

# Facility Administration Manual

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                          G0327-AFG & G0328-AFG (Tranche 2)  
                          G0355-AFG (Tranche 3)  
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Islamic Republic of Afghanistan: Transport Network  
Development Investment Program

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Attachment 2: Updated Land Acquisition and Resettlement Framework

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**Facility Administration Manual Purpose and Process**

The facility administration manual (FAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures.

Ministry of Public Works (MPW) is wholly responsible for the implementation of ADB financed transport sector projects and specifically the Transport Network Development Investment Program, as agreed jointly between Ministry of Finance (MOF) and ADB, and in accordance with Government's and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by MPW of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Grant Negotiations, the recipient and ADB have agreed to the FAM and ensure consistency with the Framework Financing Agreement (FFA). Such agreement has been reflected in the minutes of the Grant Negotiations. In the event of any discrepancy or contradiction between the FAM on one hand, and the FFA and grant agreements on the other hand, the provisions of the FFA and grant agreements shall prevail.

After ADB Board approval of the investment program's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the FAM.

## Abbreviations

AC	–	advisory committee
ACN	–	advance contracting notice
ADB	–	Asian Development Bank
AfRA	–	Afghanistan Railway Authority
AITF	–	Afghan Infrastructure Trust Fund
DMF	–	design and monitoring framework
EA	–	executing agency
EARF	–	environmental Assessment and Review Framework
EIA	–	environmental impact assessment
EMP	–	environmental management plan
EU	–	European Union
FAM	–	facility administration manual
FBS	–	fixed budget selection
FFA	–	framework financing agreement
GOA	–	Government of Afghanistan
HIV/AIDS	–	human immunodeficiency virus/ acquired immunodeficiency syndrome
IARS	–	imprest account reconciliation statement
ICB	–	international competitive bidding
IEE	–	initial environmental examination
IPP	–	indigenous people plan
IPPF	–	indigenous people planning framework
LARF	–	land acquisition and resettlement framework
LARP	–	land acquisition and resettlement plan
LCS	–	least cost selection
LIBOR	–	London interbank offered rate
MFF	–	multitranchise financing facility
MOF	–	Ministry of Finance
MOM	–	Ministry of Mines
MPW	–	Ministry of Public Works
NCB	–	national competitive bidding
NGOs	–	nongovernment organizations
NTP	–	National Transport Plan
O&M	–	operation and maintenance
PFR	–	periodic financing report
PMO	–	Project Management Office
PMU	–	project management unit
PPMS	–	project performance monitoring system
QBS	–	quality based selection
QCBS	–	quality- and cost based selection
RRP	–	report and recommendation of the President to the Board
SBD	–	standard bidding documents
SC	–	steering committee
SGIA	–	second generation imprest accounts
SOE	–	statement of expenditure
SPN	–	specific procurement notice
SPRSS	–	summary poverty reduction and social strategy
SPS	–	Safeguard Policy Statement
SSS	–	single source selection
TOR	–	terms of reference

## I. PROGRAM DESCRIPTION

### A. Rationale

1. **Transport Sector in Afghanistan.** Thirty years of conflict has severely damaged the nation's transport infrastructure and hindered strategic planning, construction, rehabilitation, and maintenance. Integrated transport network infrastructure investments, systematically planned and implemented, will reduce user transport costs, expand access to markets and social services, spur trade and logistics, and promote social integration and reconciliation.

2. Despite significant investment over the last nine years, Afghanistan's transport sector has chronic operational and institutional bottlenecks, primarily the result of: (i) poor strategic construction and periodic maintenance planning; (ii) weak authorities with limited institutional capacity and sector coordination across agencies; (iii) lack of regulatory enforcement and cost recovery for maintenance funding; (iv) limited numbers of quality contractors and consultants in the private sector; and (v) unsatisfactory project and contract management capacity. These bottlenecks raise domestic transport costs, constrain regional cooperation and integration opportunities, and undercut the country's competitiveness.

3. The Transport Network Development Investment Program (the investment program) will develop and maintain land transport infrastructure through physical investment and invest in capacity development for the broader transport sector using a holistic sector-based approach. It will promote regional cooperation and integration, and widen access to social and economic opportunities via improved land transport infrastructure in Afghanistan. The investment program will also strengthen the government's capacity in strategic planning, asset management, project preparation and implementation, and governance in the transport sector.

4. The Government requested a multitranche financing facility (MFF) in an amount up to \$740 million from the Asian Development Bank's (ADB) Asian Development Fund (ADF) to help finance a part of the Transport Sector Strategy. The MFF was approved along with Tranche 1 in October 2012. As envisaged, the MFF will consist of several tranches, subject to the government's submission of related periodic financing requests, execution of the related loan agreement for each tranche, and fulfillment of terms and conditions and undertakings set forth in the framework financing agreement.

5. **Impact and Outcome.** The impact of the investment program will be increased trade and jobs. The outcome will be increased movement of goods and services and better connectivity for people and businesses.

6. **Outputs of the Investment Plan.** The outputs include: (i) 578 km of reconstructed or rehabilitated regional and national roads,<sup>1</sup> (ii) 225 km of constructed railway and stations between Mazar-e-Sharif and Andkhoy, (iii) efficient operation and maintenance (O&M) of the Hairatan to Mazar railway line, recently completed under the ongoing ADB funded Hairatan to Mazar-e-Sharif Railway Project ("Railway Project"),<sup>2</sup> (iv) strengthened capacity at the Ministry of Public Works (MPW), and (v) improved transport sector governance. The investment program outputs will be achieved through two components: transport infrastructure development and transport network management capacity development.

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<sup>1</sup> Approximate distances.

<sup>2</sup> ADB. 2009. *Report and Recommendation of the President to the Board of Directors on the Proposed Asian Development Fund Grant Islamic Republic of Afghanistan: Hairatan to Mazar-e-Sharif Railway Project*. Manila.

7. **Outputs of Tranche 1.** Under the transport infrastructure development component for Tranche 1, outputs include 145 km of road subprojects including: (i) reconstructing and widening the 50 km Bagrany to Sapary Road, which is the first section of the Kabul to Jalalabad Road that provides the cross-border link from the capital to Pakistan; (ii) rehabilitating the 51 km Jabul Saraj to Nijrab Road linking the Ring Road with the Kabul to Jalalabad road located approximately 50 km east of Kabul, northwest-southeast bypass around Kabul; and (iii) reconstructing the 44 km Faizabad to Baharak road, the first section in completing the link to the northern cross-border link with Tajikistan. Another output under this component is providing additional operation and maintenance (O&M) support to the Hairatan to Mazar-e-Sharif railway line. The capacity development component under Tranche 1 will support a range of activities to improve governance and plan the broader transport sector and increase MPW's institutional capacity. These include support for: (i) sector development activities including a governance needs assessment and the development of a National Transport Plan (NTP), including railway sub-sector plan, and new sub-sector regulatory authorities; (ii) capacity building for railway operation and maintenance and inspections; (iii) feasibility and design studies for a new Mazar–Andkhoy rail link; (iv) business planning and an organizational structure assessment for MPW; (v) the establishment of an asset management system for MPW; and (vi) implementation of the investment program by the project management office (PMO) including procurement, construction and contract supervision, safeguards implementation and feasibility studies for, and preparation of, subsequent tranche projects.

8. **Outputs of Tranche 2.** Under the transport infrastructure development component for Tranche 2, outputs include 188 km of road subprojects including: (i) reconstructing and widening the 106 km Sapary to Jalalabad Road, which is the second section of the Kabul to Jalalabad Road that provides the cross-border link from the capital to Pakistan; (ii) rehabilitating the 32 km Chah-e-Anjir to Gereshk road, which is Section 2 of the Lashkar Gah to Gereshk road, linking the capital of Helmand province to the Ring Road; and (iii) reconstructing 50 km of the Sharan to Angoor-Ada, which will complete reconstruction of a cross border link from Ghanzi to Pakistan. Activities under the transport network management capacity development component will continue in Tranche 2, but will only be defined more specifically when the performance of ongoing activities funded under this component in Tranche 1 and subsequent outputs become clear in 2013, along with continuing reform directives of the government towards the sector.

9. **Outputs of Tranche 3.** Under the transport infrastructure development component for Tranche 3, outputs include: (i) reconstructing and widening the 178 km Dar-i-Suf to Yakawlang subproject road, which is the remaining section of the North South Corridor to be rehabilitated; (ii) community development infrastructure along the subproject road alignment with focus on sanitation facilities; and (iii) pre-feasibility studies.

10. **Outputs of Tranche 4.** Under the transport infrastructure development component for Tranche 3, outputs include: (i) reconstructing and widening the 108 km Baharak to Eshkashim subproject road (which is the remaining section of the Faizabad to Eshkashim road to be rehabilitated), including provision of support for Project and Investment Program implementation by MPW in the areas of procurement, construction and contract supervision, safeguard policy implementation; (ii) community development infrastructure along the subproject road alignment with focus on sanitation facilities; (iii) capacity building for the Afghanistan Railway Authority (AfRA) based on the institutional development plan agreed upon by the AfRA and the European Union (EU), and (iv) provision of support for increasing the efficiency of traffic and management CAREC Corridors 5 and 6 to facilitate trade and sustainability.

## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

11. Tranche 1. At the completion of the project fact-finding mission on 6 June 2011, the Project Management Office (PMO) with key staff (procurement, engineering, financial management, and accounting) continues to function and support ADB–MPW partnership efforts in completing and revising detailed designs, advanced procurement action and tender documents, and safeguards documents for Tranche 1.

**Table 2.1 Program Readiness Activities – Tranche 1**

Indicative Activities	2011									2012	Who's Responsible
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Qtr1		
Designate Executing Agency	√										MOF
Establish project implementation arrangements		√									MOF/MPW
Allocate Government counterpart funds				√							MOF/MPW
Approve and disclose safeguard documents											
• EARF and IEEs			√								MPW, ADB
• LARF and LARPs			√								MPW, ADB
Complete procurement documents for all contracts and consultancy services	√										MOR/PR
Advance contracting actions											MPW
A. Civil Work (3 packages)											
• Invitation for bids for ICB	√										MPW
• Contract Award				√							MPW
B. Consulting service for construction supervision (3 packages)											
• Request for Proposal	√										MPW
• Contract Award				√							MPW
C. Consulting service for institutional reform and restructuring											
• Request for Proposal			√								ADB/MPW
• Contract Award					√						ADB/MPW
ADB Board approval of MFF/PFR 1 report					√						ADB
Grant negotiations				√							ADB, MOF/MPW
Government legal opinion provided						√					MOF
Grant effectiveness						√					ADB

ADB = Asian Development Bank, EARF = Environmental Assessment and Review Framework, ICB = International Competitive Bidding, IEE = Initial Environmental Examination, LARF = Land Acquisition and Resettlement Framework, LARP = Land Acquisition and Resettlement Plan; MFF = Multitranchise Financing Facility, MOF = Ministry of Finance, MPW = Ministry of Public Works, PFR = Periodic Financing Request.

12. Tranche 2. Various resources were used to accomplish the required due diligence of the subprojects under Tranche 2. Using their existing contract with Mott MacDonald, DFID financed the due diligence for Chah-e-Anjir to Gereshk road. Given their presence and previous work on the Sharan-Angoor-Ada road, USAID and USACE provided significant assistance in drafting the IEE, LARP, BOQ, and traffic counts for this subproject. MPW provided the BOQ, draft IEE, and traffic counts on the Sapary–Jalalabad road. ADB provided technical assistance, staff consultant, and staff resources to support LARP and IEE preparation and approval, economic analysis preparation and finalization, and preparation of procurement documentation.

**Table 2.2 Program Readiness Activities–Tranche 2**

Indicative Activities	2012		2013				Responsible
	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	
Establish project implementation arrangements <sup>1</sup>							MPW
Allocate government counterpart funds (budgetary considerations)		Oct					MOF, MPW
Complete Procurement Documents		Dec					ADB, MPW
Approve and disclose safeguards documents							ADB, MPW
• Post IEE & EMP		Sep				Dec	ADB, MPW
• Post LARP/updated LARP		Nov				Dec	ADB, MPW
Undertake advance contracting actions							ADB, MPW
A. Civil Works (3 packages)							
• Post APN	Jul						ADB, MPW
• Invitation for bids (ICB)			Jan				ADB, MPW
• Contract Award					Jul		ADB, MPW
B. Consulting Services for PMSC (3 packages)							
• Request EOIs	Jul						ADB, MPW
• Request for Proposal		Oct					ADB, MPW
• Contract Award					Jul		ADB, MPW
Approve PFR2 report		Dec					ADB
Sign the grant agreements			Mar				ADB, MOF
Issue the legal opinion				Apr			MOF
Declare grant effectiveness				Apr			ADB

<sup>1</sup> The implementing arrangement has been established for the investment program.

ADB = Asian Development Bank, APN = advance procurement notice, EMP = environment management plan, IEE = initial environment examination, ICB = international competitive bidding, LARP = land acquisition and resettlement plan, MPW = Ministry for Public Works, MOF = Ministry of Finance, PFR = periodic financing report.

13. Tranche 3. Various resources were used to accomplish the required due diligence of the subproject under Tranche 3. Using their existing contract with Dongshim Engineering & Consultants Co. Ltd, MPW financed most of the due diligence required for the Dar-i-Suf to Yakawlang road. As such, MPW provided the BOQ, draft IEE, and traffic counts. ADB provided technical assistance, staff consultant, and staff resources to support LARP and IEE preparation and approval, economic analysis preparation and finalization, and preparation of procurement documentation.



**Table 2.3 Program Readiness Activities–Tranche 3**

Indicative Activities	2013			2014			Responsible
	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	
Establish project implementation arrangements <sup>1</sup>							MPW
Allocate government counterpart funds (budgetary considerations)	Mar						MOF, MPW
Complete Procurement Documents				Sep			ADB, MPW
Approve and disclose safeguards documents							ADB, MPW
• Post IEE & EMP		Jun					ADB, MPW
• Post LARP/updated LARP		Jul		Dec			ADB, MPW
Undertake advance contracting actions							ADB, MPW
A. Civil Works (1 package)							
• Post APN		Sep					ADB, MPW
• Invitation for bids (ICB)			Oct				ADB, MPW
• Contract Award						Jul	ADB, MPW
B. Consulting Services for PMSC (1 package)							
• Request EOIs			Oct				ADB, MPW
• Request for Proposal			Oct				ADB, MPW
• Contract Award						Jul	ADB, MPW
Approve PFR3 report		Sep					ADB
Sign the grant agreements			Oct				ADB, MOF
Issue the legal opinion			Nov				MOF
Declare grant effectiveness			Dec				ADB

<sup>1</sup> The implementing arrangement has been established for the investment program.

ADB = Asian Development Bank, APN = advance procurement notice, EMP = environment management plan, IEE = initial environment examination, ICB = international competitive bidding, LARP = land acquisition and resettlement plan, MPW = Ministry for Public Works, MOF = Ministry of Finance, PFR = periodic financing report.

14. Tranche 4. Various resources were used to accomplish the required due diligence of the subproject under Tranche 4. Using their existing contract with the joint venture of BETS Consultant Services Ltd. and SARM Associates Bangladesh in association with SMART Engineering Team Ltd. Afghanistan, MPW financed most of the due diligence required for the Baharak to Eshkashim road. As such, MPW provided the BOQ, draft IEE, and traffic counts. ADB provided technical assistance, staff consultant, and staff resources to support LARP and IEE preparation and approval, economic analysis preparation and finalization, and preparation of procurement documentation.

**Table 2.4 Program Readiness Activities–Tranche 4**

Indicative Activities	2014		2015		2016		Responsible
	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	
Establish project implementation arrangements <sup>1</sup>							MPW
Allocate government counterpart funds (budgetary considerations)	Oct						MOF, MPW
Complete Procurement Documents		Jan					ADB, MPW
Approve and disclose safeguards documents							ADB, MPW

Indicative Activities	2014		2015			2016	Responsible
	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	
• Post IEE & EMP	Oct					Mar	ADB, MPW
• Post LARP/updated LARP	Nov					Mar	ADB, MPW
Undertake advance contracting actions							ADB, MPW
A. Civil Works (1 package)							
• Post APN	Dec						ADB, MPW
• Invitation for bids (ICB)		Mar					ADB, MPW
• Contract Award					Nov		ADB, MPW
B. Consulting Services for PMSC (1 package)							
• Request EOIs	Dec						ADB, MPW
• Request for Proposal		Jan					ADB, MPW
• Contract Award				Sep			ADB, MPW
Approve PFR 4 report	Dec						ADB
Sign the grant agreements		Jan					ADB, MOF
Issue the legal opinion			Apr				MOF
Declare grant effectiveness			May				ADB

<sup>1</sup> The implementing arrangement has been established for the investment program.

ADB = Asian Development Bank, APN = advance procurement notice, EMP = environment management plan, IEE = initial environment examination, ICB = international competitive bidding, LARP = land acquisition and resettlement plan, MPW = Ministry for Public Works, MOF = Ministry of Finance, PFR = periodic financing report.

## B. Overall Program Implementation Plan

15. The eight-year investment program is scheduled for completion by 31 December 2019. The overall program implementation plan is presented in table below, while the detailed implementation schedule for the subsequent tranches will be prepared during processing.

16. The overall implementation plan may be updated annually by PMO together with ADB. The updated draft implementation plan will be submitted to ADB in Month 10 of the preceding year for no objection, a response on which will be provided on or before Month 12.

**Table 2.5 Realized and Planned Investment Program Implementation**

Tranche No.	Grant Nos.	Implementation Period	Approval Date	Closing Date
1	0261/0262	4.5 years	12 Oct 11	31 Dec 17
2	0327/0328	4 years	12 Dec 12	31 Dec 17
3	0355	4 years	15 Sep 13	31 Dec 19
4		4 years	14 Dec 14	31 Dec 19

**Table 2.6 Tranche 1 Program Implementation Plan**

	2011		2012				2013				2014				2015				2016				2017			
Indicative Activities	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<b>A. DMF</b>																										
Output 1 – constructed 145 km																										
Activity 1.1 General Requirements <sup>1</sup>																										
Activity 1.2 Earthworks																										
Activity 1.3 Culverts, Drainage & Protection																										
Activity 1.4 Concrete Works																										
Activity 1.5 Pavement Works																										
Activity 1.6 Road Furnitures																										
Output 2 – strengthened capacity of MPW																										
Output 3 – strengthened transport sector governance																										
Output 4 – O&M of Hairatan Mazar Railway																										
<b>B. Management Activities</b>																										
Procurement activities																										
Consultant selection procedures																										
Environment management plan key activities																										
Land acquisition and resettlement preparation																										
Communication strategy key activities																										
Annual/Mid-term review																										
Project completion report																										

<sup>1</sup> E.g., personnel/workers, equipment, office site, furniture, site survey, site clearance, diversion and traffic control measures

**Table 2.7 Tranche 2 Program Implementation Plan**

	2011		2012				2013				2014				2015				2016				2017			
Indicative Activities	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<b>A. DMF</b>																										
Output 1 – constructed 188 km																										
Activity 1.1 General Requirements <sup>1</sup>																										
Activity 1.2 Earthworks																										
Activity 1.3 Culverts, Drainage & Protection																										
Activity 1.4 Concrete Works																										
Activity 1.5 Pavement Works																										
Activity 1.6 Road Furnitures																										
Output 2 – strengthened capacity of MPW																										
Output 3 – strengthened transport sector governance																										
<b>B. Management Activities</b>																										
Procurement activities																										
Consultant selection procedures																										
Environment management plan key activities																										
Land acquisition and resettlement preparation																										
Communication strategy key activities																										
Annual/Mid-term review																										
Project completion report																										

<sup>1</sup> E.g., personnel/workers, equipment, office site, furniture, site survey, site clearance, diversion and traffic control measures

**Table 2.8 Tranche 3 Program Implementation Plan**

	2013		2014				2015				2016				2017				2018				2019			
Indicative Activities	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<b>A. DMF</b>																										
Output 1 – constructed 182 km																										
Activity 1.1 General Requirements <sup>1</sup>																										
Activity 1.2 Earthworks																										
Activity 1.3 Culverts, Drainage & Protection																										
Activity 1.4 Concrete Works																										
Activity 1.5 Pavement Works																										
Activity 1.6 Road Furnitures																										
Output 2 – strengthened capacity of MPW																										
Output 3 – strengthened transport sector governance																										
<b>B. Management Activities</b>																										
Procurement activities																										
Consultant selection procedures																										
Environment management plan key activities																										
Land acquisition and resettlement preparation																										
Communication strategy key activities																										
Annual/Mid-term review																										
Project completion report																										

<sup>1</sup> E.g., personnel/workers, equipment, office site, furniture, site survey, site clearance, diversion and traffic control measures

**Table 2.9 Tranche 4 Program Implementation Plan**

Indicative Activities	2014		2015				2016				2017				2018				2019			
	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<b>A. DMF</b>																						
Output 1 – constructed 108 km																						
Activity 1.1 General Requirements <sup>1</sup>																						
Activity 1.2 Earthworks																						
Activity 1.3 Culverts, Drainage & Protection																						
Activity 1.4 Concrete Works																						
Activity 1.5 Pavement Works																						
Activity 1.6 Road Furnitures																						
Output 2 – community development infrastructure																						
Output 3 – strengthened capacity of AfRA																						
Output 4 – improved efficiency of transport and traffic on CAREC corridors 5 &																						
<b>B. Management Activities</b>																						
Procurement activities																						
Consultant selection procedures																						
Environment management plan key activities																						
Land acquisition and resettlement preparation																						
Communication strategy key activities																						
Annual/Mid-term review																						
Project completion report																						

<sup>1</sup> E.g., personnel/workers, equipment, office site, furniture, site survey, site clearance, diversion and traffic control measures

### C. Assessment of Physical Progress during Implementation

17. Each project implementation activity carries certain weight and should be accounted for while computing the physical progress. In this respect, **Table 2.10** shows guidelines for computing physical progress of the Tranche 1. This will be used both by PMO and ADB for the assessment of physical progress of all tranches at any time during the project implementation.

**Table 2.10: Tranche 1 Implementation Progress**  
(%)

Activities	2011	2012	2013	2014	2015	Assigned Weight (a)	Actual Progress (b)	Weighted Progress (a) x (b)
Establishment & Staffing of PMO	■					5%	100%	5%
PMSC Recruitment	■	■				5%	100%	5%
Design and Tender Documents	■					5%	100%	5%
Civil Works Procurement	■	■				5%	100%	5%
Physical Completion of Works & Disbursements	■	■	■			70%	54%	37%
Network Management Capacity Development		■	■			10%	10%	1%
Total Weight						100%		
Implementation Progress								58%

### III. PROJECT MANAGEMENT ARRANGEMENTS

#### A. Project Implementation Organizations – Roles and Responsibilities

Project implementation organizations	Management Roles and Responsibilities
Advisory Committee (MOF, MPW, MOM, MOT, ADB, Other donors to the sector)	<ul style="list-style-type: none"> <li>➤ Advise on the investment program, reforms and restructuring of MPW</li> <li>➤ Convene on biannually basis</li> <li>➤ Co-chaired by MOF and MPW</li> </ul>
Ministry of Public Works (Executing Agency)	<ul style="list-style-type: none"> <li>➤ Overall responsibility in coordinating program, tranches and projects;</li> <li>➤ Overall project management; finalizing surveys, design, bidding documents, and contract awards;</li> <li>➤ Overall construction supervision with the consultants, quantity and quality validation of installation of civil works, equipment and procured machinery;</li> <li>➤ Provide timely agreed counterpart funds and approval for project activities;</li> <li>➤ Comply with all loan covenants;</li> <li>➤ Review progress on institutional reforms and restructuring;</li> <li>➤ Monitor and evaluate project activities and outputs, including periodic review, preparation of review and progress reports reflecting issues and time-bound actions taken (or to be taken), and their timely submission to ADB;</li> <li>➤ Prepare regular periodic progress reports, monitoring and evaluation reports, and project completion report and their timely submission to MOF and ADB;</li> <li>➤ Endorse to ADB the authorized staff in EA with approved signatures for processing payments and maintaining the imprest account(s);</li> <li>➤ Establish strong financial management system and submit timely withdrawal applications to ADB, conducting timely financial audits as per agreed timeframe, submitting audited project account reports, and taking recommended actions;</li> <li>➤ Process and submit to ADB any request, when required, for reallocating the grant proceeds; and</li> <li>➤ Submit subsequent PFRs for subsequent tranches and projects under the investment program</li> <li>➤ Involve beneficiaries and civil society representatives in all stages of project design and implementation;</li> <li>➤ Public disclosure of project outputs and procurement results;</li> <li>➤ Quality assurance of works, and services of consultants and counterpart staff;</li> <li>➤ Ensure compliance with all loan covenants and reporting to the EA on covenants;</li> <li>➤ Prepare, implement, and monitor safeguards in accordance with the LARF and EARF, ADB's SPS (2009), Grant Agreement and the Financing Agreement;</li> <li>➤ Establish a grievance redress mechanism with a dedicated grievance staff to address all subproject-related grievance;</li> <li>➤ Ensure projects' sustainability during post implementation stage and reporting to ADB on the assessed development impacts.</li> </ul>



<b>Project implementation organizations</b>	<b>Management Roles and Responsibilities</b>
Steering Committee (MPW, MOF, and ADB)	<ul style="list-style-type: none"> <li>➤ Overall guidance on project</li> <li>➤ Approve the annual activity plan</li> <li>➤ Review implementation progress and resolve issues;</li> <li>➤ Act as bid evaluation committee for the procurement of works, goods and services ;</li> <li>➤ Depute/appoint staff for project management office (PMO);</li> <li>➤ Review performance of consultants and contractors;</li> <li>➤ Convening on monthly basis or as and when required;</li> </ul>
ADB	<ul style="list-style-type: none"> <li>➤ Assist the MPW in providing timely guidance at each stage of the project for smooth implementation in accordance with the agreed implementation arrangements;</li> <li>➤ Review all the documents that require ADB approval;</li> <li>➤ Conduct regular project review missions, a midterm review, and project completion mission</li> <li>➤ Proceed withdrawal applications and release eligible funds;</li> <li>➤ Update regularly the project performance review reports with the assistance of MOF and MPW;</li> <li>➤ Update and post on ADB website the project information for public disclosure, and the safeguards documents in accordance with the ADB SPS (2009).</li> </ul>
Ministry of Finance (MOF)	<ul style="list-style-type: none"> <li>➤ Signing the FFA and the Grant Agreement for each Project;</li> <li>➤ Monitoring of the investment program implementation and providing respective coordination and facilitation;</li> <li>➤ Budgeting, allocating and releasing counterpart funds;</li> <li>➤ Endorsing to ADB the authorized staff with approved signatures for WAs processing; and</li> <li>➤ Processing and submitting to ADB any request, when required, for reallocating the grant proceeds.</li> </ul>

ADB = Asian Development Bank; EA = executing agency; EARF = Environmental Assessment Review Framework; FFA = framework financing agreement; LARF = Land Acquisition and Resettlement Framework; MOF = Ministry of Finance; MOM = Ministry of Mines; MOT = Ministry of Transport; MPW = Ministry of Public Works; PFRs = periodic funding requests; PMO = Project Management Office; SC = Steering Committee; SPS = Safeguard Policy Statement; WA= withdrawal application.

## Key Persons Involved in Implementation

### Executing Agency

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### Grant Recipient and Oversight Agency

Ministry of Finance (MOF)

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Mission Leader

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## B. Project Organization Structure

### 1. Organizational Structure of the Investment Program

18. The following figure depicts the proposed organizational structure for implementation of the Investment Program. An Advisory Committee (AC) will be constituted with the representation from MPW, MOF, Ministry of Mines (MOM), Ministry of Transport (MOT), ADB and other donors<sup>3</sup> in order to advise on the Investment Program, reforms and restructuring of MPW as agreed under the Transport Sector Strategy. This committee will meet biannually, review, and advise on the status of milestones achievements for the subsequent tranches. The Advisory Committee will be co-chaired by representatives of MOF and MPW.

19. The Advisory Committee's role will be to provide advice to MPW in connection with the transport network management capacity component of the Investment Program, in particular the development of a National Transport Plan and the establishment of national road and railway authorities. The Advisory Committee convened for the first time on or before 31 December 2011 and will continue to meet at least biannually.

20. A Steering Committee (SC) will be constituted for the Investment Program. It will be established based on the new roles and responsibilities agreed with ADB by MPW and MOF. The SC will meet monthly or, if required, be responsible for overall guidance and perform key functions like approving the annual project budget and activity plan, reviewing, and advising on implementation issues and approving procurements.

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<sup>3</sup> Particularly those who contribute to the Afghanistan Infrastructure Trust Fund (AITF).

21. The Steering Committee's role will include: (i) overall guidance on Investment Program implementation; (ii) approval of an annual activity plan for the PMO; (iii) act as a bid evaluation committee for the procurement of works, goods and consulting services, and; (iv) appoint staff to the PMO; and (v) review the performance of consultants and contractors. The Steering Committee will convene at least monthly and also as required.

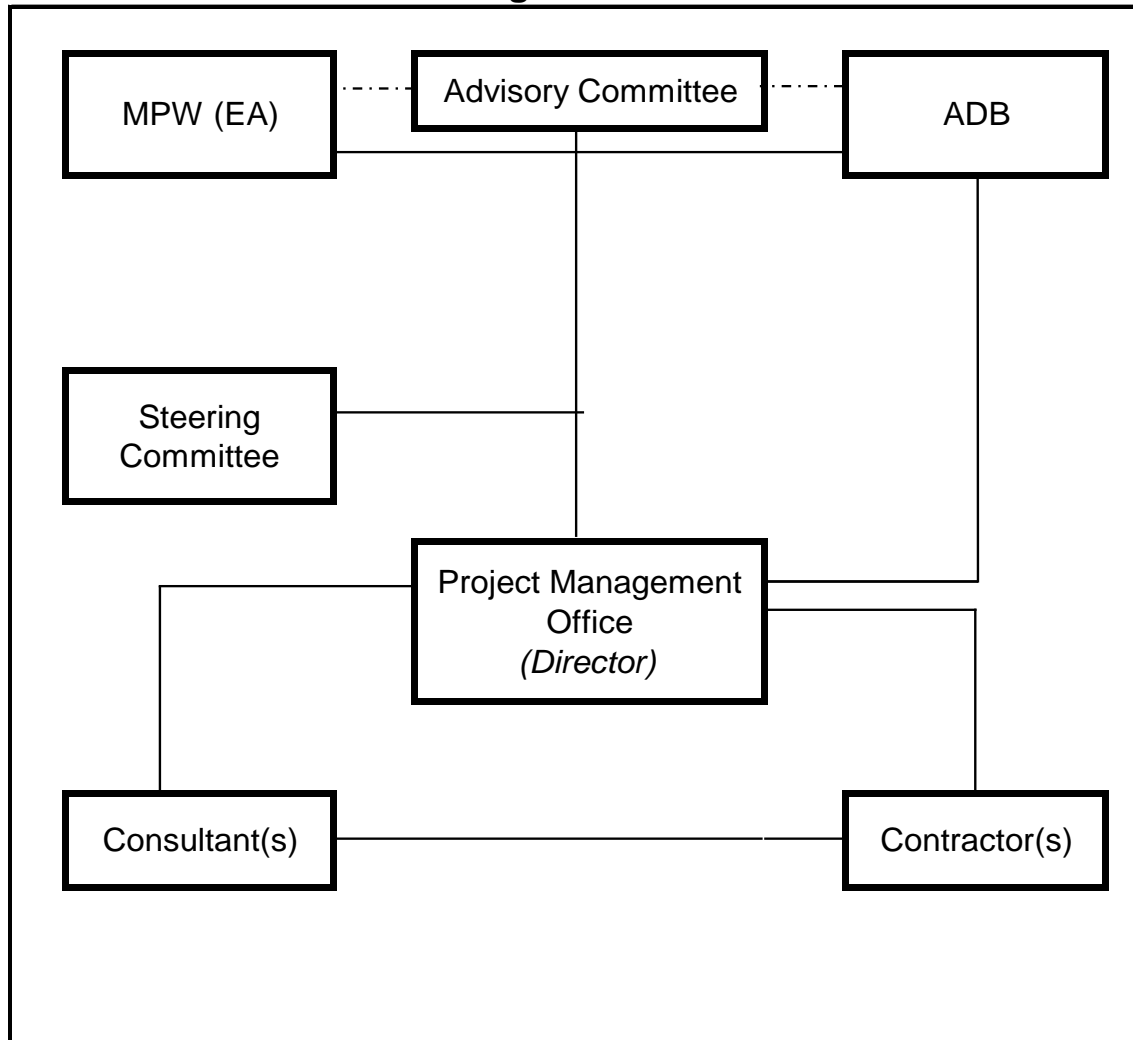
22. MPW will be the executing agency (EA) for all tranches, which has the mandate for planning, designing and implementing transport projects as well as policy and regulatory authority over the sector. The Project Management Office (PMO) that has already been established within MPW for day-to-day administration and execution of ADB-financed road sector projects will be responsible for day-to-day preparation and implementation of Investment Program projects in accordance with the provisions of the FFA, this FAM, and related legal agreements. The PMO will be strengthened through the transport network management capacity development.

23. With the concurrence of MOF and ADB, MPW will be responsible for appointing a Project Director for the PMO with overall responsibility for the fulfillment of the PMO's mandate. In addition, the PMO shall comprise a deputy project director and an adequate number of project managers, engineers, social safeguard specialists, environmental specialists and administrative staff with the experience and motivation necessary for successful implementation of each project. A team comprising four representatives from ADB will work closely with PMO to assist PMO with expeditious completion of the project in accordance with the provisions set forth in the legal agreements for individual tranches.

24. International firms with national counterpart were engaged as consultants with the responsibility for construction supervision of Tranche 1 and 2, feasibility study and detailed designing of future subprojects. Contract modalities will include civil works and procurement of goods; hence the consultant's role will be to manage contracts with MPW and the PMO. Other consultants, both international and national, whether through a firm or as individuals, have been recruited under Tranche 1 and 2 for assisting institutional reform and restructuring of MPW.

25. Similarly, international firms with national counterpart will be engaged as consultants with the responsibility for construction supervision of Tranches 3 and 4. Contract modalities will include civil works and procurement of goods; hence the consultant's role will be to manage contracts with MPW and the PMO. Other consultants, both international and national, whether through a firm or as individuals, will be recruited for assisting institutional development and capacity building, contingent upon the developments from the Tranche 1 assistance.

**MFF Organization Chart**

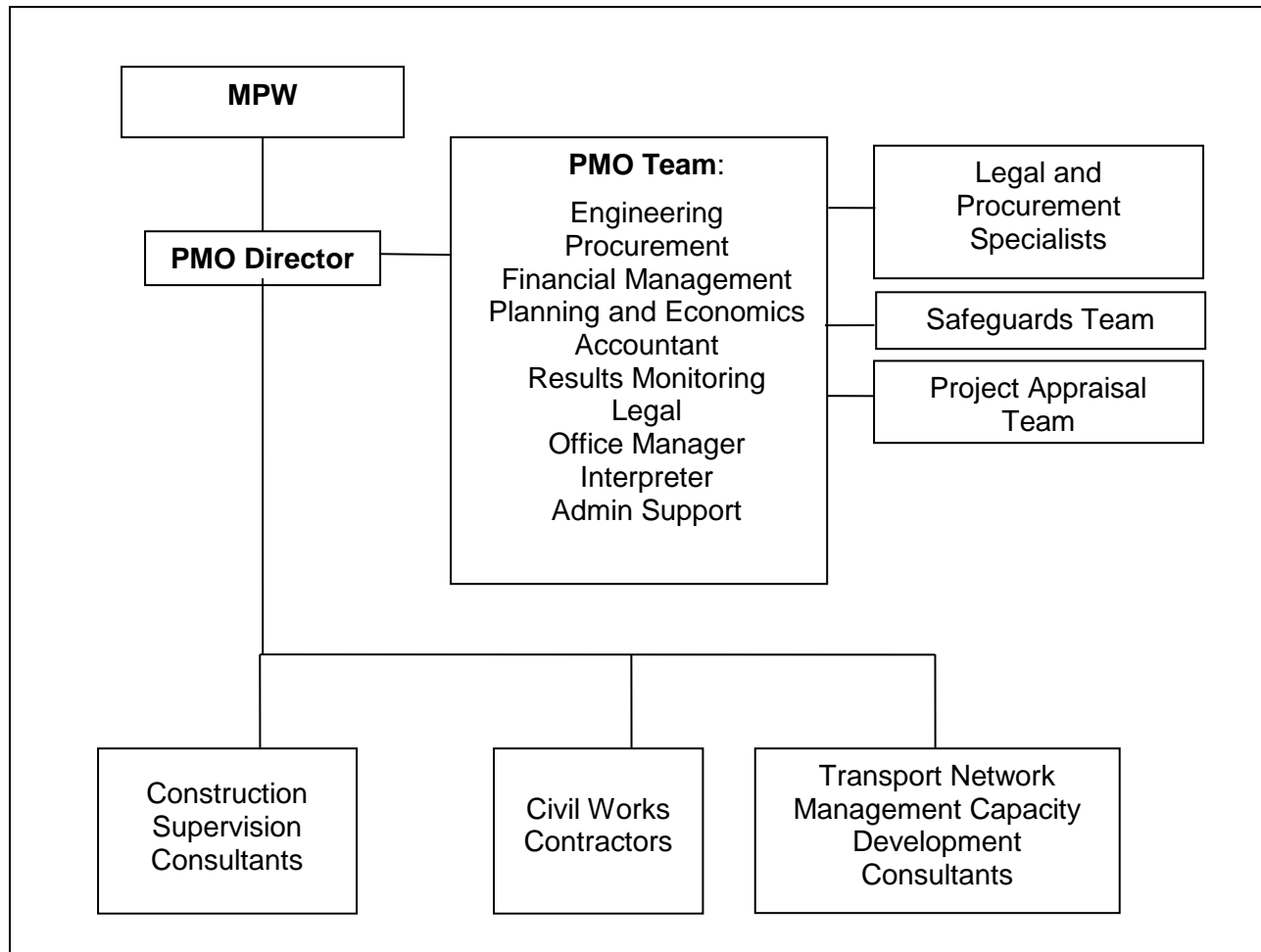


ADB - Asian Development Bank, EA - Executing Agency, MPW - Ministry of Public Works,  
PMO - Project Management Office

## **2. Organizational Structure of Project Management Office**

26. MPW has established a PMO to implement the investment program and appointed a PMO project director and key staff (procurement, engineering, financial management, and accounting). MPW will ensure that, during the entire period of the investment program implementation, a team of staff on procurement, engineering, financial management, accounting, program monitoring and evaluation, legal, administrative, and secretarial staff remains in place. In addition, procurement, environment safeguards, and social safeguards specialists are also engaged to support the work of the PMO as appropriate by the signing of grant agreement and the transport network management capacity development component. PMO is also be equipped with the necessary office space, equipment, and facilities.

**Figure 3.1: MPW–PMO Organization Structure**



MPW = Ministry of Public Works; PMO = Project Management Office.

#### IV. COSTS AND FINANCING

27. The total cost of the investment program was originally estimated at \$805 million equivalent including taxes and duties, physical and price contingencies, and other charges. Of this, up to a maximum of \$787 million was available for financing under the MFF and the remaining was to be government contribution. The updated summary of cost estimates for the investment program is presented in Table 4.1.

**Table 4.1: Cost Estimate for the Investment Program**  
(\$ million)

Item	Tranche				Total Cost
	1	2	3	4	
<b>Component 1: Transport Infrastructure</b>					
Civil Works for Road and Rail	140	198	201	92	631
Construction Supervision Consulting Services	11	15	9	7.5	42.5
Hairatan to Mazar-e-Sharif Railway Project	30	0	0	0	30
Land Acquisition and Resettlement	15	24	3	9	51
<b>Component 2: Transport Network Management</b>					
<b>Capacity Development</b>					
Transport Network Management Support - Consulting Services	3	4	5	16	28.5
Transport Network Management Support - Goods		1		5	6
Taxes and Duties	4	5	5	3	17
<b>Total Base Cost</b>	<b>203</b>	<b>247</b>	<b>223</b>	<b>132.5</b>	<b>806</b>
Contingencies	29	8	7	13.5	57
<b>Total Cost</b>	<b>232</b>	<b>255</b>	<b>230</b>	<b>146</b>	<b>863</b>

Source: Asian Development Bank estimates.

28. The maximum financing amount available under the Facility is an estimated \$787 million, comprising of \$667,000 from ADB's Special Funds resources (i.e., from the ADF). Financing will be provided in individual tranches. Other funding through cofinancing may be applied, such as funding from ADB's managed Afghan Infrastructure Trust Fund (AITF). Any contributions to the investment program from the AITF will reduce by the amount of such contributions, the amounts to be financed by ADB. Cofinancing from other sources will be managed contingent on the source and the nature of the co-financing. In respect of other activities funded under the investment program, to facilitate timely and efficient implementation, to facilitate timely and efficient implementation, ADB will finance taxes and duties including business receipts tax (BRT) payable on ADB and AITF financed expenditures. Under tranche 4, which is receiving grant cofinancing from the European Union (EU), EU will finance taxes and duties including business BRT payable on EU financed expenditures, where applicable.<sup>4</sup>

29. Table 4.2 presents ADB's estimated share in financing by expenditure category.

<sup>4</sup> Estimated at approximately \$17 million equivalent or approximately 2% of investment program costs, BRT costs do not represent an excessive share of the financing plan and are within applicable CPS parameters. See OM H3/BP and ADB. 2005. *Innovation and Efficiency Initiative, Cost Sharing and Eligibility of Expenditures for Asian Development Bank Financing: A New Approach*. Manila.

**Table 4.2: ADB Financing by Expenditure Category**  
(\$ million)

ADB Expenditure Category	Tranche				Total Cost
	1	2	3	4	
Civil Works for Road and Rail	140.5	138.0	201.0	92.0	571.5
Goods	0.0	1.0	0.0	0.0	1.0
Consultant Services	14.0	19.0	14.0	8.5	55.5
Resettlement	4.5	12.5	0.5	0.5	18.0
Taxes and Duties	4.0	5.0	4.5	2.5	16.0
Unallocated	26.0	0.5	0.0	5.5	32.0
<b>Total Cost</b>	<b>189.0</b>	<b>176.0</b>	<b>220.0</b>	<b>109.0</b>	<b>694.0</b>

ADB = Asian Development Bank.

Source: Asian Development Bank estimates.

#### A. Allocation and Withdrawal of Grant Proceeds

30. Table 4.3A shows allocation and withdrawal of funds under all the categories for project 1 scope and Table 4.3B for use of the AITF allocations from project 2, both of which were collectively financed under Tranche 1.

**Table 4.3A: Allocation and Withdrawal of ADF Grant Proceeds—Tranche 1, Project 1**

Category		Total Amount Allocated for ADB Financing (US Dollars)		ADB Financing Basis
Number	Item	Category	Subcategory	Percentage of ADB Financing from the Grant Account
1	Civil Works	134,900,000		
1A	Bagramy to Sapary Road		32,700,000	100% of total expenditure claimed
1B	Jabul Saraj to Nijrab Road		26,650,000	100% of total expenditure claimed
1C	Faizabad to Baharak Road		65,550,000	100% of total expenditure claimed
1D	Railway Subproject		10,000,000	100% of total expenditure claimed*
2	Resettlement	4,650,000		
2A	Bagramy to Sapary Road		1,550,000	100% of total expenditure claimed
2B	Jabul Saraj to Nijrab Road		1,550,000	100% of total expenditure claimed
2C	Faizabad to Baharak Road		1,550,000	100% of total expenditure claimed
3	Consulting Services	14,450,000		
3A	Bagramy to Sapary Road		4,650,000	100% of total expenditure claimed
3B	Jabul Saraj to Nijrab Road		2,600,000	100% of total expenditure claimed
3C	Faizabad to Baharak Road		4,100,000	100% of total expenditure claimed
3D	Railway Subproject		2,000,000	100% of total expenditure claimed*
3E	Institutional Development and Strengthening		3,100,000	100% of total expenditure claimed
4	Goods – Railway Subproject	5,000,000		100% of total expenditure claimed*
4	Unallocated	28,000,000		
	Total	189,000,000		

AITF = Afghanistan Infrastructure Trust Fund; ADB = Asian Development Bank.

\* Exclusive of taxes and duties imposed without limitation Business Receipt Tax, Sukook tax, and other value-added tax (VAT) or Gross Sales Tax (GST) type taxes or duties imposed within the territory of the Recipient.

**Table 4.3B: Allocation and Withdrawal of AITF Grant Proceeds—Tranche 1, Project 2**

Number	Item	Category		ADB Financing Basis Percentage of ADB Financing from the AITF Account
		Total Amount Allocated for ADB Financing (US Dollars)		
		Category	Subcategory	
1	Operations and Maintenance Support – Railway Subproject	13,000,000		100% of total expenditure claimed*
2	Works – Bagramy to Sapary Road Subproject	19,000,000		100% of total expenditure claimed
3	Miscellaneous	1,000,000		100% of total expenditure claimed**
	<b>Total</b>	<b>33,000,000</b>		

AITF = Afghan Infrastructure Trust Fund; ADB = Asian Development Bank.

\* Exclusive of taxes and duties imposed without limitation Business Receipt Tax, Sukook tax, and other value-added tax (VAT) or Gross Sales Tax (GST) type taxes or duties imposed within the territory of the Recipient.

\*\* To be utilized for the purposes of administration charges payable to, or disbursements incurred by, ADB for administration of the Grant under Section 2.01 of this Grant Agreement.

31. Table 4.3C shows allocation and withdrawal of ADF funds under all the categories, while Table 4.3D shows allocation and withdrawal of AITF allocations, for collectively financing the subprojects under Tranche 2.

**Table 4.3C: Allocation and Withdrawal of ADF Grant Proceeds—Tranche 2**

Category		Total Amount Allocated for ADB Financing (US Dollars)		ADB Financing Basis Percentage of ADB Financing from the Grant Account
Number	Item	Category	Subcategory	
1	Civil Works	115,300,000		
1A	Sapary to Jalalabad Road		24,100,000	100% of total expenditure claimed*
1B	Chah-e-Anjir to Gereshk Road		37,100,000	100% of total expenditure claimed*
1C	Sharan to Angoor-Ada Road		54,100,000	100% of total expenditure claimed*
2	Consulting Services	19,700,000		
2A	Sapary to Jalalabad Road		6,200,000	100% of total expenditure claimed
2B	Chah-e-Anjir to Gereshk Road		5,100,000	100% of total expenditure claimed
2C	Sharan to Angoor-Ada Road		4,200,000	100% of total expenditure claimed
2D	PMO Support		2,100,000	100% of total expenditure claimed
2E	Bamyan-Kandahar Study		2,100,000	100% of total expenditure claimed
3	Resettlement Costs	12,500,000		100% of total expenditure claimed
4	Goods—Asset Management System	1,000,000		100% of total expenditure claimed
5	Unallocated	500,000		
	Total	149,000,000		

AITF = Afghanistan Infrastructure Trust Fund; ADB = Asian Development Bank.

\* Financing allocated to this item under the AITF Grant Agreement will be utilized first at 100% of every claim until it has been disbursed in full. Thereafter, financing allocated to this item under the Special Operations Grant Agreement will be utilized at 100% of every claim.



**Table 4.3D: Allocation and Withdrawal of AITF Grant Proceeds—Tranche 2**

		Category	Total Amount Allocated for ADB Financing (US Dollars)		ADB Financing Basis
Number	Item		Category	Subcategory	Percentage of ADB Financing from the AITF Account
1	Civil Works - Sapary to Jalalabad Road		77,000,000		100% of total expenditure claimed*
2	Civil Works – Chah-e-Anjir to Gereshk Road		10,000,000		100% of total expenditure claimed*
	<b>Total</b>		<b>87,000,000</b>		

AITF = Afghanistan Infrastructure Trust Fund; ADB = Asian Development Bank.

\* Financing allocated to this item under the AITF Grant Agreement will be utilized first at 100% of every claim until it has been disbursed in full. Thereafter, financing allocated to this item under the Special Operations Grant Agreement will be utilized at 100% of every claim.

32. Table 4.3E shows allocation and withdrawal of ADF funds under all the categories, while for financing the subprojects under Tranche 3.

**Table 4.3E: Allocation and Withdrawal of ADF Grant Proceeds—Tranche 3**

Category			ADB Financing Basis	
Number	Item	Total Amount Allocated for ADB Financing (US Dollars)		Percentage of ADB Financing from the Grant Account
		Category	Subcategory	
1	Civil Works	205,000,000		
1A	Dar-i-Suf to Yakawlang Road		205,000,000	100% of total expenditure claimed
2	Consulting Services	14,500,000		
2A	Dar-i-Suf to Yakawlang Road		9,250,000	100% of total expenditure claimed
2B	PMO Support		1,050,000	100% of total expenditure claimed
2C	Gardandewal-Chaghcharan Study		2,100,000	100% of total expenditure claimed
2D	Kabul Ring Road Study		2,100,000	100% of total expenditure claimed
3	Resettlement Costs	500,000		100% of total expenditure claimed
	Total	220,000,000		

ADB = Asian Development Bank.

33. Table 4.3F shows allocation and withdrawal of ADF funds under all the categories, while for financing the subprojects under Tranche 4. Table 4.3G shows allocation and withdrawal of EU allocations, for collectively financing the subprojects under Tranche 4.

**Table 4.3F: Allocation and Withdrawal of ADF Grant Proceeds—Tranche 4**

Number	Item	Category		ADB Financing Basis Percentage of ADB Financing from the Grant Account
		Total Amount Allocated for ADB Financing (US Dollars)		
		Category	Subcategory	
1	Civil Works (Baharak to Eshkashim Road)	94,200,000		100% of total expenditure claimed

		Category	ADB Financing Basis	
Number	Item	Total Amount Allocated for ADB Financing		Percentage of ADB Financing from the Grant Account
		(US Dollars)		
		Category	Subcategory	
2	Consulting Services	8,800,000		
2A	Construction Supervision (Baharak to Eshkashim Road)		7,700,000	100% of total expenditure claimed
2B	PMO Support		1,100,000	100% of total expenditure claimed
3	Resettlement Costs	500,000		100% of total expenditure claimed
4	Unallocated	5,500,000		100% of total expenditure claimed
	<b>Total</b>	<b>109,000,000</b>		

ADB = Asian Development Bank.

**Table 4.3G: Allocation and Withdrawal of EU Grant Proceeds\*—Tranche 4**

		Category	EU Financing Basis	
Number	Item	Total Amount Allocated for EU Financing (US Dollars)		Percentage of EU Financing
		Category	Subcategory	
1	Goods (BCP Equipment for CAREC Corridors 5 & 6)	5,100,000		100% of total expenditure claimed
2	Consulting Services	15,400,000		
2A	AfRA Capacity Development		8,700,000	100% of total expenditure claimed
2B	Pilot O&M Study for CAREC Corridors 5 & 6		4,100,000	100% of total expenditure claimed
2C	Support for CAREC Corridors 5 & 6		2,600,000	100% of total expenditure claimed
3	Unallocated	500,000**	500,000	100% of total expenditure claimed
	<b>Total</b>	<b>21,000,000</b>		

EU = European Union

\* Administered by the Asian Development Bank.

\*\* This amount includes ADB's administration fee, audit cost, bank charges, and provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant contribution by EU.

## **B. Cost Estimates for Tranches 1, 2, 3 and 4**

34. For Tranche 1, ADB financed \$189 million and covered the costs for Project 1: (i) three civil works packages, (ii) three consulting services contracts (construction supervision), and (iii) initial consulting services for transport network management capacity development. A grant coursed through the Afghanistan Infrastructure Trust Fund (AITF) was used to fund Project 2: (iii) additional financing for operations and maintenance, civil works, and consulting services on the Hairatan to Mazar-e-Sharif Railway Project. The Government of Afghanistan financed land acquisition, while ADB will finance any associated resettlement costs. ADB will finance taxes and duties on ADB and AITF-financed expenditure, with the exception of the additional financing to the Hairatan to Mazar-e-Sharif Railway Project. Taxes and duties incurred on EU-financed expenditures will be paid from the EU grant proceeds. As such, costs presented for items are thus gross-tax-inclusive.

**Table 4.4: Detailed Cost Estimates by Expenditure Category – Tranche 1**  
(\$ millions)<sup>a, b, c</sup>

Item	Foreign Exchange	Local Currency	Total Cost	% of Total Base Cost
<b>A. Base Cost</b>				
1. Civil Works for Roads	143.9	0.0	143.9	62.0%
A. Bagramy–Sapary (50 km)	51.7	0.0	51.7	22.3%
B. Jabul Saraj–Nijrab (51 km)	26.7	0.0	26.7	11.5%
C. Faizabad–Baharak (44 km)	65.6	0.0	65.6	28.3%
2. Construction Supervision Consulting Services	11.4	0.0	11.4	4.9%
A. Bagramy–Sapary (50 km)	4.7	0.0	4.7	2.0%
B. Jabul Saraj–Nijrab (51 km)	2.6	0.0	2.6	1.1%
C. Faizabad–Baharak (44 km)	4.1	0.0	4.1	1.8%
3. Land Acquisition and Resettlement	4.7	10.0	14.7	6.3%
A. Land Acquisition	0.0	10.0	10.0	4.3%
B. Resettlement	4.7	0.0	4.7	2.0%
4. Transport Network Management Support	3.1	0.0	3.1	1.3%
5. Hairatan to Mazar-e-Sharif Railway Project	30.0	0.0	30.0	12.9%
<b>Subtotal (A)</b>	<b>193.0</b>	<b>10.0</b>	<b>203.0</b>	<b>87.5%</b>
<b>B. Contingencies</b>				
1. Physical	14.5	0.0	14.5	6.3%
2. Price	14.5	0.0	14.5	6.3%
<b>Subtotal (B)</b>	<b>29.0</b>	<b>0.0</b>	<b>29.0</b>	<b>12.5%</b>
<b>C. Total Project Cost (A+B)</b>	<b>222.0</b>	<b>10.0</b>	<b>232.0</b>	<b>100.0%</b>

km = kilometer.

<sup>a</sup> In mid-2011 prices.

<sup>b</sup> Physical and price contingencies are estimated at 7.5% each of the total base cost, for a total contingency of 15%.

<sup>c</sup> Any taxes and duties incurred from the additional works and services to the Hairatan to Mazar-e-Sharif Railway Project will be the responsibility of the Government through their previous contribution commitments under G0161-AFG.

Source: Asian Development Bank estimates.

**Table 4.5: Detailed Cost Estimates by Financiers—Tranche 1**

(\$ million)<sup>a, b, c</sup>

Item	ADB (ADF Grant)		AITF <sup>d</sup>		GoA		Total Cost
	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	
<b>A. Investment Costs</b>							
1. Civil Works for Roads	124.9	86.2%	19.0	13.2%	0.0	0.0%	143.9
A. Bagramy–Sapary (50 km)	32.7	63.2%	19.0	36.8%	0.0	0.0%	51.7
B. Jabul Saraj–Nijrab (51 km)	26.7	100.0%	0.0	0.0%	0.0	0.0%	26.7
C. Faizabad–Baharak (44 km)	65.6	100.0%	0.0	0.0%	0.0	0.0%	65.6
2. Construction Supervision Consulting Services	11.4	100.0%	0.0	0.0%	0.0	0.0%	11.4
A. Bagramy–Sapary (50 km)	4.7	100.0%	0.0	0.0%	0.0	0.0%	4.7
B. Jabul Saraj–Nijrab (51 km)	2.6	100.0%	0.0	0.0%	0.0	0.0%	2.6
C. Faizabad–Baharak (44 km)	4.1	100.0%	0.0	0.0%	0.0	0.0%	4.1
3. Land Acquisition and Resettlement	4.7	31.7%	0.0	0.0%	10.0	68.3%	14.7
A. Land Acquisition	0.0	0.0%	0.0	0.0%	10.0	100.0%	10.0
B. Resettlement	4.7	100.0%	0.0	0.0%	0.0	0.0%	4.7
4. Transport Network Management Support	3.1	100.0%	0.0	0.0%	0.0	0.0%	3.1
5. Hairatan to Mazar-e-Sharif Railway Project	17.0	56.7%	13.0	43.3%	0.0	0.0%	30.0
<b>Subtotal (A)</b>	<b>161.0</b>	<b>79.3%</b>	<b>32.0</b>	<b>15.8%</b>	<b>10.0</b>	<b>4.9%</b>	<b>203.0</b>
<b>B. Contingencies</b>							
1. Physical	13.0	96.6%	0.5	3.4%	0.0	0.0%	14.5
2. Price	13.0	96.6%	0.5	3.4%	0.0	0.0%	14.5
<b>Subtotal (B)</b>	<b>26.0</b>	<b>96.6%</b>	<b>1.0</b>	<b>3.4%</b>	<b>0.0</b>	<b>0.0%</b>	<b>29.0</b>
<b>C. Total Project Cost (A+B)</b>	<b>189.0</b>	<b>81.5%</b>	<b>33.0</b>	<b>14.2%</b>	<b>10.0</b>	<b>4.3%</b>	<b>232.0</b>
<b>% Total Project Cost</b>		<b>81.5%</b>		<b>14.2%</b>		<b>4.3%</b>	<b>100.0%</b>

ADB = Asian Development Bank, ADF = Asian Development Fund, AITF = Afghanistan Infrastructure Trust Fund, GoA = Government of Afghanistan, km = kilometer.

<sup>a</sup> In mid-2011 prices.

<sup>b</sup> Physical and price contingencies are estimated at 7.5% each of the total base cost, for a total contingency of 15%.

<sup>c</sup> Any taxes and duties incurred from the additional works and services to the Hairatan to Mazar-e-Sharif Railway Project will be the responsibility of the Government through their previous contribution commitments under G0161-AFG.

<sup>d</sup> Financing partners: the governments of Japan, the United Kingdom, and the United States. Administered by the Asian Development Bank.

Source: Asian Development Bank estimates.

**Table 4.6: Estimated Cost Estimates by Component – Tranche 1**

(\$ million)<sup>a, b, c</sup>

Item	Component 1: Transport Infrastructure			Component 2: Transport Network Management Capacity Development	
	Total Cost	Amount	% of Cost Category	Amount	% of Cost Category
<b>A. Investment Costs</b>					
1. Civil Works for Roads	143.9	143.9	100.0%	0.0	0.0%
A. Bagramy–Sapary (50 km)	51.7	51.7	100.0%	0.0	0.0%
B. Jabul Saraj–Nijrab (51 km)	26.7	26.7	100.0%	0.0	0.0%
C. Faizabad–Baharak (44 km)	65.6	65.6	100.0%	0.0	0.0%
2. Construction Supervision Consulting Services	11.4	11.4	100.0%	0.0	0.0%
A. Bagramy–Sapary (50 km)	4.7	4.7	100.0%	0.0	0.0%
B. Jabul Saraj–Nijrab (51 km)	2.6	2.6	100.0%	0.0	0.0%
C. Faizabad–Baharak (44 km)	4.1	4.1	100.0%	0.0	0.0%
3. Land Acquisition and Resettlement	14.7	14.7	100.0%	0.0	0.0%
A. Land Acquisition	10.0	10.0	100.0%	0.0	0.0%
B. Resettlement	4.7	4.7	100.0%	0.0	0.0%
4. Transport Network Management Support	3.1	0.0	0.0%	3.1	100.0%
5. Hairatan to Mazar-e-Sharif Railway Project	30.0	30.0	100.0%	0.0	0.0%
<b>Subtotal (A)</b>	<b>203.0</b>	<b>199.9</b>	<b>98.5%</b>	<b>3.1</b>	<b>1.5%</b>
<b>B. Contingencies</b>					
1. Physical	14.5	14.5	100.0%	0.0	0.0%
2. Price	14.5	14.5	100.0%	0.0	0.0%
<b>Subtotal (B)</b>	<b>29.0</b>	<b>29.0</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.0%</b>
<b>C. Total Project Cost (A+B)</b>	<b>232.0</b>	<b>228.9</b>	<b>98.7%</b>	<b>3.1</b>	<b>1.34%</b>

km = kilometer.

<sup>a</sup> In mid-2011 prices.

<sup>b</sup> Physical and price contingencies are estimated at 7.5 each of the total base cost, for a total contingency of 15.

<sup>c</sup> Any taxes and duties incurred from the additional works and services to the Hairatan to Mazar-e-Sharif Railway Project will be the responsibility of the Government through their previous contribution commitments under G0161-AFG.

Source: Asian Development Bank estimates.

**Table 4.7: Detailed Cost Estimates by Year – Tranche 1**  
(\$ million)<sup>a, b, c</sup>

Item	Total Cost	Year 1	Year 2	Year 3	Year 4
<b>A. Investment Costs</b>					
1. Civil Works for Roads	143.9	28.8	72.0	36.0	7.2
A. Bagrany–Sapary (50 km)	51.7	10.3	25.9	12.9	2.6
B. Jabul Saraj–Nijrab (51 km)	26.7	5.3	13.3	6.7	1.3
C. Faizabad–Baharak (44 km)	65.6	13.1	32.8	16.4	3.3
2. Construction Supervision Consulting Services	11.4	2.3	5.7	2.8	0.6
A. Bagrany–Sapary (50 km)	4.7	0.9	2.3	1.2	0.2
B. Jabul Saraj–Nijrab (51 km)	2.6	0.5	1.3	0.7	0.1
C. Faizabad–Baharak (44 km)	4.1	0.8	2.1	1.0	0.2
3. Land Acquisition and Resettlement	14.7	1.5	11.0	2.2	0.7
A. Land Acquisition	10.0	1.0	7.5	1.5	0.5
B. Resettlement	4.7	0.5	3.5	0.7	0.2
4. Transport Network Management Support	3.1	1.2	0.7	0.2	0.0
5. Hairatan to Mazar-e-Sharif Railway Project	30.0	9.0	15.0	6.0	0.0
<b>Subtotal (A)</b>	<b>203.0</b>	<b>30.8</b>	<b>81.8</b>	<b>32.6</b>	<b>5.9</b>
<b>Total Base Cost</b>	<b>203.0</b>	<b>30.8</b>	<b>81.8</b>	<b>32.6</b>	<b>5.9</b>
<b>B. Contingencies</b>	<b>29.0</b>	<b>5.8</b>	<b>14.5</b>	<b>7.3</b>	<b>1.5</b>
<b>Total Project Cost (A+B)</b>	<b>232.0</b>	<b>36.6</b>	<b>96.3</b>	<b>39.9</b>	<b>7.3</b>
<b>% Total Project Cost</b>	<b>100.0%</b>	<b>15.78%</b>	<b>41.50%</b>	<b>17.18%</b>	<b>3.16%</b>

<sup>a</sup> In mid-2011 prices.

<sup>b</sup> Physical and price contingencies are estimated at 7.5 each of the total base cost, for a total contingency of 15.

<sup>c</sup> Any taxes and duties incurred from the additional works and services to the Hairatan to Mazar-e-Sharif Railway Project will be the responsibility of the Government through their previous contribution commitments under G0161-AFG.

Source: Asian Development Bank estimates.

35. For Tranche 2, ADB financed \$236 million and covered the costs for: (i) three civil works packages, (ii) three consulting services contracts (construction supervision), (iii) additional consulting services for transport network management capacity development, and (iv) goods, namely an asset management system. A grant coursed through the Afghan Infrastructure Trust Fund (AITF) was used to cover a portion of the civil works package for the Sapary–Jalalabad Road. The Government of Afghanistan financed the land acquisition and resettlement costs. As per the facility agreement, ADB financing covered any taxes and duties. As such, costs presented for items are thus gross tax inclusive.<sup>5</sup>

<sup>5</sup> As per the originally signed grant agreements, the initial share of Tranche 2 costs was financed by a \$176 million ADF grant (G0327-AFG) and a \$60 million AITF grant (G0328-AFG). In early 2013, an additional \$27 million of AITF financing became available. At the request of the government, and subsequent approval of ADB, \$27 million of the ADF grant was cancelled, while the AITF grant was increased by \$27 million. Overall cost estimates of the tranche remain unchanged. Table 4.9 has been updated to reflect this change in costs by financiers.

**Table 4.8: Detailed Cost Estimates by Expenditure Category – Tranche 2**  
(\$ millions)<sup>a, b</sup>

Item	Foreign Exchange	Local Currency	Total Cost	% of Total Base Cost
<b>A. Base Cost</b>				
1. Civil Works for Roads	202.3	0.0	202.3	79.3%
A. Sapary-Jalalabad (106 km)	101.1	0.0	101.1	39.6%
B. Chah-e-Anjir-Gereshk (32 km)	47.1	0.0	47.1	18.5%
C. Sharan-Angoor-Ada (50 km)	54.1	0.0	54.1	21.2%
2. Construction Supervision				
Consulting Services	15.5	0.0	15.5	6.1%
A. Sapary-Jalalabad (106 km)	6.2	0.0	6.2	2.4%
B. Chah-e-Anjir-Gereshk (32 km)	5.1	0.0	5.1	2.0%
C. Sharan-Angoor-Ada (50 km)	4.2	0.0	4.2	1.6%
3. Land Acquisition and Resettlement	12.5	11.5	24.0	9.4%
A. Land Acquisition	0.0	11.5	11.5	4.5%
B. Resettlement	12.5	0.0	12.5	4.9%
4. Transport Network Management				
Support	5.2	0.0	5.2	2.0%
A. PMO Support	2.1	0.0	2.1	0.8%
B. Bamyan-Kandahar Study	2.1	0.0	2.1	0.8%
C. Asset Management System	1.0	0.0	1.0	0.4%
<b>Subtotal (A)</b>	<b>235.5</b>	<b>11.5</b>	<b>247.0</b>	<b>96.9%</b>
<b>B. Contingencies</b>				
1. Physical	0.5	5.0	5.5	2.2%
2. Price	0.0	2.5	2.5	1.0%
<b>Subtotal (B)</b>	<b>0.5</b>	<b>7.5</b>	<b>8.0</b>	<b>3.1%</b>
<b>C. Total Project Cost (A+B)</b>	<b>236.0</b>	<b>19.0</b>	<b>255.0</b>	<b>100.0%</b>

km = kilometer.

<sup>a</sup> In mid-2012 prices.

<sup>b</sup> Physical and price contingencies are estimated at approximately 3.2% of the total base cost.

Source: Asian Development Bank estimates.

**Table 4.9: Detailed Cost Estimates by Financiers—Tranche 2**

(\$ million)<sup>a, b, c</sup>

Item	ADB (ADF Grant)		AITF <sup>d</sup>		GoA		Total Cost
	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	
<b>A. Investment Costs</b>							
1. Civil Works for Roads	115.3	57.0%	87.0	43.0%	0.0	0.0%	202.3
A. Sapary-Jalalabad (106 km)	24.1	23.8%	77.0	76.2%	0.0	0.0%	101.1
B. Chah-e-Anjir-Gereshk (32 km)	37.1	78.8%	10.0	21.2%	0.0	0.0%	47.1
C. Sharan-Angoor-Ada (50 km)	54.1	100.0%	0.0	0.0%	0.0	0.0%	54.1
2. Construction Supervision Consulting Services	15.5	100.0%	0.0	0.0%	0.0	0.0%	15.5
A. Sapary-Jalalabad (106 km)	6.2	100.0%	0.0	0.0%	0.0	0.0%	6.2
B. Chah-e-Anjir-Gereshk (32 km)	5.1	100.0%	0.0	0.0%	0.0	0.0%	5.1
C. Sharan-Angoor-Ada (50 km)	4.2	100.0%	0.0	0.0%	0.0	0.0%	4.2
3. Land Acquisition and Resettlement	12.5	52.1%	0.0	0.0%	11.5	47.9%	24.0
A. Land Acquisition	0.0	0.0%	0.0	0.0%	11.5	100.0%	11.5
B. Resettlement	12.5	100.0%	0.0	0.0%	0.0	0.0%	12.5
4. Transport Network Management Support	5.2	100.0%	0.0	0.0%	0.0	0.0%	5.2
A. PMO Support	2.1	40.4%	0.0	0.0%	0.0	0.0%	2.1
B. Bamyar-Kandahar Study	2.1	40.4%	0.0	0.0%	0.0	0.0%	2.1
C. Asset Management System	1.0	19.2%	0.0	0.0%	0.0	0.0%	1.0
<b>Subtotal (A)</b>	<b>148.5</b>	<b>60.1%</b>	<b>87.0</b>	<b>35.2%</b>	<b>11.5</b>	<b>4.7%</b>	<b>247.0</b>
<b>B. Contingencies</b>							
1. Physical	0.5	9.1%	0.0	0.0%	5.0	90.9%	5.5
2. Price	0.0	0.0%	0.0	0.0%	2.5	100.0%	2.5
<b>Subtotal (B)</b>	<b>0.5</b>	<b>6.3%</b>	<b>0.0</b>	<b>0.0%</b>	<b>7.5</b>	<b>93.8%</b>	<b>8.0</b>
<b>C. Total Project Cost (A+B)</b>	<b>149.0</b>	<b>58.4%</b>	<b>87.0</b>	<b>34.1%</b>	<b>19.0</b>	<b>7.5%</b>	<b>255.0</b>
<b>% Total Project Cost</b>		<b>58.4%</b>		<b>34.1%</b>		<b>7.5%</b>	<b>100.0%</b>

ADB = Asian Development Bank, ADF = Asian Development Fund, AITF = Afghanistan Infrastructure Trust Fund, GoA = Government of Afghanistan, km = kilometer.

<sup>a</sup> In mid-2012 prices.

<sup>b</sup> Physical and price contingencies are estimated at approximately 3.2% of the total base cost.

<sup>c</sup> As per the Grant Agreements and the associated allocation and withdrawal tables, cofinancing allocated to particular items under the AITF Grant Agreement will be utilized first at 100% of every claim until it has been disbursed in full. Thereafter, financing allocated to these items under the Special Operations Grant Agreement will be utilized at 100% of every claim.

<sup>d</sup> Financing partners: the governments of Japan, the United Kingdom, and the United States. Administered by the Asian Development Bank.



**Table 4.10: Estimated Cost Estimates by Component – Tranche 2**

(\$ million)<sup>a, b</sup>

Item	Total Cost	Component 1: Transport Infrastructure		Component 2: Transport Network Management Capacity Development	
		Amount	% of Cost Category	Amount	% of Cost Category
<b>A. Investment Costs</b>					
1. Civil Works for Roads	202.3	202.3	100.0%	0.0	0.0%
A. Sapary-Jalalabad (106 km)	101.1	101.1	100.0%	0.0	0.0%
B. Chah-e-Anjir-Gereshk (32 km)	47.1	47.1	100.0%	0.0	0.0%
C. Sharan-Angoor-Ada (50 km)	54.1	54.1	100.0%	0.0	0.0%
2. Construction Supervision Consulting Services	15.5	15.5	100.0%	0.0	0.0%
A. Sapary-Jalalabad (106 km)	6.2	6.2	100.0%	0.0	0.0%
B. Chah-e-Anjir-Gereshk (32 km)	5.1	5.1	100.0%	0.0	0.0%
C. Sharan-Angoor-Ada (50 km)	4.2	4.2	100.0%	0.0	0.0%
3. Land Acquisition and Resettlement	24.0	24.0	100.0%	0.0	0.0%
A. Land Acquisition	11.5	11.5	100.0%	0.0	0.0%
B. Resettlement	12.5	12.5	100.0%	0.0	0.0%
4. Transport Network Management Support	5.2	0.0	0.0%	5.2	100.0%
A. PMO Support	2.1	0.0	0.0%	2.1	100.0%
B. Bamyan-Kandahar Study	2.1	0.0	0.0%	2.1	100.0%
C. Asset Management System	1.0	0.0	0.0%	1.0	100.0%
<b>Subtotal (A)</b>	<b>247.0</b>	<b>241.8</b>	<b>97.9%</b>	<b>5.2</b>	<b>2.1%</b>
<b>B. Contingencies</b>					
1. Physical	5.5	5.5	100.0%	0.0	0.0%
2. Price	2.5	2.5	100.0%	0.0	0.0%
<b>Subtotal (B)</b>	<b>8.0</b>	<b>8.0</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.0%</b>
<b>C. Total Project Cost (A+B)</b>	<b>255.0</b>	<b>249.8</b>	<b>98.0%</b>	<b>5.2</b>	<b>2.0%</b>

km = kilometer.

<sup>a</sup> In mid-2012 prices.

<sup>b</sup> Physical and price contingencies are estimated at approximately 2.3% of the total base cost.

Source: Asian Development Bank estimates.

**Table 4.11: Detailed Cost Estimates by Year – Tranche 2**  
(\$ million)<sup>a, b</sup>

Item	Total Cost	Year 1	Year 2	Year 3	Year 4
<b>A. Investment Costs</b>					
1. Civil Works for Roads	202.3	50.6	101.2	40.5	10.1
A. Sapary-Jalalabad (106 km)	101.1	25.3	50.6	20.2	5.1
B. Chah-e-Anjir-Gereshk (32 km)	47.1	11.8	23.6	9.4	2.4
C. Sharan-Angoor-Ada (50 km)	54.1	13.5	27.1	10.8	2.7
2. Construction Supervision Consulting Services	15.5	3.9	7.8	3.1	0.8
A. Sapary-Jalalabad (106 km)	6.2	1.6	3.1	1.2	0.3
B. Chah-e-Anjir-Gereshk (32 km)	5.1	1.3	2.6	1.0	0.3
C. Sharan-Angoor-Ada (50 km)	4.2	1.1	2.1	0.8	0.2
3. Land Acquisition and Resettlement	24.0	2.4	18.0	3.6	0.0
A. Land Acquisition	11.5	1.2	8.6	1.7	0.0
B. Resettlement	12.5	1.3	9.4	1.9	0.0
4. Transport Network Management Support	5.2	3.1	1.7	0.4	0.0
A. PMO Support	2.1	0.8	0.9	0.4	0.0
B. Bamyan-Kandahar Study	2.1	1.3	0.8	0.0	0.0
C. Asset Management System	1.0	1.0	0.0	0.0	0.0
<b>Subtotal (A)</b>	<b>247.0</b>	<b>60.0</b>	<b>128.6</b>	<b>47.6</b>	<b>10.9</b>
<b>Total Base Cost</b>	<b>247.0</b>	<b>60.0</b>	<b>128.6</b>	<b>47.6</b>	<b>10.9</b>
<b>B. Contingencies</b>	<b>8.0</b>	<b>2.0</b>	<b>4.0</b>	<b>1.6</b>	<b>0.4</b>
<b>Total Project Cost (A+B)</b>	<b>255.0</b>	<b>62.0</b>	<b>132.6</b>	<b>49.2</b>	<b>11.3</b>
<b>% Total Project Cost</b>	<b>100.0%</b>	<b>24.29%</b>	<b>52.00%</b>	<b>19.28%</b>	<b>4.43%</b>

<sup>a</sup> In mid-2012 prices.

<sup>b</sup> Physical and price contingencies are estimated at approximately 3.2% of the total base cost.  
Source: Asian Development Bank estimates.

36. For Tranche 3, ADB financed \$220 million and cover the costs for: (i) the civil works package, (ii) three consulting services contracts (project management and supervision consultant and consultancy services for pre-feasibility studies), (iii) additional support to the PMO, and (iv) resettlement costs. The Government of Afghanistan will finance the land acquisition costs. As per the facility agreement, ADB financing will cover any taxes and duties. As such, costs presented for items are thus gross tax inclusive.

**Table 4.12: Detailed Cost Estimates by Expenditure Category – Tranche 3**  
(\$ millions)<sup>a, b</sup>

Item	Foreign Exchange	Local Currency	Total Cost	% of Total Base Cost
<b>A. Base Cost</b>				
1. Civil Works for Roads	205.0	0.0	205.0	89.1%
A. Dar-i-Suf-Yakawlang (178 km)	205.0	0.0	205.0	89.1%
2. Construction Supervision				
Consulting Services	9.3	0.0	9.3	4.0%
A. Dar-i-Suf-Yakawlang (178 km)	9.3	0.0	9.3	4.0%
3. Land Acquisition and Resettlement	0.5	2.5	3.0	1.3%
A. Land Acquisition	0.0	2.5	2.5	1.1%
B. Resettlement	0.5	0.0	0.5	0.2%
4. Transport Network Management				
Support	5.2	0.0	5.2	2.3%
A. PMO Support	1.0	0.0	1.0	0.5%
B. Gardandewal-Chaghcharan				
Study	2.1	0.0	2.1	0.9%
C. Kabul Ring Road Study	2.1	0.0	2.1	0.9%
<b>Subtotal (A)</b>	<b>220.0</b>	<b>2.5</b>	<b>222.5</b>	<b>96.7%</b>
<b>B. Contingencies</b>				
1. Physical	0.0	5.0	5.5	2.2%
2. Price	0.0	2.5	2.5	1.1%
<b>Subtotal (B)</b>	<b>0.0</b>	<b>7.5</b>	<b>7.5</b>	<b>3.3%</b>
<b>C. Total Project Cost (A+B)</b>	<b>220.0</b>	<b>10.0</b>	<b>230.0</b>	<b>100.0%</b>

km = kilometer.

<sup>a</sup> In mid-2013 prices.

<sup>b</sup> Physical and price contingencies for works are estimated at approximately 3.4% of the total base cost. Price contingencies calculated following ADB price escalation factors and include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate. Prior to the contingency on the total base cost, all packages for civil works or consultancy services already contain a 15% to 20% contingency depending on the nature of the work.

Source: Asian Development Bank estimates.

**Table 4.13: Detailed Cost Estimates by Financiers—Tranche 3**  
(\$ million) <sup>a, b</sup>

Item	ADB (ADF Grant)		GoA		Total Cost
	Amount	% of Cost Category	Amount	% of Cost Category	
<b>A. Investment Costs</b>					
1. Civil Works for Roads	205.0	100.0%	0.0	0.0	205.0
A. Dar-i-Suf-Yakawlang (178 km)	205.0	100.0%	0.0	0.0	205.0
2. Construction Supervision Consulting Services	9.3	100.0%	0.0	0.0	9.3
A. Dar-i-Suf-Yakawlang (178 km)	9.3	100.0%	0.0	0.0	9.3
3. Land Acquisition and Resettlement	0.5	16.7%	2.5	83.3	3.0
A. Land Acquisition	0.0	0.0%	2.5	100.0	2.5
B. Resettlement	0.5	100.0%	0.0	0.0	0.5
4. Transport Network Management Support	5.2	100.0%	0.0	0.0	5.2
A. PMO Support	1.0	100.0%	0.0	0.0	1.0
B. Gardandewal-Chaghcharan Study	2.1	100.0%	0.0	0.0	2.1
C. Kabul Ring Road Study	2.1	100.0%	0.0	0.0	2.1
<b>Subtotal (A)</b>	<b>220.0</b>	<b>98.9%</b>	<b>2.5</b>	<b>1.1</b>	<b>222.5</b>
<b>B. Contingencies</b>					
1. Physical	0.0	0.0%	5.0	100.0	5.0
2. Price	0.0	0.0%	2.5	100.0	2.5
<b>Subtotal (B)</b>	<b>0.0</b>	<b>0.0%</b>	<b>7.5</b>	<b>100.0</b>	<b>7.5</b>
<b>C. Total Project Cost (A+B)</b>	<b>220.0</b>	<b>95.7%</b>	<b>10.0</b>	<b>4.3</b>	<b>230.0</b>
<b>% Total Project Cost</b>		<b>95.7%</b>		<b>4.3</b>	<b>100.0%</b>

ADB = Asian Development Bank, ADF = Asian Development Fund, GoA = Government of Afghanistan, km = kilometer.

<sup>a</sup> In mid-2013 prices.

<sup>b</sup> Physical and price contingencies for works are estimated at approximately 3.4% of the total base cost. Price contingencies calculated following ADB price escalation factors and include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate. Prior to the contingency on the total base cost, all packages for civil works or consultancy services already contain a 15% to 20% contingency depending on the nature of the work.

**Table 4.14: Estimated Cost Estimates by Component – Tranche 3**  
(\$ million)<sup>a, b</sup>

Item	Component 1: Transport Infrastructure			Component 2: Transport Network Management Capacity Development	
	Total Cost	Amount	% of Cost Category	Amount	% of Cost Category
<b>A. Investment Costs</b>					
1. Civil Works for Roads	205.0	205.0	100.0%	0.0	0.0%
A. Dar-i-Suf-Yakawlang (178 km)	205.0	205.0	100.0%	0.0	0.0%
2. Construction Supervision Consulting Services	9.3	9.3	100.0%	0.0	0.0%
A. Dar-i-Suf-Yakawlang (178 km)	9.3	9.3	100.0%	0.0	0.0%
3. Land Acquisition and Resettlement	3.0	3.0	100.0%	0.0	0.0%
A. Land Acquisition	2.5	2.5	100.0%	0.0	0.0%
B. Resettlement	0.5	0.5	100.0%	0.0	0.0%
4. Transport Network Management Support	5.2	0.0	0.0%	5.2	100.0%
A. PMO Support	1.0	0.0	0.0%	1.0	100.0%
B. Gardandewal-Chaghcharan Study	2.1	0.0	0.0%	2.1	100.0%
C. Kabul Ring Road Study	2.1	0.0	0.0%	2.1	100.0%
<b>Subtotal (A)</b>	<b>222.5</b>	<b>217.3</b>	<b>97.7%</b>	<b>5.2</b>	<b>2.3%</b>
<b>B. Contingencies</b>					
1. Physical	5.0	5.0	100.0%	0.0	0.0%
2. Price	2.5	2.5	100.0%	0.0	0.0%
<b>Subtotal (B)</b>	<b>7.5</b>	<b>7.5</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.0%</b>
<b>C. Total Project Cost (A+B)</b>	<b>230.0</b>	<b>224.8</b>	<b>98.0%</b>	<b>5.2</b>	<b>2.0%</b>

km = kilometer.

<sup>a</sup> In mid-2013 prices.

<sup>b</sup> Physical and price contingencies for works are estimated at approximately 3.4% of the total base cost. Price contingencies calculated following ADB price escalation factors and include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate. Prior to the contingency on the total base cost, all packages for civil works or consultancy services already contain a 15% to 20% contingency depending on the nature of the work.

Source: Asian Development Bank estimates.

**Table 4.15: Detailed Cost Estimates by Year – Tranche 3**  
(\$ million)<sup>a, b</sup>

Item	Total Cost	Year 1	Year 2	Year 3	Year 4
<b>A. Investment Costs</b>					
1. Civil Works for Roads	205.0	30.8	102.5	51.3	20.5
A. Dar-i-Suf-Yakawlang (178 km)	205.0	30.8	102.5	51.3	20.5
2. Construction Supervision Consulting Services	9.3	1.4	4.6	2.3	0.9
A. Dar-i-Suf-Yakawlang (178 km)	9.3	1.4	4.6	2.3	0.9
3. Land Acquisition and Resettlement	3.0	0.2	2.3	0.5	0.0
A. Land Acquisition	2.5	0.2	1.9	0.4	0.0
B. Resettlement	0.5	0.0	0.4	0.1	0.0
4. Transport Network Management Support	5.2	3.1	1.7	0.4	0.0
A. PMO Support	1.0	0.0	0.2	0.5	0.3
B. Gardendewal-Chaghcharan Study	2.1	0.0	0.8	1.2	0.1
C. Kabul Ring Road Study	2.1	0.0	0.8	1.2	0.1
<b>Subtotal (A)</b>	<b>222.5</b>	<b>32.4</b>	<b>111.2</b>	<b>56.9</b>	<b>21.9</b>
<b>Total Base Cost</b>	<b>222.5</b>	<b>32.4</b>	<b>111.2</b>	<b>56.9</b>	<b>21.9</b>
<b>B. Contingencies</b>	<b>7.5</b>	<b>1.1</b>	<b>3.8</b>	<b>1.9</b>	<b>0.8</b>
<b>Total Project Cost (A+B)</b>	<b>230.0</b>	<b>33.6</b>	<b>114.9</b>	<b>58.8</b>	<b>22.7</b>
<b>% Total Project Cost</b>	<b>100.0%</b>	<b>14.60%</b>	<b>49.98%</b>	<b>25.57%</b>	<b>9.86%</b>

<sup>a</sup> In mid-2013 prices.

<sup>b</sup> Physical and price contingencies for works are estimated at approximately 3.4% of the total base cost. Price contingencies calculated following ADB price escalation factors and include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate. Prior to the contingency on the total base cost, all packages for civil works or consultancy services already contain a 15% to 20% contingency depending on the nature of the work.

Source: Asian Development Bank estimates.

37. For Tranche 4, ADB financed \$109 million and covered the costs for: (i) the Baharak-Eshkashim civil works package; (ii) Baharak-Eshkashim project management and supervision consultant. Draft ToRs for the project management and construction supervision consultant are presented in Attachment 6); (iii) additional support to the PMO; and (iv) resettlement costs. The EU co-financed \$21 million for: (i) Support to CAREC Corridors 5 & 6, including (a) an O&M pilot and best practices support on Corridors 5 & 6 (the concept paper is presented in Attachment 7), (b) studies on corridor performance measurement and monitoring, cross-border transport agreements, and analysis of border crossing point bottlenecks, (c) provision of border crossing point and road monitoring equipment; and (ii) Support to the Afghanistan Railway Authority. The indicative three-year technical assistance and capacity development plan for AfRA is presented in Attachment 8.<sup>6</sup> The Government of Afghanistan will finance the land acquisition costs. ADB will finance taxes and duties on expenditure financed by ADB grant proceeds, and EU will finance taxes and duties on expenditure financed by EU grant proceeds. As such, costs presented for items are thus gross tax inclusive.

<sup>6</sup> Attachment 8 gives an indication of the expertise that is needed to strengthen AfRA capacity. Detailed consultant ToRs will be developed based on the aforementioned plan

**Table 4.16: Detailed Cost Estimates by Expenditure Category – Tranche 4**  
(\$ millions)<sup>a, b</sup>

Item	Foreign Exchange	Local Currency	Total Cost	% of Total Base Cost
<b>A. Base Cost</b>				
1. Civil Works for Roads	94.2	0.0	94.2	64.5%
A. Baharak-Eshkashim (108 km)	94.2	0.0	94.2	64.5%
2. Construction Supervision Consulting Services	7.7	0.0	7.7	5.3%
A. Baharak-Eshkashim (108 km)	7.7	0.0	7.7	5.3%
3. Land Acquisition and Resettlement	0.5	8.5	9.0	6.2%
A. Land Acquisition	0.0	8.5	8.5	5.8%
B. Resettlement	0.5	0.0	0.5	0.3%
4. Transport Network Management Support	21.6	0.0	21.6	14.8%
A. PMO Support	1.1	0.0	1.1	0.8%
B. Support to AfRA	8.7	0.0	8.7	6.0%
C. Support to CAREC Corridors 5 and 6	11.8	0.0	11.8	8.1%
a. Goods for CAREC Corridors 5 & 6	5.1	0.0	5.1	3.5%
b. Pilot O&M for CAREC Corridors 5 & 6	4.1	0.0	4.1	2.8%
c. Studies for CAREC Corridors 5 & 6	2.6	0.0	2.6	1.8%
<b>Subtotal (A)</b>	<b>124.0</b>	<b>8.5</b>	<b>132.5</b>	<b>90.8%</b>
<b>B. Contingencies</b>				
1. Physical	0.0	7.5	7.5	5.1%
2. Price <sup>c</sup>	6.0	0.0	6.0	4.1%
<b>Subtotal (B)</b>	<b>6.0</b>	<b>7.5</b>	<b>13.5</b>	<b>9.2%</b>
<b>C. Total Project Cost (A+B)</b>	<b>130.0</b>	<b>16.0</b>	<b>146.0</b>	<b>100.0%</b>

km = kilometer

<sup>a</sup> In mid-2014 prices.

<sup>b</sup> Physical and price contingencies are estimated at approximately 10% of the total base cost. Price contingencies calculated following ADB price escalation factors and include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>c</sup> This amount includes ADB's administration fee, audit cost, bank charges, and provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant contribution by EU.

Source: Asian Development Bank estimates.

**Table 4.17: Detailed Cost Estimates by Financiers—Tranche 4**  
(\$ million)<sup>a, b</sup>

Item	ADB (ADF Grant)		EU <sup>d</sup>		GoA		Total Cost
	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	
<b>A. Investment Costs</b>							
1. Civil Works for Roads	94.2	100.0%	0.0	0.0%	0.0	0.0%	94.2
A. Baharak-Eshkashim (108 km)	94.2	100.0%	0.0	0.0%	0.0	0.0%	94.2
2. Construction Supervision Consulting Services	7.7	100.0%	0.0	0.0%	0.0	0.0%	7.7
A. Baharak-Eshkashim (108 km)	7.7	100.0%	0.0	0.0%	0.0	0.0%	7.7
3. Land Acquisition and Resettlement	0.5	5.6%	0.0	0.0%	8.5	94.4%	9.0
A. Land Acquisition	0.0	0.0%	0.0	0.0%	8.5	100.0%	8.5
B. Resettlement	0.5	100.0%	0.0	0.0%	0.0	0.0%	0.5
4. Transport Network Management Support	1.1	5.1%	20.5	94.9%	0.0	0.0%	21.6
A. PMO Support	1.1	100.0%	0.0	0.0%	0.0	0.0%	1.1
B. Support to AfRA	0.0	0.0%	8.7	40.3%	0.0	0.0%	8.7
C. Support to CAREC Corridors 5 and 6	0.0	0.0%	11.8	54.6%	0.0	0.0%	11.8
a. Goods for CAREC Corridors 5 & 6	0.0	0.0%	5.1	23.6%	0.0	0.0%	5.1
b. Pilot O&M for CAREC Corridors 5 & 6	0.0	0.0%	4.1	19.0%	0.0	0.0%	4.1
c. Studies for CAREC Corridors 5 & 6	0.0	0.0%	2.6	12.0%	0.0	0.0%	2.6
<b>Subtotal (A)</b>	<b>103.5</b>	<b>78.1%</b>	<b>20.5</b>	<b>15.5%</b>	<b>8.5</b>	<b>6.4%</b>	<b>132.5</b>
<b>B. Contingencies</b>							
1. Physical	0.0	0.0%	0.0	0.0%	7.5	100.0%	7.5
2. Price	5.5	91.7%	0.5 <sup>c</sup>	8.3%	0.0	0.0%	6.0
<b>Subtotal (B)</b>	<b>5.5</b>	<b>40.7%</b>	<b>0.5</b>	<b>3.7%</b>	<b>7.5</b>	<b>55.6%</b>	<b>13.5</b>
<b>C. Total Project Cost (A+B)</b>	<b>109.0</b>	<b>74.7%</b>	<b>21.0</b>	<b>14.4%</b>	<b>16.0</b>	<b>11.0%</b>	<b>146.0</b>

ADB = Asian Development Bank, ADF = Asian Development Fund, EU = European Union, GoA = Government of Afghanistan, km = kilometer.

<sup>a</sup> In mid-2014 prices.

<sup>b</sup> Physical and price contingencies for works are estimated at approximately 10% of the total base cost. Price contingencies calculated following ADB price escalation factors and include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>c</sup> This amount includes ADB's administration fee, audit cost, bank charges, and provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant contribution by EU.

<sup>d</sup> Administered by the Asian Development Bank.

Source: Asian Development Bank estimates.



**Table 4.18: Estimated Cost Estimates by Component – Tranche 4**

(\$ million)<sup>a, b</sup>

Item	Total Cost	Component 1: Transport Infrastructure		Component 2: Transport Network Management Capacity Development	
		Amount	% of Cost Category	Amount	% of Cost Category
<b>A. Investment Costs</b>					
1. Civil Works for Roads	94.2	94.2	100.0%	0.0	0.0%
A. Baharak-Eshkashim (108 km)	94.2	94.2	100.0%	0.0	0.0%
2. Construction Supervision Consulting Services	7.7	7.7	100.0%	0.0	0.0%
A. Baharak-Eshkashim (108 km)	7.7	7.7	100.0%	0.0	0.0%
3. Land Acquisition and Resettlement	9.0	9.0	100.0%	0.0	0.0%
A. Land Acquisition	8.5	8.5	100.0%	0.0	0.0%
B. Resettlement	0.5	0.5	100.0%	0.0	0.0%
4. Transport Network Management Support	21.6	0.0	0.0%	21.6	100.0%
A. PMO Support	1.1	0.0	0.0%	1.1	100.0%
B. Support to AfRA	8.7	0.0	0.0%	8.7	100.0%
C. Support to CAREC Corridors 5 and 6	11.8	0.0	0.0%	11.8	100.0%
a. Goods for CAREC Corridors 5 & 6	5.1	0.0	0.0%	5.1	100.0%
b. Pilot O&M for CAREC Corridors 5 & 6	4.1	0.0	0.0%	4.1	100.0%
c. Studies for CAREC Corridors 5 & 6	2.6	0.0	0.0%	2.6	100.0%
<b>Subtotal (A)</b>	<b>132.5</b>	<b>110.9</b>	<b>83.7%</b>	<b>21.6</b>	<b>16.3%</b>
<b>B. Contingencies</b>					
1. Physical	7.5	7.5	100.0%	0.0	0.0%
2. Price	6.0	5.5	91.7%	0.5 <sup>c</sup>	8.3%
<b>Subtotal (B)</b>	<b>13.5</b>	<b>13.0</b>	<b>96.3%</b>	<b>0.5</b>	<b>3.7%</b>
<b>C. Total Project Cost (A+B)</b>	<b>146.0</b>	<b>123.9</b>	<b>84.9%</b>	<b>22.1</b>	<b>15.1%</b>

km = kilometer.

<sup>a</sup> In mid-2014 prices.

<sup>b</sup> Physical and price contingencies are estimated at approximately 10% of the total base cost. Price contingencies calculated following ADB price escalation factors and include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>c</sup> This amount includes ADB's administration fee, audit cost, bank charges, and provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant contribution by EU.

Source: Asian Development Bank estimates.

**Table 4.19: Detailed Cost Estimates by Year – Tranche 4**  
(\$ million)<sup>a, b</sup>

Item	Total Cost	Year 1	Year 2	Year 3	Year 4
<b>A. Investment Costs</b>					
1. Civil Works for Roads	94.2	14.1	47.1	33.0	0.0
A. Baharak-Eshkashim (108 km)	94.2	14.1	47.1	33.0	0.0
2. Construction Supervision Consulting Services	7.7	1.2	3.9	2.7	0.0
A. Baharak-Eshkashim (108 km)	7.7	1.2	3.9	2.7	0.0
3. Land Acquisition and Resettlement	9.0	0.9	6.8	1.4	0.0
A. Land Acquisition	8.5	0.9	6.4	1.3	0.0
B. Resettlement	0.5	0.1	0.4	0.1	0.0
4. Transport Network Management Support	21.6	4.3	10.8	6.5	0.0
A. PMO Support	1.1	0.2	0.6	0.3	0.0
B. Support to AfRA	8.7	1.7	4.4	2.6	0.0
C. Support to CAREC Corridors 5 and 6	11.8	2.4	5.9	3.5	0.0
a. Goods for CAREC Corridors 5 & 6	5.1	1.0	2.6	1.5	0.0
b. Pilot O&M for CAREC Corridors 5 & 6	4.1	0.8	2.1	1.2	0.0
c. Studies for CAREC Corridors 5 & 6	2.6	0.5	1.3	0.8	0.0
<b>Subtotal (A)</b>	<b>132.5</b>	<b>20.5</b>	<b>68.5</b>	<b>43.5</b>	<b>0.0</b>
<b>Total Base Cost</b>	<b>132.5</b>	<b>20.5</b>	<b>68.5</b>	<b>43.5</b>	<b>0.0</b>
<b>B. Contingencies<sup>c</sup></b>	<b>13.5</b>	<b>2.0</b>	<b>6.8</b>	<b>4.7</b>	<b>0.0</b>
<b>Total Project Cost (A+B)</b>	<b>146.0</b>	<b>22.5</b>	<b>75.3</b>	<b>48.2</b>	<b>0.0</b>
<b>% Total Project Cost</b>	<b>100.0%</b>	<b>15.43%</b>	<b>51.54%</b>	<b>33.03%</b>	<b>0.00%</b>

km = kilometer

<sup>a</sup> In mid-2014 prices.

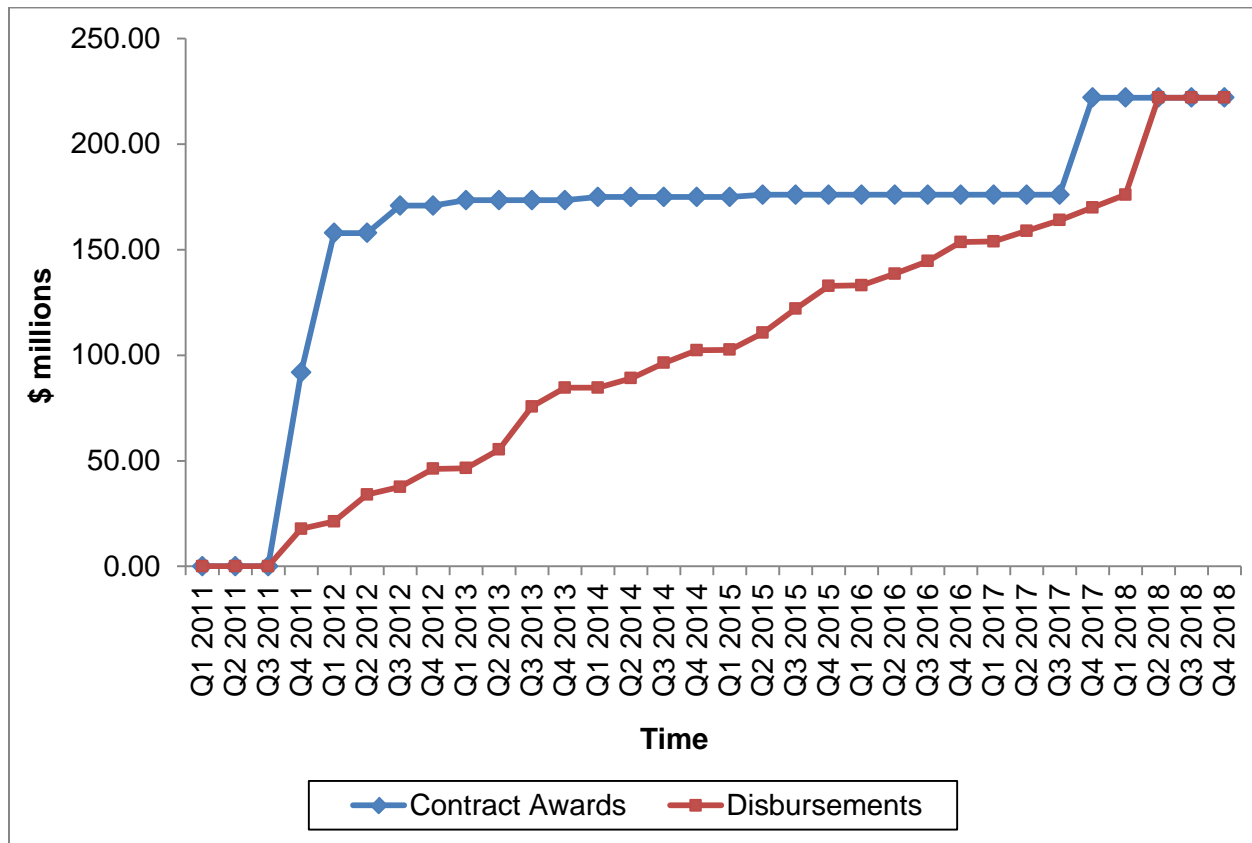
<sup>b</sup> Physical and price contingencies are estimated at approximately 10% of the total base cost. Price contingencies calculated following ADB price escalation factors and include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate. Prior to the contingency on the total base cost, all packages for civil works or consultancy services already contain a 15% to 20% contingency depending on the nature of the work.

<sup>c</sup> This amount includes ADB's administration fee, audit cost, bank charges, and provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant contribution by EU.

Source: Asian Development Bank estimates.

### C. Contracts and Disbursements S-curve

Figure 4.1: Tranche 1 Realized Contracts Awards and Disbursements S-Curve



Realized Contract Awards and Disbursements										
Contract Awards (in USD million)						Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2011	0.00	0.00	0.00	91.86	91.86	0.00	0.00	0.00	17.77	17.77
2012	65.99	0.00	13.00	0.00	78.99	3.50	12.73	3.61	8.57	28.41
2013	2.57	0.00	0.00	0.00	2.57	0.30	8.77	20.44	8.88	38.39
2014	1.54	0.00	0.00	0.00	1.54	0.00	4.50	7.30	6.00	17.80
2015	0.00	1.00	0.00	0.00	1.00	0.20	8.00	11.50	10.70	30.40
2016	0.00	0.00	0.00	0.00	0.00	0.30	5.50	6.00	9.00	20.80
2017	0.00	0.00	0.00	46.04	46.04	0.30	5.00	5.09	6.00	16.39
2018	0.00	0.00	0.00	0.00	0.00	6.00	46.04	0.00	0.00	52.04
	Total				222.00	Total				222.00

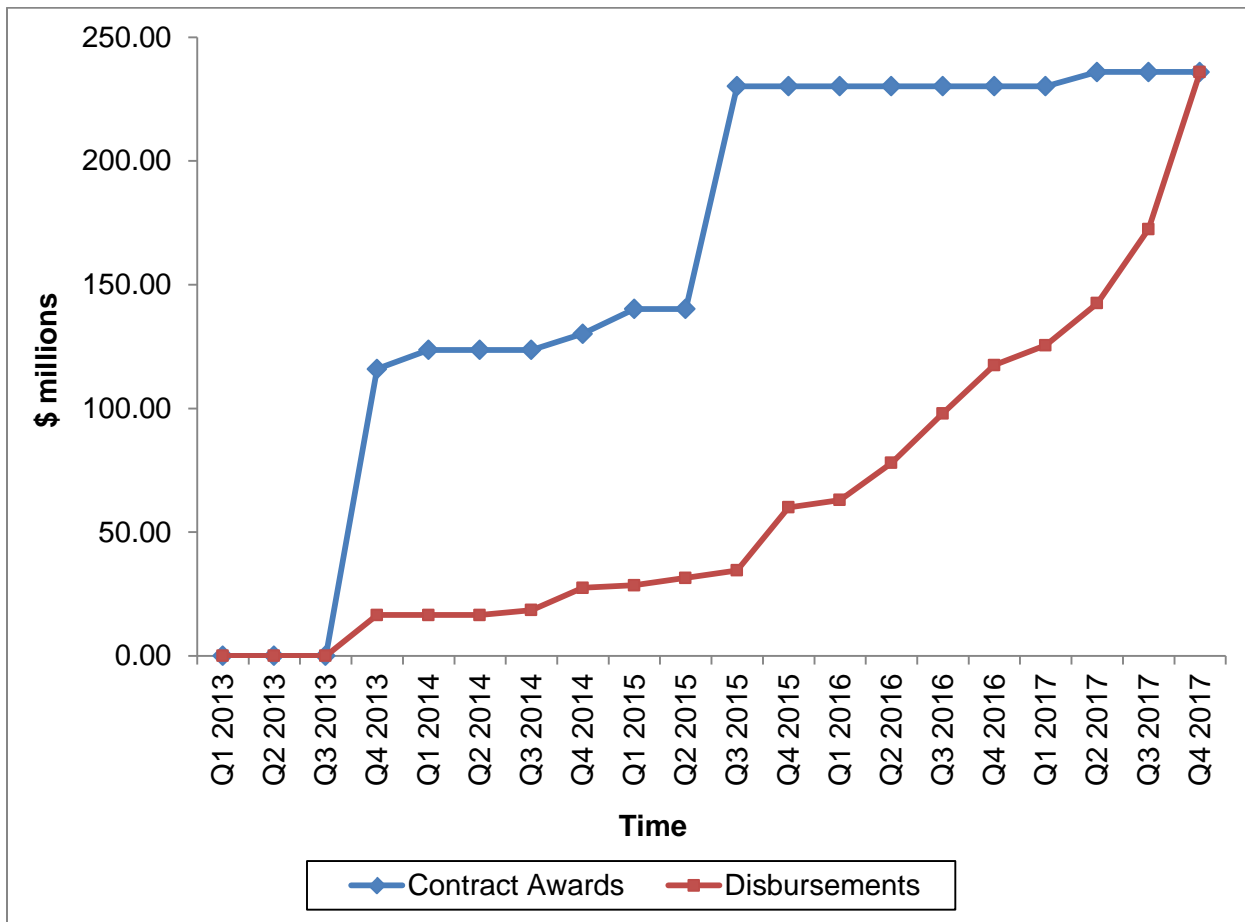
**G0261-AFG Realized Contract Awards and Disbursements**

	Contract Awards (in USD million)					Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>2011</b>	0.00	0.00	0.00	72.86	<b>72.86</b>	0.00	0.00	0.00	17.77	<b>17.77</b>
<b>2012</b>	65.99	0.00	0.00	0.00	<b>65.99</b>	0.98	11.00	0.52	4.87	<b>17.37</b>
<b>2013</b>	2.57	0.00	0.00	0.00	<b>2.57</b>	0.29	6.03	15.21	8.88	<b>30.37</b>
<b>2014</b>	1.54	0.00	0.00	0.00	<b>1.54</b>	0.00	4.00	6.00	5.00	<b>15.00</b>
<b>2015</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.20	6.00	7.00	6.00	<b>19.20</b>
<b>2016</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.30	5.50	6.00	9.00	<b>20.80</b>
<b>2017</b>	0.00	0.00	0.00	46.04	<b>46.04</b>	0.30	5.00	5.09	6.00	<b>16.39</b>
<b>2018</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	6.00	46.06	0.00	0.00	<b>52.06</b>
	<b>Total</b>				<b>189.00</b>	<b>Total</b>				<b>189.00</b>

**G0262-AFG Realized Contract Awards and Disbursements**

	Contract Awards (in USD million)					Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>2011</b>	0.00	0.00	0.00	19.00	<b>19.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>2012</b>	0.00	0.00	13.00	0.00	<b>13.00</b>	2.52	1.73	3.09	3.69	<b>11.03</b>
<b>2013</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	2.74	5.23	0.00	<b>7.97</b>
<b>2014</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.50	1.30	1.00	<b>2.80</b>
<b>2015</b>	0.00	1.00	0.00	0.00	<b>1.00</b>	0.00	2.00	4.50	4.70	<b>11.20</b>
	<b>Total</b>				<b>33.00</b>	<b>Total</b>				<b>33.00</b>

**Figure 4.2: Tranche 2 Realized Contracts Awards and Disbursements S-Curve**



Realized Contract Awards and Disbursements										
Contract Awards (in USD million)						Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>2013</b>	0.00	0.00	0.00	115.97	<b>115.97</b>	0.00	0.00	0.00	16.50	<b>16.50</b>
<b>2014</b>	7.68	0.00	0.00	6.55	<b>14.23</b>	0.00	0.00	2.00	9.00	<b>11.00</b>
<b>2015</b>	10.00	0.00	90.00	0.00	<b>100.00</b>	1.00	3.00	3.00	25.50	<b>32.50</b>
<b>2016</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	3.00	15.00	20.00	19.50	<b>57.50</b>
<b>2017</b>	0.00	5.80	0.00	0.00	<b>5.80</b>	8.00	17.00	30.00	63.50	<b>118.50</b>
	<b>Total</b>				<b>236.00</b>	<b>Total</b>				<b>236.00</b>

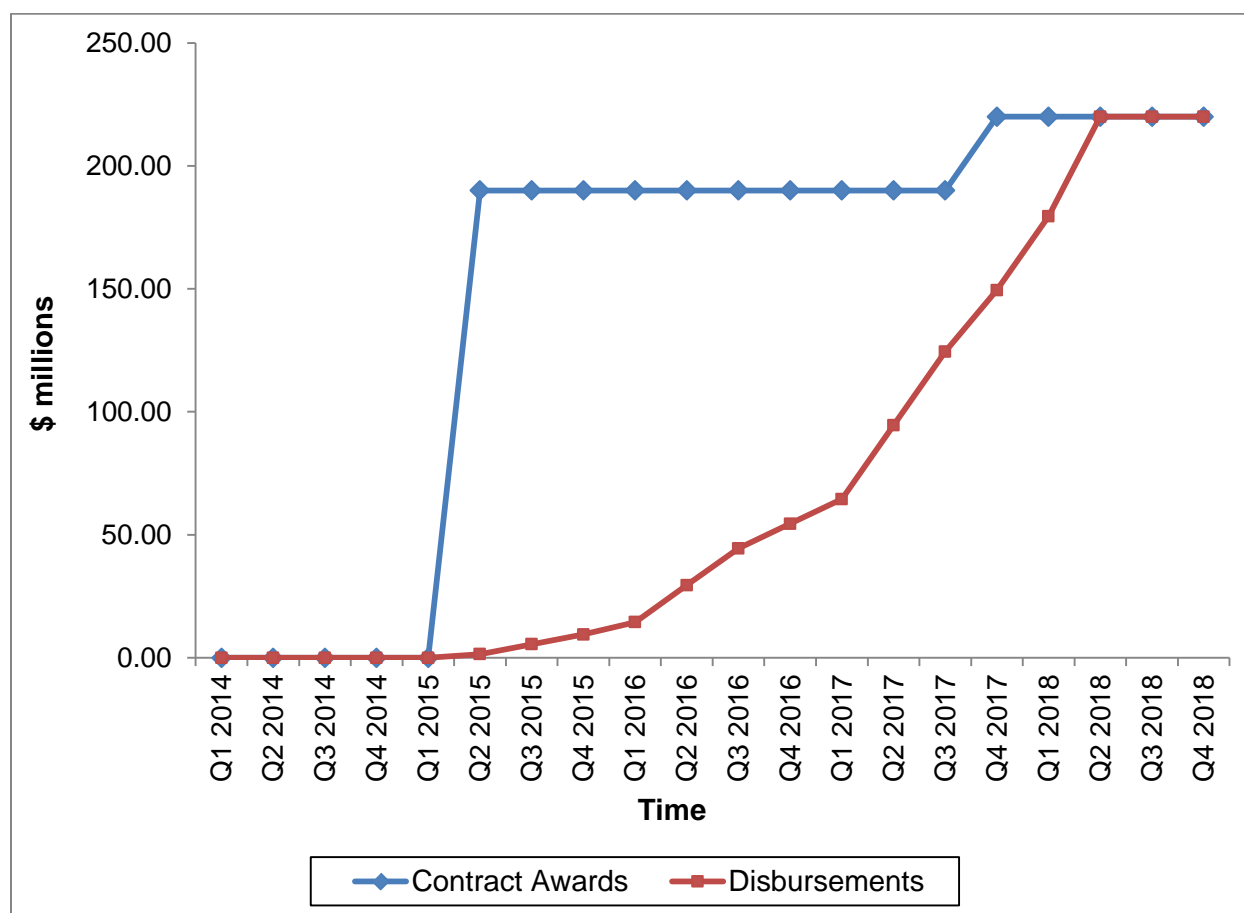
**G0327-AFG Realized Contract Awards and Disbursements**

	Contract Awards (in USD million)					Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>2013</b>	0.00	0.00	0.00	38.97	<b>38.97</b>	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>2014</b>	7.68	0.00	0.00	6.55	<b>14.23</b>	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>2015</b>	0.00	0.00	90.00	0.00	<b>90.00</b>	0.00	0.00	0.00	21.50	<b>21.50</b>
<b>2016</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	3.00	10.00	15.00	11.00	<b>39.00</b>
<b>2017</b>	0.00	5.80	0.00	0.00	<b>5.80</b>	4.00	15.00	25.00	44.50	<b>88.50</b>
	<b>Total</b>				<b>149.00</b>	<b>Total</b>				<b>149.00</b>

**G0328-AFG Realized Contract Awards and Disbursements**

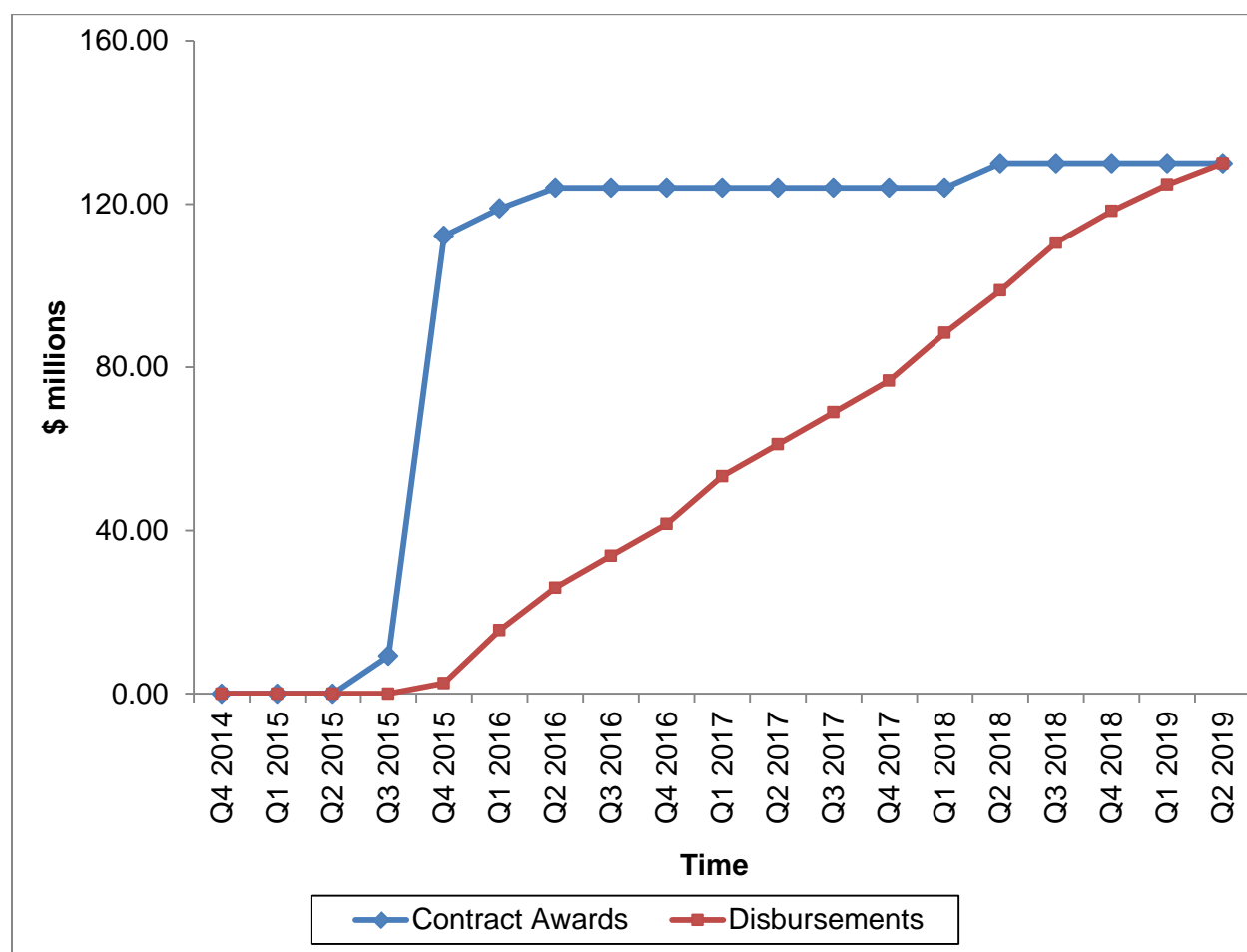
	Contract Awards (in USD million)					Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>2013</b>	0.00	0.00	0.00	77.00	<b>77.00</b>	0.00	0.00	0.00	16.50	<b>16.50</b>
<b>2014</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	2.00	9.00	<b>11.00</b>
<b>2015</b>	10.00	0.00	0.00	0.00	<b>10.00</b>	1.00	3.00	3.00	4.00	<b>11.00</b>
<b>2016</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	5.00	5.00	8.50	<b>18.50</b>
<b>2017</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	4.00	2.00	5.00	19.00	<b>30.00</b>
	<b>Total</b>				<b>87.00</b>	<b>Total</b>				<b>87.00</b>

**Figure 4.3: Tranche 3 Anticipated Contracts Awards and Disbursements S-Curve**



Projected Contract Awards and Disbursements										
Contract Awards (in USD million)						Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>2014</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>2015</b>	0.00	190.00	0.00	0.00	<b>190.00</b>	0.00	1.50	4.00	4.00	<b>9.50</b>
<b>2016</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	5.00	15.00	15.00	10.00	<b>45.00</b>
<b>2017</b>	0.00	0.00	0.00	30.00	<b>30.00</b>	10.00	30.00	30.00	25.00	<b>95.00</b>
<b>2018</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	30.00	40.50	0.00	0.00	<b>70.50</b>
	<b>Total</b>				<b>220.00</b>	<b>Total</b>				<b>220.00</b>

**Figure 4.4: Tranche 4 Anticipated Contracts Awards and Disbursements S-Curve**



Projected Contract Awards and Disbursements										
Contract Awards (in USD million)						Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>2015</b>	0.00	0.00	9.30	102.90	<b>112.20</b>	0.00	0.00	0.00	2.60	<b>2.60</b>
<b>2016</b>	7.20	5.10	0.00	0.00	<b>12.30</b>	13.00	10.40	7.80	7.80	<b>39.00</b>
<b>2017</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	11.70	7.80	7.80	7.80	<b>35.10</b>
<b>2018</b>	0.00	5.50	0.00	0.00	<b>5.50</b>	11.70	10.40	11.70	7.80	<b>41.60</b>
<b>2019</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	6.50	5.20	0.00	0.00	<b>11.70</b>
	<b>Total</b>				<b>130.00</b>	<b>Total</b>				<b>130.00</b>



**ADB Grant - Projected Contract Awards and Disbursements**

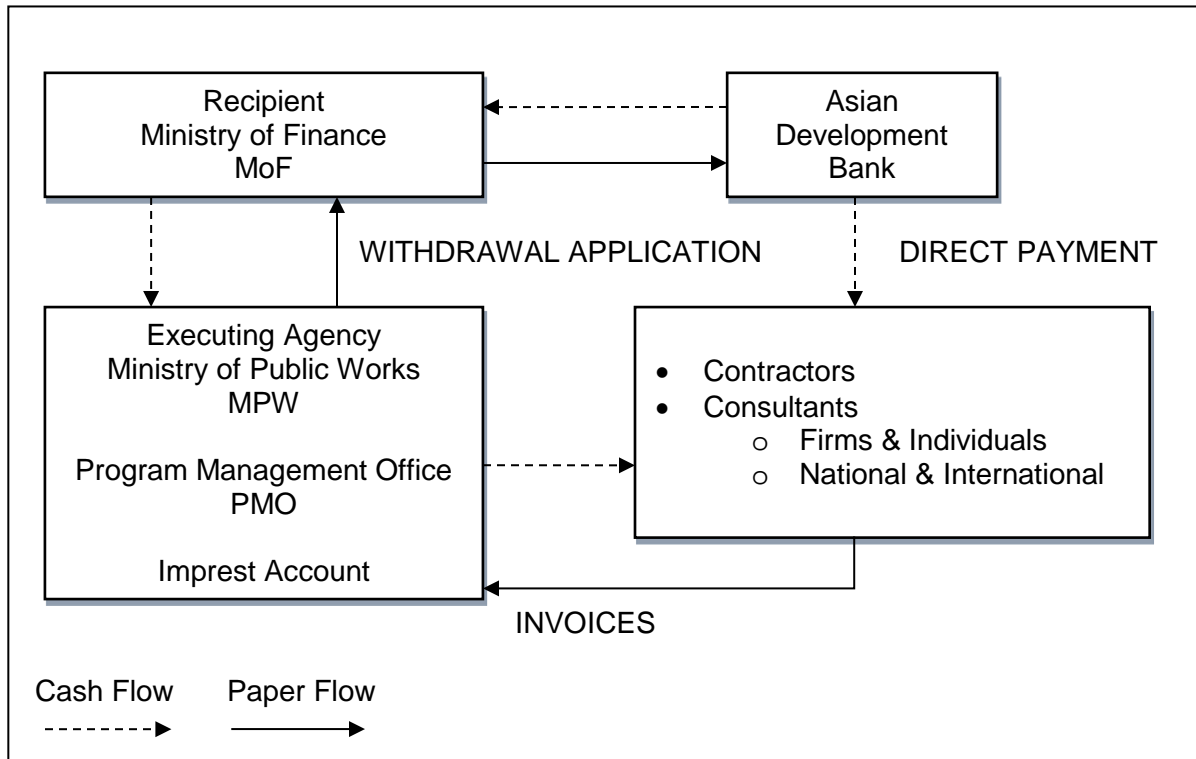
	<b>Contract Awards (in USD million)</b>					<b>Disbursements (in USD million)</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
<b>2015</b>	0.00	0.00	9.30	94.20	<b>103.50</b>	0.00	0.00	0.00	2.60	<b>2.60</b>
<b>2016</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	8.85	8.17	7.63	7.09	<b>31.74</b>
<b>2017</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	6.54	7.09	7.63	7.63	<b>28.89</b>
<b>2018</b>	0.00	5.50	0.00	0.00	<b>5.50</b>	9.25	9.81	9.81	7.63	<b>36.50</b>
<b>2019</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	6.00	3.27	0.00	0.00	<b>9.27</b>
	<b>Total</b>				<b>109.00</b>	<b>Total</b>				<b>109.00</b>

**EU Grant – Projected Contract Awards and Disbursements**

	<b>Contract Awards (in USD million)</b>					<b>Disbursements (in USD million)</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
<b>2015</b>	0.00	0.00	0.00	8.70	<b>8.70</b>	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>2016</b>	7.20	5.10	0.00	0.00	<b>12.30</b>	4.15	2.23	0.17	0.71	<b>7.26</b>
<b>2017</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	5.16	0.71	0.17	0.17	<b>6.21</b>
<b>2018</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	2.45	0.59	1.89	0.17	<b>5.10</b>
<b>2019</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.50	1.93	0.00	0.00	<b>2.43</b>
	<b>Total</b>				<b>21.00</b>	<b>Total</b>				<b>21.00</b>

## Fund Flow Diagram

Figure 4.5: Fund Flow Diagram



## V. FINANCIAL MANAGEMENT

### A. Updated Financial Management Assessment

38. **Country Context:** A performance assessment of the Public Financial Management (PFM) system of the Government was undertaken by the World Bank in 2013. This 2013 PEFA assessment portrays a public sector in which financial resources of the general government sector are, by and large, tracked and reported within a budget which is processed with transparency and has contributed to aggregate fiscal discipline. The expenditures and financial position of the GoA are reported regularly in an understandable format and Parliament reviews the fiscal reports of the executive. The table below compares the overall trajectory of the indicators from 2008 to the current assessment. Overall, there was a decline in five performance indicators (PIs), 10 indicators showed positive progress over the period between assessments and 11 are unchanged, while two indicators (PI7, PI15) were not rated in 2013 because there was insufficient information available to score one dimension under each indicator.<sup>7</sup>

**Table 5.1: Change in PEFA Indicators (2008 vs 2013)**

Indicator Group (Number of indicators)	Lower	Equivalent	Higher
Credibility of the budget	1	-	3
Comprehensive and transparency	1	3	1
Policy-based budgeting	2	-	-
Predictability and control in budget execution	-	4	4
Accounting, recording and reporting	1	2	1
External scrutiny and audit	-	2	1
<b>Total PFM</b>	<b>5</b>	<b>11</b>	<b>10</b>
Donor practices	-	2	1

39. **Agency Context:** Based on USAID assessment in 2012, financial management systems in MPW exhibit high risk and low controls. For e.g. the Internal Audit unit in MPW is weak and focused on transactional audit. There is no risk assessment exercise performed for preparation of MPW's annual internal audit plan, nor is there any process level internal controls design assessment. Second, there is no documented manual of finance policies and procedures in MPW. The guidelines given by the MOF are policy level guidelines which are applicable to all the ministries, but no detailed procedure manual which should be specific to organizational structure and the nature of the work of MPW is there.

40. **PMO Context:** The financial management review of Ministry of Public Work (MPW) was conducted in October 2014. The review considered the MPW in its role as the proposed EA with the well-established PMO to implement the project. MPW with a well-established PMO have experience in implementing ADB's projects. PMO's finance unit overall has adequate staff with reasonable accounting knowledge and capacity to record financial transactions. Staff turnover has been low since MFF effectiveness. Audited project financial statements have been submitted timely and acceptable to ADB, and no adverse findings were reported. The reporting and monitoring system has been improved. However, the PMO also needs further training particular on ADB's financial management requirements to prepare financial reports and some areas are required to strengthen monitoring and internal control. Progress against the financial management action plan set out in the FAM at the time of MFF processing is given below.

<sup>7</sup> World Bank. 2013. *Afghanistan Public Financial Management and Accountability Assessment*.

**Table 5.2: Status of Financial Management Action Plan**

Financial Management Action Plan	Compliance Status
PMO needs a business plan and associated organizational restructuring plans designed around current and expected transport sector responsibilities aligned with recent strategies and policy frameworks.	<b>Ongoing.</b> Procurement of capacity development consultant was delayed, and it only mobilized in 2014. This work is now ongoing in coordination with other development partners.
PMO need offer incentives to the PMO staff in order to avoid frequent staff turnover and adverse impacts on implementation of the ongoing project and the investment program. Introduction of project allowance is one of the major actions needed to be taken urgently;	<b>Achieved.</b> The staff turnover in PMO is very low. This has been realized not through an incentive or allowance, but through highly competitive salaries.
PMO specialists and financial staff must undergo further trainings on ADB financial management procedures to further strengthen its capacity and enable the PMO to undertake an internal audit;	<b>Partially Achieved.</b> There has been one training conducted for PMO staff on FM Procedures in 2012
A separate accounting policy and financial management manual for the existing PMO should be established in accordance with MOF and ADB requirements without any further delays;	<b>Achieved.</b> A separate accounting policy was established in January 2012. An FM manual is also developed.
PMO should maintain separate accounts for each of the projects under the investment program and have such accounts audited annually, in accordance with appropriate auditing standards consistently applied by independent auditors whose qualifications, experience, and terms of reference (TOR) are acceptable to ADB;	<b>Achieved.</b> An independent audit is conducted annually. The APFS have been submitted to ADB on time and found acceptable.
Internal audit arrangements should be established urgently to cover all operations of the PMO	<b>Not yet achieved.</b> An internal auditor has not yet been recruited.

41. **Updated Risk Analysis:** Inherent risk was assessed as substantial due to the variance to budget both in the aggregate revenue and expenditures to fiscal discipline, the inconsistent approach in monitoring arrears and financial reporting not full compliance with the International Public Sector Accounting Standards (IPSAS).<sup>8</sup> Control risk was rated as moderate due to (i) delays in recruitment of an internal auditor in the PMO, whose recruitment is now set to be finalized in January 2015, and (ii) low capacity of PMO staff in preparing financial reports.

**Table 5.3: Updated FM Risk Assessment and Mitigation Measures**

FM Risk	FM Risk Assessment*	FM Risk–Mitigation Measures
<b>Inherent Risk</b>		
Country-specific Risks	S	The Public Financial Management Reform Project II, financed by the World Bank, is providing support for strengthening PFM in Afghanistan through effective procurement, treasury and audit reforms and structures.
Entity-specific Risks:	S	Development partners, notably USAID and DFID, are supporting capacity development efforts to strengthen financial

<sup>8</sup> World Bank. 2013. *Afghanistan Public Financial Management and Accountability Assessment*.

FM Risk	FM Risk Assessment*	FM Risk–Mitigation Measures
		management in MPW. The capacity development consultant mobilized under Tranche 1 is conducting a trainings needs assessment, and a DFID-supported project is looking at strengthening the Training & Development function in MPW.
Project-specific Risks	M	Project components are financed by ADB and EU grants which will ensure timely availability of funds to the project. PMO has capable FM staff familiar with ADB procedures, but there is still need for strengthening capacities in financial reporting. ADB RETA 8697 “Improving the Financial Management Capacity of Executing Agencies in Afghanistan and Pakistan” will help strengthen these capacities in PMO.
<b>Overall Inherent Risk</b>	<b>S</b>	
<b>Control Risk</b>		
Implementing Entity	M	This is tranche 4 of the MFF. The implementation arrangements have been tested and shall be further improved. Support for strengthening PMO capacities shall continue under tranche 4. FM capacities will be further strengthened under ADB RETA 8697.
Funds Flow.	M	This is the fourth tranche, and MPW-PMO is familiar with funds flow arrangements for the investment program. ADB will continue its monitoring to ensure that these arrangements are followed.
Staffing.	M	The PMO has capable staff and there is low turnover. The ADB RETA 8697 will further strengthen financial management of ADB-financed projects during project processing and implementation.
Accounting Policies and Procedures	M	ADB RETA 8697 will develop country project financial management manuals for Afghanistan. If necessary, the FM manual of PMO will be updated accordingly.
Internal Audit	H	Recruitment of internal auditor for PMO shall be finalized by January 2015.
External Audit	L	An independent external audit firm shall continue to be contracted by PMO every year to audit project accounts in accordance with international standards. ADB RETA 8697 will develop sample ToRs of audit firms.
Reporting and Monitoring	M	ADB RETA 8697 will provide training to PMO in preparing financial statements and reporting in line with ADB and government requirements.
<b>Overall Control Risk</b>	<b>M</b>	

\* H – High, S – Substantial, M – Moderate, N – Negligible or Low.

42. **Updated Prioritized Risk Mitigation Actions:** The overall financial management risk for the project is derived from the underlying risks in the existing financial management systems of the EA and PMO. The following are the key risk mitigation actions that would reduce the project financial management risk:

- a. PMO specialists and financial staff must undergo further trainings on ADB financial management procedures to further strengthen its capacity and enable

- the PMO to prepare its financial reports.
- b. The PMO will update the financial management manual in accordance with MOF and ADB requirements, with assistance from RETA 8697.
- c. MPW to expedite recruitment of the internal auditor.

## **B. Disbursement**

43. The Grant proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time), and detailed arrangements agreed between the government and ADB.<sup>9</sup>

44. Direct payment procedures will generally be used for civil works contracts and consulting services. Payment for individual consultants (national) may be made from an imprest account. Immediately after grant effectiveness for each tranche, the PMO will establish an imprest account at a commercial bank.<sup>10,11</sup> The maximum ceiling of the imprest accounts will be 10% of the ADF grant amount used to finance the respective tranche. The currency of the imprest accounts will be United States Dollars. The government may request for initial and additional advances to the imprest accounts based on 6 months estimated expenditures to be financed for each tranche through the imprest account. The imprest accounts are to be used exclusively for ADB's share of eligible expenditures. Imprest accounts will be established, managed, and liquidated in accordance with ADB's *Loan Disbursement Handbook* and detailed arrangements agreed by the Government and ADB. ADB's *Loan Disbursement Handbook* describes which supporting documents should be submitted to ADB and which should be retained by the government for liquidation and replenishment of an Imprest account. Under Tranches 1 and 2, no imprest accounts will be established for the respective AITF grants, only the ADF grants. Meanwhile, under Tranche 4, a separate imprest account will be established for the EU grant.

45. The statement of expenditure (SOE) procedure will be used to reimburse eligible expenditure and to liquidate and replenish the imprest account for individual payments of \$100,000 equivalent and below. SOE records should be maintained and made readily available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.

46. PMO will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds, (iii) collecting supporting documents, and (iv) preparing and sending withdrawal applications to ADB. Before the submission of the first withdrawal application, the government shall submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is US\$100,000 equivalent, unless otherwise approved by ADB. Individual payments below this amount should generally be paid from the imprest account or by the EA/IA and subsequently claimed to ADB through reimbursement. ADB reserves the right not to accept WAs below the minimum amount.

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<sup>9</sup> Available at: [http://www.adb.org/Documents/Handbooks/Loan\\_Disbursement/loan-disbursement-final.pdf](http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf)

<sup>10</sup> The imprest account shall be opened at a commercial bank which meets the conditions provided in LDH 10.8.

<sup>11</sup> Any bank charges will be financed from the grant, in line with OM H3 requirement.

## **C. Accounting**

47. PMO will maintain separate project financial statements and records by funding source for all expenditures incurred on each project under the Investment Program. Project financial statements prepared by PMO annually will follow International Financial Reporting Standards.

## **D. Auditing**

48. PMO will cause the annual project financial statements for each tranche under the Investment Program to be audited in accordance with cash-based International Public Sector Accounting Standards (IPSAS). Such audited project financial statements, the audit report (which includes an opinion on whether the audited project financial statements presents fairly, in all material respects, the cash receipts and disbursements of the grant) and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any) will be submitted in the English language to ADB within 6 months of the end of the fiscal year by PMO. The annual audit report will also include an opinion on the use of the grant proceeds and compliance with the financial covenants of the Grant Agreements as well as on the use of the procedures for the imprest account and statement of expenditures.

49. The Government and PMO have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. The ADB's Policy on delayed submission of audited project financial statements is summarized as follows:

- When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (i) the audit documents are overdue; and (ii) if they are not received within the next six months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- When audited project financial statements have not been received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (i) inform the executing agency of ADB's actions; and (ii) advise that the loan may be suspended if the audit documents are not received within the next six months.
- When audited project financial statements have not been received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (i) inform the executing agency of ADB's actions; and (ii) advise that the loan may be suspended if the audit documents are not received within the next six months.

50. ADB reserves the right to verify the financial statements for each project under the Investment Program to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

## **E. Public Disclosure of Audited Financial Statements**

51. In respect of the project statements for Tranches 1, 2, 3, 4, and any subsequent tranches under the Investment Program, ADB will disclose the audited financial statement for such project and the auditors' opinion on the financial statements within 30 days of the receipt by posting them on the ADB website.

## **VI. PROCUREMENT AND CONSULTING**

### **A. Advance Contracting and Retroactive Financing**

52. Under each tranche, ADB may, subject to its policies and procedures, allow on request (a) advance contracting and (b) retroactive financing of eligible expenditures for up to 20% of the proposed individual grant, incurred prior to grant effectiveness but not earlier than 12 months before the date of signing of the related legal agreement. Afghanistan acknowledges that any approval of advance contracting and/or retroactive financing will not constitute a commitment by ADB to finance the related project.

53. All advance contracting and retroactive financing will be undertaken in conformity with ADB's Procurement Guidelines (2013, as amended from time to time)<sup>12</sup> and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).<sup>13</sup> The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB's prior review. The recipient, MOF and MPW have agreed that approval of advance contracting and retroactive financing does not commit ADB to finance the Project.

54. The government will follow ADB's policies, including ADB's Procurement Guidelines, the Guidelines on The Use of Consultants by ADB and its Borrowers (2013, as amended from time to time) and the Loan Disbursement Handbook (2012, as amended from time to time). The government has requested approval for advance contracting and retroactive financing in an amount not exceeding 20% of the aggregate of all of the Tranche 1, Project 1 grant amounts for eligible civil works, O&M and consulting services. Two of the road subprojects included in Tranche 1, Project 1 were originally intended for inclusion as part of the second tranche of the earlier Road Network Development Investment Program. However, following a change in strategic priorities, funds originally intended for these roads were reallocated to completing remaining sections of the Afghanistan Ring Road. As the government proceeded with advance actions in the expectation that the subprojects would proceed under the earlier MFF, the government has requested that ADB's approval of retroactive financing allow reimbursement of expenditures incurred up to 18 months before the signing date of the grant agreements for Tranche 1. Given these circumstances and as the advance actions have been undertaken in accordance with ADB requirements and facilitated project readiness, the request is considered justified.

55. The recipient, MOF and MPW has requested approval of advance contracting for procurement of civil works and construction supervision contract under Tranche 4. No retroactive financing was required for Tranche 2, 3, and 4.

### **B. Procurement of Goods, Works and Consulting Services**

56. MPW will undertake all procurement activities under the Facility in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) and ADB's Procurement Guidelines (2013, as amended from time to time), as applicable, under a procurement plan approved by ADB. The Procurement must include all procurement activities anticipated under the project. Procurement plan should be updated by MPW at most annually or as and when required depending on the project requirements.

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<sup>12</sup> Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

<sup>13</sup> Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>



57. The procurement plan for Tranches 1, 2, 3 and 4 are presented below.<sup>14</sup> To ensure competitive bidding, international competitive bidding (ICB) contract packages will be adopted. ICB will be used for civil works over \$5 million and goods over \$2 million. National competitive bidding (NCB) for civil works could be conducted for contracts not exceeding \$5 million. Civil works contracts will be procured through ICB using post-qualification. ADB's prior review procedures will be followed. Shopping will be used for contracts for procurement of works and equipment worth less than \$100,000. For Tranche 4, ADB is administering cofinancing resources in the form of a grant from the EU. Accordingly, universal procurement will apply to all procurement and consulting services packages to be financed under Tranche 4.<sup>15</sup> MPW-PMO agree to include the relevant sections of ADB's Anticorruption Policy (1998) in all bidding and contractual documents. To ensure that procurement are carried out quickly and in accordance with ADB's procurement guidelines and approved bidding documents a full time procurement assistance will be provided by a long-term consultant stationed at AFRM under TA 8665-REG: Strengthening the capacity of Integrity and Procurement in Central and West Asia as a capacity development program. In addition, an international procurement expert was engaged under the Project Management Office to provide hands-on training and support in addressing procurement issues. The Project Procurement Risk Assessment was updated and the Project Procurement Risk Assessment and Management Plan (P-RAMP) prepared. These are presented in Attachment 5: Project Procurement Risk Assessment Report for Tranche 4.

58. ADB's standard bidding documents will be used for procuring infrastructure improvement works. They will, to the extent possible, contain performance criteria and security assurances that will increase the efficiency and timeliness of completion. In the case of design-build contract for works, depending on the level completion of designs at the procurement stage, bids will be called on the basis of standards, specifications, and estimated quantities. Bidding documents for maintenance works on existing roads will follow the World Bank's<sup>16</sup> or other international agencies' documents for performance-based works, modified to ensure consistency with ADB's policies. For maintenance of rehabilitated infrastructure, similar bidding documents for performance-based contracts could be used.

59. All consultants will be recruited according to ADB's Guidelines on the Use of Consultants.<sup>17</sup>

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<sup>14</sup> The procurement plan for Tranche 4 is generated from the PRS.

<sup>15</sup> Accordingly: (a) ADB's grant financing for Tranche 4 may be used for procurement (i) in countries that are not developed member countries of ADB which have contributed to the resources of the Asian Development Fund or developing member countries of ADB; and (ii) of goods, works and services produced in such countries; and (b) EU's grant financing for Tranche 4 may be used for procurement (i) in non-member countries of ADB; and (ii) of goods, works and services produced in non-member countries of ADB. ADB. 2013. *Blanket Waiver of Member Country Procurement Eligibility Restrictions in Cases of Cofinancing for Operations Financed from Asian Development Fund Resources*. Manila.

<sup>16</sup> Available: <http://www.worldbank.org/html/opr/procure/bdocpage.html>.

<sup>17</sup> Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation>

## Procurement Plan<sup>a</sup> for Tranche 1

### Basic Data

**Project Name:** Transport Network Development Investment Program, Project 1

**Country:** Afghanistan

**Executing Agency:** Ministry of Public Works

**Grant Amount:** \$189 million

**Grant Number:** G0261-AFG

**Date of First Procurement Plan:**

**Date of this Procurement Plan:**

3 August 2011

12 July 2012

TBD = to be determined.

<sup>a</sup> Procurement plan will be revised annually.

### A. Process Thresholds, Review and 18-Month Procurement Plan

#### 1. Project Procurement Thresholds

60. Except as ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works	
Method	Threshold
International Competitive Bidding (ICB) for Works	Above \$1,000,000
International Competitive Bidding for Goods	Above \$500,000
National Competitive Bidding (NCB) for Works	Below that stated for ICB, Works
National Competitive Bidding for Goods	Below that stated for ICB, Goods
Shopping for Works	Below \$100,000
Shopping for Goods	Below \$100,000
Direct Contracting	None

#### 2. ADB Prior or Post Review

61. Except as ADB may otherwise agree, the following prior or post review requirements apply to the procurement and consultant recruitment methods used for the project. Civil works contracts will be procured through ICB using post qualification. ADB's prior review procedures will be followed.

Procurement Method	Prior or Post	Comments
<b>Procurement of Goods and Works</b>		
ICB Works	Prior	
ICB Goods	Prior	
NCB Works	Post	Prior review of first procurement
NCB Goods	Post	Prior review of first procurement
Shopping for Works	Post	
Shopping for Goods	Post	
<b>Recruitment of Consulting Firms</b>		
Quality- and Cost-Based Selection (QCBS)	Prior	
Quality-Based Selection	Prior	Upon the necessity
<b>Recruitment of Individual Consultants</b>		
Individual Consultants	Prior	Individual Consultants may be selected on an ad-hoc basis to provide intermittent and independent service on the

Procurement Method	Prior or Post	Comments
projects		
ADB = Asian Development Bank, QBS = quality-based selection, QCBS = quality- and cost-based selection.		

### 3. Goods and Works Contracts Estimated to Cost More Than \$1 Million

62. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months. The detailed procurement schedule is shown in Attachment 1.

General Description	Contract Value (\$ million)	Procurement Method	Prequalification of Bidders (y/n)	Advertisement Date (quarter/year)	Comments
<b>1. Civil Works</b>					
Reconstruction and Rehabilitation of Bagramy–Sapary (50 km)	52.0	ICB	N	8 September 2010	Financed by ADB
Reconstruction and Rehabilitation of Jabul Saraj–Nijrab (51 km)	27.5	ICB	N	31 August 2010	Financed by ADB
Reconstruction and Rehabilitation of Faizabad–Baharak (44 km)	65.5	ICB	N	10 September 2010	Financed by ADB
<b>2. Goods</b>					
Not applicable					

ADB = Asian Development Bank, ICB = international competitive bidding, km = kilometers, N = no.

### 4. Consulting Services Contracts Estimated to Cost More Than \$100,000

63. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Contract Value (\$ million)	Recruitment Method	Advertisement Date (quarter/year)	International or National Assignment	Comments
Construction Supervision of Reconstruction and Rehabilitation of Bagramy–Sapary	4.5	QCBS FTP	Q3/2010	International	Quality: Cost ratio: 70:30.
Construction Supervision of Reconstruction and Rehabilitation of Jabul Saraj–Nijrab	2.5	QCBS FTP	Q3/2010	International	Quality: Cost ratio: 70:30
Construction Supervision of Reconstruction and Rehabilitation of Faizabad–Baharak	4.0	QCBS FTP	Q1/2012	International	Quality: Cost ratio: 70:30
Institutional reform and restructuring	1.5	QCBS FTP	Q4/2012	International	Quality: Cost ratio: 90:10
Northern Railway Feasibility Study	2.5	QCBS FTP	Q4/2012	International	Quality: Cost ratio: 90:10

<b>General Description</b>	<b>Contract Value</b> (\$ million)	<b>Recruitment Method</b>	<b>Advertisement Date</b> (quarter/year)	<b>International or National Assignment</b>	<b>Comments</b>
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FTP = Full Technical Proposal, QCBS = quality- and cost-based selection.

## 5. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000

64. The following table groups smaller-value goods, works and consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

<b>General Description</b>	<b>Value of Contracts</b> (cumulative \$ million)	<b>Number of Contracts</b>	<b>Procurement / Recruitment Method<sup>1</sup></b>	<b>Comments</b>
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Not applicable

## B. Indicative List of Packages Required Under the Project

65. The following table provides an indicative list of all procurement (goods, works, and consulting services) over the life of the project. Contracts financed by the Recipient and others should also be indicated, with an appropriate notation in the comments section.

<b>General Description</b>	<b>Estimated Value</b> (cumulative \$ million)	<b>Estimated Number of Contracts</b>	<b>Procurement Method</b>	<b>Domestic Preference Applicable</b>	<b>Comments</b>
<b>Works</b>					
Reconstruction and Rehabilitation of Bagramy – Sapary (50 km)	52.0	1	ICB		Design- Build Contract procured
Reconstruction and Rehabilitation of Jabul Saraj – Nijrab (51 km)	27.5	1	ICB		Design- Build Contract procured
Reconstruction and Rehabilitation of Faizabad– Baharak (44 km)	65.5	1	ICB		Design- Build Contract procured
<b>Goods</b>					
Not applicable					
<b>Consulting Services</b>					
Construction Supervision of Reconstruction and Rehabilitation of Bagramy–	4.5	1	International QCBS	FTP	Consultant selected

<b>General Description</b>	<b>Estimated Value</b> (cumulative \$ million)	<b>Estimated Number of Contracts</b>	<b>Procurement Method</b>	<b>Domestic Preference Applicable</b>	<b>Comments</b>
Sapary					
Construction Supervision of Reconstruction and Rehabilitation of Jabul Saraj–Nijrab	2.5	1	International QCBS	FTP	Consultant selected
Construction Supervision of Reconstruction and Rehabilitation of Faizabad–Baharak	4.0	1	International QCBS	FTP	Consultant selected
Institutional reform and restructuring	1.5	1	International QCBS	FTP	
Northern Railway Feasibility Study	2.5	1	International QCBS	FTP	

ADB = Asian Development Bank, FTP = Full Technical Proposal, ICB = international competitive bidding, QCBS = quality- and cost-based selection

## **C. National Competitive Bidding**

### **1. General**

66. National competitive bidding for the procurement of goods and related services shall conform to the provisions for Open Tender without prequalification as prescribed in the *Procurement Law* of October 2005 and elaborated in the *Rules of Procedure for Public Procurement* issued by the Ministry of Finance in April 2007, with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB Procurement Guidelines.

#### **Registration and Other Pre-Bid Requirements**

- (i) Bidding shall not be restricted to Shortlists or Standing Lists.
- (ii) No bid shall be declared as ineligible on the grounds of debarment without ADB's prior concurrence.
- (iii) No bid shall be declared ineligible on the grounds of government regulations that restrict sources without ADB's prior concurrence.
- (iv) Foreign suppliers and contractors from ADB member countries shall be allowed to bid, without registration, licensing, and other government authorizations. However, in case these foreign suppliers and contractors are declared winning bidders, the requirements may be completed after award and before signing of contract, without unreasonable costs or additional requirements.

## **Prequalification**

67. Post qualification shall be used unless prequalification is explicitly provided for in the loan agreement/procurement plan. Irrespective of the procedure applied (whether prequalification or post qualification), no domestic or foreign contractor shall be precluded from participation.

68. If prequalification is undertaken, the prequalification criteria should include "Eligibility Requirements", "Financial Situation", "Pending Litigation", and "Experience". Technical Capacity (personnel and equipment) should not be part of the prequalification criteria.

69. Interested bidders shall be given a minimum period of 28 days for the preparation and submission of prequalification applications.

## **2. Advertising**

70. Bidding of NCB contracts estimated at \$500,000 or more for goods and related services and NCB contracts estimated at \$1,000,000 or more for works shall be advertised on ADB's website via the posting of the Procurement Plan.

## **3. Bidding Documents**

71. Procuring entities shall use standard bidding documents acceptable to ADB, based ideally on the standard bidding documents issued by ADB.

## **4. Bidding Period**

72. Procuring entities shall allow for a minimum of four weeks for submission of bids.

## **5. Bid Security**

73. Where required, bid security shall be in the form of a bank guarantee or check from a reputable bank and should not be more than two percent of the estimated value of contract to be procured.

## **6. Preferences**

74. No preference of any kind shall be given shall be given to domestic bidders or for domestically manufactured goods.

## **7. Evaluation**

75. No bid shall be rejected on the grounds of price, or for any other reason(s) not related to the evaluation and qualification criteria, without ADB's prior concurrence.

76. Prompt payment discounts offered by bidders shall not be considered in bid evaluation.

## **8. Price Negotiations**

77. Price negotiation shall be allowed only after receiving ADB's prior concurrence.

## **9. Advance Payments**

78. No advance payment shall be made without an advance payment security in the form of a bank guarantee or check from a reputable bank.

## **10. Government-Owned Enterprises**

79. Government-owned enterprises in Afghanistan shall be eligible to participate only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not a dependent agency of the procuring entity, or the Project Executing Agency, or the Implementing Agency.

## **11. Right to Inspect/Audit**

80. A provision shall be included in all NCB works and goods contracts financed by the Bank (ADB) requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

## **12. Anti Corruption Policy**

- (i) The Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.
- (ii) ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, ADB-financed contract, as indicated in paragraph 1.14 (a) of ADB's Procurement Guidelines.

## **13. Disclosure of Decision on Contract Awards**

81. At the same time that notification of award of Contract is given to the successful bidder, the results of bid evaluation shall be published in a local newspaper, or well-known freely accessible website identifying the bid and lot numbers and providing information on (i) name of each bidder who submitted a Bid, (ii) bid prices as read out at bid opening, (iii) name of bidders whose bids were rejected and the reasons for their rejection, and (iv) name of the winning bidder, and the price it offered, as well as duration and summary scope of the contract awarded. The executing agency/implementing agency/contracting authority shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids are not selected.

## **14. Member Country Restriction**

82. Bidders must be nationals of member countries of ADB, and offered goods, works and related services must be produced in and supplied from member countries of ADB.

#### **D. Review of Contract Modifications**

83. ADB will review contract modifications in accordance with the procedures set forth in the grant agreement between the Recipient and ADB.

#### **E. Consultant's Terms of Reference**

84. **Consulting service for Construction Supervision, Feasibility Study and Detailed Design.** Consultant will be engaged for each tranche of the investment program to perform as the Engineer of the Project. The consultant will administer the construction contracts and ensure that the contractual clauses for both quality and specifications of work are complied with, and the works are constructed in accordance with the provisions of the construction contracts. The consultant's representative will be a full-time professional resident engineer in the project area in accordance with the provisions of the construction contracts. In addition, the consultant will also carry out feasibility study and detailed design of each subsequent tranche.

85. **Consulting service for Sector and Institutional Reform and Restructuring.** Consultant will be engaged for the component of Sector and Institutional Reform and Restructuring along with generation of a Business Plan. The service will be implemented in the three phases over the investment program, and is expected to achieve (i) reforming and restructuring MPW-PMO and (ii) strengthening MPW-PMO's technical and management capacity. In Phase 1 as a part of Tranche 1, the Consultant will work on (i) preparing MPW-PMO's reform and restructuring plan and (ii) preparing MPW-PMO's human resource development plan. TOR for subsequent phases will be determined upon discussions between MPW, relevant authorities and ADB.

86. Procurement of works, goods and services under the additional financing for the Hairatan to Mazar-e-Sharif Railway Project will follow the updated procurement plan contained in the Project Administration Manual (PAM).

87. For Tranche 2, a total estimated 1680 person-months (371 international, 1309 national) of consulting services are required to (i) construction supervision, and (ii) institutional reform and restructuring of MPW-PMO. Consulting firms will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality:cost ratio of 90:10.



## Procurement Plan for Tranche 2<sup>18</sup>

### Basic Data

<b>Project Name:</b> Transport Network Development Investment Program - Tranche 2	
<b>Project Number:</b> 44482-023	<b>Approval Number:</b> 0327/0328
<b>Country:</b> Afghanistan, Islamic Republic of	<b>Executing Agency:</b> Ministry of Public Works
<b>Project Financing Amount:</b> US\$ 255,000,000 <b>ADB Financing:</b> US\$ 149,000,000 <b>Cofinancing (ADB Administered):</b> US\$ 87,000,000 <b>Non-ADB Financing:</b> US\$ 19,000,000	<b>Implementing Agency:</b> N/A
<b>Date of First Procurement Plan:</b> 10 December 2012	<b>Date of this Procurement Plan:</b> 13 January 2015 Version 2

### A. Methods, Thresholds, Review and 18-Month Procurement Plan

#### 1. Procurement and Consulting Methods and Thresholds

Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding for Goods	US\$ 500,000 and Above	Prior review
National Competitive Bidding for Goods	Between US\$ 100,000 and US\$ 499,999	The first NCB is subject to prior review, thereafter post review.
Direct Contracting for Goods	No threshold (allowed for any amount)	Prior review
Shopping for Goods	Up to US\$ 99,999	Prior review
International Competitive Bidding for Works	US\$ 1,000,000 and Above	Prior review
National Competitive Bidding for Works	Between US\$ 100,000 and US\$ 999,999	The first NCB is subject to prior review, thereafter post review.
Shopping for Works	Up to US\$ 99,999	Prior review
Direct Contracting for Works	No threshold (allowed for any amount)	Prior review

Consulting Services	
Method	Comments
Quality- and Cost-Based Selection for Consulting Firm	Prior review
Quality-Based Selection for Consulting Firm	Prior review Upon the necessity
Individual Consultants Selection for Individual Consultant	Prior review Individual consultants may be selected on an ad-hoc basis to provide intermittent and independent service on the projects

#### 2. Goods and Works Contracts Estimated to Cost \$1 Million or More

The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

<sup>18</sup> Procurement plan will be revised annually.

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
MPW/1592/ADB/ICB	Reconstruction and Rehabilitation of Chah-e-Anjir-Gereshk (31 km)	47,100,000.00	ICB	PRIOR	1S2E	Q1 / 2014	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Large Works  Comments: Financed by ADB & AITF. Second bidding.
MPW/1593/ADB/ICB	Reconstruction and Rehabilitation of Sharan-Angoor-Ada (50 km)	52,197,997.10	DC	PRIOR		Q1 / 2014	Domestic Preference Applicable: N  Comments: Financed by ADB. Second bidding
TBD-04	Asset Management System	1,000,000.00	ICB	PRIOR	1S1E	Q4 / 2014	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Goods  Comments: Financed by ADB.

### 3. Consulting Services Contracts Estimated to Cost \$100,000 or More

The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
MPW-16-81-ADB QCBS	Pre-Feasibility Study Bamyan-Kandahar	2,100,000.00	QCBS	PRIOR	Q1 / 2013	FTP	Assignment: International  Quality-Cost Ratio: 90:10  Comments:

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
							Awarded to Dongshin Engineering & Consultant Co. Ltd.
TBD-08	Capacity Building for MPW	1,100,000.00	ICS	PRIOR	Q2 / 2014		Assignment: International  Expertise: Transport Advisor, Rail Advisor, Procurement Specialist, Resettlement Specialist  Comments: Approved change memo uploaded in eOps..
TBD-10	PMO Support	1,000,000.00	ICS	PRIOR	Q3 / 2014		Assignment: National  Expertise: International and National

#### 4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

The following table lists smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
None								

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
None								

## B. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
None							

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior/Post)	Type of Proposal	Comments
None							

## C. List of Awarded and On-going, and Completed Contracts

The following tables list the awarded and on-going contracts, and completed contracts.

### 1. Awarded and Ongoing Contracts

Goods and Works							
Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
MPW/1591/ADB/ICB	Reconstruction and Rehabilitation of Sapary-Jalalabad	101,100,000.00	109,998,379.00	ICB	Q1 / 2013	22-NOV-13	Contract signed on 4-Dec-13 with Xinjiang Beixin Road & Bridge Group Co. Ltd. (PRC)

Consulting Services							
Package Number	General Description	Estimated Value	Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
MPW/1280/QCBS	Construction Supervision of Reconstruction and Rehabilitation of Chah-e-Anjir-Gereshk	5,100,000.00	5,969,680.00	QCBS	Q3 / 2011	09-SEP-13	Contract signed on 9-Nov-13 with Angel Lazaro & Associates International Consulting Engineers and Architects in association with RCOMTECH Engineering
MPW/1528/ADB/QCBS	Construction Supervision of Reconstruction and Rehabilitation of Sharan-Angor-	4,200,000.00	6,553,870.00	QCBS	Q3 / 2012	31-MAR-14	Contract awarded to DONG-IL (KOR)

	Ada						
MPW/1527/ADB/ QCBS	Construction Supervision of Reconstruction and Rehabilitation of Sapary- Jalalabad	6,200,000.00	7,679,784.00	QCBS	Q3 / 2012	19-DEC- 11	Contract signed on 11-Jan-14 with Sheladia Associates Inc. (USA)

## C. National Competitive Bidding

### 1. General

88. National competitive bidding for the procurement of goods and related services shall conform to the provisions for Open Tender without prequalification as prescribed in the *Procurement Law* of October 2005 and elaborated in the *Rules of Procedure for Public Procurement* issued by the Ministry of Finance in April 2007, with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB Procurement Guidelines.

- (i) No bid shall be declared ineligible on the grounds of government regulations that restrict sources without ADB's prior concurrence.
- (ii) Foreign suppliers and contractors from ADB member countries shall be allowed to bid, without registration, licensing, and other government authorizations. However, in case these foreign suppliers and contractors are declared winning bidders, the requirements may be completed after award and before signing of contract, without unreasonable costs or additional requirements.

### 2. Prequalification

89. Post qualification shall be used unless prequalification is explicitly provided for in the loan agreement/procurement plan. Irrespective of the procedure applied (whether prequalification or post qualification), no domestic or foreign contractor shall be precluded from participation.

90. If prequalification is undertaken, the prequalification criteria should include "Eligibility Requirements", "Financial Situation", "Pending Litigation", and "Experience". Technical Capacity (personnel and equipment) should not be part of the prequalification criteria.

91. Interested bidders shall be given a minimum period of 28 days for the preparation and submission of prequalification applications.

### 3. Advertising

92. Bidding of NCB contracts estimated at \$500,000 or more for goods and related services and NCB contracts estimated at \$1,000,000 or more for works shall be advertised on ADB's website via the posting of the Procurement Plan.

#### **4. Bidding Documents**

93. Procuring entities shall use standard bidding documents acceptable to ADB, based ideally on the standard bidding documents issued by ADB.

#### **5. Bidding Period**

94. Procuring entities shall allow for a minimum of four weeks for submission of bids.

#### **6. Bid Security**

95. Where required, bid security shall be in the form of a bank guarantee or check from a reputable bank and should not be more than two percent of the estimated value of contract to be procured.

#### **7. Preferences**

96. No preference of any kind shall be given shall be given to domestic bidders or for domestically manufactured goods.

#### **8. Evaluation**

97. No bid shall be rejected on the grounds of price, or for any other reason(s) not related to the evaluation and qualification criteria, without ADB's prior concurrence.

98. Prompt payment discounts offered by bidders shall not be considered in bid evaluation.

#### **9. Price Negotiations**

99. Price negotiation shall be allowed only after receiving ADB's prior concurrence.

#### **10. Advance Payments**

100. No advance payment shall be made without an advance payment security in the form of a bank guarantee or check from a reputable bank.

#### **11. Government-Owned Enterprises**

101. Government-owned enterprises in Afghanistan shall be eligible to participate only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not a dependent agency of the procuring entity, or the Project Executing Agency, or the Implementing Agency.

#### **12. Right to Inspect/Audit**

102. A provision shall be included in all NCB works and goods contracts financed by the Bank (ADB) requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

### **13. Anti Corruption Policy**

- (i) The Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.
- (ii) ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, ADB-financed contract, as indicated in paragraph 1.14 of ADB's Procurement Guidelines.

### **14. Disclosure of Decision on Contract Awards**

103. At the same time that notification of award of Contract is given to the successful bidder, the results of bid evaluation shall be published in a local newspaper, or well-known freely accessible website identifying the bid and lot numbers and providing information on (i) name of each bidder who submitted a Bid, (ii) bid prices as read out at bid opening, (iii) name of bidders whose bids were rejected and the reasons for their rejection, and (iv) name of the winning bidder, and the price it offered, as well as duration and summary scope of the contract awarded. The executing agency/implementing agency/contracting authority shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids are not selected.

### **15. Member Country Restriction**

104. Bidders must be nationals of member countries of ADB, and offered goods, works and related services must be produced in and supplied from member countries of ADB.

### **D. Review of Contract Modifications**

105. ADB will review contract modifications in accordance with the procedures set forth in the relevant grant agreement between the Recipient and ADB.

## **E. Consultant's Terms of Reference**

106. The following provides the overview of the terms of reference (TOR) for the consulting services. Outline Terms of Reference (TORs) are provided in Attachments 2, 3, and 4 for the project management and supervision consultant packages.

107. **Consulting services for Construction Supervision, Feasibility Study, and Detailed Design.** Consultants will be engaged for each tranche of the Investment Program to perform as the Engineer of the subprojects. The consultants will administer the construction contracts and ensure that the contractual clauses for both quality and specifications of work are complied with, and the works are constructed in accordance with the provisions of the construction contracts. The consultants' representatives will be a full-time professional resident engineer in the project area in accordance with the provisions of the construction contracts. In addition, the consultants will also carry out feasibility study and detailed design of each subsequent tranche.

108. **Consulting services for Capacity Building.** Consultants will be engaged for activities under Component B of the Investment Program (Transport Network Management Capacity Development). The consulting services will be implemented in the three phases over the Investment Program, and are expected to achieve: (i) reforming and restructuring MPW-PMO and (ii) strengthening MPW-PMO's technical and management capacity. In Phase 2 as a part of Tranche 2, the consultants work will focus on: (i) implementing MPW-PMO's reform and restructuring plan (ii) implementing MPW-PMO's human resource development plan, and its outline TOR as presented in the FAM, (iii) implementing the Asset Management System, (iv) continuing sector governance improvements by building upon the progress made in Phase 1, with emphasis on strengthening the Rail Authority, Road Authority, and Road Fund, and (v) continuing to provide general support to MPW-PMO. TORs for subsequent phases will be determined upon discussions between MPW-PMO, relevant authorities and ADB based on progress and revised demands.



**Procurement Plan<sup>19</sup> for Tranche 3**  
**Basic Data**

<b>Project Name:</b> Transport Network Development Investment Program - Tranche 3	
<b>Project Number:</b> 44482-024	<b>Approval Number:</b> 0355
<b>Country:</b> Afghanistan, Islamic Republic of	<b>Executing Agency:</b> Ministry of Public Works
<b>Project Financing Amount:</b> US\$ 230,000,000 <b>ADB Financing:</b> US\$ 220,000,000 <b>Cofinancing (ADB Administered):</b> <b>Non-ADB Financing:</b> US\$ 10,000,000	<b>Implementing Agency:</b> N/A
<b>Date of First Procurement Plan:</b> 11 September 2013	<b>Date of this Procurement Plan:</b> 22 April 2014

**A. Methods, Thresholds, Review and 18-Month Procurement Plan**

**1. Procurement and Consulting Methods and Thresholds**

Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding for Goods	US\$ 500,000 and Above	Prior review
National Competitive Bidding for Goods	Between US\$ 100,000 and US\$ 499,999	The first NCB is subject to prior review, thereafter post review.
Shopping for Goods	Up to US\$ 99,999	Post review
International Competitive Bidding for Works	US\$ 1,000,000 and Above	Prior review
National Competitive Bidding for Works	Between US\$ 100,000 and US\$ 999,999	The first NCB is subject to prior review, thereafter post review.
Shopping for Works	Up to US\$ 99,999	Post review

Consulting Services	
Method	Comments
Quality- and Cost-Based Selection for Consulting Firm	Prior review
Quality-Based Selection for Consulting Firm	Prior review. Upon the necessity.
Individual Consultants Selection for Individual Consultant	Prior review. Individual consultants may be selected on an ad-hoc basis to provide intermittent and independent service on the projects.

**2. Goods and Works Contracts Estimated to Cost \$1 Million or More**

The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
MPW-159X-ICB	Reconstruction and Rehabilitation of Dar-i-Suf-Yakawlang (178 km)	185,000,000.00	ICB	PRIOR	1S2E	Q2 / 2014	Prequalification of Bidders: N  Domestic Preference Applicable: N

<sup>19</sup> Procurement plan will be revised annually.

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
							Bidding Document: Large Works  Comments: Financed by ADB

### 3. Consulting Services Contracts Estimated to Cost \$100,000 or More

The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
Indv-PMO	Individual Consultants for PMO Support	1,000,000.00	ICS	PRIOR	Q4 / 2014		Assignment: International  Expertise: International and National
MPW-XXXX-ADB-QCBS	Construction Supervision of Reconstruction of Dar-i-Suf-Yakawlang	9,300,000.00	QCBS	PRIOR	Q2 / 2014	FTP	Assignment: International  Quality-Cost Ratio: 90:10  Comments: As per approved quality-cost-ratio for this Grant
Pre-FS Gardandewal	Pre-Feasibility Study Gardandewal-Chaghcharan	2,100,000.00	QCBS	PRIOR	Q3 / 2014	FTP	Assignment: International  Quality-Cost Ratio: 90:10  Comments: As per approved quality-cost-ratio for this Grant
Pre-FS Kabul Road	Pre-Feasibility Kabul Ring Road	2,100,000.00	QCBS	PRIOR	Q4 / 2014	FTP	Assignment: International  Quality-Cost Ratio: 90:10

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior/Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
							Comments: As per approved quality-cost-ratio for this Grant

#### 4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
None								

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior/Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
None								

#### B. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
None							

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior/Post)	Type of Proposal	Comments
None							

#### C. National Competitive Bidding

##### 1. General

109. National competitive bidding for the procurement of goods and related services shall conform to the provisions for Open Tender without prequalification as prescribed in the *Procurement Law* of October 2005 and elaborated in the *Rules of Procedure for Public Procurement* issued by the Ministry of Finance in April 2007, with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB Procurement Guidelines.

## **2. Registration and Other Pre-Bid Requirements**

- (i) Bidding shall not be restricted to Shortlists or Standing Lists.
- (ii) No bid shall be declared as ineligible on the grounds of debarment without ADB's prior concurrence.
- (iii) No bid shall be declared ineligible on the grounds of government regulations that restrict sources without ADB's prior concurrence.
- (iv) Foreign suppliers and contractors from ADB member countries shall be allowed to bid, without registration, licensing, and other government authorizations. However, in case these foreign suppliers and contractors are declared winning bidders, the requirements may be completed after award and before signing of contract, without unreasonable costs or additional requirements.

## **3. Prequalification**

110. Post qualification shall be used unless prequalification is explicitly provided for in the loan agreement/procurement plan. Irrespective of the procedure applied (whether prequalification or post qualification), no domestic or foreign contractor shall be precluded from participation.

111. If prequalification is undertaken, the prequalification criteria should include "Eligibility Requirements", "Financial Situation", "Pending Litigation", and "Experience". Technical Capacity (personnel and equipment) should not be part of the prequalification criteria.

112. Interested bidders shall be given a minimum period of 28 days for the preparation and submission of prequalification applications.

## **4. Advertising**

113. Bidding of NCB contracts estimated at \$500,000 or more for goods and related services and NCB contracts estimated at \$1,000,000 or more for works shall be advertised on ADB's website via the posting of the Procurement Plan.

## **5. Bidding Documents**

114. Procuring entities shall use standard bidding documents acceptable to ADB, based ideally on the standard bidding documents issued by ADB.

## **6. Bidding Period**

115. Procuring entities shall allow for a minimum of four weeks for submission of bids.

## **7. Bid Security**

116. Where required, bid security shall be in the form of a bank guarantee or check from a reputable bank and should not be more than two percent of the estimated value of contract to be procured.

## **8. Preferences**

117. No preference of any kind shall be given shall be given to domestic bidders or for domestically manufactured goods.

## **9. Evaluation**

118. No bid shall be rejected on the grounds of price, or for any other reason(s) not related to the evaluation and qualification criteria, without ADB's prior concurrence.

119. Prompt payment discounts offered by bidders shall not be considered in bid evaluation.

## **10. Price Negotiations**

120. Price negotiation shall be allowed only after receiving ADB's prior concurrence.

## **11. Advance Payments**

121. No advance payment shall be made without an advance payment security in the form of a bank guarantee or check from a reputable bank.

## **12. Government-Owned Enterprises**

122. Government-owned enterprises in Afghanistan shall be eligible to participate only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not a dependent agency of the procuring entity, or the Project Executing Agency, or the Implementing Agency.

## **13. Right to Inspect/Audit**

123. A provision shall be included in all NCB works and goods contracts financed by the Bank (ADB) requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

## **14. Anti Corruption Policy**

- (i) The Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.
- (ii) ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, ADB-financed contract, as indicated in paragraph 1.14 of ADB's Procurement Guidelines.

## **15. Disclosure of Decision on Contract Awards**

124. At the same time that notification of award of Contract is given to the successful bidder, the results of bid evaluation shall be published in a local newspaper, or well-known freely accessible website identifying the bid and lot numbers and providing information on (i) name of each bidder who submitted a Bid, (ii) bid prices as read out at bid opening, (iii) name of bidders whose bids were rejected and the reasons for their rejection, and (iv) name of the winning bidder, and the price it offered, as well as duration and summary scope of the contract awarded.

The executing agency/implementing agency/contracting authority shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids are not selected. In the case of consultants hired to support the PMO, the names of those candidates shortlisted and ultimately selected will be published.

## **16. Member Country Restriction**

125. Bidders must be nationals of member countries of ADB, and offered goods, works and related services must be produced in and supplied from member countries of ADB.

### **D. Review of Contract Modifications**

126. ADB will review contract modifications in accordance with the procedures set forth in the relevant grant agreement between the Recipient and ADB.

### **E. Consultant's Terms of Reference**

127. The following provides the overview of the terms of reference (TOR) for the consulting services. Outline Terms of Reference (TORs) are provided in the FAM.

128. **Consulting services for Construction Supervision, Feasibility Study and Detailed Design.** Consultants will be engaged for each tranche of the Investment Program to perform as the Engineer of the subprojects. The consultants will administer the construction contracts and ensure that the contractual clauses for both quality and specifications of work are complied with, and the works are constructed in accordance with the provisions of the construction contracts. The consultants' representatives will be a full-time professional resident engineer in the project area in accordance with the provisions of the construction contracts. In addition, the consultants will also carry out feasibility study and detailed design of each subsequent tranche.

129. **Consulting Services for Pre-Feasibility Studies.** Consultants will be engaged for activities under Component B of the Investment Program (Transport Network Management Capacity Development). The consulting services will conduct feasibility studies on priority projects of the government to meet demands and complete Afghanistan's transport network.

## PROCUREMENT PLAN FOR TRANCHE 4

### Basic Data

<b>Project Name:</b> Transport Network Development Investment Program - Tranche 4	
<b>Project Number:</b> 44482-025	<b>Approval Number:</b> 0422/0423
<b>Country:</b> Afghanistan, Islamic Republic of	<b>Executing Agency:</b> Ministry of Public Works
<b>Project Financing Amount:</b> \$146,000,000 <b>ADB Financing:</b> \$109,000,000 <b>Cofinancing (ADB Administered):</b> \$21,000,000 <b>Non-ADB Financing:</b> \$16,000,000	<b>Implementing Agency:</b> N/A
<b>Date of First Procurement Plan:</b> 20 November 2014	<b>Date of this Procurement Plan:</b> 20 November 2014

### A. Methods, Thresholds, Review and 18-Month Procurement Plan

#### 1. Procurement and Consulting Methods and Thresholds

130. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding for Goods	\$2,000,000 and Above	Prior review
National Competitive Bidding for Goods	Between \$100,001 and \$1,999,999	The first NCB is subject to prior review, thereafter post review.
Direct Contracting for Goods	No threshold (allowed for any amount)	Prior review
Shopping for Goods	Up to \$100,000	Prior review
International Competitive Bidding for Works	\$5,000,000 and Above	Prior review
National Competitive Bidding for Works	Between \$100,001 and \$4,999,999	The first NCB is subject to prior review, thereafter post review.
Shopping for Works	Up to \$100,000	Prior review

Consulting Services	
Method	Comments
Quality- and Cost-Based Selection for Consulting Firm	Prior review
Individual Consultants Selection for Individual Consultant	Prior review

#### 2. Goods and Works Contracts Estimated to Cost \$1 Million or More

131. The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value (\$)	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
CW-1	Reconstruction and Rehabilitation of Baharak-Eshkashim (108 km)	94,200,000.00	ICB	Prior	1S2E	Q1 / 2015	Prequalification of Bidders: N  Domestic Preference Applicable: N

Package Number	General Description	Estimated Value (\$)	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
							Bidding Document: Large Works  Comments: Financed by ADB
Goods-1	Border Crossing Point and Road Monitoring Equipment for CAREC Corridors 5 & 6	5,100,000.00	ICB	Prior	1S2E	Q4 / 2015	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Goods  Comments: Financed by EU

### 3. Consulting Services Contracts Estimated to Cost \$100,000 or More

132. The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value (\$)	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
CS-1	Construction Supervision of Reconstruction and Rehabilitation of Baharak-Eshkashim	7,700,000.00	QCBS	Prior	Q1 / 2015	FTP	Assignment: International  Quality-Cost Ratio: 90:10  Comments: The civil works contract is design-build modality thus high quality supervision consultant is required to ensure international standard design and construction.
CS-2	Pilot O&M Study and Best Practices Support for CAREC Corridors 5 & 6	4,100,000.00	QCBS	Prior	Q2 / 2015	FTP	Assignment: International  Quality-Cost



Package Number	General Description	Estimated Value (\$)	Recruitment Method	Review (Prior/Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
							Ratio: 90:10  Comments: Financed by EU.
Indv-AfRA Support	Individual Consultants for AfRA Support	8,700,000.00	ICS	Prior	Q1 / 2015		Assignment: International  Expertise: Railway  Comments: Financed by EU
Indv-CAREC Corridors	Individual Consultants for Studies on CAREC Corridors 5 & 6	2,600,000.00	ICS	Prior	Q2 / 2015		Assignment: International  Expertise: Transport Facilitation  Comments: Financed by EU
Indv-PMO Support	Individual Consultants for PMO Support	1,100,000.00	ICS	Prior	Q1 / 2015		Assignment: National, International  Expertise: Project Management

**4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)**

133. The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value (\$)	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
None								

Consulting Services								
Package Number	General Description	Estimated Value (\$)	Number of Contracts	Recruitment Method	Review (Prior/Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
None								

## B. Indicative List of Packages Required Under the Project

134. The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works							
Package Number	General Description	Estimated Value (cumulative \$)	Estimated Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
None							

Consulting Services							
Package Number	General Description	Estimated Value (cumulative \$)	Estimated Number of Contracts	Recruitment Method	Review (Prior/Post)	Type of Proposal	Comments
None							

## C. Non-ADB Financing

135. The following table lists goods, works and consulting services contracts over the life of the project, financed by Non-ADB sources.

Goods and Works				
General Description	Estimated Value (cumulative \$)	Estimated Number of Contracts	Procurement Method	Comments
Border Crossing Point and Road Monitoring Equipment for CAREC Corridors 5 & 6	5,100,000.00	3	ICB	Description: Automatic digital scales, CCTV cameras, networking equipment

Consulting Services				
General Description	Estimated Value (cumulative \$)	Estimated Number of Contracts	Recruitment Method	Comments
Pilot O&M Study and Best Practices Support for CAREC Corridors 5 & 6	4,100,000.00	1	QCBS	
Individual Consultants for Studies on CAREC Corridors 5 & 6	2,600,000.00	10	ICS	50 person-months international and 100 person-months national for three separate studies on corridor performance monitoring, cross-border transport agreements and analysis of bottlenecks at border crossing points.
Individual Consultants for AfRA Support	8,700,000.00	45	ICS	150 person-months international and 450 person-months national for training and advisory services.
Individual Consultants for PMO Support	1,100,000.00	30	ICS	

## **VII. SAFEGUARDS**

136. The Government of Afghanistan (GoA) will ensure that all the requirements prescribed in Schedule 5 of the FFA, and the following frameworks that have been prepared with respect to the Facility are complied with during the processing and implementation of the investment program:

- (i) environmental assessment and review framework ("EARF");
- (ii) land acquisition and resettlement framework ("LARF");
- (iii) gender action framework ("GAF"); and
- (iv) gender action plan ("GAP").

137. The safeguard frameworks cover the Facility specific information and requirements in accordance with ADB's Safeguard Policy Statement (2009) (SPS): (i) the general anticipated impacts of the projects likely to be financed under the Facility on the environment, involuntary resettlement, and indigenous peoples; (ii) the safeguard criteria that are to be used in selecting projects; (iii) the requirements and procedure that will be followed for screening and categorization, impact assessments, development of management plans, public consultation and information disclosure (including the 120-day disclosure rule, if required), and monitoring and reporting; (iv) the institutional arrangements (including budget and capacity requirements) and Afghanistan's and ADB's responsibilities and authorities for the preparation, review and clearance of safeguard documents.

138. As for subsequent tranches, at the preparation of each PFR, the applicability and relevance of each safeguard framework for the frameworks above will be reviewed and updated to ensure relevance and consistency with all applicable laws and regulations in Afghanistan and SPS (2009), as amended from time to time. In the event that there is a discrepancy between the laws and regulations of Afghanistan and ADB safeguard policies, the ADB safeguard policies will prevail. In addition, GoA will carry out due diligence works on ongoing projects to assess the status of compliance with the safeguards-related plans and frameworks.

139. For each project, GoA are required to submit safeguard monitoring reports semiannually covering all the aspects and issues from perspectives of environment, land acquisition and resettlement and indigenous people.

140. MPW will ensure that the Investment Program is implemented with active participation of all national stakeholders, using participatory practices, and consultation will continue throughout implementation of the Investment Program. Disclosure of relevant information to these stakeholders will continue throughout implementation of the Investment Program.

141. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS),<sup>20</sup> ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS. ADB will ensure that the investment program is in compliance with applicable national laws and regulations and will apply the prohibited investment activities list.

### **A. Environment**

142. GoA will ensure that the design, construction, and operation and maintenance of the facilities under investment program are carried out in accordance with ADB's Safeguard Policy

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<sup>20</sup> Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

Statement (2009) (SPS), applicable laws and regulations in Afghanistan, the EARF, and respective IEEs or EIAs.<sup>21</sup> Afghanistan through the Ministry of Public Works will ensure that potential adverse environmental impacts arising from the investment program are minimized by implementing all mitigation and monitoring measures as presented in the environment management plan (EMP) included in the IEEs or EIAs. Afghanistan through the Ministry of Public Works will ensure that:

- (i) EMPs are updated when necessary.
- (ii) MPW–PMO has sufficient resources to implement and record the implementation of the EMPs prepared for the investment program.
- (iii) Starting from project commencement, the PMO will submit semi-annual environmental reports to ADB, within three months of the close of each half of the calendar year during implementation of each individual project under the investment program. The report will include, among other things, a review of progress made on environmental measures detailed in the IEEs or EIAs and EMPs, and monitoring thereof; and problems encountered and remedial measures taken.
- (iv) Detailed engineering designs, civil works and other contracts for the investment program facilities incorporate applicable environmental measures identified in the IEEs or EIAs and EMPs.
- (v) Civil works contractors are supervised to ensure compliance with the requirements of the IEEs or EIAs and EMPs.
- (vi) If an EIA is required, it has to be disclosed to the public 120 days before the approval of the associated tranche by ADB Management.

## **B. Land Acquisition and Resettlement**

143. Afghanistan will ensure that each project financed under the Facility are developed, implemented and maintained in accordance with all applicable laws and regulations of Afghanistan, ADB's Safeguard Policy Statement (2009) and the LARF.<sup>22</sup>

144. Afghanistan will cause MPW to ensure that:

- (i) for projects with involuntary resettlement, a land acquisition and resettlement plan (LARP) acceptable to ADB is prepared for each project in accordance with all applicable laws and regulations of Afghanistan, ADB's Safeguard Policy Statement (2009) and the LARF, as a submission with the PFR;
- (ii) all land and rights-of-way required by the projects are made available free and clear from any and all rights and claims of third parties and any other encumbrances in a timely manner, subject to compliance with all applicable laws and regulation of Afghanistan, ADB's Safeguard Policy Statement (2009), the LARF and the LARPs; and

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<sup>21</sup> The EARF is presented in Attachment 4.

<sup>22</sup> The LARF is presented in Attachment 2.

(iii) no civil works contract for project involving resettlement will be awarded until the relevant LARP has been approved by ADB. Contractors will only commence civil works after the LARP has been implemented in accordance with its terms, as verified by an independent body or person.

145. To address the land acquisition and resettlement impacts, a LARP will be drafted for each subproject prior to approval. Given the design and build contract modality, the initial draft LARP will be updated based on final detailed engineering design. The LARPs will be disclosed to the project-affected persons. Compensation for lost assets and resettlement allowance will be paid to the affected persons, and the livelihood rehabilitation arrangements made in accordance with the updated LARP.

146. **Information disclosure.** All the affected persons (APs) in communities were involved in the subproject impact and socio-economic survey. On various occasions during meetings, interviews, focus group discussions, public consultation workshops, and community consultation meetings, local representatives participated in the planning and their concerns have been integrated into the LARPs. Before implementation, the village leaders and elders will further discuss and consult with the affected persons to their interests are protected as per ADB guidelines and the relevant laws of Afghanistan. MPW will disclose the LARPs locally in the communities. The LARPs will also be posted on ADB 's website and resettlement information booklets were distributed to affected households prior to tranche approval. The resettlement information booklet contains the resettlement scope, project schedule, compensation rates for land and other assets, relocation and economic rehabilitation' Strategies, and grievance redress mechanisms.

147. **Grievance redress mechanism.** An efficient grievance redress mechanism will assist the APs in resolving queries and complaints. The main objective of MPW in providing redress mechanism is to avoid potential delays on the commencement of construction works for the project; address and resolve the issues and complaints raised by the APs. The APs should be aware of the procedures on the resolution of grievances, which the resettlement team will inform to project stakeholders during project disclosures and public consultations.

148. As the concept on compensation is relatively new to the Government of Afghanistan, MPW, through the Engineer or their local staff, will provide a pro-forma letter to be used by APs for filing their complaints or grievances. MPW will also establish liaison with the Office of the District Governor to receive a copy of each complaint filed, track the complaint and prepare monthly reports on the status of the filed complaints, to be included in the regular progress reporting of the Project. Additionally, the implementing NGO will help the APs in preparing the grievance and sending it to the concerned authority, at the appropriate level, and in pursuing it. For this purpose the NGO will establish a Grievance Redress Unit within the project area.

149. There will be four-stage procedures for redress of grievances and complaints, however DPs will have the right to move a court of law at any stage. These are as follows:

- Complaints are to be filed at the district governor offices. The district government with the help from Shura, NGO and PMOs resettlement team is obliged to reply and explain the decision within 30 days from the date the complaint was received. The Grievance Redress Committee (GRC) will assist the district governor offices in the mediation and resolution of conflict.

- If AP is unsatisfied or has no reply from the district governor office, grievances can then be lodged with the Province Governor offices. The Governor office will issue the final decision within 45 days.
- If AP is unsatisfied or has no reply from the provincial governor's office, grievances can then be lodged with the General Governor's Office in Kabul. The General Governor's office will issue the final decision within 60 days.
- The AP always has recourse at any stage through Afghanistan's legal channels and referred to the appropriate courts; however, every effort will be made to avoid this since the system is presently critically weak. Should the AP want to pursue legal recourse, in a court of law at anytime, MPW through its staff or consultant and implementing NGO will ensure that support is given to the AP to prepare a case.

150. The APs can call upon the support of the NGO to assist them in presenting their grievances or queries to the GRC if necessary. The NGO will act as an in-built grievance redress body. The APs, who would not be satisfied with the decision of the GRC, will have the right to take the grievance to the judiciary. Taking grievances to the judiciary will be avoided as far possible and the NGO will make utmost efforts at reconciliation at the level of GRC and MPW will make every effort to solve the issue before going to the court as a last resort. Each LARP prepared will provide a detailed grievance redress mechanism.

151. **Monitoring and Evaluation.** Internal and external monitoring of LARP implementation will be conducted. Monitoring methodologies are specified in the drafted LARPs. Each implementing unit will conduct internal supervision and monitoring to ensure compliance with the provisions of the LARPs. For each subproject, MPW will reach agreement with ADB to a set of supervision milestones, to ensure timely and effective implementation of resettlement activities. An independent agency will be engaged to conduct external monitoring and evaluation. Bi-annual external resettlement monitoring reports will be forwarded directly to both MPW and ADB.

### **C. Indigenous Peoples**

152. Afghanistan shall ensure that projects financed under the Facility do not have any indigenous peoples' impacts within the meaning of the Safeguard Policy Statement (2009). In the event that project(s) do have any such impacts, Afghanistan shall take all steps required to ensure that the Project complies with the applicable laws and regulations of Afghanistan and the Safeguard Policy Statement.

153. For subsequent projects under the investment program, if any adverse impact on indigenous people is observed at their preparation stage, an indigenous peoples planning framework (IPPF) and indigenous peoples plan (IPP) will be prepared by MPW and will proceed in line with SPS (2009).

## **VIII. GENDER AND SOCIAL DIMENSIONS**

154. MPW–PMO will incorporate provisions in civil work contracts that contractors shall (i) comply with Afghanistan's applicable labor laws and related international treaty obligations and not employ child labor, (ii) provide safe work conditions and separate sanitation facilities for male and female workers, (iii) provide equal wage to male and female workers for work of equal value, (iv) provide employment opportunities for women, (v) carry out programs of preventing HIV/AIDS, illicit drugs and human trafficking at workers' campsites.

155. During project implementation, consultations with the participants listed above will continue in order to disclose the project's progress. Prior to the commencement of civil works, MPW–PMO will conduct consultation meetings with the support of the construction supervision consultants and contractors.

156. A Gender Action Framework (GAF) has been prepared for the Investment Program, which will be built upon and used to incorporate increased gender mainstreaming activities and indicators to measure progress. The introduction of gender elements in the investment program is intended to complement other ADB or development partner programs or projects seeking to support the role of women in development such as ADB financed RETA 7563: Promoting Gender Inclusive Growth in Central and West Asia Developing Member Countries.<sup>23</sup>

157. A Gender Action Plan (GAP) has also been prepared for Tranches 3 and 4. Implementation progress in carrying out the activities listed in the GAP and achieving the targets will be reported in the consultant's quarterly progress reports as well as MPW's quarterly reports.

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<sup>23</sup> Reports on activities in Afghanistan financed under RETA 7563 are posted here: <http://www.adb.org/projects/44067-012/main>

### Gender Action Framework (GAF)

Objective	Activity	Indicator	Responsibility
<b>Tranche 2, Output 2: Strengthened technical and management capacity of the Ministry of Public Works.</b>			
1. Women participate in and benefit from transport infrastructure reconstruction and rehabilitation.	1.1 Develop an action plan for incorporating employment options for women in infrastructure project sites and in the Project Management Office (PMO).	<ul style="list-style-type: none"> <li>• Equal pay for equal work provision in civil works contracts.</li> <li>• At least 10% of position in PMO filled with women</li> <li>• Distribute information about employment opportunities for women in project sites where culturally appropriate (i.e., northern part of Afghanistan).</li> </ul>	Executing Agency (EA)
	1.2 Ensure sex-disaggregated data collection during socioeconomic studies of detailed resettlement plans.	<ul style="list-style-type: none"> <li>• Data on female headed households collected.</li> <li>• Data on women's access to land and property collected.</li> <li>• Data on travel time to reach next health center and school collected.</li> </ul>	EA
2. Strengthening the commitment to and capacity of the EA to promote gender equality.	2.1 Enhancing capacity of line agencies in undertaking gender-sensitive measures for road construction.	<ul style="list-style-type: none"> <li>• Prioritize constructing road sections which connect communities with health facilities and schools.</li> <li>• Constructing bus stops and market facilities along the road alignments close to settlements.</li> </ul>	EA
	2.2 Develop one pilot initiative <sup>24</sup> which will improve women's benefits from road construction.	<ul style="list-style-type: none"> <li>• Pilot initiative developed which improves women's access to public transportation, or women's access to finance or training to support women's entrepreneurship.</li> </ul>	EA, Asian Development Bank (ADB)

<sup>24</sup> Financed under ADB RETA 7563: *Promoting Gender-Inclusive Growth in Central and West Asia Developing Member Countries.*



**Gender Analysis and Action Plan -  
Tranche 3 (Dar-i-Suf to Yakawlang Road, 178 km)  
Tranche 4 (Baharak to Eshkashim Road, 108 km)**

**1. Background – Situation of Women in Afghanistan**

158. The gender action plan was designed in the following context: In 2013, Afghanistan ranked 148 out of 148 countries on the Gender-related Development Index and 149 out of 152 countries on the Gender inequality Index. This means it is the one of the worst places in the world to be a woman, and the worst in Asia. About 20% of young women aged 15-19 years in Afghanistan are married. Overall, 15% of women aged 15-49 years were married before the age of 15, while 46% were married before the age of 18. According to a 2006 study, the majority of parents who married off their daughters by age 15 said they did so for economic reasons.” Consequently, adolescent pregnancy and motherhood are a major social and health issue in Afghanistan, with 12% of women age 15-19 having started childbearing, 8% having had a live birth and 4% pregnant with their first child. By age 19, one-third of women have already started childbearing. Child marriage and early childbearing has serious negative implications for gender empowerment because it is likely to lead to disrupted education, social isolation, reduced acquisition of income generating skills, and reduced social and political agency. The adult literacy rate is very low in Afghanistan (31%) but there are pronounced gender differences—nationally, only 17% of women 15 years and over are able to read and write, compared to 45% of men. The corresponding rate for rural women is 10%. Although the level of gender based violence is unclear in Afghanistan, women’s attitudes suggest domestic violence is not only high, but expected, wherein 92% of women believe their husband has the right to beat them. While the situation of women has improved a great deal in Kabul, evident by many more women on the streets and involved in civil and economic spheres, in the provinces and remote villages, traditional gender roles remain very rigid, with women’s work being largely in the reproductive sphere<sup>25</sup>, and men’s in the productive and community management spheres. Not surprisingly, only 15.5% of the working-age female population is currently employed in the labor market, against 74.9% of males—i.e., a gender gap of more than 50%. Although some Afghan women undertake productive work outside the household compound (predominantly as teachers and health workers in this area) it is not overly common. Women working outside tend to do so in a group such as for planting and harvesting crops or collecting fuel and water. Men and boys generally undertake outside household activities, such as shopping for food, selling of agricultural products etc. If a woman needs to travel far from the house, it is still necessary for her to take a male relative as chaperone (mahram). Even among the employed, the proportion of women who are underemployed is higher than that of men (23% vs 15%). Women are also more likely to be in vulnerable employment. For e.g. 39% of employed women are unpaid family workers compared to 8% of men. In addition, overall percentage of households having access to improved sanitation facilities in Afghanistan is 20% with a large share of population having no access to any toilet facility and using bush or field for defecation. Inadequate sanitation and lack of good hygiene practices are the primary cause of diarrheal diseases throughout Afghanistan, with diarrhea prevalence being 25.4% among children under 5 in Afghanistan, and diarrhea being responsible for 9.7% of deaths among children 1-11 months and 9.3% of deaths among children 12-59 months.

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<sup>25</sup> Reproductive in this context means women’s unpaid household work, i.e., the reproduction and caring of society’s labor force, with activities including the bearing and rearing of children, taking care of the household (cooking, cleaning, maintenance), collecting fuel and water, taking care of the sick and the elderly, and animals kept in the compound, etc.

## **2. Gender Profile of the Project Area**

159. **Tranche 3 (Dar-i-Suf to Yakawlang Road, 178 km):** The route will eventually connect the capitals of Bamyan province (Bamyan) and Balkh province (Mazar-e-Sharif) via western Samangan province on the South-North corridor in the Central Highlands of Afghanistan. Presently, the corridor is rehabilitated in its southern portion from the town of Yakawlang going east to the provincial capital of Bamyan. In the northern portion, the road is rehabilitated from Mazar-e-Sharif going south through Samangan province as far as the market town of Dar-i-Suf. The remaining south-north alignment is presently a track navigable by motorcycle and four wheel drive vehicles in some portions during the dry season only. There is no public or private transportation service for the sparse and remote population of the approximately forty rural villages lying in proximity to the proposed road. Access to hospitals or government services currently entail an average of 4 hours travel, much of which is on foot.

160. The route is high and mountainous, in some parts following a river valley and in others the side walls of dry valleys. Settlements are generally clusters of houses built using mud brick construction above the proposed road alignment on the hillsides. Fetching water involves walking down the mountainside to the river or spring, then carting the water back up. Most households have no latrine, open defecation is the common practice. District statistics indicate 74% of households in this area have no access to improved sanitation, but actual access is likely to be far less. Inadequate sanitation and lack of good hygiene practices are the primary cause of diarrheal diseases throughout Afghanistan; the time and money required to treat these frequent occurrences place a large economic burden on poor families. Diarrhea alone is responsible for 14% of infant deaths, and over the one year period from October 2011 to September 2012, an average of 751 children under the age of five with acute diarrhea were presented at district health centers in the project districts.

161. Average annual income in the project area was just over \$1 per day per person. Savings ability was as low as 4%, indicating high vulnerability to economic shocks (illness, accident, and crop or stock loss). Residents along the project road earn their incomes largely from agriculture, and from wages although presumably there is overlap between these two categories. The 'other' category is also high and may be explained by trade in livestock. Animals are an important source of livelihood since they provide almost all protein in the rural diet as well as dung, the principle cooking (45%) and heating (95%) fuel. Much of the work in feeding and maintaining livestock is performed by women. However, shepherding or supervision of grazing animals is often done by children, particularly boys. The main tradable products in the northern reach of the road are melons, dried yoghurt, and rugs.

162. **Tranche 4 (Baharak to Eshkashim Road, 108 km):** The 108 km long Baharak-Eshkashim project road is located in South-Eastern part of Badakhshan province and connects four districts in Badakhshan – namely, Baharak, Warduj, Zebak and Eshkashim. About 11.8% of the project road passes through mountainous terrain, 6.8% passes through rock to mountainous terrain, 69.5% passes through rolling terrain and 11.9% passes through flat terrain. The existing road is not vehicle passable and the road surface is mostly semi-rocky and earthen. There are 57 villages within two kilometers of the road alignment from Baharak to Eshkashim via Warduj and Zebak, comprising of 7,299 households (51,808 persons). The average household size within the road influence area is approximately seven members. Less than 1% of these households are headed by women, which is slightly higher than the national average of 0.4%.

163. Badakhshan is the one of the least accessible provinces in Afghanistan, with some 47% of the households falling in the bottom quintile of the national remoteness index. More than 40% of households in Badakhshan have a girls' primary school and a girls' secondary school

located more than 2 km of their residence (41% and 45% respectively). Access to health care is similarly limited, with more than half the population having to travel over 10 kilometers to get medical attention. Access is further constrained by the lack of a well-developed transport infrastructure, with only 57% of the population having access to roads - of these roads, only 25% are all weather roads able to carry traffic throughout the year. As a consequence, average distance to nearest drivable road in Badakhshan is 19.2 km (compared to a national average of 3.1 km). Transport services are sparse, and mostly available in proximity to urban centers. Lack of access is especially constraining for women. If a woman needs to travel far from the house, she has to take a male relative as chaperone. This also doubles the cost of travel, which further impedes women (especially poor ones) from accessing facilities and services.

164. The employment to population ratio in Badakhshan is 43.7%, and similar to the 45.7% nationally. However, the underemployment (22.5%) and unemployment (11.7%) rates are much higher than the national average of 16.8% and 8.2% respectively. A large share of the population is in vulnerable employment - for e.g. unpaid family workers making 15% of the employed and day laborers another 34%). Agriculture is the major source of revenue over half of households in Badakhshan. In addition nearly one out in three households derives income from trade and services, and more than a quarter of households earn income through non-farm related labor. Livestock plays an important role providing the income to more than one in five households, whose feeding and maintenance is performed by women. Women are also involved in agriculture activities, such as germination of seeds, weeding, leveling and dressing of farm land, potato feet cutting and planting, wheat and potato harvesting, wheat threshing and thinning, and drying fruit and vegetables.

165. Poverty rate in Badakhshan is 61% with depth of poverty being 24.1%, which makes it one of the poorest provinces in Afghanistan. Per capita monthly total consumption is 1,069AF (\$19 per month or approximately \$0.60 per day) with a Gini Coefficient of per capita total consumption of 0.34. Food security is a critical issue, with calorie deficiency (% consuming less than 2,100 calories per day) as 66.3% and depth of calorie deficiency being 23.7%. The road feasibility study report states that a relatively small percentage of farming households in the project influence areas has had a grain surplus and relatively large number (80-90%) have been faced with a grain deficit. Malnutrition of women negatively affects pregnancies and deliveries as well as the health of children.

166. In Badakhshan, 10% of women with a birth in the last birth five years were attended by skill birth attendant (compared to 40% nationally). 50% had received at least one skilled ante-natal care and around 9% had the delivery in a health facility. According to a survey in 2002, Badakhshan had a maternal mortality rate of 6,500 per 100,000 births (three to four times the national estimates of 1,600–2,200 per 100,000 births at the time), making this area as having the highest rates of maternal mortality in the world, due to the lack of health infrastructure, inaccessible locations, and bitter winters of the province. Over the last decade, maternal mortality rate has declined significantly in Badkhshan but is still almost twice the national average (713 per 100,000 vs 400 per 100,000).

167. 26% of households in Badakhshan have access to safe drinking water source. Most households have no latrine; open defecation is the common practice. According to AMS 2010, overall percentage of households having access to improved sanitation facilities in Badakhshan is approximately 8% (compared to national average of 20%), while approximately 47% have no access to any toilet facility and use bush or field. Inadequate sanitation and lack of good hygiene practices are the primary cause of diarrheal diseases throughout Afghanistan. In Badakhshan, diarrhea prevalence among children under 5 years of age is 38.1% in 2013. Meanwhile, fatality rate among inpatients under age 5 from diarrhea was 2.1% in first quarter of 2012, 1.2% in the first quarter of 2013, and 0.9% in the first quarter of 2014.

### **3. Gender Specific Project Impacts and Recommendations**

168. In Afghanistan, in the provinces and remote villages such as those found in the project area, traditional gender roles remain very rigid, with women's work being largely home-based and men's in the productive and community management spheres. Although some Afghan women undertake productive work outside the household compound, predominantly as teachers and health workers in this area, it is not overly common. Women working outside the household tend to do so in a group such as for planting and harvesting crops or collecting fuel and water. Men and boys generally undertake 'outside' activities, such as shopping for food, selling of agricultural products etc. If a woman needs to travel far from the house, it is still necessary for her to take a male relative as chaperone (mahram).

169. Therefore, the biggest gender impact of the proposed project will be increased access of women to services available in the larger centers of Bamyan, Mazar-e-Sharif and Badakhshan, particularly health services, while men will benefit largely from access to markets and employment. Given the high fertility rates, high risk of death from childbirth and high incidence of treatable diseases amongst women in project areas, a key gender benefit is decreased time for women to access 'life-saving' medical services. Presently, the average amount of time to reach such services is 4 hours in Bamyan and Mazar-e-Sharif (Tranche 3) and 8 hours in Badakhshan (Tranche 4); based on improved travel times on completed road segments, the new roads will reduce travel time to 2 hours (Tranche 3) and to 3 hours (Tranche 4). Furthermore, an improved road surface will lead to a higher probability of for-hire vehicle services in the area.

170. Another obvious entry point to improve the gender impact of the project is in the area of sanitation. Presently, the majority of households in both Tranche 3 and Tranche 4 project areas have no access to improved sanitation. When women have to limit their body functions for reasons of propriety from dawn to dusk, medical problems are common. Where households use buckets or pits for sanitation, it is generally the woman responsible for cleaning. More common than pit latrines is the raised platform, which screens the user but deposits the feces directly on the ground below, for periodic removal, typically by a woman. Dignity notwithstanding, the presence of uncovered human excrement in a housing compound is unhygienic, considering that flies pass from such areas to contaminate food and infect skin sores. Such an environment is a breeding ground for diarrheal disease as well as more serious diseases such as polio. Implementation studies have shown that hand-washing with soap will reduce the incidence of diarrhea up to 48%, safe disposal of feces by 36%, and point-of-use treatment of water by up to 17%.

171. For Tranches 3 and 4, an NGO will be hired to conduct a community led total sanitation (CLTS) program in all nearby villages. CLTS is a relatively new methodology in Afghanistan and works by engaging whole communities in understanding the impacts of and alternatives to open defecation, specifically with respect to the transmission of diarrheal diseases, and the costs of such diseases to well-being and household finances. This motivates the community to achieve open defecation free (ODF) status through ensuring that all households have access to a safe latrine and that is consistently used. This is achieved without any subsidies and within the scope of community resources. The achievement of ODF status then serves as an eligibility trigger for each village to access a community infrastructure facility and may even stimulate demand for improved village water supply systems, having raised awareness on such basic health principles. A key feature of the CLTS methodology is the training of family health action groups (FHAGs), typically of women, to raise awareness amongst women, as well as religious and

community leaders to raise awareness amongst men. This type of capacity building will increase women's knowledge and community agency, an important first step to organizing women to perhaps better influence the choice of community infrastructure in the future.

172. Conditional upon attaining ODF status, a village may access a community infrastructure facility managed by the contractor, in order to enhance the benefits of the road project and at the same time, foster good relations with the host communities. Typically communities identify much needed infrastructure, such as water supply systems, access roads, steps or school rooms/clinics, and the contractor constructs them up to a predetermined budget limit.

#### 4. Gender Action Plan for Tranche 3 and 4

Activities	Indicators and Targets	Responsibility	Timeframe
<b>Tranche 3 (Dar-i-Suf to Yakawlang Road, 178 km)</b>			
<b>Output 1: 178 km of Yakawlang to Dar-i-Suf road reconstructed, rehabilitated. and appropriately maintained</b>			
1.1 PMO to consider employment of women at least for off-site work, e.g. design office. 1.2 Awareness raising for women on which medical conditions require hospital level treatment and care.	<ul style="list-style-type: none"> <li>• Relevant wording in contract documents</li> <li>• Time required for women to reach life-saving health services reduced from 4 to 2 hours by 2017</li> <li>• Maternal and infant deaths (not including stillborn) in the area reduced from 41 per annum (data of MoH, Oct 2011-Sep 2012) to less than 21 per annum by 2019</li> </ul>	<ul style="list-style-type: none"> <li>• MPW &amp; contractor</li> <li>• CLTS consultant</li> </ul>	Years 1-5
<b>Output 2: Villages from Yakawlang to Dar-i-Suf construct, rehabilitate, and maintain community development infrastructure</b>			
2.1 Capacity building of Mullahs, Shura and Family Health Action Groups (FHAG <sup>26</sup> ) to ensure broad community participation. 2.2 Implementation of the Community Led Total Sanitation (CLTS) methodology including: health and hygiene, safe use and storage of domestic water, and improved sanitation. 2.3 Improved health, hygiene, and sanitation practices in every village along the road alignment 2.4 All ODF villages, having met the condition for access to the fund, plan and construct community infrastructure	<ul style="list-style-type: none"> <li>• At least 50% of the villages along the road alignment attain 100% open defecation free (ODF) status</li> <li>• All households in ODF villages have access to improved sanitation (target 2,180 latrines)</li> <li>• Acute under 5 diarrhea rate reduced from average 751 per month (data of MoH, Oct 2011-Sep 2012) to less than 400.</li> <li>• Pre- and post-CLTS Knowledge, Attitude and Practice survey results.</li> <li>• Verified female involvement through FHAG in identification of community infrastructure needs in every ODF village</li> </ul>	<ul style="list-style-type: none"> <li>• CLTS consultant, verification by local authority</li> <li>• MoH MIS</li> <li>• Community development consultants</li> </ul>	Year 1 Year 2 Year 5 Year 2 Year 5

<sup>26</sup> See description of FHAG in paragraph above. These are formed under the CLTS component by the CLTS consultant yet retain an ongoing role in community health under the direction of the community health worker.

Activities	Indicators and Targets	Responsibility	Timeframe
<b>Tranche 4 (Baharak to Eshkashim Road, 108 km)</b>			
<b>Output 1: 108 km of Baharak to Eshkashim road reconstructed, rehabilitated. and appropriately maintained</b>			
1.1 Contractor is asked to prioritize employment of local labor for road construction, and consider employment of women at least for off-site work, e.g. design office 1.2 Awareness raising for women on which medical conditions require hospital level treatment and care	<ul style="list-style-type: none"> <li>• Relevant wording in contract documents</li> <li>• Time required for women to reach life-saving health services reduced from 8 to 3 hours by 2019</li> <li>• Female health action groups functional in 50% of villages along the road alignment by 2019</li> <li>• Percentage of pregnant women seeking skilled antenatal care in Badakhshan increased from 50% (2012) to more than 68% by 2019</li> <li>• Contribute to reduction in maternal mortality rate in Badakhshan reduced from 713 per 100,000 (2011) to less than 600 per 100,000 by 2019</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Public Works (MPW) and contractor</li> <li>• CLTS consultant MoH MIS/ Mortality Survey</li> </ul>	Years 1-5
<b>Output 2: Villages from Baharak to Eshkashim construct, rehabilitate, and maintain community infrastructure</b>			
2.1 Capacity building of Mullahs, Shura and Family Health Action Groups (FHAG) to ensure broad community participation 2.2 Implementation of the Community Led Total Sanitation (CLTS) methodology including: health and hygiene, safe use and storage of domestic water, and improved sanitation 2.3 All ODF villages plan and construct community infrastructure 2.4 Improved health, hygiene, and sanitation practices in every village along the road alignment	<ul style="list-style-type: none"> <li>• At least 50% of the villages along the road alignment attain 100% open defecation free (ODF) status</li> <li>• 100% access to improved sanitation in ODF villages</li> <li>• Diarrhea prevalence among children under 5 in Badakhshan reduced from 38% (2013) to less than 32% by 2019</li> <li>• Female involvement in identification of community infrastructure needs in every ODF village</li> <li>• 100% of participants post CLTS knowledge attitude and practice survey demonstrate improved knowledge of health, hygiene and sanitation practices</li> </ul>	<ul style="list-style-type: none"> <li>• CLTS consultant, verification by local authority</li> <li>• MoH MIS/ National Nutrition Survey</li> <li>• Pre- and post-CLTS Knowledge, Attitude and Practice survey</li> </ul>	Year 1 Year 2 Year 5 Year 5 Years 1, 5

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

173. The PMO will undertake periodic project performance review under each individual project and for the Investment Program, in accordance with the PPMS to evaluate the scope, implementation arrangements, progress and achievements of objectives of the related project and overall Investment Program. The PMO will prepare and submit to ADB quarterly progress reports for the individual projects. The reports will include a description of physical progress, problems, and difficulties encountered and a summary of financial accounts that will consist of grant or loan expenditures during the period, year to date, and total to date, and include a report on progress of the implementation of mitigation measures as specified in the contracts and environmental management plan. A project completion report will be submitted within three months following completion of each tranche. A facility completion report will be submitted within 6 months after completion of the investment program.

### A. Project Design and Monitoring Framework

**DESIGN AND MONITORING FRAMEWORK**  
**Table A1.1 Investment Program**

<b>Design Summary</b>	<b>Performance Targets and Indicators</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
<b>Impact</b> Increased trade and jobs	<b>By 2022:</b> Collective value of official trade with neighboring countries of Pakistan and Tajikistan is \$3.5 billion, or twice the estimated value of \$1.7 billion achieved in 2011  Mortality rate of children less than 5 years of age decreases by 10% from 190 per 1000 estimated in 2010  Mortality rate of women in childbirth decreases by 15% from 1600 per 100,000 estimated in 2010  Primary school total enrollment increases by 5% over an estimated level of 4.7 million achieved in 2010	National socioeconomic statistics from the Central Statistics Office  ADB's project performance audit report  Border facility records  National economic data	<b>Assumptions</b> Effective and timely implementation of ANDS and other key ongoing reconstruction and reconciliation programs  Continued assistance to complementary interventions from external donors and nongovernment organizations  Effective implementation of cross border transport and trade facilitation arrangements between Afghanistan and neighboring countries  <b>Risk</b> Deterioration in the security situation
<b>Outcome</b> Increased movement of goods and services and better connectivity for people and businesses	<b>By 2019:</b> <b>Increased connectivity:</b> Percent of project areas connected to the regional highway network by paved roads increased to	MPW and MOTCA records  Traffic counts and surveys  Socioeconomic surveys  Railway inspection reports	<b>Assumptions</b> Timely availability of donor and government financing for infrastructure development  Systematic selection of roads for improvement to complete the envisaged network

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
	<p>90% from 70% in 2010</p> <p><b>Increased average intercity travel speed:</b> On national highway network average speed increased from 35 kph in 2010 to at least 50 kph in program areas</p> <p><b>Increased availability of inter-city freight and passenger services:</b> Volumes of traffic along project roads increased by 30% from 2011</p> <p>Travel time to the nearest primary school, healthcare facility, or other essential service in target areas decreased by 25% or 15 minutes from the existing average of 1 hour in 2011</p>		<p>Continued commitment of the government to further sector reforms</p> <p>Continued procurement of maintenance works under performance-based contracts by MPW</p> <p>Increased availability of transport services following improvement of the priority roads</p> <p>Continued complementary assistance by other development agencies and nongovernment organizations in rehabilitating other economic infrastructure, and provisions for basic social services</p> <p><b>Risks</b> Lack of buy-in or commitment by MPW to restructure and make required changes in business practices</p> <p>Weak external monitoring of projects</p> <p>Sustainability of investments may be undermined by lack of maintenance</p>
<p><b>Outputs</b> 1. 578 km of reconstructed and rehabilitated regional and national roads</p>	<p><b>By 2019:</b> The international roughness index for project roads less than 5 meters per km, compared with a current estimate of greater than 7 meters per km.</p>	<p>MPW Progress Reports</p> <p>MPW asset inventory</p> <p>MPW contract documents</p>	<p><b>Assumptions</b> Timely and properly completed resettlement activities</p> <p>Increased numbers of qualified professionals and firms availability and willing to undertake work in Afghanistan</p> <p>Agreement reached between MPW and ARDS on and work according to a procurement schedule</p> <p><b>Risks</b> MPW capacity constraints: lack of funds and staff resources for required counterpart funding</p> <p>Poor project design</p> <p>Cost overruns resulting in less work accomplished than designed</p>
2. 225 km of	<b>By 2019:</b>		<b>Assumptions</b>



<b>Design Summary</b>	<b>Performance Targets and Indicators</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
constructed railway and stations between Mazar-e-Sharif and Andkhoy	Railway line meeting the specifications of gauge (1520 mm)	MPW Progress Reports MPW contract documents	Timely and properly completed resettlement activities  Coordinated effort by inter-ministerial agencies of central government  <b>Risks</b> Deterioration of security situation  MPW capacity constraints: lack of funds and staff resources for required counterpart funding  Cost overruns resulting in less work accomplished than designed
3. Operation and maintenance of 75 km of new railway line, loops and stations between Hairatan and Mazar-e-Sharif	Goods transported will increase from 2.2 million tons in 2010 to over 3.2 million tons per year  By 2012, railway facilities are maintained as per performance standards by 2012  By 2012, 40 staff trained by the Operator on railway operation and maintenance	Government progress reports  Railway inspection reports	<b>Assumptions</b> Railway tariffs are workable as compared with trucking alternatives  Maximum coordinated effort by government inter-ministerial agencies  <b>Risk</b> Deterioration of security situation
4. Strengthened capacity of MPW	MPW and ARDS jointly handle the procurement of goods and services and recruitment of consultants effectively  Organizational restructuring and revised business for MPW-PMO  By 2014, the number of claims and variations are reduced by 30% from 2011  Gender action framework and one pilot initiative implemented by 2015	List of counterpart staff who received training and their program details.  MPW-PMO audit reports	<b>Assumption</b> The government continues to implement the road and rail sector component of ANDS  <b>Risk</b> Lack of buy-in or commitment by MPW and other agencies for required institutional restructuring and sector reforms
5. Improved transport sector governance	Establishment of the road authority and road fund by 2012  Establishment of the rail	Updated ANDS and NRIRCP reports  Government mandates and decrees establishing new	<b>Assumptions</b> Increased availability of qualified professionals and firms willing to undertake work in Afghanistan  MPW and ARDS work according

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
	<p>authority by 2012</p> <p>A long term railway development plan developed and reviewed by the government by 2012</p> <p>Railway legal framework and regulations drafted and reviewed by government agencies by 2012</p> <p>An asset management system implemented by MPW by 2015</p> <p>MPW revises the list of priority transport infrastructure into an updateable living national transport plan by 2015</p>	<p>authorities and delegating responsibilities</p> <p>Government budgets allocating staff and monetary resources to authorities</p>	<p>to an agreed upon procurement schedule</p> <p><b>Risks</b></p> <p>Inadequate and weak coordination among government agencies</p> <p>Delayed or incomplete institutional strengthening</p> <p>Lack of anticorruption strategy or action plan</p> <p>Delay in transition to new procurement law</p>
<p><b>Activities with Key Milestones</b></p> <p><b>Project 1:</b></p> <p>1.1 Land acquisition and resettlement fully implemented by December 2011</p> <p>1.2 Civil works and supervision consultant contracts awarded by September 2012 and completed by June 2015</p> <p>1.3 Capacity building consultants recruited by January 2014, services completed by 2015</p> <p>1.4 Afghan staff trained for railway operation and maintenance by December 2012</p> <p><b>Project 2:</b></p> <p>2.1 Award of civil works contracts by December 2014</p> <p>2.2 Completion of civil works by December 2017</p> <p><b>Project 3:</b></p> <p>3.1 Award of civil works contracts by December 2014</p> <p>3.2 Completion of civil works by June 2018</p> <p><b>Project 4:</b></p> <p>4.1 Award of civil works contracts by June 2015</p> <p>4.2 Completion of civil works by June 2018</p>			<p><b>Inputs</b></p> <p>Investment Program:</p> <p>ADB: \$754 million (ADF)</p> <p>AITF: \$33 million</p> <p>Government: \$18 million</p> <p>Project 1:</p> <p>ADB: \$189 million (ADF grant)</p> <p>AITF: \$33 million*</p> <p>Government: \$10 million</p> <p>* Additional financing for the Hairatan to Mazar-e-Sharif Railway Project</p>

ADB = Asian Development Bank, ADF = Asian Development Fund, ANDS = Afghanistan National Development Strategy, ARDS = Afghanistan Reconstruction and Development Service, km = kilometers, kph = kilometer per hour, MFF = multitranchise financing facility; MOTCA = Ministry of Transport and Civil Aviation; MPW = Ministry of Public Works.

Source: Asian Development Bank.

**DESIGN AND MONITORING FRAMEWORK**  
**Table A1.2 Tranche 1**

<b>Design Summary</b>	<b>Performance Targets and Indicators</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
<b>Impact</b> Increased trade and jobs in the project areas	<b>By 2017:</b> Collective value of official trade with neighboring countries of Pakistan and Tajikistan is \$3.5 billion, or twice the 2011 estimated value of \$1.7 billion  Mortality rate of women in childbirth decreases by 15% from 1600 per 100,000 estimated in 2010  Primary school enrollment increased by 5% over an estimated level of 4.7 million in 2010	National socioeconomic statistics from the Central Statistics Office  ADB's project performance audit report  Border facility records  National economic data	<b>Assumptions</b> Effective and timely implementation of ANDS and other key ongoing reconstruction and reconciliation programs  Continued assistance to complementary interventions from external development partners and nongovernment organizations  Effective implementation of cross border transport and trade facilitation arrangements between Afghanistan and neighboring countries  <b>Risks</b> Deterioration in the security situation
<b>Outcome</b> Increased movement of goods and services and better connectivity for people and businesses in the project areas	<b>By 2017:</b> Percent of project areas connected to the regional highway network by paved roads increased to 75% from 70% in 2010  On national highway network average speed increased from 35 kph in 2010 to 45 kph in project areas  Traffic volumes on project roads increased by 15% from 2011  Travel time to the nearest primary school, healthcare facility, or other essential service in target areas decreased by 10% or 6 minutes from the existing average of 1 hour in 2011	MPW and MOTCA records  Traffic counts and surveys  Socioeconomic surveys  Railway inspection reports	<b>Assumptions</b> Timely availability of donor and government financing for infrastructure development  Systematic selection of roads for improvement to complete the envisaged network  Continued commitment of the government to further sector reforms  Continued procurement of maintenance works under performance-based contracts by MPW  Increased availability of transport services following improvement of the priority roads  Continued complementary assistance by other development agencies and nongovernment organizations in rehabilitating other economic infrastructure, and provisions for basic social services  <b>Risks</b> Lack of buy-in or commitment

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
			<p>by MPW to restructure and make required changes in business practices</p> <p>Weak external monitoring of projects</p> <p>Sustainability of investments may be undermined by lack of maintenance</p>
<p><b>Outputs</b></p> <p>1. 145 km (Bagramy-Sapary, Jabul Saraj-Nijrab; and Faizabad-Baharak sections) of reconstructed, rehabilitated, and appropriately maintained roads</p> <p>2. Operation and maintenance of 75 km of new railway line, loops and stations between Hairatan and Mazar-e-Sharif</p> <p>3. Strengthened capacity of MPW</p>	<p><b>By 2017:</b> The international roughness index of project roads less than 5 meters per km, compared with a current estimate of greater than 7 meters per km</p> <p>Goods transported will increase from 2.2 million tons in 2010 to over 3.2 million tons per year</p> <p>By 2012, railway facilities are maintained as per performance standards by 2012</p> <p>By 2012, 40 staff trained by the Operator on railway operation and maintenance</p> <p>MPW and ARDS jointly handle the procurement of goods and services and recruitment of consultants effectively</p>	<p>MPW progress reports</p> <p>MPW contract documents</p> <p>Government progress reports</p> <p>Railway inspection reports</p> <p>List of counterpart staff who received training and their program details.</p> <p>MPW-PMO audit reports</p>	<p><b>Assumptions</b> Timely and properly completed resettlement activities</p> <p>Increased numbers of qualified professionals and firms availability and willing to undertake work in Afghanistan</p> <p>Agreement reached between MPW and ARDS on and work according to a procurement schedule</p> <p><b>Risks</b> MPW capacity constraints: lack of funds and staff resources for required counterpart funding</p> <p>Poor project design</p> <p>Cost overruns resulting in less work accomplished than designed</p> <p><b>Assumptions</b> Railway tariffs are workable as compared with trucking alternatives</p> <p>Maximum coordinated effort by government inter-ministerial agencies</p> <p><b>Risks</b> Deterioration of security situation</p> <p><b>Assumptions</b> The government continues to implement the road and rail sector component of ANDS</p>

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
4. Improved transport sector governance	<p>Organizational restructuring and revised business for MPW-PMO</p> <p>By 2014, the number of claims and variations are reduced by 30% from 2011</p> <p>Gender action framework and one pilot initiative implemented by 2014</p> <p>Establishment of the road authority and road fund by 2012</p> <p>Establishment of the rail authority by 2012</p> <p>A long term railway development plan developed and reviewed by the government by 2012</p> <p>Railway legal framework and regulations drafted and reviewed by government agencies by 2012</p> <p>An asset management system implemented by MPW by 2013</p> <p>MPW revises the list of priority transport infrastructure into an updateable living national transport plan by 2013</p>	<p>Updated ANDS and NRIRCP reports</p> <p>Government mandates and decrees establishing new authorities and delegating responsibilities</p> <p>Government budgets allocating staff and monetary resources to authorities</p>	<p><b>Risk</b> Lack of buy-in or commitment by MPW and other agencies for required institutional restructuring and sector reforms</p> <p><b>Assumptions</b> Increased availability of qualified professionals and firms willing to undertake work in Afghanistan</p> <p>MPW and ARDS work according to an agreed upon procurement schedule</p> <p><b>Risks</b> Inadequate and weak coordination among government agencies</p> <p>Delayed or incomplete institutional strengthening</p> <p>Lack of anticorruption strategy or action plan</p> <p>Delay in transition to new procurement law</p>
<b>Activities with Key Milestones</b>			<b>Inputs</b>
<p>1. Land acquisition and resettlement fully implemented by December 2011</p> <p>2. Civil works and supervision consultant contracts awarded by October 2011 and completed by December 2013</p> <p>3. Capacity building consultants recruited by January 2012 services completed by 2014</p> <p>4. Afghan staff trained for railway operation and maintenance by December 2012</p> <p>5. MPW will appoint Inspector to evaluate operation and maintenance performance by September 2011 for the remainder of the 2011 calendar year, and by December 2011 years 2012 and 2013</p>			<p>ADB: \$189 million (ADF grant)</p> <p>AITF: \$33 million*</p> <p>Government: \$10 million</p> <p>* Additional financing for the Hairatan to Mazar-e-Sharif Railway Project.</p>

ADB = Asian Development Bank, ADF = Asian Development Fund, ANDS = Afghanistan National Development Strategy, ARDS = Afghanistan Reconstruction and Development Service, km = kilometers, kph = kilometer per hour, MFF = multitranchise financing facility, MOTCA = Ministry of Transport and Civil Aviation, MPW = Ministry of Public Works.

**DESIGN AND MONITORING FRAMEWORK**  
**Table A1.3 Tranche 2**

<b>Design Summary</b>	<b>Performance Targets and Indicators</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
<b>Impact</b> Better connectivity and efficiency of the southern road network with focus on cross border links to Pakistan	<b>By 2017:</b> Trade with Pakistan increased to \$3.40 billion from an estimated value of \$1.65 billion in 2011  Increased cross border traffic at the Shkin–Angoor-Ada Border Post from 100 trucks per day (2011) to 250 trucks per day  Increased cross border traffic at Torkham Border Post from 1,600 trucks per day (2010) to 2,200 trucks per day  Mortality rate of women in childbirth decreases by 15% from 1,600 per 100,000 estimated in 2011  Primary school enrollment increased by 5% over an estimated level of 4.7 million in 2010	National socioeconomic statistics from the Central Statistics Office  ADB's project performance audit report  Border facility records  National economic data	<b>Assumptions</b> Effective and timely implementation of ANDS and other key ongoing reconstruction and reconciliation programs  Continued assistance to complementary interventions from external development partners and nongovernment organizations  Effective implementation of cross border transport and trade facilitation arrangements between Afghanistan and Pakistan  <b>Risks</b> Deterioration in the security situation
<b>Outcome</b> Rehabilitated and reconstructed sections of national and regional highways	<b>By 2015:</b> Reduced travel time along the Paktika Economic Corridor, from border of Pakistan to provincial capital of Sharan, from 7 hours to 3 hours  Reduced travel time from Jalalabad to Kabul from 5 hours to 3 hours  Reduced travel time from Lashkar Gah to Gereshk from 4 hours to 2 hours	MPW and MOTCA records  Traffic counts and surveys  Socioeconomic surveys	<b>Assumptions</b> Timely availability of donor and government financing for infrastructure development  Increased availability of transport services following improvement of the priority roads  Continued complementary assistance by other development agencies and nongovernment organizations in rehabilitating other economic infrastructure, and provisions for basic social services to foster growth in demand  <b>Risks</b> Weak external monitoring of projects  Sustainability of investments may be undermined by lack of maintenance

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<b>Outputs</b> 1. 188 km (Sapary–Jalalabad, Sharan–Angoor-Ada, and Chah-e-Anjir–Gereshk sections) of reconstructed, rehabilitated, and appropriately maintained national and regional highways  2. Strengthened capacity of MPW	<b>By 2015:</b> The international roughness index of project roads less than 5 meters per km, compared with a current estimate of greater than 7 meters per km  MPW establishes an asset management system that supports better inventory portfolio management with a focus on maintenance planning  MPW and ARDS jointly and effectively handle the procurement of goods and services and recruitment of consultants  Implemented organizational restructuring and revised business plan for MPW	MPW progress reports  MPW contract documents          List of counterpart staff who received training and their program details.  MPW–PMO audit reports	<b>Assumptions</b> Timely and properly completed resettlement activities  Increased numbers of qualified professionals and firms availability and willing to undertake work in Afghanistan  MPW and ARDS work according to an agreed upon procurement schedule  <b>Risks</b> MPW capacity constraints: lack of funds and staff resources for required counterpart funding  Poor project design  Cost overruns resulting in less work accomplished than designed  Insurgents intentionally target contractors and consultants personnel in order to stop implementation of works  <b>Assumptions</b> The government continues to implement the transport sector component of ANDS  <b>Risk</b> Lack of buy-in or commitment by MPW and other agencies for required institutional restructuring and sector reforms
<b>Activities with Key Milestones</b> 1. Land acquisition and resettlement fully implemented by March 2015 2. Civil works and supervision consultant contracts awarded by March 2013 and completed by December 2016 3. Gender action framework implemented by end of 2014 4. Capacity building consultants recruited by June 2013 services completed by June 2014			<b>Inputs</b>  ADB: \$149 million (ADF grant) AITF: \$87 million Government: \$19 million

ADB = Asian Development Bank, ADF = Asian Development Fund, ANDS = Afghanistan National Development Strategy, ARDS = Afghanistan Reconstruction and Development Service, km = kilometers, kph = kilometer per hour, MFF = multitranchise financing facility, MOTCA = Ministry of Transport and Civil Aviation, MPW = Ministry of Public Works.

**DESIGN AND MONITORING FRAMEWORK**  
**Table A1.4 Tranche 3**

<b>Design Summary</b>	<b>Performance Targets and Indicators</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
<b>Impact</b> Better connectivity and efficiency through a fully complete North-South Corridor	<b>By 2019:</b> Increased percentage of households whose primary source of income is derived from trade reaches 13% from 8% (2013)  Increased total crop production of major farm products in the project provinces by 35% from 530,000 metric tonnes (2013)  Increased year round North-South corridor transit traffic from 600 AADT (2013) to 1,800  Reduced maternal and infant deaths in the project area from an estimated 41 per annum (2013) to less than 21 per annum	National socioeconomic statistics from the Central Statistics Office  ADB's project performance audit report  Border facility records  National economic data	<b>Assumptions</b> Effective and timely implementation of ANDS and other key ongoing reconstruction and reconciliation programs  Continued assistance to complementary interventions from external development partners and nongovernment organizations  <b>Risk</b> Deterioration in the security situation
<b>Outcome</b> Rehabilitated and reconstructed sections of national and regional highways	<b>By 2017:</b> Reduced travel time from along the entire North-South Corridor from Bamyan to Mazar-e-Sharif from 17 hours (2013) to 8 hours	MPW and MOTCA records  Traffic counts and surveys  Socioeconomic surveys	<b>Assumptions</b> Timely availability of donor and government financing for infrastructure development  Increased availability of transport services following improvement of the priority roads  Continued complementary assistance by other development agencies and nongovernment organizations in rehabilitating other economic infrastructure, and provisions for basic social services to foster growth in demand  <b>Risks</b> Weak external monitoring of projects  Sustainability of investments may be undermined by lack of maintenance



Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<b>Outputs</b> 1. 178 km (Dar-i-Suf–Yakawlang section of the North-South Corridor) of reconstructed, rehabilitated, and appropriately maintained national and regional highways	<b>By 2017:</b> Reduced international roughness index of project roads to less than 5 meters per km, as compared with a current estimate of greater than 7 meters per km  Reduced travel time from Dar-i-Suf to Yakawlang from an average of 11 hours (2013) to 3 hours	MPW progress reports  MPW contract documents  Traffic counts and surveys	<b>Assumption</b> Increased numbers of qualified professionals and firms availability and willing to undertake work in Afghanistan  <b>Risks</b> MPW capacity constraints: lack of staff resources for required counterpart funding  Cost overruns resulting in less work accomplished than designed  Insurgents intentionally target contractors and consultants personnel in order to stop implementation of works
2. Community development infrastructure	Increased hygienic sanitation practices whereby 50% of the villages along the road alignment attain 100% open defecation free (ODF) status by 2015  Improved sanitation by 2015 wherein 100% of women in 50% of villages within 2 km of the reconstructed road gain access  Increased access to community infrastructure facility for women and men in at least 50% of the villages within 2 km of the reconstructed road by 2019 (baseline in 2013: 0%)	List of counterpart staff who received training and their program details.  MPW–PMO audit reports	<b>Assumption</b> Villages will understand the benefits of improved sanitation and modify behavior to seek attainment of ODF status  <b>Risk</b> Lack of buy-in or commitment by villages
<b>Activities with Key Milestones</b> 1.1 Land acquisition and resettlement fully implemented by March 2015 1.2 Civil works and supervision consultant contracts awarded by June 2014 and completed by June 2017 2.1 As part of the Community Development component, implementation of the Community-Led Total Sanitation methodology by end of 2015 2.2 Gender action plan implemented by end of 2016			<b>Inputs</b> ADB: \$220 million (ADF grant) Government: \$10 million

ADB = Asian Development Bank, ADF = Asian Development Fund, AADT = average annual daily traffic, ANDS = Afghanistan National Development Strategy, ARDS = Afghanistan Reconstruction and Development Service, km = kilometer, m = meter, MOTCA = Ministry of Transport and Civil Aviation, MPW = Ministry of Public Works, PMO = Program Management Office.

**DESIGN AND MONITORING FRAMEWORK**  
**Table A1.4 Tranche 4**

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<b>Impact</b> Better connectivity and efficiency through a fully complete transport corridor traversing Badakhshan province to Tajikistan	<b>By 2022:</b> Collective value of trade with Tajikistan is \$150 million, or 30% higher than the current estimate of \$115 million (2013)  Increased year round corridor transit traffic from 650 AADT (2013) to 1,300  Reduced average border crossing time between Afghanistan and Pakistan, Tajikistan, and Uzbekistan by 25% from current estimates of 35, 8, and 10 hours (2013), respectively  Reduced maternal mortality rate in Badakhshan province from an estimated 713 per 100,000 (2011) to less than 600 per 100,000	National socioeconomic statistics from the Central Statistics Office  IMF Direction of Trade Statistics  ADB's project performance audit report  MPW and MOTCA border facility records  CAREC Program CPMM data  Mortality Surveys/ MOH Management Information System	<b>Assumptions</b> Effective and timely implementation of ANDS and other key ongoing reconstruction and reconciliation programs  Continued assistance to complementary interventions from external development partners and nongovernment organizations  <b>Risk</b> Deterioration in the security situation
<b>Outcome</b> Increased movement of goods and services and better connectivity for people and businesses in the project areas	<b>By 2019:</b> Percent of provincial areas connected to the national highway network by paved roads increased from 21% (2013) to 42%.  Cross border customs clearance procedures and agreements between Afghanistan and Pakistan, Tajikistan, and Uzbekistan effectively implemented	MPW and MOTCA socioeconomic surveys  MPW and MOTCA traffic counts  CAREC Program CPMM data	<b>Assumptions</b> Increased availability of transport services following improvement of the priority roads  Continued complementary assistance by other development agencies and nongovernment organizations in rehabilitating other economic infrastructure, and provisions for basic social services to foster growth in demand  <b>Risks</b> Sustainability of investments may be undermined by lack of maintenance  Political factors may delay pace of implementation of revised cross border customs clearance procedures
<b>Outputs</b> 1.108 km (Baharak–Eshkashim section of the Faizabad–Eshkashim Road) of	<b>By 2018:</b> Reduced international roughness index of project roads to less than 5 meters per km, as	MPW progress reports  MPW contract documents	<b>Assumption</b> Increased numbers of qualified professionals and firms availability and willing to undertake work in

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
reconstructed, rehabilitated, and appropriately maintained national and regional highways	<p>compared with a current estimate of greater than 7 meters per km</p> <p>Reduced travel time from Baharak to Eshkashim from an average of 8 hours (2014) to 3 hours increasing access to life-saving medical services, markets and employment opportunities</p>	MPW and MOTCA traffic counts and surveys	<p>Afghanistan</p> <p><b>Risks</b></p> <p>MPW capacity constraints: lack of staff resources for required counterpart funding</p> <p>Deterioration in the provincial security situation along the road alignment</p>
2. Community development infrastructure	<p><b>By 2018:</b></p> <p>50% of the villages along the road alignment attained 100% open defecation free (ODF) status</p> <p>100% of women in 50% of villages within 2 km of the reconstructed road have access to sanitation facilities</p> <p>Population living in 50% of the villages within 2 km of the reconstructed road have access to improved community infrastructure (baseline in 2014: 0%)</p>	<p>MOH provincial and district health reports</p> <p>MPW-PMO audit reports</p>	<p><b>Assumption</b></p> <p>Villages will understand the benefits of improved sanitation and modify behavior to seek attainment of ODF status</p> <p><b>Risk</b></p> <p>Improved sanitation facilities are not routinely maintained or consistently rehabilitated</p>
3. Strengthened capacity of the AfRA	<p><b>By 2018:</b></p> <p>40 AfRA staff trained by the Mazar Hairatan Railway Operator in railway O&amp;M</p> <p>The Railway Act describing the legal framework and regulations Afghanistan's railway subsector is endorsed by Cabinet</p> <p>Cabinet approved national railway plan that features the revised list of priority rail transport infrastructure and includes a time bound updating schedule</p>	<p>AfRA's list of counterpart staff who received training and their training details</p> <p>AfRA progress reports</p> <p>AfRA railway inspection reports</p> <p>Government mandates and decrees establishing new authorities and delegating responsibilities</p> <p>Updated transport sector national master plan</p>	<p><b>Assumption</b></p> <p>Increased availability of qualified professionals and firms willing to undertake work in Afghanistan's burgeoning railway subsector</p> <p><b>Risk</b></p> <p>Institutional restructuring may delay envisaged transport sector reforms</p>
4. Improved efficiency for traffic traversing Afghanistan along CAREC Corridors 5 and 6	<p><b>By 2018:</b></p> <p>Improved BCP equipment and systems on Afghanistan's side of the border with Pakistan, Tajikistan, and Uzbekistan at official BCPs installed</p> <p>Cross border customs</p>	<p>Ratified bilateral transit agreements</p> <p>MPW and MOTCA contract documents</p>	<p><b>Assumption</b></p> <p>Transit traffic is willing to follow the customs procedures at established BCPs</p> <p><b>Risk</b></p> <p>Political influences may delay ratification of revised</p>

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
	clearance procedures between Afghanistan and Pakistan, Tajikistan and Uzbekistan revised		agreements
<b>Activities with Key Milestones</b> <b>1. 108 km (Baharak–Eshkashim section of the Faizabad-Eshkashim Road) of reconstructed, rehabilitated, and appropriately maintained national and regional highways</b> 1.1 Land acquisition and resettlement fully implemented by March 2016 1.2 Civil works and supervision consultant contracts awarded by Oct 2015 and completed by Dec 2018 <b>2. Community development infrastructure</b> 2.1 As part of the Community Development component, award of the subcontracts for community infrastructure, including the Community-Led Total Sanitation methodology, by end of 2016 2.2 Gender action plan implemented by end of 2017 <b>3. Strengthened capacity of the AfRA</b> 3.1 Ratification of the Railway Act by end of 2016 3.2 Workshops for training of trainers and training of AfRA staff conducted in 2017 and 2018, preceded by a training needs assessment in 2016. 3.3. Consultant recruitment in policy advisory positions in AfRA completed by end 2016. <b>4. Improved efficiency for traffic traversing Afghanistan along CAREC Corridors 5 and 6</b> 4.1 Procurement of BCP equipment by end of 2016 4.2 Consultant recruitment to undertake studies on cross-border movement and border crossing procedures by end 2016, and completed by mid-2017.			<b>Inputs</b> ADB: \$109 million (ADF grant) EU: \$21 million Government: \$16 million

AADT = average annual daily traffic, ADB = Asian Development Bank, ADF = Asian Development Fund, AfRA = Afghanistan Railway Authority, ANDS = Afghanistan National Development Strategy, BCP = border crossing point, CAREC = Central Asia Regional Economic Cooperation, CPMM = corridor performance measurement and monitoring, EU = European Union, IMF = International Monetary Fund, km = kilometer, MOH = Ministry of Health, MOTCA = Ministry of Transport and Civil Aviation, MPW = Ministry of Public Works, O&M = operations and maintenance, ODF = open defecation free, PMO = Program Management Office.

## B. Monitoring

174. **Project Performance Monitoring System.** MPW will establish a project performance monitoring system (PPMS) for the Facility within six months of the Effective Date and collect baseline data for performance monitoring. It will develop a Project Performance Monitoring System.<sup>27</sup> The key indicators and assumptions outlined at the impact and outcome levels in the project design and monitoring framework will be the primary data required for analysis. The PMO is responsible for daily monitoring, reporting, and evaluating the progress for implementing the project, and maybe tasked to develop the PPMS.

175. Based on guidance provided by ADB and previous projects, MPW has prepared a systematic procedure of recording and analyzing project related data for monitoring and reporting performance of ongoing projects to its stakeholders. MPW will use the same procedure, with modifications where necessary, to monitor and report to ADB on the performance of the projects. The reports will contain baseline values of indicators, targets, and milestones corresponding to the expected impacts, outcomes, outputs, and activities identified in the design and monitoring framework, including special features and other relevant measures agreed between ADB and MPW.

176. The PMO, with the assistance of the consultants supervising the works in each project will collect baseline data and other information during implementation. Thereafter, it will analyze data once every 12 months, and include the results of the analyses and corrective measures (if any) taken to reverse negative trends and impacts in MPW's quarterly report to ADB. ADB review missions will discuss these reports and actions taken by MPW to ensure that all the targets and milestones are met.

177. **Compliance monitoring.** The grant covenants on policy, legal, financial, economic, environmental, social, labor standards and others will be monitored regularly through various reports (monthly progress reports, quarterly progress reports, and annual reports), and discussion during review missions.

178. **Safeguards monitoring.** The monitoring and reporting of the activities identified in the environment and resettlement action plans is discussed in Section VII.

179. **Gender and social dimensions monitoring:** Though anticipated impacts of Project 1 on people's livelihoods around the construction sites are estimated as not serious, MPW will be responsible for monitoring closely the contractors' compliance with terms to be on the civil works contract of conducting education activities for preventing HIV/AIDS, human traffic and illicit drugs and of creating gender-mainstreamed employment environments at the construction sites. Such activities will be reported by MPW to ADB in regular progress reports.<sup>28</sup> For Tranche 3, GAP implementation progress will be reported in MPW's quarterly progress reports.

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<sup>27</sup> ADB's project performance reporting system is available at:

<http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

<sup>28</sup> ADB's *Handbook on Social Analysis: A Working Document*, is available at: <http://www.adb.org/Documents/Handbooks/social-analysis/default.asp>, *Staff Guide to Consultation and Participation*: <http://www.adb.org/participation/toolkit-staff-guide.asp>, and, *CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations*: <http://www.adb.org/Documents/Books/CSO-Staff-Guide/default.asp>

## **C. Evaluation**

180. ADB will field at least two review missions annually to discuss implementation progress and assess the project implementation, including procurement, civil works, financing status, and environmental and social safeguards based on quarterly progress reports.

181. A midterm review mission will be carried out two years after each grant or loan becomes effective. The midterm review will focus on: (i) implementation progress of civil works and consulting services for institutional reform and restructuring; (ii) performance of consultants and contractors; (iv) status of compliance with the understandings in the framework financing agreement (FFA) and the covenants in the loan agreement; and (v) the need for any midcourse changes in the scope or schedule of the tranche projects to ensure full achievement of its impact.

182. Within 6 months of physical completion of a respective tranche project, MPW will submit a project completion report to ADB.<sup>29</sup>

## **D. Reporting**

183. MPW will provide ADB with: (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (c) updated procurement plan and (d) updated implementation plan for next 12 months; and (iii) a project completion report within six months of physical completion of the project. To ensure projects continue to be both viable and sustainable, project accounts and MPW's project accounts and MPW's audited financial statements, together with the associated auditor's report, should be adequately reviewed.

184. The PMO will maintain, for each project, records and accounts required to identify: (i) goods, works, plant, equipment and services procured; (ii) funds received from ADB and MOF; and (iii) expenditures incurred. Annual financial audits will be performed by the Office of the Auditor General of Afghanistan ("OAG"). In instances when OAG is unable to undertake the financial audits on time, MPW will engage a private firm of auditors. Within six months after the end of each fiscal year, MPW will submit to ADB the audited project accounts and the auditor's report for each project, including separate opinion on the use of the imprest account and the statement of expenditure procedures.

185. MPW will also engage specialists to conduct technical audits of civil works contracts, consulting services contracts, and other activities funded by the Investment Program such as O&M activities. Technical audit reports will be submitted to ADB within one month after completion of the relevant project. The PMO will also prepare, and submit to ADB, summary quarterly reports on the overall performance of each component of each Project. The reports will include information on physical progress, past and projected disbursements in the following quarter, implementation of social and environment safeguards, problems (if any) encountered, actions taken, and activities planned in the following quarter. Format and contents of the report will be described in detail in the Facility Administration Memorandum, which will be updated as required during the Investment Program. For both financial and technical audits, MPW will select and engage independent external auditors using the QCBS or QBS method in

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<sup>29</sup> Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

accordance with ADB's *Guidelines on the Use of Consultants* unless agreed otherwise in the procurement plan.

186. MPW will perform a final analysis of related primary and secondary data on impacts and outcomes within 1 month of completion of each project. The results of this analysis will be included in the Recipient's project completion report (PCR), which will be submitted to ADB within three months of completion of each project. These results will be verified by ADB and reported in its PCR on each corresponding project.

## **E. Stakeholder Communication Strategy**

187. MPW will ensure that the Investment Program is implemented with active participation of all national stakeholders, using participatory practices, and consultation will continue throughout implementation of the Investment Program. Disclosure of relevant information to these stakeholders will continue throughout implementation of the Investment Program.

<b>Project Documents</b>	<b>Means of Communication</b>	<b>Responsible Party</b>	<b>Frequency</b>	<b>Audience(s)</b>
Project Information Document (PID)	ADB's website	ADB	Quarterly updating	General Public
Facility Financing Agreement (FFA)	ADB's website	ADB	Always available online	General Public
Loan Agreement	ADB's website	ADB	Always available online	General Public
Reports and Recommendations of the President (RRP)	ADB's website	ADB	Posted within 2 weeks of loan approval; Always available online	General Public
Environmental Impact Assessment Reports (EARF and IEE)	ADB's website	MPW, ADB	IEE or EIA and EARF posted on the websites before project appraisal; Documents always available online at ADB and PR's websites; EMP updated regularly	General Public, project-affected people
Land Acquisition and Resettlement Reports (LARF and LARP, if required)	ADB's website	MPW, ADB	LARPs posted before contract awards; Document always available online at ADB and PR's websites	General Public, project-affected people
Procurement requirements	ADB website for procurement notice (ACN/SPN), invitation for bids (IFB), Local newspaper advertisement	MPW, ADB	Available online (current and archive)	General public, potential civil works contracting firms
Consulting services requirement	ADB website for recruitment notice (CSRN) for expression of interest	MPW	When required	General public, consulting firms
	ADB website for list of shortlisted firms	ADB	Always available	General public, consulting firms
	Request for proposals, public opening	MPW		General public, consulting firms

<b>Project Documents</b>	<b>Means of Communication</b>	<b>Responsible Party</b>	<b>Frequency</b>	<b>Audience(s)</b>
Facility Administration Memorandum	ADB's website	ADB	After loan negotiations	General Public
Safeguard Monitoring Reports	ADB's website	ADB	Routinely disclosed, no specific requirements	General Public, project-affected people in particular
Audited Project Financial Statements and Auditor's Report	ADB's website	ADB	30 days after their receipt from MPW	General Public

ADB=Asian Development Bank, ACN= advance contracting notice, EARF = environmental assessment and review framework, CSRN = consulting services recruitment notice, FFA = framework financing agreement, IEE = initial environmental examination, IFB = invitation for bids, MPW = Ministry of Public Works, PID = project information document, RRP = Report and Recommendation of the President, SPN = specific procurement notice.



## **X. ANTICORRUPTION POLICY**

188. MPW will establish eligibility criteria for persons serving on bid evaluation committees and require full disclosure of relevant interests and any potential conflict of interests. Additionally, MPW will engage private firms to conduct technical audits of randomly selected works contracts within 12 months of commencement of the contract and six months prior to MPW taking over the project site from the contractor.

189. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the investment program.<sup>30</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency, implementing agency and all investment program contractors, suppliers, consultants and other service providers as they relate to the investment program. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the investment program.<sup>31</sup>

190. To support these efforts, relevant provisions are included in the framework financing agreement, grant agreements and the bidding documents for the investment program.

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<sup>30</sup> Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

<sup>31</sup> ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

## **XI. ACCOUNTABILITY MECHANISM**

191. People who are, or may in the future be, adversely affected by the projects under the investment Program may address complaints to ADB, or request the review of ADB's compliance under the Accountability Mechanism.<sup>32</sup>

192. People may initially course their complaints or queries through their local government and/or communities. In case the government and/or communities cannot settle, they can then forward to the Grievance Redress Committee explained at EARF and LARF respectively. Likewise, the public may contact the ADB Afghanistan Resident Mission (AFRM).

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<sup>32</sup> For further information see: <http://compliance.adb.org/>.

## XII. RECORD OF FAM CHANGES

FAM Version	Created Date	Revision Date	Reasons for Change	Main Contents of Change
V1.0	15 June 2011	NA	Initial	NA
V1.1		31 August 2011	After negotiations	Editorial, covenants, procurement plan
V2.0		3 September 2012	Preparation of Tranche 2 processing	<p>Table 2.2 Program Readiness Activities – Tranche 2 added</p> <p>Tables 2.3, 2.4, and 2.5 added</p> <p>Table 2.6 updated</p> <p>Table 4.2 updated</p> <p>Table 4.3C and 4.3D added</p> <p>Tables 4.12, 4.13, and 4.15 added (Detailed Costs Estimates for Tranche 2)</p> <p>Figure 4.3 Tranche 1 Contracts Awarded and Disbursements S-curve updated</p> <p>Figure 4.3 Tranche 2 Contracts Awarded and Disbursements S-curve added</p> <p>p. 61 Procurement Plan for Tranche 2 added</p> <p>p. 87 DMF for Tranche 2 added</p> <p>Attachments 1, 2, 3, and 4 updated to reflect Tranche 2 procurement</p>
V3.0		17 June 2013	Preparation of Tranche 3 processing	<p>Table 2.2 Program Readiness Activities – Tranche 2 updated</p> <p>Table 2.3 Program Readiness Activities – Tranche 3 added</p> <p>Tables 2.3, 2.4, 2.5, 2.6, 2.7, and 2.8 renamed</p>

<b>FAM Version</b>	<b>Created Date</b>	<b>Revision Date</b>	<b>Reasons for Change</b>	<b>Main Contents of Change</b>
				Table 2.7 added
				Table 4.1 updated
				Table 4.2 updated
				Table 4.4E added
				Tables 4.12, 4.13, and 4.15 added (Detailed Costs Estimates for Tranche 3)
				Figure 4.1 Tranche 1 Contracts Awarded and Disbursements S-curve updated
				Figure 4.2 Tranche 2 Contracts Awarded and Disbursements S-curve updated
				Figure 4.3 Tranche 3 Contracts Awarded and Disbursements S-curve added
				p.61 Procurement Plan for Tranche 3 added
				p.18 DMF for Tranche 2 added
				Gender Action Plan added
				Previous attachments 1, 2, 3, and 4 deleted related to Tranche 2 procurement planning
				Attachment 1 for Tranche 3 PMSC procurement added and previous attachments 5 and 6 renumbered
V4.0		30 October 2014	Preparation of Tranche 4 processing	Table 2.4 Program Readiness Activities – Tranche 4 added
				Tables 2.5, 2.6, 2.7, 2.8 updated, and Table 2.9 added
				Table 2.10 renamed and

FAM Version	Created Date	Revision Date	Reasons for Change	Main Contents of Change
				updated
				Table 4.1, 4.2 updated
				Table 4.3F and 4.3G added
				Tables 4.16, 4.17, 4.18 and 4.19 added
				Figure 4.1, 4.2, 4.3 updated, and Fig 4.4 added
				Financial Management Assessment updated (part A of section V)
				Procurement Plan for Tranche 4 added
				DMF for Facility updated
				DMF for Tranche 4 added
				Gender Analysis and Gender Action Plan updated and added to for Tranche 4
				Attachment 1 updated for Tranche 4
				Attachment 2 revised to reflect Tranche 4
				Attachment 5 related to Tranche 3 deleted
				New attachments 5, 6, 7 and 8 related to Tranche 4 added

## DETAILED PROCUREMENT SCHEDULE FOR SUBPROJECT 1 (BAHARAK TO ESHKASHIM ROAD)

### 1.1 Key milestones for civil work contract

No.	Activity	Calendar	Completion	Cumulative
		Days	Date	Days
1	Draft Bidding Document (BD) Preparation	15	28-Dec-14	15
2	GPN & IFB/Preparation (GPN upload on www.adb.org)	2	30-Dec-14	17
3	Approval of Draft BD by ADB, MPW- Prior Review	15	14-Jan-15	32
4	Completion of BD	35	18-Feb-15	67
5	Clearance and approval of BD by MPW	5	23-Feb-15	72
6	Submit to ADB for Approval	4	27-Feb-15	76
7	Issue Bid Documents to Interested Contractors	6	05-Mar-15	82
8	Receive bids and Opening of Tech Qualifications	65	09-May-15	147
9	Post Qualification & Technical Evaluation by MPW	30	08-Jun-15	177
10	Clearance and approval by EA's Bidding Committee	9	17-Jun-15	186
11	ADB's Comments and No objection of the technical evaluation	15	02-Jul-15	201
12	Opening of Price Bids	12	14-Jul-15	213
13	Overall Evaluation Report by MPW	25	08-Aug-15	238
14	Clearance and approval by MPW	15	23-Aug-15	253
15	Forward Overall Evaluation Report with Recommendations to ADB including Draft Contract	14	06-Sep-15	267
16	ADB's Comments and No objection	12	18-Sep-15	279
17	Issuance of Letter of Acceptance to Contractor and forwarding Contract Agreement	10	28-Sep-15	289
18	Technical Meeting with Contractor	5	03-Oct-15	294
19	Contractors Submits Performance Security	10	13-Oct-15	304
20	Contract Signing	7	20-Oct-15	311
21	Contract approval by MPW	15	04-Nov-15	326
22	NTP and submit copy of Contract to ADB	9	13-Nov-15	335
23	Mobilization	10	23-Nov-15	345

ADB = Asian Development Bank, ARDS = Afghanistan Reconstruction Development Services, BD = Bid Documents, EA = Executing Agency, GoA = Government of Afghanistan, GPN = General Procurement Notices, IFB = Invitation for Bids, MPW = Ministry of Public Works, NTP = Notice to Proceed,

## 1.2. Key milestones for project management and construction supervision consulting services

No	Activity	Calendar Days	Completion Date	Cumulative Days
1	Publication of EOI in websites of MOF, MPW and ADB, local Newspaper, ARDS's website, etc.	1	15-Dec-14	1
2	Receipt of EOI	30	14-Jan-15	31
3	SL & RFP Submission to ADB (Submission No.1) by EA	10	24-Jan-15	41
4	ADB Approval of RFP & SL	21	14-Feb-15	62
5	Issue RFP to short listed Firms by MPW	18	04-Mar-15	80
6	Receipt of Proposal (Technical and Financial)	42	15-Apr-15	122
7	Submission of technical evaluation and submission No.2 to ADB	25	10-May-15	147
8	ADB's approval of technical evaluation	15	25-May-15	162
9	Issue of notice of public opening financial proposal	6	31-May-15	168
10	Public opening of financial proposal by MPW	7	07-Jun-15	175
11	Overall ranking and approval of the MPW	15	22-Jun-15	190
12	Submission No.3 to ADB	20	12-Jul-15	210
13	ADB's Approval of the final ranking, MPW to notify the first ranked firm to prepare for visa etc. subject to ADB final approval	14	26-Jul-15	224
14	MPW's issuance of invitation for contract negotiation	7	02-Aug-15	231
15	Notification for contract Negotiations	7	09-Aug-15	238
16	Negotiation Period	14	23-Aug-15	252
17	Submit minute of negotiations & draft contract (Submission No.4) to ADB	6	29-Aug-15	258
18	ADB's approval of contract	4	02-Sep-15	262
19	Signing of Contract	4	06-Sep-15	266
20	Contract approval by MPW	7	13-Sep-15	273
21	MPW's issuance of Notice to Proceed	7	20-Sep-15	280
22	Consultant's Mobilization	10	30-Sep-15	290

ADB = Asian Development Bank, EA = Executing Agency, EOI = Expression of Interest, GoA = Government of Afghanistan, IFB = Invitation for Bids, MOF = Ministry of Finance, no. = number, NTP = Notice to Proceed, MPW = Ministry of Public Works, RFP = Request for Proposal, SL = short listing

## Updated Resettlement Framework

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November 2012

### AFG: Transport Network Development Investment Program

Prepared by Ministry of Public Works, Islamic Republic of Afghanistan for the Asian Development Bank (ADB)

The land acquisition and resettlement framework is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.



د افغانستان اسلامي جمهوریت  
د فواید عامی وزارت  
د آسیایي پراختیایي بانک د برنامه د تنظیمولو دفتر



جمهوری اسلامی افغانستان  
وزارت فواید عامه  
دفتر تنظیم برنامه های بانک انکشاف آسیایی

Islamic Republic of Afghanistan  
Ministry of Public Works  
Program Management Office (PMO)

شماره: 650-650  
تاریخ: 13-11-2012

Mr. Hong Wang  
Director  
Transport and Communications Division  
Central and West Asia Department  
Asian Development Bank

**SUBJECT: MFF Transport Network Development Investment Program – Tranche 2**  
**Government's endorsement of the LARPs and updated LARF**

Dear Mr. Wang,

The Government of Afghanistan (Government) has requested the Asian Development Bank (ADB), as per our Periodic Funding Request dated 28 August 2012, to provide funding for Tranche 2 under the MFF Transport Network Development Investment Program to implement various road subprojects. In this regard, the Government endorses and approves the disclosure of the updated Land Acquisition and Resettlement Framework (LARF) and the Land Acquisition and Resettlement Plans (LARPs) for the following road subprojects: (i) Sapary – Jalalabad, (ii) Sharana – Angor Ada, and (iii) Chah-e-Anjir – Gereshk which will be funded for implementation under Tranche 2 of the MFF. The LARPs will also be disclosed by the Government to the affected households, both in English and local language.

Sincerely,

Dr. Eng. Ahmad Shah "Wahid"

Deputy Minister (Construction & Transportation Maintenance Infrastructure)  
Ministry of Public Works

CC:

## **CURRENCY EQUIVALENTS**

(as of 5 November 2012)

Currency Unit–Afghani (AF)

AF1.00 = \$ 0.0188

\$1.00 = AF 52.98

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
AH	–	affected household
AP	–	affected person
CSC	-	construction supervision consultant
DDT	-	due diligence team
DMS	–	detailed measurement survey
EA	–	Executing agency
EMA	–	external monitoring and evaluation agency
IOL	–	inventory of losses
IPSA	-	initial poverty and social assessment
km	–	kilometer
LAL	–	Land Acquisition Law
LAR	–	land acquisition and resettlement
LARF	–	land acquisition and resettlement framework
LARP	–	land acquisition and resettlement plan
M&E	–	monitoring and evaluation
MAIL	–	Ministry of Agriculture, Irrigation, and Livestock
MFF	–	multitranches financing facility
MOF	-	Ministry of Finance
MPW	–	Ministry of Public Works
NGO	–	non-government organization
PFR	–	Periodic Financing Request
PMO	–	Project Management Office
ROW	–	right-of-way
SES	–	socio-economic survey

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## I. INTRODUCTION

1. The Islamic Republic of Afghanistan (Afghanistan), with the Ministry of Public Works (MPW) as the executing agency (EA), is requesting financial assistance of the Asian Development Bank (ADB) to implement the Transport Network Development Investment Program (the Investment Program). Funding will be provided through a multi-tranche financing facility (MFF) comprising discrete projects to be implemented sequentially over five years under three or four tranches. The Investment Program includes physical components (i.e., transport infrastructure development) most of which will involve significant Land Acquisition and Resettlement (LAR) impacts.<sup>33</sup> Project 1 of the Investment Program has been classified by ADB as Category A for resettlement. The five priority roads identified for funding under the Investment Program, which are each likely to involve some degree of LAR impacts, are:

- Faizabad–Eshkashem (156 km)
- Kabul–Jalalabad (156 km)
- Jabul Saraj–Nijrab (51 km)
- Lashkar Gah–Gereshk (35 km)
- Dar-i-Suf–Yakawlang (182 km)

2. This updated Land Acquisition and Resettlement Framework (LARF) was prepared by MPW to detail mechanisms, procedures and compensation entitlements for planning/implementing LAR tasks for relevant projects under the Investment Program. The LARF in English will be posted on the ADB website and it will also be translated into Dari and disclosed on the MPW website.

## II. LAR RELATED PROGRAM PROCESSING REQUIREMENTS

3. Based on ADB procedures for MFFs, the Investment Program appraisal is carried out together with the appraisal of the first tranche of subprojects, collectively referred to as Project 1. The following tranches will be appraised once the EA sends to ADB a Periodical Financing Request (PFR) accompanied by the final documents and technical studies for each subproject under the respective tranche.

4. LAR tasks involved in the approval and implementation of the MFF as a facility and each tranche will require the preparation of the following documents:

- (i) A LARF for the MFF, as a facility, applicable to all subprojects implemented under the Investment Program. The LARF will be reviewed, if necessary updated, and submitted for ADB approval at least annually, and at the start of preparing PFRs for each subsequent tranche under the MFF.
- (ii) An Initial Poverty and Social Assessment (IPSA) for each tranche indicating LAR impacts, magnitude, and type and likelihood of impacts on Indigenous Peoples (IP).

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<sup>33</sup> According to ADB OM/F1 (March 2010), involuntary resettlement impacts are considered significant if 200 or more people will experience major impacts, *which are defined as: (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets* (income generating).

- (iii) The LARP will include detailed compensation budgets and implementation schedules linking LAR tasks to the initiation of civil works.

5. Based on ADB policy and practice, the appraisal of the MFF and each tranche, and subsequent approval for subproject implementation will be based on the following LAR-related conditions:

- (i) **MFF and Project 1 appraisal:** Conditional to the preparation and disclosure of: a) LARF acceptable to ADB and Government; b) IPSA; and c) LARPs acceptable to ADB and Government for Project 1 subprojects requiring LAR.
- (ii) **Approval of PFR for following tranches:** Conditional to: a) LARF review, update, re-disclosure, and b) preparation and disclosure of LARPs consistent with the revised LARF and acceptable to ADB and Government for each tranche subproject with LAR.
- (iii) **Implementation – Start of Contract (construction) for subprojects with LAR impacts:** Conditional to the finalization and disclosure of “implementation-ready” LARPs acceptable to ADB and reflecting final impacts, affected person (AP) lists, and compensation rates.
- (iv) **Initiation of physical civil works in subproject sections with LAR Impacts:** Conditional to the full implementation of the relevant LARP including full delivery of compensation and rehabilitation. Such a condition will be clearly spelled out in the text of the civil works contract.

### III. INDIGENOUS PEOPLES AND VULNERABLE GROUPS

6. No impact on Indigenous Peoples (IPs) is expected for the Investment Program. Special attention will be given to identifying and addressing the needs of disadvantaged groups such as the landless, the impoverished, and female-headed households through measures included in the LARP to try and improve (over and above cash compensations and restoration of) their livelihoods.

### IV. LARP PREPARATION AND IMPLEMENTATION

7. LARP preparation will be integral part of the preparation of tranche subprojects with LAR starting with impact screening tasks and ending with a readily implementable LARP based on detailed design. LARP preparation will entail the execution of: a) a Detailed Measurement Survey (DMS) of all land and non-land impacts; b) a census of all affected households (AHs) and affected persons (APs); c) a valuation of all affected assets and a LAR budget, and; d) a socio-economic survey (SES) of the AHs based on a 20% statistical sample.<sup>34</sup>

8. **LARP preparation and implementation process.** LARPs for Project 1 were prepared by the project preparation consultants. LARPs for following tranches will be prepared by the detailed design consultants. LARP implementation will be overseen by the supervision consultants. LARP preparation and implementation will follow the process detailed below:

<sup>34</sup> Detailed measurement survey (DMS) and census include: i.) a full inventory/measurement of all land/other items losses including buildings, crops, trees, and income; ii.) an assessment of unit replacement values for each affected item/loss; iii.) identification of each AH/AP by gender, age and ethnic affiliation.

- (a) **LARP preparation.** This phase will be carried out in parallel with the preparation of the subproject feasibility study (See Annex A for a standard outline of a LARP).
- (b) **LARP review and finalization.** This phase will be carried out during detailed design preparation and will include eventual updates of impacts (AP data) and revision of compensation rates. Contracted construction activities will initiate after review and final LARP approval.
- (c) **LARP implementation.** This phase will start after the final LARP is approved and will be concluded with the provision of due compensation to all AHs.
- (d) **Civil works implementation.** In general, civil works will start only after all AHs are compensated and a compliance report is prepared by the external monitoring and evaluation agency (EMA). However, if a road has sections without impacts and with sufficient length to economically justify construction, civil works for these sections may be initiated immediately after the beginning of the construction phase of the contract. In these cases, the absence of impacts will have to be demonstrated by an ad hoc due-diligence report.

## V. OBJECTIVES, LEGAL AND POLICY FRAMEWORK AND ENTITLEMENTS

### A. Objectives

9. This LARF combines existing legal framework and procedures for land acquisition in Afghanistan and the involuntary resettlement safeguards stipulated in *ADB Safeguards Policy Statement* (2009).

### B. Afghanistan's Legal Framework on Land Acquisition

10. There is no country specific resettlement policy in Afghanistan. A comprehensive land policy was approved in 2007 by the Cabinet, but it has yet to be fully operationalized. Ratified in early 2004, the new Afghan Constitution has three articles closely related to compensation and LAR. For public interest purposes, such as construction of public infrastructure and acquisition of land with cultural or scientific values, land of higher agricultural productivity, or large gardens, the Law for Appropriation of Property for The Public Welfare in Afghanistan (commonly referred as the Land Acquisition Law (LAL) provides that:

- The acquisition of a plot or part of it for public purpose is decided by the Council of Ministers and is compensated at fair value based on current market rates (Section 2).
- The acquisition of a plot or part of it should not prevent the owner from using the rest of the property or hamper its use. If this happens, the whole property will be acquired (Section 4).
- The right of a land owner or user will be terminated three months prior to start of civil works and after proper compensation to them has been made. The termination of the right of landlords and land users would not affect their rights on collecting their last harvest from the land, except when there is emergency evacuation (Section 6).
- In case of land acquisition, the following factors shall be considered for compensation: value of land; value of houses and buildings; value of trees, crops and other assets on land (Section 8).
- The value of land depends on the category and its geographic location (Section 11).

- A person whose residential land is subject to acquisition will receive a new plot of land of the same value. He has the option to get residential land or a house on government property in exchange, under proper procedures (Section 13).
- If a landowner so wishes his affected plot can be swapped with unaffected government land. If the new plot is worth less than the old the difference will be reimbursed to the owner (Section 15).
- The values of orchards, vines and trees on land under acquisition shall be determined by the competent officials of the local body (Section 16).
- When a property is evaluated at the current rate at the locality concerned, the owner or his representative must be present at the time of measuring and evaluation of property.
- It is Afghan practice to recognize traditional land rights.
- Compensation and rehabilitation will be provided before the land is acquired.

### C. The ADB Safeguard Policy

11. The ADB *Safeguard Policy Statement* (2009), applies to losses due both to physical and economic displacement caused by involuntary acquisition of land and is based on the following basic principles:

- Involuntary resettlement should be avoided or wherever feasible
- Where population displacement is unavoidable, it should be minimized by providing viable livelihood options.
- Replacing what is lost: If individuals or a community must lose all or part of their land, means of livelihood, or social support systems, so that a project might proceed, they will be compensated and assisted through replacement of land, housing, infrastructure, resources, income sources, and services, in cash or kind, so that their economic and social circumstances will be at least restored to the pre-project level. All compensation is based on the principle of full replacement cost. The calculation of full replacement cost will be based on the following elements: (i) fair market values; (ii) transaction costs; (iii) interest accrued; (iv) transitional and restoration costs; and (v) other applicable payments.
- Each involuntary resettlement is conceived and executed as part of a development project or program. ADB and executing agencies or project sponsors, during project preparation, assess opportunities for affected people to share project benefits. The affected people need to be provided with sufficient resources and opportunities to reestablish their livelihoods and homes as soon as possible, with time-bound action in coordination with the civil works.
- The affected people are to be fully informed and closely consulted. Affected people are to be consulted on compensation and/or resettlement options, including relocation sites, and socioeconomic rehabilitation. Pertinent resettlement information is to be disclosed to the affected people at key points, and specific opportunities provided for them to participate in choosing, planning, and implementation options. Grievance redress mechanisms for affected people are to be established. Where adversely affected people are particularly vulnerable groups, resettlement planning decisions will be preceded by a social preparation phase to enhance their participation in negotiation, planning, and implementation.
- Social and cultural institutions: Institutions of the affected people, and, where relevant, of their hosts, are to be protected and supported. Affected people are to be

assisted to integrate economically and socially into host communities so that adverse impacts on the host communities are minimized and social harmony is promoted.

- No formal title. Indigenous groups, ethnic minorities, pastoralists, people who claim for such land without formal legal rights, and others, who may have usufruct or customary rights to affected land or other resources, often have no formal legal title to their lands. The absence of a formal legal title to land is not a bar to ADB policy entitlements. APs who neither have formal legal rights nor recognized or recognizable claims to land should be compensated for all non-land assets and for other improvements to the land.
- Identification: Affected people are to be identified and recorded as early as possible in order to establish their eligibility through a population record or census that serves as an eligibility cutoff date, preferably at the project identification stage, to prevent a subsequent influx of encroachers or others who wish to take advantage of such benefits.
- The Poorest: Particular attention must be paid to the needs of the poorest affected people, and vulnerable groups that may be at high risk of impoverishment. This may include those without legal title to land or other assets, households headed by females, the elderly or disabled and other vulnerable groups, particularly indigenous peoples. Appropriate assistance must be provided to help them improve their socio-economic status.
- The full resettlement costs are to be included in the presentation of project costs and benefits. This includes costs of compensation, relocation and rehabilitation, social preparation and livelihood programs as well as the incremental benefits over the without project situation (which are included in the presentation of project costs and benefits). The budget also includes costs for planning, management, supervision, monitoring and evaluation, land taxes, land fees, and physical and price contingencies. Where loans include subprojects, components or investments prepared only after project approval and loans through financial intermediaries that are likely to cause involuntary resettlement, sufficient contingency allowance must be allocated for resettlement prior to approval of the loan. Similarly, resettlement plans should also reflect the timeframe for resettlement planning and implementation.
- Eligible costs of compensation: Relocation and rehabilitation may be considered for inclusion in ADB loan financing for the project, if requested, to assure timely availability of the required resources and to ensure compliance with involuntary resettlement procedures during implementation.
- Compensation and rehabilitation is to be provided before the land is acquired.

#### **D. Identification of Gaps between ADB Policy and Afghanistan's Law**

12. The Land Acquisition Law (LAL) of Afghanistan and ADB policy diverges on some key points on compulsory acquisition of land. The LAL does not require adequate consultation with affected parties; it simply requires that declaration and notice be given about temporary use of land or acquisition or resumption of land (lease) and the purposes for which it is required. Nor does the LAL require preparation of a "plan" documenting the process, consultations undertaken with APs, or any specification of procedure for the acquisition and compensation. Finally, the LAL does not entitle to compensation APs without title nor provides compensation for income losses caused by LAR. Table 1 summarizes the differences between the LAL and ADB safeguards, and identifies the resolutions taken for this Program to reconcile the gaps.



**Table 1: Comparison of ADB's Safeguards Policy Statement of 2009 and LAL of Afghanistan**

<b>ADB SPS 2009</b>	<b>Land Acquisition Law (LAL)</b>	<b>Remarks/Agreed Reconciliation Measures</b>
Affected persons (APs) are to be fully informed and consulted on compensation options.	National legislation does not provide for public consultation.	National legislation does not provide for public consultation. This Land Acquisition and Resettlement Framework (LARF) provides for consultation and information dissemination.
APs should be compensated for all their losses at replacement cost.	Land acquisition and resettlement (LAR) for public interest is to be compensated based on equal/fair value according to current market rates. In case of residential land, land for land is offered. Affected crops and trees will be valued by the competent authorities.	The LARF specifies that affected land will be compensated at replacement cost, free of transaction cost, while buildings/structures are compensated without deducting for depreciation. Crops or trees will also be compensated in cash at replacement rates.
Lack of formal title should not be a bar to compensation/rehabilitation.	Although not clearly stipulated in law, in practice, traditional land rights are recognized. However, those without formal or traditional land rights are not entitled compensation for non-land assets	This LARF provides compensation at replacement cost for titled and customary users, and rehabilitation for non-title holders.
APs should be timely compensated.	Land owners/users rights on a plot will be terminated three months prior to start of civil works and after compensation is given. The termination of the owner/user rights will not affect the rights to collect the last harvest except in the case of an emergency.	This LARF provides for crops compensation whether they have been harvested or not to avoid civil works delays and pressures on land users to harvest a crop before it is fully ripe. Land users harvesting their crops after notification of the land occupation date will not lose any part of their due compensation.
APs should be compensated and/or assisted, to guarantee at least the maintenance of their pre-project livelihood level.	Compensation at replacement rate will be given for land, house, crops, or trees losses. Compensation for income losses/relocation costs is not considered.	General rehabilitation for income losses and for relocation costs will be given if these impacts occur.
Requires the establishment of a grievance redress mechanism to receive and facilitate the resolution of APs' concerns about displacement and other impacts	No specific requirements for the establishment of project-specific grievance redress mechanism	A grievance redress mechanism shall be established and operationalized as part of LARP and project implementation.

## **VI. THE INVESTMENT PROGRAM'S COMPENSATION ELIGIBILITY AND ENTITLEMENTS FRAMEWORK**

13. To reconcile the gaps between Afghan laws and regulations and ADB Safeguards, MPW has drafted a specific framework detailing the compensation eligibility and entitlements for the Investment Program. The key principles of the framework are detailed below:

- The negative impact on AP must be avoided or minimized as much as possible;
- Where negative impacts are unavoidable, the persons affected by the project and vulnerable groups will be identified and assisted in improving or regaining their standard of living.
- Information related to the preparation and implementation of resettlement plan will be disclosed to all stakeholders and people's participation will be ensured in planning and implementation. All RPs for the roads with resettlement impacts will be disclosed to the APs;
- Land acquisition for the project would be done as per the Land Acquisition Law of Afghanistan. The Act specifies payment of adequate compensation for the properties to be acquired. Additional support would be extended for meeting the replacement value of the property, that includes all transactions costs and without deduction for depreciation, and salvageable materials. APs who neither have titles nor recognized or recognizable claims to land will be compensated for their structures and for other improvements to the land.
- Widening and strengthening work will take place mostly on the existing alignment except at locations where the existing alignment may require shifting to accommodate bridges reconstructed in new locations adjacent to existing structures;
- Before taking possession of the acquired lands and properties, compensation and resettlement and rehabilitation (R&R) assistance will be paid in accordance with the provision described in this document;
- An entitlement matrix for different categories of people affected by the project has been prepared and provisions will be kept in the budget for those who were not present at the time of census survey. However, people moving in the project area after the cut-off date will not be entitled to any assistance. In case of land acquisition the date of notification for acquisition will be treated as cut-off date. For non-titleholders such as squatters and encroachers the date of project census survey or a similar designated date declared by the executing agency will be considered as cut-off date;
- Appropriate grievance redress mechanism will be established at the district level to ensure speedy resolution of disputes;
- All activities related to resettlement planning, implementation, and monitoring would ensure the involvement of women and other vulnerable groups; and
- Consultations with the APs will continue during the implementation of resettlement and rehabilitation works.
- Compensation and rehabilitation is to be provided before the land is acquired.

### **A. Eligibility to Compensation and Rehabilitation**

14. APs entitled to compensation or rehabilitation under the Investment Program are:

- (i) All APs with formal title, formal or customary deed, or traditional land right as vouched by the local Jirga, elders or Community Development Council.;
- (ii) Tenants and sharecroppers, whether registered or not;

- (iii) Owners of buildings, crops, plants, or other objects attached to the land (including those with no legal rights to the land); and
- (iv) APs losing business, income, and salaries (including those with no legal rights to the land).

15. Compensation eligibility will be limited by a cut-off date to be set on the completion day of the impacts assessment and AP census. All APs settling in affected areas after that date and who cannot prove that they are displaced users of affected plots will not be eligible for compensation.

## B. Compensation and Rehabilitation Entitlements

16. APs are entitled to various types of compensation and resettlement assistance as detailed below:

- **Acquisition of land** will be compensated at replacement cost either through replacement plots or in cash based on replacement cost to be approved by the council of ministers. MPW will shoulder all fees, taxes, and other charges, as applicable under relevant laws incurred in the acquisition and resource establishment.
- **Houses, Structures and Buildings** will be compensated in cash at replacement cost free of depreciation or transaction costs. Replacement costs are calculated in consultation with local governments, provincial MPW engineers and AP and will not include depreciation or salvaged materials which can be used for free by the AH. A lump sum relocation allowance of AF5,000 will be paid to each resettled AH in addition to building compensation. In case of partial impacts, cash compensation will be provided to restore the remaining structure. Moreover, buildings losing more than 25% of the floor area are considered as fully affected and are provided with cash compensation equal to the entire building.
- **Loss of crop** will be compensated at market rate along with additional assistance for purchase of seeds and restoration of future crop activities. APs will be given sufficient time to harvest their crops prior to the start of construction works to avoid impact on standing crops.
- **Loss of trees:** Fruit bearing trees will be compensated at the value of 1 harvest multiplied by the number of years needed to re-grow a tree at the same productive level of the tree lost. Non-fruit bearing/Timber trees will be valued based on the market value of their dry wood volume. The compensation for the tree will be free of deduction for the value of the wood left to the AH.
- **Loss of business** will be compensated based on tax receipts/other valid documents or, if these are not available, based on a fixed rate computed on the average net income of typical road businesses in project areas as determined by surveys conducted during LARP preparation. Compensation for permanent business losses will amount to six month of net income loss. Compensation for temporary business losses will cover income losses during the interruption period <sup>35</sup>.
- **Income losses for workers and employees** — Cash compensation for lost wages equivalent to their three months salary.

<sup>35</sup> It is estimated that permanently affected road side business will be able to re-establish in another location within a period of 6 months, while those temporarily affected will be able to continue their operations within a period of 3 months.

- **Sharecroppers and agricultural workers** — Sharecroppers will receive their share of harvest at market rates plus one additional crop compensation. Agricultural workers, with contracts to be interrupted, will get a cash compensation equivalent to their three months salary.
- **Vulnerable Households** – Vulnerable people (APs below the poverty line, women household heads, mentally challenged headed households, etc.) will be provided an additional allowance equivalent to 3 months of average household income as determined during the LARP census as assistance and will be given priority in employment in project-related jobs.
- **Severe agricultural land impacts**—When greater than 10% of an AP's agricultural land is affected, the AP will get an additional allowance for severe impacts equal to the market value of a year's net income crop yield of the land lost.
- **Transitional livelihood allowance**<sup>36</sup> — AHs forced to relocate will receive a livelihood allowance of AF5,200 a month for 3 months.
- **Community structures and public utilities** — Will be fully replaced or rehabilitated so as to satisfy their pre-project functions.
- **Impacts on irrigation channels** — The project will ensure that irrigation channels are diverted and rehabilitated to previous standards.
- **Temporary Impacts.** In case of temporary land acquisition during construction, compensation shall be based on local land rental rates in the project area for the duration of use. The land shall be restored by the construction contractor(s) at the end of the rental period.

17. The above-described entitlements are summarized in the Entitlements Matrix provided in Table 2 below.

**Table 2: Entitlements Matrix**

Item	Application	Eligibility	Compensation Entitlements
Agricultural/ residential/ commercial land loss	Land affected by right-of-way (ROW)	AP with title, formal/customary deed, or traditional land right as vouched by local Jirga, elders or Community Development Council.	Cash compensation at replacement cost either through replacement plots or in cash based on full replacement cost to be approved by the council of ministers. All fees, taxes, or other charges, as applicable under relevant laws are to be borne by the project
Residential and commercial buildings loss	Residential/ commercial structure affected	Owners of structures (including informal settlers)	<ul style="list-style-type: none"> <li>- Cash compensation for affected structure and other fixed assets at replacement cost of the structure free of depreciation, taxes/fees and salvaged materials.</li> <li>- In case of partial impacts full cash assistance to restore remaining structure. If more than 25% of the building's floor area is affected, cash compensation will be computed for the entire building.</li> <li>- Right to salvage material from demolished structure</li> </ul>

<sup>36</sup> Transitional livelihood allowance is computed based on the prevailing wage rate of AF200 per day by 26 days or AF5,200 per month. This is also the basis for cash compensation on lost wages. This rate will be adjusted based on the current prevailing wage rate during LARP preparation.

Item	Application	Eligibility	Compensation Entitlements
Crops losses	Crops on affected land	Owners of crops / sharecroppers	- Cash compensation equal to replacement cost of crop lost plus cost of replacement seeds for the next season.
Trees Losses	Trees on affected land	Owner of trees (including informal settlers)	<ul style="list-style-type: none"> <li>- Fruit bearing trees will be compensated at the value of 1 harvest multiplied by the number of years needed to re-grow a tree at the same productive level of the tree lost.</li> <li>- Non-fruit bearing/timber trees will be valued based on the market value of their dry wood volume.</li> <li>- The compensation of the tree will be free of deduction for the value of the wood left to the AH.</li> </ul>
Business losses by shop owners and employees	Permanent / temporary business losses along the ROW	Business / shop owners (including informal settlers), employees	<ul style="list-style-type: none"> <li>- Cash compensation for net income loss for the duration of business stoppage. In case of permanent loss, allowance for 6 months income. The compensation for business loss will be calculated based on tax receipts or when these are not available based on fixed rates<sup>37</sup>.</li> <li>- Employees: indemnity for lost wages equivalent to three months income</li> </ul>
Transitional Livelihood Allowance	Residential/Commercial Structures affected	All Ahs	- Relocated owners/renters will receive a transitional allowance for livelihood losses at AF5,200 for 3 months
Relocation Allowance	Residential/Commercial Structures affected	All Ahs	- Relocated owners/renters (including informal settlers) will receive a relocation allowance of AF5,000
Assistance to vulnerable AH	Affected by land acquisition, resettlement etc.	AH which are: female-headed; poor (below poverty line) or headed by handicapped/disabled persons	<ul style="list-style-type: none"> <li>- Vulnerable households will be provided an additional three months of average household income allowance (AF28,500) as assistance.</li> <li>- Preferential employment in the project construction.</li> </ul>
Severe agricultural land impact allowance	Agricultural land	Agricultural land owners, leaseholders or sharecroppers losing >10% of their holdings	- Allowance for severe land impacts equal to replacement cost of a year's net income from crop yield of land lost
Loss of Community, Cultural, Religious, or Government Sites	Temporary or permanent loss due to the Project activities	Community/ Affected households	- Conservation, protection and cash compensation for replacement (Schools, communal centers, markets, health centers, shrines, other religious or worship sites, tombs,. Cash compensation for affected structures based on the above structures entitlements
Impact on irrigation channels	Temporary or permanent loss due to the Project activities	Community/ affected households	- Irrigation channels are diverted and rehabilitated to previous standards

<sup>37</sup> This fixed rate is based on the average net income of road businesses in project areas as determined by the surveys conducted during LARP preparation.

Item	Application	Eligibility	Compensation Entitlements
Temporary loss of land	Temporary use of land during construction	AP with title, formal/customary deed, or traditional land right as vouched by local Jirga, elders or Community Development Council.	- Cash compensation based on local land rental rates for the duration of use and restoration at the end of the rental period.
Unidentified Impacts		AH or individuals	- Unforeseen impacts compensated based on above entitlements during project implementation by the EA.

ADB=Asian Development Bank; AF=Afghanistan currency; AH=affected household; AP=affected person; LAL=Land Acquisition Law; LARP=land acquisition and resettlement plan; no.=number; SPS=Safeguards Policy Statement.

### C. Land Valuation

18. In principle, land will be valued at replacement rates based on a survey of land sales in project areas. However, in rural Afghanistan there may be situations where land markets are insufficiently developed and land sales prices are not systematically recorded. In these cases land valuation will be based on local government revenue rates and will then be negotiated with the local communities. The land rates payable to the affected households will be determined based on extensive consultations with the local jirgas and the affected households. These negotiated rates will be adopted once endorsed by the Governor's Office. The LARPs will detail the consultation and negotiation activities that led to the definition of the final land rates so as to document the fairness and transparency of the land valuation process and the final agreement of the APs.

## VII. INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION

19. The agency with responsibility for LAR planning, implementation and financing is MPW. Within MPW specific responsibility for day-to-day LAR action will rest on the Project Management Office (PMO) and, within it, on a Due Diligence Team (DDT). The PMO has overall responsibility of planning, implementation and monitoring of R&R activities in projects under the MFF. It is tasked to ensure availability of budget for R&R activities, select and appoint NGOs. Coordinate with line departments, implementing NGO and Construction Supervision Consultant (CSC), train resettlement teams and manage tasks involving local or central government or the affected communities' shuras. The Construction Supervision Consultant (CSC) will assist in monitoring LARP implementation. An NGO will be engaged to help implement the LARP.

20. The staff of PMO has been trained on safeguards issues through an ADB Capacity Building TA. These engineers can be deputed by MPW as support staff to look after the resettlement activities at PMO for the smooth functioning of resettlement implementation.

### 1. Due Diligence Team (DDT) at the PMO

21. The DDT will work closely with other staff of the PMO and will specifically look at safeguards issues. The DDT will assist the PMO for getting all the necessary clearances and implementation of the resettlement activities prior to start of any civil work. The DDT will be supported by an International Resettlement Specialist (IRS) and one Domestic Resettlement Specialist (DRS). Similarly, there will be one International Environment Specialist (IES) who will

be assisted by a Domestic Environmental Specialist (DES). Both the international and domestic resettlement specialists will work closely with the PMO. The DRS will work closely with the PMO engineers and implementing NGO at the project site level. The candidate to be selected as IRS is desired to have similar earlier experience in resettlement and social development planning and implementation.

## **2. Construction Supervision Consultant**

22. LARP implementation will be monitored by the construction supervision consultants (CSC) who as the external monitoring agency (EMA) will also provide for the required compliance reports. The CSC will have local and, if needed, international staff to carry out LAR-related monitoring tasks.

## **3. Implementing NGO**

23 MPW will engage a local NGO to assist in implementation of LARP. The NGO will play the role of a facilitator and will work as a link between the PMO and the APs. Further the NGO will educate the APs on the need to implement the Project, on aspects relating to land acquisition and R&R measures and ensure proper utilization of various compensations extended to the APs under the R&R entitlement package. The major LARP implementation responsibilities will be with NGOs. The NGO will be the link between the PMO and APs. Specific tasks of the NGO are as follows:

- Work under close coordination of the PMO, and DDT to implement the LARP.
- Involve the shura and local leaders, wherever necessary to implement the LARP to facilitate transparency in the process and public participation.
- Assist the PMO in dissemination of the LARP and other resettlement related information.
- Take lead in joint verification and identification of APs.
- Identify AHs whose lands which can be acquired through negotiated purchase or through expropriation
- Identify absent AHs
- Carry out a census of the APs and identify the vulnerable households (if required)
- Identify training needs of APs for income generation activities and ensure that they are adequately supported
- Counsel, generate awareness and resolve the grievances of the affected persons
- Put forth the unresolved grievances of the APs to the GRC
- Generate awareness about the livelihood restoration activities, and help the APs to make informed choices. Including assisting APs in participating in government development programs
- Prepare sub-project level plans for implementation of LARP and issue ID cards
- Assist APs in opening an account in the nearest local bank needed for transferring compensation payments
- Organize and assist displaced persons committees (DPCs)
- Participate in public meetings as and when required
- Submit periodic LARP implementation report to the PMO

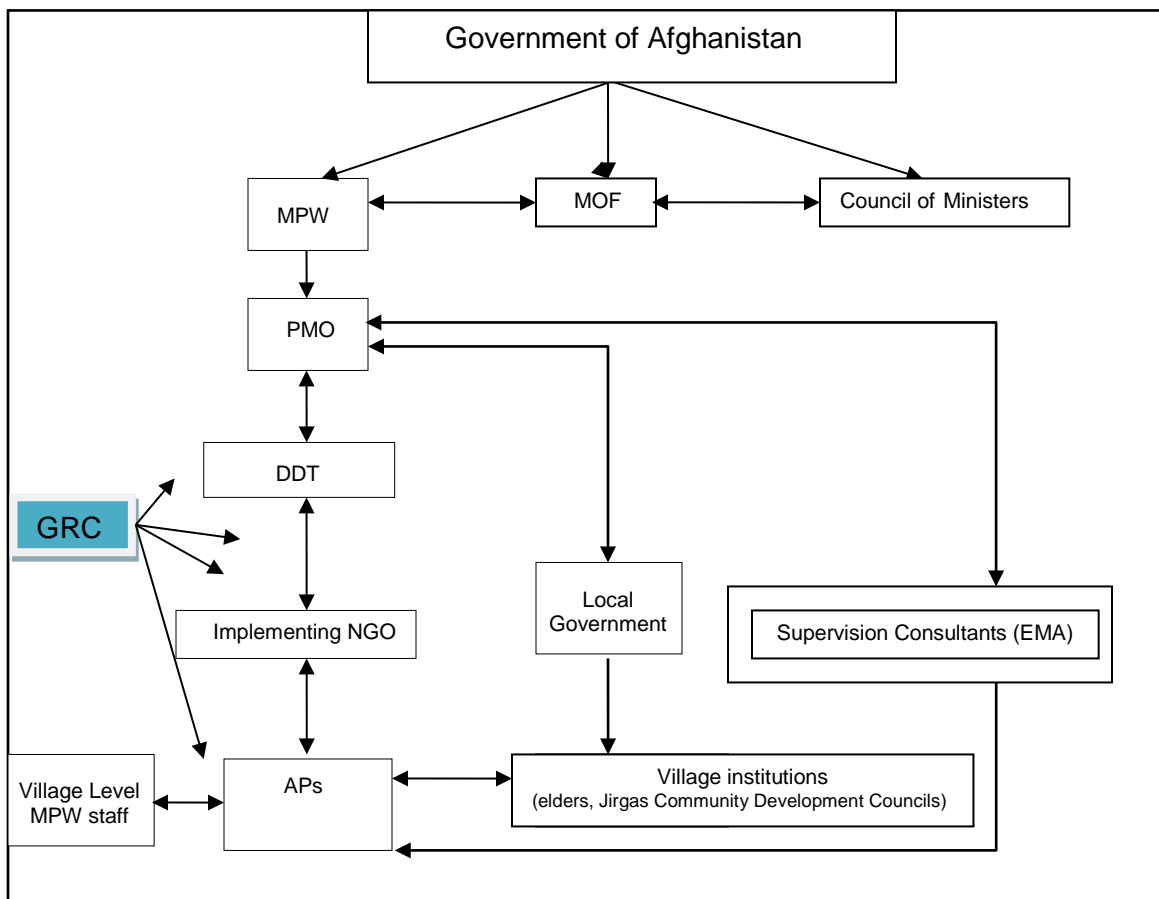
24. Several other agencies and institutions will have a role in the preparation and implementation of the LARPs. These are:

- **Community Shuras, Local Jirgas and Community Development Councils.** These local entities will assist in various ways the communication between MPW and the affected communities. This includes facilitating public consultation, monitoring the management of complaints and grievances, vouching as needed for the land occupation status of the APs and assisting in the definition of land compensation rates where no clear land markets are established.
- **Provincial Governments.** This entity will ensure government functions at the provincial level, and following the land valuation survey or negotiation, will provide official endorsement of land compensation rates
- **Ministry of Finance (MOF).** The MOF will be responsible to coordinate the approval of the LARP by the Cabinet of Ministers and, once the LARP is approved, deploy the finances needed for LARP implementation.
- **ADB.** ADB will be responsible to provide approval of LARPs and of action related to the satisfactory implementation of this LARF.

25. The institutional arrangement for planning and implementing resettlement and rehabilitation activities will follow the general envisaged structure as depicted in **Figure 1** below. The LARP will include a section on scheduling of LAR activities with clear indication of tasks, roles and responsibilities.



Figure 1: Land Acquisition and Resettlement Plan Institutional Arrangements



26. The schedule for finalization and implementation of a resettlement plan will be scheduled as per the overall project implementation. The construction period for each project/subproject is tentatively scheduled for three years. All activities related to the land acquisition and resettlement must be planned to ensure that the compensation is paid prior to displacement and commencement of civil works. Public consultation, international monitoring and grievance redress will be undertaken intermittently throughout the project duration. However, the schedule is subject to modification depending on the progress of the project activities. As part of advance actions following loan negotiations the EA will establish the PMO, GRC, and appoint the NGO for resettlement implementation. The proposed LARP activities are divided in to three broad categories based on the stages of work and process of implementation. The details of activities involved in these phases are as follows: a) draft LARP finalization for PFR approval; b) finalization of implementation-ready LARP; c) LARP implementation; and d) start of physical civil works. Table 3 shows a tentative schedule for LARP activities in projects under the MFF including various sub tasks and tentative time line matching with civil work schedule.

**Table 3: Indicative LARP Preparation and Implementation Schedule**

No.	Activity	Responsibility	Indicative Timeline
A) Draft LARP Preparation for PRF Approval			
1	Preparation of preliminary design	USACE/Consultant	
2	DMS/census/surveys/consultation	Consultant	2-3 months
3	LARP drafting		
4	ADB review and approval of draft LARP	ADB	2 weeks
5	Government approval of draft LARP	EA	1 week
6	Disclosure	Consultant/ ESMU / PMO / ADB	
7	Project appraisal	ADB	1-2 months
8	PFR approval		
B) Review, Update and Finalisation of Implementation Ready LARP			
1	Contract Awards signing	ADB/PMO	3 –4 months
2	Design implementation	EA	
3	Final definition of road alignment	EA	
4	Review surveys and valuation of data	Consultant	
5	Re-surveying to fill DMS data gaps	Consultant	
6	Updating resettlement leaflet and distribution to AHs	Consultant	
7	Proposal of rates to MoF	PMO	
8	LARP update and final valuation	Consultant	2-3 weeks
9	ADB review and approval of LARP	ADB	
10	Government approval of LARP	EA	
11	Disclosure	Consultant/ ESMU / PMO / ADB	1-2 months
12	Negotiations with APs to agree and sign off entitlement packages	PMO/Consultant	
13	Allocation of LAR funds	EA	1-2 months
14	Staffing of PMO and DDT in place	EA	
C) LARP Implementation			
1	Contracting of Implementing NGO and consultants	Consultant / PMO	June '13
2	Compensation delivery	PMO, District Government	5-6 months

No.	Activity	Responsibility	Indicative Timeline
3	Internal monitoring	CSC, PMO	
4	Preparation of compliance report	EMA	2-3 weeks
5	No-Objection from ADB to start civil works	ADB	1 week
<b>D) Start of Civil Works</b>			
1	Start of civil works	Construction Contractor	after receipt of no-objection
2	Preparation of evaluation report	EMA	1 year after completion of LARP implementation

### **VIII. CONSULTATION AND INFORMATION DISCLOSURE**

26. LARP preparation and implementation will be accompanied by an intensive public information and consultation program involving the APs, local institutions and village officials. The objective of these tasks will be to ensure that the APs can play a role in the definition of LAR compensation options and that their needs are reflected in the compensation program detailed in the LARPs. Information and consultation will be carried out through individual meetings, community meetings and through pamphlets and questionnaires. The date, location, number of participants and matter discussed will be documented in the LARPs.

27. As a condition to Investment Program appraisal, the LARF and Project 1 LARPs in Dari will be disclosed at the MPW-PMO office in Kabul and local MPW offices while the LARF and Project 1 LARPs will be posted on the ADB website. For the following tranches, the LARPs in Dari and English will be disclosed in the same locations as a condition to PFR approval. A LAR information leaflet with information including measurement of losses, detailed asset valuations, entitlements and special provisions, grievance procedures, timing of payments and displacement schedule will be made available in the local language (Dari) and distributed to all APs before the approval of the Investment Program and each subsequent tranches. Moreover, as required in the new ADB public communications policy, monitoring reports on the LARP implementation will be posted on the ADB website.

### **IX. GRIEVANCE REDRESS MECHANISM**

28. A grievance redress mechanism will be available to allow an AP appealing any disagreeable decision, practice, or activity arising from land or other assets compensation, while not preventing him or her to refer his complaint directly to the court. APs will be fully informed of their rights and of the procedures for addressing complaints during consultation, surveys, and time of compensation. The grievance redress mechanism entails four stages as follows:

- (i) Complaints are to be filed at the district governor offices. The district government with the help from Shura, NGO and PMOs resettlement team is obliged to reply and explain the decision within 30 days from the date the complaint was received. The Grievance Redress Committee (GRC) will assist the district governor offices in the mediation and resolution of conflict.
- (ii) If AP is unsatisfied or has no reply from the district governor office, grievances can then be lodged with the Province Governor offices. The Governor office will issue the final decision within 45 days.

- (iii) If AP is unsatisfied or has no reply from the province governor office, grievances can then be lodged with General Governor office in Kabul. The General Governor office will issue the final decision within 60 days.
- (iv) The AP always has final recourse through Afghanistan's legal channels and referred to the appropriate courts; however, every effort will be made to avoid this since the system is presently critically weak. Should the AP want to pursue legal recourse, however, MPW through its DDT and implementing NGO will ensure that support is given to the AP to prepare a case.

29. The PMO will design a pro-forma letter to be used for filing complaints. Literate local leaders and representatives of the APs will be identified for each project to form a Grievance Committee. The Grievance Committee will help the APs in filling the form and transmitting it to the appropriate authority and will assist them at every stage of the complaint process.

30. If grievances cannot be resolved at the local level, the MPW will hold the compensation amounts in escrow or trust account. Compensation will be paid in full upon final resolution of the case in the courts or other forum, in accordance with the entitlements of the AP.

31. A Grievance Redress Committee (GRC) will be established at the district level with the primary objective of providing a mechanism to mediate conflict and cut down on lengthy litigation process. It will also provide people, who might have objections or concerns about their assistance, a public forum to raise their objections and through conflict resolution, address these issues adequately. The GRCs will continue to function, for the benefit of the APs, during the entire life of each project under the MFF including the defects liability periods. The GRC will comprise of district government with representatives from MPW, PMO, APs and NGO etc. The specific functions of the GRC are as follow:

- Provide support for the APs on problems arising out of land/property acquisition like award of compensation and value of assets;
- Record the grievances of the APs, categorize and prioritize the grievances that needs to be resolved by the Committee and solve them within a month;
- Inform PMO of serious cases within an appropriate time frame; and
- Report to the aggrieved parties about the development regarding their grievance and decision of PMO.

## **X. BUDGET AND FINANCING**

32. Land acquisition funds for land affected by a subproject under the Investment Program will be financed by the government using counterpart funds. The budget for such activities will be allocated by MOF based on the costs assessment provided in the LARPs. MOF will authorize disbursement of these funds following the approval of the LARPs by the Council of Ministers.

33. Non-land compensation costs for assets affected by a subproject under the Investment Program or for livelihood assistance (cost of compensation of buildings, crops, trees, income losses and rehabilitation/location allowances) may be directly allocated from the grant or loan based on the costs assessment provided in the LARPs. MOF will authorize disbursement of these funds following the approval of the LARPs by the Cabinet of Ministers.

34. LARPs for subprojects under the Investment Program will provide detailed compensation and rehabilitation costs assessments and will clearly describe the methodology followed to identify the replacement rate for each affected asset. The LARP budgets will include LARP implementation costs including: administration charges, contingencies, and monitoring expenses.

## **XI. MONITORING AND EVALUATION**

35. LAR tasks under the Investment Program will be subjected to both internal and external monitoring. Internal monitoring will be conducted by the PMO. External monitoring will be assigned to an external monitoring and evaluation agency (EMA) hired by MPW and approved by ADB.

### **A. Internal Monitoring**

36. Internal monitoring will be carried out routinely by the PMO either directly or through the services of a consultant. The results will be communicated to ADB through the quarterly project implementation reports. Indicators for the internal monitoring will be those related to process and immediate outputs and results. This information will be collected directly from local MPW offices and reported monthly to the PMO to assess the progress and results of LARP implementation, and to adjust the work program, if necessary. The monthly reports will be quarterly consolidated in the standard supervision reports to ADB. Specific monitoring benchmarks will be:

- (i) Information campaign and consultation with APs;
- (ii) Status of land acquisition and payments on land compensation;
- (iii) Compensation for affected structures and other assets;
- (iv) Relocation of APs;
- (v) Payments for loss of income;
- (vi) Selection and distribution of replacement land areas (if any); and
- (vii) Income restoration activities

### **B. External Monitoring**

37. External monitoring will be carried out in parallel with the implementation of each LARP and at the end of LARP implementation will result in a final compliance report indicating whether the compensation program has been carried out based on the LARP provisions and ADB policy and with the APs' satisfaction. The compliance report will be transmitted to the PMO and ADB. A satisfactory Compliance Report will be a condition to start civil works where LAR issues are present. In the case where the CSC is yet to be hired at the time of the implementation of the LARPs, external monitoring will be carried out by an EMA to be selected and hired from NGOs, academic institutions, or independent consultants. It is envisaged that for tranches after Project 1, the first external monitoring will be carried out by the CSC. External monitoring tasks will include:

- (i) Review and verify internal monitoring reports prepared by the PMO;
- (ii) Review of the socio-economic baseline census information of pre-displaced persons;
- (iii) Identification and selection of impact indicators;
- (iv) Impact assessment through formal and informal surveys with the affected persons;

- (v) Consultation with APs, officials, community leaders for preparing review report; and
- (vi) Assessment of the resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement policy formulation and planning.

38. As part of the final compliance report, the EMA will also assess the status of project affected vulnerable groups such as female-headed households, disabled/elderly and families below the poverty line. The following will be considered as the basis for indicators in monitoring and evaluation of the project:

- (i) Socio-economic conditions of the APs in the post-resettlement period;
- (ii) Communications and reactions from APs on entitlements, compensation, options, alternative developments and relocation timetables etc.;
- (iii) Changes in housing and income levels;
- (iv) Rehabilitation of informal settlers;
- (v) Valuation of property;
- (vi) Grievance procedures;
- (vii) Disbursement of compensation; and
- (viii) Level of satisfaction of APs in the post resettlement period.

39. The EMA will carry out a post-implementation evaluation of the LARP about a year after completion of its implementation. The compelling reason for this study is to ascertain if the objectives of the RP have been attained or not. The benchmark data of socioeconomic survey of severely affected APs conducted during the preparation of the LARP and Initial Poverty Social Assessment (IPSA) will be used to compare the pre- and post-project conditions. The EMA will recommend appropriate supplemental assistance for the APs should the outcome of the study show that the objectives of the LARP have not been attained.

## OUTLINE OF A LAND ACQUISITION AND RESETTLEMENT PLAN

A LARP is required for all subprojects involving land acquisition and resettlement impacts. Its level of detail and comprehensiveness will be commensurate with the significance of potential resettlement impacts and risks.

1. **Introduction:** This chapter describes the scheme activities and items requiring LAR; alternative options, if any, considered to minimize land acquisition and its effects; and why remaining effects are unavoidable.
2. **Scope of land acquisition and resettlement:** This chapter describes the preparation of the impacts (who carried it out and when it was initiated) and provides a full assessment of each type of impact and a census and APs. The chapter also includes a description of the methodology followed to determine unit-compensation rates for each affected item and subsidy/allowance and will elaborate on the relocation strategy chosen.
3. **Socio-Economic Survey.** This chapter will provide a general assessment of the main socio-economic features of the affected population based on a 20% sample survey
4. **Objectives, policy framework, and entitlements.** Based on the LARF, this chapter outlines the eligibility and compensation framework for the scheme.
5. **Consultation and grievance redress participation.** This chapter summarizes procedures for redress of grievances by people affected described in LARF and describes the consultation/participation process and grievance redress that occurred in the subproject at hand.
6. **Compensation, relocation, and income restoration.** This chapter outlines the income restoration measures to be implemented.
7. **Institutional framework.** This chapter outlines the institutional arrangements for the scheme based on this LARF. It includes the following issues: responsibilities for main tasks and for planning, negotiating, consulting, approving, coordinating, implementing, financing, monitoring, and evaluating land acquisition and resettlement.
8. **Resettlement budget and financing.** This chapter provides the unit compensation rate for each affected item and assesses the LAR budget for the scheme. The LAR budget will include land acquisition and eventual land acquisition costs, amounts due for crop compensation and for the subsidies and allowances, monitoring and evaluation costs, and administrative costs and will be adjusted for inflation and applicable taxes.
9. **Implementation schedule.** This chapter provides a time schedule showing the LAR process and linking LAR tasks with civil works implementation.
10. **Monitoring and evaluation.** This chapter specifies arrangements for routine and independent monitoring and evaluation activities.

## ENVIRONMENTAL ASSESSMENT AND REVIEW FRAMEWORK

### ABBREVIATIONS

ADB	—	Asian Development Bank
AITF	—	Afghan Infrastructure Trust Fund
AP	—	affected person
BMP	—	Building Material Permits
CEMP	—	Contractor's Environmental Management Plan
EA	—	executing agency
EARF	—	environmental assessment and review framework
EIA	—	environmental impact assessment
EIS	—	environmental impact statement
EMP	—	environmental management plan
EO	—	Environment Officer
GoA	—	Government of Afghanistan
GFP	—	Grievance Focal Points
IEE	—	initial environmental examination
LARP	—	Land Acquisition and Resettlement Plan
MFF	—	multitranchise financing facility
MoH	—	Ministry of Health
MoM	—	Ministry of Mines
MPW	—	Ministry of Public Works
MOU	—	memorandum of understanding
NEPA	—	National Environmental Protection Agency
NTP	—	National Transport Plan
PMO	—	program management office
PER	—	Public Environmental Report
REA	—	Rapid Environmental Assessment
SDO	—	Social Development Officer
SPS	—	Safeguards Policy Statement
STD		sexually transmitted disease
UNEP	—	United Nations Environment Programme



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## I. INTRODUCTION

1. This environmental assessment and review framework (EARF) has been developed to guide the Ministry of Public Works (MPW), Asian Development Bank (ADB) staff, transport infrastructure designers, supervision consultants, and construction contractors in carrying out the environmental assessment and relevant mitigation and monitoring activities required when designing and implementing projects to be financed under the multitranche financing facility (MFF). Thus, the purpose of the EARF is to provide a procedure for the environmental assessment of projects that will be identified during the course of the Transport Network Development Investment Program (the Program).

2. ADB together with other donors will arrange funding to the Government of Afghanistan (GoA) for the Program which will improve accessibility to socio-economic opportunities by improving land transport infrastructure. The Program will prepare an environment for a more comprehensive transport sector-based approach,<sup>38</sup> which will be based on long-term partnerships, sector coordination, and reliance on government systems to determine policies and priorities and implement transport sector projects which includes the rehabilitation and reconstruction of roads and potentially new rail links.

3. Transport infrastructure within Afghanistan has deteriorated due to poor maintenance, low government and contractor capacity for planning and implementation of projects, both resultant of the overall impact from 30 years of conflict. Economic growth can be promoted by improved transport infrastructure, which will improve accessibility to socio-economic opportunities, restore basic social services in rural areas, and generally support economic recovery through cross-border trade. The Program will support the updating and refinement of the Road Sector Master Plan into a more encompassing National Transport Plan (NTP) with a set of prioritized projects for implementation for funding under the Afghan Infrastructure Trust Fund (AIF).

4. The EARF is based on the existing regulatory and technical frameworks in Afghanistan for environmental management and ADB's Safeguards Policy Statement 2009. Consequently, within the context of the continuing efforts by Afghanistan to improve environmental protection in the country, the EARF will be periodically reviewed and revised, in consultation with ADB, on the basis of experience gained during implementation and changes, if any, in Afghanistan's or ADB's policies, regulations, and institutional arrangements. Revisions may also be introduced during the preparation of periodic financing requests for subsequent tranches.

5. This EARF will apply to all projects implemented by the Project in transport subsectors of: (i) roads and (ii) rail. The objective of the EARF is to ensure that the environmental impacts within these transport subsectors are appropriately addressed and mitigated to acceptable levels.

## II. ASSESSMENT OF LEGAL FRAMEWORK AND INSTITUTIONAL CAPACITY

6. Environmental assessment of future projects will be undertaken with regard to complying with ADB and GoA policies, legislation, and requirements. This also includes complying with international agreements.

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<sup>38</sup>The objective of the sector-based approach is to strengthen and build the government's capacity in implementing projects by expanding its capacity in design, implementation, management, and monitoring and evaluation. In the longer term, as capacity develops within the executing agency (EA) under the approach, the support of external experts will be able to be reduced.

## A. Afghanistan's National Environmental Policies

7. The GoA approved and adopted the first-ever environmental framework law in 2005 (i.e., Environment Act, 2005) with an aim to include and address environmental issues in the process of development. Subsequently, the National Environmental Protection Agency (NEPA), an independent agency, was established in 2005 for environmental governance in the country. NEPA has overall responsibility to address policy and legal issues as well as environmental management in coordination with other related departments. NEPA reports directly to the Office of the President.

8. In coordination with other government offices and external agencies, NEPA is in the process of drafting and updating environmental regulations and guidelines for the country's environmental management. Presently, there exist the following environmental regulations, guidelines, and policies in Afghanistan:

- (i) Environmental Law, 2006, Islamic Republic of Afghanistan;
- (ii) Interim Environmental Impact Assessment Regulations, NEPA, Islamic Republic of Afghanistan;
- (iii) Administrative Guidelines for the Preparation of Environmental Impact Assessments, March 2007 (draft 2): NEPA, Islamic Republic of Afghanistan; and
- (iv) Environmental Impact Assessment Policy — "An Integrated Approach to Environmental Impact Assessment in Afghanistan," August 2006, NEPA, Islamic Republic of Afghanistan.

9. **Environment Act, 2005.** The Environment Act was approved by the Cabinet in December 2005. The Act contains a specifically designed legal framework needed to sustainably manage Afghanistan's natural resources and rehabilitate its damaged environment. The Act also clarifies institutional responsibilities and contains the compliance and enforcement provisions required to allow the Government to enforce the legislation. The law is a fundamental prerequisite to enable NEPA to fulfil its mandate. The primary objectives of the Act are to:

- (i) improve living conditions and protect the health of humans, fauna, and flora;
- (ii) maintain ecological functions and evolutionary processes;
- (iii) secure the needs and interests of present and future generations;
- (iv) conserve natural and cultural heritages; and
- (v) facilitate the reconstruction and sustainable development of the national economy.

10. The Environment Act was developed by NEPA over a period of two years with the support and technical advice of the United Nations Environment Programme (UNEP) and the International Union for Conservation of Nature and international experts. UNEP also facilitated an extensive national consultation process on the draft act with all national stakeholders (ministries, quasi-government agencies, and civic society) and other interested parties (United Nations agencies, ADB, World Bank, International Union for Conservation of Nature, United States Agency for International Development). UNEP is supporting NEPA in developing regulations subsequent to the Environment Act, particularly in the fields of environmental impact assessment, integrated pollution control, and compliance and enforcement, and the institutional processes and systems required to adequately and effectively implement the Environment Act.

11. **Administrative Guidelines for Preparation of Environmental Impact Assessments, March 2007 (Draft 2).** The guidelines are in a draft form prepared by NEPA in coordination with UNEP. The purpose of the guidelines is to provide guidance to project proponents while undertaking development projects that may have potential impacts on the environment. They also provide guidance on how the public should be consulted and define the roles and responsibilities of various stakeholders in that process.

12. **Environmental Impact Assessment Policy—“An Integrated Approach to Environmental Impact Assessment in Afghanistan,” August 2006.** NEPA, with assistance from UNEP, has developed the environmental impact assessment (EIA) policy. The policy stipulates broad guidelines for project proponents on integrating EIA into the process of development, and procedures to address environmental consequences and involve necessary institutions in the process of project implementation. The policy has yet to be approved by the Cabinet (Ministry of Justice), which is necessary for it to obtain statutory status with regard to project proponents.

13. **Interim Environmental Impact Assessment Regulations, NEPA (Draft 2.3).** These regulations govern the process of environmental impact assessment in Afghanistan on an interim basis pending establishment of the EIA board of experts under Article 20 of the Environment Law and issuing of final regulations. These regulations provide the detailed process of EIA and divide the projects into categories A and B based on potential impacts. In accordance with Article 13(1) of the Environment Law, these regulations apply to the following prohibited activities:

- (i) Category A activities, set out in Schedule I of the Regulations, are those activities likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented, and that will impact a broader area than the sites or facilities subject to the physical works of the activity.
- (ii) Category B activities, set out in Schedule I of the Regulations, are those activities likely to have significant adverse impacts on human environments or environmentally sensitive areas that are less adverse than those of Category A activities, are site-specific, and in most instances are not irreversible.
- (iii) Any activity that is likely to have significant adverse impact on the environment of an area that has been determined by NEPA to be an environmentally sensitive area.
- (iv) Any other activity that is likely to have a significant adverse impact on the environment and is determined by NEPA to be a prohibited activity.

## B. ADB Environmental Safeguard Requirements and Policies

14. Environmental assessment will be carried out to ensure that potential adverse environmental impacts are addressed according to the ADB *Safeguard Policy Statement*, June 2009 (the “Safeguard Policy Statement”).

15. The Safeguard Policy Statement (SPS) consists of three policy components: (i) Environment Safeguards, (ii) Involuntary Resettlement Safeguards, and (iii) Indigenous People Safeguards. The objectives of Environment Safeguards are to ensure the environment soundness and sustainability of projects and to support the integration of environmental considerations into the project decision-making process. To help achieve the desired outcomes, ADB adopts a set of specific safeguard requirements that need to be achieved during the processing and implementation of projects financed by ADB. The environmental safeguard principles are stated in the Safeguard Policy Statement, which will guide environmental assessment process of projects.

16. The SPS establishes the format for the presentation of the environmental assessment.

17. ADB categorizes projects into categories A, B, C, and FI according to the significance of likely impacts. The categorization criteria are as follow:

- (i) **Category A.** Projects with potential for significant adverse environmental impacts: An EIA is required to address significant impacts.
- (ii) **Category B.** Project judged to have some adverse impacts, but of lesser degree and/or significance than category A. An initial environmental examination (IEE) is required to determine whether or not significant environmental impacts warranting an EIA are likely. If an EIA is not needed, the IEE is regarded as the final environmental assessment report.
- (iii) **Category C.** Projects unlikely to have adverse impacts. No EIA or IEE required, although environmental implications are still reviewed.
- (iv) **Category FI.** Projects are classified as category FI if they involve a credit line through a financial intermediary or an equity investment in a financial intermediary. The financial intermediary must apply an environmental management system, unless all subprojects will result in insignificant impacts.

18. Based on the Government’s and ADB’s environmental policies, the projects to be financed under the MFF will be subject to the following requirements:

- (i) A requirement for environmental assessment of each project depends on its potential impacts. Based on these potential impacts, and using ADB’s Rapid Environmental Assessment (REA), a project will be classified in accordance with the Government’s and ADB’s environmental assessment guidelines.
- (ii) For each Category A project, an EIA including an environmental management plan (EMP) is required. For each Category B project, an IEE including EMP is required.
- (iii) A project will be categorized as Category A if the project:

- (a) requires complex mitigation measures needing to be prepared through an in-depth assessment of the impacts and detailed study for preparing mitigation measures;
  - (b) will generate impacts on an ecologically sensitive area, particularly if the project: (1) passes through or is located less than 100 meters from any designated wildlife sanctuary, national park, other sanctuary, botanical garden, or area of international significance (e.g., a protected wetland designated by the Ramsar Convention); (2) is located within 300 meters of a coastline; or (3) passes through any cultural heritage designated by UNESCO; or
  - (c) involves establishment of a bypass or new alignment passing through any ecologically sensitive areas (hilly or mountainous, forested, wetlands, nearby estuarine, or other area with important ecological function).
- (iv) Road and railways upgradation, rehabilitation and maintenance projects that do not fall into the above classification are classified as Category B or Category C if only minor maintenance works are envisaged.

### III. ANTICIPATED ENVIRONMENTAL IMPACTS

19. The investment program outputs will be: (i) reconstructed, rehabilitated, and systematically maintained priority transport infrastructure; and (ii) strengthened technical and managerial capacity of MPW and relevant agencies' staff. These outputs will be achieved through two components: transport infrastructure development and transport network management capacity development.

20. During preparation of the Program, three IEEs were prepared, one for each of the following proposed road projects included in tranche 1: (i) Faizabad–Eshkashem, (ii) Kabul–Jalalabad/Bagramy Surkhrod, and (iii) Jabul Saraj–Nijrab. The results of these studies were used to develop the EARF for the Program.

#### A. Roads and Railway

21. Overall, most of the impacts are not particularly significant as roads that will be rehabilitated will be reconstructed within their existing location, i.e., within already existing road easements, while for railways only maintenance activities will be required. Thus, land acquisition and associated issues with regard to disturbance of cultural sites, destruction of significant vegetation and significant habitats is unlikely to appear as an issue in the majority of these projects.

#### 1. Design and Location Impacts

22. Runoff Management Design: Roadside stormwater drainage will include the following recommendations:

- Cross drainage using culverts will be carefully evaluated to ensure that systems do not fail either from excessive discharge. The technical design recommends that a  $Q_{10}$  year discharge be used based on existing runoff design methods.
- Where the road traverses ridges, side drains (off-takes) are required to direct storm water flows away from the road. These are to be established at 2 m vertical intervals (VI) where

bare earth channels will be maintained. If a 2m VI cannot be achieved then consideration will need to be given to vegetated channels with a VI of 4m or otherwise armored with concrete or half round steel pipes.

- Where cross drains are required stable outlets will be provided that can carry the runoff safely to the disposal area. Culverts and drains must not be allowed to terminate above a disposal area without considering the possible effects on the stability of the discharge area.
- All pipe and box culverts must have flared level outlets and be provided with a vertical cut-off wall at the end of the apron that extends at least 0.35m below the apron to avoid the apron being undercut.
- All culverts are to discharge to safe (non-eroding) areas.
- Regular maintenance of roadside drainage systems is required.

23. The road design will recognize the above recommendations and make allowance to cope with runoff management requirements via increased costs.

24. Flora and Fauna and Protected Areas: Should any roads need to be reconstructed through sites that contain significant areas of primary vegetation and undisturbed habitats or traverse a protected area then a rigorous environmental categorization will be undertaken to ensure proper environmental classification and the level of environmental assessment needed according to ADB Environmental Guidelines.

25. Land Acquisition: MPW will follow an approach of having all relevant landowners sign MOUs regarding unimpeded access to the use of infrastructure in question during and after construction. The Government, the original landowner, and the local community will need to sign the MOU. Should land acquisition and compensation need to be paid for lost assets a Land Acquisition and Resettlement Plan (LARP) to meet ADB standards will be prepared. For the three projects proposed in tranche 1, LARPs have been prepared.

## **2. Construction Impacts**

26. Air Quality: During the construction phase the activities that could produce impacts on air quality are smoke emissions from vehicles or machines and dust raised from the construction activities. Since the impact on air quality is judged to be minimal no rigorous air quality monitoring is expected to be required.

27. Dust may become a nuisance to surrounding communities from construction activities. Where dust will be an issue, the contractor will limit the area opened and reduce vehicle movements. Water will be sprayed on affected areas as required to keep dust down both at the worksite and on haul routes that pass through residential areas. Stockpiles may also release dust into the surrounding area.

28. Sources of Aggregates: Should a contractor elect to source aggregates locally, the contractor will be required to ensure that aggregate is sourced from sites that have a Building Material Permits (BMP) issued by the Ministry of Mines (MoM) either to the owner of the quarry or directly to the contractor for the extraction of materials. Any site that is opened by the contractor will be properly closed at the completion of work.

29. Soils and Erosion: During construction excavated areas will need to be reviewed for potential soil erosion damage and protection arranged as necessary to avoid the movement of eroded soil from the site into watercourses and onto adjoining areas including the worksite. Arrange to limit the area that is being excavated and use soil conservation technology such as silt

fences to reduce and control erosion from these areas. At the completion of work all disturbed areas will be stabilized by re-vegetation techniques.

30. Water Quality: Water quality can be affected during construction activities when soils, waste water, oils and lubricants, sewage and other materials are allowed to move into the environment. Construction activities that may exacerbate the movement of these materials into the fresh or marine water environments will be examined and mitigation measures developed.

31. Flora and Fauna: During the construction phase flora and fauna can be affected but any potential impacts are considered to be minimal as the construction work will be performed at previously developed sites and the previous operation of the road will have already disturbed fauna in these areas.

32. Protected Areas and Sensitive Ecosystems: The majority of work will be rehabilitation of existing roads. Should new roads be required and are located within protected areas or sensitive ecosystems, a rigorous environmental categorization will be undertaken to ensure proper environmental classification and the level of environmental assessment needed according to ADB Environmental Guidelines.

33. Historical and Cultural Resources: Roads are unlikely to be located in areas where there are any known significant cultural resources or property that could be subjected to excavation and removal. Quarry sites where materials will be sourced are anticipated to be existing sites and do not have cultural properties of any significance. Quarries will also be subject to a BMP. The contractor will consult with local leaders and authorities if new sites for sourcing materials are identified to allow for areas of cultural importance to be avoided.

34. Community - Worker Interactions: Road construction and maintenance is intended to be labor based as much as possible with the local communities being recruited to undertake piece work along the road as required. This will avoid possible conflicts between outside labor and local communities who may consider that they have been overlooked and become resentful of the outside labor.

35. The location of the site and any campsite with regard to local communities will need to be carefully appraised by the contractor, the developer and local community leaders to avoid the development of possible conflict situations.

36. The contractor will arrange with the Ministry of Health (MoH) to provide STDs and HIV/AIDS awareness meetings with the local communities.

37. Occupational Health and Safety: A number of activities and products can give rise to health and safety impacts during the construction phase. Most of these impacts are however considered minimal. The potential impacts are (i) contamination of local water supplies by potential contaminants such as sediments, fuel products and lubricants, and sewage giving rise to gastro-intestinal problems (ii) air pollution from exhaust fumes and dust giving rise to respiratory conditions; (iii) risk of accidents at work sites, and (iv) spread of communicable diseases. The contractor will minimize risks of accidents, injuries, and diseases by identifying occupational risks, providing preventive and protective measures, providing appropriate equipment, conducting occupational appropriate trainings, having in place an emergency response system including reporting and documentation arrangements.



38. Noise: There are likely to be numerous houses located alongside the roadway and excessive noise should be curtailed. Should excessive noise become an issue construction should be curtailed from 1900h to 0700h. Ideally noise should not exceed 45 dBA measured at the outside of any residence. EMPs should include a provision that baseline and routine noise monitoring should be conducted at the location of sensitive receptors. Monitoring locations should be confirmed by the time of project inception, and should be reviewed periodically to reflect project implementation changes and analysis of monitoring data.

39. Vibration: Where compaction of the road base and aggregate will require a vibrating roller compactor, the contractor will establish the following:

- Type and size of impact of vibration machinery
- Zone of influence for the vibration machine
- The contractor will be the responsible for assessing the condition of buildings that may be susceptible to vibration within the zone of influence before commencing any work.
- The contractor will be responsible for any damage caused as a result of operating this equipment.
- Prior to commencing work with any vibrating machine the contractor will arrange to advise people in nearby houses that this work is due to commence.

EMPs should include a provision that baseline and routine vibration monitoring should be conducted at the location of sensitive receptors. Monitoring locations should be confirmed by the time of project inception, and should be reviewed periodically to reflect project implementation changes and analysis of monitoring data.

### **3. Operation and Maintenance Impacts**

40. Soils and Erosion: The road excavation sites will be stabilized during construction and soil erosion from the road itself is not expected. However, the roadside drainage systems will require to be maintained and this will require the removal of accumulated sediments or vegetation where this is reducing cross section area within the drainage systems. If vegetation control is required in drains this should be removed by slashing rather than excavated which will leave behind an erodible surface.

41. Flora and Fauna: Impacts on flora and fauna are generally expected to be low as the road and rail have already provided the initial access to these areas. However, operational impacts will need to be re-assessed with regard to possible adverse impacts that may arise from increased access in particular to forest resources and wildlife.

42. Health and Safety: While there is not expected to be any significant changes in road locations the improved surface will increase traffic speed and coupled with greater traffic volumes it is likely that there will be a small increase in accidents. Should safety issues be determined arrange the installation of traffic calming devices on the road, install signage and increase community awareness of traffic hazards.

43. Risk of Spread of Communicable Diseases: During the operational phase of the subprojects there is an increased potential risk of spreading communicable diseases resulting from greater mobility of people. The overall risk is considered to be slight and will be mitigated by the implementation of a STIs/HIV/AIDS awareness and prevention campaign that will be conducted during the construction phase by MoH for both workers and the community.

#### IV. ENVIRONMENTAL ASSESSMENT FOR PROJECTS AND/OR COMPONENTS

44. The following general criteria will be adopted for selection of the projects included in the MFF:

- (i) Projects shall only be selected from the Government's list of priority transport infrastructure projects;
- (ii) The projects shall only involve activities that follow all the government regulations;
- (iii) Types of projects listed in ADB SPS's Appendix 5 (ADB Prohibited Investment Activities List) do not qualify for ADB financing; and
- (iv) Projects deemed to have considerable adverse impacts to the environment or located in environmentally sensitive areas are subject to mandatory environmental assessment as detailed below.

45. All projects will be subject to environmental assessment process (Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA)). Environmental assessment is a generic term used to describe a process of environmental analysis and planning to address the environmental impacts and risks associated with a project. Depending on the significance of project impacts and risks, the assessment may comprise a full scale EIA for Category A projects, an IEE or equivalent process for Category B projects, or a desk review for Category C projects. IEEs for 3 sub-projects under Project, which can be used as models for future tranches, have been prepared. The Project will require no further detailed assessment unless there are changes during detail design.

##### A. Environmental Screening and Classification Requirements

46. The Safeguard Policy Statement establishes screening and categorisation of projects and determines the level of study required. The significance of project's environmental impacts and risks determines the environmental categorization of the project.

47. During the selection of subprojects, Policy Principle 8 (Environment) as specified in the Safeguard Policy Statement will be used for the first level of screening. Policy Principle 8 specifies:

Do not implement project activities in areas of critical habitats, unless (i) there are no measurable adverse impacts on the critical habitat that could impair its ability to function, (ii) there is no reduction in the population of any recognized endangered or critically endangered species, and (iii) any lesser impacts are mitigated. If a project is located within a legally protected area, implement additional programs to promote and enhance the conservation aims of the protected area. In an area of natural habitats, there must be no significant conversion or degradation, unless (i) alternatives are not available, (ii) the overall benefits from the project substantially outweigh the environmental costs, and (iii) any conversion or degradation is appropriately mitigated. Use a precautionary approach to the use, development, and management of renewable natural resources.

48. Projects which trigger any of the above conditions in Policy Principle 8 will require approval from ADB who will advise whether the project may proceed. If it will proceed it will undertake a rigorous environmental categorization to ensure proper environmental classification and the level of environmental assessment needed according to ADB Environmental Guidelines.

49. All subprojects to be included in MFF will be screened to determine its environmental category based on the ADB's REA Checklist.<sup>39</sup> Categorization is to be based on the most environmental sensitive component, which means that if one part of the project is with potential for significant adverse environmental impacts, then the project is to be classified as Category A regardless of potential environmental impacts of other aspects of the project. In general, a project will be classified as 'Category A' if the project:

- (i) is a new road or rail alignment;
- (ii) requires a complex mitigation measure needing to be prepared through an in depth assessment of the impacts and detailed study for preparing mitigation measures;
- (iii) will generate impact on an ecologically sensitive area, particularly if the project is located in buffer or core zone of any designated specially protected areas, or area of international significance or cultural heritage and archaeological sites designated by UNESCO.

50. Road upgrading and rehabilitation projects that do not fall into the above category as classified as B.

51. Railway maintenance projects that require minor, very localized construction works will be categorized as Environment Category C.

## **B. Environmental Assessment and Environmental Management Plan Requirements**

52. At an early stage for preparation of each project, MPW will identify potential direct, indirect, cumulative and induced environmental impacts on and risks to physical, biological, socioeconomic, and physical cultural resources and determine their significance and scope, in consultation with stakeholders, including affected people and concerned NGOs. If potentially adverse environmental impacts and risks are identified, MPW will undertake an environmental assessment as early as possible in the project cycle. For projects with potentially significant adverse impacts that are diverse, irreversible, or unprecedented, MPW will examine alternatives to the project's location, design, technology, and components that would avoid, and, if avoidance is not possible, minimize adverse environmental impacts and risks. The rationale for selecting the particular project location, design, technology, and components will be properly documented, including, cost-benefit analysis, taking environmental costs and benefits of the various alternatives considered into account. The "no action" alternative will be also considered.

53. Impacts and risks will be analyzed in the context of the each project area that encompasses:

- (i) the primary project site(s) and related facilities;
- (ii) associated facilities that are not funded as part of the Program, and whose viability and existence depend exclusively on the project and whose goods or services are essential for successful operation of the project;
- (iii) areas and communities potentially affected by cumulative impacts of the Program, and other sources of similar impacts in the geographical area; and
- (iv) areas and communities potentially affected by impacts from unplanned but predictable developments caused by the project that may occur later or at a different location.

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<sup>39</sup> ADB's Rapid Environmental Assessment for the Transport Network Development Investment Program is provided in Annex 1.

54. Environmental impacts and risks will also be analyzed for all relevant stages of the project cycle, including preconstruction, construction, operations, decommissioning, and post-closure activities such as rehabilitation or restoration.

55. MPW will prepare an EMP that addresses the potential impacts and risks identified by the environmental assessment. The EMP will include the proposed mitigation measures, environmental monitoring and reporting requirements, emergency response procedures, related institutional or organizational arrangements, capacity development and training measures, implementation schedule, cost estimates, and performance indicators.

56. ADB requires that the environmental assessment and presentation of the EMP is to follow the report structure outlined in Appendix 1 of the Safeguard Policy Statement. For both Category A and Category B subproject the IEE or EIA consists of 11 sections:

- A Executive Summary
- B Policy, Legal and Administrative Framework
- C Description of the sub-project
- D Description of the Environment
- E Anticipated Environmental Impacts and Mitigation Measures
- F Analysis of Alternatives
- G Information Disclosure, Consultation, and Participation
- H Grievance Redress Mechanism
- I Environmental Management Plan
- J Conclusions and Recommendations

57. MPW should ensure that ADB be given access to undertake environmental due diligence for all projects under the MFF. However, MPW has the main responsibility for undertaking environmental due diligence and monitoring the implementation of environmental mitigation measures for all projects. The due diligence report as well as monitoring reports on implementation of the EMP needs to be documented systematically

## **V. CONSULTATION INFORMATION DISCLOSURE, AND GRIEVANCE REDRESS MECHANISM**

### **A. Public Consultation**

58. For any subproject subject to the EARF and where an IEE is required, formal and documented public consultation and information disclosure will be required in accordance with the ADB and government's consultation and information disclosure requirements. This will be done at an early stage during IEE preparation and is to inform stakeholders of the project components and to encourage input to identify possibly overlooked environmental issues. The information disclosed and feedback provided at the consultation sessions will be summarized, attendance recorded, and the document attached as an annex to the IEE.

59. For each of the subprojects the MPW will organize consultations with project affected people and other stakeholders. Consultation will be based on the following principles:

- i. Early start in the project preparation stage and continuation throughout the project cycle;
- ii. Timely disclosure of relevant information in a comprehensible and readily accessible to affected people format;
- iii. Ensuring the absence of intimidation or coercion during public consultation;

- iv. Gender inclusive and responsive with focus on disadvantaged and vulnerable groups, and
- v. Enabling the integration of all relevant views of affected people and stakeholders into decision-making.

60. Invited attendees at IEE consultations will include government agencies and district authorities, community representatives, as well as NGOs. At least 2 weeks notice of consultation meetings will be given.<sup>40</sup>

61. MPW organized public consultations for Tranche 1 projects. The materials of the consultations have been documented and included in the IEE reports of tranche 1.

## **B. Information Disclosure**

62. MPW and ADB agree that in disclosing environmental information for each of the projects to the public that:

- i. MPW is responsible for ensuring that all environmental assessment documentation, including the environmental due diligence and monitoring reports, are properly and systematically kept as part of a MPW project specific record;
- ii. all environmental documents are subject to public disclosure, and therefore be made available to public;
- iii. for ADB's Category A projects, the draft EIAs will be disclosed to the public through ADB's website 120 days prior to ADB Board consideration, or approval of the PFR for subsequent tranches. The EIA/IEE has to be reviewed by ADB before it is disclosed to the public; and
- iv. MPW will ensure that meaningful public consultations, particularly with project affected persons, are undertaken during the IEE/EIA preparation process for the future projects.

## **C. Grievance Redress Mechanism**

63. In order to receive and facilitate the resolution of affected peoples' concerns, complaints, and grievances about the project's environmental performance an Environmental Grievance Redress Mechanism will be established for each of the projects. When and where the need arises, the mechanism will be used for addressing any complaints that arise during the implementation of projects. The grievance mechanism should be scaled to the risks and adverse impacts of the project. It should address affected people's concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the affected people at no costs and without retribution. The mechanism should not impede access to the Afghanistan's judicial or administrative remedies. MPW will appropriately inform the affected people about the mechanism.

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<sup>40</sup> Contingent on the security situation which may preclude foreigners or even non-local people from travelling to and conducting consultation in most areas, the consultation requirement may be waived for the initial environmental examination preparation. However, public consultation it is required to be undertaken by the contractor *before* works start.

## **D. Grievance Focal Points, Complaints Reporting, Recording and Monitoring**

64. Environment complaints can be received through Grievance Focal Points (GFPs), these will be designated personnel at various levels who would be responsible for receiving the Environmental complaint, resolving it or ensuring that it reaches the right quarters where it may be resolved. These designated GFPs may be village level local leaders, or village elders. Affected people may lodge their complaint for registration through a personal visit, call or letter to any of the GFPs.

65. Each GFP will maintain a record of the complaints received and will follow up on their rapid resolution. MPW will enter and maintain a complete record of all environmental complaints received alongside the record-book that serves as the social complaints register. MPW will also keep track of their status and will ensure that they are resolved.

## **VI. INSTITUTIONAL ARRANGEMENTS AND RESPONSIBILITIES**

### **A. MPW Responsibilities**

66. MPW will appoint or engage one or more environmental specialists as an Environmental Officer (EO) to support the program management office (PMO), funded under the MFF. These specialists will provide input and guidance on environmental management and safeguards to the contractors, and will help build environmental management capacity at the regional offices of MPW (ToR is attached as Annex 2). Adequate funding resources will be provided under each project for restoring the environment to at least its preconstruction condition. That will include, but not be limited to, landscaping and revegetation of affected surfaces.

67. MPW will be responsible for the following:

- (i) Prepare ADB's REA Checklists and classify projects in consultation with NEPA and other departments.
- (ii) Based on the environmental classification of projects, prepare terms of reference to conduct IEE or EIA studies.
- (iii) Hire an environmental consultant to prepare IEE or EIA reports including EMP for public disclosure.
- (iv) Ensure that an IEE or EIA are prepared in compliance with the requirements of the Government and ADB, and that adequate consultation with affected people is undertaken in accordance with ADB requirements.
- (v) Undertake review of the IEE or EIA, and EMP reports to ensure their compliance with the requirements of the Government and ADB.
- (vi) Obtain necessary permits and/or clearance, as required, from NEPA and other relevant government agencies, ensuring that all necessary regulatory clearances are obtained before commencing any civil work on the relevant sections.
- (vii) Submit to ADB the IEE or EIA, and EMP reports and other documents, as necessary.
- (viii) Ensure that any EMP including relevant mitigation measures needing to be incorporated during the construction stage by the contractor are included in the bidding documents.
- (ix) Ensure that contractors have access to the EIA or IEE and EMP reports of the projects.

- (x) Ensure that contractors understand their responsibilities to mitigate environmental problems associated with their construction activities.
- (xi) Ensure and monitor that an EMP including an environmental monitoring plan will be properly implemented.
- (xii) In case unpredicted environmental impacts occur during the project implementation stage, prepare and implement as necessary an environmental emergency program in consultation with NEPA, any other relevant government agencies, and ADB.
- (xiii) In case a project needs to be realigned during implementation, review the environmental classification, revise it accordingly, and identify whether a supplementary IEE or EIA study is required. If yes, prepare the terms of reference for undertaking a supplementary IEE or EIA and hire an environmental consultant to carry out the study.
- (xiv) Submit annual reports on implementing EMPs, including implementation of an environmental emergency program, if any, to NEPA and ADB.

## **B. ADB Responsibilities**

68. ADB will be responsible for the following:

- (i) Review IEE and/or EIA reports and the rapid environmental assessment checklist as a basis to issue approval for the project.
- (ii) Undertake periodic monitoring of the EMP implementation and due diligence as part of an overall project review mission.
- (iii) If required, provide advice to MPW in carrying out its responsibilities to implement the EMP for the project.

## **VII. MONITORING AND REPORTING**

69. Throughout implementation of the MFF, the Government and ADB will monitor the implementation progress and impact of projects. Overall, the EMP for each project will be implemented by the PMO within MPW. In consultation with MPW and ADB, the PMO will establish a system for preparing quarterly reports on environmental performance monitoring, issues resolution, and corrective action plans.

70. An EMP will be part of the overall project monitoring and supervision, and will be implemented by the supervision consultants with oversight from the PMO. Progress on the preparation and implementation of an EMP will be included in the periodic project progress reports. Specific monitoring activities defined in the IEEs or EIAs and EMPs will be carried out by the contractors and monitored by the PMO. MPW will submit semi-annual reports on EMPs implementation for ADB's review.

71. In general, the overall extent of monitoring activities, including their scope and periodicity, should be commensurate with the project's risks and impacts. MPW is required to implement safeguard measures and relevant safeguard plans, as provided in the legal agreements, and to submit periodic monitoring reports on their implementation performance. At a minimum, ADB will require MPW to:

- (i) establish and maintain procedures to monitor the progress of implementation of EMPs;
- (ii) verify the compliance with environmental measures and their progress toward intended outcomes;

- (iii) document and disclose monitoring results and identify necessary corrective and preventive actions in the periodic monitoring reports;
- (iv) follow up on these actions to ensure progress toward the desired outcomes;
- (v) retain qualified and experienced external experts or qualified NGOs to verify monitoring information for projects with significant impacts and risks;
- (vi) use independent advisory panels to monitor project implementation for highly complex and sensitive projects; and
- (vii) submit periodic monitoring reports on safeguard measures as agreed with ADB.

72. ADB will carry out the following monitoring actions to supervise project implementation:

- (i) conduct periodic site visits for projects with adverse environmental or social impacts;
- (ii) conduct supervision missions with detailed review by ADB's safeguard specialists/officers or consultants for projects with significant adverse social or environmental impacts;
- (iii) review the periodic monitoring reports submitted by MPW to ensure that adverse impacts and risks are mitigated as planned and as agreed with ADB;
- (iv) work with MPW to rectify to the extent possible any failures to comply with their safeguard commitments, as covenanted in the legal agreements, and exercise remedies to re-establish compliance as appropriate; and
- (v) prepare project completion reports that assesses whether the objective and desired outcomes of the EMPs have been achieved, taking into account the baseline conditions and the results of monitoring.

73. The PMO, with assistance of the international or national environmental consultants, will review the IEE or EIA and corresponding EMP for each project to ensure that mitigation measures and monitoring plans proposed in that document are in compliance with ADB's and national requirements. According to the reports and reviews during its missions, ADB, in consultation with the Government, will confirm compliance. For this purpose, the PMO will provide ADB with access to information on any projects. The information on implementation of an EMP, as well as that on environmental and social safeguard compliance, will be systematically documented and reported to ADB as part of the regular progress reports.

74. Monitoring plans have been prepared and are attached to each IEE for the tranche 1 projects.

- (i) An EO in MPW-PMO will be responsible for reviewing and updating the monitoring program to ensure that it meets the intention of the EMP and for carrying it out.
- (ii) The EO will prepare a quarterly report to be attached to the subproject periodical report to the ADB. The report will outline where work has not complied with the EMP and what steps have been taken to rectify it
- (iii) After 1 year the EO will arrange to review the monitoring program and make any adjustments to it as required. The EO will inform the ADB and MPW of any changes that are recommended to be made prior to implementing the changes.



## Annex 1

## Rapid Environmental Assessment (REA) Checklist

**Instructions:**

- (i) The project team completes this checklist to support the environmental classification of a project. It is to be attached to the environmental categorization form and submitted to the Environment and Safeguards Division (RSES), for endorsement by Director, RSES and for approval by the Chief Compliance Officer.
- (ii) This checklist focuses on environmental issues and concerns. To ensure that social dimensions are adequately considered, refer also to ADB's (a) checklists on involuntary resettlement and Indigenous Peoples; (b) poverty reduction handbook; (c) staff guide to consultation and participation; and (d) gender checklists.
- (iii) Answer the questions assuming the "without mitigation" case. The purpose is to identify potential impacts. Use the "remarks" section to discuss any anticipated mitigation measures.

**Country/Project Title:** AFG / Transport Network Development Investment Program

**Sector Division:** CWTC

Screening Questions	Yes	No	Remarks
<b>A. PROJECT SITING</b> IS THE PROJECT AREA ADJACENT TO OR WITHIN ANY OF THE FOLLOWING ENVIRONMENTALLY SENSITIVE AREAS?			
▪ CULTURAL HERITAGE SITE		X	
▪ PROTECTED AREA		X	
▪ WETLAND		X	
▪ MANGROVE		X	
▪ ESTUARINE		X	
▪ BUFFER ZONE OF PROTECTED AREA		X	
▪ SPECIAL AREA FOR PROTECTING BIODIVERSITY		X	
<b>B. POTENTIAL ENVIRONMENTAL IMPACTS</b> WILL THE PROJECT CAUSE...			
▪ encroachment on historical/cultural areas; disfiguration of landscape by road embankments, cuts, fills, and quarries?		X	No encroachment on historical / cultural sites or disfiguration of landscape is visualized. As is usual with any work involving quarrying, an environmental management plan for quarries will be required during construction.
▪ encroachment on precious ecology (e.g. sensitive or protected areas)?		X	

Screening Questions	Yes	No	Remarks
▪ alteration of surface water hydrology of waterways crossed by roads, resulting in increased sediment in streams affected by increased soil erosion at construction site?		X	Largely no, Minor impacts that could be addressed by mitigation measures may occur
▪ deterioration of surface water quality due to silt runoff and sanitary wastes from worker-based camps and chemicals used in construction?		X	During construction period environmentally sound construction camps have to be designed with provision of proper sanitary facilities for workers. Suitable mitigation measures will be required to control the silt runoff.
▪ increased local air pollution due to rock crushing, cutting and filling works, and chemicals from asphalt processing?	X		Temporarily
▪ risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during project construction and operation during project construction and operation?		X	
▪ noise and vibration due to blasting and other civil works?	X		Temporarily
▪ dislocation or involuntary resettlement of people?	X		Limited
▪ dislocation and compulsory resettlement of people living in right-of-way?	X		Limited
▪ disproportionate impacts on the poor, women and children, Indigenous Peoples or other vulnerable groups?		X	
▪ other social concerns relating to inconveniences in living conditions in the project areas that may trigger cases of upper respiratory problems and stress?		X	
▪ hazardous driving conditions where construction interferes with pre-existing roads?		X	
▪ poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases (such as STI's and HIV/AIDS) from workers to local populations?	X		If site standards are not adhered to.
▪ creation of temporary breeding habitats for diseases such as those transmitted by mosquitoes and rodents?		X	
▪ accident risks associated with increased vehicular traffic, leading to accidental spills of toxic materials?		X	
▪ increased noise and air pollution resulting from traffic volume?	X		
▪ increased risk of water pollution from oil, grease and fuel spills, and other materials from vehicles using the road?		X	
▪ social conflicts if workers from other regions or countries are hired?	X		Potentially

Screening Questions	Yes	No	Remarks
▪ large population influx during project construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)?		X	
▪ risks to community health and safety due to the transport, storage, and use and/or disposal of materials such as explosives, fuel and other chemicals during construction and operation?		X	
▪ community safety risks due to both accidental and natural causes, especially where the structural elements or components of the project are accessible to members of the affected community or where their failure could result in injury to the community throughout project construction, operation and decommissioning.		X	

Climate Change and Disaster Risk Questions The following questions are not for environmental categorization. They are included in this checklist to help identify potential climate and disaster risks.	Yes	No	REMARKS
• Is the Project area subject to hazards such as earthquakes, floods, landslides, tropical cyclone winds, storm surges, tsunami or volcanic eruptions and climate changes (see Appendix I)		X	
▪ Could changes in temperature, precipitation, or extreme events patterns over the Project lifespan affect technical or financial sustainability (e.g., increased erosion or landslides could increase maintenance costs, permafrost melting or increased soil moisture content could affect sub0-grade).		X	
▪ Are there any demographic or socio-economic aspects of the Project area that are already vulnerable (e.g., high incidence of marginalized populations, rural-urban migrants, illegal settlements, ethnic minorities, women or children)?		X	
▪ Could the Project potentially increase the climate or disaster vulnerability of the surrounding area (e.g., by encouraging settlement in areas that will be more affected by floods in the future, or encouraging settlement in earthquake zones)?		X	

Note: Hazards are potentially damaging physical events.

### Annex I: Environments, Hazards and Climate Changes

Environment	Natural Hazards and Climate Change	Example Impact on Roads and Highways
<b>Arid/Semi-arid and desert environment</b>	Low erratic rainfall of up to 500 mm rainfall per annum with periodic droughts and high rainfall variability. Low vegetative cover. Resilient ecosystems & complex pastoral and systems, but medium certainty that 10–20% of drylands degraded; 10-30% projected decrease in water availability in next 40 years; projected increase in drought duration and severity under climate change. Increased mobilization of sand dunes and other soils as vegetation cover declines; likely overall decrease in agricultural productivity, with rain-fed agriculture yield reduced by 30% or more by 2020. Earthquakes and other geophysical hazards may also occur in these environments.	Reduced availability of water for compaction during construction, increased sand on carriageways reduce road safety, road alignment may need to be reviewed where, for example, agriculturally productive zones are shifting.
<b>Humid and sub-humid plains, foothills and hill country</b>	More than 500 mm precipitation/yr. Resilient ecosystems & complex human pastoral and cropping systems. 10-30% projected decrease in water availability in next 40 years; projected increase in droughts, heat waves and floods; increased erosion of loess-mantled landscapes by wind and water; increased gully erosion; landslides likely on steeper slopes. Likely overall decrease in agricultural productivity & compromised food production from variability, with rain-fed agriculture yield reduced by 30% or more by 2020. Increased incidence of forest and agriculture-based insect infestations. Earthquakes and other geophysical hazards may also occur in these environments.	Increased landslides and mudflows disrupt road networks, Increased moisture content in the subsurface can result in increased penetration of water into the fill, which may also collapse, Reduced effectiveness of drainage which results in a reduction in the bearing capacity of the soils which become saturated
<b>River valleys/deltas and estuaries and other low-lying coastal areas</b>	River basins, deltas and estuaries in low-lying areas are vulnerable to riverine floods, storm surges associated with tropical cyclones/typhoons and sea level rise; natural (and human-induced) subsidence resulting from sediment compaction and ground water extraction; liquefaction of soft sediments as result of earthquake ground shaking. Tsunami possible/likely on some coasts. Lowland agri-business and subsistence farming in these regions at significant risk.	Same as above
<b>Small islands</b>	Small islands generally have land areas of less than 10,000km <sup>2</sup> in area, though Papua New Guinea and Timor with much larger land areas are commonly included in lists of small island developing states. Low-lying islands are especially vulnerable to storm surge, tsunami and sea-level rise and, frequently, coastal erosion, with coral reefs threatened by ocean warming in some areas. Sea level rise is likely to threaten the limited ground water resources. High islands often experience high rainfall intensities, frequent landslides and tectonic environments in which landslides and earthquakes are not uncommon with (occasional) volcanic eruptions. Small islands may have low adaptive capacity and high adaptation costs relative to GDP.	Increased salinity increases corrosion of materials which can break-down, Road is eroded by increased wave action, Increased flooding from overtopping of sea-water over road or salt-water intrusion in to groundwater,
<b>Mountain ecosystems</b>	Accelerated glacial melting, rock falls/landslides and glacial lake outburst floods, leading to increased debris flows, river bank erosion and floods and more extensive outwash plains and, possibly, more frequent wind erosion in intermountain valleys. Enhanced snow melt and fluctuating stream flows may produce seasonal floods and droughts. Melting of permafrost in some environments. Faunal and floral species migration. Earthquakes, landslides and other geophysical hazards may also occur in these environments.	Damage to infrastructure from landslides and mudflows, permafrost melting causes damage to roads, glacial lake outbursts wash out river-crossings.

Environment	Natural Hazards and Climate Change	Example Impact on Roads and Highways
<b>Volcanic environments</b>	Recently active volcanoes (erupted in last 10,000 years – see <a href="http://www.volcano.si.edu">www.volcano.si.edu</a> ). Often fertile soils with intensive agriculture and landslides on steep slopes. Subject to earthquakes and volcanic eruptions including pyroclastic flows and mudflows/lahars and/or gas emissions and occasionally widespread ash fall.	Damage and loss of roads, insecurity for roadworks crew and maintenance

**Annex 3****Terms of Reference  
—Environmental Officer (EO)****Scope of the assignment**

The Environmental Officer will be responsible for providing input and guidance on environmental management and safeguards to the contractors and assisting in building environmental management capacity the PMO.

**Specific focus of the assignment**

Specifically, the EO will:

- (i) monitor the update and implementation of sub-projects' EMPs by the contractors;
- (ii) monitor baseline and routine environmental monitoring activities on the subprojects;
- (iii) monitor, together with Environmental Specialists of the Contractor and Construction Supervision Consultants, project sites against any unexpected environmental impacts;
- (iv) advise PMO's management on environment problems and/or requirements, and recommend mitigating measures;
- (v) report on EMP implementation and contractors' compliance.
- (vi) take part in project performance monitoring and evaluation activities; and
- (ix) assess and prepare capacity building program on environmental issues at the regional offices of MPW.

**Qualifications**

The EO is a well qualified professional environmental expert with a bachelor degree in environment sciences and a minimum of 8 years experience in assessing environmental impact, and monitoring environment safeguards of road projects. Familiarity with ADB environmental guidelines is preferred. Experience in similar projects and geographic areas, proficiency in both written and spoken English, and knowledge of locally spoken languages are an advantage.

## **PROJECT PROCUREMENT RISK ASSESSMENT REPORT FOR TRANCHE 4**

### **EXECUTIVE SUMMARY**

The limited capacity of the agency to manage and complete the procurement within the desired time will put the timely project completion at medium risk.

The fulltime procurement expert stationed at AFRM on long term basis and the procurement expert engaged by PMO will provide procurement capacity and hands-on training in procurement to MPW.

### **I. INTRODUCTION**

The assessment was prepared in accordance with the Guidelines for Assessing Procurement Risk and Determining Project Procurement Classification. The proposed Tranche 4 will lead to better connectivity and efficiency of Afghanistan's road transport network, with particular focus on completing a northeastern corridor through the province of Badakhshan, from the provincial capital of Faizabad to the border with Tajikistan at Eshkashim. The project includes approximately 108 km of reconstructed national highway, specifically (i) the remaining unimproved section of the Faizabad to Eshkashim road (Section 2: Baharak to Eshkashim), (ii) associated community development infrastructure, (iii) strengthened capacity of AfRA, and (iv) improved efficiency for traffic traversing CAREC Corridors 5 and 6. The assessment was undertaken on 11-12 November 2014 with the assistance of PMO procurement consultant, as part of fact-finding and preparation of PFR for Tranche 4, through interviews with counterpart and discussions with stakeholders.

### **II. PROJECT PROCUREMENT RISK ASSESSMENT**

#### **A. Strengths**

ADB has engaged a full-time procurement specialist stationed at AFRM to provide long term assistance under TA 8665-REG: strengthening the capacity of integrity and procurement in Central and West Asia, to develop capacity of procuring agency of the borrower. The Procurement expert engaged under the project management office of MPW will supplement the capacity development through hands-on training to PMO and BEC.

#### **B. Weaknesses**

The current arrangement of ad-hoc bid opening committee and a different ad-hic bid evaluation committee coupled with limited understanding of ADB procurement guidelines and procedures contributed to delayed contract award.

#### **C. Procurement Risk Assessment and Management Plan (P-RAMP)**

See Attachment B

### **III. PROJECT SPECIFIC PROCUREMENT THRESHOLDS**

International Competitive Bidding for Goods: US\$ 2,000,000

Shopping for Goods: Up to US\$ 100,000

International Competitive Bidding for Works: US\$ 5,000,000 and Above

Shopping for Works: Up to US\$ 100,000

**IV. PROCUREMENT PLANS**

The Procurement Plan is presented in FAM. Advance contracting is recommended. There is no retroactive financing under Tranche 4

**V. CONCLUSION**

The availability of long term and fulltime procurement specialist at AFRM and PMO will ensure compliance of procurement to ADB procurement guidelines and approved bidding documents and completion of award of contract on timely fashion.

**Attachments:**

Completed questionnaires, P-RAMP



## PROJECT PROCUREMENT RISK ASSESSMENT FOR TRANCHE 4

QUESTION		RESPONSE	RISK <sup>12</sup>
<b>A. ORGANIZATIONAL AND STAFF CAPACITY</b>			
<b>PROCUREMENT DEPARTMENT/UNIT</b>			
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?		Yes	
A.2 Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?		Yes	
A.3 If yes, what type of procurement does it undertake?		No Information	
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?		5 Years	
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded		Full time: 10 years Part Time: Nil Seconded: Nil	
A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?		No	*
A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?		No	*
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?		Yes	
A.9 Does the agency have, or have ready access to, a procurement training program?		No	*
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?		Minister/Dy. Minister	

<sup>12</sup>

Questions indicated with \* are associated with potentially 'High' or 'Substantial' risks due to the impact being 'High', therefore the strategy for managing those risks should be addressed in the Project Procurement Risk Analysis.

QUESTION	RESPONSE	RISK
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Yes	
A.12 Is there a procurement process manual for goods and works?	Yes	
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	No	
A.14 Is there a procurement process manual for consulting services?	Yes	
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes	
<b>PROJECT MANAGEMENT UNIT</b>		
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	Yes	*
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Yes	*
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	
A.19 Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	Yes	*
A.20 Does the agency follow the national procurement law, procurement processes, guidelines?	No	*
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes	
A.22 Who drafts the procurement specifications?	No information	
A.23 Who approves the procurement specifications?	Minster/Dy. Minister	
A.24 Who in the PMU has experience in drafting bidding documents?	None	*
A.25 Are records of the sale of bidding	Yes	*

QUESTION	RESPONSE	RISK
documents immediately available?		
A.26 Who identifies the need for consulting services requirements?	No information	
A.27 Who drafts the Terms of Reference (ToR)	No information	
A.28 Who prepares the request for proposals (RFPs)	No information	
<b>B. INFORMATION MANAGEMENT</b>		
B.1 Is there a referencing system for procurement files?	Yes	
B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Yes	*
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	Yes. No information	*
B.4 Are copies of bids or proposals retained with the evaluation?	yes	
B.5 Are copies of the original advertisements retained with the pre-contract papers?	yes	
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes	
B.7 Are copies of invoices included with the contract papers?	Yes	
B.8 Is the agency's record keeping function supported by IT?	No	
<b>C. PROCUREMENT PRACTICES</b>		
<b>Goods and Works</b>		
C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently (last 12 months or last 36 months)? If yes, indicate the names of the development partner/s and project/s.	Yes	*
C.2 If the answer is yes, what were the major challenges faced by the agency?	Importing Goods	*
C.3 Is there a systematic process to		

QUESTION	RESPONSE	RISK
Identify procurement requirements (for a period of one year or more)?	No	
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Yes. 3 months	*
C.5 Are all queries from bidders replied to in writing?	yes	*
C.6 Does the bidding document state the date and time of bid opening?	Yes	*
C.7 Are bids opened in public?	Yes	*
C.8 Can late bids be accepted?	No	*
C.9 Can bids (except late bids) be rejected at bid opening?	No	*
C.10 Are minutes of the bid opening taken?	Yes	*
C.11 Are bidders provided a copy of the minutes?	Yes	*
C.12 Are the minutes provided free of charge?	Yes	*
C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	Ad-hoc committee	
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	Not relevant	*
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	No	*
C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the invitation for bids can the contract be awarded?	One year	
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	No	
C.18 Are there established goods receiving procedures?	Yes	
C.19 Are all goods that are received recorded as assets or inventory in a register?	Yes	
C.20 Is the agency/procurement department familiar with letters of credit?	Yes	
C.21 Does the procurement department register and track warranty and latent	Yes	

QUESTION	RESPONSE	RISK
defects liability periods?		
<b>Consulting Services</b>		
C.22 Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Yes/ADB	*
C.23 If the above answer is yes, what were the major challenges?	Nil	*
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	Yes	*
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Yes	
C.26 What criteria is used to evaluate EOIs?	As per ADB Guidelines	
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	QCBS	*
C.28 Do firms have to pay for the RFP document?	No	*
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	*
C.30 Are pre-proposal visits and meetings arranged?	Yes	
C.31 Are minutes prepared and circulated after pre-proposal meetings?	Yes	*
C.32 To whom are the minutes distributed?	All Firms	*
C.33 Are all queries from consultants answered/addressed in writing?	Yes	*
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	Yes	*
C.35 Are proposal securities required?	No	*
C.36 Are technical proposals opened in public?	Yes	*
C.37 Are minutes of the technical opening distributed?	Yes	*

QUESTION	RESPONSE	RISK
C.39 Who determines the final technical ranking and how?	CSC and as per SES and PES rating	*
C.40 Are the technical scores sent to all firms?	Yes	*
C.41 Are the financial proposal opened in public?	Yes	*
C.42 Are minutes of the financial opening distributed?	Yes	*
C.43 How is the financial evaluation completed?	As per ADB evaluation procedure and template	*
C.44 Are face to face contract negotiations held?	Yes	*
C.45 How long after financial evaluation is negotiation held with the selected firm?	Within 14 days of receipt of ADB approval of final ranking.	
C.46 What is the usual basis for negotiation?	Technical and financial proposal	
C.47 Are minutes of negotiation taken and signed?	Yes	*
C.48 How long after negotiation is the contract signed, on average?	Within 14 days	
C.49 Is there an evaluation system for measuring the outputs of consultants?	Yes	
<b>Payments</b>		
C.50 Are advance payments made?	Yes	
C.51 What is the standard period for payment included in contracts?	28 days	
C.52 On average, how long is it between receiving a firm's invoice and making payment?	28 days	
C.53 When late payment is made, are the beneficiaries paid interest?	No	
<b>D. EFFECTIVENESS</b>		
D.1 Is contractual performance systematically monitored and reported?	Yes	
D.2 Does the agency monitor and track its contractual payment obligations?	Yes	
D.3 Is a complaints resolution mechanism described in national procurement documents?	Yes	

QUESTION	RESPONSE	RISK
D.4 Is there a formal non-judicial mechanism for dealing with complaints?	Yes	
D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes	*
<b>E. ACCOUNTABILITY MEASURES</b>		
E.1 Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Yes	*
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes	*
E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	Yes	
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	Minister/Dy. Minister	*
E.5 Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?		
a) Bidding document, invitation to pre-qualify or RFP	MPW Minister	
b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	MPW Minister	
c) Evaluation reports	MPW Minister	*
d) Notice of award	MPW Minister	*
e) Invitation to consultants to negotiate	MPW Dy. Minister	
f) Contracts	MPW Minister	*
E.6 Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	Yes	*
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	

## PROCUREMENT RISK ASSESMENT AND RISK MANAGEMENT PLAN FOR TRANCHE 4

<b>Risk Description</b>	<b>Risk</b>	<b>Mitigation Measures or Risk Management</b>
Weak capacity of MPW to evaluate bids, prepare bid evaluation report and contract management, causing delays in award of contracts. Even though the procurement regulatory environment in Afghanistan has advanced significantly, many MPW staff lack basic procurement skills and therefore cannot work effectively in the new emerging environment.	<b>High</b>	ADB has engaged a full-time procurement specialist stationed at AFRM to provide long term assistance under the RETA "Strengthening the Capacity of Integrity and Procurement in Central and West Asia" to develop capacity of procuring agency of the borrower. The Procurement expert engaged under the MFF for the PMO will further supplement capacity development through hands-on training to PMO and BEC. The Procurement expert will also support PMO with consultant recruitment.
The current arrangement of ad-hoc bid opening committee and a different ad-hoc bid evaluation committee contribute to delayed contract award.	<b>Medium</b>	Guidelines for Bid Evaluation Process were signed between ADB and MPW in July 2014. Henceforth, MPW's BEC shall constitute a TWG, including two focal persons from ADB, to assist the BEC carry out detailed bid evaluation. The procurement expert engaged by PMO shall provide hands-on training to TWG and BEC and ensure that the Guidelines are followed. The Full-time procurement consultant stationed in AFRM shall provide additional guidance.
Weak performance of consultants/contractors adversely impacts effective delivery of project outputs. Especially, once locked in with poorly performing contractors and consultants, it is extremely costly to terminate the contract and bring a new contractor on board.	<b>Medium</b>	MPW will put strong emphasis on screening incompetent contractors through rigorous technical evaluations. As noted above, BEC shall constitute a TWG to assist the BEC carry out detailed bid evaluation.
A few construction firms bid for a given number of road projects; collusion among bidders for construction contracts is a concern.	<b>Medium</b>	Effective M&E will be provided for contractor bids, contracts awarded, and realized revenue and profits of service providers through standardized reporting and audits.
<b>Overall</b>	<b>Medium Risk</b>	



## TERMS OF REFERENCE FOR CONSULTING SERVICES FOR PROJECT MANAGEMENT AND CONSTRUCTION SUPERVISION

### A. Introduction

1. The Ministry of Public Works (MPW) is implementing a number of highway projects funded by the Asian Development Bank (ADB) that involve the design, rehabilitation and reconstruction of priority sections of the nation's transport network. For this purpose, civil works contractors have been engaged, selected on the basis of International Competitive Bidding. The services of Project Management and Construction Supervision (PMCS) consultants to fulfil the role of the "Engineer" on behalf of the Employer are required to assist MPW's management and administration of the projects and to supervise the implementation of highway construction and associated activities.

2. These Terms of Reference (TOR) are for the role of PMCS Consultant (the Consultant) for the **Construction Supervision of the Reconstruction and Rehabilitation of Fayzabad-Eshkashim Road** (the Project). The road section is approximately 108 km in length. MPW is the Executing Agency (EA) for the Project.

3. The scope of the civil works contractor's (the Contractor) contract includes: a review and update of the detailed engineering design for the road and all associated works, provided by the EA, following detailed site investigations and survey; construction of the road including bridges, structures and other incidental works in accordance with the Afghan Interim Road Standards and the approved design, technical specifications and environmental monitoring plan; and, the implementation of a community outreach program amongst impacted communities along the road alignment.

4. The scope of the PMCS consulting services (the Services) will include: approving the final engineering design of the Project for construction; certifying the works for quality and quantity; contract administration; supervising the implementation of the environmental monitoring plan; updating and assisting the EA with implementation of the land acquisition and resettlement plan; directing and supervising the community outreach program; and, benefit monitoring and evaluation.

### B. Objective

5. The primary objective of the Services is to advise and assist the EA to implement the Project in a timely and effective manner including:

- (i) Administering and supervising the civil works contract (the Contract) in accordance with the FIDIC Conditions of Contract for Construction, Multilateral Development Bank Harmonized Edition, June 2010, as modified by the Consultant's contract.
- (ii) Ensuring that the Contract is implemented in accordance with the scope of works, the detailed engineering design, the specifications and approved environmental, social safeguards and security plans, and
- (iii) Managing a community outreach program along the road alignment.

### C. Scope of Work

6. The Consultant will comprise two teams: Team1 - overall project management, design review and construction supervision team; and Team 2 - community outreach program team.

The Consultant will appoint a Project Manager to be responsible for coordination with the Government, and overall management and supervision of the Project.

7. The scope of Services is as follows:

- (i) Overall project management, reporting to the EA and ADB, coordinate with local communities and other stakeholders in the project area and, with the Ministry of Interior (MOI) and international security forces on security issues.
- (ii) Review and approve the Detailed Engineering Design (DED), including all drawings, specifications and supporting calculations and documentation for the Project submitted by the Contractor.
- (iii) Act as the Engineer in administering the Contract. Advise the EA, as the Employer, on all matters concerning implementation of the Contract including, but not limited to – the progress of the civil works (the Works) and issues arising, certification of the Works, variations to the Works and the Contractor's contract, the settlement of disputes and, arbitration or litigation if required.
- (iv) Monitor, inspect and certify the temporary and permanent Works ensuring they are constructed in accordance with the provisions of the Contract, including the Contractor's approved Quality Assurance Plan, Health and Safety Plan, Environmental Management Plan (EMP) and Method Statements.
- (v) Update if necessary and assist the EA to implement the approved Project Land Acquisition and Resettlement Plan (LARP).
- (vi) Design and implement a Project Performance Management System (PPMS).
- (vii) Coordinate the development of the Project Security Plan (the Security Plan) and supervising its implementation.
- (viii) Assessment and design of a Community Outreach Program and supervising implementation by the Contractor.

8. The DED of the Works, including fully detailed drawings, technical specifications and bills of quantity, will be prepared by the Contractor based on the preliminary design provided by the EA. The Contractor is also responsible for: undertaking all required geotechnical investigation to check the design of all structures and embankments: checking the accuracy of the topographic survey and design levels; undertaking any redesign required; and, for ensuring the completeness of the DED and its suitability for construction. Team 1 will review the DED submitted by the Contractor. The tasks will include the following:

- (i) Establish the schedule, methods, and procedures for the review of the DED of the Works, submitted by the Contractor.
- (ii) Review the DED for compliance with the Afghan Interim Road Standards and fitness for purpose in accordance with national and international design standards. Complete the review within 30 days after submission of the documents to enable finalization and commencement of construction. Prepare a report to the EA with recommendations on the suitability of the DED for construction and any further investigations or redesign work required.

- (iii) Provide periodic status reports to the client and ADB on the design and review activities as measured against the approved schedule, identify any problems and difficulties encountered and propose solutions.
9. Team 1 will carry out Contract Administration.
- (i) Under the Contract, the EA will be the Employer and the Consultant will act as the Engineer. The Consultant will oversee construction and ensure that the Works are undertaken in accordance with the provision of the Contract. The Consultant will nominate an engineer's representative who will be a full-time resident in the project area.
  - (ii) The Consultant will also conduct the following activities:
    - a) Inspect the Contractor's construction equipment, results of material and soil tests, safety of the works, property and personnel;
    - b) Check, update, and verify construction specifications before commencement of construction works.
    - c) Inspect and test all materials and works to ensure compliance with specifications and giving immediate notice to the Contractor in the event that such materials and works fail to comply with the specifications;
    - d) Verify Contractor performance and report progress and problems in a timely manner, including quality control reports, quantity survey records, requests for variation or change orders, requests for time extension, and Contractor's claims and invoices;
    - e) Undertake supervision of the Works; prepare and issue the following reports, whose format and content should be acceptable to the Employer and ADB: an inception report, a brief monthly progress report, a detailed quarterly report, and a detailed project completion report (PCR);
    - f) Review and verify any proposed change orders by the Contractor and make recommendations to the Employer and ADB;
    - g) Check that "as built" drawings are prepared by the Contractor for the Works as construction processes;
    - h) Certify work volume and process interim and final payments of the Contractor for works, security, and community outreach program;
    - i) Prepare and issue the Taking-Over Certificate (or partial certificates) including lists of defects to be rectified in accordance with the Contract;
    - j) Provide inspection services during Defects Notification Period and upon rectification of all defects issue the Performance Certificate (or certificates) and the Final Payment Certificate(s) in accordance with the Contract;
    - k) Ensure that the construction methods proposed by the Contractor for carrying out the works are satisfactory, with particular references to the technical requirements of sound environmental standards on the basis of ADB's *Environmental Guidelines for Selected Infrastructure Development Project (Highway and Roads)*; inspection of Contractor's construction equipment; safety of the works, property, personnel, and general public; and the recommendations of the environmental management plan (EMP);

- l) Supervise and monitor the implementation of any environmental mitigation measures required and in the event of occurrence of any unexpected environmental impacts, coordinate with the Contactor to provide mitigation measures;
- m) Review the LARP and update as necessary and assist the EA with implementation ensuring compliance with the ADB's *Policy on Involuntary Resettlement*.
- n) Ensure minimum disruption to local settlements by approving Contractor's work program, including monitoring the impacts of construction work on local settlements, and reporting impact monitoring to the Employer;
- o) Ensure that no child labor is used for execution of the Works contract as required by the Contract;
- p) Monitor the implementation of the health and safety program at camp site including the information and education campaign on sexually-transmitted diseases and HIV/AIDS (human immunodeficiency virus/acquired immunodeficiency syndrome) as required by the Contract;
- q) Ensure that road safety design requirements are incorporated in the design of the project road, and implemented during the execution of the Works in accordance with the requirements in the Contract; and
- r) Prepare a Project Completion Report (PCR) after physical project completion.

10. Team 1 will establish a Project Performance Monitoring System (PPMS) in accordance with the project framework to carry out the following activities:

- (i) Identify performance indicators to be monitored during the implementation of the Project including poverty, socioeconomic status, gender development, employment-generation among others to refugees and ex-combatants, and other social and economic development activities;
- (ii) Establish systems for collecting data and statistics for monitoring;
- (iii) Carry out a baseline survey on performance indicators;
- (iv) Collect required data and undertake other relevant surveys before construction and immediately after completion of the Project; and
- (v) Incorporate findings and supporting data in the PCR in accordance with a schedule and terms of reference to be mutually agreed by the Government and ADB.

11. Team 2, the community outreach program team, will include both international and national community development specialists. The community outreach program will be implemented as part of the consensus building in the Project Area and to foster increased engagement of the roadside communities in the Project. Team 2 will be responsible for guiding the Contractor's preparation of the community outreach program, planning consultation and participation programs with the communities, identifying and preparing activities, approving the program, and supervising the implementation of the program by the Contractor.

12. Community outreach will take a two stage approach. The first stage involves community mobilization of all roadside communities by a dedicated NGO to achieve a benchmarked level of water and sanitation awareness. The outcome of this first stage will be that a number of villages will be awarded "Open Defecation Free (ODF)" status, which entitles them to further Project assistance for community infrastructure. This second stage will be managed by the Contractor

under the supervision of the Engineer, and based on community-prioritized demand, will support basic infrastructure investments such as rural access roads, culverts/small bridges, schools, clinics, small-scale irrigation schemes, clean drinking water supply facilities, or access to off-grid energy alternatives up to a pre-determined financial limit per village. The Engineer will assist and oversee the Contractor in conceptualizing the overall scope of the community development component and confirming the selected sub projects through surveys, including a needs assessment in each qualifying road side community. The Engineer will approve the final community infrastructure designs and oversee implementation.

13. The contractor will coordinate with local communities and the Engineer, and implement this component using locally based firms or NGOs as required. In addition to this component, the Contractor is required to hold consultations with communities along the project route and provide employment/training opportunities, to ensure local communities both benefit from, and support the project. The Engineer will verify and document such consultations, employment and training opportunities. The program will be implemented in coordination with other similar activities in the project area being implemented by other agencies such as the World Bank, Provincial Reconstruction Team, USAID and local NGOs.

12. The Consultant will obtain the prior approval of the EA and ADB for the following matters as specified in the Works contract:

- (i) Approval of subletting of any part of works;
- (ii) Certification of additional costs;
- (iii) Determination of extensions of time;
- (iv) Endorsement of contract change orders;
- (v) Fixing of rates or prices for new items; and
- (vi) Approval of the Project Security Plan.

#### **D. Schedule and Personnel**

13. The consulting services will be carried out by an international firm(s) in association with national or regional consultants, to be selected by the EA in accordance with ADB's *Guidelines on the Use of Consultants* (2013), as amended from time to time.

14. The Services will be provided in Afghanistan.

15. The Consultant will establish a site office in the field in facilities provided by the Contactor.

16. The Contract will be of 42 months duration. The estimated person-months of key international and national consultant inputs are shown below. The Consultant is requested to propose the assignment of experts in accordance with the objectives and scope of services.

	<b>Key Expertise</b>	<b>No</b>	<b>Total Input (PM)</b>
<b>A.</b>	<b>International Consultants</b>		
	<b>Team 1: Project Management, Design Review and Construction Supervision</b>		
1.	Team Leader/Senior Highway Engineer	1	36
2.	Senior Bridge/Structure Engineer	1	30
3.	Senior Material/Pavement Engineer	1	30

	Key Expertise	No	Total Input (PM)
4	Senior Resident Engineer	1	30
5.	Contract Specialist	1	10
6.	Environment Specialist	1	3
7.	Resettlement Specialist	1	8
8.	Security Coordinator	1	9
	<b>Team 2: Community Outreach</b>		
9.	Community Development Specialist	1	9
	<b>Subtotal (A): International Consultants</b>		<b>165</b>
<b>B</b>	<b>National Consultants</b>		
	<b>Team 1: Project Management, Design Review and Construction Supervision</b>		
1.	Resident Engineer	2	50
2.	Bridge/Structure Engineer	2	50
3.	Material/Pavement Engineer	4	102
4.	Road Design Engineer	1	12
5.	Site Inspector	4	102
6	Accountant	1	42
7.	Quantity Surveyor	2	52
8.	Resettlement Specialist	2	20
9.	Environmental Specialist	1	10
10.	Benefit Monitoring and Evaluation Specialist	1	6
11.	Security Officer	1	38
	<b>Team 2: Community Outreach</b>		
12.	Community Development Specialist	2	52
	<b>Subtotal (B): National Consultants</b>		<b>538</b>
	<b>TOTAL (A+B)</b>		<b>703</b>

17. The Consultant shall nominate any support staff positions they require in their Personnel Schedule.

#### **E. Qualification Requirements and Responsibilities of Key Personnel**

18. All team members, both international and national, must be proficient in both written and spoken English. The qualification requirements of each team member follow.

##### **Team Leader/Senior Highway Engineer [International, 36 person-months]:**

The Team Leader is a civil engineer or highway engineer preferably with a postgraduate degree in road engineering or associated fields, who: (i) is a recognized qualified expert in road construction supervision preferably with 20 years of experience or more; (ii) has experience in managing multidisciplinary and multinational teams for preferably three such assignments; and (iii) has a proven track record of successfully completing assignments of a similar nature including hands-on experience in maintaining records, advising with the day-to-day coordination of works, supervising and certifying construction in accordance with contract conditions, preparing various project reports, and coordinating the review and update of designs and cost estimates as required; (iv) is fluent in English; and (v) has regional experience in Central Asia.

The Team Leader shall function as the Engineer's Representative in administering the Contract.

The Team Leader/Senior Highway Engineer shall manage and coordinate the consulting team to ensure the Project is implemented in accordance with the Contract including:

- (i) Review the DED submitted by the Contractor in accordance with the design standards, criteria and design provided by the EA. Activities will include, but not be limited to, ensuring that:
  - a) Hydrological and hydraulic studies have been carried out in accordance with AASTO for all drainage structures;
  - b) Detailed analysis and design has been undertaken for all embankments of height greater than 6 meters including requirements for protection works and traffic safety features;
  - c) Any sections with geometric deficiencies, are identified and suitable measures for improvement have been suggested for implementation;
  - d) The pavement design takes appropriate account of specific site conditions such as terrain and topographic conditions, altitude effects etc. so that the pavement is able to perform well for the design traffic intensity and loads and required service life;
  - e) The design takes appropriate account of specific weather factors including heavy rainfall, frost action, intensive snow and avalanche activity, thermal stresses due to temperature differences between day and night, damage by tracked vehicles during snow clearance operations etc.;
  - f) The Employer's Requirements in the Contract have been duly accounted for in the DED.
- (ii) Administer and supervise the temporary and permanent works in accordance with the provisions of the Contract; including:
  - a) Ensure that the Notice to commence has been issued;
  - b) Review and agree with the Employer the Contractors' work programs and subsequently monitoring the construction progress in accordance with Contract requirements;
  - c) Ensure that the Contractor is granted possession of site in accordance with the agreed programs or otherwise providing advance notice to the EA of possible delays due to lack of possession;
  - d) Review all surveys, field investigations, designs, drawings and specifications, recommending any changes needed to provide more cost-effective solutions, and approving the design, drawings and changes in the specification;
  - e) Maintain close liaison with the EA and other relevant agencies including the police, other government and regional authorities and, local stakeholders;
  - f) Measure the Works agreeing and certifying interim and final payment certificates for submission to the EA, and assisting the EA in preparing withdrawal documentation to ADB;
  - g) Assess and, where appropriate, make recommendations on applications for extension of time, claims for additional payment and other contractual disputes issuing site instructions, variation orders, provisional sum orders and day works orders, as appropriate;

- h) Monitor the Contractor's laboratory testing and carrying out Independent testing as required;
  - i) Check and approve the Contractor's working and "as built" drawings;
  - j) Prepare a final report for the Contract, which will be a compilation and condensation of data presented in regular monthly and quarterly progress reports, together with copies of "as built" drawings within three months of the issue of the Defects Liability Certificate(s);
  - k) Develop training programs for EA staff and provide on-the-job training on construction supervision including contract administration, quality control, monitoring and evaluation, environmental monitoring and the project performance monitoring system;
  - l) Assist the EA to update and implementation the LARP including reporting;
  - m) Prepare and implement the PPMS in consultation with ADB and the EA;
  - n) Ensure that the construction methods as proposed by the Contractor comply with the requirements of the approved EMP, including implementation of the Environmental Monitoring Plan;
  - o) Monitor the implementation of the health and safety program at camp site with the including the information and education campaign on sexually-transmitted diseases including human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) as required by the Contract;
  - p) Ensure that no child labour is employed under the Contract;
  - q) Assess and design for approval by the EA and ADB the Community Outreach Program and supervise implementation by the Contractor;
  - r) Coordinate the preparation, approval by the EA and ADB of the Project Security Plan and supervise implementation by the Contractor;
  - s) Prepare and implement the Consultant Security Plan;
  - t) Prepare monthly progress reports, in a form agreed with the EA and ADB and submit these within 10 days of the end of the month to which they refer;
  - u) Prepare quarterly progress reports, in a form agreed with the EA and ADB and submit these within 1 month of the end of the reporting period; these report are to cover physical progress, financial progress, loan withdrawal, compliance with the environmental mitigation requirements, results of the project performance monitoring system and result of other environmental monitoring;
- (iii) Advise the EA on all matters concerning implementation of the Contracts including quality control, work progress, implementation issues, and arbitration or litigation etc.

**Senior Bridge/Structure Engineer [International, 30 person-months]:**

The Bridge/Structure Engineer shall have a degree in civil engineering, with preference being given to candidates holding a postgraduate degree in structural engineering. He/she should preferably have 12 years of experience or more, of which ten years shall be in design of bridges and other structures, demonstrating: (i) experience in design and construction of bridges and other road project structures; (ii) experience on various structural designs and documentations including design of all required earthworks, retaining walls, drainage and any other required structures; and (iii) supervision of the work of field teams with respect to certifying construction



in accordance with contract conditions; (iv) is fluent in English; and (v) has regional experience in Central Asia. Detailed tasks include:

- (i) Coordination of design review and construction supervision of all Project structural elements, including temporary works, earthworks, bridges, retaining walls, drainage culverts and any other structures including the management of the Structural/Bridge engineering team in coordination with the Team Leader and the Senior Resident Engineer.
- (ii) Lead the design review of all earthworks and structural elements in the DED.
- (iii) Review and approve the Contractor's proposed geotechnical investigations for earthworks and structures.
- (iv) Review and approve the design of temporary works, including shuttering and scaffolding, for suitability and safety during construction.
- (v) Review and approve the construction schedule for all earthworks and structural elements, in consultation with the Materials/Pavement Engineer.
- (vi) Review and approve the Contractor's proposed quality assurance and quality control systems and procedures for earthworks and structural works.
- (vii) Review and approve quality control test results and certificates for all earthworks and structural elements.
- (viii) Establish the schedule, methods and procedures for the construction supervision of all earthworks and structural elements.

**Senior Material/Pavement Engineer [International, 30 person-months]:**

The Senior Material/Pavement Engineer shall have a degree in civil engineering, preferably with 12 years of experience or more in major road construction works with a focus on pavement engineering and materials testing. Relevant experience should include: (i) supervising the Contractor's compliance with material specifications and testing; (ii) providing input to the design team to source suitable materials; (iii) engineering design of flexible Asphaltic Concrete (AC) pavements, (iv) coordinating and supervising the work of field teams in supervising and certifying construction in accordance with contract conditions including acceptance standards of materials, approval of source supply, establishing QA/QC procedures, setting up laboratories, mix designs and testing procedures; (v) fluency in English; and (vi) regional experience in Central Asia. Detailed tasks include:

- (i) Coordination of design review and construction supervision of all Project pavements, including the management of the Materials/Pavement engineering team in coordination with the Team Leader and the Senior Resident Engineer.
- (ii) Lead the design review of pavement works in the DED including proposed material specifications and sources and asphalt and concrete mix designs.
- (iii) Review and approve the Contractor's proposed geotechnical investigations for pavements and pavement materials.
- (iv) Liaise with the Bridge/Structural Engineer on the geotechnical requirements for bridge design.
- (v) Review and advise on all geotechnical matters during construction.
- (vi) Review and approve the construction schedule for all pavement works.

- (vii) Lead the review and approval of the Contractor's proposed quality assurance and quality control systems and procedures for all materials and works, including proposed sampling and testing procedures, laboratory establishment and procedures and reporting of results.
- (viii) Review and approve quality control test results and certificates for all pavement materials and works.
- (ix) Establish the schedule, methods and procedures for the construction supervision of all pavement works.

**Senior Resident Engineer [International, 30 person-months]:**

The Senior Resident Engineer is a highway engineer, who: (i) holds a degree in civil or highway engineering; (ii) preferably has 15 years of experience or more with 10 years of experience in similar positions and assignments involving design and construction and management of large road projects, as well as contract administration; (iii) can demonstrate three previous assignments as resident engineer for the construction of flexible AC pavements for highways or airport runways (iv) is familiar with various international standards for design and construction including staging of works and various methods of construction including: temporary works, construction planning, scheduling and progress monitoring, implementing a security plan, assigning equipment and personnel, testing and field trials, and "as-built" drawings; (v) is fluent in English; and (vi) has regional experience in Central Asia. Detailed tasks include:

- (i) Ensure that the Contractor is granted possession of the Site in accordance with the agreed program.
- (ii) Provide assistance to the Team Leader for the review and approval of the DED.
- (iii) Liaise with the appropriate authorities to ensure that all affected utility services are promptly relocated.
- (iv) Review and approve the Contractor's traffic management plans.
- (v) Review and approve the Contractor's proposals for UXO clearance and supervise implementation
- (vi) Carry out checks on the Contractor's setting out and ensuring that the Works are carried out in accordance with the drawings and other design details.
- (vii) Maintain full and detailed permanent site records including site correspondence, survey data, quality acceptance data, site diaries, measurement and certification, minutes of meetings and records of all other contractually relevant matters.
- (viii) Monitor the Contractors' quality control procedures and laboratory testing and carrying out Independent testing as required.
- (ix) Ensure that Works are executed in accordance with all provisions of the Contract, including those relating to standards of materials and workmanship, health and safety requirements and environmental protection requirements.
- (x) Measure the works, agree and certify interim and final payment certificates for submission to the Employer in consultation with the Team Leader, and assisting the Employer in preparing loan withdrawal documentation to ADB.
- (xi) Assist Team Leader in administrating, assessing and, where appropriate, making recommendations on applications for extension of time, claims for additional payment and other contractual disputes.

- (xii) Maintaining regular estimates of the cost to completion and time to completion for the Contracts.
- (xiii) Reviewing the Contractors' proposed program and technical recourses for routine, emergency and winter maintenance and provide training to EA staff who will take over quality control and administration of maintenance.
- (xiv) Assist land acquisition and resettlement activities being undertaken by the Government and the provincial authorities in cooperation with the Resettlement Specialists.
- (xv) Prepare, with the assistance of Environmental Specialists, environmental monitoring reports for inclusion in the quarterly and annual reports.
- (xvi) Monitor the implementation of the health and safety program on Site including the information and education campaign on sexually transmitted diseases including HIV/AIDS as required by the Contract.
- (xvii) Ensure that no child labour is employed under the Contract.

**Contract Specialist (on-call) [International, 10 person-months]:**

The Contract Specialist will have a degree in civil engineering preferably with 12 years of experience or more in procurement/contract management in either the public or private sector such that the focus of the experience is on: (i) international development assistance funded road projects executed under FIDIC conditions of contract; and (ii) the preparation, checking, processing and issuance of variation orders, claims and their disposal, etc. Detailed tasks include:

- (i) Assist the Team Leader, the EA and the Contractor to establish responsibilities and procedures for the management and administration of the Contract.
- (ii) Review the Contractor's insurance policies and performance and advance payment sureties for compliance with the Contract.
- (iii) Assist the Team Leader to administer the Contract in accordance with agreed procedures, including reviewing and making recommendations on any applications by the Contractor for contract variations including claims for extension of time or additional payment and other contractual disputes arising.
- (iv) Advise and assist the Employer in arbitration and litigation cases.

**Environment Specialist [International, 3 person-months]:**

The Environment Specialist will have a degree in engineering, science or equivalent and preferably a postgraduate degree in environmental studies. The specialist will preferably have 10 years of experience or more in the development, implementation and monitoring of environmental management and monitoring plans in accordance with multilateral development organisation requirements. Previous international experience as an Environmental Specialist on major road projects is essential. Detailed tasks include:

- (i) Review the Initial Environmental Examination (IEE) and update as necessary, with particular reference to the Environmental Management Plan (EMP). Refer any amendments to the ADB for approval.
- (ii) Provide training to the staff of the EA, the Contractor and the Consultant on: the requirements of the EMP including specific environmental mitigation measures and monitoring activities to be implemented; and, the roles and responsibilities of all parties.

- (iii) Ensure that the construction methods proposed by the Contractor are satisfactory, with particular reference to the technical requirements of ADB's Environmental Guidelines for Selected Infrastructure Development Projects (Highway and Roads).
- (iv) Undertake periodic review and reporting on the implementation of the EMP.
- (v) Inspect the Contractor's construction equipment; safety of the works, property, personnel, and general public; and the recommendations of the environmental management plan (EMP).
- (vi) Supervise and monitor the implementation of any environmental mitigation measures required and in the event of occurrence of any unexpected environmental impacts, coordinate with the Contractor to provide mitigation measures.

**Resettlement Specialist [International, 8 person-months]:**

The Resettlement Specialist will have a degree in the social sciences, land administration, or equivalent disciplines. Experience should preferably illustrate: (i) 10 years of experience or more with the management, preparation and execution of resettlement programs in developing countries funded by multilateral donors, particularly those funded by the ADB; (ii) experience in the design and implementation of capacity building and training programs; (iii) verbal and written fluency in English; and (iv) experience in post-conflict countries. Experience in the Central Asia region will be an advantage. Detailed tasks include:

- (i) Assist the EA to review and understand all laws and regulations pertaining to land acquisition, resettlement, and assistance to disadvantaged citizens, and ensure that local governments and affected communities understand the requirements of ADB policy and LARP requirements.
- (ii) Review the LARP and update as necessary. Refer any amendments to ADB for approval.
- (iii) Prepare guidelines and provide training to EA staff on the implementation of the LARP.
- (iv) Assist the EA to implement the approved LARP including managing proper disclosure to the public, preparing detailed action plans for the delivery of compensation, ensuring that all affected parties receive payments or other rehabilitation based on the LARP and assisting the EA to hand over the Site to the Contractor free from all encumbrances.
- (v) Ensure that the displaced persons are properly consulted and adequately resettled and compensated in accordance with the provisions of the LARP. This task entails among other things proper review of compensation rates and consultation with local governments and community organizations to ensure compensation at replacement cost.
- (vi) Ensure that the independent monitoring agencies and the implementing NGOs are hired in timely manner including preparing terms of reference and reviewing monitoring reports.
- (vii) Ensure that civil works commence only after the implementation of LARP and after approval of ADB on implementation of LARP.
- (viii) Ensure the EAs compliance with all relevant grant covenants.
- (ix) Assist the EA to prepare reports on LARP implementation complying with ADB requirements.

- (x) Any other associated tasks that the EA or ADB may require to be done with respect to social safeguards.

**Security Coordinator [International, 9 person-months]:**

The international Security Coordinator should have an extensive background and experience in the security field, with (a) preferably 10 years government, military, and/or police service, or equivalent private sector security-related experience including experience in establishing security policies and procedures relating to police/military and/or investigation agencies and good knowledge of the UN Security Management System; (b) comprehensive knowledge and understanding of the functions of multilateral donor organizations and their field operations; (c) area knowledge and experience in Afghanistan; (d) demonstrated experience in crisis management and operating in difficult circumstances and conditions; (e) strong written and verbal briefing and reporting skills including an excellent command of written and spoken English; and (e) demonstrated experience in operating in a multicultural environment. Detailed tasks include:

- (i) Assist the Government, the EA and the Contractor to prepare the Project Security Plan.
- (ii) Review of the Project Security Plan submitted by the Contactor and coordination of final approval by the EA and ADB.
- (iii) Ongoing consultation and coordination of the implementation of the Project Security Plan with the Ministry of Interior, the EA and the Contractor.
- (iv) Supervision of implementation of the Project Security Plan including reporting.
- (v) Preparation of the Consultant Security Plan and supervision of its implementation.

**Community Development Specialist [International, 9 person-months]:**

The international Community Development specialist should have a degree preferably in development, geography, sociology, economics, business, commerce, management or communications, who preferably has: (i) 12 years of experience or more in working directly with non-government organizations (NGOs) and community organizations at the grassroots level; (ii) field experience including the design and implementation of community engagement and development programs for conflict-sensitive development; (iii) experience of baseline condition assessment and the development of support programs to match community requirements (addressing the needs of men and women); (iv) experience in coordinating and facilitating the development of networks between communities and stakeholders; (v) experience in working in Afghanistan and working on strengthening women's participation in community development projects; (vi) experience in preparing program cost estimates, (vii) excellent command of written and spoken English; and (viii) experience in managing and monitoring projects funded by international agencies. Detailed tasks include:

- (i) Prepare a Community Outreach Manual for approval by the EA and ADB setting out: the goals and objectives of the Community Outreach Program; community consultation requirements, peace building initiatives and methods; minimum evaluation criteria for community-nominated sub-programs including economic and social criteria; cost allocation guidelines; supervision requirements; and, an investigation, analysis and implementation program.
- (ii) Design and supervise the community consultation program including identification, recruitment and tasking of suitably qualified national NGOs or other local organizations.

- (iii) Review and analyze all sub-program proposals in accordance with approved criteria and prepare a recommended list of approved sub-programs for approval by the EA and ADB including a detailed implementation methodology, program and budget for each sub-program.
- (iv) Establish appropriate benefit monitoring and evaluation criteria for each sub-program in consultation with the PPBM consultant.
- (v) Supervise and monitor the implementation of the sub-program and certify the payment of funds by the Contractor.
- (vi) Supervise and monitor the implementation of activities contained in the Gender Action Plan, and report on progress.
- (vii) Prepare reports on the Community Outreach Program for inclusion in the Quarterly Reports and the PCR.

**Resident Engineer [National, 2 persons, total 50 person-months]:**

The Resident Engineer shall have a degree in civil engineering with preferably 12 years of experience or more, 5 years of which in senior site supervision roles for the construction of major road works, with extensive experience in the construction of flexible road or runway pavements. Proven experience in the management and coordination of large site supervision teams is essential. An excellent command of oral and written English is required. Under the direction of the Senior Resident Engineer, detailed tasks include:

- (i) Liaise with the appropriate authorities to ensure that all affected utility services are promptly relocated.
- (ii) Review the Contractor's traffic management plans.
- (iii) Review the Contractor's proposals for UXO clearance and supervise implementation.
- (iv) Carry out checks on the Contractor's setting out and ensuring that the Works are carried out in accordance with the drawings and other design details.
- (v) Maintain full and detailed permanent site records including site correspondence, survey data, quality acceptance data, site diaries, measurement and certification, minutes of meetings and records of all other contractually relevant matters.
- (vi) Monitor the Contractors' quality control procedures and laboratory testing and carrying out Independent testing as required.
- (vii) Ensure that Works are executed in accordance with all provisions of the Contract, including those relating to standards of materials and workmanship, health and safety requirements and environmental protection requirements.
- (viii) Measure the works, agree and certify interim and final payment certificates for submission to the Employer in consultation with the Team Leader, and assisting the Employer in preparing loan withdrawal documentation to ADB.
- (ix) Maintaining regular estimates of the cost to completion and time to completion for the Contracts.
- (x) Reviewing the Contractors' proposed program and technical recourses for routine, emergency and winter maintenance and provide training to EA staff who will take over quality control and administration of maintenance.

- (xi) Assist land acquisition and resettlement activities being undertaken by the Government and the provincial authorities in cooperation with the Resettlement Specialists.
- (xii) Prepare, with the assistance of Environmental Specialists, environmental monitoring reports for inclusion in the quarterly and annual reports.
- (xiii) Monitor the implementation of the health and safety program on Site including the information and education campaign on sexually transmitted diseases including HIV/AIDS as required by the Contract.
- (xiv) Ensure that no child labour is employed under the Contract.

**Bridge/Structure Engineer [National, 2 persons, total 50 person-months]:**

The Structural Engineer shall have a degree in civil engineering preferably with 8 years of experience or more, demonstrating a working knowledge in: (i) the design and construction of bridges and other structures for road projects; (ii) various structural designs and documentations including the design of all required earthworks, retaining walls, drainage and any other required structures; and (iii) supervising the work of field teams in monitoring progress, assessing quality, and certifying construction in accordance with contract conditions. Under the direction of the international Structural/Bridge Engineer, detailed tasks include:

- (i) Design review and construction supervision of all Project structural elements, including temporary works, earthworks, bridges, retaining walls, drainage culverts and any other structures
- (ii) Assist with the design review of all earthworks and structural elements in the DED.
- (iii) Review the design of temporary works, including shuttering and scaffolding, for suitability and safety during construction.
- (iv) Review the construction schedule for all earthworks and structural elements, in consultation with the Materials/Pavement Engineer.
- (v) Review the Contractor's proposed quality assurance and quality control systems and procedures for earthworks and structural works.
- (vi) Review quality control test results and certificates for all earthworks and structural elements.

**Materials/Pavement Engineer [National, 4 persons, Total 102 person-months]:**

The Materials/Pavement Engineer shall have a degree in civil engineering preferably with 8 years of experience or more in major road construction works focused on pavement engineering and materials testing. Relevant experience should include: (i) supervising the Contractor's compliance with material specifications and testing; (ii) assistance to the design team to source suitable materials; (iii) engineering design of highway or runway flexible AC pavements (iv) supervising and certifying construction in accordance with contract conditions including acceptance standards of materials, approval of source supply, establishing QA/QC procedures, setting up laboratories, mix designs and testing procedures; (v) and, a good command of oral and written English. Under the direction of the international Materials/Pavement Engineer, detailed tasks include:

- (i) Design review and construction supervision of all Project pavements.
- (ii) Design review of pavement works in the DED including proposed material specifications and sources and asphalt and concrete mix designs.

- (iii) Review the Contractor's proposed geotechnical investigations for pavements and pavement materials.
- (iv) Review and advise on all geotechnical matters during construction.
- (v) Review the construction schedule for all pavement works.
- (vi) Review of the Contractor's proposed quality assurance and quality control systems and procedures for all materials and works, including proposed sampling and testing procedures, laboratory establishment and procedures and reporting of results.
- (vii) Review of quality control test results and certificates for all pavement materials and works.

**Road Design Engineer [National, 12 person-months]:**

The Road Design Engineer shall have: a degree in civil engineering preferably with 10 years of experience in road design and construction; and, experience in the use of digital terrain models for road design. Under the direction of the Team Leader/Senior Highway Engineer, the Road Design Engineer shall:

- (i) Undertake the review of the highway design submitted by the Contractor, based on final topographic surveys and geotechnical investigations and ensure that the design complies with technical and safety standards.

**Site Inspector [National, 4 persons, Total 102 person-months]:**

Qualifications for the Site Inspectors shall include having a degree in civil engineering preferably with 8 years of experience or more in major road construction works demonstrating capability in gauging quality workmanship and appropriate construction methods. Under the guidance of the SRE/RE, the Site Inspectors shall:

- (i) Undertake day-to-day supervision for assigned sections of highway and structures.
- (ii) Monitor Contractor's work and certify the construction in accordance with established procedures.
- (iii) Maintain daily records of weather, labour, plant and materials on assigned sections of the Site.

**Accountant [National, 42 person-months]:**

The Accountant shall have a degree in accounting, finance, or business administration and be qualified as a chartered public accountant. A higher degree is preferable. Preferred experience should illustrate: (i) 10 years or more working in financial accounting with knowledge of public sector accounting systems/procedures, and a sound understanding of the specific development issues relevant to the host country; (ii) ability to prepare concise briefings on financial and accounting matters; (iii) ability to use a variety of computer programs and different types of software to maintain ledgers and to prepare the different types of forms and financial statements; and (iv) excellent written and oral communication skills in English. Detailed tasks include:

- (i) Establish procedures for the financial monitoring and reporting of the Contract in accordance with government and ADB requirements.
- (ii) Maintain detailed records of all financial disbursements, including assisting the EA with financial reporting to the ADB.
- (iii) Assist the Team Leader to review and approve the Contractor's claims for payment, variation orders and price adjustments.



- (iv) Provide accounting support for the administration of the consultancy contract.

**Quantity Surveyor [National, 2 persons, 52 person-months]:**

The Quantity Surveyor is a civil engineer preferably with 10 years of experience or more in the supervision of major road projects. He/she will assist the Senior Resident Engineer and Resident Engineer in daily supervision of works with a focus on assessing and checking the quantities, any required variations including justification, and verifying the monthly certificates. Detailed tasks include:

- (i) Measure the completed works and keep detailed records, including the measurement books.
- (ii) Maintain measurement data and assist in preparing the monthly IPCs.
- (iii) Assist the Team Leader and Contract Specialist in processing contract variations and settlement of claims.

**Resettlement Specialist [National, 2 persons, 20 person-months]:**

The Resettlement Specialist shall have a degree in the social sciences, land administration, or equivalent disciplines. Preferably with 5 years of experience or more in the preparation and execution of resettlement programs for road and infrastructure projects in the Central West region. Oral competence in local languages and customs will be an advantage. Detailed tasks include:

- (i) Assist the EA to implement the approved LARP including managing proper disclosure to the public, preparing detailed action plans for the delivery of compensation, ensuring that all affected parties receive payments or other rehabilitation based on the LARP and assisting the EA to hand over the Site to the Contractor free from all encumbrances.
- (ii) Ensure that the displaced persons are properly consulted and adequately resettled and compensated in accordance with the provisions of the LARP. This task entails among other things proper review of compensation rates and consultation with local governments and community organizations to ensure compensation at replacement cost.
- (iii) Ensure that the independent monitoring agencies and the implementing NGOs are hired in timely manner including preparing terms of reference and reviewing monitoring reports.
- (iv) Ensure the EA complies with all relevant grant covenants.
- (v) Assist the EA to prepare reports on LARP implementation complying with ADB requirements.
- (vi) Any other associated tasks that the EA or ADB may require to be done with respect to social safeguards, including relating to implementation of the LARP grievance mechanism.

**Environment Specialist [National, 10 person-months]:**

The Environment Specialist shall have a degree in environmental sciences preferably with a minimum of 5 years of experience in the preparation and supervision of environmental management and monitoring plans for road and civil works. Detailed tasks include:

- (i) Supervise the implementation of the EMP including verification of all environmental monitoring activities and coordinating with the Contactor to provide mitigation measures for any unexpected environmental impacts arising.
- (ii) Preparation of periodic and exceptional environmental management reporting.

**Benefit Monitoring and Evaluation Specialist [National, 6 person-months]:**

He/she shall have degree preferably with (i) a major in civil engineering or business administration and: (ii) 12 years of experience or more in field assignments illustrating a working knowledge project performance monitoring systems under projects funded by ADB or other multi- or bilateral donors; (ii) experience in the design and management of studies and projects; and (iii) fluency in written and spoken English. Detailed tasks include:

- (i) Identify performance indicators to be monitored during the implementation of the Project including poverty, socioeconomic status, gender development, employment generation among others to refugees and ex-combatants, and other social and economic development activities.
- (ii) Establish systems for collecting data and statistics for monitoring.
- (iii) Carry out a baseline survey on performance indicators.
- (iv) Collect required data and undertake other relevant surveys before construction and immediately after completion of the Project.
- (v) Incorporate findings and supporting data in the PCR in accordance with a schedule and terms of reference to be mutually agreed by the Government and ADB.

**Security Officer [National, Total 38 person-months]:**

The national Security Coordinator should have an extensive background and experience in the security field, with (a) preferably 5 years government, military, and/or police service, or equivalent private sector security-related experience including experience in establishing security policies and procedures relating to police/military and/or investigation agencies and good knowledge of the UN Security Management System; (b) comprehensive knowledge and understanding of the functions of multilateral donor organizations and their field operations; (c) area knowledge and experience in Afghanistan; (d) demonstrated experience in crisis management and operating in difficult circumstances and conditions; (e) strong written and verbal briefing and reporting skills including an good command of written and spoken English; and (e) demonstrated experience in operating in a multicultural environment. Detailed tasks include:

- (i) Assist with the development of the Project Security Plan.
- (ii) On of going consultation and coordination of the implementation of the Project Security Plan with the Ministry of Interior, the EA and the Contractor.
- (iii) Supervise implementation of the Project Security Plan including reporting.
- (iv) Supervise implementation of the Consultant Security Plan.

**Community Development Specialist [National, 2 persons, Total 52 person-months]:**

The Community Development Specialist should have a degree in development, geography, sociology, economics, commerce, business, management or communications or related fields – or have demonstrated equivalent experience. Preferable experience should illustrate: (i) 8 years of experience or more in working directly with non-government organizations (NGOs), consultants and community organizations at the grassroots level; (ii) field experience including

the design and implementation of community development projects in a post conflict context; (iii) baseline condition assessments and the identification community needs with a focus on assessment of infrastructure and program development to match communities requirements (of men and women), (iv) experience in strengthening women's participation in community development projects and working on gender and development issues in Afghanistan, (v) experience working with donor partners and national agencies; (vi) ability to understand basic budget and quantity matters, and (vii) good spoken and written English. Detailed tasks include:

- (i) Supervise the community consultation program including assisting with the identification, recruitment and tasking of suitably qualified national NGOs or other local organizations.
- (ii) Assist with the review and analysis of sub-program proposals in accordance with approved criteria.
- (iii) Supervise and monitor the implementation of allocated sub-programs and certify the payment of funds by the Contractor.
- (iv) Prepare reports on the Community Outreach Program for inclusion in the Quarterly Reports and the PCR.

## **F. FACILITIES AND SUPPORT**

19. Pursuant to Clause 38.1 of the General Conditions of Contract, the Client will provide: (i) one soft copy of the civil works contract documents and associated documents. In addition the Client will ensure that the Contractor provides the facilities and services described below.

20. The Contractor will provide facilities and services for the Consultant within the Works area (the Site) as defined by the Contract. Full details of these facilities and services are provided in Annex 1. The Consultant is responsible for the provision of any additional Site facilities they may require.

21. The Consultant is responsible for the provision of:

- (i) International and local transportation outside the Site.
- (ii) All mobile and international communications.
- (iii) Any office or accommodation facilities in Kabul or elsewhere outside the Site.
- (iv) Any other facilities, services or support required by the Consultant.

## **G. SECURITY**

22. The Government of Afghanistan (the Government) is responsible for the provision of overall security for the Site, in cooperation with the Contractor, in accordance with an approved Project Security Plan (the Security Plan). The Consultant will assist the Government and the Contractor with the preparation of the Security Plan. The ADB will fund the contributions of both the Government and the Contractor to the Security Plan.

23. The Consultant is responsible for reviewing and approving the Security Plan, subject to final approval by the EA and ADB. The Consultant shall coordinate the implementation of the Security Plan with the Ministry of Interior and responsible local and security authorities. As part of the Security Plan, the Contractor will provide all security within base camps and other secured facilities, funded by a provisional sum in the Contract. The Consultant will monitor compliance with and the implementation effectiveness of the Security Plan and ensure steps are taken to rectify or improve any deficiencies identified.

24. The Consultant is responsible for the security of its personnel outside of the Site. A detailed security plan is not required with the proposal. A Consultant Security Plan will be discussed with the first ranked bidder during contract negotiations. The Consultant Security Plan must be finalized and agreed upon before mobilization.

#### **H. Reporting Requirements**

25. The Consultant will prepare and submit the following reports:

- (i) Inception Report, including the report on the performance indicators to be monitored during at the end of the implementation of the Project, to be submitted within one month of mobilization.
- (ii) Report on the data-collection system and the baseline survey for the Project Performance Monitoring/Benefit Monitoring and Evaluation, to be submitted within three months of mobilization.
- (iii) A weekly one-page report on the progress of works and any issues related to works (email submission only).
- (iv) Monthly Progress Reports, to be submitted within seven days of the end of each month, to include schedules of contract payments and variation orders, graphical representations of progress against program based on the approved contract schedules, charts of physical progress on major items, relevant photographs, and details of impediments to the works and proposals for overcoming them.
- (v) Quarterly Progress Report covering all aspects such as progress monitoring, quality assurance/quality control, status of any delays, contractual claims, and details of all financial projections, to be submitted within 14 days of the end of each quarter.
- (vi) Project Completion Report, within three months of substantial completion of the civil works contract.
- (vii) Maintenance Manual detailing routine and periodic maintenance tasks that will be required to maintain the completed Project, to be submitted within 12 months of commencing services.

26. The Consultant will submit the reports (except the weekly report) both electronically and in hard copy. Three hard copies will be submitted to the Government (one to the Ministry of Finance and two to the EA) and two hard copies will be submitted to the ADB (one to ADB Headquarters in Manila and one to the Afghanistan Resident Mission in Kabul). Electronic copies of reports shall be emailed to all of the above parties. The weekly report shall be submitted to all parties by email only. The formats of all reports are to be agreed upon.

## **O&M PILOT SUBPROJECT**

### **A. Background**

1. The pilot operation and maintenance (O&M) subproject (the Subproject) under Tranche 4 of Transport Network Development Investment Program will provide periodic maintenance for Kabul Jalalabad Road. The road is an economic lifeline of Afghanistan, as it represents a pivot section of the Afghan leg of the Grand Trunk Road and is a key section in CAREC Corridors 5 and 6.<sup>41</sup>

2. Kabul Jalalabad roads had been damaged by heavy cargo vehicles and NATO supply convoys, with each vehicle carrying up to 70 tons of goods. However, the road has been left unattended without rehabilitation and maintenance for a long time, mainly due to lack of funding, so its condition has become deteriorating and degraded. A recent survey conducted by PMO/ MPW catalogued the shabby stretches of road cross-section and key bridges and culverts, which would require urgent rehabilitation or reconstruction. Thus, the repair/ rehabilitation of Kabul-Jalalabad Road, particularly stretches running off towards and on Jalalabad-Torkham (13-metre wide), is conceived as one of the high-priority tasks of the government.

3. The Ministry of Public Works (MPW) has demonstrated strong commitment and capacity through management and implementation of the road projects financed by ADB and other development partners. Sufficient counterpart resources have been allocated into road projects so most of the projects were successfully implemented. The MPW has also developed a strategy and in-house capacity in road maintenance area. Presently, the MPW is using its own employees in road maintenance works, as it claims that the financial and technical capacity of the Afghan private sector in road reconstruction and maintenance is still insufficient. Therefore, there is a need for the development of the private sector in road industry.

4. Considering the urgent need for periodic maintenance of Kabul-Jalalabad Road and the strong capacity and good track record of the MPW, the Subproject is expected to be the initial step of ADB in promoting sustainability in road transport sector, after over a decade of its involvement in development and reconstruction of Afghanistan.

### **B. Objectives and Scope**

5. The objectives of the proposed O&M subproject are to (i) provide periodic maintenance for Kabul-Jalalabad Road to ensure its satisfactory level of service, (ii) identify the bottlenecks causing damage to the roads and prevent susceptibility to erosion and factors attributing to perpetual damage, (iii) demonstrate the alternatives to physical design and use of local materials for preventing perpetuation and accentuation of perennial damage caused by erosion, and (iv) develop capacity in management and implementation of road maintenance of PMO/ MPW and the local contractors and hence ensure sustainability of the road sector.

6. The Subproject's scope will cover periodic maintenance for approximately 50 km of Kabul-Jalalabad Road. The periodic maintenance works will be resealing, resurfacing, overlaying or reconstructing of pavement, depending on the existing condition of that particular road section.

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<sup>41</sup> Connecting the northern countries of Kyrgyz Republic, Tajikistan, and Uzbekistan through Afghanistan to Pakistan and eventually to the southern Arabian Sea ports at Karachi and Gwadar.

### C. Approach and Methodology

7. The Subproject's approach will be based on the MPW's road maintenance strategy, which is to continue utilizing its own human resources until a better alternative is found. This will help the MPW keep its roads O&M labors employed while the capacity in the private sector is still being developed. As the Subproject is of small-scale and the maintenance activities are rather simple, the road will be divided into small sections and a local contractor will be contracted to carry out the work for each section under the supervision of the Subproject management/ supervision team. This is considered most effective considering that the cost and risk for security would be minimal.

8. An initial assessment of the road condition has been conducted by the MPW Maintenance Unit and the draft bill of quantities and cost estimate were prepared (**Table 1**). At the commencement of the Subproject, a detailed condition survey of the road will be conducted by the supervision team and the final scope of work, design drawings, cost estimate and bid documents will be prepared based on this. Subsequently, the implementation schedule of the Subproject can be prepared.

### D. Implementation Arrangement

9. The O&M Subproject will be implemented by the PMO, MPW, whose long experience and good track records should ensure smooth and efficient implementation throughout the Subproject's period. Management and supervision of the Subproject will be carried out by a team of PMO/MPW staff/employees led by an international consultant expert in road maintenance and asset management who will also confirm the finding of the MPW maintenance unit and apply the good practices for the O&M subproject. This arrangement will help enhance the capacity of the PMO/MPW team through a learning-by-doing process.

10. The Subproject management/ supervision team will be responsible for:

- conducting a detailed condition survey of the road,
- preparing the detailed design/methodology including the BOQ, cost estimate and bid documents for different road sections in coordination with MPW Design Department,
- procurement of the work,
- managing and supervising the contractors' work, and
- reporting the progress to MPW and ADB.

11. The environmental and social safeguard issues and other administrative support and financial matters will be handled through the existing PMO/MPW resources. The team will comprise a team leader, two design/ supervision engineers, four inspectors and two quantity surveyors. An individual consultant will be engaged as the team leader, while the PMO/MPW will appoint the engineers, inspectors and quantity surveyors. The terms of reference for the members of management/ supervision team are as follows:

- (i) **The Team Leader** shall be a graduate in civil engineering with 20 years of experience, 12 years of which are in pavement design and construction supervision. Project management experiences are desirable. He shall be responsible for managing the team to ensure the Subproject's overall objectives are met and maintaining good coordination

with the MPW, ADB and development partners. The key tasks include (i) carrying out the review of the preliminary design in coordination of the MPW Design Department (ii) finalizing all reports, organizing /chairing inception, interim and draft final report meetings and (iii) managing activities and ensuring required outputs.

- (ii) **The Pavement Design/ Supervision Engineer** shall be a graduate in civil engineering with 10 years of experience, 5 years of which are in pavement design and construction supervision. He shall (i) assess the load bearing capacity of the various existing pavement sections, including surfacing, base course, sub-base and subgrade, along project roads; (ii) based on these assessments, the team, in coordination of the MPW Design Department, shall prepare the most cost effective detailed design drawings, including construction methodology and technical specifications for periodic maintenance work.
- (iii) **The Quantity Surveyor** shall support in carrying out the road condition survey and preparing the BOQ.
- (iv) **The Inspector** shall assist the engineers in supervising the work of the contractor.

12. The implementation period of the Subproject will be 24 months.

**Table 1: Draft BOQ for Periodic Maintenance of Kabul-Jalalabad Road**

<b>O&amp;M BOQ (Kabul - Jalalabad Road)</b>								
<b>No</b>	<b>Description</b>	<b>Thickness</b>	<b>Width, m</b>	<b>Unit</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Total Price</b>	<b>Remarks</b>
1	Site cleaning	N/A	10	LM	30,000			
2	Aggregate Base Course	0.15	10	Cum	18,000			
3	Prime Coat Spraying	N/A	10	Sqm	10,800			
4	Asphalt Binder course	0.1	9	Cum	10,800			
5	Tack Coat Spraying	N/A	10	Sqm	10,800			
6	Asphalt Wearing course	0.05	10	Cum	9,000			
7	Filling and graveling (Shoulders)	0.1	1	Cum	3,000			
8	Removal of existing road material (Asphalt ) and disposal	0.1	9	Cum	27,000			
9	Stone masonry work for parapet wall and head walls	N/A	10	Cum	2,250			
10	Milling of existing road material (Asphalt ) and disposal	0.05	4	Cum	72,000			
	<b>Total</b>							



## Government of the Islamic Republic of Afghanistan

### Ministry of Public Works

June 2013

<b>Project Name:</b>	Establishment of the Afghanistan Railway Authority: Technical Assistance, Capacity Building, and Equipment
<b>Secondary Project Type:</b>	Regional Connectivity and Economic Sustainability
<b>Geographical Coverage:</b>	Afghanistan
<b>Donor</b>	European Union Delegation to Afghanistan
<b>Beneficiaries:</b>	Ministry of Public Works (MPW), Afghanistan Railway Authority (ARA), Government of the Islamic Republic of Afghanistan (GIROA), and Young Professionals
<b>Partner(s):</b>	Asian Development Bank (ADB), US Department of Transportation (US DOT)
<b>Management Site:</b>	Kabul, Afghanistan
<b>Duration:</b>	3 Years
<b>Estimated Budget:</b>	\$7,135,941.00 USD



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## VIII. SUMMARY

**Improving Afghanistan's regional economic integration through the New Silk Road Vision and the Istanbul Process is a key priority aimed at improving its access and linkages to foreign markets for export and to supply its domestic market.**

**Development of minerals and hydrocarbons is Afghanistan's best opportunity to attract foreign investment and reduce its dependence on foreign assistance. In the long term, the extractive industries will increase demand for the construction of regional rail networks that can create jobs and generate significant revenue for government coffers.**

**Strengthening the capacity within Government of the Islamic Republic of Afghanistan (GIROA) is an important enabler of sustainable private sector participation in the economy, regulatory reform, public revenue generation, and improved delivery of resources from Kabul to the provinces. Strengthen the capacity at central and sub-national levels will allow GIROA to operate and maintain infrastructure and key services.**

**Development of minerals and hydrocarbons is Afghanistan's best chance to draw foreign investment reducing its dependence on foreign assistance. In the long term, the extractive industries, including access to mineral deposits and hydrocarbons, will increase demand for the construction of regional rail, road, and energy networks that can generate significant revenue and create jobs.**

**Afghan Government's resources, capacities and abilities are very limited in advancing a railway authority, railway legal and regulatory framework, and a national railway plan.**

**This 3-year program builds on MPW's efforts to establish an independent railway authority or Afghanistan Railway Authority (ARA) and advance rail initiatives in Afghanistan. The main partner is the Asian Development Bank (ADB). The program will provide the technical assistance, capacity building, and equipment needs necessary to establish the railway authority. This program will strengthen its coordination and preparedness through capacity building, data management and data sharing as well as reduce risk for private sector investment.**

**The main objective of the proposed program is to support: the recruitment, selection, and training of key staff, which are needed to advance critical path tasks; provide a suitable work environment and office equipment to facilitate work outputs; and provide technical assistance to advance rail initiatives.**

**To achieve this objective the program will carry out the following activities:**

- 1) Work with a local university to develop an assessment test for railway authority applicants. Advertise key railway authority positions needed to achieve immediate goals. Recruit and select key personnel. As a result of these activities immediate needs of the railway authority are identified and addressed.**

**Work** with local/international universities **to** conduct **a** training needs assessment for railway, develop railway training structure, and deliver training **to key** personnel and young professionals. Conduct on **the job** training for railway authority personnel through joint assessments with private industry and regional partners. As a result of these activities immediate needs of the railway authority are identified and addressed as well as the need for an Afghanistan-based education program for the development of local, young professionals.

- 2) Identify three cost effective government or non-government office spaces suitable for the railway authority. Determine the most efficient location and enter into appropriate agreement. Procure office equipment for key personnel. As a result of these activities immediate needs of the railway authority are identified and addressed.
- 3) Develop and administer Request for Proposal(s) for consulting services to finalize critical work products, implement national rail plan, and implement operations and maintenance transition from contractor to GIRoA for existing rail line. The program will continue to provide expert assistance to MPW/railway authority through national/international experts providing direct support to railway authority Chief Executive Director. By implementing these risk reduction measures, private industry will be more inclined to invest in Afghan rail initiatives.

## 1. RATIONALE

### Country Context: Transportation Development Needs

The economic development and independence of Afghanistan is highly dependent on its national transportation systems and modes. Considering Afghanistan's lack of access to the sea, it is vital that surface transport is developed to a level that can facilitate and sustain vast movement of goods and people throughout the country and region.

As Afghanistan seeks to reduce its dependence on foreign assistance and rebuild its economy on sustainable growth, much attention has been focused on establishing a national railway system. The railway system provides a viable means to transport commercial and mineral-based traffic to global markets. Given the volume of minerals expected to be extracted from mining areas of interest (AOIs), transport by truck would not be feasible and/or cost-effective to attract private sector investment. Therefore, the Afghan mining and railway sectors are integrally linked. Mining requires rail to efficiently transport heavy quantities of product to market and rail requires the demand from mining to be economically feasible.

The Afghanistan railway system is expected to facilitate vast commercial exchange, serving as the backbone for the development of Regional Economic Growth and Resource Corridors in and around Afghanistan. As such, the Central Asian Regional Economic Cooperation (CAREC) Program, the South Asian Association for Regional Cooperation (SAREC), and the G8-supported Border Region Prosperity Initiative have all supported the development of rail in Afghanistan.

MPW proposes to establish a railway authority to create governance and planning for the railway sector. Governance of railway will ensure appropriate long-range planning is conducted and appropriate norms, procedures, and standards are implemented for the safe, efficient and reliable operation of rail, while ensuring public safety and reducing risk for private investment. MPW, as the lead agency on railway development, assesses, identifies and coordinates with other counterparts on rail initiatives.

Furthermore, MPW will identify the appropriate purpose and design of the railway network; determine the appropriate railway ownership model; determine the priority of railway corridors and markets; and develop Public-Private Partnerships for railway development.

Thus the program will intend to establish a functioning railway authority, provide the necessary governance and planning for rail, facilitate increased trade with neighboring countries and to different regions of the world, as well as help realize connectivity within the country.

Based on the MPW monitoring and evaluation, the following findings have been taken into consideration:

1. The Chief Executive Director will submit a request to the President to establish a Board of Directors for the railway authority. The Board will be

comprised of relevant government stakeholders (e.g., MoTCA, MoF, MoM...). This activity will be closed in the upcoming program phase.

2. MPW experienced difficulties and delays submitting proposals concerning the railway authority to the Civil Service Commission and Ministry of Finance. MPW has prioritized these areas and gathered the necessary support of EGGI Deloitte and US DOT to complete this task in the upcoming program phase.
3. USDOT assisted with the development of the latest version of the proposed railway act, and therefore MPW in close collaboration with USDOT will work closely to finalize the act.
4. MPW has taken initial steps to join relative railway organizations (e.g., International Union of Railways, Organization for Co-Operation between Railways). Main benefits of these memberships include development of international freight and passenger traffic, creation of common railway transport environment in the Eurasian region, higher competitiveness and an increase in transcontinental railway routes as well as promotion of technological progress and technical-scientific cooperation in the field of railway transport. Membership will help MPW coordinate railway initiatives with regional partners.

#### A. **MPW Capacity**

Strengthening the capacity within GIRoA is an important enabler of sustainable private sector participation in the economy, regulatory reform, public revenue generation, and improved delivery of resources from Kabul to the provinces. Strengthen the capacity at central and sub-national levels will allow GIRoA to operate and maintain infrastructure and key services.

We appreciate the importance of supporting capacity building of rail authority staff and the population at large. We will ensure there is a balance between capacity building of rail authority management and the establishment of an Afghanistan-based education program for the development of local, young professionals.

Early on there will be a strong focus on the train the trainer approach, in collaboration with the local/international universities (or any other suitable partner in country). This will ensure the program is sustainable and meaningful. Afghanistan-based interventions will be key to reducing the overall cost.

#### B. **Assumptions and Expectations**

1. This is an outline proposal ahead of detailed needs analysis.
2. Our approach is to partner with local/international universities to construct a

program concentrated on railways for the development of local, young professionals using an iterative, collaborative methodology. We firmly believe that organizational and market strategy drives content and a top-down educational approach is vital to ensure consistent learning and understanding to deliver performance that meets strategic goals and outcomes.

3. All prices quoted in this outline proposal are best estimates based on knowledge known to date which is very general. We have, however, calculated prices based on similar experiences/work. In some cases, we have provided a range of costs to cover variables previously encountered.
4. The content will be totally governed by the findings in Phase I detailed below.
5. Faculty, staff and contractors will be remunerated at market rates for similar work in similar conditions, subject to and special requirements to cover security as may be required to meet university policy and procedures and safeguards.
6. All prices detailed below are exclusive of travel, accommodation, subsistence and incidental costs which will be reimbursed at cost and in accordance with university standard travel policy.
7. All prices include educational content, presenter fees, overheads and license fees for any case studies and other materials (excluding text books).
8. Cost incurred by participants such as travel, accommodation, visa applications etc. shall be their responsibility and are therefore excluded from this pricing proposal.
9. Most universities requires all costs and overheads to be fully recovered in this program, including costs incurred as part of fact-finding and information gathering ahead of program design, development and delivery.

#### C. Potential Program Structure

On the basis of information known to date, we propose the following structure, subject to modification in the light of information gathering in Phase I:

**Phase I – Fact & information gathering, educational needs assessment, gap analysis, program structure/design**

**Phase II – Design, development and delivery of senior/middle managers' program expanded to a "train the trainers" approach**

**Phase III – Detailed program development and delivery for rail supervisors program expanded to a "train the trainers" approach**

**Phase IV – Design, development and delivery of “train the trainers” program for supervisors/junior managers in operational/engineering and other departmental roles**

**Phase V – Rail authority staff will be mentored and trained on the job by national and international advisors**

**D. Outline Proposal Phases**

**Phase I: Fact & information gathering, educational needs assessment, gap analysis, program structure/design** – The purpose of this phase is to gather adequate detail about the history and plans for the Afghan Rail Authority, anticipated operations, traffic types, geography and so forth to determine the appropriate design for the whole educational program including items such as overall learning/terminal objectives, topics to be covered, topic objectives, prioritization of content and so forth. This will be achieved by talking with parties involved, preparation of surveys to gauge breadth and depth for potential topics and may involve in-country attendance for context. The process will be highly iterative and discussion oriented to ensure all aspects are covered and understanding is regularly tested.

The output from Phase I will be an educational needs assessment compared with capabilities available leading to a detailed gap analysis and a proposed detailed, fully costed structure for the remaining three phases of the educational program identified above (or modified as necessary by findings from this phase). The final design will cover the breadth of topics and the necessary depth of knowledge required to be covered at each of the different levels of personnel to be educated/trained.

We anticipate this work will involve a minimum of twenty (20) faculty days’ effort over an elapsed period of no less than two months to allow for data collection, analysis and review with key stakeholders. The work will be performed by experienced executive education specialists with extensive knowledge and experience of the railway industry.

There will need to be a binding agreement in place ahead of commencing work with up-front payment to universities for all or part of the fees associated with this phase.

Approval of the findings from Phase I will be vital ahead of moving to subsequent phases and will include preparation and agreement of appropriate binding agreements.

**Phase II: Detailed program development and delivery for Executive Leadership Team** – This phase will likely cover the following content (subject to outputs from Phase I):

- 1. Fundamentals of Railroading**
- 2. Fundamentals of Supply Chain and Business**

### **3. Business Topics (specific to individuals' roles)**

### **4. Application of Business Principles to Railway Operations and Management**

We will develop and deliver program content focused on strategic, executive leadership of the organization and results to government and key stakeholders and use leading specialist business and railway industry faculty as well as key site visits with global leading-edge railway operations similar to those to be developed in Afghanistan. A possible program structure would comprise:

- Five (5) days' face-to-face education in the region – in country. Topics covered will be the fundamentals of railroading focused on the anticipated traffic segments in Afghanistan.
- Five (5) days' face-to-face education in some aspects of business management/leadership with site visits to appropriate railway installations. This will be conducted in the CIS/EU countries and will provide examples of railway and supply chain leading practices. Teaching will likely be undertaken by recognized business professors and railway industry subject matter experts.
- Ten (10) days' face-to-face education in business management/leadership not previously covered and complimented with appropriate site visits to understand how the fundamentals and business practices are successfully applied in successful railway organizations. Teaching will likely be undertaken by recognized business professors and railway industry subject matter experts. Site visits will include Regional railroads, classification and hump yard operations, Transportation Technology Centers, and other relevant sites to be determined in Phase I.

We anticipate this phase could start as early as Q4 of 2013, dependent upon funding approval and financial appropriation.

**Phase III: Design, development and delivery of senior/middle managers' program** – This phase will likely cover greater depth of key and prioritized topics and content from Phase II but with more selective site visits (subject to outputs from Phase I):

- **Program for senior/middle managers to be held in Afghanistan provided faculty and presenter availability can be secured. Alternative location as per Phase II (i) above.**
- **Delivery mechanism for training to be finalized (blend between classroom, site visits, video etc.)**
- **Train the trainer structure integrated with local university (content, presenters etc. to be determined)**

We believe this phase will commence at the start of year two.

**Phase IV: Design, development and delivery of "train the trainers" program for supervisors/junior managers in operational/engineering and other departmental roles** – This phase can only be economically considered using a T3 approach. Pricing here is calculated assuming that materials (lesson



content and video content) will be edited from Phase III material and added to as necessary to provide adequate depth of material for the target audience. Again, there is the opportunity here to work with the local universities to jointly develop programming content to support a degree program with electives such as railway operations management, railway civil engineering (infrastructure) and maintenance, and railway mechanical engineering (locomotives and rolling stock) and maintenance.

**We believe this phase will commence at the start of year three.**

## 2. AFGHANISTAN NATIONAL RAILWAY PLAN PROJECT MANAGER

This Afghanistan National Rail Plan (ANRP) was born following the “Towards a New Silk Road” Conference, hosted by the former United States Secretary of State, Hon Hillary Clinton, at the Near East South Asia Center for Strategic Studies, National Defense University, Fort McNair, Washington, D.C. in July 2011.

The ANRP is the capstone document containing strategic recommendations from, and supported by analysis conducted by, a planning team composed of members of the United States Government Interagency, the United States Central Command, United States Forces – Afghanistan, the railroad industry, and academia.

What makes the ANRP unique from other proposals – business case, economically viable, technically and financially feasible, incremental construction based on self-sustaining segments, designed with railroading industry best practices, etc.; revenue generation and the critical path to achieve it; and need for transparency, a long term budget and reinvestment strategy.

The high level recommendations in the plan facilitate the subsequent decisions, actions, processes, and further work needed to initiate development of a railway system. This ultimately will allow Afghanistan to export minerals and agriculture, significantly enhance its position as a regional trading partner, improve internal lines of communication, and link products, consumers and markets across Eurasia and beyond. A concerted effort by GIRoA, neighboring States in the region, international partners and investors could potentially inaugurate the transit of mineral freight traffic in time to support Afghanistan’s emerging mineral extraction industries.

Afghanistan must consider the following key decisions to advance rail in Afghanistan: determine the primary and secondary purposes of the railway network; the design of the rail network (preferred scenario) and priority of rail corridors; the appropriate rail ownership model; and market and regional connectivity requirements.

The ANRP Project Manager will play a major role in mentoring GIRoA and the ARA in making decisions contained in the plan and accepting all or part of the ANRP for action. This focus will lay the foundation for long term success because none of the extractive industries will realize their potential without logistics or without integrating their respective strategies.

## 3. RAILWAY O&M PROJECT MANAGEMENT TEAM

The Asian Development Bank is financing a USD \$2.86 million 18 month feasibility study to expand the existing rail line to Turkmenistan and Tajikistan (Aqina-MeS-Kunduz-Panji Poyon). Construction of the 425 km rail line is estimated to be USD \$250-\$350 million.

**MPW proposes to fully examine operations and maintenance of the existing rail line to determine the optimal business model for the soon to be expanded Mazar-e-Sharif to Hairatan rail corridor. For**

**example, the operations and maintenance can be contracted to a private company, the government could assume operations and maintenance, or the government could integrate privatization of the railway.**

**The goal of this project is to eliminate losses, but more importantly to improve the competitiveness of what could be a major business for Afghanistan, the freight business. At the moment, Afghanistan is not a big producer but certainly is positioned to be a regional transport hub. Afghanistan is heavily dependent on regional traffic (Tajikistan, Turkmenistan and Uzbekistan). Afghanistan has to work very hard, very smart and very fast in order to succeed in this business.**

**Afghanistan has to work with the ports to be competitive as an outlet for Central Asian Traffic and position ourselves as a user-friendly gateway to and from the market. Afghanistan has to diversify our traffic base and build customer confidence. Most importantly, Afghanistan has to work very closely with Tajikistan, Turkmenistan and Uzbekistan Railways.**

**The Railway O&M Project Team will help MPW carefully examine the existing railway network to determine the optimal business model as well as assist with contract and planning development/implementation/oversight. Specifically, the team will prepare a commercial plan, operating plan, and financial plan.**

#### **4. PARTNERSHIPS AND COORDINATION**

**MPW maintains a strong partnership with the Ministry of Mines (MoM). This partnership will ensure rail schemes and priorities outlined in the Afghanistan National Rail Plan harmonize with extractive industry plans. The Afghan mining and railway sectors are integrally linked. Mining requires rail to efficiently transport heavy quantities of product to market and the railway requires the demand from mining to be economically feasible.**

**The Minister of MPW was delegated the authority by the cabinet to lead Afghanistan's Infrastructure Development (ID) Cluster Coordination work in July 2012. The Minister is committed to supporting and assisting the railway authority. The national rail program strengthens the goals of the Afghanistan National Development Strategy (ANDS) in developing transportation infrastructure and connecting Afghanistan regionally and internationally.**

**The Minister's work and efforts will ensure rail programs are aligned with ANDS, infrastructure National Priority Programs and Priority Investment Projects to eliminate duplication of efforts and increase efficiencies while fostering economic growth and sustainability.**

**MPW signed a Memorandum of Understanding (MOU) with the American University of Afghanistan. The MOU will help the railway authority develop options for training**

employees of the railway industry; develop training and technical materials; develop programs in transportation management with a concentration in railway. A joint working group will be formed to coordinate and implement the MOU in the upcoming program phase.

MPW will work in partnership with Afghan ministries, national/international stakeholders and donors to advance rail in Afghanistan. To avoid duplication, MPW's efforts will be closely coordinated through the ID Cluster and railway authority Board of Directors.

## **5. INTERNAL/EXTERNAL MONITORING & EVALUATION**

During the program implementation, MPW will conduct continued monitoring of program activities in order to identify challenges and intervene immediately to address them.

A systematic assessment of the program implementation, results and impact will be conducted at the midterm and at the end of the program. MPW will conduct the assessments utilizing its internal resources for Monitoring and Evaluation. A designated team will be tasked with monitoring and evaluation to track program delivery and review implementation/operational mechanisms as needed. The team will report on program progress quarterly throughout the three year program.

The continuous monitoring and evaluation assessments will ensure that objectives and outcomes of the program are being met in accordance with the planned timeframe. The focus will be on implementation of prioritized goals aligned with the immediate needs of the railway authority, management practices, program execution, satisfaction of program effectiveness, external factors hampering the program implementation, and coordination mechanisms.

The findings and results of the evaluation, assessments and monitoring will inform program management and allow for corrective measures to be taken while reports on railway authority progress will be shared with wider counterparts, ADB, US DOT, clusters, and the donor to provide with an overview of accomplishments, program goals, current needs, and ongoing projects in rail sector development.

In order to assess the impact, effectiveness, efficiency and relevance of the intervention, the internal evaluators will conduct extensive review of all program documents; will work with beneficiaries and in general with all stakeholders using the following methods:

- a. In-depth interviews – monitoring and evaluation of railway authority;
- b. On-site observation – Observations during project implementation and coordination meetings at local and national level;
- c. Focus group interviews – Community/government based interviews with relative population.

The final consolidated monitoring and evaluation reports produced by the evaluators will allow informed management decisions and implementation of the program, as well as best practices, challenges, constraints and lesson learned for further interventions.

MPW will hire a professional company to conduct external monitoring and evaluation. External evaluation will be achieved by carefully selecting an outsider or outsider team. The approach to the external evaluation will be goal-based (i.e., assessing achievement of goals and objectives). The

indicators offered throughout this proposal provide a framework for the external monitoring and evaluation system. The Terms of Reference will include background information, purpose, key evaluation questions, specific objectives, and logistical issues. MPW will be involved in collecting information that can be used in monitoring and evaluation.

The external evaluator will be expected to take a formative view point and establishing a system that will provide useful information on an ongoing basis so that MPW can improve what is being done and how MPW does it.

MPW will hire a professional company to conduct external monitoring and evaluation. External evaluation will be achieved by carefully selecting an outsider or outsider team. The approach to the external evaluation will be goal-based (i.e., assessing achievement of goals and objectives) and will cover a three year period. The indicators offered throughout this proposal provide a framework for the external monitoring and evaluation system. The Terms of Reference will include background information, purpose, key evaluation questions, specific objectives, and logistical issues. MPW will be involved in collecting information that can be used in monitoring and evaluation.

The external evaluator will be expected to take a formative view point and establishing a system that will provide useful information on an ongoing basis so that MPW can improve what is being done and how MPW does it.

## IX. 6. RESULTS MATRIX

	Indicators	Baseline/Targets	Assumptions
<p><b>Objective:</b> Establish the Afghanistan Railway Authority to create governance and planning for the railway sector.</p> <p>Governance of railway will ensure appropriate long-range planning is conducted and appropriate norms, procedures, and standards are implemented for the safe, efficient and reliable operation of rail, while ensuring public safety and reducing risk for private sector investment.</p> <p>The main objective of the proposed program is to support: the recruitment, selection, and training of staff, which are needed to advance critical path tasks; provide a suitable work environment and office equipment to facilitate work outputs; and provide technical assistance to advance rail initiatives.</p>	<p>In September 2012, the Cabinet approved the establishment of a railway authority.</p> <p>In February 2013, H.E. the President appointed a Chief Executive Director for the railway authority.</p> <p>On March 20, 2013, in Ashkhabad a Memorandum of Understanding was signed between Tajikistan, Afghanistan and Turkmenistan about construction of railway line «Tajikistan – Afghanistan – Turkmenistan.</p> <p>During May 2013, MPW signed a Memorandum of Understanding with the American University of Afghanistan to: develop options for training employees of the railway industry; develop training and technical materials; to develop programs in transportation management with a concentration in railway.</p>	<p>Establish a functioning/independent railway authority during 2015.</p>	<p>Security and political situation of Afghanistan remains favorable.</p> <p>GIRoA remains committed to railway development.</p> <p>International development community remains supportive.</p> <p>Regional neighbors remain committed to railway connectivity with Afghanistan.</p>

<b>Outcome 1:</b>  Railway authority recruits, selects, and trains 20 staff year one.	Railway authority Directors assess their needs, organize their departments, prioritize their workload, and begin to demonstrate competency in their area.	<b>Baseline:</b> 12 assessments <b>Target:</b> 1 year.	MPW remains committed to rail authority staff and actively participate in the training of senior staff.  Technical Advisors are provided.
<b>Outputs:</b>  1.1 Technical Advisors are provided to MPW office in Kabul and actively play an advisory role.  1.2 MPW officials familiarize senior staff with important documents like draft Railway Act, National Railway Plan, etc.  1.3 MPW participate in joint assessments together with EU partners.	Number of assessments conducted to identify needs of senior staff.  Number of assessments conducted to identify competency in these areas.  Request for senior staff to begin finalizing important documents and framing out rail safety regulations.	<b>Baseline:</b> 12 assessments. <b>Target:</b> 1 year.  <b>Baseline:</b> 6 assessments. <b>Target:</b> 6 months.  <b>Baseline:</b> 12 assessments. <b>Target:</b> 1 year.	Technical Advisors help Directors craft short-mid-long range plans for their area.  Commitment of MPW staff to participate in the planned trainings and incorporation of obtained knowledge into every day work; staff turnover is low.  Rail authority staff capacity continues to build at levels needed to advance critical path documents/projects.
<b>Outcome 2:</b>  Railway authority staff finalizes the Railway Act and begins implementing the National Rail Plan.	Railway Act is submitted to the Cabinet for review.	<b>Baseline:</b> 36 assessments. <b>Target:</b> 3 years.	MPW remains committed to rail initiatives and actively participate in working groups to support completion.  GIROA remains committed to

		<b>Baseline:</b> 6 assessments. <b>Target:</b> 6 months.	railway development. Technical Advisors/Project Managers are provided.
<b>Outputs:</b>  2.1 Technical Advisors/Project Managers are provided to MPW office in Kabul and actively play an advisory role.  2.2 MPW forms working groups with GIRA stakeholders to ensure coordination and harmonization with existing laws/projects.	Ministerial consensus on Railway Act.  Minister of MPW approves the Act and introduces it to the Cabinet.  Rail authority receives confirmation/consensus from various ministries and ID Cluster on rail corridors and prioritized projects.	<b>Baseline:</b> 6 assessments. <b>Target:</b> 6 months.  <b>Baseline:</b> 12 assessments. <b>Target:</b> 1 year.	GIRA remains committed to railway development.  Rail authority has the capacity/resources to play a leadership role in program planning and execution.  Rail authority has the capacity/resources to ensure proper coordination and communication with GIRA stakeholders.
<b>Outcome 3:</b>  Strengthening the capacity of within railway authority, GIRA, and Afghanistan.	Balance between capacity building of rail authority management and the establishment of an Afghanistan-based education program for the development of local, young professionals.	<b>Baseline:</b> 36 assessments. <b>Target:</b> 3 Years.	Program is sustainable and meaningful.  Strengthen the capacity at central and sub-national levels.
<b>Outputs:</b>  3.1 Rail authority staff to be mentored and trained on the job	Rail authority staff has the capacity to finalize documents like	<b>Baseline:</b> 36 assessments. <b>Target:</b> 3 years.	This is an outline proposal ahead of detailed needs analysis.  Local/international universities



<p>by national and international advisors</p> <p>3.2 Fact &amp; information gathering, educational needs assessment, gap analysis, program structure/design</p> <p>3.3 Detailed program development and delivery for senior/middle managers' program expanded to a "train the trainers" approach supervisors</p> <p>3.4 Design, development and delivery of supervisors' program expanded to a "train the trainers" approach</p> <p>3.5 Design, development and delivery of "train the trainers" program for supervisors/junior managers in operational/engineering and other departmental roles</p>	<p>Railway Act, National Railway Plan, etc.</p> <p>A final design that covers the topics and depth required for each levels of personnel to be educated/trained.</p> <p>Develop program content for senior/middle managers' in the train the trainer approach, in collaboration with the local/international universities.</p> <p>Develop and deliver supervisors' program expanded to a "train the trainers" approach in collaboration with the local/international universities.</p> <p>Develop and deliver supervisors/junior managers in operational/engineering programs for young professionals.</p>	<p><b>Baseline:</b> 1 assessments. <b>Target:</b> 30 days.</p> <p><b>Baseline:</b> 12 assessments. <b>Target:</b> 1 years.</p> <p><b>Baseline:</b> 24 assessments. <b>Target:</b> 2 years.</p> <p><b>Baseline:</b> 36 assessments. <b>Target:</b> 3 years.</p>	<p>will be willing to partner with training firm to construct a program concentrated on railways.</p> <p>Staff and contractors will be remunerated at market rates for similar work in similar conditions, subject to and special requirements to cover security as may be required to meet university policy and procedures and safeguards.</p> <p>Most universities requires all costs and overheads to be fully recovered with this type of program development, including costs incurred as part of fact-finding and information gathering ahead of program design, development and delivery.</p>
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<p><b>Outcome 4:</b></p> <p>Provide suitable office space and equipment to further establish the railway authority.</p>	<p>Railway authority identifies a suitable and affordable office space that meets their immediate needs.</p> <p>Railway authority procures office equipment and technology to meet their immediate needs.</p>	<p><b>Baseline:</b> 2 assessments. <b>Target:</b> 6 months.</p>	<p>GI RoA or MPW has office space available in Kabul to help reduce overall costs.</p> <p>MPW will financially support a three year plan that gradually reduces donor funding in these areas as MPW budgets for full fiscal responsibility year after year until independency in year four.</p>
<p><b>Outputs:</b></p> <p>1.1 MPW staff evaluates a minimum of three office spaces to be occupied over the next three years by the railway authority.</p> <p>1.2 MPW budgets for transfer of rent over the next three years with full transfer of financial responsibility after year three.</p> <p>1.3 MPW budgets for maintenance and replacement of office equipment and technology over the next three years with full transfer of financial responsibility after year three.</p>	<p>MPW approves lease for railway authority office space.</p> <p>MPW approves incremental year after year budget increase to prepare GI RoA for financial responsibility over office space after year three.</p> <p>MPW approves incremental year after year budget increase and prepares for financial responsibility over office equipment/technology after year 3</p>	<p><b>Baseline:</b> 1 assessment. <b>Target:</b> 3 Months.</p> <p><b>Baseline:</b> 36 assessments. <b>Target:</b> 3 Years.</p> <p><b>Baseline:</b> 36 assessments. <b>Target:</b> 3 Years.</p>	<p>GI RoA remains committed to the establishment of the railway authority.</p> <p>GI RoA approves a suitable budget that supports financial independency in year four.</p> <p>Railway authority maintains fiscal transparency with regard to recordkeeping.</p> <p>Proper auditing is conducted to illustrate financial competence and maintain confidence of external stakeholders.</p>

<b>Outcome 5:</b>  Railway authority recruits, selects, and trains 52 staff year two (20 from year one).	Railway authority managers assess their needs, organize their departments, prioritize their workload, and begin to demonstrate competency in their area.	<b>Baseline:</b> 12 assessments <b>Target:</b> 1 year.	MPW remains committed to rail authority staff and actively participate in staff training.  Technical Advisors are provided.
<b>Outputs:</b>  5.1 Technical Advisors are provided to MPW office in Kabul and actively play an advisory role.  5.2 MPW officials familiarize managers with important documents like draft Railway Act, National Railway Plan, etc.  5.3 Railway authority staff adopt railway standards and draft railway safety regulations.  5.4 MPW participates in joint assessments together with EU partners.	Number of assessments conducted to identify needs of management staff.  Number of assessments conducted to identify competency in these areas.  Railway standards and safety regulations harmonize with the region and are coordinated with international railway organizations (UIC/OSJD).  Railway authority begins to receive recognition and support from regional partners and railway organizations.	<b>Baseline:</b> 6 assessments. <b>Target:</b> 6 months.  <b>Baseline:</b> 6 assessments. <b>Target:</b> 6 months.  <b>Baseline:</b> 12 assessments. <b>Target:</b> 1 year.  <b>Baseline:</b> 12 assessments. <b>Target:</b> 1 year.	Technical Advisors and Directors help managers craft short-mid-long range plans for their area.  Commitment of MPW staff to participate in the planned trainings and incorporation of obtained knowledge into every day work; staff turnover is low.  Management staff capacity continues to build at levels needed to advance critical path documents/projects.  Managers demonstrate competency and mentor/coach supervisors.
<b>Outcome 6:</b>  Railway authority publishes railway	Minister of MPW approves railway standards and railway regulations and introduces	<b>Baseline:</b> 12 assessments. <b>Target:</b> 1 year.	GIROA remains committed to railway development.  Rail authority has the

standards and railway regulations.	them to the Cabinet.		capacity/resources to play a leadership role in program planning and execution.  Rail authority has the capacity/resources to ensure proper coordination and communication with GIRoA stakeholders.
<p><b>Outputs:</b></p> <p>6.1 Technical Advisors are provided to MPW office in Kabul an actively play an advisory role.</p> <p>6.2 MPW officials familiarize managers with important documents like Railway Act and National Railway Plan, etc.</p> <p>6.3 MPW drafts railway standards and railway regulations.</p>	<p>Number of assessments conducted to identify needs of management staff.</p> <p>Number of assessments conducted to identify competency in these areas.</p> <p>Ministerial consensus on railway standards and railway regulations.</p> <p>Minister of MPW approves railway standards and railway regulations and introduces them to the Cabinet.</p>	<p><b>Baseline:</b> 12 assessments. <b>Target:</b> 1 year.</p> <p><b>Baseline:</b> 6 assessments. <b>Target:</b> 6 months.</p> <p><b>Baseline:</b> 12 assessments. <b>Target:</b> 1 year.</p>	<p>GIRoA remains committed to railway development.</p> <p>Rail authority has the capacity/resources to play a leadership role in program planning and execution.</p> <p>Rail authority has the capacity/resources to ensure proper coordination and communication with GIRoA stakeholders.</p> <p>Railway standards and railway regulations harmonize with regional partners.</p>
<p><b>Outcome 7:</b></p> <p>Railway authority recruits, selects, and trains 72 staff year three (52 from year two).</p>	Railway authority supervisors asses their needs, organize their departments, prioritize their workload, and begin to demonstrate competency in	<p><b>Baseline:</b> 12 assessments. <b>Target:</b> 1 year.</p>	<p>MPW remains committed to rail authority staff and actively participate in staff training.</p> <p>Directors and managers</p>

	their area.		demonstrate competency and mentor/coach supervisors.
<p><b>Outputs:</b></p> <p>7.1 Technical Advisors are provided to MPW office in Kabul an actively play an advisory role.</p> <p>7.2 MPW officials familiarize supervisors/inspectors with important documents like Railway Act, railway standards, railway regulations, and National Railway Plan, etc.</p> <p>7.3 MPW participates in joint assessments together with EU partners.</p>	<p>Number of assessments conducted to identify needs of supervisory/inspection staff.</p> <p>Number of assessments conducted to identify competency in these areas.</p> <p>Railway authority educates the industry and begins to monitor and enforce railway standards and regulations.</p>	<p><b>Baseline:</b> 6 assessments. <b>Target:</b> 6 months.</p> <p><b>Baseline:</b> 6 assessments. <b>Target:</b> 6 months.</p> <p><b>Baseline:</b> 12 assessments. <b>Target:</b> 1 year.</p>	<p>Technical Advisors, Directors, and managers help supervisors/inspectors craft short-mid-long range plans for their area.</p> <p>Commitment of MPW staff to participate in the planned trainings and incorporation of obtained knowledge into every day work; staff turnover is low.</p> <p>Supervisor/inspector capacity continues to build at levels needed to advance critical path documents/projects.</p>
<p><b>Outcome 8:</b></p> <p>Railway authority makes key decisions and implements the ANRP.</p>	<p>Minister of MPW and Board approves ANRP key decisions.</p> <p>Rail scenario connectivity harmonizes with regional partners and international railway organizations.</p>	<p><b>Baseline:</b> 6 assessments. <b>Target:</b> 3 years.</p>	<p>GI RoA remains committed to railway development.</p> <p>Rail authority has the capacity/resources to play a leadership role in program planning and execution.</p> <p>Rail authority has the capacity/resources to ensure proper coordination and communication with GI RoA stakeholders.</p>
<b>Outputs:</b>			Estimated output from mining Areas of Interest (AOIs) will likely

<p>8.1 Define the primary and secondary purposes of the rail line.</p> <p>8.2 Selection of a profitable rail development and operating scenario aligned to Afghan economic goals.</p> <p>8.3 Select a rail ownership option: 100 percent public ownership; 100 percent private ownership; mixed public-private ownership; and hybrid ownership. Each option's benefits and risks should be considered in the context of rail system primary and supporting purposes.</p> <p>8.4 Determine rail gage requirements of proposed rail lines.</p>	<p>Number of assessments conducted to identify competency in these areas.</p> <p>Ministerial consensus on ANRP key decisions.</p> <p>Minister of MPW and Board approves ANRP key decisions.</p> <p>Rail scenario connectivity harmonizes with regional partners and international railway organizations.</p>	<p><b>Baseline:</b> 2 assessments. <b>Target:</b> 1 year.</p> <p><b>Baseline:</b> 2 assessments. <b>Target:</b> 1 year.</p> <p><b>Baseline:</b> 4 assessments. <b>Target:</b> 2 year.</p> <p><b>Baseline:</b> 6 assessments. <b>Target:</b> 3 year.</p>	<p>drive 75 percent of rail freight transport demand. Aligning rail purpose to mineral-based traffic transport serves to facilitate mine development, leading to increased revenue potential for the Afghan government from both rail and mining. Supporting purposes of the rail system include trade facilitation, industry development, promotion of commercial-based traffic, and eventual passenger traffic. Development of rail lines could also support other utilities including fiber optic and telecommunications cable, pipelines, cell phone towers, etc. This infrastructure co-sharing has the potential to generate additional revenue for the rail system.</p> <p>The preferred scenario is the most financially-feasible recommendation for initial rail system development.</p> <p>A hybrid structure is adopted to address dynamic and evolving governance requirements of multiple rail ownership models.</p> <p>Use of transloading to address transfer of freight between multiple gages could render mineral exportation uncompetitive.</p>
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			Therefore, gage requirements of proposed rail lines considered in the context of rail line purposes and development and operating scenario.
<b>Outcome 9:</b>  Railway authority decides on business model for existing rail line.	Minister of MPW and GIRoA approve business model for existing rail line.	<b>Baseline:</b> 6 assessments. <b>Target:</b> 3 year.	GIRoA remains committed to railway development.  Rail authority has the capacity/resources to play a leadership role in program planning and execution.  Rail authority has the capacity/resources to ensure proper coordination and communication with GIRoA stakeholders.
<b>Outputs:</b>  9.1 A Commercial Plan. This projects revenues and carloadings by route, commodity, origin and destination. It provides physical statistics needed for the operating plan such as Gross Tons by segment, commodity and year, gross ton miles, carloadings, container loadings, etc.  9.2. An Operating Plan: This takes the commercial units generated in (1) and (2) above such as carloadings and gross tons, considers service	Number of assessments conducted to identify competency in these areas.  Minister of MPW approves business model.  Minister of MPW and Board approves ANRP key decisions.  Project eliminates losses and improves the competitiveness of railway freight business	<b>Baseline:</b> 2 assessments. <b>Target:</b> 1 year.        <b>Baseline:</b> 4 assessments. <b>Target:</b> 2 year.	Segments and priority of development align with ANRP.  Freight operation is detailed at a sufficient level to understand the specific train operation being used to estimate equipment requirements, manpower levels, training for train operations.  Locomotive and rolling stock items typically have long lead times for procurement and delivery

<p>needs, and attempts to estimate locomotive, fuel, maintenance, transportation and miscellaneous manpower expense. The expenses are generated in functional categories such as:</p> <p>9.3 Financial Plan: Plans 1, and 2 are integrated in a financial plan which shows revenues, operating expenditures, and capex projected forward. Income and cash flow statements are projected forward, as well as balance sheets. Various common financial tests such as EBIT and EBITDA multiples, interest coverage ratios, etc. are provided. These projections may provide the basis for financial feasibility studies which are used to secure financing.</p>		<p><b>Baseline:</b> 6 assessments. <b>Target:</b> 3 year.</p>	
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## 7. RISK & MITIGATION

Risk & Effect	Score	Risk Mitigation	Ministry/Authority
Afghan government revenue in the long term does not fully cover the capital expenditure cost associated with ARA.	M	Implement recognized project management procedures to allow expenditures equal or remain within forecasted budget estimates	ARA/MPW
Lack of required project management and/or technical capacity by ARA/MPW.	M	Implement project management educational and certification standards to ensure ARA staff possesses required project management and/or technical capacity.	ARA/MPW
Unwillingness of International Advisors to work for ARA in Afghanistan	L	Ensure remuneration packages reflect benefits of working in Afghanistan and contributing to development work.	ARA/MPW
Lack of adequate human resource capital to be recruited/trained	H	Implement standard project management human resource procedures. Establish recruiting procedures to identify and recruit adequate staff for ARA	ARA/MPW
GIRoA collapse following US troop withdrawal in 2014 destabilizes Afghanistan and halts further rail development and operations.	L	Ensure adequate capacity exists within GIRoA to maintain necessary and sufficient level of governance during and after US troop withdrawal.	MoI/MoD

Risk & Effect	Score	Risk Mitigation	Ministry/Authority
Lack of required security measures leads to theft, vandalism, and/or terrorist attacks on ARA property, infrastructure, equipment, and employees	L	Establish sufficient security practices to prevent the theft and vandalism of or terrorist attacks on ARA property, infrastructure, equipment, and employees	ARA/MPW
Lack of sufficient customs and government-security leads to increased rail security requirements and reduced profitability.	M	Establish sufficient customs and government-security to meet rail security requirements, resulting in augmented profitability.	MoF
Insufficient support from within different sections of the government, e.g. lack of financial support from MoF	M	Ensure early engagement with all stakeholders within the government, ensure efficient and timely release of information and plans	ARA/MPW/MoF
Withdrawal of donor support	L	Ensure proper M&E procedures are followed, regular update/meetings with donor	ARA/MPW/MoF

## 8. ACTIVITIES

Activities
1. Railway authority initiates capacity building program development with local/international universities.
2. Railway authority recruits, selects, and trains 20 staff year one.
3. Railway authority hires national/international advisors including ANRP Project Manager and Railway O&M Project Management Team.
4. Railway authority secures suitable office space and equipment.
5. Railway authority staff receives training.
6. Railway authority staff finalizes the Railway Act and begins implementing the National Rail Plan.
7. Railway authority recruits, selects, and trains 52 staff year two (20 from year one).
8. Railway authority drafts railway standards and railway regulations.
9. Railway authority recruits, selects, and trains 72 staff year three (52 from year two).
10. Railway authority educates the industry and begins to monitor and enforce railway standards and regulations.
11. Providing logistical, finance-management and liaising for the program through the coordinated and centralized procedures in MPW Kabul office
12. Monitoring and evaluation of actual assistance delivered to beneficiaries, tracking of MPW's movements and monitoring program planning and implementation.
13. Training of rail authority personnel and young professionals rail management and engineering.

## 9. WORK-PLAN

Activity	Responsibility	4th Q/13	1st Q/14	2nd Q/14	3rd Q/14	4th Q/14	1st Q/15	2nd Q/15	3rd Q/15	4th Q/15	1st Q/16	2nd Q/16	3rd Q/16	4th Q/16
1. Railway authority initiates capacity building program development with local/international universities.	MPW, ARA													
2. Railway authority recruits, selects, and trains 20 staff year one.	MPW, ARA													
3. Railway authority hires national/international advisors.	MPW, ARA													
4. Railway authority secures suitable office space and equipment.	MPW, ARA													
5. Railway authority staff receives training.	MPW, ARA Technical Advisors, local/international universities													
6. Railway authority staff finalizes the Railway Act and begins implementing the National Rail Plan.	MPW, ARA, Technical Advisors, GIROA													
7. Railway authority recruits, selects, and trains 52 staff year two (20 from year one).	MPW, ARA													
8. Railway authority drafts railway standards and railway regulations.	MPW, ARA, Technical Advisors													

Activity	Responsibility	4th Q/13	1st Q/14	2nd Q/14	3rd Q/14	4th Q/14	1st Q/15	2nd Q/15	3rd Q/15	4th Q/15	1st Q/16	2nd Q/16	3rd Q/16	4th Q/16
9. Railway authority recruits, selects, and trains 72 staff year three (52 from year two).	MPW, ARA													
10. Railway authority educates the industry and begins to monitor and enforce railway standards and regulations.	MPW, ARA													
11. Providing logistical, finance-management and liaising for the program through the coordinated and centralized procedures in MPW Kabul office	MPW, ARA, EU													
12. Monitoring and evaluation of actual assistance delivered to beneficiaries, tracking of MPW's movements and monitoring program planning and implementation.	MPW, ARA, EU													
13. Training of rail authority personnel and young professionals rail management and engineering.	MPW, ARA, Technical Advisors, local/international universities													

## Budget

ARA Budget Summary				
Item	Year-1	Year-2	Year-3	Total Cost
Salaries	\$388,200	\$606,000	\$717,360	\$1,711,560
Technical Assistance - National	\$156,000	\$150,000	\$78,000	\$384,000
Technical Assistance - International	\$1,080,000	\$960,000	\$720,000	\$2,760,000
Capacity Building Phase I-IV	\$577,500	\$860,000	\$300,000	\$1,737,500
Monitoring & Evaluation - External	\$36,000	\$36,000	\$36,000	\$108,000
Goods & Equipment	\$193,965	\$143,465	\$122,970	\$460,400
Utilities & Services	\$350,800	\$350,800	\$350,800	\$1,052,400
<b>Total</b>	<b>\$2,782,465</b>	<b>\$3,106,265</b>	<b>\$2,325,130</b>	<b>\$8,213,860</b>

Total Budget and Annual Contributions made by Donor & by GIRoA				
Year	Year - 1	Year - 2	Year - 3	Total Cost for 3 Years
<b>Total - ARA Estimated Budget</b>	<b>\$2,782,465</b>	<b>\$3,106,265</b>	<b>\$2,325,130</b>	<b>\$8,213,860</b>
<b>Total - ARA Estimated Budget (Donor Funded)</b>	<b>\$2,782,465</b>	<b>\$2,795,639</b>	<b>\$1,557,837</b>	<b>\$7,135,941</b>
<b>Total - ARA Estimated Budget (Government Funded)</b>	<b>\$0</b>	<b>\$310,627</b>	<b>\$767,293</b>	<b>\$1,077,919</b>

ARA Salaries							
Position Ranks	Positions Year-1	Total Salary Year-1	Positions Year-2	Total Salary Year-2	Positions Year-3	Total Salary Year-3	Total
Chief Executive Director	1	\$120,000	1	\$120,000	1	\$120,000	\$360,000
Rank 1	0	0	0	0	0	0	0
Rank 2	4	\$112,800	4	\$112,800	4	\$112,800	\$338,400
Rank 3	5	\$60,000	18	\$216,000	18	\$216,000	\$492,000
Rank 4	5	\$41,400	10	\$82,800	22	\$182,160	\$306,360
Rank 5	0	0	3	\$5,400	6	\$10,800	\$16,200
Rank 6	0	0	4	\$6,000	6	\$9,000	\$15,000
Rank 7	0	0	5	\$6,600	5	\$6,600	\$13,200
Rank 8	3	\$3,600	5	\$6,000	8	\$6,600	\$19,200
GIRoA Admin/IT Support Team	2	\$50,400	2	\$50,400	2	\$50,400	\$19,200
<b>Total</b>	<b>20</b>	<b>\$388,200</b>	<b>52</b>	<b>\$606,000</b>	<b>72</b>	<b>\$717,360</b>	<b>\$1,711,560</b>

Technical Assistance - National							
Salaries							
Position	Positions Year-1	Total Salary Year-1	Positions Year-2	Total Salary Year-2	Positions Year-3	Total Salary Year-3	Total
Legal Advisor	0	0	1	\$30,000	0	0	\$30,000
Admin & Finance Advisor	1	\$36,000	0	0	0	0	\$36,000
Technical Advisor	1	\$48,000	1	\$48,000	1	\$48,000	\$144,000
Policy & Regulation Advisor	1	\$42,000	1	\$42,000	0	0	\$84,000
Commercial & Private Sector Development Advisor	0	0	1	\$30,000	1	\$30,000	\$60,000
M&E Advisor	1	\$30,000	0	0	0	0	\$30,000
<b>Total</b>	<b>4</b>	<b>\$156,000</b>	<b>4</b>	<b>\$150,000</b>	<b>2</b>	<b>\$78,000</b>	<b>\$384,000</b>



Technical Assistance - International							
Salaries							
Position	Positions Year-1	Total Salary Year-1	Positions Year-2	Total Salary Year-2	Positions Year-3	Total Salary Year-3	Total
Legal Advisor	1	\$120,000	0	0	0	0	\$120,000
Policy & Regulation Advisor	1	\$120,000	1	\$120,000	0	0	\$240,000
National Railway Plan Advisor	1	\$120,000	1	\$120,000	1	\$120,000	\$360,000
Railway O&M Project Management Team	5	\$600,000	5	\$600,000	5	\$600,000	\$1,800,000
Inspection & Implementation Advisor	1	\$120,000	1	\$120,000	0	0	\$240,000
<b>Total</b>	<b>9</b>	<b>\$1,080,000</b>	<b>8</b>	<b>\$960,000</b>	<b>6</b>	<b>\$720,000</b>	<b>\$2,760,000</b>

Capacity Building Phase I-IV				
Item	Year-1	Year-2	Year-3	Total
Phase I - Fact & information gathering, educational needs assessment, gap analysis, program structure/design	\$127,500	0	0	\$127,500
Phase II - Detailed program development and delivery for senior/middle managers' program expanded to a "train the trainers" approach supervisors	\$450,000	0	0	\$450,000
Phase III - Design, development and delivery of supervisors' program expanded to a "train the trainers" approach	0	\$860,000		\$860,000
Phase IV - Design, development and delivery of "train the trainers" program for supervisors/junior managers in operational/engineering and other departmental roles	0	0	\$300,000	\$300,000
<b>Total</b>	<b>\$577,500</b>	<b>\$860,000</b>	<b>\$300,000</b>	<b>\$1,737,500</b>

Utilities & Services			
Item	Monthly	Annual	Total (3 Years)
Initial Move	\$5,000	\$60,000	\$180,000
Office Rent	\$2,000	0	\$2,000
Mobile Phones	\$500	\$6,000	\$18,000
Office Phones	\$500	\$6,000	\$18,000
Internet Services	\$1,500	\$18,000	\$54,000
Website Services	\$250	\$3,000	\$9,000
Domestic Flights (Site Visits)	\$300	\$3,600	\$10,800
Domestic Lodging (Site Visits)	\$300	\$3,600	\$10,800
Domestic Local Transport (Site Visits)	\$100	\$1,200	\$3,600
Domestic Per Diem (Site Visits)	\$150	\$1,800	\$5,400
International Flights (Railway Conferences)	\$2,500	\$10,000	\$30,000
International Lodging (Railway Conferences)	\$1,000	\$4,000	\$12,000
International Per Diem (Railway Conferences)	\$1,500	\$6,000	\$24,000
Postal	\$250	\$3000	\$9,000
Marketing	\$1,000	\$12,000	\$36,000

Publications	\$500	\$6,400	\$19,200
Adds	\$200	\$2,400	\$7,200
Security	\$2,600	\$31,200	\$93,600
Transportation	\$2,000	\$24,000	\$72,000
Electricity	\$1,250	\$15,000	\$45,000
Water	\$1,000	\$12,000	\$36,000
Gas	\$200	\$2,400	\$7,200
Municipality Services	\$100	\$1,200	\$3,600
Fuel (Generator)	\$500	\$6,000	\$18,000
Fuel (Vehicles)	\$3,000	\$36,000	\$108,000
Physicals including Drug Screens	\$200	\$2,400	\$7,200
Government Meals	\$1,000	\$12,000	\$36,000
Education (books)	\$500	\$6,000	\$18,000
Building Services	\$4,000	\$48,000	\$144,000
<b>Total</b>	<b>\$350,00</b>	<b>\$350,800</b>	<b>\$1,052,400</b>

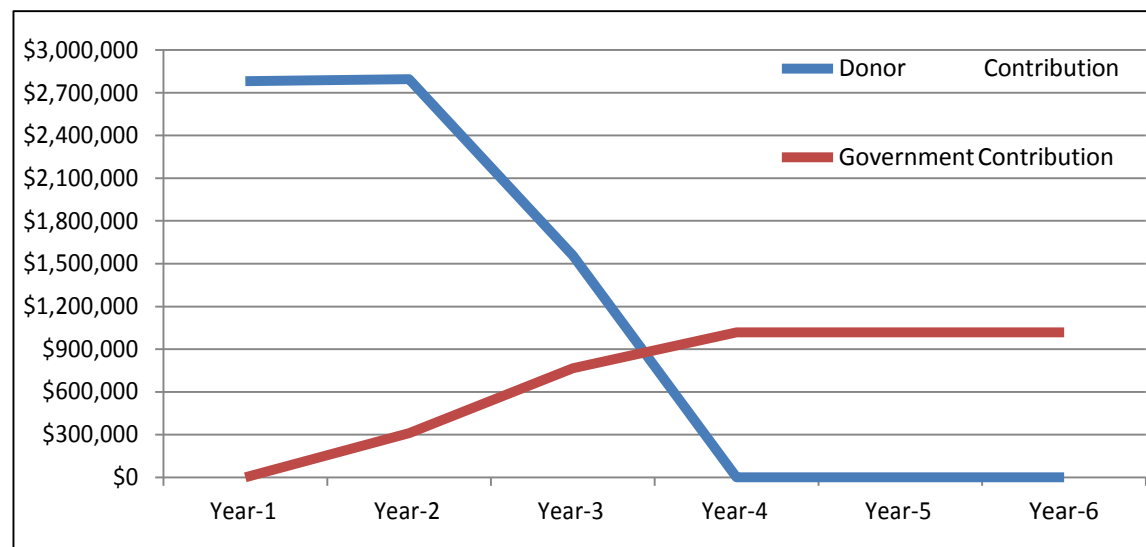
<b>Goods &amp; Equipment</b>								
<b>Item Description</b>	<b>Unit</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Total Budget</b>	<b>35% Cost - Year 1</b>	<b>35% Cost - Year 2</b>	<b>30% Cost - Year 3</b>	<b>Balance End of Year 3</b>
<b>General Office Equipment</b>								
Desks/Shelves etc for Directors	Each	5	\$1,900	\$9,500	\$9,500	\$0	\$0	\$9,500
Chairs (Directors)	Each	5	\$300	\$1,500	\$1,500	\$0	\$0	\$1,500
Desk	Each	50	\$250	\$12,500	\$4,375	\$4,375	\$3,750	\$12,500
Chairs	Each	50	\$100	\$5,000	\$1,750	\$1,750	\$1,500	\$5,000
Shelves	Each	50	\$150	\$7,500	\$2,625	\$2,625	\$2,250	\$7,500
Fire Proof File Cabinet	Each	15	\$2,100	\$31,500	\$11,025	\$11,025	\$9,450	\$31,500
Sofa (Directors)	Each	15	\$1,500	\$22,500	\$22,500	\$0	\$0	\$22,500
Conference Room Table	Each	1	\$2,000	\$2,000	\$700	\$700	\$600	\$2,000
Conference Room Chairs	Each	16	\$300	\$4,800	\$1,680	\$1,680	\$1,440	\$4,800
Conference Room Phone	Each	1	\$600	\$600	\$210	\$210	\$180	\$600
Laptops	Each	15	\$1,250	\$18,750	\$6,563	\$6,563	\$5,625	\$18,750
Desktops	Each	50	\$500	\$25,000	\$8,750	\$8,750	\$7,500	\$25,000
Mobile Phones+Wireless Dongles	Each	20	\$200	\$4,000	\$1,400	\$1,400	\$1,200	\$4,000
Office Phones	Each	50	\$100	\$5,000	\$1,750	\$1,750	\$1,500	\$5,000
Printers (Shared High Duty)	Each	4	\$10,000	\$40,000	\$14,000	\$14,000	\$12,000	\$40,000
Plotter (for GIS Dept)	Each	1	\$7,000	\$7,000	\$7,000	\$0	\$0	\$7,000
Colour Printer (GIS Dept.)	Each	1	\$2,000	\$2,000	\$2,000	\$0	\$0	\$2,000
Desktop (GIS)	Each	3	\$2,000	\$6,000	\$6,000	\$0	\$0	\$6,000

Video Conference System	LS	1	\$6,000	\$6,000	\$2,100	\$2,100	\$1,800	\$6,000
Projector + Screen	Each	1	\$650	\$650	\$228	\$228	\$195	\$650
Shreder	Each	3	\$800	\$2,400	\$840	\$840	\$720	\$2,400
Air Conditioners	Each	50	\$700	\$35,000	\$12,250	\$12,250	\$10,500	\$35,000
Coat Hangers, Rubish Bins, Clocks	Each	50	\$100	\$5,000	\$1,750	\$1,750	\$1,500	\$5,000
Flat Screen TV - (Executive Director)	Each	1	2,000.0	\$2,000	\$2,000	\$0	\$0	\$2,000
Extension Cords	Each	150	15.0	\$2,250	\$788	\$788	\$675	\$2,250
Stationary (Pen, paper, pencil, ruler etc)	LS	1	20,000.0	\$20,000	\$7,000	\$7,000	\$6,000	\$20,000
Carpets, decorative commodities	LS	1	10,000.0	\$10,000	\$3,500	\$3,500	\$3,000	\$10,000
Kitchen appliances	LS	1	10,000.0	\$10,000	\$3,500	\$3,500	\$3,000	\$10,000
Power Generator	LS	3	30,000.0	\$90,000	\$31,500	\$31,500	\$27,000	\$90,000
Vehicles-(Armoured _Exective Director)	Each	1	0.0	\$0	\$0	\$0	\$0	\$0
Vehicles (Directors)	Each	11	0.0	\$0	\$0	\$0	\$0	\$0
Vehicles (Inspectors)	Each	2	0.0	\$0	\$0	\$0	\$0	\$0
Vehicles (motor pool)	Each	4	0.0	\$0	\$0	\$0	\$0	\$0
Contingency	LS	1	10,000.0	\$10,000	\$3,500	\$3,500	\$3,000	\$10,000
<b>Sub Total - General Office Equipment</b>				<b>398,450</b>	<b>172,283</b>	<b>121,783</b>	<b>104,385</b>	<b>398,450</b>

Item Description	Unit	Quantity	Unit Price	Total Budget	35% Cost - Year 1	35% Cost - Year 2	30% Cost - Year 3	Balance End of Year 3
Special IT & Communication Equipment								
Server	Each	1	10,000.0	\$10,000	\$3,500	\$3,500	\$3,000	\$10,000
Server Rack	Each	1	5,000.0	\$5,000	\$1,750	\$1,750	\$1,500	\$5,000
Switches	Each	20	200.0	\$4,000	\$1,400	\$1,400	\$1,200	\$4,000
CCTV	LS	1	5,000.0	\$5,000	\$1,750	\$1,750	\$1,500	\$5,000
UPS ( one per desktop)	Each	53	400.0	\$21,200	\$7,420	\$7,420	\$6,360	\$21,200
Wireless Routers	Each	5	150.0	\$750	\$263	\$263	\$225	\$750
Digital Cameras (Inspectors)	Each	5	200.0	\$1,000	\$350	\$350	\$300	\$1,000
Printer Cartridge	LS	1	10,000.0	\$10,000	\$3,500	\$3,500	\$3,000	\$10,000
Communication Equipment	LS	1	5,000.0	\$5,000	\$1,750	\$1,750	\$1,500	\$5,000
	Sub Total - General Office Equipment			61,950	21,683	21,683	18,585	61,950
Total - Goods & Equipment				460,400	193,965	143,465	122,970	460,400
Total - Goods & Equipment for 3 Years					\$460,400			

## 10. DONOR/GOVERNMENT CONTRIBUTION GRAPHS

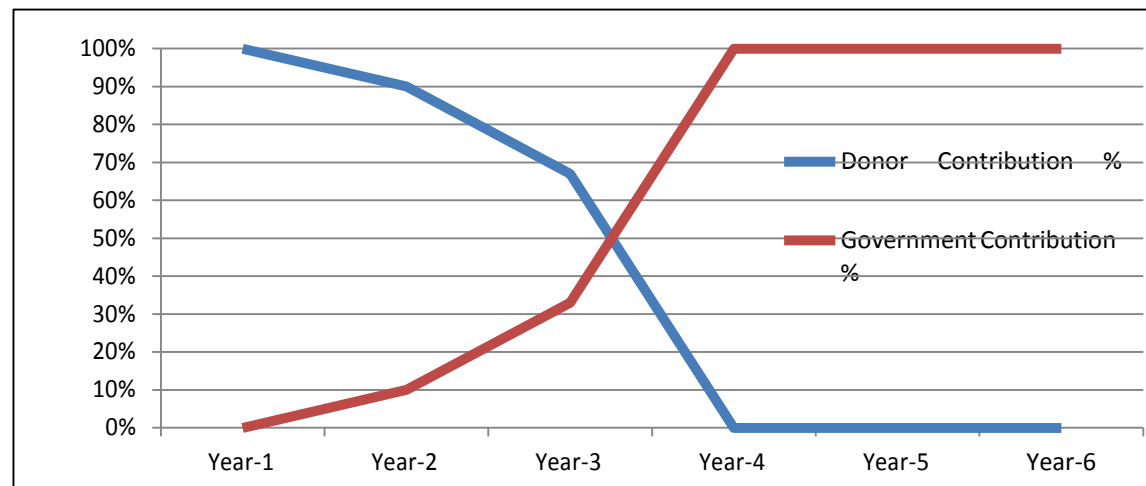
Yearly contribution made by donor and by the government						
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6
<b>Donor Contribution</b>	\$2,782,465	\$2,795,639	\$1,557,837	0	0	0
<b>Government Contribution</b>	\$0	\$310,627	\$767,293	\$1,017,760	\$1,017,760	\$1,017,760



A. **Graph-1 illustrates the dollar amount contribution by donor and government**



Percentage contribution made by donor and by the government						
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6
<b>Donor Contribution %</b>	100%	90%	67%	0%	0%	0%
<b>Government Contribution %</b>	0%	10%	33%	100%	100%	100%



B. **Graph-2 illustrates the percentage contribution by donor and government**