Afghanistan: Hairatan to Mazar-e-Sharif Railway Project

The Project involves the construction of a new 75 kilometers (km) railway line between Hairatan at the border with Uzbekistan and Mazar-e-Sharif in Afghanistan. The Project represents a first phase of a larger rail network planned across the north and other parts of the country, including links to Herat, Tajikistan, and Pakistan. It will expand the existing transport network in Afghanistan and improve substantially internal and international connectivity. The Project is part of the Transport Strategy and Action Plan agreed under the Central Asia Regional Economic Cooperation (CAREC) Program. It will add capacity to two transport corridors under CAREC and open up alternative routes of supply for national and international trade, as well as for humanitarian relief to Afghanistan.

The Project has two components: (i) design and construction of 75 km single-line railway and associated infrastructure; and (ii) project management, independent supervision, and institutional support. The Project will be executed through a fixed price and fixed time delivery engineering, procurement, and construction (EPC) turnkey contract. Once constructed, tested, and commissioned, the rail service will be managed by an operator under an operation and maintenance contract.

The Project has strong rationale. First, it will develop a reliable, efficient, safe, and sustainable transport link within the country and between the country and its neighbors. Hairatan already doubles up as Afghanistan's most important dry and river port, acting as the gateway for almost half of Afghanistan's total imports. Key commodities and goods moving through this point include oil and fuel, wheat and flour, fertilizer, construction materials such as cement and bitumen, agricultural and off-highway equipment and consumer goods. Hairatan is also a largest port for the supply of humanitarian relief to Afghanistan. However, the existing transport infrastructure and facilities at Hairatan cannot cope with an expanding volume of trade and humanitarian relief. An existing rail line between Termez in Uzbekistan and Hairatan does not have a rail link into Afghanistan. Freight destined for Afghanistan and beyond has to be off-loaded and reloaded into trucks at this border. This is both slow and extremely costly. Moreover, other established trade and supply routes servicing Afghanistan are disrupted because of security constraints. The Termez-Hairatan railway line helps but Afghanistan and other Central Asian countries would benefit if this were to be extended into Mazar-e-Sharif ending at the airport there, which is being expanded with German assistance, and connecting to the Ring Road being financed by the Asian Development Bank (ADB). This expanded rail line will remove major critical physical bottlenecks at the border, quadrupling capacity and ultimately aiding regional trade.

A second important feature of the Project is its strong strategic and logistical content to countries in Central Asia. Afghanistan is the natural transit route to reach ports in Pakistan and the Caspian, for the onward sale of goods to South and East Asia, Middle East, and Europe. The railway line cuts bottlenecks at Hairatan, raises the profile of Afghanistan as a transit route to reach ports in Pakistan and the Caspian, for the onward sale of goods to South and East Asia, Middle East, and Europe.

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The Project is part of the Transport Strategy and Action Plan agreed under the Central Asia Regional Economic Cooperation (CAREC) Program. It will add capacity to two transport corridors under CAREC and open up alternative routes of supply for national and international trade, as well as for humanitarian relief to Afghanistan.

The Project has two components: (i) design and construction of 75 km single-line railway and associated infrastructure; and (ii) project management, independent supervision, and institutional support. The Project will be executed through a fixed price and fixed time delivery engineering, procurement, and construction (EPC) turnkey contract. Once constructed, tested, and commissioned, the rail service will be managed by an operator under an operation and maintenance contract.

The Project will be implemented in line with ADB's approach to engaging with weakly performing countries.

Impact

Greater economic development and increased trade between Afghanistan and the region.

Project Outcome

<table>
<thead>
<tr>
<th>Description of Outcome</th>
<th>An efficient, safe, reliable railway transport network developed and operated in north Afghanistan.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress Toward Outcome</td>
<td>With the completion of railway project connecting the ring road and airport, an integrated transport network has developed and railway line is in operation since December 2011. The Project also fits well with the CAREC Transport and Trade Facilitation Strategy and the Action Plan.</td>
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</tbody>
</table>
## Summary of Environmental and Social Aspects

### Environmental Aspects
The Project is classified category B. The initial environmental examination (IEE) was prepared according to ADB’s Environment Policy (2002) and Environmental Assessment Guidelines (2003). The Project will have no major long-term adverse impact on the environment. Short-term impacts are considered insignificant and temporary and will be mitigated through the implementation of an environmental management plan (EMP).

### Involuntary Resettlement
The Project entails minor land acquisition and resettlement since most of the railway route passes through uninhabited and unused desert land. The impact of the railway route is only on 2 vacant plots. Based on this impact, the Project has been classified B for resettlement purposes. A land acquisition and resettlement plan (LARP) was prepared.

### Indigenous Peoples
None of the people affected by the Project belongs to groups classified as indigenous peoples under ADB’s Policy on Indigenous Peoples (1998). The Project has been categorized as C for impacts on indigenous peoples.

### Stakeholder Communication, Participation, and Consultation

#### During Project Design
Consultations were conducted on 20, 27, 30 July and 8 August 2009 at Taza Omed, Gore-e-More, Qalinbafan’s Camp and Hairatan, respectively. The issues discussed in the consultations included merits and demerits of the railway alignment, and land acquisition, and resettlement. The consultations were open for all to share and exchange views, ideas, and experiences. Consultation held with the people of Qalinbafan’s Camp village on 14 August 2009 reassessed affected land, and presented position and ownership of land and its price. Discussion held with the Ministry of Public Works on 14 August 2009 focused on issues relating to affected land, prices of land, and the process of compensation.

#### Decisions and Recommendations of the Consultation Sessions
- Railway must go through government land;
- Agriculture land should not be used because it is limited for production;
- Affected people should get cash compensation of any affected property including land so that they can use the money according to their choice;
- and they expressed their interest to establish the Project railway line because they will have safe transpiration and the prices will be cheaper and business facilities will be increased.

In conclusion of each consultation, local people welcomed this Project as they believe the Project will contribute to their socioeconomic development.

#### During Project Implementation
The consultation process will be held from project design through implementation. MPW and the Project Company will play an important role in this process.

### Business Opportunities

#### Consulting Services
Consultants were recruited in line with ADB’s Guidelines on the Use of Consultants. A consulting firm to oversee the design and construction work was selected using ADB’s quality- and cost-based selection procedures and the procurement plan agreed with ADB. Full technical proposals were required. The executing agency procured advisory services for railway sector and institutional development. The individual consultants were selected and engaged in accordance with the Guidelines on the Use of Consultants and the procurement plan agreed with ADB.

#### Procurement
Procurement of goods, civil works, and related services financed from the ADB grant were done in accordance with ADB’s Procurement Guidelines. The Government requested for ADB’s waiver to procure rail tracks from non ADB member countries, as the prices from non-member countries were more competitive than from member countries. The Project involved one contract package by direct contracting with UTY for design, procurement and construction of civil and railway works. The direct contracting allowed quick procurement process due to urgency of the Project. The direct contracting to UTY was justified for the following reasons (i) UTY was involved in the construction of existing railway line and station yard at Hairatan; (ii) UTY is currently operating and maintaining the existing railway line between Termez and Hairatan, the Hairatan station and marshalling yard, and (iii) UTY has strong track record in design, construction, operation, and maintenance of railways.

### Responsible ADB Officer
ADB Disclosure

#### Responsible ADB Department
Central and West Asia Department

#### Responsible ADB Division
Transport and Communications Division, CWRD

### Timetable

#### Concept Clearance
09 Jul 2009

#### Fact Finding
09 Aug 2009 to 18 Aug 2009

#### MRM
25 Aug 2009

#### Approval
30 Sep 2009

#### Last Review Mission
-

#### PDS Creation Date
09 Jul 2009

#### Last PDS Update
25 Mar 2013

### Grant 0161-AFG

#### Milestones

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<th>Approval</th>
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<th>Effectivity Date</th>
<th>Closing Original</th>
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#### Financing Plan

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<th>Others</th>
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Project Page  
https://www.adb.org//projects/42533-022/main

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29 September 2023

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