

## "Construction of an alternative tunnel at the Too-Ashuu pass"

## Description of the project

The Bishkek-Osh highway, 672 km long, is the only communication route between the northern and southern regions of the country and is strategically important. This road is part of an international transport corridor. At the 129th kilometer, it passes through the tunnel named after. K. Kolbaeva

Construction of this tunnel along the Bishkek-Osh highway at an altitude of 2,200 meters above sea level, which is 1,000 meters below the existing tunnel of K. Kolbaev, will provide the Kyrgyz Republic with an alternative road tunnel with a higher capacity.

According to preliminary calculations, the cost of building an alternative tunnel along the Bishkek-Osh highway will amount to 300 million US dollars.

At present, about 2.5 billion US dollars have been attracted for the rehabilitation and construction of roads in the country under the guarantees of the Government of the Kyrgyz Republic.

## General information

**Industry:** Transport

Public partner: Ministry of

Transport and Communications of the Kyrgyz

Republic

**Location:** Zhayil district, Chui

region

Project cost: Approximately

300 million USD

Model: DBFOT

Agreement term: 30 years

At the same time, for the complete completion of the rehabilitation of highways of international importance, an additional 400.0 million US dollars will be required. In this regard, the construction of an alternative tunnel along the Bishkek-Osh highway is advisable to implement as a PPP project, and return the investment through payment for travel through the tunnel. With a reasonable tariff policy, the project's payback period, according to preliminary calculations, will be about 30 years.

The most suitable model for the construction of an alternative tunnel seems to be the DBFOT model. According to this model, a private partner, based on a PPP agreement, participates in the project from the design stage to financing, the construction of a tunnel and payment collection points, and the creation of an appropriate IT infrastructure, an automated electronic system, operational management and further transfer to the state.

In conditions of insufficient budgetary funds, lack of sufficient experience in implementing similar projects, lack of expertise and a team, the choice of the DBFOT PPP model seems to be the optimal solution.

**Status:** By order of the Cabinet of Ministers of the Kyrgyz Republic, a procedure for direct negotiations on a PPP project was initiated. Interested parties are being sought to participate in the direct negotiations procedure.

Preliminary financial indicators		Information about the planned tunnel	
NPV	9 299 106	Height:	2 200 m. Above sea level
IRR	11.05%	Length:	11 km

The difference in fuel consumption of a car over 10 tons



34 km (up to 2 hours)



11 km (11 minutes)

ДОКУМЕНТ ПОДПИСАН ЭЛЕКТРОННОЙ ЦИФРОВОЙ ПОДПИСЬЮ

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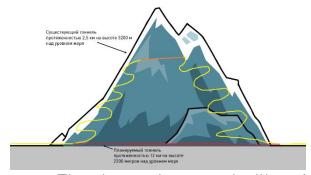
PPP Center announces the initiation of the PPP project "Construction of an alternative tunnel at the Too-Ashuu pass"



In accordance with the order of the Cabinet of Ministers of the Kyrgyz Republic dated November 3, 2022 No. 597-r, the PPP project "Construction of an alternative tunnel at the Too-Ashuu pass" was initiated. Attracting an investor for the implementation of this project is expected through direct negotiations.

This project is aimed at creating an alternative tunnel at the Too-Ashuu pass on the Bishkek-Osh highway, which is the only land connection between the northern and southern regions of the country and part of the international transport corridor.

The length of the alternative tunnel will be about 12 km (the length of the existing tunnel is 2.5 km) and it will be located at an altitude of 2200 m. which is 1000 meters lower than the existing tunnel.





The alternative tunnel will avoid the serpentine at the entrance and exit of the existing tunnel and reduce the distance of 34 km to 11 km, reduce the time to pass the existing tunnel and serpentine from 2 hours to 11 minutes. and the spent fuel for trucks from 17 liters to 3.6 liters.

According to preliminary data, the amount of investment in the project will be about 300 million US dollars, and the implementation period will be ДОКУМЕНТ ПОДПИСАН 30 years.

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The PPP Center, together with the Ministry of Transport and Communications of the Kyrgyz Republic, is working to attract interested parties to implement the project, and negotiations are currently underway with interested investors from Turkey, India and other countries.

In addition, the preparation of an invitation to participate in the direct negotiations procedure has begun, which will be posted on the official websites of the PPP Center and the Ministry of Transport and Communications of the Kyrgyz Republic.

If you are interested in participating in the direct negotiations procedure for this project, please contact the PPP Center by phone +996 (312) 61-11-29 or by mail "center@ppp.gov.kg".

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