



Uzbekistan: Central Asia Regional Economic Cooperation Corridor 2 Karakalpakstan Road (A380 Kungrad to Daut-Ata Section) Project

Project Name	Central Asia Regional Economic Cooperation Corridor 2 Karakalpakstan Road (A380 Kungrad to Daut-Ata Section) Project								
Project Number	48414-006								
Country / Economy	Uzbekistan								
Project Status	Active								
Project Type / Modality of Assistance	Loan								
Source of Funding / Amount	<table border="1"><tr><td colspan="2">Loan 3963-UZB: Central Asia Regional Economic Cooperation Corridor 2 Karakalpakstan Road (A380 Kungrad to Daut-Ata Section) Project</td></tr><tr><td>Concessional ordinary capital resources lending</td><td>US\$ 26.00 million</td></tr><tr><td colspan="2">Loan 3965-UZB: Central Asia Regional Economic Cooperation Corridor 2 Karakalpakstan Road (A380 Kungrad to Daut-Ata Section) Project</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 248.20 million</td></tr></table>	Loan 3963-UZB: Central Asia Regional Economic Cooperation Corridor 2 Karakalpakstan Road (A380 Kungrad to Daut-Ata Section) Project		Concessional ordinary capital resources lending	US\$ 26.00 million	Loan 3965-UZB: Central Asia Regional Economic Cooperation Corridor 2 Karakalpakstan Road (A380 Kungrad to Daut-Ata Section) Project		Ordinary capital resources	US\$ 248.20 million
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Operational Priorities	OP1: Addressing remaining poverty and reducing inequalities OP2: Accelerating progress in gender equality OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability OP6: Strengthening governance and institutional capacity OP7: Fostering regional cooperation and integration								
Sector / Subsector	Transport / Road transport (non-urban)								
Gender	Effective gender mainstreaming								
Description	<p>The project will upgrade and widen a section of the Guzar, Bukhara, Nukus, Beyneu highway (A380) of about 240 kilometers (km) in the Republic of Karakalpakstan. The project road is part of the CAREC Corridor 2 and one of the key trade routes in the region. The project will help develop the institutional capacity of the Committee for Roads under the Ministry of Transport, to ensure effective road maintenance, control vehicle overloading, ensure sound road traffic management, and improve project management.</p> <p>The project road is located in the Kungrad district of the Republic of Karakalpakstan and has a total length of 240 km. It starts at km 964 on A380 highway and runs towards the Kazakh border at km 1,204.</p> <p>CAREC Corridor 2 connects the Caucasus and Mediterranean to East Asia. The route covers Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan, Tajikistan, the Kyrgyz Republic, and the People's Republic of China. It comprises 9,900 km of roads and 9,700 km of railways.</p>								
Project Rationale and Linkage to Country/Regional Strategy	<p>Uzbekistan, being located in the central region of the said corridor, has the unique possibility to emerge as a center for trade and commerce. The benefits will be higher levels in the economic growth and better cooperation with neighboring countries as well as regional trade.</p> <p>The total 240 km long project is the last missing link in the CAREC Corridor 2 and will provide a trade access to the Caspian Sea. Most of the A380 road sections from Bukhara to km 964 have been reconstructed during the past years. In others construction works are ongoing or in the tender process. The condition of existing road pavement in the section from km 964 to km 1,204 on A380 is unsatisfactory. On major sections, there are continuous cracks, potholes, rutting, edge deterioration etc., forcing the drivers to reduce the travel speed. In some sections the existing pavement is completely deteriorated to a gravel road standard.</p> <p>The road rehabilitation project includes the rehabilitation/upgrading of the project road to category II with two lanes and cement concrete pavement of the roadway. The application of a cement concrete pavement takes into account the availability of local materials, long expected useful life of the pavement and environmentally friendly characteristics of cement concrete.</p>								
Impact	Regional trade and economic connectivity on the Central Asia Regional Economic Cooperation Corridor 2 is enhanced, particularly between Uzbekistan and Kazakhstan								
Project Outcome									
Description of Outcome	Regional trade and road transport connectivity in Western Uzbekistan improved								
Progress Toward Outcome	Civil works are ongoing with the project management and construction supervision consultant also mobilized for the project. Procurement activities are ongoing for the intelligent transport system (ITS) and weigh-in-motion (WIM) components of the project.								
Implementation Progress									
Description of Project Outputs	Road from Kungrad to Daut-Ata reconstructed ITS installed WIM systems supplied and installed A380 section from 673-698 km upgraded and widened 4km 4P180 rural road section upgraded and capacity enhanced								
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Output 1. The civil works for the 240 km road section is divided into two packages (three 40 km lots each package). Work in each lot commenced in June 2021. The target completion date is June 2025 including a defect notification period of two years. The project management and construction supervision consultant commenced the services on 12 May 2021 until 11 May 2023. Two multipurpose community complexes in Jaslik and Karakalpakstan and five rest stops with market stalls, equipment, and supplies are included in this output. The EA has advertised the recruitment of a consulting firm for building design on 18 June 2022 and is targeting award by 1 July 2023.</p> <p>Outputs 2 and 3. The design review and supervision consultant for the intelligent transport system (ITS) and weigh-in-motion (WIM) contracts was awarded on 19 November 2021 for \$1.10 million. The bidding documents for the design, supply and installation of ITS and WIM are being finalized and the invitations for bids (IFB) are expected to be advertised within Q3 2022.</p>								
Geographical Location	Nation-wide								
Safeguard Categories									

Environment	A
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	Based on the ADB's Safeguard Policy Statement (SPS) of 2009, the project is classified as category A for environment. The environmental impact assessment is currently being undertaken. Public consultations have been carried in the project influence area during the assessment. First level stakeholder consultations were conducted during two occasions, first during the reconnaissance survey between January 25-26, 2019 and another between March 20-21, 2019 in Jaslik and Karakalpakstan settlements with 97 participants. Expert consultations were also made between January 28-29, with local biodiversity experts and Saiga Specialist. Second level consultation will be conducted by the local biodiversity expert in Tashkent tentatively scheduled on 20 September 2019, and with the nearby communities and affected people on a date to be confirmed. Highlights of the consultations will be properly documented and appended in the environmental and social assessment reports. The proposed project is classified as category A for environment based on the ADB's SPS (2009). The immediate project area is considered a critical habitat with high biodiversity value supporting 17 internationally and national recognized threatened species, that can be impacted by the project, including the critically endangered Sociable Lapwing, Saiga Antelope, and the endangered Saker Falcon, Egyptian Vulture, and Steppe Eagle. Within the discrete management unit are 3 legally protected areas, namely: Saiga Reserve, and the Important Bird Areas (IBA) of Sarykamysh and the Sudochie. Other potential impacts to biodiversity due to the project include possible illegal hunting and gathering by the contractors, preyed by guard dogs inside the campsites, or attracted to wastewater ponds from the camp sites and road potholes in search of drinking water. The environmental mitigation measures and a biodiversity action plan will be prepared as part of the EMP. These measures are easily designed and can readily be implemented, and includes the protection of the existing threatened species and protected areas, management of solid and liquid wastes avoid attracting these species that will expose them to unsafe environment, technical design of the electric lines, education of contractors, rodent control, and continuous assessment and monitoring particularly during construction. Upon effective implementation of the mitigation measures it is anticipated that no significant residual adverse impacts will occur. The project is not anticipated to lead to a reduction in the population of any of the priority biodiversity values identified in the project that can compromise its viability.
Involuntary Resettlement	The project is classified category B for involuntary resettlement. The proposed rehabilitation and upgrading of the 240 kilometer section of the highway A380 passes through barren land and the alignment proposed on the abandoned gravel road is also along barren and non-agricultural land. All land required for the project are owned by the State except 0.0613 ha of privately used land plot. These state lands are barren and uncultivable due to the low soil fertility and absence of irrigation. The project has prepared a Land Acquisition and Resettlement Plan (LARP) after carrying out census and socio-economic survey based on the final and detailed design of the road project. The LARP describes the project components resulting in involuntary resettlement, the magnitude of impact, mitigation measures proposed, provision of land for land under private use, compensating for structure, eligibility criteria for availing rehabilitation and resettlement assistance, baseline socio-economic characteristics, entitlements based on type of loss and tenure, the institutional arrangement for delivering the entitlements and mechanism for resolving grievances and monitoring. The land acquisition and rehabilitation assistance for this project is in accordance with the Land Code of the Republic of Uzbekistan, 1998, the various Resolutions of Cabinet Ministers and ADB Safeguards Policy Statement (2009).
Indigenous Peoples	The project is classified category C for indigenous peoples. The census and socio-economic survey and consultations held along the project area confirm that there are no indigenous people in the settlements along the project road and further the project does not impact any indigenous peoples communities. As such, the project is classified category C for indigenous peoples, and requires no further action.

Stakeholder Communication, Participation, and Consultation

During Project Design	The environmental impact assessment is currently being undertaken. Public consultations have been carried in the project influence area during the assessment. First level stakeholder consultations were conducted during two occasions, first during the reconnaissance survey between January 25-26, 2019 and another between March 20-21, 2019 in Jaslik and Karakalpakstan settlements with 97 participants. Expert consultations were also made between January 28-29, with local biodiversity experts and Saiga Specialist. Second level consultation will be conducted by the local biodiversity expert in Tashkent tentatively scheduled on 20 September 2019, and with the nearby communities and affected people on a date to be confirmed. Highlights of the consultations will be properly documented and appended in the environmental and social assessment reports. Meaningful consultations and timely disclosure have been undertaken in accordance with the consultations and disclosure plan provided in the Land Acquisition and Resettlement Plan (LARP). The LARP will be updated as necessary and compensation and rehabilitation assistance will be disbursed prior to award of contract. Grievance Redress Committee (GRC) to address social and environmental grievances will be established at two-levels, one at the Project Implementation Unit (PIU) level and second at PMU level. The GRC will be in place immediately after the project is approved. The GRC will continue to function, for the benefit of the affected persons, during the entire life of the project including the defects liability period.
During Project Implementation	An integrated social and environmental grievance redress mechanism (GRM) has been formed to continue receiving feedback and complaints from affected parties and addressing them during the construction and operation stages. To ensure the effective implementation of safeguards requirements, the construction supervision consultant team will include a national biodiversity expert.

Business Opportunities

Consulting Services	All consulting services will be undertaken in accordance with ADB Procurement Policy and ADB Procurement Regulations for ADB Borrowers for Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time). To expedite project implementation, advance contracting will be conducted for recruitment of consulting services. The advance contracting notice for this project was posted at ADB website on 23 September 2018 at this link: https://www.adb.org/sites/default/files/tenders/uzb48414-karakalpakstan-240km-aa.pdf .
Procurement	All procurement will be undertaken in accordance with ADB Procurement Policy and ADB Procurement Regulations for ADB Borrowers for Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time). To expedite project implementation, advance contracting will be conducted for procurement of civil works. The advance contracting notice for this project was posted at ADB website on 23 September 2018 at this link: https://www.adb.org/sites/default/files/tenders/uzb48414-karakalpakstan-240km-aa.pdf .

Responsible ADB Officer	Kailasam, Ganesh
Responsible ADB Department	Sectors Group
Responsible ADB Division	Transport Sector Office (SG-TRA)
Executing Agencies	Committee for Roads

Timetable

Concept Clearance	07 Sep 2015
Fact Finding	12 Sep 2019 to 20 Sep 2019
MRM	22 May 2020
Approval	01 Sep 2020
Last Review Mission	-
Last PDS Update	21 Jul 2022

Loan 3963-UZB

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
01 Sep 2020	03 Dec 2020	25 Jan 2021	30 Jun 2026	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	135.20	Cumulative Contract Awards			
ADB	26.00	26 Jul 2023	26.00	0.00	100%
Counterpart	109.20	Cumulative Disbursements			
Cofinancing	0.00	26 Jul 2023	26.00	0.00	100%

Loan 3965-UZB

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
01 Sep 2020	03 Dec 2020	25 Jan 2021	30 Jun 2026	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	248.20	Cumulative Contract Awards			
ADB	248.20	26 Jul 2023	182.51	0.00	74%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	26 Jul 2023	84.14	0.00	34%

Project Page <https://www.adb.org/projects/48414-006/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=48414-006>

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