

SOUTH-WEST ROADS PROJECT: Western Europe-Western China International Transit Corridor
Updated on April 13, 2011

Key Dates:

Approved : April 30, 2009

Effective: December 9, 2009

Expected closing date: December 31, 2013

Financing in million US Dollars:

<i>Financier</i>	<i>Financing</i>	<i>Disbursed</i>	<i>Undisbursed</i>
IBRD Loan	2,125	341	1,784
Government of Kazakhstan	2,345		
Total Project Cost	6,700		

***as of April 13, 2011.**

Note: Disbursements may differ from financing due to exchange rate fluctuations at the time of disbursement.



The Kazakhstan South-West Corridor Project is part of the government's plan to upgrade and improve the international transit corridor linking Europe and Russia to China through Kazakhstan. The World Bank will finance the rehabilitation of a section of the corridor in the south of Kazakhstan.

The Project Development Objective is to increase transport and trade efficiency along 1,062 km road sections between Aktobe/Kyzylorda oblast border and Shymkent and to improve road management and traffic safety in Kazakhstan.

The Project comprises five components:

Component 1: Upgrade and reconstruction of road sections (788.5 km - most of which will be 2-lanes) within Kyzylorda oblast (excluding the bypass to Kyzylorda).

Component 2: Upgrade and reconstruction of road sections within South Kazakhstan oblast (273.4 km of road sections, all of which will be dual carriageways with 4-lanes) from Kyzylorda oblast border to Shymkent, including the bypasses to Kyzylorda and Shymkent.

Component 3: Project Management Consultants (PMC) to assist the Committee for Roads with the management of all activities associated with the projects funded by other International Financial Institutions (IFIs).

Component 4: Institutional development and preparation of action plans to improve road safety and road services.

Component 5: Supervision of civil works under Components 1 and 2 and review of detailed engineering designs.

Long-term development impact:

The project will boost Kazakhstan's as well as its neighbor's trade, competitiveness, logistics, and infrastructure connections with the world, while providing an artery for regional economic cooperation. The Project is expected to boost the construction-related sectors and services. Project area includes one of the poorest regions (Kyzylorda) and the most populated region (South Kazakhstan).

Direct impact: projected employment of more than 35,000 people.

Indirect impact: (i) transportation impediments removed for the heavily rural region (South Kazakhstan); (ii) rural agricultural producers and processors—farmers access better services; (iii) opportunities for SMEs in road-related services are created.

Project Implementation Status and Results:

All 21 civil works contracts are signed (about US\$374 million savings). Construction works in Kyzylorda oblast are underway: 2077 pieces of road machinery, 16 asphalt plants and 8 crush mills are operating, 180 rail cars of construction materials are being supplied daily. Contractors in South Kazakhstan Oblast are deploying. The Bank and the Government have agreed on a framework of actions to strengthen the Roads Committee. While civil works will continue in 2011, new activities will start i.e., institutional strengthening, road safety, road services and road asset management.

Key Partners: (i) the Ministry of Transport and Communication (MoTC), and (ii) Project Management Consultants (PMC) hired to assist MoTC with the management and administration of the project.

Key Development Partners include ADB, EBRD, JICA and IDB financing about 65% of the total amount of the project.