Division (CWID)
<b>Project Officer's Division</b> <b>E-mail</b> <b>Phone</b>	Infrastructure Division (CWID) <a href="mailto:hyhong@adb.org">hyhong@adb.org</a> 632-5940
<b>Other Staff Who Will Need Access to Edit/Review the Report</b>	Hong Wang, Principal Transport Specialist, CWID Rustam Ishenaliev, Transport Specialist, CWID Shih-Liang Tu, Environment Specialist, CWOD Lanfranco Blanchetti-Revelli, Social Development Specialist (Resettlement), CWOD
<b>Sector</b>	Transport and communications
<b>Subsector</b>	Roads and highways
<b>Theme</b>	Sustainable economic growth
<b>Subtheme</b>	Fostering physical infrastructure development
<b>Targeting Classification</b>	Targeted intervention (TIT)
<b>Was JFPR Seed Money used to prepare this grant proposal?</b>	Yes [ ] No [x]
<b>Have Staff Review Committee comments been reflected in the proposal?</b>	Yes [x] No [ ]
<b>Name of Associated ADB Financed Operations</b>	Dushanbe–Kyrgyz Border Road Rehabilitation Project (Phase II )  CAREC Regional Road Corridor Improvement Project (for approval in 2007)  Community Based Road Maintenance Project financed by the Japan Fund for Poverty Reduction (JFPR)
<b>Executing Agency</b>	Ministry of Transport and Communications (MOTC)
<b>Grant Implementing Agency</b>	Mr. Nizom Hakimov, Executive Director Project Implementation Unit (PIU), MOTC Ayni 14, 73046 Dushanbe Tel: (992-372) 234158 Fax: (992-372) 5101275 E-mail: <a href="mailto:piurr@tojikiston.com">piurr@tojikiston.com</a>

## B. Details of the Proposed Grant

### 1. Description of the Components, Monitorable Deliverables/Outcomes, and Implementation Timetable

<b>Component A</b>	
Component Name	<b>Restoring Sustainable Access for Isolated Rural Communities</b>
Cost (\$)	This information was deemed confidential according to exception # 10 of ADB's Public Communications Policy (2005).
Component Description	<p>Component A will improve access of the rural communities affected by the flooding. The component will (i) rehabilitate an existing 241.8-meter (m) bridge connecting Yangalik and Yahakpast villages in Rasht rayon; (ii) construct 1.05 kilometers (km) of bridge approach-roads on each side of the Surkhob River; and (iii) improve the 14-km rural road linking Yahakpast, Langary shoh, and the access road to Tajikabad center.</p> <p>Removal of the physical barrier to access will strengthen integration of the isolated rural poor. About 47,000 rural villagers in nine <i>jamoats</i><sup>1</sup> of Rasht and Tajikabad rayons<sup>2</sup> will directly benefit from improved mobility, access, and communications. Increased poverty alleviation is envisaged by minimizing the potential long-term adverse impact on equitable socioeconomic development, while providing jobs and income opportunities.</p> <p>Timely completion of a bridge, bridge approach-roads, and rural road will be the key success factor. Added value will be derived from (i) the mobilization of local resources, (ii) the provision of on-the-job training, and (iii) the introduction of good labor, construction, and maintenance practices. A positive impact on the incubation of small businesses and increased agricultural activities is also anticipated.</p>
Monitorable Deliverables/Outputs	<p>In Rasht rayon:</p> <ul style="list-style-type: none"> <li>- 241.8-m Yangalik–Yahakpast bridge rehabilitated.</li> <li>- 1.05-km Yangalik–Yahakpast bridge approach-roads constructed.</li> <li>- 14-km rural road linking Yahakpast, Langary shoh, and the access road to Tajikabad center improved.</li> </ul>
Implementation of Major Activities: Number of months for grant activities	<ul style="list-style-type: none"> <li>- 241.8-m bridge rehabilitation; 15 months</li> <li>- 1.05-km bridge approach-roads construction; 5 months</li> <li>- Improvement of the 14-km rural road from the bridge to the Tajikabad center access road; 5 months</li> </ul>

<sup>1</sup> *Jamoat* is Tajik for village cluster, the lowest administrative division.

<sup>2</sup> Nine jamoats consist of five jamoats (Djafr, Kaznak, Khydjborak, Kalaysurkh, and Navdi) in Rasht rayon and four jamoats (Langary shoh, Kalay labyob, Shogadoev, and Nushor) in Tajikabad rayon.

<b>Component B</b>	
Component Name	<b>Fostering Community-Based Maintenance Practices</b>
Cost (\$)	This information was deemed confidential according to exception #10 of ADB's Public Communications Policy (2005).
Component Description	<p>Component B will provide a sustainable infrastructure maintenance mechanism. The Project will build the capacity of key local stakeholders (i.e., local governments, community based organizations [CBOs], communities, and contractors) to carry out community-based maintenance works. It aims to promote proactive measures to plan, mobilize, manage, and utilize internal resources to address inadequate maintenance in the affected rural communities. Consultants will be engaged to promote participatory community-based infrastructure maintenance works through community mobilization and capacity development. The affected rural communities will be equipped with basic knowledge, skills, and equipment necessary for conducting day-to-day infrastructure maintenance and minor repair works. Implementation of community-based rural infrastructure maintenance works<sup>3</sup> will be undertaken under the consultants' supervision.</p> <p>The Project integrates and catalyzes both the Asian Development Bank's (ADB's) and other donors' activities in the vicinity of the project area<sup>4</sup>. In particular, the intervention anticipates replicating and reinforcing the decentralized operation and maintenance scheme established under the JFPR 9078-TAJ: Community Based Road Maintenance project.<sup>5</sup> The JFPR 9078 project addresses fiscal difficulties and institutional constraints associated with rural maintenance and formulates a sustainable institutional and financial structure in local communities. The Project will galvanize the use of such a scheme and the implied time and resource savings are deemed potentially large.<sup>6</sup> Close collaboration, adaptive management skills, and efficient logistical coordination will be required to coordinate training and workshops and monitor the performance of existing activities under the JFPR 9078 project.</p>

<sup>3</sup> Rural roads and river crossings in the project area will be identified and maintained. The types of maintenance works envisaged are (i) clearing drains, (ii) protecting against scour and erosion, (iii) re-profiling of the cross-section, (iv) repairing and reinstating signage, (v) filling potholes, (vi) sealing cracks on rural roads, (vii) cleaning, and (viii) river training. The maintenance works will start as soon as training and workshops are received by local governments, contractors and subcontractors, and rural communities.

<sup>4</sup> There is ongoing assistance from the Government of Japan to support grassroots agricultural activities in Tajikabad. Ongoing ADB projects include the following: Ministry of Transport Republic of Tajikistan. 2005. *TAJ: Dushanbe-Kyrgyz Border Road Rehabilitation Project*. Dushanbe (Phase II) and REG: CAREC Regional Road Corridor Improvement Project (for approval in 2007); and the ADB. 2005. *Proposed Grant Assistance to the Republic of Tajikistan on Community-Based Rural Road Maintenance Project*. Manila (financed by the Japan Fund for Poverty Reduction). UNDP-assisted CBOs may be engaged for various activities under the Project.

<sup>5</sup> The JFPR project was approved on October 2005. It comprises (i) establishing a rural road planning network system, (ii) capacity building in community based maintenance work, and (iii) community based road maintenance work. The design framework of JFPR 9078 incorporates CBO's experience and knowledge to strengthen community based maintenance. The design conforms with the recommendations developed under previous and ongoing loans and technical assistance (TA), in particular, ADB. 2005. *Technical Assistance to the Republic of Tajikistan for Institutional and Policy Support to the Road Sector*. Manila (TA 3602-TAJ).

<sup>6</sup> Potential cost savings can be realized through the utilization of the following under the JFPR 9078 project: (i) participatory frameworks, rural road network plans, road maintenance manual, and maintenance funds scheme; and (ii) the extension of training and workshops to accommodate additional participants from affected rural communities.

Monitorable Deliverables/Outputs	<ul style="list-style-type: none"> <li>- The decentralized community participatory scheme established under the JFPR 9078 project adapted and implemented.</li> <li>- At least 30 local governments, small scale contractors and subcontractors, and rural communities receive training and workshops.</li> <li>- At least four small-scale contractors trained for community-based infrastructure maintenance works and related activities.</li> <li>- Minimum five maintenance works and related activities on existing infrastructure (mainly rural roads and river and stream crossings) conducted.</li> </ul>
Implementation of Major Activities: Number of months for grant activities	- 24 months
<b>Component C</b>	
Component Name	<b>Supporting Project Management, Monitoring, and Evaluation</b>
Cost (\$)	This information was deemed confidential according to exception #10 of ADB's Public Communications Policy (2005).
Component Description	<p>Component C will ensure effective and efficient project implementation. With the support of consulting services, the following activities will be undertaken by the project implementation unit (PIU) (Appendix 4):</p> <ul style="list-style-type: none"> <li>(i) overall project planning, coordination, supervision, management, and reporting;</li> <li>(ii) the preparation of work plans and implementation guidelines and procedures for grant financing;</li> <li>(iii) an independent social and poverty impact assessment; and</li> <li>(iv) annual independent external auditing.</li> </ul> <p>Additional staff will be engaged to the existing PIU to facilitate implementation. With the assistance of consultants, the PIU will (i) undertake proper dissemination of information and reporting to key stakeholders; (ii) recommend measures for project sustainability and refine the existing institutional, financial, and participatory scheme; and (iii) ensure that transparency and accountability mechanisms are in place.</p>
Monitorable Deliverables/Outputs	<ul style="list-style-type: none"> <li>- Comprehensive and detailed work plan, implementation schedule, and guidelines prepared.</li> <li>- Effective construction supervision and fiduciary oversight in place.</li> <li>- Day-to-day project monitoring and evaluation undertaken.</li> <li>- Timely and quality-oriented reports prepared.</li> <li>- Independent auditor engaged to conduct annual financial and project audits.</li> </ul>
Implementation of Major Activities: Number of months for grant activities	- 24 months

## 2. Financing Plan for Proposed Grant to be Supported by Japan Fund for Poverty Reduction

Funding Source	Amount (\$)
JFPR	2,000,000
Government	245,600 (in-kind contribution)
Other Sources (communities)	124,300 (in-kind contribution)
<b>Total</b>	<b>2,369,900</b>

## 3. Background

1. Tajikistan is the smallest and poorest nation in Central Asia, with a predominantly agricultural economy and a population of about 7 million. With 93% of its territory covered by mountains and being landlocked by the People's Republic of China (PRC), Afghanistan, Uzbekistan and the Kyrgyz Republic, Tajikistan is heavily dependent on road transport, which accounts for about 80% of total freight and 90% of total passenger movements. Although gross domestic product (GDP) expanded at an average of 9.6% during 2000–2004, the aging and inadequately maintained road infrastructure will undermine further economic growth.<sup>7</sup> The road subsector has suffered from a combination of (i) insufficient funding for maintenance, (ii) a lack of skilled labor, and (iii) frequent natural hazards; a large capital investment is required to provide a reliable road network. However, with an annual per-capita GDP of \$236 and a poverty incidence of about 64% in 2006,<sup>8</sup> fiscal constraints will result in limited rural road investments and maintenance.

2. Regular infrastructure maintenance is essential for Tajikistan as it is geographically predisposed to frequent floods, snowfall, landslides, and other extreme climatic events. Disruptions to the rural poor from such natural disasters tend to be acute as these people rely heavily on roads, bridges, and river and stream crossings in order to undertake basic economic and social activities. Overcoming physical barriers in a timely way is important; any delays will further constrain productivity and hinder improvements in living conditions. The hardships are magnified in the remote rural areas as these areas have difficulty securing government support<sup>9</sup> for infrastructure maintenance. Damaged access roads and bridge and river crossings are left unattended due to lack of financial resources, intensifying the potential adverse impact on impoverished rural villages.

3. Coupled with the weak macroeconomic factors, the proposed Japan Fund for Poverty Reduction (JFPR) Project is precipitated by flooding of the Surkhob River, which completely washed away the suspension bridge<sup>10</sup> connecting Tajikabad center and Rasht rayon in August 2006. The destroyed suspension bridge, although old and in poor condition, provided a crucial link across the river as it was the only bridge within about 80 km that could carry an average of

<sup>7</sup> Various studies confirm better infrastructure and access are prerequisites to faster poverty reduction and economic growth.

<sup>8</sup> ADB. 2006. *Country Strategy and Program Update (2006–2008): Tajikistan*. Manila. The poverty incidence is based on a poverty line of \$2.15 purchasing power parity per capita per day.

<sup>9</sup> To meet an International Monetary Fund requirement to maintain a single, consolidated state budget, the Government established and operated a road fund up until 2000. Road maintenance is now funded through the general state budget and is insufficient to cover minimum maintenance requirements.

<sup>10</sup> The 90-m long and 4.5-m wide bridge was built during the Soviet era. The cost to rebuild the suspension bridge is estimated at about \$4.0 million.

300 vehicles per day. Currently, freight and passengers must travel an additional 40 km to access Tajikabad center. More than 47,000 people with higher than the average poverty incidence of about 85% in Rasht and Tajikabad rayons have been affected by the damage (footnote 3). A price markup of 30–50% on goods was reported after the incident. To alleviate socioeconomic difficulties caused by the disrupted link between the two rayons and the city centers, on 22 December 2006 the Government of Tajikistan requested ADB assistance for rehabilitating the 241.8-m Yangalik–Yahakpast Bridge<sup>11</sup> (located 15 km upstream from Garm and about 18 km downstream from the destroyed suspension bridge).

4. Three alternatives have been explored: (i) rebuilding the destroyed suspension bridge; (ii) constructing a new 170-m bridge immediately downstream of the washed-away suspension bridge;<sup>12</sup> and (iii) rehabilitating the 241.8-m Yangalik–Yahakpast Bridge (as proposed by the Government). The first and second options provide less poverty impact as fewer rural people reside in the vicinity. The third alternative has greater poverty reduction impact due to (i) a larger number of direct beneficiaries residing on each side of the river, (ii) a shorter route to markets, (iii) less construction cost and time, and (iv) increased reliability. Overall, all the 30,000 inhabitants of the left bank of the Surkhob River east of Yangalik will benefit from the project bridge. Without the assistance, the opportunity costs could be high due to accumulated poverty incidence in the project area.

5. Furthermore, providing access to Tajikabad center has both economic and geopolitical significance for the country. Tajikabad center is one of the poorest regions and is where the civil war<sup>13</sup> originated. The economic integration achieved by improving mobility, access, and communications will promote the development of Tajikabad center. Geographically endowed with a favorable climate and vast arable lands on the south bank of the Surkhob River, Rasht and Tajikabad rayons provide the ideal location for agricultural production—an opportunity for the affected rural poor to broaden their livelihoods. The bridge access and road improvement will (i) reduce social and economic costs, (ii) allow for the uninterrupted flow of agricultural goods and services (such as seed, fertilizer, and crops) across the river, and (iii) result in larger profit margins for agricultural and horticultural produce as the commercial value of local products will increase. It will also contribute to strengthening links with regional and local markets.

6. The Project supports the Government's objectives of poverty alleviation, decentralization,<sup>14</sup> and human development. The Project was formulated in close consultation with the Ministry of Transport and Communications (MOTC), local governments, community-based organizations (CBOs) such as jamoat resource and advocacy councils (JRCs), rural communities, and relevant donors, particularly the Embassy of Japan in Tajikistan. The project scope is defined and outlined in a memorandum of understanding signed on 23 February 2007. The field visit to the project site took place on 20 February 2007. The Project requires no resettlement and land acquisition. The Project is deemed unlikely to cause any impacts on indigenous peoples. If any unanticipated impacts are encountered during implementation, these

<sup>11</sup> The bridge foundation was built in 1989 by the former Soviet Union. Its completion was not possible due to the collapse of the former Soviet Union and the civil war. According to the PIU, about \$773,000 is invested on the existing bridge structure in current prices. At present, all intermediate pillars have been installed with incomplete right-bank abutment and incomplete left-bank abutment foundations. Across the existing structural elements a suspension pedestrian bridge was installed (the piles are connected with a wooden deck supported by a wire), although it does not meet any safety standards. This provides temporary access for the isolated villagers; around 500 rural poor reportedly use the bridge daily at peak times.

<sup>12</sup> This bridge construction had been planned for some time, and piles for this bridge have already been driven. The estimated cost to complete the bridge is about \$2.5 million.

<sup>13</sup> The civil war started in 1992 and lasted until 1997.

<sup>14</sup> In line with 2004 Government policy to decentralize infrastructure provision, the Project is expected to underpin the Government's efforts by broadening implementation in the impacted communities with assistance provided by local governments, CBOs, and jamoat resource and advocacy councils (JRCs).

will be addressed in accordance with ADB's safeguard policies. A summary initial environmental examination (IEE) is provided in Supplementary Appendix 3.<sup>15</sup> Compliance with ADB's safeguard policies and governance and anticorruption policies will be closely monitored throughout the project implementation period.

#### 4. Innovation

7. The Project will introduce a decentralized and community-driven participatory approach to rural infrastructure maintenance. The Project integrates and catalyzes both ADB's and other donors' activities in the project vicinity. The Project incorporates the following approaches which will have a positive effect on poverty reduction.

- (i) A practical solution to curtail physical, social, and economic isolation in the target area.
- (ii) An inclusive scheme to reach out to the most vulnerable people through community mobilization and participation.
- (iii) An integrated approach to enhance the effectiveness and efficacy of the ongoing activities of ADB and other donors (footnote 5).

8. Investment in physical infrastructure and capacity development will deepen community involvement. The Project will promote participatory community-based maintenance practice and enable local people to be self-sufficient in daily maintenance. Increased mobilization of locally sourced unskilled laborers for labor-intensive works will generate income opportunities for the rural communities. Preference given to emerging small contractors and women will guarantee inclusiveness to the vulnerable and the promotion of small businesses. Replicating and extending the concept and modality developed under the JFPR 9078 project will further strengthen the project outcome and impact, and facilitate implementation (footnote 6). Potential time and cost saving implications will be realized through coordinating and extending workshops under the JFPR 9078 project (footnote 7). Workshops consist of training for (i) small-scale contractors on financial planning, tendering and contract administration, labor management, workplace safety, environmental awareness, and health; and (ii) contract supervisors (CBOs, subnetwork managers, and local communities) on contract supervision and management. Additional participants from the affected rural communities will be accommodated.

9. The Project connects to the main road artery under Phase II of ADB's *Dushanbe-Kyrgyz Border Rehabilitation Project*. Extensive communication and involvement with the Embassy of Japan in the early stages of the project preparation ensured that the project design complements the ongoing assistances from the Government of Japan.

#### 5. Sustainability

10. The Project is geared towards devolving maintenance responsibility to local governments, which is found to be more effective. Local governments and communities are better informed of their infrastructure needs in the local area and thus require less lead time to plan, prepare, and respond to emergency and repair works (provided that financial and technical resources are available).

11. The Project is designed to ensure the achievement of economic, social, financial, institutional, technical, and environmental sustainability.

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<sup>15</sup> An initial environmental examination (IEE) was prepared, based on the IEE approved under the Ministry of Transport Republic of Tajikistan. 2005. *TAJ: Dushanbe-Kyrgyz Border Road Rehabilitation Project*. Dushanbe (Phase II), with additional data and mitigation measures. (Supplementary Appendix 3)

12. **Economic and Social Sustainability.** The Project ensures equitable and sustainable development by offering opportunities to diversify and broaden the livelihoods of the isolated rural communities through improved access and job creation. Use of labor-based technology will further broaden livelihoods and contribute to income-generating opportunities.

13. **Financial and Institutional Sustainability.** While eliminating physical constraints on access and mobility, the Project will further promote institutionalization of the framework and expand the rural coverage of the community-based maintenance mechanism developed under the JFPR 9078 project, which ensures financial sustainability through the establishment of village maintenance funds. The cash or in-kind contribution will be collected by the local CBO as an initial village maintenance fund, and this will be used solely for operation and maintenance costs. This will secure the minimum financial resources necessary for periodic maintenance. By increasing local confidence and ownership, the core systemic weaknesses of deficient capacity (both technical and financial) will be effectively managed. Component B of the Project is dedicated to strengthening the long-term sustainability of the Project by reinforcing the participatory community-based maintenance scheme and enhancing accountability. The impacted rural communities will have the capacity to make independent and informed decisions on the maintenance of rural infrastructure.

14. CBOs, JRCs, local nongovernment organizations, and international and national consultants will be contracted according to procedures acceptable to ADB. Local ownership will be instilled through local government and rural communities in-kind contribution of about \$369,900. MOTC is committed to allocating the required funds, facilities, services, and other resources for carrying out the Project. MOTC will assume full responsibility for the operation and maintenance of the access roads in the project area under its jurisdiction.

15. **Technical Sustainability.** Technical sustainability will be ensured by using labor-intensive technology, practical workshops, and on-the-job training (i.e., finance planning, tendering, contract administration, environmental and safety awareness, and construction and maintenance works). Local community leaders, CBO engineers, and contractors will be trained, and these trainers will provide follow-up training to rural community members. The Project will also procure essential safety tools<sup>16</sup> for maintenance works.

16. **Environmental Sustainability.** Sound engineering and construction practices will be encouraged. Environmental impacts can be mitigated through adequate implementation and monitoring of the mitigation proposed in the IEE.

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<sup>16</sup> Road maintenance site safety tools and equipment (such as barriers, reflective cones and vests, and protective gloves) will be procured and loaned to contractors. The tools and equipment will be retained for future use by CBOs, who will assume ownership upon completion of the Project.

**6. Participatory Approach**

<b>Primary Beneficiaries and Other Affected Groups and Relevant Description</b>	<b>Other Key Stakeholders and Brief Description</b>
<p>The isolated rural poor in the project area with:</p> <ul style="list-style-type: none"> <li>• enhanced access to basic socioeconomic activities,</li> <li>• increased income-generating opportunities,</li> <li>• reduced transport costs,</li> <li>• improved safety, and</li> <li>• added capacity and knowledge regarding infrastructure maintenance.</li> </ul>	<p>Benefits to other key stakeholders include:</p> <ul style="list-style-type: none"> <li>• women and other vulnerable people will be given preference for labor-intensive construction and maintenance works and services;<sup>a</sup></li> <li>• emerging local small-scale contractors and subcontractors will receive training and experience which may lead to establishment of small businesses;</li> <li>• local governments, CBOs, and JRCs will be active in the project site, increasing their capacity and experience;</li> <li>• local governments and rural communities will be induced to carry out responsible and independent infrastructure management;</li> <li>• MOTC’s local road maintenance units (RMUs) will gain capacity by participating in civil works tenders;</li> <li>• MOTC will reduce infrastructure asset losses through participatory community-based schemes for rural infrastructure maintenance; and</li> <li>• donors, including ADB, will benefit by positive synergy with complementary projects.</li> </ul>

<sup>a</sup> All workers for labor-intensive construction and maintenance works will be hired on a contract or subcontract basis.

**7. Coordination**

17. MOTC and local governments requested the JFPR grant assistance for restoring sustainable access in the affected rural communities. The Project is designed to complement a number of development projects in the area through close consultation with the Government and other stakeholders, including MOTC, Ministry of Finance (MOF), local governments, jamoat representatives, Embassy of Japan in Tajikistan,<sup>17</sup> Japan International Cooperation Agency (JICA), United Nations Development Programme (UNDP), World Bank, National Social Investment Fund of Tajikistan,<sup>18</sup> CBOs, and JRCs.<sup>19</sup> To promote participatory and joint decision making, the Project will work through representative CBOs and JRCs as the primary interface between the PIU and the affected rural communities. ADB will also monitor the overall project progress and provide guidance through missions. The organizational structure, roles, and responsibilities are presented in Appendix 4.

<sup>17</sup> Mr. Yuji Suzuki, Third Secretary, Embassy of Japan in the Republic of Tajikistan, was closely engaged throughout the project design.

<sup>18</sup> The umbrella organization for the World Bank’s grassroots initiatives.

<sup>19</sup> JRCs are at the core of UNDP’s implementation of local development projects to promote community representation, participation, and ownership in all aspects of development assistance.

18. As of April 2007, ADB<sup>20</sup> has played an important role in the transport sector with accumulated assistance totaling about \$71 million.<sup>21</sup> UNDP is active in rural development projects in irrigation, education, microcredit, and water supply. The United States Agency for International Development (USAID), World Food Programme, Canadian International Development Agency, German Agro Action in Tajikistan, Islamic Development Bank, Kuwait Fund, and European Bank for Reconstruction and Development are present to provide further assistance in various sectors. Japanese agencies, such as JICA and the Japan Bank for International Cooperation, have not been actively engaged in the transport sector.

## 8. Detailed Cost Table

19. The total project cost is about \$2.37 million equivalent. The Government's contribution to the Project is estimated at \$245,600 and the community contribution at \$124,300. The costs are based on locally tendered prices and preliminary quantity estimates. The summary cost table is shown in Appendix 1 and detailed cost estimates in Appendix 2. The fund flow arrangement is illustrated in Appendix 3. Procurement of goods and services under the Project will be conducted in accordance with *ADB's Procurement Guidelines (2007, as amended from time to time)*. Procurement will be done jointly by the international project manager and project director of the PIU. The procurement plan is in Appendix 5.

## C. Linkage to ADB Strategy and ADB-Financed Operations

### 1. Linkage to ADB Strategy

Document	Document Number	Date of Last Discussion	Objectives
Medium Term Strategy II (2006–2008)	Sec. M26-06	10 March 2006	<p>Five strategic priorities have been identified: (i) catalyzing investment, (ii) strengthening inclusiveness, (iii) promoting regional cooperation and integration, (iv) managing the environment, and (v) improving governance and containing corruption.</p> <p>Developing rural infrastructure such as rural roads, rural power, and rural finance is highlighted under (ii) above. This type of targeted operational assistance is recommended for less-developed areas within developing member countries.</p>
Country Strategy and Program Update (2006–2008)	Sec. M54-05	19 July 2005	<p>The priorities of the country strategy and program for 2004–2008 remain highly relevant. ADB's operation strategy will continue to promote economic growth through (i) rural development, especially improving transport and other infrastructure; and (ii) regional cooperation with an emphasis on rehabilitating transport links with neighboring countries.</p> <p>ADB's activities will remain focused on building transportation facilities, which includes improving and rehabilitating main transport networks and targeted rural feeder roads.</p>

<sup>20</sup> The Tajikistan Resident Mission was inaugurated in November 2003.

<sup>21</sup> As of 30 April 2007, loans totaling \$64.5 million, TA projects of \$4.44 million and grants of \$2.3 million had been approved for the transport and communications sector in Tajikistan.

Document	Document Number	Date of Last Discussion	Objectives
Poverty Reduction Partnership Agreement between Tajikistan and ADB	IN.322-02	17 December 2002	The agreement is consistent with the objectives and strategic directions embodied in the Government's Poverty Reduction Strategy Paper (2002). It includes the transport sector as one of the key objectives of ADB assistance through road rehabilitation to improve access to markets and social services, especially in remote and rural areas.

## 2. Linkage to Specific ADB-Financed Operation

20. The bridge approach-roads will be linked to the main Dushanbe–Kyrgyz Border Road under Phase II. The project area is not covered under the ADB-financed Dushanbe–Kyrgyz Border Road Rehabilitation Project, Phase I and II (ongoing) or CAREC Regional Road Corridor Improvement Project (proposed). Component B of the Project will replicate and adapt, as necessary, the decentralized operation and maintenance scheme established under the JFPR-financed Community Based Rural Road Maintenance Project.

<b>Project Name</b>	Dushanbe–Kyrgyz Republic Border Road Rehabilitation Project (Phase II)
<b>Project Number</b>	Loan 2196-TAJ
<b>Date of Board Approval</b>	27 October 2005
<b>Loan Amount (\$ million)</b>	30 (Asian Development Fund)
<b>Project Name</b>	CAREC Regional Road Corridor Improvement Project (Kyrgyz Republic and Tajikistan)
<b>Project Number</b>	39676-02
<b>Date of Board Approval</b>	For approval in 2007
<b>Loan Amount (\$ million)</b>	40.9 (Asian Development Fund) 12.5 (ADB Grant)
<b>Project Name</b>	Community-Based Rural Road Maintenance Project
<b>Project Number</b>	JFPR 9078-TAJ
<b>Date of Board Approval</b>	October 2005
<b>Grant Amount (\$ million)</b>	1.8 (Japan Fund for Poverty Reduction)

## 3. Development Objective of the Associated ADB-Financed Operation

21. ADB operations in the transport sector focus on rehabilitating a key regional transport corridor linking Tajikistan to the Kyrgyz Republic and onwards to the PRC, which will provide the primary link between Dushanbe and the Rasht Valley to the northeast in the Regions of Republican Subordination. Phase I<sup>22</sup> of the Dushanbe–Kyrgyz Border Road Rehabilitation

<sup>22</sup> ADB. 2003. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Technical Assistance Grant to the Republic of Tajikistan for the Dushanbe–Kyrgyz Border Road Rehabilitation Project (Phase I)*. Manila (Loan 2062-TAJ). It involves the improvement of about 140 km of the Dushanbe–Nurobod road and 77 km of rural roads.

Project was approved in November 2003 and phase II<sup>23</sup> in October 2005. The proposed CAREC Regional Road Corridor Improvement Project, which is planned for approval in 2007, will complete the final section of the entire route. Upon completion of the proposed CAREC project, the impact on economic cooperation and trade facilitation is expected to be magnified. The objective of the rehabilitation of the regional transport corridor is to (i) alleviate poverty by reducing the cost of transport and improving access to markets, and (ii) increase regional trade and cooperation by rehabilitating the road linking Dushanbe to Nurobod in the Rasht Valley and on to the Kyrgyz Republic and the PRC. ADB's projects will (i) reduce transport costs on the Dushanbe–Kyrgyz border road; (ii) provide agricultural and industrial enterprises with all-weather access to markets within and outside the country; (iii) improve access for the poor rural population to markets, other economic activities, and social services by improving rural roads; and (iv) strengthen the Government's institutional capacities for efficiently managing the road network.

22. The Community-based Rural Road Maintenance (JFPR 9078) project funded by JFPR provides relevant and complementary benefits to the Project. The ongoing JFPR assistance sets a general framework for a community-based rural maintenance scheme by directly addressing weak structural issues. It was devised after realizing the limitations of MOTC's<sup>24</sup> capacity to promptly respond to rural communities' infrastructure demands, as MOTC's interventions are confined to emergency situations. It is also extremely difficult for rural communities to access the physical and financial resources of MOTC. The hindrances to achieving minimum rural road maintenance include (i) insufficient and uncertain maintenance funding, (ii) inadequate local capacity to finance and carry out maintenance requirements, and (iii) the lack of a rural road network planning system and a reliable road network inventory. These issues have been addressed in the design of the Project through enabling the affected rural communities to be better equipped to deal with preemptive maintenance and safety improvement.

#### 4. Main Components of the Associated ADB-Financed Operation

No.	Component Name	Brief Description
1.	Civil Works	<ul style="list-style-type: none"> <li>– Improvement of 89 km of the Dushanbe–Kyrgyz border road (central section covers 77 km and there is a 12-km section adjacent to the border).</li> <li>– Improvement of 60 km of rural roads.</li> </ul>
2.	Consulting Services	<ul style="list-style-type: none"> <li>– Consulting services for construction supervision, monitoring, and evaluation.</li> <li>– Implementation of measures to improve road safety, auditing, and project management.</li> </ul>
3.	Procurement	<ul style="list-style-type: none"> <li>– Procurement of maintenance equipment for use in routine and periodic maintenance of all the improved road sections.</li> </ul>

<sup>23</sup> ADB. 2005. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Asian Development Fund Grant to the Republic of Tajikistan for the Dushanbe–Kyrgyz Border Road Rehabilitation Project (Phase II)*. Manila (Loan 2196-TAJ). The bridge approach-road in Yanglik village (north of the Surkhob River) will be connected to the main road of the phase II at 202 km.

<sup>24</sup> MOTC has 13,700 km of roads under its jurisdiction, consisting of 4,700 km of the country's national roads and 42% of its local roads (9,000 km), however, 12,300 km do not fall under MOTC's jurisdiction.

**5. Rationale for Grant Funding versus ADB Lending**

23. The grant funding is rationalized through (i) its direct benefits to the rural poor, (ii) its nonrevenue-yielding nature with higher associated socioeconomic benefits against its financial costs, (iii) the pressing need of the affected rural population for physical access, (iv) the removal of the structural hindrance to securing sufficient government funds for rural infrastructure, (v) the direct linkage to ADB’s assisted projects, (vi) the integrated poverty reduction impact with other donor activities, and (vii) the catalyst of a maintenance framework under the JFPR 9078 project. Stronger justification can be drawn from its positive impact on poverty reduction and capacity development in the affected rural community, which will deepen community participation and strengthen project sustainability.

**D. Implementation of the Proposed Grant**

<b>1. Provide the Name of the Implementing Agency</b>	Project Implementation Unit (PIU)
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24. MOTC will be the Executing Agency. The existing PIU in MOTC for ADB’s road projects will manage implementation activities on a daily basis with additional staff support (see Appendix 4). An independent project manager assisted by a team of local consultants will be responsible for the supervision, management, monitoring, and evaluation services of the Project. The consultants will be engaged in accordance with ADB’s *Guidelines on the Use of Consultants* (2007, as amended from time to time). Outline terms of reference for consultants is in Supplementary Appendix 1. Procurement will be conducted by the PIU under component A and community participation under component B in accordance with ADB’s *Procurement Guidelines* (2007, as amended from time to time).

**2. Risks Affecting Grant Implementation**

Type of Risk	Brief Description	Measure to Mitigate the Risk
Governance	Potential corruption due to low pay structure, weak fiduciary oversight, internal control, and financial management	<p>PIU, local governments, CBOs, JRCs, and other stakeholders will be informed and abide by ADB policies and guidelines on anticorruption, procurement, financial management and reporting, and external auditing.</p> <p>ADB has conducted a number of seminars on its operation policies and procedures in which corrupt and fraudulent practices were outlined and ADB’s anticorruption policy explained to the participants.</p> <p>Consultants will review and undertake public financial management, procurement, and corruption risk assessments.</p> <p>External auditor will be engaged to audit project accounts.</p>
Coordination	Poor coordination between the JFPR project and the Dushanbe–Kyrgyz Border Road Rehabilitation	Top-level coordination between MOTC, local government authorities, CBOs, and JRCs concerning the timing and activities.

<b>Type of Risk</b>	<b>Brief Description</b>	<b>Measure to Mitigate the Risk</b>
	Project (Phase II) and CAREC Regional Road Corridor Improvement Project.	It will have the same executing agency and implementing agency. One PIU staff member will be dedicated to the JFPR Project and will coordinate with other linked projects.
Local government capacity	The counterpart staff assigned by the local governments would be inexperienced and lack capacity.	The planned assignment of resident technical support personnel as counterparts to district and local government officials during the period of management changes when continuous and intensive technical support is required in order to ensure the adoption of new approaches and technologies by all members of the affected rural communities.
Implementation delays	Delayed fielding of consultants, weak preparation, inadequate resources, and insufficient capacity of the local communities may hinder startup activities and completion of construction.	Allocate a substantial reserve provision in the project account sufficient to prevent any potential delay in construction activities.
Inadequate Maintenance	Insufficient capacity for rural infrastructure maintenance and inadequate financial and nonfinancial resources can result in a lack of periodic maintenance on bridges and rural roads.	<p>Close monitoring of progress of the ongoing JFPR 9078 project.</p> <p>Capacity development of rural communities and local government officials will ensure minimum maintenance.</p> <p>\$124,300 cash or contribution in-kind by rural communities will be allocated to carry out maintenance works to prevent rural bridges, fords, river and stream crossings, and roads from deteriorating further. Maintenance works will start as soon as the training and workshops are received by the relevant parties in the project area.</p>

### 3. Incremental ADB Costs

<b>Component</b>	<b>Incremental Bank Cost</b>
Amount requested	\$0
Justification	Not applicable
Type of work to be rendered by ADB	Not applicable

#### 4. Monitoring and Evaluation

Key Performance Indicator	Reporting Mechanism	Plan and Timetable for M&E
<p><b>Impact</b></p> <p>Contribute to sustainable economic growth through physical infrastructure investment and rural development.</p> <ul style="list-style-type: none"> <li>– Decreased unemployment rate</li> <li>– Increased inter- and intra-rayon trade</li> </ul>	<ul style="list-style-type: none"> <li>– National statistics</li> <li>– Socioeconomic survey</li> <li>– Baseline surveys</li> <li>– Household surveys</li> <li>– Poverty and Social Impact Assessment</li> <li>– External evaluation study</li> </ul>	<ul style="list-style-type: none"> <li>– Annual national statistics</li> <li>– Annual baseline survey</li> <li>– Household surveys at project launch and completion</li> </ul>
<p><b>Outcome</b></p> <p>Establishment of safe, efficient, and sustainable access for the rural poor.</p> <p>By 2010:</p> <ul style="list-style-type: none"> <li>– Increased freight and passenger traffic</li> <li>– Decreased transport costs</li> <li>– Reduced vehicle operating costs</li> <li>– Reduced travel time</li> <li>– Improved safety</li> </ul>	<ul style="list-style-type: none"> <li>– MOTC reports and transport surveys</li> <li>– Provincial and local government statistics reports</li> <li>– Household surveys</li> <li>– Baseline surveys</li> <li>– Social Impact Assessment</li> <li>– Implementation completion memorandum</li> </ul>	<ul style="list-style-type: none"> <li>– Annual baseline survey</li> <li>– Household surveys at project launch and completion</li> <li>– Final reports</li> </ul>
<p><b>Outputs</b></p> <p><b>Component 1</b></p> <p>By 2010:</p> <ul style="list-style-type: none"> <li>– The 241.8-m Yangalik–Yahakpast Bridge rehabilitated</li> <li>– 1.05 km Yangalik–Yahakpast Bridge approach-roads constructed</li> <li>– 14-km rural road linking Yahakpast, Langary shoh, and access road to Tajikabad center improved</li> </ul>	<ul style="list-style-type: none"> <li>– PIU project progress reports</li> <li>– Project administration missions and reports</li> <li>– Progress and completion reports</li> <li>– Contractor's progress reports</li> </ul>	<ul style="list-style-type: none"> <li>– Field visits and site inspection</li> <li>– Progress reports</li> <li>– Quarterly reports</li> <li>– Semiannual reports</li> <li>– Final reports</li> </ul>
<p><b>Component 2</b></p> <p>By 2010:</p> <ul style="list-style-type: none"> <li>– Rural road maintenance manual adapted and implemented</li> <li>– Community-based maintenance system fully operational, including establishment and maintenance of village maintenance funds</li> <li>– Local government staff, CBOs,</li> </ul>	<ul style="list-style-type: none"> <li>– Rural road maintenance budget and expenditure records</li> <li>– Local government maintenance records and reports</li> <li>– Progress and completion reports</li> </ul>	<ul style="list-style-type: none"> <li>– Assessment of training and workshops</li> <li>– Monitoring of commitment of local government and rural communities</li> <li>– Monthly reports</li> <li>– Quarterly reports</li> <li>– Semiannual reports</li> </ul>

Key Performance Indicator	Reporting Mechanism	Plan and Timetable for M&E
<p>JRCs, and other relevant parties received training and workshops</p> <ul style="list-style-type: none"> <li>– Local small-scale contractors and subcontractors trained</li> <li>– Safety maintenance equipment procured</li> <li>– Awareness campaign conducted</li> <li>– Periodic infrastructure maintenance activities carried out</li> <li>– Local laborers, including women and other vulnerable people, employed for maintenance works</li> </ul>	<ul style="list-style-type: none"> <li>– Consultant reports</li> <li>– Training and workshop materials</li> </ul>	<ul style="list-style-type: none"> <li>– Final reports</li> </ul>
<p><b>Component 3</b></p> <p>For the entire duration of the Project:</p> <ul style="list-style-type: none"> <li>– Consulting services for construction supervision and monitoring and evaluation engaged in a timely manner</li> <li>– Project management supported</li> <li>– Measures to improve rural infrastructure maintenance, financial management, governance, safeguards, fiduciary oversight, anticorruption, and overall project management implemented</li> <li>– External auditor engaged</li> <li>– Grant Implementation Manual followed</li> </ul>	<ul style="list-style-type: none"> <li>– Consultant reports</li> <li>– Project audit reports</li> <li>– Project administration missions and reports</li> <li>– Progress and completion reports</li> </ul>	<ul style="list-style-type: none"> <li>– Annual project audit reports</li> <li>– Project completion report</li> <li>– Monthly reports</li> <li>– Quarterly reports</li> <li>– Semiannual reports</li> <li>– Final reports</li> </ul>

## 5. Estimated Disbursement Schedule

Fiscal Year (FY)	Amount (\$)
FY 2007	200,000
FY 2008	800,000
FY 2009	800,000
FY 2010	200,000
<b>Total Disbursements</b>	<b>2,000,000</b>

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**Appendixes**

1. Summary Cost Table
2. Detailed Cost Estimates
3. Fund Flow Arrangement
4. Implementation Arrangements
5. Procurement Plan

**Supplementary Appendixes** (available on request)

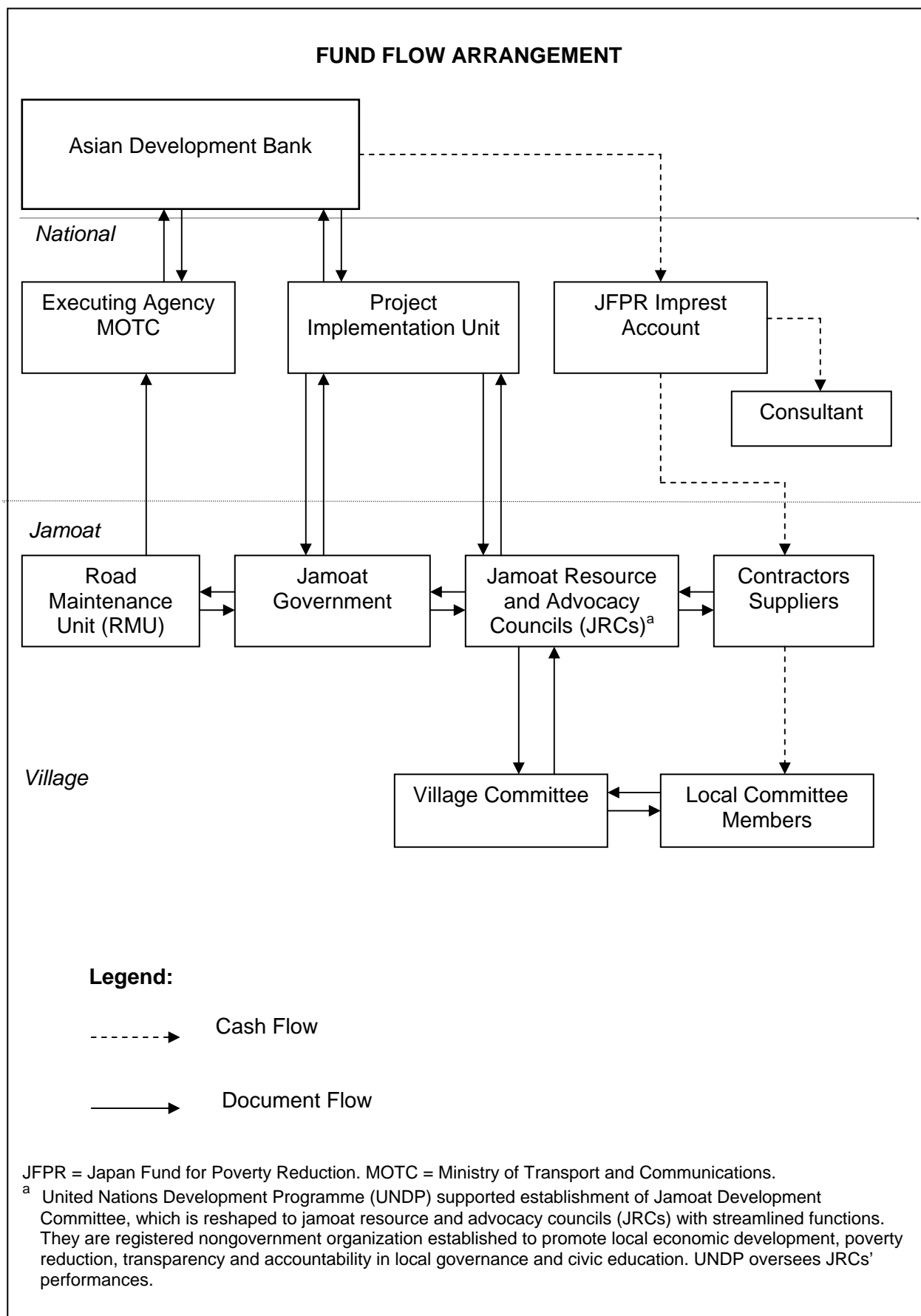
1. Outline Terms of Reference for Consultants
2. Implementation Schedule
3. Initial Environmental Assessment

**SUMMARY COST TABLE**  
(\$)

This information was deemed confidential according to exception #10 of ADB's Public Communications Policy (2005).

**DETAILED COST ESTIMATES**  
(**\$**)

This information was deemed confidential according to exception #10 of ADB's Public Communications Policy (2005).



## IMPLEMENTATION ARRANGEMENTS

### A. Implementation Arrangement

#### 1. Executing Agency

1. The Ministry of Transport and Communications (MOTC) will be the Executing Agency of the Sustainable Access for Isolated Rural Communities Project. The minister of MOTC will assume responsibility of the overall project management and oversight.

#### 2. Implementing Agency

2. The existing project implementation unit (PIU) established under previous and ongoing loans, the Japan Fund for Poverty Reduction (JFPR) project, and technical assistance (TA) will implement the Project on a daily basis. The PIU consists of a qualified executive director (appointed by the minister), MOTC, and a technical support team headed by the chief technical advisor, with local government level counterparts. The PIU will (i) monitor the progress of day-to-day project implementation, (ii) prepare withdrawal applications, (iii) prepare project progress reports, (iv) maintain project accounts, and (v) supply financial records for annual project audits. The existing executive director, who is acceptable to the Asian Development Bank (ADB) and has adequate experience in project management, will assume responsibility for the overall project management, and a deputy executive director will be responsible for the day-to-day supervision of activities, including approval of contracts and payments. Two additional staff members—an engineer and a bilingual assistant and interpreter—will be added to ensure sufficient capacity exists to carry out the Project as well as the ongoing ADB-financed road projects.

#### 3. Project Manager

3. A project manager will be appointed to (i) supervise project implementation, (ii) assess social and poverty impact, and (iii) administer the Project, including reporting to ADB and the Government according to the timeline determined in the approved work plans. The project manager must demonstrate adaptive management skills and efficient logistical coordination so that the existing maintenance scheme can be adapted and refined to meet the needs of the impacted rural communities. Logistical coordination and close collaboration with the JFPR 9078, project consultants and other key stakeholders is essential. The project manager should also monitor the previous and ongoing activities, progress, and performance in the sector. MOTC will offer office space for the Project in Dushanbe and local communities will offer office space in the field. The project manager will closely liaise with the PIU, community-based organizations (CBOs), jamoat resource and advocacy councils (JRCs), local communities, and contractors in the field, and will work intermittently in Dushanbe. The project manager will be supported by local consultants and may contract out services from CBOs and JRCs on an as-needs basis. The addition of the following support personnel is recommended: (i) an engineer with adequate expertise and experience in bridge and road engineering and supervision and contract administration, and (ii) a community coordinator (social and poverty specialist) to carry out social and poverty impact assessment and community outreach programs.

#### 4. Community-Based Organizations, Jamoat Resource and Advocacy Councils, and Community Involvement

4. To strengthen project-level sustainability, local CBOs, such as JRCs with at least 3 years experience of community development programs, will be considered under the Project. The CBO should be legally authorized to sign procurement contracts and be able to follow approved ADB procurement guidelines and procedures. The Project will be implemented in close consultation and collaboration with (i) local governments with active community participation, and (ii) other stakeholders. The involvement of JRCs in various tasks, such as tendering and local community mobilization, will be beneficial for the Project. JRCs, engaged under contracts for the construction and maintenance works, will facilitate involvement and mobilization of the poor (including women) in local communities. The use of locally available materials for the construction of civil works will be highly encouraged.

## 5. Procurement

5. All procurement under the Project will be in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time). National competitive bidding (NCB) (see attached NCB Annex to Loan Agreement) will be used. The estimated cost of each contract package should be less than \$10,000 and designed to use local labor as far as is practical. Safety equipment, such as mobile signage and protective clothing, will be procured under the Project for less than \$10,000.<sup>1</sup> For contracts above \$10,000, competitive bidding and preapproval by ADB is required. Road maintenance contracts will be structured to maximize the use of local labor and materials. Local small-scale contractors with expertise and training in labor-intensive construction and maintenance will be preferred and engaged by the PIU with the assistance of the project manager.

## 6. Consulting Services

6. International and local consultants will be engaged individually by the Executing Agency in accordance with ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time) and with no objection from MOTC. Consulting services will be conducted over 24 months, requiring approximately 22 person-months of international and 26 person-months of domestic consultancy. The international consultant will be appointed as project manager. The terms of reference for consultant services are attached in Supplementary Appendix 1. The grant implementation memorandum (GIM), providing details of implementation and procurement arrangements, will be prepared by ADB and agreed with MOTC before project inception.

## 7. Flow of Funds

7. Flow of funds arrangements are summarized in Appendix 3. To facilitate disbursements, an imprest account will be established by the PIU at a commercial bank acceptable to ADB, in accordance with ADB's *Loan Disbursement Handbook* (2007, as amended from time to time). Disbursements from the imprest account will be supported by an appropriate withdrawal application and related documentation. Such documentation will demonstrate, among other things, that the goods or services are (i) produced in and procured from ADB member countries, and (ii) eligible for JFPR financing. The initial amount to be deposited in the account will not exceed \$70,000. The total advance at any time to the account is not to exceed \$300,000, which is the estimated average expenditure for 6 months. For eligible expenditure with individual payment not exceeding \$5,000, the statement of expenditures procedure will be used when liquidating and replenishing the imprest account. The imprest fund procedure will be detailed in

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<sup>1</sup> The limit can be increased to \$20,000 if the community has previously implemented a project successfully.

the GIM. In addition, there will be counterpart cash or in-kind contributions from the Government (\$245,600) and the local communities (\$124,300) as illustrated in Appendixes 1 and 2.

## **8. Reporting**

8. The project manager will prepare quarterly, semiannual, and annual reports on project implementation, the form and content of which will be agreed with ADB. The PIU, through MOTC, will officially endorse these reports to ADB with its comments. MOTC will maintain separate accounts for all project components financed by JFPR and the Government and have them audited by an independent auditor with adequate knowledge and experience of international accounting practices and acceptable to ADB. The audited project accounts and the auditor's reports, which will include a separate opinion on the use of the imprest account and the statement of expenditure, will be furnished to ADB within 6 months of the end of each fiscal year. The Government has been informed of ADB's requirement for the timely submission of audited project accounts and financial statements, including the suspension of disbursements in case of noncompliance. Through the Project, ADB will also finance annual audits through an independent auditor acceptable to ADB. To facilitate post-evaluation of the Project, the Government agreed to provide a grant completion report to ADB (with the support of the project manager) within 3 months of physical completion of the Project. All reports will comprise an assessment of the Project's social and poverty impact and outputs, benefit monitoring, and recommendations for improving implementation.

## **9. Monitoring and Evaluation**

9. A preliminary set of indicators for monitoring and evaluating the performance of the Project was agreed with MOTC during project preparation. The GIM will include the details of these indicators. At the beginning of project implementation, the project manager will collect and confirm baseline indicators for social, environmental, and poverty reduction impacts. The project manager will also measure monitoring indicators during project implementation. Suggestions and recommendations of project indicators will be incorporated by the PIU and MOTC and updated in every other quarterly report to ADB. The indicators for project evaluation will be established and measured at project completion. Gender-disaggregated data will be provided in the project area. Participatory surveys will be conducted, and results will be compared with the baseline to ensure the participatory community-based approach is complied with throughout the project life. MOTC will also be engaged in monitoring and evaluation as it has accumulated sufficient experience in project monitoring through various ADB projects.

10. Consultants will identify and link specific project activities to particular poverty impacts, since impact on poverty may be a combination of various development activities in the project area. To attribute particular impacts to the Project, adequate control mechanisms will need to be established. The techniques of matching samples with and without the Project, and of differences before and after the Project, will be used to measure the project's specific poverty impact.

## **B. Implementation Schedule**

11. The Project, including mobilization, will be implemented over 30 months from October 2007 to March 2010. Project preparation for construction of the bridge and bridge approach-roads and improvement of the rural road under component A is expected to start in October 2007. Contractor and community training will simultaneously take place on an intermittent basis for the duration of the Project. Rural road maintenance works will commence as soon as training and workshops are received by the participants. Training and workshops will be scheduled according to the progress of the JFPR 9078 project. The civil works for the bridge and rural roads are scheduled to be implemented in accordance with ADB guidelines over 24 months starting in April 2008 and be completed in March 2010. A detailed implementation schedule is in Supplementary Appendix 2.

## **C. Village Maintenance Funds**

12. Similar financial arrangement as those existing under the JFPR 9078 project will be adopted. In order to secure funding for operation and maintenance, a cash contribution from the community will be required, and this will become an initial village maintenance fund. The CBOs should submit a clear statement of understanding and responsibilities to the PIU before receiving any contract approval from the PIU. A written agreement will be reached between the CBOs and the local beneficiaries to ensure commitment to cash or in-kind contributions to complementary maintenance activities and subsequent maintenance in the project area. Clear screening methods and cost-effective criteria (taking the type of road, bridge, stream, or river crossing, and other relevant factors into consideration) will be developed during project implementation through stakeholder consultations and discussions. To maximize community participation, contracts will normally apply to 3–5 km of road, and the maximum for any single contract will normally be 10 km.

**NCB Annex to Loan Agreement  
HARMONIZED  
TAJKISTAN**

1. General

The procedures to be followed for national competitive bidding shall be those set forth in Law of the Republic of Tajikistan on Public Procurement of Goods, Works and Services effective on 3 March 2006 with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of ADB's Procurement Guidelines.

2. Eligibility

The eligibility of bidders shall be as defined under section I of ADB's Procurement Guidelines, published ADB in April 2006; accordingly, no bidder or potential bidder should be declared ineligible to ADB-financed contracts for other reasons than the ones provided by section I of ADB's guidelines. Bidders must be nationals of member countries of ADB, and offered goods, works and services must be produced in and supplied from member countries of ADB.

3. Prequalification

Normally, post-qualification shall be used unless explicitly provided for in the loan agreement/procurement plan. Irrespective of whether post qualification or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.

4. Bidding Period

The minimum bidding period is twenty-eight (28) days prior to the deadline for the submission of bids.

5. Bidding Documents

Procuring entities should use standard bidding documents for the procurement of goods, works and services acceptable to ADB.

6. Preferences

No domestic preference shall be given for domestic bidders and for domestically manufactured goods.

7. Advertising

Invitations to bid shall be advertised in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation and submission of bids. Bidding of NCB contracts estimated at \$500,000 equivalent or more for goods and related services or \$1,000,000 equivalent or more for civil works shall be advertised concurrently with the general procurement notices on ADB's website.

## 8. Bid Security

Where required, bid security shall be in the form of a bank guarantee from a reputable bank.

## 9. Bid Opening and Bid Evaluation

- (a) Bids shall be opened in public.
- (b) Evaluation of bids shall be made in strict adherence to the criteria declared in the bidding documents and contracts shall be awarded to the lowest evaluated bidder.
- (c) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.
- (d) No bidder shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without ADB's prior concurrence.
- (e) A contract shall be awarded to the technically responsive bidder that offers the lowest evaluated price and who meets the qualifying requirements set out in the bidding documents.
- (f) No negotiations shall be permitted.

## 10. Rejection of All Bids and Rebidding

Bids shall not be rejected and new bids solicited without ADB's prior concurrence.

## 11. Participation by Government-owned enterprises

Government-owned enterprises in the Republic of Tajikistan shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

## 12. Right to Inspect/Audit

A provision shall be included in all NCB works and goods contracts financed by ADB requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

## 13. Fraud and corruption

- (a) The Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.
- (b) ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, an ADB-financed contract.

## PROCUREMENT PLAN

### A. Program Information

Country	Tajikistan
Name of Borrower	Republic of Tajikistan
Project Name	Sustainable Access for Isolated Rural Communities
Loan or TA Reference	
Date of Effectiveness of Procurement Plan	
Amount	Total estimated cost of the Project is \$2.37 million. The JFPR grant amount is \$2.0 million
Of Which Committed	\$0
Executing Agency	Ministry of Transport and Communications
Approval Date of original Procurement Plan	This is the first Procurement Plan
Approval of Most Recent Procurement Plan	
Publication for Local Advertisements <sup>a</sup>	State and national newspapers
Period Covered by This Plan	Period covering 30 months, including procurement of works and consulting services financed from the grant.

<sup>a</sup> General procurement notice, invitations to bid, and calls for expression of interest.

#### 1. Procurement Thresholds: Goods, Works, and Related Services

Procurement Method	To Be Used Above or Below (\$)
National Competitive Bidding Works <sup>a</sup>	Less than \$1 million
Shopping	Less than \$100,000
Direct Contracting	Less than \$10,000

<sup>a</sup> General procurement notice, invitations to bid, and calls for expression of interest.

#### 2. Procurement Thresholds: Consulting Services

Procurement Method	To Be Used Above or Below (\$)
Individual Consultant	Not specified
<b>Alternative Methods</b>	
National consulting companies and individuals may be engaged in accordance with ADB guidelines to provide short-term specialist consulting support to the project implementation unit.	

**B. Project Information**

**1. List of Contract Packages: Goods, Works, and Consulting Services**

This information was deemed confidential according to exception #10 of ADB's Public Communications Policy (2005).