



Central Asia Regional Economic Cooperation Program

FIFTH MEETING OF THE RAILWAY WORKING GROUP

**12-13 December 2019
Bangkok, Thailand**

**Venue: Headquarters United Nations Economic and Social Commission
for Asia and the Pacific, Bangkok, Thailand**

Background

Currently about 25,000 kilometers of main railway corridors connect the Central Asian Regional Economic Cooperation (CAREC) countries. However, the existing rail network and railway services do not necessarily match the changing trade patterns they are meant to serve. Railways have the potential to transform the region from being land-locked into being land-linked and to connect it better with its rapidly growing neighbors.

In light of the above, *Unlocking the Potential of Railways: A Railway Strategy for CAREC, 2017–2030* (the Strategy) has been developed by CAREC member countries to serve as a guiding document for the sound, long-term development of CAREC railways. The Strategy is intended to equip the region's railways to better capture evolving trade flows and contribute to regional economic development. The Strategy was endorsed at the 15th CAREC Ministerial Conference in Islamabad in October 2016.

The Strategy was formulated by the Railway Working Group (RWG), which was set up by the decision of the 14th Transport Sector Coordinating Committee (TSCC) in Ulaanbaatar in April 2015. The RWG consists of representatives of railway agencies from CAREC member countries, supported by expert organizations such as the Organization for Cooperation of Railways (OSJD) and International Union Railways (UIC), as well as CAREC development partners. The RWG has met four times—in Tokyo in November 2015, in Bangkok in April 2016, in Tbilisi in May 2017, and in Tashkent in April 2019.

CAREC member countries are now working to implement the Strategy, for which ADB has mobilized a technical assistance (TA) project with the generous financial support of 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). TA activities commenced in May 2019, focusing on transport modeling and rail sector assessments.

Objectives of the Fifth RWG Meeting

The main objective of the fifth meeting of the RWG is to report on progress achieved in TA implementation and to agree on next steps in the TA project and to share knowledge and experience in key railway reform measures. In more detail, the meeting will:

- Report on rail sector assessments undertaken, highlighting key strengths, opportunities and obstacles for further improvement of the railway subsector in each CAREC member country;
- Report on progress made in the development of a sub-regional rail traffic model and agree on further cooperation to refine and maintain the model;
- Present and discuss key concepts in rail sector commercialization and reform required to strengthen operational and financial performance;
- Presentation by Azerbaijan Railways. *Experience in railway reform. Preparation, implementation, challenges and critical success factors*; and
- Agree on next steps in TA implementation.

Day 1 (12 December)

- 0745 Bus transportation to HQ UN-ESCAP
- 0830 Registration
- 0900-0910 **Welcome remarks**
- Mr. Rashidjon Hakimov, First Deputy Head of Freight and Commercial Work Department, JSC Uzbekistan Railways (UTY)
- 0910-0915 **Introduction to objectives and agenda of the RWG meeting**
- Mr. Jurgen Sluijter, Senior Transport Specialist, ADB
- 0915-1015 **Session 1: Report on rail sector assessment in CAREC countries**
During the period May–November 2019, consultants have undertaken rail sector assessments in CAREC member countries. While these assessments have been on a country-by-country basis, they have focused on opportunities to strengthen not only the domestic railway services but also cross-border railways. This session highlights some of the key strengths, opportunities and obstacles for further improvement of the railway subsector within the CAREC region. To be followed by feedback from RWG members.
- Mr. Tyrrell Duncan, Consultant (former Technical Advisor Transport, ADB)
- 1015-1045 Coffee break and group photo
- 1045–1155 **Session 2: CAREC rail transport model development**
The presentation is on progress made in the development of the CAREC regional transport model. It highlights the value of what the model can provide for project development and freight marketing. The presentation also highlights the network extent and the initial validation made. The model is now in the calibration phase and will be ready for project testing at the beginning of January.
- Mr. Len Johnstone, Consultant (Traffic Modelling Expert)
- 1155-1200 Wrap-up for the morning session
- Mr. Jurgen Sluijter, Senior Transport Specialist, ADB
- 1200-1315 Lunch
- 1315-1345 **Session 3: Field visit observations**
For the rail sector assessments, consultants have made field visits to almost all countries to study transport market dynamics and trends. Such visits help to understand not just the situation “on the ground”, but can also trigger ideas for improvement. This session will present some thought-provoking observations.

Mr. Andy Sze, Consultant (Railway Marketing and Logistics Expert)

1345-1445

Session 4: Interactive session on country expectations for the TA

Short statements by each country's RWG representative on country expectations for the TA now that the midpoint in TA implementation has been reached.

Feedback to be provided by:

Mr. Tyrrell Duncan, Consultant (former Technical Advisor Transport, ADB)

Mr. Udo Sauerbrey, Consultant (Commercialization and Reform Expert)

Mr. Andy Sze, Consultant (Railway Market and Logistics Expert)

1445-1515

Session 5: New technologies to streamline border-crossing railway operations

The session presents why electronic exchange of information between railways and among railways and control agencies is imperative to facilitate and enhance efficiency of international railway transport and what measures countries could undertake to make use of technological innovations.

Mr. Sandeep Raj Jain, Economic Affairs Officer, Transport Connectivity and Logistics Section, Transport Division

United Nations Economic and Social Commission for Asia and the Pacific

1515-1545

Tea break

1545-1645

Session 6: Railway project preparation facility

Based on the results of the railway sector assessments prepared to date, the TA consultants will present the nomination of up to two projects for prefeasibility study support to be funded by the TA Railway Project Preparation Facility, to be approved by RWG participants.

Mr. Tyrrell Duncan, Consultant (former Technical Advisor Transport, ADB)

1645-1700

Wrap-up Day 1

Mr. Jurgen Sluijter, Senior Transport Specialist, ADB

1830-2100

Reception

Day 2 (13 December)

- 0745 Bus transportation to HQ UN-ESCAP
- 0830-0900 Registration
- 0900-0910 **Introduction to Day 2 of the RWG meeting**
- Mr. Jurgen Sluiter, Senior Transport Specialist, ADB
- 0910-1010 **Session 7: Case study: Reform of Azerbaijan State Railways (ADY)**
To revitalize ADY and ensure it responds effectively to market demands, the government of Azerbaijan embarked on a comprehensive policy and fiscal response to promote institutional, corporate, and financial management and control, including labor and debt-restructuring reforms. Crucial financing was made available to upgrade ADY's service capacity and competitiveness. Followed by Q and A.
- Mr. Hicran Valehov, Deputy Charmain
Azerbaijan State Railways (ADY)
- 1010-1030 Coffee break
- 1030-1155 **Session 7 (continued)**
How did ADY prepare for a comprehensive reform program? What organizational measures were taken to prepare for change throughout the organization? How to monitor progress? What were the main obstacles in achieving reform at working level? This session will address the key issues in managing an organization-wide railway reform process. Followed by Q and A.
- Mr. Azad Huseynov, Director of Institutional Reforms Management
Azerbaijan State Railways (ADY)
- 1155-1200 Wrap-up for the morning session
- Mr. Jurgen Sluiter, Senior Transport Specialist, ADB
- 1200-1330 Lunch
- 1330-1430 **Session 8: Key: Government's relationship with the railway sector**
This session highlights the fundamental relation between government and the railway sector by elaborating on the concept of (i) multi-annual contracts for infrastructure renewal, and (ii) the development of passenger business through public service obligations (PSO).
- Mr. Udo Sauerbrey, Consultant (Railway Commercialization and Reform Expert)

- 1430-1530 **Session 9: TA knowledge and capacity development support on railway commercialization and reform**
Based on the results of sector assessments, the TA consultants will present the nomination for several TA knowledge and capacity development support activities on railway commercialization and reform, to be approved by RWG participants.
- Mr. Tyrrell Duncan, Consultant (former Technical Advisor Transport, ADB)
- 1530-1600 Coffee Break
- 1600-1645 **Session 10: CAREC Railway TA Planning for 2020**
Presentation of planned TA activities, including (national) knowledge sharing events. Proposal of topics for railway reform training program.
- Mr. Tyrrell Duncan, Consultant (former Technical Advisor Transport, ADB)
- Feedback from RWG members, which may include (i) observations on action plan and tentative schedule for TA implementation during 2020, (ii) arrangements for TA consultants to continue work with Member Countries, (iii) agreement on topics for knowledge sharing events (and publications), and (iv) time frame for countries to submit any further proposals for TA support for project screening using the CAREC railway transport model, prefeasibility study support, and knowledge products and capacity building support.*
- 1645-1715 **Wrap-up (Summary of Proceedings)**
- Mr. Jurgen Sluiter, Senior Transport Specialist, ADB
- 1715-1730 **Closing remarks**
- Mr. Rashidjon Hakimov, First Deputy Head of Freight and Commercial Work Department, JSC Uzbekistan Railways (UTY)