

Signing of Japanese ODA Loan Agreement with the Kyrgyz Republic: Strengthening the capacity to transport people and goods domestically and internationally

On October 26, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Kyrgyz Republic in the capital city, Bishkek, to provide a Japanese ODA loan of up to 11.915 billion yen for assistance for the International Main Roads Improvement Project with Japanese Prime Minister Shinzo Abe in attendance. This is the first Japanese ODA loan to the Kyrgyz Republic in 16 years.

This project will provide improvements to a 47-kilometer interval on an international trunk roadway connecting Osh, Batken and Isfana in the southern part of the Kyrgyz Republic, and carry out disaster risk reduction measures (tunnel construction, falling rock countermeasures and landslide prevention) on an international trunk roadway connecting Bishkek and Osh, a core city in the south. These measures will improve the road transportation capacity and safety in the Kyrgyz Republic, thereby facilitating domestic and international transportation and contributing to economic growth. The loan funds for this project will be allocated to public works, including road improvements, bridge replacement, tunnel construction, and falling rock and landslide measures, and to consulting services, including procurement assistance and construction supervision. Special Terms for Economic Partnership apply to the Japanese ODA loan for this project, and Japanese technology will be used for the disaster risk reduction measures and bridge portions of this project.



After the signing ceremony

Located inland, the Kyrgyz Republic is a mountainous country separated into northern and southern parts by high mountains. About 34,000 kilometers in length, the road network acts not only as economic infrastructure for the movement of people and goods within the country and for trade with neighboring countries, but also plays an important social role. The Osh-Batken-Isfana road is the most important trunk road in the south, connecting to the Bishkek-Osh road in the east and the Tajikistan border in the west, but since the Kyrgyz Republic became independent from the Soviet Union, the road has not had adequate repairs and has deteriorated. The Bishkek-Osh road connects Bishkek in the north with Osh, the country's second largest city which is located in the south, but transportation along the route is often obstructed by landslides, avalanches and other problems in the mountains.

This project will improve the Osh-Batken-Isfana road where deterioration has progressed and the Bishkek-Osh road where natural disasters frequently impede traffic, stimulating domestic transportation and trade with neighboring nations, which is expected to lead to economic growth and economic stimulation in the Kyrgyz Republic.

Japan provides Japanese ODA loan assistance, grant aid and technical cooperation for the road sector in the Kyrgyz Republic. Projects relating to the current project include the Project for the Capacity Building of Road Maintenance in the Kyrgyz Republic, a past technical cooperation project, and the Project for Capacity Development for Maintenance Management of Bridges and Tunnels, currently in progress. The maintenance and management capacity that have been developed through these projects will be applied to the present project. As part of grant aid, Japan has provided road maintenance and operation equipment in every region of the country, except Batken Region, and that equipment will be used to maintain and operate the infrastructure developed by this project. Since 2008, JICA has dispatched road administration advisors to the Ministry of Transport and Communications, and coordination with the current advisor is planned.

This new Japanese ODA loan is the first in 16 years to the Kyrgyz Republic since fiscal year 1999, but when President Almazbek Atambayev visited Japan in February 2013, he and Japanese Prime Minister Shinzo Abe held talks during which they agreed on the need to accelerate the formation of strategically important projects toward resuming Japanese ODA loans for the Kyrgyz Republic. This ODA loan is a result of that agreement.

Reference

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
International Main Roads Improvement Project	11,915	0.1*	0.01	40	10	Japan tied

* Special Terms for Economic Partnership (STEP) apply.

2. Executing Agency

Ministry of Transport and Communications
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3. Planned Implementation Schedule

- (1) Completion of project: March 2021 – when the facilities are put into service
- (2) Issuing of letters of invitation for consulting services (including detailed design work): November 2015
- (3) Tender announcement of initial procurement package for international competitive bidding on project construction:
Procurement package title: Construction work of Osh-Batken-Isfana Road
Release date: September 2017

4. JICA Contact Information

For further information about the procurement schedule, please contact the party listed below.
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