



Project Number: 47372-001
TA Number: 8790
February 2017

Technical Assistance Cancellation

Azerbaijan: Third Road Network Development Investment Program

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
TA	–	technical assistance

NOTE

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

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1. The project preparatory technical assistance (TA) to Azerbaijan for preparing the Third Road Network Development Investment Program was approved by the Asian Development Bank (ADB) on 12 December 2014. The TA amount of \$1,400,000 was funded on a grant basis by the Technical Assistance Special Fund (TASF-other sources).
2. The TA was designed to prepare the investment program, which aims to increase connectivity and safe, efficient, and effective road networks through (i) rehabilitation, reconstruction, and widening of more than 150 km of strategic roads (including bridges and local roads) along east–west corridors from the Baku–Shamakhi–Yevlakh and Sheki–Georgian border; (ii) development and operation of tolling for Baku bypass and Alyat–Astara motorway; and (iii) capacity development of the AzerRoadService of the Ministry of Transport for sustainable road network management.
3. Burdened with the slowing economy and significant currency devaluation because of tumbling oil prices and lower external demand, the government undertook institutional realignments (including the Ministry of Transport and its subordinate AzerRoadService) in 2015. As a result, the Ministry of Transport (the executing agency) halted the investment program preparation to concentrate on completing all ongoing road corridor projects financed by international financial institutions. On 2 March 2016, the government sent a formal letter to advise ADB of its changed investment priorities and to request support for initiatives on railway sector development in Azerbaijan. Subsequently, ADB cancelled the TA on 31 May 2016.
4. This paper is being prepared in accordance with the project administration instruction on the TA completion report, which requires the preparation of a Board information paper for TA projects that have been cancelled without disbursements and related financial activities.¹

¹ ADB. 2011. Technical Assistance Completion Report. *Project Administration Instructions*. PAI 6.08. Manila (para. 3).