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1. In recent years, the **connectivity landscape in Central Asia has changed drastically** as a result of Russia's full-scale invasion of Ukraine, growing security challenges in the Red Sea, regime change in Afghanistan and other developments in neighbouring regions. This has prompted **renewed attention to the development of the Trans-Caspian Transport Corridor ('TCTC')**, the multimodal trade and transit routes running through Central Asia, the South-Caucasus and Türkiye. At the end of last year, we released reports on trade facilitation in Central Asia and on realising the potential of the so-called Middle Corridor.
2. Building on this and other work on connectivity in Central Asia delivered in co-operation with the ITF, the ITC and other partners since 2017, the OECD is this year initiating an EU-funded project that aims to **provide an evidence-based framework based on a set of indicators clustered around key dimensions to assess the development and competitiveness of this corridor**, monitoring progress and identifying bottlenecks to be addressed in terms of hard and soft infrastructures, regional economic integration and inter-governmental co-ordination of investments and policy changes intended to enhance the Corridor's effectiveness.
3. This framework will allow:
  - a. to offer a **consolidated view** on where the TCTC stands;
  - b. to **acknowledge and encourage progress** of countries in developing the Corridor; and,
  - c. to identify **policy barriers** that slow down the pace of hard infrastructure investment projects (or limit their impact) and potential ways to overcome those barriers.
4. The work will draw on data from governments in the region, established indicator systems developed by the OECD and other international institutions, questionnaires to governments, interviews with policymakers and, critically, surveys and targeted interviews with private-sector actors. The objective is to seek synergies, draw on the experience of experts and professionals from these organisations, including the EU, the EBRD, the World Bank, the UNECE, GIZ, ITC, the ADB, AIIB, and other entities active in this field such as IRU, TRACECA, BSEC, AIIB, while gathering data and evidence via an iterative process. The OECD has already engaged with all these stakeholders during the preparation of the 2023 publication on *Realising the Potential of the Middle Corridor*.
5. One of the most challenging, and important, elements of the work will be to integrate sustainability considerations into the framework. Here we are looking not only at the nature and availability of data and indicators relevant to environmental sustainability but also to

the links between the development of the TCTC and other corridors with the development of Critical Raw Materials, essential to the net zero transition.

6. Our previous work points to a number of lessons to be borne in mind in connection with the development of the TCTC, as well as North-South and other routes:
  - a. It must be developed as a motor of trade and economic integration, not merely a transit project. Hard and soft infrastructures are best developed in tandem with policies to promote trade integration, promoting the generation – and not merely the diversion – of trade.
  - b. We continue to work on business environment reforms and private-sector development in the region: domestic economic reforms and trade integration can and should be mutually supportive if they are to strengthen growth and advance the diversification of production, exports and employment.
  - c. Co-ordination of reforms is critical – even where we see countries advancing in terms of trade facilitation, we frequently observe that they are moving forward at different speeds in different domains. A co-ordinated approach to trade facilitation and digitalisation of trade, as well as infrastructure, could enhance the impact of new measures in both domains. In this respect we welcome the work Kazakhstan and Uzbekistan are doing to develop “seamless trade”.
  - d. Digitalisation and the streamlining of procedures are complements, not substitutes: the move to digital processes will only deliver when those processes are simplified and optimised.
  - e. The devil is in the details – as becomes apparent from feedback given us by private firms in response to our 2023 survey. For example, technical bottlenecks with respect to specific procedures can be sufficient to create congestion and delays, even when ports or border facilities are operating well below planned capacities.
7. That said, our work clearly acknowledges the progress we have seen in terms of trade facilitation and integration in the region in recent years. While it is easy to focus on what is wrong and what needs to be done, we cannot overlook the positive dynamic we see here – in contrast to many other parts of the world. This is one of the region’s greatest assets and we must work together to support it.