



Turkmenistan: Central Asia Regional Economic Cooperation Corridors 2, 3 and 6 (Turkmenabat-Mary) Railway Modernization Project

Project Name	Central Asia Regional Economic Cooperation Corridors 2, 3 and 6 (Turkmenabat-Mary) Railway Modernization Project
Project Number	51360-001
Country	Turkmenistan
Project Status	Proposed
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan: Modernization of Railways Project Ordinary capital resources US\$ 100.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships
Sector / Subsector	Transport - Rail transport (non-urban)
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	The Government of Turkmenistan intends to modernize the 1,147km line spanning the width of the country from Turkmenabat to Turkmenbashi, in three phases. This project intends to support the Government in the rehabilitation of the line from Turkmenabat to Mary, of 243km.
Project Rationale and Linkage to Country/Regional Strategy	<p>Rail transport has a unique competitive advantage over road transport for moving commodities and goods in bulk over long distances. The more than 3,000 km Turkmenistan rail network plays a vital role in the transport of both freight and passengers. Since 2012, Turkmenistan's gross domestic product has grown by an average of 8.9% per year, contributing to strong demand for rail transport. Turkmenistan has continued to modernize and expand its railway infrastructure. MRT is gradually implementing a holistic railway modernization program, including the completion of new railway lines, modernization of existing lines, and improvement of rolling stock. Electrification of the network, as well as double-tracking of main lines are currently being studied. Despite these efforts, the railways still face long transport times, inadequate service quality, and high operating costs, because of aged or inadequate infrastructure, operational inefficiencies, competition from road transport, and insufficient rolling stock. This results in lost economic opportunities, suboptimal regional trade, and negative environmental impacts.</p> <p>The Government intends to tackle this core problem by modernizing the 1,147km line spanning the width of the country from Turkmenabat to Turkmenbashi. This is the arterial line for Turkmenistan's railway network, linking approximately 3/4ths of the urban population along its route. Yet, the line is in poor state, arising from a backlog of maintenance issues, partly inherited from the Former Soviet Union. The last capital repair was completed in the 1970s. Operational speeds are limited to 30km/hour, and major safety issues are existent. The poor state of the line poses a major challenge to the further expansion of freight and passenger train services on a reliable and safe basis.</p> <p>The Government prioritizes the Turkmenabat-Mary section as Phase 1, primarily due to the higher traffic volume on this section of the track, with Mary serving as a key junction.</p>
Impact	Accelerate diversification, improve infrastructure, modernize institutions, and increase competitiveness.
Outcome	Travel costs and environmental costs reduced for passenger and freight transport between Turkmenabat and Mary
Outputs	Track rehabilitated between Turkmenabat and Mary Signaling and communication equipment installed Specialized machinery and equipment commissioned Sleeper factory constructed
Geographical Location	

Safeguard Categories	
Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	The project is expected to contribute to a reduction of local pollutants as well as greenhouse gases. Concerns of potential environmental impacts would include change in the level of noise and vibration due to the increased speed and frequency of train movement. The project is initially suggested as B-category for Environment. This assessment and classification are subject to the final scope of the project and the results of due diligence to be conducted.
Involuntary Resettlement	There will likely be some land acquisition and resettlement, and the project is suggested to be classified as category B for the involuntary resettlement safeguard, according to ADB's Safeguard Policy Statement (SPS) of 2009. This assessment and classification are subject to the final scope of the project and the results of due diligence to be conducted.
Indigenous Peoples	The country in general, and the project area in particular, does not have indigenous peoples communities as defined in ADB's SPS for operational purposes. It is proposed to classify the project for the indigenous peoples safeguard as category C, and no further action will be required. This assessment and classification are subject to the final scope of the project and the results of due diligence to be conducted.

Stakeholder Communication, Participation, and Consultation

During Project Design	The main stakeholder of the project is the Ministry of Railway Transport, who is in charge of construction, maintenance and operation of railway lines in Turkmenistan. Other important stakeholders include local governments, residents residing directly alongside the railway line, and businesses which will benefit from the project. Such stakeholders will be consulted through local governments.
During Project Implementation	The same stakeholders listed above will continue to be consulted during project implementation. Opportunities to maximize positive social impact from the project will continue to be pursued. Records of such consultations shall be recorded for ongoing reference and to serve as meaningful inputs to the project execution.

Responsible ADB Officer	Sakamoto, Ko
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Transport and Communications Division, CWRD
Executing Agencies	<i>Ministry of Railway Transport of Turkmenistan 744007, 7 Saparmyrat Turkmenbashi The Great Avenue, Ashgabat, Turkmenistan</i>

Timetable

Concept Clearance	30 Sep 2018
Fact Finding	04 Mar 2019 to 15 Mar 2019
MRM	12 Apr 2019
Approval	-
Last Review Mission	-
Last PDS Update	19 Sep 2018

Project Page	https://www.adb.org/projects/51360-001/main
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