



Report and Recommendation of the President to the Board of Directors

Project Number: 46145
September 2012

Proposed Loan
Republic of Kazakhstan: CAREC Corridor 3
(Shymkent–Tashkent Section) [Link to the Western
Europe–Western People’s Republic of China
International Transit Corridor] Road Improvement
Project

CURRENCY EQUIVALENTS

(as of 3 September 2012)

Currency unit	–	tenge (T)
T1.00	=	\$0.00666
\$1.00	=	T150.00

ABBREVIATIONS

ADB	–	Asian Development Bank
CAREC	–	Central Asia Regional Economic Cooperation
COR	–	Committee of Roads
EBRD	–	European Bank for Reconstruction and Development
km	–	kilometer
LAR	–	land acquisition and resettlement
LARF	–	land acquisition and resettlement framework
MOTC	–	Ministry of Transport and Communications
PAM	–	project administration manual
PMU	–	project management unit
SPAID	–	State Program on Accelerated Industrial-Innovative Development
TSP	–	Transport Sector Program

NOTE

In this report, "\$" refers to US dollars.

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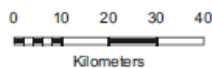
CONTENTS

	Page
PROJECT AT A GLANCE	
MAP	
I. THE PROPOSAL	1
II. THE PROJECT	1
A. Rationale	1
B. Impact and Outcome	2
C. Output	2
D. Investment and Financing Plans	3
E. Implementation Arrangements	4
III. DUE DILIGENCE	4
A. Technical	4
B. Economic and Financial	5
C. Governance	5
D. Poverty and Social	6
E. Safeguards	6
F. Risks and Mitigating Measures	8
IV. ASSURANCES	8
V. RECOMMENDATION	8
APPENDIXES	
1. Design and Monitoring Framework	9
2. List of Linked Documents	10

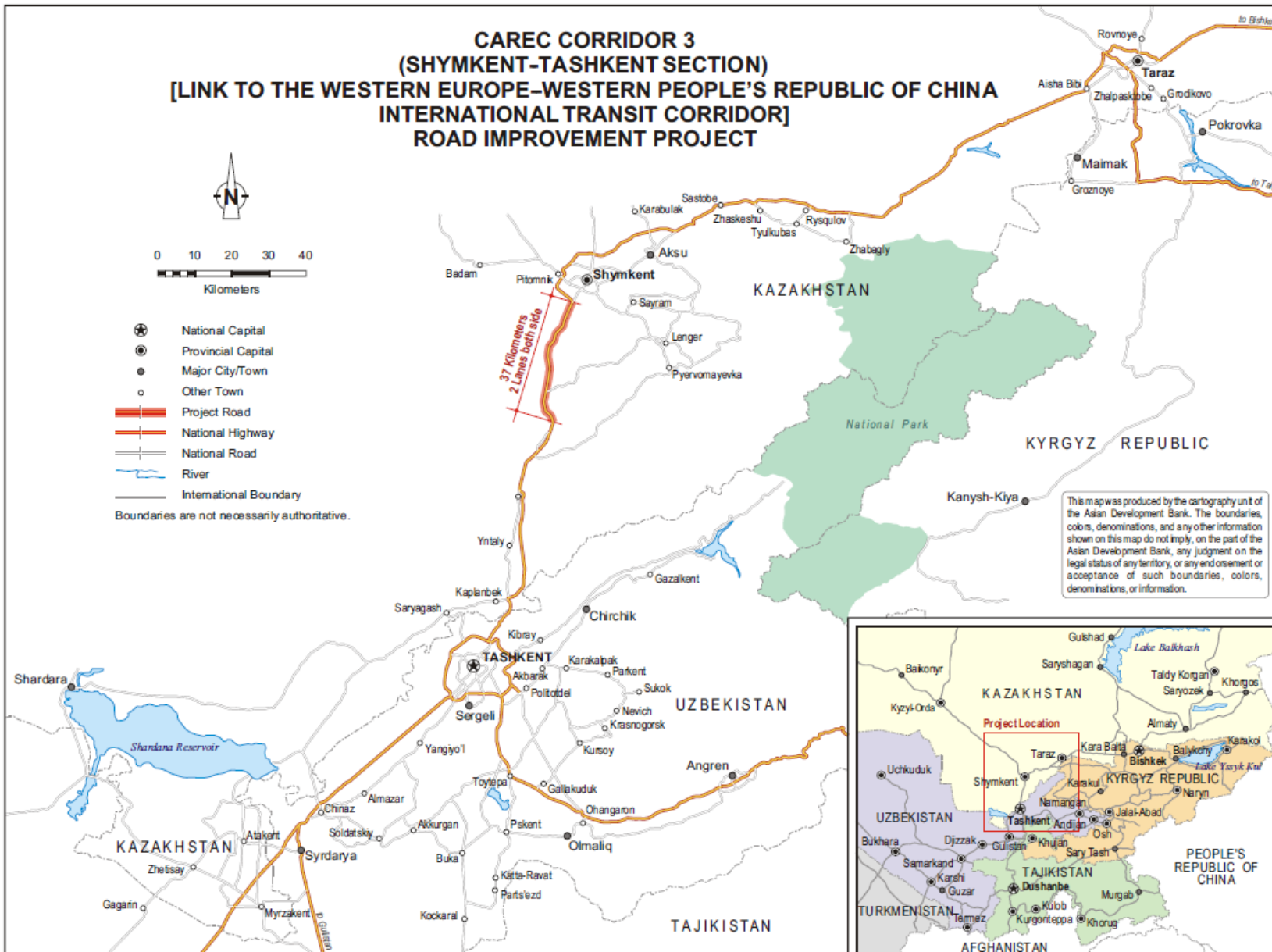
PROJECT AT A GLANCE

1. Project Name: CAREC Corridor 3 (Shymkent–Tashkent Section) [Link to the Western Europe-Western People's Republic of China International Transit Corridor] Road Improvement Project				2. Project Number: 46145																				
3. Country: Kazakhstan		4. Department/Division: Central and West Asia Department/Transport and Communications Division																						
5. Sector Classification: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <th style="width: 40%;">Sectors</th> <th style="width: 10%;">Primary</th> <th style="width: 50%;">Subsectors</th> </tr> <tr> <td>Transport, and information and communication technology</td> <td style="text-align: center;">√</td> <td>Road transport</td> </tr> </table>						Sectors	Primary	Subsectors	Transport, and information and communication technology	√	Road transport													
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**CAREC CORRIDOR 3
(SHYMKENT-TASHKENT SECTION)
[LINK TO THE WESTERN EUROPE-WESTERN PEOPLE'S REPUBLIC OF CHINA
INTERNATIONAL TRANSIT CORRIDOR]
ROAD IMPROVEMENT PROJECT**



- ⬤ National Capital
- ⬤ Provincial Capital
- ⬤ Major City/Town
- Other Town
- Project Road
- National Highway
- National Road
- River
- International Boundary
- Boundaries are not necessarily authoritative.



This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed loan to the Republic of Kazakhstan for the CAREC Corridor 3 (Shymkent–Tashkent Section) [Link to the Western Europe-Western People's Republic of China International Transit Corridor] Road Improvement Project.¹

II. THE PROJECT

A. Rationale

2. The project will rehabilitate a 37-kilometer (km) section of the Shymkent–Tashkent road, a main transport artery in south Kazakhstan and a section of Central Asia Regional Economic Cooperation (CAREC) Corridor 3.² The project road also connects with CAREC Corridor 1 linking eastern Europe with the western People's Republic of China. In parallel with Asian Development Bank (ADB) financing, the European Bank of Reconstruction and Development (EBRD) will fund the rehabilitation of the remaining 62 km of the Shymkent–Tashkent road and provide institutional development assistance.

3. The rationale for the project emanates from (i) economic and social performance in south Kazakhstan, which is below the country's average; (ii) the regional significance of the project road at the junction of two CAREC corridors; and (iii) the dilapidated physical condition of the project road, which impedes transport, efforts to diversify South Kazakhstan's economy, and regional integration.

4. Since 2009, Kazakhstan has experienced strong economic growth driven mainly by a substantial increase in oil production, prevailing high commodity prices, and an influx of direct foreign investment. However, the positive macroeconomic development has masked growing disparities across regions. South Kazakhstan is among the provinces that have not benefited proportionately from the favorable macroeconomic development (para. 20). It has limited good roads and inadequate public transport services. As a result, a majority of local people have difficulty in reaching the administrative centers of the province, markets, and social services.

5. The government of Kazakhstan has adopted the 2020 Strategy for Economic Development and the State Program on Accelerated Industrial-Innovative Development (SPAID) to diversify the economy and promote balanced regional development.³ To this end, Shymkent, South Kazakhstan's capital, with a population of about 0.6 million in 2011, is designated a national growth center. To support the 2020 Strategy for Economic Development and the SPAID, the government has reformulated and expanded its road development plan into the Transport Sector Program (TSP) for 2010–2014.⁴ The TSP aims to develop a transport system

¹ The design and monitoring framework for the ADB-financed portion of the project is in Appendix 1. ADB provided project preparatory small-scale technical assistance to conduct due diligence and prepare the project. Unless otherwise specified, the "project" used in this report and recommendation of the president refers to the project to be financed by ADB.

² The CAREC Transport and Trade Facilitation Strategy and its Implementation Action Plan identify six CAREC corridors. The CAREC Ministerial Conference endorsed the Transport and Trade Facilitation Strategy in 2007 and the Implementation Action Plan in 2008. Corridor 3 links the Russian Federation with the Middle East and South Asia, connecting Afghanistan, Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan.

³ <http://www.inform.kz/eng/article/2437463>.

⁴ Government of Kazakhstan. 2010. *The 2020 Strategy for Economic Development*. Astana (approved in February); Government of Kazakhstan. 2010. *State Program on Accelerated Industrial-Innovative Development*. Astana (approved in March); and Government of Kazakhstan. 2010. *Transport Sector Program, 2010–2014*. Astana (approved in July).

that is integrated into the international transport network. Improving the Shymkent–Tashkent road will complement the government's regional development activities and contribute to achieving the objectives of the SPAID and TSP in Kazakhstan. The project also aligns with ADB's Strategy 2020⁵ and its Country Partnership Strategy 2012–2016, which identifies transport infrastructure as a core area of ADB operations.⁶

6. Kazakhstan's geographic location and economic structure make the country's economy highly freight intensive, affecting its trade competitiveness. Kazakhstan has an approximately 93,600 km road network, which includes 23,495 km of republican (national and international) roads; the remainder is rural and urban roads. Road freight traffic has increased in recent years. Roads accounted for 25% of the country's freight traffic by ton-km and 85% of its passenger traffic by passenger-km in 2009. These shares are likely to continue to grow. However, a major share of the republican road network is in a poor state of repair with about 50% requiring rehabilitation. Cross-border impediments, coupled with deteriorated road infrastructure, are impeding trade flows.

7. The government's strategic goals in the transport sector are to establish an efficient and sustainable transport system in Kazakhstan through policy reforms, sector restructuring, and infrastructure development. The government has made policy changes to improve cost recovery, increase competition, strengthen management of operations and maintenance, and encourage public–private partnerships. The government has also made significant investments on transport infrastructure through external borrowing and budgetary allocation. The safeguard policies of both ADB and Kazakhstan are being adhered to ensure that (i) negative social and environmental impacts are minimized, and (ii) adverse impacts are adequately mitigated.

8. In line with ADB's country strategy for Kazakhstan and the government's transport sector strategy, ADB operations in the transport sector support policy reforms, sector restructuring, infrastructure improvement, and capacity development. ADB's experience in the transport sector has been positive, with all ongoing ADB-assisted road projects expected to be completed on time. The key lessons learned from ADB's past experience include the needs of (i) close project supervision to ensure smooth implementation, (ii) enhanced monitoring of environmental and social safeguards compliance, and (iii) continued support for capacity development for the executing and implementing agencies. These lessons have been incorporated in the design of the project.

B. Impact and Outcome

9. The project's impact will be closer regional cooperation and increased trade along CAREC 3. The outcome will be an efficient transport network in the South Kazakhstan section of CAREC Corridor 3.

C. Output

10. The output of the project will be a 37 km (km 705 to km 742) rehabilitated road section from Shymkent toward Tashkent.

⁵ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

⁶ ADB. 2012. *Country Partnership Strategy: Kazakhstan, 2012–2016*. Manila.

D. Investment and Financing Plans

11. The projects to be financed by ADB and EBRD will cost, in aggregate, approximately \$371.2 million equivalent, inclusive of taxes and duties (Table 1).⁷

Table 1: Investment Plan

(\$ million)

Item	ADB Project ^a	EBRD Project ^b	Total
A. Base Cost			
1. Civil works	130.6	197.7	328.3
2. Consulting services ^c	3.5	5.4	8.9
3. Institutional development		1.3	1.3
Subtotal (A)	134.1	204.4	338.5
B. Contingencies^d	12.9	19.8	32.7
Total Cost (A + B)	147.0	224.2	371.2

^a Includes taxes and duties of \$16.1 million to be financed from government resources.

^b Includes taxes and duties of \$25.3 million to be financed from government resources.

^c Includes construction supervision consultants and external monitoring consultant.

^d Contingencies for price escalation include a reserve for possible changes in exchange rate from the current rate \$1 = T150. Physical contingencies are computed at 7% for civil works.

Sources: Ministry of Transport and Communications, Government of Kazakhstan; and Asian Development Bank estimates.

12. The financing plan for the projects to be financed by ADB and EBRD is in Table 2. The government has requested a loan of \$125 million from ADB's ordinary capital resources to help finance the ADB-financed project. The loan will have a 20-year term, including a grace period of 4 years, repayment by straight-line method, an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility, a commitment charge of 0.15% per year,⁸ and such other terms and conditions set forth in the draft loan agreement. Based on this, the average loan maturity is 12.25 years; and no maturity premium is payable to ADB. The government has provided ADB with (i) the reasons for its decision to borrow under ADB's LIBOR-based lending facility based on these terms and conditions, and (ii) an undertaking that these choices were its own independent decision and not made in reliance on any communication or advice from ADB.

Table 2: Financing Plan

Source	Amount (\$ million)	Share (%)
The Project [Shymkent–Tashkent Section (km 705 to km 742)]		
Asian Development Bank	125.0	85.0
Government of Kazakhstan	22.0	15.0
Subtotal	147.0	100.0
EBRD Financed Project [Shymkent–Tashkent Section (km 742 to km 804)]		
European Bank for Reconstruction and Development	196.5	
Government of Kazakhstan	27.7	
Subtotal	224.2	
Total	371.2	

Sources: Ministry of Transport and Communications, Government of Kazakhstan; and the Asian Development Bank estimates.

⁷ Through a letter to ADB in April 2012, EBRD stated its intent to provide parallel financing and collaborate on implementation arrangements.

⁸ Interest and other charges during construction will not be capitalized in the loan and will be financed by the government from its own resources.

E. Implementation Arrangements

13. The Ministry of Transport and Communications (MOTC) will be the executing agency. The South Kazakhstan Committee of Roads (COR) under MOTC will be the implementing agency with direct responsibility for overall project implementation. The project management unit (PMU) within COR will manage this project.⁹ While the PMU has a few experienced staff members, a construction supervision consulting firm will be engaged to assist the PMU in managing daily project implementation activities.¹⁰ The construction supervision firm will provide support in safeguards compliance, and contract supervision.¹¹ Therefore, the PMU will have sufficient resources to supervise the project. The implementation arrangements are summarized in Table 3 and described in detail in the project administration manual (PAM).¹²

Table 3: Implementation Arrangements

Aspects	Arrangements		
Implementation period	January 2013–December 2015		
Estimated completion date	30 June 2016		
Management			
(i) Oversight body	Ministry of Finance		
(ii) Executing agency	Ministry of Transport and Communications		
(iii) Key implementing agencies	South Kazakhstan Committee of Roads		
(iv) Implementation unit	PMU	Staff of 10	
Procurement Consulting services	ICB	1 contract	\$130.5 million
	QCBS (90:10)	1 contract for construction supervision with 222 person-months (47 international, 175 national)	\$3.5 million
	LCS	1 contract for external safeguard monitoring for 3 person-months	\$10,000
Advance contracting	Civil works and supervision consulting firm.		
Disbursement	The loan proceeds will be disbursed in accordance with ADB's <i>Loan Disbursement Handbook</i> (2012, as amended from time to time) and detailed arrangements agreed upon between the Government of Kazakhstan and ADB.		

ADB = Asian Development Bank, ICB = international competitive bidding, LCS = least-cost selection, PMU = project management unit, QCBS = quality- and cost-based selection.

Source: Asian Development Bank.

III. DUE DILIGENCE

A. Technical

14. The project road is located in south Kazakhstan. The climate of the province is marked by cold winters with heavy snowfall, hot summers with temperatures rising to 45°C, and an average annual rainfall of 951 millimeters. The project road was built around 1970 and was not designed for the traffic loads that the road has carried over the last two decades. The advent of

⁹ The PMU is composed of technical, financial management, and administration staff.

¹⁰ The civil works under the EBRD-financed project will be supervised by a separately recruited construction supervision consultant.

¹¹ A consultant engaged under the ADB-financed project preparatory technical assistance will provide procurement support.

¹² Project Administration Manual (accessible from the list of linked documents in Appendix 2).

heavy trucks, not common at the time the road was designed, has been damaging to the structure of the pavement. The road has not undergone major rehabilitation or reconstruction works. As a result, about 70% of the pavement is in a less-than-satisfactory condition with major structural problems, such as cracking, raveling, and potholes indicating the urgent need for reconstruction.

15. A 4-lane project road will accommodate the projected traffic volume. The designed formation width of the road is 27.5 meters. The proposed pavement design is cement-concrete, which requires a much smaller operation and maintenance budget compared with asphalt pavement. Concrete pavement also provides better rider quality, which saves fuel cost for road users. In addition, concrete roads are safer as night time visibility is greater and require less street lighting. The government plans to install weighbridges under the project, which will enhance control of vehicle overloading and thus will serve as preventive maintenance. ADB conducted due diligence on the design and suggested improving the design of U turns to ensure safe and smooth traffic flow.

B. Economic and Financial

16. The project will contribute to achieving the envisaged benefits of the improved transport corridor: lower transport costs, shorter travel time, and improved road safety standards. The economic evaluation of the project was undertaken using ADB's Guidelines for the Economic Analysis of Projects¹³ and following the analytical framework of the highway development and management model.¹⁴ The traffic forecast is based on traffic counts conducted on the project road in early 2012. Using the 2012 average daily traffic volume, annual normal traffic growth is forecast at 3% for 2016–2035. Generated traffic, estimated at about 20% of normal traffic, is included in the analysis. Project costs and benefits are calculated based on a comparison of with- and without-project scenarios. The economic costs are (i) capital, including physical contingencies but excluding taxes; and (ii) operation and maintenance, including replacement of depreciated equipment. The economic benefits are (i) savings in vehicle operating costs resulting from the improved project road, and (ii) time savings. The results of the economic analysis show that the project is economically feasible with an estimated economic internal rate of return of 15.9%. Sensitivity tests confirm that the project would remain feasible should the envisaged project costs increase or benefits be reduced. No financial analysis was undertaken because the project road will not generate revenues.

17. The fiscal impact of the project road is considered insignificant given the relatively short length of the project road and the projected robust fiscal position of the government in the foreseeable future. In addition, the government has consistently increased the budgetary allocations for road maintenance so that the service quality of the entire road network has improved. Moreover, the proposed cement concrete pavement for the project road will reduce maintenance cost.

C. Governance

18. ADB's Anticorruption Policy (1998, as amended to date) was explained to, and discussed with, the government and MOTC. The specific policy requirements and supplementary measures are described in the PAM. The capacity of MOTC and COR regarding financial management and procurement were assessed and found to be lacking in some areas. The consultant engaged under the ADB-financed project preparatory technical assistance will

¹³ ADB. 1997. *Guidelines for the Economic Analysis of Projects*. Manila.

¹⁴ World Road Association. 2002. *HDM-4 Version 2*. Paris.

assist with procurement activities. MOTC will also provide additional financial resources to COR to ensure full compliance with these policies and procedures.

19. All bidding documents for the civil works contract will include provisions specifying ADB's right to audit all project records and accounts, as well as those of all contractors, suppliers, and other service providers as they relate to the project. Key measures to ensure proper governance are (i) independent external auditing of contracts, project accounts, and financial statements;¹⁵ (ii) transparent decision processes for all procurement matters; and (iii) verification of contractors' payment claims by the supervision consultant and oversight by the PMU.

D. Poverty and Social

20. Kazakhstan's economic development in recent years has masked growing disparities across regions. While poverty rates have declined in the country, the decrease of poverty rates cross regions varies. South Kazakhstan is among the country's poorer provinces with a poverty rate of 11.5% in 2011, which is the second highest in the country and significantly above the national average of 6.5%.¹⁶ South Kazakhstan is dominated by agriculture. The main economic activities in the project area are agriculture, specifically livestock and poultry. The project is expected to contribute to poverty reduction in the province by increasing the transport of goods and improving people's access to services and markets. The project will also benefit local residents and enterprises by creating jobs during construction and cutting transport costs. Social and poverty assessments were conducted and are included in the summary poverty reduction and social strategy.¹⁷ The project is classified as a general intervention, with no direct poverty reduction component. However, it will benefit poor people in the project area by improving their access to markets and social services.

21. The civil works contract will require that contractors (i) comply with Kazakhstan's applicable labor laws; (ii) not differentiate payment between men and women for work of equal value; (iii) not employ child labor in construction and maintenance activities; (iv) to the extent possible, maximize employment of local poor and disadvantaged residents for project construction, provided that the requirements for job and efficiency are adequately met; and (v) encourage employment of women laborers. In addition, MOTC will ensure that information on the risks of sexually transmitted diseases, including HIV/AIDS, is disseminated to the employees of the works contractors under the project and members of local communities in the project area.

E. Safeguards

1. Environment

22. The ADB-financed project is classified as category B for environment. An initial environmental examination was prepared and disclosed in July 2012, in accordance with ADB's Safeguard Policy Statement (2009). The major potential environmental impacts of the project include (i) air and water pollution; (ii) noise impacts; (iii) soil erosion; (iv) generation of construction and domestic waste; (v) occupational health and safety; (vi) cutting of trees; and (viii) disruptions and utilities relocation, occurring mainly during construction. Adequate

¹⁵ The government finances all independent financial auditing required by international financial institutions through a centralized budget.

¹⁶ United Nations Development Programme and ADB. 2012. *A Poverty Assessment of Kazakhstan. A Joint Rapid Appraisal Report*. Astana (29 April).

¹⁷ Summary Poverty Reduction and Social Strategy (accessible from the list of linked documents in Appendix 2).

mitigation measures are included in, and will be implemented through, an environmental management plan. The environmental management plan stipulates that capacity development be provided for MOTC through training workshops before and during construction.

23. The construction supervision consultants will help manage the project's environmental impacts and develop the PMU's capacity. The project complies with public disclosure and consultation requirements. EBRD-financed project (km 742–km 804) is classified as B for environment.¹⁸

2. Involuntary Resettlement

24. The ADB-financed project is classified as category C for involuntary resettlement. Due diligence conducted for the ADB-financed project confirms that civil works will not cause any land acquisition or resettlement impacts, as all works will be undertaken within the existing right-of-way and no structures are located within the corridor of impact. In accordance with ADB's Safeguard Policy Statement, a land acquisition and resettlement framework (LARF) was prepared. The LARF provides an entitlement matrix for possible impacts and the institutional arrangements for implementation and supervision, monitoring, and grievance redress. It will be used if land acquisition and resettlement (LAR) issues arise due to design changes or unanticipated impacts during project implementation. MOTC shall report to ADB any LAR issues identified upon full completion or update of the final design or during implementation, and obtain ADB's prior approval before execution. In sections with pending LAR issues, no civil works will be allowed to commence. The supervision consultant will include a resettlement specialist to conduct training for COR staff and prepare the land acquisition and resettlement-related reporting, if required. The South Kazakhstan COR is responsible for addressing all LAR-related issues and grievances from the project. Its capacity for land acquisition and resettlement has been strengthened through implementation of the multitranche financing facility for CAREC Transport Corridor 1 (Zhambyl Oblast Section) [Western Europe–Western People's Republic of China International Transit Corridor] Investment Program.¹⁹

25. The EBRD-financed project (km 742–km 804) will affect 130 residential and commercial structures. EBRD is preparing a land acquisition and resettlement plan, which will be shared with ADB.²⁰ In its letter of intent, EBRD indicated that it will be responsible for safeguard issues arising in its financed section.

3. Indigenous Peoples

26. The project is classified as category C for indigenous peoples, as the project is not expected to negatively impact anyone fitting ADB's definition of indigenous peoples.

¹⁸ The EBRD's Environmental and Social Policy and Performance Requirements (2008) are consistent with ADB's SPS. ADB and EBRD have been collaborating in sharing information, status of safeguard categorization, assessment, and planning. EBRD is preparing an environmental assessment, which will be disclosed. ADB and EBRD will have separate environmental supervision consultants, to monitor and ensure compliance with their respective financed sections.

¹⁹ ADB. 2008. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility and Administration of Loan to the Republic of Kazakhstan for the CAREC Transport Corridor 1 (Zhambyl Oblast Section) [Western Europe–Western People's Republic of China International Transit Corridor] Investment Program*. Manila.

²⁰ EBRD's land acquisition and resettlement plan will be shared with the ADB Regional and Sustainable Development Department. ADB will harmonize the initial environmental examination with EBRD's environmental assessment.

F. Risks and Mitigating Measures

27. Major potential risks and mitigating measures relating to the project are summarized in Table 4 and described in detail in the risk assessment and risk management plan.²¹ The risks are considered manageable through the prescribed mitigating measures.

Table 4: Summary of Risks and Mitigating Measures

Risks	Mitigating Measures
Delayed procurement of civil works	ADB will closely monitor MOTC's procurement activities and an ADB-financed consultant has been engaged to provide procurement support.
Sustainable maintenance of the project road	The government is committed to increase budgetary allocations for operation and maintenance of the project road after completion. In addition, the project will include installing weighbridges as a preventive maintenance measure.

ADB = Asian Development Bank, MOTC = Ministry of Transport and Communications.

Source: Asian Development Bank.

IV. ASSURANCES

28. The government and MOTC have assured ADB that implementation of the project shall conform to all applicable ADB policies including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, and disbursements as described in detail in the PAM and loan documents.

29. The government and MOTC have agreed with ADB on certain covenants for the project, which are set forth in the loan agreement.

V. RECOMMENDATION

30. I am satisfied that the proposed loan would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve the loan of \$125,000,000 to the Republic of Kazakhstan for the CAREC Corridor 3 (Shymkent–Tashkent Section) [Link to the Western Europe–Western People's Republic of China International Transit Corridor] Road Improvement Project, from ADB's ordinary capital resources, with interest to be determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; for a term of 20 years, including a grace period of 4 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan agreement presented to the Board.

Haruhiko Kuroda
President

6 September 2012

²¹ Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2).

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
Impact Closer regional cooperation and increased trade along CAREC corridor 3	By 2018 Volume of regional trade along CAREC Corridor 3 increased to \$350 million from \$150 million in 2012	Regional freight traffic data from MOTC	Assumption Government's continued commitment to increase regional trade
Outcome Efficient transport network in the South Kazakhstan section of CAREC Corridor 3	By 2015 Average traffic volume from Shymkent to Tashkent increased to 2,000 vpd from 1,000 vpd in 2011 Travel speed improved by 20 km/hour from 60 km/hour in 2011	MOTC traffic statistics including vehicular speed data	Assumption The EBRD-financed project completed on time and in good quality Risk Insufficient budgetary allocation for maintenance of the project road
Output A 37 km (km 705 to km 742) rehabilitated road section from Shymkent toward Tashkent	By 2015 The project road section rehabilitated with IRI of less than 3 m/km from current IRI of 5 m/km Seven million people will benefit from the project	MOTC's project completion report MOTC's project completion report	Assumptions The government's timely provision of counterpart funding and support for the project MOTC's continued commitment to comply with ADB's safeguards policy Risk Delay in procurement of the civil works contract
Activities with Milestones 1. Road rehabilitation 1.1 Civil works contract awarded by May 2013 1.2. Supervision consultant contract awarded by April 2013 1.3. Civil works completed by December 2015		Inputs 1. ADB (OCR): \$125 million 2. Government: 22 million Total \$147 million	
		Item Civil work Consulting services Contingencies	Amount (\$ million) 130.60 million 3.50 million 12.90 million

ADB = Asian Development Bank, CAREC = Central Asia Regional Economic Cooperation, EBRD = European Bank for Reconstruction and Development, IRI = international roughness index, km = kilometer, m = meter, MOTC = Ministry of Transport and Communications, OCR = ordinary capital resources, vpd = vehicle per day.

Source: Asian Development Bank.

LIST OF LINKED DOCUMENTS

<http://adb.org/Documents/RRPs/?id=46145-001-3>

1. Loan Agreement
2. Sector Assessment (Summary): Transport, and Information and Communication Technology
3. Project Administration Manual
4. Contribution to the ADB Results Framework
5. Development Coordination
6. Economic and Financial Analyses
7. Country Economic Indicators
8. Summary Poverty Reduction and Social Strategy
9. Initial Environmental Examination
10. Resettlement Framework: Land Acquisition and Resettlement Framework
11. Risk Assessment and Risk Management Plan