

 Early Warning System

AIIB-000914

Kazakhstan: Strategic Road Connectivity and Sector Modernization
Project



Quick Facts

Countries	Kazakhstan
Specific Location	Karagandy, Zhezkazgan
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Proposed
Bank Risk Rating	B
Borrower	National Company KazAvtoZhol JSC
Sectors	Industry and Trade, Infrastructure, Transport
Investment Type(s)	Loan
Investment Amount (USD)	\$ 650.00 million
Loan Amount (USD)	\$ 650.00 million
Project Cost (USD)	\$ 1,530.00 million



Project Description

According to the AIIB, the project development objective is to provide safe, efficient and climate resilient connectivity along the Karagandy-Zhezkazgan corridor and improve road sector management practices.

The Project aims to upgrade a selected section of the Middle Corridor between Jezkazgan and Karagandy, focusing on improving road conditions and implementing climate-resilient standards. It will pioneer the use of integrated design, build, and maintenance contracts through the Output and Performance-Based Road Contracts (OPBRC) format to optimize value for money and encourage private sector participation. Additionally, the Project will enhance last mile connectivity with rural areas along the road corridor, improve road sustainability and safety measures, review national road design standards with a focus on climate resilience and road safety, and provide institutional capacity building support.

The estimated total Project cost is USD1.53 billion and will be co-financed by the World Bank Group (WB) and AIIB. Both financiers plan to contribute USD650 million each. The remaining 15 percent of the Project cost will be covered by counterpart funding.

The Project comprises three components:

Component 1. Resilient and Safe Road Connectivity. This component accounts for 99 percent of the total Project cost. It involves (i) reconstruction and upgrading of an existing 498km third category highway between Jezkazgan - Karagandy to a first category dual-carriageway highway, following national road classification standards with the improved climate resilient and road safety measures. It will pioneer the use of integrated design, build and maintenance contracts; (ii) improvement of around 40km all-weather Last Mile Connectivity roads to the rural areas along the corridor; and (iii) implementation of road sustainability and road safety features, including electronic tolling facilities, rapid electric charging stations, and axle load management systems and road safety audit.

Component 2. Transport System Development. It includes (i) review of national road design standards to incorporate climate resilience and road safety measures; and (ii) identify actions to improve the sustainability and efficiency in supporting the middle corridor development.

Component 3. Project Management and Implementation Support. This component includes experts to assist "KazAvtoZhol" NC" JSC (the Implementation Entity, QAJ) in designing and implementing the performance-based contracts for the Project.



Investment Description

- Asian Infrastructure Investment Bank (AIIB)

According to the AIIB, the project financing plan is the following:

Total Project Cost: USD1,625mn

Proposed AIIB Financing: USD650mn

World Bank (Lead MDB Financier) Financing Amount: USD650mn

Gov. of Kazakhstan: USD325mn

Private Actors Description

As stated by DevEx, in accordance with the Resolution of the Government of the Republic of Kazakhstan dated July 30, 2013 No. 744, the joint-stock company “KazAvtoZhol” was defined as the National Highway Management Operator (hereinafter referred to as the Company).

The founder of the Company is the Government of the Republic of Kazakhstan represented by the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan.

The bodies of the Company are:

1. the supreme body is the Sole Shareholder;
2. management body - the Board of Directors of the Company;
3. collegial executive body - the Management Board of the Company;
4. The body supervising the Company's financial and business activities is the Internal Audit Service.

The management of the Company's current activities is carried out by the executive body - the Management Board of the Company.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	KazAvtoZhol JSC NC	Client	Transport

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.aiib.org/en/contact/information-request/index.html>

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes. Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html>

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html>



Bank Documents

- [Project Summary \(August 26, 2024\)](#) [\[Original Source\]](#)