

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. Major development partners in the Kyrgyz Republic's road subsector include the Arab Coordination Group,¹ the Asian Development Bank (ADB), the European Bank for Reconstruction and Development, the European Commission, the Eurasian Development Bank (EDB), the Islamic Development Bank (IDB), the Japan International Cooperation Agency (JICA), the Export-Import Bank of China, and the World Bank. These institutions help develop sector policies and regulatory and institutional frameworks, reconstruct and rehabilitate strategic roads and regional corridors, and facilitate cross-border agreements.

2. From 1996 to July 2016, ADB provided nearly \$470 million in loans and grants for 12 road projects in the Kyrgyz Republic; the other development partners (except the PRC) provided about \$580 million for 17 projects; and the PRC (including the China Exim Bank) provided \$1,135 million for 7 projects. The financing of these projects is outlined in the Table below.

Table: 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 Suusamyr–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
EBRD/EC	Project Design Advance for the CAREC Corridors 1 and 3 Connector Road Project	2016–2017	3.0
	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
IDB	Rehabilitation of Uzgen–Jalal-Abad Road Project	1999–2003	7.9
	Rehabilitation of Suusamyr–Talas–Taraz Road Project (1)	2004–2009	12.8
	Rehabilitation of Suusamyr–Talas–Taraz Road Project (2)	2008–2012	11.2
	Rehabilitation of Suusamyr–Talas–Taraz Road Project (3)	2014–2018	10.0
	Osh–Irkeshtam 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–Irkeshtam Road Project	2004–2005	7.2

¹ The Arab Coordination Group comprises the Saudi Fund for Development, 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–Sarytash–Irkeshtam Road ^a (1)	2008–2010	25.3
	Rehabilitation of Osh–Irkeshtam Road Project (2)	2008–2011	75.3
Export-Import Bank of China	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, IDB = Islamic Development Bank, JICA = Japan International Cooperation Agency, km = kilometer, Km = distance marker.

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

Source: The Kyrgyz Republic, Ministry of Transport and Roads; ADB.

3. In 2013, ADB and the EDB signed a cofinancing framework agreement (extended in 2016) for the Central Asia Regional Economic Cooperation (CAREC) Corridor 3 (Bishkek–Osh road) Improvement Project, Phase 4, as well as other future projects. ADB, the EDB, the IDB and the Saudi Fund for Development have agreed to finance the CAREC Corridors 1 and 3 Connector Road Project. Other development partners have also been jointly financing road rehabilitation projects in the country. Furthermore, ADB, the China Exim Bank, and the World Bank jointly fund the operation expenses of the Ministry of Transport and Roads’ project implementation unit. In general, development partners have been increasingly seeking and using cofinancing opportunities for road sector projects, demonstrating the growing level of collaboration between them.

B. Institutional Arrangements and Processes for Development Coordination

4. The development coordination mechanism among partners has been established, through the 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 have been coordinating and/or harmonizing procurement procedures, financial management and monitoring, and project management units’ activities.

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 National Sustainable Development Strategy 2013–2017² of the Government of the Kyrgyz Republic includes five objectives for the transport sector: (i) rehabilitating five international transport corridors, including the project road; (ii) preserving and improving the network of hard-surface roads; (iii) ensuring the country’s transport independence; (iv) completing the feasibility studies and commencing construction of the PRC–Kyrgyz Republic–Uzbekistan railroad, as well as a railway branch connecting the north and south rail systems in the Kyrgyz Republic; and (v) creating an air transport hub.

² Government of the Kyrgyz Republic. 2013. *National Council for Sustainable Development of the Kyrgyz Republic, National Sustainable Development Strategy for the Kyrgyz Republic, 2013–2017*. Bishkek.

6. Development partners in the Kyrgyz Republic have a long history of collaboration and coordination. For example, the Joint Country Support Strategy, 2007–2010 was prepared by ADB, the Swiss Cooperation, the United Kingdom's Department for International Development, United Nations agencies, and the World Bank Group. To facilitate further 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. The development partners collaborated closely to prepare a transport sector background paper, including a list of proposed projects and activities with a focus on connectivity and sustainability. In October 2015, the 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 financial mechanism. The development partners have been also collaborating to establish the country's road asset management system: JICA has been developing bridges and tunnels asset management, the World Bank initiated the basic road asset database, and ADB has been developing the system further. The development partners have extensively discussed the Road Sector Development Strategy, 2016–2025, and their comments have been incorporated. In 2015, ADB and the European Commission organized a joint road safety workshop. As the leading institution enabling a public–private partnership environment and legal framework in the country, ADB is working with other development partners to prepare public–private partnership projects in the transport sector.

7. At 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 through 2017, to strengthen ties with its neighbors.

C. Achievements and Issues

8. **Achievements.** At the operational level, coordination among development partners has been improving. Since 2011, the development partners have held regular meetings of the Donors Transport Working Group (DTWG), which consists of major multilateral and bilateral donors. ADB, the EDB, and JICA co-chair meetings in which development partners share information on their activities and discuss the most important issues in the sector to create a coordinated approach and unify the donors' voices. Government officials are invited to discuss the government's transport strategy and policy as well as the development partners' contribution to help the government develop the sector.

9. **Issues.** Despite the Joint Country Support Strategy, DTWG, and CAREC mechanisms to coordinate donor involvement, not all development partners are included or proactive in these joint activities. For example, the Arab Coordination Group, IDB, and PRC are not yet represented in the DTWG. To achieve effective development coordination and coherent policy design, it is recommended that all donors be included.

D. Summary and Recommendations

10. Mechanisms such as the DTWG and CAREC have significantly advanced development coordination in the Kyrgyz Republic. ADB's intervention through the government priority investment projects will further advance the government's key development objectives and make overall development partner assistance more effective. ADB should continue to take the lead in helping the government reform the sector and strengthen institutional capacity.