



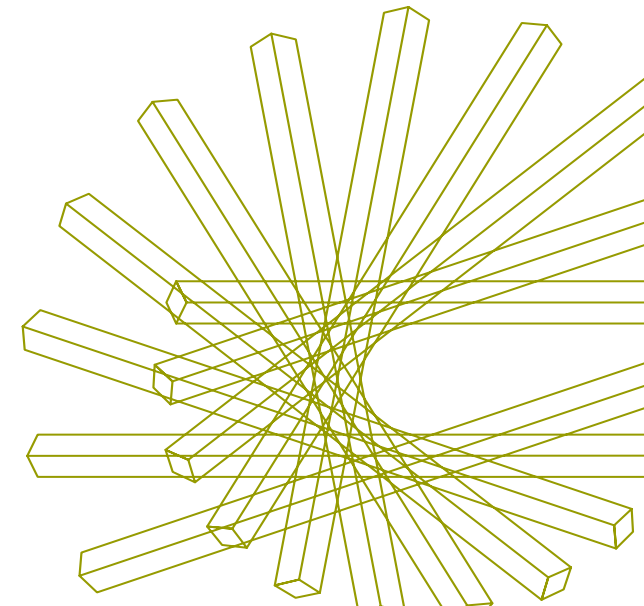
South West Roads Project

Western Europe- Western China International Transit Corridor

A Megaproject case study compiled by

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MEGAPROJECT Case Study

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Basic Project Information

Project Title	South West Roads Project: Western Europe- Western China International Transit Corridor (CAREC 1b & 6b)
Location	Aktobe, Kyzylorda, South-Kazakhstan, Zhambyl and Almaty, the Republic of Kazakhstan
Purpose	To improve transport efficiency and safety, and promote development along one of Kazakhstan's main strategic road transport corridors
Scope	The proposed project is part of the Government's plan to upgrade and improve the road corridor linking Western Europe and Western China
Total Project Value	US\$ 2,5 billion
Project Status (i.e.. initiation, planning, construction, operation, dismantling)	Construction, Project lifetime is 5 years from 2009 till 2015
Contractual Framework (e.g. fixed price, cost-plus etc.)	The Government of Kazakhstan plans to invest in the upgrade of the Western Europe- Western China Road Corridor through a combination of IFI loans and budget finance
Relevant Physical Dimensions (e.g. height, width, volume, length)	2,787 km international transit corridor, to be reconstructed 2452 km: road (first technical category) – 1390, of which road (first technical category) with cement coating – 1079; road (second technical category)- 1062 km. Road with asphalt and concrete coating - 1373 km, 284 bridges and overpasses

MEGAPROJECT Internal Stakeholder Identification

(Stakeholders with a direct legally sanctioned relationship with the project)

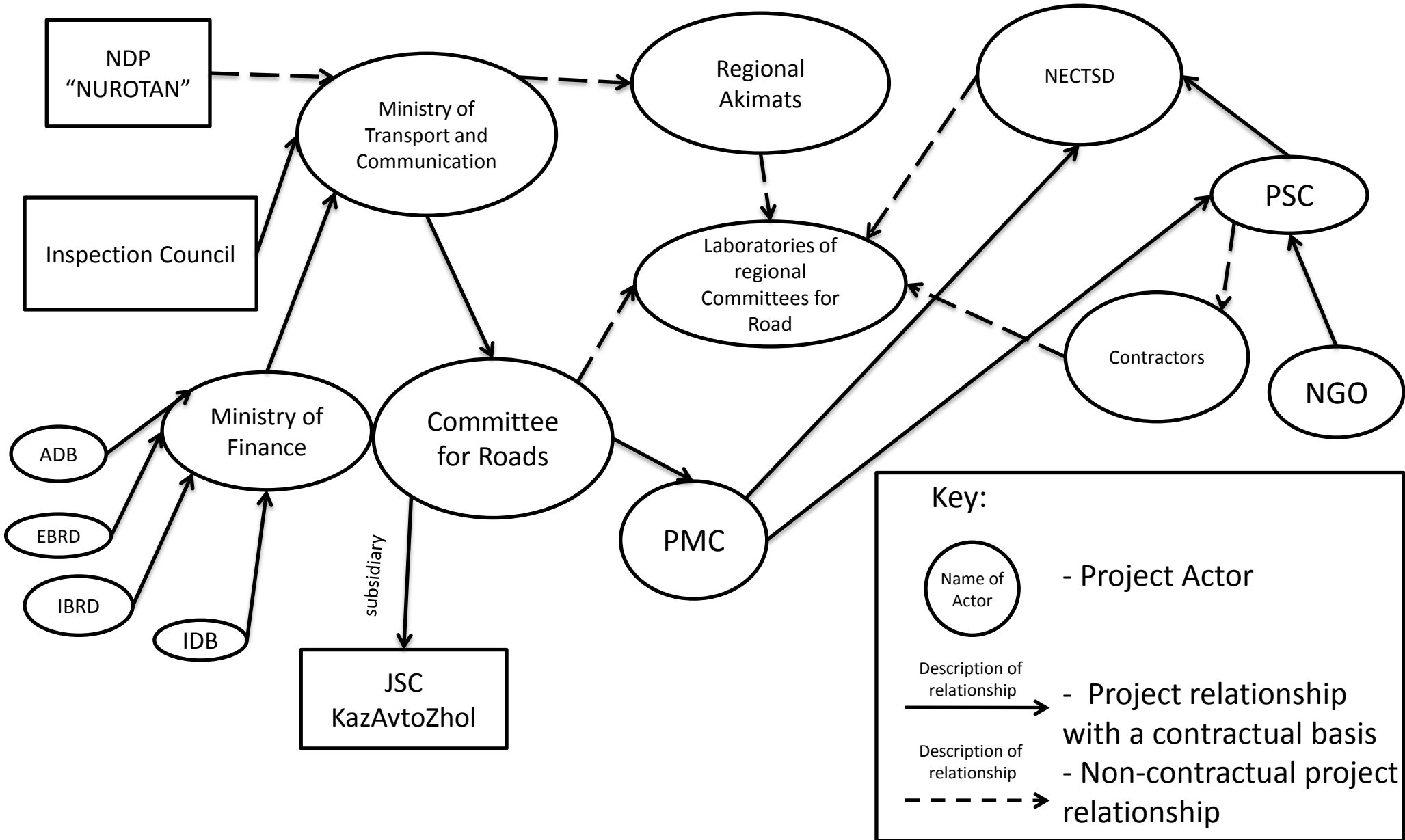
		Stakeholder Category	Case-Study	Comments (e.g. maturity, previous experiences of stakeholders, skills, influence on project)
Internal	Supply-Side	Client	Kazakh State (Ministry of Finance of Republic of Kazakhstan)	
		Financiers	EBRD (US\$ 2,125 bln), Kazakh State (US\$ 375 mln.)	
		Sponsors		
		Client's Customers		
		Client's Owners		
		Other internal supply-side categories (please specify)	Category	Case-Study
		Site Owner	Kazakh State	
		Project Management Consultants (PMC): KazDorNII in association with SAPA SC , and SAI Consulting Engineers	PMCs are designed to assist the Committee for Roads with the management of all activities associated with the IFI projects, including the supervision of all safeguards and fiduciary aspects, as part of a joint effort by all IFIs and the Government to ensure efficient and transparent implementation of the WE-WC Corridor program	
		Project Supervision Consultants	Donsung Engineering Co. Ltd./Dong Myeong Engineering Consultants&Architecture Co. Ltd., Zhol Sapa Co. Ltd.(South Korea /Kazakhstan), Sweroad/Ggauff Ingenieure Gmbh, Quality Planning Engineers & Consulting (Sweden/Kazakhstan), SMEC (Australia), GOHWA (South Korea), SNC-Lavalin (Canada), Kocks (Germany), Egis Bceom International, SMEC International, DarAl-Handasah, KazDorProekt in associaltion with Institue IGH d.d. and Kyrgyzdorproject, Kazdorproekt in assiciation with Scott Wilson Limited (UK) and Gzamshenproject (Georgia)	
	Demand Side)	Principal Contractor	Salini Costruttori S.P.A.", Italy; JV "Akkord" and "OKAN", Azerbaidjan/Turkey; "Impresa S.p.A", Italy; "Todini Costruzioni Generali S.p.A.", Italy, "Cengiz Insaat Sanayii Ve Ticaret A.s.", Turkey; KCC Engineering and Construction; "Akmola Kurylys Material" LPP, Kazaskhtan, "Azerkorpu", "K-Dorstroi", "KCC E&C/Zhambylzholkurylys", "Kazakhdorstroi" LLP, Kazaskhtan	
First Tier Contractors				
Second Tier Consultants				
Professional Services Providers		SNC-LAVALIN International Inc. (Canada) is responsible for managing the project to the PMC with the main duties being to monitor and supervise the work and provides certifications of process and quality control		
Other internal supply-side categories (please specify)		Category	Case-Study	
	National Expert Council for Transparency and Sustainable Development (NECTSD) was established to carry out regular monitoring of the Project	Includes representatives from the CR, PMC, CSC, and NGOs		

MEGAPROJECT External Stakeholder Identification

(Stakeholders with a direct interest in the project but with no legal contract)

		Stakeholder Category	Case-Study		Comments (e.g. maturity, previous experiences of stakeholders, skills, influence on project)	
External	Public	Regulatory Agencies	National Democratic Party “Nur Otan” is the largest political party in the country (monitor public funds expenditure and construction of the Western Europe - Western China international transit corridor)			
		Local Government	15 local, municipal and regional authorities in five regions of Kazakhstan, and five regional departments of Committee of Roads SE “Obzhollaboratory” , Local units of the Ministry of Environment Protection (MoEP)		Provide permits, authorizations and plans that are essential for the planning and progress of the works	
		National Government	Ministry of Economic Development and Trade, the Agency for Civil Service, Prime Minister’s Office, the Ministry of Finance, and the Ministry of Justice, Ministry of Environment Protection, Environment Expertise, and Natural Use Regulation Department (EENUR), Water Resources Committee (WRC), Committee for Forest and Hunting (CFH), Agency on Land Resources (ALR)			
		Other internal supply-side categories (please specify)	Category	Case-study		
		Inspectional Panel (World Bank)				
	Private	Local residents	Residents of five regions: Aktyubiskaya, Kyzylordinskya, Shymkent, South Kazakhstan, Almaty			
		Local Landowners				
		Environmentalists	Ministry of Environmental Protection of the Republic of Kazakhstan			
		Conservationists				
		Archaeologists				
Other External Private stakeholders (please specify)		Category	Casestudy			
	«AKGS» Association,					
	NGO - «Azamattyk kuryltai /Grahdanskoe sobranie»					
	NGO«TPK»					
	NGO «Tarazskiy Press-club-»					

MEGAPROJECT Stakeholder Relationship Maps



MEGAPROJECT External Stakeholder Attitude Analysis

External Stakeholder	External Stakeholder's Attitude to this Project	External Stakeholder's Influence on project	Impact of Project on External Stakeholder	Phase of Project of Greatest Interest (initiation, planning, construction, operation, dismantling)
National Government	The government acknowledges the importance of the timely provision of counterpart funds	The government has committed to make sufficient budget allocations for operation and maintenance of the project road after completion.	Failure to provide counterpart financing	operation and maintenance
Local residents	A community liaison group was established to effectively communicate with local communities and promptly resolve any issues.			
MOTC and COR	Project Management	Inadequate knowledge and expertise on safeguards and procurement affected smooth project implementation.	The Committee for Roads facilitated the timely release of counterpart funds, and complied with all the covenants during implementation.	operation

MEGAPROJECT Project Management

Project Organisation

Client Project Team Size & Structure	Project Management Consulting consists of 4 projects Units, Deputy Manager and Area Specialists
Contractor Project Team Size and Structure	There are many contractors involved in the project development and their sizes and structures differ
Sub-Contractor Project Team Involvement	many

Project Tools and Techniques

Please ✓ if present, x if absent , leave blank if unknown

Life-Cycle Costing Approaches

Project Management Software

Lessons Learnt Transfers

Stakeholder Involvement ✓

Relationship Management Tools

Team Building Tools

Building Information Modelling (BIM)

Project Knowledge Management Tools

Competency framework

Other Tools and Techniques or More Information

MEGAPROJECT Project Performance

Aspects of Performance Concerned with Doing the Project Right

	Original Targets and changes to targets	Actual Achievements Against Targets
Performance relating to time	Initial project lifetime was 5 years from 2009 till 2013, and changed to June 2015	The project implementation did not face major issues and was largely on schedule.
Performance relating to cost	Appraisal Estimate US\$ 2,5 bln	Disbursed US\$ 410.17 mln
Performance related to achieving specification		

MEGAPROJECT Project Environment

Legal and Regulatory Environment

Legal and Regulatory Project Environment (regionally, nationally and Europe wide)	Government's Transport Sector Development Strategy 2006-2015 (TSDT), the Road Sector Development Program 2006-2012 (RSDP), Kazakhstan 2030 Strategy (1997)
Specific Legal and Regulatory events impacting on the project	A preliminary Environment Assessment prepared for the Committee by a Kazakh Design Institute (2007); An Environmental Assessment Review Framework (2008); A Resettlement Policy Framework (RPF) (2008); An Expanded Resettlement Policy Framework (2009); The Governance and Anti-corruption (GAC) Action Plan under the SWRP; Land Acquisition and Resettlement Policy Framework (LARPF) (2007);

Political Environment

Political Project Environment	The Transport Sector Development Strategy for 2006-2015 and the Road Sector Development Program for 2006-2012 provides strong evidence of the Government's commitment to the WE-WC Corridor development program. These strategies include indications of long-term financing to the roads sector with the objective of attaining acceptable levels of service along the corridor and throughout the republican road network (WB 2008)
Specific Political Events impacting on the project	

MEGAPROJECT Project Environment

Economic Environment

Economic Project Environment	Kazakhstan enjoyed strong economic performance from 2000 to 2007, with average real GDP growth of 10 percent. The Government maintained a healthy fiscal surplus during that period, accumulating over US\$27 billion (about 21 percent of GDP) by end-2008 in the National Fund of the RoK (NFRK). However, the economy is highly resource-dependent, with manufacturing accounting for only 11 percent and agriculture 5% of GDP in 2008.
Specific Economic Events impacting on the project	The Government's strategic vision of economic development is based on diversification and integration of the economy into the global market. The geography, population, economy and trade flow of Central Asia have an important bearing on transport challenges in Kazakhstan. Within the region, distances are substantial (2,000 km from the Kyrgyz Republic to Russia) and access to major markets involves very long travel distance. There are significant non-physical barriers to trade, including inefficiencies at border crossing, unofficial payments, and the lack of harmonization of basic documents and regulations (WB 2012). Standard&Poor's estimated Kazakh's economy was set to grow by 7.7% a year on average from 2013-2016

MEGAPROJECT Project Key Events and Activities Timeline

TIME

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Events and activities relating to project stakeholders		Committee for Roads' was established under the MoTC		Framework of Action was signed by MoTC		JSC 'KazAvtoZhol' has been established				
Events and activities relating to project management						Project closing date changed to June 2015				
Events and activities relating to project performance				Civil Work under Component 1 and 2				Civil Work under Component 3 and 4		
Events and activities relating to project environment						Civil work stopped - Birlik/Turkestan section in South Kazakhstan (SK)				