

New Road Project May Bring New Problems and Create Animosity Instead of Fostering Regional Development

Position Statement by Kazakh and Kyrgyz NGOs

Background

The European Bank for Reconstruction and Development has demonstrated its interest towards financing a road building concession in the sector connecting two Central Asian states, Kazakhstan and Kyrgyz Republic. The planned road would connect Almaty (Kazakhstan) and Cholpon Ata (Kyrgyz Republic) via Uzunagash and Balykchi, potentially making access of tourists to resort areas of the Lake Issyk-Kul shorter and more comfortable.

On 12 March 2007 the transport ministries of two countries were discussing the project in detail during a special meeting in Almaty. The EBRD representatives were also present. The Bank was willing to offer a technical assistance grant to prepare a feasibility study of the project. From the start it was suggested by the Kazakh side that the new road should be built on a concession basis. Revenues of a potential private concessionaire will be guaranteed by a collection of road fees (in the amount of \$ 25-30 per vehicle). An estimated cost of the project will be \$3.5 million per one kilometer of the entire road length of 88 km. The road traffic is projected in the amount of 10,000 vehicles per day.

While no final decision has been made by any of the two sides (in Kyrgyz Republic as well as in Kazakhstan), the project attracted significant attention in Kyrgyz Republic. The public already expressed concerns, and on 23 April 2007 Akbar Jighitov, department head of the Kyrgyz State Agency on Tourism, warned against hasty decisions with regard to all road building projects on the territories adjacent to national reserves and protected zones.

NGOs of the two countries are closely watching developments around road building and would like to use all opportunities to express certain views and concerns so that the EBRD could address the most controversial issues we are presenting below.

Issues Related to Environmental Protection

While many customers and ordinary people in Central Asia would undoubtedly welcome infrastructure development (including road networks and rehabilitation of transport systems), they cannot ignore dangerous repercussions of environmental degradation. Before the collapse of the Soviet Union (in late 80-es of the previous century), there happened a serious accident in a close proximity to the area of a projected road construction that would pass near a tailing zone of more than 80 thousand cubic meters of radioactive sand that had spilled during exploitation of the Ak-Tyuz uranium deposit in the Kichi-Kemin area of the Chui Region (Kyrgyz Republic). Despite non-disclosure practices of the Soviet period, serious efforts had been undertaken to assess negative effects of the spill. But due to general neglect and lack of sufficient financing to deal with environmental problems during first years of independence, no sufficient measures had been undertaken to fully rehabilitate the tailing site. As of now the situation is frozen by remoteness of that area, scarce population and lack of any industrial activity. Undoubtedly, any big road-building project in that area would negatively affect nature and could trigger all kinds of environmental degradation. A status of a no-go zone must be retained for this dangerous and remote area for centuries ahead.

Another problem might arise if a potential project promoter would plan expansion of the existing two-lane road to motorway standards. The mountain sector of the existing road passes through a narrow gorge; any further expansion may cause landslides and inevitable environmental degradation. This should be strictly prohibited. In our opinion, the EBRD should abstain from any recommendations to expand the mountain sector of the road.

We regard a projected traffic capacity of the proposed road (10,000 vehicles per day) as absolutely unacceptable, potentially harmful for the fragile mountain environment and threatening to biodiversity of the State Issyk-Kul Reserve. Cumulative impacts of road construction/usage and heavy anthropogenic effect of big masses of tourists arriving to the protected area of the Issyk-Kul are inconsistent with public commitments to preserve this vulnerable ecosystem intact for future generations.

In our view, the EBRD should 1) evaluate the project's potential environmental/social risks and impacts in its area of influence; 2) consider project alternatives; 3) identify ways of improving project selection,

siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse social or environmental impacts.

Issues Related to Social Justice

We are concerned that a potential private owner, whose understandable interest will be revenues generation as a guarantee of a project's financial sustainability, may implement a project without preliminary assessment of all negative effects. We, therefore, want to draw attention to the fact that customers' capacities (to pay road fees) significantly differ across the Kyrgyz-Kazakh border. By no means Kyrgyz citizens will be ready to pay \$25-30 per vehicle while traveling within boundaries of their own country. And this will be hard to accept for many Kazakh tourists as well. Any such arrangements by a project promoter will inevitably create animosity, nation-wide public discontent and ruin good intentions to foster regional cooperation. We are warning that it will be very difficult for citizens to support such a project and ultimately risk accessibility to their natural wealth – Lake Issyk-Kul.

Taking into view that no alternative routes exist (the only way from the Chui valley to the Issyk-Kul valley lies through the narrow Boom Gorge) for any motorway construction, even the most detailed Environmental Impact Assessment or the most representative public consultations are not going to find a solution to the problem described. Though the EBRD favours the approaches when new projects, properly structured, and supported by a thorough assessment of potential impacts on people and often highly sensitive ecosystems, can minimize the adverse impact on the environment and provide long term sustainable development of the local community, including financial benefits, the project under discussion cannot guarantee “fair play” for millions of Kyrgyz and Kazakh citizens who might find out one day that they cannot travel to the popular resort free of any charges imposed by a private investor.

Possible Solutions

Projecting of the construction of the 88 km-long road Almaty-Cholpon Ata (via Uzunagash and Balykchi) should be halted until reaching the following steps:

1. An overall strategic assessment should be carried out of all the plans for the construction of any new roads to the Lake Issyk-Kul. This assessment should include analysis of environmental and social impacts.
2. A detailed plan of rehabilitating the existing road Bishkek – Balykchi – Cholpon Ata – Karakol –Balykchi should be assessed as an alternative solution.

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