



Reference Document  
For Session 1 of the Senior Officials' Meeting  
September 2015

# **Transport Sector Progress Report and Work Plan (2015–2017)**

**Senior Officials' Meeting  
Central Asia Regional Economic Cooperation  
23 September 2015  
Ulaanbaatar, Mongolia**



## **A. Introduction**

1. Work in the Transport Sector continues to be guided by the Central Asia Regional Economic Cooperation (CAREC) Transport and Trade Facilitation Strategy 2020 (TTFS 2020), anchored on three goals: (1) competitive corridors across the CAREC region; (2) efficient movement of people and goods through CAREC corridors and across borders; and (3) sustainable, safe, user-friendly transport, and trade networks.

2. To attain these goals, TTFS2020 places emphasis on three priority areas:

- (i) continued development of multimodal corridor networks;
- (ii) improving trade and border crossing services through coordinated border management, customs modernization, single window development, and integrated trade facilitation including Sanitary and Phytosanitary (SPS) reform and modernization; and
- (iii) improving operational and institutional effectiveness through improved road safety and maintenance practices, piloting of designated rail corridors (DRCs), and various policy reforms to facilitate transport efficiency gains.

3. The Transport Sector Coordinating Committee (TSCC) is implementing activities under (i) and (iii) above, while the Customs and Cooperation Committee (CCC) focuses on (ii). The scope of this report is aligned with that of the TSCC. The report updates the 2014 Transport Sector Progress Report and Work Plan (2015–2017) which was presented and endorsed at the 14th Transport Sector Coordinating Committee (TSCC) Meeting in Ulaanbaatar, Mongolia and subsequently at the Senior Officials' Meeting (SOM) in Bangkok, Thailand in June 2015. The report is also aligned with the 2014 CAREC Development Effectiveness Review (DEFER). The report covers (i) progress in 2014 against the Results-Based Framework of TTFS 2020, (ii) further work conducted since the 14th TSCC meeting against the Work Plan (2015–2017), and (iii) issues for guidance by the SOM.

## **B. Progress in 2014 Toward the Results-Based Framework of TTFS 2020**

### **(i) Multimodal Corridor Development**

4. The originally identified six CAREC corridors comprise of approximately 24,000 kilometers (km) of expressways or national highways. In 2007, 36% of the identified CAREC roads were in bad condition, indicating that 8,640 km would be targeted for improvement to good condition by the end of 2017. This was to be accomplished by an annual improvement of 880 km in the years 2010 through 2012, and 1,200 km in the years 2013 through 2017. The initial strategy envisaged that 80% of the CAREC corridor roads, or an aggregate of 19,200 km, would be in good condition by 2013. This cumulative target was achieved.

5. In the TTFS 2020, the original six corridors have been extended, corridors have been more finely defined with respect to the various routes composing the corridors, and the results based framework has been modified. Resulting from these changes, the CAREC road corridor network is now estimated to reach 29,350 km by 2020 from 24,000 km by 2017.

6. Following the results-based framework and the Implementation Action Plan of the TTFS 2020, the three measurable targets to be achieved by 2020 for physical infrastructure include:

- (i) completion of 7,800 km of road construction or rehabilitation;
- (ii) 1,800 km of newly constructed railway track; and
- (iii) 2,000 km of renovated, electrified, or signalized railway track.

7. Overall, the TTFS 2020 and Action Plan continue to be implemented satisfactorily. Starting with linear projects (road and rail), the 1,450 km of expressways or national highways built, upgraded or improved in 2014 represent about 19% of the total 7,800 km corridor length identified for improvement by 2020. For railways, about 1,036 km of new railways were built in Kazakhstan and 317 km of railways were improved in Azerbaijan during 2014. Both road and railway exceeded the 2014 target. Table 1 shows the progress from 2008 to 2014 towards these goals. Figure 1 shows cumulative progress for road and rail as of 2014, as well as the length of each corridor yet to be completed if all the linear priority investment projects in TTFS 2020 are to be completed by 2020. Implementation of road and rail projects continues along all corridors while that for rail is advancing fastest along Corridors 1 and 2. Among all corridors, Corridor 1 is progressing fastest towards completion of road and rail projects planned under TTFS 2020. Corridor 4 is also progressing satisfactorily, while Corridors 2, 3, 5, and 6 have many ongoing projects that require acceleration in implementation.

8. In addition, thirteen non-linear projects (2 ports, 2 logistics centers, 3 border crossing points, and 6 civil aviation projects) are also being implemented. Table 2 shows the progress of these non-linear transport projects towards the goals set under the TTFS 2020.

9. In sum, progress satisfactorily continues in the implementation of road, rail, and non-linear (ports, logistics, border crossing points, and aviation) projects in the CAREC member countries. The major projects completed in 2014 include the improvement and expansion of the East-West Highway along Corridor 2 in Azerbaijan, the acquisition of large capacity ferries and roll-on/roll-off ships for the Azerbaijan Caspian Shipping Company, the construction of a ferry terminal in Baku International Trade Port Complex in Alyat, the construction of the Regional Road Development Project along Corridor 4b in Mongolia, and the Faisalabad-Gojra section between Torkham and Karachi in Pakistan (Corridors 5 and 6). However, during the 14<sup>th</sup> TSCC Meeting in Ulaanbaatar, Mongolia in April 2015, CAREC member countries noted that financing gaps remain large. Figure 1 also indicates that although satisfactory progress continues on the implementation of the physical investment projects, there is still room for further improvement in order to fully complete the linear priority investment projects planned under TTFS 2020.

10. In addition to the investment projects identified in the TTFS 2020, the CAREC Secretariat is reviewing proposals for new projects and is updating the list of Priority Investment Projects according to the procedures agreed at the 14th TSCC Meeting. The proposed new projects are being screened based on their potential to support TTFS 2020 goals and existing corridor development.

**Table 1: Progress of Multimodal Corridor Network Development (2008–2014):  
Linear Investment Projects**

Indicator	2008 Base- line Year	2011	2012	2013	2014	2014 Target	Progress
Annual expressways or national highways built or improved (km)	181	953	1,116	1,312	1,450	475	<span style="color: green;">G</span>
Cumulative proportion of total CAREC road corridor in good condition (%) <sup>a</sup>	64	75	79	85	74	70 <sup>b</sup>	<span style="color: green;">G</span>
Annual new railways built (km)	0	293	75	0	1,036	58	<span style="color: green;">G</span>
Annual railways improved (km)	251	1,014	60	0	317	30	<span style="color: green;">G</span>

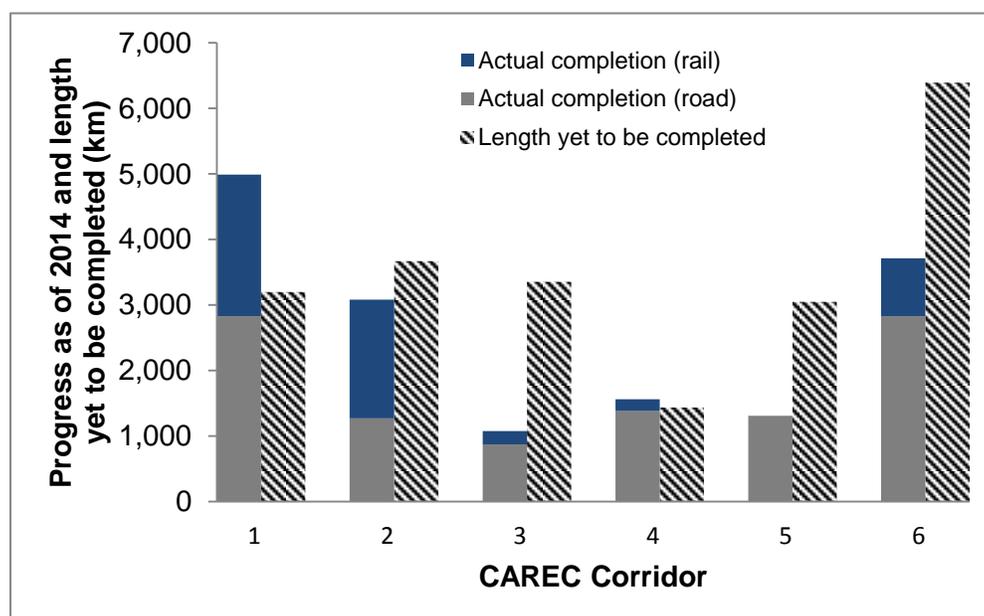
km = kilometers.

<sup>a</sup> Rephrased from “cumulative proportion of total CAREC corridor built or improved”. Note that this may overstate overall road condition due to deterioration on some road sections that were rated to be in good condition in 2007.

<sup>b</sup> TTFS 2020 aims to have at least 70% of the expanded road corridor (29,350 km) built or improved by 2020.

Source: Asian Development Bank. 2014 Central Asia Regional Cooperation Program Development Effectiveness Review (Draft).

**Figure 1: Transport Sector Progress and Length yet to be Completed, by Corridor and Mode (km)<sup>c</sup>**



km = kilometers.

<sup>c</sup> The length of corridor yet to be completed is in relation to full implementation of all priority investment projects (IP) in TTFS by 2020. Note that some projects lie on more than one corridor. Therefore, aggregation across the corridors will include double-counting.

**Table 2: Progress of Multimodal Corridor Network Development (2008–2014): Non-linear Investment Projects<sup>d</sup>**

Output Milestones/Indicators	Ongoing Projects	Progress
Five multimodal logistics center operational by 2020	✓ Two multimodal logistics centers in progress (LC Khorgos, LC Turkmenbashi)	
Completed at least five BCPs in the region improved by 2020	✓ Three BCP Improvement Projects in progress (BCP Improvement for Road Vehicles in (1) Karamyk, (2) Daut-Ata, and (3) Guliston)	

<sup>d</sup> LC = Logistic Center; BCP = Border Crossing Point.

### (ii) Operational and Institutional Strengthening

11. To fully realize CAREC's goal of expanded trade and improved competitiveness through competitive corridors, the refined TTFS 2020 emphasizes operational and institutional effectiveness to complement the development of physical investment projects. The TTFS identified road maintenance, road safety, the introduction of designated railway corridors, and improvement of policies and institution as the key areas to support in this regard.

12. To address these issues, two technical assistance (TA) projects were approved in 2014, namely (i) Regional Technical Assistance (RETA) 8804: Enhancing Road Safety for Central Asia Regional Economic Cooperation Member Countries and (ii) RETA 8789: Knowledge Sharing and Services in Transport and Transport Facilitation. In addition, RETA 8147: Facilitating Cross-Border Transport in the CAREC Region (Phase 1) continued to support CAREC's initiative to improve cross-border transport within the region.

13. **Road Safety.** The TTFS 2020 notes that it is economically and socially beneficial to invest in safety of the region's roads. It calls for the development of a regional road safety strategy, integration of safety into the design of each CAREC road project, and increased network sustainability through safety efforts. RETA 8804 aims to support these goals by (i) developing a CAREC road safety strategy; (ii) strengthening capacity of CAREC member countries to manage and coordinate road safety activities, including data collection and road collision research, improved engineering, education, and enforcement capacity; and (iii) integrating road safety evaluation tools into CAREC road projects.

14. **Knowledge Sharing and Services.** Acknowledging the importance of knowledge services and partnerships as necessary levers to propel TTFS 2020 implementation, RETA 8789 supports the generation, management and dissemination of knowledge on (i) multimodal connectivity, including logistics hubs and maritime links; (ii) designated rail corridor services; (iii) coordinated border management; (iv) transport facilitation; (v) public-private partnerships; (vi) asset management, including user charges and cost recovery; (vii) green freight and logistics; and (viii) project management.

15. **Transport Facilitation.** In 2014, RETA 8147 supported the ongoing Regional Improvement of Border Services (RIBS) project in Kyrgyz Republic and Tajikistan, which will improve physical infrastructure of border crossing points Karamyk (Kyrgyz Republic) and Guliston (Tajikistan). In parallel with physical border crossing infrastructure development, the RIBS project in both countries will help improve National Single Windows and support their integration with Customs Information Systems.

16. **Geographic Information System (GIS).** Achievements in operations and institutional strengthening in 2014 also include the development of a GIS-oriented database and data viewer to capture and share information on CAREC Transport corridors.<sup>1</sup> Detailed information on investment projects for two pilot countries (Afghanistan and Pakistan) was entered in the database in 2014. Future plans envision refining the GIS database by collecting more geographic information from the CAREC countries, verifying and monitoring information, and linking to other relevant data sources to create a “one-stop-shop” for transport data in the CAREC region.

17. The progress of the above operational and institutional strengthening initiatives towards the output milestones set by the results-based framework in TTFS 2020 is summarized in Table 3. The key activities undertaken to date show satisfactory progress towards the targets set by TTFS 2020.

### C. Transport Sector Work Plan for 2015–2017 and early progress

18. To support the full implementation of the TTFS 2020 through physical corridor development and complementary soft sector initiatives, the TSCC has agreed to a Transport Sector Work Plan (2015-2017) with focus on: (i) road safety, (ii) railways, (iii) road asset management (RAM), and (iv) transport facilitation. The Work Plan was endorsed at the National Focal Points’ Meeting in Ulaanbaatar, Mongolia in August 2015. The rationale for the four focus areas directly links to the CAREC TTFS 2020 Results-Based Framework as shown in Table 3. The Work Plan in its entirety can be viewed on the CAREC website<sup>2</sup> and a summary of its planned activities is given below.

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<sup>1</sup> The CAREC data viewer showing the six corridors in the 10 CAREC member countries and the investment projects in the two pilot countries, Afghanistan and Pakistan, can be viewed at:  
<http://www.arcgis.com/home/webmap/viewer.html?webmap=5d9dfd1aee4944a28e66c673d2b2c662&extent=30.2717,-0.1189,166.59,61.0433>.

<sup>2</sup> [http://www.carecprogram.org/uploads/events/2015/025-NFP-Meeting-Mongolia/Key-Documents/02%20Transport%20Draft%20Work%20Plan%202015\\_2017.pdf](http://www.carecprogram.org/uploads/events/2015/025-NFP-Meeting-Mongolia/Key-Documents/02%20Transport%20Draft%20Work%20Plan%202015_2017.pdf)

**Table 3: Specific Actions in Support of Priority area 3 “Enhanced Operational and Institutional Effectiveness”**

Topic	Key activities	Link to CAREC TTFS2020 DMF	
		Impact, Outcome , and Outputs	Output Milestones/Indicators
Road safety (RS)	<ul style="list-style-type: none"> <li>Ministerial Commitment (Sep 2015)</li> <li>RS Strategy (Sep 2016)</li> </ul>	<p>Impact: Expanded Trade and improved Competitiveness</p> <p>Outcome: Sustainable, safe, and user-friendly transport and trade networks developed in the CAREC region</p> <p>Outputs: Enhanced operational and institutional effectiveness</p>	Successful integration of road safety features into each CAREC road project
Road asset management	<ul style="list-style-type: none"> <li>Compendium of best practices on road asset management (2015-2017)</li> </ul>		CAREC road maintenance-related investment and technical assistance projects successfully completed
Transport facilitation	<ul style="list-style-type: none"> <li>Support for Freedom of Transit (2015-2017)</li> </ul>		Three performance-based maintenance contract programs initiated by 2020
Railways	<ul style="list-style-type: none"> <li>CAREC Railways Strategy Paper (Dec 2015)</li> <li>Freight Pilot Routes (2016)</li> </ul>		At least six transport and trade-facilitation capacity-building conducted annually

**(i) Road Safety**

19. An estimated 1.3 million people are killed, and up to 50 million injured, on the world’s roads every year. Traffic fatality rates in CAREC member countries range from 13.1 to 21.9 per 100,000 population, compared to about 10.3 per 100,000 population in high-income countries. In view of these challenges, and in line with the direction given in TTFS 2020, CAREC countries will firstly work to develop a high-level Commitment to Road Safety in CAREC, to be endorsed at the 14th Ministerial Conference in September 2015. The objective of the Commitment is to ensure strong political support on the issue of road safety across CAREC governments. The launch of the Commitment will be in advance of the 2nd High-Level Global Meeting on Road Safety taking place in Brazilia in November 2015, commemorating the mid-year of the UN Decade of Action on Road Safety. Guided by the Commitment, countries will develop a CAREC Road Safety Strategy by September 2016, which will direct future action on road safety at the country and regional level. Parallel to the development of the CAREC Road Safety Strategy, countries will engage in capacity development efforts to manage and coordinate road safety activities, including improved data collection and road collision research, improved engineering, education, and enforcement capacity. Countries will also start incorporating road safety features in CAREC investment projects.

## **(ii) Railways**

20. As prioritized in TTFS 2020, a relative shift in transport modality from roads to railway in CAREC will help achieve the goals of more efficiently expanding trade and improving regional competitiveness. However, most countries in the region now face quality and technology deficiencies in their railway infrastructure, as well as large maintenance backlogs. Some face serious capacity bottlenecks at key locations. To reconfirm these challenges and the need for action, the TSCC reviewed a CAREC Railways Issues Paper put together by the CAREC Secretariat at the 14th TSCC meeting. The TSCC decided to form a Railways Working Group (RWG) comprising focal point persons from each CAREC country as well as key development partners, dedicated to providing guidance on immediate and midterm actions for the development of railways within the TTFS 2020 framework.

21. Through the RWG, CAREC countries in 2015 will initiate background analysis to study the (potential) rail transport market in the region. Detailed consultations with each CAREC country will be undertaken to ascertain, among others, (i) existence of national railway strategies, (ii) future investment plans, and (iii) ongoing challenges. Based on these analyses and consultations, the RWG will initiate the drafting of a CAREC Railway Position/Strategy Paper, a draft of which is aimed to be completed by December 2015. The RWG will also further discuss how to pilot cross-border freight services, which is a first step toward operationalizing the concept of Designated Rail Corridors in TTFS 2020. Both the Position/Strategy Paper and pilot cross-border freight services will help prioritize and package future rail projects to be implemented under the CAREC Program.

## **(iii) Road Asset Management**

22. Many CAREC countries continue to face challenges in meeting adequate levels of financial and technical inputs in maintaining existing and new assets. Road asset management (RAM) was therefore identified as a key priority under the TTFS 2020. At a dedicated workshop on RAM following the 14th TSCC Meeting, CAREC member countries reconfirmed the importance of high-level political support for RAM. Good practice on RAM, including from Pakistan, was shared. Building on from this meaningful exchange, the TSCC endorsed the idea of producing a compendium of good practices on RAM in the CAREC region and beyond. To this effect, work will commence in 2015 to scope the existing situation in CAREC countries with regards to the use of RAM. Through this scoping exercise, best practices will be identified, and studied further. These will be documented, together with other case studies from other parts of the world, by 2016.

## **(iv) Transport Facilitation**

23. CAREC prioritizes freedom of transit principles along its main transport corridors. Most CAREC countries have endorsed agreements, according to which they commit to provide freedom of transit to sea ports and markets for their neighbors. For example, it is expected that by 2016 all CAREC countries will become members of the TIR Convention and by 2017, every CAREC member country will operationalize the TIR Convention, i.e., will be able to accept foreign trucks with TIR carnets and issue TIR carnets for national transport operators.

24. CAREC countries will continue to work together for effective implementation of multilateral road transport agreements facilitated through coordination workshops and other intergovernmental meetings. Knowledge acquisition and dissemination activities will be undertaken to facilitate decision making and planning priority actions by CAREC countries. Main

support will be provided for implementation of those agreements, which have been fully ratified by the governments and have (or will soon) become operational, such as the TIR Convention and the Quadrilateral Traffic in Transit Agreement. Support for implementation of cross-border transport facilitation agreements will be provided through regional and country-specific TAs in close coordination among CAREC development partners.

#### **(v) Implementation Arrangements**

25. The activities underlined in this Work Plan will be implemented through the close cooperation between CAREC countries, the CAREC Secretariat and development partners. CAREC countries will be engaged through focal points on (i) roads, (ii) railways, and (iii) transport and trade facilitation, who have been appointed after decision to do so at the 14th TSCC Meeting (Table 4). Implementation toward this work plan will be monitored and reported on a yearly basis, coinciding with the TSCC Meeting of each year. Updates will be given on a yearly basis reflecting necessary changes.

**Table 4: Transport Sector Work Plan Implementation Areas**

Roads	infrastructure investment, asset management, road safety
Railways	railway investment, institutional changes, multimodal logistics
Transport and trade facilitation	border crossing points, airports, ports, trade facilitation, knowledge management

#### **D. Key Issues for Guidance by the SOM**

26. The CAREC Transport Sector seeks the guidance of the SOM on the following:

##### **(i) Draft Commitment to Road Safety in CAREC**

27. The draft Commitment to Road Safety in CAREC, endorsed at the SOM in Bangkok, Thailand in June 2015, and revised based on CAREC member country feedback is being re-submitted to the SOM. Subject to final endorsement by the SOM, the Commitment will be forwarded to the Ministerial Conference (MC) for its endorsement.

28. A campaign on road safety is being launched by Mongolia starting at the SOM and MC. The SOM's support is sought in encouraging other CAREC member countries to replicate Mongolia's efforts in raising road safety awareness.