

**AFG: Proposed Policy and Advisory Technical Assistance
for the Transport Sector Master Plan Update
Technical Assistance Concept Paper**

Date: 25 April 2014

1. Country partnership strategy (CPS) / Regional cooperation strategy (RCS):			
• Year included in CPS/RCS/COBP/RCOBP/CPS or RCS midterm review report: AFG COBP 2014–2015			
• Document reference number and date approved: December 2013			
• In case of change in the TA title, type, or amount, please state reason: N/A			
2. TA Type	<input type="checkbox"/> CDTA <input type="checkbox"/> R-CDTA	3. Modality:	
	<input checked="" type="checkbox"/> PATA <input type="checkbox"/> R-PATA	<input type="checkbox"/> Cluster	
	<input type="checkbox"/> RDTA <input type="checkbox"/> R-RDTA	<input checked="" type="checkbox"/> sovereign <input type="checkbox"/> nonsovereign	
4. Categorization of TA:		<input type="checkbox"/> Category A TA	<input checked="" type="checkbox"/> Category B TA
5. Coverage			Coverage - all of Afghanistan
<input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional			
6. Assistance Focus			
a. Sector(s):			
<input type="checkbox"/> Agriculture and natural resources		<input type="checkbox"/> Industry and trade	
<input type="checkbox"/> Education		<input type="checkbox"/> Public sector management	
<input type="checkbox"/> Energy		<input checked="" type="checkbox"/> <u>Transport and ICT</u>	
<input type="checkbox"/> Finance		<input type="checkbox"/> Water supply and other municipal infrastructure and services	
<input type="checkbox"/> Health and social protection		<input type="checkbox"/> Multisector	
Subsector(s): Road Transport; Air Transport; Water Transport; Rail Transport; Urban Transport; Transport Management and Policies.			
b. Targeting classification			
<input type="checkbox"/> Targeted intervention			
<input type="checkbox"/> TI-H		<input type="checkbox"/> TI-M	<input type="checkbox"/> TI-G
<input checked="" type="checkbox"/> General intervention (more indirectly addressing poverty reduction)			
c. Theme(s)			
<input checked="" type="checkbox"/> <u>Economic growth</u>		<input type="checkbox"/> Gender equity	
<input type="checkbox"/> Social development		<input type="checkbox"/> Private sector development	
<input checked="" type="checkbox"/> Environmental sustainability		<input checked="" type="checkbox"/> Governance	
<input checked="" type="checkbox"/> Regional cooperation and integration		<input type="checkbox"/> Capacity development	
Subthemes			
d. Location impact			
Relative weight of spatial impact of the project	High	Medium	Low
Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
National	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regional	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Partnership			
8. Name of the Specialist (project team leader) in charge of the project: David Hill		Name of the Alternate Specialist: Fergal Trace	
• Local Number: 6415		• Local Number: 4458	
• Email Address: dhill@adb.org		• Email Address: ftrace@adb.org	
9. Department/Division: CWRD/CWTC			

10. Key Development Issues to be addressed:

Afghanistan's transportation system is comprised of inland waterways, air, rail, and road transport modes. As a landlocked country with an estimated population of 25 million to 30 million dispersed across the largely mountainous terrain of 652,000 square kilometers (km²), and without many viable alternative transport modes, roads are the principal means of transport. Afghanistan's road network comprises about 3,300 kilometers (km) of regional highways, 4,900 km of national highways, 9,700 km of provincial roads, 17,000–23,000 km of rural roads, and about 3,000 km of urban roads, including 1,060 km in Kabul. The regional highway network consists of the 2,300 km Ring Road that connects Afghanistan's major regional centers (Herat, Kandahar, Mazar-e-Sharif, Maimana, and Sheberghan) with Kabul, and about 700 km of cross-border roads linking the Ring Road to neighboring countries. The regional highway network fosters regional trade and economic linkages between Afghanistan and Iran, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. Inland waterways are limited to the Amu Darya and its tributaries with the only formal operating inland port at Shirkhan Bandar. Afghanistan has some 60 airports and airfields spread across the country including two international and 22 domestic airports. Until recently, the total length of railways was a mere 24.6 km, comprising cross-border extensions from Turkmenistan and Uzbekistan to transshipment yards in Towraghondi and Kheyraabad. In mid-April 2011, the Asian Development Bank (ADB)-financed Hairatan to Mazar-e-Sharif rail link (75 km) was completed; the first new railway in Afghanistan in over 100 years.

At the end of 2001, after some 20 years of conflict, baseline assessments suggested that more than 90% of the transportation system was unconnected and in a poor condition. Since then, multilateral and bilateral development partners have helped improve key transport infrastructure, especially priority roads such as the Ring Road. Collectively, these development partners have invested more than \$4 billion to improve transport infrastructure and transport sector institutions in Afghanistan. Despite this progress resulting largely from infrastructure interventions, the transport network remains incomplete. With an estimated density of only 4 km per 1,000 km², Afghanistan's road network is far below the completeness levels achieved by its neighbors. Furthermore only 7% of the roads are paved, and a key section of the Ring Road is not yet constructed. Four provincial capitals remain unconnected to the regional network, and thus lack access to domestic and regional markets. More than 70% of the inter-provincial and inter-district roads remain in a poor state. Many roads are impassable by motor vehicles, and people in the mountainous central part of the country do not have all-weather access to the main road network. Likewise, transport services are inadequate, of low quality, and expensive.

Aside from additional infrastructure requirements, a number of challenging sector issues remain unresolved. For instance, the vast majority of funding for infrastructure construction continues to be financed by international donors through grant agreements. Similarly, government funding for maintenance of the implemented works in the transport sector network is lacking, which if not resolved will result in an unnecessary economic loss of the significant capital investments made to date. Truck overloading is another major problem that will reduce the engineering design life of the constructed roads. These potential sustainability issues are nonphysical in nature and point to a lack of proper sector governance and cost recovery. The government must establish appropriate authorities to regulate the subsectors in a coordinated manner with mandates to generate revenue for maintenance funding. Lastly, with the transition occurring in 2014, there is considerable uncertainty over security. Security of the physical infrastructure (constructed or under implementation) and of the people who are involved in the maintenance, construction, or use of such works, whether these be consultants, contractors, government staff, or ordinary citizens, needs to be considered at the planning stage.

11. TA Description:

a. Link to Country Partnership Strategy/Regional Cooperation Strategy:

The technical assistance (TA) project is included in the COBP 2014–2015. An update of the transport sector master plan is required since the previous update was undertaken in 2006, prior to the finalization of the Afghanistan National Development Strategy (2008) and Priority Implementation Plan (2010). The update is also needed to reflect upon the progress made and lessons learned with respect to identifying the remaining priorities. Lastly, the update is required such that it will also reflect Afghanistan's important role in the regional context as identified in the CAREC program's Refined Strategy.

b. Impact

The TA will contribute to an increase in trade between Afghanistan and neighboring countries and additional economic activity within Afghanistan. Over the period 2012–2020, a 100% increase in economic activity is anticipated; the positive change being associated with an increase in the percentage of the adult population at work from 43.8% in 2012 to 50% in 2020 due to improved access to markets and opportunities. The TA will contribute to these development goals through the reductions in the cost of movement of freight and passengers within Afghanistan arising from the implementation of measures contained in the proposed Afghanistan transport master plan.

c. Outcome

The TA will provide for medium- and long-term transport sector investment priorities and policy reforms approved by the government. These plans will promote a more efficient allocation of resources within the transport sector, by prioritizing physical and non-physical interventions in the transport network on the basis of logical criteria, e.g., value for money, and compatibility with strategic country development plans, among others. The TA will study proposed new investment projects as well as both maintenance activities and 'soft issues' such as demand management, pricing, and transport sector reforms.

d. Outputs

The primary outputs of the TA will be the completion of a national transport master plan for Afghanistan, and a transport sector assessment and road map. Additional deliverables, which contribute to the final outputs, include: an appraisal methodology report, a list of proposed hard infrastructure and soft sector interventions, and regular monthly and quarterly progress reports.

12. Assumptions and risks

The assumptions include: (i) the Government of Afghanistan will proactively try to implement the findings outlined in the updated national transport master plan, (ii) the government and relevant transport agencies are willing to support the initiative and agree to provide relevant information in a timely manner, (iii) the security situation allows consultants to carry out field visits needed to undertake tasks needed to satisfactorily complete TA.

The risks include: (i) changes in the political setup and composition of the government after the election may result in the government failing to adopt key recommendations in the previously approved national strategy documents; (ii) continued financial weaknesses resulting in failure to devote sufficient resources to identified transport projects; and (iii) lack of commitment or 'buy-in' from government agencies, resulting in failure to implement key recommendations contained in the master plan, especially with respect to sector governance issues.

13. Implementation Arrangements

a. Proposed executing agency

The Ministry of Public Works will be the executing agency. The Transport and Communications Division of the Central and West Asia Department will administer the implementation of the TA in coordination with ADB's Afghanistan Resident Mission.

b. Institutional, organizational, procurement, and/or financial management assessments of the executing agency previously conducted.

Not applicable.

Yes No

c. ADB inputs

The TA will be implemented over 24 months, from August 2014 to July 2016. The TA will mobilize and engage 14 person-months of two individual international consultants and 5 person-months of one national consultant over the two-year TA period. The international consultants will comprise: 1 transport engineer and 1 transport economist. The national consultant will be an expert in transport in Afghanistan. The individual national consultant will work intermittently as needed in Afghanistan. All experts shall be recruited by using ICS method and following ADB's *Guidelines on The Use of Consultants by ADB and Its Borrower's* (2013 as amended from time to time). Proceeds of the TA will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

d. Complementary inputs to be provided by the government and/or other TA providing agencies

The Ministry of Public Works (MPW) and the Ministry of Finance (MOF) will work closely with the ADB and the TA consultants.

14. Nature and/or extent of government and/or beneficiary involvement in identifying or conceptualizing the assistance:

With the expected processing of final tranche (Tranche 4) of the MFF Transport Network Development Investment Program (TNDIP) expected in Q4 2014, the government is aware of the need to program future projects and financing to support

continued demands for infrastructure and governance reforms. Under various tranches of the TNDIP, feasibility studies for identified projects are being undertaken. Additionally, there are a number of previously identified and highly strategic projects that have yet to be funded. Prioritization amongst these competing demands require discussion, analysis, priority setting and decision making in the form of future looking roadmap.

15. Cost Estimates and Proposed Financing Arrangements

The TA is estimated to cost \$1,100,000 equivalent. It is proposed that the ADB provide \$1,000,000 equivalent on a grant basis from TASF-V. Additional financing through the Afghanistan Infrastructure Trust Fund (ATIF) was sought, but no funding was available. The government will provide necessary in-kind counterpart resources to assist the consultants in carrying out the required tasks and activities.

Source	Amount (\$)
ADB ^a	
TASF-V	1,000,000
Government of Afghanistan	100,000
Total	1,100,000

^a Administered by ADB.

Source: Asian Development Bank estimates.

16. Initial assessment on eligibility of expenditure

- Proposed activities are likely to comply with specific fund regulations, agreements and/or guidelines.
- Waiver from the Board may be necessary for use of TASF for items other than the eligible activities defined by TASF regulations.

17. Monitoring and Evaluation

During implementation, the TA will be monitored by the ADB project officer and the two international consultants hired as under the TA. The consultants will be required to submit monthly and quarterly progress reports which will be used to review progress in implementation of the TA. The TA implementation will also be reviewed during TA review missions and monthly project team videoconference meetings.

18. Estimated period of TA implementation:

- a. Approval of TA June 2014
- b. Physical completion of TA July 2016
- c. Closing of TA December 2016

PRELIMINARY DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Increased trade between Afghanistan and neighboring countries and additional economic activity within Afghanistan.</p>	<p>By December 2020: Exports from Afghanistan to increase from \$500 million in 2012 to \$1 billion in 2020.</p> <p>Ratio of employment to population aged 15 and over to increase from 43.8% in 2012 to 50.0% in 2020.</p>	<p>IMF Direction of Trade Statistics.</p> <p>World Bank World Development Indicators.</p>	<p>Risk Increased safety and security concerns lead to a continued, prolonged negative impact on trade and economic development.</p>
<p>Outcome Approved medium- and long-term transport sector investment priorities, and policy reforms.</p>	<p>By July 2016: Updated National Transport Sector Master Plan approved by the relevant stakeholders in the Government of Afghanistan</p>	<p>MPW and MOF endorsement of the updated master plan.</p>	<p>Assumption Government development and transport priorities remain consistent</p> <p>Risk Political considerations lead to failure of the government to adopt key recommendations contained in the master plan, particularly governance reforms</p>
<p>Outputs</p> <p>1. Completion of National Transport Master Plan for Afghanistan.</p> <p>2. Completion of transport sector assessment and road map.</p>	<p>By July 2015: Final national transport master plan endorsed by the relevant stakeholders in the Government of Afghanistan</p> <p>By July 2016: Transport sector assessment and road map endorsed, based on national transport master plan.</p>	<p>Afghanistan National Development Strategy documents.</p> <p>CAREC Transport and Trade Facilitation Strategy 2020.</p> <p>MPW asset inventory.</p> <p>Government project progress reports.</p>	<p>Assumption Security situation allows consultants to undertake site visits necessary to properly understand existing transport conditions</p>
<p>Activities with Milestones</p> <p>1.1 Assess existing condition of transport networks</p> <p>1.1.1 Produce existing conditions report by October 2014.</p> <p>1.2 Prepare methodology for appraisal of proposed transport interventions</p> <p>1.2.1 Produce appraisal methodology report by December 2014</p>			<p>Inputs ADB: \$1,000,000 (TASF-V)</p> <p>Note: The government will provide counterpart support in the form of counterpart staff, office supplies, secretarial assistance, domestic</p>

Activities with Milestones	Inputs
1.2.2 Complete list of transport interventions to be considered as part of the TA by December 2014	transportation, and other in-kind contributions.
1.3 Finalize transport master plan	
1.3.1 Produce draft transport master plan for Afghanistan by April 2015	
1.3.2 Hold stakeholder consultations to present findings of draft transport master plan by June 2015	
1.3.3 Finalize national transport master plan for Afghanistan by July 2015	
2.1 Complete transport sector strategy	
2.1.1 Complete transport sector assessment strategy and roadmap, based on work undertaken as part of the transport master plan by July 2016	

CAREC = Central Asia Regional Economic Cooperation, MOF = Ministry of Finance, MPW = Ministry of Public Works, TA = technical assistance.

Source: Asian Development Bank.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. Under the supervision of Asian Development Bank (ADB) international staff who will oversee the technical assistance (TA) implementation, a total of 14 person-months of international consultants and 5 months of national consultant time will be engaged. These consultants will report to international staff from the Transport and Communications Division of ADB's Central and West Asia Department, who will be responsible for the delivery of the TA and supervision of consultants' work.

2. **The Transport Engineer (international 7.0 person-months)** will have (i) at least a master's degree in engineering (or closely related field), (ii) at least 10 years relevant professional experience, and (iii) relevant work experience in Afghanistan or similar developing member country (DMC). The transport engineer will: take joint responsibility for delivering the transport master plan; provide intellectual leadership and guidance to the team, and finalize the transport master plan for printing.

3. In particular the transport engineer will:
 - a. Facilitate initial discussions and workshops, assisting with the identification of the funding envelope available for transport infrastructure, and taking overall responsibility for the inception report.
 - b. Assist in the collection, compilation and analysis of all information relating to transport demand and supply networks.
 - c. Assist the transport economist in the production of demand forecasts (by mode of transport).
 - d. Together with the transport economist and national transport expert, analyze the current, and likely future, state of transport networks (per each mode of transport), identifying current and potential future deficiencies in the transport network, taking overall responsibility for the production and finalization of the existing conditions report.
 - e. Together with the transport economist and national transport expert, compile a list of possible interventions to be considered and discuss with ADB / Afghan authorities regarding list of interventions.
 - f. Assist the transport economist in the appraisal and prioritization of transport interventions to be included as part of the transport master plan, and in the production, and finalization, of the appraisal methodology report.
 - g. With assistance of the transport economist and national transport expert, produce a draft master plan, finalize master plan based on comments received and, facilitate a series of meetings discussing / presenting the draft and final master plan.
 - h. Assist in the preparation and submission of monthly progress reports, and all contractual deliverables, jointly take responsibility for and ownership of the delivery of expected TA outputs and outcomes.
 - i. Maintain close contact and good working relations with the ADB project manager and the Afghanistan ministry of transport and other relevant Government agencies, throughout the entire execution of the TA.
 - j. Effectively support policy dialogue with the stakeholders.

4. **The Transport Economist (international 7.0 person-months)** will have: (i) at least a master's degree in economics (or equivalent), (ii) at least 10 years relevant professional experience, and (iii) experience working in Afghanistan or similar DMC. The transport economist will take overall responsibility for a number of key areas including the appraisal and prioritization of transport interventions. In particular the transport economist will:
 - a. Actively participate in inception stage, facilitating initial discussions and workshops and taking a lead with respect to identification of the funding envelope available for transport infrastructure, and contributing to the inception report.
 - b. Take the lead with respect to the collection, compilation and analysis of all information relating to transport demand and supply networks, compiling a series of EXCEL/GIS files

- containing data (for each mode of transport) relating to, e.g., the state of existing transport networks, current transport demand, and projects under implementation/in planning.
- c. Be responsible for the development of demand forecasts (by mode of transport), linking changes in demand to likely evolution of GDP and predicted demographic change.
 - d. Together with the transport engineer and national transport expert, analyze the current and likely future state of transport networks (per each mode of transport), identifying current and potential future deficiencies in the transport network, and contribute to the existing conditions report.
 - e. Together with the transport engineer and national transport expert, assist in the compilation of a list of possible interventions to be considered.
 - f. Lead in the appraisal and prioritization of transport interventions to be included as part of the transport master plan, taking responsibility for the production, and finalization, of the appraisal methodology report.
 - g. Together with the transport engineer and national transport expert, assist in the production of a draft master plan, making revisions to the master plan based on comments received and facilitating a series of meetings discussing/presenting the draft and final master plan.
 - h. Prepare and submit progress reports and a final report, take joint responsibility for and ownership of the delivery of expected TA outputs and outcomes.
 - i. Maintain close contact and good working relations with the ADB project manager and the Afghanistan Ministry of Transport and other relevant Government agencies, throughout the entire execution of the TA.
 - j. Effectively support policy dialogue with the stakeholders, taking accountability in particular for determination of the size of the funding envelope available, production of demand forecasts and the appraisal and prioritization of identified transport interventions.
 - k. Assist in the preparation and submission of progress and defined contractual deliverables.

5. **The National Transport Expert (national 5.0 person-months)** will have: (i) at least a master's degree in Engineering / Economics (or equivalent), (ii) least 10 years relevant professional experience, and (iii) substantial professional experience in Afghanistan focused on the transport sector in particular. The national transport expert will assist the transport engineer and transport economist in meeting all contractual deliverables. In particular the national transport expert will:

- a. Be a key interface between the project team and Afghanistan national authorities.
- b. Provide translation services for the transport engineer and the transport economist.
- c. Actively participate in inception stage, facilitating initial discussions and workshops.
- d. Possess GIS software and mapping skills.
- e. Assist in the collection, compilation and analysis of all information relating to transport demand and supply networks.
- f. Assist the transport economist in the production of demand forecasts (by mode of transport).
- g. Together with the transport engineer and transport economist, analyze the current and likely future state of transport networks (per each mode of transport), identifying current and potential future deficiencies in the transport network, and contribute to the existing conditions report.
- h. Together with the transport engineer and transport economist, assist in the compilation of a list of possible interventions to be considered.
- i. Assist the transport economist in the appraisal and prioritization of transport interventions to be included as part of the transport master plan, and in the production, and finalization, of the appraisal methodology report.
- j. Together with the transport engineer and transport economist, assist in the production of a draft master plan, making revisions to the master plan based on comments received

- and facilitating a series of meetings discussing / presenting the draft and final master plan.
- k. Prepare and submit progress, and final reports, effectively assisting the international specialist; jointly take responsibility for and ownership of the delivery of expected TA outputs and outcomes.
 - l. Maintain close contact and good working relations with the ADB project manager and the Afghanistan Ministry of Transport and other relevant Government agencies, throughout the entire execution of the TA.
 - m. Effectively support policy dialogue with the stakeholders, taking accountability in particular for determination of the size of the funding envelope available, production of demand forecasts and the appraisal and prioritization of identified transport interventions.