



## Afghanistan: Transport Network Development Investment Program - Tranche 4

Project Name	Transport Network Development Investment Program - Tranche 4				
Project Number	44482-025				
Country	Afghanistan				
Project Status	Active				
Project Type / Modality of Assistance	Grant				
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2"><b>Grant 0422-AFG: Transport Network Development Investment Program - Tranche 4</b></td> </tr> <tr> <td>concessional ordinary capital resources lending / Asian Development Fund</td> <td>US\$ 109.00 million</td> </tr> </table>	<b>Grant 0422-AFG: Transport Network Development Investment Program - Tranche 4</b>		concessional ordinary capital resources lending / Asian Development Fund	US\$ 109.00 million
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concessional ordinary capital resources lending / Asian Development Fund	US\$ 109.00 million				
Strategic Agendas	Inclusive economic growth Regional integration				
Drivers of Change	Governance and capacity development Partnerships				
Sector / Subsector	<b>Transport</b> - Road transport (non-urban)				
Gender Equity and Mainstreaming	Effective gender mainstreaming				
Description	ADB approved a multitranche financing facility (MFF) for the Transport Network Development Investment Program (TNDIP) on 12 October 2011 for an amount not exceeding \$787 million, and comprising a maximum contribution of \$754 million from ADB's Special Funds resources. To date, three tranches of the MFF are under implementation, and the periodic financing request for Tranche 4 has been received from the government.				
Project Rationale and Linkage to Country/Regional Strategy	The proposed Tranche 4 will reconstruct the remaining 108 km gap from Beharak to Eshkashim in the envisaged northeastern corridor, which starts at city of Kunduz and connects to the border crossing point with Tajikistan at Eshkashim. The completion of this road supports east west trade and indeed the development of Badhakshan province, one of Afghanistan's most inaccessible provinces. Through EU cofinancing, Tranche 4 also provides significant non-physical outputs under the transport management capacity development component of the MFF to strengthen transport sector governance and increase sustainability.				
Impact	Better connectivity and efficiency through a fully complete transport corridor traversing Badakhshan province to Tajikistan				

### Project Outcome

Description of Outcome	Increased movement of goods and services and better connectivity for people and businesses in the project areas
Progress Toward Outcome	Civil works contract of the road project is awarded and mobilization of the contractor is underway. Recruitment of construction supervision consultants is in progress. Needs assessment for the associated community development infrastructure is in progress. Activities under AfRA capacity building component are in progress. Majority of individual consultants have been recruited. Individual consultants have been recruited under CAREC corridors 5 and 6 component and to carry out the studies on border crossing points and develop the scope for their performance improvement. The studies are in progress. Achievement of targets will be assessed upon project completion.

### Implementation Progress

Description of Project Outputs	108 km (Beharak-Eshkashim section of the Faizabad-Eshkashim Road) of reconstructed, rehabilitated, and appropriately maintained national and regional highways Community development infrastructure Strengthened capacity of Afghanistan Railway Authority (AfRA) Improved efficiency for traffic traversing Afghanistan along CAREC Corridors 5 and 6
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Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Civil works contract of the project road is awarded in November 2016 and mobilization of the contractor is expected to start by May 2017. Recruitment of construction supervision consultants is expected to be completed by May 2017.</p> <p>Associated community development infrastructure needs are under assessment and preparation. Five international consultants namely team leader, railway policy and regulatory adviser, marketing specialist, institutional capacity building specialist, procurement specialist, and 28 national consultants have been recruited so far and mobilized for AfRA capacity building. The team leader's contract was terminated and recruitment of the replacement is in process. Procurement of goods for AfRA office is ongoing.</p> <p>One international consultant and two national consultants have been recruited to conduct studies on corridor performance monitoring, cross-border transport agreements and analysis of bottlenecks at border crossing points, and to develop a project scope that can help improve the border crossing points. The study is expected to be completed by March 2018. Procurement of equipment and materials will start afterwards.</p>
Geographical Location	Badakshan

## Safeguard Categories

Environment	B
Involuntary Resettlement	A
Indigenous Peoples	C

## Summary of Environmental and Social Aspects

Environmental Aspects	<p>Tranche 4 is classified as environment category B. MPW prepared an IEE for the road subproject, which was found to be in compliance with the requirements of the ADB's Safeguard Policy Statement (2009). Public consultations were held with the 57 villages along the road subproject alignment and there was significant public support for construction of the road. The IEE was disclosed on ADB's website on 29 October 2014. Given that the works are rehabilitation and upgrading of an existing road, no major negative impacts are expected, and effective implementation of the EMP will minimize and mitigate any adverse impacts during construction. However, as per the IEE for the preferred road alignment option, there will be some impact on trees. The trees to be logged are not endangered or rare species, and a Tree Replanting Plan has been worked out as a part of EMP and included in environmental costs. The tender and the contract documents will contain details of the environmental management and monitoring requirements. The contractors will have primary responsibility for implementing the EMP. With assistance of supervision consultants, MPW will monitor the effectiveness of the contractors in complying with the requirements. MPW's abilities in this regard are being strengthened through capacity building efforts and recurrent support to the PMO. Tranche 4 is classified as high risk for climate change impact. The engineering design already includes adaptation measures based on topography, climate and past lessons learned.</p>
Involuntary Resettlement	<p>Tranche 4 is categorized as A for IR based on the magnitude of impacts caused by the proposed acquisition of 124 hectares of land, affecting an estimated number of 1,477 households (comprising 10,339 persons), of which 153 households and 448 shops will be physically displaced requiring relocation. The road subproject will mainly follow the existing right-of-way of the currently traversed tract. However, land acquisition is required to improve or upgrade the road alignment by either straightening or widening in certain sections. Although most of the Beharak to Eshkashim road alignment is in isolated undeveloped land, there is both agricultural land and urban encroachment on the right-of-way where it passes through communities. During construction, additional land may be used temporarily for camps and borrow pits, for which the government confirmed that government land will be made available. The LARP provides compensation for land, structures, loss on income, and relocation assistance for all affected businesses/households. Preparation of the replacement lands and its associated facilities will be done prior the relocation. The LARP will be updated based on the detailed engineering design of the contractor once procured.</p> <p>Capacity building and other support to MPW for the preparation and implementation of LARPs for Tranches 1, 2, and 3 is ongoing. MPW is receiving additional support in this regard through capacity building funded under Tranches 1 and 2, and a separate Regional Technical Assistance project. The LARP for Tranche 4 generally follows the format of the Tranche 1, 2, and 3 LARPs, and includes the required information as specified in the ADB's Safeguard Policy Statement (2009) and LARF, which was updated on 15 November 2012. The LARP is based on satellite photography, consultations, and field surveys carried out in 2014. In the course of the consultations, potentially affected persons were informed about the rationale and scope of the project, and compensation principles, and there was significant public support for construction of the road. The LARP was disclosed on the ADB's website on 14 November 2014 and Resettlement Information Booklets were distributed in the project area.</p>
Indigenous Peoples	Tranche 4 is classified as indigenous peoples category C as defined under ADB's Safeguard Policy Statement (2009).

## Stakeholder Communication, Participation, and Consultation

During Project Design	The existing organizational relationships and implementation arrangements for the Investment Program is intended to cover all tranches. MPW will be the executing agency, while MOF will be the recipient of the grant agreements. The PMO will support MPW to implement all tranches of the Investment Program, assisted by project management consultants and ADB, as necessary. The Facility Administration Manual (FAM) has been and will continue to be an integral part of the project documents, updated as required. The PMO will continue to assist MPW during implementation of Tranche 4, performing (i) project management and procurement; (ii) finance and administration; (iii) evaluation, monitoring, compliance, and reporting; and (iv) due diligence for possible subsequent projects. The PMO will establish a project performance monitoring system within six months from grant effectiveness and collect baseline data for performance monitoring. The current capacity of the PMO is adequate, but based on lessons learned, it needs additional support to effectively and efficiently prepare safeguards plans and monitor implementation. Additionally, MPW and the PMO need capacity development and support to continue to develop and assume a greater sector governance role. MPW is committed to ensuring efficient implementation of Tranche 4.
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During Project Implementation	A framework financing agreement (FFA) was signed by the government and ADB on 3 August 2011 for the Investment Program. Of the 15 FFA undertakings, 1 has been fully complied and 14 are ongoing and being complied. Annex 5 of the government's PFR provides a status of compliance vis-a-vis FFA undertakings. Significant progress has been achieved vis-a-vis the policy framework and roadmap as set out in the FFA: (i) On 24 September 2012, the Council of Ministers approved the establishment of the AfRA, and in February 2013, the President appointed a Chief Executive Director for AfRA. Advisory and technical assistance will be provided to AfRA under Tranche 4 to finalize the Railway Act, begin implementation of the Afghanistan National Railway Plan, and develop and deliver training programs AfRA staff. (ii) In August 2013, the government gave Cabinet approval to take forward the legal and institutional arrangements to establish a Road Authority and the Road Fund was established by Presidential Decree in the same month. Coordinated technical assistance is currently being provided by ADB and other Development partners to draw up the plan for design and operationalization of the Road Authority and Road Fund, and operationalize an Asset Management System. (iii) The _Transitional Law on Toll_ was issued by the government on 17 November 2012, which allows for the collection of one Afghani from the price of each liter of fuel imported to the country, to be earmarked for road maintenance and construction. (iv) The new Afghanistan Reconstruction Trust Fund (ARTF) O&M Facility was launched in July 2012 to incentivize civilian O&M spending. As a result, allocations to MPW for operations and maintenance (O&M) in 2014 doubled compared to previous years. (v) An ADB Technical Assistance for Afghanistan's Infrastructure Master Plan Update was approved in July 2014, and will identify estimate future infrastructure project planning, construction, rehabilitation, and maintenance projects and resource requirements. (vi) MPW has an established maintenance directorate to which Development Partners is providing capacity building support. The current mechanisms available and utilized for delivering O&M works by MPW are private contractors, MPW's own workforce, and local community contractors (including the Public Works Corp program in 8 provinces). A key constraint to greater use of private sector is that the local contractor industry is not sufficiently developed or skilled to execute the wide gamut of maintenance works.
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## Business Opportunities

Consulting Services	All consultants will be recruited and engaged according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Consulting firms will be selected and engaged using the quality- and cost-based selection method (90:10 ratio), and full technical proposals for the project management and construction supervision package and pre-feasibility study packages will be solicited. Individual consultants will be recruited for providing support to the PMO and AfRA.
Procurement	Procurement will be carried out according to ADB's Procurement Guidelines (2013, as amended from time to time). The list of works and goods to be procured are as per the approved procurement plan ( <a href="http://www.adb.org/projects/documents/transport-network-development-investment-program-tranche-4-pp">http://www.adb.org/projects/documents/transport-network-development-investment-program-tranche-4-pp</a> )

## Responsible Staff

Responsible ADB Officer	Tawisook, Witoon
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Afghanistan Resident Mission
Executing Agencies	<i>Ministry of Public Works First Macrorayan Kabul, Islamic Republic of Afghanistan</i>

## Timetable

Concept Clearance	-
Fact Finding	-
MRM	17 Nov 2014
Approval	15 Dec 2014

Last Review Mission

-

Last PDS Update

29 Mar 2017

## Grant 0422-AFG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2014	28 Jan 2015	25 Mar 2015	31 Dec 2019	-	-

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	125.00	Cumulative Contract Awards			
ADB	109.00	15 Dec 2014	107.75	0.00	99%
Counterpart	16.00	Cumulative Disbursements			
Cofinancing	0.00	15 Dec 2014	9.81	0.00	9%

Project Page

<https://www.adb.org/projects/44482-025/main>

Request for Information

<http://www.adb.org/forms/request-information-form?subject=44482-025>

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