



**Central Asia  
Regional Economic  
Cooperation**

# Brief: Transport Sector

## TRANSPORT

### I. STRATEGY AND PRIORITIES

The Central Asia Regional Economic Cooperation (CAREC) Program seeks to accelerate economic growth, poverty reduction, and efficient movement of people and goods by upgrading key transport corridors across the CAREC region.<sup>1</sup>

#### A. Goals and Objectives

The CAREC transport and trade facilitation strategy has three **goals**:

- Establish competitive transport corridors.
- Facilitate efficient movement through CAREC corridors and across borders.
- Develop sustainable, safe, user-friendly transport and trade networks.

The strategy has three key **elements**:

- coordinated improvements of transport infrastructure and trade facilitation;
- harmonized cross-border regulations, procedures, and standards along priority transport corridors; and
- significant and measurable reductions in transport costs and time for local, cross-border, and transit traffic and trade along the corridors.

#### B. Program Components

##### 1. Policy

CAREC member governments seek to provide safe, dependable, effective, efficient, and fully integrated transport operations and infrastructure to support social and economic development. This will be achieved by improving levels of service; minimizing costs; and improving infrastructure, management, and technology in an economically and environmentally sustainable manner. Transport systems will be made more efficient so that the CAREC region can exploit its unique geographical position.

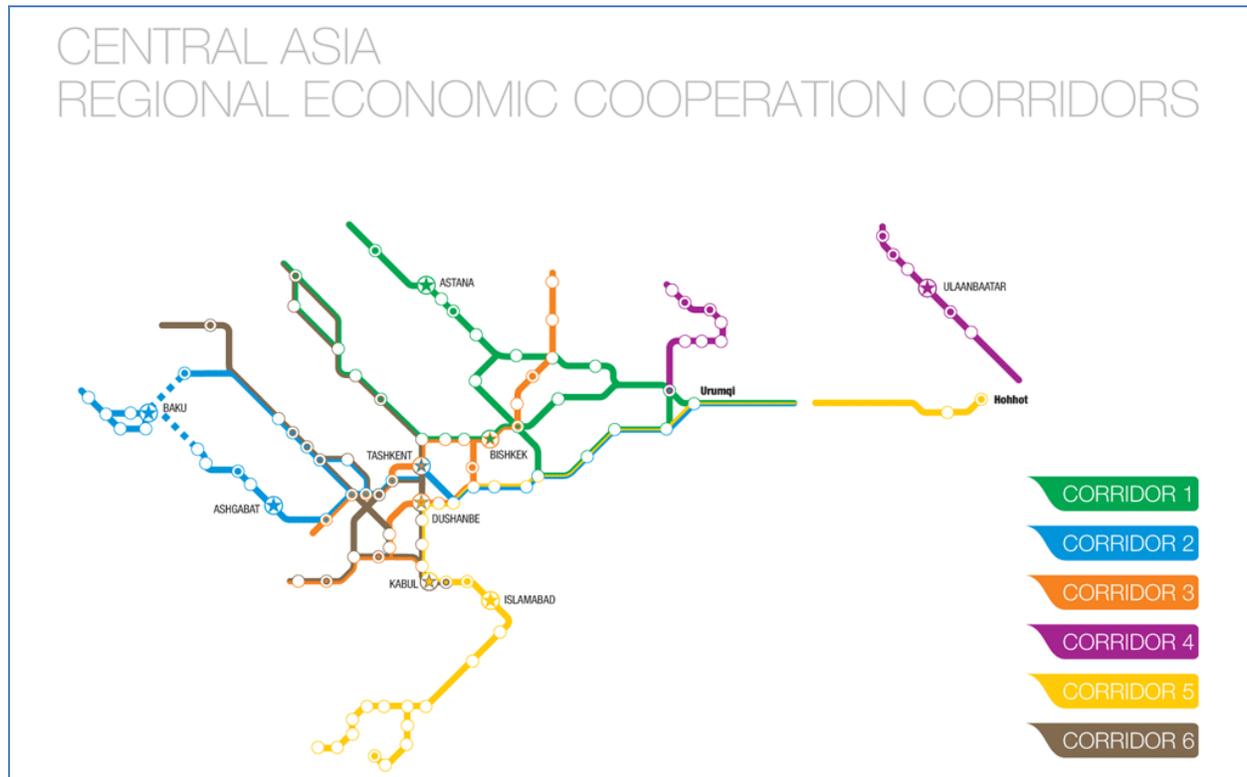
##### 2. CAREC Corridors

CAREC's selective corridor transport corridor approach reflects current and potential trade-flow patterns, concentrating resources for investment and operations, and focuses on infrastructure, management, and technology. The corridors, described below, were selected based the following criteria:

---

<sup>1</sup> Afghanistan, Azerbaijan, the People's Republic of China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

- current traffic volume;
- prospects for economic and traffic growth;
- ability to increase connectivity between regional economic population centers;
- prospects of mitigating delays and other hindrances such as the number of cross-border points and gauge changes; and
- economic and financial sustainability of infrastructure, management, and technology.



- **Corridor 1 (Europe–East Asia)** runs from the Russian Federation through Kazakhstan and the Kyrgyz Republic to the People's Republic of China (PRC), comprising 13,600 kilometers (km) of roads and 12,000 km of railways. Investments were identified to improve about 3,800 km of roads; 3,470 km of railways; 1 logistics center; and 3 airports.
- **Corridor 2 (Mediterranean–East Asia)** runs from Istanbul through Azerbaijan, Turkmenistan, Kazakhstan, Uzbekistan, Tajikistan, and the Kyrgyz Republic to the PRC, comprising 9,900 km of roads and 9,700 km of railways. Investments were identified to improve about 1,580 km of roads; 890 km of railways; 4 airports; and 3 ports.
- **Corridor 3 (Russian Federation–Middle East and South Asia )** comprises 6,900 km of roads and 4,800 km of railways, running from the west and south of Siberia in the Russian Federation through Kazakhstan, the Kyrgyz Republic, Uzbekistan, Tajikistan, and Afghanistan to the Middle East and South Asia. Investments were identified to improve 1,555 km of roads; 1,022 km of railways; and 3 airports.

- **Corridor 4 (Russian Federation–East Asia)** comprises 2,400 km of roads and 1,100 km of railways, and serves as a trade route from the Russian Federation through Mongolia to the PRC. Investments were identified to improve 1,980 km of roads; 250 km of railways; 2 airports; and 6 logistics centers.
- **Corridor 5 (East Asia–Middle East and South Asia)** comprises 3,700 km of roads and 2,000 km of railways, and runs from the PRC through the Kyrgyz Republic, Tajikistan, and Afghanistan to the Middle East and South Asia. Investments were identified to improve 970 km of roads, 46 km of railways, and 1 airport. Projects are being identified to extend the corridor to Pakistan—a new CAREC member—and on to the warm seaports in the Arabian Sea.
- **Corridor 6 (Europe–Middle East and South Asia)** comprises 10,600 km of roads and 7,200 km of railways, running from the Russian Federation through Kazakhstan, Uzbekistan, Tajikistan, and Afghanistan to the Middle East and South Asia. Investments are needed improve 2,490 km of roads, 1,200 km of railways, and 2 airports.

### C. Priorities

To upgrade the transport corridors and simplify and harmonize regulations that govern cross-border trade, the implementation action plan gives priority to about 70 physical and 52 nonphysical investments, including construction and improvement of some 8,380 km of roads, 5,300 km of railway lines, 5 airports, 3 ports; and 6 logistics centers.

## II. KEY ACHIEVEMENTS

### A. Policy

- Lessons from other regions show that better physical transport connectivity is not sufficient to increase trade and investments. Equally, if not more, important are measures to mitigate the nonphysical barriers to cross-border movement of goods, vehicles, and people. These include restrictions on the entry of motor vehicles, often causing costly and time-consuming transshipment; different standards pertaining to vehicle size, weight, safety requirements, and driver qualifications; inconsistent and difficult formalities related to customs procedures, inspections, clearances, and assessment of duties; and restrictive visa requirements. Measures to reduce such barriers are being planned and carried out.
- Cross-border transport operations are being made more efficient by removing legal, regulatory, administrative, documentary, organizational, and other bottlenecks. A tripartite agreement was recently signed by Afghanistan, the Kyrgyz Republic, and Tajikistan to facilitate transport along their road sections in CAREC Corridor 5.

- The hard and soft aspects of connectivity will help transform transport corridors into economic corridors. An economic corridor is a geographic area centered on a transport artery where commercial activities are concentrated, offering opportunities for business, tourism, and other socioeconomic activities. A study will start in 2012 to look into ways to develop economic corridors in the CAREC region.

#### B. CAREC Corridors (as of November 2011)

Corridor	Roads and Railway Completed
1: Europe–East Asia	Roads: 1,650 km (43%) Railways: 1,560 km (45%)
2: Mediterranean–East Asia	Roads: 940 km (59%) Railways: 210 km (82%)
3 Russian Federation–Middle East and South Asia	Roads: 1,270 km (81%)
4: Russian Federation–East Asia	Roads: 690 km (35%) Railways: 210 km (81%) PRC's Jining–Zhangjiakou railway completed
5: East Asia–Middle East and South Asia	Roads: 780 km (80%) Tajikistan's Dushanbe–Kyrgyz Republic Border Rehabilitation Phase II completed
6: Europe–Middle East and South Asia	Roads: 1,500 km (61%) Railway: 450 km (37%) Uzbekistan's Marakand–Karshi railway electrification project
<b>Total roads:</b> About 4,000 km or 49% of the total	
<b>Total railways:</b> About 2,240 km or 37%	

### III. FUTURE DIRECTIONS

#### A. Key Challenges

- **Need to identify new investments.** In November 2011, the CAREC ministers endorsed CAREC 2020<sup>2</sup> and approved its preliminary action plan of medium-term priority projects. These include new transport projects that form part of existing CAREC corridors. Given progress made in transport, as well as recent socioeconomic developments in CAREC and neighboring regions, CAREC members are expected to review the strategy and action plan and identify new investments to increase connectivity.
- **Inadequate road maintenance.** Poorly maintained roads constrain mobility, significantly raise vehicle operating costs, and increase accident rates. A well-planned road maintenance program is needed. Insufficient funding is allocated to

<sup>2</sup> CAREC 2020 serves as the program's strategic framework for 2011–2020.

maintaining transport infrastructure. While new roads are needed to establish road corridors, maintenance and new investments must be balanced.

- **Need to accelerate trade and transport facilitation.** With the considerable progress being made in rehabilitating sections of CAREC corridors, nonphysical barriers must be lowered quickly to maximize the benefits of infrastructure investments. Under CAREC 2020, trade and transport facilitation are prerequisites to develop economic corridors.

## **B. Milestones**

- Conduct the midterm review of the transport and trade facilitation strategy and action plan in 2012–2013 to update and refine CAREC's strategic and operational priorities, including future priority projects and initiatives.
- Expand work on transport facilitation by implementing the Afghanistan–Kyrgyz Republic–Tajikistan Cross-Border Transport Agreement and other corridor-based transport facilitation arrangements in CAREC.
- Implement projects endorsed by CAREC ministers after the midterm review of the strategy and action plan.
- Conduct training on key transport-related topics for transport sector focal points and other officials under the CAREC Institute.