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**Joint Meeting of the Transport Sector Coordinating Committee and
Trade Facilitation/Customs Cooperation Committee
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Session 1: Transport and Trade Facilitation Strategy Report



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SECTION 1: INTRODUCTION

1.1 OVERALL VISION

- The TTFS is consistent with CAREC's long term vision of "Good Neighbors, Good Partners, and Good Prospects."
- While CAREC countries taken individually are "land-locked", as a region they are contiguous and can serve as competitive transit gateways to other regions, i.e. become "land-linked".
- Past emphasis has been on the hardware and not software of transport and trade development.



SECTION 1: INTRODUCTION

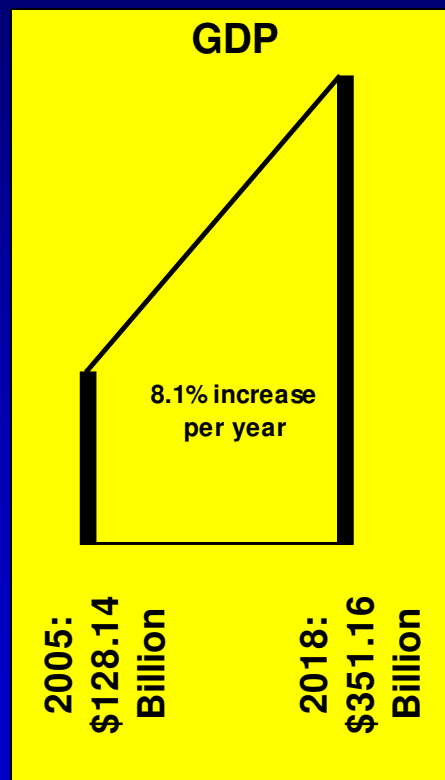
1.2 THE ECONOMIC AND SOCIAL POLICY CONTEXT

- The strategy is developed in the context of the CAREC mission to increase inclusive economic growth, reduce poverty and foster trade through regional cooperation on transport and trade.
- The growth rate of GDP in the region in recent years has been quite respectable at around 7% per year.
- The acceleration of policy reform is needed to continue in order to realize the full potential of the Central Asian economies.
- The TTFS takes into account current economic conditions and future projections and demands that will be put on the region's transport, logistics and trade systems.

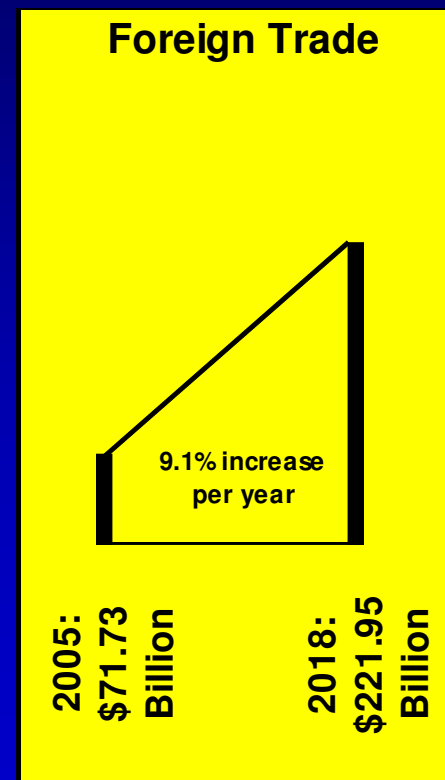


The Opportunity

GDP is increasing



Foreign Trade is increasing faster



SECTION 1: INTRODUCTION

1.3 CONFRONTING THE TRADE AND TRANSPORT CHALLENGES

- Transit traffic through CAREC is growing but the region has so far only captured a small portion of the potential trade flows between Europe and Asia.
- The region has a developed map of linear infrastructure. However, in certain sections of the corridors the initial standard of construction is inadequate for today's needs.



SECTION 1: INTRODUCTION

1.3 CONFRONTING THE TRADE AND TRANSPORT CHALLENGES

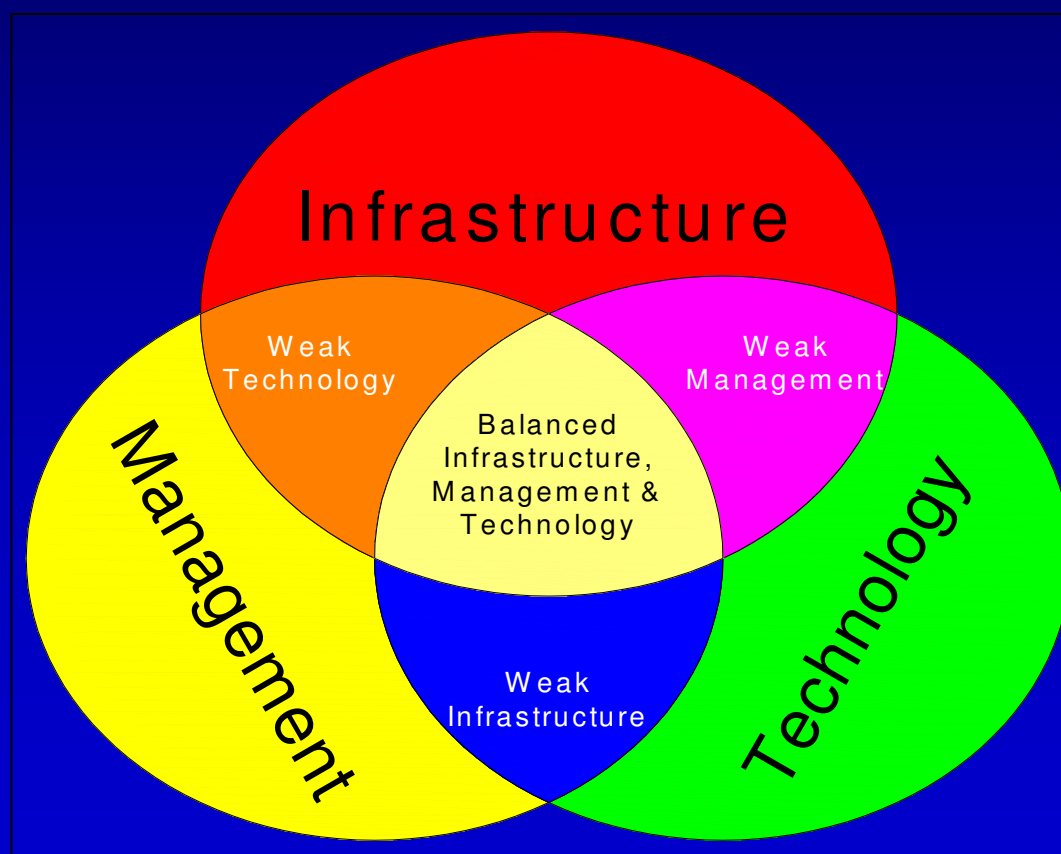
Challenges and Opportunities

Challenges	Opportunities
Landlocked	Land-linked networks contiguous with emerging economies to the east and to the west
Globalization	A regional tradition which needs to be re-activated
Low penetration of leading edge technology	Young population with high levels of education, able and eager to adopt
Inadequate infrastructure	The basic route layout exists
Inadequate systems of management and legal structures	Well-proven global models are there to be emulated and improved
Economic decline	Has bottomed, and a resource based boom is developing

SECTION 1: INTRODUCTION

1.4 A BROAD WELL-FOUNDED APPROACH

Three Pillars of Successful Corridor Performance



SECTION 2: CAREC TRANSPORT AND TRADE FACILITATION STRATEGY 2008-2018

2.1 ORIGINS AND OVERARCHING GOALS

- The strategy underpins the overall CAREC vision by reinforcing the three pillars (infrastructure-management-technology) in developing CAREC's transport and trade linkages.
- The policy focuses on fostering safe, dependable, effective, efficient, and fully integrated transport and trade operations and infrastructure.
- The ultimate goal of TTFS is to support social and economic development in the CAREC region.



SECTION 2: CAREC TRANSPORT AND TRADE FACILITATION STRATEGY 2008-2018

2.1 ORIGINS AND OVERARCHING GOALS

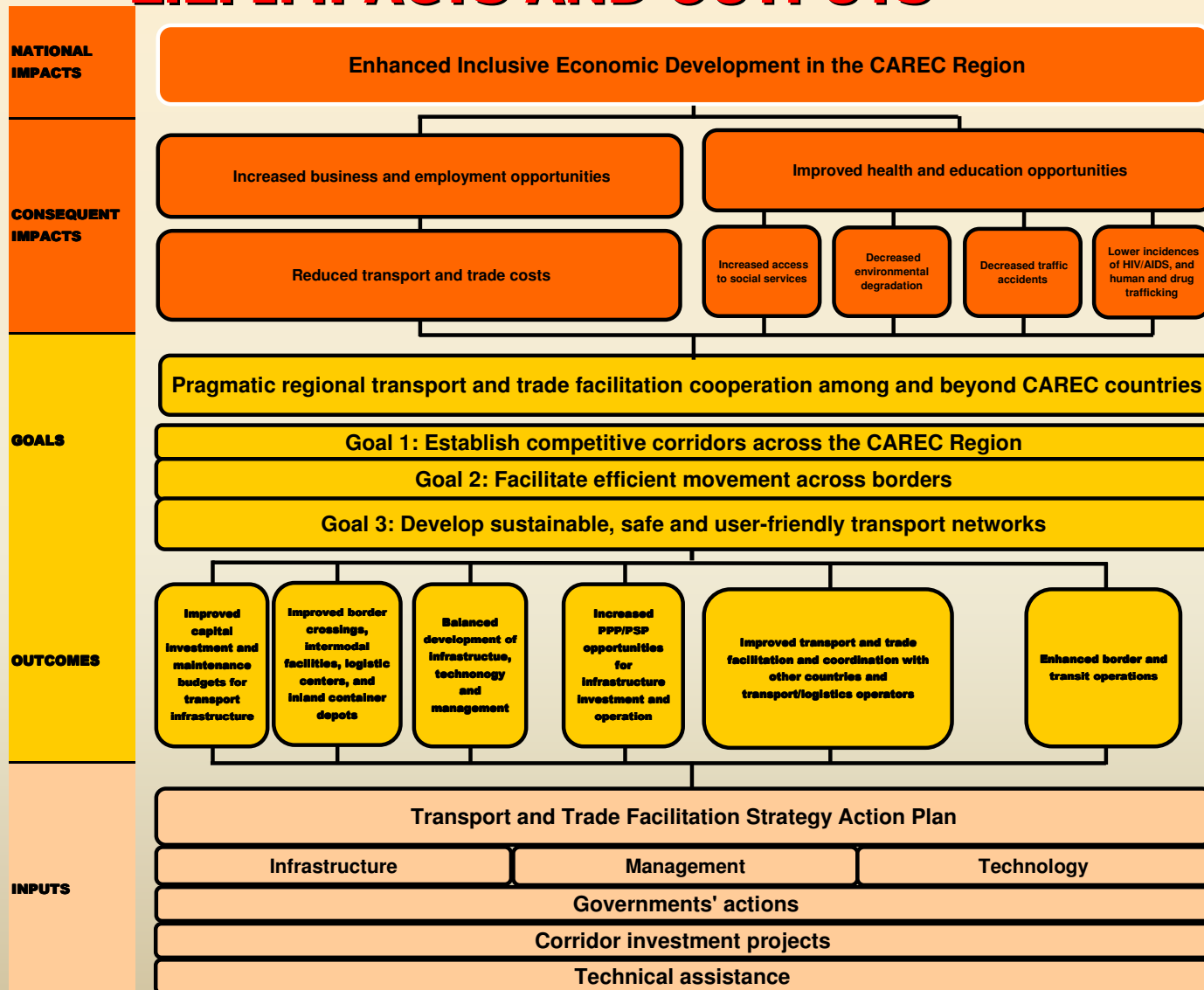
The strategy has three overarching goals:

- (1) To establish competitive corridors across the CAREC region;
- (2) To facilitate efficient movement across borders; and
- (3) To develop sustainable, safe, and user-friendly transport and trade networks.



SECTION 2: CAREC TRANSPORT AND TRADE FACILITATION STRATEGY 2008-2018

2.2. IMPACTS AND OUTPUTS



SECTION 2: CAREC TRANSPORT AND TRADE FACILITATION STRATEGY 2008-2018

2.3: COMPETITIVE TRANSPORT AND TRADE CORRIDORS

Goal 1: To Establish Competitive Corridors across the CAREC Region

- Investing in missing transport and trade facilitation infrastructure (comprehensive list provided on drawings)
- Ensuring that all new infrastructure and improvement projects are economically and financially feasible and sustainable
- Ensuring good condition of corridor infrastructure through proper maintenance with adequate funding



Goal 1: To Establish Competitive Corridors across the CAREC Region

- Progressive introduction of user pay principles
- Supporting development of the logistics industry
- Policy & Legal Framework conducive to private sector investment
- Monitoring and controlling corridor performance
- Regional & Inter-regional Government Cooperation



SECTION 2: CAREC TRANSPORT AND TRADE FACILITATION STRATEGY 2008-2018

2.4: EFFICIENT TRANSPORT AND TRADE ACROSS BORDERS

Goal 2 – To Facilitate Efficient Movement across Borders

- Harmonizing regional road transport agreements;
- Harmonizing transport user tariff and fee frameworks;
- Harmonizing regulations on the weights and dimensions of vehicles;
- Harmonizing regulations on vehicle emissions; improving regional transport safety;
- Reducing delays at border crossings.



SECTION 2: CAREC TRANSPORT AND TRADE FACILITATION STRATEGY 2008-2018

2.5: SUSTAINABLE, SAFE AND USER-FRIENDLY TRANSPORT AND TRADE NETWORKS

Goal 3 - To develop safe, people-friendly transport systems that are environmentally sustainable

- To develop and maintain a safe transport and trade system;
- To develop a user-friendly transport and trade network;
- To mitigate potential health impacts of increased traffic and mobility;
- To develop and maintain an environmentally sustainable transport and trade system;
- To utilize transport and trade investments as engines of economic growth for development along the corridors, and thereby alleviate poverty.



SECTION 3: ACTION PLAN

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The selection of the corridors is based on the following five criteria:

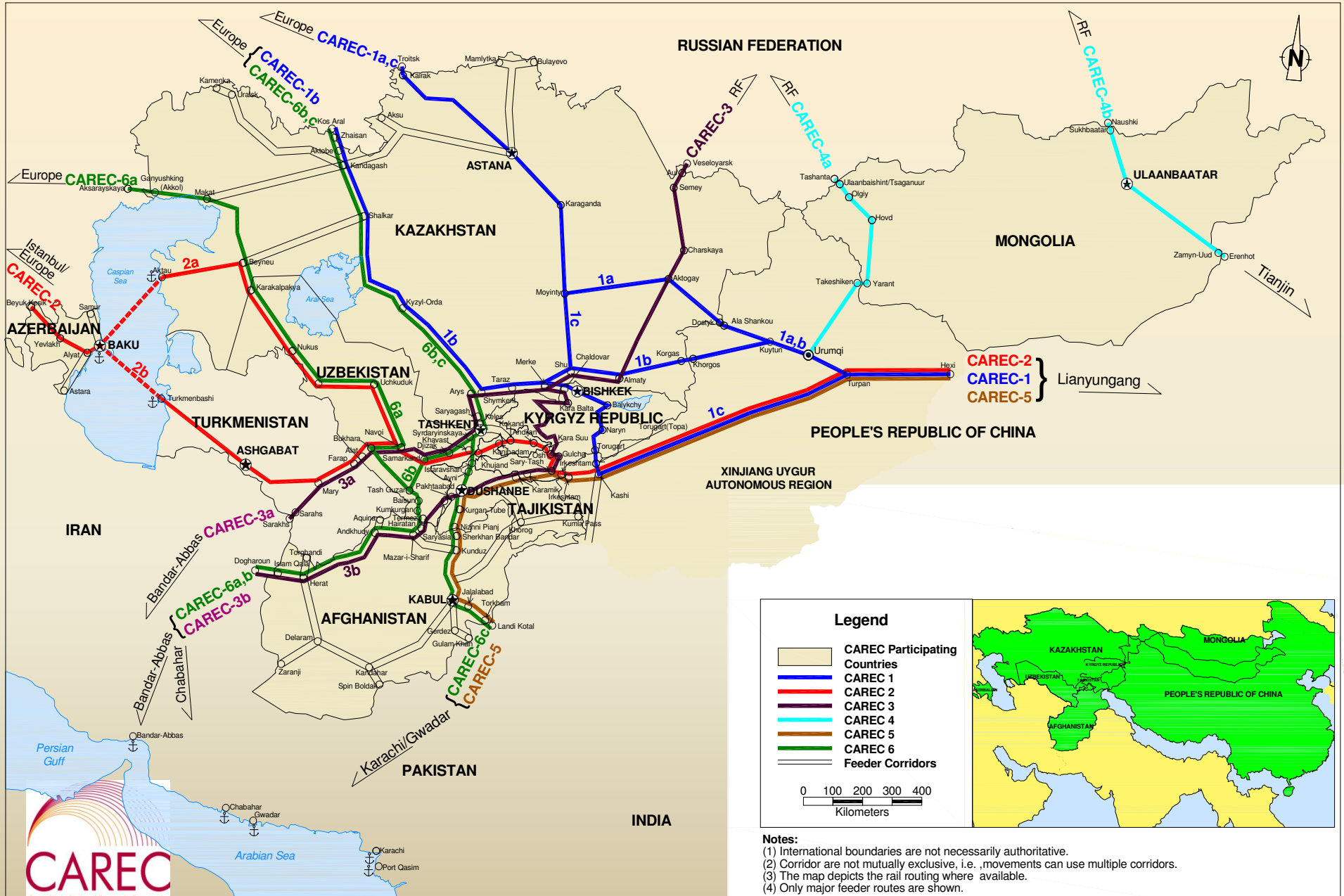
- (i) Current traffic volume;
- (ii) Prospect of economic and traffic growth;
- (iii) Ability to increase connectivity between regional economic and population centers;
- (iv) Prospect of mitigating delays and other hindrances such as the number of cross border points, the number of gauge changes, etc.; and
- (v) Economic and financial sustainability of infrastructure, management, and technology improvements.

To be selected a corridor must meet the following conditions:

- (1) either (i) or (ii) or both criterion above; and**
- (2) at least one of the remaining three criteria.**



SIX CAREC TRANSPORT CORRIDORS



CORRIDOR CHARACTERISTICS

Corridor/Characteristics		Distance Road (km)	Distance (km) Rail Route	Road AADT	% Rail in Rail corridor	Main Cities on corridor	BCP number on Corridor	Transshipment Points (number)
CAREC 1 Europe- East Asia	CAREC 1a KAZ, XUAR	4,196	3,140	4,979	100	Astana, Urumqi	1	1 (gauge change)
	CAREC 1b KAZ, XUAR	4,635	4,842	4,913	100	Almaty, Urumqi	1	1 (gauge change)
	CAREC 1c KAZ, KGZ, XUAR	4,875	4,528	4,989	88	Astana, Bishkek, Urumqi	2	2, Rail-Road, Road-Rail
CAREC 2 Mediterranean - East Asia	CAREC 2a KAZ, UZB, KGZ, XUAR	5,641	5,802	5,389	89	Baku	6	4, rail-sea, sea rail, rail-road, road-rail
	CAREC 2b TKM, UZB, KGZ, XUAR	5,208	5,448	8,237	95	Baku, Ashgabat	6	4, rail-sea, sea rail, rail-road, road-rail
CAREC 3 Russia - Persian Gulf, South Asia	CAREC 3a KAZ, UZB, AFG	2,667	2,884	4,963	100	Almaty, Tashkent	2	1 (gauge change)
	CAREC 3b KAZ, KGZ, TAJ, UZB, AFG	4,206	3,828	2,474	30	Almaty, Dushanbe	4	2 rail-road, road-rail
CAREC 4 Russia - East Asia	CAREC 4-a MON, XUAR	1,334	0	1,812	0	Urumqi	1	No transshipment
	CAREC 4-b MON, XUAR	1,041	1,111	450	100	Ulaanbataar	1	1 (gauge change)
CAREC 5 South Asia -	CAREC 5 AFG, TAJ, KGZ, XUAR	2,960	2,828	5,685	51	Kabul, Dushanbe	3	2, Rail-Road, Road-Rail
CAREC 6 Europe - Persian Gulf, South Asia	CAREC 6a KAZ, UZB, AFG	3,256	2,433	2,445	59	No capitals on the corridor	2	1, Rail-Road
	CAREC 6b KAZ, UZB, AFG	3,907	3,695	2,976	72	Tashkent	2	2, Rail-Road, Road-Rail
	CAREC 6c KAZ, UZB, TAJ, AFG	3,419	3,156	2,687	65	Tashkent, Dushanbe, Kabul	3	2, Rail-Road, Road-Rail

SECTION 4: IMPLEMENTATION ARRANGEMENTS

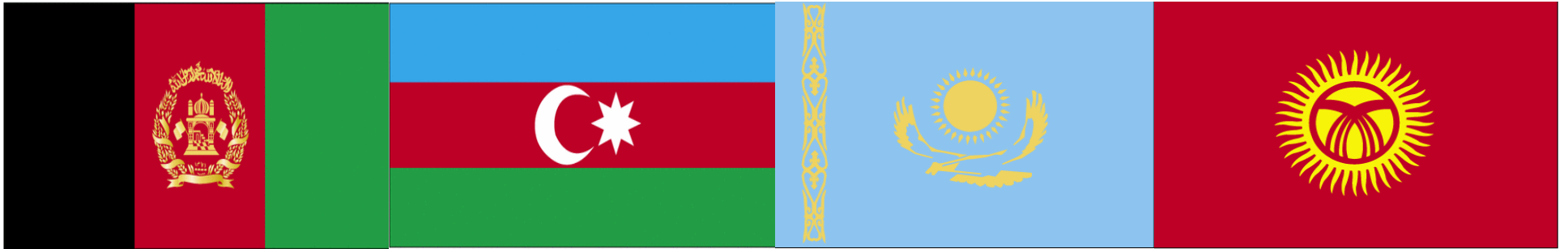
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SECTION 5: CONCLUDING REMARKS — BUILDING A BETTER FUTURE

- The Strategy is an important step towards capturing the potential opportunities that exist in the current and future global markets and overcoming the challenges of the past.
- To realize the outcomes requires coordinated and dedicated cooperation among CAREC members.
- These are not small tasks. They necessitate a change from the current “business as usual” to a more dynamic global vision based on market opportunities as well as a sound evaluation of the strengths the region can bring to the global marketplace.
- The Strategy has focused on developing transport and trade corridors that will both serve the region as well as provide it with additional opportunities and income through attracting transit traffic between major neighboring external markets.
- Also the transport and trade corridors can become economic corridors, part of the global value chains that add value to products as goods move towards external markets, and become engines of growth for the CAREC region.





Thank you



For More Information

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