Kazakhstan: Road Maintenance Sustainability Project

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<th>Project Name</th>
<th>Road Maintenance Sustainability Project</th>
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<tr>
<td>Project Number</td>
<td>48399-002</td>
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<tr>
<td>Country</td>
<td>Kazakhstan</td>
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<td>Project Status</td>
<td>Proposed</td>
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<td>Project Type / Modality of Assistance</td>
<td>Loan</td>
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| Source of Funding / Amount   | Loan: Road Maintenance Sustainability Project  
Ordinary capital resources  
US$ 187.00 million |

Strategic Agendas
Inclusive economic growth

Drivers of Change
Governance and capacity development
Knowledge solutions
Partnerships
Private sector development

Sector / Subsector
Transport - Road transport (non-urban)

Gender Equity and Mainstreaming
Some gender elements

Description
The proposed project will finance the upgrading of 161 km of M36 road between the regional capital Kostanay and Russian border. Upgrading will include widening the road to meet the Category II standard, pavement reconstruction or overlay, improvement of alignment at selected locations to improve road safety, repairing of structures and drainage, and some road safety improvements.

The project will also introduce the performance-based road maintenance (PBM) concept in Kazakhstan by developing four PBM contracts with a duration of 5 years to cover the routine and winter maintenance, periodic maintenance, and emergency response of the whole road network of the Kostanay region. One of the contracts will be hybrid contract including (i) upgrading of the M36 as an initial repair using FIDIC contract approach, and (ii) PBM of 426 km of the entire corridor of M36/P39/P38 and the P36 roads, which is the main road transport corridor of the region. The other three will be pure PBM contracts covering the maintenance of the remaining road network of the Kostanay region. The project will also further strengthen the Committee of Roads’ (Cor’s) and Kazavtozhol’s capacity of their road maintenance practices.

Project Rationale and Linkage to Country/Regional Strategy
Kazakhstan has a total road network of 96,421 km including 23,680 km republican roads and 72,741 km local roads. The ownership, management and regulatory structures relating to development and maintenance of the republican road network in Kazakhstan are segmented among different institutions. The existing road maintenance system and practices do not provide incentives for innovation and do not encourage cost reduction and improvement of the efficiency of the state budget spending for road maintenance. Planning of road maintenance is short-term, input-based, and set up on the basis of visual surveys with no predefined minimum service quality. The backlog of maintenance has been caused by insufficient budget allocation for road maintenance in the country. As a result, the republican road network has deteriorated with assets in poor and unsafe conditions. This has constrained movement of goods and people, thus restraining economic growth and investments.

The length of the republican road network in Kostanay Oblast is 1,415 km, owned by the Committee of Roads (Cor) and operated by Kazavtozhol. Over the period 2016-2018, the government allocated approximately $22 million per year for all road maintenance interventions in Kostanay Oblast. However, this has not been adequate to address the maintenance backlog and the condition of the network has not improved with 70% of the network requiring major repairs in 2018. The proposed project aims to address these issues by focusing on improving road maintenance sustainability and transport efficiency in the region through upgrading some key road sections and piloting of performance-based contracting in road maintenance.

The M36 is the main road of the region traversing it from the Russian border crossing point near Kayerak to region border near Arshaly towards national capital Astana. M36 is a major crossing point from the Russian federation. Both Russia and Kazakhstan belong to the Eurasian Economic Union. The M36 is a part of the Central Asia Regional Economic Cooperation (CAREC) Corridor 1. The government of Kazakhstan has nominated M36 as a candidate for its proposed road tolling scheme.

Impact
Improved sustainability of efficient movement of people and goods to domestic and international market

Outcome
Performance of the republican road network in Kazakhstan improved

Outputs
161 km along the corridor of M36 upgraded
The road network of Kostanay oblast maintained using performance-based maintenance contracting
Capacity strengthened

Geographical Location
Aqtobe, Kostanay

Summary of Environmental and Social Aspects

Environmental Aspects
As the project’s scope is road upgrading and maintenance, it is expected that majority of the works will be confined to the existing right-of-way. The project is not within or in proximity to any protected area. Likely impacts of the project related to air and surface water pollution, noise, and traffic disruptions are site-specific and temporary.

Safeguard Categories

| Environment                  | B |
| Involuntary Resettlement     | B |
| Indigenous Peoples           | C |

World Bank Group Borrower:
Kazakhstan

Prepared by:
June 2019

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Country Officer:
A. E. Zheleznev
Involuntary Resettlement

The component of upgrading the 161 km republican road will cause land acquisition and resettlement impact due to potential realignments, which will be identified upon completion of measurement survey, census, socio-economic survey and inventory of affected properties. Upon collecting such data, an independentvaluator shall conduct valuation survey according to ADB Safeguards Policy Statement 2009 to identify draft land acquisition and resettlement plan (LARP) budget. Results of these surveys will be documented in the project’s LARP. Grievance Redress Mechanism shall be established and at least one round of meaningful public consultations shall be conducted within draft LARP preparation activities. Project information brochure will be prepared and shared with potentially displaced persons prior to public consultations. The consultations shall be facilitated by the Committee of Roads / KazAvtozhol and engage local authorities (Akimat) along the project roads, inform them of the project, and solicit their feedback for being addressed to the project design. Finalized draft LARP shall be publicly disclosed (including ADB website). Bidding documents shall include draft LARP arrangements with a contractor, if any. At the later stages, upon finalizing road project design, draft LARP shall be updated to final LARP and implemented prior to start of civil works.

Indigenous Peoples

No specific impact envisaged.

Stakeholder Communication, Participation, and Consultation

During Project Design Consultations are ongoing during the project preparation phase. Further consultations will be carried out after the scope of the project is finalized.

During Project Implementation Consultations will be carried out during implementation to ensure no negative impacts.

Business Opportunities

Consulting Services The recruitment of consultants will follow the new procurement framework as set out in ADB’s Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

Procurement The procurement of works will follow the new procurement framework as set out in ADB’s Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

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Timetable

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<tr>
<td>Concept Clearance</td>
<td>14 Jul 2016</td>
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<tr>
<td>Fact Finding</td>
<td>17 Sep 2018 to 01 Oct 2018</td>
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<tr>
<td>MRM</td>
<td>29 Apr 2020</td>
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<tr>
<td>Approval</td>
<td>-</td>
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<td>Last Review Mission</td>
<td>-</td>
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<td>Last PDS Update</td>
<td>28 Sep 2018</td>
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Project Page https://www.adb.org/projects/48399-002/main

Request for Information http://www.adb.org/forms/request-information-form?subject=48399-002

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