



Summary of Proceedings

18th CAREC Transport Sector Coordinating Committee Meeting

24-26 April 2019, Tashkent, Uzbekistan

Introduction

1. The 18th Meeting of the Central Asia Regional Economic Cooperation (CAREC) Transport Sector Coordinating Committee (TSCC) (the Meeting) was held on 24-26 April 2019 in Tashkent, Uzbekistan. The Meeting was attended by representatives from all eleven CAREC member countries, and was supported by development partners including the Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), CAREC Institute (CI), European Bank for Reconstruction and Development (EBRD), Islamic Development Bank (IDB), Shanghai Cooperation Organization (SCO), TRACECA, United Nations Commission for Europe (UNECE), United Nations Economic and Social Commission for Asia Pacific (UNESCAP) and the World Bank.¹ The Meeting agenda and list of participants are in Appendices 1 and 2. The Meeting was chaired and hosted by Uzbekistan in its role as chair to the CAREC program in 2019.

Meeting Objectives

2. The objectives of the 18th TSCC Meeting were to: (i) review the implementation progress of the CAREC Transport and Trade Facilitation Strategy (TTFS) 2020 focusing on recent developments in railways, road asset management, road safety, cross-border transport and aviation; (ii) review and discuss the draft CAREC Transport Strategy 2030; and (iii) identify immediate actions leading to the implementation of the CAREC Transport Strategy 2030.

Implementing TTFS 2020 – progress and remaining challenges

3. **Progress to date.** Participants reviewed and endorsed the CAREC Transport Sector Progress Report (2018), which summarizes the collective progress of CAREC member countries against the goals enshrined in the [TTFS 2020](#), on both hard infrastructure development and soft-side measures. With regards to the physical development of multimodal corridors, completed road and railway projects have already surpassed the targets set by TTFS 2020, while the development of logistics centers and modernization of border crossing points (BCPs) are on track. The low average speed of transport along the corridors remains a challenge.

4. On the improvement of operational and institutional effectiveness, participants also confirmed progress along the five strategic pillars as follows:

¹ The ADB Institute generously offered a video message (weblink to follow).

- **Railways:** CAREC countries are currently implementing the [CAREC Railway Strategy](#). Following the request of CAREC countries at the 17th TSCC meeting, ADB approved a new technical assistance in 2018 to accelerate the implementation of the CAREC Railway Strategy.² The Railway Working Group convened in Tashkent, on 22-23 April 2019 to review the proposed approach to the new TA project, which features sector assessments, a subregional transport model, project preparation, and capacity development.
- **Road Safety:** CAREC countries continue to operationalize the [CAREC Road Safety Strategy](#). Ongoing efforts focus on Pillar 2 (safer roads). Three CAREC Road Safety Engineering Manuals (Manual 1: [Road Safety Audit](#); Manual 2: [Safer Road Works](#); Manual 3: [Roadside Hazard Management](#)) have been published and are available in four languages (English, Russian, Mongolian, and Mandarin). A series of national road safety engineering workshops have been conducted in Azerbaijan, Georgia, Kyrgyz Republic, Tajikistan, and Uzbekistan to assist road agencies in providing safer roads.
- **Road Asset Management:** Three knowledge products ([Compendium of Best Practices in Road Asset Management](#); [Guide to Performance Based Road Maintenance Contracts](#), and [Decision Makers' Guide to Road Tolling in CAREC](#)) have been published in two languages (English and Russian) and are being disseminated across CAREC countries. Road asset management components have been included in road projects under implementation in Afghanistan, Georgia, Kyrgyz Republic, and Tajikistan.
- **Transport facilitation:** All CAREC member countries are now covered by the UN *Transport Internationaux Routiers*] (TIR) Convention. The newest signatories, Pakistan and the People's Republic of China have both launched TIR transport operations in 2018. CAREC countries continue to implement regional improvement of border services projects in the Kyrgyz Republic, Mongolia, Pakistan, and Tajikistan.
- **Aviation:** The [Aviation Scoping Study](#) has been published in two languages (English and Russian) and disseminated across CAREC countries. A specific study for Mongolia is being prepared to help understand how the air transport sector can be liberalized to benefit tourism and the overall economy.

5. **Country Transport Priority Programs.** Substantiating the above, CAREC countries were invited to share recent trends, implementation progress, planned actions and support needs. Feedback from participants were structured along three clusters: (i) Cluster 1 “Connecting Europe and Central Asia, consisting of Georgia”, Azerbaijan and Turkmenistan; (ii) Cluster 2 “Connecting East and Central Asia”, consisting of Kazakhstan, Kyrgyz Republic, People’s Republic of China, and Mongolia; and (iii) Cluster 3 “Connecting South and Central Asia”, comprised of Afghanistan, Pakistan, Tajikistan and Uzbekistan. Challenges and strategic priorities highlighted by the participants reveal to be consistent with the focus areas proposed under the new Strategy.

² The TA received generous financial support from the People's Republic of China Poverty Reduction and Regional Cooperation Fund (PRCF), and the United Kingdom Fund for Asia Regional Trade and Connectivity (ARTCF).

6. The Salang Tunnel Project was featured as one of the highlight projects that could be supported by the CAREC program, and contribute substantially to the performance of CAREC Corridor 6. This high-profile project will also help improve seamless connectivity with neighboring countries and support peace and stability within the region. It stands to be amongst the most technically challenging project in preparation across the CAREC corridors. This calls for increased mobilization of financing, knowledge exchange, and engagement of development partners; all of which could be facilitated under the CAREC platform.

Presentation of Draft CAREC Transport Strategy 2030

7. **CAREC Strategy 2030.** Participants recalled the new CAREC Strategy 2030, which was approved by the 16th CAREC Ministerial Meeting in October 2017. Transport remains a major sector in the CAREC Strategy 2030, with deeper coverage of existing topics and subsectors, and expansion into new areas such as aviation. The new Strategy 2030 allows more flexibility for CAREC to engage with new multilateral institutions and relevant non-member countries.

8. **A new Transport Strategy for CAREC.** Participants recalled the decision of the 17th TSCC to develop a new transport strategy which will (i) align with CAREC Strategy 2030, (ii) build on the success to date of TTFS 2020, and (iii) deepen work on railways (through the CAREC Railway Strategy), road safety (through the CAREC Road Safety Strategy) and in new subsectors (especially aviation).

9. Participants reviewed the draft CAREC Transport Strategy 2030 (the Strategy), which features connectivity and sustainability as twin objectives. Participants noted the following salient features: (i) greater emphasis will be given to quality and sustainability of transport projects and assets, (ii) development of knowledge products will be demand-driven and will further focus on supporting high-level decision-making, (iii) reporting of implementation progress and performance will be more specific and disaggregated by country and by corridor, and (iv) the six multimodal corridors will remain the same while allowing more flexibility in the definition of corridors (i.e. encompassing connecting roads, BCPs, ports, and logistics centers), and (v) focus will remain on the five strategic pillars while maintaining flexibility to introduce new focus areas should these emerge.

10. Participants approved the general structure of the strategy and offered the following comments and recommendations: (i) information and communication technologies and involvement of private sector could be more prominent and considered as cross-cutting focus areas; (ii) asset management could also cover railways; and (iii) maritime transport and inland waterways could be considered as a possible new strategic pillar. For (iii), participants agreed to conduct a scoping study to assess how the CAREC platform could best address the needs and opportunities, following an approach similar to aviation.

11. Participants welcomed the greater flexibility and focus of the Strategy, which is intended to better guide regional planning and cooperation. With this, participants approved in principle the draft CAREC Transport Strategy 2030, subject to incorporation of comments received.

CAREC Transport Priorities by Pillars

12. **Cross-Border Transport and Logistics Facilitation.** Participants noted substantial progress in improving average speed without delays (SWOD), demonstrated by the CAREC Corridor Performance Measurement and Monitoring (CPMM) studies between 2010 and 2018. Consistent increase of the average SWOD from 35.2 kilometers per hour (kph) in 2010 to 44.5 kph in 2018 demonstrates positive impact of road and railways infrastructure development projects on smooth transportation of cargo within national borders. At the same time, the average speed of transport across the borders (SWD) remains low and did not improve over the 8-year performance monitoring period, because road and rail traffic are significantly delayed by border crossing procedures.

13. The CAREC CPMM will remain the key tool for monitoring cross-border time delays and costs along the CAREC corridors and particularly at the BCPs. The CPMM methodology will continue evolving in the coming years and will provide more disaggregated reporting by CAREC corridor, by mode of transportation (rail and road), and by country.

14. Under the new Strategy, BCPs are considered as an integral part of the regional and national transportation systems, which calls for more integrated corridor management by relevant authorities. Some CAREC countries consider establishing land port authorities to help improve trade facilitation regimes while maintaining high integrity and security of national BCPs and transport corridors.

15. The CAREC Transport sector will continue supporting accession to and efficient implementation of UN international transport conventions, particularly Harmonization of Frontier Control Convention (1982), TIR Convention and Convention on the Contract for the International Carriage of Goods by Road (CMR) Convention. Joint activities of CAREC's Transport sector and Trade and Customs sector will be coordinated to support institutional changes toward integrated management of transport corridors and BCPs across the CAREC region.

16. **Railway.** The Fourth Meeting of the CAREC Railway Working Group (RWG) was held in Tashkent, Uzbekistan on 22-23 April 2019, to agree on practical measures for implementation of the CAREC Railway Strategy up to 2020. In conjunction, the RWG meeting reviewed the proposed approach and components of the new TA for railways, including (i) sector assessments, (ii) a sub-regional rail traffic model, (iii) support to project preparation, and (iv) capacity development activities.

17. The RWG will oversee TA implementation assisted by ADB and development partners. Meetings of the RWG will take place at regular intervals in 2019-2020. RWG members and development partners expressed support for the main TA outcomes, outputs, and activities. The two outcome targets are as follows: (i) a prioritized CAREC railway investment plan is adopted, and (ii) sector commercialization and reform measures are submitted for government consideration in at least five member countries. These outcomes will be delivered through the implementation of four outputs namely: (i) a railway transport model, (ii) a CAREC railway project

preparation facility, (iii) agency-specific actions/measures for commercialization and reform, and (iv) knowledge products on commercialization and reform.

18. **Road Asset Management.** Participants discussed the work conducted to date on road asset management (RAM). Participants noted the progress of RAM- and performance based maintenance (PBM)- related activities in each CAREC country. Given that many member countries are upgrading their core transport network, RAM will play an increasingly important role in the proposed new Strategy. Moving forward, participants agreed on the following priorities: (i) implement maintenance reforms and strengthen RAM-related institutional capacity; (ii) adopt and implement best practices in road maintenance financing; (iii) design tailor-made RAM systems taking into account development needs as well as technical and financial capacity; and (iv) develop suitable indicators, targets, and payment mechanisms for the preparation of PBM contracts.

19. **Road Safety.** Participants reviewed the road safety situation in the CAREC region, shared updates on on-going national safety initiatives, and discussed next steps for the implementation of the CAREC Road Safety Strategy. Participants recalled the overarching target of the CAREC Road Safety Strategy to reduce the number of fatalities by 50% by 2030 (as compared to 2010 levels). As of 2016, the road fatalities -as reported by member countries- have reduced by 11% on average across the CAREC region. Participants also recognized the need to strengthen and harmonize road crash databases and monitoring systems to better inform national road safety action plans and interventions.

20. Moving forward, the CAREC Transport Strategy will continue playing a catalyst role in initiating regional initiatives while increasing its efforts to support country-led initiatives. Participants requested development partners to consider developing on-line training courses, building on the existing road safety engineering manuals, to ensure wider knowledge dissemination. The CAREC Transport sector will tailor its support to member countries based on specific needs and priorities as set out in national road safety actions plans and annual progress reports. Such support may include (i) providing seed grant financing to incubate/pilot small-scale road safety initiatives; (ii) providing investment financing for road safety projects/programs; (iii) offering access to a network of partners (IFIs, NGOs, universities, etc.), and (iii) help monitoring progress and facilitate experience sharing through TSCCs.

21. **Aviation.** The aviation session highlighted the publication of the CAREC Aviation Scoping Study that was released in September 2018. This Study includes the following key recommendations: (i) a phased opening of markets; (ii) the development of direct service routes and secondary airports; and (iii) a move to paperless e-freight systems. Participants concurred with the need to strategically develop aviation around tourism promotion, recognizing the benefits from reduced visa restrictions and reduced aviation fees. The session benefited greatly by the direct updates provided by the delegations of Pakistan, the People's Republic of China, and Uzbekistan. The Mongolia Market Study currently underway represents a technical assistance opportunity that other CAREC countries are encouraged to consider.

CAREC Transport Strategy 2030: Immediate Next Steps and Preparation for Smooth Implementation

22. **Immediate next steps.** The TSCC agreed on the following next steps:

- CAREC countries and development partners will update their CAREC transport sector focal points by 30 May 2019;
- Countries and development partners will provide any additional written comments to the draft Strategy no later than 10 May 2019;
- The CAREC Secretariat will update the draft Strategy incorporating comments received, for further consideration and endorsement by the Senior Officials' Meeting (SOM) in June 2019;
- Subject to SOM's endorsement, the Strategy will be prepared for final endorsement by the Ministerial Conference in November 2019.

23. **Accelerating the new transport strategy implementation.** Participants acknowledged the support provided by the regional technical assistance *Knowledge Sharing and Services in Transport and Transport Facilitation*, for the successful implementation of the TTFS 2020. The TA has been active since December 2014 and will close in May 2019. Thirteen knowledge products were produced, eight workshops and working group meetings were organized, and five TSCC meetings were conducted to deliver on the five strategic pillars. Participants acknowledged the benefit of a new TA to support countries in the implementation of immediate actions (Appendix 3) and to help facilitate the implementation of the new Strategy. Such TA would (i) support TSCC meetings, working group meetings, and regional workshops, (ii) develop and disseminate knowledge services and products, and (iii) support tailored capacity development activities including national trainings. The CAREC Secretariat have taken note of this request, and will progress with the approval of the new TA, for an initial budget of \$1 million.

Field visit on high-speed train to Samarkand

24. Generously facilitated by the Government of Uzbekistan and O'zbekiston Temir Yo'llari, participants undertook a field visit on the high-speed railway to Samarkand. Through this site visit, participants (i) observed how Uzbekistan as host country to CAREC in 2019 is undertaking investments in high-quality railway infrastructure to improve connectivity within its territory as well as serving to improve the quality of regional railway network, (ii) observed how such investments in railway infrastructure is linked to wider strategic objectives of the country in terms of diversification of the economy, tourism sector development, and climate-friendly growth, and (iii) recalled through the historical description of Samarkand, how regional connectivity has historically been central to the development of the region. The field visit provided a venue for meeting participants to discuss in a less-formal setting, matters of mutual interest with regards to regional connectivity and integration.

Conclusion and Appreciation

25. Participants expressed their satisfaction with the consensus reached during the TSCC meeting, which will be presented to the CAREC Senior Officials' Meeting in June 2019.

26. Participants thanked the Government of Uzbekistan for its active role in chairing the meeting. The delegates also expressed appreciation for the efforts of the CAREC Secretariat and the development partners for organizing and facilitating the meeting.

Appendix 3

Pillar	Activity
Cross-border Transport and Logistics	Knowledge Product on the CAREC Corridor Management: <ul style="list-style-type: none"> • Overview of the world best institutional arrangements, infrastructure and operational practices • Summary of issues and actions in the CAREC region • Recommendations for the national transport authorities and other relevant agencies
Road Asset Management	<ul style="list-style-type: none"> • Knowledge product on the status of RAM in the CAREC countries • 2nd Road Asset Management Working Group Meeting
Road Safety	<ul style="list-style-type: none"> • National Road Safety Engineering (RSE) training seminars • Development of 4th RSE training manual
Railways	<ul style="list-style-type: none"> • Development of a regional transport model, subsector assessments, knowledge products and capacity development • Technical Meeting in May 2019, and 5th Railway Working Group Meeting in Dec 2019
Aviation	Study and modelling of the national aviation sector development (in Mongolia and other interested countries)