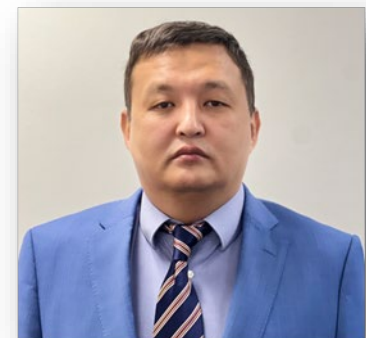




ABOUT THE SPEAKER



Alibek Abdrakhmanov

Country Operations Head
Kazakhstan Resident Mission Asian
Development Bank

Alibek Abdrakhmanov leads country programming and portfolio management, working closely with sector groups and ADB's Private Sector Operations Department. Since joining ADB in 2019, he

has supported nonsovereign infrastructure investments, including major power generation and transmission projects in Kazakhstan. Prior to ADB, he held roles with EBRD, EDB, and IFC, building extensive experience in project finance and infrastructure investment across Central Asia.

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PRESENTATION

Guiding Risk-Informed Implementation *ADB's Experience in the Road Sector of Kazakhstan*

Guiding risk-informed implementation

Alibek Abdrakhmanov, Country Operations Head, Kazakhstan Resident Mission

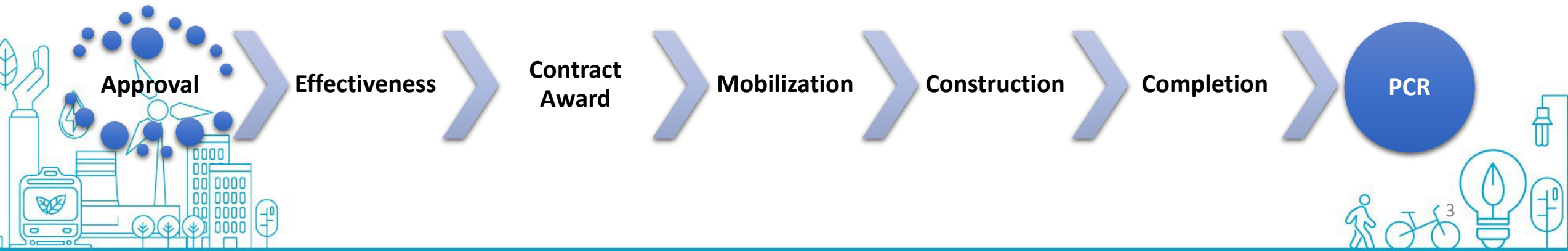
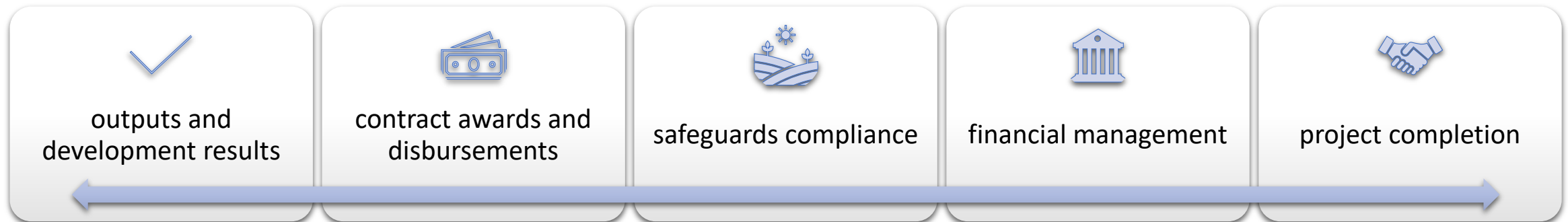


Why risk-informed implementation matters

Implementation risks often emerge after approval. If not addressed early, they can affect:



Risk ratings are not just reporting tools. They are management signals.



Project performance rating as a risk management tool



ADB's project performance rating is used to identify risks and issues early during implementation and support corrective actions: Project performance rating is a **risk and project management tool**. Its objective is to identify risks and issues early and take corrective action. Projects are rated **quarterly** from loan effectiveness until financial closure. The rating is based on five equally weighted performance indicators.



Output



Contract Award



Disbursement



Safeguards



Financial Management



Five indicators: what each one tells us



Output achievement

Whether the project is likely to deliver its intended outputs



Contract award

Whether procurement and contract signing are progressing as planned



Disbursement

Whether financial progress follows implementation progress



Financial management

Whether APFS, AEFS, and financial covenants are on track



Safeguards

Whether environmental and social requirements are being complied with



From rating signal to management action



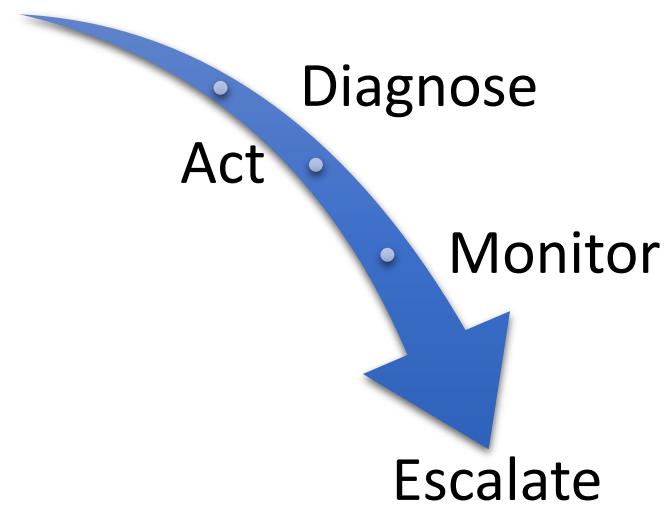
{ Each indicator is rated using a traffic-light logic: }

Green / On track – continue normal monitoring

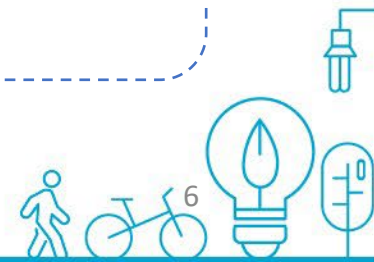
Amber / For attention – agree corrective action, owner, and deadline

Red / At risk – escalate and agree recovery measures

Signal

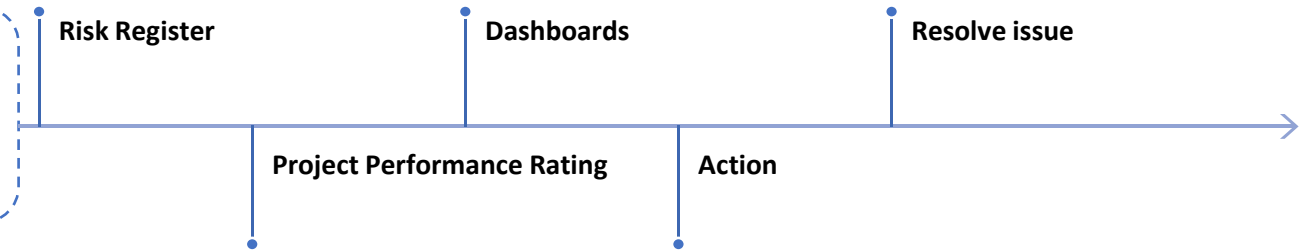


No rating should remain only a label. Each rating signal should lead to an action, owner, deadline, and follow-up.



Project management tools: from risk signal to corrective action

Risk-informed implementation requires practical tools that help project teams identify, monitor, and resolve risks before they affect project outcomes.



Risk register

Tracks live implementation risks, owners, mitigation actions, deadlines, and status



Project performance rating

Provides the formal quarterly signal on output, contract award, disbursement, FM, and safeguards risks



Dashboards

Help identify alerts and warning signs for potential implementation issues



Mission action matrix

Converts risk signals into agreed actions, responsible parties, and deadlines



Review missions / MTR

Validate risks, review progress, and agree mitigation measures



Kazakhstan road portfolio: practical risk environment

Aktobe–Kandyagash

Loan 3829-KAZ

89 km road

reconstruction

Status: completed
works / closed on 15
June

Main risk angle: closing
readiness

Kyzylorda–Zhezkazgan

Loan 4513-KAZ

208 km road

reconstruction

Status: implementation
Main risk angle: timely
completion

Saryagash Bypass

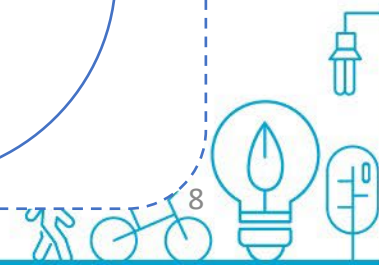
Loan 4631-KAZ

about 102 km bypass
road

Status: early
implementation readiness
Main risk angle:
safeguards

Kazakhstan road projects provide practical examples because they involve:

- large civil works contracts
- multiple contractors and lots
- supervision consultant arrangements
- safeguards and land-related requirements
- government procedures for effectiveness and legal opinions
- contract award and disbursement targets



Case 1: Kyzylorda–Zhezkazgan

Project: Loan 4513-KAZ, 208 km road reconstruction

Stage: early implementation

Risk signal

- Contractors were mobilized before the Construction Supervision Consultant was fully in place.
- The EA appointed a Temporary Engineer from its branch office, but the officer also had other responsibilities.
- Delayed CSC deployment created challenges in contract management and safeguards oversight.

Rating impact

- Output and disbursement risks increased due to weak supervision and slow contractor performance.
- Safeguards risk increased because monitoring, compliance verification, field information consolidation, and safeguards reporting relied largely on limited EA/IA and regional branch capacity.
- The project was rated **at risk for safeguards**.

Management response

- To close the supervision gap until CSC-2 is on board, the EA proposed and ADB agreed to engage three individual consultants.
- The objective is to ensure uninterrupted supervision of works, improve safeguards follow-up, and support timely reporting.

Key lesson

Civil works and CSC recruitment should be sequenced together. Where CSC deployment is delayed, the EA should have sufficient internal safeguards capacity and interim arrangements to ensure continuous oversight.

Contractors
mobilized

CSC delayed

Limited safeguards
oversight

Reporting and
compliance gaps

interim consultants
to be engaged

Case 2: Aktobe–Kandyagash

Project: Loan 3829-KAZ, 89 km road reconstruction

Stage: completed works / closing stage

Risk signal

- Submission of audited project financial statements was delayed in 2024/2025.
- The delay was caused by the EA's rebidding process to select an auditor.
- Limited audit firms were interested because the assignment scope and budget were small.

Rating impact

- Financial management compliance risk increased.
- Closing readiness was affected because audit requirements must be completed before loan closure.

Root cause

- The EA works with several lenders, including EBRD and China Exim Bank.
- These lenders do not require annual audited project financial statements and accept the entity audit report.
- ADB's project-specific audit requirement therefore needed stronger planning in the EA's audit process.

Management response

- ADB and the EA agreed that future ADB project audits will be incorporated into the entity audit contract.
- Audit deadlines will be clearly established in the contract.

Key lesson

Financial management requirements should be built into the EA's regular audit cycle early, especially when the EA works with different lenders with different audit requirements.

Audit planning



auditor selection



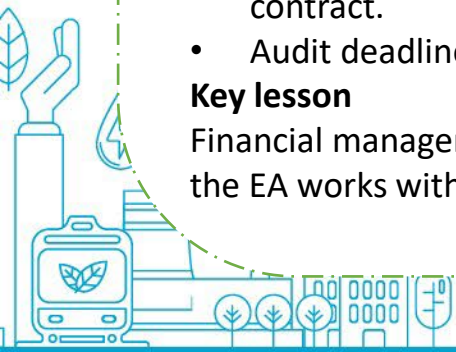
APFS preparation



ADB review



loan closing



Case 3: Saryagash Bypass

Project: Loan 4631-KAZ, about 102 km bypass road

Stage: early implementation readiness

Safeguards category: Involuntary Resettlement Category A

Risk signal

- The project requires timely finalization and implementation of the Land Acquisition and Resettlement Plan while contractors are being mobilized.
- Land acquisition and resettlement risks may affect site access, work sequencing, and safeguards compliance.
- Initial works must be limited to sections with no land acquisition and resettlement impacts.

Rating impact

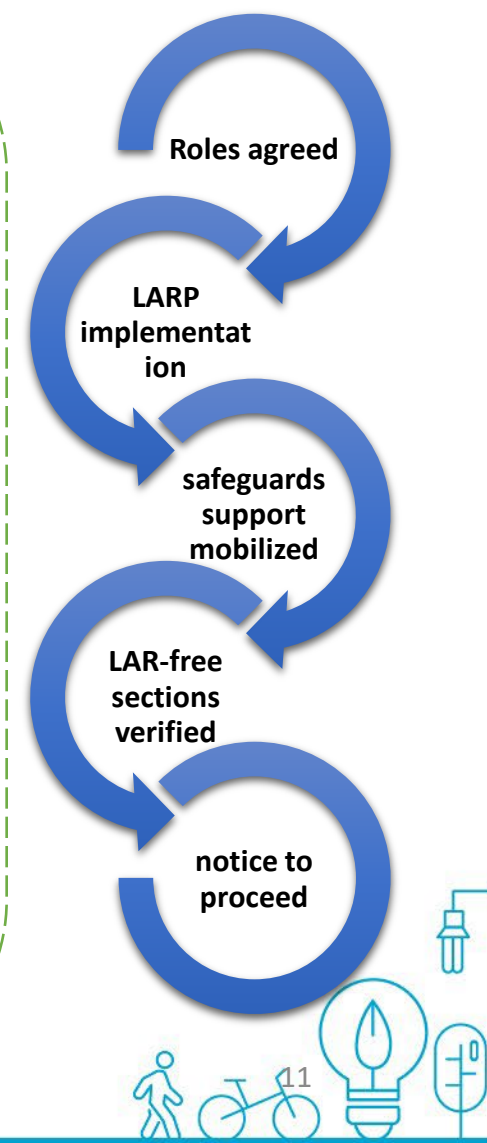
- Safeguards risk could affect contract implementation, notice to proceed, project reputation, and compliance with ADB Safeguard Policy Statement 2009 and national legislation.

Management response

- An MoU was signed between Akimats, the Committee of Roads, and KAZh to define roles and responsibilities and reaffirm compliance requirements.
- The first safeguards capacity-building workshop was conducted, with further training and on-the-job support to continue during implementation.
- While PMSCS recruitment is ongoing, the EA proposed engaging an individual social safeguards consultant and an External Resettlement Monitor.
- The External Resettlement Monitor will support LAR implementation and prepare safeguards due diligence documentation to verify LAR-free road sections before the notice to proceed is issued for the respective sections.

Key lesson

For Category A resettlement projects, institutional roles, safeguards capacity, monitoring arrangements, and LAR-free section verification must be in place before works advance.



Common risk patterns across Kazakhstan road projects

Different projects face different risks, but most implementation problems fall into a few recurring categories



readiness risks



procurement and
contract management
risks



contractor mobilization
risks



supervision consultant
risks



safeguards risks



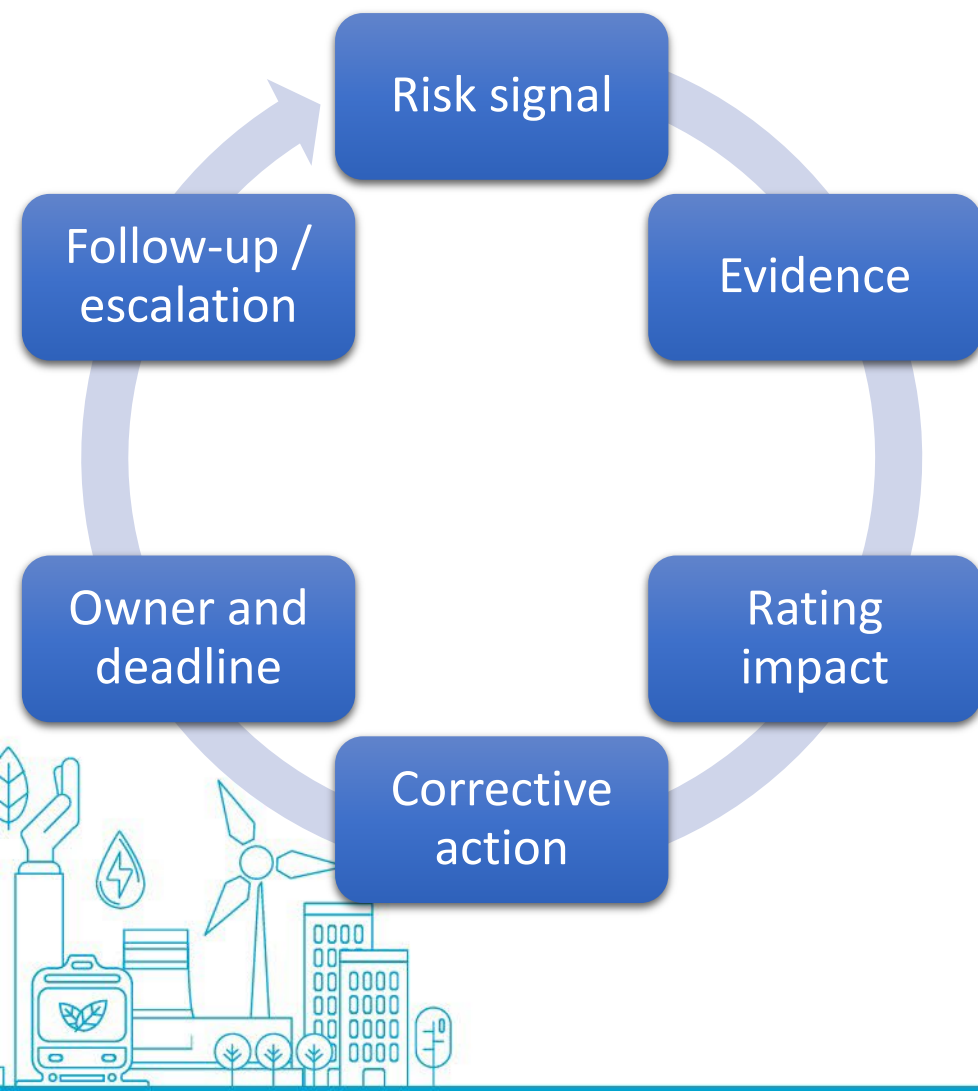
financial management
and audit risks



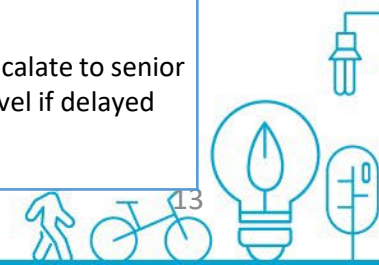
closing readiness risks



Practical model for risk-informed implementation



Risk signal / issue	Evidence	Indicator affected	Corrective action	Owner and deadline	Status / escalation
Slow mobilization	Contractor progress below work plan; camp and equipment not fully mobilized	Output / disbursement	Apply contract remedies; monitor weekly; agree recovery plan	EA / contractor / date	Open; escalate if no progress
Safeguards document pending	LARP compliance report, SSEMP, or monitoring report not cleared	Safeguards	Submit revised documents; respond to comments; stop high-risk activity if needed	EA / contractor / date	Open; safeguards follow-up
APFS or AEFS delayed / returned	Audit report not submitted or returned for revision	Financial management	Revise and resubmit audit documents; address auditor comments	EA / auditor / date	Open; FM follow-up
Contract award delayed	Procurement evaluation, approval, or contract signing behind schedule	Contract award	Agree procurement timeline; resolve approval bottleneck; escalate if needed	EA / ADB team / date	For management attention
Legal opinion or effectiveness pending	Loan signed but effectiveness conditions not completed	Contract award / disbursement	Expedite legal opinion; confirm government approvals; update effectiveness timeline	MOF / MOJ / EA / date	Escalate to senior level if delayed



Q&A



Thank you!

