

CHANGE, IMPACT, SUSTAINABLE DEVELOPMENT

HOW THE ISLAMIC DEVELOPMENT
BANK GROUP IS IMPROVING
PEOPLE'S LIVES



TRANSPORT

ROAD RECONSTRUCTION
FOR STRATEGIC CORRIDOR
IN KAZAKHSTAN



2020

INTRODUCTION

The Republic of Kazakhstan is a gateway to Russia, Europe, Central Asia and China. But, as the largest landlocked country in the world, its roads are the only way to connect it to all the opportunities its strategic location can offer. The poor state of Kazakhstan's road links has deprived the country of valuable chances to source revenues from transit traffic. With financing from IsDB, the Government of Kazakhstan upgraded the efficiency and safety of road transport in the Jambyl Region and promoted development along this major corridor.

THE CHALLENGE

Road maintenance has been underfunded in Kazakhstan for some time, and the 58.1-kilometer project stretch – part of the main route between Western China, other Central Asian countries, and Russia – was in a state of severe disrepair in some sections. The rate of road accidents in Kazakhstan is among the highest in the region. Poor road conditions contribute to this, including inadequate road surfacing and insufficient overtaking opportunities on narrow roads.

Long travel times, compounded by delays during cross-border procedures, were exacting a heavy toll in lost revenues from transit, especially container cargo, as well as missed trade and business opportunities. The inadequate road network also stifled potential for harnessing greater regional cooperation and integration, and for leveraging the country's strategic position between Asia and Europe, especially given neighbouring China's strong economic growth, which is driving demand for the delivery of a range of goods to global destinations.



THE PROJECT

The goal of the project was to improve transport efficiency and safety, and to promote development along one of Kazakhstan's most strategic transit corridors, enhancing business and trade opportunities. The project set out to do this by reconstructing 58.1 kilometers of the Central Asia Regional Economic Cooperation 1 (CAREC) transit corridor. The project upgraded this targeted section of the 2,553-kilometer route connecting Kazakhstan's borders with China and Russia. It involved redesigning the road to meet international transport standards and making it a 4-lane dual carriageway with hard shoulders. The road was laid with asphalt–concrete, and related service infrastructure was constructed to support and integrate the road. These works included the building of 3 bridges, 12 interchanges, 66 culverts, an upgraded road service point, 8 bus stops and 9 rest areas.

Close attention was paid to selecting and monitoring the use of high-quality materials, ensuring a durable road surface that would be capable of bearing current and future volumes of traffic. The reconstruction process took 2 years and 9 months to complete, and respected standard environmental expectations, such as cleaning up construction sites, properly disposing of spoils and replanting vegetation.

During the execution of the project, the Government of Kazakhstan was careful to safeguard resettlement. The land acquisition needed for the project, for instance, was agreed based on a market value rather than a cadastral value of the land – people and businesses affected were thus compensated adequately and fairly. Ensuring adequate national environmental and resettlement safeguarding measures was a fundamental part of the project, to achieve social development impacts overall.

RESULTS

The project has increased national and international trade and business opportunities through improved connectivity. During implementation, it created jobs for 500 locals, as well as markets for firms supplying inputs. Traffic volume has increased from 4,000 vehicles a day to about 6,000, and travel times have been reduced. The average journey time between Shakpak Ata and Taraz city has been halved from 90 to 45 minutes. Freight transport costs have reduced dramatically from 10% to 5%. The road has opened up connections to new agricultural areas and facilitated access to essential social services, such as health and education. Improved road safety features have decreased the likelihood of accidents. By implementing modern road technologies and standards, the project has also helped develop national capacity to construct roads to international standards.

**JOURNEY TIME
FROM SHAKPAK ATA TO TARAZ CITY**

**HALVED TO
45 MINUTES**





LESSONS LEARNED

The project was completed within budget and 6 months ahead of deadline, through rigorous planning, effective performance by the executing agency (Ministry of Transport and Communication) and methodical supervision. The quality of materials was monitored through regular sampling – a crucial element for success in such construction programmes.

Ongoing maintenance will be essential to ensure sustained impact. To cover ongoing costs, the Government is introducing a national road toll for major transport corridors, including this one. Measures such as axle load control should also be introduced to avoid surface deterioration from increased traffic and loads.

Each road project is location-specific, but common factors that contribute to success identified in this case will be capitalized on in future projects: accurate design and cost planning, the use of high-quality materials, effective problem-solving techniques, and engaging with all stakeholders (truckers, other road users and people living near the road) prior to implementation.

Local legislation required that payments to contractors were made in local currency, resulting in cashflow problems for the contractor due to bank transfer delays. Such issues should be considered at project design stage to ensure staging of payments allows for such delays.

FREIGHT TRANSPORT COSTS HAVE REDUCED DRAMATICALLY FROM

10% TO 5%

ISDB MEMBERSHIP COVERS

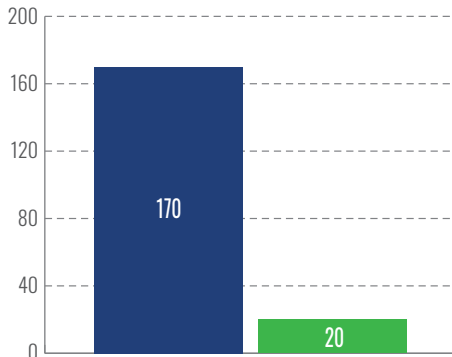
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COUNTRIES SPREAD OVER 4 CONTINENTS



TOTAL PROJECT COST

US\$ 190M



CONTRIBUTIONS

● ISLAMIC DEVELOPMENT BANK

US\$ 170M

● GOVERNMENT OF KAZAKHSTAN

US\$ 20M

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"At the heart of the success of this project, the core elements of teamwork, adaptability and responsiveness have played a vital role in achieving a high-quality, safe and efficient transportation facility, which is now effectively contributing to the regional and global connectivity of Kazakhstan.

"The experience, knowledge and understanding gained through this operation will guide IsDB in realizing many similar successes in other Member Countries."

Dr Walid Abdelwahab, Director General, Country Relations and Services, IsDB.



THE UPGRADED ROAD SECTION WAS DESIGNED TO BE WELL SERVICED AND INTEGRATED, AND INCLUDED 8 BUS STOPS AND 9 REST AREAS

ROAD USE INCREASED FROM

**4,000
TO 6,000**

VEHICLES A DAY

500

JOBS CREATED FOR LOCAL PEOPLE
DURING IMPLEMENTATION

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