



Summary Proceedings 13th CAREC Transport Sector Coordination Committee Meeting

14–15 May 2014, Bishkek, Kyrgyz Republic

Introduction

1. The 13th Meeting of the CAREC Transport Sector Coordination Committee (TSCC) (the Meeting) was held on 14–15 May 2014, Bishkek, Kyrgyz Republic. Delegations from all ten CAREC member countries¹ and representatives of the Asian Development Bank (ADB), Department for International Development (United Kingdom), Eurasian Development Bank (EDB), European Bank for Reconstruction and Development (EBRD), European Union (EU), Intergovernmental Commission Transport Corridor Europe-Caucasus-Asia (TRACECA), Islamic Development Bank (IsDB), Japan International Cooperation Agency (JICA), United Nations Development Programme (UNDP), United States Agency for International Development (USAID), and the World Bank (WB) participated in the meeting. The Ministry of Transport and Communications of Kyrgyz Republic and ADB co-chaired the Meeting. The Meeting agenda and list of the participants are presented in Appendices 1 and 2.

Session 1: CAREC Development Effectiveness Review 2013: Progress Reports

2. The CAREC Secretariat presented the Transport Sector Progress Report on implementation of the Transport and Trade Facilitation Strategy and Action Plan from 31 October 2013 to 31 March 2014. The Meeting confirmed that by the end of 2013, the cumulative realized progress, estimated at 83% of networks roads in good condition, had exceeded the target of 80%. Despite the achievements, annual progress from 2012 to 2013 had not achieved the annual targets. Participants were requested to analyze the reasons for the slowdown in annual progress and identify applied actions to address these reasons. No satisfactory uniform answer was suggested by the participants, and the Secretariat will attempt to analyze the matter further for future reporting to the TSCC. The participants were generally satisfied with the descriptions of project implementation progress made since the endorsement of the Refined Strategy, TTFS 2020, at the 2013 Senior Officials Meeting (SOM), and the annual targets proposed for moving forward from 2014 to 2020.

3. The TSCC Secretariat presented the progress on trade and cross border transport facilitation. From Corridor Performance Measurement and Monitoring, CAREC Program outcomes of targeted efficiency gains in cross border movement of goods and people as measured by increased average transit speed along corridors has stalled, and reduction in time delays and monetary costs are not being achieved in tandem with the progress in infrastructure outputs. Additionally, analysis of cross border transport agreements illustrated the differences in what various treaties and accreditations have been achieved by the member countries. Initial results from two diagnostic studies illustrated the need for better harmonization of standards and improvements in border crossing points.

4. Key issues highlighted by the participants included:

¹ Afghanistan, Azerbaijan, the People's Republic of China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

- Given its strategic location in Central Asia together with the proposed future development of railways within Afghanistan and known differences between the three different gauges used by Afghanistan's neighbors, the question of what rail gauge would be adopted was raised. The ongoing ADB-financed Northern Afghanistan Railway feasibility study will analyze this issue for which a report will be provided by the end of 2014.
- Most CAREC country delegations proposed new investment projects for inclusion in the Implementation Action Plan. A streamlined project selection procedure was discussed and agreed upon as per the previously endorsed criteria. (Appendix 3)
- Harmonization of standards such as limits on laden vehicle weights (maximum axle load) and cargo dimensions remains a significant impediment to achieving the outcomes and goals of CAREC. This remains a key barrier to cross-border movements and there was agreement on the need for prioritized technical assistance funding to work on resolving this issue. In addition to harmonization of weight and dimensions, it was suggested that efforts were also needed for harmonizing border crossing clearance documents.
- As the primary user of the regional infrastructure, private sector participants should be actively involved in harmonizing standards, identification and development of logistics centers, discussions on CPMM findings, and monitoring of road construction.

5. The TSCC endorsed the October 2013 to March 2014 Transport Sector Progress Report.

Session 2: CAREC Transport and Trade Facilitation 2020 Action Plan

6. Country delegations presented the action plans outlining their priorities and plans for implementing the investment projects listed in the Refined Strategy with a focus on geographical location, estimated cost, status of financing, timeframe, and rationale as related towards achieving the objective of completing the defined CAREC corridors. Some delegations also proposed new projects that were not initially included the Refined Strategy.

7. As a means to highlight the linkages between national project outputs and regional CAREC program outcomes, the CAREC Secretariat presented the draft Action Plan, which emphasizes milestones and indicators as listed in the Results-based Framework in the Refined Strategy. Furthermore, the proposed Work Program (2014-2016) demonstrated how the three strategic priorities of the Refined Strategy are purposely linked with a one to one correspondence to the three pillars of the overall CAREC Strategic Framework. For instance, priority one, the development multimodal corridor networks, supports achieving Pillar 1. While priority two, to improve trade and border crossing services, supports Pillar 2. Lastly, priority three, to improve operational and institutional effectiveness, supports Pillar 3. Building off the country action plans for implementation as presented by each member countries, the Secretariat requested the delegations to further illustrate the proposed achievement of disaggregated targets from their proposed projects by 19 May 2014.

8. The Work Program discussion also highlighted the need to develop long-haul competitive transport services, establish sound approaches to operations and maintenance for sustainability, and address non-physical sector constraints. These identified needs support the integration of national development projects beyond boundaries into seamless regional connectivity transport networks. Examples provided to focus upon from 2014 to 2016 for achieving these needs are: projects to fill the gaps in CAREC Corridor 5, the two proposed pilot Designated Rail Corridors, and associated priority logistics centers and border crossing points.

9. The TSCC endorsed the Work Program 2014-2016 and agreed to submit it to the June 2014 SOM for endorsement. It was agreed that the trade facilitation progress report will need to be consulted with the relevant committee, finalized and reported separately to SOM in June 2014. Nevertheless, ADB secretariat encourages an integrated transport and trade facilitation work program be prepared in the future.

Session 3: Enhancing Capacity Development in the CAREC Transport Sector

10. South-South Knowledge Cooperation (SSKC) is part of a larger development effort to build capacity of CAREC member countries to strengthen implementation of the Refined Strategy. SSKC is a systematic and coordinated approach to planning, implementation and dissemination of knowledge exchange activities. It comprises of experience sharing seminars, trainings, action-oriented research, institutional partnerships, and centralized knowledge management via a website and database on key areas of: (i) innovation, including PPP, tolls, performance based contracts, multimodal regional logistics centers and special economic zones; and (ii) sustainability, including asset management and safety. Some delegations encouraged that the proposed SSKC plan be coordinated with the CAREC Institute which is soon to be established. The TSCC endorsed the proposed SSKC plan and agreed to submit it to the June 2014 SOM for endorsement.

11. Early CAREC projects have focused on building infrastructure and filling critical gaps in the road and railway networks. It is becoming increasingly clear that with growing regional traffic and trade, road safety has become an increasingly serious problem in many CAREC countries. In the CAREC region alone, there are an estimated 60,800 fatalities and more than 600,000 injuries per year. In recognition of this fact, the Refined Strategy has proposed regional technical assistance on road safety. All the country delegations supported this regional technical assistance initiative.

Session 4: Development Partners Support to CAREC

12. The representatives of development partners WB, EDB, EU, JICA, USAID, and TRACECA made presentations to illustrate their support to CAREC.

13. These presentations generally reflected the relative strengths of these developments to furthering the impacts and outcomes of the Refined Strategy. The WB and JICA presented their transport sector initiatives and how these relate to proposed CAREC projects and associated outputs. The WB also presented a concept for how information and communication technology associated with infrastructure projects may promote realization of economic development benefits. The EDB illustrated how it provides resources to counter financial crisis. The EU and USAID described their forthcoming initiatives to support regional trade and cooperation in Central Asia. TRACECA described lessons learned in the realization of their strategic initiatives. DFID indicated their willingness to explore the provision of capital investment and technical assistance to support the objectives of the CAREC program. UNDP expressed a willingness to support increased regional coordination.

Closing Session

14. The Meeting participants expressed their appreciation to the Ministry of Transport and Communications of the Kyrgyz Republic for hosting the 13th CAREC TSCC Meeting. The Meeting participants also expressed appreciation to ADB and the TSCC Secretariat for providing effective logistical and administrative support.

Procedure of Submission of New Projects or Updates to the list of Priority Investment Projects

- By 30 June 2014, TSCC delegations will submit to CAREC Secretariat project proposal in accordance with the Project Profile template previously provided by email.
- The Project Profile template will also be uploaded on 20 May 2014 to the CAREC website.
- In addition to the data fields requested in the Project Profile template, please also attach a project map.
- Note that there should be one proposal per each proposed project.
- The Secretariat will review the proposals in line with the established criteria.
- The projects to be included must be on the Refined Strategy CAREC Corridors (see pages 14, 15 and 58 of the TTFS 2020 document).
- Further note that the corridors themselves are selected based on the following selection criteria agreed in the approved 2008 Strategy:
 - The corridors reflect current and potential trade flow patterns.
 - The selection of corridors is based on the inclusion rule of at least two CAREC countries and the following five criteria:
 - current traffic volume;
 - prospects for economic and traffic growth;
 - ability to increase connectivity between regional economic and population centers;
 - prospects of mitigating delays and other hindrances such as the number of cross-border points and the number of gauge changes; and
 - economic and financial sustainability of infrastructure, management, and technology improvements.
- If the proposed project is evaluated as an eligible project for inclusion, the Secretariat will send it to the CAREC member countries for endorsement by 30 August 2014.
- Based on the endorsement process, the overall priority project investment will be updated by 30 Sept 2014