Early Warning System

ADB-50062-001

Road Asset Management Project

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Quick Facts

Countries	Afghanistan
Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	C
Voting Date	2016-10-31
Sectors	Transport
Investment Type(s)	Grant
Investment Amount (USD)	$ 25.50 million

Project Description

DESCRIPTION

I submit for your approval the following report and recommendation on a proposed grant to the Islamic Republic of Afghanistan for the Road Asset Management Project.

The proposed grant will finance priority maintenance works for part of Afghanistan's regional highway sections from Kabul to Ghazni and from Kabul to Jalalabad, which are the economic lifeline of the country's eastern region. The project will include a capacity development component to introduce sustainable road management practices, specifically in road asset management and road maintenance.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Prolonged conflict has devastated Afghanistan's economy by destroying the minimal economic infrastructure and institutions that the country once possessed and driving more than 2.5 million Afghans away from their homes and livelihoods. Since the fall of the Taliban regime, the country has received billions of dollars in international assistance, which has dramatically boosted the country's gross domestic product to more than $20 billion five times higher than in 2002. However, the country is still at the very beginning of recreating an economy that can address the needs of its people. Afghanistan requires stable and sustainable economic development. To this end, and with donor support, the Government of Afghanistan has developed a range of policies and strategies, not all of which have been successfully implemented. The 2008 2013 Afghanistan National Development Strategy, the country's first strategy paper for poverty reduction, has set the context for rebuilding the country by

(i) addressing poverty through private sector-led equitable economic growth and (ii) exploiting the economy's growth potential.

Afghanistan's fragile and conflict-affected situation has also heavily damaged its roads. By 1994, around 80% of the 42,000-kilometer (km) network was in a poor state of repair, and road conditions deteriorated further until 2002, when major reconstruction programs were begun. The government focused on reconstructing damaged or destroyed roads, as well as rehabilitating roads that had fallen into disrepair due to a prolonged lack of maintenance. A massive multinational reconstruction and development effort to rebuild Afghanistan's infrastructure has been underway since 2002, and nearly 8,000 km of roads have been reconstructed or rehabilitated. While the government and development partners have focused on reconstruction, the sustainability of past investments has resurfaced as a major sector issue. According to the ongoing Asian Development Bank (ADB) study for operation and maintenance (O&M;), 85% of the road network is in poor condition, and only 50% is serviceable year-round condition.

Financial and institutional sustainability are some of the main challenges facing roads network O&M; in Afghanistan. The Ministry of Public Works (MPW) has so far been unable to fully implement various approaches proposed in the 2006 2013 O&M; strategy. The lack of policies pertaining to road user charges and O&M; financing further complicates these challenges, both financially and institutionally. Afghanistan is not expected to be financially self-reliant in the interim. Institutional O&M; challenges include organizational and human resource issues. Organizationally, the mandates of the different organizations responsible for the road network must be properly delineated. Functionally, the MPW lacks the specialized system to ensure adequate and accountable operations. A tool for planning and managing roads O&M; at the national level does not exist. The scattered bits and pieces of this system must be integrated and properly developed to enable the systematic planning and management of roads O&M.;

Realizing the importance and seriousness of the issue, development partners since 2011 have started to pay attention to roads O&M; and able to contributed to $150 million. The donors' primary efforts include the Road Sector Sustainability Program of the United States Agency for International Development and the World Bank's National Rural Access Program (NRAP). Under

Investment Description

- Asian Development Bank (ADB)

Grant 0508-AFG: Road Asset Management Project
Concessional ordinary capital resources / Asian Development Fund US$ 25.50 million

Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

CONTACTS

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Bank Documents

- Grant Agreement (Special Operations) for Grant 0508-AFG: Road Asset Management Project [Original Source]
- Project Disclosure PDF
- Road Asset Management Project: Initial Poverty and Social Analysis [Original Source]
- Road Asset Management Project: Procurement Plan [Original Source]
- Road Asset Management Project: Project Administration Manual [Original Source]
- Road Asset Management Project: Project Data Sheet (Dari Translation) [Original Source]
- Road Asset Management Project: Project Data Sheet (Pashto Translation) [Original Source]
- Road Asset Management Project: Report and Recommendation of the President [Original Source]

Other Related Projects

- ADB-50062-002 Road Asset Management Project - Additional Financing