



Technical Assistance Report

Project Number: 42052
May 2008

Republic of Tajikistan: Preparing the CAREC Transport Corridor III (Dushanbe–Uzbekistan Border Road) Project

(Financed by the Regional Cooperation and Integration Fund under
the Regional Cooperation and Integration Financing Partnership
Facility)

CURRENCY EQUIVALENTS

(as of 22 April 2008)

Currency Unit	–	somoni (TJS)
TJS1.00	=	\$0.2920
\$1.00	=	TJS3.4239

ABBREVIATIONS

ADB	–	Asian Development Bank
AH	–	affected household
CAREC	–	Central Asia Regional Economic Cooperation
CSD	–	Customs Service Department
EA	–	executing agency
GDP	–	gross domestic product
HIV/AIDS	–	human immunodeficiency virus/acquired immunodeficiency syndrome
IEE	–	initial environmental examination
IP	–	indigenous people
MOTC	–	Ministry of Transport and Communications
TA	–	technical assistance

WEIGHTS AND MEASURES

km	–	kilometer
vpd	–	vehicles per day

TECHNICAL ASSISTANCE CLASSIFICATION

Targeting Classification	–	General intervention
Sector	–	Transport and communications
Subsector	–	Roads and highways
Themes	–	Sustainable economic growth, regional cooperation
Subthemes	–	Fostering physical infrastructure development, cross-border infrastructure

NOTE

In this report, “\$” refers to US dollars.

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CAREC TRANSPORT CORRIDOR III (DUSHANBE- UZBEKISTAN BORDER ROAD) PROJECT

- National Capital
 - Regional Capital
 - City/Town
 - CAREC Transport Corridor III
 - Ongoing project financed by other donors
 - Ongoing project financed by ADB and cofinanciers
 - Proposed Project Road
 - Negotiations ongoing with People's Republic of China and Islamic Development Bank
 - Main Road
 - Railway
 - River
 - Regional Boundary
 - Autonomous Regional Boundary
 - International Boundary
- Boundaries are not necessarily authoritative.



I. INTRODUCTION

1. During the 2007 Country Operations Business Plan Mission for 2008–2010, the Government of Tajikistan (the Government) requested the Asian Development Bank (ADB) for technical assistance (TA) for the preparation of the Central Asia Regional Economic Cooperation (CAREC) Transport Corridor III (Dushanbe–Uzbekistan Border Road) Project. The TA Fact-Finding Mission visited Tajikistan on 8–11 February 2008 and reached understanding with the Government on the impact, outcome, outputs, costs, financing and implementation arrangements, and terms of reference for the TA.¹ The TA design and monitoring framework is in Appendix 1.

II. ISSUES

2. **Inherent Regional Challenges in the Transport Sector.** Central Asia is landlocked. The demise of the former Soviet Union in 1991 disrupted the conventional flow of trade, transport, and transit connections. The once-integrated road network system became fragmented and continued to deteriorate. Closer cross-border coordination and economic integration is further necessitated by the highly skewed natural resource endowments and growing demand. The challenges and opportunities facing the transport sector in the Central Asian countries are (i) fragmented regional road transport connections, (ii) aging infrastructure, (iii) outdated border facilities and equipment, and (iv) inefficiencies in border crossing due to bureaucratic procedures and inconsistent border policies and regulations. Restoring regional transport links will create opportunities for rapid economic growth and sustainable poverty reduction. The countries' efforts have often been stymied by the shortage of investment and maintenance funds because of insufficient earmarking, weak institutions, and limited human resource capacity.

3. **Limited Economic Opportunities.** Mountainous and poor, Tajikistan is prone to insular growth with only a small domestic market and limited economic opportunities. The 5-year civil war, which ended in 1997, further isolated the country and led to sluggish economic growth, dropping Tajikistan behind its neighbors. Tajikistan has since achieved macroeconomic growth and stability with an economic structure highly dependent on remittances and international trade, with exports accounting for about 54% of gross domestic product (GDP) and imports about 70% of GDP in 2006. Empirically, an outward-oriented economic expansion is more effective for small and less developed economies. Regional cooperation on trade policy, and trade and transport facilitation signifies ADB's ongoing CAREC² initiative. CAREC strategy renders positive economic ramifications for Tajikistan, which is strategically located to provide the essential transit needs of fast-growing neighbors like the People's Republic of China, the Russian Federation, and Middle East countries. Revamping the existing integrated road network will spur the country's intra- and interregional trade potential paving the way for flexible labor mobility and capital flow, export diversification, and enlarged production and income base.

4. **Logistic Constraints.** Transport accessibility is positively correlated to social and economic development. At over 27% of GDP,³ Tajikistan trade is burdened with one of the highest transport and logistics costs in the world. Since its mountainous landscape limits wider rail network, roads are, by far, the most dominant mode of transport in Tajikistan, carrying 90%

¹ The technical assistance (TA) first appeared in *ADB Business Opportunities* on 7 March 2008.

² ADB began the Central Asia Regional Economic Cooperation (CAREC) program in 1997 with Afghanistan, Azerbaijan, the People's Republic of China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan to ease the bottlenecks in regional trade and transport development.

³ Ojala, Kitain, Touboul. 2004. *Tajikistan Trade Diagnostic Study, Transportation and Trade Facilitation*. Final Report.

of passengers and 64% of cargo transport. Despite 0.1 kilometer (km) per km² supply of roads and 2.3 km per 1,000 people accessibility to road network, the share of road freight transport hardly account for 10% of import and export.⁴ Poor infrastructure, and inconsistent restrictions and impositions of government rules at border crossings discourage efficient utilization of roads in cross-border trade. Efficient logistics are further hampered by the irregular distribution of road network, adding to poverty and income disparity among geographical regions.

5. **Weak Road Management.** National road management and planning is centralized at the Ministry of Transport and Communications (MOTC) responsible for 13,700 km of roads. Maintenance backlogs have accelerated deterioration of asphalt roads: around 48% of national roads are in poor condition and 32% very poor.⁵ Outdated road design standards and excess vehicle weight have increased pavement damages since most of the roads were designed and built to carry an axle load of 6 metric tons and are simply unfit to carry trucks with axle loads of more than 10 metric tons, now common in Tajikistan. About 30% of the bridges do not meet the load-carrying requirements and 7% are estimated to be in critical condition.

6. **Missing Road Link.** Route M-41 connecting Bishkek-Dushanbe-Termez is an international road and is part of two international corridors, European corridor E60 and Asian Highway 65. Various studies and reports by ADB⁶ and the Government confirm the strategic economic significance of the Dushanbe–Tursunzade–Uzbekistan border⁷ road and the Tajikistan–Uzbekistan customs border post (Bratstvo). The project road is the main highway of Tajikistan linking Dushanbe and the district centers in Gissar valley to Uzbekistan and Turkmenistan. It is the missing link in the rehabilitation of the Tajik segment of the CAREC Transport Corridor III.⁸ A two-lane carriageway with a total length of about 66 km passing through settlements and cultivated land, the road bears a heavy volume of inter-farm transport of industrial and agricultural enterprises. It passes by Tursunzade, a major industrial city with an aluminum smelter, Central Asia’s largest, which accounts for a large proportion of Tajikistan’s imports and exports. Traffic is heavy near the Dushanbe exit, at about 8,000 vehicles per day (vpd), but decreases to about 2,500 vpd in Tursunzade. The estimated through traffic on the entire road is 4,500 vpd. The pavement is in poor condition, accruing economic costs of road users, contributing to underutilization of road for trade and commerce, and resulting in reduced level of mobility and access. Road haulage could also complement the existing transport mode in case of massive rail failure. From Tursunzade to Bratstvo border post, traffic volumes are lower, reflecting weak bilateral relations, customs cooperation, and border post conditions. The

⁴ ADB. 2005. *Technical Assistance for Facilitation of Transport Cooperation among Central Asia Regional Economic Cooperation Countries (Phase 1)*. Manila (TA 6294-REG, Final Report).

⁵ ADB. 1999. *Technical Assistance to the Republic of Tajikistan for Preparing the Road Rehabilitation*, Manila (TA 3168-TAJ, Final Report).

⁶ ADB. 2007. *Technical Assistance to the Republic of Tajikistan for the Transport Sector Master Plan*. Manila (TA 4926-TAJ); and ADB. 2005. *Technical Assistance for Facilitation of Transport Cooperation among Central Asia Regional Economic Cooperation Countries (Phase 1)*. Manila (TA 6294-REG).

⁷ The Government’s three priority roads for rehabilitation are: (i) Dushanbe–Tursunzade–Uzbekistan border road, (ii) Guliston–Pianj road, and (iii) Bekabad–Kanibadam–Batken road.

⁸ ADB has assisted CAREC Transport Corridor III through (i) ADB. 2003. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and a Technical Assistance Grant to the Republic of Tajikistan for the Dushanbe–Kyrgyz Border Road Rehabilitation Project (Phase I)*, Manila (Loan 2062-TAJ, for \$15 million, approved on 27 November); (ii) 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, for \$30 million, approved on 27 October); (iii) ADB. 2007. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan, Asian Development Fund Grants, and Technical Assistance Grant to the Kyrgyz Republic and Republic of Tajikistan for the CAREC Regional Road Improvement Project*, Manila (Loan 2359-REG, for \$79 million, approved on 24 October).

connecting road in Uzbekistan, Termez-Kungurgan-Denau-Sariosiyo(Tajikistan Border), is a two-lane asphalt paved road of about 190 km in length with an estimated annual average daily traffic of 6,400 vpd. The road is considered to be in fair condition and some road sections may be included in the 2010–2015 road development program for reconstruction.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

7. The Project will rehabilitate and expand the Dushanbe–Tursunzade–Uzbekistan border road into an integrated and efficient road transport link, in support of regional trade and economic development. The outcome of the TA will be a project design agreed on by the Government and ADB, and suitable for ADB financing.

B. Methodology and Key Activities

8. The TA will expand the pre-feasibility study carried out with ADB assistance in 2007.⁹ On the basis of the preliminary assessments, the TA will assist the Government in deciding on road alignment and design. The primary selection criteria will require sufficient technical, economic, financial, social, and environmental justification. Stakeholder consensus building will be the major tool for deliberation and for mutually beneficial agreements among the stakeholders. Initial poverty and social analysis is in Appendix 2. The Bratstvo border post will undergo technical audits and needs assessments in preparation for investments in infrastructure and in information and communication technology, and in the associated hardware and software needs. Benefit-cost analyses will be performed to prioritize investments. The TA will further explore ways of strengthening customs cooperation between Tajikistan and Uzbekistan by modernizing and streamlining customs services.

9. The TA will result in (i) a firm project design and scope, (ii) a feasibility study, and (iii) bidding documents acceptable to the Government and to ADB. The feasibility study report will contain an analysis of the road subsector, a preliminary engineering design, economic and financial analyses, poverty and social analyses, an environmental impact assessment, and a resettlement plan. The preliminary engineering design—including the designs of identified roads and bridges, as well as border infrastructure and facilities, cost estimates, and bidding documents—will be prepared to facilitate project implementation.

10. The TA will also (i) review and update the required reforms, lessons learned, and investments in the road transport and cross-border trade; (ii) develop an investment package of road and cross-border infrastructure, management, and technology; (iii) make recommendations on cost recovery measures for such investments, and on institutional and human resources capacity development; and (iv) explore possibilities for bilateral customs service and systems improvement. The TA will develop a results-based project framework and establish clear benchmarks for project performance monitoring and evaluation.

⁹ ADB. 2005. *Technical Assistance for Facilitation of Transport Cooperation among Central Asia Regional Economic Cooperation Countries (Phase 1)*. Manila (TA 6294-REG). The TA proposed the rehabilitation of three strategic road links in Central Asia: (i) the Bishkek–Torugart–Kashi corridor in the Kyrgyz Republic, (ii) Angren–Gulistan in Uzbekistan, and (iii) the Dushanbe–Tursunzade–Uzbekistan border in Tajikistan.

C. Cost and Financing

11. The total cost of the TA is estimated at \$800,000 equivalent. The Government has requested ADB to finance \$650,000 of this total. The TA will be financed on a grant basis by the Regional Cooperation and Integration Fund under the Regional Cooperation and Integration Financing Partnership Facility. The Government will finance the balance of \$150,000 in kind, by providing counterpart staff, local transport, office space and facilities, and administrative and secretariat support. The detailed cost estimates and financing plan are in Appendix 3. The Government has been informed that approval of the TA does not commit ADB to finance any ensuing project.

D. Implementation Arrangements

12. MOTC will be the Executing Agency (EA) for the road rehabilitation component, while the Customs Service Department (CSD) will be the EA for the improvement of the customs border post and services in Bratstvo. MOTC has implemented a number of ADB-assisted road projects. Both EAs have project implementation units (PIUs) functioning under ongoing ADB-assisted projects. Although the present PIU staff is considered competent, more staff resources are needed for the efficient and effective management of the TA. The EAs will each appoint a director dedicated to the TA to monitor the day-to-day progress of implementation and prepare the necessary documents and reports. The director will oversee the consultants' activities and facilitate all facets of TA administration with the support of additional staff appointed by the EAs. The EAs will provide (i) counterpart staff, who will work closely with the consultants; (ii) office facilities in Dushanbe; and (iii) local transport for field trips.

13. The TA will require about 56 person-months of consultant inputs (20 international and 36 national). The consultants will have adequate experience and expertise in road engineering, road safety, financial management, economic analysis, social and environment safeguards, and border facilitation and trade. Outline terms of reference for the consultants are in Appendix 4.

14. To consolidate public opinion, achieve an optimal design, and minimize the potential impact of the Project, at least three public consultation workshops will be held in Dushanbe to review the inception, interim, and draft final reports prepared by the consultants. Representatives of various stakeholders, including government officials and affected communities, will be invited to participate.

15. The consulting services are expected to be implemented over a period of 8 months, from June 2008 to January 2009. The TA is expected to be completed by April 2009. ADB will select and hire an internationally recognized consulting firm in association with national consultants according to ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time). The simplified technical proposal and quality- and cost-based selection will be used in selecting the consulting firm. The consultant will purchase office equipment according to ADB's *Procurement Guidelines* (2007, as amended from time to time).

IV. THE PRESIDENT'S DECISION

16. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$650,000 on a grant basis to the Government of Tajikistan for preparing the CAREC Transport Corridor III (Dushanbe–Uzbekistan Border Road) Project, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact</p> <p>An integrated and efficient road transport link connecting Dushanbe to the Uzbekistan border</p>	<p>By 2012, after the construction is completed,^a (i) traffic volume will have increased from 8,000 vpd in 2008 to 16,000 vpd in 2012, (ii) transportation costs will have gone down from \$17 in 2008 to \$6 in 2012, (iii) accident occurrence will have been reduced from 26 in 2008 to 6 in 2012, and (v) export and import goods transported by road will have increased from 180,000 metric tons in 2008 to 300,000 metric tons in 2012</p>	<p>Regional and national economic and transport statistics</p> <p>ADB project progress and completion reports</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Continued economic growth in Tajikistan • Political stability in Tajikistan and Uzbekistan • Sound country relations between Tajikistan and Uzbekistan • Commitment to regional cooperation by Tajikistan and Uzbekistan governments <p>Risks</p> <ul style="list-style-type: none"> • Accumulated external debt in Tajikistan, thereby weakening the country's fiscal situation • Shift in government priorities due to noneconomic pressures
<p>Outcome</p> <p>A project design agreed on by the Government and ADB</p>	<p>Memorandum of understanding for the Project is signed by the Government and ADB by TA completion</p>	<p>Memorandum of understanding for the Project</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Adequate stakeholder consultation and support • Government commitment to the Project <p>Risks</p> <ul style="list-style-type: none"> • Restructuring of MOTC and, hence, changes in government officials • Overstretched capacity of MOTC and CSD as EAs due to simultaneous management of several projects • Lack of funding and cofinancing to cover the entire project scope
<p>Outputs</p> <ol style="list-style-type: none"> 1. Project design and scope 2. Feasibility study 3. Bidding documents 	<p>Consultants' inputs and outputs are satisfactory to both the Government and ADB</p> <p>Environmental assessments and resettlement plans are approved by the Government and ADB</p> <p>TA implementation completed by January 2009</p>	<p>Consultant's Final report</p> <p>Reports of ADB TA review missions</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Timely completion of the TA and its deliverables • Continued government support throughout TA implementation <p>Risks</p> <ul style="list-style-type: none"> • Unacceptable project feasibility due to economic, financial, social, and environmental issues • Limited traffic growth

Activities with Milestones		Inputs	
1. Start consulting services	June 2008	ADB (RCIF)	\$650,000
2. Submit inception report	July 2008	Consulting services	\$470,000
3. Conduct detailed due diligence including technical, economic, financial, environmental, social, resettlement, poverty assessments, and any regulatory cross-border issues, and make recommendations	August 2008	Equipment	\$5,000
4. Undertake surveys (engineering and social safeguards)	August 2008	Surveys	\$95,000
5. Submit interim report by the consultant	August 2008	Workshops	\$10,000
6. Prepare detailed feasibility study	September 2008	Miscellaneous administration	\$10,000
7. Prepare environmental assessments	October 2008	Contract negotiations	\$10,000
8. Prepare resettlement plan and its summary	October 2008	Contingencies	\$50,000
9. Submit draft final report by the consultant	November 2008	Government	\$150,000
10. Prepare bidding documents	November 2008	Office accommodation and transport	\$100,000
11. Submit final report by the consultant	December 2008	Counterpart staff	\$50,000

ADB = Asian Development Bank, CSD = Customs Service Department, EA = executing agency, MOTC = Ministry of Transport and Communications, TA = technical assistance, vpd = vehicles per day

^a The detailed information to be gathered by the consultants during TA implementation.

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title:	Tajikistan/Preparing the CAREC Transport Corridor III (Dushanbe–Uzbekistan Border Road) Project		
Lending/Financing Modality:	Project Lending	Department/ Division:	Central and West Asia Department/ Infrastructure Division

I. POVERTY ISSUES

A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy

The road sector is identified as a national priority in the Country Poverty Reduction Partnership Agreement with the Asian Development Bank (ADB) in 2002. The Government of Tajikistan's Poverty Reduction Strategy Paper (PRSP) issued in September 2002 and updated in 2006 identified roads as a leading poverty reduction agent. In line with the PRSP, the road subsector strategy for Tajikistan is focused on accelerating pro-poor economic growth by facilitating access to markets and inputs, and recommends improving access to services by establishing an effective road network through rehabilitation and maintenance programs. The Government's strategy further supports trade facilitation through the development of international road corridors to improve access to markets. The Government's three priority road sections for rehabilitation are (i) Dushanbe–Tursunzade–Uzbekistan border, (ii) Guliston–Pianj, and (iii) Bekabad–Kanibadam–Batken.

Road transport is the most versatile method of transportation considering Tajikistan's complex landscape. The direct and indirect contribution of the sector to poverty reduction in Tajikistan is considerable. Tajikistan's remoteness from major markets and its infrastructure limitations adversely affect industrial growth, domestic and external trade, and the population's access to basic social services, especially in remote areas of the country.

The Project supports ADB's Medium-Term Strategy II (2006–2008) and country strategy and program update (2006–2008) for Tajikistan.¹ Regional cooperation and integration with an emphasis on rehabilitating transport links with neighboring countries is a key strategic priority of ADB assistance. The proposed corridor, connecting Dushanbe to Tursunzade and to the Uzbekistan border, is one of the six priority transport corridors identified in the Central Asia Regional Economic Cooperation (CAREC) Transport and Trade Facilitation Strategy formulated in 2007 and is consistent with ADB's overall regional cooperation strategy, Operations Manual, and regional cooperation policies and procedures, specifically those addressing CAREC's strategy objective of promoting regional connectivity.

B. Targeting Classification

1. Select the targeting classification of the project:

General Intervention Individual or Household (TI-H); Geographic (TI-G); Non-Income MDGs (TI-M1, M2, etc.)

2. Explain the basis for the targeting classification:

The Project will have an indirect impact on poverty reduction in the country. Over 57% of the population lives in poverty and one quarter of the workforce migrates every year to seek employment outside Tajikistan. The Project will promote regional cooperation by completing a missing road link in the Tajik segment of the CAREC Transport Corridor III, and will encourage the expansion of socioeconomic opportunities and activities of the poor, thereby contributing to pro-poor growth and inclusive social development.

C. Poverty Analysis⁴

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed? Not relevant.
2. What resources are allocated in the project preparatory technical assistance (PPTA)/due diligence? Not relevant.
3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)? The TA will identify opportunities for pro-poor design.

¹ ADB. 2005. *Country Strategy and Program Update 2006–2008 for Tajikistan*, Manila.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

The Project is aimed at promoting regional cooperation by supporting the completion of an integrated and efficient road transport link between Dushanbe and the Uzbekistan border. If trade relations between Tajikistan and Uzbekistan improve, the Project will foster increased cross-border trade, investments, and labor mobility, and, hence, better income opportunities for the poor. Various types of road users—domestic passengers, cargo owners, farmers, transit traffic vehicles, importers and exporters, industries, and cross-border traders—will benefit. Cross-border trade mainly benefits traders and is a significant driver of employment. Indirectly, it also boosts local production and encourages ancillary services and facilities, i.e., transportation and storage. In Tajikistan, where employment is scarce and other economic opportunities are limited, cross-border trade can generate more income for the poor.

2. What are the potential needs of beneficiaries in relation to the proposed project?

The key needs of beneficiaries are (i) sufficient physical road and border-post infrastructure; and (ii) consistent and simpler cross-border procedures for large exporters and importers, small cross-border traders, and transit traffic.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

In general, the road transport sector suffers from lack of investment and maintenance funds, limited institutional and human resources capacity, and complicated trade relations. Inconsistent government policies not based on economic decisions may prevent the country from reaping the full benefits of cross-border trade facilitation. The Project is very likely to encounter difficulties in compiling reliable data on cross-border trade activities (for use in establishing benchmarks for project benefits and monitoring), as these data are not captured in foreign trade statistics. The Project will support adequate cross-border infrastructure, i.e., roads and border facilities, and provide feasible measures and assistance in institutional and human resources development. ADB will also assist the Government in improving bilateral trade relations with Uzbekistan through policy dialogue.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.

Farmers, entrepreneurs and traders, workers, local communities, central and local governments, nongovernment organizations (NGOs), personnel of public enterprises and state institutions (particularly the aluminum smelter), unemployed, pensioners, and others associated with the proposed project area.

2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of NGOs and community-based organizations, etc.)?

Participatory exercises will need to be done at different levels—in the community (men's and women's groups) and among local bodies, line agencies involved in road subsector development, NGOs, business entities, etc. Participatory tools such as focus group discussions, participatory workshops, and community-level rapid assessment will be used to gather information. The areas of participation of the stakeholders, including beneficiaries, affected communities (if any), and women, will be identified and included in the project design for implementation according to ADB guidelines.

3. What level of participation is envisaged for project design?
 Information sharing Consultation Collaborative decision making Empowerment

4. Will a C&P plan be prepared? Yes No Consultations will be performed as part of the survey.

C. Gender and Development

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program?

Adequate infrastructure, i.e., transport, is essential in addressing gender gaps, as it provides access to education, health-care services, markets, and economic opportunities. The Project can help in gender mainstreaming by ensuring that women participate fully in its activities. However, women's access to project consultation and participation, employment, training may be limited by lack of awareness of opportunities. Awareness-building campaigns among both men and women will therefore be required, to ensure support for women's involvement. Women can take advantage of the increased business opportunities and improved connectivity afforded by the improved roads. Women and girls may, however, also become more vulnerable to HIV/AIDS and human trafficking.

2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making? Yes No Please explain.

Recent World Bank studies show that more women are actively involved in cross-border trading and many heads of traders' associations in cross-border activities are women. Therefore, fostering cross-border trade has a positive gender dimension. To validate the benefits that women and girls stand to gain from the Project, a gender action plan incorporating gender-sensitive indicators into measurable monitoring mechanisms will be prepared during TA implementation. Public stakeholder consultations will include women, women's organizations, and NGOs to ensure that women's priorities are reflected in the project design.

3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality? Yes No Please explain.

The preliminary assessment indicates limited impact on HIV/AIDS and trafficking, to which women and girls are known to be more vulnerable.

ADB = Asian Development Bank, C&P = consultation and participation, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency virus, NGO = nongovernment organization, PPTA = project preparatory technical assistance TA = technical assistance.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	The use of existing right-of-way or unused land owned by the Government, except in the proposed bypass from the exit point of Dushanbe city up to Gissar turnoff, was proposed in the pre-feasibility study. ² A project impact and social survey and several public consultations will be carried out during TA implementation.	Limited	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input type="checkbox"/> No Action <input checked="" type="checkbox"/> Uncertain
Indigenous Peoples	Ethnic groups along the project road are mostly Tajik and Uzbek. Although these peoples differ somewhat in language and culture, they have been living together harmoniously since the Soviet period and commonly intermarry. No ethnic issues are anticipated.	No Impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain

² ADB. 2005. *Technical Assistance for Facilitation of Transport Cooperation among Central Asia Regional Economic Cooperation Countries (Phase 1)*. Manila (TA 6294-REG). Final Report

Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards	Surplus labor is common in the project area. The use of local labor, especially of the poor and women, and local subcontractors will be encouraged.	Limited	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action ¹⁸ <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	No tolls are currently proposed for the use of the project road. Project affordability and sustainability will be assessed further. Transit fees will be charged for vehicles crossing international borders—primarily trucks carrying freight—and the fee structure will be rationalized.	No impact	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input checked="" type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	The incidence of HIV/AIDS cases in the country is very low, but as a precautionary measure, in view of the anticipated increase in HIV/AIDS infection rates, the management of sexually transmitted diseases will be included in the project design and bidding documents for civil works, to provide for the monitoring and prevention of the spread of HIV/AIDS and trafficking during construction and on project completion.	Limited	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain

ADB = Asian Development Bank, CAREC = Central Asia Regional Economic Cooperation, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, PRSP = Poverty Reduction Strategy Paper, TA = technical assistance.

IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.</p> <p>2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.</p> <p>Public consultations and surveys will be conducted for the purpose of preparing a poverty profile of the project influence area and the impact of the road improvement on poverty.</p>

C&P = consultation and participation, PPTA = project preparatory technical assistance.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Cost
A. Financing by the Regional Cooperation and Integration Fund under the Regional Cooperation and Integration Financing Partnership Facility^a	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants ^b	390.0
ii. National Consultants ^c	54.0
b. International and Local Travel	21.0
c. Reports and Communications	5.0
2. Equipment	5.0
3. Engineering Surveys and Preliminary Design	75.0
4. Impact and Social Surveys	20.0
5. Conferences and Workshops	10.0
6. Miscellaneous Administration and Support Costs	10.0
7. Representative for Contract Negotiations	10.0
8. Contingencies	50.0
Subtotal (A)	650.0
B. Government Financing	
1. Office Accommodation ^d and Transport	50.0
2. Remuneration and Per Diem of Counterpart Staff ^e	50.0
3. Others	50.0
Subtotal (B)	150.0
Total	800.0

^a Established by the Asian Development Bank.

^b Assuming 20 person-months of international consultants' remuneration, at \$18,000 per person-month.

^c Assuming 36 person-months of national consultants' remuneration, at \$1,500 per person-month.

^d Includes office facilities and local communication.

^e Includes remuneration and per diem for the directors of the project implementation units of the Ministry of Transport and Communications and the Customs Service Department.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Scope of Work

1. Under the technical assistance (TA), the consultants will carry out a feasibility study and preliminary design for the proposed Dushanbe–Tursunzade–Uzbekistan border road section, including bidding documents and an investment plan for the Tajikistan–Uzbekistan (Bratstvo) border infrastructure and facilities. The consultants will work in close consultation with the Ministry of Transport and Communications (MOTC), the Customs Service Department (CSD), and other relevant government agencies, and with the Asian Development Bank (ADB).

2. The consulting firm to be hired for the services must have sufficient regional and sector experience. The international team leader, with the support of national consultants, will (i) serve as a technical expert in highway engineering, (ii) manage the TA outputs and activities, (iii) coordinate among all the key stakeholders to ensure smooth TA implementation and non-duplication of work, and (iv) be responsible for the timely TA deliverables. Other requirements may also have to be met, as they arise. The consulting services will include, but not be limited to, the tasks given below.

B. Outline Terms of Reference

1. **Transport Engineering** (international, 8 person-months (Team Leader); national, 25 person-months)
3. The activities include but are not limited to:
 - (i) Reviewing MOTC policies, strategies, and plans;¹ evaluating the transport issues, such as road safety and maintenance, historical and projected road revenues and expenditures, and institutional capacity; updating regional traffic projections and analyses; analyzing project and alignment alternatives to enhance sustainability and reduce maintenance expenditures; assessing the Project’s value addition to regional cooperation; updating the problem tree analysis and the design and monitoring framework.
 - (ii) Reviewing all relevant studies and reports including the pre-feasibility studies conducted by ADB and the Government in 2007; undertaking field surveys of cross-border traffic flow, road condition, and border facilities, including the Uzbekistan side of the border; assessing the potential traffic diversion from the railway; determining an optimal alignment, the number of traffic lanes, and the feasibility of tolling and public-private participation; identifying complementary road networks for inclusion in the Project; garnering a firm support from the public; developing project components including institutional and human resources development, transport and trade facilitation, implementation support, and road maintenance; incorporating the lessons learned in the project design.
 - (iii) Conducting engineering surveys; conducting traffic counts and origin-destination surveys; developing design criteria; preparing preliminary engineering specifications including a preliminary design of bridges, culverts, crossovers, and bypasses.

¹ ADB. 2007. *Technical Assistance to the Republic of Tajikistan for the Transport Sector Master Plan*. Manila (TA 4926-TAJ).

- (iv) Drawing up bills of quantities, unit prices, contract packages, the procurement plan for goods and services, the procurement method, the disbursement account, the legal agreements account, and recurrent costs, if any; estimating adequate routine and periodic maintenance for the project components; incorporating road safety measures; drafting project implementation schedule, implementation arrangement and project management plan; drafting terms of reference for consultants for detailed design and construction supervision, and for the technical assistance, if any; preparing bidding documents conforming to ADB's standards.

2. Economic Assessment (international, 3 person-months; national, 1 person-month)

4. The activities include but are not limited to:

- (i) Reviewing current status, strategy, and road map for the transport sector in Tajikistan and neighboring countries; assessing the impact of the Project on the country's economic and social development and regional cooperation; assessing the fiscal and financial impact on the country on the basis of the current and future investment plans of the Government, and making suitable recommendations.
- (ii) In accordance with ADB's *Guidelines for Economic Analysis of Projects* (1997, as amended from time to time), undertaking least-cost analyses, establishing economic assumptions, and undertaking traffic demand forecasts (i.e., normal, generated, and diverted traffic), by vehicle type and by type of domestic, cross-border, and international transit traffic; undertaking project economic evaluation and distribution analyses by estimating economic costs and benefits including quantified potential regional benefits and other quantifiable project benefits; calculating the economic net present value and economic internal rate of return; undertaking sensitivity and risk analyses using @Risk software in accordance with ADB's *Handbook for Integrating Risk Analysis in the Economic Analysis of Projects*, and recommending risk mitigation measures.

3. Financial Management and Analysis (international, 2 person-months; national, 1 person-month)

5. The activities include but are not limited to:

- (i) In accordance with ADB's *Financial Management and Analysis of Projects* (2005), updating the financial management assessment questionnaire and financial management assessment report of MOTC, CSD, and their project implementation units; identifying appropriate governance and financial performance indicators; preparing detailed cost estimates and a financing plan using COSTAB² software; designing a project funds flow and disbursement mechanism.
- (ii) Conducting needs assessment of the institutional capacity of MOTC and CSD; developing complementary programs and activities to improve the investment climate through the Project; establishing an adequate financing scheme and public-private participation, among others, to address Project's sustainability.
- (iii) Conducting financial analyses (financial internal rate of return, financial net present value, weighted average cost of capital, sensitivity analysis, ratio analysis) on the

² COSTAB is a computer model used to generate cost tables, financing plans and disbursement tables. COSTAB system is available in the ADB website: <http://www.adb.org/Projects/costab.asp>

basis of the anticipated traffic and the feasibility study on tolling given the proposed toll rates, road user charges, and transit fees, among others.

4. Social Safeguards, Involuntary Resettlements, and Indigenous Peoples
(international, 2.5 person-months; national, 5 person-months including survey teams)

6. The activities include but are not limited to:

- (i) Undertaking an initial poverty and social assessment (IPSA) to identify: (a) the level of impact of the Project on indigenous peoples (IPs) and communities with collective land rights, (b) expected impact on land acquisition and resettlement, (c) the poverty dimensions of the Project, (d) impact on women and other vulnerable groups, and (e) relevant labor issues; on the basis of the IPSA, evaluating the significance level of the different types of impact, and the actions that should be taken to satisfy ADB's *Policy on Indigenous Peoples* (1998) and *Involuntary Resettlement Policy* (1995) in accordance with ADB's *Poverty Handbook* (2006), *Handbook on Social Analysis* (2007), and *Core Labor Standards Handbook* (2006).
- (ii) Reviewing national laws and policies on land acquisition and resettlement and IPs to verify their adequacy for the purposes of ADB's policies; recommending measures to bridge any gaps found; preparing a compensation eligibility and entitlement matrix in accordance with ADB's social safeguards policies; preparing time-bound action plans to strengthen the capacity of the Government to plan and implement resettlement.
- (iii) Conducting (a) a socioeconomic survey based on a 25% statistical sample of all affected households (AHs)³ detailing the composition of the AHs and their gender, age, ethnicity, educational level, livelihood modes, poverty and income levels, and land tenure types; (b) a detailed impact measurement survey based on a 100% sample of the AHs, detailing the number, area and dimensions, and type and replacement or market value of all affected assets; and (c) an AH census based on a 100% sample identifying all AHs and the number, gender, age, education, and (where relevant) land occupancy status of their members, as well as severely affected households (those losing more than 10% of their income or land) and women-headed or vulnerable AHs.
- (iv) Preparing a summary resettlement plan and a resettlement plan (RP)—a full plan if resettlement effects are significant—as well as necessary IP action or an IP development plan in accordance with ADB's relevant policies and procedures on involuntary resettlement and IP development.
- (v) Analyzing the Project from a gender perspective and developing components and implementation mechanisms to ensure women's participation in the Project, including a gender plan and a plan for the management of sexually transmitted diseases, drug and human trafficking.
- (vi) Preparing terms of reference for social and poverty analyses for project implementation, a summary poverty reduction and social strategy (SPRSS), and social analyses.

³ Including 20% of the vulnerable households (households below the poverty line or households headed by a woman).

5. Environmental Assessment (international, 1 person-month; national, 2 person-months)

7. The activities include but are not limited to:

- (i) Conducting an initial environmental examination (IEE) and recommending environmental mitigation measures; assessing the cumulative and regional environmental impact of the proposed activities and addressing the capacity-strengthening measures needed to implement the environmental management and monitoring plans.
- (ii) In accordance with ADB's *Environmental Policy* (2002) and *Environmental Assessment Guidelines* (2003), and any applicable procedures or guidelines required by the Government, drafting an IEE report and its summary (SIEE); preparing an environmental impact assessment (EIA) and its summary (SEIA) if the IEE shows significant impact.

6. Regional Cooperation, Trade Facilitation, and Cross Border Investment Planning (international, 3.5 person-months; national, 2 person-months)

8. The consultant must have an extensive knowledge of (i) international transport and trade issues in Central Asia, (ii) customs and border procedures, and (iii) road transport. The activities include but are not limited to:

- (i) Reviewing CSD policies, strategies, and plans; collecting and reviewing data, references, and materials; collecting baseline data on regional parameters, i.e., cross-border revenues and expenditures, international trade, customs data, trade volumes and projections, origins and destinations, travel time, trade costs, border clearance times, impact on communities and roadside businesses; evaluating inter- and intraregional benefits.
- (ii) Identifying and preparing inventory of laws, rules and regulations to be introduced or amended to facilitate cross-border transport and trade; Drafting provisions of such laws, rules and regulations, and cross-border agreement in consultation with the concerned ministries.
- (iii) Identifying institutional, operational, and physical impediments and challenges to transport and trade facilitation between Tajikistan and Uzbekistan; identifying potential joint investment opportunities for cross-border infrastructure and systems modernization and harmonization; preparing the feasibility of a unified automated information system, i.e., joint customs data sharing; proposing practical solutions at policy, regulatory, and investment levels.
- (iv) Undertaking field visits and carrying out due diligence at border posts between Tajikistan and Uzbekistan; analyzing the existing procedures including irregular requirements and practices among the border posts; developing border infrastructure and facilities investment program; preparing the associated cost estimates and recommendations.
- (v) In close consultation with the financial consultant, preparing a feasibility study with proposals for cost recovery measures including tolls and transit fees.

C. Reporting Requirements

9. The consultants will submit (i) an inception report within 1 month of the start of the TA, (ii) an interim report within 3 months, (iii) social and environmental impact assessment reports within 4 months, (iv) a draft final report within 6 months, and (v) a final report within 4 weeks of the receipt of the comments on the draft final report. Workshops will be held shortly after the submission of the inception, interim, and draft final reports. The consultants are also required to prepare status reports highlighting key issues critical to the timely completion of the TA.

10. All reports will be delivered in a format and substance satisfactory to the Government and ADB. Six copies (three each in English and Russian) will be provided to MOTC and CSD, and three copies (in English) to ADB. An electronic copy of the final report (one copy in Microsoft Office-compatible format and one copy in Adobe Acrobat format copied onto CD-ROM) will be submitted to ADB (in English) and the EAs (in English and Russian) at the end of the services.