



Project Data Sheet

Project 44483-027

Project Name	Second Central Asia Regional Economic Cooperation Corridor 2 Road Investment Program (Tranche 3)	
Project Number	44483-027	
Country / Economy	Uzbekistan	
Project Status	Closed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 3355-UZB: CAREC Corridor 2 Road Investment Program II, Tranche 3	
	Ordinary capital resources	US\$ 150.00 million
Strategic Agendas	Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development	
Sector / Subsector	Transport / Road transport (non-urban)	
Gender	No gender elements	
Description	<p>The proposed Tranche 3 will lead to improved road connectivity, efficient transport system, and effective management for the Uzbekistan sections of the CAREC Corridor 2 Road. The outcome will be improved travel time and efficiency on the reconstructed A380 highway section. The outputs of Tranche 3 will be (i) approximately 87 km of reconstructed Uzbekistan section of CAREC Corridor 2 Road (between Km 228-Km 315 of A380 highway); and (ii) nonphysical components for supporting the implementation of the civil works and for continued capacity development. Nonphysical components for this tranche include continued capacity development for implementing and updating road asset management system, and project implementation support.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Uzbekistan is a key transit point for Central Asian countries looking to trade among themselves, as well as with the rest of Asia and Europe. In 2010, ADB approved the first MFF for the CAREC Corridor 2 Road Investment Program for rehabilitating 175km of the A-380 highway between Urgench and Bukhara. The proposed Project 3, which is proposed under the second MFF, will rehabilitate the remaining 87 km of the A-380 highway near Bukhara. This will result in completing a crucial section of the highway, which is part of the CAREC Corridor 2 connecting Afghanistan, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. The proposed project will contribute to the improvement of connectivity and road safety, and boost domestic and international trade. The MFF is aligned with the country partnership strategy 2012-2016.</p>	

Impact	Better connectivity, efficient transport system, and effective management for the Uzbekistan sections of CAREC Corridor 2 Road (Program-defined [approved MFF Facility Outcome statement, 21 April 2010])
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Project Outcome

Description of Outcome	Improved travel efficiency on the reconstructed A380 highway section.
Progress Toward Outcome	The project experienced substantial delays in procurement of civil works. On 8 April 2020, ADB approved the Government's request for second extension of loan closing date from 31 March 2020 to 23 August 2021 (the original loan closing date was 31 December 2017). The EA already issued the letter of acceptance to the contractor on 14 April 2020. The civil works contract was signed on 15 May 2020. The advance payment to the contractor was paid on 7 July 2020. Actual physical progress is 2.9% as of 1 December 2020 while the financial progress is 18%. The PMU is also reminding the contractor to expedite the mobilization of equipment and personnel to advance the construction activities due to impending MFF and loan closing date by August 2021. ADB held meetings with all the parties and good progress is expected in the succeeding months. ADB fielded virtual loan review mission on 16-20 November 2020.

Implementation Progress

Description of Project Outputs	Km 228-Km 315 road section in A380 highway reconstructed Capacity for road asset management improved.
Status of Implementation Progress (Outputs, Activities, and Issues)	On the job training not yet started but workshops conducted. In November 2018, ADB conducted a 2-day workshop on road safety, weigh bridges and intelligent transport system (ITS). About 45 staff from SCR attended the workshop. The road safety workshop focused on the iRAP methodology and how its Vida software is used to systematically assess the safety risks on road infrastructure for all categories of road users. ADB will continue to support related capacity building activity along with road safety improvements. The project experienced substantial delays due to government transition, suspension of procurement, revisiting of design, feasibility study and cost estimates, and disagreement with ADB's recommendation for contract award. Finally, the contract with the civil works contractor was signed on 15 May 2020 while the contract with the project management and construction supervision consultant (PMCS) was signed on 15 October 2019. The notice to proceed to PMCS was issued on 22 April 2020. Commencement date for the works was notified to the contractor on 27 July 2020. As of November 2020, the Contractor did not conduct significant construction works on site. Due to Covid-19 lockdown in the country, mobilization of the contractor's machinery and equipment, delays in selecting the subcontractors and delays in utility works further delayed the construction activities. Actual physical progress is 2.9% as of 1 December 2020 while the financial progress is 18%.
Geographical Location	Bukhara

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Project 3 is classified as environmental category B in accordance with ADB's Safeguard Policy Statement (SPS) 2009. The EA prepared an initial environmental examination (IEE), which complies with the requirements of the SPS 2009. Public consultations including public hearings in two locations along the road section were held on 28 May 2014. The English version of the draft IEE was posted on ADB's website on 3 November 2014. The IEE which included noise and vibration assessment was updated and disclosed on 18 October 2018. The updated IEE together with the EMP was attached to the BD that was advertised in October 2018. The IEE found no major negative potential impacts from the proposed Project 3. The main findings of the IEE are: (i) there is no negative environmental impact associated with the location of the project, which is mainly desert area and involves no environmentally sensitive areas, (ii) environmental impacts associated with construction such as dust, noise, impact from construction waste will be minimized by proper planning, good engineering design, and implementation of the proposed mitigation measures and monitoring programs. These aspects will not pose threat to the environment. All construction materials such as sand and gravel will be supplied from areas that will be approved and cleared by Uzbekistan's State Committee for Nature Protection, (iii) the environmental impacts associated with operation such as noise, vehicle emission will be mitigated and addressed by the government's existing pollution control program, which will be closely coordinated and monitored by the State Committee for Nature Protection. Effective implementation of the environmental management plan will minimize and mitigate any adverse impacts during project implementation. The tender and contract documents will contain details of the environmental management and monitoring requirements to be carried out by the contractor. After completion, traffic flows are likely to increase, causing rise in greenhouse gas emissions. However, the amount of incremental emissions is not significant as defined in SPS 2009. A climate risk screening exercise carried out using AWARE geographic data set concluded that the project faced 'medium risk' caused by potential flooding. The project is located in a predominantly desert area. This risk is minimized by an improved physical design, which makes the road resilient to flooding. The government has a strong environmental monitoring and mitigation system, which ensures sound management of environmental impacts.

Involuntary Resettlement	<p>Project 3 is classified as category B for involuntary resettlement impacts. A draft land acquisition and resettlement plan (LARP) has been prepared by the EA based on the findings of the census carried out along the road section during October 2014. The draft LARP includes the required information, as specified in the SPS 2009 and follows the land acquisition and resettlement framework. The EA submitted the updated LARP implementation report on 11 September 2020 and cleared by ADB on 15 Sep 2020 that the LARP implementation compliance report is acceptable and can conclude that the condition for handing over of site for commencing works (as far as LAR requirements are concerned) has been met. The report was disclosed at ADB website on 21 Sep 2020. The updated LARP was disclosed at ADB website in April 2019. Consultations were carried out with the affected persons in April-May 2014 and in August 2014. The project traverses through four districts namely Bukhara, Jondor, Peshku, and Romitan. A total of 0.05 hectares of land is estimated to be acquired with 5 affected households. These households are located in Bukhara and Romitan districts. The draft LARP includes an estimate of the cost of land acquisition and resettlement at \$188,597.30. The current budget for land acquisition is sufficient to cover these costs. The draft LARP was disclosed to the affected persons during October-November 2014 and on ADB's website on 3 November 2014. The Road Fund has in-house capacity to implement resettlement plans based on the Uzbek laws. To develop familiarity and expertise in implementing ADB's Safeguards Policy, a national social safeguards consultant has been appointed to work closely with the Program Management Unit.</p>
Indigenous Peoples	<p>Project 3 is classified as indigenous people category C as defined under SPS 2009.</p>

Stakeholder Communication, Participation, and Consultation

During Project Design	<p>Discussions were held in 2014 with khokimyat authorities (local government) and key stakeholders. Public consultations with local residents and other interested parties were also and will be carried out during project implementation.</p>
During Project Implementation	<p>Consultations will continue with khokimyat authorities and key stakeholders. Periodic meetings will be conducted with local residents to monitor the implementation of LARP. During construction period the GRM will be functional, Environmental Safeguards and resettlement will be monitored.</p>

Business Opportunities

Consulting Services	<p>International and national consultants (firms and individuals) will be recruited and engaged according to ADB's Guidelines on the Use of Consultants by the Asian Development Bank and its Borrowers (March 2013, as amended from time to time). Notices regarding project's tenders are accessible at ADB website through this link: https://www.adb.org/projects/44483-027/main#project-tenders</p>
Procurement	<p>Procurement of the civil works contract will be carried out in accordance with ADB's Procurement Guidelines (April 2015, as amended from time to time). International competitive bidding will be conducted following Single-Stage Two-Envelope bidding procedure through post qualification and is open to bidders from eligible source countries of ADB. Notices regarding project's tenders are accessible at ADB website through this link: https://www.adb.org/projects/44483-027/main#project-tenders</p>

Responsible ADB Officer Karki, Pawan

Responsible ADB Department Central and West Asia Department

Responsible ADB Division Transport and Communications Division, CWRD
 Executing Agencies *Committee for Roads*

Timetable

Concept Clearance	-
Fact Finding	-
MRM	07 Nov 2014
Approval	09 Dec 2015
Last Review Mission	-
Last PDS Update	02 Dec 2020

Loan 3355-UZB

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
09 Dec 2015	02 May 2016	24 Nov 2016	31 Dec 2017	23 Aug 2021	10 Nov 2021

Financing Plan

Loan Utilization

	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	175.70	Cumulative Contract Awards			
ADB	150.00	11 Nov 2022	37.99	0.00	100%
Counterpart	25.70	Cumulative Disbursements			
Cofinancing	0.00	11 Nov 2022	37.99	0.00	100%

Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Partly satisfactory	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

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