Kazakhstan: MFF - Central Asia Regional Economic Cooperation Corridor 2 (Mangystau Oblast Sections) Investment Program (Facility)

<table>
<thead>
<tr>
<th>Project Name</th>
<th>MFF - Central Asia Regional Economic Cooperation Corridor 2 (Mangystau Oblast Sections) Investment Program (Facility)</th>
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</thead>
<tbody>
<tr>
<td>Project Number</td>
<td>43439-013</td>
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<tr>
<td>Country</td>
<td>Kazakhstan</td>
</tr>
<tr>
<td>Project Status</td>
<td>Active</td>
</tr>
<tr>
<td>Project Type / Modality of Assistance</td>
<td>Loan</td>
</tr>
<tr>
<td>Source of Funding / Amount</td>
<td>MFF Facility Concept 0047-KAZ: MFF - Central Asia Regional Economic Cooperation Corridor 2 (Mangystau Oblast Sections) Investment Program (Facility) Ordinary capital resources US$ 800.00 million</td>
</tr>
</tbody>
</table>

Strategic Agendas
- Inclusive economic growth
- Regional integration

Drivers of Change
- Sector / Subsector: Transport - Road transport (non-urban)
- Gender Equity and Mainstreaming: Some gender elements

Description
The investment program will (i) reconstruct 790 km roads of CAREC Corridor 2 in Mangystau--this includes the 430 km Aktau-Manasha section, the 84 km Beineu-Akzhigit (Uzbekistan border) section, and the 237 km Zhetybai-Fetisovo section; (ii) strengthened capacity for planning, project management, and asset management; and (iii) improved cross-border infrastructure and facilities. These outputs will be achieved through two components: road development and capacity development.

The investment program will reconstruct the 790 km of CAREC Corridor 2 roads in Mangystau Oblast. The investment program roads connect Kazakhstan to Azerbaijan, and Europe through the Caspian Sea to the west; to the Russian Federation to the north; to Uzbekistan to the southeast; and to Turkmenistan to the south. The investment program effectively responds to bottlenecks, risks, and mitigation measures, which were assessed in the road map.

The investment program aligns with ADB's Strategy 2020 and its country operations business plan for 2010-2011, as well as CAREC's Transport and Trade Facilitation Strategy and Action Plan. It also aligns with the Kazakhstan's 2020 Strategy, SPAID, and TSP.

Impact
Increased national economic growth and regional trade

Project Outcome
Description of Outcome
Efficient transport network in Mangystau Oblast connecting Aktau to Manasha, Beineu to Akzhigit (Uzbekistan border), and Zhetybai to Fetisovo

Progress Toward Outcome
Transport efficiency can be measured after road construction.

Implementation Progress
Description of Project Outputs
Mangystau Oblast road sections improved and open to traffic
MOTC's capacity for project and asset management strengthened
Cross-border infrastructure and facilities improved

Status of Implementation Progress (Outputs, Activities, and Issues)
Two tranches have been approved under the MFF. Tranche 1 (L2728) was closed in February 2016 while Tranche 2 (L2967) is still under implementation. Loan savings of $140 million was reallocated to finance the reconstruction of 73-km Zhetybay-Zhanaozen border of Turkmenistan (to Turkmenbashi) Road. MFF availability period extension with corresponding FFA amendment and loan closing date extension is expected.

Geographical Location

Safeguard Categories
- Environment: B
- Involuntary Resettlement: B
- Indigenous Peoples: C
Summary of Environmental and Social Aspects

Environmental Aspects
MOTC prepared an environmental assessment and review framework for the investment program following ADB's Safeguard Policy Statement, and Kazakhstan laws.

Involuntary Resettlement
MOTC prepared a land acquisition and resettlement framework for the investment program following ADB's Safeguard Policy Statement, and Kazakhstan laws.

Indigenous Peoples
No indigenous peoples will be affected by the investment program.

Stakeholder Communication, Participation, and Consultation
During Project Design
Public consultations were conducted during project preparation (LARP, IEE and detailed design), and will continue to be held to reflect local concerns in the project design.

During Project Implementation
Public consultations will continue to be held to reflect local concerns in the project design.

Business Opportunities
Consulting Services
Recruitment of all consultants financed from ADB will follow ADB's Guidelines on the Use of Consultants and the procurement plans for each of the tranche projects under the investment program. Consulting firms will be selected and engaged using ADB's quality- and cost-based selection procedures and the full technical proposal method.

Procurement
Procurement of goods, civil works, and related services financed from ADB will follow ADB's Procurement Guidelines and the procurement plans to be developed for each tranche project under the investment program. Civil works contracts over $3 million will be procured through international competitive bidding (ICB) without pre-qualification of bidders. National competitive bidding (NCB) for civil works could be conducted for contracts not exceeding $3 million. ADB's prior review procedures will be followed. MOTC agreed to include the relevant sections of ADB's Anticorruption Policy in all bidding and contractual documents.

Responsible ADB Officer
Jiangbo Ning

Responsible ADB Department
Central and West Asia Department

Responsible ADB Division
Transport and Communications Division, CWRD

Implementing Agencies
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MFF Facility Concept 0047-KAZ

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<tr>
<th>Total (Amount in US$ million)</th>
<th>Financing Plan</th>
<th>Loan Utilization</th>
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<tbody>
<tr>
<td>Project Cost</td>
<td>1,212.00</td>
<td>Cumulative Contract Awards</td>
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<tr>
<td>ADB</td>
<td>800.00</td>
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<tr>
<td>Counterpart</td>
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<td>Cumulative Disbursements</td>
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<tr>
<td>Cofinancing</td>
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Project Page
https://www.adb.org/projects/43439-013/main

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07 August 2019

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