



Central Asia Regional Economic Cooperation Program

Reference Document  
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# **Transport Sector Progress Report and Work Plan**

**Senior Officials' Meeting  
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## I. KEY DEVELOPMENTS

1. This report includes activities undertaken since the Ministerial Conference in October 2013. In 2013, as a part of the midterm review, the Central Asia Regional Economic Cooperation (CAREC) Transport and Trade Facilitation Strategy 2020 (the Refined Strategy) was drafted based on the lessons learned from implementation, stock take analysis, and changes in the CAREC Program, specifically the new strategic framework and expanded membership with the inclusion of Pakistan and Turkmenistan. The Refined Strategy was endorsed at 12th Ministerial Conference on 23–24 October 2013, in Astana, Kazakhstan, and had identified three operational priority areas:

- (i) **Multimodal corridor network development**, consisting of support for corridor extensions; railway network and multimodal logistics hub development; and border crossing point improvements;
- (ii) **Trade and border crossing service improvements**, consisting of customs reform and modernization; coordinated border management; national single window development; and sanitary and phytosanitary (SPS) reform and modernization; and
- (iii) **Institutional strengthening**, consisting of improvements in planning, financing and management of road and railway assets; road safety management; and increasing private sector participation.

2. Implementation of the Refined Strategy is just beginning with a focus on defining country-level priorities and action plans for 2014–2016, in line with the overall operational priorities identified in the Refined Strategy. For the transport sector, these country level plans have been consolidated into a CAREC Transport Sector Work Plan 2014–2016. Associated with the identification of priority technical assistance and investment projects, are the cross-cutting themes of (i) resource mobilization, (ii) increasing coordination and engagement with other development partners, (iii) promoting private sector participation, and (iv) strengthening ownership of the process by CAREC member countries.

### A. Sector Implementation



3. The six originally identified CAREC corridors are comprised 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.<sup>1</sup> 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.<sup>2</sup> Table 1 presents details of the transport sector performance from 2008 through 2013.

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<sup>1</sup> The Strategy states that in 2007, 64% of the CAREC road corridors were in good condition, 21% in fair condition, and 15% in bad condition. As such, improvements in the road corridors under the CAREC program would focus on the fair and bad road sections, i.e., 36% of the total length of roads in the six identified CAREC Corridors.

<sup>2</sup> However, annual progress achieved in 2012 and 2013 did not meet their respective annual targets of 880 km and 1,200 km. Progress needs to be accelerated in order to maintain long-term satisfactory performance of the program.

**Table 1: Annual Transport Sector Outputs  
(2008–2013)**

Indicator	2008 Baseline Value	2009	2010	2011	2012	2013	2013 Target	Progress
Annual expressways or national highways built or improved (km)	177	1,288	1,025	1,022	430	<b>545</b>	1,200	
Cumulative expressways or national highways built or improved (km)	177	1,465	2,490	3,512	3,942	<b>4,487</b>	3,840	
Cumulative proportion of total CAREC road corridor in good condition (%) <sup>a</sup>	64	70	74	79	80	<b>83</b>	80	

CAREC = Central Asia Regional Economic Cooperation, km = kilometer.

<sup>a</sup> It should be noted this may overstate overall road condition due to ongoing deterioration on some early road sections rated in good condition as of 31 December 2007.

4. In the Refined Strategy, the original six corridors have been extended, corridors have also 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 network has increased from 24,000 km to an estimated 29,350 km.

5. Based on the Implementation Action Plan of the Refined Strategy, three 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.<sup>3</sup> Based on a proportional distribution of the Refined Strategy outputs over the seven year period from 2014 to 2020, annual output targets include: (i) 475 km of expressways or national highways built or improved, (ii) 60 km of new railways built, and (iii) 30 km of rehabilitated and improved railways.

**Table 2: Refined Strategy—Transport Sector Targets  
(2014–2020)**

Indicator	2013 Realized	2014	2015	2016	2017	2018	2019	2020
Cumulative expressways or national highways built or improved (km)	4,487	4,960	5,433	5,906	6,379	6,852	7,325	7,800
Cumulative new railways built (km)	1,397	1,455	1,512	1,570	1,627	1,685	1,742	1,800
Cumulative existing railways rehabilitated and improved (km)	1,788	1,818	1,849	1,879	1,909	1,939	1,970	2,000

CAREC = Central Asia Regional Economic Cooperation, km = kilometer.

6. The Refined Strategy also outlines other targets, such as: (i) five border crossing points (BCPs) improved, (ii) eight CAREC countries accede to Revised Kyoto Convention, and (iii) five regional multimodal logistics centers established and operational. Actions have not yet been realized against these targets. Furthermore, the proposed timelines to achieve these targets, in

<sup>3</sup> Should the 2020 road target be achieved, this will be indicative of having achieved improvement of more than 70% of the enlarged CAREC TTFS 2020 road network, assuming that roads previous assessed as in, or improved to, good condition have been properly maintained.

addition to the others outlined in the Refined Strategy, will be discussed and defined more specifically in the agreed upon Transport Sector Work Plan 2014–2016.

**(i) Implementation Progress**

7. **Afghanistan.** Despite security concern during 2014 government transition, progress continues to be made on implementation of road and preparation of railway projects along CAREC Corridors 3, 5, and 6. Based on a study conducted by the United States Agency for International Development (USAID), options for rehabilitation of the Salang Tunnel have been discussed and more detailed engineering studies are underway. Construction continues on sections of the Qaisar Laman Ring Road with 82 km scheduled to be paved in 2014 as well as the Laman Armalick Road (52 km). Construction continues on first section (50 km) of the Kabul Jalalabad Road, while contracts have been awarded to commence construction on the second and remaining section (106 km). Work continues on the Aquina Andkhoy Railway, and a consultant has been mobilized to undertake the feasibility study for the Northern Afghanistan Railway linking Turkmenistan with Tajikistan through Afghanistan which includes a review of the appropriate rail gauge.

8. **Azerbaijan.** Work has started on the East West Highway, which will provide an additional two lanes of road on a significant part of the highway between Hajigabul and Ganja (296 km). Railway construction continues to support transport and trade with an additional 36 km having been constructed since September 2013. Similarly, construction of the New Baku International Sea Trade Port at Alyat is ongoing and scheduled for completion in 2015. To complement expansion of the port, acquisition of large capacity ferries and Ro-Ro ships is planned for 2014.

9. **Kazakhstan.** Progress continues to be made on rehabilitation of the Western Europe-Western People's Republic of China (PRC) Transit Corridor which, upon completion, will consist of a four-lane road (1,390 km) and a two-lane road (1,062 km). These rehabilitated roads comprise key sections of CAREC Corridor 1. Financed by the government, work has started on the 171 km four-lane Astana Karaganda Road, which is scheduled for completion in 2016. Also financed by the government and scheduled for completion in 2016, progress continues to be made on Almaty Kapchagai Road. Financed by the Asian Development Bank (ADB) and scheduled for completion in 2015, construction of the 200 km two-lane Beyneu Aktau Road supporting CAREC Corridors 2a and 2c continues. Largely financed by the government, construction of the 1,036 km Zhezkasgan Beyneu Railway is going to be completed in 2016 according to the schedule. Work is scheduled to commence on the \$1.2 billion private sector financed Khorgos Transport Logistics Center in late 2014.

10. **Kyrgyz Republic.** Work continues on the multi-donor financed Bishkek–Naryn–Torugart Road Rehabilitation Project, which forms part of CAREC Corridor 1c. Funding through the ADB and the Eurasian Development Bank has been approved for financing the construction of the Bishkek-Osh Road Rehabilitation Project, Phase 4 (120 km), for which detailed design is expected to commence in 2014. Construction of the North-South Alternative Road, Phase 1 from Kochkor to Jalal-Abad, financed by the Export-Import Bank of China, is expected to commence in 2014. Since 2013, Kyrgyz Railways has been procuring additional locomotives, and more are planned to be acquired in 2014. Private sector investors have been courted to finance the procurement of equipment to enhance the capacity of the country's air traffic control system.

11. **Mongolia.** Progress continues on the Western Regional Road Corridor Development Project, CAREC Corridor 4a, connecting the PRC, Western Mongolia, and the Russian Federation. By the end of 2014, some 500 km of the Western Regional Road are expected to be open to traffic. The remaining 244 km are expected to be completed by 2017. The Regional Ulaanbaatar–Russian Border Road Rehabilitation Project, which forms CAREC Corridors 4b and a section of CAREC Corridor 4c, was predominately completed in November 2013 and is generally open to traffic with only minor outstanding works to be completed by August 2014. The Undurkhann (AH-32)–Baruun Urt–Bichegt–Huludao / Chifeng–Jizhou Road Project forms the remaining section of CAREC Corridor 4c, and will support access from Ulaanbaatar to the PRC’s seaports. The Undurkhann–Baruun Urt section is being completed and the government is looking for funding to complete the Baruun Urt–Bichegt section, which is being prepared with technical assistance financing from ADB. Financed by the Government of Mongolia and Japan International Cooperation Agency, work continues on the construction of the New Ulaanbaatar International Airport. Additionally, an access road to the new airport is being constructed through a concession on a Build Transfer basis.

12. **Pakistan.** Since June 2013, a key aspect of the new government’s development policy has been focused on transport and regional connectivity improvements as one of three pillars for economic growth. Progress continues to be made on the ADB financed National Trade Corridor Improvement Investment Program, which partially supports development of CAREC Corridor 5. Financed by a grant from the PRC, two feasibility studies are ongoing for some parts of the National Trade Corridor from Mansehra to Islamabad and from Multan to Sukkur. The bidding for civil works of Hassanabdal to Sarai Saleh of E35 (39 km) is ongoing. Construction of Peshawar to Torkham of N5 (43 km, financed by USAID); Faisalabad to Gojra of M4 (58 km, financed by ADB); and Sehwan–Ratodero of N-55 (199 km, financed by Japan International Cooperation Agency) are ongoing. Jointly financed with funding from ADB, USAID, and Canada, feasibility studies on border crossing points to Afghanistan and India are being prepared.

13. **Tajikistan.** Financed by Japan, rehabilitation of the Kurgonteppa–Dusti–Panji Poyon Road, which forms part of CAREC Corridor 6c, is scheduled for completion in 2014. Financed by ADB and the European Bank for Reconstruction and Development, rehabilitation of the Dushanbe–Tursunzade–Uzbek Border Road (62 km), which forms part of CAREC Corridor 3b, is ongoing and scheduled to be completed in 2015 for the ADB-financed section (57 km) and in 2016 for the section financed by the European Bank for Reconstruction and Development (5 km). Meanwhile, other sections of CAREC Corridors 3b and 5 traversing Tajikistan continue to have their lane capacity augmented under the ADB financed CAREC Road Corridors 3 and 5 Improvement Project, which is scheduled for completion in 2017. Construction of the Aini–Pyanjikent–Uzbek Border Road Project (113 km) financed by ADB and the Department for International Development, which forms part of CAREC Corridor 6c, is underway with completion expected by 2016.

14. **Turkmenistan.** The CAREC focus in Turkmenistan is on expansion of the corridor network through railways. In 2013, construction of the Atamyrat–Ymamanzar–Akina Railway (88 km) was initiated and is scheduled to be completed by 2015. Upon reaching Akina, the railway is expected to connect to the Northern Afghanistan Railway, for which the planning and feasibility study are underway with the intention to extend the existing railway west from the railhead at Mazar-e-Sharif to Andkhoy and eventually to Akina.

15. **Uzbekistan.** Largely financed by the ADB, progress continues to be made on the CAREC Corridor 2 Road Investment Program Phase 2 (175 km), which supports CAREC Corridors 2a and 6a. Similarly, progress also continues to be made on the largely ADB-

financed CAREC Corridor 2 Road Investment Program Phase 3 (220 km) which supports CAREC Corridors 2a, 2b, and 6c, and includes the strategic Tashkent–Osh section of road across the Kamchik pass targeted for completion in 2014–15. In railways, much of the recent focus has been on modernization of existing lines through electrification for better efficiency. Jointly funded by Uzbekistan Temir Yullari and ADB, electrification of the Marokand–Kashi Section (140 km) is ongoing and expected to be completed by 2016. Meanwhile, project preparation for the electrification of the Marokand–Bukara Section (272 km) is set to start and the project is expected to commence in 2015. These railway projects support CAREC Corridors 2a, 3, 6a, and 6b, as well the potential future application of Dedicated Rail Corridors (DRCs). Acquisition of aircraft to upgrade the fleet of the national carrier remains ongoing, through joint funding by the national carrier themselves and the government. To support this development, the national carrier and the government are also financing the construction of a maintenance hangar, scheduled for initial construction in 2014.

16. The process of updating CAREC program progress remains ad hoc and focused on measureable physical progress in terms of outputs rather than outcomes for users of the corridors. The Secretariat is procuring Geographic Information System/Global Positioning System software to establish a centralized database which is intended to support the systematic measurement of physical progress. In doing so, it is envisaged that outcomes as estimated by the corridor performance measurement and monitoring reports can be linked. To establish the database further data calls and coordination are expected between the Secretariat and the focal points.

17. Several countries have requested the addition of investment projects and technical assistance to the Refined Strategy. The procedure for adding projects was issued as an appendix to the summary proceeding of the Transport Sector Coordinating Committee (TSCC). As per the procedure, the Transport Sector Work Plan 2014–2016 has been drafted to include such project requests contingent upon the merit of the proposed submissions. Furthermore, the targets of the Transport Sector Work Plan 2014–2016 have been established in consideration of the overall envisaged outputs and outcomes of the Refined Strategy, as well as lessons learned and consultations on project readiness.

18. Additionally, based on lessons learned from 2008 to 2013, it has been realized that effective implementation of the Refined Strategy and successful achievement of proposed objectives requires having necessary capacities (human, financial, institutional). In this context, South-South Knowledge Cooperation (SSKC) has been proposed as a complement to traditional technical, investment and advisory support to step up knowledge transfer implementation topics. To date, knowledge services related to CAREC has largely been silo-based, with inadequate attention to the organization and dissemination of knowledge. In this light, SSKC is meant to serve as a vehicle for systematic and coordinated planning, implementation and sharing of knowledge aimed at strengthening implementation. A key feature of SSKC is that of horizontal partnership and mutual benefit between countries, so a win-win situation emerges as an outcome for all vested parties. For CAREC countries in particular, the SSKC vehicle provides myriad benefits. It facilitates learning and consensus-building on regional issues affecting Refined Strategy implementation (e.g. harmonization of standards); access to tested and adapted technology and tools without having to reinvent the wheel, and exchange of experience with countries that share similar constraints and opportunities to improving movement of goods and people. SSKC also allows CAREC countries to showcase their successes, increase their visibility as emerging "centers of innovation", and fosters opportunities for inter-country partnerships and investments. The membership of CAREC has expanded, and as detailed within the Refined Strategy, CAREC corridors have been updated

and extended to enhance connectivity with South Asia, Middle East and East Asia. Therefore, SSKC will also support experience sharing and strengthening of linkages with other regional cooperation initiatives (e.g. Greater Mekong Subregion and South Asia Subregional Economic Cooperation) and non-CAREC countries. A tentative work program for SSKC for 2014–2016 has been developed, and comprises of various activities, including action-oriented research, training, seminars and on-site learning, institutional partnerships, and enhanced communications and knowledge dissemination.

## (ii) Cross-Border Transport Facilitation

19. Towards facilitating cross-border transport in CAREC, two diagnostic studies, under the Regional Technical Assistance 8147–Facilitating Cross-Border Transport in the CAREC Region (Phase 1), were initiated to provide an assessment of transportation operations along the corridors connecting the Kyrgyz Republic, Tajikistan, Afghanistan and Pakistan. The studies provide preliminary specific recommendations for improved implementation of existing cross-border transport facilitation agreements.

20. Following endorsement of specific recommendations from the diagnostic studies, further work on cross-border transport facilitation will focus on the following major areas: harmonization of CAREC member country transportation regulation with international conventions and agreements; strengthening implementation of existing multilateral and bilateral transport agreements; streamlining of cross border transport operations; and capacity development of road transport private sector.

## B. Addressing Actions Proposed in the 2012 CAREC Development Effectiveness Review (2012 CAREC DEfR) and Ongoing Key Issues

21. The following actions have been taken in line with the actions proposed in the 2012 CAREC Development Effectiveness Review (2012 CAREC DEfR) and key issues raised at the SOM held in Astana, Kazakhstan in October 2013.

### 1. Priority Actions Proposed in the 2012 CAREC DEfR

- Maximize the benefits of CAREC corridors by identifying key nonphysical barriers to cross-border transport and feasible approaches to implementing transport facilitation agreements in the CAREC corridors.

**Action initiated:** In July 2012, a roundtable seminar held on Ways Forward for Corridor-Based Transport Facilitation Arrangements produced recommendations for a general approach to implementation. In October 2012, the seminar’s recommendations were presented and endorsed at the 11th CAREC Ministerial Conference in Wuhan, PRC, and included in the Wuhan Action Plan. To assist implementation of CAREC’s transport facilitation agenda, an ADB-supported regional technical assistance project budgeted at \$1.5 million was approved in 2012.<sup>4</sup>

<sup>4</sup> ADB. 2012. *Technical Assistance for Facilitating Cross-Border Transport in the Central Asia Regional Economic Cooperation Region, Phase 1*. Manila.



**Next steps:** In 2014–2015, operationalize the recommended and endorsed approach into specific action plans, and implement priority activities.

22. The Refined Strategy emphasized particular importance of railway corridors in the CAREC and more balanced approach to financing road and rail infrastructure. DRCs were proposed as a way forward to also facilitate cross-border transport. Ongoing work on facilitating CBTAs will be aligned with this new strategic direction.

- To sustain operations growth, endorse medium-term priority project list at the Ministerial Conference of 2012, and commence mainstreaming priority projects into national development plans of the CAREC countries.

**Action initiated:** Medium-term priority project list was integrated into the Refined Strategy and endorsed in October 2013.

**Next steps:** Financing requirements and implementation of medium-term priority projects will be monitored by the TSCC.

23. The previous list of medium-term priority projects was largely integrated into the Refined Strategy after confirmation of the projects, timeframe and estimated costs with the member countries. The final list consists of 108 priority investment projects amounting to \$38.8 billion in estimated cost. The majority of these projects cover remaining sections of the originally identified six CAREC corridors. Progress measurement was conducted for the projects with confirmed financing. The list was integrated into the priority investment projects of the Refined Strategy.

- To counter the drop in finance mobilization, step up efforts to explore cofinancing opportunities among CAREC governments, multi- and bilateral institutions, other development partners, and the private sector.

**Action initiated:** First roundtable meeting with development partners was held on 7 June 2013 in Astana.

**Next steps:** Further consultations will be held.

24. The TSCC, with the multilateral and bilateral institutions, convened a Development Partners Forum in May 2014, on financing of projects under the Refined Strategy. Options for private sector participation and partnering will have an increased focus.

## II. KEY ISSUES FOR GUIDANCE BY THE SOM

25. Based on the Refined Strategy and input from the member countries, an output from 13th CAREC TSCC held on 14–15 May 2014 is the draft Transport Sector Work Plan 2014–2016. Following the close of the TSCC, this draft has been revised in coordination with the respective member countries and the Secretariat. The revised draft will be submitted to forthcoming SOM in Manila, Philippines on 26–27 June 2014 for endorsement. CAREC senior officials are requested to review and endorse the final Transport Sector Work Plan 2014-2016.

## PRIORITY INVESTMENT AND TECHNICAL ASSISTANCE PROJECTS

### List of Investment Projects by Country

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
1	AFG	IP 1	Qaisar–Bala Murghab Road	448	2012–2016
2	AFG	IP 3	Laman–Armalick Road	39	2012–2014
3	AFG	IP 4	Pul-e-Khumri–Doshi Road	18	2013–2014
4	AFG	IP 8	Construction of Kabul–Jalalabad Road	166	2010–2016
5	AFG	IP 9	Rozanak/Ghorian–Herat Railway Line Construction (Iran–Afghanistan)	125	2014–2016
6	AFG	IP 11.1	Construction of Shirkhan Bandar–Kunduz–Kholam–Naibabad– Andkhoy–Herat Railway	956	2015–2018
7	AFG	IP 12	Construction of Aqina–Andkhoy Railway (Turkmenistan–Afghanistan)	75	2015–2016
8	AFG	IP 101	Construction Turkmenistan Border–Herat Railway	242	2015–2016
9	AFG	IP 102	Salang Road Tunnel	1,000	2014–2017
10	AFG	IP 103	Rehabilitation of Mazar-e-Sharif–Kunduz Road	85	2015–2016
<b>Subtotal</b>				<b>3,154</b>	
11	AZE	IP 1	East–West Highway (M2 Improvement and Expansion to Four Lanes) (Yevlakh–Ganja, Gazakh Border)	237	2007–2014
12	AZE	IP 2	Railway Trade and Transport Facilitation	807	2010–2017
13	AZE	IP 3	Acquisition of High Capacity Ferries and Ro/Ros by Caspian Sea Shipping	69	2010–2014
14	AZE	IP 4	Construction of Baku International Sea Trade Port Complex (Alyat)	750	2011–2015 (Phase 1)
15	AZE	IP 5	Hajygabul–Yevlakh and Ganja–Qazakh Roads	2,014	2012–2017
16	AZE	IP 101	LC Baku Port at Alyat	50	2015–2018
<b>Subtotal</b>				<b>3,927</b>	
17	KAZ	IP 1	Astana–Karaganda Road Rehabilitation	658	2013–2016
18	KAZ	IP 2	Almaty–Kapchagay (Kapshagai) Road Rehabilitation	408	2013–2016
19	KAZ	IP 3	Aktau–Beyneu Road Rehabilitation (MFF CAREC Corridor 2: Mangystau Oblast Section)	142	2012–2015
20	KAZ	IP 4	Rehabilitation of Western Europe–Western PRC Transit Corridor (Aktubinskaya Oblast, Kazakhstan, to Xinjiang, PRC)	5,500	2009–2015
21	KAZ	IP 5	Electrification of Almaty–Aktogay Railway Section	984	2015–2018
22	KAZ	IP 6	Electrification of Dostyk–Aktogay Railway Section	510	2015–2019

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
23	KAZ	IP 7	Electrification of Aktogay–Mointy Railway Section	736	2015–2020
24	KAZ	IP 10	Expansion of Aktau Port	124	2005–2006
25	KAZ	IP 13	Construction of New Railway Line Zhezkazghan–Saksaulskaya	3,032	2012–2016
26	KAZ	IP 17	Shymkent–Tashkent Road	658	2012–2015
27	KAZ	IP 101	Almaty–Khorgos Road	1,068	2013–2015
28	KAZ	IP 102	BCP Improvement for Road Vehicles at Dostyk	8	2014–2015
29	KAZ	IP 103	BCP Improvement for Trains at Dostyk	300	2015–2017
30	KAZ	IP 104	BCP Improvement for Road Vehicles at Khorgos	8	2014–2015
31	KAZ	IP 105	BCP Improvement for Road Vehicles at Tazhen	8	2014–2015
32	KAZ	IP 106	BCP Improvement for Road Vehicles at Konysbaeva	3	2014–2015
33	KAZ	IP 107	LC Aktau Port	31	2005–2017
34	KAZ	IP 108	LC Khorgos	85	2014–2016
<b>Subtotal</b>				<b>14,263</b>	
35	KGZ	IP 1	Bishkek–Torugart Road Rehabilitation	428	2010–2017
36	KGZ	IP 4	Electrification of Lugovaya–Bishkek (Alamedin) Railway	250	2011–2016
37	KGZ	IP 5	Rehabilitation of Balykchy–Chaldovar–Lugovaya Railroad	66	2011–2015
38	KGZ	IP 6	Equipment Purchase for Wagon Repair/Maintenance Facility for Rail	18	2013–2014
39	KGZ	IP 7	Reconstruction of Osh International Airport	105	2011–2014
40	KGZ	IP 8	Kyrgyz ATC System Capacity Enhancement	25	2014–2016
41	KGZ	IP 9	Rehabilitation of Bishkek–Osh Road	180	2014–2019
42	KGZ	IP 11	Construction of the Northern Bypass Road (Bishkek–Kara-Balta)	350	2014–2017
43	KGZ	IP 102	North–South Road: Balykchy–Kochkor–Aral–Kazarman–Jalal-Abad	850	2014–2020
44	KGZ	IP 104	BCP Improvement for Road Vehicles at Karamyk	8	2014–2015
45	KGZ	IP 105	LC Osh	15	2014–2016
<b>Subtotal</b>				<b>2,295</b>	
46	MON	IP 1	Western Regional Road Development (PRC Border at Yarant–Khovd–Ulgii–Ulaanbaishint)	145	1995–2018
47	MON	IP 2	Regional Road Development (Construction of Altanbulag–Ulaanbaatar–Zamiin-Uud)	126	1995–2014
48	MON	IP 5	Construction of New International Airport in Ulaanbaatar	284	2008–2017
49	MON	IP 10	Access Road to the New International Airport in Ulaanbaatar	110	2014–2016
50	MON	IP 11	Western Regional Road Development Phase 2 MFF—Bayan Ulgii and Khovd Aimags (provinces)	318	2012–2018
51	MON	IP 12	Railway Rolling Stock Maintenance Depot	59	2014–2016
52	MON	IP 13	Railway Centralized Traffic Control Center	29	2014–2016

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
53	MON	IP 14	Ulaanbaatar City Railway Passenger Station	36	2014–2016
54	MON	IP 101	Undurkhaan (AH32)–Baruun-Urt–Bichigt–Huludao/ Chifeng–Jinzhou Road	268	2014–2016
<b>Subtotal</b>				<b>1,375</b>	
55	PAK	IP 101	Realignment of Karakoram Highway at Hunza due to Attabad Lake Overflow, N-35	281	2012–2016
56	PAK	IP 103	Karachi–Hub-Dureji–Sehwan–M-7 (250 km), New Alignment, 6-Lane Motorway	1,050	2013–2017
57	PAK	IP 104	Sehwan–Ratodero, N-55 (Expressway, 199 km)	351	2013–2016
58	PAK	IP 105	Ratodero–Dera Ghazi (DG) Khan, N-55 (Expressway, 200 km)	600	2013–2016
59	PAK	IP 110	Peshawar–Torkham, N-5	150	2013–2015
60	PAK	IP 111	Gwadar–Hoshab (M8)	550	2016–2020
61	PAK	IP 115	BCP Expansion and Upgrading at Torkham, Wagah and Chaman	100	2014–2017
62	PAK	IP 116.1	M-4 (Section 2 Gojra–Shorkot (4-Lane Motorway)	200	2013–2016
63	PAK	IP 116.2	M-4 (Section 3–Shorkot–Khanewal (4-Lane Motorway, including bridges over Ravi and Sidhna Rivers)	250	2013–2016
64	PAK	IP 118	M-4 (Section 1 Faisalabad–Gojra 4-Lane Motorway)	170	2013–2017
65	PAK	IP 119	Railway Rehabilitation Lahore–Peshawar	665	2013–2016
66	PAK	IP 120.1	Hoshab–Surab (N85 and N25)	450	2016–2020
67	PAK	IP 120.2	Surab–Kalat (N85 and N25)	100	2016–2021
68	PAK	IP 121	E-35 (Section 1 Hasanabdal–Havelian) 4-Lane Expressway	150	2015–2017
69	PAK	IP 122	E-35 (Section 1 Havelian–Mansehra) 4-Lane Expressway	200	2015–2017
70	PAK	IP 123	M-4 (Section 4 Khanewal–Multan) 4-Lane Motorway	150	2016–2017
71	PAK	IP 124	N-70 Muzaffargarh–DG Khan Section (Upgrading of Existing Road to 4-Lane Dual Carriageway)	150	2017–2017
<b>Subtotal</b>				<b>5,567</b>	
72	TAJ	IP 4	Kurgonteppa–Dusti–Panji Poyon Road Rehabilitation	18	2007–2011
73	TAJ	IP 7	Dushanbe–Tursunzade–Uzbekistan Border Road (62 km)	186	2011–2015
74	TAJ	IP 8	Reconstruction of Some Sections of Dushanbe–Kurgonteppa–Dangara–Kulyab Road (243.3 km)	550	2012–2015
75	TAJ	IP 9	Vahdat–Yavan Railway Construction (New)	180	2012–2016
76	TAJ	IP 10	Construction of Railway Line of Kolkhozabad–Dusti–Panji Poyon–Afghan Border (50 km)	90	2015–2018
77	TAJ	IP 11	Construction of Ayni–Panjakent to Uzbekistan Border (114 km)	115	2012–2016
78	TAJ	IP 101	LC Panji Poyon	8	2014–2016

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
79	TAJ	IP 102	CAREC Corridors 3 and 5 Enhancement Project	89	2014–2017
<b>Subtotal</b>				<b>1,216</b>	
80	TKM	IP 101	Construction of Dashoguz–Shasenem–Gazojak Railway	490	2013–2015
81	TKM	IP 102	Construction of Atamyrat–Ymamnazar–Aqina Railway	297	2013–2015
82	TKM	IP 103	LC Turkmenbashi	202	2014–2020
83	TKM	IP 104	Reconstruction of Ashgabat–Turkmenbashi Highway	975	2014–2017
84	TKM	IP 105	CAREC Maritime Transport Corridor Development	50	2013–2017
<b>Subtotal</b>				<b>2,014</b>	
85	UZB	IP 3	Acquisition of New Cargo and Passenger Locomotives	122	Ongoing to 2014
86	UZB	IP 4	Electrification of Karshi–Termez Railway Section	388	2012–2017
87	UZB	IP 16	First MFF: CAREC Corridor 2 Road Investment Program (Phase 2)	739	2010–2015
88	UZB	IP 17	Electrification of Marokand–Karshi Railway Section	208	2012–2016
89	UZB	IP 18	Electrification of Marokand–Navoi–Bukhara Railway Section	588	2015–2019
90	UZB	IP 19	Reconstruction of Landing Strip in Andijan Airport	16	2010–2013
91	UZB	IP 24	Reconstruction and Modernization of M39	243	2011–2015
92	UZB	IP 26	Construction of Hangar for Boeing-787	40	2014–2016
93	UZB	IP 27	Reconstruction of Airport Complex in Termez Airport	6	2014–2015
94	UZB	IP 30	Second MFF: Second CAREC Corridor 2 Road Investment Program (Phase 3)	647	2010–2015
95	UZB	IP 31	Acquisition and Standardization of Uzbekistan Airway Aircraft	784	2007–2016
96	UZB	IP 32	Reconstruction R87 Guzar–Chim Kukdala	114	2012–2015
97	UZB	IP 33	Construction of Centralized Filling Station in Navoi Airport	35	2013–2014
98	UZB	IP 101	BCP Improvement for Road Vehicles at Yallama	-	2014–2016
99	UZB	IP 102	BCP Improvement for Road Vehicles at Alat	5	2014–2016
100	UZB	IP 103	BCP Improvement for Road Vehicles at Daut-Ata	2	2014–2016
101	UZB	IP 104	LC Angren (Extension)	25	2014–2016
102	UZB	IP 105	Third MFF: Third CAREC 2 Road Investment Program	312	2014–2021
<b>Subtotal</b>				<b>4,274</b>	
103	REG	IP 1	Regional Improvement of Border Services 1: Border Crossing Point Improvement and Single Window Development	61	Ongoing to 2017
104	REG	IP 2	Customs IT Systems Enhancements	100	Ongoing to 2017
105	REG	IP 4	Trade and Industrial Logistics Centers with Information Exchange System	300	Ongoing to 2014
106	REG	IP 101	Regional Improvement of Border Services 2	155	2015–2020
107	REG	IP 102	Regional Improvement of Corridor Efficiency	176	2015–2020

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
108	REG	IP 103	Regional Upgrade of SPS Measures for Trade	176	2015–2020
<b>Subtotal</b>				<b>968</b>	
<b>Total</b>				<b>39,053</b>	

AFG = Afghanistan, ATC = Air Traffic Control; AZE = Azerbaijan, BCP = border crossing point, CAREC = Central Asia Regional Economic Cooperation, IP = investment project, IT = information technology, LC = Logistics Center, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, MFF = multitranches financing facility, MON = Mongolia, PAK = Pakistan, PRC = People's Republic of China, REG = regional, Ro/Ros = roll on/roll off, SPS = sanitary and phytosanitary, TAJ = Tajikistan, TKM = Turkmenistan, UZB = Uzbekistan.

Sources: CAREC Secretariat.

### List of Technical Assistance Projects by Country

Cluster, Country, and TA Number			Project Title	Subsector	Cost (\$ million)	Implementation Period
<b>Designated Railway Corridors</b>						
1	REG	TA 101	Economic Analysis of DRCs	Railway	1.0	2014–2016
2	REG	TA 102	Support for Operational Planning for Each DRC-High Level Operational Plan, Common Technical Standards and Approach to Signaling, Telecommunications and Power, and Key Performance Indicators	Railway	4.0	2015–2018
3	REG	TA 103	Governance, Legislative, Insurance, Safety Requirements; and Financial, and Accounting Standards for DRCs	Railway	1.4	2016–2017
4	REG	TA 104	Common Institutional and Organizational Rail Practices for DRCs	Railway	2.0	2016–2017
5	REG	TA 105	Project Management for DRC 10	Railway	2.0	2017–2020
6	PAK	TA 106	Framework for an Independent Railway System in Pakistan	Railway	2.0	2017–2020
7	PAK	TA 107	Pilot Project for a Semi-Autonomous Section of the Pakistan Railway Network	Railway	1.5	2017–2020
<b>Subtotal</b>					<b>13.9</b>	
<b>Public-Private Initiatives</b>						
8	REG	TA 111	Promoting PPP in Supply Chain and Multimodal Transport	PPP	2.0	2015- 2017
9	REG	TA 112	Regional Project Development Facility to Prepare Potential PPP	PPP	5.0	2014–2020
10	REG	TA 113	Assessment of DRC Rolling Stock Requirements, Management, and Ownership	Railway	3.0	2015–2017
<b>Subtotal</b>					<b>10.0</b>	
<b>Corridor Management</b>						
11	REG	TA 121	Corridor Management Unit	Port	2.5	2014–2020
12	REG	TA 122	Working with Private Sector in Trade Facilitation (Phase 2: CFCFA Strengthening and CPMM)	Trade	2.0	Ongoing to 2017
13	REG	TA 123	Preparing the Improvement of Corridor Efficiency	Trade	1.5	Ongoing to 2017

Cluster, Country, and TA Number			Project Title	Subsector	Cost (\$ million)	Implementation Period
14	REG	TA 124	Introducing Elements of Sustainable Transport into National Transport Systems	SocEnv	1.0	2014–2016
<b>Subtotal</b>					<b>7.0</b>	
<b>Trade Facilitation</b>						
15	MON	TA 131	Integrated Master Plan for Zamiin-Uud BCP	Trade	0.6	2014–2016
16	REG	TA 8386	Promoting Cooperation in Sanitary and Phytosanitary Measures for Central Asia Regional Economic Cooperation	Trade	0.5	Ongoing to 2014
17	REG	TA 133	Preparing the Regional Improvement of Border Services 2	Trade	1.0	Ongoing to 2017
18	REG	TA 134	Preparing the Regional Upgrade of SPS Measures for Trade	Trade	1.5	Ongoing to 2017
19	REG	TA 135	Regional Interoperability of National Single Windows	Trade	1.0	Ongoing to 2017
20	REG	TA 136	Facilitation of Border Crossing for Drivers, Traders, and Migrant Workers	SocEnv	1.0	2014–2016
21	REG	TA 8586	Facilitation of Regional Transit Trade in CAREC	Trade	1.5	Ongoing to 2016
22	REG	TA 8584	Coordinated Border Management for Results in CAREC Program	Trade	1.3	Ongoing to 2016
23	REG	TA 8585	Aligning Customs Trade Facilitation Measures with Best Practices in CAREC Program	Trade	1.3	Ongoing to 2016
24	REG	TA 140	Joint Control of Transboundary Animal Disease in the PRC and Mongolia	Trade	0.5	Ongoing to 2015
25	REG	TA 6497	Capacity Building for Regional Integrated Trade and Facilitation	Trade	2.8	Ongoing
26	REG	TA 7353	CAREC: Working with the Private Sector in Trade Facilitation	Trade	3.2	Ongoing
27	REG	TA 8153	Policies for Industrial and Service Diversification in Asia in the 21st Century	Trade	0.5	Ongoing
38	REG	TA 8323	Trade Finance Capacity Development, Phase 2	Trade	3.0	Ongoing
29	PAK	TA 8405	Regional Improving Border Services Project	Trade	0.8	Ongoing
<b>Subtotal</b>					<b>20.5</b>	
<b>Transport Facilitation</b>						
30	REG	TA 141	Harmonization of Vehicle Size and Weight Regulations in CAREC Countries	Road	2.0	2014–2015



Cluster, Country, and TA Number			Project Title	Subsector	Cost (\$ million)	Implementation Period
31	REG	TA 142	Operational Research on Intermodal Services in the Caspian Sea	Port	1.0	2014–2015
32	REG	TA 143	Regional Rail Gauge Impact Assessment	Railway	0.5	2014–2015
33	REG	TA 8160	CAREC: Midterm Review of the Transport and Trade Facilitation Strategy and Implementation Plan	Road	1.7	Ongoing
34	REG	TA 8148	Enhancing Coordination of the CAREC Program	Road	3.0	Ongoing
35	AZE	TA 8071	Second Road Network Development Program	Road	0.2	Ongoing
36	KAZ	TA 8068	CAREC Corridor 3 (Shymkent–Tashkent Road) Rehabilitation Project	Road	0.2	Ongoing
37	KGZ	TA 8107	CAREC Corridor 3 (Bishkek–Osh Road) Improvement Project, Phase 4	Road	1.0	Ongoing
38	PAK	TA 8406	Provincial Road Improvement Project	Road	0.7	Ongoing
39	TAJ	TA 8052	Roads Improvement Project	Road	0.8	Ongoing
40	TAJ	TA 8373	Preparing the CAREC Corridors 3 and 5 Enhancement Project	Road	0.5	Ongoing
<b>Subtotal</b>					<b>11.6</b>	
<b>Road Safety and Maintenance</b>						
41	REG	TA 151	Road Maintenance Management	Road	3.0	2014–2017
42	REG	TA 152	Country-Specific Road Safety Programs	Road	3.0	2014–2017
<b>Subtotal</b>					<b>6.0</b>	
<b>Other Infrastructure</b>						
43	REG	TA 161	Improvement for Private Ro/Ro Services in the Caspian Sea	Port	1.0	2014–2015
44	AFG	TA 162	Agreement on Gauge/s and Rolling Stock Requirements for Afghanistan Network	Railway	1.5	2014–2016
45	AFG	TA 163	Negotiating O&M Contract for Hairatan–Mazer-e-Sharif Railway	Railway	0.2	2013–2014
46	AFG	TA 164	Implementation of the ANRP	Railway	2.0	2014–2017
<b>Subtotal</b>					<b>4.7</b>	

Cluster, Country, and TA Number			Project Title	Subsector	Cost (\$ million)	Implementation Period
<b>Other Infrastructure Related</b>						
47	REG	TA 7618	Developing Regional Cooperation Programs for PRC and Mongolia (Phase 3)	Trade	0.8	2014–2016
48	REG	TA 172	Development of CAREC Member Countries Transport Policy and Master Plan	Road/ Railway	2.0	2014–2017
<b>Subtotal</b>					<b>2.8</b>	
<b>Total</b>					<b>76.5</b>	

AFG = Afghanistan, ANRP = Afghanistan National Railway Plan, AZE = Azerbaijan, BCP = border crossing point, CAREC = Central Asia Regional Economic Cooperation, CFCFA = CAREC Federation of Carrier and Forwarder Associations, CPMM = corridor performance measurement and monitoring, DRC = designated rail corridor, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, MON = Mongolia, O&M = operations and maintenance, PAK = Pakistan, PPP = public-private partnership, PRC = People's Republic of China, REG = regional, Ro/Ro = roll on/roll off, SPS = sanitary and phytosanitary, TA = technical assistance, TAJ = Tajikistan, UZB = Uzbekistan.

Source: CAREC Secretariat.

## CAREC Transport Sector Work Plan (2014–2016)

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### I. Transport Sector Work Plan 2014–2106

1. The Transport Sector Work Plan is intended to serve as a rolling 3 year plan, to be updated on an annual basis for ensuring continued alignment between national plans and TTFS 2020 priorities in the transport sector.

2. One of the lessons that emerged from the stock take analysis was the importance of non-linear infrastructure improvements and non-physical measures such as capacity building and knowledge sharing to complement linear physical infrastructure outputs in order to achieve TTFS 2020 outcomes. Based on this lesson, the Transport Sector Work Plan 2014–2016 comprises of two pillars: (I) Sector Implementation, and (II) South-South Knowledge Cooperation (SSKC).

#### 1. Pillar 1: Sector Implementation

3. Under the Sector Implementation pillar, the Transport Sector Work Plan 2014–2016 focuses on five operational priority areas, representing both linear and non-linear infrastructure. These priority areas are: (a) Roads; (b) Railways; (c) Civil Aviation; (d) Logistics Centers; (e) Border Crossing Points. Overall, 59 transport sector investment projects are included in the Transport Work Program in 2014–2016—denoting 58% of all transport sector investment projects in TTFS 2020.<sup>5</sup> Implementation targets for each of the five operational priority areas in 2014–2016 are summarized in Table 1 below.

**Table 1: Transport Sector Work Plan Targets (2014–2016)**

Sector Implementation Targets	2014	2015	2016
Km of roads improved (annual)	475	475	475
Km of railways improved (annual)	90	90	90
Number of airport/civil aviation development projects completed	0	0	4
Number of Logistics Centers completed	0	0	3
Number of Border Crossing Points improved (annual)	1	1	0

4. The list of investment projects in the Transport Sector Work Plan for 2014–2016 is in Annex 1.

#### (a) Roads

5. The original CAREC transport sector strategy focused on the development of road infrastructure in the six CAREC corridors. Under TTFS 2020, these CAREC transport corridors

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<sup>5</sup> Of the 108 projects in TTFS 2020, six regional projects in Trade Facilitation area were omitted in the summary calculations for transport projects.

were updated to include corridor extensions across the new member countries of Pakistan and Turkmenistan, and to fill existing network gaps. The road projects in the Transport Sector Work Plan 2014–2016 continue to improve and complete the road corridors with a view to improving connectivity and promoting trade and investment, in line with the TTFS 2020. Overall, 33 road investment projects, with an estimated cost of \$20 billion are included in the Transport Work Plan for 2014–2016. These constitute 67% of all road projects to be improved under TTFS 2020.

6. Investment projects in the road subsector are proposed for implementation in 9 of the 10 CAREC countries in 2014–2016. However, proposed investment projects in two countries, Kazakhstan and Mongolia, contribute a lion's share to the overall proposed improvements to be made, thus satisfactory performance of the work plan is dependent on successful implementation of the projects in these two countries. The most notable of these is the rehabilitation of 708 km of the Western Europe–Western PRC transit corridor (Corridor 1b, 6b, 6c) and 470 km of the Aktau–Beyneu section (Corridor 2a, 2c) in Kazakhstan. Meanwhile, in Mongolia, two investment projects alone are proposed develop 907 km of roads along the Yarant (PRC border)–Khovd–Ulgii–Ulaanbaishint (Corridor 4a) and Undurkhaan–Baruun-Urt–Bichigt–Huludao/ Chifeng–Jinzhou (Corridor 4c) corridors. In terms of number of projects, CAREC Corridors 5 and 6 receive the most attention with the inclusion of 13 road projects in the Transport Sector Work Plan for 2014–2016, reflecting the inclusion of Pakistan and the important transit role of Afghanistan, which collectively link northern landlocked Central Asia Republics with outlets to South Asia and ports on the Arabian Sea.

### **(b) Railways**

7. Railways can offer a more efficient land transport option than roads for long distance movements, particularly for bulk and unitized cargo or low value density goods, which are important products of CAREC countries for domestic market consumption or export.<sup>6</sup> However, most countries in the region face quality and technology deficiencies in their railway infrastructure, as well as large maintenance backlogs. Under TTFS 2020, 19 investment projects are proposed to improve 5,460 km of railways between 2014 and 2020.<sup>7</sup> Of these, 14 investment projects, estimated to cost \$8 billion, for building and/or rehabilitating of railways are to be initiated in the Transport Work Program 2014–2016. These investments are intended to increase railway capacity, including new construction, track renewal, double tracking, improvements in signalization and communications, and electrification. The bulk of linear railway infrastructure development in 2014–2016 is in Kazakhstan—the most notable being the construction of 1,036 km of the new Zhezkazghan–Saksaulskaya railway line (Corridor 2c). In terms of corridor focus, 11 of the 14 railway development projects in the Transport Sector Work Plan for 2014–2016 support CAREC Corridors 2 and 6.

8. TTFS 2020 also includes five non-linear infrastructure projects in the railway sector, of which three are included in the Work Plan for 2014–2016. These three projects, amounting to an investment of \$124 million, are based in Mongolia, and involve the construction of a railway rolling stock maintenance depot, a railway centralized traffic control center and passenger station, and the Ulaanbaatar City railway passenger station. Other than the passenger station in

<sup>6</sup> At present, the dominant mode of transport for freight tonnage within the CAREC region is by road. However, rail is the dominant mode (80%) for both export and transit needs. Moreover, container block trains have been found to be more competitive in terms of time relative to sea transport, and in terms of cost relative to air transport.

<sup>7</sup> In TTFS 2020, 19 railway projects will improve 6,070 km of railways, of which 610 km were completed by 2013.

Ulaanbaatar City, which will be partially complete by 2016, the other two projects will be completed by 2016.

### **(c) Civil Aviation**

9. Given the vast geographic expanse of Central Asia, and the consequential demand for connectivity, CAREC will have to extend its corridors to gateways. Therefore, TTFS 2020 includes eight airport/civil aviation projects, with an estimated cost of \$1.3 billion. Of these, four projects, budgeted at \$1.1 billion, are included in the Transport Sector Work Plan for 2014–2016. These comprise of (i) construction of a new airport (Mongolia), (ii) purchase of two Boeing 787 aircraft and a spare engine (Uzbekistan), (iii) construction of a hangar for maintenance of Boeing 787 aircraft (Uzbekistan), and (iv) reconstruction of the airport complex at Termez (Uzbekistan).

### **(d) Logistics Centers**

10. Corridor performance measurement and monitoring (CPMM) has identified transshipment as a major cost and source of delays to users along the CAREC corridors. Therefore, TTFS 2020 attaches a high priority to supporting the efficient transfer of cargo between transport modes, specifically, between rail and ocean carriers at gateway ports, and between rail and road at intermodal inland depots. Under TTFS 2020, seven logistics centers are proposed to be operational by 2020—of these, three logistics centers (LCs)—namely, LC Aktau (Kazakhstan), LC Angren (Uzbekistan), LC Turkmenbashi (Turkmenistan)—are proposed to be completed between 2014 and 2016. These logistics projects, estimated to cost \$98 million, will facilitate the rerouting of transit cargo, and play an important role in improving transport efficiency and in reducing transport costs for imports and exports.

### **(e) Border Crossing Points**

11. An analysis of CPMM data since 2010 shows that while average speeds on specific completed project roads increased, overall improvement in corridor performance was mixed,<sup>8</sup> mainly due to waiting time or delays at Border Crossing Points (BCPs). Therefore, TTFS 2020 proposes 10 BCPs for improvement by 2020, of which two BCPs are targeted for improvement in the Transport Sector Work Plan for 2014–2016. The two BCP improvements projects are in Uzbekistan (Dautata, Alat) and amount to \$7 million. These BCP improvements are intended to increase physical throughput capacity by supporting modernization of equipment such as upgrading of information and communication technology hardware and software and increasing facility storage capacity which are expected to collectively improve traffic flow, free up additional throughput capacity, and reduce transit costs and times at BCPs.

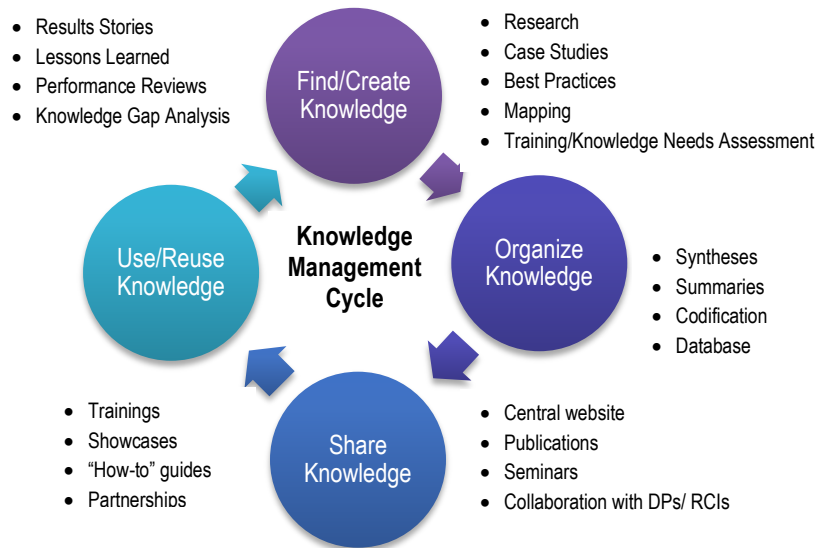
## **2. Pillar 2: South-South Knowledge Cooperation**

12. For CAREC countries to realize the TTFS 2020 objectives requires the necessary attainment of capacity thresholds in areas such as human skills in planning and administration, financial management, and institutional structure to effectively implement TTFS 2020. In this context, SSKC has been proposed as a complementary intervention to traditional technical,

<sup>8</sup> For road traffic on the six corridors as a whole, between 2010 and 2012, the average cost of crossing a border fell from \$186 to \$157, but the average crossing time increased from 8.7 hours to 10.9 hours. The average speed attained by trucks increased from 35.2 kilometers per hour (kph) to 37.8 kph, but if delays are taken into account, the average speed was actually reduced from 23.5 kph to 22.9 kph.

investment and advisory support in order to accelerate and make more effective knowledge transfer on TTFS 2020 implementation topics. To date, knowledge service provision on CAREC TTFS has largely been ad-hoc and silo-based, with inadequate attention to the organization and dissemination of knowledge. In this light, SSKC is meant to serve as a vehicle for systematic and coordinated planning, implementation and sharing of knowledge aimed at strengthening TTFS 2020 implementation. As seen in Figure 1, a systematic and coordinated approach to CAREC SSKC requires actions on four fronts, corresponding to the four basic elements of the knowledge management cycle namely, find/create knowledge, organize knowledge, share knowledge, and use/reuse knowledge.

**Figure 1: Conceptual Framework for CAREC SSKC**



13. A key feature of the SSKC is that of horizontal partnership and mutual benefit between countries, so a win-win situation emerges as an outcome for all vested parties. For CAREC countries in particular, the SSKC vehicle provides a myriad of benefits. It facilitates: learning and consensus-building on regional issues affecting TTFS 2020 implementation (e.g., harmonization of standards); access to tested and adapted technology and tools without having to reinvent the wheel, and exchange of experience with countries that share similar constraints and opportunities to improving movement of goods and people. SSKC also allows CAREC countries to showcase their successes, increase their visibility as emerging "centers of innovation", and fosters opportunities for inter-country partnerships and investments. The membership of CAREC has expanded, and under TTFS 2020, CAREC corridors have been updated and extended to enhance connectivity with South Asia, Middle East and East Asia. Therefore, SSKC will also support experience sharing and strengthening of linkages with other regional cooperation initiatives (e.g., GMS and SASEC) and non-CAREC countries.

14. A tentative work plan for SSKC for 2014–2016 is proposed, comprising of more than 15 knowledge outputs centered on transport sector topics in TTFS 2020, including action-oriented research, training, seminars and on-site learning, institutional partnerships, and enhanced communications and dissemination.<sup>9</sup> The SSKC work plan for 2014–2016 is presented in Annex 2.

<sup>9</sup> In subsequent years, the scope of CAREC SSKC work plan may be expanded to include Trade Facilitation.

## **II. Conclusion**

15. The proposed Transport Sector Work Plan 2014–2016 is an initial effort to identify priorities and focus development efforts, including the sourcing of financing, towards implementation of the overall TTFS 2020. As such, the Work Plan is a subset of the overall Refined Strategy, which is aimed at objectively assessing project readiness and measuring expected outputs over the near term. The Transport Sector Work Plan 2014–2016 Results-Based Framework is presented in Annex 3. It is envisaged that over this initial three year period, implementation progress may be more accurately assessed, especially through closer coordination and improved systematic monitoring. As progress is assessed, sequential steps and actions may be taken as needed to address any gaps towards realizing the outcomes in TTFS Results-Based Framework. Additionally, the use of the Transport Sector Work Plan which will be updated annually allows greater flexibility in considering the addition of investment projects that meet the required criteria and reassessing progress targets over the next three year period as the overall program moves towards 2020.

## Annex 1: List of Investment Projects in Transport Sector Work Plan (2014–2016)

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
1	AFG	IP 1	Qaisar–Bala Murghab Road	448	2012–2016
2	AFG	IP 3	Laman–Armalick Road	39	2012–2014
3	AFG	IP 4	Pul-e-Khumri–Doshi Road	18	2013–2014
4	AFG	IP 8	Construction of Kabul–Jalalabad Road	166	2010–2016
5	AFG	IP 9	Rozanak/Ghorian–Herat Railway Line Construction (Iran–Afghanistan)	125	2014–2016
6	AFG	IP 11.1	Construction of Shirkhan Bandar–Kunduz–Kholam–Naibabad–Andkhoy–Herat Railway	956	2015–2018
7	AFG	IP 12	Construction of Aqina–Andkhoy Railway (Turkmenistan–Afghanistan)	75	2015–2016
8	AFG	IP 101	Construction Turkmenistan Border–Herat Railway	242	2015–2016
9	AFG	IP 102	Salang Road Tunnel	1,000	2014–2017
<b>Subtotal</b>				<b>3,069</b>	
10	AZE	IP 1	East–West Highway (M2 Improvement and Expansion to Four Lanes) (Yevlakh–Ganja, Gazakh Border)	237	2007–2014
11	AZE	IP 2	Railway Trade and Transport Facilitation	807	2010–2017
12	AZE	IP 5	Hajygabul–Yevlakh and Ganja–Qazakh Roads	2,014	2012–2017
<b>Subtotal</b>				<b>3,058</b>	
13	KAZ	IP 1	Astana–Karaganda Road Rehabilitation	658	2013–2016
14	KAZ	IP 2	Almaty–Kapchagay (Kapshagai) Road Rehabilitation	408	2013–2016
15	KAZ	IP 3	Aktau–Beyneu Road Rehabilitation (MFF CAREC Corridor 2: Mangystau Oblast Section)	142	2012–2015
16	KAZ	IP 4	Rehabilitation of Western Europe–Western PRC Transit Corridor (Aktubinskaya Oblast, Kazakhstan, to Xinjiang, PRC)	5,500	2009–2015
17	KAZ	IP 13	Construction of New Railway Line Zhezkazghan–Saksaulskaya	3,032	2012–2016
18	KAZ	IP 107	LC Aktau Port	31	2005–2017
<b>Subtotal</b>				<b>9,771</b>	
19	KGZ	IP 1	Bishkek–Torugart Road Rehabilitation	428	2010–2017
20	KGZ	IP 9	Rehabilitation of Bishkek–Osh Road	180	2014–2019
21	KGZ	IP 102	North–South Road: Balykchy–Kochkor–Aral–Kazarman–Jalal-	850	2014–2020



No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
			Abad		
			<b>Subtotal</b>	<b>1,458</b>	
22	MON	IP 1	Western Regional Road Development (PRC Border at Yarant–Khovd–Ulgii–Ulaanbaishint)	145	1995–2018
23	MON	IP 2	Regional Road Development (Construction of Altanbulag–Ulaanbaatar–Zamiin–Uud)	126	1995–2014
24	MON	IP 5	Construction of New International Airport in Ulaanbaatar	284	2008–2017
25	MON	IP 10	Access Road to the New International Airport in Ulaanbaatar	110	2014–2016
26	MON	IP 11	Western Regional Road Development Phase 2 MFF— Bayan Ulgii and Khovd Aimags (provinces)	318	2012–2018
27	MON	IP 12	Railway Rolling Stock Maintenance Depot	59	2014–2016
28	MON	IP 13	Railway Centralized Traffic Control Center	29	2014–2016
29	MON	IP 14	Ulaanbaatar City Railway Passenger Station	36	2014–2016
30	MON	IP 101	Undurkhaan (AH32)–Baruun-Urt–Bichigt–Huludao/ Chifeng–Jinzhou Road	268	2014–2016
			<b>Subtotal</b>	<b>1,375</b>	
31	PAK	IP 101	Realignment of Karakoram Highway at Hunza due to Attabad Lake Overflow, N-35	281	2012–2016
32	PAK	IP 104	Sehwan–Ratodero, N-55 (Expressway, 199 km)	351	2013–2016
33	PAK	IP 111	Gwadar–Hoshab (M8)	550	2016–2020
34	PAK	IP 118	M-4 (Section 1 Faisalabad–Gojra 4-Lane Motorway)	170	2013–2017
35	PAK	IP 119	Railway Rehabilitation Lahore–Peshawar	665	2013–2016
36	PAK	IP 121	E-35 (Section 1 Hasanabdal–Havelian) 4-Lane Expressway	150	2015–2017
37	PAK	IP 123	M-4 (Section 4 Khanewal–Multan) 4-Lane Motorway	150	2016–2017
			<b>Subtotal</b>	<b>2,317</b>	
38	TAJ	IP 7	Dushanbe–Tursunzade–Uzbekistan Border Road (62 km)	186	2011–2015
39	TAJ	IP 8	Reconstruction of Some Sections of Dushanbe–Kurgonteppa–Dangara–Kulyab Road (243.3 km)	550	2012–2015
40	TAJ	IP 9	Vahdat–Yavan Railway Construction (New)	180	2012–2016
41	TAJ	IP 10	Construction of Railway Line of Kolkhozabad–Dusti–Panji Poyon–Afghan Border (50 km)	90	2015–2018

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
42	TAJ	IP 11	Construction of Ayni–Panjakent to Uzbekistan Border (114 km)	115	2012–2016
<b>Subtotal</b>				<b>1,121</b>	
43	TKM	IP 101	Construction of Dashoguz–Shasenem–Gazojak Railway	490	2013–2015
44	TKM	IP 102	Construction of Atamyrat–Ymamnazar–Aqina Railway	297	2013–2015
45	TKM	IP 103	LC Turkmenbashi	202	2014–2020
46	TKM	IP 104	Reconstruction of Ashgabat–Turkmenbashi Highway	975	2014–2017
<b>Subtotal</b>				<b>1,964</b>	
47	UZB	IP 4	Electrification of Karshi–Termez Railway Section	388	2012–2017
48	UZB	IP 16	First MFF: CAREC Corridor 2 Road Investment Program (Phase 2)	739	2010–2015
49	UZB	IP 17	Electrification of Marokand–Karshi Railway Section	208	2012–2016
50	UZB	IP 18	Electrification of Marokand–Navoi–Bukhara Railway Section	588	2015–2019
51	UZB	IP 24	Reconstruction and Modernization of M39	243	2011–2015
52	UZB	IP 26	Construction of Hangar for Boeing-787	40	2014–2016
53	UZB	IP 27	Reconstruction of Airport Complex in Termez Airport	6	2014–2015
54	UZB	IP 30	Second MFF: Second CAREC Corridor 2 Road Investment Program (Phase 3)	647	2010–2015
55	UZB	IP 31	Acquisition and Standardization of Uzbekistan Airway Aircraft	784	2007–2016
56	UZB	IP 32	Reconstruction R87 Guzar–Chim Kukdala	114	2012–2015
57	UZB	IP 102	BCP Improvement for Road Vehicles at Alat	5	2014–2016
58	UZB	IP 103	BCP Improvement for Road Vehicles at Daut-Ata	2	2014–2016
59	UZB	IP 104	LC Angren (Extension)	25	2014–2016
<b>Subtotal</b>				<b>3,789</b>	
<b>Total</b>				<b>27,922</b>	

AFG = Afghanistan, AZE = Azerbaijan, BCP = border crossing point, CAREC = Central Asia Regional Economic Cooperation, IP = investment project, LC = Logistics Center, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, MFF = multitranchise financing facility, MON = Mongolia, PAK = Pakistan, REG = regional, Ro/Ros = roll on/roll off, SPS = sanitary and phytosanitary, TAJ = Tajikistan, TKM = Turkmenistan, UZB = Uzbekistan.

### Annex 2: South-South Knowledge Cooperation Work Plan (2014–2016)

Create/Find Knowledge	Organize Knowledge	Share Knowledge	Use/Re-use Knowledge
Knowledge and Training Needs Assessment	Knowledge Mapping	CAREC SSKC Website	MOU with 1 research institution
Review of Road Safety in CAREC	Knowledge Summaries/Synthesis	CAREC E-library	Compendium of Good Implementation Practices
Review of Road Asset Management Systems and Practices in CAREC	Database	1 joint event with other regional cooperation/ south-south platform  Experience sharing seminars on: <ul style="list-style-type: none"> <li>▪ Road Tolling,</li> <li>▪ Road Safety,</li> <li>▪ Control-in-Motion Systems,</li> <li>▪ Electronic Queuing Systems,</li> <li>▪ UNECE Transport Conventions</li> </ul>	Trainings on: <ul style="list-style-type: none"> <li>▪ Road Safety</li> <li>▪ Green Freight and Logistics</li> </ul>

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CAREC = Central Asia Regional Economic Cooperation, MOU = memorandum of understanding, SSKC = South-South Knowledge Cooperation, UNECE = United Nations Economic Commission for Europe.

## Annex 3: Transport Sector Work Plan (2014–2016) Results-Based Framework

Impact	Outcome	Component	Output Milestones/Indicators	Data Sources	
Expanded trade and improved competitiveness	TTFS 2020 is implemented and expected progress is realized.	Priority Investment Projects	Transport	Completed 1,425 km of expressways or national highways (built or improved) by 2016	CAREC TSCC periodic reports
				Completed 270 km of railways by 2016	
			Three multimodal logistics center operational by 2016		
			Completed at least two BCPs in the region improved by 2016		
		South–South Cooperation	Knowledge	At least ten SSKC activities in transport are completed by 2016	Summary of Proceedings and training reports from SSKC events
				At least 60 people trained in transport improvements such as road safety, logistics, maintenance, or cost recovery by 2016	
				Establishment of the SSKC website by 2016	

BCP = border crossing point, CAREC = Central Asia Regional Economic Cooperation, SSKC = South-South Knowledge Cooperation, TSCC = Transport Sector Coordinating Committee, TTFS = Transport and Trade Facilitation Strategy.