

Ministry of Transport and
Communications
of the Kyrgyz Republic



Реализация инвестиционных
проектов

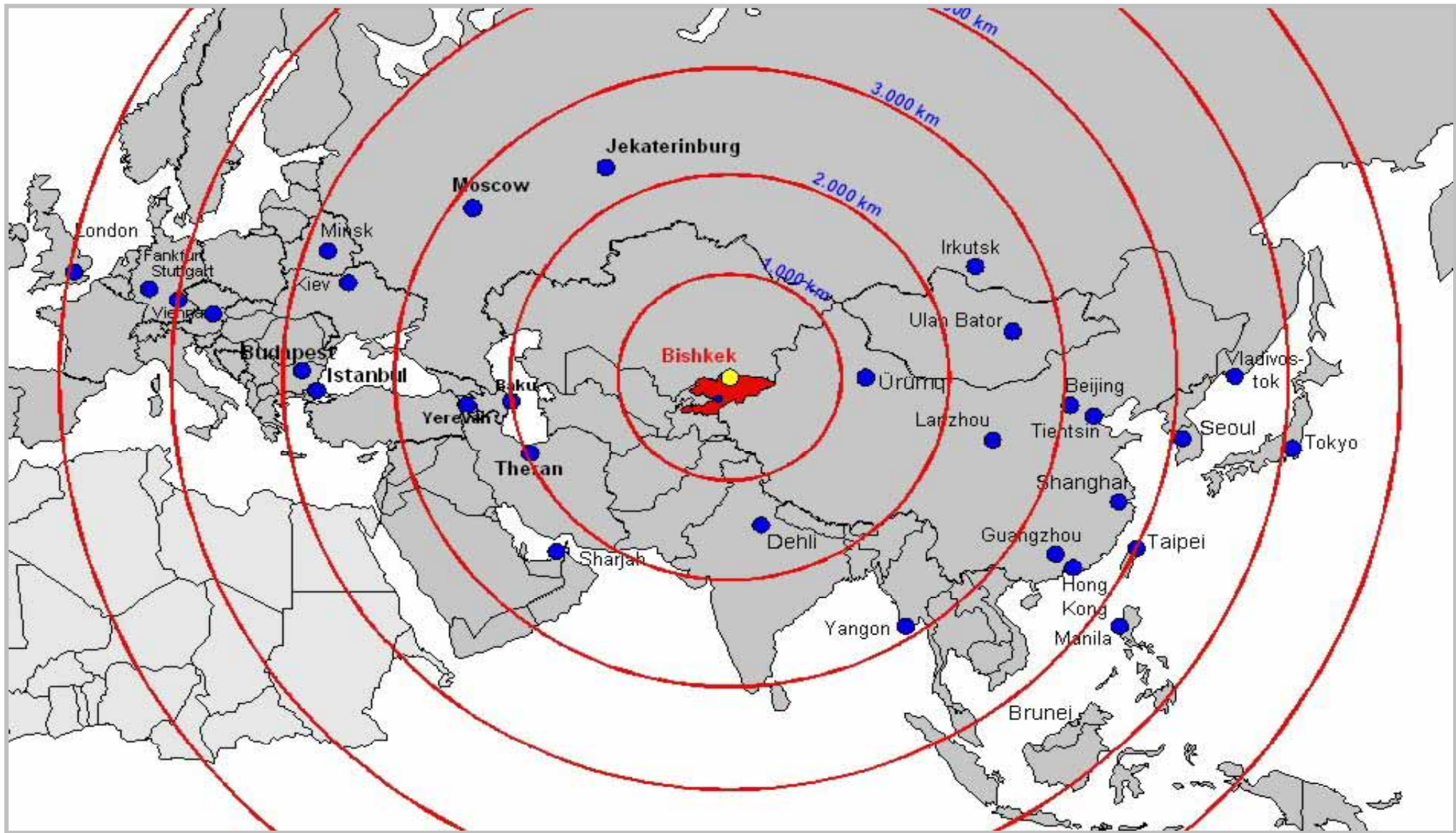


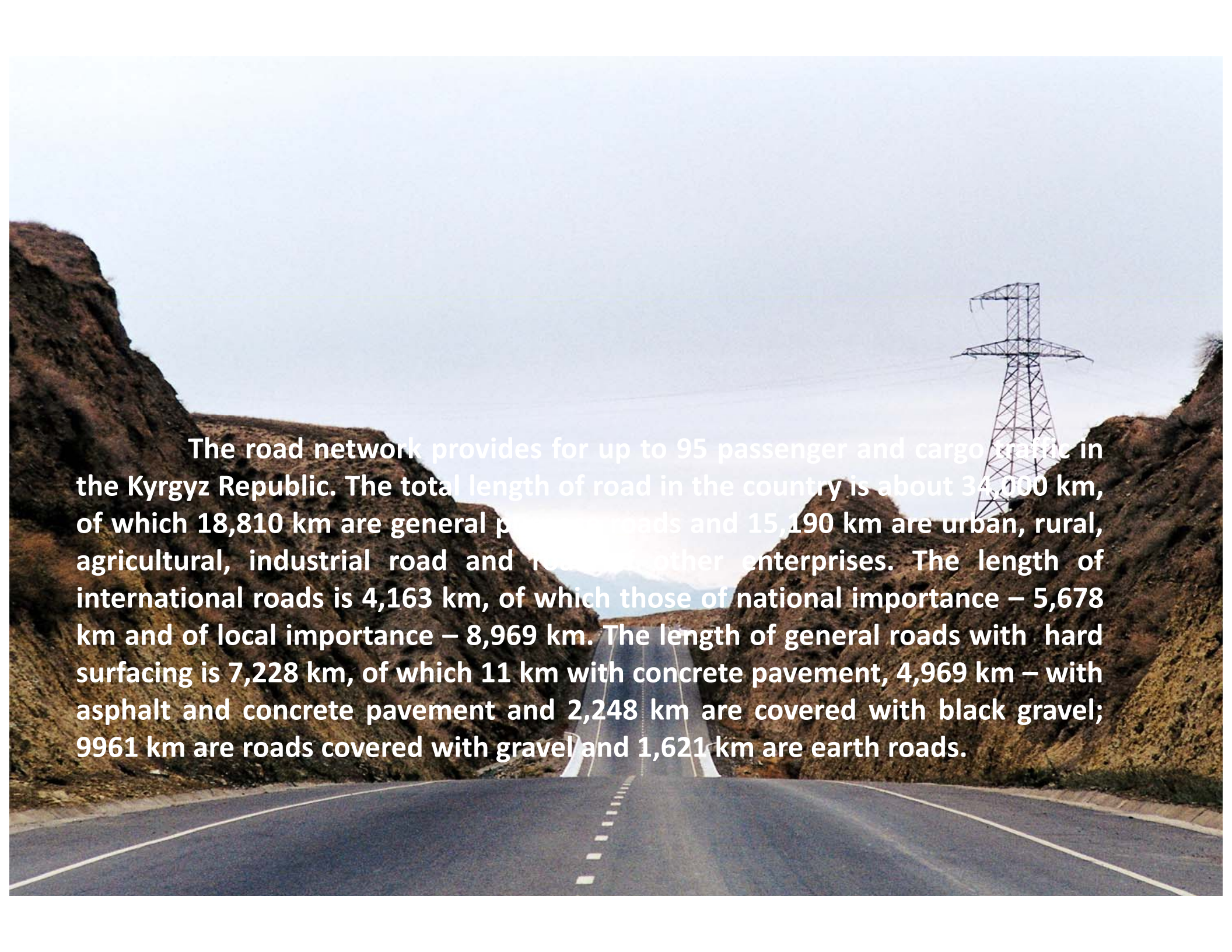
Country Report on the Progress in Implementation of the Transport and Trade Facilitation Strategy Action Plan

2010

Kyrgyz Republic

1

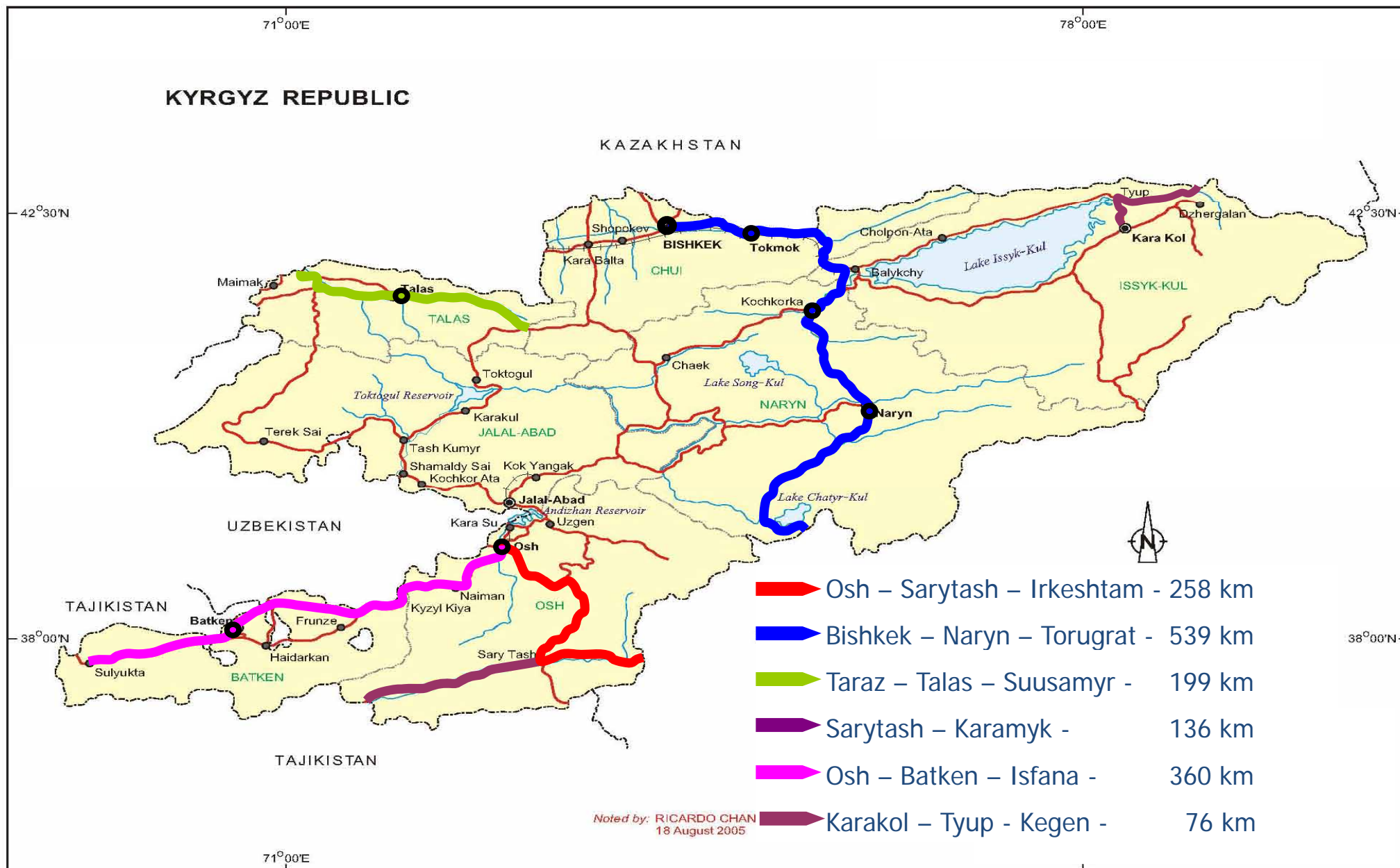




The road network provides for up to 95 passenger and cargo traffic in the Kyrgyz Republic. The total length of road in the country is about 34,000 km, of which 18,810 km are general purpose roads and 15,190 km are urban, rural, agricultural, industrial road and roads for other enterprises. The length of international roads is 4,163 km, of which those of national importance – 5,678 km and of local importance – 8,969 km. The length of general roads with hard surfacing is 7,228 km, of which 11 km with concrete pavement, 4,969 km – with asphalt and concrete pavement and 2,248 km are covered with black gravel; 9961 km are roads covered with gravel and 1,621 km are earth roads.

TRANSPORT CORRIDORS

2




Implementation of the Action Plan for the Transport and Trade Facilitation Strategy in the Kyrgyz Republic

CAREC Corridors

Out of 6 (six) transport corridors identified by CAREC as priority and competitive ones in the region, 4 (four) are crossing the territory of our Kyrgyz Republic: 1) CAREC 1 – Europe – Eastern Asia (Bishkek – Naryn – Torugart road); 2) CAREC 2 – Mediterranean – Eastern Asia (Osh – Sarytash – Irkeshtam road); 3) CAREC 3 – the Russian Federation – Middle East and South Asia (Osh – Sarytash – Karamyk road); 4) CAREC 5: Eastern Asia – Middle East and South Asia (Irkeshtam – Sarytash – Karamyk road).

Investment Projects

- KYR IP 1: Rehabilitation of Bishkek - Torugrat Road
- KYR IP 2: Rehabilitation of the Southern Transport Corridor Road (Osh – Sary-Tash – Irkeshtam)
- KYR IP 3: Improvement of the CAREC Regional Road Corridor (Sary-Tash – Karamyk)
- KYR IP 4: Electrification of Lugovaya – Bishkek (Alamedin) Railway Section
- KYR IP 5: Railway Rehabilitation Project (Balykchi – Chaldovar – Lugovaya)
- KYR IP 6: Procurement of Equipment for Car Repair Shop
- KYR IP 7: Osh International Airport Reconstruction
- KYR IP 8: Increasing Capacity of the ATC System of Kyrgyzstan



Bishkek – Naryn – Torugart Road Rehabilitation Project Length - 539 km

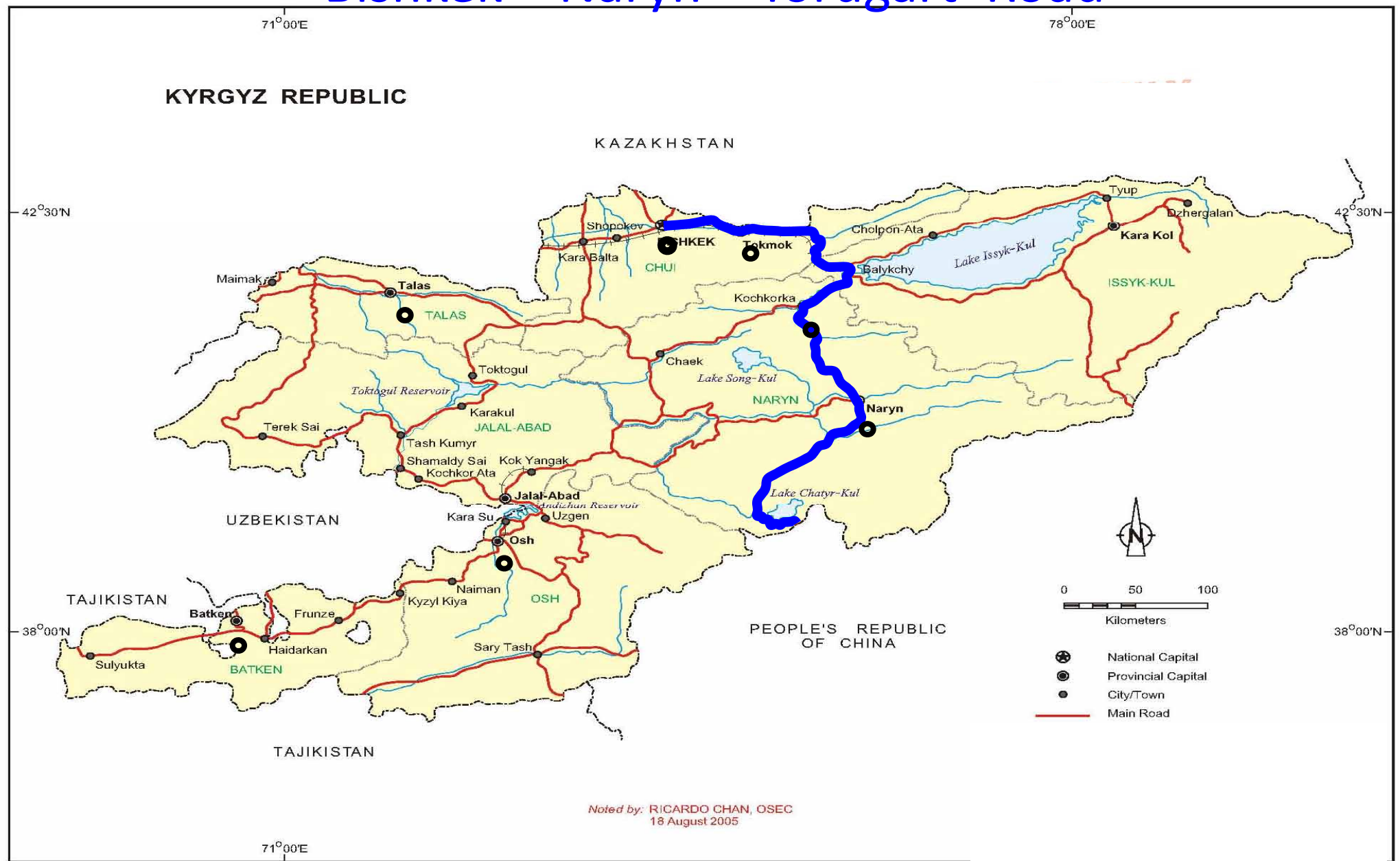
**Bishkek – Naryn – Torugart road has been identified as
CAREC Transport Corridor 1C – Europe – Eastern Asia**

**Provides a north-south transport link between the PRC and
the Republic of Kazakhstan via the territory of the KR from
the PRC at the border crossing point Torugart in the south
to Kordai settlement, Kazakhstan, in the north**

KYR IP 1: Rehabilitation of Bishkek – Torugart Road

- The project is being implemented smoothly, according to the project schedule.
- In 2008 the ADB approved a US\$20 million grant for the road section 400-439 km.
- In 2009 the ADB approved a US\$22 million and a US\$28 million loan for the road sections 365-400, 439–479 km.
- In 2010 the ADB will provide additional funding in the amount of US\$40 million for the road section 479-539 km.
- Discussions are in progress with the IsDB and the Arabic Coordination Group on co-financing for the road section 265–400 km (US\$75 million in 2009).
- The China Eximbank provided financing in the amount of US\$200 million for the remaining section of the Bishkek – Torugart road. The Loan Agreement was signed on December 18, 2009.
- With regards to the Bishkek – Torugart road rehabilitation project (CAREC Corridor 1c), the Government of Japan agreed to extend a grant in the amount of US\$6.9 million for reconstruction of three bridges (Ala-Archa, Alamedin and Ken-Bulun) in Chui oblast, Kyrgyz Republic. Construction has been started in summer of 2009 and will be completed by 2011 . On February 19, 2009 the Grant Agreement for the project was signed between the Ministry of Finance of the Kyrgyz Republic and the Government of Japan.

Bishkek – Naryn – Torugart Road



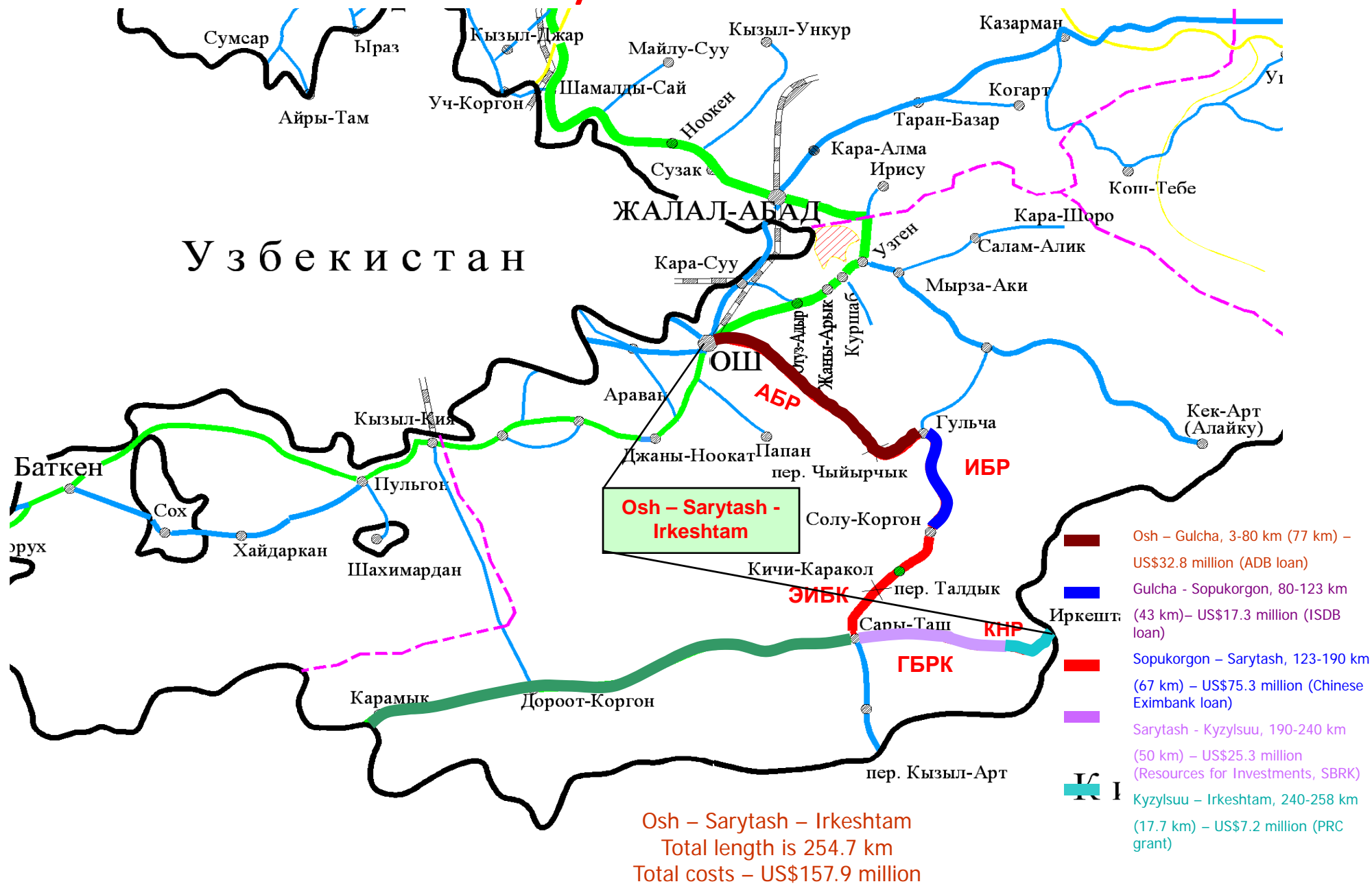
An aerial photograph showing a road rehabilitation project in a mountainous area. The road is a light-colored, unpaved or newly laid surface, winding through a valley. Several construction vehicles, including trucks and excavators, are visible on the road. The surrounding landscape is rugged, with steep, rocky slopes and patches of green vegetation. In the background, more mountains are visible under a cloudy sky.

Osh – Sarytash – Irkeshtam Road Rehabilitation Project Length - 258 km

KYR IP 2: South Transport Corridor Road Rehabilitation Project (Osh – Sarytash - Irkeshtam)

- The project is being implemented smoothly.
- Actual financing totals about US\$ 159 million (as of February, 2009), of which: the ADB (US\$32.8 million), the IsDB (US\$17.3 million), the Chinese Eximbank (US\$75 million) and the PRC (loan: US\$25.3 million and grant: US\$9 million).

Osh – Sarytash – Irkeshtam Road





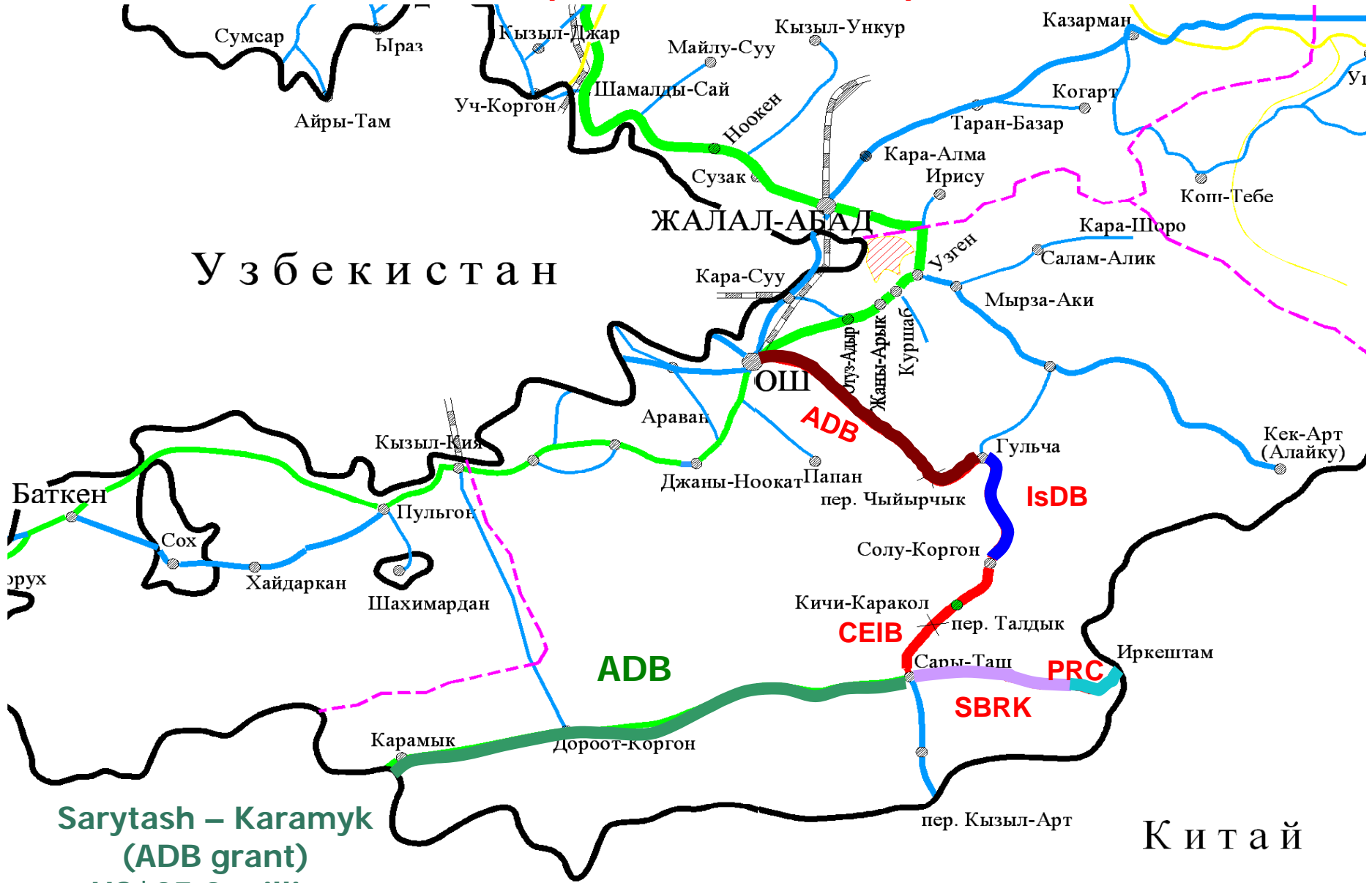
Improvement of the CAREC Regional Road Corridor (Sary-Tash – Karamyk)

Length – 136 km

KYR IP 3: CAREC Regional Road Corridor Improvement (Sary-Tash - Karamyk)

- The ADB grant (US\$25.6 million) was approved in 2007. The Grant Agreement between the ADB and the KR was signed on October 31, 2007.
- The projects consists of the following components: 1) Road Improvement (Component A); 2) Road Maintenance Improvement (Component B); 3) Border Infrastructure Development (Component C).
- The contract with the contractor – China Road and Bridge Corp. – was signed in August of 2008.
- The project is being implemented smoothly.
- Reconstruction works were completed in 2008 and actual construction was started in early 2009.
- Starting date – September of 2008.
Completion date – March of 2011.

Sarytash – Karamyk Road



**Sarytash – Karamyk
(ADB grant)
US\$25.3 million
Length: 136 km**

KYR IP 4: Electrification of Lugovaya – Bishkek (Alamedin) Railway Section

- Programmed for 2011–2014

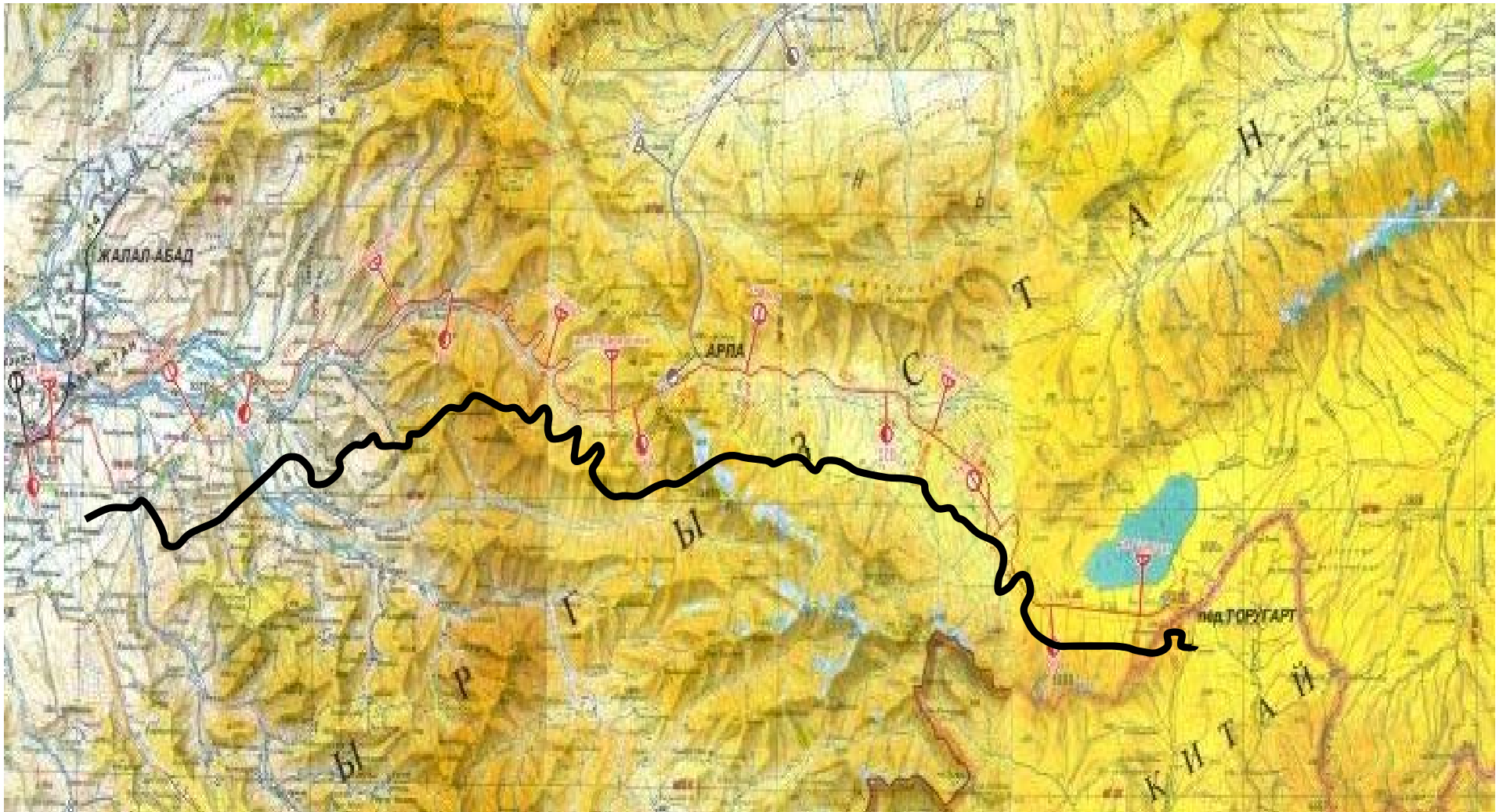
KYR IP 5: Railway Rehabilitation Project (Balykchi – Chaldovar - Lugovaya)

- Programmed for 2011–2014

KYR IP 6: Procurement of Equipment for Car Repair Workshop

- Programmed for 2011–2012

Railway Horizontal Alignment

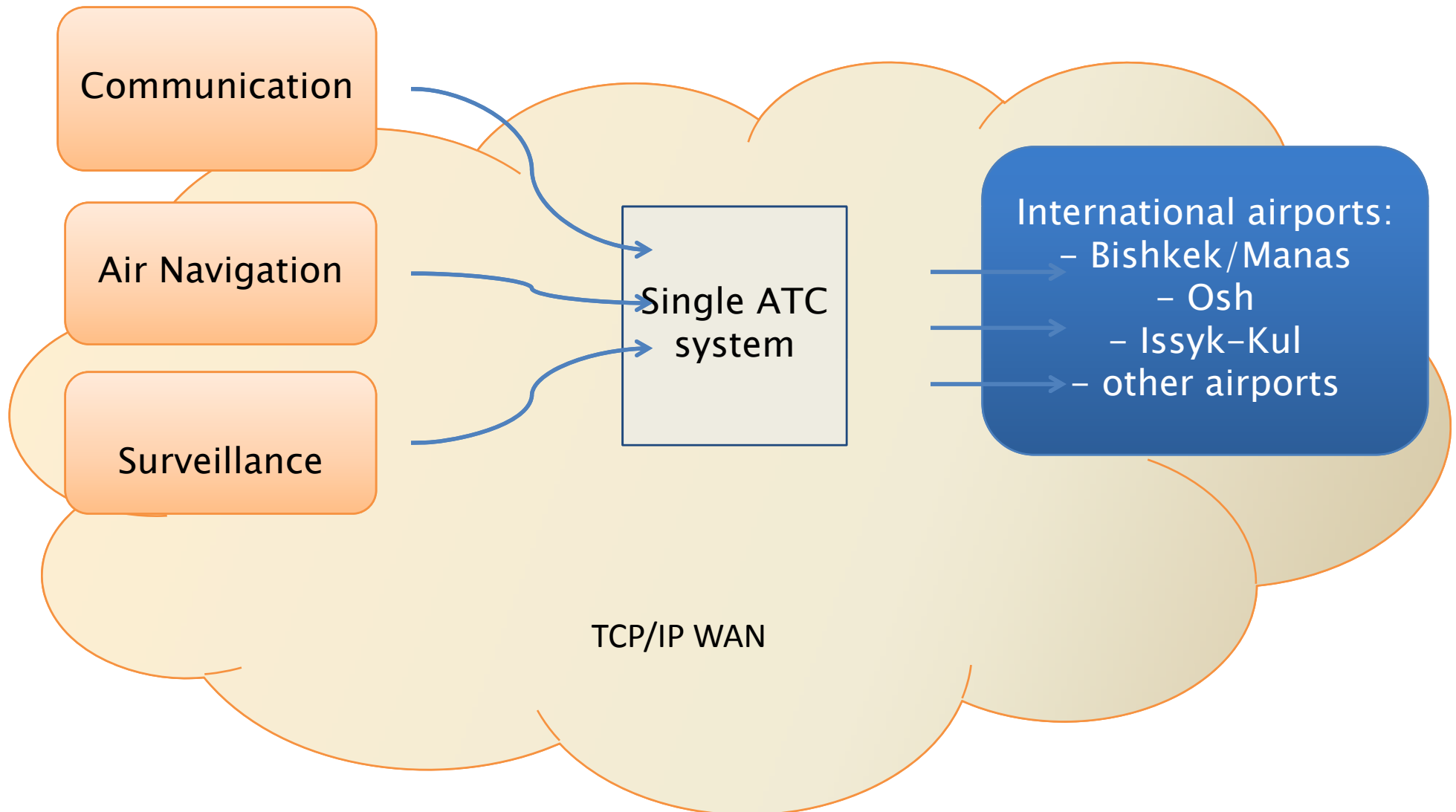


KYR IP 7: Osh International Airport Reconstruction

- The new estimated cost of the project is US\$105 million based on the feasibility study prepared by the SRE "Kazaeroproject" in January of 2009. The new estimated project cost is significantly higher, than the initial cost (US\$40 million).
- The Ministry of Transport and Communications proposed to change the project name "Osh Airport Reconstruction" into "Osh International Airport Reconstruction"
- The estimates do not include the equipment of the SE "KAN" ("Kyrgyz aeronavigation").
- A rough design of the Osh airport terminal with the capacity of 500 passengers/hour prepared by the "RealProject" Ltd. has been approved;
- Design and estimate documentation of the air terminal is under preparation;
- The design and estimate documents for extension of the RW at Osh airport has been adjusted.

Future Structure by 2020

- a Single Air Traffic Control System



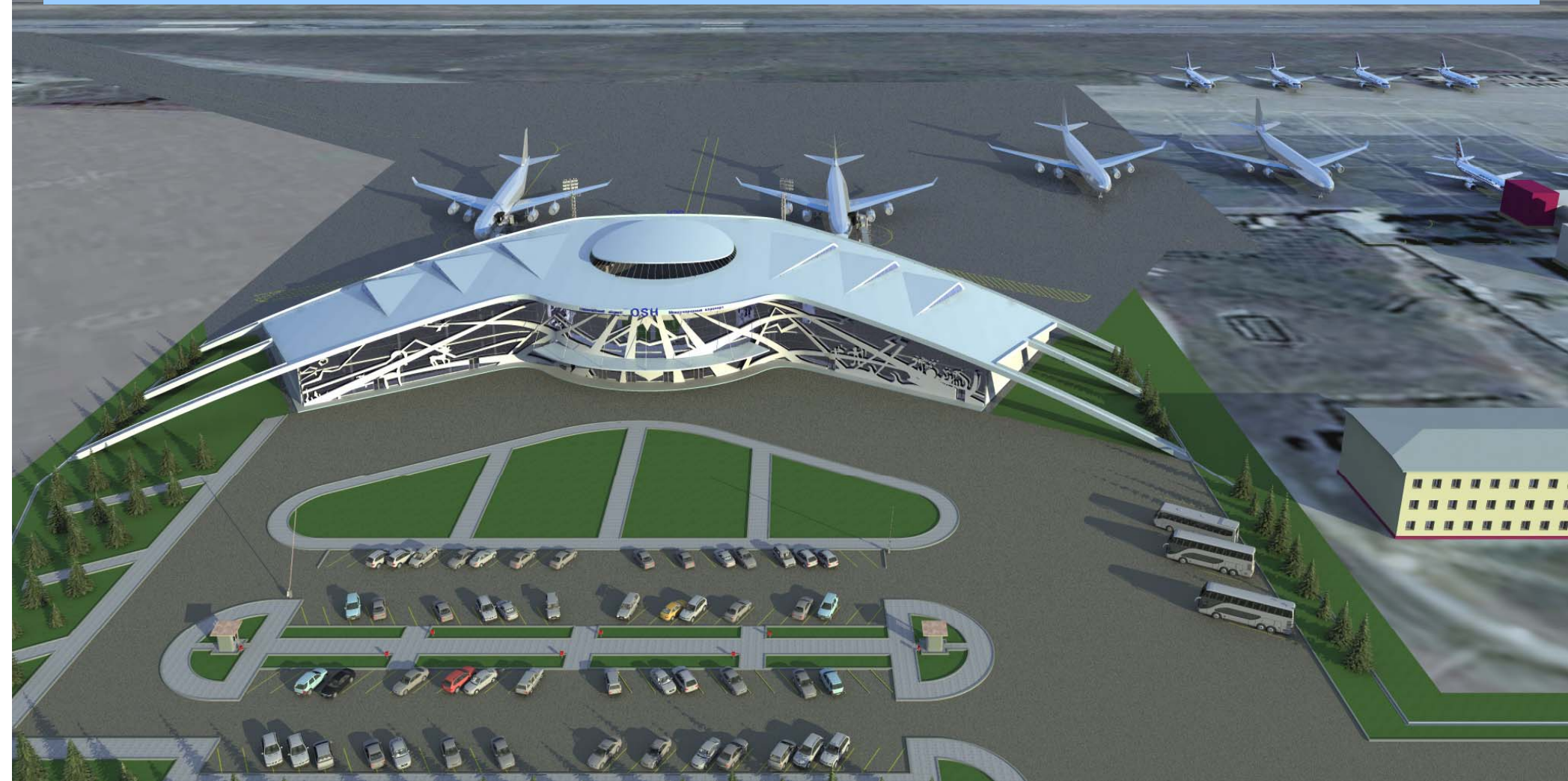
Osh International Airport

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Osh International Airport

The Osh International Airport is to be reconstructed in full. The implementation of this project will allow to bring the aerodrome facilities in line with international standards and recommendations of the International Civil Aviation Organization (ICAO).



Issyk-Kul Airport

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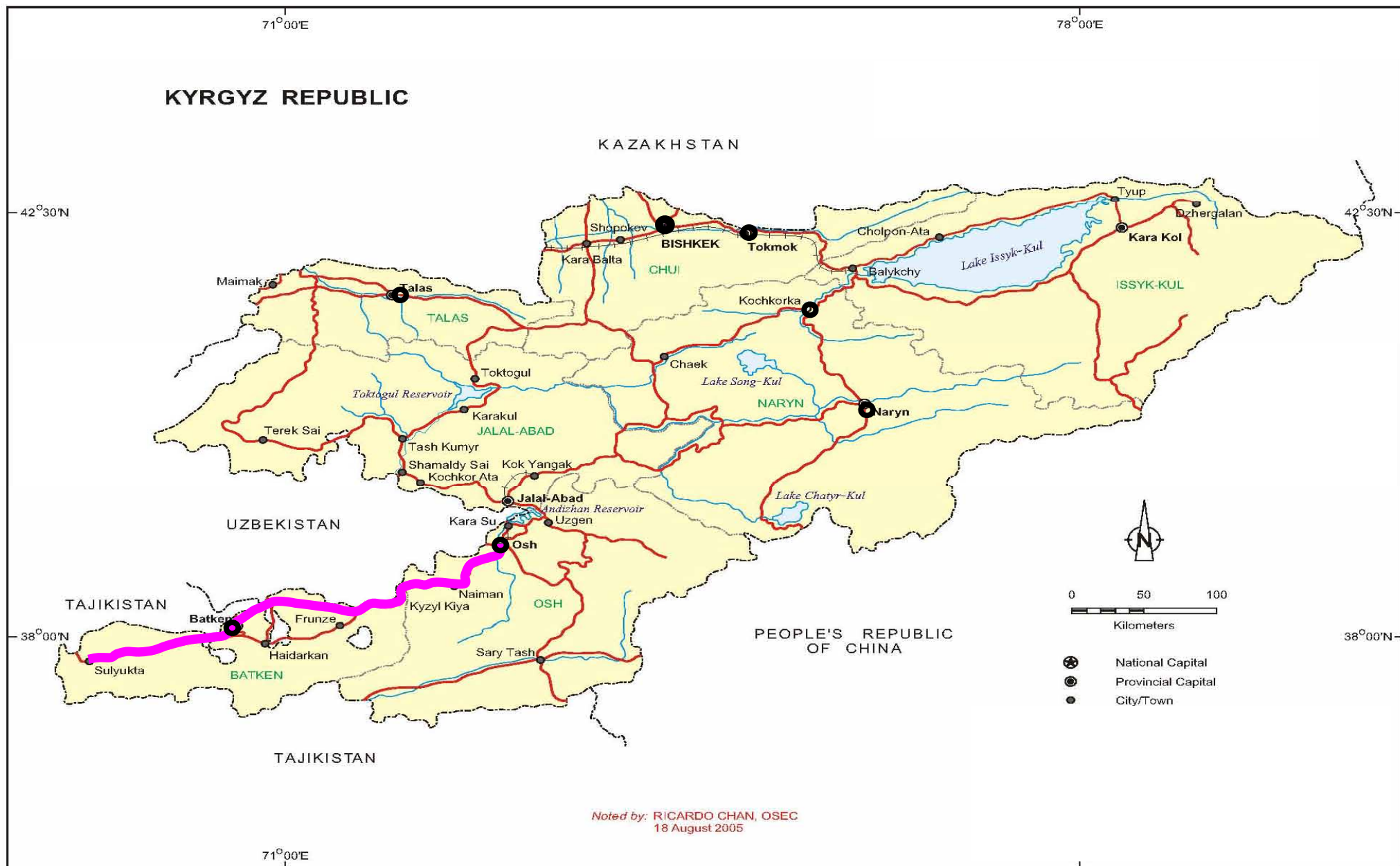


KYR IP 8: Increasing Capacity of the ATC System of Kyrgyzstan

- The proposed project is aimed at increasing the flight safety in the northern and southern part of the Kyrgyz Republic for transit, inbound/outbound and local flights.
- The new estimated project cost is US\$34 million.

The proposed project to be included
into the Action Plan

Osh – Batken – Isfana Road

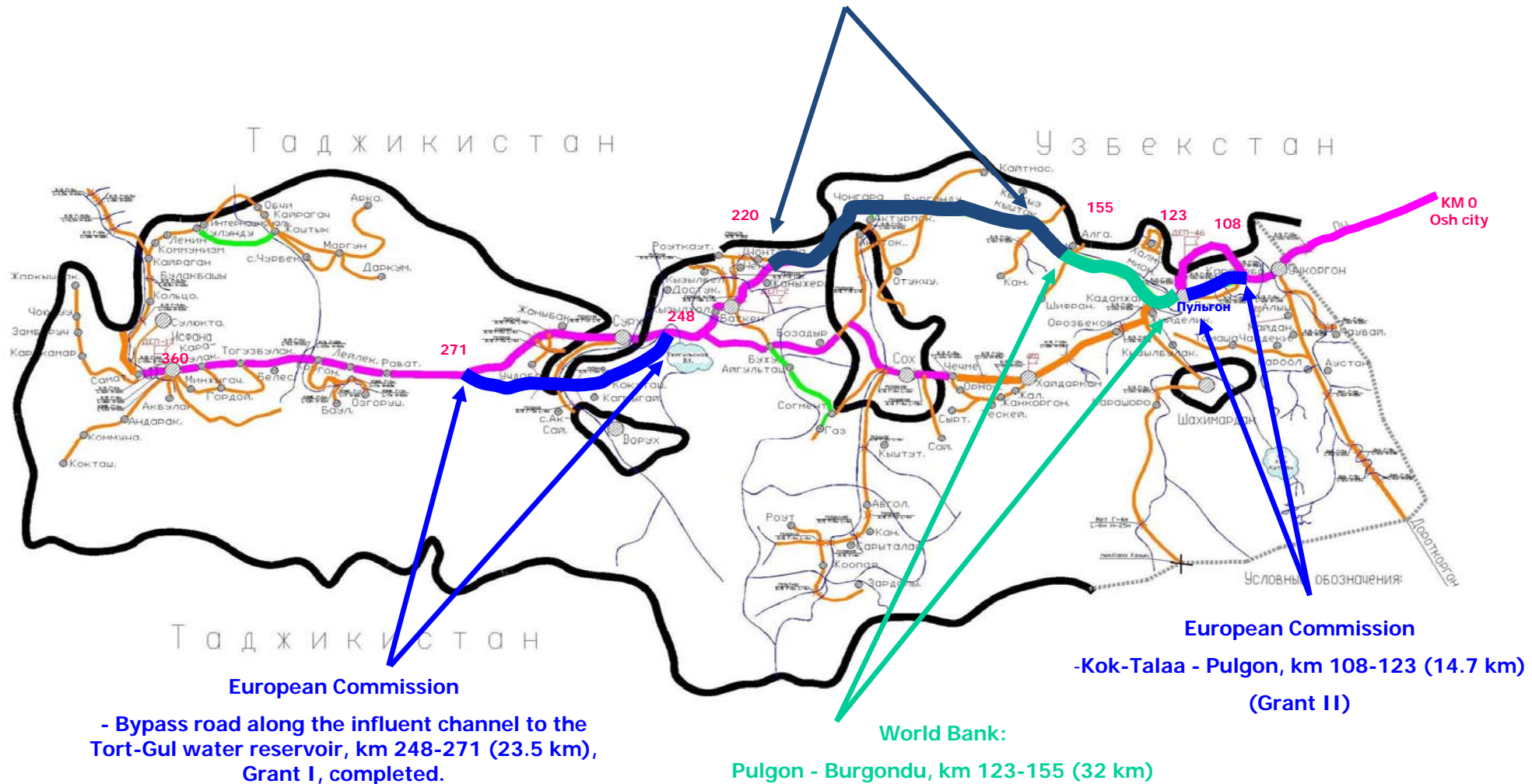


Osh – Batken – Isfana Road

Total length – 360 km

EBRD: km 155-220 (32 km from Pulgon 1 to Batken)

No financing available for 225 km



**108-123 km section of Osh – Batken – Isfana road
(Kok-Talaa – Pulgon)
Length – 14.7 km**

Donor – European Community.

Grant amount – 8.6 million Euros.

Basis: - The Financing Agreement with the EC signed on December 30, 2009.

- The Agreement was approved by Resolution of the Jogorku Kenesh of the KR №1679-IV dated February 12, 2010 and the Law on Ratification was signed on March 18, 2010, № 53.

The European Commission will independently conduct the procedures for selection of the Consultant and the Contractor to implement this project. In the first half of 2010 the bidding procedures are expected to be completed and the Contract for civil works will be signed with the Contractor.

The road section under rehabilitation is situated in the territory of Kadamjai rayon, Batken oblast (bypassing the Uzbek territory), km 108 – km 123, the length is 14.7 km.

Starting date – season of 2011.

Completion date – season of 2012.

123 – 155 km section of Osh – Batken – Isfana road

Length – 32 km

Donor – World Bank.

Loan amount – US\$25.0 million

Basis:

- The Financing Agreement between the KR and the International Development Association (IDA) of the World Bank signed on December 3, 2009 in Bishkek.
- The Law on Ratification of the Financing Agreement was signed on February 10, 2010, № 26.

At present the bidding procedure for selection of the Contractor, as well as the Consultant for the project site Pulgon – Burgondu is underway.

The starting date – the second half of 2010

The completion date – December of 2012

155 – 220 km section of Osh – Batken – Isfana road

Length – 60 km

Donor – EBRD.

Credit amount – US\$ 35.0 million

Basis:

- The Credit Agreement between the KR and the EBRD signed on July 15, 2009 in Bishkek.
- The KR Law on Ratification of the Credit Agreement was approved by Resolution №1414-IV of the JKJR as of October 2, 2009 and signed as of October 23, 2009, № 286.

The contract with the Contractor - "Xinjiang-Beisin Co." Ltd. – was signed on May 11, 2010. The selection of the Consultant is in progress.

The starting date – August, 2010.

The completion date – September, 2012.

**Constriction of a bypass section of Osh – Isfana road
along the influent channel to the Tort-Gul water reservoir
(km 248 – 271) (bypassing Chorku and Surkh villages of Tajikistan)
Length – 23.5 km**

Donor – European Community.

Grant amount – 6.3 million Euros.

Basis:

- The Agreement between the EX and the KR Government.

The rehabilitated road section is situated in the territory of Batken rayon, Batken oblast, and its part – 275 m – is crossing the disputable territory of Tajikistan in the Isfara river flood basin.

The European Commission independently conducted the procedures for selection of the Consultant and the Contractor to implement this project. In the first half of 2008 the Contract for civil works was signed with the Contractor "Eastern-European Alliance" (Ukraine).

The starting date – March, 2008.

The completion date – October, 2009.

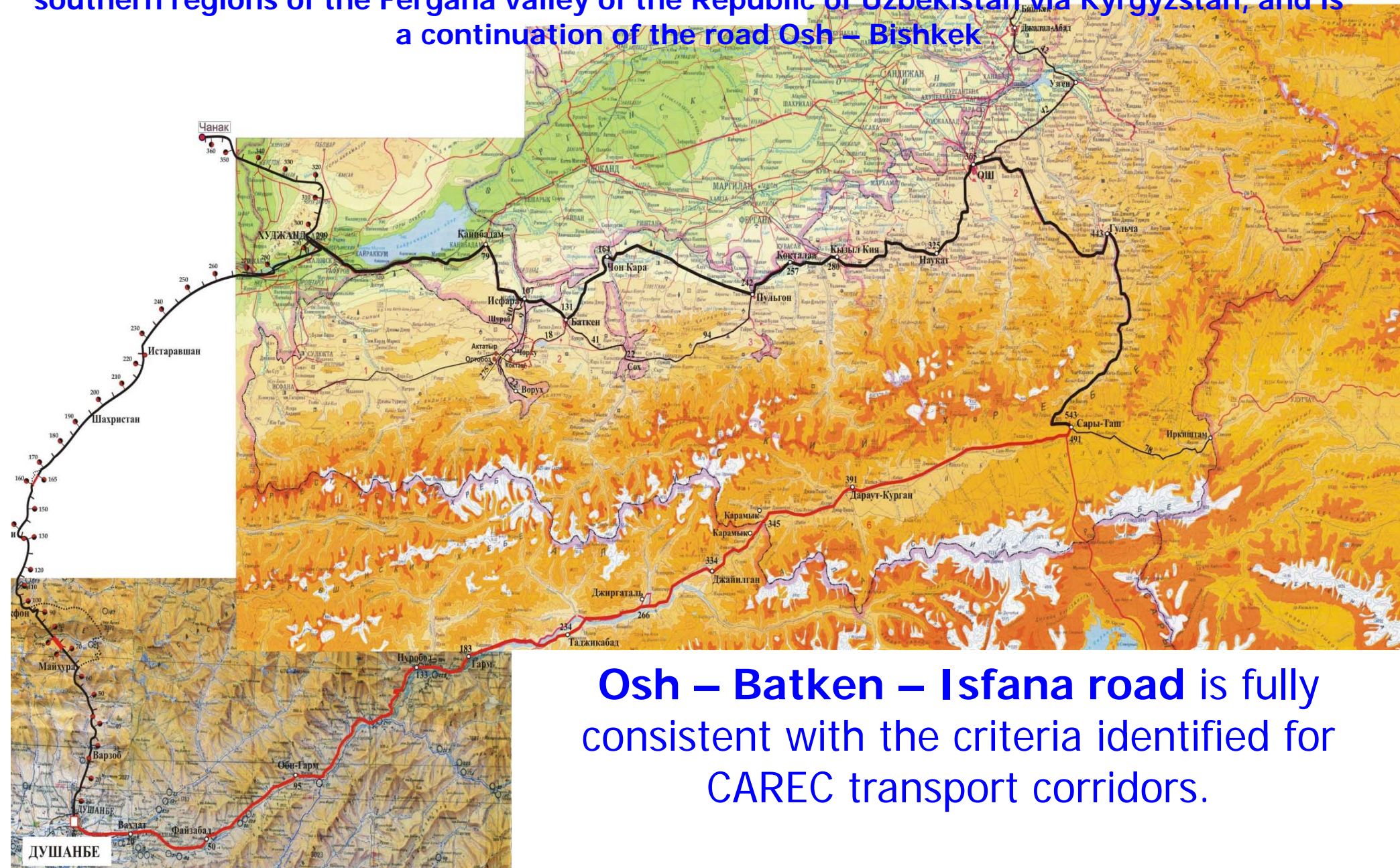
The project has been completed.

Financing for Osh – Batken – Isfana Project

The total amount of attracted funds (the European Commission, the World Bank, the European Bank for Reconstruction and Development) for Phase I is about **US\$73 million**.

About **225 km** of Osh – Batken – Isfana road are not covered with this financing, which, according to preliminary estimates, will require about **US\$90 million**, which will be attracted for **Phase II of the Osh – Batken – Isfana road rehabilitation project**.

The road Osh – Batken – Isafana provides for a transport link between the PRC and the northern part of the Republic of Tajikistan – Khudjant city, as well as densely populated southern regions of the Fergana valley of the Republic of Uzbekistan via Kyrgyzstan, and is a continuation of the road Osh – Bishkek



Osh – Batken – Isfana road is fully consistent with the criteria identified for CAREC transport corridors.

Follow-up activities

To ensure effective implementation of the Action Plan the following actions shall be taken:

- Accelerate the work of the National Transport and Trade Facilitation Council;
- Identify and obtain financing for projects in railway and civil aviations sub-sector, which are still not implemented due to lack of financing;
- Conduct CAREC corridor performance measurements and regular monitoring activities; and
- Introduce public-private partnership approaches (PPP) in the transport sector, in particular, the experience of other countries, general understanding of PPP, selection and evaluation of PPP projects and a mechanism of payments for using toll roads.