

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: CWID

TA No. 4444-KGZ: Improving Road Maintenance and Strengthening the Transport Corridor Management Department			Amount Approved: \$800,000	
			Revised Amount: \$800,000	
Executing Agency: Ministry of Transport and Communications		Source of Funding: JSF	Amount Undisbursed: \$ 75,449.68	Amount Utilized: \$ 724,550.32
TA Approval Date: 23 November 2004	TA Signing Date: 1 February 2005	Fielding of First Consultants: 21 Aug 06	TA Completion Date Original: 28 February 2007 Account Closing Date Original: 28 February 2007	Actual: 31 May 2008 Actual: 19 September 2008
<p>Description</p> <p>The TA was piggybacked on L:2106-KGZ Southern Transport Corridor Road Rehabilitation Project which was approved in 2004, and will help Ministry of Transport and Communications (MOTC) improve maintenance of the Kyrgyz road network by (i) updating the existing corridor analysis including traffic projections and operation and maintenance costs; (ii) establishing and making operational the corridor department institutional structure and the corridor regional executive management agency; and (iii) establishing and making operational systems for setting and collecting tolls, financial management, maintenance management, procurement of maintenance equipment, and traffic facilitation.</p>				
<p>Expected Impact, Outcome, and Outputs</p> <p>The expected impact of the TA is to support the investment goal of promoting sustainable economic growth in the region and project area, thereby reducing poverty, increasing regional trade and cooperation. The expected outcome of the TA was the establishment of a self sustainable corridor department (road maintenance department) within the MOTC which would be able to identify, prioritize and implement maintenance operations within its road network. The TA had 3 main outputs: (i) proposals for improving utilization of the national road maintenance budget; (ii) an updated, accurate corridor analysis including traffic projections, operation and maintenance costs; and (iii) the establishment of an operational corridor department institutional structure and corridor regional executive management agency, system for (a) setting and collection of tolls, (b) financial management, (c) maintenance management, (d) procurement of maintenance equipment for the transport corridor, and (e) traffic facilitation.</p>				
<p>Evaluation of Outputs and Achievement of Outcome</p> <p>The Final Report of the TA was received by ADB in December 2007, 10 months after the original completion date of the TA. At contract negotiations the completion date based on the TOR was scheduled for 20 August 2007. Works under the TA were completed on schedule. However, during the final meetings and workshops held under the project, three-country support emerged to revive the trilateral agreement between the "southern corridor" countries for the transport of cotton from the Ferghana Valley to Kashgar via the Kyrgyz Republic. A minor change in scope due to the above was approved on 13 Sept. 2007 and the actual completion date was extended to 31 May 2008.</p> <p>The TA was under budget and as mentioned above, an additional task has been delineated under the TA to assist the governments of Kyrgyz Republic, Uzbekistan, and the PRC to implement a pilot transport project for 10,000 tons of cotton from Uzbekistan to the PRC. Initial meetings have been conducted under the budget of the TA and are continuing since the close of the TA.</p> <p>The TA was consistent with the Consultants' TOR. Written outputs were of satisfactory quality, and the TA met its objectives of strengthening maintenance capabilities of the MOTC. Data from the TA was also used for other ADB financed activities notably TA6309-REG and project preparation for G0084-KGZ.</p> <p>Proposals have been made within the final report on how to improve utilization of the national road maintenance budget, and implemented by the MOTC and government. Corridor analysis have also been established and computerized within the MOTC. Datas have been used in other ADB projects as mentioned above. Proposals for institutional support and training have been established and are currently under consideration by the MOTC in</p>				

establishing corridor department institutional structure vis-à-vis maintenance of the road network. A step by step approach is being taken by the MOTC using its current road projects (L:2106-KGZ, Southern Road Corridor Road Rehabilitation Project, G:0084-KGZ, CAREC Regional Road Improvement Project, and currently, the proposed Bishkek-Tourgart road rehabilitation project) to strengthen and improve its regional maintenance units within the corridor department.

The TA Consultants assisted the Government in preparation of a proposal on tolls and their collection and in developing mechanisms to ensure that payments for use of the road are only collected by the corridor authority, e.g., by linking this activity and the institutional structure.

Lastly, the TA developed the institutional aspects particularly those relating to the technical and financial issues set forth above. The Consultants described the present general patterns of commercial activity along the network and its organizational structures. It identified the legal framework under which the MOTC and the corridor management operate. They reviewed the principal legal instruments relevant to the network management, and to the financing of the management agency. The Final Report was thorough in identifying and describing opportunities and restraints. An action plan describes the evolution necessary to establish a Corridor Department structure as a working entity, starting from the present institutional situation and pattern of trade. It also proposed how to address impediments to traffic arising from the present management and control of cross border traffic. Enabling legislative and regulatory draft texts was prepared and submitted to the MOTC for preliminary approval.

The results of workshops, consultative meetings, and Consultant's observations on border crossing procedures are described in the Final Report. These include a detailed description of present traffic conditions and how it increase may be facilitated.

Overall Assessment and Rating

The TA is rated as successful. The project design was well thought out and the Consultants worked efficiently with the MOTC and developed an action plan proposed under the original TOR that was practical and relatively simple to implement leading to promoting the goals mentioned above. Extra funds were used to facilitate a regional cooperation project led by Kyrgyz government in regards to Uzbek cotton transshipment to the PRC.

Major Lessons

Establishment of a sustainable road maintenance arm of a country is complex and requires more than good consultants with experience and know-how; there also must be cooperation from the EA who is willing to listen and implement suggestions and closely coordinate with the Consultants during the actual development of the new methodology. A flexible TOR should be considered with room to change the scope during inception mission, in accordance with suggestions from both the EA and the Consultants. Successful implementation of a TA, which covers a strategic area will not only help the EA in achieving the TA's goals, but will also help ADB and its subsequent projects by providing information developed with the TA.

Recommendations and Follow-Up Actions

The MOTC has asked for ADB's continuing support with institutional building within the road maintenance program. Such support is currently being carried out by a maintenance investment project with pilot components of private sector participation on some sections of the road. However, there is limited know how on how to manage such entities within the MOTC. Follow up technical assistance may be useful in order to build capacity within the MOTC in dealing with maintenance contracts with third parties and private sector development within the sector itself.