

Reconstruction of the highway M-41 “Bishkek-Dushanbe-Termez” on the section km 1444-1622

Project Concept Paper

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PART 1. PROJECT DESCRIPTION

I. PROJECT RATIONALE

In order to improve the operational reliability and road safety and considering that the strength of the existing road pavement is not enough to pass vehicles with an increased load on a single axle, a feasibility study for the project “Reconstruction of the M-41 Bishkek-Dushanbe-Termez” highway on the section km 1444-1622”.

The M-41 road becomes a more and more important international corridor between Afghanistan / Tajikistan / Turkmenistan / Kazakhstan and Kyrgyzstan / Russia. The project will help ensure an adequate, efficient, safe, and sustainable road network in Uzbekistan that provides internal and regional connectivity that promotes sustainable economic growth and internal and external trade.

II. THE PROPOSED PROJECT

A. Impact

The aim of the project is to reconstruct the M41 “Bishkek-Dushanbe-Termez” highway on the section km 1444-1622, a 4-lane cement-concrete road to improve and increase its throughput, reduce the cost of operating vehicles, travel time in the domestic, regional and transit traffic through reconstruction, thereby, and ensure a safe and stable network of highways from the city of Termez to the border of the Republic of Tajikistan on the territory of the Sariosi district of the Surkhandarya region. This road is connected with the roads 4P 100, 4P 103, 4P101, M39 a and other public roads. Which leads to the M39 highway and the Termez international airport. The M-41 highway at km 1608 abuts the M39a highway and connects with the Hairatan bridge passing through the Amu Darya river. Which passes to the neighboring state of the Republic of Afghanistan and further to the ports of the Republic of Pakistan and the Islamic Republic of Iran.

B. Outcome

Reconstruction of the road in the direction of "Bishkek-Dushanbe-Termez" will provide:

- improving the road infrastructure, improving the quality of service to consumers of road services;
- ensuring uninterrupted round-the-clock traffic with minimal loss of time and maximum comfort in traffic;
- dynamic growth of the country's economy, social development and strengthening of ties, increasing the competitiveness and efficiency of other sectors of the economy by providing an opportunity for economic entities to enter regional and international markets without hindrance, the growth of entrepreneurial and business activity, which directly affects the quality of life and the level of social activity of the population.

C. Outputs

The scope of the project is:

- construction of a 1b category highway with a length 170.393 km with cement concrete pavement;
- construction of 42 units of bridges and overpasses in the amount of 2241.39 running meters;
- construction of 575 units of culverts in the amount of 16,741 lm.
- construction of 4 units of underground pedestrian crossings with a volume of 256 running meters;
- construction of 9 units of transport interchanges;
- construction of 564 units of ramps (abutments);
- construction of 4 units of level crossings.

D. Stakeholder Participation and Consultation

{Describe the nature/extent of consultations (interviews, workshops, group discussions, surveys, and/or questionnaires) and list the institutions in government and civil society, including non-government organizations, which have been substantively consulted about and/or have taken part in the project design.}

E. Special Features

{Any features that have been identified during project preparation that is unique or special to the project.}

F. Tentative Project Cost

The project investment cost is estimated at \$504.5 mln, including taxes and duties of \$56,6 mln. The total cost includes physical and price contingencies, and interest and other charges during implementation.

Table 1: Tentative Project Cost

Item	Amounts
(\$ million)	
A. Base Cost^a	
1. Construction and installation works	415 183,5
2. Compensatory costs character	14 522,8
3. Consulting services	2 587,1
4. Project Implementation Unit	1 183,3
Subtotal (A)	433 476,7
B. Contingencies^b	37 744,0
C. Service Charge	14 326,0
D. Taxes	56 615,9
... <i>{include all relevant items}</i>	
(Total A+B+C+D)^c	504 418,5

^a In mid 20xx prices.

^b Physical contingency computed at x% of base cost. Price contingency computed at x% and x% for foreign currency costs and local currency costs, respectively.

^c Project cost is subject to change based on the results of F/S

G. Tentative Financing Plan

The sources of financing the investment costs of the project are funds from the state budget (to cover social tax and provision of VAT benefits in the form of a deposit of the Republic of Uzbekistan, as well as to cover financial costs during the investment period), and credit funds of the Economic Development Cooperation Fund.

Table 2: Tentative Financing Plan

Source	Total	(\$ million) %
International Financial Institution (IFI)	433 335,7	0.00
Government of {insert name of partner Country}	71 082,8	0.00
Total	504 418,5	0.00

* Financing plan is subject to change based on the results of F/S and loan negotiations

H. Implementation Arrangements

1. Project Management

Management of the project will be carried out by Road Committee of the Republic of Uzbekistan and later RC will establish the "Project Implementation Unit".

2. Implementation Period

Aproximate implementation period of the project is 3 years.

3. Procurement

All procurement to be financed under the loan will be carried out in accordance with the IFI's Guidelines for Procurement.