



SIXTH MEETING OF THE RAILWAY WORKING GROUP

17–18 October 2022

Almaty, Kazakhstan

Venue: Double Tree by Hilton, Almaty

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.

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. These have now been completed. At its 5th meeting in Bangkok in December 2019, the RWG approved a series of additional TA activities: (i) a CAREC rolling stock needs and financing facility study, (ii) best practices in establishing and operating a railway sales and marketing function, (iii) a briefing note on the use of railway capacity and timetabling software, and (iv) advisory support for preparation of railway commercialization, reform and investment programs in Kyrgyz Republic and Tajikistan. In 2020–2021 work on these activities was deferred due to the Covid-19 pandemic but was resumed in 2022. At its 6th meeting, the RWG is expected to approve further prefeasibility and knowledge support activities to be financed by the TA.

Objectives of the Sixth RWG Meeting

The main objectives of the sixth meeting of the RWG are to report on progress achieved in TA implementation, agree on next steps, and share knowledge and experience on railway commercialization, reform and investment:

- Update the RWG on the TA activities
- Share experiences and lessons from cross-border railway transport since 2019
- Present findings of recent TA publications
- Discuss actions for rail freight corridor development
- Agree on next steps in TA implementation

Day 1 (17 October)

0830-0900	Registration
0900-0905	Welcome remarks Representative, PRC
0905-0915	Introduction to objectives and agenda of the RWG meeting Mr. Jurgen Sluijter, Senior Transport Specialist, ADB
0915-0945	Session 1: How CAREC railways are responding to recent challenges and opportunities for long-distance cross-border railway freight. In the last 1–2 years, CAREC railways have faced major external challenges notably the COVID-19 pandemic and the recent shift of Eurasian freight away from the Trans-Siberian Railway to other corridors including the Middle Corridor and the Lapis Lazuli Corridor. RWG members will be invited to highlight their related experiences, lessons and opportunities arising, and share ideas on associated (pre-feasibility) studies and knowledge work that could be considered for TA support. RWG Members (5 minutes per country) Mr. Jurgen Sluijter (moderator)
0945-1015	Coffee break and group photo
1015-1200	Session 1: Continued.
1200-1315	Lunch
1315-1400	Session 2: What is wrong with the Middle Corridor? This session highlights the key requirements for clients to shift large volumes to alternative routes and explains how pricing and performance impact client's long distance transport choices, addressing: <ol style="list-style-type: none">1. The Middle Corridor and Kazakhstan2. The potential of the Caspian Sea ports3. Bottlenecks in infrastructure and performance4. Pricing and tariffs as an impact for shift in freight traffic routes Mr. Kadirov Bakytbek, Founder and Managing Director of "Audacia Express" LLP and "MK Express" LLP
1400-1500	Session 3: TA study of the situation of CAREC railways and opportunities for investment, commercialization and reform Overview of findings of study recently published by ADB. Study draws upon published railway sector assessments for each CAREC member country. Mr. Tyrrell Duncan, Railway Specialist (TA Team Leader)

1500-1530	Tea break
1530-1630	<p>Workshop 1: Track capacity and timetabling software (TCTS) An instructive presentation based on the publication prepared under the TA. Referring to case studies, the session will highlight the functions and practical use of track capacity and timetable software, describing the available software packages.</p> <p>Mr. Udo Sauerbrey, Railway Sector Specialist (TA Core Team)</p>
1630-1700	Remarks from development partners
1700-1715	<p>Wrap-up Day 1</p> <p>Mr. Jurgen Sluijter, Senior Transport Specialist, ADB</p>
1830-2100	Reception (at Hotel)

Day 2 (18 October)

0830-0900	Registration
0900-0910	Introduction to Day 2 of the RWG meeting Mr. Jurgen Sluijter, Senior Transport Specialist, ADB
0910-1010	Session 4: Foundations for railway reform—case studies Examples of how several countries successfully initiated railway commercialization and reform measures—how the initiative came about, the path and process adopted, and the measures that established a foundational platform for further commercialization and reform. Jeremy Drew, Railway Institutions and Reform Specialist
1010-1040	Coffee break
1040-1200	Session 5: TA work plan for 2022/2023 Report on progress in previously agreed TA activities and further proposals for project prefeasibility study and capacity development support, to be approved by RWG participants. Mr. Tyrrell Duncan, Consultant (TA Team Leader)
1200-1330	Lunch
1330-1430	Workshop 2: Cost price calculation of rail transport services. Marketing and sales are vital to improve railway sector performance. How price-competitive is rail freight transport? Will (new) rail services be profitable? This session presents the accurate way of calculating the cost price of services, and how this supports smart investment decisions. Mr. Udo Sauerbrey, Railway Sector Specialist (TA Core Team)
1430-1530	Session 6: Rolling stock needs and financing facility study Consultation session to assess RWG member country's rolling stock situation, needs and financing. Breakout in focus groups (large railways, mid-sized railways, former branch lines, railways needing large investment for development/renewal). Focus group rapporteurs to report back. Outcomes will be used to define the terms of reference for further study.
1530-1600	Coffee Break
1600-1615	Final remarks from development partners
1615-1655	Wrap-up (Summary of Proceedings) Mr. Jurgen Sluijter, Senior Transport Specialist, ADB
1655-1700	Closing remarks