

**Dear Minister,
Dear Mr. Ojiro,
Mr. Ambassador,
Dear participants of the workshop!
Ladies and gentlemen,**

Let me adhere to the welcoming speech and express sincere gratitude to the ADB and JICA for assistance and initiative to conduct this workshop.

The topic of the speech -an issue of developing toll roads is the most urgent issue for all developing countries in particular for Tajikistan.

We all are familiar with the other countries practices by example of the People's Republic of China, Japan and other countries in toll roads introducing and maintenance.

This issue is timely and for our country where huge investments are allocated every year including concessional loans that are to be repaid for highway construction and rehabilitation.

Thereby, there is a need to consider an issue of introducing and use of the toll roads through practices of countries having similar income level as Tajikistan, i.e. CIS countries that geographical situation and living standards approximated to each other. However, this condition is dictated by the up-to-date thriving development growth of the bilateral and multilateral relations among countries and by desire for performing proper road maintenance for which enormous financial resources have been spent and that are to be complied with the international standards and requirements.

Up to this date, the similar mechanism of introducing fee collection system both in our country and on the territory of the entire CIS region has been never considered. At the initial stage, feasibility studies are developed in countries such as Kazakhstan, Kyrgyzstan and Russia and hereby it is planned to proceed to the project implementation.

The successful completion of the highway rehabilitation processes supposes improvement of the economic and geographical location, namely promotion of the traffic flow through the republic's territory. In addition, it is expected improvement of the social and economic conditions of the peripheral districts adjoining to these highways through smoothing negatively growing GDP per capita in regions inside the country.

In fact, car owner always and everywhere pays for using road network beforehand. It means generally accepted earmarked in national legislations of tens countries high-way taxes and fees, committed to the road funds.

The definition "Toll roads" (or «Toll Facilities») means "roads where the duty charged".

According to the classic guide «Highway Capacity Manual», introduction of the transport duties on the particular road section is an effective and break-even **instrument of the traffic management**, performing function of optimal accommodation of traffic on the parallel routes. As a rule, there three or more routes: two main roads by-passing localities (one of which is rather new and has better conditions) and another – local road, passing through these localities. Traffic Manager is interested in that the entire transit traffic will not seek for one –best road. For this purpose, the paid access is introduced. Thus, the inter-regional and international cargo transit and as well the passenger tourist traffic is put on the toll road arranged under highway standards and having adequate road capacity reserve.

Under such a scheme numerous toll roads are managed in Spain, Italy and France which provides trans-European automobile trucking, in particular.

However, low operation profitability of the toll roads has universal feature: as we already mentioned, any car owner pays for using a road network system in advance. Thereupon, inherently additional, one-time charge for traffic on the particular section of the road is only local regulating supplement to the general road taxation. From the legal point, collections widely applied in world practice from users of transit cargo motor transport are also justified; but the percentage of such cars in the general traffic is not significant, so problems of the road network development at the expense of this source cannot be addressed.

At present, it is a government that is engaged in road construction and maintenance in Tajikistan. And the government involves huge investments which are not always given as free assistance, and demand repayment on the grace period expiration.

In spite of the fact that the capital investments amounts, provided by the state budget annually makes over USD100 million, amount allocated for the maintenance of roads (in the entire republic) including wages, purchase of the required equipment and operation makes about USD 7,5 million (USD1 per person).

Moreover, main principles of market economy consist that the state, first of all, relies on the private initiative in its development processes.

It has been defined, private management is more effective than state one, any enterprise or infrastructure unit should have a particular owner (the proprietor or proprietors) who are personally interested in prosperity and development of their business.

Proposals of the most not indifferent people are based on these principles on introduction toll roads system in Tajikistan.

It would be desirable to give an example of some options of the project toll roads management:

1. The private sector/government partnership - introduction and performance of the toll road system by the external operator.
2. The public authority or an authorized public body which carries out and coordinates road management, and also arranges all procedures relating to the mechanism introduction.
3. Full highway privatization and transfer to the private sector.
4. Joint venture – the private and state enterprise, one of possible options for distribution of risks and expenses connected with the expected road.

Hence, a way out is in private initiative. And the private initiative, in its turn, is possible only under private benefit condition. Thereby, roads and territories adjoining to them should be owned by a proprietor and the proprietor should receive certain benefit. It is necessary to develop such legislation when it becomes profitable to construct roads.

The enterprises working in a roadside should pay not only taxes into the state budget, but as well pay the rent directly to the road owner where they are located and for which account they are enriched. Owners of the advertisements placed along the road, including on the building panes leaving on city streets should pay the rent defined by the legislation to the proprietor of that road section that they concern. It means that the entire roadside infrastructure will pay for the road availability and its maintenance. It is not difficult

to assume that the similar way of payment can bring to the road owner much considerable profits, than a direct fee for using road.

So, introducing this system, it is possible to assume the near-term outlook of the road development in our country that will provide proper maintenance of road lying on the international corridors, passing through the Republic of Tajikistan.

It would be desirable to mention that all innovations always and everywhere caused rough resonance, however in few years their efficiency will justify all initiators new ideas efforts.

So, for example, it has been recently submitted proposal to construct toll roads to the Government of the Russian Federation by the Ministry of Economic Development of the Russian Federation that has caused divergences of the public views.

Hence, I express confidence that efforts undertaken by the Government in respect of state-private partnership development will become an incentive to develop and improve economic situation of our country.

Thank You for Your attention.