

Country Progress Report

Kyrgyz Republic



8th TSCC Meeting
24-25 June 2009
Ulaanbaatar, Mongolia

Contents

- **Major Transport and Trade Facilitation Sectors Progress**
- **Status of Investment and Technical Assistance Projects**
- **Follow-up Actions**

Major Transport and Trade Facilitation Sectors Progress

National Transport Facilitation Committee (NTFC)

The National Council for Trade and Transport Facilitation of the Kyrgyz Republic (established in January 2008)

- The key objectives: to promote a single state policy on trade and transport regulations, simplification of trade and transport procedures, user-oriented infrastructure development, a single state database on economic entities, and "single window" and "one-stop shop" for traders.
- Chaired by the Prime Minister.
- Includes high-level government officials from relevant key ministries and agencies.
- The Council has had no meetings since its establishment.
- So, the Government issued a resolution transferring the chairmanship from the Prime Minister to the Minister of Economic Development and Trade in the National Council on 21 February 2009.

Major Transport and Trade Facilitation Sectors Progress

Road Sector Development Strategy

- Updated in 2008.
- The strategy is part of
 - the Road Development Program in the Kyrgyz Republic (2009–2011) and
 - the National Development Strategy for 2009–2011.
- The strategy is for approval.

Major Transport and Trade Facilitation Sectors Progress

National Development Strategy for Transport Infrastructure

- Includes rehabilitating six road segments and constructing a railway line such as
 - Osh- Sary Tash–Irkeshtam (258 km),
 - Suusamyр–Talas–Taraz (199 km),
 - Bishkek–Naryn–Torugart (539 km),
 - Sarytash–Karamyk (136 km),
 - Osh–Batken Isfana (385 km),
 - Karakol–Tup–Kegen (76 km), and
 - a railway (People's Republic of China [PRC]–Kyrgyz Republic– Uzbekistan).

Major Transport and Trade Facilitation Sectors Progress

National Development Strategy for Transport Infrastructure

Civil Aviation Subsector

- Modernize
 - Manas (Bishkek),
 - Osh (south), and
 - Issyk-Kul (north) airports.

Major Transport and Trade Facilitation Sectors Progress

Cross-border agreement (CBA) between TAJ, KGZ, and PRC

- CBTA preparation is ongoing.
- ADB is supporting the negotiations.
- CBA will
 - facilitate the smooth cross-border movement of people and goods and
 - remove non-physical barriers to regional trade and transport along the CAREC Corridors 2, 3b, and 5.
- The Kyrgyz Government established the working group for drafting the CBA in 2007.

Major Transport and Trade Facilitation Sectors Progress

Important initiatives

- include
 - the introduction of new approaches for public private partnership (PPP),
 - a law on toll roads, and
 - the development of a new concept for Road Fund.
- Approved the law on toll roads on 5 November 2008.
- The law is for consideration by the Parliament.
- Ministry of Economic Development and Trade prepared a draft PPP law with ADB support.
- Government expects the PPP law approval with 2009.

Major Transport and Trade Facilitation Sectors Progress

Customs Reforms

- Focuses on
 - simplifying and streamlining administrative procedures for foreign trade and
 - introducing advanced information technologies and “single window” principles for cross-border operations.
- Approved the introduction of the “single window” principle in foreign trade (June 2008).
 - designing the single window will take about 1 year.
 - integrating the customs information system for about 2 years.
 - The first pilot joint KAZ and KGZ customs control started at the cross-border points of "Aisha Bibi" (KAZ) and "Chon-Kapka" (KGZ) on 24 December 2008.

Major Transport and Trade Facilitation Sectors Progress

Simplified Transit Guarantee System

- Developed the concept of safe-packet as a simplified transit guarantee system (2008)
 - to prevent non-authorized inspections by customs and other controlling bodies,
 - to reduce the transportation time, and
 - to replace commercial and support documents for customs clearance.
- ADB confirmed financing of 20,000 safe-packets for the first phase of the pilot project.

Status of Investment and Technical Assistance Projects

Roads

- KGZ IP 1: Bishkek–Torugart Road Rehabilitation (new to ongoing)
 - Project status has been changed from new to ongoing project.
 - Project is proceeding well.
 - The ADB grant of \$20 million was approved in 2008.
 - ADB financing of \$50 million is expected in 2009 for the road segment 440–538 km.
 - Negotiations with IDB and Arab Coordination Group are in progress for co-financing the road segment 265–400 km (\$75 million in 2009).
 - Negotiation is also ongoing with Export-Import Bank of China for financing up to \$200 million the remainder of the Bishkek-Torugart road.

Status of Investment and Technical Assistance Projects

Roads

- KGZ IP 2: Southern Transport Road Rehabilitation (Osh-Sary Tash-Irkeshtan)
 - Project is proceeding well.
 - Actual financing totals about \$159 million (as of February 2009), comprising ADB (\$32.8 million), IsDB (\$17.3 million), Export-Import Bank of China (\$75 million), and PRC (loan: \$25.3 million and grant: \$9 million).

Status of Investment and Technical Assistance Projects

Roads

- KGZ IP 3: CAREC Regional Road Corridor Improvement (Sary Tash-Karamik) (new to ongoing)
 - Project is proceeding well.
 - ADB grant (\$25.6 million) was approved in 2007.
 - Preconstruction work was completed in 2008 and actual construction started in early 2009.

Status of Investment and Technical Assistance Projects

Railways

- **KGZ IP 4: Electrification of Lugovaya–Bishkek (Alamedin) Railway**
 - Programmed for 2015–2017.
 - The Kyrgyz Temir Joly proposed the changes in the project title **Electrification of the Lugovaya–Bishkek (Alamedin) Railway.**

Status of Investment and Technical Assistance Projects

Railways

- KGZ IP 5: Track Rehabilitation (Chaldovar-Balykchy)
 - Programmed for 2011–2014.
- KGZ IP 6: Equipment Purchase for Wagon Repair and Maintenance Facility
 - Programmed for 2011–2012.

Status of Investment and Technical Assistance Projects

Airports

- KGZ IP 7: Rehabilitation of Osh Airport
 - Programmed for 2011–2012.
 - New project cost is estimated at \$112 million, according to the feasibility study prepared by the RGP Kazaeroproject in January 2009.
 - The estimate does not include the equipment of the SE “KAN” (Kyrgyz Air Navigation) yet.
 - Prepared project documents for upgrading lighting and signaling equipment of the Osh airport, according to the ICAO Category (CJSC “Aerolight – St.Petersburg.”
 - The feasibility study for the reconstruction of the Osh International Airport (RGP Kazaeroproject) was also prepared.

Status of Investment and Technical Assistance Projects

Airports

- KGZ IP 8: Kyrgyz Air Traffic Control Capacity Enhancement
 - New project cost estimate is \$23 million:
 - \$12 million for the Manas airport and
 - \$11 million for Osh and Issyk-Kul airports
 - Programmed for 2010–2014

Corridor Performance Measurement and Monitoring Activities

- Traffic volumes along CAREC corridors are:
 - Chaldovar–Trogart (CAREC Corridor 1c): 2,800 AADT
 - Chaldovar–Osh (CAREC Corridor 3b): 2,040 AADT
 - Karasuu–Irkeshtam (CAREC Corridor 2): 2,070 AADT
 - Irkeshtam–Karamyk (CAREC Corridor 5): 281 AADT
- Corridor Performance Measurement and Monitoring Activities started in March

2009

Follow-up Actions

- Expedite the work of the National Council for Trade and Transport Facilitation
- Identify and obtain financing for projects in railway transport and civil aviation subsectors, which are still pending due to the lack of financing
- Monitor the CAREC corridor performance and monitoring activities regularly
- Introduce the public private partnership (PPP) approaches to the transport sector,
 - particularly the PPP experience in other countries, general understanding of PPPs, selection and evaluation of PPP projects, and mechanism of road tolls.



Thank you