

CAREC Transport and Trade Facilitation Strategy

**Xiaohong Yang, Director
Consultation Meeting
27-28 September 2013
Bangkok, Thailand**



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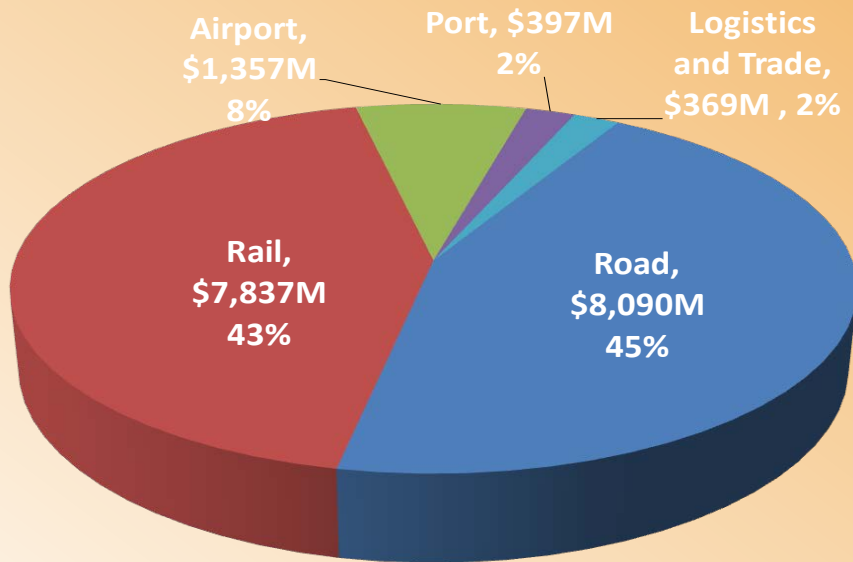
1. Approaches to the MTR
2. New Directions and Priorities of Refined Strategy
3. Next Steps
4. Issues for Discussions

Approaches to Midterm Review

- Refining and improving the existing strategy
- Drawing lessons learned based on the stock take from 2008 to 2013
- Responding to stakeholder consultations
- Upgrading of identified key transport corridors
- Simplifying and harmonizing regulations for cross-border trade.
- Formulating a Result Based Framework, with monitoring of time and cost indicators.

TTFS Allocation of Investment

(Total \$18 billion as of end 2012)



- ❑ Transport Projects are progressing well in expanding and improving transport networks
- ❑ There have been substantial reforms to customs laws and procedures.
- ❑ Capacity of transport and trade agencies are being strengthened

Lessons Learned and Operational Imperatives

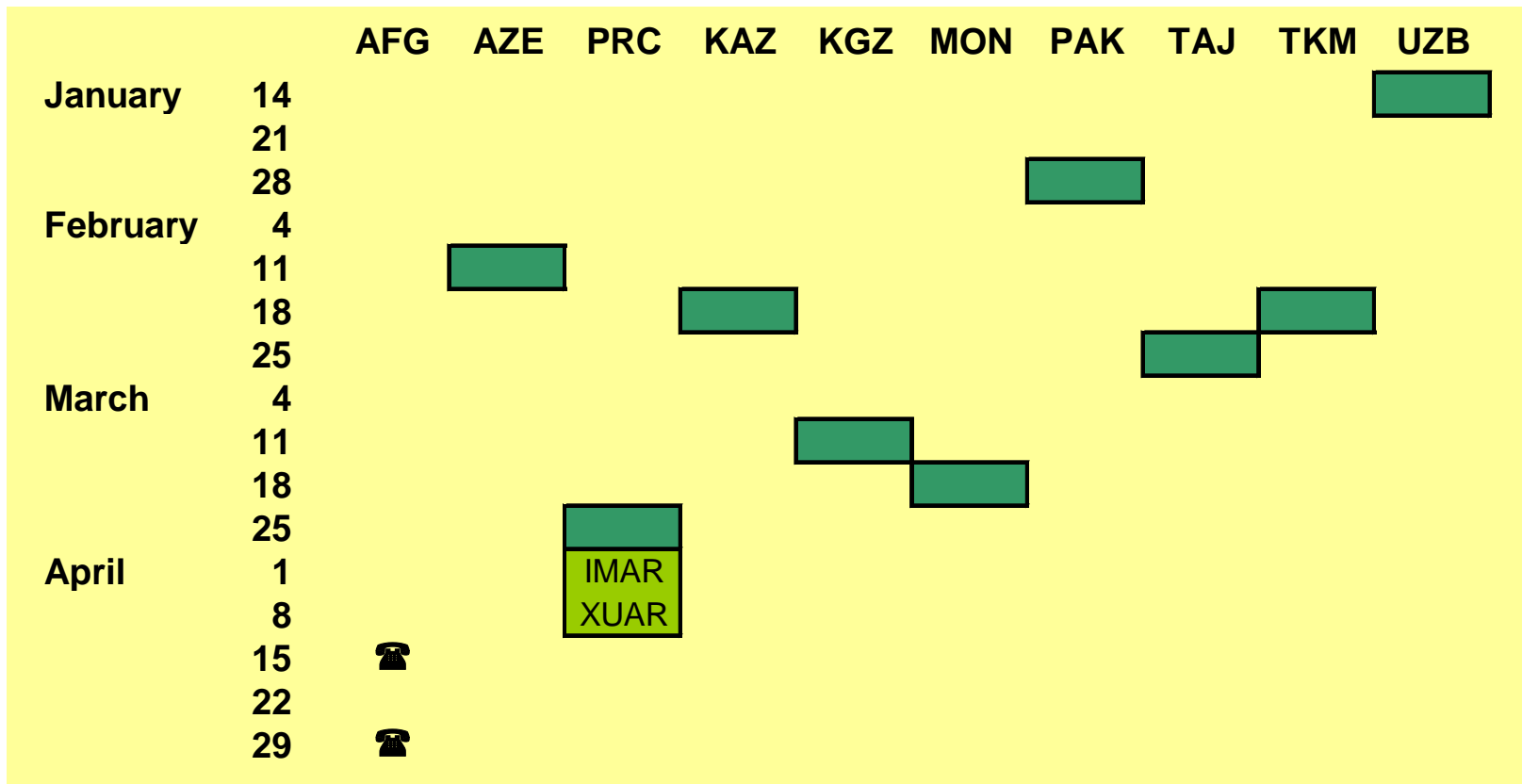
A clear lesson is that implementing infrastructure projects is easier than implementing the soft components, e.g.,

- Customs reforms
- Integrated Trade Facilitation
- Promoting private sector participation and developing PPP policies and procedures

Lessons Learned and Operational Imperatives

- Non Linear Projects will need more focus, e.g., logistics centers
- Effective and sustainable road maintenance
- Strengthen the National Joint Transport and Trade Facilitation Committees (NJCcs)
- Robust Results Monitoring Framework
- Reliable Data Collection
- Financing Gap

Consultations: Country Missions



Capital city



Provinces



Videocon



Global & Regional Challenges

- CAREC is operating in a rapidly changing global and regional environment.
- The rise of PRC economy has big impact on CAREC trade pattern.
- The dominance of the east-west corridors has been reduced.
- The Customs Union has changed patterns of trade.



Implications for TTFS

- More emphasis to north-south corridors, supported by the integration of PAK and TKM into CAREC.
- More emphasis on rail, as an inherently more efficient mode for long-haul freight transport.
- To promote intermodal transport and value chains, the region needs improved logistics.
- To be competitive, the corridors must be supported by efficient border management.
- Promote and operationalize cross-border transport agreements.

Draft TTFS 2020

Impact

- Expand trade and improve competitiveness

Outcomes

- Establish Competitive corridors across CAREC region
- Facilitate efficient movement of goods and people through CAREC corridors and across borders.
- Develop Sustainable, safe, user-friendly networks

Outputs

- Develop Multimodal Corridor Network
- Improve Trade and Border Crossing Network
- Improve Operational and Institutional Effectiveness

Results Oriented

Refined Outputs to achieve intended outcomes

Multimodal corridor network developed



Competitive corridors established across CAREC region

Trade and border crossing services improved



Efficient movement of goods and people facilitated through CAREC corridors and across borders

Enhanced operational and institutional effectiveness



Sustainable, safe, and user-friendly transport and trade networks developed for CAREC

Output Milestones and indicators

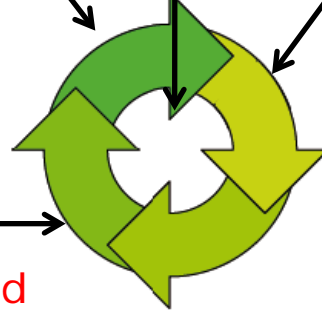
❖ Non-Linear

- Five (5) multimodal logistics center operational
- At least 5 regional border cross border points improved

❖ Trade and Border Crossing Services

- ✓ Eight CAREC countries acceded to Revised Kyoto Convention
- ✓ CBM fully implemented in three (3) countries
- ✓ Three (3) national single window facilities
- ✓ Regional SPS cooperation programs in line with international standards implemented in 5 countries

❖ Monitor Progress and Effects



❖ Linear

- Completed 7,800 km of roads and 1,800km new railways
- Completed 2,000km of railway track renovation, electrification or signalization

❖ Operational and institutional effectiveness

- ❖ Successful integration road maintenance and safety features under each CAREC road project
- ❖ At least 6 transport and trade facilitation capacity-building activities conducted annually

Corridor Extension



**Transport
Connectivity**

Development of connectivity with ports located inside and outside of CAREC



**Establish Efficient
Corridors**

Introduction of alternate routes to shorten journey time and distances on existing corridors



Remove bottlenecks

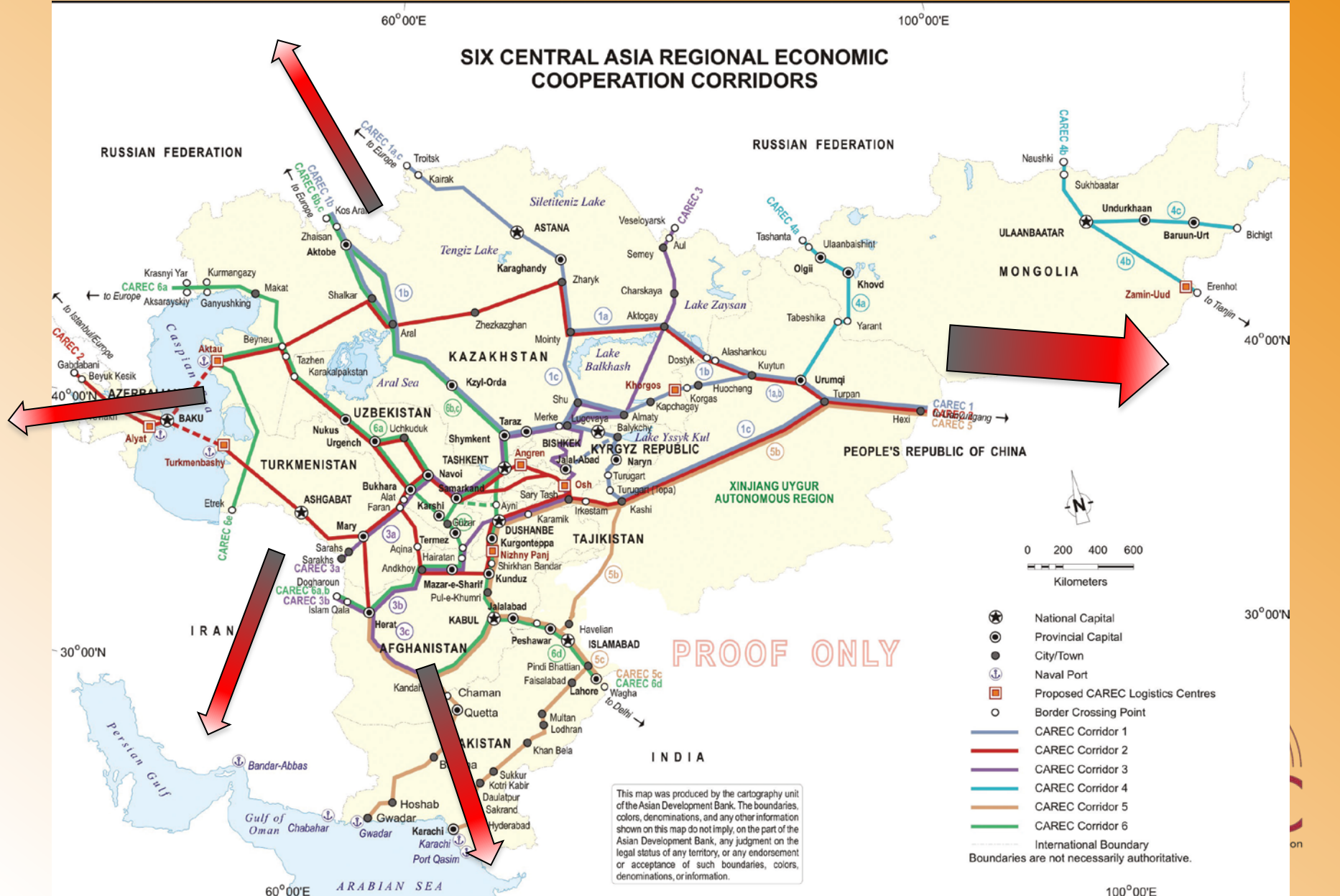
Development of missing links to increase geographical coverage and interconnectivity between corridors



Realize potential

Development of rail network serving corridors to realize the related advantage of rail transport for long distance and bulk transport

International Transit Corridors



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CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDOR EXTENSIONS

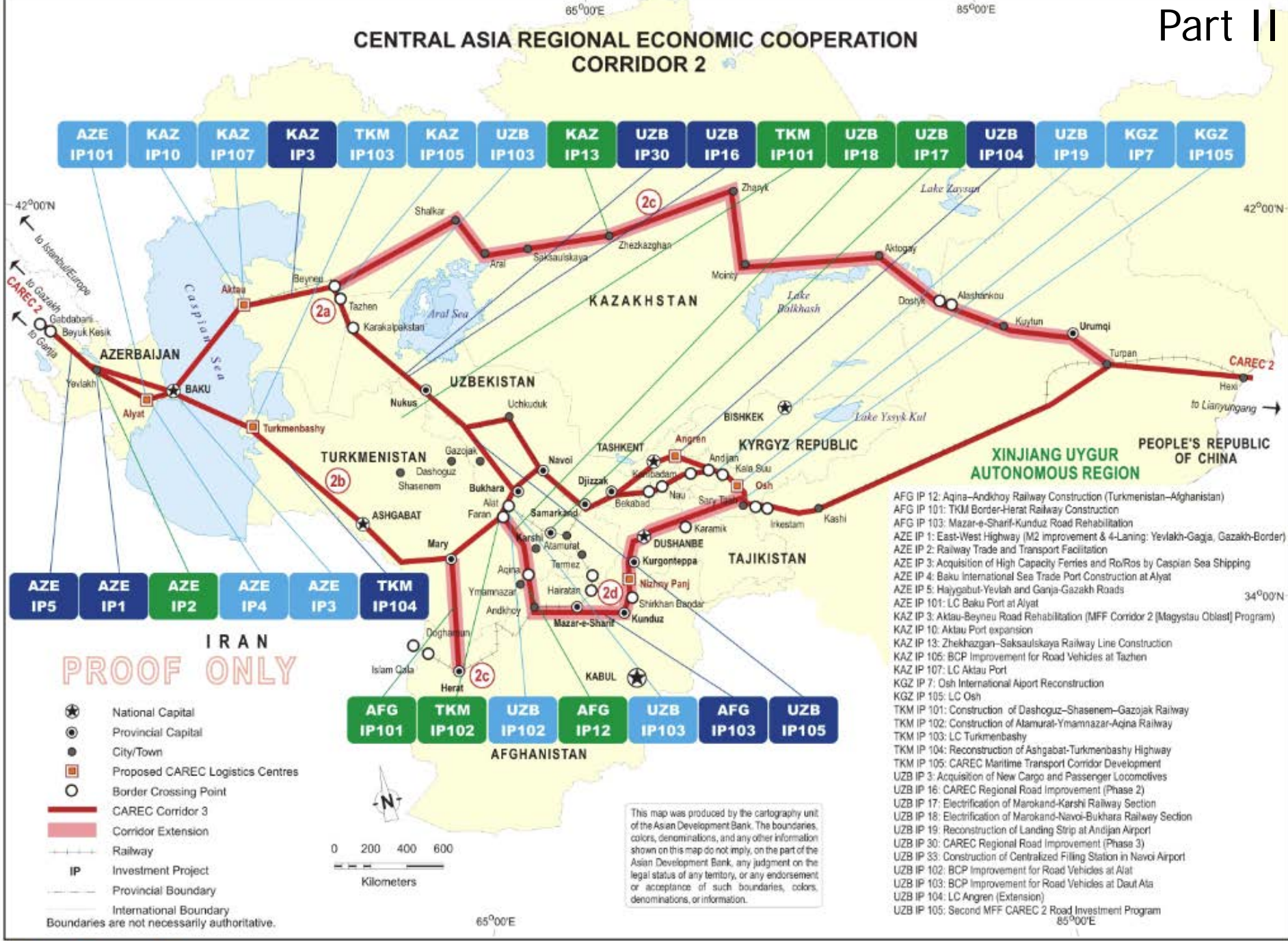


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- ★ National Capital
 - Provincial Capital
 - City/Town
 - ⚓ Naval Port
 - ▣ Proposed CAREC Logistics Centres
 - Cross Border Point
 - Existing CAREC Corridor
 - Extension CAREC Corridor
 - - - Inter Corridor Connection
 - ▬ Corridor Extension
 - - - International Boundary
- Boundaries are not necessarily authoritative.

CENTRAL ASIA REGIONAL ECONOMIC COOPERATION
CORRIDOR 2



- AFG IP 12: Aqina-Andkhoy Railway Construction (Turkmenistan-Afghanian)
- AFG IP 101: TKM Border-Herat Railway Construction
- AFG IP 103: Mazar-e-Sharif-Kunduz Road Rehabilitation
- AZE IP 1: East-West Highway (M2 improvement & 4-Laning: Yevlakh-Ganja, Gazakh-Border)
- AZE IP 2: Railway Trade and Transport Facilitation
- AZE IP 3: Acquisition of High Capacity Ferries and Ro/Ros by Caspian Sea Shipping
- AZE IP 4: Baku International Sea Trade Port Construction at Alyat
- AZE IP 5: Hajyabut-Yevlakh and Ganja-Gazakh Roads
- AZE IP 101: LC Baku Port at Alyat
- KAZ IP 3: Aktau-Beyneu Road Rehabilitation (MFF Corridor 2 (Magystau Oblast) Program)
- KAZ IP 10: Aktau Port expansion
- KAZ IP 13: Zhekhazgan-Saksaulskaya Railway Line Construction
- KAZ IP 105: BCP Improvement for Road Vehicles at Tazhen
- KAZ IP 107: LC Aktau Port
- KGZ IP 7: Osh International Airport Reconstruction
- KGZ IP 105: LC Osh
- TKM IP 101: Construction of Dashoguz-Shashenem-Gazojak Railway
- TKM IP 102: Construction of Atamurat-Ymamnazar-Aqina Railway
- TKM IP 103: LC Turkmenbashi
- TKM IP 104: Reconstruction of Ashgabat-Turkmenbashi Highway
- TKM IP 105: CAREC Maritime Transport Corridor Development
- UZB IP 3: Acquisition of New Cargo and Passenger Locomotives
- UZB IP 16: CAREC Regional Road Improvement (Phase 2)
- UZB IP 17: Electrification of Marokand-Karshi Railway Section
- UZB IP 18: Electrification of Marokand-Navoi-Bukhara Railway Section
- UZB IP 19: Reconstruction of Landing Strip at Andijan Airport
- UZB IP 30: CAREC Regional Road Improvement (Phase 3)
- UZB IP 33: Construction of Centralized Filling Station in Navoi Airport
- UZB IP 102: BCP Improvement for Road Vehicles at Alai
- UZB IP 103: BCP Improvement for Road Vehicles at Dauf Alai
- UZB IP 104: LC Angren (Extension)
- UZB IP 105: Second MFF CAREC 2 Road Investment Program

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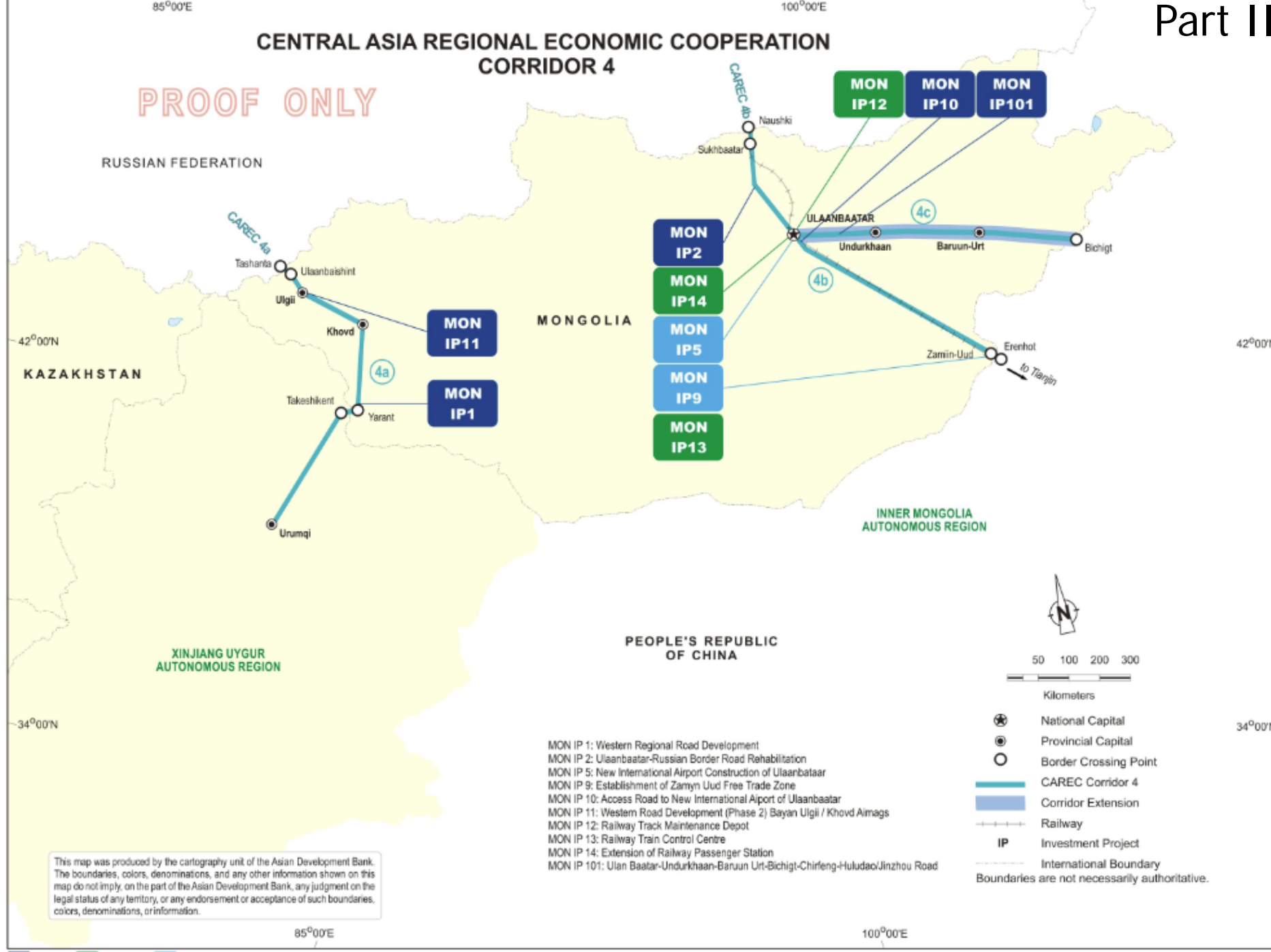
IRAN
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- ★ National Capital
 - Provincial Capital
 - City/Town
 - Proposed CAREC Logistics Centres
 - Border Crossing Point
 - CAREC Corridor 3
 - Corridor Extension
 - Railway
 - IP Investment Project
 - Provincial Boundary
 - International Boundary
- Boundaries are not necessarily authoritative.



CENTRAL ASIA REGIONAL ECONOMIC COOPERATION
CORRIDOR 4

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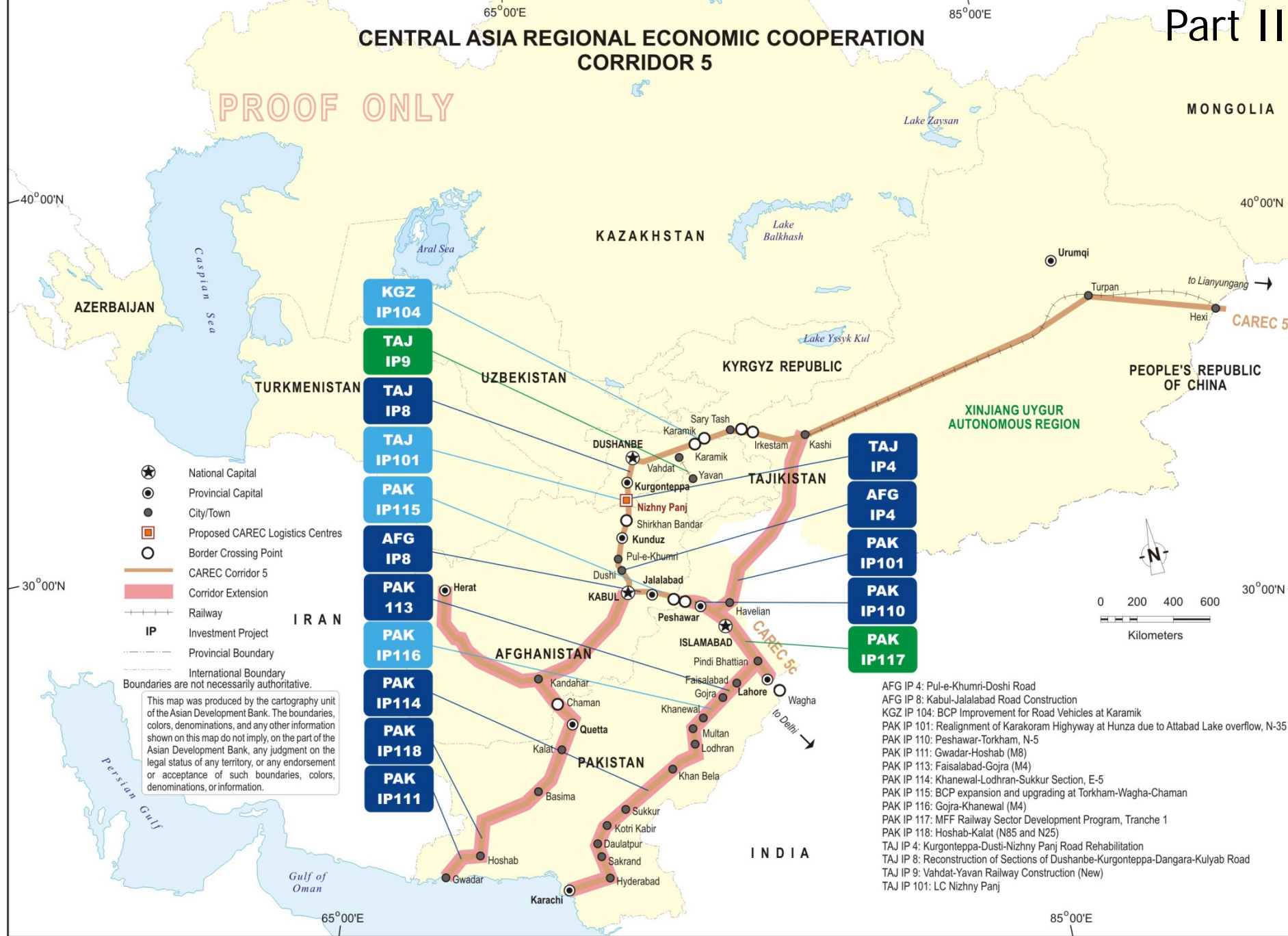


- MON IP 1: Western Regional Road Development
- MON IP 2: Ulaanbaatar-Russian Border Road Rehabilitation
- MON IP 5: New International Airport Construction of Ulaanbaatar
- MON IP 9: Establishment of Zamin Uud Free Trade Zone
- MON IP 10: Access Road to New International Airport of Ulaanbaatar
- MON IP 11: Western Road Development (Phase 2) Bayan Ulgii / Khovd Aimag
- MON IP 12: Railway Track Maintenance Depot
- MON IP 13: Railway Train Control Centre
- MON IP 14: Extension of Railway Passenger Station
- MON IP 101: Ulan Baatar-Undurkhaan-Baruun Urt-Bichigt-Chirfeng-Huludao/Jinzhou Road

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CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDOR 5

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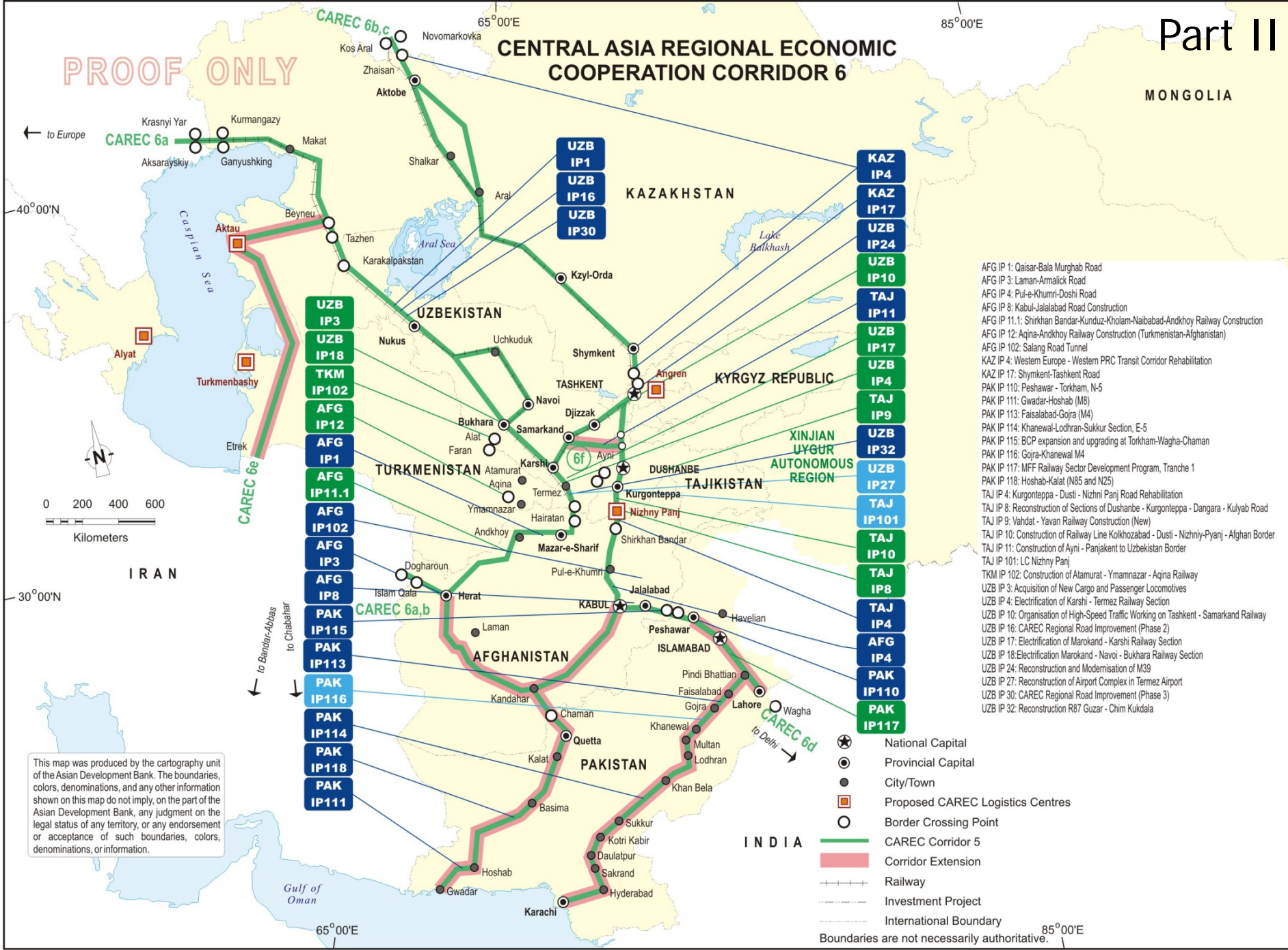
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- AFG IP 4: Pul-e-Khumri-Doshi Road
- AFG IP 8: Kabul-Jalalabad Road Construction
- KGZ IP 104: BCP Improvement for Road Vehicles at Karamik
- PAK IP 101: Realignment of Karakoram Highway at Hunza due to Attabad Lake overflow, N-35
- PAK IP 110: Peshawar-Torkham, N-5
- PAK IP 111: Gwadar-Hoshab (M8)
- PAK IP 113: Faisalabad-Gojra (M4)
- PAK IP 114: Khanewal-Lodhran-Sukkur Section, E-5
- PAK IP 115: BCP expansion and upgrading at Torkham-Wagha-Chaman
- PAK IP 116: Gojra-Khanewal (M4)
- PAK IP 117: MFF Railway Sector Development Program, Tranche 1
- PAK IP 118: Hoshab-Kalat (N85 and N25)
- TAJ IP 4: Kurgontepa-Dusti-Nizhny Panj Road Rehabilitation
- TAJ IP 8: Reconstruction of Sections of Dushanbe-Kurgontepa-Dangara-Kulyab Road
- TAJ IP 9: Vahdat-Yavan Railway Construction (New)
- TAJ IP 101: LC Nizhny Panj

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CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDOR 6

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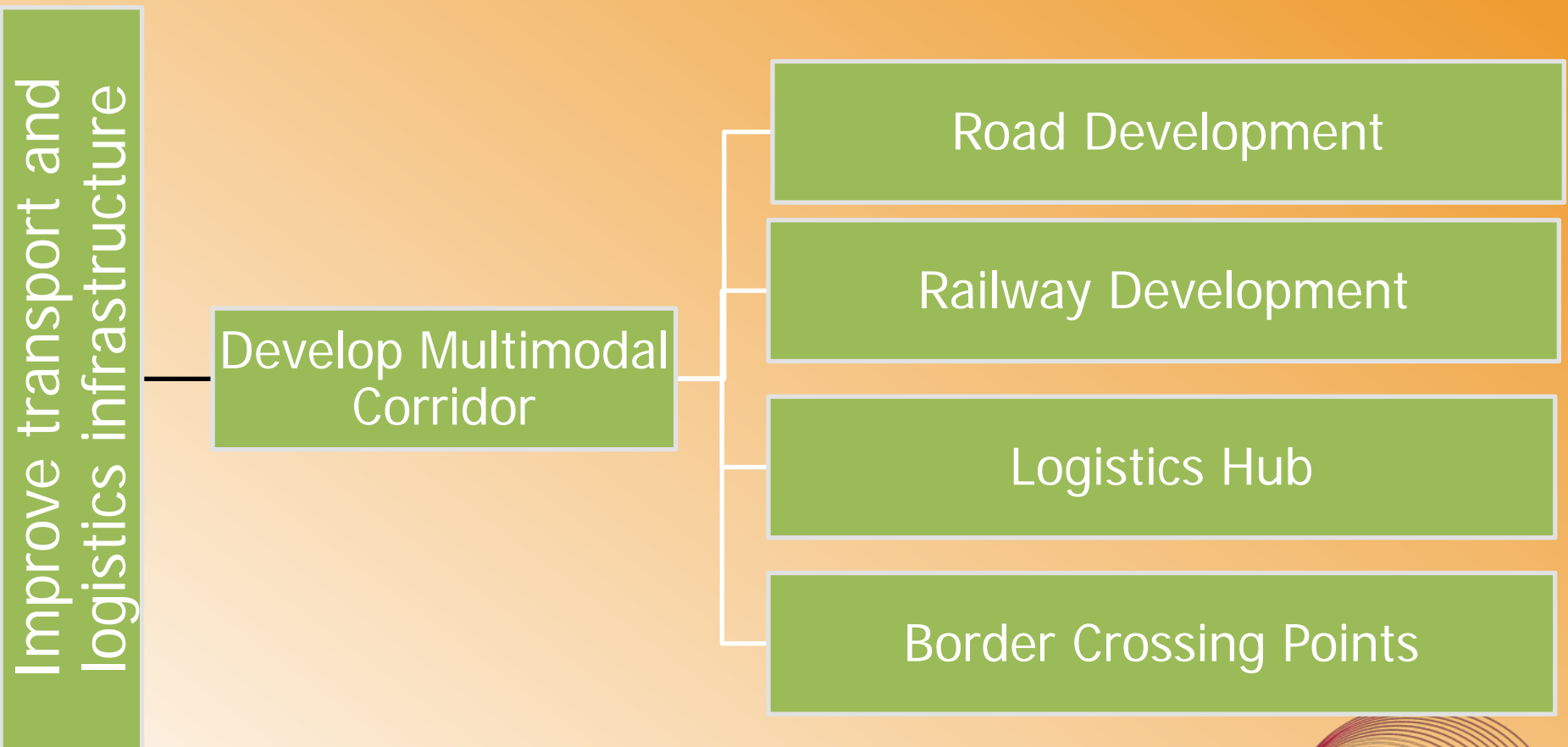


- AFG IP 1: Qaisar-Bala Murghab Road
- AFG IP 3: Laman-Armalick Road
- AFG IP 4: Pul-e-Khumri-Doshi Road
- AFG IP 8: Kabul-Jalalabad Road Construction
- AFG IP 11: Shirkhan Bandar-Kunduz-Kholam-Naibabad-Andkhoy Railway Construction
- AFG IP 12: Ajina-Andkhoy Railway Construction (Turkmenistan-Afghanistan)
- AFG IP 102: Salang Road Tunnel
- KAZ IP 4: Western Europe - Western PRC Transit Corridor Rehabilitation
- KAZ IP 17: Shymkent-Tashkent Road
- PAK IP 10: Peshawar - Torkham, N-5
- PAK IP 11: Gwadar-Hoshab (M8)
- PAK IP 113: Faisalabad-Gojra (M4)
- PAK IP 114: Khanewal-Lodhran-Sukkur Section, E-5
- PAK IP 115: BCP expansion and upgrading at Torkham-Wagha-Chaman
- PAK IP 116: Gojra-Khanewal M4
- PAK IP 117: MFF Railway Sector Development Program, Tranche 1
- PAK IP 118: Hoshab-Kalat (N85 and N25)
- TAJ IP 4: Kurgonteppa - Dusti - Nizhni Panj Road Rehabilitation
- TAJ IP 8: Reconstruction of Sections of Dushanbe - Kurgonteppa - Dangara - Kulyab Road
- TAJ IP 9: Vahdat - Yavan Railway Construction (New)
- TAJ IP 10: Construction of Railway Line Kolkhozabad - Dusti - Nizhniy-Panj - Afghan Border
- TAJ IP 11: Construction of Ayni - Panjakent to Uzbekistan Border
- TAJ IP 101: LC Nizhny Panj
- TKM IP 102: Construction of Atamurat - Ymamnazar - Ajina Railway
- UZB IP 3: Acquisition of New Cargo and Passenger Locomotives
- UZB IP 4: Electrification of Karshi - Termez Railway Section
- UZB IP 10: Organisation of High-Speed Traffic Working on Tashkent - Samarkand Railway
- UZB IP 16: CAREC Regional Road Improvement (Phase 2)
- UZB IP 17: Electrification of Marokand - Karshi Railway Section
- UZB IP 18: Electrification Marokand - Navoi - Bukhara Railway Section
- UZB IP 24: Reconstruction and Modernisation of M39
- UZB IP 27: Reconstruction of Airport Complex in Termez Airport
- UZB IP 30: CAREC Regional Road Improvement (Phase 3)
- UZB IP 32: Reconstruction R87 Guzar - Chim Kukdala

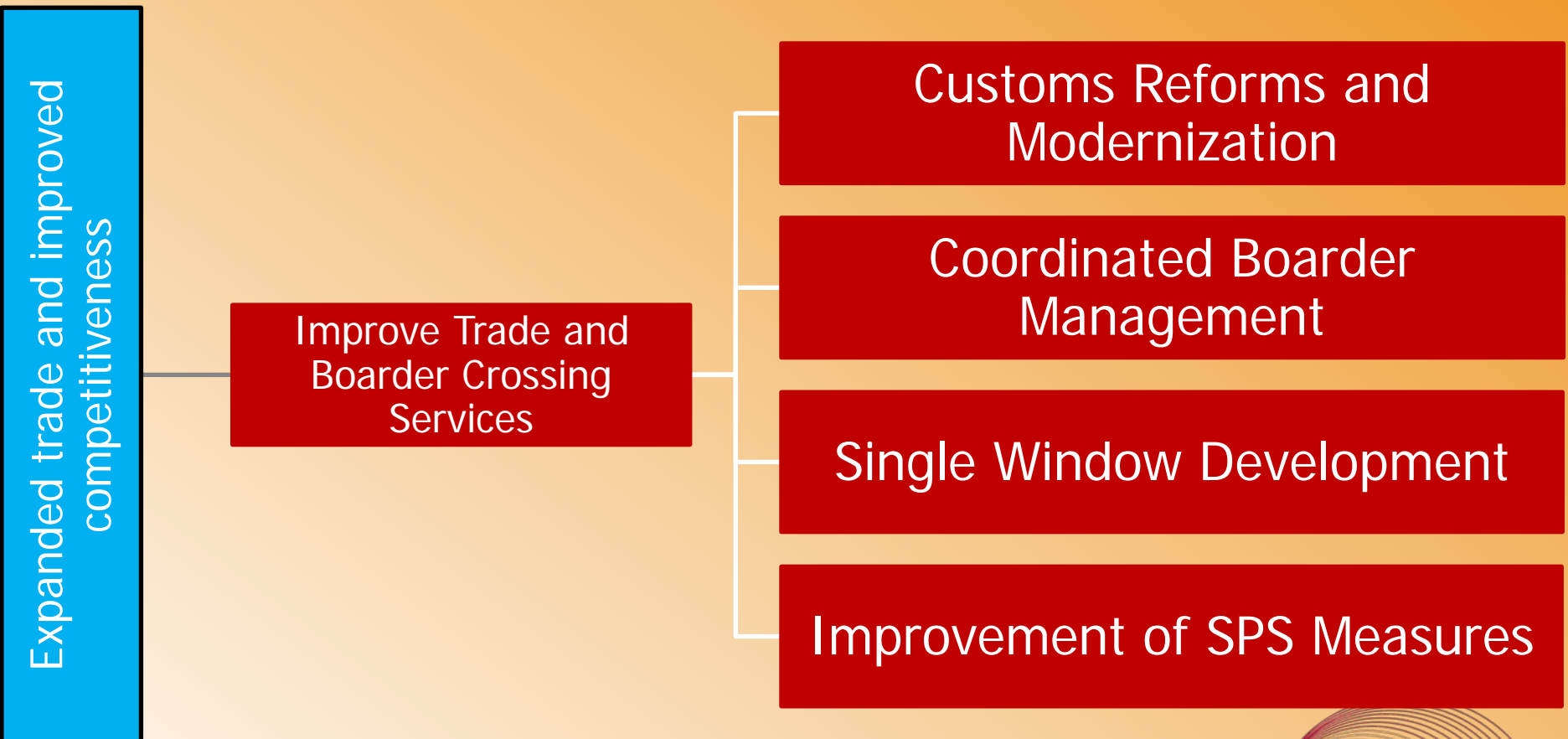
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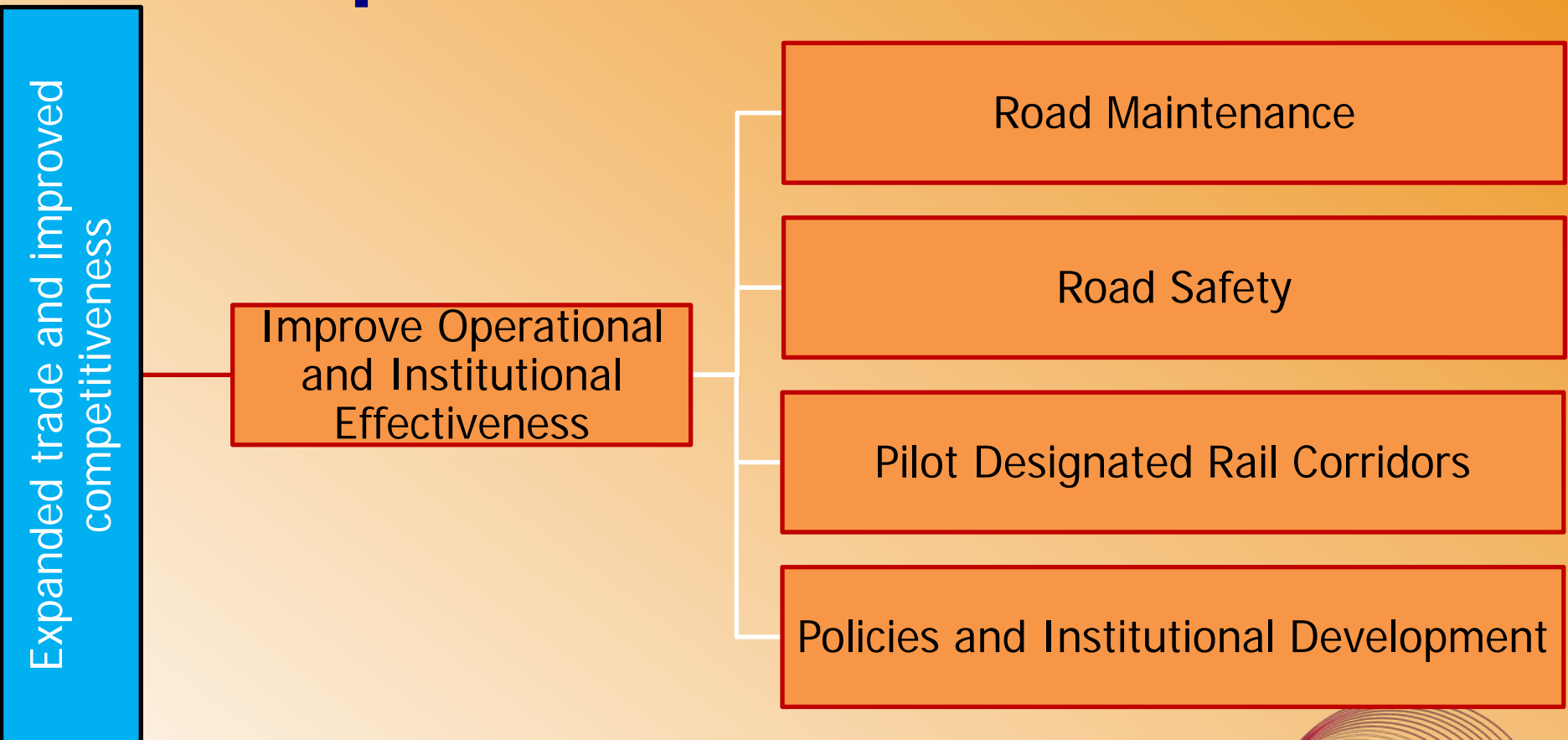
Operational Priorities 1



Operational Priorities 2



Operational Priorities 3



International Integrated Multimodal Transport Corridors

- Multimodal Networks and Transport Services
- International Transit Corridors
 - Dedicated Rail Corridors
 - Logistics Hubs
 - Corridor Management Units

Selection for Logistics Hubs

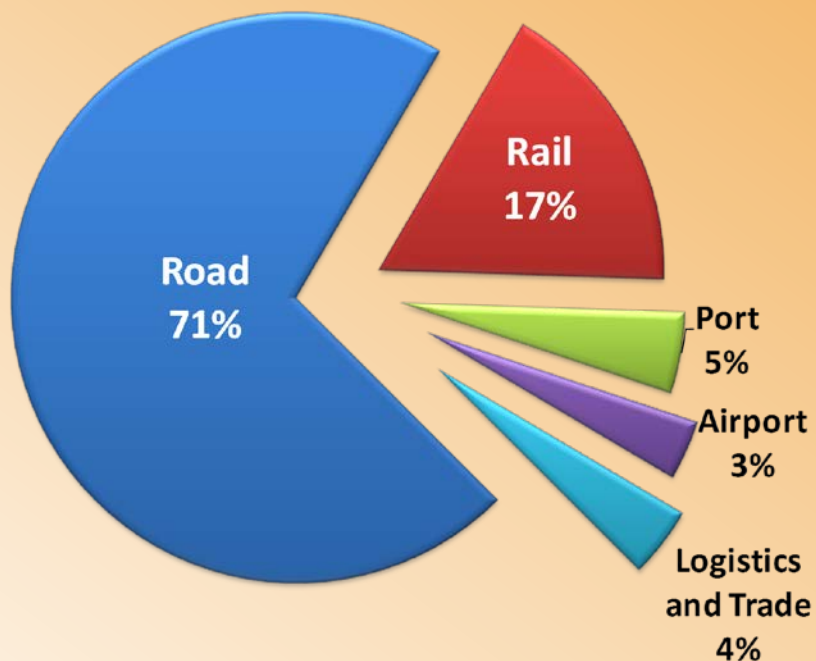
Location		Connection	Proximity to		
Location	Country	Rail	Border	Population Center	Industry Cluster
Khorgos	KAZ	Yes	○		Yes
Baku	AZE	Yes	○	Yes	Yes
Aktau	KAZ	Yes	○		Yes
Turkmenbashi	TKM	Yes	○		Yes
Angren	UZB	Yes		Yes	Yes
Osh	KGZ	Yes	○	Yes	Yes
Zamin Uud	MON	Yes	○		Yes
Nizhiny Pyanj	TAJ	Yes	○	Yes	Yes

Action Plan

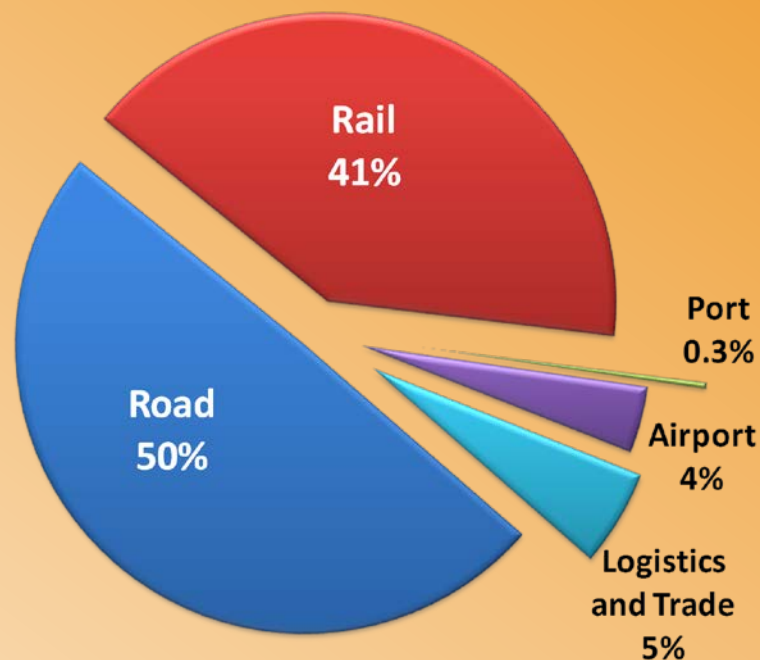
- **101 investment projects** of \$38.7 billion.
- Most of the program is ongoing and \$7 billion has already been expended.
- Road and rail projects account for 90% of the cost. Rail has a much bigger share of new projects than of ongoing projects.
- Trade facilitation projects less capital intensive, but yielding desired results to achieve outcome.
- Required annual rate of expenditure is \$4.6 billion, compared with \$3.2 billion in 2008-12.
- **50 TA projects** costing \$74.6 million.

Investment Projects

Ongoing Infrastructure Investments (\$ billion)



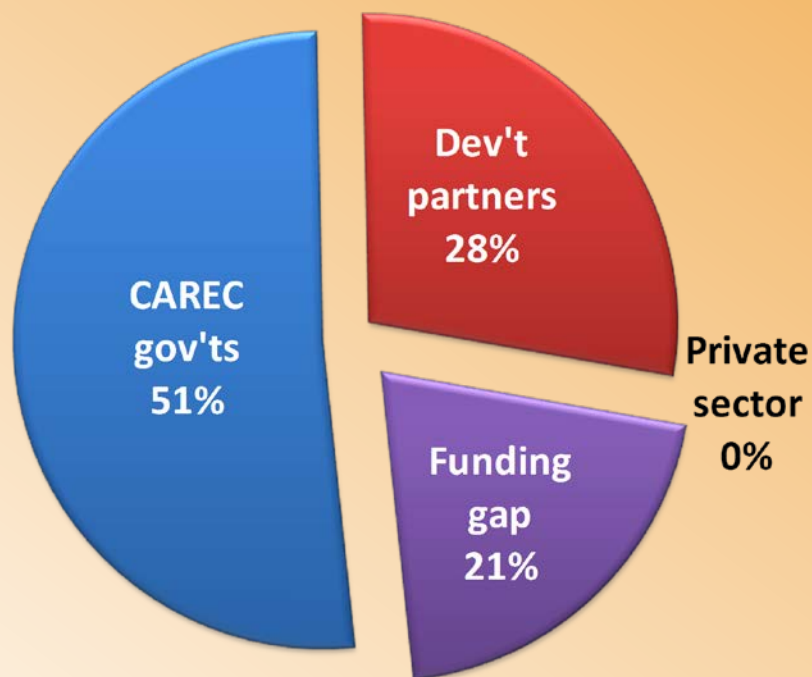
New Infrastructure Investments (\$ billion)



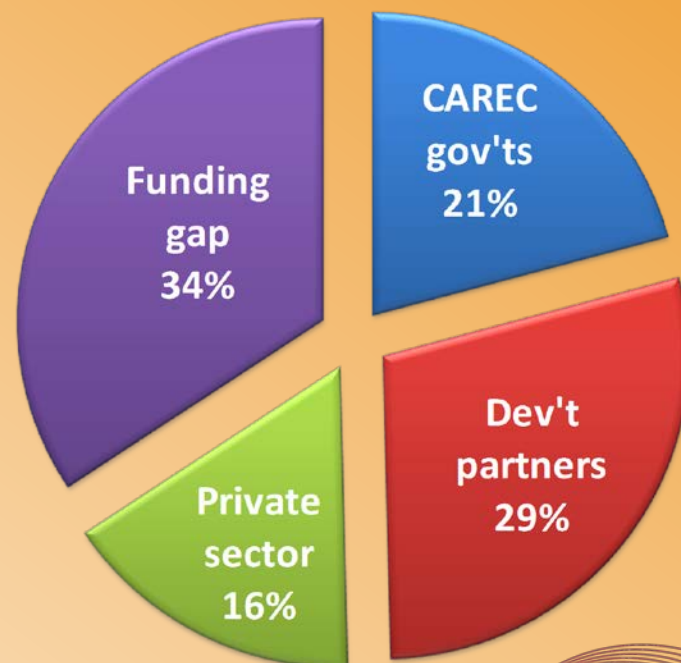
Source: CAREC Secretariat.

Financing Plan

Financing Plan for Ongoing Investments (\$ billion)



Financing Plan for New Investments (\$ billion)



Source: CAREC Secretariat.

Implementation: Monitoring

- Project monitoring system so far has been too focused on linear progress (i.e., road and rail km).
- More attention to projects outcomes is needed. This requires data gathering and analysis.
- The CPMM system is good but requires further strengthening, especially in rail sector.
- For the program as a whole, the RBF is the basis for monitoring and assessing success.

Joint CCC & TSCC meeting

in Astana from 19-20 September 2013

- Reviewed and endorsed the draft refined TTFS and Action Plan
- The participant agreed to present the draft TTFS 2020 to the NFP meeting in Bangkok
- Submission of the Refined Strategy through SOM to Ministerial Conference for approval (23 October 2013)

Key Issues for Discussions

1. Do you agree to the draft TTFS 2020? Or do you have additional suggestions?

2. What are your views to ensure successful implementation of the Refined Strategy?

Thank you for your attention

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