

Tajikistan Road Maintenance Development Project

OSCE Conference, Dushanbe
October 23, 2007



Tajikistan Road Maintenance Development Project

BACKGROUND

- *The length of Tajikistan's public road network is approximately 26.300 km, comprising 4.978 km of republican roads and about 21.300 km of local roads.*
- *The Ministry of Transport and Communication of the Republic of Tajikistan (MoTC) in practice has assumed responsibility for about 13.600 km, including 8.600 km of important local roads.*
- *Most roads were constructed before 1970 and maintenance virtually ceased following the collapse of the Soviet Union.*
- *Therefore, 70% of the road network assessed as being in "poor" condition.*



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Slide 2

- P9** Increase in volume yes,
however be aware that MEI project Khujand water was signed in 2004
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FINANCIAL HIGHLIGHTS AND INVESTMENTS

- *Tajikistan, supported by IFIs and bilateral donors, is currently investing around US\$ 500 million for rehabilitation and construction of its road network.*
- *The same time, inadequate road maintenance may cause Tajikistan to lose road assets in excess of around US\$ 50 million.*
- *The existing fleet is now insufficient to operate and expensive to maintain as the average fleet age is between 10-20 years.*
- *Road maintenance expenditure in 2006 was about 43% of the total MoTC annual budget.*
- *Estimated required minimum annual expenditure on road maintenance in Tajikistan is about US\$ 47 million.*
- *Annual expenditure in excess of US\$ 135 million would be needed to remedy progressively the backlog rehabilitation.*



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GOVERNMENT STRATEGY IN THE TRANSPORT SECTOR

- *The Government of Tajikistan has initiated the transition to a market economy through greater commercialization of transport services, and separation of regulatory and operational functions of the sector.*
- *The Government has expressed its intention to privatize the road construction and related activities in the future.*
- *Sector policy for transport states that the sector should be developed on the basis of market-oriented reforms and restructuring to improve efficiency.*
- *The strategy to be further elaborated by the Transport Sector Master Plan, which is supported by technical assistance from the Asian Development Bank and the Government of Japan.*
- *The document to be approved by the Government in 2008.*



Slide 3

- P1** the bar chart does not reflect the ABV, there must be a mistake as it shows that Turkmenistan did more business than Tajikistan. Clearly the tajik colour does not correspond to the ABV as there is no increase in 2005 and the figure is lower than KYR and TURK
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Slide 4

- P8** Increase in volume yes,
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EBRD INVESTMENT PROGRAM

- Total Road Maintenance Development Project cost is estimated at US\$ 6.6 million.
- Financed by: EBRD – US\$ 4 million loan; Government of the Netherlands – US\$ 2 million investment grant; EBRD ETC Multi-Donor Fund – US\$ 675 000 technical cooperation grant.
- Two main transition goals:
 1. Promote institutions and policies that promote market functioning. Preparation of the **Road Maintenance Management Plan** to be undertaken and will include the following: (i) planning, programming and implementation of road maintenance activities; (ii) equipment management and operation; and (iii) medium term investment program for equipment renewal.
 2. Increase competition in the Project sector by introduction of more commercial operation of the road maintenance equipment fleet.
- Investment component includes procurement of a number of basic items of road maintenance equipment which are currently lacking in MoTC's fleet.



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TRANSITION IMPACT POTENTIAL

Indications of transition progress in the transport sector of Tajikistan are the following:

- The Government has begun to corporatise MoTC's non-core activities in preparation for future privatization;
- IFI's and bilateral donors regional road reconstruction programs provide a demonstration of the principles of open tendering and transparent project management;
- Government is interested in launching tenders for maintenance of sections of the republican road network representing a potentially fundamental change in the way the MoTC manages the road network.



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