

# CAREC – Transport Conference

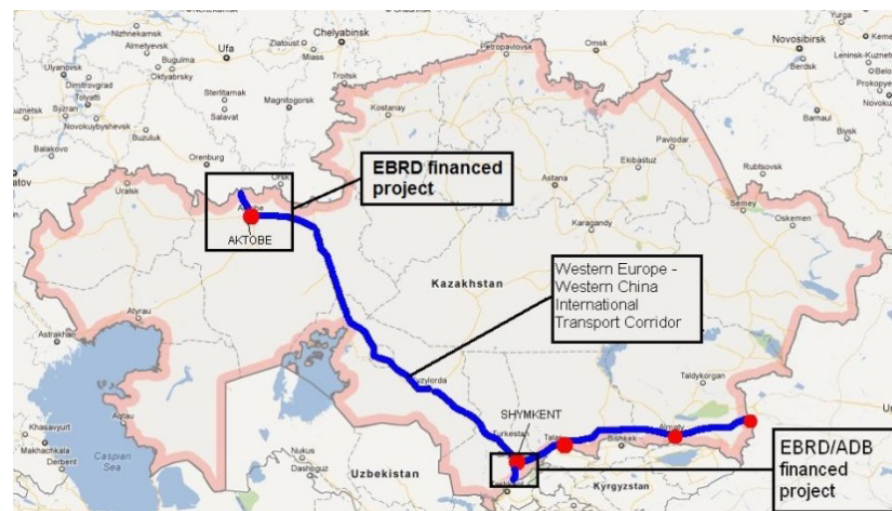
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**European Bank**  
for Reconstruction and Development

# Kazakhstan: Europe –China International corridor

- Active cooperation between IFIs, including EBRD, and the Government.
- The corridor includes passes through the routes of CAREC corridors connecting Central Asian countries with Russia and Europe.
- 3 Key projects to date:

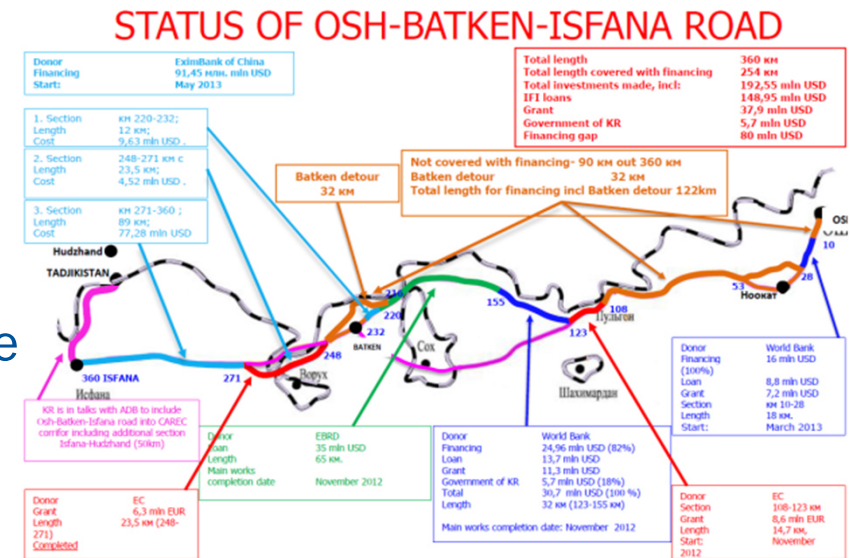


1. City of Aktobe to **Russian** border - 100km section – part of CAREC corridor 1 and 6.
  - EBRD provided USD 180 million sovereign loan
  - This project was successfully completed in 2014
2. City of Shymkent to Uzbek border - 60km - part of CAREC corridor 3 and 6
  - EBRD provided a USD 196 million sovereign loan
  - Construction works are still ongoing
3. Almaty and Astana connection – 80km section – part of CAREC corridor 1
  - EBRD signed USD 103 million in February 2016

# Kyrgyz Republic: Osh-Isfana Road Upgrading



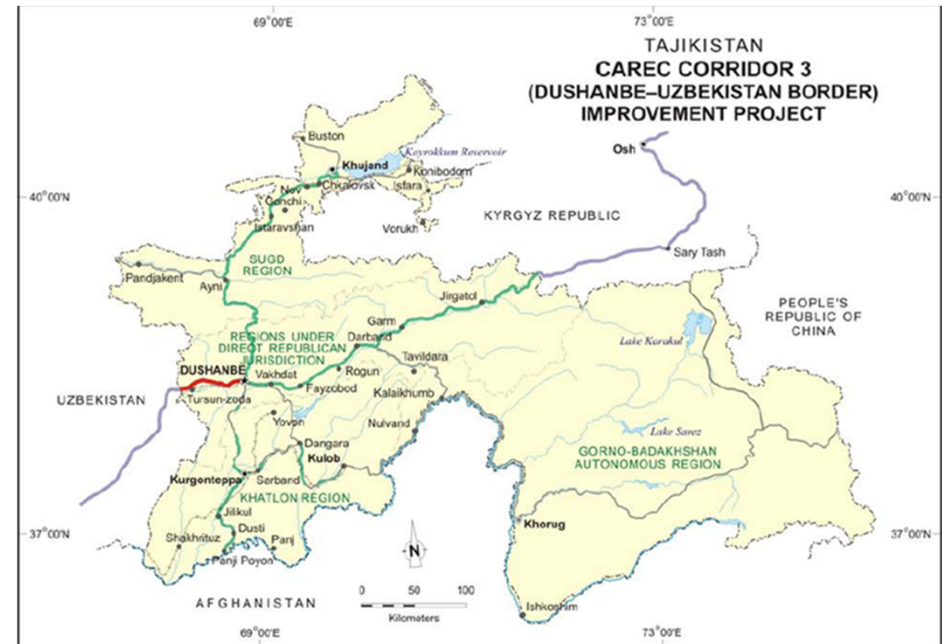
- Total Project cost: Approx. USD 272 mln
- EBRD financing: up to USD 35 mln
- Co-financing with WB, EU and JICA
- EBRD provides EUR 440,000 TC package to support Government on sector reform



- International transit route linking KR with China, Uzbekistan and Tajikistan.
- The Ministry of Transport and Communications requested EBRD to participate in the financing of additional parts of the Osh-Isfana corridor. This would be the EBRD's second road financing project in the country and continuation of the financing of the same road but other sections.

# Tajikistan: Dushanbe to Uzbek Border Road

- Total Project cost: Approx. USD 200 mln excluding taxes
- EBRD financing: up to USD 63mln
- Co-financing with ADB and AIIB
- The Road is part of CAREC Corridor 3



- Connecting Uzbekistan to Kazakhstan, Kyrgyz Republic, Turkmenistan and Afghanistan
- EBRD provides EUR 500,000 TC package to support Government on sector reform

# Challenges in Transport in Central Asia

- **Vulnerability of large economic neighbours:** For the time being, both China and Russia are economically struggling and it is not clear when these economies will recover
- **WTO accession and customs union consolidation:** There are large changes in institutional frameworks and tariff levels
- **Currency vulnerability:** Most central currencies lost more than 50% in their value during 2015, and it remains vulnerable
- **Regional cooperation:** Although this was much improved, there are still numerous border issues in the same economic zone (e.g. Fergana valley)
- **Sovereign debt capacity is limited:** Against the large investment needs, sovereign debt capacity is small. PPP is not yet a bankable solution (except in Kazakhstan)

# EBRD Policy Dialogue Focus (Roads)

Improvements of efficiency in road maintenance

Establishment of the client-supplier relationship

Contract management and tendering process

Sustainable road sector financing

Private sector participation

Road safety

# EBRD Policy Dialogue Focus (railways)

Regional connectivity

Development of multi-mode connectivity and logistics

Corporate Restructuring

Tariff methodology and financial improvements

New rules under the customs union:

- Railway access and access charge methodology
- Mitigating border issues (customs and other)

# Contact details

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