



Uzbekistan

48 Three Local Airports Modernization Project (1)(2)

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The project's objectives were to improve the function and safety of three major airports (Samarkand, Bukhara and Urgench) as international airports by up-grading and modernizing their facilities and thereby contribute to promote development of the nation's tourist industry, and contribute to acquisition of foreign currency and economic development in Uzbekistan.

Loan Amount/Disbursed Amount: 18,387 million yen / 17,822 million yen

Loan Agreement: December 1996, December 1999

Terms and Conditions: Interest rate, 2.7% (1)/2.2% (2); Repayment period, 30 years (grace period, 10 years); General untied

Final Disbursement Date: December 2001, January 2003

External Evaluator: Akira Maekawa (INTEM Consulting Inc.)

Field Survey: November 2003



Evaluation Result

Project outputs were adjusted based on their priority in view of budget constraints, but an additional loan was provided to cover additional rehabilitation work that was needed to deal with runway cracks caused by an abnormal cold wave, and the various improvements were completed almost as planned. The implementation period was longer than planned due to the additional runway rehabilitation work and the review of project outputs, but project costs were almost as planned. Although growth in tourist numbers has been sluggish due to the impact of September 11 (approx. 230 thousand), all three airports now meet the standards of the International Civil Aviation Organization (ICAO) and safety has improved. Further, the number of scheduled international flights increased from around 370 in 1996 to around 460 in 2002. The number of foreign tourists to the country increased from approximately 30 thousand in 1996 to around 87 thousand in 2002, which is contributing to the development of Uzbekistan's tourist industry. GRDP (Gross Regional Domestic Product) in the three regions in which the airports are located has increased by 2-7% year on year (national GDP growth: 4%), which is believed to be making a certain

contribution to economic growth in these regions, which have a combined population of approximately 4.84 million (Samarkand: approx. 2.32 million; Bukhara: approx. 1.32 million; Urgench: approx. 1.2 million; versus Fukuoka Prefecture: approx. 5 million). There are no problems with the technical, institutional or financial capabilities of Uzbekistan Airways - the project's executing agency. In order to boost passenger numbers, it is hoped that efforts will be made to develop the tourist industry in the three areas and that the schedules of international carriers will be reviewed.

Third-Party Evaluator's Opinion

In this project, three local airports which are lead to the ancient cities were modernized. It would make changes in the tourist development, and the modernized airports would be available and would certainly contribute into the economic growth if safety matters were solved.

Third-Party Evaluator: Ms. Flora Salikhova

Obtained a master's degree in economics from Colorado University. Presently holds the post of Senior Teacher, Department of International Economics, University of World Economy and Diplomacy. Specializes in international economics and macroeconomic.

Samarkand Airport control tower and terminal building



Uzbekistan is the epicenter of Silk Road tours and has a wealth of world-class tourist attractions.

About the ICAO

The International Civil Aviation Organization (ICAO) is a specialized agency related to the United Nations that was created with the signing of the Convention on International Civil Aviation (commonly referred to as the Chicago Convention: 187 member states); it is headquartered in Montreal, Canada. It was established with the aim of ensuring the safety and regulatory development of international civil aviation; its activities include ensuring the safety of international aviation, strengthening security measures, and environmental protection; it also establishes the legal framework for international civil aviation regarding compensation liability for passengers and parties on the ground in the event of accident, creates guidelines relating to the economic regulation of international air transport, audits the civil aviation safety monitoring systems of contracting states, and provides a diverse range of technical cooperation. It has been the played main role for the development of the world's civil aviation industry.