



Afghanistan

Country Progress Report on the Implementation Action Plan for the Transport and Trade Facilitation Strategy

Prepared by

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I. Transport and Trade Facilitation

1. Since the endorsement of the Action Plan for the Transport and Trade Facilitation Strategy (Action Plan) by the Seventh Ministerial Conference on Central Asia Regional Economic Cooperation (CAREC) in November 2008, the Government of Afghanistan (the Government) has undertaken the following actions to support the implementation of the Action Plan:

(i) National Joint Transport and Trade Facilitation Committee (NJC), or a Similar Organization

- In 2006, the Government issued a presidential decree establishing the National Trade and Transit Facilitation Committee of Afghanistan (AFPRO). The decree seeks to ensure adequate supervision of transport, trade, and industry.
- The objectives of AFPRO are to recommend policies, procedures, and investments that will modernize trade, transit, and transport to meet international best practice. AFPRO has four main functions and working groups: (i) trade facilitation, (ii) transport facilitation, (iii) training/capacity building, and (iv) public-private partnership and investment projects. The AFPRO secretariat was established in 2008.
- UNCTAD extended technical and financial support for the establishment of AFPRO. AFPRO has had five assembly meetings and the sixth meeting scheduled for mid-2009 will decide on its future. Since UNCTAD support has ended, both technical and financial support for AFPRO is essential to fulfill its mandate.

(ii) Transport and Trade Facilitation Policy Reforms and Actions.

National Transport Sector Strategy: A national transport sector strategy under the Afghanistan National Development Strategy (ANDS) has been developed. The vision is to ensure that transport is used as a tool for economic growth and poverty reduction. The specific goals for the transport sector are:

- Fully-upgrade and maintain the ring road and international road corridors by the end of 2009;
- Ensure compliance of Kabul International Airport and Herat Airport with the International Civil Aviation Organization's (ICAO) and the International Air Transport Association's (IATA's) requirements by March 2011 (this includes runway and other improvements at Herat, Mazare-e-Sharif, Jalalabad, and Kandahar);
- Pursue public-private partnerships in the building and operation of new road transport corridors that will help integrate Afghanistan into the Middle East, and South and Central Asia;
- Reduce transit time through Afghanistan by implementing cooperative border management and other multilateral or bilateral trade and transit agreements. Afghanistan, its neighbors, and countries in the region will reach agreements to enable Afghanistan to import skilled labor, and to enable Afghans to seek work in the region and send remittances back home.

Institutional Reform. The Government will create a commission to develop a plan for institutional reforms in the transport sector, particularly to correct overlapping responsibilities among different ministries and to address institutional weaknesses. A new Transport Working Group will implement the plan, enabling the transport governance institutions to realize the sector's vision.

Current Rehabilitation Program

- **Ring Road:** Rehabilitation of the Ring Road has been given priority. This regional road connects the major cities in the country such as Kabul, Doshi, Pul-e-Khumri, Mazare-e-Sharif, Herat, and Kandahar. The total length of the Ring Road is 2,210 kilometers (km), of which 1,504 km (about 75%) has already been rehabilitated. The total rehabilitation cost is estimated at \$ 1.142 billion. It is expected that the Ring Road will be completed by the end of 2009.
- **Regional Roads Connecting with Neighbours:** Regional roads connect Afghanistan with its neighbours: Kabul-Torkham; Herat-Torghandi; Herat-Islam Qila; Kandahar-Spin Boldak; Aquina-Andkhuouy; Delaram-Zeranj; Pul-e-Khumri – Shirkhan Bandar; Khost-Ghulam Khan; and Naibabad-Hairatan. The total length of these roads is 1,153 km, of which 1,119 km has been rehabilitated and the remaining 34 km is under rehabilitation.

Trade Facilitation: The Government has improved customs infrastructure and logistics along the three CAREC corridors (CAREC 3b, 5, 6a, 6b, and 6c) passing through the country and Afghanistan's North-South and East-West road networks, connecting Central Asian countries with Iran and Pakistan, and providing access to the other Gulf and South Asian countries.

Infrastructure: To improve the operational environment of customs, enough attention has been given to build infrastructure facilities for Afghan customs. The new headquarter building of Afghan Customs Department (ACD) in Kabul has been completed.

Afghanistan – Pakistan Border Facilities

- **Torkham customs facility.** A modern customs facility has been built at Torkham. The project cost is €1.2 million. The building has already been handed over to customs and the ASYCUDA transit module is being operated from this facility. The task of installation of a heavy-duty cargo scanner and provision of other facilities such as parking areas has been accomplished. The Torkham customs facilities have two separate terminals—one for export and one for import.
- **Ghulam Khan.** The custom facility with another boarder point of Ghulam Khan has been enhanced. This will give an alternate option to the traders dealing in export, import, and transit.
- **Spin Boldak and Waish.** The custom facility at Spin Boldak has been upgraded, taking all measures to facilitate clearance of international trade through Afghanistan.
- **Khost Custom House.** The World Bank has allocated funds for the construction of this custom house. However, due to security situation, the project implementation was stopped.

Afghan-Tajikistan Border Facilities: Two world class facilities are being developed at this border, one at Shirkhan Bandar and another one at Takhar/Aikhanam. The infrastructure development of the Border Custom Station and the Regional Custom Center at the Shirkhan Bandar was completed. The construction at Takhar is going to start soon with the signing of \$ 10.6 million agreement recently. The Custom facilities at Shirkhan Bandar can handle over 400 trucks of exports and imports cargo daily. Once these facilities have become fully operational, the Regional Customs Center will be moved here from Kunduz, providing all the clearance facilities at this border.

Afghan-Uzbekistan Border Facilities: The Afghan Custom Department has well developed stations in this border. The existing infrastructure is being upgraded to cater to future needs. Furthermore, a new building for the Inland Customs Depot at Hairatan is under construction, the first phase was completed and the second phase will start soon. The completion of this custom facility will increase the trade volume passing through this border point.

Afghan-Turkmenistan Border Facilities: A customs office in Torghundi has been renovated to facilitate trade, improve management, and collect fees and charges at the border. ASYCUDA transit module has been installed, helping exercise greater control over customs declaration registration and processing.

Afghan-Iran Border Facilities: Two major Custom houses are in the final stage of completion to cater to larger traffic volumes originating from Bandar-Abbas and other ports of Iran.

- **Islam Qila Border Customs Station:** Additional customs offices have been established at Islam Qila with neighboring Iran to accommodate the trade via Iran.
- **Nimroz Border Custom Station:** The custom house at Nimroz is getting more and more traffic. To address the issue a new building needs to be constructed.

Automation of Internal Transit Procedures: The ASYCUDA transit module has been introduced. Internal transit procedures for import/export has been computerized at the border Customs stations of Torkham in the Pakistan border, Torghundi in the Turkmenistan border, Islam Qila in the Iran border, and Hairatan in the Uzbekistan border. The Afghan Customs Department expects the introduction of ASYCUDA to be completed by September 2009.

Simplification and Harmonization of Laws and Procedures: A new Customs Law was enacted in 2007 in line with the best international practice. Further, as many as 27 Customs procedures have been simplified and streamlined for trade facilitation. A single administrative document has been adopted for Customs declaration at all the Customs stations/ houses.

Simplification of Clearance Procedures for International Transit Cargo: A simplified procedure has evolved for movement and clearance of international cargo through Afghanistan. This entails detailed instructions on movement of bonded carriers, international transit cargo, improvised sealing and automation under ASYCUDA international transit module, etc. Talks are being held with Pakistan for extending reciprocal facilities. Similar trade and transit arrangements could also be worked out with Tajikistan, Uzbekistan, and other CAREC countries, so that transit of goods could be

allowed unhindered through multi-model transport from/to these countries as well, without any trans-shipment and procedural bottlenecks.

Automation of Clearance Procedures: Custom clearance at the Kabul Custom house and the Kabul Air Cargo has been computerized using ASYCUDA system. Under the system, declarations are filed by brokers, customs agents, and importers or exporters electronically. This has streamlined customs clearance and has greatly reduced the time for cargo clearance. It is being further expanded to other major Custom Houses such as Jalalabad, Mazar, and Herat.

Afghan Customs Website: The website was launched in November 2008, bringing to the public domain comprehensive information on Customs Code, tariff rates, and other rules and regulations for the benefit of local and international traders and the public.

II. Status of Investment and Technical Assistance Projects

2. Below are specific updates on the status of investment and technical assistance (TA) transport projects in Afghanistan.

A. Transport

3. **Roads and Road Transport.** The five investment projects will rehabilitate important sections of CAREC 3b, 5 and 6 a, b, c. Road reconstruction by the Asian Development Bank (ADB) and other donors is shown in a map attached to this report.

Investment Project (IP)	Status
AFG IP 1: Qaisar-Bala Murghab Road (ongoing)	<ul style="list-style-type: none"> ▪ The Project is proceeding well. ▪ About \$41 million of the \$55 million grant amount has been contracted. ▪ The completion date was revised from 2008 to 2010. ▪ ADB signed an MOU with the EA on an action plan for streamlining project implementation, including measures to address the poor performance of contractor and supervising engineer. ADB maintains intensive dialogue with all parties concerned to improve security arrangements in the project site.
AFG IP 2: Bala Murghab-Leman Road (ongoing)	<ul style="list-style-type: none"> ▪ Procurement of civil works may be delayed as the project takes its second re-bidding. ▪ The MPW and MOF have been requested to pursue improvement of the local security management for consultants and contractors. ▪ The expected project completion date is 2013. ▪ Recruitment of supervision consultants, MIS consultants, and project management consultants is ongoing.
AFG IP 3: Leman-Armalick Road (new to ongoing)	<ul style="list-style-type: none"> ▪ Programmed for 2009–2011 (1.5 years) ▪ Financing: \$30 million from Saudi Fund for Development ▪ Bidding process ongoing.

Investment Project (IP)	Status
AFG IP 4: Pul-e-Khumri–Doshi Road (ongoing)	<ul style="list-style-type: none"> Programmed for 2009–2011 (1.5 years) Financing: \$22 million from Islamic Development Bank (IsDB). Bidding process complete; contract to be awarded soon.
AFG IP 5: Naibabad-Hairatan Road	<ul style="list-style-type: none"> Completed.

Technical Assistance Project (TA)	Status
AFG TA 1: Preparing the Road Network III	<ul style="list-style-type: none"> Completed.
AFG TA 2: Salang Tunnel Expansion Feasibility Study	<ul style="list-style-type: none"> Programmed for 2011. Secure financing.
AFG TA 3: Kabul-Jalalabad Road Feasibility Study (new to ongoing)	<ul style="list-style-type: none"> Ongoing to 2011. Part I of the feasibility study (about 50 km) was completed and design is being prepared). Part II (remaining 106 km) will start when financing is secured.

4. **Railways and Railway Transport.** All the three TA projects involve preparation of feasibility studies for the construction of new railway lines for possible external financing.

Technical Assistance Project (TA)	Status
AFG TA 5: Rail Feasibility Study (Shantikh–Herat) (ongoing)	<ul style="list-style-type: none"> Financing: \$1.2 million from Iran. Consultants to be recruited soon.
AFG TA 6: Rail Feasibility Study (Hairatan–Mazare-e-Sharif–Herat and Shirkhan Bandar–Kunduz–Naibabad) (new to ongoing)	<ul style="list-style-type: none"> ADB financing (\$1.2 million) was approved in March 2009. TA effectivity (within 21 calendar days from the date of the TA Letter—31 March 2009) Consultant recruitment ongoing.
AFG TA 7: Rail Feasibility Study (Hairatan–Naibabad–Kabul–Torkham)	<ul style="list-style-type: none"> Financing from the Chinese copper mine concessionaire. Programmed for 2010. Contract has not been signed yet.

5. **Airports and Civil Aviation.** After further review of priority transport projects, the Government has decided not to pursue rehabilitation of regional airports (Phase II), considering the global economic down turn.

Investment Project	Status
AFG IP 6: Rehabilitation of Regional Airports, Phase II	<ul style="list-style-type: none"> Phase II has been cancelled.

6. **Transport Sector.** The TA will assist the Government in preparing a new transport sector development strategy and action plan, which includes priority investment and TA projects.

Investment Project	Status
AFG TA 4: Transport Sector Planning (all modes)	<ul style="list-style-type: none"> Programmed for 2011.

B. Corridor Performance Measurement and Monitoring Activities

7. ADB, acting as the secretariat, and the partner association(s) in each CAREC country signed a memorandum of understanding (MOU) at the Corridor Performance Measurement and Monitoring (CPMM) meeting held in Guangzhou, PRC on 23–24 February 2009. The MOU defines the roles and responsibilities of both parties and covers 1 year of CPMM activities, renewable for another year. Data collection by partner associations started in March 2009.

II. Follow-up Actions

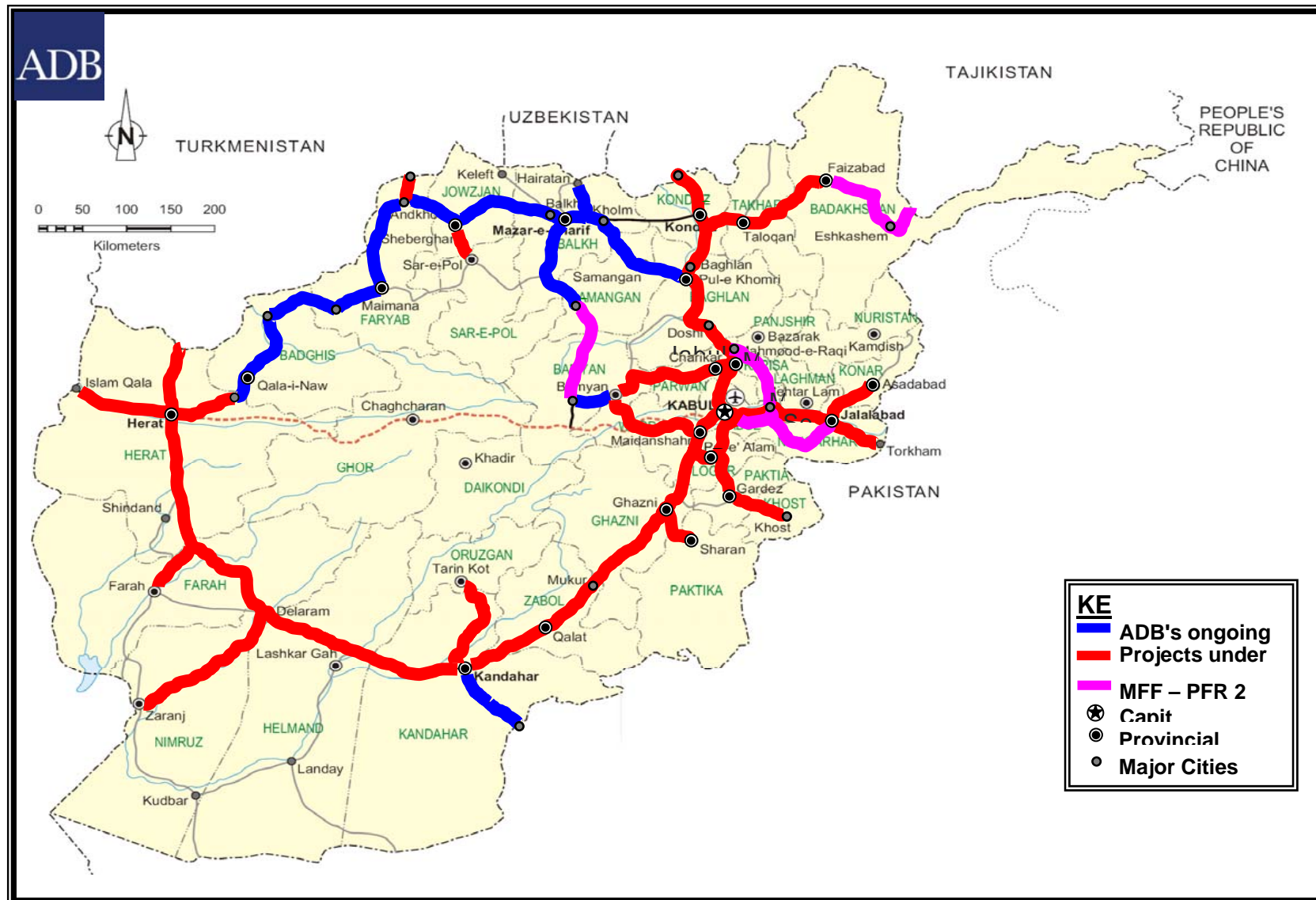
8. The following actions are suggested to ensure the effective implementation of the Action Plan:

- Secure financial and technical support to AFPRO to enable it to fulfill its mandates.
- Secure external financing for investment and TA projects whose financing plan and arrangement remains to be determined.
- Monitor CPMM and NJC establishment regularly.

Map Reconstruction of Roads in Afghanistan

Appendixes

- 1 - List of Projects in Afghanistan (Appendix 1)
- 2 - Updated Project Profiles (Appendix 2)



Reconstruction of Roads in Afghanistan

List of Projects in Afghanistan

Investment

- 1 AFG IP 1: Qaisar-Bala Murghab Road (ongoing)
- 2 AFG IP 2: Bala Murghab-Leman Road (ongoing)
- 3 AFG IP 3: Leman-Armalick Road (new to ongoing)
- 4 AFG IP 4: Pul-e-Khumri–Doshi Road (ongoing)
- 5 AFG IP 5: Naibabad-Hairatan Road (completed)
- 6 AFG IP 6: Rehabilitation of Regional Airports, Phase II (cancelled)

Technical Assistance

- 1 AFG TA 1: Preparing the Road Network III (ongoing)
- 2 AFG TA 2: Salang Tunnel Expansion Feasibility Study
- 3 AFG TA 3: Kabul-Jalalabad Road Feasibility Study (new to ongoing)
- 4 AFG TA 4: Transport Sector Planning (All Modes)
- 5 AFG TA 5: Rail Feasibility Study: Shantikh–Herat (new to ongoing)
- 6 AFG TA 6: Rail Feasibility Study: Hairatan–Mazare-e-Sharif–Herat and Shirkhan Bandar–Kunduz–Naibabad (new to ongoing)
- 7 AFG TA 7: Rail Feasibility Study: Hairatan–Naibabad–Kabul–Torkham (ongoing)

**AFG IP1: Qaisar-Bala Murghab Road
(Road Network Development Project 1)
Country: Afghanistan
CAREC Corridors 3-b, 6-a,b**

1. Project Name: Qaisar-Bala Murghab Road
2. Type of Project: Road Rehabilitation
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Herat-Andkhuouy section of the Ring Road is in the poorest shape. Thus, its rehabilitation has become a priority.
6. Objectives: The objective of this Project is to provide a reliable and low cost transport system with links from Central Asia and Afghanistan to Iran and its warm water ports through CAREC corridors 3b, 6a, and 6b. The Bala Murghab-Qaisar road rehabilitation project is a key factor in meeting this objective.
7. Scope: The Project consists of the rehabilitation of 90 kilometer (km) of road, the installation of road tolling facilities, an HIV/AIDS awareness campaign, measures against human trafficking and support for construction supervision including management support for Ministry of Public Works (MPW).
8. Estimated Cost: \$55 million
9. Financing Plan and Arrangements: About \$55 million on a full grant basis from the Asian Development Bank's (ADB's) Asian Development Fund (ADF).
10. Implementation Schedule: The Project is scheduled for completion in 2010.
11. Executing Agencies: Ministry of Public Works (MPW) is the executing agency and the existing Project Management Unit (PMU) supervises the Project. The MPW also has a project implementation unit (PIU) at the site.
12. Estimated Benefits and Beneficiaries: The Project will lead to both a direct and an indirect poverty reduction impact. The direct impact will be on income generation and demand for unskilled labor, and wages accruing to that labor during construction of the project road. Other benefits will become evident in lower transportation costs and higher agricultural product profit margins. Road improvement will facilitate access to schools, medical clinics, and employment centers.
13. Social and Environmental Issues: The road rehabilitation involves an existing right of way and no significant resettlement issues are anticipated. The Project addresses communicable diseases and human trafficking. Other social issues involve the rehabilitation of displaced persons and interethnic reconciliation. The Project is expected to have a positive impact in these areas. No major environmental impacts are foreseen for the Project, which was classified as category B.
14. Priority of Project: High.
15. Project Status: Ongoing. ADB signed a Memorandum of Understanding (MOU) with the executing agency (EA) on an action plan for streamlining project implementation, including measures to address the poor performance of contractor and supervising engineer. ADB maintains intensive dialogue with all parties concerned to improve security arrangements in the project site.
16. Follow up Actions Required: Monitoring the implementation of the MOU between ADB and the EA.
17. Issues/Constraints: Implementation delay due to security situation and poor performance of contractor and supervising engineer
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): Private Sector contractors will rehabilitate the road.

AFG IP2: Bala Murghab-Leman Road
Country: Afghanistan
CAREC Corridors 3-b, 6-a, b

1. Project Name: Bala Murghab-Leman Road
2. Type of Project: Road Rehabilitation
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Herat to Andkhuouy section of the Ring Road is in the poorest shape, and hence, its rehabilitation has become a priority.
6. Objectives: The objective of this Project is to reduce poverty and promote economic development. The rehabilitation of the Bala Murghab-Leman section of the Ring Road will help to achieve a more reliable and lower cost transport system which is a key ingredient for access to services, access to markets and access to lower price goods.
7. Scope: The scope of the Project is to reconstruct and improve 143 kilometers (km) of the Ring Road from Bala Murghab-Leman, to install tolling facilities and to provide project management support to the Ministry of Public Works (MPW).
8. Estimated Cost: Total cost of \$180 million.
9. Financing Plan and Arrangements: \$176 million on a full grant basis from ADB Asian Development Fund, while the Government will finance the remainder.
10. Implementation Schedule: Ongoing 2013.
11. Executing Agencies: A project management unit (PMU) within MPW is responsible for project completion.
12. Estimated Benefits and Beneficiaries: The Project will dramatically decrease the vehicle operating costs and passenger time on the project road. The primary beneficiaries will be the 800,000 residents in the project area, of which 50% live under the poverty line. Poverty alleviation benefits mainly arise from the increased prices of agricultural products for which the project area has resource base.
13. Social and Environmental Issues: The road rehabilitation involves an existing right of way and no significant resettlement issues are anticipated. Other social issues involve the resettlement of displaced persons and interethnic reconciliation. The Project is expected to have a positive impact on these social issues. No major environmental impacts are foreseen from the Project which has been classified as category B.
14. Priority of Project: High.
15. Project Status: The Project is ongoing, but procurement of civil works may be delayed as the Project has to have second re-bidding. The MPW and the Ministry of Finance have been requested to pursue improvement of the local security management for consultants and contractors.
16. Follow up Actions Required: Ensure success of the second re-bidding
17. Issues/Constraints: local security management for consultants and contractors
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): The private sector will carry out the road rehabilitation.

AFG IP3: Leman-Armalick Road
Country: Afghanistan
CAREC Corridors 3-b, 6-a, b

1. Project Name: Leman-Armalick Road
2. Type of Project: Road Rehabilitation
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The completion of the Ring Road to a two-lane paved highway standard has been given high priority by the Government of Afghanistan (the Government) and the development partners. In the section between Mazare-e-Sharif and Herat, which is Afghanistan's second largest city, there remain only two short sections which need to be funded. These are the 53-kilometer (km) sections between Leman and Armalick. The section between Herat and Armalick (60km) was completely rehabilitated by a grant from Iran, and the link to the Iran border at Islam Qila was also rehabilitated in a similar way. Hence, it makes sense to fund and then rehabilitate the Leman-Armalick section. There would then be a reliable and lower cost link from Tajikistan and Uzbekistan through Afghanistan to Iran and its warm water ports or Turkey.
6. Objectives: The objectives are to reduce poverty and promote economic development through providing a reliable and low cost transport system between Afghanistan's major cities and to neighboring countries.
7. Scope: The scope of this Project is relatively narrow involving the rehabilitation of 53 km of Ring Road between Leman and Armalick.
8. Estimated Cost: \$30 million
9. Financing Plan and Arrangements: Saudi Fund for Development
10. Implementation Schedule: 2009–2011
11. Executing Agencies: Project Management Unit (PMU) of MPW
12. Estimated Benefits and Beneficiaries: Vehicle operating costs and travel times will be reduced once the Ring Road has been completely rehabilitated between Herat and Mazare-e-Sharif. A more reliable and lower cost transport system will benefit the local inhabitants in terms of lower prices for consumer goods (including fuel), access to services (health, education) and access to markets in Afghanistan's major cities and externally. The result should be an improved quality of life and higher living standards.
13. Social and Environmental Issues: The major social issues involve resettlement, and the spread of HIV/AIDS or other infectious diseases. Increased human and drug trafficking are also possibilities with improved road transport.
14. Priority of Project: High.
15. Project Status: Ongoing to 2011. Bidding process is going on.
16. Follow up Actions Required: The major constraint is the security situation in Afghanistan although no ADB-funded investment projects have been seriously impacted as yet. The limited capacity of the Ministry of Public Works (MPW) for project implementation poses a risk of project delays, but capacity building at the MPW is being supported by other road projects.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP) : The private sector will carry out the road rehabilitation.

AFG IP4: Pul-e-Khumri–Doshi Road
Country: Afghanistan
CAREC Corridors 5, 6-c

1. Project Name: Pul-e-Khumri – Doshi Road
2. Type of Project: Road Rehabilitation
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Pul-e-Khumri to Doshi section of the Ring Road is in northeastern Afghanistan north of Kabul. It is one of the few remaining segments that needs to be rehabilitated, and is part of a transport corridor reaching from Tajikistan Uzbekistan through Afghanistan to Pakistan and India. It makes a good deal of sense to rehabilitate the few remaining segments of the Ring Road.
6. Objectives: The objectives of this Project are to reduce poverty and promote economic development through the completion of a safe, reliable, and low-cost road transport system.
7. Scope: The scope of this Project includes the rehabilitation of 52 km of road to a two-lane paved standard.
8. Estimated Cost: \$22 million
9. Financing Plan and Arrangements: \$22 million from the Islamic Development Bank
10. Implementation Schedule: 2009–2011
11. Executing Agencies: Project Implementation Unit (PIU) of Ministry of Public Works (MPW)
12. Estimated Benefits and Beneficiaries: The rehabilitation of this section of the Pul-e-Khumri to Doshi road will lead to reduced vehicle operating costs and quicker travel times. As such, it will benefit the road users and lead to lower transport costs. In turn, this means that the prices of imported goods will decline and access to external markets and public services will increase. Most of the benefits will accrue to Afghanistan but Pakistan (border link at Jalalabad/Torkham) and Tajikistan and Uzbekistan will also benefit.
13. Social and Environmental Issues: The major social issues include resettlement, the spread of infectious diseases and human and drug trafficking. Safeguards are required with respect to managing the social issues. These have been put in place in the context of the rehabilitation of the entire Ring Road with resettlement plans and environmental measures focused on the specifics of this project. There are no major environmental impacts from this project and it has been classified as category B.
14. Priority of Project: High
15. Project Status: Ongoing to 2011 and detailed design in progress.
16. Follow up Actions Required: Detailed design is now in progress.
17. Issues/Constraints: The major issues involve the security situation in Afghanistan which has deteriorated. Another issue concerns the implementation capacity of the MPW. The funding and effective maintenance of the road will be an ongoing challenge based on past experience in Afghanistan.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): The rehabilitation will be carried out by private contractors.

AFG TA 2: Salang Tunnel Expansion Feasibility Study

Country: Afghanistan

CAREC Corridors 5, 6-c

1. Project Name: Salang Tunnel Expansion Feasibility Study
2. Type of Project: Project Preparatory Technical Assistance (PPTA)
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: Afghanistan is a landlocked country which relies on its road network for passenger and freight transport. The highest priority has been given to the improvement of the regional roads to a paved, two-lane standards by 2009. However, traffic has been increasing and is forecasted to increase further especially in the transport corridors going from Central Asia through Afghanistan to Pakistan and India. One of the choke points in this transport corridor is the Salang Tunnel, north of Kabul. The Master Plan for the Road Network Improvement Project forecast the heaviest traffic in Afghanistan for the year 2015 apart from the roads immediately adjacent to Kabul and stretches of the Kabul-Torkham road going to the Pakistan border would be on the road passing through the Salang tunnel. Certainly the capacity of the tunnel would be reached in this period. The impact of the proposed technical assistance (TA) will be improved transport along CAREC Corridor 5 and 6c by preparing the best capacity enhancement option for the Salang Tunnel.
6. Objectives: The main objective of the Project is to assist the Government in preparing a project suitable for external financing to improve the capacity the Salang Tunnel along CAREC Corridor 5 and 6c.
7. Scope: The TA will analyze the current and future status of the Salang Tunnel, including options for dealing with the capacity issue and social and environmental due diligence; and will prepare a feasibility study report.
8. Estimated Cost: \$2 million for the feasibility study. The tunnel is estimated to cost about \$40 million.
9. Financing Plan and Arrangements: Russian Federation.
10. Implementation Schedule: 2011
11. Executing Agencies: Ministry of Public Works (MPW)
12. Estimated Benefits and Beneficiaries: The main benefits of the ensuing Project will be improved regional trade and economic opportunities through reduction in transport costs and travel times.
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed by the Government for financing by Russian Federation.
16. Follow up Actions Required: Secure financing.
17. Issues/Constraints: The main issue is options for the tunnel, including expansion and/or optimal use of the existing tunnel, twinning of the tunnel, improvement of the road around the mountain from Doshi on the Ring Road to Bamian (west of Kabul) back to the Ring Road (south of Kabul).
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

AFG TA 3: Kabul–Jalalabad Road Feasibility Study

Country: Afghanistan

CAREC Corridors 5, 6-c

1. Project Name: Kabul to Jalalabad Road Feasibility Study
2. Type of Project: Planning
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: Afghanistan is a landlocked country that relies on its road network to transport goods and people. As such, the Government targets the regional roads to bring them up to a two-lane paved standard. The regional roads consist of the ring road which connects Afghanistan's major cities (Kabul, Kandahar, Herat, Mazare-e-Sharif, and Kunduz) and the connecting links to the border of Pakistan, Tajikistan, Uzbekistan, Turkmenistan, and Iran. Parts of the ring road and some of the connecting links are integral sections of transport corridors going through Central Asia on their way to Europe, the People's Republic of China (PRC), the Arabian Sea, and the Indian subcontinent. One of the connecting links runs from the ring road in Kabul to the Pakistan border at Torkham and then to Peshawar. This link carries a considerable amount of traffic and the forecast is that by 2015, the AADT will exceed 13,000 trucks (it was designed for 2,000 trucks/day). In this context, the proposal to four lane sections of this road has been put forward. Specifically, the Kabul to Jalalabad section has been proposed for upgrading to a four-lane paved standard.
6. Objectives: The main objective of the Project is to assist the Government in preparing a project suitable for external financing to enhance the capacity of the Jalalabad-Kabul section of CAREC Corridor 5 and 6c. The technical assistance (TA) will review the feasibility of upgrading to four-lane sections of the Kabul-Jalalabad road.
7. Scope: The TA will review the feasibility of upgrading to four lanes the 156-kilometer (km) section of the Jalalabad-Kabul road, covering all relevant technical, economic, social, and environmental due diligence. Any alternative options to the proposed four-lane sections, as a way to increase capacity, will also be covered.
8. Estimated Cost: \$0.8 million for the TA. The total cost of the four-lane option is roughly estimated at \$50.0 million.
9. Financing Plan and Arrangements: Government financing.
10. Implementation Schedule: Ongoing to 2011. Part I of the feasibility study (about 50 km) was completed and design is being prepared). Part II (remaining 106 km) will start when financing is secured.
11. Executing Agencies: Ministry of Public Works (MPW).
12. Estimated Benefits and Beneficiaries: The main benefits of the ensuing Project will be improved regional trade and economic opportunities through reduction in transport costs and travel times.
13. Social and Environmental Issues: Appropriate social and environmental due diligence is needed.
14. Priority of Project: High
15. Project Status: Ongoing to 2011.
16. Follow up Actions Required: Development of terms of references (TOR)
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

AFG TA4: Transport Sector Planning (all modes)**Country: Afghanistan****CAREC Corridor: Other**

1. Project Name: Transport Sector Planning (all modes)
2. Type of Project: Planning
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: Afghanistan is a landlocked country that relies primarily on its road network. It has a few airports and there are a few railway projects being considered by the Government. The transport system is challenged by the mountainous terrain the severe climate, causing high costs for the construction and maintenance of transport infrastructure. It is also challenged by the dispersed population. Road networks are either absent or in poor condition in some rural areas. The road network of Afghanistan consists of 3,300 kilometers (km) of regional highways, 4,900 km of national highways, 9,700 km of provincial roads, and 17,000 km of rural roads. The 3,300 km of urban roads are mostly in Kabul and a few major cities. Afghanistan has an extensive regional highway network, which connects the major cities within the country and links the country to neighboring countries such as Pakistan, Tajikistan, Uzbekistan, Turkmenistan, and Iran. The improvements to the regional roads will lead to an increase in regional trade with Central Asia, the People's Republic of China (PRC), Europe, Russian Federation, the Middle East, and the Indian subcontinent. On some segments of the regional roads, the current traffic is very heavy, requiring widening, and it is forecast to further increase. Facing ongoing globalization, the transport sector needs to further improve its efficiency in order to support the economic development of the country effectively. Thus, an overall transport sector strategy/plan is urgently needed.
6. Objectives: The main objective of the Project is to assist the Government in preparing a new transport sector development strategy/plan, which includes priority investment projects and technical assistance (TA).
7. Scope: The TA will review the overall transport sector needs and will develop strategies including investment and TA needs.
8. Estimated Cost: \$1.0 million
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2011
11. Executing Agencies: Ministry of Public Works (MPW) with input from the relevant agencies and ministries such as Ministry of Transport (MOT), Ministry of Rehabilitation and Rural Development (MRRD), Ministry of Finance (MOF/Customs), and Ministry of Health (MOH).
12. Estimated Benefits and Beneficiaries:
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed by the Government
16. Follow up Actions Required: Development of terms of references (TOR)
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

AFG TA5: Rail Feasibility Study (Shantikh–Herat)

Country: Afghanistan

CAREC Corridors 3-b, 6-a, b

1. Project Name: Rail Feasibility Study (Shantikh–Herat)
2. Type of Project: Planning
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: At present, Afghanistan does not have any rail transport capacity. This is disadvantageous to the country, since rail transport is more cost effective than road transport over medium and long-haul distances, especially for bulk commodities. In addition, Afghanistan has significant mineral, industrial and agricultural potential, ¹ which requires reliable and cost-effective transport so that these sectors could be competitive in regional and international markets. Rail access, from Afghanistan to warm water ports would certainly be an advantage to the country.
6. Objectives: The main objective of the Project is to assist the Government in preparing a railway project suitable for external financing.
7. Scope: The technical assistance (TA) will prepare a feasibility study, covering all due diligence requirements for the railway project. The ensuing Project would involve building a 125-kilometer (km) rail line from Shantikh (Iran) to Herat (Afghanistan).
8. Estimated Cost: \$1.2 million for the TA while the total cost of the ensuing Project could amount to \$80 million.
9. Financing Plan and Arrangements: Financing by Iran.
10. Implementation Schedule: 2008–2009
11. Executing Agencies: Ministry of Public Works (MPW)
12. Estimated Benefits and Beneficiaries: Transport costs would be reduced if freight could be hauled by rail between Bandar-Abbas and Herat, currently the route for the majority of Afghanistan's freight via road.
13. Social and Environmental Issues: Since the Project envisages new construction, appropriate social and environmental due diligence is needed.
14. Priority of Project: High
15. Project Status: Ongoing to 2009. Consultants will be recruited.
16. Follow up Actions Required:
17. Issues/Constraints: The major issues include traffic; construction costs; security; financing; financial and economic viability; railway management and operation; different gauges used by the neighboring countries; ² and tariff agreement with the Iranian railways.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

¹ Afghanistan's potential in mineral products (non-ferrous metals, and construction materials) is being reviewed by a few development partners.

² Iran (standard gauge), Uzbekistan (Russian gauge), and Pakistan (broad gauge).

AFG TA 6: Rail Feasibility Study
(Hairatan–Mazare-e-Sharif–Herat and Shirkhan Bandar–Kunduz–Naibabad)
Country: Afghanistan
CAREC Corridors 3-b, 6-a,b

1. Project Name: Rail Feasibility Study (Hairatan–Mazare-e-Sharif–Herat and Shirkhan Bandar–Kunduz–Naibabad)
2. Type of Project: Planning
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: At present, Afghanistan does not have any rail transport capacity. This is disadvantageous to the country, since rail transport is more cost effective than road transport over medium and long-haul distances, especially for bulk commodities. In addition, Afghanistan has significant mineral, industrial and agricultural potential, ³ which requires reliable and cost-effective transport so that these sectors could be competitive in regional and international markets. Rail access, from Afghanistan to warm water ports would certainly be an advantage to the country.
6. Objectives: The main objective of the Project is to assist the Government in preparing a railway project suitable for external financing.
7. Scope: The technical assistance (TA) will prepare a feasibility study, covering all due diligence requirements for a railway links: (i) Hairatan through Mazare-e-Sharif to Herat and; (ii) Shirkhan Bandar through Kunduz to Naibabad, including extensions between (i) Torghundi and Herat; and (ii) Herat and Islam Qila.
8. Estimated Cost: \$1.26 million.
9. Financing Plan and Arrangements: The Asian Development Bank (ADB) will finance \$1.2 million while the Government will provide \$0.6 million.
10. Implementation Schedule: 2009–2010
11. Executing Agencies: Ministry of Public Works (MPW)
12. Estimated Benefits and Beneficiaries: The main benefit will be enhanced economic opportunities through establishment of an efficient bulk transport system.
13. Social and Environmental Issues: Since the Project envisages new construction, appropriate social and environmental due diligence is needed.
14. Priority of Project: High.
15. Project Status: Funding was approved by ADB in March 2009. Ongoing to 2010.
16. Follow up Actions Required: Preparation of the terms of reference.
17. Issues/Constraints: The major issues include traffic; construction costs; security; financing; financial and economic viability; railway management and operation; different gauges used by the neighboring countries; ⁴ and tariff agreement with the Iranian railways.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

³ Afghanistan's potential in mineral products (non-ferrous metals, and construction materials) is being reviewed by a few development partners.

⁴ Iran (standard gauge), Uzbekistan (Russian gauge), and Pakistan (broad gauge).

AFG TA7: Railway Feasibility Study (Hairatan–Naibabad–Kabul–Torkham)

Country: Afghanistan

CAREC Corridors 5, 6-c

1. Project Name: Railway Feasibility Study (Hairatan–Naibabad–Kabul–Torkham)
2. Type of Project: Planning
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: At present, Afghanistan does not have any rail transport capacity. This is disadvantageous to the country, since rail transport is more cost effective than road transport over medium and long-haul distances, especially for bulk commodities. In addition, Afghanistan has significant mineral, industrial and agricultural potential, ⁵ which requires reliable and cost-effective transport so that these sectors could be competitive in regional and international markets. Rail access, from Afghanistan to warm water ports would certainly be an advantage to the country.
6. Objectives: The main objective of the Project is to assist the Government in preparing a railway project suitable for external financing.
7. Scope: The technical assistance (TA) will prepare a feasibility study, covering all due diligence requirements for a rail line from Hairatan through Naibabad and Kabul to Torkham (totaling 666 km), connecting Uzbekistan, Afghanistan, and Pakistan.
8. Estimated Cost: \$600,000
9. Financing Plan and Arrangements: Chinese copper concessionaire will finance this.
10. Implementation Schedule: 2010.
11. Executing Agencies: Ministry of Public Works (MPW).
12. Estimated Benefits and Beneficiaries: The main benefit will be enhanced economic opportunities through establishment of an efficient bulk transport system.
13. Social and Environmental Issues: Since the Project envisages new construction, appropriate social and environmental due diligence is needed.
14. Priority of Project: High.
15. Project Status: Planned by the Government and the concession agreement was signed in May 2008.
16. Follow up Actions Required: Preparation of the terms of reference.
17. Issues/Constraints: The major issues include traffic; construction costs; security; financing; financial and economic viability; railway management and operation; different gauges used by the neighboring countries; ⁶ and tariff agreement with the Iranian railways.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

⁵ Afghanistan's potential in mineral products (non-ferrous metals, and construction materials) is being reviewed by a few development partners.

⁶ Iran (standard gauge), Uzbekistan (Russian gauge), and Pakistan (broad gauge).