



Project Data Sheet

Project 41121-013

Project Name	MFF CAREC Transport Corridor I (Zhambyl Oblast Section) [Western Europe-Western People's Republic of China International Transit Corridor] Investment Program
Project Number	41121-013
Country / Economy	Kazakhstan
Project Status	Closed
Project Type / Modality of Assistance	Loan

MFF Facility Concept 0024-KAZ: MFF CAREC Transport Corridor I (Zhambyl Oblast Section) [Western Europe-Western People's Republic of China International Transit Corridor] Investment Program

Source of Funding / Amount	Ordinary capital resources	US\$ 700.00 million
	MFF Facility Concept: MFF CAREC Transport Corridor I (Zhambyl Oblast Section) [Western Europe-Western People's Republic of China International Transit Corridor] Investment Program	
	Islamic Development Bank	US\$ 170.00 million
	Japan International Cooperation Agency	US\$ 68.00 million
Strategic Agendas	Inclusive economic growth Regional integration	
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Partnerships	
Sector / Subsector	Transport /	
Gender	Some gender elements	

Description

Kazakhstan's Western Europe-Western PRC Corridor (the Corridor) investment program aims to improve approximately 2,715-km road sections running from Khorgos through Almaty and Shymket to the Russian Federation's western border within the Kazakhstan territory of Central Asia Regional Economic Cooperation (CAREC) Transport Corridor 1. The investment program improves existing roads and constructs new road alignments to efficiently accommodate international traffic. The government targets to complete the investment program by 2014. The government sought assistance from international financial institutions to finance part of the investment program. The Asian Development Bank (ADB), teaming up with Japan International Cooperation Agency (JICA) and Islamic Development Bank (IDB) committed to finance 470 km in Zhambyl Oblast through a multifinancing facility (MFF). The European Bank for Reconstruction and Development and the World Bank finance 102 km and 1,062 km, respectively.

Project Rationale and Linkage to Country/Regional Strategy

The road sector has long-standing operational and institutional bottlenecks: (i) the network is incomplete, and in some sections in bad condition; (ii) truck overloading is frequent, cutting into the economic life of road assets; (iii) revenues from transit are low, affecting cost recovery and reinvestment capabilities; (iv) inefficient cross-border procedures increase the burden on trade and traders, and raise the cost of doing business; (v) weak road sector planning affects sound investment sequencing; and (vi) project development and project management shortcomings create inefficiencies, high costs, and bad governance. These gaps translate into higher-than-average transport costs. They also hamper regional cooperation and integration opportunities, and ultimately the country's competitiveness. The Investment Program and the proposed financing are intended to remove these constraints.

Impact

Increased regional trade and national economic growth

Project Outcome

Description of Outcome

Efficient transport network in Zhambyl Oblast connecting Almaty and Shymkent

Progress Toward Outcome

Outcome indicators are now being monitored.

Implementation Progress

Description of Project Outputs

5-highway sections between Almaty and Shymkent in Zhambyl Oblast improved and open to traffic
Road operations and maintenance facilities in Zhambyl Oblast improved and operational

Tranche 1 (L2503): The loan of \$340 million was approved in December 2008 and became effective in July 2009. The reconstruction of the following existing road sections was completed (i) 79-km Taraz-Kulan (Km 404 483) road section from 2-lane asphalt to 4-lane cement concrete pavement, and (ii) 46-km Blagoveschenka Korday (Km 214 260) road section to 2-lane asphalt cement pavement. The loan was closed on 24 March 2014 and the road users enjoyed improved access to basic social services and facilities, reduced travel time, and easier movement of people and goods. The project also provided small business opportunities, e.g., gasoline station.

Tranche 2 (L2562): The loan of \$187 million was approved in October 2009 and became effective in April 2010. The reconstruction of existing 79-km KulanBlagoveshchenka (Km 310.5 389.4) road section from 2-lane asphalt to 4-lane cement concrete pavement was completed in 2013. The road users are now enjoying the benefits of this road section. Meanwhile the remaining works are ongoing on the four road maintenance facilities/depots, which are expected to be completed in June 2015.

Tranche 3 (L2697): The loan of \$173 million was approved in November 2010 and became effective in June 2011. All road works were completed in 2014: (i) construction of new 80-km OtarBlagoveshchenka (Km 162260) road section for 2-lane asphalt concrete road on an embankment for 4-lane for future upgrading; (ii) rehabilitation of existing 13-km 2-lane asphalt concrete road, and construction of 5-km 2-lane asphalt concrete bypass to the Kyrgyz border; and (iii) upgrade of existing 5.2 km road to a 4-lane cement concrete road, and construction of 14.8 km road to a 4-lane cement concrete bypass road at Kulan. The road users will soon reap the benefits of these improved roads. The loan is expected to be closed in April 2015.

Tranche 4 (L2735): The loan of \$112 million was approved on 21 February 2011 and became effective in December 2011. The widening of 49-km (Km 261.5-310.5) road sections from two-lane to four-lane was completed in 2014. The road users will soon reap the benefits of these improved roads. The loan is expected to be closed in April 2015.

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects	The EARF was prepared for the Investment Program, and Environmental Assessment Report was prepared for each tranche project. The total mitigation and monitoring costs for the projects were estimated.
Involuntary Resettlement	The LARF was prepared for the Investment Program and a LARP was prepared for each tranche project. The cost of administrative oversight, and monitoring and evaluation activities were included in the project budget and reflected in the LARP budget.
Indigenous Peoples	The Investment Program has no impact on indigenous peoples.

Stakeholder Communication, Participation, and Consultation

During Project Design	Consultations were conducted with stakeholders, including the local population and the Oblast Administration of the Committee of Roads. Most of the fieldwork was based on qualitative analysis and direct observation. Particularly, LARPs and environmental reports were prepared in consultation with, and disclosed to, the affected persons following the LARF provisions and EARF provisions.
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During Project Implementation Consultation is part of the implementation of environmental mitigation measures and land acquisition and resettlement activities.

Business Opportunities

Consulting Services Recruitment of consultants followed ADB's Guidelines on the Use of Consultants. Selection method used quality- and cost-based selection procedures, and required full technical proposals for contracts over \$1million, and simplified technical proposals for contracts not exceeding \$1 million.

Procurement Procurement of civil works followed ADB's Procurement Guidelines. Contracting method used international competitive bidding (ICB) for civil works over \$3 million, and national competitive bidding (NCB) for civil works not exceeding \$3 million. Procurement of civil works required pre-qualification of bidders for the first tranche, but not for the succeeding tranches; and ADB's prior review procedures for all tranches.

Responsible ADB Officer Herz, Thomas

Responsible ADB Department Central and West Asia Department

Responsible ADB Division Transport and Communications Division, CWRD

Timetable

Concept Clearance	19 Feb 2008
Fact Finding	10 Jun 2008 to 24 Jun 2008
MRM	26 Sep 2008
Approval	12 Nov 2008
Last Review Mission	-
PDS Creation Date	14 May 2008
Last PDS Update	18 Mar 2015

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Financing Plan

Loan Utilization

	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	916.00				
ADB	700.00	-	0.00	0.00	%
Counterpart	216.00				
Cofinancing	0.00	-	0.00	0.00	%

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