

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. Major development partners in the Kyrgyz Republic road subsector include the Arab Coordination Group (ACG),¹ the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD) and the European Community (EC), the Eurasian Development Bank (EDB), the Islamic Development Bank (IsDB), the Japan International Cooperation Agency (JICA), the People's Republic of China (PRC) including the China Exim Bank, and the World Bank. They help develop sector policies and the regulatory and institutional framework, reconstruct and rehabilitate strategic roads and regional corridors, and facilitate cross-border agreements.

2. From 1996 to July 2018, ADB financed 13 road projects, with loans and grants totaling nearly \$570 million. During the same period, other development partners (except the PRC) have provided about \$580 million to finance another 17 projects, and the PRC (including the China Exim Bank) has alone financed \$1,135 million for seven projects. These projects are listed below:

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Transport			
ACG	Rehabilitation of Bishkek–Naryn–Torugart Road (Km 272–Km 365)	2013–2017	66.3
	Rehabilitation of Suusamyр–Taraz–Talas Road Project (3)	2014–2018	10.0
ADB	Road Rehabilitation Project	1996–2001	50.0
	Second Road Rehabilitation Project	1998–2005	50.0
	Almaty–Bishkek Regional Road Rehabilitation Project	2000–2006	5.0
	Third Road Rehabilitation Project	2001–2007	40.0
	Southern Transport Corridor Road Rehabilitation Project	2004–2008	32.8
	CAREC Regional Road Corridor Improvement Project	2007–2013	25.3
	CAREC Transport Corridor 1 (Bishkek–Torugart Road) Project	2008–2012	20.0
	CAREC Transport Corridor 1 (Bishkek–Torugart Road) Project 2	2009–2013	50.0
	CAREC Regional Road Corridor Improvement Project (Supplementary Loan)	2010–2013	23.0
	CAREC Transport Corridor 1 (Bishkek–Torugart Road) Project 3	2012–2016	55.0
	CAREC Corridor 3 (Bishkek–Osh Road) Improvement Project, Phase 4	2014–2019	100.0
	CAREC Transport Corridor 1 (Bishkek–Torugart Road) Project 3—Additional Financing	2015–2017	15.1
	Project Design Advance for the CAREC Corridors 1 and 3 Connector Road Project	2016–2017	3.0
	CAREC Corridors 1 and 3 Connector Road Project, Phase 1	2017–2020	95.1
EBRD/EC	Road Rehabilitation (Osh–Batken–Isfana) Project	2008–2013	54.4
EDB	CAREC Corridor 3 (Bishkek–Osh Road) Improvement Project, Phase 4	2014–2019	60.0
IsDB	Rehabilitation of Uzgen–Jalal-Abad Road Project	1999–2003	7.9
	Rehabilitation of Suusamyр–Talas–Taraz Road Project (1)	2004–2009	12.8
	Rehabilitation of Suusamyр–Talas–Taraz Road Project (2)	2008–2012	11.2
	Rehabilitation of Suusamyр–Talas–Taraz Road Project (3)	2014–2018	10.0
	Osh–Irkeshdam Road Reconstruction Project	2007–2010	17.3
	Road Rehabilitation (Osh–Batken–Isfana) Project	2014–2017	21.3
JICA	Road Rehabilitation Project (Bishkek–Osh)	1996–2001	28.0
	Second Road Rehabilitation Project (Bishkek–Osh)	1998–2005	40.8
	International Main Roads Improvement Project	2016–2020	116.5
PRC	Rehabilitation of Osh–Irkeshdam Road Project	2004–2005	7.2
	Rehabilitation of Osh–Sarytash–Irkeshdam Road ^a (1)	2008–2010	25.3

¹ The Arab Coordination Group comprises the Saudi Development Fund, Kuwait Fund for Arab Economic Development, Organization of the Petroleum Exporting Countries, and Abu Dhabi Fund.

Development Partner	Project Name	Duration	Amount (\$ million)
	Rehabilitation of Osh–Irkeshdam Road Project (2)	2008–2011	75.3
PRC (through China Exim Bank)	Rehabilitation of Bishkek–Naryn–Torugart Road Project	2011–2014	200.0
	Rehabilitation of Bishkek–Balykchi Road and Osh–Batken–Isfana Road Project	1998–2005	129.9
	Alternative North–South Road Project 1	2013–2017	400.0
	Alternative North–South Road Project 2	2013–2017	297.9
World Bank	Bishkek, Osh and Jalal-Abad Urban Infrastructure Project	1998–2005	22.0
	National Road Rehabilitation (Osh–Batken–Isfana) Project (1)	2010–2013	30.7
	National Road Rehabilitation (Osh–Batken–Isfana) Project (2)	2012–2015	16.0
	National Road Rehabilitation (Osh–Batken–Isfana) Project — Additional Financing	2010–2013	10.0
	Central Asia Road Links Program	2014–2018	45.2

ACG = Arab Coordination Group, ADB = Asian Development Bank, CAREC = Central Asia Regional Economic Cooperation, EBRD = European Bank for Reconstruction and Development, EC = European Commission, IsDB = Islamic Development Bank, JICA = Japan International Cooperation Agency, PRC = People's Republic of China.

^a According to the scheme "resource exchange for investment".

Source: Ministry of Transport and Roads (MOTR) of the Kyrgyz Republic and the Asian Development Bank.

3. In 2013, ADB and the EDB signed a cofinancing framework agreement (extended in 2016) which serves as a basis for cofinancing collaboration between two institutions for the CAREC Corridor 3 (Bishkek–Osh Road) Improvement Project, Phase 4 project and other future projects. ADB, EDB and IsDB have agreed to finance the CAREC 1 and 3 Corridors Connector Road Project. Other development partners have been also jointly financing road rehabilitation projects in the country. In general, development partners have been increasingly seeking and using cofinancing opportunities for road sector projects that demonstrates the growing collaboration between them.

B. Institutional Arrangements and Processes for Development Coordination

4. The development coordination mechanism among partners has been established through exchange of information, policy dialogue, and country portfolio reviews. Since the 2003 Rome Conference on Harmonization where the Kyrgyz Republic was chosen as a pilot country, key development partners in the country have been coordinating and/or harmonizing procurement procedures, financial management and monitoring, and the activities of project management units.

5. The Ministry of Finance synchronizes financial assistance from various partners, while the Investment Project Implementation Group under the Ministry of Transport and Roads implements projects. The ADB Kyrgyz Resident Mission has facilitated policy dialogue, programming, and project implementation since 2001. The government's objectives in the transport sector are: (i) rehabilitating five international transport corridors, including the project road; (ii) preserving and improving the network of hard-surface roads; (iii) ensuring transport independence of the country; (iv) completing the feasibility studies and commencing construction of the PRC–Kyrgyz–Uzbek Railroad and a railway branch connecting the north and the south rail systems in the Kyrgyz Republic; and (v) creating an air transport hub.

6. Development partners in the Kyrgyz Republic have had a long history of collaboration and coordination. As an example, the Joint Country Support Strategy, 2007–2010 was prepared by ADB, the Swiss Cooperation, the Department for International Development of the United Kingdom, United Nations agencies, and the World Bank Group. To further facilitate development coordination, the government requested a consultative conference with development partners in July 2013 to discuss and develop an indicative investment plan for

2013–2017. Development partners closely collaborated to prepare a transport sector background paper, with a list of proposed projects and activities with the focus on connectivity and sustainability. In October 2015 development partners and the Prime Minister of the Kyrgyz Republic agreed to advance road sector institutional reform to improve the country's road maintenance system and its financial mechanism. The development partners have been also collaborating in establishing the country's road asset management system with JICA being involved in developing bridges and tunnels asset management, the WB initiated the basic road asset database, and the ADB further developing the system. The Road Sector Development Strategy up to 2025 adopted in 2016 has been extensively discussed among development partners and their comments were duly incorporated. In 2015, ADB and the European Community organized a joint road safety workshop. ADB, being the leading institution in enabling PPP environment and legal framework in the country, works together with other development partners in preparing PPP projects in the transport sector. In 2017, ADB conducted two national conferences, one is for the development of the road sector and another is for road safety, with active participation of development partners in presentations and discussion.

7. On the regional level, the CAREC Program (of which the Kyrgyz Republic is an active member) serves as a development coordination institution. ADB acts as the transport sector secretariat, taking the lead in the CAREC Program, for transport, customs cooperation, and trade facilitation. The CAREC Program helps the government through the CAREC Transport and Trade Facilitation Strategy, which presents a shared vision of transport and trade facilitation development across the region, to strengthen ties with its neighbors.

C. Achievements and Issues

8. **Achievements.** Coordination among development partners on the operational level has been improving. Since 2011, development partners hold regular meetings of the Donors Transport Working Group, which consists of major multilateral and bilateral donors. ADB and JICA co-chair meetings wherein development partners share information on their activities and discuss the most important issues in the sector in order to work out a coordinated approach and donors one voice. Government officials are invited to discuss the government's strategy and policy in the sector and development partners' contribution to help the government develop the transport sector.

9. **Issues.** Despite the Joint Country Support Strategy, the Donors Transport Working Group, and the CAREC mechanisms to coordinate donor involvement, not all development partners are included or proactive in these joint activities. The Arab Coordination Group, Islamic Development Bank, and the People's Republic of China are not yet represented in the Donors Transport Working Group. To achieve effective development coordination and coherent policy design, it is recommended that all donors are included.

D. Summary and Recommendations

10. Development coordination practices in the Kyrgyz Republic are well advanced under mechanisms such as the Donors Transport Working Group and CAREC. ADB's intervention through the government priority investment projects will advance the government's key development objectives and make overall development partner assistance more effective. ADB should continue to take the lead in assisting the government in sector's reform and institution capacity strengthening.