



The World Bank

First Phase of the Central Asia Road Links Program (P132270)

REPORT NO.: RES32362

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

FIRST PHASE OF THE CENTRAL ASIA ROAD LINKS PROGRAM

APPROVED ON APRIL 22, 2014

TO

MINISTRY OF FINANCE OF THE KYRGYZ REPUBLIC

TRANSPORT

EUROPE AND CENTRAL ASIA

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I. BASIC DATA

Product Information

Project ID P132270	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 22-Apr-2014	Current Closing Date 30-Apr-2019

Organizations

Borrower Ministry of Finance of the Kyrgyz Republic	Responsible Agency Ministry of Transport and Roads
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Project Development Objective (PDO)

Original PDO

The Central Asia Road Links (CARs) program is the result of a collaborative effort initiated by respective governments in the Central Asia region which has been developed as a regional, multi-phase program considered as a regional transformational project under IDA 16 and IDA 17. The program has the overall objective to increase transport connectivity between neighboring countries in Central Asia along priority cross-border road links whilst supporting improvements in road operations and maintenance practices.

The project development objective (PDO) of the First Phase of the Central Asia Road Links Program (CARs-1) is to increase transport connectivity between the Kyrgyz Republic and Tajikistan along priority cross-border road links in Batken Oblast whilst supporting improvements in road operations and maintenance practices. The road sections to be financed under CARs-1 prioritize connectivity between the Osh and Batken Oblast in the Kyrgyz Republic and Sugd Oblast in Tajikistan as they build lateral spurs from the Osh-Isfana axis to the Tajik border.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-54300	22-Apr-2014	25-Jul-2014	14-Dec-2014	30-Apr-2019	36.80	16.41	16.96



IDA-H9340 22-Apr-2014 25-Jul-2014 14-Dec-2014 30-Apr-2019 8.20 6.71 .68

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

PROJECT STATUS

The project was approved by the Board on April 22, 2014 and declared effective on December 14, 2014. Total disbursed amount (as of March 5, 2019) is USD 23.12 or about 56.73%.

There are three components under the project, i.e. Component 1 “Rehabilitation of Priority Road Links in Batken Oblast” (USD 51.30 million), Component 2 “Improvements of Road Operations and Maintenance Practices” (USD 1.70 million), and Component 3 “Project Management and Implementation” (USD1.00 million)

Overall, tangible progress can be recorded in implementation of Component 1 (Rehabilitation of Priority Road Links in Batken Oblast) and Component 2 (Improvements of Road Operations and Maintenance Practices).

Component 1: despite the initial 1.5 years slowdown in implementation due to slow mobilization of the contractor and revisions in detailed designs back in 2017, the civil works have almost caught up with the schedule and are progressing well with a total of 49 km rehabilitated (out of total 56 km). On the remaining 7 km all earthworks have been completed, but asphalt laying works could not be done due to severe weather conditions in October-November 2018 on the site and 2 landslides caused by heavy rainfall, according to information provided by the Ministry of Transport and Roads. Therefore, the asphalt laying and minor works (road furniture, including marking, signs, etc.) were not completed by November 30, 2018 in accordance with the latest revised work schedule by the contractor.

Component 2: project activities have been progressing well, with almost all of the originally designed activities completed: (i) pilot of Annual Service Level Agreement Osh-Batken-Isfana Road Department (responsible for maintenance of the Osh-Batken-Isfana corridor); (ii) 5 weigh-in-motion scales (WIMS) have been installed against 2 pilots originally foreseen under the project (a possible contract change to increase the scope of WIMs and links to the government’s program Tunduk is being considered by MOTR); (iii) methodology for planning and programming routine maintenance and minor repair works has been developed (and to be further integrated into Road Asset Management System (RAMS)); (iv) Draft Strategic Plan on Axle Load Control has been developed by the Ministry of Transport and Roads of the Kyrgyz Republic and presented at the regional level, and (v) procurement of road maintenance equipment for the Osh-Batken-Isfana Road Department (OBI UAD), a total of 6 lots, of which 3 lots are at contract signing stage, and the remaining 3 lots are at procurement stage.

PROPOSED CHANGE AND RATIONALE FOR THE RESTRUCTURING

This Level 2 restructuring is sought to extend the current closing date (April 30, 2019).

The Ministry of Finance has sent an official letter requesting an extension until September 30, 2019 in order to complete rehabilitation works on the remaining road section of 7 km long. As described in the letter (dd. February 12, 2019), the civil works were not possible to be completed before the expected completion date, i.e. November 30, 2018, due to severe weather conditions in October-November 2018, as well as landslides occurring on the road



section (November 2018). As a result, the contractor had to suspend the works and perform additional works not specified in the contract, including slope strengthening works.

As per the Bank team’s request, the Implementing Agency (Ministry of Transport and Roads), through its IPIG, has submitted materials evidencing reasons for delays in completing the civil works as scheduled. A letter by the Minister of Transport and Roads, dated March 4, 2019, was received by the Bank on March 5, 2019. Specifically, the letter by the Minister of Transport and Roads includes the requested information, such as (i) the report prepared by the Supervision Consultant evidencing suspension of the works due to severe weather conditions and landslides, (ii) calculation of additional works performed by the Contractor due to landslides, and (iii) revised Implementation Schedule for civil works.

There is no outstanding audit for the project, and previous audits are found acceptable by the Association

III. DETAILED CHANGES

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-54300	Effective	30-Apr-2019		30-Sep-2019	30-Jan-2020
IDA-H9340	Effective	30-Apr-2019		30-Sep-2019	30-Jan-2020