



WORLD BANK  
TRANSPORT SECTOR UNIT  
EUROPE AND CENTRAL ASIA (ECA)

13th Meeting of TSCC CAREC

Central Asia and South Asia

*Bishkek May 14-15, 2014*





# Twin Goals

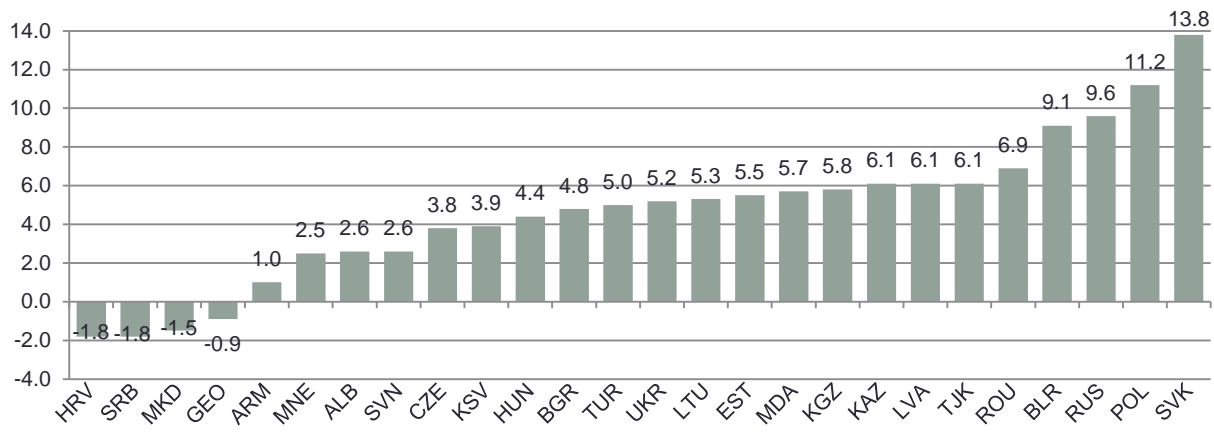
- Two main goals :

**Eradicating Extreme Poverty**

- reduce the percentage of people living on less than \$1.25 a day to 3 percent by 2030

**Boosting shared prosperity**

- foster income growth for the bottom 40 percent of the population in every developing country



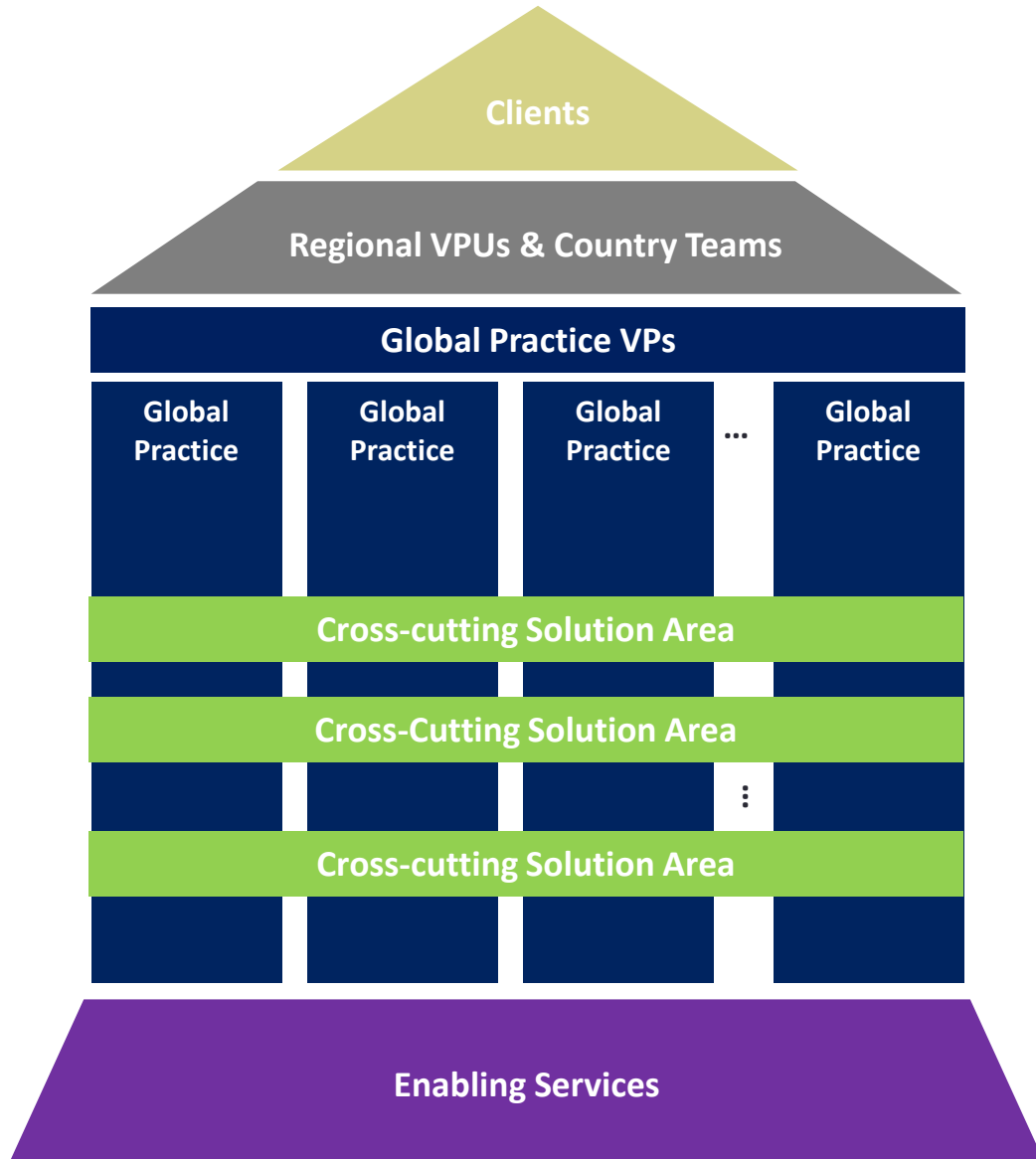
Average Annualized Per Capita Growth, Bottom 40%, Europe and Central Asia, Circa 2005–10.

Before and even after crisis, two lowest quintiles usually did better than the average population with a few exceptions.

- **Sustainability, an overarching theme**
- A sustainable path of development and poverty reduction would be one that: i) manages the resources of our planet for future generations, (ii) ensures social inclusion, and (iii) adopts fiscally responsible policies that limit future debt burden
- **Emphasis on the poorest countries and fragile and conflict states**
- Importance of building and sharing knowledge across regions and benefit from global best practices



# Organizational Structure July 1, 2014



**Regional & Country Presence** ensures clients receive customized and integrated development solutions

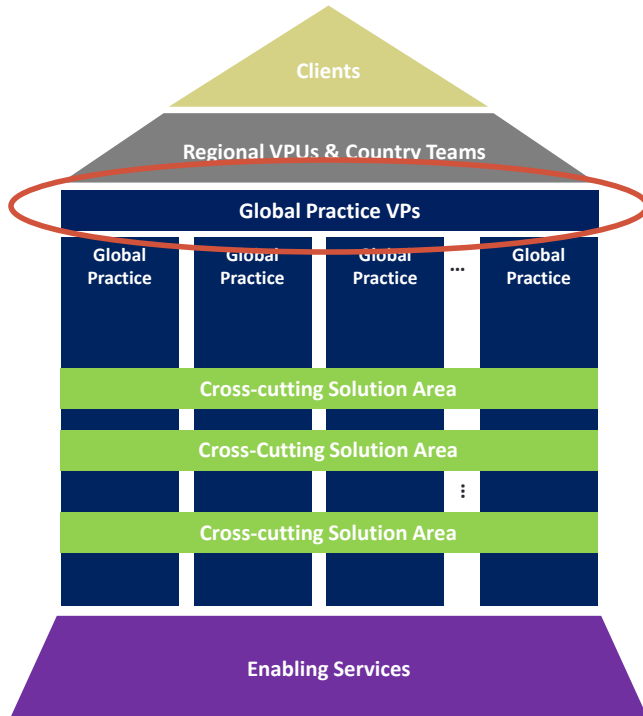
**Global Practices (14)** manage global technical expertise to deliver client solutions and to promote the flow of knowledge across sectors and regions

**Cross-cutting Solution Areas (3)** foster strategic integration, coordination, and knowledge creation/sharing in selected areas

**Enabling Services** deliver critical support services to all practices



# Transport & ICT, one of the new 14 global practices



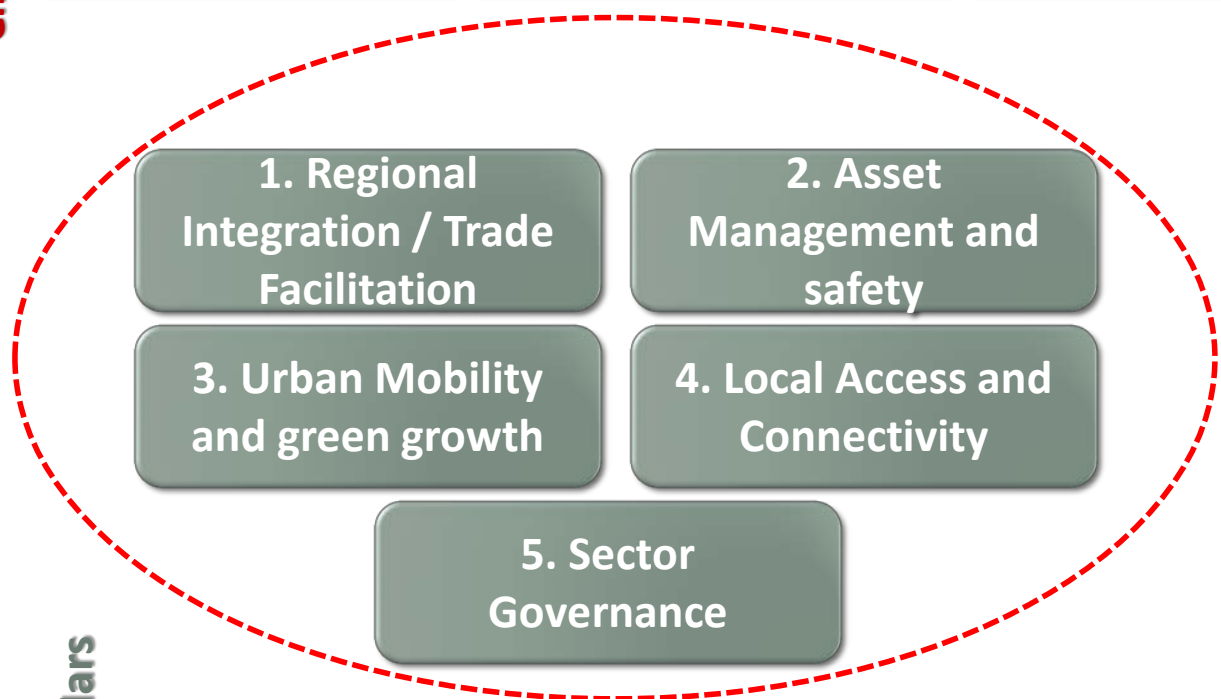
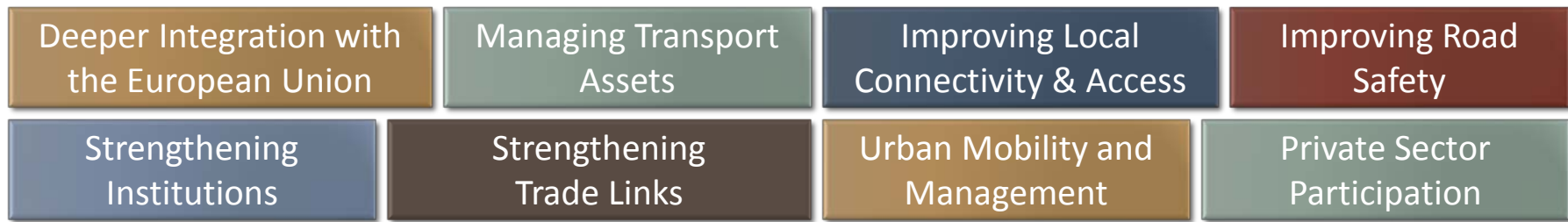
## Transport and ICT Practice

- 280 practice members from July 1<sup>st</sup>, 2014
- 1 Sr. Practice Director
- Several Practice Managers
- Work program globally agreed by region, no longer by country.



# Five Strategic Product Lines Aligned with Client Demand

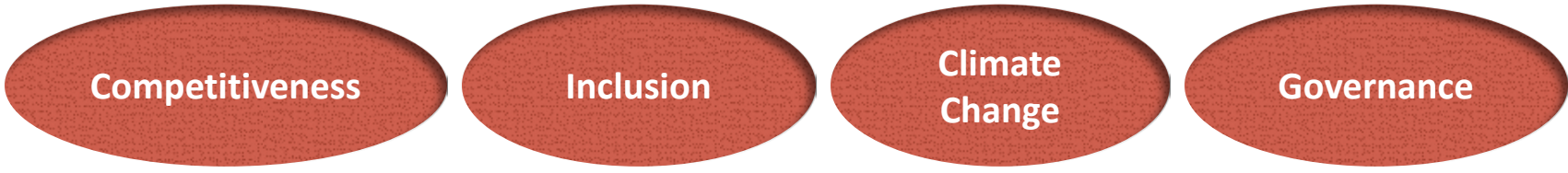
Client Demand



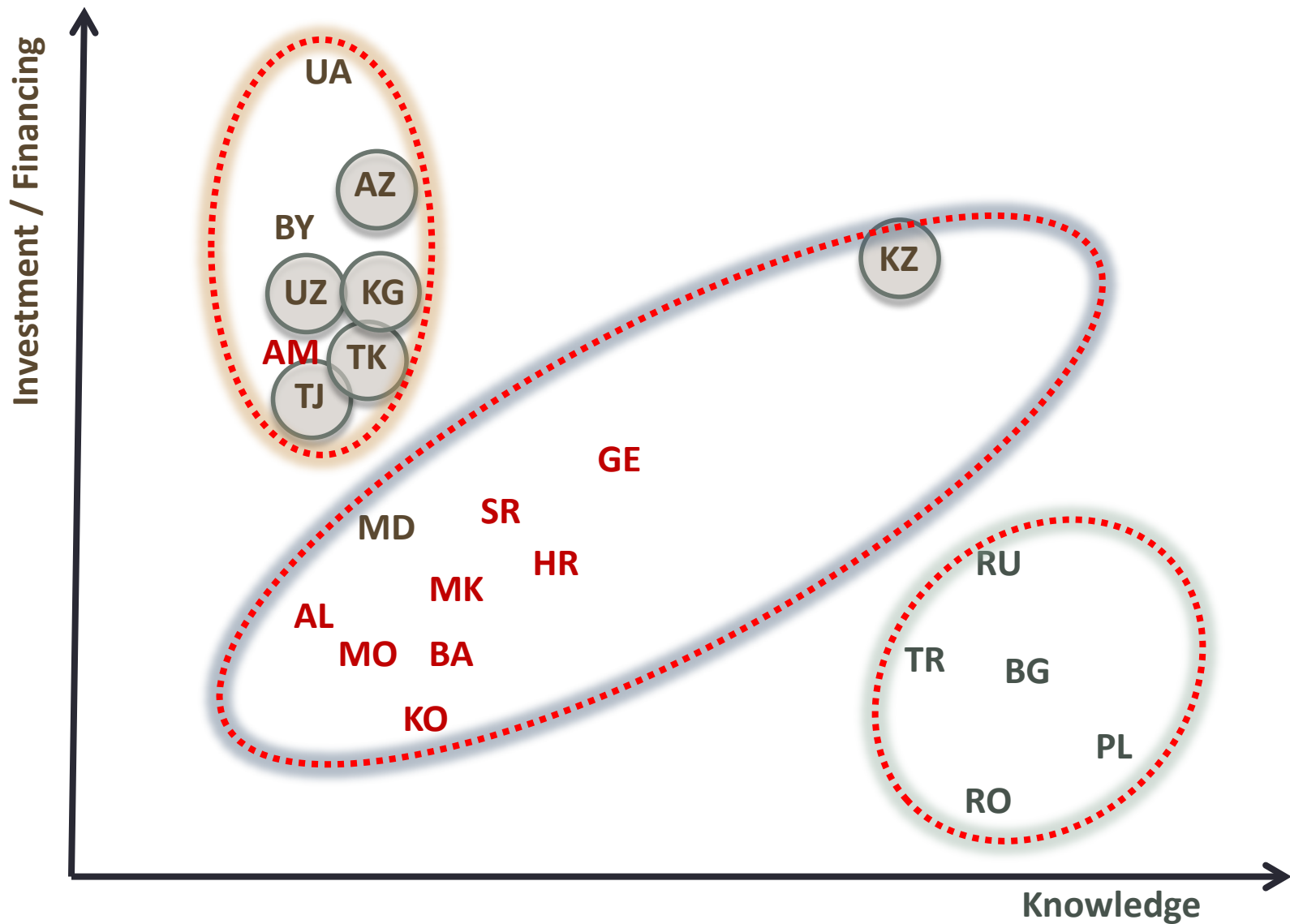
## Corporate Strategies



ECA Strategic Pillars



# Demand for Lending and Knowledge Services





# WB Portfolio – CAREC Corridor 1

## Investment Lending

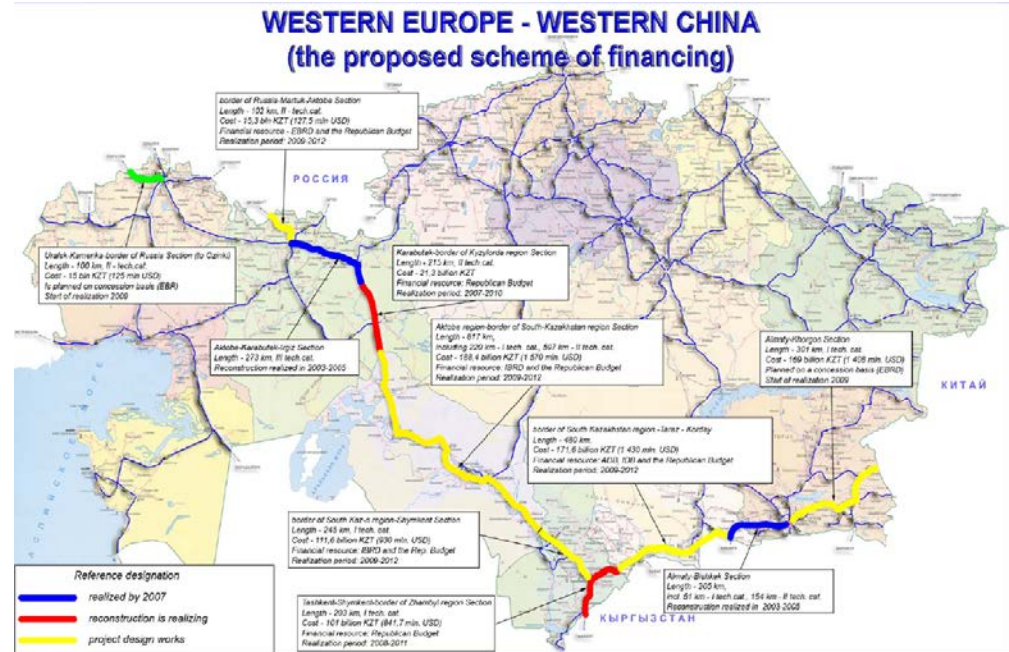
### Kazakhstan

- South-West Road Project  
US\$2,125 million lending
- East-West Road Project  
US\$1,050 million lending

## Technical Assistance

### Kazakhstan

- Logistics Improvement Study;
- Transport Policy Note
- Ongoing: Railway Corridor Competitiveness





# WB Portfolio – CAREC Corridor 2

## Investment Lending

- Uzbekistan: Pap-Agren Railway FY15 (US\$200 million)  
National Roads Project FY15 (US\$60 million)
- Azerbaijan: Highway 2 and Highway 3 (US\$900 million)  
Rail Trade and Transport Facilitation (US\$650 million)
- Kazakhstan: Planned Regional Development Corridor Transport Project



## Technical Assistance

- Tajikistan: Railway connection with Afghanistan - Turkmenistan (FY16)
- Kyrgyzstan: Review of FS China to Ferghana valley through Kyrgyz completed 2014 (not viable)
- Kazakhstan: Caspian Sea Connectivity (request).  
Competitiveness of railway corridors (KTZ TTF ongoing)





## WB Portfolio – Others

### Central Asia Roads Program

- Central Asia Road Link 1 (Kyrgyzstan) : US\$65 million – Board April 2014
- Central Asia Road Link 2 (Tajikistan) – FY15

### Technical Assistance

- Railway:
  - Sector review (Tajikistan FY15)
  - Railway Feasibility Study China to Ferghana valley through Kyrgyzstan (completed 2014)
  - Kyrgyz Rail Trade Study (delivery FY14)
  - Planned Railway Regional Connectivity study (FY14-15)
- Transport Sector Policy Notes
  - Uzbekistan (completed FY13)
  - Kazakhstan (completed FY13)

### Others

- Logistics Improvement (delivered in FY13)
- PPP Advisory Services (ongoing)





## WB Portfolio – CAREC Corridor 6 / Pakistan

- ***Improvements in port operations and border management are among four results areas of the CPS 2015-2019:*** Sound trade facilitation and logistical system- by reducing trade costs, upgrading service quality, improving connectivity- domestic & foreign markets, and moving up the supply chain.
- **Karachi Port Improvement Project** (IBRD \$115.8m), under impl- rehab- 1000m of Key Wall of berths for the dry bulk and general cargo. Assisting KPT- medium term Strategic, Business plan
- **Second Trade and Transport Facilitation Project** (\$25 m IDA). closed-achieved: Afghanistan Pakistan Transit Trade Agreement (APTTA) 2010; national trade facilitation strategy revised; the trucking policy was updated in 2012; regulatory framework for logistic service providers; evaluation of compliance with ICAO standards, practices for the Trade Facilitation; and study to gauge Pakistan's readiness to achieve compliance with the future WTO TF Agreements, etc.
- Wagah Border logistics improvement- \$100 m- pipeline



## WB Portfolio – CAREC Corridor 6 / Afghanistan

### Second Customs Reform and Trade Facilitation Project

IDA Grant US\$50 million

- Effective date- Dec 2010; Closing Date- Jun 2014
- Countrywide computerization of Customs Clearance operation- All major custom offices covered. Migration from ASYCUDA++ to ASYCUDA World in advance. Major International Transit module
- Rehabilitating/ constructing Custom border posts and inland clearance depots.
- Development of possible options for cross border Customs-to-Customs (C2C) Cooperation
- Technical assistance to support- for an adequate regulatory, admin & institutional framework
- Salang Tunnel Improvement – possible pipeline

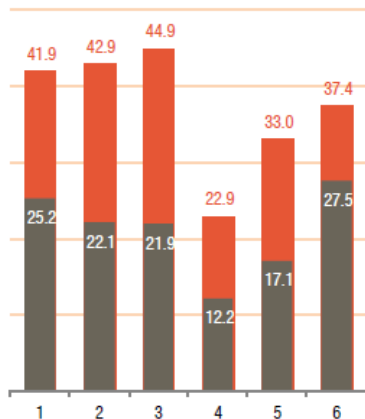


# Sample Outcome / Kazakhstan Corridor 1 Performance

From CAREC CPMM 2012

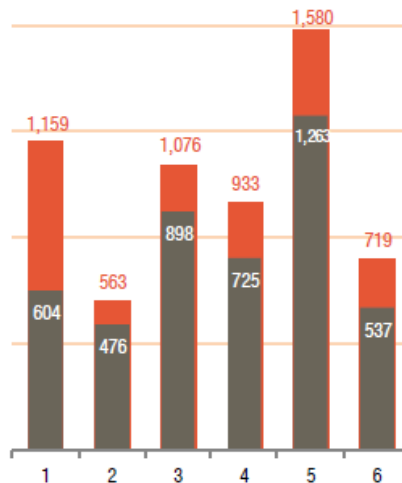
... Corridor 1 is the most active and by far the longest corridor, linking PRC with Europe. The two BCPs, which combined CAREC's highest freight throughput with long delays, were at Khorgos (PRC) and Khorgos (Kazakhstan) for road and Alashankou (PRC) and Dostyk (Kazakhstan) for rail. Even with delays at BCPs, however, trucks traveled fastest along this corridor compared to others.

Corridor-level estimates, 2012



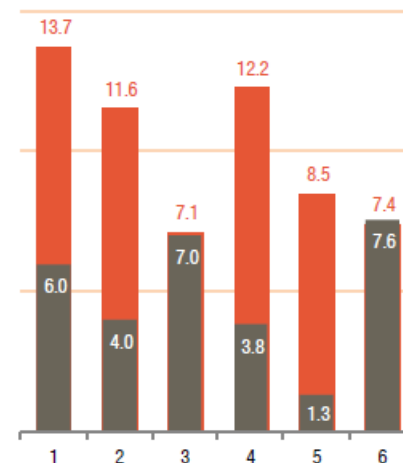
Speed

Corridor-level estimates, 2012



Costs

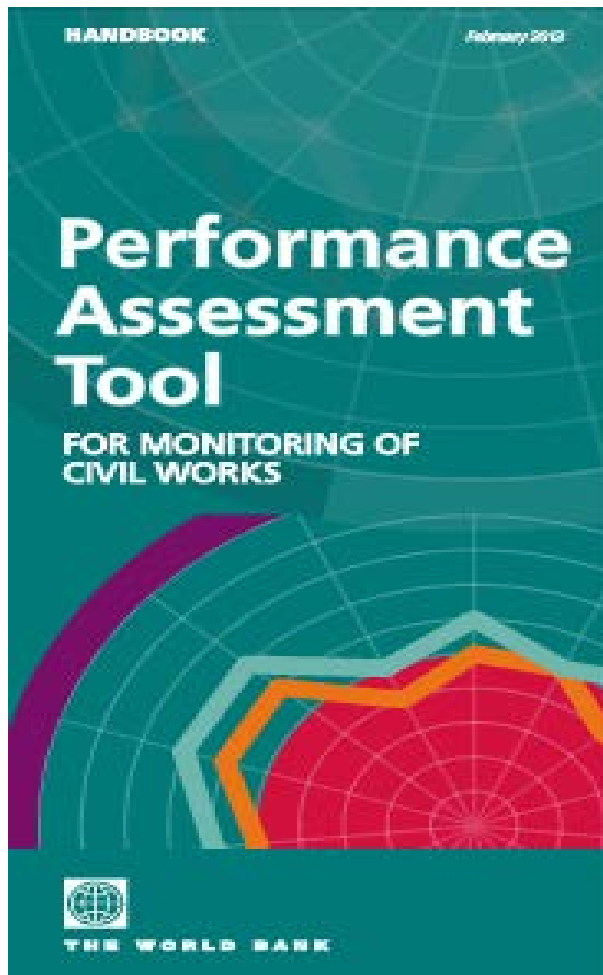
Corridor-level estimates, 2012



Border crossing time



# Sample Outcome: Kazakhstan Contract Management:



## Main Outcome:

- reduction in costs of inputs,
- quality of works is overall satisfactory
- 1,142km => 85% completed
- 71% disbursed
- 10% savings
- Social condition of workers and grievance mechanisms acceptable
- Value engineering brings more advanced technologies.

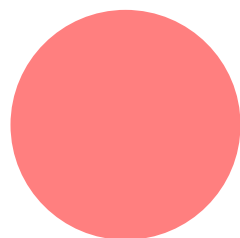
## Main Issues:

- Cash flow management
- Traffic management and traffic safety
- Price adjustment difficult to implement.

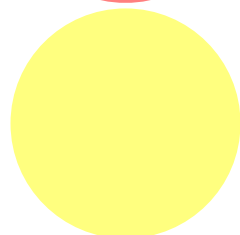




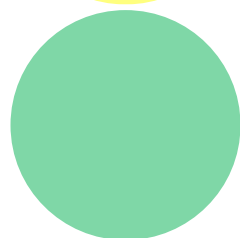
# Sample Outcome Kazakhstan Institutional Reforms



Decision making (MoT): the political level



Policy management (Committee for Roads/CR): the administration, which reports to the political level



Operational implementation of the road policy: the new JSC KazAvtoZhol that reports to the administration



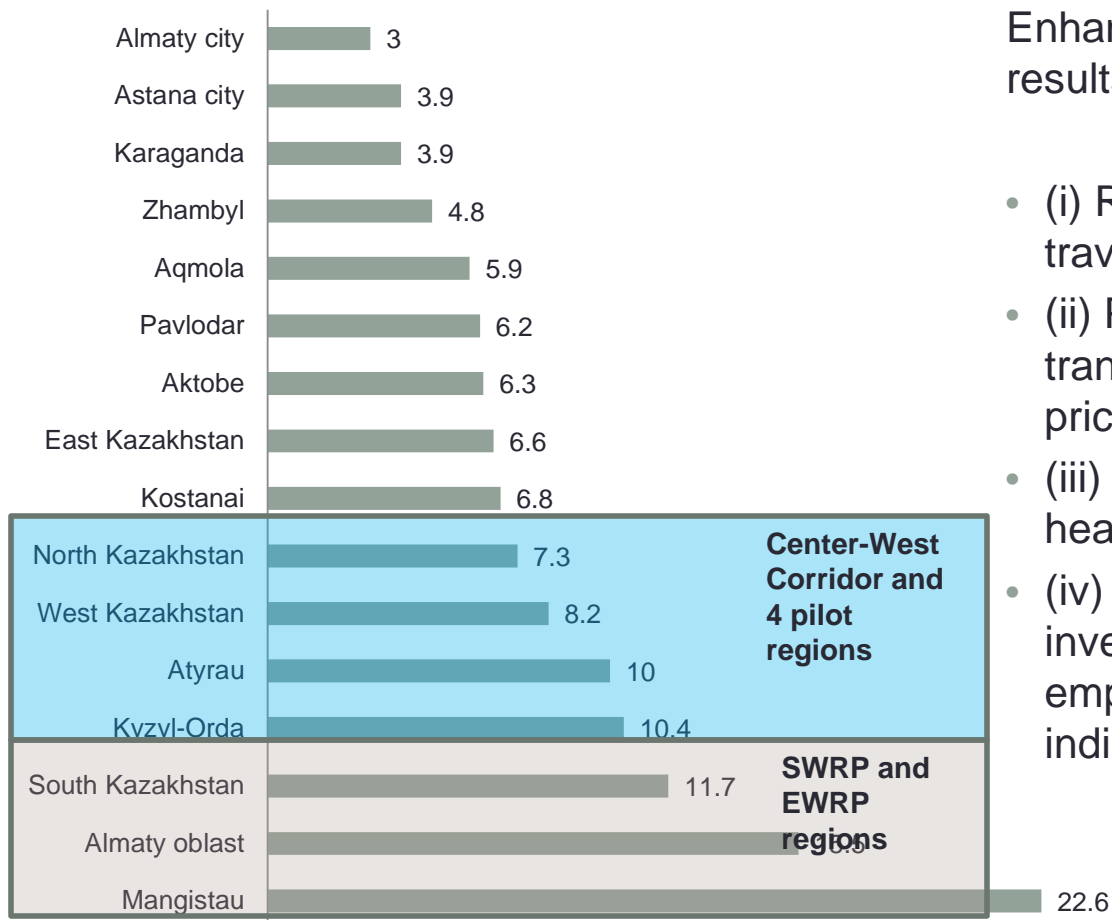
National Program for Transport Infrastructure Development and Integration until 2020



# Sample Outcome Kazakhstan Poverty Dimension

## Transport Interventions Coincide with Highest Poverty Rate Regions

Source: 2009 KZ Statistical Agency

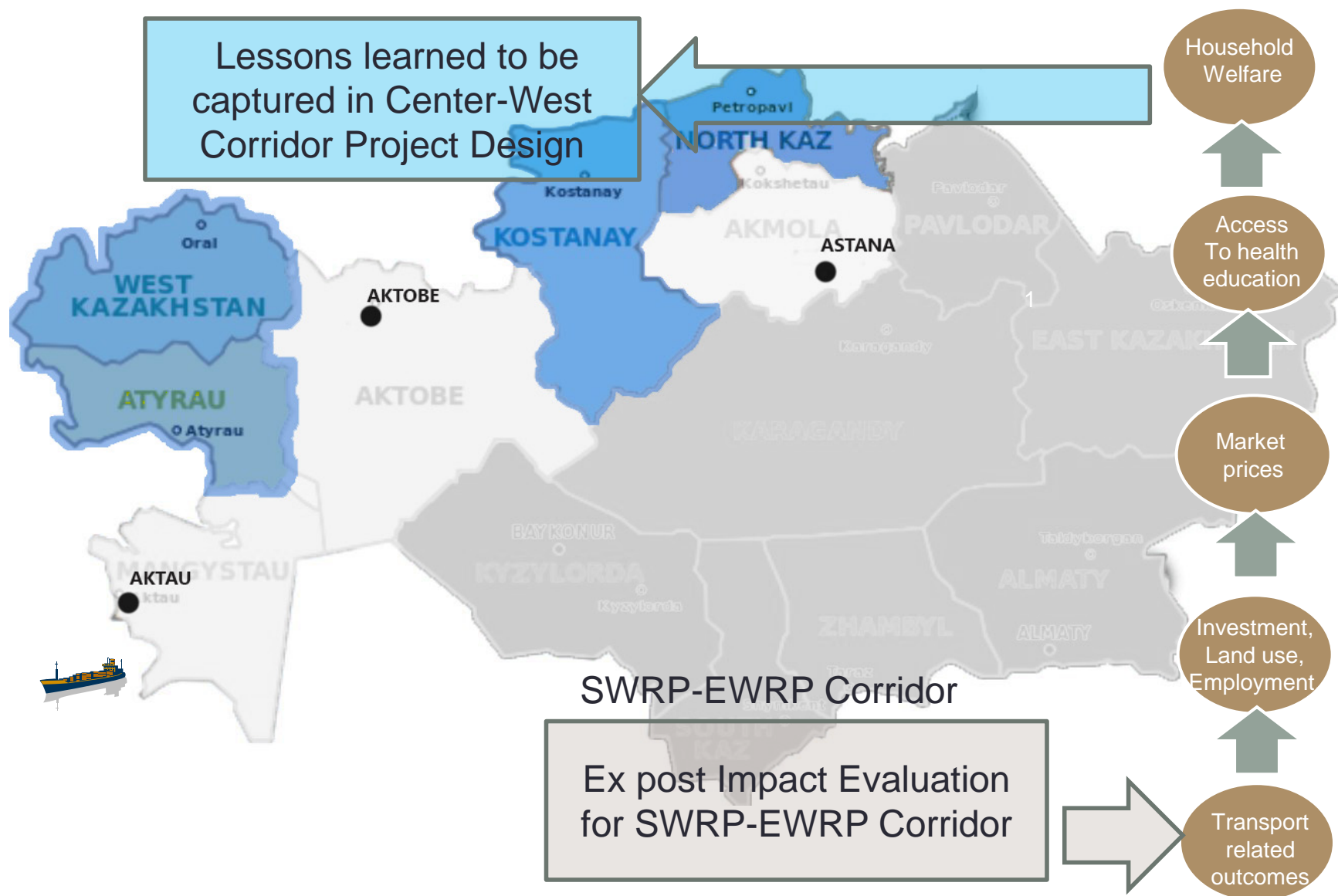


Enhanced corridor connectivity expected results:

- (i) Reduction in vehicle operating costs, travel times and accident rates;
- (ii) Price rewards to B40 through lower transport prices and improved farm gate prices. Increases in income to the B40;
- (iii) Improved access to education and health services for the B40;
- (iv) Increased opportunities for SME, investment at community level and employment opportunities (direct and indirect) for residents.



# Sample Outcome Kazakhstan Poverty Dimension





# Sample Outcome Kazakhstan Logistics, Trade, and Transport- Solutions

Impact of Proposed Measures on LPI Dimensions						
	Infra-structure	Customs	Services quality	Intl. shipments	Tracking and tracing	Timeliness
<b>Action 1: Transit Logistics</b>						
<b>Action 2: Skills and Services</b>						
<b>Action 3: Trade and Transit</b>						

= no impact, 
 = limited impact, 
 = some impact, 
 = significant impact, 
 = most impact.

### ACTION 1

1. Reliable Scheduled Container Trains
2. Strategic alliances
3. Consolidate scheduled trains on fewer terminals
4. Improve transit information system (“track and trace”)

### ACTION 2

1. law on access to trucking profession
2. Introduce a law on freight forwarders and transport intermediaries
3. Revise the law on road transport (revisit the role of the transport control regarding axle load and transport control)
4. Establish professional standards for logistics professionals, enhance the relevance of curriculum content , upgrade the qualification system

### ACTION 3

1. Systemized paperless customs declaration
2. Facilitate the development of Authorized Economic Operators/Traders
3. Improve the implementation of the Customs Union transit procedure

Thank you