

Senior Officials' Meeting on
Central Asia Regional Economic Cooperation
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CAREC Transport and Trade Facilitation Strategy Update



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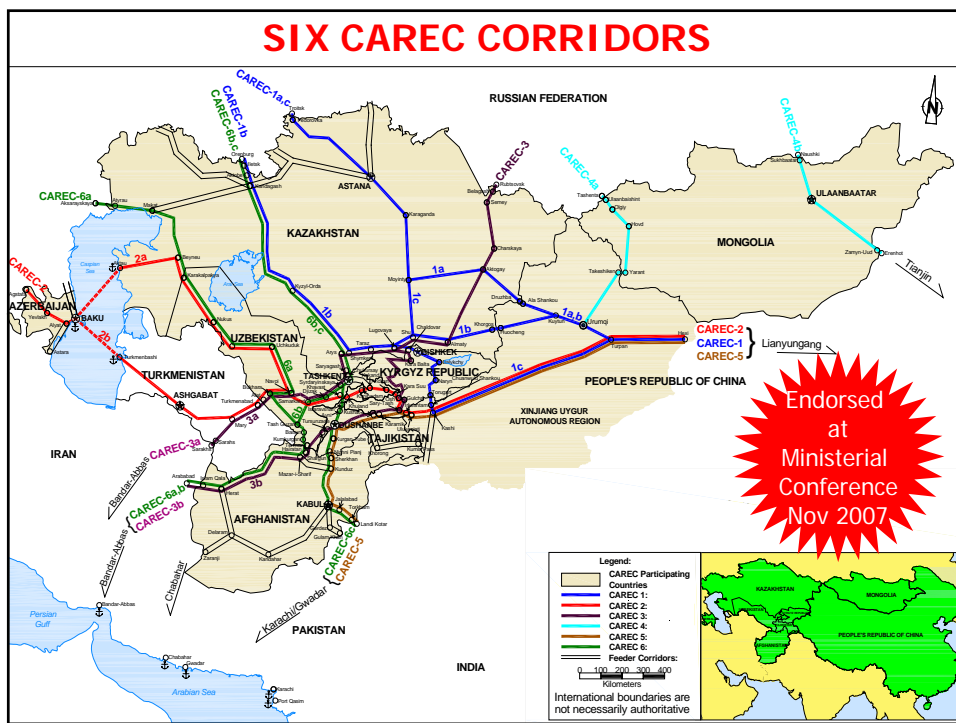
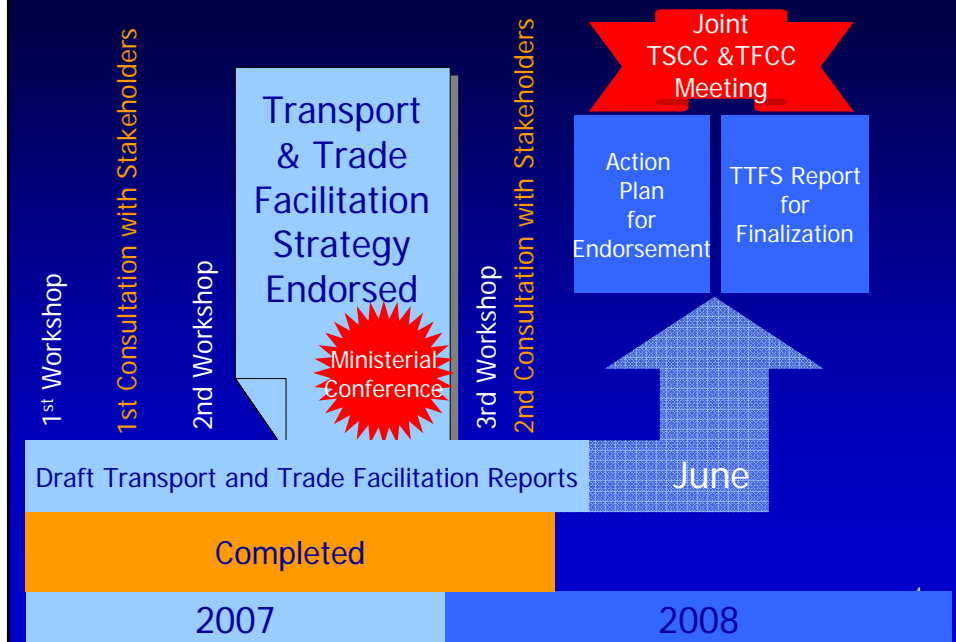
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Section 1: Progress made for CAREC Transport and Trade Facilitation Action Plan



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CAREC Transport and Trade Facilitation Strategy



6 CAREC Transport Corridors - Ranging from 1,041 km to 6,614 km

Road



CAREC 1a: 4,196 km
 CAREC 1b: 3,922 km
 CAREC 1c: 4,875 km
 CAREC 2a: 6,064 km
 CAREC 2b: 4,233 km¹
 CAREC 3a: 2,667 km
 CAREC 3b: 4,206 km
 CAREC 4a: 1,334 km
 CAREC 4b: 1,041 km
 CAREC 5 : 3,682 km
 CAREC 6a: 3,266 km
 CAREC 6b: 3,907 km
 CAREC 6c: 3,419 km

Rail



CAREC 1a: 3,532 km
 CAREC 1b: 3,927 km
 CAREC 1c: 4,180 km³
 CAREC 2a: 6,614 km
 CAREC 2b: 4,168 km²
 CAREC 3a: 2,884 km
 CAREC 3b: 3,261 km⁴

 CAREC 4b: 1,111 km
 CAREC 5 : 3,682 km
 CAREC 6a: 3,266 km⁵
 CAREC 6b: 3,907 km⁵
 CAREC 6c: 3,419 km⁶



¹ Excluding shipping (400 km) and the section in Turkmenistan.

² Including a road section (519 km), but excluding shipping (400 km) and the section in Turkmenistan.

³ Including road section (536 km).

⁴ Including road section (1,314 km).

⁵ Including road section (1,068 km).

⁶ Including road section (1,108 km).

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CAREC Transport and Trade Facilitation Strategy -Other CAREC Infrastructure

- 29 border points
- 2 ports
- 22 airports [int'l (9)/regional (13)]
- Logistic centers & inland container depots



High-Tech Logistic Centers



Aktau Logistic Center



Section 2

CAREC Transport and Trade Facilitation Action Plan



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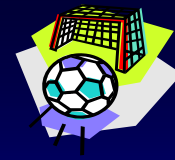
Draft Action Plan - Format

Developed based on the Indicative Result Framework attached to the Transport and Trade Facilitation Strategy (10 years from 2008)



Governments' Actions and Projects will be added

Draft Action Plan – 3 Goals



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



Action Plan supports broad based actions:

- Infrastructure development and management
- Transit and Customs improvement
- Economic development along the CAREC Corridors
- Support people by addressing risks associated with improved mobility

Draft Action Plan

Goal 1 – Establishment of Competitive Corridors across the CAREC Region

Objectives	Main Actions
<ul style="list-style-type: none"> ▪ Develop, manage and maintain CAREC corridors that provide connectivity to markets and reduce transport costs 	<ul style="list-style-type: none"> ▪ Create conditions for improved trade and transit ▪ Implement measures to speed up trade and transit ▪ Target infrastructure investment in CAREC corridors ▪ Provide adequate funds for maintenance, prioritize investments, and progressive outsource to private sector
<ul style="list-style-type: none"> ▪ Introduce technological improvements in support of integrated multimodal approach and development of the logistics industry 	<ul style="list-style-type: none"> ▪ Plan and implement a logistics development program that is internationally competitive and supports private sector participation.

Draft Action Plan

Goal 2 – Facilitation of Movements across CAREC Borders

Objectives	Actions
<ul style="list-style-type: none"> Facilitate border crossing 	<ul style="list-style-type: none"> Strengthen coordination among CAREC Countries Revise laws/regulations Upgrade technology
<ul style="list-style-type: none"> Develop efficient Customs services 	<ul style="list-style-type: none"> Customs reforms and modernization Accession to Kyoto Convention Training
<ul style="list-style-type: none"> Harmonize transport and trade regulations and policies 	<ul style="list-style-type: none"> Integrated Trade Facilitation (National Trade and Transport Facilitation Committees)
<ul style="list-style-type: none"> Improve the corridor transport network and services, and encourage multimodalism 	<ul style="list-style-type: none"> Support regional logistics development Upgrade technology Encourage competition
<ul style="list-style-type: none"> Support Private sector participation 	<ul style="list-style-type: none"> Develop enabling environment for private sector participation/public-private partnerships

Draft Action Plan

Goal 3 – Development of Sustainable, Safe, and User-friendly Transport and Trade Systems

Objectives	Actions
<ul style="list-style-type: none"> Encourage economic development along CAREC corridors 	<ul style="list-style-type: none"> Plan economic development along CAREC corridors
<ul style="list-style-type: none"> Pursue sustainability (environment and health) 	<ul style="list-style-type: none"> Adopt EU emission standards Reduce cases of communicable diseases, and drug and human trafficking in association with improved mobility
<ul style="list-style-type: none"> Pursue safety 	<ul style="list-style-type: none"> Reduce traffic accidents (road safety campaigns) Training
<ul style="list-style-type: none"> Pursue user-friendly transport and trade systems 	<ul style="list-style-type: none"> Increase regional bus services Reduce barriers to people's movement

Draft Action Plan - Financing Needs Reevaluated

Next 10 Years

- **81 investment projects: about \$32 billion**
 - New: 58 Projects (\$19 billion)
 - Newly Committed/Ongoing: 23 Projects (\$13 billion)

- **56 TA Projects: about \$60 million**



Source: Preliminary estimates (13 April 2008),
based on 2nd Consultation, Feb-Mar 2008

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Draft Action Plan - Financing Needs Reevaluated

2008-2010	2011-2012	2013-2017
CAREC Countries		Financing Gap \$7 billion
\$4 billion	\$2 billion	
External Assistance		
\$4 billion	\$2 billion	
Total		
\$8 billion	\$4 billion	



Source: Preliminary estimates (13 April 2008),
based on 2nd Consultation, Feb-Mar 2008

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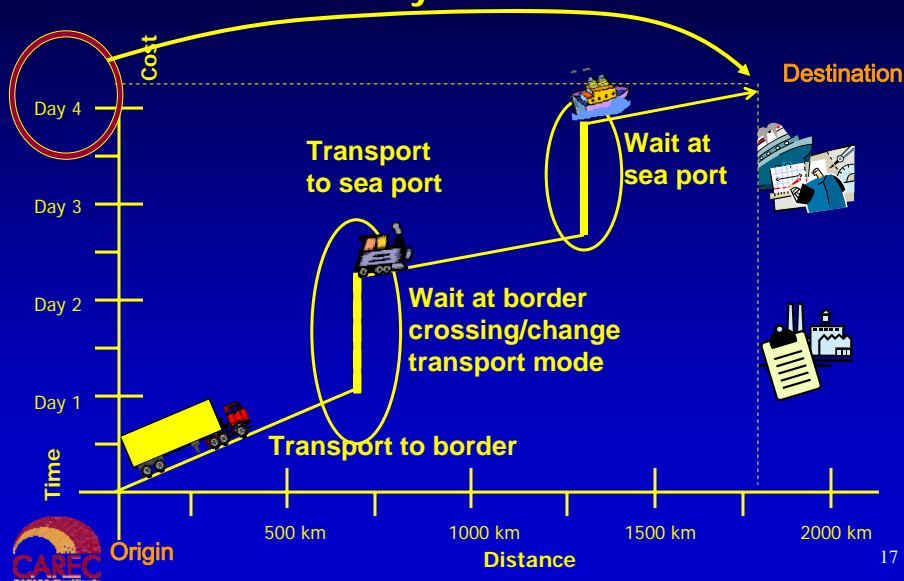
Draft Action Plan - Corridor Performance Measurement

- | | |
|--|---|
| ① Physical infrastructure (transport, logistics, and customs) | ① Time-distance analysis along selected CAREC corridors |
| ② Customs and other trade/transport regulations and procedures | ② Time-release analysis (Customs procedures) at the CAREC borders |
| ③ Logistics services | ③ Logistics analysis along selected CAREC corridors |



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Draft Action Plan - Time-Distance Analysis



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Draft Action Plan

- Time/Cost Distance Analysis

Survey method

- Conducted by transport operators
- Quarterly
- Record the time and costs incurred in transporting goods from a point to a point along CAREC corridors



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Draft Action Plan

- Time-Release method

- Time-Release Method of World Customs Organization
- At selected CAREC border crossing points
- To determine
 - efficiency of the Customs clearance
 - efficiency of other processes in release of goods
 - where delays exist
 - the type of delays
 - the reason for the delays
- To propose solutions



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Draft Action Plan

- Logistics Performance Assessment

- ① Efficiency of clearance by Customs and other border agencies
- ② Quality of transport and information technology infrastructure for logistics
- ③ Ease and affordability of arranging international shipments
- ④ Competence of the local logistics industry
- ⑤ Ability to track and trace international shipments
- ⑥ Domestic logistics costs
- ⑦ Timeliness of shipments in reaching destination



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Logistics Performance Assessment (National Level)



Country	Regional Program	Logistics Performance Index	
		Rank	Score
PRC	CAREC/GMS	30	3.32
THA	GMS	31	3.31
VIE	GMS	53	2.89
CAM	GMS	81	2.50
KGZ	CAREC	103	2.35
AZE	CAREC	111	2.29
LAO	GMS	117	2.25
UZB	CAREC	129	2.16
KAZ	CAREC	133	2.12
MON	CAREC	136	2.08
TAJ	CAREC	146	1.93
AFG	CAREC	150	1.21
MYN	GMS	NA	NA

GMS Ave = 2.85
(Excluding MYN)

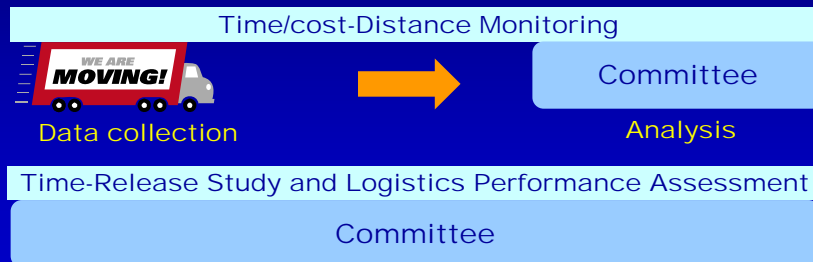
CAREC Ave = 2.18

1 = Lowest Performance 5 = Highest Performance (150 countries were surveyed.)

Source: Connecting to Compete: Trade Logistics in the Global Economy. World Bank. 2007.

Draft Action Plan - Institutional Arrangements for Corridor Performance Measurement

- Overall Leadership: National Transport and Trade Facilitation Committee (the Committee)
- Committee Composition:
 - All government agencies with transport- and trade- related functions and responsibilities:
 - Freight Forwarders Association



ADB will provide technical assistance in partnership with other development agencies.

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Draft Action Plan

Show Case Corridors for Corridor Performance Monitoring

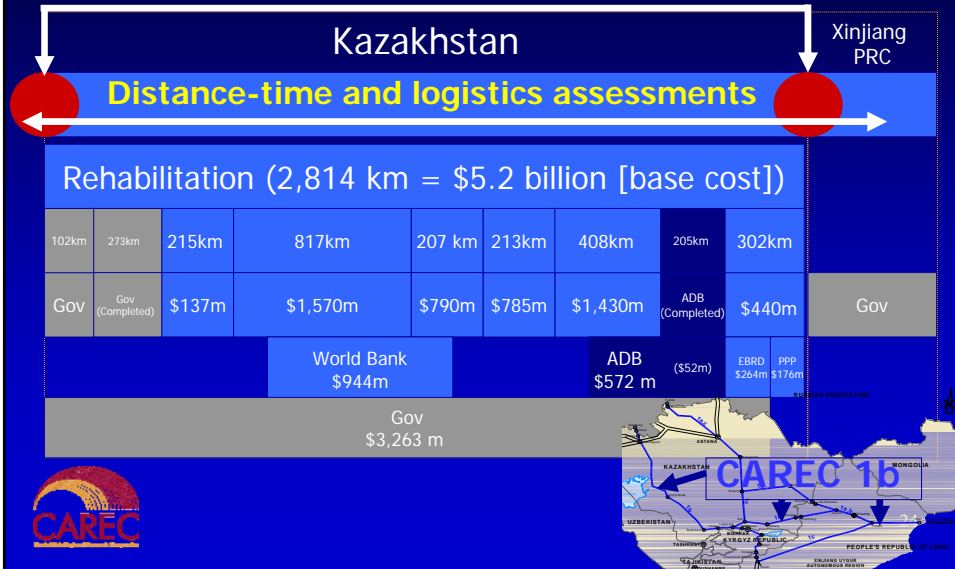
- All CAREC DMCs expressed their desires to include CAREC corridors traversing through their countries for pilot performance assessment, during the 2nd consultation (February-March 2008)
- In response to this and its selection criteria, the TA consultant suggested CAREC Corridors 1b, 2a, 3b, 4b, 5, and 6c for performance assessment, out of the 13 CAREC subcorridors.



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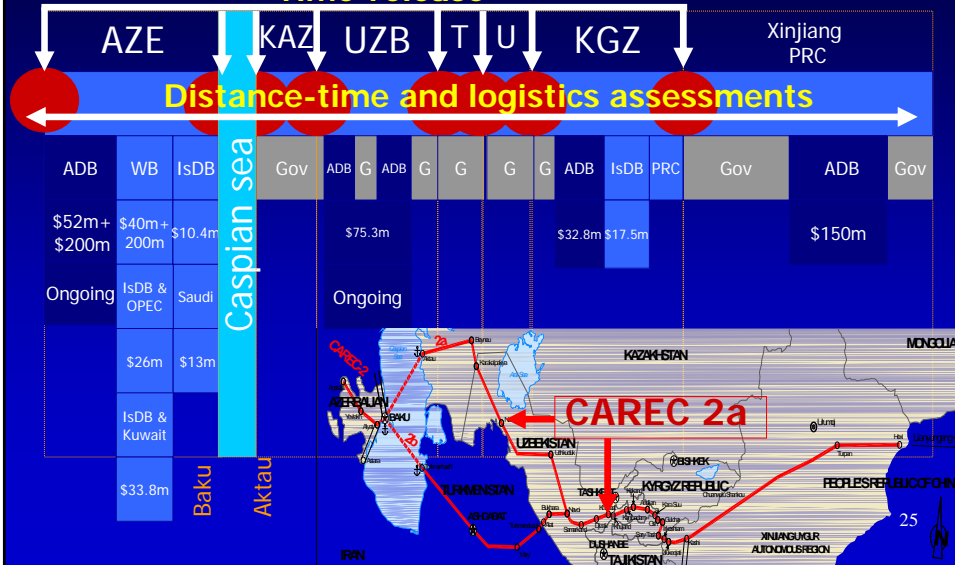
Corridor Performance Monitoring CAREC 1b (3,922 km)

Time-release

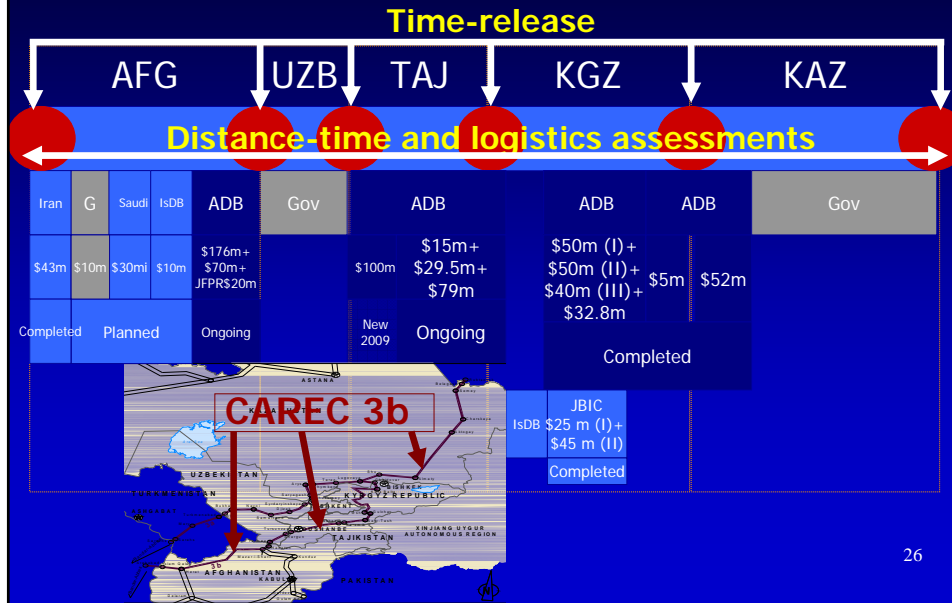


Corridor Performance Monitoring CAREC 2a (6,041 km)

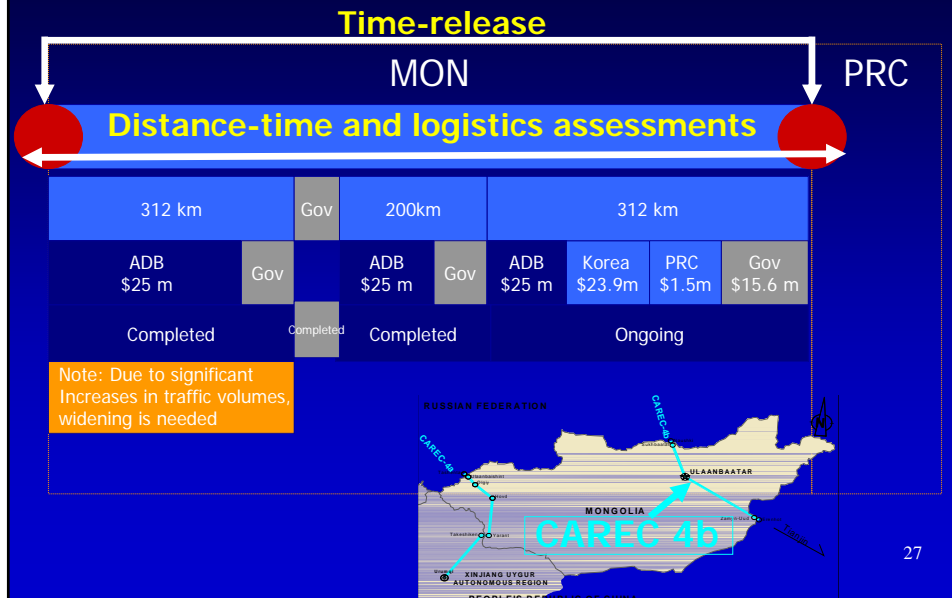
Time-release



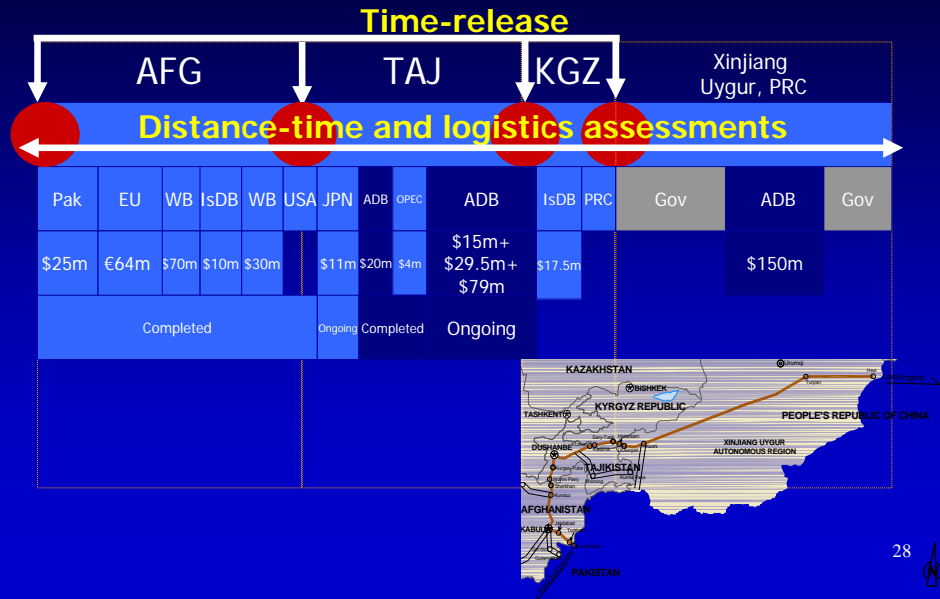
Corridor Performance Monitoring CAREC 3b (4,206 km)



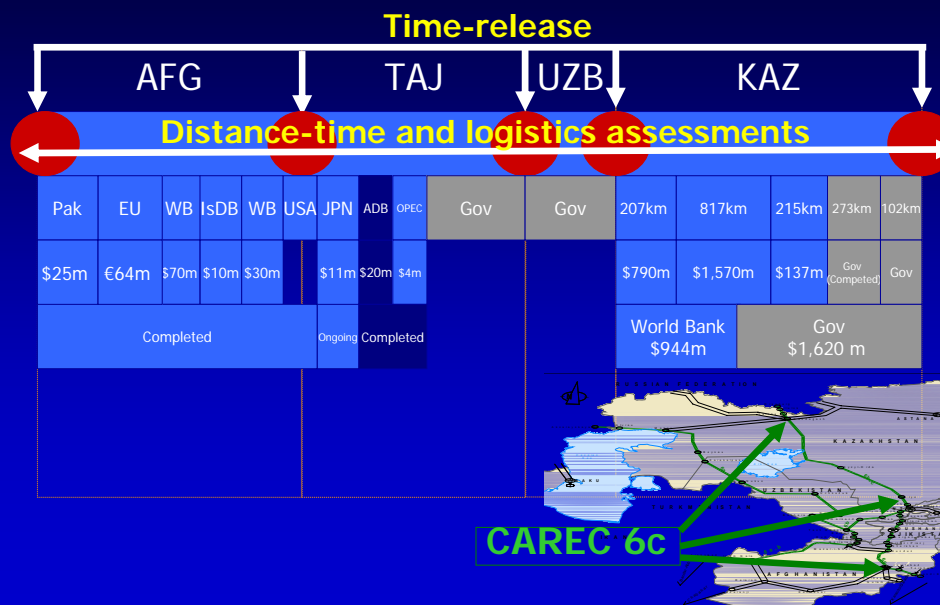
Corridor Performance Monitoring CAREC 4b (1,041 km)



Corridor Performance Monitoring CAREC 5 (3,681 km)



Corridor Performance Monitoring CAREC 6c (3,681 km)



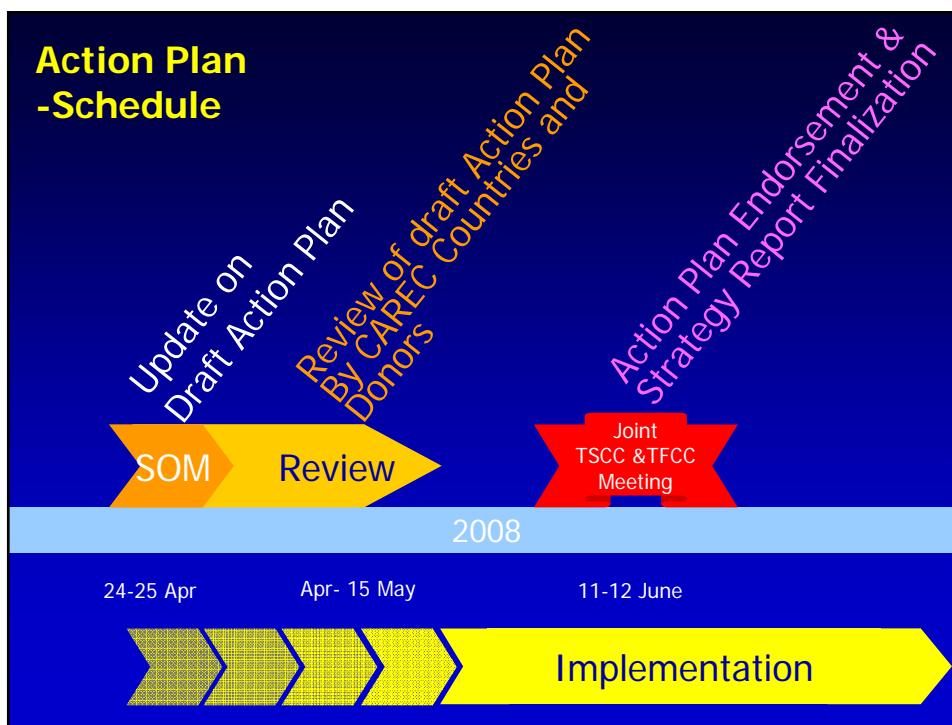
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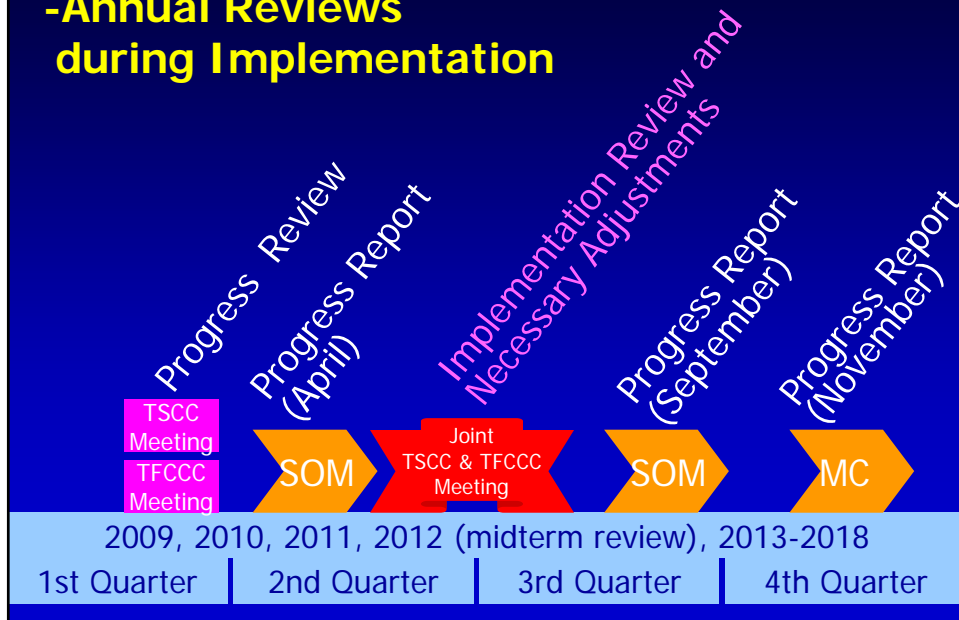


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Action Plan -Schedule



Action Plan -Annual Reviews during Implementation



Action Plan

Inclusive Economic Development
in the CAREC Region

Increased Business and
Employment Opportunities

Improved Health and
Education Opportunities

Enhanced Regional Transport and Trade Facilitation
among CAREC Participating Countries

Action Plan
will support broad-based actions:
Infrastructure development and management;
Transit and Customs improvement;
Economic development along the CAREC Corridors;
Development of sustainable, safe, and user-friendly transport and trade systems; and
Support to people by addressing risks associated with improved mobility

Infrastructure

Management

Technology

Action Plan

- Major Milestones

Now	By 5 Years	By 10 Years
Transit Volume (Europe-East Asia)		
1%	2%	5%
Effective Corridor Operations		
50%	75%	100%
Total Border Crossing		
100%	50%	30%

Source: Preliminary estimates (13 April 2008),
based on 2nd Consultation, Feb-Mar 2008

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CAREC Participating Countries
with
Their Development Partners



Achieving Results
Together



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Thank you



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For More Information

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