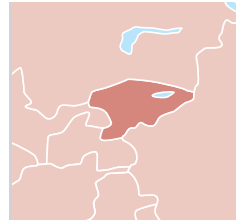




Asia Kyrgyz Republic



# Bishkek-Osh Road Rehabilitation Project (I) (II)

Contribution to the revitalization of local economics and year-round transportation safety assurance through rehabilitation of an arterial road connecting two major cities

## [External Evaluator]

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### Rating

Effectiveness, Impact	a	Overall Rating <b>B</b>
Relevance	a	
Efficiency	b	
Sustainability	b	

### Project Objectives

To enhance the efficiency and safety of road transportation by partially rehabilitating an artery road connecting Bishkek and Osh and procuring necessary equipment for maintenance, thereby contributing to economic development in the Kyrgyz Republic. The targeted section of the road is the 166 kilometers out of approximately 619 total kilometers that required immediate rehabilitation.

### Outline of the Loan Agreement

- Loan amount / Disbursed amount:
  - (I) 3,016 million yen/ 2,533 million yen,
  - (II) 5,250 million yen / 5,050 million yen
- Loan agreement:
  - (I) March 1997, (II) October 1998
- Terms and conditions:
  - (I) 2.3% interest rate; 30-year repayment period (including a 10-year grace period); general untied
  - (II) 1.8% interest rate; 30-year repayment period (including a 10-year grace period); general untied, [consulting service: 0.75% interest rate; 40-year repayment period (including a 10-year grace period); bilateral tied]
- Final disbursement date: (I) June 2002, (II) December 2006
- Executing agency: Ministry of Transport and Communications (MOTC)
- Website URL: <http://www.mtk.kg/>



Improved road (the Kok Bel Pass)

## Effects of Project Implementation (Effectiveness, Impact)

Although it was highly difficult for passenger vehicles to pass through the nation's mountainous path due to challenging road conditions before the project, the number of passenger vehicles surged drastically after the project completion. The project reduced the travel time (e.g. Toktogul – Karakul: 96km) by nearly 50% from more than 4 hours to 1 to 2 hours. Further, the project reached the expected outcomes for reduction in travel cost and average annual daily traffic volume that increased from less than 700 vehicles/day to approximately 2,000 vehicles/day. Particularly, conditions in winter months prominently improved as the project enhanced the accuracy of avalanche forecasts as well as reduced the time required for disaster rehabilitation by installing a satellite communication system in the capital Bishkek and at four other road maintenance offices.

Given increases in both the volume of international cargo and traffic, including construction materials from Russia and Kazakhstan and agricultural products from the south to Bishkek, the rehabilitated road is gaining international significance.

A beneficiary survey demonstrates the project's impact, suggesting that 70 to 80% of the respondents were satisfied in terms of employment opportunities and income increases. The project also contributed to improving access to the nation's social services such as hospitals. Although an increase in traffic accidents is a concern of residents along the road, this project has largely achieved its objectives and its effectiveness is high.

## Relevance

Due to the Kyrgyz alpine topography, steep mountains of 3,000 meters in altitude lie between the two principal cities located in north and south of the country. The Bishkek-Osh Road is a major artery road, linking the northern and southern regions without passing through the neighboring country of Uzbekistan. Since hydropower resources, a major export of Kyrgyz Republic, are concentrated in an area along the Bishkek–Osh Road and some hydroelectric power plants are planned to be constructed in the vicinity of this area, the project was highly prioritized.

In addition to the need for foreign technology, the Asian Development Bank and Islamic Development Bank provided financial aid for zones other than those covered by the Japanese ODA Loan. This project has been highly relevant with Kyrgyz Republic's national policies and development needs at the times of both appraisal and ex-post evaluation.

## Efficiency

Although project cost was mostly as planned, project period was significantly longer than planned, therefore the evaluation for efficiency is moderate. Factors causing the delay include design changes to enhance safety, natural disaster, economic crisis, and procurement delay due to border closure.

## Sustainability

Although capacity development by the project on the engineers of executing agency was recognized, some problems have been observed in terms of operation and management capacity, such as difficulty to identify the actual conditions accurately as various data (e.g. traffic volume and equipment control) were not consistent, therefore sustainability of the project is fair.

## Conclusion, Lessons Learned and Recommendations

In light of the above, this project is evaluated to be satisfactory. However, as the number of traffic accidents has doubled from 49 cases in 2002 to 98 cases in 2007, further cooperation between the executing agency, transport police, and related parties must take place in the future to strengthen countermeasures and prevent traffic accidents.

\*All ex-post evaluation reports including this can be referred to in JICA's website, "Evaluations"→"Ex-post Evaluation (ODA Loan)" ([URL:http://www.jica.go.jp/english/operations/evaluation/oda\\_loan/post/](http://www.jica.go.jp/english/operations/evaluation/oda_loan/post/))