



Central Asia Regional Economic Cooperation Program

Reference Document
For Session 1 of the Transport Sector Coordinating Committee Meeting
April 2016

Transport Sector Progress Report and Work Plan 2016–2018

**Transport Sector Coordinating Committee Meeting
Central Asia Regional Economic Cooperation
20–22 April 2016
Bangkok, Thailand**

I. KEY DEVELOPMENTS

A. Introduction

1. In 2015, Central Asia Regional Economic Cooperation (CAREC) countries continued to make progress in implementing the CAREC Transport and Trade Facilitation Strategy 2020 (TTFS 2020), following the overall operational priorities of:

- (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;
- (iii) **Operational and 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 above three operational priorities are a joint responsibility of the Transport Sector Coordinating Committee (TSCC) leading on priorities (i) and (iii), and the Customs Coordinating Committee (CCC) leading on (ii). In April 2015, the TSCC formulated the CAREC Transport Sector Work Plan 2015–2017, which translates the TTFS 2020 into a 3 year work program.

B. Sector Implementation

3. This report covers progress made by the TSCC in 2015 against the TTFS 2020 and subsequently the CAREC Transport Sector Work Plan 2015–2017. Overall, CAREC countries made considerable headways towards the completion of the multimodal CAREC corridors, and making these corridors more green, safe, efficient, and sustainable.

4. In the TTFS 2020, the original six corridors were extended, corridors were more finely defined with respect to the various routes composing the corridors, and the results based framework was modified. Resulting from these changes, the CAREC road corridor network is now estimated to reach 29,350 km by 2020 from 24,000 km by 2017. The CAREC TTFS Results-Based Framework identifies three targets to be achieved by 2020 for physical infrastructure: (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.¹ Figures 1-3 show the cumulative progress from 2008 to 2015 towards these goals while Table 1 shows further details of the transport sector performance from 2008 through 2015.

¹ Should the TTFS 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 previously assessed as in, or improved to, good condition have been properly maintained.

Figures 1–3. Progress of Multimodal Corridor Network Development (2008–2015)

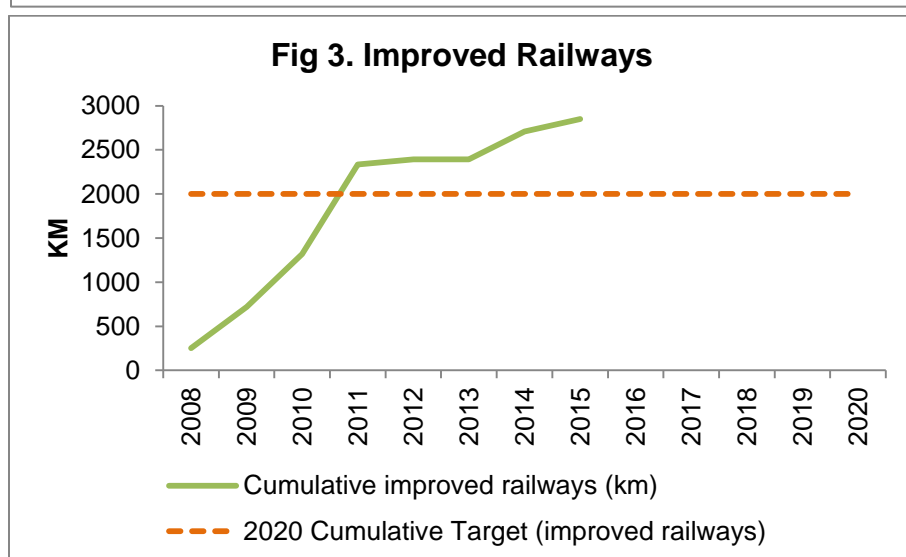
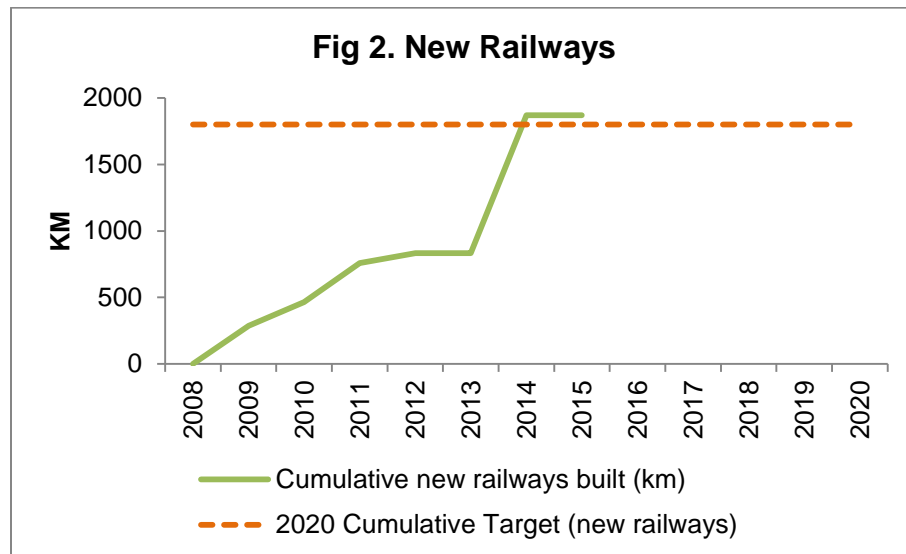
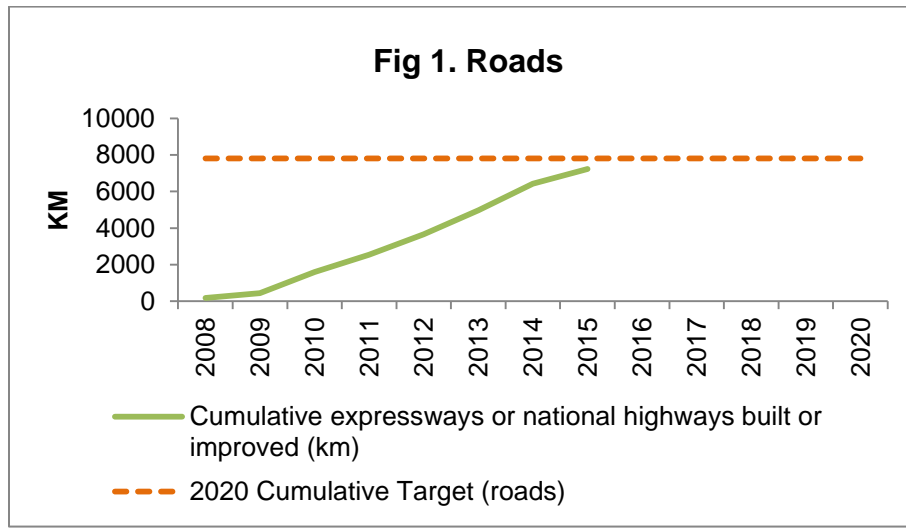







Table 1: Annual Transport Sector Outputs (2008–2015)

Indicator	2008 Baseline Value	2009	2010	2011	2012	2013	2014	2015	2015 Target	Progress
Annual expressways or national highways built or improved (km)	181	254	1,154	953	1,116	1,312	1,450	809	475	
Cumulative expressways or national highways built or improved (km)	181	435	1,589	2,542	3,658	4,970	6,420	7,229	5,435	
Cumulative proportion of total CAREC road corridor in good condition (%)*	64	66	71	75	79	85	74	77**	70**	
Annual new railways built (km)	0	286	179	293	75	0	1,036	0	58	
Annual improved railways (km)	251	468	600	1,014	60	0	317	140	30	

CAREC = Central Asia Regional Cooperation; km = kilometer.

**The TTFS 2020 aims to have at least 70% of the expanded road corridor (29,350 km) built or improved by 2020. It should be noted that this may overstate overall road condition due to ongoing deterioration on some early road sections rated in good condition as of 31 December 2007.

5. In addition, the TTFS 2020 Results-Based Framework also targets five multimodal logistics centers to be operational and at least five BCPs in the region to be improved by 2020.

6. The TTFS 2020 and Action Plan continue to be implemented satisfactorily. The 809 km of expressways or national highways built, upgraded or improved in 2015 bring the cumulative road infrastructure to 93% of the total 7,800 km corridor length targeted for construction or improvement by 2020. No new railways were completed while 140 km of railways in Uzbekistan were improved by electrification during 2015. Nonetheless, achievements in the railway projects have already surpassed the 2020 targets, well ahead of schedule. Thirteen projects in other transport subsectors (2 ports, 2 logistics centers, 3 border crossing points (BCP), and 6 civil aviation projects) are being implemented. One border crossing points have been improved in Dusti, Tajikistan within the scope of CAREC Corridor 3 (Dushanbe – Uzbekistan border) Improvement Project.

(i) Multimodal Corridor Network Implementation Progress

7. **Afghanistan.** Progress continues on the implementation of road and railway projects in Afghanistan along CAREC Corridors 3, 5, and 6. The construction of Qaisa-Laman road (233 km), Leman-Armalick Road (52 Km), Pul-e-Khumri-Doshi road (52 km), Kabul-Jalalabad road (150 km), and Mazar-e-Sharif-Kunduz road are currently ongoing. A concept paper for the construction of an alternative tunnel to the existing Salang tunnel has been approved by ADB, while the World Bank (WB) is supporting the construction of the Baghlan to Bamiyan road as well as the rehabilitation of the existing Salang road and tunnel. For the rail sector, a feasibility study for the Rozanak/Ghorian-Herat railway has been completed. Feasibility studies are ongoing for the Shirkhan Bandar-Kunduz-Kholam-Naibabad-Andkhoy railway line, the Aqina-Ankhoy railway line and Aqina railway station, and the Torghondi-Herat railway line.

8. **Azerbaijan.** Azerbaijan continues to implement railway, maritime, and road projects along CAREC Corridor 2. The additional two lanes of the Hajigabul-Kurdamir road (80 km) and Kurdamir-Ujar-Yevlakh road (87.8 km) were completed in 2015. The Railway Trade and Transport Facilitation project, which includes the reconstruction of 600 km of railway link and modernization of the power supply and communication and signaling systems between Baku passenger station and Boyuk-Kesim station is in progress, supported by financing from the WB, the AZE government, the Czech Export Bank, and the Czech Banks Syndicate. The project is expected to be completed by 2019. The second phase of the construction of Baku International Sea Trade Port Complex at Alyat is in progress, supported by funding from the AZE government.

9. **People's Republic of China (PRC).** Ongoing construction of road, rail, and transport facilitation projects along CAREC Corridors 1, 2, 4 and 5 will ultimately facilitate trade and transport between PRC and other CAREC member countries. PRC is supporting the implementation of multimodal corridor network projects through loan financing of several investment projects by the Export-Import Bank of China and the government of PRC.

10. **Kazakhstan.** Progress continues on road and rail projects in Kazakhstan along CAREC Corridors 1, 2, 3, and 6. Ongoing road projects include the Astana-Karaganda and Almaty-Kapchagay road rehabilitation, financed by the government of Kazakhstan. Construction is also ongoing for the Aktau-Beyneu road rehabilitation project, supported by financing from ADB and the government of Kazakhstan. The rehabilitation of the Western Europe- Western People's Republic of China (PRC) Transit Corridor is in progress, financed by ADB, European Bank for Reconstruction and Development (EBRD), Japan International Cooperation Agency (JICA), Islamic Development Bank (IsDB), the WB, and the government of Kazakhstan. Progress is also underway on the construction of Shymkent-Tashkent Road supported by financing from ADB and the Kazakhstan government. The Almaty-Khorgos Road, financed by the World Bank and the government of Kazakhstan is also in progress.

11. **Kyrgyz Republic.** Progress of road and rail projects in continues in Kyrgyz Republic along CAREC corridors 1 and 3. The construction of Bishkek-Torugart Road, financed by the Export-Import Bank of China, the Arab Coordination Group, ADB, and the Kyrgyz government is in progress and expected to be completed by 2017. Phase 4 of the Bishkek-Osh road rehabilitation project in ongoing and expected to be completed in 2019. This priority project along CAREC Corridor 3 is financed by a loan and grant from ADB, a loan from Eurasian Development Bank, and the government's own budget. The construction of the North-South Road (Balykchy-Kochkor-Aral-Kazarman-Jalal-Abad), which links transport corridors CAREC Corridor 3 (Bishkek-Osh) and CAREC Corridor 1 (Bishkek-Naryn-Torugart) is under preparation,

supported by a loan from the Export-Import Bank of China. This project is expected to be completed in 2020. The feasibility study for the electrification of Lugovaya-Bishkek (Alamedin) railway is ongoing. Under aviation, the Kyrgyz ATC System Capacity Enhancement project financed by JICA is underway.

12. **Mongolia.** Mongolia continues to implement transport projects along CAREC Corridor 4. The Western Regional Road Development to the PRC border is ongoing, with 50 kms completed in 2015. Also in progress are the construction of the access road from Ulaanbaatar to the new international airport, the Western Regional Road Development Phase 2 (742 km) connecting Ulaanbayshint (border point to Russia) and Yarant (border point to PRC), and the Undurkhaan-Baruun-Urt-Bichigt-Huludao/Chifeng-Jinzhou road. The construction of the new international airport in Ulaanbaatar is currently ongoing, supported by financing from JICA and the MON government.

13. **Pakistan.** Major progress was made in 2015 on projects serving CAREC Corridors 5 and 6. This includes the the realignment of the Karakoram Highway (KKH) at Hunza financed by the Export-Import Bank of China; the JICA-financed expressway from Sehwan to Ratodero (N-55); Peshawar-Torkham (N-5) motorway, connecting Peshawar to Kabul, financed by USAID; Gwadar-Hoshab road, financed by the Pakistan government and connecting Gwadar to the cities of Turbat and Hoshab in Northern Pakistan; and the 4-lane Section 4 of M-4 (Kanewal-Multan), financed by IsDB. Construction is ongoing for the Hoshab-Surab road (N85 and N25), which will connect Gwadar port with the National Highway Network and is financed by the Pakistan government. The Hasanabdal-Havelian section of the E-35 expressway, to provide a link to Northern Pakistan and PRC via KKH is also under construction, financed by ADB, Department for International Development (DFID) and the Pakistan government. The 62 km Gojra-Shorkot section of M-4 Motorway is being financed by a loan from ADB and a grant from DFID, which were approved in September 2015; civil works are expected to start in 2016. Construction of the Chaman-Khuzdar section of N-25 is also in progress and is expected for completion by 2019. The improvement of BCP infrastructure at Torkham, Wagha, and Chaman - which will boost Pakistan's trade with its neighboring countries - will be financed by a \$250 million ADB loan approved in December 2015 under the CAREC Regional Improving Border Services (RIBS) Project.

14. **Tajikistan.** Tajikistan continues to implement road, railway, and logistics projects along CAREC Corridors 3, 5, and 6. The rehabilitation of the Dushanbe–Tursunzade–Uzbek Border Road (62 km) which forms part of CAREC Corridor 3b was completed in 2015. The remaining 33 km section of the Aini–Pyanjikent–Uzbek Border Road Rehabilitation Project (113 km) was also completed in 2015, financed by ADB, the Organization of the Petroleum Exporting Countries Fund, and the Tajikistan government. For railways, the rehabilitation of the Vakhdat-Yavan section of the Dushanbe-Kurgantyuube railway line is ongoing, financed by the PRC government. To implement the Work Plan for 2015-2017, the Republic of Tajikistan continues to carry out the enhancement of CAREC Road Corridors 3 and 5 along Vose-Khovaling and Sairon-Karamyk sections. The procurement of logistics equipment for Panji Poyon logistics center is also ongoing.

15. **Turkmenistan.** Progress is underway on the construction of the Atamyrat-Ymamnazar-Aqina Railway which will link Turkmenistan railway line with Afghanistan. Upon reaching Aqina, the railway is expected to connect to the Northern Afghanistan Railway, for which feasibility study is underway with the intention to extend the existing railway west from the railhead at Mazar-e-Sharif onto Andkhoy and eventually to Aqina. Work is also progressing on the Turkmenbashi Logistics Center, the rehabilitation of Ashgabat-Turkenbashi highway, and the

CAREC Maritime Transport Corridor. The government of Turkmenistan is financing continued work of the above projects until completion. In addition, the government also plans to finance the construction of Dashoguz-Shasenem-Gazojak railway to complete all CAREC TTFS 2020 projects in Turkmenistan.

16. **Uzbekistan.** Uzbekistan continues to implement road, rail, and trade facilitation projects along CAREC Corridors 2, 3, and 6. The CAREC Corridor 2 Road Investment Program (Phase 2), which aims to rehabilitate 175 km of the A380 Highway is in progress, with 76 km completed in 2015. Phase 3, which aims to reconstruct 220 km of road in Tashkent, Namangan and Bukhara oblast is also in progress, with 25 km completed in 2015. The reconstruction and modernization of the M39 and reconstruction of the R87 Guzar-Chim Kukdala are also ongoing. The feasibility study for the Third CAREC Corridor Road Investment Program (A380) is currently ongoing. Under railways, the electrification of Karshi-Termez Railway section is in progress, supported by a loan from JICA and the Uzbekistan Temir Yullari's (UTY) own funds. A large part of the electrification of the Marokand-Karshi Railway Section, financed by an ADB loan and the company's own funds was completed in 2015.

(ii) Cross-Border Transport Facilitation

17. **Rationale.** The TTFS 2020 emphasizes improvement of trade and border-crossing services as a priority area leading to the fulfillment of CAREC's overall strategic objective to improve the region's competitiveness and expand trade among CAREC economies and with the rest of the world. Improved transport linkages cut the cost of doing business, create good conditions for larger trade flows, bring people closer to markets and social services, and ultimately become a means to accelerate economic growth.

18. The transport facilitation regime in the CAREC region is regulated by multiple transport facilitation agreements, which allow movement of vehicles and cargo across borders. Bilateral and plurilateral transport agreements primarily focus on traffic rights regulation, while international agreements and conventions establish general harmonized procedures for movement of vehicles, cargo and crews across the borders.

19. **Actions Initiated.** Accession of Pakistan to the TIR Convention was the most significant transport facilitation event in 2015, making it the 9th CAREC country to accede to the Convention. Given ongoing actions by PRC to accede to the same, all CAREC countries may soon be covered by the TIR Convention. The TIR convention became operational in Pakistan in January 2016. The current priority of Pakistan is to make the TIR customs transit guarantee system fully operational. A number of development partners are currently providing, or have plans to provide technical assistance to assist Pakistan in the implementation of the TIR Convention. Among those who already provide technical support are the International Road Transport Union (IRU) and the Government of the United States through USAID. A DFID-financed and ADB-administered large scale technical assistance project² includes transport facilitation component to assist Pakistan in implementing the TIR system. The project is expected to start in the second quarter (Q2) of 2016.

20. There were no new bilateral agreements signed in 2015 among any pair of CAREC countries. There is only one plurilateral transport facilitation agreement among CAREC countries, namely the Quadrilateral Traffic in Transit Agreement (QTTA) among Kazakhstan, Kyrgyzstan, Pakistan and PRC. The QTTA was signed in 1995 and became operational in

² TA 8990-PAK Enabling Economic Corridors through Sustainable Transport Sector Development

2005. Following a landslide in Pakistan, which created a significant barrier on the Karakoram Highway (KKH) in 2010, operations under the agreement were suspended. In 2015, the CAREC program helped conduct two workshops among the contracting parties of the QTTA, where contracting parties agreed to reboot operations under the QTTA agreement. In September 2015, Pakistan completed the new alignment of the KKH, which made the corridor fully operational. By April 2016, QTTA permits have been printed and distributed among transport operators of contracting parties. Every country received a quota for 200 round trips per year. Subject to sufficient demand for traffic along the KKH corridor within the framework of the QTTA agreement, annual quotas can be increased. Expected operationalization of the TIR System in Pakistan and PRC can attract additional volumes of traffic to the corridor. Tajikistan expressed interest to join the QTTA and was welcomed to join by the contracting parties during the second QTTA workshop held in Urumqi, PRC in September 2015.

21. Three more plurilateral transport agreements among CAREC countries, which are either under discussion or have already been signed but not yet operationalized: (i) the Intergovernmental Agreement of the Shanghai Cooperation Organization Member States on the Facilitation of International Road Transport, among the PRC, Kazakhstan, Kyrgyz Republic, Russia, Tajikistan and Uzbekistan; (ii) CAREC Cross-Border Transport Agreement among Kyrgyz Republic, Tajikistan and Afghanistan; and (iii) the Afghanistan Pakistan Tajikistan Traffic in Transit Agreement (APTTTA).

22. The Regional Improvement of Border Services (RIBS) project in Kyrgyzstan and Tajikistan is ongoing. The National Single Window (NSW) in Kyrgyzstan is being modernized and the NSW in Tajikistan has been put in operation in pilot mode. Further work for Single Window development under the RIBS project will focus on required legal and institutional reforms to facilitate cross-border trade, integration of NSW systems with customs information systems and systems of other government agencies involved in trade regulation, cross-border integration of NSW systems, and capacity development of national trade regulation agencies and Single Window state enterprises. Within the RIBS project, one Border Crossing Point (BCP) – Guliston in Tajikistan is expected for completion in 2016, and construction of BCP Karamyk in Kyrgyz Republic will start in Q2 2016. One border crossing point (BCP Dusti, Tajikistan) has been improved within the scope of CAREC Corridor 3 (Dushanbe – Uzbekistan border) Improvement Project.

23. As noted earlier, three more BCPs Torkham, Chaman and Wagha are expected to be improved within the scope of the Pakistan: CAREC Regional Improving Border Services Project. The project was approved for ADB financing in 2015 and will commence works upon completion of all procedures for loan effectiveness.

24. **Next steps.** The CAREC program will adhere to the freedom of transit principles to enable free, uninterrupted flow of cargo, vehicles, and people along CAREC Corridors. Further implementation of international cross-border transport facilitation agreements and conventions, bilateral, and sub-regional agreements between and among CAREC member states will be prioritized and supported through CAREC regional technical assistance, as noted in the following section.

(iii) Operational and Institutional Strengthening

25. **Rationale.** The TTFS 2020 places greater emphasis on multimodal corridor network development, trade and border-crossing service improvements, and improvements to sustainability and quality of service. At the 14th TSCC in Ulaanbaatar, Mongolia in April 2015,

CAREC countries reconfirmed the need to pursue these priorities, and take actions to make CAREC corridors more green, safe, efficient, and sustainable.

26. **Actions Initiated.** At the 14th TSCC, CAREC countries endorsed the Transport Sector Work Plan (2015-2017), which contains four priorities to the above effect. These are (i) road safety, (ii) road asset management, (iii) railways and (iv) transport facilitation. Two regional technical assistance (TA) projects are now under implementation to support CAREC countries in these priority areas.

27. TA 8789: Knowledge Sharing and Services in Transport and Transport Facilitation was approved in late 2014, with funding from the ADB (\$1.4 million) and People's Republic of China Regional Cooperation and Poverty Reduction Fund (\$0.4 million). The TA is designed as a vehicle to support knowledge needs of CAREC countries on topics such as (i) multimodal connectivity, including logistics hubs and maritime links; (ii) railways; (iii) coordinated border management; (iv) transport facilitation; (v) public-private partnerships; (vi) asset management, including user charges and cost recovery; (vii) green freight and logistics; and (viii) project management. In view of the Transport Sector Work Plan (2015-2017), and agreements made by CAREC countries at the 14th TSCC, the TA is currently supporting the following topics.

- **The development of a CAREC Railway Strategy 2030:** As prioritized in TTFS 2020, a relative shift in transport modality from roads to railway in CAREC is envisaged to achieve the goals of more efficiently expanding trade and improving regional competitiveness. However, in order to achieve growth in the development and use of railways, existing problems in each member country need to be addressed in a consistent manner across the region. Recognizing these challenges, CAREC countries have decided to develop a strategy that will serve as a blueprint for addressing challenges and maximize the contribution of railways to sustained economic growth. Following decisions at the 14th TSCC, a Railway Working Group (RWG) was formed in order to guide the development of this strategy. The first meeting of the RWG took place in Tokyo Japan in November 2015, which (i) shared the main issues facing railways in the CAREC region, (ii) reviewed progress toward development of the CAREC railway strategy and (iii) agreed on priority actions moving forward for the full development of the strategy. [The second meeting of the RWG took place on 18-19 April 2016 in Bangkok, Thailand, to discuss and agree on key actions to achieve the goal of the strategy.]
- **Knowledge exchange on road asset management:** Through a dedicated workshop on road asset management (RAM) following the 14th TSCC Meeting, CAREC member countries reconfirmed the importance of high-level political support for RAM. Good practice on RAM, including from Pakistan, was shared. Building on from this meaningful exchange, the TSCC endorsed the idea of producing a compendium of good practices on RAM in the CAREC region and beyond. The production of this compendium is now underway, together with a more specialized knowledge product which offers practical guidance to CAREC countries on how performance based road maintenance contracts (PBRMC) can be utilized to support sound RAM.
- **GIS database:** Work also continues on the development of a GIS database to support the monitoring and implementation of project progress against targets, In 2014-2015, the CAREC secretariat developed a pilot GIS database containing priority investment projects of the two pilot countries of Afghanistan and Pakistan. Based on lessons learned from this pilot phase, the full development of the GIS database is being undertaken.

28. TA 8804: Enhancing Road Safety for Central Asia Regional Economic Cooperation Member Countries, was approved in December 2014, with \$1.5 million of funding from ADB. An estimated 1.2 million–1.3 million people are killed, and up to 50 million injured, on the world's roads every year. Traffic fatality rates in CAREC member countries range from 13.1 to 21.9 per 100,000 population, compared to about 10.3 per 100,000 population in high-income countries. With increasing vehicle ownership rates in CAREC member countries, and the absence of concerted action on road safety, the toll of fatalities and injuries in the region is likely to increase markedly over the coming decades. There is a need to coordinate road safety activities across the CAREC region and to ensure that an adequate level of safety is provided on designated CAREC corridors. In view of these needs, the TA aims to (i) publish a CAREC road safety strategy, (ii) strengthen capacity of CAREC member countries to manage and coordinate road safety activities, including improved data collection and road collision research, improved engineering, education, and enforcement capacity; and (iii) integrate road safety evaluation tools into CAREC road projects.

29. CAREC countries have already commenced work under this TA. In 2015, initial discussions on the proposed CAREC Road Safety Strategy were conducted at the 14th TSCC Meeting. In view of the need for a high-level political commitment to road safety, and also noting the fact that 2015 was the mid-year of the UN Decade of Action on Road Safety, CAREC countries delivered a Commitment to Road Safety in CAREC at the 14th CAREC Ministerial Conference (MC) in Ulaanbaatar, Mongolia in September. Mongolia, as the host country to CAREC in 2015, launched a demonstration road safety campaign coinciding with the 14th CAREC MC. Based on in-country consultations and an analysis of the road safety situation conducted by the CAREC Secretariat, CAREC member countries are now preparing the CAREC Road Safety Strategy, whereby a workshop was held on 18-19 April 2016 in Bangkok, Thailand to agree on the vision, key focus areas and priorities of the Strategy.

30. **Next steps.** CAREC countries will continue to work on operational and institutional strengthening in the aforementioned areas of railways, road asset management and road safety. The CAREC Railway Strategy 2030 and the CAREC Road Safety Strategy will be prepared for endorsement by the 15th Ministerial Conference in October 2016.

C. Addressing CAREC Priorities identified in the 2014 CAREC Development Effectiveness Review (2014 CAREC DEfR)

Priority Actions Proposed in the 2014 CAREC DEfR

31. The following actions have been taken in line with the actions proposed in the 2014 CAREC Development Effectiveness Review (2014 CAREC DEfR).

- Mainstream priority projects into national development plans of CAREC countries. Formulate a transport and trade facilitation work program starting in 2015.

32. **Action initiated.** The CAREC Transport Sector Work Plan 2015-2017 was prepared in 2015 and endorsed by the CAREC countries at the National Focal Points Meeting in Ulaanbaatar, Mongolia in August 2015. The Work Plan focuses on four pillars (i) road Safety, (ii) road asset management, (iii) transport facilitation, and (iv) railways. Implementation of both “hard” infrastructure and “soft” interventions will be implemented through close coordination between CAREC countries, the CAREC Secretariat, and development partners.

33. **Next steps.** Continue implementation of the CAREC Transport Sector Work Plan 2015-2017. Annual updates will be done through consultations between CAREC countries, the CAREC Secretariat, and development partners.

- Harmonize work programs in Transport and Trade Facilitation Strategy (TTFS) 2020 and process new technical assistance to support implementation of the TTFS 2020, especially in road safety, road asset management, regional transit facilitation, and continued development of a GIS database to track implementation.

34. **Action initiated.** Two technical assistances currently under implementation support the implementation of the TTFS 2020. TA 8789: Knowledge Sharing and Services in Transport and Transport Facilitation provides ongoing support for CAREC transport activities for railways, road asset management, transport facilitation, and GIS. TA 8804: Enhancing Road Safety for CAREC Member Countries supports the development of a Road Safety Strategy for CAREC.

35. **Next steps.** Fully implement the RETAs in consultation with CAREC member countries.

- Maximize the benefits for CAREC corridors by addressing key nonphysical barriers to cross-border transport and implementing the endorsed approach to corridor-based transport facilitation arrangements.

36. **Action initiated.** The CAREC member countries continue to advance cross-border transport agreements to foster greater movement of goods and services within the region. Following a workshop on cross-border transport facilitation in April 2015, two technical workshops were held to reinvigorate the Quadrilateral Traffic in Transit Agreement between the PRC, Kazakhstan, Kyrgyz Republic, and Pakistan. In addition, the recently completed TA 8147: Facilitating Cross-Border Transport in CAREC supported the ongoing Regional Improvement of Border Services project in Kyrgyz Republic and Tajikistan.

37. **Next steps.** In line with CAREC countries' needs, further formulate and deliver trainings and workshops to support full implementation of TTFS 2020.

- Increase coordination between CAREC bodies on trade facilitation and trade policy, including the regional upgrade of Sanitary and Phytosanitary Measures for Trade, and plan and a second phase of Regional Improvement of Border Services.

38. **Action initiated.** The RIBS project in Pakistan approved in December 2015 commences the second phase of the Regional Improvement of Border Services.

39. **Next steps.** Continue to support coordination among CAREC stakeholders to support transport and trade facilitation.

- To sustain operations growth, monitor financing requirements and implementation of medium-term priority projects.

40. **Action initiated.** The CAREC countries have been implementing the TTFS 2020 with satisfactory progress towards 2020 targets. The CAREC Secretariat continues to closely

coordinate with the CAREC countries and development partners to monitor financing and technical assistance needs.

41. **Next steps.** The CAREC Strategy 2020 Mid-term Review will be discussed at the 15th TSCC. Further actions in the Transport Sector will take into consideration the results of the discussions, with the goal of fully implementing the TTFS 2020.

II. KEY ISSUES FOR GUIDANCE BY THE TSCC

42. In line with the CAREC Transport Sector Work Plan (2015-2017), the CAREC Transport Sector is currently developing a CAREC Railway Strategy and a Road Safety Strategy.

43. The Railway Working Group (RWG), formed by decision of the 14th TSCC, is developing the CAREC Railway Strategy 2030. During the second meeting of the RWG, held just before the 15th TSCC, the countries agreed on key actions to operationalize the goal of the Railway Strategy. The resulting revised draft CAREC Railway Strategy is being submitted to the 15th TSCC for endorsement. Upon its endorsement, the RWG will complete the CAREC Railway Strategy 2030 for subsequent endorsement by the SOM and MC.

44. The first CAREC Road Safety Strategy was also held during the CAREC Transport Week prior to the 15th TSCC meeting. The output of the workshop – a framework for the development of the Road Safety Strategy – is also to be submitted to the TSCC for endorsement. Upon its endorsement, CAREC countries will develop a full CAREC Road Safety Strategy for subsequent endorsement by the SOM and MC.

PRIORITY INVESTMENT AND TECHNICAL ASSISTANCE PROJECTS

Annex 1: List of Investment Projects by Country

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
1	AFG	IP 1	Qaisar–Bala Murghab Road	407	2012–2016
2	AFG	IP 3	Laman–Armalick Road	39	2012–2016
3	AFG	IP 4	Pul-e-Khumri–Doshi Road	21	2013–2015
4	AFG	IP 8	Construction of Kabul–Jalalabad Road	172	2011–2016
5	AFG	IP 9	Rozanak/Ghorian–Herat Railway Line Construction (Iran–Afghanistan)	1,330	2015–2020
6	AFG	IP 11.1	Construction of Shirkhan Bandar–Kunduz–Kholam–Naibabad– Andkhoy–Herat Railway	2,000	2015–2018
7	AFG	IP 12	Construction of Aqina–Andkhoy Railway (Turkmenistan–Afghanistan)	50	2016–2017
8	AFG	IP 101	Construction Turkmenistan Border–Herat Railway	280	2015–2020
9	AFG	IP 102	Salang Road Tunnel	1,000	2014–2017
10	AFG	IP 103	Rehabilitation of Mazar-e-Sharif–Kunduz Road	99	2011–2016
Subtotal				5,398	
11	AZE	IP 1	East–West Highway (Yevlakh–Ganja: additional two lanes; Ganja Ring Road: four lanes)	237	2007–2014
12	AZE	IP 2	Railway Trade and Transport Facilitation: Reconstruction of Azerbaijan Railways	1,599	2010–2019
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	2011–2017 (Phase 1)
15	AZE	IP 5	Hajigabul–Yevlakh and Ganja–Qazakh Roads (Hajigabul–Kurdamir: additional two lanes; Kurdamir–Ujar–Yevlakh: additional two lanes; Ganja–Gazak–Georgian Border: additional two lanes)	2,014	2011–2020
16	AZE	IP 101	LC Baku Port at Alyat	32	2016–2018
Subtotal				4,701	
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)	550	2010–2016

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
20	KAZ	IP 4	Rehabilitation of Western Europe–Western PRC Transit Corridor (Aktubinskaya Oblast, Kazakhstan, to Xinjiang, PRC)	5,500	2009–2016
21	KAZ	IP 5	Electrification of Almaty–Aktogay Railway Section	984	Starting in 2020
22	KAZ	IP 6	Electrification of Dostyk–Aktogay Railway Section	510	Starting in 2020
23	KAZ	IP 7	Electrification of Aktogay–Moıntıy Railway Section	110	2016–2020
24	KAZ	IP 10	Expansion of Aktau Port (Phase 1&2)	124	2006-2015
			Expansion of Aktau Port (Phase 3) – New Project	126	2014-2015
25	KAZ	IP 13	Construction of New Railway Line Zhezkazghan–Saksaulskaya	3,032	2012–2016
26	KAZ	IP 17	Shymkent–Tashkent Road	658	2012–2016
27	KAZ	IP 101	Almaty–Khorogos Road	1,068	2013–2017
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 Khorogos	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 Khorogos	85	2014–2016
Subtotal				14,171	
35	KGZ	IP 1	Bishkek–Torugart Road Rehabilitation	453	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	15	2014–2016
41	KGZ	IP 9	Rehabilitation of Bishkek–Osh Road	192	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	2016–2018
45	KGZ	IP 105	LC Osh	15	2014–2017
Subtotal				2,322	
46	MON	IP 1	Western Regional Road Development (PRC Border at Yarant–Khovd–Ulgii–Ulaanbaishint)	301	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	560	2008–2017

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
49	MON	IP 10	Access Road to the New International Airport in Ulaanbaatar	110	2015–2017
50	MON	IP 11	Western Regional Road Development Phase 2 MFF—Bayan Ulgii and Khovd Aimags (provinces)	172	2015–2018
51	MON	IP 12	Railway Rolling Stock Maintenance Depot	59	2015–2017
52	MON	IP 13	Railway Centralized Traffic Control Center	29	2014–2018
53	MON	IP 14	Ulaanbaatar City Railway Passenger Station	36	TBD
54	MON	IP 101	Undurkhaan (AH32)–Baruun-Urt–Bichigt–Huludao/ Chifeng–Jinzhou Road	268	2016–2019
Subtotal				1,661	
55	PAK	IP 101	Realignment of Karakoram Highway at Hunza due to Attabad Lake Overflow, N-35	281	2012–2015
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	2013–2015
58	PAK	IP 105	Ratodero–Dera Ghazi (DG) Khan, N-55 (Expressway, 200 km)	600	2019–2023
59	PAK	IP 110	Peshawar–Torkham, N-5	150	2014–2015
60	PAK	IP 111	Gwadar–Hoshab (M8)	550	2014–2015
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	2015–2017
63	PAK	IP 116.2	M-4 (Section 3–Shorkot–Khanewal (4-Lane Motorway, including bridges over Ravi and Sidhnai Rivers)	250	2016–2018
64	PAK	IP 118	M-4 (Section 1 Faisalabad–Gojra 4-Lane Motorway)	170	2013–2014
65	PAK	IP 119	Railway Rehabilitation Lahore–Peshawar	665	2014–2017
66	PAK	IP 120.1	Hoshab–Surab (N85 and N25)	450	2014–2017
67	PAK	IP 120.2	Surab–Kalat (N85 and N25)	100	2017–2019
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	2012–2015
71	PAK	IP 124	N-70 Muzaffargarh–DG Khan Section (Upgrading of Existing Road to 4-Lane Dual Carriageway)	150	2015–2017
Subtotal				5,567	
72	TAJ	IP 4	Kurgonteppa–Dusti–Panji Poyon Road Rehabilitation	76	2009–2013
73	TAJ	IP 7	Dushanbe–Tursunzade–Uzbekistan Border Road (62 km)	189	2011–2015
74	TAJ	IP 8	Reconstruction of Some Sections of Dushanbe–Kurgonteppa–Dangara–Kulyab Road (243.3 km)	488	TBD
75	TAJ	IP 9	Vahdat–Yavan Railway Construction (New)	180	2009–2016

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
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)	136	2012–2015
78	TAJ	IP 101	LC Panji Poyon	5	2014–2016
79	TAJ	IP 102	CAREC Corridors 3 and 5 Enhancement Project	89	2014–2016
Subtotal				1,253	
80	TKM	IP 101	Construction of Dashoguz–Shasenem–Gazojak Railway	490	2013–2015
81	TKM	IP 102	Construction of Atamyrat–Ymamnazar–Aqina Railway	246	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
Subtotal				1,963	
85	UZB	IP 3	Acquisition of New Cargo and Passenger Locomotives	122	2009–2014
86	UZB	IP 4	Electrification of Karshi–Termez Railway Section	482	2012–2017
87	UZB	IP 16	First MFF: CAREC Corridor 2 Road Investment Program (Phase 2)	763	2008–2018
88	UZB	IP 17	Electrification of Marokand–Karshi Railway Section	234	2012–2016
89	UZB	IP 18	Electrification of Marokand–Navoi–Bukhara Railway Section	388	2015–2016
90	UZB	IP 19	Reconstruction of Landing Strip in Andijan Airport	16	TBD
91	UZB	IP 24	Reconstruction and Modernization of M39	243	2011–2015
92	UZB	IP 26	Construction of Hangar for Boeing-787	41	2014–2016
93	UZB	IP 27	Reconstruction of Airport Complex in Termez Airport	4	2019–2020
94	UZB	IP 30	Second MFF: Second CAREC Corridor 2 Road Investment Program (Phase 3)	647	2012–2019
95	UZB	IP 31	Acquisition and Standardization of Uzbekistan Airway Aircraft	784	2010–2016
96	UZB	IP 32	Reconstruction R87 Guzar–Chim Kukdala	114	2012–2015
97	UZB	IP 33	Construction of Centralized Filling Station in Navoi Airport and LC Navoi	157	2014–2016
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	2016–2022
102	UZB	IP 105	Third MFF: Third CAREC Road Investment Program	1,600	2016–2022
Subtotal				5,627	

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period
103	REG	IP 1	Regional Improvement of Border Services 1: Border Crossing Point Improvement and Single Window Development	21	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	300	2016–2020
107	REG	IP 102	Regional Improvement of Corridor Efficiency	176	2015–2020
108	REG	IP 103	Regional Upgrade of SPS Measures for Trade	176	2015–2020
Subtotal				1,073	
Total				43,736	

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, MON = Mongolia, PAK = Pakistan, PRC = People's Republic of China, Ro/Ros = roll on/roll off, SPS = sanitary and phytosanitary, REG = regional, TAJ = Tajikistan, TKM = Turkmenistan, UZB = Uzbekistan.

Sources: CAREC Secretariat.

Annex 2: List of Technical Assistance Projects by Country

Cluster, Country, and TA Number			Project Title	Subsector	Cost (\$ million)	Implementation Period
Designated Railway Corridors						
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
Subtotal					13.9	
Public-Private Initiatives						
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
Subtotal					10.0	
Corridor Management						
11	REG	TA 121	Corridor Management Unit		2.5	2014–2020
12	REG	TA 122	Working with Private Sector in Trade Facilitation (Phase 2: CFCFA Strengthening and CPMM)	Trade	1.5	2014- 2018

Cluster, Country, and TA Number			Project Title	Subsector	Cost (\$ million)	Implementation Period
13	REG	TA 123	Preparing the Improvement of Corridor Efficiency	Trade	1.5	2016- 2017
14	REG	TA 124	Introducing Elements of Sustainable Transport into National Transport Systems	SocEnv	1.0	2014–2016
Subtotal					6.5	
Trade Facilitation						
15	MON	TA 131	Integrated Master Plan for Zamyun-Uud BCP	Trade	0.6	2015–2016
16	REG	TA 8386	Promoting Cooperation in Sanitary and Phytosanitary Measures for Central Asia Regional Economic Cooperation	Trade	0.5	Ongoing to 2015
17	REG	TA 133	Preparing the Regional Improvement of Border Services 2	Trade	1.0	2016- 2017
18	REG	TA 134	Preparing the Regional Upgrade of SPS Measures for Trade	Trade	1.5	2015- 2017
19	REG	TA 135	Regional Interoperability of National Single Windows	Trade	1.0	2017-2018
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	1.25	Ongoing to 2016
23	REG	TA 8585	Aligning Customs Trade Facilitation Measures with Best Practices in CAREC Program	Trade	1.25	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 to 2014
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
Subtotal					20.4	

Cluster, Country, and TA Number			Project Title	Subsector	Cost (\$ million)	Implementation Period
Transport Facilitation						
30	REG	TA 141	Harmonization of Vehicle Size and Weight Regulations in CAREC Countries	Road	2.0	2014–2015
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
Subtotal					11.6	
Road Safety and Maintenance						
41	REG	TA 151	Road Maintenance Management	Road	3.0	2014–2017
42	REG	TA 8804	Enhancing Road Safety for CAREC Member Countries	Road	1.5	2015–2018
Subtotal					4.5	
Other Infrastructure						
43	REG	TA 161	Improvement for Private Ro/Ro Services in the Caspian Sea	Port	1.0	2014–2015

Cluster, Country, and TA Number	Project Title	Subsector	Cost (\$ million)	Implementation Period
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 Afghanistan National Railway Plan (ANRP)	Railway	2.0	2014–2017
Subtotal			4.7	
Other Infrastructure Related				
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
Subtotal			2.8	
Knowledge Sharing				
49 REG TA 8789	CAREC South-South Knowledge Cooperation	Policies/ Instl Devt	1.8	2015–2017
Subtotal			1.8	
Total			76.2	

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, IP = investment project, IT = information technology, LC = Logistics Center, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, MON = Mongolia, O&M = operations and maintenance, PPP = public-private partnership, PRC = People's Republic of China, REG = regional, Ro/Ro = roll on/roll off, SPS = sanitary and phytosanitary, REG = regional, TAJ = Tajikistan, UZB = Uzbekistan.

Source: CAREC Secretariat.