



Addendum Project Administration Memorandum for Supplementary Grant

Project Number: 38236-02
October 2011

Republic of Tajikistan: Supplementary Grant for the Dushanbe–Kyrgyz Border Road Rehabilitation Project (Phase 2)

The project administration memorandum is an active document, progressively updated and revised as necessary, particularly following any changes in project or program costs, scope, or implementation arrangements. This document, however, may not reflect the latest project or program changes.

Asian Development Bank

Version 3
Last updated by: Rika Idei
Date: 20 October 2011

CONTENTS

	Page
Main Text	2
Annex 1: Project Definition	6
1.1 Sponsors, Stakeholders and External Agencies	6
1.2 Impact and Outcomes	6
1.3 Outputs	6
Annex 2: Project Management	7
2.1 Project Organization Structure	7
2.2 Roles and Responsibilities	7
Annex 3: Procurement Plan	9
Annex 4: Safeguards Plan	13
4.1 Environment	13
4.2 Involuntary Resettlement	13
4.3 Indigenous People	13
4.4 Other Safeguards	13
Annex 5: Financing Plan	14
5.1 ADB Financing, Fund Flow and Disbursement Arrangements	14
5.2 Allocation Table	15
5.3 Other Financiers	16
5.4 Forecast Cumulative Contract Awards and Disbursement	16
Annex 6: Investment (Cost) Plan	17
6.1 Detailed Cost Estimates	17
Annex 7: Execution and Risk Management Plan	18
7.1 Work Breakdown Structure and Responsibility Allocation by Activity	18
7.2 Gantt Chart	21
Annex 8: Performance Monitoring and Evaluation	22
8.1 Reporting	22
8.2 Performance Indicators	22
8.3 Review Mission	23
Annex 9: Major Covenants	24
Annex 10: Record of PAM changes	25
Annex 11: Appendixes	26

Main Text

I. Introduction

1. The original Project, Loan 2196-TAJ, remains a Government priority with a goal to rehabilitate the road from Dushanbe to the border with the Kyrgyz Republic—part of the Central Asia Regional Economic Cooperation (CAREC) Transport Corridors 3 and 5. The additional works financed by the supplementary grant will reinforce the development impact, outcome, and outputs of the original Project by completing the entire Dushanbe-Kyrgyz border road. The supplementary grant was approved in July 2009, comprising the four outputs: (i) rehabilitating the existing road section between Obigarm and Nurobod (km 95-140); (ii) repairing the emergency bypass road at km 110-112; (iii) improving the central section between Nurobod and Nimich (km 140-217); and (iv) upgrading the border section at Karamik. The new financing improves 127 km of the project corridor and 7 km of the bypass road.

2. The incremental cost is estimated at \$25 million equivalent, including taxes and duties, as well as physical and price contingencies. ADB will extend a supplementary grant of \$20 million from ADB's Special Funds resources. The Government will contribute \$5 million.

3. This is an addendum to the original Project, Loan 2196-TAJ; reference to the original Project is recommended. This Project Administration Memorandum (PAM) describes the essentials for implementing the additional works. The PAM will be updated or revised as needed.

4. In September 2011, it was agreed to change the project scope for the component (iv) above to purchase of equipment for year-around maintenance at Karamyk due to the recent fragile geological conditions. Accordingly, relevant annexes are revised.

II. Purpose

5. The PAM contains project data and information that allows the Borrower, executing agency (EA), implementing agency, and ADB to monitor project implementation and evaluate project impact.

6. The PAM

- (i) provides concise and accurate detail, including map and diagram, on relevant aspects of project implementation;
- (ii) specifies roles and responsibilities of the EA, consultants and ADB for the various actions required for satisfactory project implementation;
- (iii) assists project administration staff of the EA and ADB to anticipate problems and initiate timely remedial actions or recommendations;
- (iv) contains a monitoring framework, including subsequent revisions that confirm the impact, outcome, outputs, activities, inputs, performance targets and indicators;
- (v) provides a framework and checklist for monitoring progress to allow remedial actions and midstream modifications to meet project objectives;
- (vi) promotes systematic monitoring and evaluation of the project outcome, and assessment of impacts on project beneficiaries through periodic and midterm reviews;

- (vii) provides the format and instructions for the EA to periodically update the project performance report in its current revised format; and
 - (viii) references ADB's Anticorruption Policy.
-

III. Overview

Annex 1	Project Definition
Annex 2	Project Management
Annex 3	Procurement Plan
Annex 4	Safeguards Plan
Annex 5	Financing Plan
Annex 6	Investment (Cost) Plan
Annex 7	Execution Plan
Annex 8	Performance Monitoring and Evaluation
Annex 9	Major Covenants
Annex 10	Record of PAM change
Annex 11	Appendixes

IV. Key Persons Involved in the Project

A. ADB Staff

Name	Position/Office	Contact
Hong Wang	Director Transport and Communications Division Central and West Asia Department	Tel. No. +63 2 632 6765 Fax No. +63 2 636 2428 Email: hongwang@adb.org
Rika Idei	Transport and Communications Division Central and West Asia Department	Tel. No. +63 2 632 6751 Fax No. +63 2 636 2428 Email: ridei@adb.org
Celia B. Africa	Associate Project Analyst Transport and Communications Division Central and West Asia Department	Tel. No. +63 2 632 6399 Fax No. +63 2 636 2428 Email: cafrica@adb.org

B. Executing Agency

Name	Position/Office	Contact
Nizom Hakimov	Minister Ministry of Transport	Tel. No. +992 372 211713 Fax No. +992 372 212003
Mukhtor Negmatov	Executive Director Project Implementation Unit Ministry of Transport	Tel. No. +992 372 215673 Fax No. +992 372 215673
Goibnazar Boronov	Deputy Executive Director Project Implementation Unit Ministry of Transport	Tel. No. +992 372 215673 Fax No. +992 372 215673

V. Loan Processing History

Item	Date
a. Fact-finding mission	20-23 March 2009
b. Management review meeting	29 April 2009
c. Appraisal mission	(waived)
d. Staff review committee	(waived)
e. Grant negotiations	04 June 2009
f. Grant Board approval	24 July 2009
g. Grant agreement signing	07 August 2009
h. Grant effectiveness	03 September 2009

Annex 1: Project Definition

1.1 Sponsors, Stakeholders and External Agencies

(i) **Sponsors**

Ministry of Transport (MOT)

(ii) **Stakeholders**

Asian Development Bank (ADB)
Local governments in the project area
Affected local communities
Non-government organizations

(iii) **External Agencies**

Land Committee
Environment Committee

1.2 Impact and Outcomes

(i) **Impact**

- An integrated and efficient regional road transport link

(ii) **Outcomes**

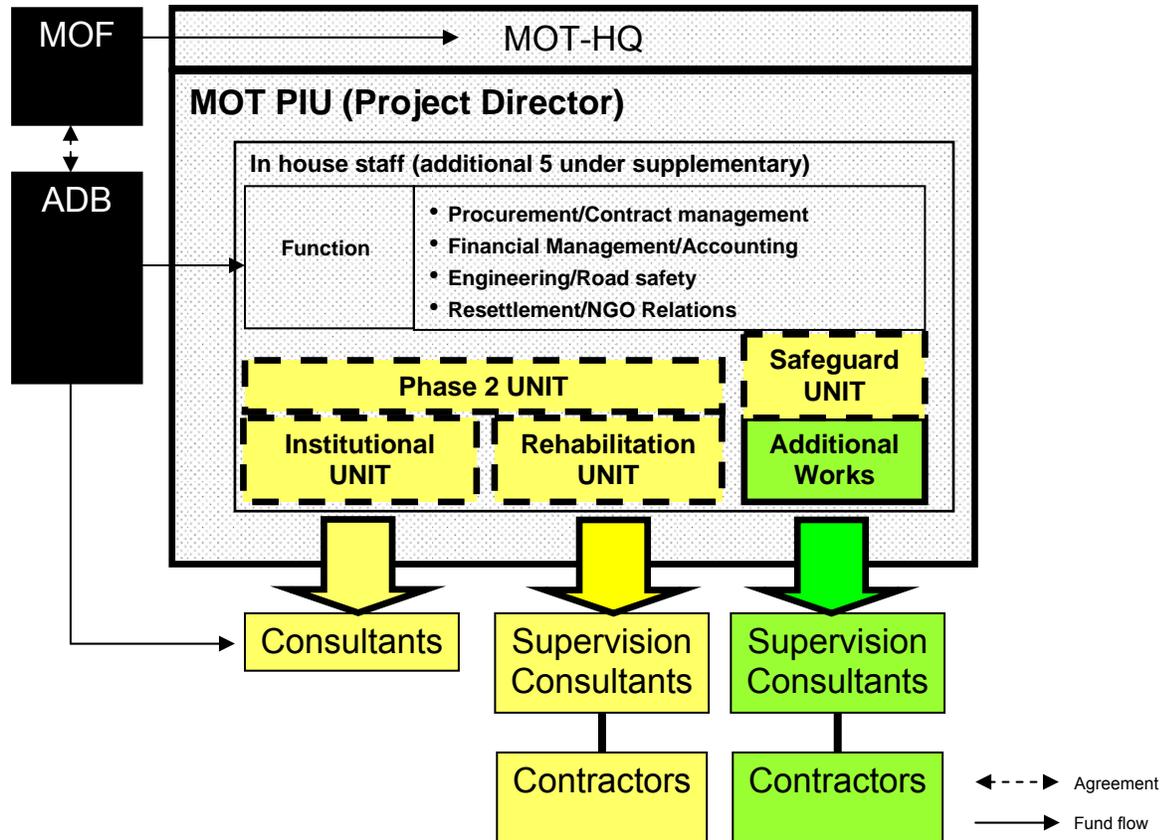
- Improved access to markets and social services
-

1.3 Outputs

1. Rehabilitation of 127 km of the project corridor
 2. Improvement of 7 km of the emergency bypass road
 3. Regular maintenance system implemented at Karamyk Section (km 337-346)
-

Annex 2: Project Management

2.1 Project Organization Structure



2.2 Roles and Responsibilities

(i) Strategic and Management Level

Agency	Responsibility
Ministry of Transport (MOT)	<ul style="list-style-type: none"> Provide guidance on and oversight to the overall implementation and performance of the project Resolution of issues and conflicts that would compromise quality of results, investment cost or project completion time

(ii) Operational Level

By Function	By Responsibility
PIU Management	<ul style="list-style-type: none"> Manage day-to-day execution of works, Prepare withdrawal applications, Prepare progress reports Maintain project accounts/financial records

Road Safety	<ul style="list-style-type: none">▪ Guide on local practices▪ Implement safe engineering measures▪ Cater to safety of road users during implementation
Procurement	<ul style="list-style-type: none">▪ Facilitate procurement▪ Manage civil works contract
Financial Management	<ul style="list-style-type: none">▪ Install transparent financial management system▪ Track usage of funds/disbursement▪ Keep financial records
Resettlement/Public Relations	<ul style="list-style-type: none">▪ Manage public and NGO relations during implementation▪ Distribute project related information▪ Assist LARP implementation
Secretarial	<ul style="list-style-type: none">▪ Assist in translation and interpretation functions▪ Assist in coordination of meetings

Annex 3: Procurement Plan

Basic Data

Project Name: Dushanbe-Kyrgyz Border Road rehabilitation Project (Phase 2), Supplementary	Executing Agency: Ministry of Transport
Country: Tajikistan	Grant Number: 0154
Grant Amount: \$ 20,000,000	Date of this Procurement Plan: October 2011
Date of First Procurement Plan: 24 July 2009	

A. Process Thresholds, Review and 18-Month Procurement Plan

1. Project Procurement Thresholds

1. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works

Procurement of Goods and Works

Method	Threshold
International Competitive Bidding (ICB) for Works ^a	Above \$1,000,000
International Competitive Bidding for Goods ^a	Above \$500,000
National Competitive Bidding (NCB) for Works ^a	Beneath that stated for ICB, Works
National Competitive Bidding for Goods ^a	Beneath that stated for ICB, Goods

^a General procurement notice, invitation to bid and calls for expression of interest.

2. ADB Prior or Post Review

2. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

Procurement Method	Prior or Post	Comments
Procurement of Goods and Works		
ICB Works	Prior	
ICB Goods	Prior	
NCB Works	Post	
Recruitment of Consulting Firms		
Least-Cost Selection (LCS)	Prior	

3. Goods and Works Contracts Estimated to Cost More Than \$1 Million

3. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Contract Value	Procurement Method	Prequalification of Bidders (y/n)	Advertisement Date (quarter/year)	Comments
One civil works contract for km 95-140	\$ 9.7 m	ICB	Y	29 April 2009	Awarded in April 2010
Purchase of Maintenance equipment	\$ 1.8 m (estimated)	ICB	N	4Q 2011	

4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000

4. The following table groups smaller-value goods, works and consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Value of Contracts (cumulative)	Number of Contracts	Procurement / Recruitment Method ¹	Comments
One civil works contract for Emergency Bypass	\$ 0.96 m	1	NCB	Awarded in August 2010
Project audit	\$ 0.1 m	1	LCS	

NCB = National Competitive Bidding, LCS = Least Cost Selection

B. Indicative List of Packages Required Under the Project

5. The following table provides an indicative list of all procurement (goods, works and consulting services) over the life of the project. Contracts financed by the Borrower and others should also be indicated, with an appropriate notation in the comments section.

General Description	Estimated Value	Estimated Number of Contracts	Procurement Method	Domestic Preference Applicable	Comments
Goods	\$ 1.8 m	1	ICB	N	
Works	\$ 9.7 m	1	ICB	Y	Awarded in April 2010
	\$ 0.96 m	1	NCB	N	Awarded in August 2010

General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method ²	Type of Proposal ³	Comments
Consulting Services	\$ 0.1 m	1	LCS	Biodata	

ICB = International Competitive Bidding, NCB = National Competitive Bidding, LCS = Least Cost Selection

C. National Competitive Bidding

1. General

6. The procedures to be followed for national competitive bidding shall be those set forth in Law of the Republic of Tajikistan on Public Procurement of Goods, Works and Services effective on 3 March 2006 with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of ADB's Procurement Guidelines.

2. Eligibility

8. The eligibility of bidders shall be as defined under section I of ADB's Procurement Guidelines published by ADB in April 2010, as amended from time to time; accordingly, no bidder or potential bidder should be declared ineligible to ADB-financed contracts for other reasons than the ones provided by section I of ADB's Guidelines. Bidders must be nationals of

member countries of ADB, and offered goods, works and services must be produced in and supplied from member countries of ADB.

3. Prequalification

9. Normally, post-qualification shall be used unless explicitly provided for in the loan agreement/procurement plan. Irrespective of whether post qualification or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.

4. Bidding Period

10. The minimum bidding period is twenty-eight (28) days prior to the deadline for the submission of bids.

5. Bidding Documents

11. Procuring entities should use standard bidding documents for the procurement of goods, works and services acceptable to ADB.

6. Preferences

12. No domestic preference shall be given for domestic bidders and for domestically manufactured goods.

7. Advertising

13. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation and submission of bids. Bidding of NCB contracts estimated at US\$500,000 equivalent or more for goods and related services or US\$1,000,000 equivalent or more for civil works shall be advertised on ADB's website via the posting of the Procurement Plan.

8. Bid Security

14. Where required, bid security shall be in the form of a bank guarantee from a reputable bank.

9. Bid Opening and Bid Evaluation

- (i) Bids shall be opened in public.
- (ii) Evaluation of bids shall be made in strict adherence to the criteria declared in the bidding documents and contracts shall be awarded to the lowest evaluated bidder.
- (iii) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.
- (iv) No bidder shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without ADB's prior concurrence.
- (v) A contract shall be awarded to the technically responsive bidder that offers the lowest evaluated price and who meets the qualifying requirements set out in the bidding documents.

- (vi) No negotiations shall be permitted.

10. Rejection of All Bids and Rebidding

- 15. Bids shall not be rejected and new bids solicited without ADB's prior concurrence.

11. Participation by Government-owned enterprises

- 16. Government-owned enterprises in the Republic of Tajikistan shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

12. Right to Inspect/Audit

- 17. A provision shall be included in all NCB works and goods contracts financed by ADB requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

13. Fraud and corruption

- (i) The Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.
 - (ii) ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, an ADB-financed contract.
-

Annex 4: Safeguards Plan

4.1 Environment

1. The additional works of the supplementary grant are classified category C, and the original Project category B. The additional works are not environmentally sensitive, and it will not entail significant environmental impacts. Initial environmental examinations (IEE) were prepared for Phase I (new sections) and the original Project (ancillary works), and uploaded to ADB's website. Environmental Management Plan (EMP) included in each IEE outlines mitigation measures, monitoring actions, and capacity-building. The EMP will be part of the contract documents and will be monitored by supervision consultants and the EA.

4.2 Involuntary Resettlement

2. The resettlement impact is limited. The additional works take place within the existing right-of-way. They do not entail land acquisition or resettlement. A short resettlement plan has been prepared for the original Project. No resettlement impact for the new sections.

4.3 Indigenous People

3. None from this social grouping is affected.

4.4 Other Safeguards

4. The other safeguards that are to be considered are
- Non-discrimination against gender during construction
 - Protection from sexually transmitted diseases
 - Preserving suitable working condition and protecting child labor
-

Annex 5: Financing Plan

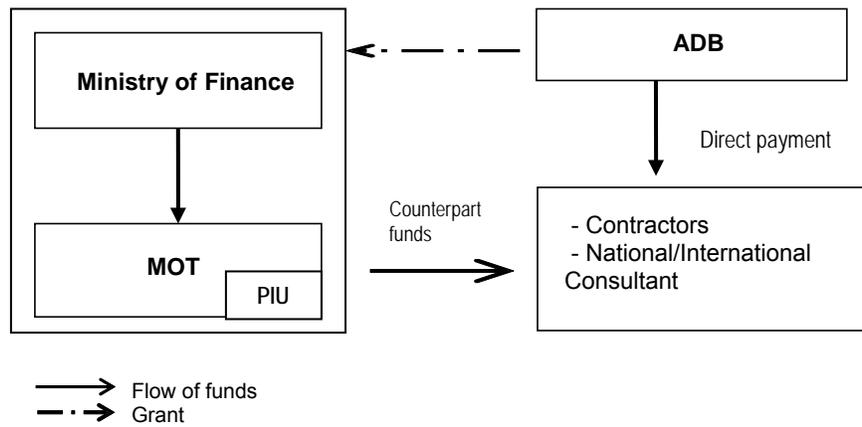
5.1 ADB Financing, Fund Flow and Disbursement Arrangements

1. ADB will extend a supplementary grant of \$20 million from its Special Funds resources. The Government will add \$5 million.

Table A5.1: Revised Financing Plan
(\$ million)

Source	Amounts			
	Base	Additional	Total	%
Asian Development Bank	30.0	20.0	50.0	77.5
Government of Tajikistan	9.5	5.0	14.5	22.5
Total	39.5	25.0	64.5	100.0

Source: Asian Development Bank Staff estimates.



A. Financing Plan for Supplementary Grant

Table A5.2: Revised Cost Estimates and Financing Plan
(\$ million)

Item	Base	Additional	Total
Civil Works	23.6	16.0	39.6
Project Management and Consulting Services	3.0	1.1	4.1
Goods	0	1.8	1.8
Taxes and duties	5.9	4.0	9.9
Subtotal (A)	32.5	22.9	55.4
Contingencies (B)	6.4	2.1	8.5
Interest During Construction (C)	0.6	0.0	0.6
Total Project Cost (A)+(B)+(C)	39.5	25.0	64.5

ADB = Asian Development Bank, km = kilometer, Original Project = Phase 2, Additional Financing = supplementary grant.

B. Disbursement Arrangements

2. The supplementary grant will be disbursed following ADB's *Loan Disbursement Handbook*. The disbursement arrangements agreed for the original Project will be retained. A separate imprest account will be established promptly after grant effectiveness at a commercial bank acceptable to ADB and will be managed by the EA. The initial advance to the imprest account is not to exceed \$500,000. Total advances are not to exceed estimated ADB's share of eligible project expenditures to be financed through the imprest account for the next 6 months or 10% of the supplementary grant amount, whichever is lower. The Statement of Expenditures (SOE) procedure will be used for liquidation and replenishment of the imprest account(s) and reimbursement of eligible expenditures not exceeding \$50,000 per individual payment. The payments in excess of the SOE ceiling will be reimbursed, liquidated or replenished based on full supporting documentation. For civil works contracts, direct payment procedures will apply.

5.2 Allocation Table

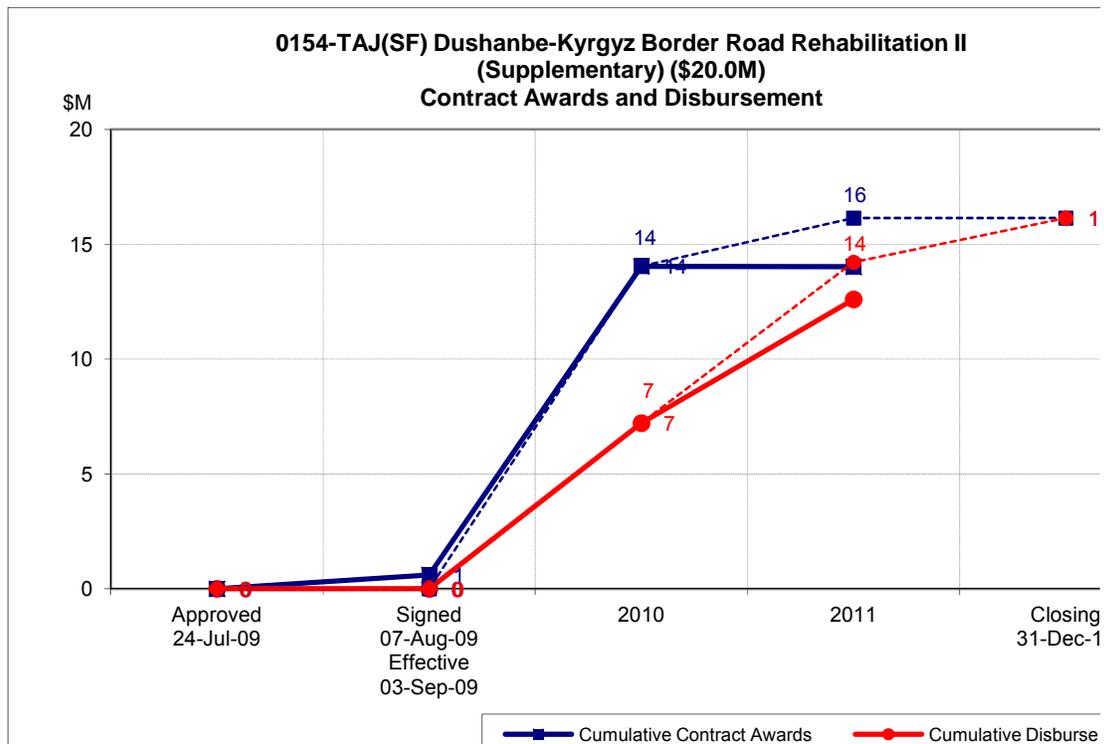
ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II – Supplementary)			
CATEGORY			ADB FINANCING
Number	Item	Amount Allocated	Percentage and Basis for Withdrawals from the Grant Account
		Category	
1	Works	16,000,000	100% of expenditure claimed*
2	Consulting Services	1,000,000	100% of expenditure claimed*
3	Goods	1,800,000	100% of expenditure claimed*
4	Contingencies	1,200,000	
	Total	20,000,000	

* Exclusive of taxes and duties imposed within the territory of Tajikistan.

5.3 Other Financiers

3. None. Total cost of \$25 million will be financed through a supplementary grant of \$20 million from ADB's Special Fund resources and the Government's own resources of \$5 million.

5.4 Forecast Cumulative Contract Awards and Disbursement



Note: In May 2011, a contract variation was made for an additional civil work on km 180-181 and increased the total contract amount by US\$ 0.65 million. The revised amount is US\$ 3.15 million.

Annex 6: Investment (Cost) Plan

6.1 Detailed Cost Estimates

The new investments will cost \$25 million, including taxes and duties, and physical and price contingencies. The revised total project cost is \$64.5 million.

Table A6.1: Revised Costs
(\$ million)

Item	Base	Additional	Total
Civil Works	23.6	16.0	39.6
Project Management and Consulting Services	3.0	1.1	4.1
Goods	0	1.8	1.8
Taxes and duties	5.9	4.0	9.9
Subtotal (A)	32.5	22.9	55.4
Contingencies (B)	6.4	2.1	8.5
Interest During Construction (C)	0.6	0.0	0.6
Total Project Cost (A)+(B)+(C)	39.5	25.0	64.5

Source: Asian Development Bank staff estimates.

Annex 7: Execution and Risk Management Plan

7.1 Work Breakdown Structure and Responsibility Allocation by Activity

	Responsibility	Reference
Project-start up		
1.1 Loan Approval	ADB	RRP
1.2 Loan Signing	ADB, MOF	Loan and Project Agreements
1.3 Loan Effectivity	MOF, MOT, ADB	RRP/Agreements (Conditionalities met)
Project Management		
2.1 Physical Set up of PIU	MOT	Confirmation by MOT
2.2 Appointment of Project Director and Team	MOT	Confirmation by MOT
Safeguards		
3.1 Prepare EMP	MOT	ADB standard documents
3.3 Implement EMP	MOT	Confirmation by MOT
Project Component – Civil Works		
4.1 Prepare Bid Documents	MOT/PIU, Consultants	ADB standard documents
4.2 Prequalification	MOT/PIU, Consultants	ADB standard documents
4.3 Tender and Award	MOT/PIU	
Project Component – Consulting Services		
5.1 Draft RFP	MOT/ADB	ADB standard documents
5.2 Approval and Engagement	MOT/ADB	ADB standard documents
Project Monitoring		
6.1 Review Mission	MOT/ADB	3 times a year
6.2 Progress Reports	MOT, Consultant	ADB's Progress Report format

Risk Management Plan

Initial start-up delays, slow implementation progress and delays in loan closing: Realistic project design and time-line established. The original Project's initial start-up delays contributed to overall implementation delays and extension of loan closing. Due to supplementary nature of the project, lengthy recruitment of consultant/contractor was replaced by using more efficient contract variations in mobilizing consultant/contractor. Advance contracting was approved.

ADB-EA Correspondence: Through Tajikistan Resident Mission within 7 days after receipt.

Delays in processing withdrawal applications and disbursement: The following Disbursement Monitoring Action Plan outlines the general disbursement stages and related control indicators to help in identifying delays in disbursement operations.

Process	Ideal processing days ²⁾	Responsibility	Typical Issues Contributory to Delays
Contractor/Engineer	14 – 21	Team Leader and/or Main Engineer	<ul style="list-style-type: none"> • Missing PCSS number • Incomplete or incorrect information • Missing supporting documents • Tax issue • Required info on bank account • Incomplete payment instructions
Internal process within the executing agency	11 – 21	PIU Executive Director/ PIU Accountant	
Pouch service thru RMs	3 – 7	Authorized Resident Mission Staff	
Endorsement by CWTC ¹⁾	0 – 1	Associate Project Analyst	
Straightforward Processing by CTLA	3 (direct payment); 15 (SOE)	Responsible Disbursement Unit	
Total	31 - 50		

¹⁾ For WAs received at CWTC and for WAs sent directly to CTLA but needs CWTC's endorsement, as necessary

²⁾ Ideal processing days according to FIDIC – 28 days review by the Engineer and the EA will have to pay the contractor within 56 days from the WA submission to the Engineer

The detailed withdrawal application processing schedule as agreed in February 2011 is shown in the next page.

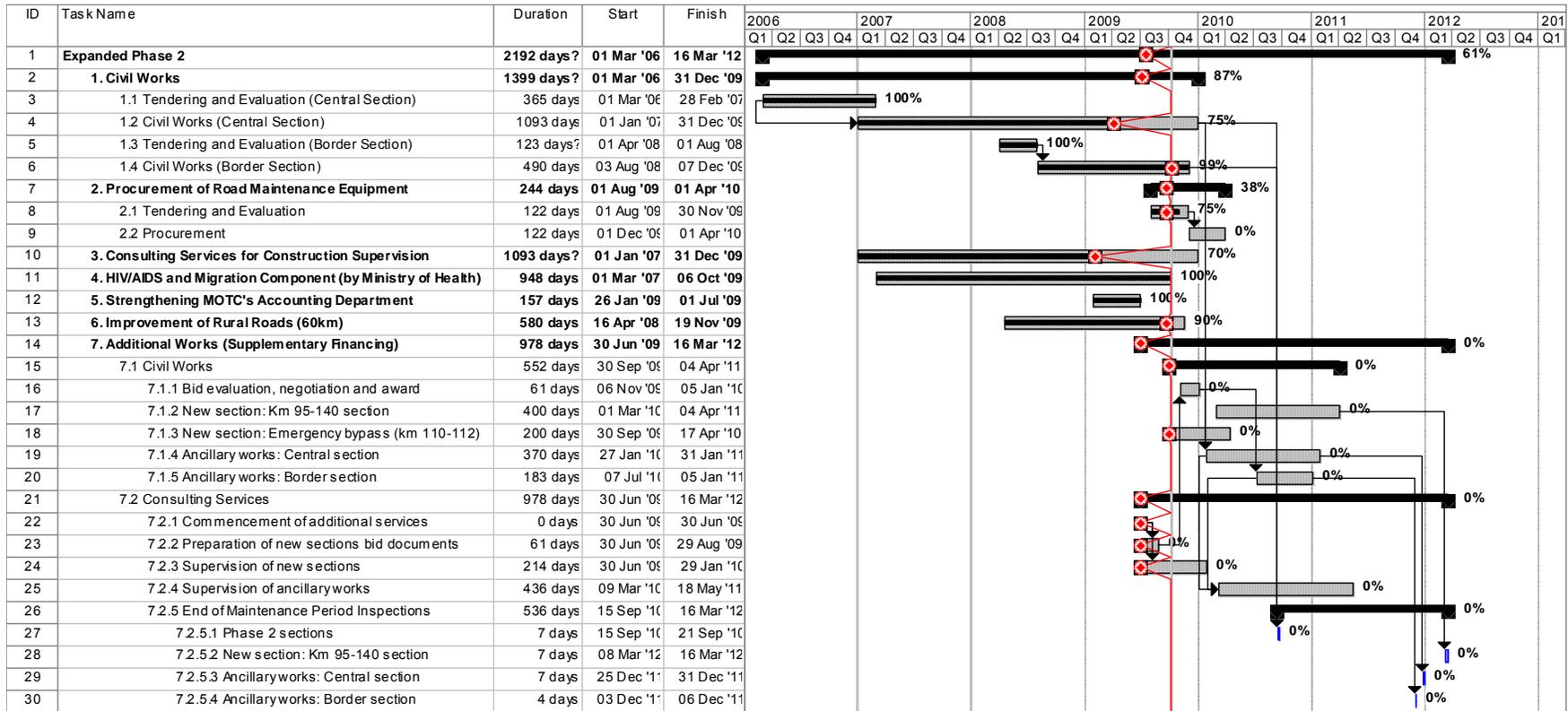
Poor compliance with loan covenants: Inherited the original Project's covenants for better coordination and integration. Additional covenants are achievable and effective.

Withdrawal Application Processing Schedule

Steps	1	2	3	4	5
	IPC/Invoice Submission by Contractor/Consultant	WA Preparation at MOTC	WA processing at MOF	WA Submission to ADB	WA Processing at ADB
Duration	6 – 10 WDs	3 – 5 WDs	5 – 10 WDs	1 WD	5 – 10 WDs
Details	<p><u>Civil Works</u></p> <ul style="list-style-type: none"> • Contractor submits the IPC or invoice to Construction Supervision Consultant (CSC) • CSC reviews the IPC and submits to MOT <p><u>Consulting Services</u></p> <ul style="list-style-type: none"> • Consultant submits the invoice to MOT for review and endorsement 	<ul style="list-style-type: none"> • MOT reviews and approves the IPC or invoice; and ensures that supporting documents are correct and complete • MOT prepares the WA based on the IPC or Invoice. MOTC ensures proper completion of WA form and summary sheets based on ADB guidelines • MOT's authorized representative signs the WA • MOT submits the WA to MOF 	<ul style="list-style-type: none"> • MOF reviews and approves the WA • MOF's authorized representative signs the WA • MOT follow-ups approval of the WA with MOF 	<ul style="list-style-type: none"> • MOT submits the signed WA to TJRM • TJRM sends a scanned copy of the WA with complete supporting documents to CTL through eStar (cc: CWTC) and sends the original WA to CTL by pouch 	<ul style="list-style-type: none"> • CTL pre-processes the scanned copy of the WA • Once original copy of the WA is received, CTL reviews the scanned copy against the original: and releases the voucher • TD releases payment and issues the payment instructions • ADB and MOT monitors payments through ADB mainframe (GFIS).

ADB: Asian Development Bank, CSC: Construction Supervision Consultant; CTL: ADB's Controller Department, IPC: Interim payment certificate; GFIS: Grant Financial Information System; MOF: Ministry of Finance; MOT: Ministry of Transport; TD: ADB's Treasury Department; WA: Withdrawal application; WD: Working days

7.2 Gantt Chart



Annex 8: Performance Monitoring and Evaluation

8.1 Reporting

1. The following reports should be provided to ADB by the EA/PIU during project implementation.

- (i) Progress Report (Quarterly and Annual)
 - Physical progress
 - Procurement status and progress
 - Implementation problems encountered during review periods and countermeasures taken/proposed
 - Expected progress during the following periods
 - Contract awards and disbursements
 - Status of payment to contractors and consultants
 - Environmental monitoring
 - Land acquisition and resettlement internal monitoring
 - Status of loan covenants
 - Status and availability of counterpart funding
 - Land acquisition and resettlement external monitoring
 - (ii) Quarterly Project Performance Monitoring Report
 - (iii) Safeguard Monitoring Report (every six months)
 - (iv) Audited Financial Report (within 6 months from the end of the related fiscal year)
 - (v) Combined Project Completion Report for original project and additional works under the supplementary grant (within 3 months of physical completion of the supplementary grant)
-

8.2 Performance Indicators

A. Outcome Indicators

2. By 2015,
- (i) Increased daily international freight traffic on the project corridor to 177 trucks (baseline: 10 trucks in 2006)
 - (ii) Increased domestic traffic on the project corridor to 750 average daily traffic (AADT) (baseline: 250 AADT in 2006)
 - (iii) Reduced traffic accidents on the project corridor to 14 accidents per 750 AADT (baseline: 14 accidents per 250 AADT in 2006)
 - (iv) Reduced travel time between Dushanbe and Kyrgyz border to 8 hours (baseline: 13 hours in 2007)

B. Outputs Indicators

3. By December 2011,

Ancillary activity:

(i) 77 km of the section from Nurobad to Nimich (km 140–km 217) rehabilitated

New road sections:

(i) 41 km of the road section from Obigarm to Nurobad (km 95–km 140) upgraded

(ii) 7 km of emergency bypass road (km 110–km 112) improved

By May 2012

Border sections: Equipment for regular maintenance procured and mobilized)

8.3 Review Mission

4. ADB will combine review of the original Project and the additional works of the supplementary grant. To ensure timely and effective implementation, at least three reviews will be undertaken annually. The EA will monitor implementation and inform ADB promptly of major problems that may result in the target schedule not being met. One project completion report will be required after the closing of the supplementary grant. ADB will field a combined project completion review mission upon completion of the additional works.

Annex 9: Major Covenants

1. In addition to the specific covenants in the Financing Agreements (Special Operations) under the original Project, the Government has given the following assurances, which are incorporated in the legal document. Variations from the original Financing Agreements are listed below.
2. **Maintenance Financing.** The Government will annually allocate additional \$200,000¹ (plus inflation since 2009) for maintenance of new road sections. The Government will ensure that actual annual expenditures for road maintenance (including emergency maintenance, but excluding rehabilitation and construction) for roads under MOTC jurisdiction are increased at the same rate as increases in the overall national budget during 2009–2011.
3. **Auditing.** The Government will submit audited project accounts to ADB within six (6) months from the end of the fiscal year during implementation.
4. **Safeguard Unit.** The Government will ensure that the permanent safeguard unit institutionalized within the PIU is adequately staffed and equipped to enable it to review, audit, and monitor safeguard implementation, and that it submits a monitoring report every six (6) months to ADB and to relevant governmental agencies through the EA.
5. **Environment.** The Government will cause MOTC to ensure that
 - (i) additional works are designed, constructed, implemented, and maintained following the EMP, IEE, and the summary IEE of the original Project, ADB's *Environment Policy* (2002), and the Government's laws and regulations; and
 - (ii) contractors follow mitigation measures of the agreed EMP, IEE, and SIEE of the original Project, and report regularly on implementation, and in the event of unanticipated adverse environmental impacts, such impacts are to be reported to the EA and ADB, and remedial actions are consulted with affected persons, the EA, and ADB.
6. **Resettlement.** The Government will cause MOTC to ensure that
 - (i) in exceptional or unforeseen situations, e.g., landslide during implementation that affect life, residences, and other structures, relocate affected persons immediately and inform ADB, and pay any statutory compensation and resettlement assistance promptly; and
 - (ii) in the event of accidents or mishaps at the project site, the party responsible compensates the affected persons promptly, equitably, and transparently; and the EA ensures this is executed appropriately.

¹ Calculated based on TJS15,000 per km. Average 2008 maintenance cost is TJS1,000 per km.

Annex 10: Record of PAM changes

PAM Version	Created Date	Revision Date	Reasons for Change	Main Contents of Change
V1.0	July 2009			
V2.0		14 October 2009	Inception Mission	<ul style="list-style-type: none"> • Project implementation arrangement
V3.0		20 October 2011	Change of the EA's name Project scope change	<ul style="list-style-type: none"> • Changes in project implementation structure and procedures • Changes in procurement plan • Changes in financing plan

Annex 11: Appendixes

- Appendix 1: Progress Report format
 - Appendix 2: Terms of Reference of Implementation Consultants
 - Appendix 3: Financial Reporting and Auditing Requirements
-

Appendix 1 Progress Report Format

Annual/Quarterly PROJECT PROGRESS REPORT Grant 0154

(Keep the report short and concise with the main text not exceed 3 pages.)

A. Basic Data

1. Update the table below (*Data to be given by ADB*)

				-----CLOSING-----			PHYSICAL	ELAPSED
LOAN NO(S)	APPROVAL	SIGNING	EFFECTIVITY	ORIGINAL	REVISED	ACTUAL	COMPLETION	LOAN PERIOD
2351-ARM(SF)	28 Sep 07	15 Nov 07	07 Mar 08	30 Jun 11	-	-	ORIG: Dec 10	ORIG: 40%
2467-ARM(SF)	07 Nov 08	18 Nov 08	06 Jan 09	30 Jun 11	-	-	REV:	REV: 0%
PROJECT PROGRESS:		5%						
REVIEW MISSIONS:		LAST:	16-02-2009	ACTUAL DAYS (last 12 months):		55		
		NEXT:	11-05-2009	PLANNED DAYS:				
EXECUTING AGENCIES:		Ministry of Transport						

FINANCING PLAN (LOAN)

PROJECT COST	TOTAL L	COUNTERPART FUNDS ADEQUATE	CURRENT VALUE OF BANK LOAN APPROVED :	BALANCE AVAILABLE FOR COMMITMENT:
ADB	64.84	Yes	47.920	30.982
Govt	16.92		NET : 46.787	

LOAN UTILIZATION

----- CUMULATIVE CONTRACT AWARDS -----				----- 2009 CONTRACT AWARDS -----					
	ADB	OTHERS	CUMULATIVE	PROJ	1Q	2Q	3Q	4Q	TOTAL
Dec 08	15.788	0.000	CONTRACTS TO NET BANK LOAN(S):	ACTUAL	0.000	15.000	7.000	0.000	22.000
31 Mar 09	15.788	0.000	34%		0.000	0.000	0.000	0.000	0.000
Proj 09	37.788								
----- CUMULATIVE DISBURSEMENTS -----				----- 2009 DISBURSEMENTS -----					
	ADB	OTHERS	CUMULATIVE	PROJ	1Q	2Q	3Q	4Q	TOTAL
Dec 08	6.120	0.000	DISBURSEMENTS	ACTUAL	2.500	7.000	5.000	5.000	19.500
31 Mar 09	6.137	0.000	TO NET BANK		0.017	0.000	0.000	0.000	0.017
Proj 09	25.620		LOAN(S): 13%						

COMPLIANCE WITH COVENANTS:	AUDITED PROJECT ACCOUNTS / DELAY S / 0 mos.	AGENCY FINANCIAL STATEMENTS / DELAY NR / - mos.	SECTOR COVENANTS S	ENVIRONMENTAL COVENANTS S	SOCIAL COVENANTS S	FINANCIAL COVENANTS S	ECONOMIC COVENANTS -

B. Implementation Progress

2. Provide summary assessment of achieving the project impact and outcome in the main text and detailed assessment in **Attachment 1**.

3. Provide the following information (not to exceed 2 pages):

- Summary statement on % physical progress and other achievements in implementation since the last progress report;

- Summary statement on the progress in implementing the overall project to date in comparison with the original implementation schedule—quantifiable and monitorable target.
- An assessment of the validity of key assumptions and risks, particularly with regard to security at project site, in achieving the quantifiable implementation targets.
- An assessment of the likelihood that the immediate development objectives (project purpose) will be met in part or in full, and whether remedial measures are required based on the current project scope and implementation arrangements; and
- An assessment of changes to the key assumptions and risks that affect attainment of the development objectives.

4. Provide detailed status of delivering the outputs in **Attachment 2**.

5. Summarize other project developments, (i) benefit monitoring and (ii) reporting on environmental and social requirements that might adversely affect the project's viability or accomplishment of immediate objectives. Supplement with detailed information in attachments. Summarize the status of environment monitoring plan in the main text, and provide detailed update in **Attachment 3**. Summarize the status land acquisition and resettlement plan in the main text, and provide detailed update of Resettlement Entitlement Matrix in **Attachment 4**.

C. Procurement and Disbursements

6. Provide the following:

- status of procurement, including cumulative contract awards (commitment of funds to date), and comparison with time-bound projections (targets);
- cumulative disbursements from the ADB loan, co-financing, and counterpart funds (expenditure to date), and comparison with time-bound projections (targets); and
- re-estimated costs to completion, need for reallocation within ADB loan categories, and whether an overall project cost overrun is likely.

D. Project Scope and Implementation Arrangements

7. Provide the following:

- status of project scope/implementation arrangements (related to procurement and disbursements) compared with those in the report and recommendation of the President (RRP), and whether major changes have occurred or will need to be made;
- assessment/update of project implementation arrangements such as establishment, staffing, and funding of the PMO or PIU;

- information relating to other aspects of the EA's internal operations that may impact on the implementation arrangements or project progress;
- summarize utilization of project inputs against the latest work program agreed, including: (i) % of equipment on the site, (ii) % of contractor staff on the site; and (iii) supervising consultant staff inputs on the site.

E. Compliance with Covenants

8. Provide summary of the Borrower's compliance with agreement covenants, indicating the total number of covenants (i) complied with; (ii) not complied with; (iii) ongoing; (iv) late complied with; and (v) not complied with. Provide explanation on reasons for not complying with particular covenants. Provide the detailed status of compliance in **Attachment 5**.

F. Major Project Issues and Proposed Actions to Resolve Them

9. Summarize the major problems and issues affecting or likely to affect implementation progress, compliance with covenants, and achievement of immediate development objectives.

10. Recommend time bound actions to overcome these problems and issues (e.g., changes in scope, changes in implementation arrangements, and reallocation of loan proceeds).

Attachments

1. Status of Project Impact and Outcome
2. Implementation Progress
3. Status of Environment Monitoring Plan
4. Status of Resettlement Entitlement Matrix
5. Status of Compliance with Grant Covenants

Appendix 2 TERMS OF REFERENCE OF IMPLEMENTATION CONSULTANTS

A. Background Information

1. The Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II (Phase 2) covers (i) rehabilitation of the two-lane 89 km central section (km 140- km 217), (ii) landslide mitigation at Tajik-Kyrgyz border crossing (Karamik) border section (12 km), (iii) improvement of rural roads (60 km), (iv) procurement of road maintenance and vehicle weighing equipment for road network sustainability, and, (v) institutional capacity support to MOTC through strengthening accounting and road safety departments. A program for prevention of HIV/AIDS and migration is also included.

2. Due to the needs for additional works of the central section and other road sections, additional consulting services are required to undertake (i) rehabilitating Obigarm to Nurobad (km 95- km 140), (ii) repairing the 7 km emergency by-pass road (km 110- km 112), (iii) adding quantities to complete the originally scheduled Phase 2 work for the central section from Nurabad to Nimich (km 140- km 217), and (iv) paving and surfacing of the border section at Karamik (km 337- km 346).

3. To minimize duplication of consultant inputs, and to ensure efficiency and timely delivery, it is envisaged to issue a contract variation to the supervision consultants currently implementing Phase 3 to also oversee and supervise the additional works. The expected additional tasks of Phase 3 consultant clearly represent a continuation of previous and ongoing works and it has been engaged under quality and cost-based selection (QCBS) using full technical proposals in 2008. This approach will (i) ensure seamless coordination, technical consistency and oversight continuity, (ii) minimize overlapping consulting inputs, costs and liability risks, (iii) reduce mobilization period, and (iv) simplify and streamline ongoing ADB financed project supervision for the project road. This option will only be used if Phase 3 supervision consultant has shown solid performance throughout its engagement, and it can demonstrate access to sufficient resources and capacity to manage additional supervision works under the original Project and on the condition that contract negotiations for the additional works will be successfully concluded. Other consultant selection methods may be used if the Phase 3 supervision consultant does not meet the minimum requirements and/or in case of a failed contract variation(s).

B. Scope of Consulting Services

4. Phase 2 consulting services are to be gradually integrated with ongoing Phase 3 services and will be carried out over a period of about **18 months**, requiring about **18** person-months of international and about **126** person-months of national input. The services will include: (i) design review and construction supervision, (ii) project management, and (ii) project benefit monitoring and evaluation using the criteria of the project performance management system (PPMS), focusing on social, environmental and poverty impact monitoring. Under each service, the consultants will provide on-the-job training in project management and supervision works to their counterpart MOTC staff and national consultants and also to the selected students from Transport Institute under the Ministry of Transport and Communications (MOTC).

C. Implementation Arrangements

5. The Ministry of Transport and Communications (MOTC) will be the Executing Agency (EA). The project implementation unit (PIU) established by the MOTC will serve as the liaison between MOTC and contractor(s), and be responsible for overall project management with assistance from the consultant.

D. Detailed Terms of Reference

1. Construction Supervision

6. Consulting services will be engaged through a contract variation under the current Phase 3 consultant. The existing Phase 3 consultant is an international firm in association with domestic firms engaged by quality and cost-based selection (QCBS) using full technical proposals, following ADB's *Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers* and other arrangements satisfactory for the engagement of national consultants.

7. The consultant's team will include the following experts:

- (i) **International (18 person-months):**
 - (a) senior resident highway engineer (18 person-months),²
- (ii) **National (126 person-months):**
 - (a) deputy resident/highway engineers (40 person-months),
 - (b) quality control specialist (40 person-months),
 - (c) laboratory and field technicians (40 person-months),
 - (d) environmental specialist (6 person-months).

8. The international consultants will help MOTC with overall project management, provide training to the MOTC staff, and guide the national consultants in performing their duties. The senior highway engineer must have broad experience in supervision and administration of major road construction and rehabilitation, contract administration of FIDIC, and benefit monitoring and evaluation. The national consultants and specialists should be experienced and qualified in highway, geotechnical, bridge, and materials engineering, and road safety. The environmental specialist must hold masters degree in environmental sciences and have experience in preparing environmental monitoring reports and environmental impact assessments for road rehabilitation and construction projects. They will report to the current Phase 3 Team Leader, who will assume responsibility for the entire amended scope of work.

9. The selected firm and its national associates will be required to

- (i) assist MOTC in reviewing and approving contractors' design documents and any variations from the original design documents during implementation, and instruct the contractors to ensure that all data are provided for setting out the works;

² For entire construction period and construction preparation period and one month following completion of construction, except for one-month construction suspension periods each year during winter.

- (ii) identify slopes on the project road where erosion and landslides are likely to occur and where there is a possibility of collapse; draft a roadside slope inventory; and propose mitigation measures;
- (iii) assist MOTC with all procurement processes of the project, as necessary;
- (iv) assist MOTC in processing contractors' applications for subcontracting parts of the works, adjusting ambiguities and discrepancies in contract documents, and settling disputes with contractors;
- (v) assist MOTC in reviewing and approving the contractors' superintendents, key personnel, construction programs, supply of materials, and sources of materials;
- (vi) monitor the progress of the works against the program targets and advise MOTC on measures to be taken to improve progress and quality; and help MOTC review contractors' proposals for contract variations, evaluate such variations, determine rates of works, order day-works and quality, and decide on alternatives;
- (vii) assist MOTC in preparing and issuing payment certificates and certify completion of works in part or as a whole upon completion of the rehabilitation works;
- (viii) assist MOTC in supervising the execution and quality of the rehabilitation works, with regard to workmanship and compliance with specifications; supervise and perform tests on materials and/or works, and advise on approval or disapproval of the contractors' plant and equipment; and propose, if required, the uncovering of completed rehabilitation or maintenance works, and the removal and substitution of inferior materials and/or works; and
- (ix) help MOTC examine the contractors' accounts, invoices, claims, and other statements for errors and compliance with the contract, and if required, suggest and make corrections.
- (x) review implementation of the environmental safeguard requirements as set out in the project Initial Environmental Examination (IEE) Report and its Environmental Management Plan (EMP).
- (xi) review contractor's monthly environmental management reports and based on them prepares quarterly environmental reports to be submitted to MOTC and ADB.

2. Benefit Monitoring and Evaluation

10. International and national consultants will be required to assist MOTC in monitoring and evaluating project performance and its impacts on social, environmental and economic development and environmental impact in the project area using ADB's PPMS. This will be achieved by extension of existing Phase 3 provisions.

11. The international consultants will help MOTC and the implementing agencies build up and use PPMS that focuses on assessing the socioeconomic and environmental impacts of the project. Within the framework, the consultants will assist and advise MOTC in

- (i) updating performance indicators and project targets, in close cooperation with the regional and district governments;
- (ii) updating a set of baseline data, against which the project impacts will be reassessed at project completion, and after 1 and 2 years of operation;
- (iii) assessing the socioeconomic impacts of the project on potential beneficiaries through selective household surveys and participatory research methods;
- (iv) assessing environmental sustainability of the project; and
- (v) conducting training in operational social research methods and building MOTC capacity on performing management and impact assessment.

12. The national consultants will assist the international consultants in the household surveys and participatory research. A survey will be carried out at the end of the project for comparison with the baseline survey at the start of the project, and two follow-up surveys closer to ADB's mid-term review. The final survey will be carried out after project completion. Survey results will be documented in quarterly progress reports. The baseline survey of Phase 2 is available. Additional road sections will need to establish a new baseline survey.

E. Reporting

13. The international consultants will provide all required services to enable MOTC to comply with obligations under the Grant Agreement, including

- (i) preparing and/or helping MOTC prepare quarterly progress reports and financial status reports, and a final report on the project;
- (ii) preparing interim and final payment certificates;
- (iii) providing MOTC with technical and engineering assistance required;
- (iv) keeping accurate and detailed records of all works done in the construction phase of the project and reporting such in the required progress reports;
- (v) keeping records of all payments approved and reporting such in the regular progress reports;
- (vi) ensuring that progress reports contain complete information on (a) description of implementation activities, (b) progress charts, and (c) expenditure records; and
- (vii) assisting MOTC prepare reports on the monitoring of project performance and socioeconomic and environmental impacts as required by the terms of reference.

14. The progress reports of the consulting services will be compared with the work program and progress schedule as originally agreed. The progress reports and the final report will be signed by the team leader and submitted to MOTC (5 copies) and ADB (2 copies).

F. Counterpart Facilities

15. The following assistance will be made available to the international consultants by MOTC, either directly or through the contractor: (i) administrative assistance in obtaining visas, customs clearances, and any other administrative formalities and permits required by the international consultants to perform their duties; (ii) all relevant reports and studies relating to the assignment; (iii) appropriate and qualified counterpart staff; and (iv) suitable office accommodation on site and in Dushanbe.

Appendix 3 FINANCIAL REPORTING AND AUDITING REQUIREMENTS

Please refer to Appendix 12 of the Project Administration Memorandum for Loan 2196-TAJ:
Dushanbe-Kyrgyz Border Road Rehabilitation Project (Phase 2)