

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,¹ the Asian Development Bank (ADB), the Government of the People's Republic of China (PRC), the European Bank for Reconstruction and Development, the Eurasian Development Bank (EDB), the Islamic Development Bank, the Japan International Cooperation Agency, and the World Bank. They help develop sector policies and the regulatory framework, reconstruct and rehabilitate strategic roads and regional corridors, and facilitate cross-border agreements.

2. From 1996 to May 2014, ADB financed 11 road projects with loans and grants totaling nearly \$452 million. During the same period, other development partners have provided about \$630 million to finance another 17 projects. These projects are listed in the table 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	66.2
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
EBRD/EC	Osh–Isfana Road Upgrading Project	2008–2013	54.4
EDB	CAREC Corridor 3 (Bishkek–Osh Road) Improvement Project, Phase 4	2014–2019	60.0
IDB	Rehabilitation of Uzgen–Jalal-Abad Road Project	1998–2005	10.0
	Rehabilitation of Suusamyr–Talas–Taraz Road Project	2004–2009	10.0
	Rehabilitation of Suusamyr–Talas–Taraz Road (Phase II) Project	2008–2009	11.2
	Osh–Irkeshtam Road Reconstruction Project	2007–2010	17.3
	Rehabilitation of Bishkek–Naryn–Torugart Road Project	2014–2017	80.0
JICA	Road Rehabilitation Project	1996–2001	28.0
	Second Road Rehabilitation Project	1998–2005	40.8
PRC	Rehabilitation of Osh–Irkeshtam Road Project (I)	2004–2005	7.2
	Rehabilitation of Osh–Sarytash–Irkeshtam Road ^a (II)	2008–2010	25.3
	Rehabilitation of Osh–Irkeshtam Road Project	2008–2011	75.3
	Rehabilitation of Bishkek–Naryn–Torugart Road Project	2011–2014	200.0

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

Development Partner	Project Name	Duration	Amount (\$ million)
World Bank	Bishkek, Osh and Jalal-Abad Urban Infrastructure Project	1998–2005	22.0
	National Road Rehabilitation (Osh–Batken–Isfana) Project	2010–2013	41.0
	National Road Rehabilitation (Osh–Batken–Isfana) Project	2010–2013	10.0
	—Additional Financing		

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

^a According to the scheme “resource exchange for investment.”

Sources: Ministry of Transport and Communications of the Kyrgyz Republic and the Asian Development Bank.

3. During the ADB annual meeting in India in May 2013, ADB and the EDB signed a cofinancing framework agreement that serves as a basis for cofinancing collaboration between two institutions for the CAREC Corridor 3 (Bishkek–Osh Road) Improvement Project, Phase 4, as well as for other future projects. In general, development partners have increased efforts to seek out and use cofinancing opportunities for road sector projects, which demonstrates their growing collaboration.

B. Institutional Arrangements and Processes for Development Coordination

4. A development coordination mechanism between development partners has been established for the exchange of information, policy dialogue, and country portfolio reviews. Since the 2003 Rome Conference on Harmonization, when 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, and the investment project implementation group under the Ministry of Transport and Communications implements all transport and road projects. ADB's resident mission has facilitated policy dialogue, programming, and project implementation since 2000. The government's national strategy of sustainable development for 2013–2017 set five objectives for the transport sector: (i) rehabilitating five international transport corridors, including the corridor of which the project road is a part; (ii) preserving and improving the network of hard-surface roads; (iii) ensuring the country's transport independence; (iv) completing feasibility studies for and starting construction of a PRC–Kyrgyz Republic–Uzbekistan 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. For example, a joint country support strategy for 2007–2010 was prepared by ADB, the Department for International Development of the United Kingdom, the Swiss Agency for Development and Cooperation, United Nations agencies, and the World Bank Group. To facilitate greater 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 that focused on connectivity and sustainability.

7. At the Central Asia regional level, the Kyrgyz Republic is an active member of the Central Asia Regional Economic Cooperation (CAREC) program, which serves as the region's

development coordination mechanism. ADB acts as the CAREC transport sector secretariat, taking the lead in the CAREC program on cooperation in transport, customs, and trade facilitation. Through the CAREC Transport and Trade Facilitation Strategy, the CAREC program helps the government strengthen ties with its neighbors. The midterm review of the strategy completed in 2013, and the Kyrgyz Republic and all other participating countries reaffirmed their commitment to regional cooperation.

C. Achievements and Issues

8. **Achievements.** Coordination between development partners on the operational level has been improving. Major multilateral and bilateral development partners have held regular meetings of a transport working group since 2011. ADB, the EDB, and the Japan International Cooperation Agency co-chair meetings at which development partners share information on all their activities and discuss the most important sector issues to develop a coordinated approach. The government and its officials are invited to discuss the government's transport strategy and policy and to indicate how development partners can help develop the sector.

9. **Issues.** Not all development partners are included in some of the joint activities, e.g., the transport working group and the CAREC mechanisms to coordinate development partner involvement. For example, the Arab Coordination Group, the Islamic Development Bank, and the PRC are not yet represented in the transport working group. To achieve effective development coordination and coherent policy design, it is recommended that all development partners be included.

D. Summary and Recommendations

10. Development coordination practices in the Kyrgyz Republic are working well under mechanisms such as the transport working group and the CAREC program. 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.