CAREC

Central Asia
Regional Economic
Cooperation

Investment and Technical Assistance Project Profiles

SUPPLEMENTARY INFORMATION TO THE IMPLEMENTATION ACTION PLAN FOR TRANSPORT AND TRADE FACILITATION STRATEGY

Good Neighbors • Good Partners • Good Prospects

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INVESTMENT PROJECTS

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[a] Ongoing projects.

[b] Development of an integrated transport model for road and railroad infrastructure will be supported by ADB in conjunction with this project.

Source: CAREC Transport Sector Coordinating Committee Secretariat and Customs Cooperation Committee Secretariat.

AFG IP1: Qaisar-Bala Murghab Road
(Road Network Development Project 1)
Country: Afghanistan
CAREC CORRIDORS 3-b, 6-a,b

1. Project Name: Qaisar-Bala Murghab Road

2. Type of Project: Road Rehabilitation

3. Project Location: Afghanistan

4. Sector/Subsector: Transport/Roads

5. Background and Rationale:
The Herat-Andkhuoy section of the ring road is in the poorest shape. Thus, its rehabilitation has become a priority.

6. Objectives: The objective of this Project is to provide a reliable and low cost transport system with links from Central Asia and Afghanistan to Iran and its warm water ports through CAREC corridors 3b, 6a and 6b. The Bala Murghab-Qaisar road rehabilitation project is a key factor in meeting this objective.

7. Scope: The Project consists of the rehabilitation of 90 km of road, the installation of road tolling facilities, an HIV/AIDS awareness campaign, measures against human trafficking and support for construction supervision including management support for Ministry of Public Works (MPW).

8. Estimated Cost: Total cost of $55 million

9. Financing Plan and Arrangements: $55 million on a full grant basis from ADB's Asian Development Fund

10. Implementation Schedule: The project is scheduled for completion in 2009.

11. Executing Agencies: Ministry of Public Works (MPW) is the executing agency and the existing Project Management Unit (PMU) supervises the Project. The MPW also has a project implementation unit (PIU) at the site.

12. Estimated Benefits and Beneficiaries: The Project will lead to both a direct and an indirect poverty reduction impact. The direct impact will be on income generation and demand for unskilled labor, and wages accruing to that labor during construction of the project road. Other benefits will become evident in lower transportation costs and higher agricultural product profit margins. Road improvement will facilitate access to schools, medical clinics and employment centers.

13. Social and Environmental Issues: The road rehabilitation involves an existing right of way and no significant resettlement issues are anticipated. The Project addresses communicable diseases and human trafficking. Other social issues involve the rehabilitation of displaced persons and interethnic reconciliation. The Project is expected to have a positive impact in these areas. No major environmental impacts are foreseen for the Project, which was classified as category B.

14. Priority of Project: High

15. Project Status: Ongoing to 2009

16. Follow up Actions Required: Monitoring of project implementation

17. Issues/Constraints: The major issues involve the overall stability and security situation of the country, possible interference from local warlords (militia), trafficking of opium along the improved roads and the Government's weak implementation capacity. Potential delays in project implementation have been minimized by taking the following steps:

(i) continued close monitoring and coordination with local and central authorities and United Nations agencies to ensure adequate protection;
(ii) improvement of border procedures to contain movement of opium;
(iii) allocation of resources under the Project for consulting services to help with project management and implementation, and continued technical assistance to MPW through the ongoing technical assistance cluster; and
(iv) use of the existing MPW project management arrangement for the Emergency Infrastructure Rehabilitation and Reconstruction Project.

18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):
Private Sector contractors will rehabilitate the road.

AFG IP2: Bala Murghab-Leman Road
Country: Afghanistan
CAREC CORRIDORS 3-b, 6-a, b

1. Project Name: Bala Murghab-Leman Road
2. Type of Project: Road Rehabilitation
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Herat to Andkhouy section of the ring road is in the poorest shape, and hence its rehabilitation has become a priority.
6. Objectives: The objective of this Project is to reduce poverty and promote economic development. The rehabilitation of the Bala Murghab-Leman section of the ring road will help to achieve a more reliable and lower cost transport system which is a key ingredient for access to services, access to markets and access to lower price goods.
7. Scope: The scope of the Project is to reconstruct and improve 143 km of the ring road from Bala Murghab-Leman, to install tolling facilities and to provide project management support to the Ministry of Public Works (MPW).
8. Estimated Cost: Total cost of $180 million
9. Financing Plan and Arrangements: $176 million on a full grant basis from ADB Asian Development Fund, while the Government will finance the remainder.
10. Implementation Schedule: 2009-2011
11. Executing Agencies: A project management unit (PMU) within MPW is responsible for project completion.
12. Estimated Benefits and Beneficiaries: The Project will dramatically decrease the vehicle operating costs and passenger time on the project road. The primary beneficiaries will be the 800,000 residents in the project area, of which 50% live under the poverty line. Poverty alleviation benefits mainly arise from the increased prices of agricultural products for which the project area has resource base.
13. Social and Environmental Issues: The road rehabilitation involves an existing right of way and no significant resettlement issues are anticipated. Other social issues involve the resettlement of displaced persons and interethnic reconciliation. The Project is expected to have a positive impact on these social issues. No major environmental impacts are foreseen from the Project which has been classified as category B.
14. Priority of Project: High.
15. Project Status: Ongoing to 2011.
16. Follow up Actions Required: Monitoring of project implementation and expected outputs.
17. Issues/Constraints: The major issues involve the overall stability and security situation of the country, possible interference from local warlords (militia), trafficking of opium along the improved roads and the Government's weak implementation capacity. These factors could cause delays in the project and prevent the achievement of the objectives. However, steps have been taken to mitigate the risks through: (v) continued close monitoring and coordination with local and central authorities and United Nations agencies to ensure adequate protection; (vi) improvement of border procedures to contain movement of opium; (vii) allocation of resources under the Project for consulting services to help with project management and implementation, and continued technical assistance to MPW through the ongoing technical assistance cluster; and (viii) use of the existing MPW project management arrangement for the Emergency Infrastructure Rehabilitation Project.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): The private sector will carry out the road rehabilitation.

AFG IP3: Leman-Armalick Road
Country: Afghanistan
CAREC CORRIDORS 3-b, 6-a, b

1. Project Name: Leman-Armalick Road
2. Type of Project: Road Rehabilitation
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The completion of the ring road to a two lane, paved highway standard has been given high priority by the Government of Afghanistan and the development partners. In the section between Mazare-e-Sharif and Herat which is Afghanistan's second largest city there remain only two short sections which need to be funded. These are the sections between Leman and Armalick (53 km). The section between Herat and Armalick (60km) was completely rehabilitated by a grant from Iran, and the link to the Iran border at Islam Qila was also rehabilitated in a similar way. Hence, it makes sense to fund and then rehabilitate the Leman-Armalick section. There would then be a reliable and lower cost link from Tajikistan and Uzbekistan through Afghanistan to Iran and its warm water ports or Turkey.
6. Objectives: The objectives are to reduce poverty and promote economic development through providing a reliable and low cost transport system between Afghanistan's major cities and to neighboring countries.
7. Scope: The scope of this project is relatively narrow involving the rehabilitation of 53 km of ring road between Leman and Armalick.
8. Estimated Cost: $30 million
9. Financing Plan and Arrangements: Saudi Fund for Development
10. Implementation Schedule: 2009-2010
11. Executing Agencies: Project Management Unit (PMU) of MPW
12. Estimated Benefits and Beneficiaries: Vehicle operating costs and travel times will be reduced once the ring road has been completely rehabilitated between Herat and Mazare-e-Sharif. A more reliable and lower cost transport system will benefit the local inhabitants in terms of lower prices for consumer goods (including fuel), access to services (health, education) and access to markets in Afghanistan's major cities and externally. The result should be an improved quality of life and higher living standards.
13. Social and Environmental Issues: The major social issues involve resettlement, and the spread of HIV/AIDS or other infectious diseases. Increased human and drug trafficking are also possibilities with improved road transport.
14. Priority of Project: High.
15. Project Status:
16. Follow up Actions Required:
The major constraint is the security situation in Afghanistan although no ADB-funded investment projects have been seriously impacted as yet. The limited capacity of MPW for project implementation poses a risk of project delays, but capacity building at the Ministry is being supported by other road projects.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): The private sector will carry out the road rehabilitation.

AFG IP4: Pul-e-Khumri–Doshi Road
Country: Afghanistan
CAREC CORRIDOR 5, 6-c

1. Project Name: Pul-e-Khumri – Doshi Road
2. Type of Project: Road Rehabilitation
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Polekhumri to Doshi section of the ring road is in northeastern Afghanistan north of Kabul. It is one of the few remaining segments that needs to be rehabilitated, and is part of a transport corridor reaching from Tajikistan Uzbekistan through Afghanistan to Pakistan and India. It makes a good deal of sense to rehabilitate the few remaining segments of the ring road.
6. Objectives: The objectives of this project are to reduce poverty and promote economic development through the completion of a safe, reliable and low cost road transport system.
7. Scope: The scope of this project is the rehabilitation of 52 km of road to a two lane, paved standard.
8. Estimated Cost: $10.0 million
9. Financing Plan and Arrangements: $7 million approved in 2004 by Islamic Development Bank and the Government finances the reminder.
10. Implementation Schedule: 2009-2010
11. Executing Agencies: Project Implementation Unit (PIU) of Ministry of Public Works (MPW)
12. Estimated Benefits and Beneficiaries: The rehabilitation of this section of the Polekhumri to Doshi road will lead to reduced vehicle operating costs and quicker travel times. As such, it will benefit the road users and lead to lower transport costs. In turn, this means that the prices of imported goods will decline and access to external markets and public services will increase. Most of the benefits will accrue to Afghanistan but Pakistan (border link at Jalalabad/Torkham) and Tajikistan and Uzbekistan will also benefit.
13. Social and Environmental Issues: The major social issues include resettlement, the spread of infectious diseases and human and drug trafficking. Safeguards are required with respect to managing the social issues. These have been put in place in the context of the rehabilitation of the entire ring road with resettlement plans and environmental measures focused on the specifics of this project. There are no major environmental impacts from this project and it has been classified as category B.
14. Priority of Project: High
15. Project Status: Ongoing and detailed design in progress.
16. Follow up Actions Required: Detailed design is now in progress.
17. Issues/Constraints: The major issues involve the security situation in Afghanistan which has deteriorated. Another issue concerns the implementation capacity of the MPW. The funding and effective maintenance of the road will be an ongoing challenge based on past experience in Afghanistan.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): The rehabilitation will be carried out by private contractors.

AFG IP5: Naibabad–Hairatan Road
Country: Afghanistan
CAREC CORRIDORS 3-b, 6-a, b

1. Project Name: Naibabad – Hairatan Road
2. Type of Project: Road Rehabilitation
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Naibabad-Hairatan regional road project, together with road improvement between Naibabad and Andkhoy, will provide a paved surface, two lane link between the ring road and the Uzbekistan border through CAREC 3-b, 6-a and 6c corridors. As such, it provides a vital connection for Central Asia and beyond to Iran, and hence, to the Arabian Sea and Mediterranean Europe.
6. Objectives: The objective of this project is to reduce poverty and promote economic development through the completion of a safe, reliable and low cost road transport system.
7. Scope: The scope of the project is the rehabilitation of 55 km of road to a two lane, paved standard.
8. Estimated Cost: $10 million
9. Financing Plan and Arrangements: $10 million. ADB ADF loan ($150 million) and a grant ($20million) for Emergency Infrastructure Rehabilitation and Reconstruction Project are financing this segment and other northern segment of the ring road and the Kandahar-Spin Boldak Road.
10. Implementation Schedule: Completion in 2008
11. Executing Agencies: Project Management Unit (PMU) of Ministry of Public Works (MPW)
12. Estimated Benefits and Beneficiaries: The rehabilitation of this section of the Naibabad to Hairatan road will lead to reduced vehicle operating costs and quicker travel times. As such, it will benefit the road users and lead to lower transport costs. In turn, this means that the prices of imported goods will decline and access to external markets and public services will increase. Most of the benefits will accrue to Afghanistan but Iran (border link at Herat) and Uzbekistan will also benefit.
13. Social and Environmental Issues: The major social issues include resettlement, the spread of infectious diseases and human and drug trafficking. Safeguards are required with respect to managing the social issues. The Project addresses these issues. There are no major environmental impacts from this project. Thus, it was classified as category B.
14. Priority of Project: High
15. Project Status: Ongoing
16. Follow up Actions Required: Timely completion is required since it is one of the few missing links between any border and the ring road.
17. Issues/Constraints: The major issues involve the security situation in Afghanistan which has deteriorated although projects have not yet been seriously affected. Another issue concerns the implementation capacity of the MPW and its relationship to the Ministry of Transport (MOT).
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): The work is being carried out by private contractors.

AFG IP6: Regional Airports Rehabilitation Phase I
Country: Afghanistan
CAREC CORRIDOR: Other

1. Project Name: Rehabilitation of Regional Airports Phase I
2. Type of Project: Airport rehabilitation
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Airports
5. Background and Rationale: Afghanistan has two international gateway airports at Kabul and Kandahar. Also, four major domestic airports provide access to air services for the more important cities (Herat, Jalalabad, Mazare-e-Sharif and Kunduz). This leaves sixteen regional airports that consist of gravel runways and limited facilities to cater to the demands of the outlying areas of the country.
6. Objectives: The objective is to help reconstruct the country by rehabilitating regional airports which have suffered from two decades of conflict and lack of investment.
7. Scope: The Project includes the rehabilitation of seven regional airports in the first phase (Bamian, Chaghcharan, Faizabad, Farah, Meymaneh, Qala-i-Naw, and Zaranj). The Project also includes the procurement of air navigation equipment and capacity development at MOT.
8. Estimated Cost: The total cost was estimated at $32.1 million.
9. Financing Plan and Arrangements: a $30 million ADB-ADF loan, cofinancing from UNOPS of $2 million. The ADB loan was approved in 2007.
10. Implementation Schedule: 2008-2009
11. Executing Agencies: Ministry of Transportation (MOT). There will be a project implementation unit (PIU) and a project steering committee.
12. Estimated Benefits and Beneficiaries: The primary economic benefits of the Project consist of (i) benefits to operators (direct wear and tear, fuel savings, and safety benefits); (ii) benefits to passengers (direct time savings and safety benefits); (iii) benefits to the Government (direct revenue benefits); and (iv) benefits to regional and local communities (indirect tourist arrival benefits).
13. Social and Environmental Issues: The initial environmental assessment concluded that this is a category B project with no major negative impacts.
14. Priority of Project: High.
15. Project Status: Bidding process is underway.
16. Follow up Actions Required: For cost and security reasons, Phase I has been scaled back to four airports. Additional funding of around $25 million will be required to rehabilitate the remaining airports at Bamian, Farah and Zaranj.
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): The private sector is being awarded the contract to carry out the rehabilitation and supply equipment.

AZE IP1: East–West Highway Improvement
Country: Azerbaijan
CAREC CORRIDOR 2

1. Project Name: East – West Highway Improvement
2. Type of Project: Road rehabilitation and road widening
3. Project Location: Azerbaijan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Project will improve trade and traffic with Georgia along the main road transport corridor (about 534 km) in Azerbaijan (CAREC Corridor 2)
6. Objectives: To enhance trade and economic opportunities trough improving the main road transport corridor.
7. Scope: Improvement of priority road segments of the East-West Corridor (about 534 km)
8. Estimated Cost: $1.25 billion
9. Financing Plan and Arrangements: A total of about $700 million financing has been programmed for improvement of priority road segments along the corridor, comprising ADB: $207 million comprising $52 million from East-West Highway Improvement Project, $55_million planned for 2008 and $100 million planned for 2009 from the Multitranche Financing Facility for Road Network Development Program (approved in 2007); Islamic development Bank: $7 million; and World Bank: $500 million planned for 2009.
10. Implementation Schedule: Ongoing to 2015.
11. Executing Agencies: AZERROADSERVICE OJC, MOT
12. Estimated Benefits and Beneficiaries: Project will improve competitiveness of the road corridor for import/export and transit of goods.
13. Social and Environmental Issues: No major environmental and resettlement issues.
14. Priority of Project: High.
15. Project Status: Ongoing.
16. Follow up Actions Required: Supervision of road construction.
17. Issues/Constraints: None.
18 PPP/PSP Opportunities: Private sector maintenance opportunities. The road could be a candidate for tolls.

AZE IP2: Railway Trade and Transport Facilitation
CAREC CORRIDOR 2

1. Project Name: Railway Trade and Transport Facilitation Project
2. Type of Project: Rehabilitation of East-West Main Railway Line
3. Project Location: Azerbaijan
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: The existing railway network was constructed before the Second World War. About 30% of the network needs rehabilitation. The average speed of the freight trains is 35 km p/h. Current length of the railway network is 2,122 km.
6. Objectives: Provide reliable and fast freight and passenger transportation services on the railway network. With investment, Azerbaijan State Railway (ADDY) speed on the East-West line could be improved to 100 km/h for passenger trains and 80 km/h for freight trains.
7. Scope: There will be several phases to the project. The first phase of the project will consist of the following: • Rehabilitation of 240 km of mainline track; • Conversion of power supply to 25 kv; • Procurement of 50 electric locomotives; • Implementation of the International Financial Reporting System (IFRS); • Advisory services to Azerbaijan State Railway (ADDY) on its modernization program; • Equipment for oil spill prevention response capacity; and • Support to the PIU.
8. Estimated Cost: The overall cost is estimated at $1. 75 billion with Phase 1 set at $450 million
9. Financing Plan and Arrangements: The World Bank has approved a loan of $450 million to finance Phase 1 of the project in March 2008. Financing for the remaining cost of about $1.3 billion is being sought. ADB and EBRD consider financing this railway line.
10. Proposed Implementation Schedule: First phase will be implemented from 2008 to 2011.
11. Executing Agencies: Azerbaijan State Railway (AADY)
12. Estimated Benefits and Beneficiaries: Significant reduction in operating costs and large economic benefits to railway users in terms of time savings. Also by reducing traveling time and costs, the corridor will gain in competitiveness.
13. Social and Environmental Issues: No negative social and environment impacts are envisaged. Reliance on electric power will bring significant benefits in terms of air pollution reduction.
14. Priority of Project: High
15. Project Status: Loan approved for Phase 1
16. Follow up Actions Required: Preparation of the subsequent phases and identification of financing for these phases.
17. Issues/Constraints:
18. PPP/PSP: No immediate opportunities for private sector participation.

AZE IP 3: Acquisition of High Capacity Ferries and Ro/Ros by Caspian Sea Shipping
Country: Azerbaijan
CAREC CORRIDOR 2

1. Project Name: Acquisition of 5 High Capacity Ferries and 2 Ro/Ros by Caspian Sea Shipping
2. Type of Project: Maritime
3. Project Location: Baku, Azerbaijan
4. Sector/Subsector: Transport/Ports
5. Background and Rationale: Current ferries carry only 28 wagons and require breaking a train for haul by 2 ferries. The Caspian Shipping Company (the Company) has also recently acquired a Ro/Ro for vehicle traffic, but this will be insufficient for increasing traffic demands. Furthermore, it is projected for foreseeable future that a significant volume of oil and gas products will continue to be carried by rail wagons on the Caspian Sea. Considering these, the Caspian Shipping Company intends to acquire 5 new ferries of 56 wagon-capacity in order to improve its operational efficiency.
6. Objectives: To capture more adequately transit trade between Europe and Central Asia along CAREC-2.
7. Scope: Procurement of 5 new ferries, each of 56 wagon-capacity and 2 additional Ro/Ros.
8. Estimated Cost: Total cost is estimated at $ 69 million, comprising ferries ($ 9 million/each) and Ro/Ros vessels ($ 12 million/each).
9. Financing Plan and Arrangements: Caspian Shipping Company (CSC) will finance the Project mostly. External financing is also possible.
10. Implementation Schedule: Suggested schedule is 2010 to 2013.
11. Executing Agencies: Caspian Shipping Company.
12. Estimated Benefits and Beneficiaries: Project will help reduce congestion. It will also contribute to a reduction of the transportation time of goods (in particular oil and gas products) between Baku and Aktau (Kazakhstan) and between Baku and Turkmenbashi (Turkmenistan). The Project will thus contribute to the competitiveness of CAREC Corridor 2.
13. Social and Environmental Issues: No major social and environmental issues.
14. Priority of Project: Medium priority
15. Project Status: REG TA 23: Needs Assessment and Transportation Study for Caspian Sea is expected to give useful decision making information to the Project.
16. Follow up Actions Required: Financial feasibility study required.
17. Issues/Constraints: The acquisition of the 5 new ferries and 2 Ro/Ros will allow Caspian Shipping Company to respond to demand pressure and increase its market share of the Caspian trade.
18. PPP/PSP Opportunities: CSC is presently a state company. Privatization of CSC has been envisaged and could materialize in the near future.

PRC IP 1: Xinjiang Regional Road Improvement Project
Country: PRC-PRC, Xinjiang
CAREC CORRIDORS 2, 5 and 1c

1. Project Name: Xinjiang Regional Road Improvement Project
2. Type of Project: Road upgrading/rehabilitation
3. Project Location: Korla-Kuqa (296.5 km) upgrade from 2-lanes to 4-lanes and rehabilitation of existing Class III road from Wuqia County to Torugart border (110 km) with Kyrgyz Republic, Xinjiang Uygur Autonomous Region, PRC
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Project will directly facilitate increased trade and economic growth by providing more efficient, faster, safer and cost-effective transport.
6. Objectives: The Project will facilitate development of an efficient national and regional transport system in Xinjiang. The Project will also improve the competitiveness of CAREC Corridor 2, 5 and 1c.
7. Scope: The Project scope comprises (i) upgrading of National Highway No. 314 Korla – Kuga (296.5 km); (ii) rehabilitation of Class III road: road to Torugart, Kyrgyz border; (iii) facilitating harmonized cross border procedures and documentation as agreed in the 6th Transport Sector Coordination Meeting under CAREC; (iv) improving efficiency of freight terminals with information technology; and (v) improving road safety.
8. Estimated Cost: $ 594 million
9. Financing Plan and Arrangements: ADB Loan of $150 million (approved in December 2007), $197 million from Ministry of Communications, $188 million from PRC Development Bank; and $59 from Xinjiang Regional Government
10. Implementation Schedule: 2008-2012
11. Executing Agencies: Xinjiang Communications Department
12. Estimated Benefits and Beneficiaries: The Project will lead to an increase in trade with CAREC countries by 15% within 3 years of Project completion. Poverty incidence will be reduced by 7% within 3 years of Project completion. Vehicle operating costs will be reduced by 10% following Project completion. Travel time will be reduced by 40% on Project roads. Accidents on the 4-lane expressway will be reduced by 20%. Collectively, road users and residents both in the Project impact area as well as those in adjoining areas and neighboring countries accessing markets, goods and services resulting from the road improvements will benefit from the Project. Trade and economic development will increase, and lead to increased jobs and rising incomes.
13. Social and Environmental Issues: No social and environmental issues.
14. Priority of Project: High
15. Project Status: Ongoing
16. Follow up Actions Required:
17. Issues/Constraints:
18. PPP/PSP Opportunities: Road is likely to be tolled.

PRC IP 2: New Road from Jinghe to Ala Shankou
Country: PRC
CAREC CORRIDOR 1-a

1. Project Name: New road from Jinghe to Ala Shankou
2. Type of Project: Road construction
3. Project Location: Jinghe and Ala Shankou**,** Xinjiang Uygur Autonomous Region, PRC
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: Ala Shankou is one of the largest border posts in PRC. The road between Jinghe and Ala Shankou is a provincial road. The technical standard is level 2 or 3. The r road condition is poor. The new Jinghe－Ala Shankou road can provide better transport connection and shorter distance. This will improve trade and transit between PRC and Central Asian countries.
6. Objectives: Provide a shorter route from National Road 312 to Ala Shankou. Facilitate trade and transit and contribute to improving the Xinjiang transport system.
7. Scope: New road construction with a length of 106 Km.
8. Estimated Cost: $70 million
9. Financing Plan and Arrangements: National Budget and Xinjiang funds
10. Implementation Schedule: 2008-2009
11. Executing Agencies: Xinjiang Communications Department
12. Estimated Benefits and Beneficiaries: Major benefits include poverty reduction thorough improved access to jobs and social service delivery institutions; reduction in vehicle operating costs and increase time savings; enhanced border-crossing trade and transit between PRC and Central Asian and beyond; and contribution to the economic development of minority groups in Xinjiang.
13. Social and Environmental Issues: Since the Project is a new construction, appropriate social and environmental due diligence is needed.
14. Priority of Project: High
15. Project Status: Ongoing
16. Follow up Actions Required: Trade facilitation measures at border crossing.
17. Issues/Constraints: Inefficient cross-border and transit movement of vehicles. Difficult terrain may affect construction schedule
18. PPP/PSP Opportunities:

PRC IP3: Lianyungang – Khorgas Expressway (Guo Zhi Go and Qin Shui He)
Country: PRC
CAREC CORRIDOR 1-b

1. Project Name: Guo Zhi Go and Qin Shui He Section of Lianyungang – Khorgas Expressway
2. Type of Project: New Expressway
3. Project Location: Lianyungang – Khorgas Expressway in Xinjiang Uygur Autonomous Region, PRC
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: In 2004, National Expressway System was approved by the Government. The Lianyungang-Khorgas highway is the No 7 East-West route of the National Expressway network. It starts from Lianyungang port and crosses the middle and western part of PRC. Lianyungang-Khorgas Expressway is very important infrastructure to support trade growth between PRC and CAREC countries and Europe. Currently, traffic volume on this section is over 7,000 AADT (high volume of medium to heavy trucks). Building 4 lanes is planned to meet future traffic.
6. Objectives: Increase vehicle speed and reduce congestion and improve connectivity with Central Asia.
7. Scope: Constructing part of the Lianyungang–Khorgas expressway near Khorgas.
8. Estimated Cost: $393 million
9. Financing Plan and Arrangements: National Budget and Xinjiang Fund
10. Implementation Schedule: 2005-2010
11. Executing Agencies: Xinjiang Communications Department
12. Estimated Benefits and Beneficiaries: Major benefits include poverty reduction thorough improved access to jobs and social service delivery institutions; reduction in vehicle operating costs and increase time savings; enhanced border-crossing trade and transit between PRC and Central Asian and beyond.
13. Social and Environmental Issues: No social and environmental issues.
14. Priority of Project: High
15. Project Status: Ongoing
16. Follow up Actions Required: Measures are required at the border crossing to ensure seamless movements of goods and passengers.
17. Issues/Constraints: Inefficient cross-border and transit movement of vehicles; and lack of necessary logistics with advanced technology and modern management concepts.
18. PPP/PSP Opportunities: Expressway will be tolled.

PRC IP4: Jinghe-Yining-Khorgas Railway
Country: PRC
CAREC CORRIDOR 1b

1.	**Project Name:** Jinghe-Yining-Khorgas Railway
2.	**Type of Project:** New Railroad Construction
3.	**Project Location:** Jinghe through the Yili Valley to Yining, continuing on to Khorgas **,** Xinjiang Uygur Autonomous Region, PRC
4.	**Sector/Subsector:** Transport/Railways
5.	**Background and Rationale:** The Yili Valley is an agricultural area, with income substantially lower than Urumqi. The Project will support economic development in the Valley through improved railway transport services, especially agricultural produces.
6.	**Objectives:** To assist in the economic development of Yili Valley, especially in providing transport for farm products at affordable cost and to create a new rail transit corridor to Kazakhstan, rest of Central Asia and Europe.
7.	**Scope:** Construction of a new railway of approximately 286 km.
8.	**Estimated Cost:** $875 million equivalent (RMB 6 million)
9.	**Financing Plan and Arrangements:** RMB 3 billion from lending from the Government, RMB 2.5 billion from Railway Construction Fund, RMB 500 million from Xinjiang Government.
10.	**Implementation Schedule:** To be completed by end of 2009
11.	**Executing Agencies:** MOR
12.	**Estimated Benefits and Beneficiaries:** Will benefit all residents and businesses along the railway, especially farmers and sheepherders and Uighur, Kazakh, Mongolian and Hui minorities. Serves as a new rail connection to Kazakhstan and substantially shortens the distance from Urumqi to Almaty. This will reduce transport and trade costs to Central Asia and Europe.
13.	**Social and Environmental Issues:** Since the Project is a new construction, appropriate social and environmental due diligence is needed.
14.	**Priority of Project:** High
15.	**Project Status:** Ongoing included in the 11th Five Year Plan (2006-2010) of MOR
16.	**Follow up Actions Required:**
17.	**Issues/Constraints:** Needs to be connected to Kazak railway in the future
18.	**PPP/PSP Opportunities:**

PPC IP5: Double Tracking Wuxi-Jinghe Rail Line
Country: PRC
CAREC CORRIDOR 1-a

1.	**Project Name:** Double Tracking Wuxi-Jinghe Line
2.	**Type of Project:** Rail capacity expansion
3.	**Project Location:** : Northern area of Xinjiang Uygur Autonomous Region, PRC
4.	**Sector/Subsector:** Transport/Railways
5.	**Background and Rationale:** To support trade growth between PRC and Kazakhstan as well as trade to Central Asia and Europe. Current traffic is close to 15 million tons per year. Since traffic is growing rapidly, electrification is required.
6.	**Objectives:** Increase carrying capacity by more than a factor of two.
7.	**Scope:** Double tracking of 382km between Wuxi and Jinghe
8.	**Estimated Cost:** $394 million
9.	**Financing Plan and Arrangements:** RMB 2.7 billion, comprising RMB 1.7 billion from Railway Construction Fund, RMB 500 million from Xinjiang Government, RMB 500 million from the national budget or borrowing from the central government. (RMB 6.86/$)
10.	**Implementation Schedule:** 2007– 2009
11.	**Executing Agencies:** MOR
12.	**Estimated Benefits and Beneficiaries:** The Project will meet medium- and long-term rail transport demand generating from Xinjiang Uygur Autonomous Region for trade to Central Asia and Europe. The Project has been designed to accommodate 30 pair of passenger trains per day and 50 million tons cargo per year.
13.	**Social and Environmental Issues:** No negative social or environmental impacts.
14.	**Priority of Project:** High
15.	**Project Status:** 382 km is included in the 11th Five Year Plan (FYP) of MOR(2006-2010); 74 km from Jinghe to Ala Shankou expected to be included in the 12th FYP of MOR (2011-2015).
16.	**Follow up Actions Required:**
17.	**Issues/Constraints:**
18.	**PPP/PSP:**

PRC IP6: Electrification of Urumqi – Ala Shankou Rail Line
Country: PRC
CAREC CORRIDOR 1

1.	**Project Name:** Electrification of Urumqi – Ala Shankou Line
2.	**Type of Project:** Rail electrification
3.	**Project Location:** Northern area of Xinjiang Uygur Autonomous Region, PRC
4.	**Sector/Subsector:** Transport/Railways
5.	**Background and Rationale:** To support trade growth between PRC and Kazakhstan as well as trade to CA and Europe. Current traffic is close to 15 million tons per year at the border. Since traffic is growing rapidly, electrification is required.
6.	**Objectives:** Increase speed, carrying capacity and reduce transport cost by 10% on average.
7.	**Scope:** Electrification of 456 km (382 km from Urumqi to Jinghe and 74 km from Jinghe to Ala Shankou)
8.	**Estimated Cost:** $190 million equivalent (RMB 1.3 billion)
9.	**Financing Plan and Arrangements:** Ministry of Railways (MOR) budget and Railway Construction Fund.
10.	**Implementation Schedule:** 2007 – 2009
11.	**Executing Agencies:** MOR
12.	**Estimated Benefits and Beneficiaries:** Increase in average train speed and reduction in operating costs of 10% will make the rail line more competitive.
13.	**Social and Environmental Issues:** No negative social or environmental impacts.
14.	**Priority of Project:** High
15.	**Project Status:** 382 km from Urumqi to Jinghe Ongoing, included in the 11th Five Year Plan (FYP) of MOR (2006-2010); 74 km from Jinghe to Ala Shankou expected to be included in the 11th FYP of MOR (2006-2010).
16.	**Follow up Actions Required:**
17.	**Issues/Constraints:**
18.	**PPP/PSP Opportunities:**

PRC IP7: Xinjiang Airport Development
Country: PRC
CAREC CORRIDOR Other/1, 2, and 5

1. Project Name: Xinjiang Airport Development
2. Type of Project: New airport construction and upgrade of existing airports
3. Project Location: Xinjiang Uygur Autonomous Region, PRC
4. Sector/Subsector: Aviation/Airports
5. Background and Rationale: Xinjiang is a beneficiary of PRC's "Go West" policy. Xinjiang has 13 airports but only Urumqi and recently Kashi are international airports. International destinations in Urumqi are Almaty, Altai, Baku, Bishkek, Dushanbe, Moscow, Novosibirsk, Tashkent and Islamabad. Kashi has flights to Islamabad and is planning to have flights to Andijan and Osh. Urumqi international terminal is congested and Kashi airport needs expansion.
6. Objectives: Meet the anticipated rapid passenger and cargo growth.
7. Scope: Expansion projects of international airports in Xinjiang.
8. Estimated Cost: $372.5 million, comprising the Urumqi International Airport Phase 3 Improvement and expansion ($ 350 million),and Kashi Airport ($ 22.5 million)
9. Financing Plan and Arrangements: National Budget
10. Implementation Schedule: 2007-2015
11. Executing Agencies: Civil Aviation Authority of PRC (CAAC)
12. Estimated Benefits and Beneficiaries: Airport expansions will be able to meet growth in passenger demand.
13. Social and Environmental Issues: No negative social and environment impacts. Airport expansion will contribute to economic growth and increases in job opportunities;
14. Priority of Project: High
15. Project Status: Ongoing. All airport development projects were included in the 11th Five Year Plan.
16. Follow up Actions Required:
17. Issues/Constraints:
18. PPP/PSP Opportunities: Airport services by the private sector.

PRC IP8: Khorgas Global Logistics Center
Country: PRC
CAREC CORRIDOR 1

1. Project Name: Khorgas International Logistics Center
2. Type of Project: Establishment of Logistics Center
3. Project Location: Khorgas FTZ, Xinjiang Uygur Autonomous Region, PRC
4. Sector/Subsector: Logistics
5. Background and Rationale: Khorgas is the second largest border post in Xinjiang Uygur Autonomous Region, PRC, handling 460,000 tons (2005). With the addition of the new rail connection with Kazakhstan, the volume of trade passing through Khorgas is likely to increase considerably. Khorgas already has an Export Processing Zone located in the Sino-Kazakhstan International Frontier Cooperation Center. Its operation started in 2002 and already 11 companies have established manufacturing plant for an annual production of 60,000 tons. Khorgas is planned to be the largest import-export processing facility in Xinjiang Uygur Autonomous Region. The setting up of a Global Logistics Center is seen as a required facility to sustain economic growth.
6. Objectives: To establish a logistics center with the latest technology to sustain economic development and trade in the area.
7. Scope: Development of logistics facilities, wholesale and retail centers and convention halls.
8. Estimated Cost: $100 million
9. Financing Plan and Arrangements: Private sector financing
10. Implementation Schedule: Ongoing to 2010. Development will be done in phases. 1st phase started over a year ago. The construction of a retail center was completed.
11. Executing Agencies: Private investors have not yet been selected
12. Estimated Benefits and Beneficiaries: The Project will strengthen Khorgas' position as the leading gateway between PRC and Kazakhstan and increase competitiveness of the corridor. Eventually, the Project will also contribute to reductions in transport and trade costs
13. Social and Environmental Issues: No negative impacts. The Project will generate additional employment.
14. Priority of Project: High
15. Project Status: The Export Processing Zone is ongoing, but the Logistics Center is not yet in place.
16. Follow up Actions Required:
17. Issues and Constraints:
18. PPP/PSP Opportunities: The operations of the Logistics Center offer many PPP opportunities.

KAZ IP1: Astana – Karaganda Road Rehabilitation
Country: Kazakhstan
CAREC Corridor: 1-a, c

1.	**Project Name:** Astana – Karaganda Road Rehabilitation
2.	**Type of the Project:** Road rehabilitation and capacity improvement
3.	**Project Area:** Akmolinskaya and Karagandinskaya Oblasts
4.	**Sector/Subsector:** Transport/Roads
5.	**Background and Rationale:** Part of the major trunk road between Almaty and Astana and also on CAREC 1-a, 1-c. Rapid increase in traffic requires capacity expansion.
6.	**Objectives:** Build a fast road between Astana and Almaty.
7.	**Project scope:** Rehabilitation of 238 km of road with a bypass of Karaganda.
8.	**Estimated cost:** $ 1 billion
9.	**Financing Plan and Arrangements:** Concession
10.	**Implementation Schedule:** From February 2009 (contract, depends on the laws on Concession and Law about Automotive roads) to 2012.
11.	**Executing Agencies:** MTC
12.	**Estimated Benefits and Beneficiaries:** Savings in vehicle operating costs and time. Capacity expansion of this trunk road is expected to attract investments and will contribute to economic growth.
13.	**Social and Environmental Issues:** No negative social or environmental impacts.
14.	**Priority of Project:** High
15.	**Project Status:** Feasibility study completed in April 2008 and implementation started.
16.	**Follow up Action Required:**
17.	**Issues/Constraints:**
18.	**PPP/PSP Opportunities:** concession or toll operation opportunities.

KAZ IP2: Almaty–Kapchagay Road Rehabilitation
Country: Kazakhstan
CAREC Corridor: 1-b, 3

1.	**Project Name:** Almaty – Kapchagay Road Rehabilitation Project
2.	**Type of the Project:** Road rehabilitation and capacity improvement
3.	**Project Area:** Almatinskaya Oblast
4.	**Sector/Subsector:** Transport/Roads
5.	**Background and Rationale:** Major road on CAREC 3 and 1-b. Road is presently 4 lanes, which because of traffic increases, needs to be expanded to 6 lanes.
6.	**Objectives:** Increase capacity of existing highway
7.	**Project scope:** Capacity expansion on 104 km of road
8.	**Estimated cost:** $ 580 million
9.	**Financing Plan and Arrangements:** Concession
10.	**Implementation Schedule:** Feasibility study to be completed in 2008 and construction starting in 2010 and be completed in 2011.
11.	**Executing Agencies:** MTC
12.	**Estimated Benefits and Beneficiaries:** Reduce congestion, savings in vehicle operating costs and time.
13.	**Social and Environmental Issues:** No negative social or environmental impacts.
14.	**Priority of Project:** High
15.	**Project Status:**
16.	**Follow up Action Required:**
17.	**Issues/Constraints:**
18.	**PPP/PSP Opportunities:** Construction and maintenance contracts.

KAZ IP3: Aktau–Beyneu Road Rehabilitation
Country: Kazakhstan
CAREC Corridor: 2-a

1.	**Project Name:** Rehabilitation of Aktau – Beyneu Road Project
2.	**Type of the Project:** Road rehabilitation
3.	**Project Area:** Mangistauskaya Oblast
4.	**Sector/Subsector:** Transport/Road
5.	**Background and Rationale:** This road is a major road connection along CAREC Corridor 2-a for transit and trade from Europe to Central Asia coming from Aktau Port. Expected increases in traffic require road rehabilitation.
6.	**Objectives:** Rehabilitation of a major road connection along corridor.
7.	**Project Scope:** Rehabilitation of 417 km of road
8.	**Estimated Cost:** $ 550 million
9.	**Financing Plan and Arrangements:** Concession
10.	**Implementation Schedule:** 2009 – 2012
11.	**Executing Agencies:** MTC
12.	**Estimated Benefits and Beneficiaries:** Savings in vehicle operating costs and time for road users; improve competitiveness of corridor.
13.	**Social and Environmental Issues:** No major negative social and environmental impacts. Project will be subject to an environmental impact assessment.
14.	**Priority of Project:** High
15.	**Project Status:** Feasibility is scheduled for completion within 2008 and implementation is expected to start in 2009.
16.	**Follow up Actions Required:**
17.	**Issues/Constraints:**
18.	**PPP/PSP Opportunities:** Concession

KAZ IP4: Rehabilitation of Western Europe – Western PRC Transit Corridor
Country: Kazakhstan
CAREC Corridor: 1-b, 6-b, c

1. Project Name: Reconstruction of Western Europe – Western PRC Transit Corridor
2. Type of the Project: Road rehabilitation
3. Project Location: PRC border in Xinjiang, Almatinskaya, Zhambylskaya, South Kazakhstan, Kizilordinskaya and Aktubinskaya oblasts.
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Government has given high priority to the Project along CAREC Corridor 1b, 6b and 6c. It has requested external financing for the Project. This road is the shortest route linking PRC and countries of Central Asia with the western part of Russian Federation and Europe.
6. Objectives: Rehabilitate the road to support the growth of local and international traffic in western Kazakhstan.
7. Scope: Rehabilitation of 2,815 km of road. Government has completed 478 km and is constructing 531 km.
8. Estimated cost: $6.6 billion
9. Financing Plan and Arrangements: National Budget with external sources: ADB ($650 million), JBIC ($150 million), EBRD ($181 million), IsDB ($414 million), World Bank ($2 billion), and the private sector ($1.575 billion). The Government of Kazakhstan will provide about $1.6 billion.
10. Implementation Schedule: 2009-2012
11. Executing Agencies: MTC
12. Estimated Benefits and Beneficiaries: The Project will improve transport efficiency and road safety and will make the road corridor more competitive. Road users will benefit from vehicle operating cost and time savings. The Project will improve the competitiveness of the corridor and will have a direct positive impact on economic growth and job creation. It will also contribute to increased transit and trade volume in Kazakhstan.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: The Government is discussing with development partners to participate in the financing of the Project.
16. Follow up Actions Required:
17. Issues/Constraints: Financing mobilization.
18. PPP/PSP Opportunities: Road could be given to concession for maintenance or could be tolled.

KAZ IP5: Electrification of Almaty – Aktogay Railway Section
Country: Kazakhstan
CAREC Corridor: 1-a

1.	**Project Name:** Electrification of Almaty – Aktogay Railway Section
2.	**Type of Project:** Railway electrification
3.	**Project Location:** Almatinskaya Oblast
4.	**Sector/Subsector:** Transport/Railways
5.	**Background and Rationale:** Railway section links Almaty with Ala Shankou. Increased traffic justifies considering electrification.
6.	**Objectives:** Increase in train speed and capacity with savings in fuel.
7.	**Scope:** Electrification of 558 km rail line.
8.	**Estimated cost:** $ 243 million
9.	**Financing Plan and Arrangements:** Concession
10.	**Implementation Schedule:** 2009-2011
11.	**Executing Agencies:** MTC
12.	**Estimated Benefits and Beneficiaries:** Reduction in congestion and operating costs by approximately 10%.
13.	**Social and Environmental Issues:** No negative social or environmental impacts.
14.	**Priority of Project:** High
15.	**Project Status:** Preparation of Feasibility Study.
16.	**Follow up Actions Required:**
17.	**Issues/Constraints:**
18.	**PPP/PSP Opportunities:** Concession

KAZ IP6: Electrification of Dostyk – Aktogay Railway Section
Country: Kazakhstan
CAREC Corridor: 1-a

1.	**Project Name:** Electrification of Dostyk – Aktogay Railway Section
2.	**Type of Project:** Railway electrification
3.	**Project Location:** Almatinskaya Oblast
4.	**Sector/Subsector:** Transport/Railway
5.	**Background and Rationale:** Increase in traffic from and to Xinjiang justifies considering electrification of rail line.
6.	**Objectives:** Increase in train speed and capacity with savings in fuel.
7.	**Scope:** Electrification of 312 km of rail line
8.	**Estimated cost:** $ 134 million
9.	**Financing Plan and Arrangements:** Concession
10.	**Implementation Schedule:** 2009-2011
11.	**Executing Agencies:** MTC
12.	**Estimated Benefits and Beneficiaries:** Reduction in congestion and operating costs by approximately 10%.
13.	**Social and Environmental Issues:** No negative social or environmental impacts.
14.	**Priority of Project:** High
15.	**Project Status:** Preparation of Feasibility Study.
16.	**Follow up Actions Required:** Implementation after the feasibility study.
17.	**Issues/Constraints:**
18.	**PPP/PSP Opportunities:** Concession

KAZ IP7: Electrification of Aktogay–Mointy Railway Section
Country: Kazakhstan
CAREC Corridor: 1-a

1.	**Project Name:** Electrification of Aktogay – Mointy Railway Section
2.	**Type of the Project:** Rail electrification
3.	**Project Area:** Kazakhstan, Karaganda Oblast
4.	**Sector/ Subsector:** Transport/Railway
5.	**Background and Rationale:** Aktogay – Mointy is a key connection for trade along Corridor 1a between Xinjiang, and Kazakhstan and Russian Federation. Mointy connects to the double track electrified rail line from Chu to Astana. Significant increase in traffic justifies electrification.
6.	**Objectives:** Increase in train speed and capacity with savings in fuel
7.	**Scope:** Electrification of 521 km of rail line
8.	**Estimated cost:** $250 million
9.	**Financing Plan and Arrangements:** Concession
10.	**Implementation Schedule:** 2009-2011
11.	**Executing Agency:** MTC
12.	**Estimated Benefits and Beneficiaries:** Reduction in congestion and operating costs by approximately 10%.
13.	**Social and Environmental Issues:** No negative social or environmental impacts.
14.	**Priority of Project:** High
15.	**Project Status:** Preparation of Feasibility Study
16.	**Follow up Actions Required:** Implementation after the feasibility study.
17.	**Issues/Constraints:** none are foreseen at this time.
18.	**PPP/PSP Opportunities:** Concession

KAZ IP8: Construction of Korgas–Zhetygen Rail Line
Country: Kazakhstan
CAREC Corridor: 1-b

1.	**Project Name:** Construction of Korgas - Zhetygen Railway
2.	**Type of Project:** Railway Construction
3.	**Project Location:** Almaatinskaya Oblast, the Republic of Kazakhstan
4.	**Sector/Subsector:** Transport/Railway
5.	**Background and Rationale:** The Project will open a second border crossing point in order to reduce congestion at Dostyk – Ala Shankou with a reduction in distance from Almaty and Aktau to PRC by 500 km.
6.	**Objectives:** Reduction of distance from Almaty to PRC by 500 km.
7.	**Scope:** Construction of a new rail line of 298.4 km.
8.	**Estimated costs:** $ 742 million
9.	**Source and mechanism of financing:** Concession
10.	**Implementation Schedule:** 2008-2011
11.	**Executing Agency:** MTC
12.	**Estimated Benefits and Beneficiaries:** Anticipated volume of operations in 2015 is 15 million tons. Reduction of travel distance from southern parts of Kazakhstan to PRC by 500 km.
13.	**Social and Environmental Issues:** Environmental impact assessment and resettlement plan will be required.
14.	**Priority of Project:** High
15.	**Project Status:** Selection of concessionaire ongoing.
16.	**Follow up Actions Required:** MTC to conduct negotiations and sign agreement with the concessionaire.
17.	**Issues/Constraints:** To be determined by Feasibility Study.
18.	**PPP/PSP Opportunities:** Concession

KAZ IP9: Expansion of Shymkent, Semey, and Kokchetau Airports
Country: Kazakhstan
CAREC Corridor: 1-a, b, c, 3-a, 6-b, c

1. Project Name: Expansion of Shymkent, Semey and Kokchetau Airports
2. Project type: Airport capacity expansion
3. Project Location: northern, eastern and southern Kazakhstan
4. Sector/subsector: Transport/Airports
5. Background and Rationale: Increased demand and flight increases require capacity improvements at key regional airports throughout the country. The three selected airports are also located along the CAREC corridors: Shymkent (CAREC 1-b, 6-b, c, 3-a), Semey (CAREC 3), Kokchetau (CAREC 1-a, c). The airports also have the potential to become international airports.
6. Objectives: Modernization and capacity expansion of three key regional airports located along CAREC corridors to respond to demand increases and international safety requirements.
7. Scope: Extension of runways and buildings as follows: Shymkent: runway: length – 2,547 m; width – 45 m, pavement: mixed Airport building: capacity – 200 passengers/hour, total area – 2,041 sq.m Semey: runway length – 3,097 m; width – 45 m, pavement: mixed Airport building: capacity – 400 passengers/hour, total area – 3,500 sq.m Kokchetau: runway length – 2,547 m; width – 45 m, pavement: mixed Airport building: capacity – 200 passengers/hour, total area – 2,041 sq.m
8. Estimated costs: Total: $163 million (Shymkent: $33 million, Semey $64 million, and Kokchetau $66 million).
9. Financing Plan and Arrangements: National budget
10. Implementation Schedule: 2009-2011
11. Executing agencies: MTC (Civil Aviation Department)
12. Estimated Benefits and Beneficiaries: Airport expansion to meet passenger demand and contribute to economic growth.
13. Social and Environment Issues: No negative social or environmental impacts.
14. Priority of Project: High
15. Project Status: Feasibility studies and design documents to be prepared.
16. Follow up Actions Required: Feasibility studies and detailed design need to be prepared.
17. Issues/Constraints:
18. PPP/PSP Opportunities: Airport services could be outsourced to the private sector.

KAZ IP10: Expansion of Aktau Port
Country: Kazakhstan
CAREC Corridor: 2A

1. Project Name: Expansion of Aktau port
2. Type of Project: Port expansion
3. Project Location: Kazakhstan; Aktau is a major port on the Caspian Sea
4. Sector/Subsector: Transport/Ports
5. Background: Current throughput at Aktau Port is 11.2 million ton/year, with oil product being 9.9 million tons. Port throughput has been increasing at 15% per annum and is likely to reach 23 million tons before 2015. Port has 4 dedicated oil jetties, 3 dry cargo berths, 1 grain berth and 1 berth for Ro/Ro and another for the rail ferry. With projected traffic growth, the port will be congested and larger tankers cannot be accommodated.
6. Objectives: To increase capacity of the port to 20 million tons of oil cargo and 3 million ton of general cargo/year.
7. Scope: Construction of new oil berths (4) and dry cargo terminals (3) and breakwater; dredging; jetty for the Navy.
8. Estimated Cost: $ 347.5 million (41.7 billion KZT) Feasibility study – $ 580,000 (70 million KZT)
9. Financing Plan and Arrangements: National budget and other sources. Kazakhstan Development Bank (KDB) has allocated $100 million for protection structures; additional financing required. Japan Bank for International Cooperation is financing $21.4 million equivalent to finance the port development at Aktau through KDB.
10. Implementation Schedule: Preliminary work has started (2006); more detailed work during Phase 1: construction of protecting structures, 2008 – 2010; Phase 2: Dredging, 2010; and Phase 3: Construction of oil and dry cargo terminals: to 2014.
11. Executing Agencies: MTC, Aktau International Seaport
12. Estimated Benefits and Beneficiaries: The Project will reduce transport costs and contribute to the competitiveness of the corridor while generating economic growth.
13. Social and Environmental Issues: No negative social and environmental impacts are expected but an EIA is required.
14. Priority of Project: High
15. Project Status: To approve financing from the National Budget and complete feasibility assessment in 2008.
16. Follow up Actions Required: Implementation after the feasibility study and additional funding sources are being identified.
17. Issues/Constraints: Port expansion will need to account for operations at the new Kuryk port.
18. PPP/PSP Opportunities: PPP opportunities in port operations.

KGZ IP1: Bishkek–Torugart Road Rehabilitation
COUNTRY: KYRGYZ REPUBLIC
CAREC CORRIDOR: 1-c

1. Project Name: Bishkek – Torugart Road Rehabilitation Project
2. Type of Project: Road Rehabilitation
3. Project Location: Kyrgyz Republic
4. Sector/Subsector: Transport / Roads
5. Background and Rationale: The Kyrgyz Republic has approximately 4,300 km of principal roads and the Bishkek – Torugart road is of major importance. It is part of CAREC corridor 1-c that links northern Europe to PRC and Astana in Kazakhstan with Kashi (Kashgar) in Xinjiang. As such, the Bishkek – Torugart road has regional and international significance and should be improved, and then properly maintained. The road is also of national and local importance since it connects Bishkek to Balykchy (Lake Issyk – Kul) and also the eastern and southern parts of the country.
6. Objectives: The objective is to facilitate inclusive economic growth through providing a competitive, safe and reliable transport system that will lead to greater access to markets and services for goods and people.
7. Scope: The project encompasses the improvement of 60km of the Bishkek – Torugart road and also improvement in the customs and border infrastructure.
8. Estimated Cost: $300 million.
9. Financing Plan and Arrangements: Financing is expected from ADB ($60 million: $20 million in 2009 and $40 million in 2010), IsDB ($27 million: $12 million in 2009 and $15 million in 2010). Additional financing is being sought.
10. Implementation Schedule: 2009-2014
11. Executing Agencies: MOTC
12. Estimated Benefits and Beneficiaries: The benefits will arise in terms of cheaper and more reliable transport services. Transport and logistics providers will also benefit through a greater demand for their services. The beneficiaries will be mostly local and national but some of the beneficiaries will be in neighboring CAREC member countries specifically Kazakhstan and PRC. They will access a wider market for their goods and their transport operators will get some of the increased business.
13. Social and Environmental Issues: There are localized areas of high environmental sensitivity adjacent to the road (which normally will stay on the existing right of way). There may be an increased risk of the spread of infectious diseases and drug and human trafficking, and these will be addressed through mitigating measures.
14. Priority of Project: High
15. Project Status: Ongoing. Project preparatory technical assistance totaling $150,000 was financed by ADB.
16. Follow up Actions Required:
17. Issues/Constraints: The Bishkek – Torugart road goes through some difficult, mountainous terrain and crosses into PRC over a high mountain pass. Cost overruns are a possibility. The institutional capacity for project implementation at MOTC should be improved and the cost estimates carefully analyzed during the PPTA.
18. PPP/PSP: Private sector participation opportunities for road rehabilitation work and maintenance

KGZ IP2: Southern Transport Corridor Road Rehabilitation
(Osh-Sary Tash-Irkeshtan)
COUNTRY: KYRGYZ REPUBLIC
CAREC CORRIDOR: 2, 3-b, 5

1. Project Name: Osh - Sary Tash – Irkeshtan Road Rehabilitation Project
2. Type of Project: Road rehabilitation
3. Project Location: Kyrgyz Republic
4. Sector/Subsector: Transport / Roads
5. Background and Rationale: The Osh – Sary Tash section is part of CAREC corridors 2 and 3-b while the Sary Tash – Ishkeshtam section is part of CAREC corridors 2 and 5. Thus, this Project will contribute not only to connecting CAREC neighbors, but also PRC, Europe and South Asia. Domestically it will provide better access to markets for goods and social services.
6. Objectives: The main objectives are to (i) promote inclusive economic growth in the region and the project area through a more efficient, safer and user friendly transport corridor; and (ii) increase regional trade especially with adjacent countries such as PRC, Kazakhstan, Uzbekistan and Tajikistan.
7. Scope: The scope of the project involves improvement of about 124 km of road (Osh – Gulcha - Sopukorgon), purchasing equipment to maintain the entire Osh – Irkeshtan road and an awareness program targeted on HIV/AIDS, infectious diseases and human trafficking. The total length of the road to be rehabilitated is about 258 km.
8. Estimated Cost: $170 million
9. Financing Plan and Arrangements: ADB loan ($32.8 million), OPEC Fund ($4 million), and IsDB ($32.5million, comprising $17.5 million in 2007 and $15 million for 2010). Additional financing is sought.
10. Implementation Schedule: ongoing to 2011
11. Executing Agencies: MOTC
12. Estimated Benefits and Beneficiaries: The Project will have significant benefits through reducing transport costs and facilitating trade at the local, national, regional and international levels.
13. Social and Environmental Issues: No major negative social and environmental impacts.
14. Priority of Project: High
15. Project Status: Ongoing.
16. Follow up Actions Required: Cumulative contract awards amount to $22.7 million or around two thirds of the estimated cost (31/03/08). Thus, there remain contracts to be awarded and fulfilled.
17. Issues/Constraints: There have been some project delays but in general the project is proceeding in a satisfactory way. Kyrgyz faces a major challenge on road maintenance and this project addresses the problem in part. There is another project which addresses road maintenance for the major transport corridors.
18. PPP/PSP: Contracts have been awarded to the private sector.

KGZ IP3: Reconstruction of Taraz–Talas–Suusamyr Road
COUNTRY: KYRGYZ REPUBLIC
FEEDER: 1-b, 3-a, b

1. Project Name: Reconstruction of Taraz – Talas – Suusamyr Road Phase II
2. Type of Project: Road reconstruction / improvement
3. Project Location; Kyrgyz Republic
4. Sector/Subsector: Transport / Roads
5. Background and Rationale: The project road is an important link for the people living in an isolated area to Tashkent, to Bishkek and also Almaty. It will provide them with better access to markets and also social services. As such, it has been identified as being a project of national and regional priority.
6. Objectives: The general objective is to promote inclusive economic growth in the project area through a more cost effective, more safe and more user friendly transport system.
7. Scope: The scope of the project involves improvement of 52 km of the Taraz to Suusamyr road through reconstruction.
8. Estimated Cost: $31.8 million.
9. Financing Plan and Arrangements: Financing from the Islamic Development Bank (IsDB) approved a loan of $7 million in 2000 and a supplementary loan of $3.6 million in 2007. Loans of $11.2 million and $10 million are planned for 2008 and 2009, respectively.
10. Implementation Schedule: ongoing to 2012
11. Executing Agencies: MOTC
12. Estimated Benefits and Beneficiaries: The main beneficiaries will be the people in the northwestern region of the country which is mountainous and isolated. The reconstruction of the road will lead to employment creation, better access to markets and greater access to social services. The transport services sector will also benefit as will the customers or users of such services either locally or regionally.
13. Social and Environmental Issues: No major negative social and environmental impacts.
14. Priority of Project: High
15. Project Status:
16. Follow up Actions Required:
17. Issues/Constraints:
18. PPP/PSP: Contracts have been awarded to the private sector.

KGZ IP4: CAREC Regional Road Corridor Improvement (Sary Tash-Karamik)
Country: Kyrgyz Republic
CAREC CORRIDORS: 3-b, 5

1. Project Name: Sary Tash-Tajik Border Road Rehabilitation
2. Type of Project: Road rehabilitation and upgrade
3. Project Location: southern Kyrgyz Republic connecting with the Osh-Sary Tash-Irkeshtan road (Corridor 2) and providing a link with PRC
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Project road will play a large role in facilitating the development of both the Kyrgyz Republic and Tajikistan by further linking them to their Central Asian neighbors. The Project road is a section of two CAREC corridors, linking the country to Tajikistan, Uzbekistan, Kazakhstan Afghanistan, and beyond. Improving and maintaining the Project road will further increase regional transportation links, contributing to greater regional economic development and promoting transit and trade between the CAREC economies.
6. Objectives: The objective of the project is to assist the Kyrgyz Ministry of Transport and Communications (MOTC) implement the construction and rehabilitation of the approximately 136 km CAREC Regional Road Corridor from Sary-Tash to the Tajikistan Border at Karamik. This will be accomplished by supervising the project implementation activities and providing project management, as well as monitoring and evaluating the benefits that accrue from implementation.
7. Scope: rehabilitation and upgrade of road.
8. Estimated Cost $39.5 million (Kyrgyz section)
9. Financing Plan and Arrangements: ADB will finance $25.6 million on a grant basis, while the Government will finance $13.9 million.
10. Implementation Schedule: 2009-2012
11. Executing Agencies: Ministry of Transport and Communication
12. Estimated Benefits and Beneficiaries: People living along the alignment will benefit from improved transport services and access to markets and social services. The major impact will be regional because this will provide and important section in CAREC corridors that will enable increased flow of goods among PRC, Kyrgyz Republic, Tajikistan and Afghanistan that will lead to further economic development in these countries.
13. Social and Environmental Issues: No major negative social and environmental impacts.
14. Priority of Project: High
15. Project Status: Grant has been approved; total funding to be finalized; construction starts mid-2008.
16. Follow up Actions Required: finalizing funding; completion of project.
17. Issues/Constraints: none are foreseen at this time.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): private contractors will be responsible for the road rehabilitation and upgrade. Road maintenance contracts will also be developed.

KGZ IP5: Electrification of the Bishkek–Balykchy Railway
Country: Kyrgyz Republic
CAREC CORRIDORS 1 and 3

1. Project Name: Electrification of the Bishkek – Balykchy Railway

2. Type of Project: Investment in infrastructure/railroad electrification

3. Project Location: Kyrgyz Republic, Chui Oblast, section of railroad between Lugovaya and Bishkek (Alamedin)

4. Sector/Subsector: Transport/Railways

5. Background and Rationale: Recent developments in the railroad sector indicate an increase in the tons and ton-kms of freight. Specifically, freight turnover amounted to 715.4 million ton-km in 2004, and 751.9 million ton-km in 2006.

Electrification of the Lugovaya to Bishkek (Alamedin) link of the northern railroad will produce an annual savings on fuel of $2.3 million by switching to electric power. This figure will likely increase given rising and volatile fuel prices compared to the relatively steady prices for electricity, one of the commodities that the Kyrgyz Republic exports.

The current diesel locomotive fleet has a high level of wear and its overhaul would require a substantial amount of money. Even regular and periodic maintenance of diesel engines is expensive.

Electrification of the railroad will improve the operational characteristics of the line; increase its technical and sectional speed. Based on the data from other railroad administrations, the estimated increase of technical speed is 25 to 30% compared to that of diesel engines. For the single track lines such as the Lugovaya – Bishkek (Alamedin) link, improved speeds will greatly improve the line capacity in terms of the number of trains and freight/passengers that can be transported.

It should be noted that the electrification will also reduce the operational costs, including power consumption, by increasing train weights, improving the locomotive capacity, and also provide an environmentally safe transportation solution.

KTJ has already investigated this option together with Chinese counterparts, and the parties agreed that this project is necessary and viable.

6. Objectives

- Modernize the railroad track;
- Procure electrically powered locomotives;
- Electrify the railroad link;
- Reduce fuel costs;
- Improve environmental situation by using eco friendly power source;
- Improve link capacity in both number of locomotives and freight;
- Increase average track speeds;
- Phase out old obsolete diesel locomotive park;
- Reduce operational costs; and
- Improve overall railroad efficiency.

7. Scope: The project can be divided into three main components:

1. Construction of the power grid, power supply substations and auxiliary equipment.
2. Rehabilitation of the track
3. Procurement of electrically-powered locomotives, both freight and passenger.

8. Estimated Cost: $100.00 million

9. Financing Plan and Arrangements: To be determined.

10. Implementation Schedule: 2015-2017

11. Executing Agencies: KTJ.

12. Estimated Benefits and Beneficiaries: rail users including shippers.

13. Social and Environmental Issues: none are foreseen at this time.

14. Priority of Project: Low.

15. Project Status: Proposed by the Government.

16. Follow up Actions Required: securing financing.

17. Issues/Constraints:

18. PSP Opportunities:

KGZ IP6: Track Rehabilitation Project (Chaldovar – Balykchy)
Country: Kyrgyz Republic
CAREC CORRIDORS 1 and 3

1. Project Name: Track Rehabilitation Project (Chaldovar – Balykchy)
2. Type of Project: Track Rehabilitation
3. Project Location: Kyrgyz Republic
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: The railroad is part of the old Turksib railway that was constructed in the early 1930s, and has not been properly maintained and rehabilitated since the breakdown of the Soviet Union due to insufficient funds with the Kyrgyz Temir Jolu Railroad Authority. As a result of increased traffic, rehabilitation of the railway is essential to ensure safe and accident-free operations of the only railroad link in the northern part of the country. The railway is a vital supply link for the capital and the densely populated Chui oblast and adjacent regions. The railway supplies coal to the power and heating stations in Bishkek, and transports almost all the oil, petroleum and petroleum products consumed in the country. There is a need to assess the current condition of the track that is estimated to have already accumulated 75% to 80% wear of the rails over the years. Annually, tens of thousands of sleepers need to be replaced to keep the track in reasonable condition. In addition to track repair, signaling equipment is obsolete and in a very bad shape and requires replacement with more modern equipment. A preliminary assessment study is required to review the railroad assets in use and recommend priority investments that will enhance the safety and operational efficiency.
6. Objectives • Modernize the railroad track; • Improve link capacity in both number of locomotives and freight; • Increase average track speeds; • Reduce operational costs; and • Improve the overall railroad efficiency.
7. Scope: The project can be divided into three main components: 1. Study of the current condition of the track. 2. Rehabilitation of the track. 3. Rehabilitation of auxiliary and support equipment and systems.
8. Estimated Cost: $65 million plus initial Technical Assistance for the Feasibility Study costing about $600,000.
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2010: track assessment study; 2011–2014: rehabilitation
11. Executing Agencies: KTJ.
12. Estimated Benefits and Beneficiaries: rail users including shippers.
13. Social and Environmental Issues: none are foreseen at this time.
14. Priority of Project: Medium
15. Project Status: Proposed Project
16. Follow up Actions Required: Secure funding.
17. Issues/Constraints: Securing funding.
18. PSP Opportunities: Construction and rehabilitation contracts.

KGZ IP7: Equipment Purchase for Wagon Repair/Maintenance Facility
Country: Kyrgyz Republic
CAREC CORRIDORS 1 and 3

1. Project Name: Equipment Purchase for Wagon Repair/Maintenance Facility

2. Type of Project: Technology upgrade

3. Project Location: Kyrgyz Republic

4. Sector/Subsector: Transport/Railways

5. Background and Rationale: Most of the existing wagon and coach fleet is old. The average age of coaches is 28 years, or about 80% of the expected service life of the equipment. By 2010, up to 85% of the coaches will have to be retired. The existing coach repair shop is capable of only performing depot repair operations, and for overhaul, coaches are taken to Russian Federation and other neighboring countries. The number of cars and coaches KTJ has justifies opening up an independent facility.

Similar situation is with the wagons. An average age of freight wagons, cars and tank cars is 30 years, and by the year 2015 most of the wagons and cars will have to be retired.

KTJ has developed an initiative to establish a comprehensive wagon/coach repair/overhaul facility to extend the service life of the existing fleet, and to acquire adequate maintenance and repair facilities and capabilities. Unfortunately, despite a dramatically improved financial situation, self-financing of this project is difficult, even though the company invests money in providing the existing depot maintenance facilities with equipment and machinery.

The key reasons to have an independent overhaul shop include:

- Extend service life of wagons and cars;
- Reduce the cost of wagon/coach overhaul by using local labor and performing repair/overhaul tasks in-house; and
- Improve safety of passenger and freight transportation by providing timely repair services.

KTJ has already prepared a list of equipment and machinery required for such a shop and has found suppliers of the key equipment in the neighboring CAREC countries and Russian Federation.

6. Objectives

- Improve operations and safety;
- Reduce costs;
- Upgrade local capacity; and
- Local job creation.

7. Scope: replacement/upgrade of existing facilities and equipment.

8. Estimated Cost: $4 million

9. Financing Plan and Arrangements: To be determined

10. Implementation Schedule: 2011–2012

11. Executing Agencies: KTJ

12. Estimated Benefits and Beneficiaries: all rail users in the Kyrgyz Republic.

13. Social and Environmental Issues:

14. Priority of Project: medium.

15. Project Status: Proposed by the Government

16. Follow up Actions Required: Secure funding.

17. Issues/Constraints:

18. PSP Opportunities: Subcontractors could be used for certain types of repairs.

KGZ IP8: Rehabilitation of Osh Airport
Country: Kyrgyz Republic
CAREC CORRIDOR: 2, 3-b

1. Project Name: Rehabilitation of Osh International Airport
2. Type of Project: Infrastructure Rehabilitation
3. Project Location: Osh, Osh Oblast, Kyrgyzstan
4. Sector/Subsector: Transport/Airports
5. Background and Rationale: Osh International Airport (OIA; ICAO/IATA designation codes are UAFO/OSS) is the biggest airport in the southern Kyrgyz Republic (as well as for northern Tajikistan), and is the only alternate airfield for Manas International Airport serving the north and the capital city of Bishkek. Currently, all OAI facilities are outdated and obsolete, and require rehabilitation or replacement. The existing technical limitations negatively affect the airport's development, flight and ground safety, customer service quality and revenues. The runway at Osh is 2,610 m long and 50 m wide, with taxiways built in 1962 (the airfield was designed for the aircraft types that operated in 1950-60's), and the ramp, in 1962. No extensive airfield surface rehabilitation has ever been performed on the airfield (except for some repairs on certain runway/taxiway sections), and the surface strength of the airfield has been dramatically reduced due to prolonged operation. The Project will upgrade the airfield's key facilities (key airfield surfaces and ATC/ATM equipment) to ICAO standards and recommended practices (SARPs), dramatically improve flight and ground safety and the quality of service for passengers. Located conveniently on the major CAREC corridors transecting the Ferghana Valley, the airport will be able to cope with increased traffic resulting from CAREC corridor development. Increased revenues will enable the airport to self-finance additional development envisioned by the management/community.
6. Objectives: The major objectives are (i) improve the airport infrastructure to meet current ICAO requirements for civilian airports; (ii) increase the airport's classification; (iii) ensure adequate flight and ground safety; (iv) turn OIA into an adequate alternate airfield for Manas International Airport and other airports in the region; (v) provide for development of tourism and commerce in southern Kyrgyz Republic; (vi) improve level of customer services and customer satisfaction; and (vii) improve environmental conditions in the airport.
7. Scope: Project scope covers: (i) rehabilitation and improvement of airfield runway, taxiways and apron. Runway extension by 400 m; (ii) reconstruction of the passenger terminal; (iii) procurement/installation of 2 jet ways; (iv) replacement of lighting equipment on RWY122 to meet ICAO Cat I standards; (v) reconstruction of airport power supply grid; (vi) ramp lighting; (vii) procurement of two fire trucks and one crash fire rescue vehicle; (vii) procurement of ramp equipment for aircraft handling; (viii) procurement of airfield ground support vehicles; (ix) procurement of C-SCANs, X-ray machines and other passenger screening equipment; and (x) construction of a cargo terminal. Installation of modern ATC equipment to replace obsolete and dilapidated Soviet-made radar, navaids, ATC/ATM equipment and radio equipment is also needed, and represents an important step bringing regional aviation closer to compliance with ICAO's standards and recommended practices (SARP's). In addition, it will enable Osh to be used as a full-fledged all-weather alternative for Tashkent and Bishkek. The following equipment requires urgent replacement:(i) airfield radar; (ii) long-range locator; (iii) tower equipment; (iv) navaids (inner and outer markers); (v) approach radar; (vi) ILS; (vii) VOR/DME; (viii) radio equipment; (ix) VHF radio equipment; (x) weather equipment; and (xi) other ancillary equipment.
8. Estimated Cost: $40 million.
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2011-2012.
11. Executing Agencies: Osh International Airport.
12. Estimated Benefits and Beneficiaries: The population living in southern Kyrgyz Republic and northern Tajikistan will benefit from the upgraded airport through improved and more reliable services, safer conditions, and better access to destinations by air.
13. Social and Environmental Issues: No social or environmental impacts are foreseen at this time.
14. Priority of Project: Medium.
15. Project Status: Proposed by the Government
16. Follow up Actions Required: Feasibility Study and securing financing.
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): Concession opportunities exist in airport operations.

KGZ IP9: Kyrgyz ATC Capacity Enhancement
Country: Kyrgyz Republic
CAREC CORRIDORS 1c, 2, and 3b/Other

1. Project Name: Kyrgyz ATC Capacity Enhancement Project
2. Type of Project: Technology and Training
3. Project Location: Kyrgyz Republic
4. Sector/Subsector: Transport/Airports
5. Background and Rationale: The Kyrgyz Republic is located in the heart of Central Asia and CAREC, on the crossroads of international routes. The country's terrain, predominantly mountainous, poses certain difficulties in terms of ensuring secure flying operations and providing navigational and air traffic control (ATC) support to pilots. Kyrgyz ATC has been coping with increased international operations. This situation has been made more complicated by the Anti-Terror Coalition's operations in Afghanistan, either transiting Kyrgyz airspace or operating out of one of the country's airports, Manas International Airport. Existing equipment, including long range and local area radars and navigational aids at the key airports of Manas (Bishkek) and Osh, is outdates and does not meet modern requirements in terms of providing pilots and ATC controllers with adequate flying information and assisting with navigating in the rough terrain. ATC controllers require additional training, including English language training to comply with stringent ICAO language proficiency requirements. The proposed Project is designed to improve the overall levels of flight safety in northern and southern Kyrgyz Republic for transient, inbound/outbound and local area air traffic. Additionally, it will increase the attractiveness of the Kyrgyz Republic as an overflight-friendly territory that will generate more overflight fees. Installation of modern ATC equipment to replace obsolete and dilapidated Soviet-made radar, navaids, ATC/ATM equipment and radio equipment is an important step bringing regional aviation closer to compliance with ICAO's standards and recommended practices (SARP's). It will also improve both airfields' minima and provide for safer takeoff/landing in a difficult terrain. A non-exhaustive list of equipment requires urgent replacement: (i) airfield radars; (ii) long-range locators; (iii) tower equipment; (iv) navaids (inner and outer markers); (v) approach radar; (vi) ILS, (viii) VOR/DME; (ix) radio equipment; (x) VHF radio equipment; (x) weather equipment; and (x) other ancillary equipment. One other important component of the proposed project is to develop a new set of Air Navigation Procedures (AIPs) to comply with provisions of the new Air Code of KGZ and international standards.
6. Objectives: (i) Improve flight and ground safety; (ii) replace old outdated ATC equipment and navaids; (iii) provide training for ATC controllers; and (iv) develop a new set of Air Navigation Procedures to comply with the new Air Code and international standards
7. Scope: implement program to upgrade air traffic control in the Kyrgyz Republic.
8. Estimated Cost: $4.5 million
9. Financing Plan and Arrangements: External financing with some from national budget.
10. Implementation Schedule: 2009-2013
11. Executing Agencies: Civil Aviation Authority.
12. Estimated Benefits and Beneficiaries: Air passengers and air cargo flights in, to/from, and over-flying the Kyrgyz Republic.
13. Social and Environmental Issues: None are foreseen.
14. Priority of Project: High
15. Project Status: Proposed by the Government
16. Follow up Actions Required: Securing financing and implementing project.
17. Issues/Constraints: Securing financing.
18. PSP Opportunities:

MON IP1: Western Regional Road
Country: Mongolia
CAREC CORRIDOR 4-a

1. Project Name: Western Regional Road Project
2. Type of Project: Road Upgrade and Rehabilitation
3. Project Location: Mongolia – Western Region
4. Sector/Subsector: Transport/Road
5. Background and Rationale: Mongolia's western region, including Bayan-Olgiy, Hovd and Uvs aimags, suffers from slow development because of its remoteness from the country's political and economic centers and inadequate transport network. Roads to the region are poor and flights to the region are limited. As a result, the region lacks adequate access to jobs, markets and social services, and is poorer than other parts of Mongolia. Due to the proximity to the PRC and Russian Federation, Bayan-Olgiy, Hovd and Uvs aimags import about 75% of their energy, foods, consumer goods and construction materials from the two countries. However, lack of paved roads results in high transport costs and long travel times, limit expansion of bilateral trade, and limited local and regional economic development. A paved road will bring economic development to the region and by constituting a new transit route between PRC and Russian Federation, will also increase economic growth in Xinjiang Uygur Autonomous Region, PRC, and West Siberia, Russian Federation.
6. Objectives: Construction of a new road corridor between PRC and Russian Federation by building a 2 lane paved road between the Chinese border at Yarant to the Russian border, Ulaanbaishint, passing through Hovd and Olgiy.
7. Scope: Construction of a 2 lane paved road of 748 km between Yarant and Ulaanbaishin. Pavement will be asphalt concrete.
8. Estimated Cost: $ 200 million.
9. Financing Plan and Arrangements: An ADB grant of $ 37.6 million was approved in 2008 to finance Phase 1, between Yarant and Hovd. ADB's support to Phase II will be $20 million programmed for 2010. Government of Mongolia is under negotiation with PRC for a loan of about $ 50 million.
10. Implementation Schedule: ADB grant was approved on 26 February 2008. Implementation is expected in late 2008 or early 2009 for Phase 1, Bulgan – Hovd which should be completed by 2011.
11. Executing Agencies: Ministry of Roads, Transport and Tourism (MRTT).
12. Estimated Benefits and Beneficiaries: Economic benefits in terms of VOC and time savings would go to domestic, international and transit traffic. Road will generate new traffic between PRC and Russian Federation and this constitutes one of the major benefits of the project. Overall 40% of the benefits could be attributed to Mongolia with the remaining part shared equally between PRC and Russian Federation.
13. Social and Environmental Issues: Overall, the road will bring positive social benefits. There are a few environmental concerns which will be taken into account during construction.
14. Priority of Project: High
15. Project Status: Phase 1 ongoing with financing being secured.
16. Follow Up Actions Required: Start detailed design and construction of Phase 1. Phase 2 was proposed for ADB financing in 2010.
17. Issues/Constraints:
18. PPP/PSP Opportunities:

MON IP2: Ulaanbaatar–Russian Border Road Rehabilitation
Country: Mongolia
CAREC CORRIDOR 4-b

1. Project Name: Ulaan Bataar – Russian Border Road Rehabilitation
2. Type of Project: Road Rehabilitation
3. Project Location: Mongolia, Ulaanbaatar-Darkhan-Altanbulag Road, Corridor 4-b
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: With financing from an ADB loan, the construction of 312 km of paved road from Ulaanbaatar to Altanbulag was completed in July, 2000. The width of the road pavement is 6m, and the width of the carriageway is 9m. This road forms the northern part of CAREC corridor 4-b. Traffic volume on the Ulaanbaatar-Darkhan-Altanbulag Road has increased dramatically since its completion. As an example, the Ulaanbaatar-Darkhan section has risen from 1,112 vehicles per day in 2001 to 2,137 per day in 2006. This traffic volume is anticipated to further increase after completion of the road construction from Ulaanbaatar to Zamyn Uud, which will bring additional local and international transit traffic. Therefore, it is necessary to widen the existing road pavement to meet the demand and international standards. The proposed Project supports Mongolia's priority development plan.
6. Objectiives: The objectives of this Project are to improve the existing road which is an international road link and improve the traffic safety to meet increased traffic demand. Additionally, the Government of Mongolia aims to: (i) establish connections with international ports/international markets; (ii) connect local areas with development potential; (iii) connect areas warranting development efforts; and (iv) improve connectivity between aimag centers in the main economic regions, all of which will be served through improvements to CAREC 4-b.
7. Scope: Widen width of pavement to 7.5 m and increase the load bearing capacity to support the large number of heavy trucks that are using this highway. Total length of proposed road for reconstruction is 345 km and design standard is Asian Highway standard Class II.
8. Estimated cost: US$120 million
9. Financing Plan and Arrangements: Project cost for reconstruction is $120.7 million. The Government of Mongolia is seeking financiers.
10. Implementation Schedule: Implementation schedule will be determined after identifying a financier(s). Due to the urgency of the project, the implementation is tentatively scheduled for 2010-2013.
11. Executing Agencies: The Road Supervision and Research Center of the Department of Roads, though a Project Implementation Unit, will be the Implementing Agency responsible for the Project road under the Ministry of Road, Transport and Tourism.
12. Estimated Benefits and Beneficiaries: The Project will directly benefit road users, including passengers, traders, and transport providers, as well as local economies and labor. The environment of the country will be improved through a reduction of dust generated by vehicles traveling over narrow road. The impact of the Project will be the promotion of regional transport of freight and passengers via the main vertical corridor and increased economic development, trade and job creation.
13. Social and Environmental Issues: Expected widening of the roadway 1.5 m is well within the existing right-of-way. Thus, there are no foreseen social and environmental issues.
14. Priority of Project: High.
15. Project Status: Under evaluation by the Government.
16. Follow up Actions Required: Feasibility study, financing and successful project construction.
17. Issues/Constraints:
18. PSP Opportunities: construction and maintenance.

MON IP 3: Modernization of the Mongolian Railway
Country: Mongolia
CAREC CORRIDOR: 4-b

1. Project Name: Modernization of the Mongolian Railway
2. Type of Project: Upgrades of rolling stock, communications and capacity building.
3. Project Location: Mongolian railway network.
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: The Mongolian railway is the primary freight hauler and in some areas, a major transporter of passengers, in the country. Rolling stock is outdated and inefficient. Operations need to be upgraded and utilize current technologies and management practices. Given the joint ownership of the railway by the governments of Mongolia and Russian Federation and the distribution of profits assigned under a treaty dating back 6 decades, new mechanisms are required to upgrade rolling stock and introduce new technologies and management practices.
6. Objectives: Upgrade railway operations.
7. Scope: Project will (i) establish a 3rd party leasing company that will have ownership of rolling stock that will be leased to the railways based on appropriate user charges; (ii) upgrade signaling and communications; and (iii) institute commercial management practices in managing rail operations.
8. Estimated Cost: $189 million
9. Financing Plan and Arrangements: $189 million grant provided by the Millennium Challenge Corporation, USA.
10. Proposed Implementation Schedule:2008-2013
11. Executing Agencies: Millennium Challenge Account (MCA)-Mongolia
12. Estimated Benefits and Beneficiaries: railway users and consumers throughout the country.
13. Social and Environmental Issues: None are foreseen at this time. Safeguards will be monitored and appropriate mitigation measures implemented.
14. Priority of Project: High
15. Project Status: Implementation started in 2008.
16. Follow up Actions Required:
17. Issues/Constraints: acceptance of 3rd party leasing company as supplier of new locomotives and wagons.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): In the long-term, the new leasing company could become a publicly-traded company. More likely in the near-term, private companies will have more opportunities to develop services utilizing rail transport.

MON IP4: Improvement of Olgiy and Hovd Airports
Country: Mongolia
CAREC CORRIDOR 4-a

1. Project Name: Improvement of Olgiy and Hovd International Airports
2. Type of Project: Airport improvement
3. Project Location: Bayan-Olgiy and Hovd, Western Mongolia
4. Sector/Subsector: Transport/Airports
5. Background and Rationale: The aviation infrastructure within Mongolia, particularly airport infrastructure, is relatively underdeveloped. The majority of the runways are not paved, airfield lighting is inadequate, and passenger capacity is limited. These constraints are evident in the western Region, resulting in limited capability to provide adequate air services for a widely dispersed population. The Kazakh airline – "Skat" operates weekly Almaty – Ust Kamenogorsk – Olgiy flights connecting Olgiy with Kazakhstan. The schedule is expected to increase to 2 flights per week in 2008. There are also regular flights to Ulaanbaatar. At the conclusion of the rehabilitation, the airport will have the capability to handle AH-24 and Fokker-100 aircrafts. Hovd is an important regional center in Western Mongolia. The Government of Mongolia made a decision to upgrade the Hovd airport in order to handle international air operations and to establish at the airport the services of the border regulatory agencies. The airlines are preparing to open new international air operations between Hovd and Urumqi, PRC Passenger traffic has been increasing and in order to meet local and international demand, expansion of the Olgiy and Hovd airports is necessary. The Mongolian government has approved the rehabilitation of Olgiy and Hovd airports. A new paved runway will be constructed at the Olgiy airport in 2010.
6. Objectives: Upgrade Olgiy airport so it can accept regional turbo-prop airliners like AH-24 and aircraft Fokker-100 and Boeing 737.
7. Scope: The rehabilitation will include runway, airplane parking and navigation system improvements, upgrading the passenger terminals, as well as security enhancement.
8. Estimated Cost: US$20 –25 million
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: Construction to be completed by 2010.
11. Executing Agencies: The Civil Aviation Authority of Mongolia will be the Implementing Agency responsible for operation of the new airport, under the Ministry of Roads, Transport and Tourism (MRTT).
12. Estimated Benefits and Beneficiaries: The expected results of the Project, at a minimum, are (i) improved access to and from Hovd and Olgiy and other areas of Mongolia to/from CAREC countries as well as domestic locations, (ii) increased ability of the airport to handle passengers, (iii) promotion of economic ties among CAREC countries (iv) contribution to Western Region's economic development through the creation of new jobs in the aviation and service sectors, and (v) increased air traffic volumes at the airports, thereby raising revenue, and a reduction in geographic isolation.
13. Social and Environmental Issues: The social and environmental issues will be highlighted during the feasibility study phase. Due to the sparse populations in the Western region of Mongolia, is unlikely that there will be the need to resettle any families or move any existing structures.
14. Priority of Project: High
15. Project Status: Project is included in the National Development Strategy that was approved by Parliament in February 2008.
16. Follow Up Actions Required: Secure financing; and preparation of a feasibility study and detailed design
17. Issues/Constraints:
18. PSP Opportunities: Airport services offer concession opportunities.

MON IP5: New International Airport in Ulaanbaatar
Country: Mongolia
CAREC CORRIDOR 4-b

1. Project Name: New International Airport in Ulaanbaatar
2. Type of Project: Construction of new international airport
3. Project Location: Mongolia – Ulaanbaatar
4. Sector/Subsector: Transport/Airports
5. Background and Rationale: The Project is located 54 km outside the capital city of Ulaanbaatar, in the Khoshigt Valley. It will be designed to replace Mongolia's existing international airport that is located closer to the city, but faces challenges due to surrounding topography and capacity constraints. The existing airport currently has the capacity for 500,000 – 600,000 passengers per year, while the new airport will be designed to accommodate up to 1.6 million passengers per year. It will facilitate the travel of passengers into and out of Mongolia from international destinations and more effectively link Ulaanbaatar to other "*aimag*" centers throughout the country. Most importantly, the new airport will enable bi-directional landings and take-offs, which the existing airport cannot provide because of topography. This greatly affects flights during the frequently difficult weather.
6. Objectives: The construction of the new airport in Ulaanbaatar is a priority for the government. It is listed in the National Development Strategy for 2007-2021, along with the further development of aviation infrastructure and developing the competitiveness of the Mongolian aviation subsector, particularly within international markets, and increasing the overall number of domestic and international flights. The construction of the new airport will allow Mongolia to expand its regional ties with other CAREC countries, as well as further connect isolated areas within Mongolia, both of which will assist in fulfilling the goals of the National Development Strategy.
7. Scope: The feasibility study has been completed. In addition to the main airport facility that will be designed with capacity for 1.6 million passengers per year, other components may include: (i) multiple runways; (ii) improvements to the air navigation system to allow for improved airspace safety and overflights; and (iii) a newly constructed paved road linking Ulaanbaatar to the new airport location.
8. Estimated Cost: About $280 million equivalent
9. Financing Plan and Arrangements: $280 million equivalent loan from Japan Bank for International Cooperation.
10. Implementation Schedule: The Loan Agreement has been signed and the Parliament of Mongolia ratified the Loan Agreement in May 2008. The expected date of construction completion is 2015.
11. Executing Agencies: The Civil Aviation Authority of Mongolia will be the Implementing Agency responsible for operation of the new airport, under the Ministry of Roads, Transport and Tourism (MRTT).
12. Estimated Benefits and Beneficiaries: The expected results of the Project, in addition to the significant improvement of safety and operational capacity, are (i) improved access to and from Ulaanbaatar to/from international and domestic locations, (ii) increased ability of the international airport to handle passengers, (iii) reduced noise pollution within Ulaanbaatar city, and (iv) increased air traffic volumes at Ulaanbaatar airport, thereby raising revenue.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Loan approval by Mongolian Parliament expected in early 2008.
16. Follow Up Actions Required:
17. Issues/Constraints:
18. PPP/PSP Opportunities: Opportunities will exist for the private sector for management of new terminal and for a range of services when airport is completed.

MON IP6: Customs Modernization
COUNTRY: MONGOLIA
CAREC CORRIDOR: other

1. Project Name: Customs Modernization
2. Type of Project: Investment project
3. Project Location. Mongolia
4. Sector/Subsector: Trade facilitation
5. Background and Rationale: The Project reflects the Government's efforts to promote trade and improve the investment climate through customs reforms and modernization. It is in line with Mongolia's accession to the revised Kyoto Convention.
6. Objectives: To finance customs modernization
7. Scope: The project covers (i) migration and upgrading of the customs automated data processing system (GAMAS); (ii) improvement of infrastructure at major customs houses and customs border posts; and (iii) institutional strengthening.
8. Estimated Cost: $6.76 million
9. Financing Plan and Arrangements: $5.5 million was financed by ADB through loan and grant that were approved in 2006. The rest was funded by the Government.
10. Implementation Schedule: 2006-2010
11. Executing Agencies: Ministry of Finance
12. Estimated Benefits and Beneficiaries: It will strengthen implementation of continuing customs legal reforms and business process re-engineering Mongolia.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Ongoing
16. Follow up Actions Required: Monitor project implementation.
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

MON IP7: Establishment of Altanbulag Free Trade Zone
Country: Mongolia
CAREC CORRIDOR 4-b

1. Project Name: Establishment of Altanbulag Free Trade Zone
2. Type of Project: Construction of Free Trade Zone
3. Project Location: Mongolia/Russian Federation Border – 25 km from Sukhbaatar City, 335 km from Ulaanbaatar
4. Sector/Subsector: Trade Facilitation/Logistics
5. Background and Rationale: Located 25 km from Sukhbaatar City, 30 km from Sukhbaatar Rail Station and only 5 km from the Russian Khyakht border station, the 500 hectares Altanbulag Free Trade Zone is ideal for companies involved in international trade, import, export and warehousing. The Mongolian Law creating Altanbulag Free Trade Zone allows goods to be brought into Altanbulag Free Trade Zone free of customs duty, value added tax and excise tax for manufacturing and processing. The Law also grants companies located in the zone special tax incentives, including tax exemptions and deductions. Mongolia's commitment to regional cooperation and integration has generated impressive trade growth with PRC and Russian Federation. Altanbulag Free Trade Zone lies on the CAREC corridor 4-b, an important transport corridor linking PRC, Mongolia and Russian Federation. Trade expansion requires further establishment and expansion of the FTZ.
6. Objectives: Take advantage of location on CAREC Corridor 4-b, an important transport corridor linking PRC, Mongolia and Russian Federation, to develop the Zone into a major trade, commerce, industry and service center in Northern Mongolia.
7. Scope In order to support the development of the Altanbulag Free Trade Zone, the Project will: • Construct an AH Class II road linking the Zone to Altanbulag and the construction of a 30 km rail spur connecting the Zone to Sukhbaatar Rail Station; • Prepare the land for immediate construction, with full legal entitlement, utilities in place; and • Create an effective mechanism to market Altanbulag Free Trade Zone to trading, manufacturing and processing companies as well as investors.
8. Estimated Cost: US$90 million
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: Construction of new road and new spur rail line to be completed by 2011.
11. Executing Agencies: Altanbulag Free Trade Zone Authority
12. Estimated Benefits and Beneficiaries: Altanbulag Free Trade Zone will provide new job opportunities. Its success would encourage the development of additional businesses such as restaurants, hotels and auto service stations and more importantly attract investors (foreign and local) in the manufacturing sector.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: The Laws governing Altanbulag Free Trade Zone has already been set up by Mongolian Parliament. As of February 2008, it has received over 50 inquiries from Chinese, Japanese, Korean and Russian companies, with 38 contracts signed.
16. Follow Up Actions Required: Secure financing.
17. Issues/Constraints: Financing.
18. PSP Opportunities: Construction and then investors in logistics, services and manufacturing.

MON IP8: Improvement of Tsaganuur Free Trade Zone
Country: Mongolia
CAREC CORRIDOR 4-a

1. Project Name: Improvement of Tsagaanuur Free Trade Zone
2. Type of Project: Free Trade Zone Development
3. Project Location: The Tsagaanuur Free Trade Zone is located 68km away from Bayan Olgiy, the provincial capital, and about 1,720 km away from Ulaanbaatar. The Zone is on CAREC Corridor 4-a, about 32 km away from the Russian Federationn border and 250 km from the Chinese border.
4. Sector/Subsector: Trade Facilitation/Logistics
5. Background and Rationale: Since joining WTO in 1997, Mongolia has substantially liberalized its trade regime, applying low tariffs, no quantitative restrictions and no export subsidies. The Government has also undertaken a number of measures directed towards attracting FDI, refining and aligning trade laws with WTO rules and obligations. Mongolia's commitment to regional cooperation and integration has generated impressive trade growth with PRC and Russian Federation and attracted substantial investment from PRC, Canada, US, Japan and Korea. The Tsagaanuur Free Trade Zone was established in November 2005 to accelerate the development of the western region of Mongolia. The FTZ is about 708.4 hectares in size and is on flat land covered with pebble and rocky soil. The Mongolian Law creating Tsagaanuur Free Trade Zone allows goods to be brought into Tsagaanuur Free Trade Zone free of customs duty, value added tax and excise tax for manufacturing and processing. The Law also grants companies located in the zone special tax incentives, including tax exemptions and deductions. Since its establishment, economic development has been slow and measures are required to turn the Zone into a success initiative.
6. Objectives: Improve and expand the FTZ with the provision of additional services.
7. Scope: The Project will : • Prepare the land for immediate development - with full legal entitlement, utilities in place; • Build warehouses and depots for storage and transshipment; and • Create an effective mechanism to market Tsagaanuur Free Trade Zone to trading, manufacturing and processing companies as well as investors.
8. Estimated Cost: US$30 million
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2010 – 2011
11. Executing Agencies: Tsagaanuur Free Trade Zone
12. Estimated Benefits and Beneficiaries: Tsagaanuur Free Trade Zone will provide new job opportunities. Its success would encourage the development of additional businesses such as restaurants, hotels and auto service stations and more importantly attract investors (foreign and local) in the manufacturing sector.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: In 2002–2003, the Mongolian Parliament approved laws on Tsagaanuur Free Trade Zone.
16. Follow Up Actions Required: Identification of financing sources.
17. Issues/Constraints: Securing funding and investors.
18. PSP Opportunities: Construction and then investments in logistics, manufacturing, and services.

MON IP9: Establishment of Zamyn-Uud Free Economic Zone
Country: Mongolia
CAREC CORRIDOR 4-b

1. Project Name: Establishment of Zamyn-Uud Free Economic Zone
2. Type of Project: Free Economic Zone Development
3. Project Location: Mongolia/PRC Border – South of the City of Zamyn Uud
4. Sector/Subsector: Trade Facilitation/Logistics and Services/Trade Services / Banking, Financial Services Services /Tourism, Hospitality, Leisure Services /Storage, Packaging, Sorting Industry/Light Manufacturing, Components Assembly, Processing Real Estate/Offices, Warehouses, Distribution Centers
5. Background and Rationale: Located next to the border town of Zamyn Uud, and only 8 km from the booming Chinese border town of Erlian, the 900 hectares Zamyn Uud Free Economic Zone (ZUFEZ) is an excellent location for commerce, industry and tourism. The Mongolian Law creating ZUFEZ bestowed the zone special status. It allows goods to be brought into ZUFEZ free of customs duty, value added tax and excise tax for manufacturing and processing. The Law also grants companies located in the zone special tax incentives, including tax exemptions and deductions. Mongolia's commitment to regional cooperation and integration has generated impressive trade growth with PRC and Russian Federation. Situated 780 km from Ulaanbaatar, capital of Mongolia and 230 km from Sainshand, the center of Dornogobi Province, ZUFEZ lies right on the CAREC corridor 4-b, an important transport corridor linking PRC, Mongolia and Russian Federation.
6. Objectives: Develop Zamyn Uud Free Economic Zone into a major commercial, industrial and tourism hub in the area, providing residents of the Dornogobi Province with jobs and economic opportunities.
7. Scope: The Project will: (i) prepare the land for immediate development with full legal entitlement, utilities in place, and (ii) create an effective mechanism to market Zamyn Uud Free Economic Zone to trading, manufacturing, processing and tourism companies as well as investors.
8. Estimated Cost: US$100 million
9. Financing Plan and Arrangements: National budget and assistance from multi-lateral institutions
10. Implementation Schedule: Construction to be completed by 2015.
11. Executing Agencies: Zamyn Uud Free Economic Zone
12. Estimated Benefits and Beneficiaries: ZUFEZ's success would positively impact the development of further services such as restaurants, hotels and auto service stations, to bring even more jobs and higher income to the area. The expected results of the Project, at a minimum, are (i) promotion of economic development in the region, (ii) creation of new jobs, (iii) development of CAREC Corridor 4 b from a transportation corridor to an economic corridor
13. Social and Environmental Issues: Due to the sparse populations in the area, is unlikely that there will be the need to resettle any families or move any existing structures.
14. Priority of Project: High
15. Project Status: The Mongolian Parliament initiated the Zamyn Uud Free Economic Zone in 1995 under "The concept for establishing a Free Economic Zone". "The Law of Mongolia on the Free Economic Zone" was adopted in 2002. "Law of the Legal Status of Zamyn Uud Free Economic Zone" was adopted in 2003.
16. Follow Up Actions Required: Secure financing
17. Issues/Constraints: Financing.
18. PSP Opportunities: Construction and then investors in logistics, services, and manufacturing.

TAJ IP1: Dushanbe-Kyrgyz Border Road Rehabilitation Phase II
Country: Tajikistan
CAREC CORRIDOR 3-b, 5

1. Project Name: Dushanbe-Kyrgyz Border Road Rehabilitation
2. Type of Project: Road Rehabilitation
3. Project Location: 121 km Tajikistan, Nurbad-Nimich
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: Phase I of the rehabilitation going from Dushanbe to Nurobad has already been completed. Phase II consisting of 89 km between Nurobad and Nimich is ongoing and is scheduled to be completed by May 2009.
6. Objectives: The Project will improve 89 km between Nurobad and Nimich.
7. Scope: The project includes rehabilitation of 89 km between Nurobad and Nimich.
8. Estimated Cost: The total cost is estimated at $39.5 million
9. Financing Plan and Arrangements: $39.5 million, comprising ADB: $29.5 million loan and $0.5 million grant, and Government of Tajikistan: $9.5 million). ADB financing was approved in 2005.
10. Implementation Schedule: Ongoing to 2009.
11. Executing Agencies: Ministry of Transportation and Communication (MOTC)
12. Estimated Benefits and Beneficiaries: The Project will substantially reduce the obstruction to trade and facilitate regional trade and cooperation.
13. Social and Environmental Issues: No major negative social and environmental impacts.
14. Priority of Project: High
15. Project Status: Ongoing.
16. Follow up Actions Required:
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): The road rehabilitation is being carried out by private contractors.

TAJ IP2: Dushanbe–Kyrgyz Border Road Rehabilitation Phase III
Country: Tajikistan
CAREC CORRIDOR 3-b, 5

1. Project Name: Dushanbe-Kyrgyz Border Road Rehabilitation
2. Type of Project: Road Rehabilitation
3. Project Location: 121 km between Nimich and Kyrgyz Border, Tajikistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The remaining 121 km between Nimich and the border is the missing link within Tajikistan along CAREC 3-b and 5.
6. Objectives: The main objective of Phase III to facilitate regional trade and cooperation along CAREC Corridor 3-c and 5.
7. Scope: The scope of the project includes the rehabilitation of 121 km of road between Nimich and the Kyrgyz border.
8. Estimated Cost: $85.5 million
9. Financing Plan and Arrangements: ADB loan of $40.9 million, ADB grant of $12.5 million, and Government ($32.1 million).
10. Implementation Schedule: Ongoing to 2013
11. Executing Agencies: The executing agency will be the MOTC of the Government of Tajikistan and the existing PIU for road projects will be involved in the implementation.
12. Estimated Benefits and Beneficiaries: The Project will substantially reduce obstruction to trade and facilitate regional trade and cooperation.
13. Social and Environmental Issues: No major negative social and environmental impacts
14. Priority of Project: High
15. Project Status: Ongoing.
16. Follow up Actions Required:
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): The road rehabilitation will be carried out by private contractors.

TAJ IP3: Dushanbe–Khujand–Chanak–Uzbeki Border Road
Country: Tajikistan
CAREC CORRIDOR 6-c

1. Project Name: Dushanbe – Khavast Road Project
2. Type of Project: Road improvement
3. Project Location: Tajikistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Dushanbe to Khavast road project is a key section of CAREC 6-c. Also, it links Dushanbe with the north of Tajikistan and Tashkent which is around 150 km from Khavast. In 2008, the tunnel at Anzob, built with Iranian help will be opened which increases the importance of improving the rest of the road.
6. Objectives: The objectives of this project are to promote economic development and to reduce poverty through the improvement of the road transport system. A reliable, safe and lower cost road network will reduce prices of goods and increase access to markets and services. Also, it will help to ensure the territorial integrity of Tajikistan and further regional integration.
7. Scope: The scope of the Project is to complete the improvement of 302 km of road between Dushanbe and Khavast.
8. Estimated Cost: $150 million excluding the Anzob Tunnel.
9. Financing Plan and Arrangements: to be determined
10. Implementation Schedule: Ongoing to 2011.
11. Executing Agencies: Ministry of Transport and Communications (MOTC)
12. Estimated Benefits and Beneficiaries: The major benefits of the rehabilitated road are lower vehicle operating costs and quicker travel times. In turn these results will lower transport costs, improve access to markets and increase access to social services. Most of these benefits will accrue to the local population, but other parts of Tajikistan as well as PRC, Pakistan and Afghanistan will also benefit.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Ongoing
16. Follow up Actions Required: Determination of financing and detailed engineering.
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): The work will be carried out by private contractors.

TAJ IP4: Kurgan Tyube–Dusti–Nizhni Pianj Road Rehabilitation
Country: Tajikistan
CAREC CORRIDORS 5, 6-c

1. Project Name: Dusti-Nizhni Pianj Road Rehabilitation
2. Type of Project: Road Rehabilitation
3. Project Location: Tajikistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The road between Dushanbe and Nizhni Pianj has become a high priority with the opening of the bridge over the Amudarya (Pianj) River providing a link to northern Afghanistan. This potentially is an important regional corridor leading to the Indian sub-continent and Pakistan's deep water ports. The road from Dushanbe to Kurgan Tube is in good condition having been rehabilitated after the Civil War. Further south, the road is in fair condition, but closer to the new bridge the road is in poor or bad condition, and now needs to be rehabilitated on an urgent basis.
6. Objectives: The objective is to promote economic development and reduce poverty The Project is complementary with the new bridge, the new border facilities and the improved link to Kunduz in Afghanistan.
7. Scope: About 15 km of road from Dusti to Nizhni-Pianj will be improved.
8. Estimated Cost: $90 million. The cost of the other two segments to Kurgan Tyube is estimated at $80 million.
9. Financing Plan and Arrangements: Grant financing by Japan: $10 million and financing sources for the remaining $80 million will be identified.
10. Implementation Schedule: 2008 to 2010. Completion to Dusti 2008, to Djilikul in 2009, and to Kurgan-Tyube in 2010.
11. Executing Agencies: Ministry of Transport and Communications (MOTC)
12. Estimated Benefits and Beneficiaries: The major benefits of the rehabilitated road are lower vehicle operating costs and quicker travel times. In turn these results will lower transport costs, improve access to markets and increase access to social services. Most of these benefits will accrue to the local population, but other parts of Tajikistan as well as PRC, Pakistan and Afghanistan will also benefit.
13. Social and Environmental Issues: The major social issues include resettlement, the spread of infectious diseases and human and drug trafficking. The resettlement issue is not major given the existing right of way and the experience with resettlement on earlier phases. The spread of infectious diseases including HIV/AIDS should be tackled with awareness programs as is now the practice with transport projects. Opium trafficking is a big problem on the Afghanistan and Tajikistan border where this road runs. A concerted effort by the Government the Development Partners and their responsible agencies to combat the problem is required.
14. Priority of Project: High
15. Project Status: Ongoing. JICA is financing the detailed design of the Kurgan Tyube-Dusti Rehabilitation Project.
16. Follow up Actions Required: Implementation with maintenance and safety programs in place.
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): Private sector contractors are carrying out the road rehabilitation.

TAJ IP5: Dushanbe–Tursunzade–Uzbek Border Road
Country: Tajikistan
CAREC CORRIDOR 3-b

1. Project Name: Dushanbe – Tursunzade Road
2. Type of Project: Road Improvement
3. Project Location: Tajikistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: The Dushanbe to Tursunzade stretch of road is part of an important transport corridor going from PRC through the Kyrgyz Republic, Tajikistan, Uzbekistan, and Afghanistan to Iran and the Arabian Sea. This corridor is functioning but it needs improvements to reach its full potential. Several projects are under way to reach this goal. An improvement to the Dushanbe to Tursunzade Road would be a significant step forward.
6. Objectives: The objectives are to promote economic development and reduce poverty through a safe, reliable and low cost transport system.
7. Scope: The Project would improve the 66 km of road from Dushanbe through Tursunzade to the Uzbek border.
8. Estimated Cost: $100 million.
9. Financing Plan and Arrangements: Under ADB consideration ($ 80 million) and $20 million by the Government and a cofinancier(s).
10. Implementation Schedule: PPTA 2009; Improvement of road during 2010-2012.
11. Executing Agencies: Ministry of Transport and Communications (MOTC)
12. Estimated Benefits and Beneficiaries: The major benefits of the rehabilitated road are lower vehicle operating costs and quicker travel times. In turn these results will lower transport costs, improve access to markets and increase access to social services. Most of these benefits will accrue to the local population, but other parts of Tajikistan as well as Uzbekistan PRC and Afghanistan will also benefit.
13. Social and Environmental Issues:
14. Priority of Project: High.
15. Project Status: Ongoing.
16. Follow up Actions Required:
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): Private sector contractors will carry out the road improvement.

UZB IP1: CAREC Regional Road Improvement
Country: Uzbekistan
CAREC CORRIDORS 2-a, 6-a

1. Project Name: Regional Road Improvement
2. Type of Project: Road Improvement
3. Project Location: Uzbekistan, Karakalpakstan and Korezm Provinces
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: This Project is part of the Uzbekistan Government Road Development Program for 2007-2010 through which the Government is funding $320 million for road reconstruction and $460 million for repairs. The proposed Project is on the two CAREC corridors and will significantly improve regional connectivity.
6. Objectives: The general objective is to contribute to sustainable economic growth through fostering physical infrastructure development.
7. Scope: The scope of the Project is to improve two sections of road and bring them to international design standard. Section 1: 40 km, located between km 876 and 916 in Kungzad district of Karakalpakstan Section 2: 91 km, located between km 490 and 581 in Khazarop disctrict of Korezm
8. Estimated Cost: The total project cost is estimated at $173.5 million equivalent.
9. Financing Plan and Arrangements: A loan of $75.3 million was approved by the ADB at the end of 2007. The Government of Uzbekistan will fund the remaining $98.2 million from its own resources.
10. Implementation Schedule: 2009–2011. Detailed design work is currently under way.
11. Executing Agencies: The project implementation unit (PIU) of the Road Fund under MOF. The road equipment pool company (REPC) will assist the PIU.
12. Estimated Benefits and Beneficiaries: This road project is taking place in a relatively isolated and underdeveloped part of Uzbekistan with a high incidence of poverty. It is near the Aral Sea where environmental and soil degradation has occurred. However, the area has potential given that it lies along a major transport corridor. The main benefits will come in the form of lower vehicle operating costs and fewer road accidents. The beneficiaries will be the road users either from generated external trade or domestic traffic.Thus local users will capture most of the benefits, at least in the short run, but the potential for increased transit traffic is high given improved trade facilitation.
13. Social and Environmental Issues: The proposed project raises few concerns with regard to these issues. An initial environmental examination which concluded that with appropriate mitigating and monitoring measures there would be minimal, environmental negative impacts. In fact, the IEE noted significant positive impacts for the local population in terms of income generation and access to improved social services. There is no significant resettlement issue because the project uses an existing right of way.
14. Priority of Project: High
15. Project Status: ADB loan was approved in 2007.
16. Follow up Actions Required: Detailed design is occurring in 2008. Contracts to be awarded in 2008.
17. Issues/Constraints:
18. PPP/PSP:

UZB IP2: Regional Railway
Country: Uzbekistan
CAREC CORRIDOR 2-a, b, 3-a, b, 6-a, b

1. Project Name: Regional Railway Project
2. Type of Project: Restructuring and Rationalizing Uzbekistan Railways
3. Project Location: Uzbekistan
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: The current railway network is 4,000 km and carries close to 90% of all exports and 80% of all imports. However, the rail infrastructure needs major investment since it has deteriorated substantially. Moreover, the rail network is oriented toward the FSU and not some of the fastest growing markets of recent years (PRC, South Asia, and Middle East). Therefore, a major program of renewal, restructuring and rationalization of Uzbekiston Temir Yullare (UTY) which is the monopoly railway operator would appear to be in order. The major challenges of the rail network (both freight and passenger) would appear to be outmoded equipment, outdated internal telecoms and signaling, ageing rolling stock, and lack of management information tools. Also, there are problems related to the railway tariff and the billing system. There are numerous obstacles to timely and low cost border crossings. Resources provided to the railway have been increasing, but are still limited given the size of the problem. All these challenges are occurring in a context where rapid improvement is essential.
6. Objectives: The general objective is to facilitate sustainable economic growth through the creation of a faster, safer and more user friendly railway system. A subsidiary objective is to foster more competition and private sector participation to contribute to the general objective.
7. Scope: The intent is to modernize UTY through needed investment, management improvements and technology acquisition. The disposal of obsolete or underutilized assets is also part of the scope.
8. Estimated Cost: US$50 million for phase I
9. Financing Plan and Arrangements: To be determined. One option under consideration is an ADB loan and a grant for TA.
10. Implementation Schedule: 2011-2015
11. Executing Agencies: To be determined.
12. Estimated Benefits and Beneficiaries: The benefits will be come from a more reliable, safer and faster railway. Both freight and passengers will benefit. Uzbekistan's consumers should benefit through lower prices of consumer goods and passengers (travelers) should benefit from greater comfort and reduced fares. Uzbekistan's major export industries such as cotton, minerals and autos should also benefit. The major beneficiaries would be Uzbekistan entities and residents, but since transit traffic is also expected to increase, there will be beneficiaries in neighboring countries and among the trading partners.
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed by the Government. Financing being sought for investment and TA.
16. Follow up Actions Required: Project definition and TOR.
17. Issues/Constraints:
18. PPP/PSP:

UZB IP3: Acquisition of New Locomotives
Country: Uzbekistan
CAREC CORRIDORS: 2, 3-a, 6-a,b,c

1. Project Name: Acquisition of New Locomotives
2. Type of Project: Rail improvement
3. Project Location: Uzbekistan
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: Uzbekistan has around 4,000 km of rail lines which in 2005 carried a total of 55.0 million tons of freight or 18.1 billion ton km. In total, 17,965 passenger trains operated in 2005 or about 50 per day. The number of passengers was 16.0 million or 2.1 billion passenger km. Of the entire rail network around 18% is electrified and these lines carry around 42% of passengers and 35% of the freight. The cost of carrying freight by the electric mode is lower than by diesel and the energy efficiency is higher. This is even more true for passengers. Hence, the Government of Uzbekistan and Uzbekistan Railways (Uzbekiston Temir Yullary – UTY) is embarked on a program of electrification where the amount of traffic warrants it.
6. Objectives: The objective is to improve the well being of rail passengers by giving them a safe, reliable, comfortable and speedy service.
7. Scope: The acquisition of 15 new passenger electric locomotives.
8. Estimated Cost: Provisionally $25 million
9. Financing Plan and Arrangements: The own resources of UTY will be used as well as possibly Eximbank of the PRC.
10. Implementation Schedule: 2009-2010
11. Executing Agencies: To be determined, although UTY is the likely agency.
12. Estimated Benefits and Beneficiaries: The benefits will accrue mainly to train passengers in terms of an improved quality of service. There may also be a benefit in terms of lower prices since energy consumption will be 18 to 22% lower than with diesel. Alternatively the operating losses of UTY on passenger service may be reduced.
13. Social and Environmental Issues: The electric locomotives themselves are an environmental improvement over diesel. However, the net benefit depends on how the electricity is being generated. Increased train travel will also have an environmental benefit if traffic is being diverted from road and air which have higher carbon footprints. Increased travel including train travel can lead to increased risk in the spread of infectious diseases and drug and human trafficking. Mitigating measures should be implemented in the context of the Government's General Electrification Program.
14. Priority of Project: High
15. Project Status: Ongoing. Financing to be finalized.
16. Follow up Actions Required: Launch of tender process.
17. Issues/Constraints: An obvious issue concerns the financing plan. At one time, the EBRD was identified as a source of funding, but this plan seems to have fallen by the wayside. Another issue concerns the fairness and transparency of the tender process which will need to be carefully monitored.
18. PPP/PSP:

UZB IP4: Electrification of Kashi–Tashguzar–Boysun–Kumgurgan Section
COUNTRY: UZBEKISTAN
CAREC CORRIDOR: 6-a, b

1. Project Name: Electrification of Rail, Kashi – Tashguzar – Boysun – Kumgurgan
2. Type of Project: Rail Improvement
3. Project Location: Uzbekistan, Kashkadarya and Surkhandarya provinces
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: The Kashi – Tashguzar – Boysun – Kumgurgan line has been completed and is an integral part of CAREC corridor 6-a linking Russian Federation to South Asia. If the corridor can be made to function well, then traffic is expected to increase substantially, given the high growth rate of the countries involved. The Project is expected to increase capacity and reduce costs because of higher average speeds and greater energy efficiency.
6. Objectives: The objective is to contribute to sustainable economic growth through providing a more reliable and faster train service for passengers and freight. Moreover, electrification has advantages in terms of the environment over the use of diesel.
7. Scope: The Project consists of the electrification of 262 km of rail line from Kashi to Kumgurgan.
8. Estimated Cost: The cost is estimated at $180 million.
9. Financing Plan and Arrangements: The electrification is to be financed by the national budget and contributions from others. Kuwait Fund for Development has offered a loan of $6 million.
10. Implementation Schedule: 2011-2014
11. Executing Agencies: MOF and UTY (Uzbekiston Temir Yullari, a State Joint Stock Company or SJSC).
12. Estimated Benefits and Beneficiaries: This section of the rail network could see considerable increases in traffic for passengers and especially freight. It shortens the route to the Caspian Sea and beyond over the current route through Turkmenistan, and thus should attract not only domestic traffic but also external trade and transit traffic if trade facilitation measures are taken in conjunction with the improved rail services. As already noted, the benefits come from lower costs and speedier service. However, there are also environmental benefits. The main beneficiaries will be the railway (UTY) and its customers – both domestic and foreign. There may be some traffic diversion, but not a lot in terms of other CAREC members.
13. Social and Environmental Issues: No major negative social and environmental impacts.
14. Priority of Project: Medium
15. Project Status: New.
16. Follow up Actions Required: Feasibility Study followed by detailed engineering and design.
17. Issues/Constraints: The General Electrification Program is quite ambitious in terms of the number and size of projects. The staging of projects over time is important if financial and institutional capacity is not to be stretched. As well, the financial viability of this electrification project (and others) should be carefully examined.
18. PPP/PSP:

UZB IP5: Electrification of Samarkand–Navoi and Samarkand–Kashi Sections
COUNTRY: UZBEKISTAN
CAREC CORRIDOR: 2-a, b

1. Project Name: Electrification of Rail, Samarkand – Navoi, Samarkand – Kashi
2. Type of Project: Rail Improvement
3. Project Location: Uzbekistan, Samarkand, Navoi and Kakhkadarya provinces
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: The Samarkand – Navoi railway line is part of CAREC corridor which runs east – west or the reverse from PRC to the Caspian Sea and Azerbaijan. It is the ultimate transit and trade corridor connecting six CAREC members. On the assumption that the border crossings are made more user friendly, traffic would undoubtedly increase substantially given the demand for consumer goods with PRC and Europe as the most important sources and given the mineral and petroleum resource base along the route in Central Asia. In turn, the increased traffic would justify electrification.
6. Objectives: The objective is to contribute to sustainable economic growth through providing a more reliable and faster train service for passengers and freight. Moreover, electrification has advantages in terms of the environment over the use of diesel.
7. Scope: The project consists of the electrification of 265 km of rail line from Samarkand to Navoi and Samarkand to Kashi.
8. Estimated Cost: The cost is estimated at $185 million.
9. Financing Plan and Arrangements: The electrification is to be financed by the national budget and contributions from others.
10. Implementation Schedule: 2011-2014
11. Executing Agencies: MOF and UTY (Uzbekiston Temir Yullari, a State Joint Stock Company or SJSC).
12. Estimated Benefits and Beneficiaries: As already noted these two sections of rail could see a considerable increase in freight. The Samarkand – Navoi section looks especially promising in terms of increased traffic given that it is part of CAREC Corridor 2. The benefits will come in the form of lower costs (greater energy efficiency, higher average speed, better traction) and more reliable service. The current stock of diesel locomotives is relatively old and outdated. As well, there will be environmental benefits from electrification. The main beneficiaries will be UTY and its customers both domestic and foreign.
13. Social and Environmental Issues: Electrification as such poses few social concerns. There are no resettlement concerns to be addressed. Any increase in traffic could increase the risk of spreading infectious diseases or augment human and drug trafficking. However, mitigating measures should already be in place as part of the original rail project. Environmental concerns are reduced through electrification. Energy efficiency is higher than for diesel. Also, electric rail lines leave a small carbon footprint per ton kilometer or passenger kilometer.
14. Priority of Project: Medium
15. Project Status: New. Some front engineering is occurring.
16. Follow up Actions Required: Feasibility Study followed by detailed engineering and design.
17. Issues/Constraints: The General Electrification Program is quite ambitious in terms of the number and size of projects. The staging of projects over time is important if financial and institutional capacity is not to be stretched. As well, the financial viability of this electrification project (and others) should be carefully examined.
18. PPP/PSP:

UZB IP 6: Electrification of Navoi–Bukhara and Bukhara–Kashi Sections
COUNTRY: UZBEKISTAN
CAREC CORRIDOR: 2-b, 3-a, 6-a

1. Project Name: Electrification of Rail, Navoi – Bukhara, Bukhara - Kashi
2. Type of Project: Rail Improvement
3. Project Location: Uzbekistan, Bukhara, Navoi and Kakhkadarya provinces
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: The two sections of railway are of part of CAREC Corridor 6-a which links northern Europe to the Persian Gulf and the Arabian while transiting Kazakhstan, Uzbekistan and Afghanistan. The Bukhara – Navoi section is also part of CAREC corridors 2-b and 3-a. As such, it could become part of a heavily traveled, trade and transit route, but this assumes that border crossing issues including the poor states of the Amudarya Bridge into Turkmenistan are resolved.
6. Objectives: The objective is to contribute to sustainable economic growth through providing a more reliable and faster train service for passengers and freight. Moreover, electrification has advantages in terms of the environment over the use of diesel.
7. Scope: The Project consists of the electrification of 280 km of rail line from Navoi to Bukhara and Bukhara to Kashi.
8. Estimated Cost: The cost is estimated at $195 million.
9. Financing Plan and Arrangements: The electrification is to be financed by the national budget and contributions from others.
10. Implementation Schedule: 2011-2014
11. Executing Agencies: MOF and UTY (Uzbekiston Temir Yullari, Uzbekistan Railways)
12. Estimated Benefits and Beneficiaries: As already noted the Bukhara – Navoi section involves no less than three CAREC corridors, and could see a considerable increase in traffic. So could the Bukhara – Kashi section because it involves a CAREC corridor which does not traverse Turkmenistan. The main benefits from electrification will accrue to customers of UTY (Uzbekistan Railways) through faster and more reliable service. The existing stock of diesel locomotives is outmoded, and its replacement through electric locomotives will not only lower costs but bring environmental benefits.
13. Social and Environmental Issues: No major negative social and environmental impacts.
14. Priority of Project: Medium
15. Project Status: New. Some front end engineering is occurring.
16. Follow up Actions Required: Feasibility Study followed by detailed engineering and design.
17. Issues/Constraints: The General Electrification Program is quite ambitious in terms of the number and size of projects. The staging of projects over time is important if financial and institutional capacity is not to be stretched. As well, the financial viability of this electrification project (and others) should be carefully examined.
18. PPP/PSP:

UZB IP 7: Electrification of Navoi–Uchkuduk Section
COUNTRY: UZBEKISTAN
CAREC CORRIDOR: 2-a, 6-a

1. Project Name: Electrification Navoi – Uchkuduk
2. Type of Project: Rail Improvement
3. Project Location: Uzbekistan, Bukhara and Navoi provinces
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: The section of railway line proposed for electrification is part of CAREC Corridors 2-a and 6-a which connect northern and Mediterranean Europe with PRC as well as south Asia and the ports of the Indian Ocean. Based on the economic growth of these regions, the prospects for transit traffic are promising as are the prospects for CAREC intra-regional trade. Thus, the traffic increases could justify electrification.
6. Objectives: The objective is to contribute to sustainable economic growth through providing a more reliable and faster train service for passengers and freight. Time savings and increased energy efficiency through electrification should reduce transport costs. Moreover, electrification has advantages in terms of the environment over the use of diesel.
7. Scope: The Project consists of the electrification of 290 km of rail line from Navoi to Uchkuduk.
8. Estimated Cost: The cost is estimated at $180 million.
9. Financing Plan and Arrangements: The electrification is to be financed by the national budget and contributions from others.
10. Implementation Schedule: 2011-2014
11. Executing Agencies: MOF and UTY (Uzbekiston Temir Yullari, Uzbekistan Railways).
12. Estimated Benefits and Beneficiaries: Although this electrification project involves a CAREC corridor, it is a relatively isolated area of Uzbekistan with a high incidence of poverty and problems of soil degradation. Therefore, alternative employment opportunities created by the project itself and lower transport costs will provide significant benefits to the local population. Benefits will also accrue in terms of better access to social services especially if feeder roads such as Uchkuduk to the Kazakh border are rehabilitated. Navoi is also slated to become a logistics centre through an ICD and airport improvements. Therefore, participants in transit and external trade traffic will also benefit. The main beneficiaries will be the railway (UTY) and its customers.
13. Social and Environmental Issues: No major negative social and environmental impacts.
14. Priority of Project: Medium
15. Project Status: New. Some front end engineering is occurring.
16. Follow up Actions Required: Feasibility Study followed by detailed engineering and design.
17. Issues/Constraints: The General Electrification Program is quite ambitious in terms of the number and size of projects. The staging of projects over time is important if financial and institutional capacity is not to be stretched. As well, the financial viability of this electrification project (and others) should be carefully examined.
18. PPP/PSP:

REG IP 1: Border Crossing Point Infrastructure and Investment
Country: Regional (All CAREC Countries)
CAREC CORRIDOR All

1. Project Name: Border Crossing Point Infrastructure and Investment
2. Type of Project: Infrastructure and equipment
3. Project Location: All
4. Sector/Subsector: Trade facilitation – Customs
5. Background and Rationale: Many CAREC border points are in poor condition and require improvement in conjunction with transport infrastructure improvements and Customs procedure improvements in order to maximize the benefits of transport and trade facilitation activities envisaged under the CAREC Transport and Trade Facilitation Strategy. In Mongolia, ADB considers about $5 million for the upgrading of border crossing points. ADB provided financial assistance to Kyrgyz and Tajikistan to improve border crossing points and Customs procedures.
6. Objectives: The objectives of the Project are to improve physical functions of the border points.
7. Scope: The Project will improve physical functions of the border points including transport infrastructure investments adjoining border crossing points. Under the CAREC Transport and Trade Strategy, preparatory work for CAREC transport infrastructure projects includes assessments of the relevant border crossing facilities and ancillary transport infrastructure. This includes needs identified in the WCO-related TA activities. While the Project focuses on physical, and technology improvements, training to maximize the impacts of such improvements may be included.
8. Estimated Cost: US$ 500 million (preliminary)
9. Financing Plan and Arrangements: Relevant indicative lending program for 2010 include (i) regional Customs Modernization and Infrastructure Development II KGZ/TAJ - ADB (US$ 50 million); and (ii) Regional Customs Modernization KAZ/KGZ/TAJ/UZB – ADB (US$ 100 million) National and private sector participation is to be encouraged.
10. Implementation Schedule: Ongoing to 2017
11. Executing Agencies: Customs Coordination Committees (principally)
12. Estimated Benefits and Beneficiaries • Border crossing users (faster border crossings under more convivial conditions) • Officers working at Border Crossings (better working conditions) • National treasuries (improved administration of customs revenue collection)
13. Social and Environmental Issues: Improved comfort and sanitation at BCP
14. Priority of Project: High
15. Project Status: Ongoing by way of a series of projects
16. Follow up Actions Required: Mobilization of the technical assistance required to allocated investment funds
17. Issues/Constraints: There are 28 (pairs) of CAREC corridor border crossings, most of which require some level of improvement. This imposes a quite heavy financial on governments, and a relatively long implementation schedule. Some border crossings are at high altitudes, imposing arduous circumstances for their improvement.
18. PSP/PPP opportunities: Authorized Economic Operators can be encouraged to finance those facilities from which they work. Technical services (e.g. data processing) can be contracted to the private sector.

REG IP 2: Enhancements of the Information Technology Systems at Customs
Country: Regional
CARCEC Corridor: All

1. Project Name: Enhancements to IT System at Customs
2. Type of Project: TA and Investment
3. Project Location: Region
4. Sector/Subsector: Customs modernization
5. Background and Rationale: IT systems in CAREC countries vary widely. Similarly, modernization has been uneven across countries. Given the similarity in processing and documentation in the region, IT linkage should be possible between countries to enhance controls and improve performance. However, the inability to exchange data is both a key issue and a root cause. An integrated information system is considered a high priority by each country in view of the need to maintain voluminous records of all transactions by trading entities and the various other capabilities of such a system when linked between countries: ICT can bridge each country to international markets, improve transport efficiency, provide automation of trade and Customs documentation, and allow accurate statistics. Existing platforms are a starting point to build ICT applications and a means to train the logistics community.
6. Objectives: To ensure database processing and interactive and data exchange capabilities with other Customs and agencies and the trading and logistics community.
7. Scope: The TA will (a) examine the IT strategy of each Customs administration, (b) conduct a technical evaluation of software, hardware, and communication and describe current operational capability against world standard Customs clearance and MIS systems, (c) assess the data exchange capability with other trade- and transport-related agencies and other Customs, and identify protocol requirements, and evaluate how the UNeDocs model can be applied, (d) make the necessary recommendations to develop their systems, ensure or improve their connectivity, or assist in implementing a common platform, (e) explore the upgrading of the current system to a Single Window and evaluate the declaration form for purposes of introducing the Single Administrative Document. The investment phase will then provide funding to (f) expand and upgrade the current system with software, hardware, local area network, and interactive functionality, and provide connections with other agencies, ports, other Customs, banks, and the trade and transport/logistics community, (g) institute a database system for collecting trade and transport vehicle data, (h) introduce a module to allow automated registration of declarants, advance declaration and offline completion of declaration, electronic payment, automated cargo release, and process goods in transit, (i) ensure data mining and analysis for risk management and post-entry audits
8. Estimated Cost: $200,000 for the TA and $1 million for investments to upgrade each Custom administration or $5 million to introduce new Automated Customs Clearance System
9. Financing Plan and Arrangements:
10. Proposed Implementation Schedule: 2011
11. Executing Agencies: Customs administrations
12. Estimated Benefits and Beneficiaries: By complementing the previous work done on the IT system with additional modules and ensuring data exchange capability, Customs' efficiency will be enhanced to the benefit of the trading community. Modern ICT with common platforms or interoperability between countries would cut costs by reducing empty loads by trucks and queuing by farmers to unload produce. Productivity improvements would benefit Customs and other financial providers by increasing revenue, cross-border efficiency, and reduce the incidence of corruption, or lost/stolen goods.
13. Social and Environmental Issues: None are foreseen at this time.
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: Secure funding and commitments.
17. Issues/Constraints: Funding.

REG IP3: Border Post Improvements and Joint Border Processing
Country: Regional
CAREC Corridor: All

1. Project Name: Border Post Improvements and Joint Border Processing
2. Type of Project: Investment
3. Project Location: Region
4. Sector/Subsector: Customs
5. Background and Rationale: The condition of border posts particularly at the main crossing points is critical to the efficient passage of goods and vehicles. Many posts lack adequate space for passengers or vehicles or inspection yards, IT equipment, weighing and inspection machines, or cargo handling equipment. This severely hampers the efficiency of border agencies. Important border posts along each corridor must therefore be improved. This should be accompanied by joint or simultaneous processing of cargo through adjoining borders in order to reduce the number of transactions and facilitate movements of goods.
6. Objectives: To improve major border posts along each CAREC corridor, and implement joint border processing for the efficient passage of goods and vehicles.
7. Scope: (a) Evaluate the needs of the following border posts in terms of weighing equipment, inspection and scanning equipment, material handling equipment, warehouses including refrigerated storage, inspection yards, cross-docking facilities, separate space for passengers and cargo, and IT systems including those enabling e-guarantee, (b) Construct or renovate the building and provide the facilities that are required based on the evaluation, including "no-man's zone" for joint processing, (c) Implement joint border processing using lessons from the KGZ-KAZ or PRC-MON experiences, i.e., obtain agreement on cooperative or joint processing detailing responsibilities and reporting system including oversight arrangement, introduce procedures, establish harmonized forms or mutual recognition of documents, data exchange and common database on goods and vehicles. The following border posts are suggested for upgrade and joint processing: (i) **Corridor 2 A**: (a) UZB/KAZ: BeyneuKAZ/ Karakalpakya UZB, (b) UZB/KGZ: AndijanUZB/ KaraSuu KGZ , (c) TAJ/UZB: KanibadamTAJ/ KokandUZB, (d) TAJ/UZB: KhujandTAJ/ KhavastUZB, and (e) KGZ/XUAR: IrkeshtanKGZ/ UlukeqiatiXUAR: (ii) **Corridor 1B**: (a) KAZ: OrenburgRUS/ IletskKAZ, and (b) KAZ/XUAR: KhorgosKAZ/ HuochengXUAR; (iii) **Corridor 3B:** (a) KAZ: RUbtsovskRUS/ BelagashKAZ, (b) KGZ: Chaldovar, (c) TAJ/KGZ: KushatTAJ/ KaramikKGZ, (d) TAJ/UZB: TursunzadeTAJ/ ShargunUZB, (e) UZB/AFG: TermezUZB/ HairatanAFG, and (f) AFG: Islam Qila; (iv) **Corridor 4B:** MON: Sukhbaatar; **Corridor 5**: (a) AFG/TAJ: SherkhanAFG/ Nizhni PiandjTAJ, (b) TAJ/KGZ: KusharTAJ/ KaramikKGZ; and (c) KGZ/XUAR: IrkeshtanKGZ/ UlukeqiatiXUAR; and (v) **Corridor 6C:** (a) KAZ: OrenburgRUS/ IletskKAZ; (b) KAZ/UZB: SaryagashKAZ/ ChukursayUZB; (c) UZB/TAJ: KhavastUZB/ IstaravshanTAJ; (d) TAJ/AFG: Nizhni PiandjTAJ/ SherkhanAFG; and (e) AFG: Torkham. In addition, evaluate the potential for the TAJ/PRC border at Kulma Pass to be developed into a joint duty free zone and formal channel for trade (including barter) by residents, given PRC's large market and economic influence that can play a significant role in TAJ development. The example is the PRC/KAZ border town of Horgos where a retail center, exhibition complex and entertainment facilities are being constructed. Incentives and amenities would encourage traders and visitors, in turn needing logistics services.
8. Estimated Cost: $200 million (preliminary estimate)
9. Financing Plan and Arrangements:
10. Proposed Implementation Schedule: 2009-2017
11. Executing Agencies: Customs administrations
12. Estimated Benefits and Beneficiaries: Transporters and traders will benefit from faster processing of goods and vehicles
13. Social and Environmental Issues: To be determined, although no major conflicts are foreseen at this time.
14. Priority of Project: High
15. Project Status: Proposed
16. Follow up Actions Required: Secure funding.
17. Issues/Constraints: Delays in obtaining legal authority for joint control

REG IP 4: Trade and Industrial Logistics Centers with an Information Exchange System
Country: Regional
CAREC Corridor: All

1. Project Name: Trade and Industrial Logistics Centers with an Information Exchange System

2. Type of Project: Investment

3. Project Location: Region

4. Sector/Subsector: Transport and Trade

5. Background and Rationale: Many countries have existing terminals, markets, or storage centers that function as informal contact points for small transport operators and clients and are basic setups with no automation and value-added services. There are also a number of dry ports or inland container depots which however lack the equipment and facilities for the full operation of trade logistics operators. Generally there is a lack of consolidation and distribution nodes in the trade logistics system, no systematic allocation of cargo movement, no central modern facility for shared services. These show the importance of service centers for transport, storage, distribution, or information services, consolidation of small operators, or even transshipment.

Equally important as transport/distribution logistics are manufacturing logistics to ensure the demand for transport services that is otherwise limited by the small local market. There is a need to increase the value of local products by enhancing their export competitiveness and to add value to transit trade goods such as raw materials from abroad that pass through and are destined for another country. A higher value added to weight ratio effectively reduces the cost of transport relative to the total value of the product thereby lessening the impact of distance to the markets.

Existing centers (terminals, warehouses, inland container depots) need to be equipped to enable value added activities in both trade and manufacturing logistics, especially those that have historically evolved because of their strategic location, and developed along with special economic zones to accommodate local production and processing of locally produced goods that would stimulate their growth. Centralizing the facilities will allow for economies of scale and sharing of expenses by small operators. Where railways can provide dedicated container service, this will augment a particular corridor's advantage and attractiveness as transporters will be drawn by the shorter distance, the ease of cargo transfer and reliability of the dedicated service. Facilities and equipment specific to certain important industries must also be developed, e.g. refrigerated capacity for both storage and transport of fruit and vegetable, meat, or dairy reduces landlocked constraints aside from enhancing their tradeability; local industries must be encouraged through policy and technical support. Handling equipment to unstuff and stuff cargo efficiently will allow rail or road services to function on faster turnaround time.

Logistics centers must thus be developed in response to these and other needs such as consolidation points for products from locations that fall outside the corridor, and number of interconnected modes. Services could include dispatching with an associated website, delivery tracking, cross-docking or intermodal facilities, cargo consolidation for goods in transit, rental and sale of used trucks, or online application for permits, e-declaration and e-payment.

There must also be established a Logistics Information Exchange to match supply and demand for logistics services and provide basic capacity and vehicle availability information over the internet or displaying the information on available truck space. With instantaneous updates, cargo owners may locate the suitable truckers and reduce their search time for loads. With the assurance of a return, the unit costs of transporting goods back and forth will fall.

A logistics centre will normally contain (1) a storage facility such as a warehouse, or high-tech distribution center in some cases, and use conventional racking, bulk storage, or automated storage systems; (2) a container depot/handling terminal for managing

incoming and outgoing containers; (3) a Customs office located at the warehouse although in countries like Hong Kong and Singapore, freight agents use the single electronic window to declare goods and apply for trade permits online hence no Customs officers are located in their warehouses; (4) special facilities such as a cold centre for storing temperature-sensitive products; (5) amenities e.g. hotels for drivers to stay over night. Either Tier 1 or 2 logistics centers are equipped with these.
Tier 1 and Tier 2 differ only in the size and scope of services since these depend on the volume of trade and transit cargo. The differentiation is meant only to highlight which locations need more investment and upgrading emphasis. Tier 1 will have a regional focus while Tier 2 would have a local focus. A Tier 2 warehouse in one location could even be larger than a Tier 1 warehouse in another, since the locations' relative importance will vary.

To develop the logistics sector, it is proposed that (a) government stabilize the market by granting new licenses selectively, in order to reduce excessive competition and stabilize market pricing, (b) rank companies on management capabilities and operational expertise, (c) encourage mergers and acquisition so that local operators can reach a critical size, (d) attract other related players such as distribution center operators, haulers, terminal operators, packaging specialists, insurance companies, law firms, logistics software developers, supply chain consultancy firms, etc.

6. Objectives: To provide trade and manufacturing logistics services to traders and producers that are easily accessible and will facilitate business transactions.

7. Scope: (a) Study market demand to establish the short, medium, and long term needs for facilities and equipment in relation to the existing logistics facilities, including determination of proper location, (b) Evaluate current plans for the construction of logistics centers or other similar proposals

- Planned logistics centers are at Sary-Tash and At- Bashi in KGZ for Customs clearance and reloading of cargo with cross-docking facility and service facility for road carriers, as well as railways stations with potential to become multimodal centers, e.g. Alamedin, Balykchy, Osh, Kara-Suu, or Jalal-Abad stations in KGZ.
- At Inner Mongolia Autonomous Region of PRC: (a) Ganqimaodao Port – construct office building and facilities for inspection, communications, electronic instruments ($531,645), (c) Ceke Port – construct warehouse center of 24,000 square meters ($5 million), (d) Erenhot Port – improve facilities at public bonded warehouse and build coal store yard, (e) Jining – enlarge railway terminal and add facilities and equipment for logistics hub with rail and road access, (f) Baotou BTICT – crane and hoist for rail transport and container scanning, (g) Linhe –distribution center and warehouse for fruit and vegetables, (h) Erenhot dry port – common facility for approval of animal products from MON
- At Tajikistan: (a) Dushanbe, and Khuzhand or Khorog for wholesale or trade center, with visa, Customs, and freight handling capacity, (b) Karamik – x-ray machines, (c) Ayvad, Pahtaabad, Pendzhekent, Chanaki Fotehabod, Batken, Kizil-Art Pass – storage facilities
- At Xinjiang Uygur Autonomous Region of PRC: (a) Horgos – container terminal, (b) Turgat – transport network and logistics facilities, (c) Urumqi – storage warehouses

(c) Develop a list of priorities for upgrading facilities based on requirements of trade and manufacturing logistics service providers and users, and write a business plan for them,
(c) Advise stakeholders on best logistics practice in mining, agriculture, processed products, and other industries, e.g., financial, technology, and distribution
(d) Assist in sourcing financial assistance, favorable loan and tax concessions to address the high investment requirements and expensive financing.
(e) Design and construct Tier 1 and Tier 2 Logistics Centers in these suggested locations along the following corridors. The choice was based on an assessment of locational characteristics such as production and trade value, population, area,

accessibility, major economic activities, etc. Tier 1 are main hubs while Tier 2 are supporting nodes.

Corridor	Tier 1 Logistics Center	Tier 2 Logistics Center
1	Urumqi, Korgas, Kashgar	Akasu, San San, Korla
2	Baku	Aktau
3	Almaty, Astana	Semey
4	Ulaan Baatar	Zamyn-Uud, Altanbulag
5	Dushanbe	
6	Tashkent	Navoi, Termez

Given the availability of land in CAREC countries, the general specifications of the centers will be (1) single level, (2) no ramp, (3) accommodate a Customs office, (4) parking lots for inbound and outbound trucks, (5) amenities like canteen, hotel and retail stores for drivers. Storage and distribution capacity for perishable products will be important.

8. Estimated Cost: $150 million (preliminary estimate): $10 million per logistics center, $3 million for warehouse, or handling and inspection equipment or upgrade of financial system

9. Financing Plan and Arrangements:

10. Proposed Implementation Schedule: 2011-2014

11. Executing Agencies: Ministries of Transport, Trade, Customs

12. Estimated Benefits and Beneficiaries: Seamless services would move goods from primary, secondary and tertiary industries or from farms to processors, increasing economic activity and productivity.

13. Social and Environmental Issues: Environmental and social assessments will be conducted as necessary.

14. Priority of Project: Medium

15. Project Status: Proposed

16. Follow up Actions Required: Secure funding and commitments.

17. Issues/Constraints: To be determined.

REG IP5: Customs Modernization and Infrastructure Development II
COUNTRIES: KYRGYZ REPUBLIC AND TAJIKISTAN
CAREC CORRIDOR: other

1. Project Name: Customs Modernization and Infrastructure Development I
2. Type of Project: Investment project
3. Project Location. Kyrgyz Republic and Tajikistan
4. Sector/Subsector: Trade facilitation
5. Background and Rationale: The Kyrgyz Republic and Tajikistan do not have adequate information and communication technology infrastructure to support automated customs services. The border-post conditions are poor.
6. Objectives: To finance customs modernization and infrastructure development
7. Scope: To develop (i) a unified automated information system (UAIS) and (ii) customs border-post infrastructure.
8. Estimated Cost: $22.8 million
9. Financing Plan and Arrangements: $18.2 million was financed by ADB, $1.9 million by the Kyrgyz Government, and $2.7 million by the Tajik Government.
10. Implementation Schedule: 2004-2009
11. Executing Agencies: Ministry of Finance for Kyrgyz Republic and Ministry of State Revenues and Duties for Tajikistan
12. Estimated Benefits and Beneficiaries: Economic benefits from trade expansion, employment generation, and efficiency gains from reduced transaction costs and waiting times at border crossings and inland clearance points.
13. Social and Environmental Issues: Unlikely to have any issues.
14. Priority of Project: High
15. Project Status: Ongoing. Phase II is being processed with ADB financing of $35 million for approval in 2009.
16. Follow up Actions Required: Monitor project implementation.
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

TECHNICAL ASSISTANCE PROJECTS

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27	REG TA 1: Collaborative Regional Operations and Maintenance of Corridors
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61	REG TA 35: Common CAREC Approach to Road Vehicle Emission Standards
62	REG TA 36: Regional Road Corridor Safety Auditing
63	REG TA 37: Training of CAREC Experts in Aviation Safety Oversight to ICAO Standards
64	REG TA 38: Developing Inter-country Bus Services
65	REG TA 39: Facilitating Border Crossing for Drivers, Traders, and Migrant Workers

[a] Ongoing projects.
[b] Includes traffic assessment forecast and economic assessment of the PRC–KGZ–UZB railway.
Source: CAREC Transport Sector Coordinating Committee Secretariat and Customs Cooperation Committee Secretariat.

AFG TA1: Preparing the Road Network III
COUNTRY: AFGHANISTAN
CAREC CORRIDOR 3-B, 5, 6-A, B, C

1. Project Name: Preparing the Road Network III
2. Type of Project: Project Preparatory TA, Road Planning
3. Project Location: Afghanistan
4. Sector/Subsector: Road
5. Background and Rationale: Afghanistan is landlocked and relies mainly on its road network for passenger and freight transport. Thus, the Government has given the top priority to rehabilitation of the regional roads, which link Afghanistan's major cities to one another and to the neighboring countries. The impact of the proposed TA will be improved transport along CAREC corridors and/or feeder roads to the corridors by preparing a regional road transport project.
6. Objectives: The main objective is to assist the Government in preparing a regional road project suitable for external financing to further improve the regional road transport system.
7. Scope: The TA will prepare a feasibility study for a regional road project.
8. Estimated Cost: $1 million
9. Financing Plan and Arrangements: ADB grant
10. Implementation Schedule: 2008
11. Executing Agencies: Ministry of Public Works (MPW)
12. Estimated Benefits and Beneficiaries: The main benefits of the ensuing Project will be improved regional trade and economic opportunities through reduction in vehicle operating costs and travel times.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: ongoing
16. Follow up Actions Required:
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

AFG TA 2: Salang Tunnel Expansion Feasibility Study
COUNTRY: AFGHANISTAN
CAREC CORRIDOR: 5, 6-C

1. Project Name: Salang Tunnel Expansion Feasibility Study
2. Type of Project: Project Preparatory
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: Afghanistan is landlocked country which relies on its road network for passenger and freight transport. The highest priority has been given to the improvement of the regional roads to a paved, two lane standards by 2009. However, traffic has been increasing and is forecast to increase further especially in the transport corridors going from Central Asia through Afghanistan to Pakistan and India. One of the choke points in this transport corridor is the Salang Tunnel north of Kabul. The Master Plan for the Road Network Improvement Project forecast the heaviest traffic in Afghanistan for the year 2015 apart from the roads immediately adjacent to Kabul and stretches of the Kabul-Torkham road going to the Pakistan border would be on the road passing through the Salang tunnel. Certainly the capacity of the tunnel would be reached in this period. The impact of the proposed TA will be improved transport along CAREC Corridor 5 and 6c by preparing the best capacity enhancement option for the Salang tunnel.
6. Objectives: The main objective is to assist the Government in preparing a project suitable for external financing to improve the capacity the Salang tunnel along CAREC Corridor 5 and 6c.
7. Scope: TA will analyze the current and future status of the Salang Tunnel including options for dealing with the capacity issue and social and environmental due diligence; and will prepare a feasibility study report.
8. Estimated Cost: $2 million
9. Financing Plan and Arrangements: Russian Federation
10. Implementation Schedule: 2011
11. Executing Agencies: Ministry of Public Works (MPW)
12. Estimated Benefits and Beneficiaries: The main benefits of the ensuing Project will be improved regional trade and economic opportunities through reduction in transport costs and travel times.
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed by the Government for financing by Russian Federation
16. Follow up Actions Required:
17. Issues/Constraints: Main issue is options for the tunnel, including expansion and/or optimal use of the existing tunnel, twinning of the tunnel, improvement of the road around the mountain from Doshi on the ring road to Bamian (west of Kabul) back to the ring road (south of Kabul).
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

AFG TA 3: Kabul–Jalalabad Road Feasibility Study
COUNTRY: AFGHANISTAN
CAREC CORRIDOR: 5, 6-C

1. Project Name: Kabul to Jalalabad Road Feasibility Study
2. Type of Project: Planning
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: Afghanistan is landlocked country that relies on its road network to transport goods and people. As such, the Government targets the regional roads to bring them up to a two lane paved standard. The regional roads consist of the ring road which connects Afghanistan's major cities (Kabul, Kandahar, Herat, Mazare-e-Sharif, and Kunduz) and the connecting links to the border of Pakistan, Tajikistan, Uzbekistan, Turkmenistan and Iran. Parts of the ring road and some of the connecting links are integral sections of transport corridors going through Central Asia on their way to Europe, PRC, the Arabian Sea and the Indian subcontinent. One of the connecting links runs from the ring road in Kabul to the Pakistan border at Torkham and then to Peshawar. This link carries a considerable amount of traffic and the forecast is that by 2015, the AADT will exceed 13,000 trucks (it was designed for 2,000 tucks/day). In this context, the proposal to four lane sections of this road has been put forward. Specifically, the Kabul to Jalalabad section has been proposed for upgrading to a four lane paved standard.
6. Objectives: The main objective is to assist the Government in preparing a project suitable for external financing to enhance the capacity of the Jalalabad-Kabul section of CAREC Corridor 5 and 6c. The TA will review the feasibility of four laning of the Kabul-Jalalabad road.
7. Scope: The TA will review the feasibility of four laning the 156 km of the Jalalabad-Kabul road section, covering all relevant technical, economic, social and environmental due diligence. Any alternative options to four laning as a way to increase capacity will also be covered.
8. Estimated Cost: $0.80 million for the TA. The total cost of the four laning option is roughly estimated at $50 million.
9. Financing Plan and Arrangements: Government financing.
10. Implementation Schedule: 2008
11. Executing Agencies: Ministry of Public Works (MPW)
12. Estimated Benefits and Beneficiaries: The main benefits of the ensuing Project will be improved regional trade and economic opportunities through reduction in transport costs and travel times.
13. Social and Environmental Issues: Appropriate social and environmental due diligence is needed.
14. Priority of Project: High
15. Project Status: Ongoing.
16. Follow up Actions Required: Development of terms of references (TOR)
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

AFG TA4: Transport Sector Planning (all modes)
COUNTRY: AFGHANISTAN
CAREC CORRIDOR: OTHER

1. Project Name: Transport Sector Planning (all modes)
2. Type of Project: Planning
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: Afghanistan is landlocked country that relies primarily on its road network. It has a few airports and there are a few railway projects being considered by the Government. The transport system is challenged by the mountainous terrain the severe climate, causing high costs for the construction and maintenance of transport infrastructure. It is also challenged by the dispersed population. Road networks are either absent or in poor condition in some rural areas. The road network of Afghanistan consists of 3,300 km of regional highways, 4,900 km of national highways, 9,700 km of provincial roads and 17,000 km of rural roads. The 3,300 km of urban roads are mostly in Kabul and a few major cities. Afghanistan has an extensive regional highway network, which connects the major cities within the country and links the country to neighboring countries such as Pakistan, Tajikistan, Uzbekistan, Turkmenistan, and Iran. The improvements to the regional roads will lead to an increase in regional trade with Central Asia, PRC, Europe, Russian Federation, the Middle East and the Indian subcontinent. On some segments of the regional roads, the current traffic is very heavy, requiring widening, and it is forecast to further increase. Facing ongoing globalization, the transport sector needs to further improve its efficiency in order to support the economic development of the country effectively. Thus, an overall transport sector strategy/plan is urgently needed.
6. Objectives: The main objective is to assist the Government in preparing a new transport sector development strategy/plan, which includes priority investment projects and technical assistance.
7. Scope: The TA will review the overall transport sector needs and will develop strategies including investment and TA needs.
8. Estimated Cost: $1.0 million
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2011
11. Executing Agencies: Ministry of Public Works (MPW) with input from the relevant agencies and ministries such as Ministry of Transport (MOT), Ministry of Rehabilitation and Rural Development (MRRD), Ministry of Finance (MOF/Customs) and Ministry of Health (MOH).
12. Estimated Benefits and Beneficiaries:
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed by the Government
16. Follow up Actions Required: Development of terms of references (TOR)
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

AFG TA5: Rail Feasibility Study (Shntikh–Herat)
COUNTRY: AFGHANISTAN
CAREC CORRIDOR 3-B, 6-A, B

1. Project Name: Rail Feasibility Study (Shntikh–Herat)
2. Type of Project: Planning
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: At present, Afghanistan does not have any rail transport capacity. This is disadvantageous to the country, since rail transport is more cost effective than road transport over medium and long-haul distances, especially for bulk commodities. In addition, Afghanistan has significant mineral, industrial and agricultural potential,[1] which requires reliable and cost-effective transport so that these sectors could be competitive in regional and international markets. Rail access, from Afghanistan to warm water ports would certainly be an advantage to the country.
6. Objectives: The main objective is to assist the Government in preparing a railway project suitable for external financing.
7. Scope: TA will prepare a feasibility study, covering all due diligence requirements for the railway project. The ensuing Project would involve building a 125 km rail line from Shntikh (Iran) to Herat (Afghanistan).
8. Estimated Cost: $0.6 million for the TA. The total cost of the ensuing Project could amount to $80 million.
9. Financing Plan and Arrangements: Financing by Iran.
10. Implementation Schedule: 2008-2009
11. Executing Agencies: Ministry of Public Works (MPW)
12. Estimated Benefits and Beneficiaries: transport costs would be reduced if freight could be hauled by rail between Bandar-Abbas and Herat, currently the route for the majority of Afghanistan's freight via road.
13. Social and Environmental Issues: Since the Project envisages new construction, appropriate social and environmental due diligence is needed.
14. Priority of Project: High
15. Project Status: Ongoing to 2009
16. Follow up Actions Required:
17. Issues/Constraints: The major issues include traffic; construction costs; security; financing; financial and economic viability; railway management and operation; different gauges used by the neighboring countries;[2] and tariff agreement with the Iranian railways.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

[1] Afghanistan's potential in mineral products (non-ferrous metals, and construction materials) is being reviewed by a few development partners.
[2] Iran (standard gauge), Uzbekistan (Russian gauge), and Pakistan (broad gauge).

AFG TA 6: Rail Feasibility Study
(Hairatan–Mazare-e-Sharif–Herat and Shirkhan Bandar–Kunduz–Naibabad)
COUNTRY: AFGHANISTAN
CAREC CORRIDOR 3-B, 6-A,B

1. Project Name: Rail Feasibility Study (Hairatan–Mazare-e-Sharif–Herat and Shirkhan Bandar–Kunduz–Naibabad)
2. Type of Project: Planning
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: At present, Afghanistan does not have any rail transport capacity. This is disadvantageous to the country, since rail transport is more cost effective than road transport over medium and long-haul distances, especially for bulk commodities. In addition, Afghanistan has significant mineral, industrial and agricultural potential,[3] which requires reliable and cost-effective transport so that these sectors could be competitive in regional and international markets. Rail access, from Afghanistan to warm water ports would certainly be an advantage to the country.
6. Objectives: The main objective is to assist the Government in preparing a railway project suitable for external financing.
7. Scope: TA will prepare a feasibility study, covering all due diligence requirements for a railway links: (i) Hairatan through Mazare-e-Sharif to Herat and (ii) Shirkhan Bandar through Kunduz to Naibabad, including extensions between (i) Torghundi and Herat and (ii) Herat and Islam Qila.
8. Estimated Cost: $1 million.
9. Financing Plan and Arrangements: ADB has agreed to consider financing the proposed TA project.
10. Implementation Schedule: 2009-2010
11. Executing Agencies: Ministry of Public Works (MPW)
12. Estimated Benefits and Beneficiaries: The main benefit will be enhanced economic opportunities through establishment of an efficient bulk transport system.
13. Social and Environmental Issues: Since the Project envisages new construction, appropriate social and environmental due diligence is needed.
14. Priority of Project: High.
15. Project Status: Proposed by the Government.
16. Follow up Actions Required: Preparation of terms of reference
17. Issues/Constraints: The major issues include traffic; construction costs; security; financing; financial and economic viability; railway management and operation; different gauges used by the neighboring countries;[4] and tariff agreement with the Iranian railways.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

[3] Afghanistan's potential in mineral products (non-ferrous metals, and construction materials) is being reviewed by a few development partners.
[4] Iran (standard gauge), Uzbekistan (Russian gauge), and Pakistan (broad gauge).

AFG TA7: Railway Feasibility Study (Hairatan–Naibabad–Kabul–Torkham)
COUNTRY: AFGHANISTAN
CAREC CORRIDOR 5, 6-C

1. Project Name: Railway Feasibility Study (Hairatan–Naibabad–Kabul–Torkham)
2. Type of Project: Planning
3. Project Location: Afghanistan
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: At present, Afghanistan does not have any rail transport capacity. This is disadvantageous to the country, since rail transport is more cost effective than road transport over medium and long-haul distances, especially for bulk commodities. In addition, Afghanistan has significant mineral, industrial and agricultural potential,[5] which requires reliable and cost-effective transport so that these sectors could be competitive in regional and international markets. Rail access, from Afghanistan to warm water ports would certainly be an advantage to the country.
6. Objectives: The main objective is to assist the Government in preparing a railway project suitable for external financing.
7. Scope: TA will prepare a feasibility study, covering all due diligence requirements for a rail line from Hairatan through Naibabad and Kabul to Torkham (totaling 666 km), connecting Uzbekistan, Afghanistan and Pakistan.
8. Estimated Cost: $600,000.
9. Financing Plan and Arrangements: Chinese copper concessionaire will finance this.
10. Implementation Schedule: 2010.
11. Executing Agencies: Ministry of Public Works (MPW).
12. Estimated Benefits and Beneficiaries: The main benefit will be enhanced economic opportunities through establishment of an efficient bulk transport system.
13. Social and Environmental Issues: Since the Project envisages new construction, appropriate social and environmental due diligence is needed.
14. Priority of Project: High.
15. Project Status: Planned by the Government and the concession agreement was signed in May 2008.
16. Follow up Actions Required: Preparation of terms of reference
17. Issues/Constraints: The major issues include traffic; construction costs; security; financing; financial and economic viability; railway management and operation; different gauges used by the neighboring countries;[6] and tariff agreement with the Iranian railways.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

[5] Afghanistan's potential in mineral products (non-ferrous metals, and construction materials) is being reviewed by a few development partners.
[6] Iran (standard gauge), Uzbekistan (Russian gauge), and Pakistan (broad gauge).

AZE TA1: Road Maintenance–Institutional Development, Capacity Building, and Financing
COUNTRY: AZERBAIJAN
CAREC CORRIDOR 2

1. Project Name: Road Maintenance Project
2. Type of Project: Institutional development, capacity building and Financing.
3. Project Location: Azerbaijan
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: Most of the road network suffers from insufficient and inadequate road maintenance. Azerbaijan needs to upgrade its road maintenance program with respect to technology and management, developing sustainable funding sources and improving the skill of staff through training.
6. Objectives: The main objective is to assist the Government in preparing an improved and sustainable road maintenance system that will enable private sector participation.
7. Scope: TA will support institutional changes and capacity building of staff responsible for road maintenance work in order to implement and manage a cost-effective road maintenance system.
8. Estimated Cost: $600,000-800,000
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2010
11. Executing Agencies: ”Azerroadservice” OJSC
12. Estimated Benefits and Beneficiaries: The main benefits of the ensuing Project will be improved regional trade and economic opportunities through efficient and cost-effective road maintenance.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Proposed by the Government
16. Follow up Actions Required: Develop terms of reference.
17. Issues/Constraints:
18. PPP/PSP Opportunities: Maintenance operations

AZE TA2: Feasibility Study for New Alyat Port
COUNTRY: AZERBAIJAN
CAREC CORRIDOR 2

1. Project Name: Feasibility Study for the Establishment of a New Major International Port Near Alyat
2. Type of Project: Feasibility study.
3. Project Location: Azerbaijan
4. Sector/Subsector: Transport/Ports
5. Background and Rationale: A $ 44 million upgrading project (including $ 30 million from an EBRD loan) was completed at Baku Port in 2004. However, since Baku Port is located within the capital city, it has limited room for expansion. In the future, some (or all) operations may have to move to a new location away from the city in order to accommodate increased traffic. The Government has identified Alyat as the new location. It has a railway and highway connection as well as a pipeline connection and is considered to be an ideal location for logistics services and intermodal transportation. A Korean firm has prepared a proposed schematic layout for an international port at Alyat and it expressed its interest in building the new port. No feasibility study has been conducted yet.
6. Objectives: The main objective is to assist the Government in preparing a project, together with multi-modal logistic facilities at Alyat, suitable for external financing.
7. Scope: TA will prepare a feasibility study, covering all due diligence requirements for the Project.
8. Estimated Cost: $1 million
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2010
11. Executing Agencies: Baku Port Authority/Maritime Department
12. Estimated Benefits and Beneficiaries: The main benefits of the ensuing Project will be improved regional trade and economic opportunities by reducing congestion at Baku port facilities. Vacated Baku port facilities could be turned over to the private sector for residential and commercial development.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Considered by the Government
16. Follow up Actions Required: Government decision to confirm interest in developing the port project.
17. Issues/Constraints:
18. PPP/PSP Opportunities: Port operations.

PRC TA1: Logistics Development and Capacity Building in Xinjiang Uygur Autonomous Region (XUAR)
Country: PRC
CAREC CORRIDORS 1 AND 4

1. Project Name: Logistics Development and Capacity Building in Xinjiang Uygur Autonomous Region (XUAR)
2. Type of Project: Trade Facilitation/Logistics
3. Project Location: Xinjiang Uygur Autonomous Region
4. Sector/Subsector: Transport/Logistics
5. Background and Rationale: The Government of the People's Republic of China (PRC) requested technical assistance (TA) from the Asian Development Bank (ADB) for trade logistics development and capacity building in Xinjiang Uygur Autonomous Region (XUAR). XUAR's logistics industry faces a number of challenges in both physical and institutional infrastructure, and has become a bottleneck for XUAR's international trade and economic development. XUAR's logistics industry demonstrates the following weaknesses: (i) lack of third party logistics; (ii) lack of logistics platform and poor technological and management standards; (iii) lack of effective policy and administrative framework; and (iv) lack of well-trained professionals. The PRC Government recognized that logistics industry development is key for upgrading its industries from "resources intensive" to "resources efficient" industries. Logistics industry development has been included for the first time in the 11th Five-Year Plan (2006–2010). The National Development and Reform Commission (NDRC) and the China Association of Materials Procurement and Logistics are developing a logistics sector strategy for the 11th Five-Year plan. A joint committee on logistics development has been set up, comprising 13 government ministries and agencies with a secretary located at NDRC. XUAR local government has also considered the development of logistics centers as one of its top development priorities.
6. Objectives: The outcome will: (i) facilitate trade and the movement of cargo; (ii) promote the growth of the logistics industry; (iii) enhance supply chain visibility, security and resilience; (iv) improve supply chain management; and (v) improve the capability of transport and logistics industry in adopting modern logistics management concepts and technology.
7. Scope: TA will assist in the logistics development and capacity building in XUAR through achieving the following project goals: • Prepare a strategy to develop the logistics industry in XUAR; • A master plan to implement the strategy; and • A preliminary list of investments to support the strategy
8. Estimated Cost: $600,000
9. Financing Plan and Arrangements: $175,000 from PRC government and ADB $425,000. TA is piggy-backed to ADB Loan No. 2393: Xinjiang Regional Road Improvement Project, approved in April 2008.
10. Implementation Schedule: 2008
11. Executing Agencies: XUAR Development and Reform Commission
12. Estimated Benefits and Beneficiaries: The development of XUAR logistic industry in facilitating domestic and international trade.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: On going
16. Follow up Actions Required: Implementation of recommendations
17. Issues/Constraints:

PRC TA2: Regional Customs Cooperation
(Joint Control and One Stop Inspection)
COUNTRY: PRC
CAREC CORRIDORS 1-A, 1-B, 4

1. Project Name: Regional Customs Cooperation – Joint Control and One Stop Inspection

2. Type of Project: Regional Customs Cooperation

3. Project Location: At experimental border crossing point where joint control and single-stop inspection can be tested in collaboration with Mongolian Customs and Kazakh Customs

4. Sector/Subsector: Customs

5. Background and Rationale:

Among CAREC countries, Kazakhstan and Mongolia share the longest border with PRC. Most of PRC's trades with CAREC member countries and with Europe and Russian Federation are conducted through Corridor 1, which passes through Kazakhstan and through Corridor 4, which passes through Mongolia.

Customs cooperation, simplification of Customs procedures and acceleration of Customs clearance will give trade and transport facilitation a strong lift.

6. Objectives:

- Simplify customs procedures
- Cut down clearance time
- Reduce burden on importers and exporters
- Minimize logistics cost
- Facilitate trade and transport
- Increase the competitiveness of CAREC members
- Connect CAREC members to the global supply chain

7. Scope: Joint customs control and single stop inspection will be limited to specific BCP selected for experimentation

8. Estimated Cost: $400,000

9. Financing Plan and Arrangements: To be determined

10. Implementation Schedule: 2009

11. Executing Agencies: PRC, Kazakhstan and Mongolian Customs

12. Estimated Benefits and Beneficiaries:

The beneficiaries will include all CAREC members.
Benefits include:

- Faster and more reliable customs clearance
- Lower clearance cost and overall logistics cost
- Reduced burden on importers and exporters
- Higher trade among the CAREC members
- Stronger competitiveness of CAREC members
- Better standard of living for CAREC member country citizens through improved trade and business opportunities

13. Social and Environmental Issues:

14. Priority of Project: High

15. Project Status: Actively under plan

16. Follow up Actions Required: Financing

17. Issues/Constraints:

KAZ TA1: Transport Services Sector Study
COUNTRY: KAZAKHSTAN
CAREC CORRIDOR: 1, 2-A, 3, 6

1. Project Name: Transport Services Sector Study
2. Type of Project: Technical Assistance
3. Project Location: KAZ
4. Sector/Subsector: Transport
5. Background and Rationale: Transport services in KAZ are provided by local and international companies that own their delivery fleet and prefer road transport over rail due to its greater flexibility and reliability for distances within 1,000 kilometers. There are about 200 members of the Kazakhstan Association of Transport Operators, providing export and import services, brokerage, integrated logistics, or even insurance and sourcing. The Government approved a Transport Sector Development Strategy (the Strategy) to improve the transport system and form an optimum transport network. Kazakhstan's' economic and geographic features (vast territory, landlocked though central location, low population density and uneven spatial distribution of population and natural resources) make the country freight-intensive and highly dependent on transport, with high transport use per capita. The share of transport costs in cost of goods is 8% for rail and 11% for road compared to 4.5% in developed countries, indicating high transport burden. The sector made important progress in the mid 1990s, with privatization and competition introduced. However policies have been unstable and senior staff has frequently changed, so that strategies have not been fully implemented. Some inefficiencies thus remain and the sector is less able to serve the needs of the economy and population. The asset base is of uneven quality, lacks maintenance or replacement or upgrading hence there are capacity shortages or inefficiencies. There are gaps in regulations and enforcement that makes private sector development difficult and increased costs. Institutions need stability and strengthening while procedures must adapt to a market economy. Policies should promote efficient use of resources e.g. fares must reflect actual costs, taxes must cover cost of maintenance. The Strategy aims to promote private sector participation in the sector, as virtually all transport services will be provided by them. Since competition among operators will help develop the private transport sector, it is useful to determine whether competitive conditions exist and if not, examine the factors contributing to a less than competitive environment.
6. Objectives: To help the Government examine the nature of business conditions for private transport operators and propose ways to foster a competitive environment.
7. Scope: The study will examine the nature of business conditions operating in Kazakhstan for transport service providers, pinpoint the reasons for a less than competitive environment, and recommend ways to encourage competitive conditions.
8. Estimated Cost: $100,000
9. Financing Plan and Arrangements: To be determined.
10. Proposed Implementation Schedule: 2011
11. Executing Agencies: Ministry of Transport and Communications
12. Estimated Benefits and Beneficiaries: Transport operators and consumers of goods carried by the operators.
13. Social and Environmental Issues: To be determined.
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: Secure funding and commitments.
17. Issues/Constraints:

KAZ TA2: Coordinator for CAREC
COUNTRY: KAZAKHSTAN
CAREC CORRIDOR: 1, 2-A, 3, 6

1. Project Name: National Coordinator for CAREC
2. Type of Project: Technical Assistance in Management of CAREC Activities
3. Project Location: Astana, Kazakhstan
4. Sector/Subsector: Regional Cooperation/Transport/Trade
5. Background and Rationale: The CAREC Program is being pursued through regional cooperation work in transport, trade, energy, and other key areas of mutual interest. A coordinating committee in each area consisting of member-government and multilateral institution representatives reviews progress and provides guidance on future work. At the national level, this requires continuous intensive discussions among the relevant government agencies, an exchange of ideas with other institutions, and the acquisition of technical information from experts. The Kazakhstan government has an interdepartmental committee for transit development with the Ministry of Transport and Communications as lead agency. In order to contribute effectively to regional cooperation work and in view of the integration of transport with trade facilitation into a single strategy, the Ministry expressed the need for a full-time National Coordinator to organize discussions, conceptualize agendas, coordinate activities, and most importantly, provide analytical background work which will be the basis for decisions on trade and transport matters. In addition, the Ministry requires expert assistance in drafting its Transit Development Action Plan for 2009-2011.
6. Objectives: To provide the Government with analytical assistance on transport and trade facilitation matters in pursuit of the CAREC Transport and Trade Facilitation Strategy and Action Plan and provide inputs into the national Transit Development Action Plan for 2009-2011. To provide organizational and coordination assistance to the interdepartmental committee for transit development.
7. Scope: Analyze transit, transport and trade facilitation issues for the committee, conceptualize requirements for transit development that are consistent with the CAREC Transport and Trade Facilitation Strategy, formulate agenda and organize meetings, conferences and seminars on transit development, and coordinate the activities of the committee members.
8. Estimated Cost: $100,000
9. Financing Plan and Arrangements: ADB/Others
10. Proposed Implementation Schedule: 2011-2012
11. Executing Agencies: Ministry of Transport and Communications
12. Estimated Benefits and Beneficiaries: Will facilitate decision-making and implementation of CAREC activities in Kazakhstan
13. Social and Environmental Issues: None are foreseen at this time.
14. Priority of Project: Urgent
15. Project Status: Proposed
16. Follow up Actions Required: Secure funding and commitments.
17. Issues/Constraints: Overlap with current Regional Coordinator's work, the legal basis for an inter-departmental committee, and mandate for lead agency on trade facilitation matters

MON TA1: Rehabilitation of Regional Airports
COUNTRY: MONGOLIA
CAREC CORRIDOR: 4

1. Project Name: Rehabilitation of Regional Airports
2. Type of Project: Feasibility Study
3. Project Location: Western Mongolia
4. Sector/Subsector: Transport/Airports
5. Background and Rationale: Mongolia is one of the lowest population density countries in the world (1.6 persons per square kilometer). The total population of just over 3 million is scattered over a vast territory where road infrastructures are limited or nonexistent. In this context, providing air services to medium sized isolated cities poorly served by the road network becomes a necessity.
6. Objectives: The main objective is to assist the Government in preparing a project suitable for external financing.
7. Scope: TA will prepare a feasibility study with all necessary due diligence for (i) Ullaangom, 1,138 km from Ulaanbaatar, population of 81,000 with more than 20,000 passengers per year; (ii) Altai, 855 km from Ulaanbaatar, population of 101,200 with more 15,000 passengers per year; and (iii) Ulaitai, 809 km from Ulaanbaatar, population of 80,700 with more than 9,000 passengers per year. The airports selected are in accordance with the Mongolia Civil Aviation Sector Policy Development Study and the Transport Sector Strategy 2006 – 2015.
8. Estimated Cost: $480,000
9. Financing Plan and Arrangements: TA financed by EBRD
10. Implementation Schedule: TA was awarded in 2007 and work is scheduled to be completed in 2008.
11. Executing Agencies: Department of Civil Aviation of the Ministry of Transport.
12. Estimated Benefits and Beneficiaries: New regional airport will facilitate access to social service, create jobs and bring economic opportunities.
13. Social and Environmental Issues: No major negative social and environmental impacts are expected though a full EIA will be conducted.
14. Priority of Project: High
15. Project Status: Ongoing
16. Follow Up Actions Required: Implementation after feasibility study.
17. Issues/Constraints: To be determined by the Feasibility Study.
18. PSP Opportunities: Airport operation concession

MON TA2: Ulaanbaatar Intermodal Logistics Park Feasibility Study
COUNTRY: MONGOLIA
CAREC CORRIDOR 4-B

1. Project Name: Ulaanbaatar Intermodal Logistics Park Feasibility Study
2. Type of Project: Creation of a new intermodal logistics park in proximity of the New Ulaanbaatar International Airport
3. Project Location: Mongolia – around 45 km from Ulaanbaatar City in Koshigiin Khondii, near Zuunmod City
4. Sector/Subsector: Transport/Trade Facilitation/Logistics
5. Background and Rationale: Mongolia's intermodal transportation sector is growing rapidly. More and more cargos are shipped to Ulaanbaatar in containers. Upon train arrival, cargo containers must be distributed to forwarders dispersed all around Ulaanbaatar city, causing congestion, delays and pollution. The existing container distribution scheme is inefficient, costly and time consuming – adversely impacting not just the Mongolian Railway (MTZ), but also forwarders and cargo owners. There will be many advantages to creating a modern intermodal logistics park to be used by forwarders, motor carriers, warehousing companies, distributors, wholesalers and processing industries including packaging. This will enable MTZ to deliver containers to or pick up containers from Ulaanbaatar's forwarders in a single centralized location. Container delivery can potentially be done trackside by running a new rail line into the logistics park (most efficient) or by shuttling from existing rail terminal to a single common staging area within the park. Mongolian Customs will have an office inside the park for its officers to process documents, conduct container examination. The Ulaanbaatar Intermodal Logistics Park's close proximity to the New Ulaanbaatar International Airport will also facilitate aviation fuel delivery and enhance the forwarders' ability to provide air-linked intermodal logistics services.
6. Objectives: The main objective is to assist the Government in preparing a project suitable for external financing including the private sector.
7. Scope: TA will prepare a feasibility study on the Project including interviews with potential users (freight forwarders, motor carriers, MTZ, warehousing companies, wholesalers, distributors, processing companies, showroom operators, etc), real estate developers, shippers and receivers, UB Chamber of Commerce, government agencies (Ministry of Roads, Transport and Tourism - MRTT, Ministry of Finance, Customs General Administration, etc), other stakeholders (local government, transport and logistics trade associations, NGOs, multilateral organizations, etc).
8. Estimated Cost: US$850,000
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2010
11. Executing Agencies: MRTT could act as the EA
12. Estimated Benefits and Beneficiaries: It is expected that the feasibility study will confirm the following benefits: (i) improved efficiency of movement of cargo containers to/from Ulaanbaatar City, (ii) enhanced traffic safely, reduce pollution, traffic congestion around Ulaanbaatar, (iii) increase in Ulaanbaatar's ability to handle intermodal traffic growth, (iv) reduction in customs clearance time, (v) social and economic development of the area surrounding Koshigiin Khondii, (vi) decrease in the cost of aviation fuel delivery to New Ulaanbaatar Airport, and (vii) capability enhancement of air-road, rail-air, and rail-road intermodal movements
13. Social and Environmental Issues: Appropriate social and environmental due diligence is needed.
14. Priority of Project: High
15. Project Status: MRTT have expressed support for undertaking this study.
16. Follow Up Actions Required:
17. Issues/Constraints: To be determined by the Feasibility Study.
18. PSP Opportunities: Private investors in logistics and associated services.

MON TA3: Development Plan for Tsaganuur Free Trade Zone
COUNTRY: MONGOLIA
CAREC CORRIDOR 4-A

1. Project Name: Development Plan for Tsagaanur Free Trade Zone
2. Type of Project: Feasibility study
3. Project Location: The Tsagaanuur Free Trade Zone is located 68km away from Olgiy and about 1,720 km away from Ulaanbaatar. The Zone is on CAREC Corridor 4-a, about 32 km away from the Russian border and 250 km from the Chinese border.
4. Sector/Subsector: Trade Facilitation/Logistics
Background and Rationale: Since joining WTO in 1997, Mongolia has substantially liberalized its trade regime, applying low tariffs, no quantitative restrictions and no export subsidies. The Government has also undertaken a number of measures directed towards attracting FDI, refining and aligning trade laws with WTO rules and obligations. Mongolia's commitment to regional cooperation and integration has generated impressive trade growth with PRC and Russia and attracted substantial investment from PRC, Canada, US, Japan and Korea. The Tsagaanuur Free Trade Zone (FTZ) was established in November 2005 to accelerate the development of the western region of Mongolia. The FTZ is about 708.4 hectares in size and is on flat land covered with pebble and rocky soil. The Mongolian Law creating the Tsagaanuur FTZ allows goods to be brought into the Tsaganuur FTZ free of customs duty, value added tax and excise tax for manufacturing and processing. The Law also grants companies located in the FTZ special tax incentives, including tax exemptions and deductions. Since its establishment, economic development has been slow and measures are required to turn the FTZ into a success initiative and this is why a feasibility study is required
6. Objectives: The main objective is to assist the Government in preparing a project suitable for external financing including the private sector.
7. Scope: TA will prepare a feasibility study with EIA. The present situation at the Tsagaanuur Free Trade Zone will be reviewed.
8. Estimated Cost: US$ 300,000
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2010
11. Executing Agencies: Tsagaanuur Free Trade Zone Authority
12. Estimated Benefits and Beneficiaries: Feasibility will help to justify expansion of the Tsagaanuur FTZ. This expansion will provide new job opportunities. Its success would encourage the development of additional businesses such as restaurants, hotels and auto service stations and more importantly attract investors (foreign and local) in the manufacturing sector contributing to economic growth.
13. Social and Environmental Issues: Appropriate social and environmental due diligence is needed.
14. Priority of Project: High
15. Project Status: Proposed by the Government
16. Follow Up Actions Required: Identification of financing sources.
17. Issues/Constraints: Securing funding.
18. PSP Opportunities: Private investors in logistics and associated services.

MON TA4: Comprehensive Master Plan for Development of Zamyn-Uud
COUNTRY: MONGOLIA
CAREC CORRIDOR 4-B

1. Project Name: Comprehensive Master Plan for Development of Zamyn-Uud
2. Type of Project: Feasibility and planning study
3. Project Location: Zamyn Uud Sum, at the Mongolia/PRC Border
4. Sector/Subsector: Transport/Trade Facilitation/Logistics
5. Background and Rationale: Zamyn Uud Sum is on CAREC corridor 4-b. The average daily traffic passing through the Zamyn Uud Border road has surged to 300 trucks and 1,350 cars per day. In the last 3 years, passenger traffic has grown from 3,000/day in 2004 to 5,500/day in 2007, with some days reaching 7,000/day. This growth has placed tremendous strain on the existing infrastructure. Surge in rail and road traffic has already caused high congestion and bottlenecks. Future development of the Zamyn Uud Free Economic Zone will generate additional traffic from goods moving in and out of the zone. In addition, economic growth will attract population migration into Zamyn Uud Sum and will create even more strain on the existing infrastructure. Sustaining this growth requires a comprehensive master plan for the development of Zamyn Uud Sum – addressing the needs of the town of Zamyn Uud, MTZ, MRTT, Mongolian Customs, Border Control and the Zamyn Uud Free Economic Zone, as well as shippers, receivers, carriers, forwarders and customs brokers in a holistic manner, optimizing the benefits to all stakeholders.
6. Objectives: The main objective is to assist the Government in preparing a comprehensive development plan for the development of Zamyn Uud Sum suitable for external financing including the private sector.
7. Scope: TA will prepare a comprehensive development plan for the development of Zamyn Uud Sum, including (i) urban planning for town of Zamyn Uud to accommodate economic and population growth; (ii) rail infrastructure improvements, including capacity increase of Zamyn Uud station, addition of new rail routes; (iii) road infrastructure improvement, including adding lanes at the border truck staging area, increasing the number of lanes for customs cargo inspection, design and placement of feeder roads to and from Zamyn Uud town and Zamyn Uud Free Economic Zone; (iv) Customs and border control infrastructure improvement, including increase in the size and efficiency of border facilities; (v) application of smart transport technologies in managing traffic within Zamyn Uud Sum, with the intention to improve interface between Zamyn Uud BCP, Zamyn Uud Free Economic Zone and Zamyn Uud town; (vi) assessments of social, health and environmental impacts; and (vii) recommendations on specific industries that Zamyn Uud Free Economic Zone should target.
8. Estimated Cost: $700,000
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2009
11. Executing Agencies: To be determined
12. Estimated Benefits and Beneficiaries: The benefits of comprehensive master planning are sizable. In the absence of planning, congestion and bottlenecks can cost Mongolia significant monetary losses in higher transaction costs and reduced foreign trade. Proper planning not only prevents costly errors, but also supports pro-poor economic and social policies.
13. Social and Environmental Issues: Appropriate social and environmental due diligence is needed.
14. Priority of Project: High
15. Project Status: Proposed by the Government
16. Follow up Actions Required: approval and funding for the TA.
17. Issues/Constraints: securing funding.
18. PSP Opportunities: Private investors in logistics and associated services.

MON TA5: Regional Logistics Development
COUNTRY: MONGOLIA
CAREC CORRIDOR 4

1. Project Name: Regional Logistics Development
2. Type of Project: Project preparatory study
3. Project Location: Mongolia
4. Sector/Subsector: Trade Facilitation/Logistics
5. Background and Rationale: In recent years, trade flows have been reoriented from the Russian Federation and most imports (over 80%) now come from the PRC, through the Zamyn Uud border point in the southeast of Mongolia. The bulk of Mongolia's exports also travel through Zamyn Uud en route to Tianjin port, the only port in the PRC available to Mongolia for international trade.
6. Objectives: To prepare a national strategy for promoting multimodal transport in Mongolia and to identify the scope of the multimodal facility to be developed at Zamyn Uud.
7. Scope: Component 1 will prepare a national strategy for promoting multimodal transport in Mongolia. Component 2 will identify the scope of the multimodal facility to be developed at Zamyn Uud, including the specific components to be financed by the Asian Development Bank (ADB) and the Government.
8. Estimated Cost: $500,000
9. Financing Plan and Arrangements: ADB approved a grant of $400,000 while the Government will finance the equivalent of $100,000, through the provision of office accommodation and counterpart staff required to implement the TA
10. Implementation Schedule: 2008-2009
11. Executing Agencies: Ministry of Road, Transport, and Tourism
12. Estimated Benefits and Beneficiaries:
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Ongoing
16. Follow up Actions Required:
17. Issues/Constraints:
18. PSP Opportunities:

TAJ TA1: Transport Sector Master Plan
COUNTRY: TAJIKISTAN
CAREC CORRIDOR OTHER

1. Project Name: Transport Sector Master Plan
2. Type of Project: Transport Sector Study
3. Project Location: Tajikistan
4. Sector/Subsector: Transport all relevant modes (road/rail / aviation / intermodal)
5. Background and Rationale: Tajikistan is landlocked country that relies primarily on its road network. It has a few airports and there are a few railway projects being considered by the Government. The transport system is challenged by the mountainous terrain the severe climate, causing high costs for the construction and maintenance of transport infrastructure. It is also challenged by the dispersed population. Road networks are either absent or in poor condition in some rural areas. The Government requested ADB TA to prepare a Transport Sector Master Plan.
6. Objectives: The main objective is to assist the Government in preparing a new transport sector master plan.
7. Scope: TA will prepare a fully integrated transport master plan covering all transport modes.
8. Estimated Cost: $740,000.
9. Financing Plan and Arrangements: $600,000 by ADB from the Japan Special Fund, while the Government of Tajikistan will finance $140,000.
10. Implementation Schedule: 2007 ongoing in 2008
11. Executing Agencies: Ministry of Transportation and Communication (MOTC)
12. Estimated Benefits and Beneficiaries:
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Ongoing
16. Follow up Actions Required:
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

TAJ TA2: Vahdat–Yavan Railway Feasibility Study
COUNTRY: TAJIKISTAN
CAREC CORRIDOR: 5, 6-C

1. Project Name: Vahdat **-** Yavan Railway Feasibility Study
2. Type of Project: Railway Planning
3. Project Location: Tajikistan
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: Tajikistan is landlocked country which relies mostly on roads to transport goods (60%) and people (80%). Tajikistan Railways (TJ) consists of three separate railways. In the north, there is a route which connects the Kyrgyz Republic and the Fergana Valley through Tajikistan to other parts of Uzbekistan, and thence, to Kazakhstan and the Russian Federation. This is a transit route which accounts for most of the revenue of TJ. In the center of the country, there is a rail line connecting Dushanbe to point's west in Uzbekistan, Turkmenistan, Kazakhstan and ultimately the Caucasus (via Caspian Sea) and the Russian Federation. In the south, there is a railway that goes from Kulyab to the Uzbekistan border and then to Termez and again takes one to points west by rail or into Afghanistan (Hairatan). Road transport through northern Afghanistan ultimately leads to Iran where a choice between road or rail exists to reach the Arabian Sea or Turkey. A proposal has been made to link the central and southern railway routes and then to feed the major transport corridors going through Dushanbe east and west and also north and south. Indeed, if the railway line were completed from Vahdat to Yavan and then on to Nizhni Pianj and Kunduz in Afghanistan, then it would be part of the proposed CAREC Corridors 5 and 6-c. However, the construction of a railway line from Kolkhozabad (near Dzhilikul) to Nizhni Pianj would be hard to justify given the existing line to Ayvadzh and Amazagang (UZB) and then Termez.
6. Objectives: The main objective is to assist the Government in preparing a project suitable for external financing.
7. Scope: TA will prepare a feasibility study, covering all due diligence on the Project. The ensuing Project would involve the construction of 76 km of rail line between Dushanbe and Vakhsh.
8. Estimated Cost: $600,000. $150 million is preliminarily estimated for the ensuing project..
9. Financing Plan and Arrangements: Islamic Development Bank (IsDB) Grant for TA. Investment to be determined.
10. Implementation Schedule: 2009
11. Executing Agencies: Ministry of Transport and Communications in conjunction with Tajikistan Railways (TJ).
12. Estimated Benefits and Beneficiaries: The main benefit will be enhanced economic opportunities through establishment of an efficient bulk transport system.
13. Social and Environmental Issues: Since the Project envisages new construction, appropriate social and environmental due diligence is needed.
14. Priority of Project: Low due to the low traffic on the southern railway.
15. Project Status: Under evaluation.
16. Follow up Actions Required:
17. Issues/Constraints: The current traffic on the southern railway is very low.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

TAJ TA3: Dushanbe–Kyrgyz Border (Karamik) Railway
COUNTRY: TAJIKISTAN
CAREC CORRIDOR: 3b, 5

1. Project Name: Dushanbe-Kyrgyz Border (Karamik) Railway
2. Type of Project: feasibility study for proposed 300 km railway.
3. Project Location: central-northern Tajikistan.
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: the proposed railway would connect with a proposed railway in the Kyrgyz Republic that would pass through Sary Tash and on to the rail connection from Kashi in China. This would provide a direct rail route linking Tajikistan, southern Kyrgyz Republic and the China Rail network. This would reduce transport costs and enable increased trade flows in the region.
6. Objectives: assess the financial and economic viability of the proposed railway.
7. Scope: full feasibility study (engineering leading to preliminary alignment, social, environmental, economic and financial analyses).
8. Estimated Cost: about $600,000 for the feasibility study and approximately $1.6 billion to construct the railway in Tajikistan.
9. Financing Plan and Arrangements: external financing is being sought.
10. Implementation Schedule:2013
11. Executing Agencies: Ministry of Transport/Tajik Railways
12. Estimated Benefits and Beneficiaries: transport costs would be reduced and the railway would facilitate increased trade flows within the region. The railway would network would extend from Tajikistan's northern border with the Kyrgyz Republic to its southern border with Afghanistan, which is also considering a railway to connect with the Tajikistan network.
13. Social and Environmental Issues: the new rail connection will pass through some very mountainous areas. A full environmental impact assessment will have to be conducted if the rail connection is built. Similarly, a detailed resettlement plan will be required if the rail connection is built.
14. Priority of Project: Medium to low.
15. Project Status: proposed by the Government.
16. Follow up Actions Required: obtain financing and secure commitment from the Kyrgyz Republic that a rail connection to China will be built in that country.
17. Issues/Constraints: This would be a major investment project for Tajikistan that requires coordination with and commitment by the Kyrgyz Republic.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

TAJ TA4: Kolkhozabad–Nizhni Pianj Railway
COUNTRY: TAJIKISTAN
CAREC CORRIDOR: 5, 6c

1. Project Name: Kolkhozabad-Nizhni Pianj Railway
2. Type of Project: detailed design and feasibility study.
3. Project Location: central to southern Tajikistan.
4. Sector/Subsector: Transport/Railways
5. Background and Rationale: The proposed railway is part of a 121 km line connecting the existing Tajikistan railway at the Kolkhozabad station to Kunduz and possible further extension to Kabul and Torkham in Afghanistan via the border at Nizhni Pianj. This would facilitate increased trade in the region.
6. Objectives: assess the financial and economic viability of the proposed railway and provide detailed design for implementation.
7. Scope: full feasibility study (engineering leading to alignment staking, social, environmental, resettlement, economic and financial analyses).
8. Estimated Cost: about $600,000 for full feasibility study; $3 million for detailed design; and $120 million for construction of 56 km in Tajikistan and 65 km in Afghanistan.
9. Financing Plan and Arrangements: external financing is being sought
10. Implementation Schedule: 2011
11. Executing Agencies: Ministry of Transport/Tajikistan and Ministry of Public Works/Afghanistan.
12. Estimated Benefits and Beneficiaries: transport costs would be reduced and the railway would facilitate increased trade flows within the region.
13. Social and Environmental Issues: the new rail connection will pass through some populated farming areas. A full environmental impact assessment will have to be conducted if the rail connection is built. Similarly, a detailed resettlement plan will be required.
14. Priority of Project: Medium to low.
15. Project Status: Proposed by the Government.
16. Follow up Actions Required: obtain financing and secure agreements with Afghanistan.
17. Issues/Constraints: both countries would like the railway to be built. However, obtaining the financing is the outstanding issue.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): the feasibility study will be contracted to a private company. The construction of the railway would be contracted to a private company. Operations could involve private sector participation.

TAJ TA5: Railway Electrification (Bekabad-Kanibadam)
COUNTRY: TAJIKISTAN
CAREC CORRIDOR: 2

1. Project Name: Railway Electrification (Bekabad-Kanibadam)
2. Type of Project: Rail electrification.
3. Project Location: Bekabad and Kanibadam.
4. Sector/Subsector: Transport/Railways.
5. Background and Rationale: The proposed railway segment between Bekabad and Kanibadam (about 110 km) constitutes an important segment of a regional railway connecting Aktau (Kazakhstan) through Uzbekistan to Kara Suu (Kyrgyz Republic).
6. Objectives: Increase in train speed and capacity with savings in fuel.
7. Scope: Electrification of the section within Tajikistan.
8. Estimated Cost: about $600,000 for full feasibility study.
9. Financing Plan and Arrangements: external financing is being sought
10. Implementation Schedule: 2011
11. Executing Agencies: Ministry of Transport/Tajikistan
12. Estimated Benefits and Beneficiaries: Reduction in congestion and operating costs.
13. Social and Environmental Issues: No negative social or environmental impacts
14. Priority of Project: Medium to low.
15. Project Status: Proposed by the Government
16. Follow up Actions Required:
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

UZB TA1: Electrification of the Tashkent–Angren Railway Feasibility Study
COUNTRY: UZBEKISTAN
CAREC CORRIDORS: FEEDER 5, 6-b, c

1. Project Name: Electrification of the Tashkent – Angren Rail Line
2. Type of Project: Rail Improvement
3. Project Location: Uzbekistan
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: Uzbekistan has around 4,000 km of rail lines which in 2005 carried 55 million tons of goods and 16 million passengers. Around 18% of the network is electrified and these lines carry around 42% of passengers and 35% of freight. The cost of carrying freight and passengers on the electrified lines is lower and the energy efficiency is higher. Hence, the Government of Uzbekistan and Uzbekistan Railways (Uzbekiston Temir Yullari – UTY) launched a program of electrification where the traffic warrants it. The Tashkent – Angren line is a candidate for electrification given current traffic and prospect for the future. At Tashkent the existing line feeds into CAREC corridors 3-a and 6-a, b.
6. Objectives: The main objective is to assist the Government in preparing a project suitable for external financing.
7. Scope: TA will prepare a feasibility study, covering all due diligence requirements for the Project. The ensuing Project would involve the electrification of 106 km of rail line between Tashkent and Angren.
8. Estimated Cost: $600,000. $150 million for the investment.
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2011
11. Executing Agencies: MOF and UTY (Uzbekistan Railways) – a State Joint Stock Company (SJSC).
12. Estimated Benefits and Beneficiaries: The main benefit will be enhanced economic opportunities through establishment of an efficient bulk transport system.
13. Social and Environmental Issues: Appropriate social and environmental due diligence is needed.
14. Priority of Project: Medium
15. Project Status: New project
16. Follow up Actions Required:
17. Issues/Constraints: At present, Angren is the end of the line. An Angren Pap extension has been proposed by the Government. The feasibility study should look at this proposal in the context of what is happening in the surrounding countries, including the PRC-KGZ-UZB railway proposal.
18. PPP/PSP:

UZB TA2: Angren–Pap Rail Feasibility Study
COUNTRY: UZBEKISTAN
CAREC CORRIDOR: FEEDER 5, 6–b,c

1. Project Name: Angren – Pap Rail Feasibility Study
2. Type of Project: Planning
3. Project Location: Uzbekistan, Tashkent and Namangan Provinces
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: Uzbekistan has 4,000 km of railroad track which carries both the major part of exports and imports. Passenger traffic is also important. This railroad would connect the Fergana Valley to Tashkent and the rest of Tajikistan. As such, it is important for national connectivity but not regional connectivity since the Fergana Valley is already connected by rail to the rest of Uzbekistan via Tajikistan. Therefore, it is important to analyze the financial viability and socioeconomic sustainability of the proposed line in a comparative and regional context.
6. Objectives: The main objective is to assist the Government in preparing a project suitable for external financing.
7. Scope: The TA will prepare a feasibility study, covering all due diligence requirements for the Project. The ensuing Project would involve the construction of 140 km of single track railway between Angren and Pap.
8. Estimated Cost: $600,000 (about $1 billion for the investment project).
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2013
11. Executing Agencies: Transport section of Cabinet of Ministers with support from international experts and UTY.
12. Estimated Benefits and Beneficiaries: The main benefit will be enhanced economic opportunities through establishment of an efficient bulk transport system.
13. Social and Environmental Issues: Appropriate social and environmental due diligence is needed.
14. Priority of Project: Low
15. Project Status: Proposed by the Government
16. Follow up Actions Required: Identifying funding for the TA will be the first step along with developing appropriate TOR.
17. Issues/Constraints: The precise scope of the Project needs to be carefully defined with regard to issues such as electrification and acquisition of rolling stock. The importance of the Project in a regional context should also be reviewed. This includes the relationship of this project to other regional projects either ongoing or new (such as the planned PRC-KGZ-UZB railway).
18. PPP/PSP:

UZB TA3: Upgrading the Bukhara Airport
COUNTRY: UZBEKISTAN
CAREC CORRIDOR: 2, 3a, 6a

1. Project Name: Upgrading the Bukhara Airport (IATA Code: BHK; ICAO Code: UTSB).
2. Type of Project: feasibility study for airport upgrading.
3. Project Location. Southern Uzbekistan.
4. Sector/Subsector: Transport/Airports
5. Background and Rationale: the Bukhara Airport currently has a single 3,000 meter runway with limited taxiways and apron space. Air services connect with Moscow and St. Petersburg as well as domestic locations. The aim is to upgrade the airport to accommodate additional international and domestic traffic.
6. Objectives: assess the financial and economic viability, and requirements of upgrading the airport.
7. Scope: full feasibility study (engineering leading to preliminary alignment, social, environmental, economic and financial analyses).
8. Estimated Cost: $600,000 for the feasibility study
9. Financing Plan and Arrangements: 2010
10. Implementation Schedule: to be determined.
11. Executing Agencies: Ministry of Transport/Uzbekistan Airways.
12. Estimated Benefits and Beneficiaries: the upgraded airport will be able to accommodate more flights, passengers and freight.
13. Social and Environmental Issues: None are foreseen at this time.
14. Priority of Project: high
15. Project Status: proposal stage.
16. Follow up Actions Required: secure funding.
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): to be determined.

Note: The information provided above is based on limited data provided by the Government. When additional information is provided by the Government, the profile will be updated.

REG TA1: Collaborative Regional Operations and Maintenance of Corridors
Country: Regional
CAREC Corridor: All

1. Project Name: Collaborative Regional Operations and Maintenance of Corridors
2. Type of Project: Advisory TA, Regional
3. Project Location: All CAREC corridors
4. Sector/Subsector: Roads
5. Background and Rationale: CAREC corridors cross diverse terrain. Quite often border crossings are at high altitudes because the many of the region's borders are defined by major watersheds. Major avalanches and floods are common in these areas. This poses difficulties in the operation of trucks and buses serving the region's trade as well as in the maintenance of roads. There are no collaborative intervention plans to mobilize resources across borders in the event of natural disasters.
6. Objectives: The objective of the project is to identify cost-effective maintenance of CAREC corridors by achieving synergies and economies of scale at the operational level by fostering: (i) cross border operations and partnerships between bus, trucking and logistics companies engaging in cross border operations; (ii) collaborative cross border road maintenance management, planning and works; and (iii) cross border emergency intervention and relief support planning
7. Scope: The project will organize seminars and workshops and propose agreements among the CAREC countries: (i) **transport operators**: Regional workshops will bring together road transport and logistics firms operating across borders, as well as their national association representatives. The agenda will be to encourage such firms to open subsidiaries in other countries, and/or to enter into cross border partnership arrangements where synergies between the participants can be exploited. Also, easy cross border access for vehicle repair and recovery operations, such as using heavy tow trucks will be sought. Legal and regulatory difficulties facing operators will be highlighted during the workshops, and solutions proposed to the National Trade and Transport Facilitation Committees for action; and (ii) **roads maintenance authorities***:* Regional workshops will bring together the roads maintenance operational managements of CAREC countries, and contractors. Their agenda will be to explore the potential for sharing of road maintenance resources, such as snow clearance and to encourage cross border operations, performance contracts etc, where economies of scale may be found. Also, and very importantly, authorities will be encouraged to set up emergency intervention and relief support plans in the event of avalanches and floods.
8. Estimated Cost: US$800,000
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2011 (following establishment of the National Transport and Trade Facilitation Committees)
11. Executing Agencies: Ministries of Transport and of Emergency Intervention
12. Estimated Benefits and Beneficiaries: The project seeks multiple synergies and economies from cross border collaboration between operating entities such as truck operators and roads maintenance authorities.
13. Social and Environmental Issues: Cross border emergency intervention and relief support activities will enhance to the security of at-risk populations. No direct environmental impacts are foreseen.
14. Priority of Project: High – Medium
15. Project Status: Proposed
16. Follow up Actions Required: Securing financing and preparing TORs.
17. Issues/Constraints: Some of the operational entities concerned are not familiar with each other. Language and telecommunications difficulties need to be overcome.
18. PSP/PPP Opportunities: Roads maintenance contractors could find opportunities to extend their activities across borders.

REG TA2: Equitable Road Maintenance User Charges and Cross Border Fees
Country: All CAREC countries
CAREC Corridor: All

1. Project Name: Equitable Road Maintenance User Charges and Cross Border Fees

2. Type of Project: Advisory TA, Regional

3. Project Location: CAREC road corridors

4. Sector/Subsector: Roads and road transport

5. Background and Rationale: Charges for road cross border entry and transit are contentious within CAREC and a subject of its Action Plan agreed by the TSCC in Urumqi in August 2006 (Unified Tariff and Fee Framework on Regional Road and Railway Transport), which has been integrated into the CAREC Transport and Trade Facilitation Strategy.

Several externally-financed TA projects over the past decade have advised CAREC member countries on how to levy sufficient amounts from road users, national or otherwise, to maintain and to develop their road networks. Most CAREC road ministries still face severe financing difficulties. Within any country political and popular opposition to any additional taxation for roads can be strong. Countries then tend to look to foreign vehicles to raise their revenues.

The drivers' bilateral agreements and road transport permit regimes in the CAREC region allow reciprocal no-payment entry within their scope and quotas. These facilitate some cross border and transit traffic but are uneven in application and do not directly raise funds for road usage. Some countries charge overweight vehicle fees, and others forbid any over weight usage. Accusations of abusive charges on road users[7] are commonly heard.

Tariffs are often outside of the sole responsibility of transport ministries. Established systems, even very imperfect ones, can take a long time to change. Proposals for revisions must be approved by Ministries of Finance, pass through the annual budget process, be approved by parliaments, and then the funds must be allocated according to the budget. Each of these steps is fraught with uncertainty.

The European Conference of Ministers of Transport[8] resolved that discriminatory[9] charges in road transport were to be phased out[10]. Territorially based tolls are a transparent, fair and direct means of charging for road usage. They are used in one form or another by most countries with good roads. Within CAREC countries, only the PRC has a transparent payment mechanism for major highway usage. It is applied to roads which are in excellent condition. There are small detours for light local traffic. The fee scale is simple to understand. It would be applied without discrimination of national origin of the vehicle, if foreign vehicles were allowed to pass on them. In principle the system would be ECMT compliant, but in practice none of the PRC roads where CAREC vehicles are allowed to pass are tolled.

6. Objectives: The goal of the TA is to establish road user charging regimes fully compatible with the principles of the ECMT, including nondiscrimination and transparency, while allowing the CAREC countries to equitably recover the costs of providing and maintaining good road infrastructure from foreign as well as domestic traffic.

[7] Sources include: Transport and Trade Facilitation Issues in the CIS 7, Kazakhstan And Turkmenistan, Molnar and Ojala, WB 2003, and Central Asia: Increasing Gains from Trade Through Regional Cooperation in Trade Policy, Transport and Customs Transit, ADB 2006.

[8] ECMT, at a meeting in Moscow in May 2005.

[9] Discriminatory in this sense means a charge that is levied on a foreign vehicle but is not levied on a domestic vehicle. In this sense normal toll charges for use of a road section, tunnel or bridge are not discriminatory if they apply equally to vehicles of all origins.

[10] Conclusions and Recommendations CEMT/CM(2005)5. The position was reiterated in Financial and Fiscal Aspects of Road Transport 4th June 2005.

7. Scope: The TA will assess and recommend options for CAREC countries to charge for use of their roads, with a particular focus on regional harmonization. Factors to take into account will include:

- Cost recovery for the road authority (under different conditions of terrain, climate, level of service provided and consequent vehicle operating economies)
- Recommendations and resolutions by international bodies such as ECMT, UN ECE and UN ESCAP
- Overweight interdictions or fee scales
- Transparency and probity in collection of fees
- Present charges on domestic transport (registration, fuel taxes, tolls etc)
- The permit regimes
- Current inadequacies or failures of Road Funds

Data collection and analysis will include previous CAREC country reports with HDM4 assessments, augmented and refreshed by some new in-country survey and analysis of costs of road maintenance and of vehicle operations.
Outputs will include:

- tables of indicative tariffs by vehicle class and CAREC road corridor section
- recommended collection mechanisms

The CAREC countries are unlikely to agree in the near future on one tariff scale and collection mechanism. These outputs will serve as benchmarks for CAREC countries to refine their individual approaches.
A regional workshop will be held to commence the project and findings would be presented regularly at scheduled CAREC Trade and Transport Committee meetings.

8. Estimated Cost: US$1 million

9. Financing Plan and Arrangements: To be determined

10. Implementation Schedule: 2009-2011

11. Executing Agencies: MOTC/MOF

12. Estimated Benefits and Beneficiaries: Transport system users will benefit from a system that improves financing for road provision and maintenance by payment of fees according to CAREC-wide agreed principles. Adoption of transparent transit fees based on road usage will contribute to make road corridors more competitive and increase transit traffic.

13. Social and Environmental Issues:

14. Priority of Project: High

15. Project Status: Proposed.
Several externally-financed projects have highlighted the need for improved road maintenance and commensurate road user charging[11]

16. Follow up Actions Required: Secure financing and prepare TORs

17. Issues/Constraints: The issue of road use tariffs is a subject of the CAREC Action Plan agreed by the TSCC in Urumqi in August 2005 (Unified Tariff and fee framework on regional road and railway transport), which has been integrated into the CAREC Transport and Trade Facilitation Strategy. The fact that it remains unresolved after several years of discussion between CAREC countries attests to its complexity and to the need for TA.

18. PSP/PPP Opportunities: Fee collection system could eventually be privatized;

[11] Including: TA 6309-REG Maintenance of Regional Road Corridors, March 2007; TA4371-AFG Master Plan for Road Improvement Project, April 2006; TA4659-UZB Transport Sector Strategy, December 2006; and TA 3757-KGZ: Institutional Support in the Transport Sector, June 2005.

REG TA3: Facility and Process Improvements at Border Crossing Points
Country: Regional
CAREC CORRIDOR: All

1. Project Name: Facility and Process Improvements at Border Crossing Points
2. Type of Project: Regional TA
3. Project Location: At border crossing points on the six CAREC corridors.
4. Sector/Subsector: Trade Facilitation and Transportation / Roads and Railways
5. Background and Rationale: Many CAREC border points are in poor condition and require improvement in conjunction with transport infrastructure improvements and Customs procedure improvements in order to maximize the benefits of transport and trade facilitation activities envisaged under the CAREC Transport and Trade Facilitation Strategy. In Mongolia, ADB considers about $5 million for the upgrading of border crossing points. ADB provided financial assistance to Kyrgyz and Tajikistan to improve border crossing points and Customs procedures
6. Objectives: The goal of the TA is to assist CAREC Governments to identify and to prepare border crossing improvement projects for external investment.
7. Scope: The TA will prepare a feasibility study on the cross border crossing facility improvement needs for the CAREC cross border points (BCPs). However, the full scope of the border crossing improvements is very broad and cannot be addressed in its entirety by one TA. Institutional capacity building, regional collaboration, and technical training will be the primary focus of REGTA7, REGTA 10. and REGTA 26. In addition to the above, all transport infrastructure investments preparative actions will systematically include a needs assessment of the facilities at any adjacent border crossing points. These, as well as needs identified in the WCO-related TA activities may be used by governments to invest in their BCPs, and if they wish, to seek financing from their development partners. In this latter case, the present project will provide technical assistance to prepare investment packages for financing by the partners.
8. Estimated Cost: $2,000,000 (to be allocated on an as-required basis rather than as a single project).
9. Financing Plan and Arrangements: ADB
10. Implementation Schedule: 2009 – 2015
11. Executing Agencies: Customs Committees (principally)[12]
12. Estimated Benefits and Beneficiaries • Border crossing users (faster border crossings under more friendly conditions) • Officers working at Border Crossings (better working conditions) • National treasuries (improved administration of customs revenue collection)
13. Social and Environmental Issues: Improved comfort and sanitation at BCP
14. Priority of Project: High
15. Project Status: Proposed
16. Follow up Actions Required: Allocation of the necessary technical assistance funding
17. Issues/Constraints: Investments for single – window processing and regional data exchanges will require close coordination between the participating countries.
18. PSP/PPP opportunities: Authorized Economic Operators can be encouraged to finance those facilities from which they work. Technical services (e.g. data processing) can be contracted to the private sector.

[12] Global Facilitation Partnership for Transportation and Trade, The United Nations Trade Facilitation Network, The World Bank Group, GFP Explanatory Notes, Integrated Border Management, GFP Explanatory Notes, at http://www.gfptt.org/uploadedFiles/7488d415-51ca-46b0-846f-daa145f71134.pdf, p. 1.

REG TA4: Strengthening Capabilities of National Certification Agencies
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: Strengthening Capabilities of National Certification Bodies
2. Type of Project: Regional Trade Facilitation TA
3. Project Location: CAREC
4. Sector/Subsector: Transport and Trade Facilitation
5. Background and Rationale: Production and sales of certain products and provision of services requires certification. It applies to a large group of food products, and many groups of industrial and electronics equipment, construction materials and many other products, which can affect consumer's health and safety. Export of such products requires proper laboratory tests and certifications, recognized by the importing country. Currently not all certification bodies (GosStandard) of Central Asian countries are capable to carry out all required tests and issue certificates, acceptable by all importing countries. In addition, certification procedures sometimes are slow, which significantly increases time-to-market for certain products. The EU TRACECA program identified the need for establishment of test laboratories for temperature-controlled equipment for transportation of perishable goods in Kazakhstan, Uzbekistan, Tajikistan and the Kyrgyz Republic. These laboratories are required within the Agreement on Transportation of Perishable Products (ATP Agreement). Kazakhstan and Uzbekistan are members of this agreement, Tajikistan is preparing legal documentation for the accession to the Agreement, and the Kyrgyz Republic is implementing a feasibility study for accession to the Agreement. The overall estimated investment for establishment of 3 laboratories in the region is USD $450,000.
6. Objectives: To increase export potential of CAREC countries through improvement of technical and organizational capabilities of national product and transportation equipment certification bodies
7. Scope: This TA includes gap analysis of the legal framework, technical and operational capability of certification bodies to carry out required tests and provision of necessary assistance in elimination of identified gaps. Based on gap analysis, investment proposals will be prepared for the establishment or development certification laboratories in the region. Within this TA, opportunities for establishment of private laboratories should be examined and test laboratories for certification of equipment for transportation of perishable goods within ATP Agreement will be established. Coordination among customs, sanitary and phytosanitary (SPS) agencies such as health, agriculture, and quarantine will be required for implementation.
8. Estimated cost: $1,000,000 (including $450,000 for test laboratories for certification of equipment for transportation of perishable goods within ATP Agreement).
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2011-2012
11. Executing Agencies: National Transport and Trade Facilitation Committees (NTTFC) of the eight CAREC participating countries.
12. Estimated Benefits and Beneficiaries: Safer products and services in CAREC countries; and improved access to export markets for products, produced in CAREC Region
13. Social and Environmental Issues: Improved health and safety of consumers
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required:
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): Private sector participation is important in establishment and running of certification laboratories.

REG TA5: Product Certification Capability and Weighing Machine Standards
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: Product Certification Capability and Weighing Machine Standards
2. Type of Project: Technical Assistance
3. Project Location: Region
4. Sector/Subsector: Trade Facilitation
5. Background and Rationale: Products require certificates of quality to be exported/imported. Certificates issued by the exporting country are not accepted by the importing country because of the uncertain competence of the certifying authority and their poor compliance with the requirements of the former. Their capability must thus be improved, just as the process of certification must be simplified and made user-friendly. Weight is another point of contention as goods arrive at the border, given the different systems and calibration of weighbridges at different control posts. This causes delays and creates opportunities for bribery. Weighing scales or weighbridges thus need to pass through a certification system in order to assure that they are calibrated correctly. In the interim, there should be mutual recognition of weigh certificates to cut down on delays.
6. Objectives: To help CAREC countries develop product certification capability and adopt a system of certifying weighing machines or mutually recognizing weight certificates in order to reduce delays in the movement of goods.
7. Scope: TA will (i) assess the product certification capability of each country, define the gaps in relation to international standards, (ii) close these gaps through training and other human resource development interventions, and provision of facilities and equipment; (iii) Propose the adoption of standard weighing machines or a certification system that would assure their accuracy; and (iv) Work out the adoption of mutual recognition of certificates in tandem with a system of random confirmation of such certificates by international bodies to assure compliance with certification standards
8. Estimated Cost: $100,000 for TA, $5 million investment loan for product certification laboratory
9. Financing Plan and Arrangements: To be determined.
10. Proposed Implementation Schedule: 2011-2012
11. Executing Agencies: Technical Standards bodies
12. Estimated Benefits and Beneficiaries: Fast, efficient and reliable certification will improve the competitiveness of products through better lead-time from product development and production to sales to final consumers.
13. Social and Environmental Issues: None are foreseen at this time.
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: Secure funding and commitments.
17. Issues/Constraints: Funding and commitments.

REG TA6: CAREC Trade Portal
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: CAREC Trade Portal
2. Type of Project: Regional Trade Facilitation TA
3. Project Location: CAREC Countries
4. Sector/Subsector: Transport and Trade Facilitation
5. Background and Rationale: CAREC countries pursue the programs of Trade Facilitation and development of transport infrastructure to eliminate physical and non-physical barriers for trade, cargo and people movement. This effort should be supplemented by active promotion of CAREC corridors and education of potential users in order to attract additional traffic to the region. Often traders prefer known, well established routes even if more competitive, but less advertised opportunities exist. Active promotion of CAREC corridors and information support to traders should help to attract additional economic activity in the region. On the other hand better educated users of CAREC corridors will have more opportunities to comply with local regulation and processes, and this will lead to more transparent operations along the corridors.
6. Objectives: To establish and maintain a database of trade, transport and customs regulations and procedures, and document templates for all CAREC countries. This database should provide all necessary information for traders, transport providers and investors for decision making and establishing operations in the region, and be available in the form of website and printed documents.
7. Scope: TA will (i) compile, document, translate and publish import/export trade procedures, rules and regulations, and requirements of Customs and other Government Agencies (transport, sanitary, phytosanitary, quarantine, immigration, security) of each CAREC country. This set of information can include opening hours, vehicular movements and registration permits, axle load limits, emissions, transit rules and convoy charges, road user charges, driver's visa and passport stamps, etc.; (ii) compile, document, translate and publish all other national measures affecting trade: (a) bans, prohibitions; (b) quotas, licensing; (c) technical standards; (d) taxes and fees; and (e) finance measures, foreign exchange regulations; and (iii) dissemination of the information on trade procedures, requirements, documents, etc. available in the form of handbooks, internet, and other forms as needed.
8. **Estimated cost:** $600,000
9. **Financing Plan and Arrangements:** To be determined.
10. **Implementation Schedule:**2011
11. **Executing Agencies:** National Transport and Trade Facilitation Committees (NTTFC) of the eight CAREC participating countries
12. **Estimated Benefits and Beneficiaries** • Increased awareness about CAREC region and development of trade and other economic activities • Increased compliance of traders and other economic agents to the local trade regulation
13. **Social and Environmental Issues:** Increased transparency.
14. **Priority of Project:** Medium
15. **Project Status:** Proposed
16. **Follow up Actions Required:** Allocation of the necessary technical assistance funding
17. **Issues/Constraints:** None
18. **Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):** Private sector participation is important and can be realized through: - Feedback and contribution to the structure and content of Trade Portal - Development and technical maintenance of the portal, publishing of printed materials

REG TA7: Assistance in Implementation of WCO Recommendations on Customs Development
Country: Regional
CAREC CORRIDOR: All

1. Project Name: Assistance in Implementation of WCO Recommendations on Customs Development
2. Type of Project: Regional Trade Facilitation TA
3. Project Location: Region
4. Sector/Subsector: Trade Facilitation
5. Background and Rationale: The World Trade Organization (WCO) within the scope of Columbus program assessed management, operational practices and information technologies, used by Customs of CAREC countries. Assessment projects in every country resulted in a set of detailed recommendations. Currently most of the countries have their programs of Customs modernization, financed through the combination of national budgets, loans and grants. Normally every program includes two main components: (i) improvement of management and operating practices, and (ii) improvement of infrastructure and technology. Recommendations of WCO's Columbus program primarily serve as a benchmark for establishment of transparent, effective and efficient Customs organizations. They cover all main areas of organizational and process management and include recommendations in the areas of strategic management, material and human resources, legislation, operating procedures, information technology and communications, external communications, and governance. A comparative analysis of WCO recommendations within the scope of national projects has identified that some projects do not include all recommendations of WCO, which may result in relatively fragmented improvement programs and not fully harmonized customs management systems in the region.
6. Objectives: To facilitate the CAREC countries to adopt the best operating practices and technologies by CAREC Customs bodies in line with recommendations of WCO.
7. Scope: TA will (i) assess Customs improvement programs of CAREC countries, (ii) recommend and facilitate implementation of activities to cover gaps identified during Columbus diagnostics program, which are not addressed by the on-going programs of customs modernization; (iii) facilitate the development of terms of reference for new customs improvement programs in line with WCO recommendations; and (iv) assist with implementation of focused improvement initiatives by national customs authorities, joint improvement programs of regional customs authorities, and joint improvement programs of customs authorities with other government agencies, involved in trade and transportation process. This TA should be considered as a prerequisite to other projects in the area of Customs modernization. Analysis and improvement of physical cross-border infrastructure is carried out within REG TA 3 and REG IP 1, while Customs training and development is covered by REG TA 10. However if required some specific aspects of customs infrastructure, and training and development can be addressed by this TA.
8. Estimated cost: $3.00 million
9. Financing Plan and Arrangements: ADB in partnership with WCO
10. Implementation Schedule: 2009 – 2011
11. Executing Agencies: Customs Control Committees of CAREC countries
12. Estimated Benefits and Beneficiaries: (i) improved organizational design and management of customs control authorities of CAREC region, and (ii) improved transparency and efficiency of customs operations, which will result in reduced time and cost of export-import transaction
13. Social and Environmental Issues: None
14. Priority of Project: High
15. Project Status: Proposed
16. Follow up Actions Required:
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

REG TA8: Coordinating Cargo Processing Through a National Single Window
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: National Single Window
2. Type of Project: Technical Assistance
3. Project Location: Region
4. Sector/Subsector: Trade Facilitation
5. Background and Rationale: The processing of goods and vehicles at borders involves requirements imposed by other agencies aside from Customs such as immigration, quarantine or sanitary, phytosanitary, health, technical standards, security. Some of these requirements need to be complied with before the goods reach the border, such as visas, import or export licenses, certifications of compliance with technical standards, vehicle registration, etc. Complying with all these requirements takes time and numerous transactions. Providing a single convenient venue for compliance with both border and beyond the border requirements will significantly reduce the time and transactions to move goods and vehicles across borders. This single location where agencies can dispose of their functions simultaneously, can then later become a Single Window where processing is done jointly by agencies.
6. Objectives: To establish a National Single Window in each CAREC country that would provide a single convenient venue for traders and transporters to comply with both border and beyond the border requirements.
7. Scope: TA will (i) Examine framework in each country, i.e. existence of inter-agency committee on trade facilitation, nature of mandate needed for Single Window, agencies involved in movements of goods and vehicles across borders; (ii) Evaluate the requirements of a Single Window in each country and how to meet them, e.g. legal or regulatory, infrastructural, operational; (iii) identify mandatory data elements to be included in the declaration form under a Single Window concept; (iv) Prepare a work plan with a timeline for the establishment of a Single Window; and (v) Test the concept by establishing either a single location or a Single Window in one border post with high volume of cargo.
8. Estimated Cost: $200,000
9. Financing Plan and Arrangements: To be determined.
10. Proposed Implementation Schedule: 2010
11. Executing Agencies: Customs, Immigration, Quarantine, Health, Technical Standards, Transport, etc
12. Estimated Benefits and Beneficiaries: All users and consumers relying on international transport.
13. Social and Environmental Issues: To be determined.
14. Priority of Project: High
15. Project Status: Proposed.
16. Follow up Actions Required: Secure funding and commitments.
17. Issues/Constraints:

REG TA9: Simplified Transit Procedures
Country: Regional
CAREC CORRIDOR: ALL

1. Project Name: Simplified Transit Procedures
2. Type of Project: Regional Technical Assistance
3. Project Location: Region
4. Sector/Subsector: Transport/Customs
5. Background and Rationale: The CAREC region's significant transit trade potential is not realized for several reasons that may be broadly categorized into (a) high transactions costs due to cumbersome trade and transport formalities and large and arbitrary payments, (b) difficulties associated with existing customs transit systems, (c) non-implementation of transit agreements, (d) inadequate infrastructure and technical standards, (e) inefficient transport or limited capacities. Recommendations to address specific constraints such as those pertaining to trade and transport formalities and costs or technical standards are being implemented. Whether and why these constraints continue to exist must be examined and their reasons determined. Customs transit is also a particularly challenging constraint, despite the accession of most CAREC members to the TIR Convention or the signing of transit agreements. For instance, issues of high fixed costs of the TIR system (e.g. guarantees) or high variable costs of national transit systems, weak representation of transport associations or enforcement mechanisms, or national policies that allow transshipment only or require the interim transfer of goods to warehouses, make their implementation difficult. There is a need to examine these difficulties closely and devise measures taking advantage of ICT or refine current systems so that transit trade can flow more smoothly. The applicability of alternative models such as the EU Convention on Joint Procedure for Common Transit System should also be considered, in view of the need for a cheaper and simpler system for movements which only cross one or two borders.
6. Objectives: To develop a set of transit procedures that will enable CAREC members to realize their transit trade potential while providing customs security in third countries.
7. Scope: The study will (i) review the measures that have been implemented to reduce trade and transport formalities and costs as well as their effectiveness, including reciprocal road transport permits; (ii) analyze the reasons behind the difficult implementation of transit systems, making use of the results of previous studies; (iii) examine other transit trade models; (iv) recommend solutions to these transit difficulties to enable the efficient implementation of transit systems, including coordination in transit countries or the establishment of an association to implement the system, and the required legal basis; (v) define the accompanying set of procedures covering transit trade from entry into the transit country to exit to the country of final destination, including electronic transit guarantee; and (vi) determine the feasibility of implementing a pilot transit system along one corridor based on a one-time customs guarantee.
8. Estimated Cost: $200,000
9. Financing Plan and Arrangements: ADB
10. Proposed Implementation Schedule: 2009
11. Executing Agencies: National Focal Point Agencies of each country
12. Estimated Benefits and Beneficiaries: Will lower transactions costs and time for transit trade, making products reach their markets expeditiously
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Proposed
16. Follow up Actions Required: Secure funding and commitments.
17. Issues/Constraints: cost of guarantees.

REG TA10: Regional Customs Training and Development
Country: Regional
CAREC CORRIDOR: All

1. Project Name: Regional Customs Training and Development
2. Type of Project: Regional Trade Facilitation TA
3. Project Location: CAREC Countries
4. Sector/Subsector: Transport and Trade Facilitation
5. Background and Rationale: Currently, all countries of the CAREC region are actively pursuing Customs modernization programs. One of the key enablers of successful change is the professional qualification of personnel involved in the change process. WCO pays high attention to customs education and professional development and launched the PICARD program in 2006, which provides a framework for cooperation between customs and academic world. WCO developed customs training programs and distance learning packages, which can be used for benefit of CAREC countries. These training materials need to be assessed, translated and adopted as needed to the regional needs. This work should go in parallel with establishment of the system for delivery of training materials.
6. Objectives • Train Customs officers from CAREC CCC member administrations on modern Customs management theory, risk management techniques, Customs automation and logistics • Promote mutual understanding and cooperation • Advance customs reform and modernization
7. Scope: The TA will support strengthening the curricula of regional Customs educational institutions, translation and adaptation of WCO training materials, train-the-trainers programs, development of the on-line library of customs materials and financial support for training of Customs staff.
8. Estimated cost: $2.00 million.
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2011-2013
11. Executing Agencies: Customs Control Committees, WCO
12. Estimated Benefits and Beneficiaries • Increased professionalism of Customs officers • Increased speed of Customs modernization and customs reform • Improved regional cooperation and enhanced mutual understanding • Facilitation of CAREC regional trade and transport
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: Allocation of the necessary technical assistance funding.
17. Issues/Constraints: Training and development on a regional basis is both cost efficient and provides an opportunity for customs officers of different countries to meet and exchange ideas. However, if training facilities are located in one of the CAREC countries it can create constraints, both physical and organizational, for productive use of facilities by neighboring countries. Extensive use of distance learning materials can help to reduce this constraint.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

REG TA11: Standardized Cargo Declaration and Other Harmonized Requirements
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: Standardized Cargo Declaration and Other Harmonized Requirements
2. Type of Project: Technical Assistance
3. Project Location: Region
4. Sector/Subsector: Customs, Trade, Transport
5. Background and Rationale: Current documentation systems are similar but not identical, with differences stemming from languages used, document formats and data elements. For most, the main trade and Customs form (i.e. the Cargo Declaration) is aligned with UN or international formats and similar to that used in Europe. However, many commercial and transit documents are not in international format and the required support documents are numerous. Procedures also differ between countries, hence requirements for these documents to be presented for goods to clear or transit also vary. Non-standardized document requirements at the border constitute a major reason for processing delays that add to transactions costs. Standardized documents would facilitate processing, as common forms are immediately recognizable even if they are in a foreign language, ensuring more accurate completion. Standardized documents are also the basis for the standardization of procedures. Aligning documents with that of EU, for instance, will not require radical changes or major legislative or procedural action. The data elements in the cargo declaration need to be aligned, using the Single Administrative Document as the model.
6. Objectives: To help CAREC countries standardize the main documents for Customs and trade across CAREC to facilitate processing and serve as the basis for standardized procedures.
7. Scope: The TA will (i) evaluate border documents/forms in each country and determine what will be required to align them with a standard form such as the UN Layout Key for trade Documents or the Single Administrative Document used by the EU, etc; (ii) identify common mandatory elements for a Single Window, and agree on the final harmonized format to adopt; (iii) examine systems of commodity classification, customs valuation, origin and destination codes, etc that should be standardized; and (iv) draft a work plan and timetable for adopting standardized documents.
8. Estimated Cost: $200,000
9. Financing Plan and Arrangements: To be determined.
10. Proposed Implementation Schedule: 2010
11. Executing Agencies: Customs
12. Estimated Benefits and Beneficiaries: The trading community will benefit from faster completion, processing, and release of standardized documents while Customs' work will be simplified, especially if the complementary IT system is in place.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Proposed
16. Follow up Actions Required: Secure commitments and funding.
17. Issues/Constraints: Funding.

REG TA12: Strengthening Customs Guarantee Systems in the CAREC Region
Country: Regional
CAREC CORRIDOR: All

1. Project Name: Strengthening customs guarantee systems in the CAREC region
2. Type of Project: Regional Trade Facilitation TA
3. Project Location: CAREC Countries
4. Sector/Subsector: Transport and Trade Facilitation
5. Background and Rationale: Cross-border and transit traffic through CAREC region takes place under a number of different bilateral and multilateral agreements and conventions. One of the most important conventions, which regulate the transit of vehicle through the region, is the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention). This agreement allows trucks covered by TIR Carnets to travel without payment of customs deposits and customs escort through transit countries. TIR system has its weaknesses, which provoke discussions about implementation of alternative regional customs guarantee systems: TIR system can be expensive for small carriers, who operate mostly in the domestic market but sometimes do international hauls; trucks with total value of goods over US $50,000 are not covered by the guarantee; and PRC is not a member of TIR Convention. On the other hand, International Road Union (www.iru.org) implemented electronic system of control for TIR Carnets – SafeTIR, other improvements to well established TIR system, such as integration of TIR procedures into NCTS and ASYCUDA systems are considered for implementation. New developments in the existing system of customs guarantee or use of alternative systems of customs guarantee require considerable investments into Information Technologies and Systems, which should be well balanced against benefits from new or updated customs guarantee systems.
6. Objectives: To facilitate smooth transit of goods in the region through enforcement of TIR Agreement and establishment of other customs guarantee systems if required.
7. Scope: The TA will (i) assess current transit practices in the CAREC region under TIR Carnet in close liaison with Road Unions of CAREC countries, (ii) analyze alternative customs guarantee systems with detailed cost-benefit analysis, and (iii) assess implications from implementation and enforcement of electronic systems of customs guarantee. Based on the assessment, recommendations will be made on the feasibility of implementation of alternative customs guarantee systems and further steps for development of customs guarantee system, including those related to the TIR Carnet.
8. Estimated cost: $300,000
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2011
11. Executing Agencies: National Transport and Trade Facilitation Committees (NTTFC) of the eight CAREC participating countries
12. Estimated Benefits and Beneficiaries: (i) reduced delays for transit truck movements; (ii) lower costs of trade; (iii) more affordable system of customs guarantee for carriers; and (iv) reduced customs escort expenses.
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required:
17. Issues/Constraints: (i) one of the key constraints for implementation of electronic-based customs guarantee systems if poor ICT infrastructure of CAREC Cross-Border Points (CBP) and (ii) while all CAREC countries except PRC-XUAR are members of TIR Convention, enforcement of countries' commitments for free transit of TIR vehicles is weak, trucks are often stopped at CBPs
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): Technical assistance project should be implemented in close collaboration with national associations of road carriers.

REG TA13: Development of Multimodal Transport along CAREC Corridors
Country: Regional
CAREC CORRIDOR: All

1. Project Name: Development of Multimodal Transport along CAREC Corridors
2. Type of Project: Regional Trade Facilitation TA
3. Project Location: CAREC
4. Sector/Subsector: Multimodal transport
5. Background and Rationale: Transportation through CAREC countries involves use of different combinations of modes of transport. Most of CAREC corridors are multimodal – corridors 1-b, 1-c, 3-b, 5, 6 involve combinations of road and rail, while corridors 2-a, 2-b involve road, rail and sea. In addition, within CAREC region different rail gauges and different truck standards are used, which requires transshipment services. Often transshipment (transloading) operations are combined with Customs operations. Shippers and carriers often complain about limited availability of multimodal containers, container trucks, container rail cars, and handling equipment. Low efficiency of transloading processes and outdated technology constraint more efficient combination of different modes of transport in the region. Currently, countries of the CAREC region experience steady economic growth and double digit growth per year in logistics and the transport sector. CAREC governments and companies now have financial capability, supported by robust market demand to develop logistics infrastructure for multimodal transportation. Considerable attention should be paid to the location of new facilities and choice of technology to meet transportation needs with maximized logistics asset utilization and minimal cost and time. Sound and transparent tariff regulation, combined with improved efficiency of operations and better technology will improve competitiveness of multimodal CAREC corridors.
6. Objectives: To help CAREC countries develop national and regional legislation, standards, technologies, documents and procedures for competitive multimodal transportation.
7. Scope: TA will (i) assess national regulations, multilateral and bilateral agreements in the area of multimodal transportation; (ii) assess transportation market; (iii) examine physical infrastructure, transloading technologies and processes through interviews with transport users and site visits; and (iv) conduct cost-benefit analysis for the use of multimodal transportation along main CAREC corridors; and (v) prepare an action plan (including recommendations) for multimodal transport in CAREC countries. Several working group meetings may be arranged to facilitate adoption of the recommendations to specific needs and capabilities of beneficiary countries. The multimodal transport action plan will form the basis for the development of national action plans.
8. Estimated cost: $1.00 million.
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2013
11. Executing Agencies: National Transport and Trade Facilitation Committees (NTTFCs) of the eight CAREC participating countries
12. Estimated Benefits and Beneficiaries: More efficient and time-competitive multimodal CAREC corridors. Improved match between growing demand for transport services and investments into logistics infrastructure for multimodal transportation.
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required:
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

REG TA 14: Development of Coordinated National Transport Policies
Country: Regional
CAREC CORRIDOR: All

1.	**Project Name:** Development of Coordinated National Transport Policies
2.	**Type of Project:** Policy coordination
3.	**Project Location:** CAREC Countries
4.	**Sector/Subsector:** Transport
5.	**Background and Rationale:** Transport and trade facilitation requires coordinated government policies, common standards and close cooperation. Trade among Central Asian countries is growing. Main trade and transport constraints can be largely attributed to non-physical barriers. After World War II, trade and transport improvements brought prosperity to Europe. The European Union hopes the same will be achieved in Central Asia through the EU TRACECA program, designed to reduce the barriers to trade and the movement of goods, services and people. TRACECA is a multi-modal corridor. 2008 will be the 15th anniversary of the corridor. Since 1993, some 60 projects totaling Euro 121 million have been implemented. All the countries involved have ratified TRACECA.
6.	**Objectives:** To coordinate transport policies of the five Central Asian republics in order to reduce non-physical and administrative barriers. The most important goals are harmonization, effective sustainable multimodal transportation system, capacity building and improvement in legal framework and institutions.
7.	**Scope: TA will address: (i)** Near-term Issues: (a) commercial barriers – tariffs, border delays (need green channel for perishables); (b) safety (focus should be on corridors, not urban); (c) harmonization of BCP hours; (d) single window; (e) low TIR acceptance and low TIR usage; (f) violation of conventions; (g) lack of bonded carriers; (h) new transport code (considers KAZ a leader in transition progress); (i) infrastructure investment (allow more market influence); (j) preparedness for PPP (adequate legal framework); (k) national transport strategies (follow ADB's lead); and (l) physical barriers (outdated fleet, poor BCP facility, bad roads, lack of intermodal dry ports); and (ii) Medium to Long-term Issues: (a) legal – All Central Asian countries should sign the 7 conventions recommended by UN ESCAP. For international conventions, focus not just on accession but implementation; (b) liability issues regarding traffic movement; and (c) common, shared space for Customs.
8.	**Estimated Cost:** Euro 1.25 million (about $1.7 million)
9.	**Financing Plan and Arrangements:** European Union/TACIS
10.	**Implementation Schedule:** 2007-2009
11.	**Executing Agencies:** European Union, implemented by GOPA/Trademco
12.	**Estimated Benefits and Beneficiaries:** Trade and transport improvements
13.	**Social and Environmental Issues:**
14.	**Priority of Project:** High
15.	**Project Status:** Ongoing since August 2007
16.	**Follow up Actions Required:**
17.	**Issues/Constraints:**
18.	**PSP Opportunities:**

REG TA15: Periodic Survey of Measures
Affecting the Movement of Goods in the CAREC Region
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: Survey of Measures/Practices affecting the Movement of Goods in CAREC Countries
2. Type of Project: Technical Assistance
3. Project Location: Region
4. Sector/Subsector: Trade and Transport
5. Background and Rationale: Recent analyses of cross-border movements of goods and services in Central Asia have shown the existence of a number of policy or regulatory, infrastructural, technical, and operational impediments to their smooth flow. Licensing requirements, the large number of documents, border facilities and procedures designed for control rather than facilitation, vehicle and visa regulations, transit rights, indirect taxes like the value-added tax, were among those discussed. The systematic pursuit of trade facilitation requires a thorough examination of these impediments, looking at their rationale, manner of implementation, as well as less distortive alternatives or possibilities of rationalizing or eliminating them altogether. A comprehensive survey of barriers to trade and transport of goods in the region is therefore needed and will include tariffs and non-tariff measures both at and beyond the border that have an effect on trade and transport.
6. Objectives: To survey all barriers affecting trade and transport of goods in CAREC countries, examine their rationale, and recommend those that need to be rationalized, replaced, or eliminated.
7. Scope: The survey will be periodically conducted and will cover all forms of measures affecting trade and transport such as policy, regulations, fees and requirements, procedures, practices, whether implemented at the border or beyond the border, including both official and unofficial. These will be sourced from Customs, ministries of trade, transport, immigration, quarantine, standards, finance, commerce, or the economy. TA will: (i) compile, document, translate, and categorize these measures, establishing the rationale behind each, implementing agency, and manner of implementation, (ii) publish all measures through the CAREC website; (iii) evaluate each in terms of their objectives and impact on trade, (iv) identify those measures that are redundant and may be eliminated or replaced by more efficient alternatives, those that need to be rationalized such as “crossing fees”, “translation fees”, etc, and those that may be simplified or harmonized across countries, e.g. technical standards; (v) determine gaps between the measures and international conventions such as the Revised Kyoto Convention, technical standards, transport regulations, and propose a timetable for compliance; and (vi) Assess whether requirements are uniform across border posts.
8. Estimated Cost: $800,000 ($100,000 per country survey)
9. Financing Plan and Arrangements: To be determined.
10. Proposed Implementation Schedule: 2010
11. Executing Agencies: all agencies involved in trade and transport
12. Estimated Benefits and Beneficiaries: The trading and business community will immediately benefit from clearly stated and regularly published measures and implementing regulations. Aside from the benefits of transparent information, further advantages are to be enjoyed when the measures are rationalized or streamlined.
13. Social and Environmental Issues: None are foreseen at this time.
14. Priority of Project: High
15. Project Status: Proposed
16. Follow up Actions Required: Secure commitments and funding.
17. Issues/Constraints: This will require strong commitment of the agencies and willingness to have their mandates reexamined.

REG TA16: Establishment of a Third-Party Motor Vehicle Liability Insurance Regime
Country: All
CAREC CORRIDOR: All

1. Project Name: Establishment of a Third-Party Motor Vehicle Liability Insurance Regime

2. Type of Project: Regional TA

3. Project Location: CAREC Countries

4. Sector/Subsector: Transport/Roads

5. Background and Rationale: Compulsory third-party liability insurance has, as its primary goal, the assurance of compensation for victims of road traffic accidents. A well-designed system should: (i) guarantee a minimum compensation threshold, (ii) guarantee the solvency of the debtor, and (iii) facilitate the victim's access to compensation. When vehicles enter a country's territory, the first objective can be achieved through harmonization of liability regimes and/or insurance schemes, the second by harmonization of the insurance supervision legislation and regulation, and the third by requiring a representative of the vehicle's insurer in the host country.

At present, depending on the border in question, insurance is either not required at all, or must be purchased at the border. In the event of an accident involving a foreign vehicle, the administrative and judicial procedures can be very complicated. Regional financial institutions have varied capacity to administer vehicle insurance and to operate across borders.

The so-called "green card" system is well established in Europe (see Attachment). It has already been emulated in other countries. A Blue Card system in ASEAN uses a similar approach. Although CAREC is not uniformly ready to adopt such systems, they provide models that CAREC could adapt tits needs, and introduce progressively.

6. Objectives: The goal of the TA is to explore the feasibility of alternative approaches for establishing a third-party motor vehicle liability insurance regime valid across CAREC. As well as assuring compensation for victims of road traffic accidents, a regional system should also simplify administrative and judicial consequences for any foreign vehicle implicated in an accident in a CAREC country.

7. Scope: The project would:

- Conduct workshops with government authorities, insurance agencies and companies in each of the CAREC countries
- Identify the strengths and weaknesses of the current vehicle insurance regulatory regimes, and of the insurance industries in each country
- Formulate recommendations for the establishment of a third-party motor vehicle liability insurance regime valid across CAREC

The TA seeks to fill a vacuum in the CAREC road transport regulatory regime. Third party insurance has been previously raised as an issue in at least one ADB report[13]. Also, the China Road Transport Association (representing operators) has emphasized the significance of the problem in cross border operations of its members.

8. Estimated Cost: $300,000

9. Financing Plan and Arrangements: To be determined

10. Implementation Schedule: 2011 – 2012

11. Executing Agencies: National Transport Facilitation Committees (NTTFBs) of the eight CAREC participating countries

12. Estimated Benefits and Beneficiaries: While facilitating transport, the Project will help assure compensation for victims of road traffic accidents, by: (i) guaranteeing a minimum compensation threshold, (ii) guaranteeing the solvency of the debtor, and (iii)

[13] Harmonization and Simplification of Transport Agreements, Cross Border Documents and Transport Regulations, ADB, October 2005.

facilitating the victim's access to compensation.
13. Social and Environmental Issues: The Project will help alleviate poverty indirectly to the extent that poor people are particularly vulnerable to the consequences of road accidents.
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: Approval by the respective national ministries concerned. Mobilization of the necessary technical assistance resources.
17. Issues/Constraints: Achieving progress will depend at least as much on the development of the financial services sector in each country, as on transport sector authorities and stakeholders.
18. PSP Opportunities: Insurance companies

Attachment to Project Profile: The European Green Card System

(i) The Green Card System involves cooperation among the governments, national bureau, and the national insurance markets. It is administered by an organization established by all national Bureaus, the Council of Bureau, which has its Secretariat in London and employs a small staff. The Uniform Agreement between Bureaus is a standard text that is signed bilaterally between the Bureaus of two countries. There is a partnership, with a Handling Bureau (the Bureau in the country of the accident) and a Paying Bureau (the Bureau under the authority of which a Green Card held by a visiting motorist has been issued).

(ii) The two basic agreements of the Green Card System, the Uniform Agreement (subscribed to bilaterally) and a Multilateral Guarantee Agreement, have created a rational and flexible system for the settlement of third-party claims arising from accidents involving residents of two countries; each national Bureau guarantees the settlement of claims caused by its own national motorists abroad and also guarantees the settlement of claims resulting from the use of foreign vehicles in its territory. While the existing Green Card System—which has functioned well in spite of inherent problems such as different languages, different legal systems, different insurance markets, and different social security systems—is not open to membership by the CAREC countries because of their distance from Europe and the consequent lack of traffic between the two areas, it does provides inspiration for the CAREC countries to move toward the development of a similar system.[14]

(iii) While implementation of the Green Card System or similar approaches requires confidence in the Handling Bureau's actions—and the need for such confidence might be considered an impediment—this trust is reciprocal in that each single Bureau, from time to time, serves the function of Paying Bureau or Handling Bureau. Should there be an insurmountable divergence of opinion between Bureaus, it is best to have an agreement that provides for arbitration, although as noted, it has never become necessary to use the arbitration facility in the Green Card System.

(iv) It has been suggested that to successfully implement a similar system the economic position of the countries should not differ substantially (as was the case in Europe immediately after World War II), although this is an actual or potential problem with the existing Green Card System. Compare, for example, the situation of Belgium, where there is unlimited liability for an accident, and Estonia, where the total value of all annual premiums collected is only US$2.3 million equivalent; the "solution" in such a case is a state or bank guarantee.

[14] In this sense the Green Card System differs from the TIR System, which is open to membership by any recognized country.

(v) An issue is whether there should be a specific premium for the international cover. In many European countries, such as Belgium and Germany, it is assumed that all vehicles travel internationally and therefore no incremental premium is charged for the insurance cover. In the CAREC, however, as in many of the transitional members of the Green Card System, most vehicles do not travel internationally, and therefore consideration may be given to assessing a separate premium for international cover.

(vi) A related issue is whether the Green Card System or some similar approach makes sense when only a relatively few vehicles travel internationally. Apart from the adverse facilitation impact of not having such a system, it may make more sense to have the few vehicles that travel internationally in less well-developed countries pay for insurance at the border, rather than risk the insolvency of a national motor insurance system. A cost-benefit assessment is required before implementation of the system, although no such formal assessments have been undertaken in Europe.

(vii) The difference in motor insurance systems among countries is not an insuperable obstacle to implementation of the Green Card System. Consider, for example, that Finland and Norway have no-fault motor insurance systems, while the other countries have fault-based systems.[15]

(viii) A system in which the vehicle registration plate itself functions as a guarantee for third-party liability in the country the motorist is traveling (e.g., as in Multilateral Guarantee Agreement of the Green Card System) is to be preferred to a system requiring insurance certificate inspection at borders, on facilitation grounds.

(ix) Another lesson for CAREC is that the international motor insurance certificate itself should be made "fraud-proof", perhaps with the use of a credit-card type system rather than a paper document; there are currently too many counterfeit certificates in use in Europe, especially by drivers from the transitioning member countries of the System.

(x) If there is only one motor insurance company (i.e., a state enterprise) in a country, this will facilitate establishment of a Bureau, which is likely to be simply a sub-unit of the state enterprise in such a case; of course, having only one motor insurance provider in a country is generally not to be preferred considering the efficiency benefits of competition.

(xi) To minimize startup costs of a cross-border motor insurance system, it is usually better that the Bureau established in each country be small and that it utilize the services of existing insurance companies in dealing with claims.

(xii) The Council of Bureau, the managing organization of the Green Card System, regularly holds workshops and seminars explaining the operation and benefits of the system, mainly to candidate and transitioning member nations.

Source: *T.A. No. 5749-REG: Cross-Border Movement of Goods and People in the Greater Mekong Subregion, Appendixes*, prepared for the ADB, September 1998, Appendix C, pp. C-35 to C-41.

[15]Also consider that initially many of the countries participating in the Green Card System did not have compulsory third-party motor insurance; however, to address this disparity, the Council of Bureaux adopted the practice of "deeming" such legislation to exist (where it did not) and have certain basic content regarding financial limits and scope.

REG TA17: International Road Transport Conventions and CAREC Road Transport Agreements
Country: All
CAREC CORRIDOR: All

1. Project Name: International Road Transport Conventions and CAREC Road Transport Agreements

2. Type of Project: Regional TA

3. Project Location: CAREC Countries

4. Sector/Subsector: Transport/Roads and Railways

5. Background and Rationale: Road transport services can in principle be conducted across CAREC borders and through the region's transit corridors, though with sometimes strict limitations. In general, carriers complain of multiple difficulties in cross border transport operations, due in significant part to the regulatory regimes and the manner in which they are applied. For example, transshipment is common at PRC borders within CAREC. The Uzbek-Tajik and Uzbek-Kyrgyz road border crossings are difficult and little used. There is no road transport agreement between Tajikistan and Uzbekistan. The agreement between the Kyrgyz Republic and Uzbekistan is not considered effective.

Slow border crossing procedures, and restrictions on lengths of time that vehicles may remain in other countries frequently cause trucks to return empty to their home base, rather than carry a return load. This is a waste of the region's transport resources. Nearly all of the region's cross-border and transit road transport is conducted under bilateral agreements. Their implementation mechanisms are absent or weak, allowing unilateral interpretation. Ratified multilateral agreements are relatively ineffectual, and others are under negotiation. Diverse technical standards are enforced. This opens ambiguity in regulatory application, and creates a confusing mosaic of rules. The situation faced by CAREC countries is neither unique nor new. Other regions have encountered and overcome similar difficulties.

The international transport conventions are legal and normative instruments to promote road safety, facilitate traffic flows, and coordinate technical standards[16]. The utility of the conventions as regional regulatory tools is progressively enhanced by the geographic breadth and uniformity of their application. There is an obvious interest for CAREC to accept the international agreements as common regulatory instruments, and in a careful, coordinated manner. UN ESCAP Resolution 48/11 established a list of priority conventions for countries to accede to and implement.

To achieve the desired effects in terms of public benefit, it is not sufficient to sign the conventions. Enforcement requires expertise and resources that are not uniformly available across CAREC. Implementation of the conventions should be done by revision of national legislation, ensuring that there is no conflict or gap between the two, and that the operating regulations of the enforcement agencies conform to the convention.

As well as the international conventions there are other regulatory instruments that have no legal status beyond the jurisdiction that developed them, but have considerable influence on transport regulation elsewhere, including the CAREC. These include EC Directives concerning international transport that are obligatory within the EU, and at the same time have taken on a normative status outside the EU. Certain of the international conventions, the EC Directives, and EU member states national legislations are intertwined (for example the CMR, the AETR, the ADR). These instruments embody a wealth of experience around which many countries are formulating their national regulatory frameworks, including some in CAREC. The following are noted:

- EC 96/53 on weights and dimensions of vehicles; and
- EURO 1,2,3,4, 5 concerning vehicle emission controls.

[16] see www.**unece**.org/trans/conventn/thessaloniki/BackDoc1.pdf for a list of international transport related conventions registered at the UN, with summary explanations.

- operator licensing as imposed by EC 96/26

6. Objectives: The objectives are:

- to foster uniform transport regulatory standards across the region based on international al best practice
- to assist in the application of such standards by their recognition in the region's transport agreements and legal frameworks

7. Scope: The TA will assess the status of CAREC PC accession to the international conventions. It will assist countries to review priorities and address the constraints that they must overcome in acceding and implementing the conventions.

Particular attention will be paid to the adoption of a common standard for weights and dimensions of vehicles. This is contentious within CAREC and a subject of its current prioritized Action Plan agreed by the TSCC in Urumqi in August 2006.

The TA will assist CAREC PC in adopting international standards as the reference benchmarks to harmoniously regulate their cross border transport relations. This will be of great value whichever transport agreements prevail as the region's favored working instruments.

Assistance will be provided to review and to adapt national legal and regulatory frameworks to comply with the accepted standards. International agreements such as the conventions generally take precedence over laws, but the implementation should also be effected through regulations, decrees, manuals and other instruments upon which enforcement agencies base their working practices.

The potential application of the EU "T system", or CAREC generated equivalents, will be examined as alternatives to the TIR system.

The TA will be provided through in-country research and regional workshops. The collaboration of international bodies such as UN ESCAP, IRU and EU TRACECA will be invited.

8. Estimated Cost: US$1,000,000

9. Financing Plan and Arrangements: To be determined

10. Implementation Schedule: 2010 – 2011

11. Executing Agencies: MOTCs, Customs, and traffic police offices

12. Estimated Benefits and Beneficiaries: Harmonized technical and commercial regulation of CAREC transport operation. This will allow operators to use standardized (world) equipment, and a cascade effect of reduced costs of transport, a more competitive transport market place, introduction of the most efficient technologies, and lower prices for consumers.

13. Social and Environmental Issues: Compliance with the conventions leads to social and environmental benefits such as:
AETR – reduced working hours for drivers, less fatigue and safer roads
ADR – better control of transport of hazardous materials and better preparation for intervention in the case of accidents
APT – more widely recognized qualifications of drivers

14. Priority of Project: High

15. Project Status: Proposed
Ongoing action by TRACECA

16. Follow up Actions Required: Allocation of the necessary technical assistance funds.

17. Issues/Constraints: The conventions have quite complex technical and administrative requirements, so even after accession, their implementation and useful end results are not foregone conclusions. The scope of this TA includes implementation actions, but the accrual of the fullest benefits will require other TAs to ensure, sustained results.

18. PSP/PPP Opportunities: Limited

REG TA18: Cross–Border Agreements among the People's Republic of China, Kyrgyz Republic and Tajikistan
Country: Regional
CAREC CORRIDORS: 2, 5

1. Project Name: Consulting Services for a Cross Border Agreement among the People's Republic of China, Kyrgyz Republic and Tajikistan
2. Type of Project: Regional Trade Facilitation TA
3. Project Location: CAREC
4. Sector/Subsector: Transport and Trade Facilitation
5. Background and Rationale: The People's Republic of China (PRC), Kyrgyz Republic and Tajikistan are linked by CAREC Corridors 2 and 5, which run from Kashi (PRC) via Sary Tash and Osh (Kyrgyz Republic) to Dushanbe (Tajikistan). The ADB together with the PRC and the Islamic Development Bank are assisting the Government of the Kyrgyz Republic and the Republic of Tajikistan to improve and rehabilitate the corridor. Cross-border and transit traffic through the region, including the CAREC Corridors, takes place under a number of different bilateral and multilateral agreements and conventions. One of the most important conventions, which regulate the transit of vehicle through the region, is the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention). The Kyrgyz Republic and Tajikistan joined the Convention, while PRC did not. Vehicle standards in the PRC differ from the standards, used in the Kyrgyz Republic, Tajikistan and other Central Asian countries. Despite the higher axle load of Chinese trucks, Chinese carriers can easily transit through the territory of Kyrgyz Republic, while Kyrgyz truck can go only to cross-border logistics ports Topa and Symkhana in PRC.
6. Objectives: The main objective is to assist the governments of Kyrgyz Republic, the PRC, and Tajikistan to establish a trilateral cross-border agreement (CBA) by which road traffic may flow freely and with minimum delays along the relevant CAREC Corridors.
7. Scope: With due regard to legal, regulatory and policy requirements, and international practice, the consultant will assist in developing a trilateral CBA among the Kyrgyz Republic, the PRC and Tajikistan, including cross-references, appendices, and protocols concerning existing bilateral and multilateral agreements, as appropriate. The trilateral agreement will cover: the facilitation of border crossing formalities, cross-border movement of people, cross-border movement of goods, requirements of the admittance of road vehicles, exchange of commercial traffic rights, infrastructure, institutional issues, and miscellaneous and final provisions. The TA will accompany an investment project to help prepare the cross-border agreement (CBA) among the Kyrgyz Republic, PRC, and Tajikistan. The CBA will facilitate smooth cross-border movement of people and goods and will remove non-physical barriers to regional trade and transport.
8. Estimated cost: $550,000
9. Financing Plan and Arrangements: ADB grant: $500,000 and the Government: $50,000. This technical assistance project is piggy-backed to Loan No. 2359 CAREC Regional Road Corridor Improvement Project
10. Implementation Schedule: 2008 – 2010
11. Executing Agencies: ADB
12. Estimated Benefits and Beneficiaries: (i) increased awareness about CAREC region and development of trade and other economic activities; and (ii) increased compliance of traders and other economic agents to the local trade regulation
13. Social and Environmental Issues: Reduced unofficial activities.
14. Priority of Project: High
15. Project Status: Proposed
16. Follow up Actions Required: Recruitment of qualified legal experts
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

REG TA19: Liability Insurance System for Transport Operators
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: Liability insurance system for transport operators
2. Type of Project: Technical Assistance
3. Project Location: Region
4. Sector/Subsector: Transport
5. Background and Rationale: The transport of goods involves risks of loss, damage, or delay. Without insurance, the owner of the goods has only minimum protection because freight forwarders and carriers have limited liability, based on international conventions, for any loss or damage to the goods, while under their care. Transport insurance provides coverage against the risks. Under freight/cargo insurance which is a type of indemnity insurance, the insurer transforms the unknown extent of the risk of loss or damage to which transported goods are exposed into a known value or premium, i.e. the insurer provides coverage against such loss or damage in exchange for the payment of a certain premium. It will be useful to know what liability insurance systems cover goods transported across Central Asia and how they are enforced across borders. Lessons from international practice such as in the European Union and other parts of Asia will be used to assess how improvements can be made to the current systems in the CAREC countries or whether compulsory insurance or a single insurance company will be effective.
6. Objectives: The study will examine national insurance policies and existing liability insurance systems for transport operators in CAREC countries and their coverage and enforcement across borders, and suggest ways of increasing their effectiveness including the drafting of an agreement on mutual recognition of insurance policies in order to reduce the risks involved in transporting goods.
7. Scope: TA will (i) review and describe national insurance policies; (ii) examine existing liability insurance systems in CAREC countries, in particular the terms of policies, insurance rates, insurance providers, and clients; (iii) assess the record enforcement across international borders, compared with international practice in EU and other Asian countries; (iv) evaluate the need for and advantages/disadvantages of compulsory insurance or a single insurance company; and (v) draft an agreement on mutual recognition of insurance policies that includes a dispute settlement mechanism.
8. Estimated Cost: $100,000
9. Financing Plan and Arrangements: To be determined.
10. Proposed Implementation Schedule: 2011-2012
11. Executing Agencies: Ministry of Transport, and government offices responsible for liability insurance
12. Estimated Benefits and Beneficiaries: Information on the available liability insurance systems will aid transport operators in decisions on making their services more effective, while improvements in insurance services will encourage trade.
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: Secure funding and commitments.
17. Issues/Constraints: Funding and commitments.

REG TA20: Supporting Management of Cross Border Rail Operations
Country: Regional
CAREC CORRIDOR: All

1. Project Name: Supporting Management of Cross Border Rail Operations
2. Type of Project: Institutional Support, Regional
3. Project Location: Railway authorities of CAREC Participating Countries
4. Sector/Subsector: Railways
5. Background and Rationale: In response to globalization, the railway sector in the CAREC participating countries has welcomed increasing opportunities of cross-border railway operations. An example is container block services between PRC and Europe through the Siberian railway. Container block train services currently use Mongolian route and the trans-Siberian railways system. The services have shortened the transport duration by 20 days compared to shipping. New opportunities exist in Kazakhstan routes. Furthermore, there have been a few railway project opportunities in conjunction with mineral resources exploitation in the CAREC participating countries. This opportunity requires cross-border railway operations. These new opportunities require speedy and reliable railway services and coordinated railway operations among CAREC countries. This requires further deepening of the ongoing railway sector reforms in the CAREC region.
6. Objectives: The main objective is to assist the Governments in further deepening railway reforms in order to respond to the new opportunities effectively.
7. Scope: TA will (i) review the railway sector reforms in all CAREC countries and the opportunities for new cross-border railway services including railway operations beyond CAREC borders; (ii) identify necessary reforms including legislative and regularity reforms and private sector participation in the CAREC countries for the provision of cross border railway services; and (iii) recommend an action plan for efficient provision of cross-border railway services.
8. Estimated Cost: $1.5million
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2010
11. Executing Agencies: Railway authorities in CAREC participating countries and Ministries of Transport
12. Estimated Benefits and Beneficiaries: Efficient railway services responding well to the new opportunities.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Proposed
16. Follow up Actions Required: TORs to be prepared and financing secured
17. Issues/Constraints:
18. PSP/PPP Opportunities:

REG TA21: Reducing Transport Costs to Boost Trade
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: Transport Costs and the Level, Structure, and Direction of Trade
2. Type of Project: Technical Assistance
3. Project Location: Region
4. Sector/Subsector : Transport
5. Background and Rationale: Raballand, Kunth and Auty (2005) have found that transport costs have caused Central Asian countries to generate far less trade with the EU than their relative location would suggest. Facilitating transport through lowered transport costs would therefore lead to increased trade flows. In addition, the structure of trade is concentrated in a few products, and overdeveloped within the region. This is because transport is expensive except for these "strategic" commodities and rail transport constrains exporters who do not provide repeated large volumes of freight. High transport costs induced by border crossing problems also ultimately discourage market integration. There is also a severe cargo imbalance that affects the efficiency of the transport system, exacerbated by the rail pricing structure that is fixed by the government depending on the "strategic" nature of the products. The price elasticity of rail services and tariff discount policy must be re-examined. A gradual introduction of market pricing may be needed to find out the optimal arrangement for freight movement which would in turn raise overall allocation efficiency; the rail system would then improve its operational efficiency and provide more attractive option for international trade. For trade facilitation purposes, there is a need to ascertain the determinants of transport costs in Central Asia, how they relate to the price of the transport service, and how they may be minimized. Not only will trade volumes be favorably affected by lowered transport costs, but the structure, composition and direction of trade should change for the better.
6. Objectives: The study will analyze transport costs according to mode of transport and their underlying components, and rationalize transport charges in order to raise the volume and improve the structure and composition of trade
7. Scope: The study will (i) examine cost components for the different modes of transport for each major section of each CAREC corridor; (ii) analyze the cost-price relationship and how prices are determined for the different modes of transport, including price elasticity of transport services; (iii) examine tariff discount policies; (iv) suggest ways to rationalize transport charges and eliminate biases for certain goods or certain modes of transport; and (v) test market pricing for selected cargo, e.g. less strategic commodities, to reveal the true optimization arrangement for freight movement.
8. Estimated Cost: $200,000
9. Financing Plan and Arrangements: To be determined
10. Proposed Implementation Schedule: 2012-2013
11. Executing Agencies: Ministries of Transport
12. Estimated Benefits and Beneficiaries: Assuming a competitive environment, this will enable transport operators to rationalize their operations in order to reduce costs and offer better prices to traders, which in turn should lower the cost of goods
13. Social and Environmental Issues: To be determined.
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: Secure funding and commitments.
17. Issues/Constraints: Possible difficulty of obtaining cost data

REG TA22: Survey off Taxes and Charges
Applicable to Transport Operators
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: Survey of Taxes and Charges applicable to Transport Operators
2. Type of Project: Technical Assistance
3. Project Location: Region
4. Sector/Subsector: Transport
5. Background and Rationale: Transport operators in CAREC countries are subject to taxes such as road taxes and an excess axle load charge when entering and passing through national territories. There are also numerous other charges such as vehicle permits, transit fees, convoy/escort charges, costs of non-reciprocal road transport permits, or checkpoint fees, aside from unofficial payments. Information on all forms of taxes and charges in each country is needed to facilitate compliance by traders and transporters with these requirements. Officially published regulations and requirements are important for transparency and should be accompanied by the issuance of official receipts.
6. Objectives: To survey the system of taxes, charges, and fees affecting transporters in each CAREC country and develop common principles and rules for taxation.
7. Scope: The study will (i) document all taxes, charges, fees, payments affecting transporters in each CAREC country and categorize them by type or purpose; (ii) identify basic or primary taxes, charges or fees as well as redundant ones; (iii) provide principles and rules for taxation of transport that simplifies tax administration; (iv) provide arguments for reciprocal agreements such as on transit fees, etc. and review convoy/escort policy; and (v) publish or post the information on taxes, charges, fees, or payments.
8. Estimated Cost: $100,000
9. Financing Plan and Arrangements: To be determined.
10. Proposed Implementation Schedule: 2011-2012.
11. Executing Agencies: Ministry of Finance or Ministry of Transport
12. Estimated Benefits and Beneficiaries: A simplified transparent taxation system for transport operators will encourage transport services to develop and in turn make them more efficient in providing services to traders.
13. Social and Environmental Issues: None are foreseen at this time.
14. Priority of Project: Medium
15. Project Status: Proposed.
16. Follow up Actions Required: Secure funding and commitments.
17. Issues/Constraints: Funding and commitments.

REG TA23: Needs Assessment of Caspian Shipping along CAREC Corridors
Country: Azerbaijan and Kazakhstan
CAREC: 2

1. Project Name: Needs Assessment of Caspian Shipping Along CAREC Corridors
2. Type of Project: Feasibility study and marketing study
3. Project Location: Kazakhstan, Azerbaijan, Turkmenistan
4. Sector/Subsector: Transport/Ports
5. Background and Rationale: Traffic is growing on the Caspian Sea, led by the oil and gas industry and related activities. This requires capacity expansion along CAREC Corridor 2, especially the Caspian Sea section, which requires expansion, including: (i) Aktau Port; (ii) Baku Port; (iii) Bautino Port and Kuryk; (iv) Ro-Ro ferries; (v) a new canal link from the Caspian to the Black Sea (complementing the Volga-Don canal); (vi) undersea pipeline(s); and (vii) access roads and railway lines to the ports. Some private investors have shown their interest in the development of the Aktau, Baku.
6. Objectives: The main objective is to assist the Government in preparing a master plan on the Caspian Sea section of CAREC Corridor 2, suitable for external financing, including the private sector.
7. Scope: TA will prepare a development master plan on the Caspian Sea section of CAREC Corridor 2. This TA will need to be developed and carried out in coordination with TA #9: Feasibility Study for New Alyat Port and Investment Projects #18: Acquisition of High Capacity Ferries by Caspian Shipping and Investment Project #39: Expansion of Aktau Port.
8. Estimated Cost: Review and project identification — US$ 0.5 million Project preparation and due diligence — US$ 0.5 million Total — US$ 1.0 million
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2010
11. Executing Agencies: Port and Maritime Transport Authorities
12. Estimated Benefits and Beneficiaries:
13. Social and Environmental Issues: Appropriate social and environmental due diligence is needed.
14. Priority of Project: High
15. Project Status: Proposed
16. Follow up Actions Required: Secure financing and develop TORs.
17. Issues/Constraints:
18. PSP/PPP Opportunities: Excellent opportunities exist for private participation in expansion of ports, special berths, shipping, and all related service provision.

REG TA24: Needs Assessment of Central Asian Civil Aviation
Country: Regional
CAREC CORRIDOR: All

1. Project Name: Needs Assessment of Central Asian Civil Aviation
2. Type of Project: Technical assistance in management, technology and training
3. Project Location: Regional
4. Sector/Subsector: Transport/Aviation
5. Background and Rationale: Aviation in CAREC countries is at different stages of development. Certain countries have been successful and progressed with institutional reforms, enhanced operational capacities, procurement of new fleet, and infrastructure improvements, while others are continuing to experience challenges with some of these areas. At present, the civil aviation subsector is looked at largely in national and bilateral terms rather than on a regional basis. Airline connections are oriented toward the Former Soviet Union countries, but there is growing demand for travel to and from PRC, the Middle East, India and Europe which should be effectively exploited. Financing problems are another area of concern especially given the under capitalized nature of most of the state owned national airlines and their need for government subsidies. Larger and stronger airlines would reduce the financing constraints. Furthermore, the current practice, in some CAREC countries of having the same entity manage the national airline, the airports and the air traffic control system, needs to be changed. As well, there is a need for each country to have a civil aviation authority, independent of the government.
6. Objectives: The main objective is to assist the CAREC countries in preparing action plans to improve the civil aviation sector.
7. Scope: The TA will assess needs for all CAREC countries. The TA will review, among others: (i) institutional structure; (ii) legislation and regulatory framework, and compliance with ICAO SARPs; (iii) infrastructure, including airfields and ATC; (iv) airlines and maintenance; (v) passenger and cargo transport; (vi) flight and ground safety; (vii) security; and (viii) airport (civil aviation) infrastructure and equipment. Based on the needs identified for each CAREC country, a targeted action plan for each country to improve the overall performance and address existing deficiencies in the critical areas to ensure safe operations and the ability of the country's aviation sector to cope with growing demands for air transport. The scope of the needs assessment is intended to be comprehensive and cover the eight areas noted above under “Background.” All CAREC members will be covered although they are at different stages of development in the civil aviation subsector, and thus will require different action plans. The need to use international best practices will also be included based on reviews of appropriate and existing models of regional cooperation (e.g., Scandinavian Airlines System (SAS), Baltic Airways) in terms of their applicability in the context of the CAREC setting.
8. Estimated Cost: $3.00 million
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2010-2012
11. Executing Agencies: Civil Aviation Authorities
12. Estimated Benefits and Beneficiaries:
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Proposed
16. Follow up Actions Required:
17. Issues/Constraints:
18. PPP/PSP:

REG TA25: Emergency Compliance with ICAO Requirements Countries
Country: Regional
CAREC Corridor: All

1. Project Name: Emergency Compliance With ICAO Requirements
2. Type of Project: Technical assistance for Infrastructure, Management and Technology
3. Project Location: Regional
4. Sector/Subsector: Transport/Aviation
5. Background and Rationale: Civil aviation in CAREC countries is at different stages of development. Certain countries have been successful and progressed with institutional reforms, enhanced operational capacities, procurement of new fleet, and infrastructural improvements, while others are continuing to experience challenges with some of these areas. One important challenge most CAREC countries face is to ensure compliance with ICAO Standards and Recommended Practices (SARPs). Lack of compliance caused some country airlines to be banned from operating in the European Union. Compliance with ICAO SARPs includes several aspects, namely: (i) institutional and regulatory compliance; (ii) legal framework compliance; (iii) airfield and ground operations compliance; (iv) flying operations compliance; and (v) ATC compliance. Institutional and regulatory compliance includes adequate division of powers and checks and balances between the legislative, regulatory, licensing and operational functions. All those functions cannot be performed by civil aviation authorities. Thus, such functions should be divided. Legal framework compliance involves compliance and harmonization of air legislation of each country with the international air legislation. Airfield and ground operations compliance require strict adherence to airfield design and construction standards, and, amongst other things, presence of adequate ground support and emergency equipment and facilities to ensure safe ground operations for aircraft and support personnel and equipment. Flying operations compliance includes conducting proper flying operations and adequate maintenance practices and record keeping. Additionally, it involves proper pilot training, including English language proficiency. ATC compliance involves proper provision of air traffic control services in accordance with international standards and practices, as well as adequate training in ATC procedures and English language for ATC controllers.
6. Objectives: The main objective is to help each of the CAREC participating countries comply with ICAO SARPs.
7. Scope: TA will carry out compliance audits and will provide recommendations on resolving deficiencies in complying with ICAO SARPs.
8. Estimated Cost: $6.00 million
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2010-2012
11. Executing Agencies: ICAO in conjunction with other regional and national agencies.
12. Estimated Benefits and Beneficiaries:
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Proposed Project
16. Follow up Actions Required:
17. Issues/Constraints:
18. PSP Opportunities:

REG TA26: Institutional Support for National and Regional Transport and Trade Facilitation
Country: Regional
CAREC Corridors: All

1. Project Name: Institutional Support for National and Regional Transport and Trade Facilitation

2. Type of Project: Advisory TA and Institutional Capacity Building

3. Project Location: CAREC Countries

4. Sector/Subsector: Trade Facilitation and Transportation / all modes

5. Background and Rationale: The present institutional arrangements for addressing cross-border trade and transport facilitation issues do not allow a concerted strategy to be formulated and implemented. This is evident from reports of border crossing delays and of their origins[17].

Internally, policies for regional and international integration, trade and industry protectionism, national security, and collection of revenues have not been fully reconciled. Customs, border security services, police and other authorities tend to compartmentalize their activities. Sometimes there is even deliberate insularity. While coordination is not evident at national level, at regional level it is even more difficult to establish. The origins of the difficulty need to be addressed firstly at national level, then regionally.

National associations of transport operators, freight forwarders, chambers of commerce do not at present play a sufficient role in the development of transport policy, agreements, or regulation. Such organizations are however growing in stature and influence within the CAREC, partly by way of their increasing affiliation with international professional associations, and partly by the growing globalization of trade.

There are models for the establishment of National Trade and Transport Facilitation Committees[18]. The PRC, Kyrgyz Republic, and Mongolia have already established such bodies, at least in form. The challenges that they face are indeed substantial and so their prominence in the CAREC region so far has been muted.

6. Objectives: The overall goal of the project is to promote economic cooperation and integration in the CAREC region, consistent with the program vision "Good Neighbors, Good Partners, Good Prospects". The specific objective of the TA is to assist CAREC governments by: (i) creating an awareness of transport and trade issues among a cross section of government officials and entrepreneurs from the private sector; (ii) assisting in establishing committees or other equivalent bodies appropriate to individual governments existing arrangements; (iii) assisting in developing agendas for each country's committees, (iv) fostering closer links with international organizations; and (v) monitoring corridor performance within their respective countries. The heads or designated representatives of the NTTFC are subsequently to become the focal points of interregional coordination along the CAREC corridors.

7. Scope: The TA has two phases: (i) Phase 1: Institutional Support to National Trade and Transport Facilitation Committees; and Phase 2: Support for the Development of Regional Corridor Management. The TA will foster the creation of National Trade and Transport Facilitation Committees (NTTFC, or equivalent entities) under a mandate from their respective governments that incorporates representatives of all relevant private and public sector stakeholders. Each government should choose its own structure for this. Coordinated functionality rather than form is the key issue. Customs authorities and Ministries of Transport and Communications are both expected to play prominent roles

[17] E.g. Presentation by Mr. Kubanychbek Kulmatov, First Deputy Chairman of the State Customs Service of the Kyrgyz Republic, Bishkek, 20 June 2007.

[18] Study On National Coordination Mechanisms for Trade and Transport Facilitation in the UNESCAP Region.

in these bodies, but other interests, government organizations and private sector should also be represented. These may include private sector trading and trade finance interests, transport providers and users (shippers, consignees, importers, exporters, and freight forwarders), port authorities, and terminal operators. The TA will assist in formulating the working agenda of NTTFC, and initiating their activities. The NTTFC will have multiple tasks. Essential functions are to include: (i) a review policy and legislation to identify and correct gaps and anomalies relative to international best practice; (ii) provide a national forum for the harmonization of procedures, and documentation used in international transport; propose, for government approval, draft transport and trade-related regulations and practices; (iii) increase awareness of the methods and benefits of transport facilitation; and (iv) implement other more narrowly focused trade and transport facilitation projects; and (v) monitor corridor performance. In particular the NTTFC will be assisted to coordinate their country's adherence to international conventions and to implement them. Important conventions of particular relevance include: (i) border crossing procedures complying with the new Annex 8 of the Convention on the Harmonization of Frontier Controls of Goods[19], and engagements under the Revised Kyoto Convention; and The UN ESCAP resolution 48/11 list of priority conventions; and the UN Convention Against Corruption, December 2005. These conventions address quite complex technical fields, requiring specialist knowledge. Also, modification of existing legal frameworks, regulations and enforcement authorities' working practices can demand laborious effort. In the case of technical aspects of conventions the MOTC might manage the accession, but enforcement is often by Traffic Police. The NTTFC are to coordinate such interaction. This TA will oversee several other projects[20] that will be providing more detailed assistance in particular fields of application. TA will need to be closely coordinated with REG TA 27: Corridor Performance Monitoring. The national and the regional extension phases of this TA will need to overlap or progress will be too slow. For regional extension, a bilateral, trilateral, and then multilateral approach may best fit the complexity of the corridors. Ultimately, transport development and activities along the CAREC corridors should be managed by entities that can ensure seamless operations across borders, and between modes through the CAREC countries.
8. Estimated Cost: Phase 1: $4,000,000 and Phase 2: $2,000,000
9. Financing Plan and Arrangements: ADB
10. Implementation Schedule: 2009 – 2016
11. Executing Agencies: Multiple agencies should be designated by high-level government decree to establish and to participate in the NTTFCs.
12. Estimated Benefits and Beneficiaries: The Project will result in an increase in cross-border trade and/or reduction in the border crossing clearance time targets that are specified pilot border sites.
13. Social and Environmental Issues:
14. Priority of Project: Phase 1 High and Phase 2 Medium
15. Project Status: The TA builds upon meetings and resolutions of the combined CAREC Transport Sector Coordinating Committee and the CAREC Trade Facilitation

[19] http://www.unece.org/trans/bcf/ac3/documents/2005-1e.pdf

[20] For example: **TA 26** Common CAREC Approach to Road Vehicle Emission Standards and Reduction Measures; **TA 24** Regional Road Corridor Safety Auditing and Safety Improvement Measures; **TA 25,** Collaborative regional operations and maintenance of corridors; **TA 26:** Reducing the Environmental Impacts of Vehicles Through Recycling Waste; **TA 45** Establishment of a Third-Party Motor Vehicle Liability Insurance Regime; **TA 46** Equitable Transit and Cross Border Entry Charges for Road Transport; **TA 47** International Road Transport Conventions, Finalization and Implementation of CAREC Road Transport Agreements.

Coordinating Committee culminating in a joint meeting in Tashkent (January 2008). Also, it is highly complementary to ongoing WCO, UN ESCAP, EU BOMCA, TRACECA, and USAID activities in the region.
16. Follow up Actions Required: Secure funding and develop TORs
17. Issues/Constraints: The reinforcement of institutional interfaces is the most important action for overall long term results as well as for sustainability of the benefits arising from technology and investment. In each country, the TA cross-cuts quite complex Ministerial and Agency boundaries. To be effective, the project implementation would require a high-level mandate from the Prime Minister or similar official with authority over the agencies concerned and designation of at least one senior official to coalesce relevant national authorities around objectives. The different parties involved must be given time and be assisted to discover that a win-win prospect is unfolding.
18. PSP/PPP Opportunities:

REG TA27: Corridor Performance Monitoring and Reporting
Country: Regional
CAREC CORRIDOR: All

1. Project Name: Corridor Performance Monitoring and Reporting
2. Type of Project: Regional Trade Facilitation TA
3. Project Location: CAREC
4. Sector/Subsector: Transport and Trade Facilitation
5. Background and Rationale: Performance measurement is an essential component of any improvement program. There were several initiatives to measure performance of transport corridors in CAREC countries with use of different methodologies, but there is no systematic measurement with a commonly agreed methodology. One of the most accepted methodologies in the region is UNESCAP Time/Cost – Distance methodology, which uses graphical representation of cost and time as a function of travel distance. Graphs efficiently indicate where time and cost loss occurs. World Bank (WB) uses a combination of tools for measurement of performance and diagnostics of delays. In Kazakhstan and Kyrgyz Republic, the WB toolbox is successfully used by the Association of National Road Carriers (Kyrgyz Republic) and Forum of Entrepreneurs (Kazakhstan) for measurement and diagnostics in Kazakhstan, Kyrgyzstan and Tajikistan. WB also uses logistic performance parameters to assess logistic services available in developing countries including CAREC countries. More detailed methodology is used by WCO for root-cause analysis at cross border point, where most losses of time and cost occur. Unlike methodologies of UNESCAP and WB, WCO involves customs offices in the process of monitoring, thus making them involved and more responsible for results of monitoring. On the other hand WCO methodology covers only customs operations and do not analyze performance of other cross-border and beyond-the-border agencies. CAREC countries' senior officials express high interest in performance measurement and performance analysis methodologies and express interest in the continuous monitoring of performance along the key regional transportation corridors in order to evaluate effectiveness of improvement activities.
6. Objectives: To develop methodology and establish institutional capability for CAREC corridor performance monitoring and reporting.
7. Scope: This TA includes two distinctive Phases: 1) establishment of performance measurement methodology and system for performance data collection and reporting, and 2) support for running the system on the constant basis for the first 2 years. During the first phase performance measurement methodology should be established and approved. It may include the combination of existing methodologies (e.g. regular monitoring of time and cost performance indicators every quarter of a year, and more detailed diagnostics with WB and WCO tools on the annual or biannual basis), or a completely new methodology. During the first phase requirements to information systems for data collection, storage and reporting should be established and pilot tests along selected corridors should be completed. First phase also includes establishment of key benchmarks and realistic performance targets for every CAREC corridor. Second phase of the project should focus on development of institutional capabilities of CAREC countries to carry on performance monitoring, analysis and improvement.
8. Estimated cost: $3.0 million.
9. Financing Plan and Arrangements: ADB
10. Implementation Schedule: 2008 – 2010
11. Executing Agencies: National Transport and Trade Facilitation Committees (NTTFC) of the eight CAREC participating countries
12. Estimated Benefits and Beneficiaries: Improved performance of transport corridors through proactive and focused reduction of time delays and financial losses by transport corridor uses.

13. Social and Environmental Issues: Improved performance of CAREC corridors as a result of improvement effort, based on the objective performance indicators.
14. Priority of Project: High
15. Project Status: Evaluation
16. Follow up Actions Required: Allocation of the necessary technical assistance funding.
17. Issues/Constraints: In order to make results of performance monitoring objective and acceptable by all stakeholders, both government officials and private sector should be involved. Current methodologies (except WCO) do not directly involve government officials, which sometimes results in questioning results of performance monitoring.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): Private sector participation is essential for collection of data along the transport corridors.

REG TA28: Rail and Intermodal Transport Feasibility Study
Country: PRC (Xinjiang), Kyrgyz Republic, and Uzbekistan
CAREC Corridor: 2

1. Project Name: Feasibility Study for Rail and Intermodal Transport: PRC-KGZ-UZB

2. Type of Project: Feasibility Study, Regional TA

3. Project Location: Two corridors:

- Kashi–Irkeshtan–Osh–Ferghana Valley, and,
- Kashi–Torugart–Bishkek
- Railway PRC-KGZ-UZB

4. Sector/Subsector: Logistics (Intermodal Transportation) and Railways

5. Background and Rationale: Development and management of the four principle transport modes, road, rail, water, and air, are not well coordinated. MOTCs rarely have sufficient knowledge of and influence over all of them. Even in cases where they have responsibility for all transport subsectors, in practice policy and administration may only come together at the level of the Minister or higher.

Full trans-modal operations across inland borders are relatively recent phenomena developed by a few international companies which have seen the opportunity along specific links and had the capacity to exploit it.

Transport infrastructure is by its cost, duration and impact, slow to develop and modify. Even if opportunities for multi-modal investment are identified, their development requires additional coordination effort between the parties involved. Modal complementarity has thus lagged.

The two corridors (see 3. above) are typical examples of the region's challenges and opportunities in the development of intermodal transport. Both have been the subject of previous feasibility studies for road improvements and new rail links[21]. The road improvements are being undertaken, but the new rail links have so far been found too expensive for investment to be committed. ADB TA 6024-REG recommended that intermodal operations be fostered as a first measure to develop the traffic volume. Traffic growth along both the Bishkek – Torugart – Kashi (Artoush) and the Osh – Irkeshtan – Kashi routes is increasing. Estimates suggest that 0.7 to 1 million tons per year of goods are transported on these routes in the Kashi – CIS direction, and a lesser amount in the opposite direction.

For example, Uzbekistan trade authorities have expressed interest in shipping cotton from the Ferghana Valley to Kashi by road. This would offer an alternative to and compete with routes now used; by rail through Dostik (Kazakhstan) or by rail and road through Bandar Abbas. Chinese traders are purchasers of Uzbek cotton for their rapidly developing textile industry. For shipments such as these the two project corridors are implicitly intermodal, comprising a road link from the Ferghana Valley (preceded possibly by a rail link from further afield), to a rail terminal at Kashi or nearby Artoush, and onward shipment by rail to PRC factories or ports.

The success of these intermodal links would stimulate economic development along the transport corridors, and justify further improvement of their transport infrastructure.
The three countries involved, PRC, Kyrgyz Republic, and Uzbekistan have signed a trilateral agreement for road transport in 1998, though until very recently it had not been implemented. ADBTA 4444-KGZ assisted the three countries to meet in Tashkent in April 2008 for negotiations concerning commencement of operations. Progress is being made.

[21] ADB RETA 6024 Regional Cooperation In Transport Projects In Central Asia, 2003 (Road) and 2005 (Rail), earlier EU TRACECA studies, and PRC feasibility studies.

6. Objectives: The project objectives are to: (i) examine and report on the feasibility of establishing intermodal transport "bridges" between the PRC rail network and that of Kyrgyz Republic and Uzbekistan using the two existing road transport through Irkeshtan and Torugart to respectively the Ferghana Valley and Bishkek/Almaty; (ii) assist in the activation of an existing trilateral road transport agreement and promote transport of pilot shipments of cotton or other goods from the Ferghana Valley to Kashi and onwards and eventually in the other direction, from Kashi to Ferghana Valley; and (iii) conduct traffic forecast and economic assessment of the PRC-KGZ-UZB railway.
7. Scope: The TA will: (i) carry out a comprehensive and detailed analysis of the existing and potential traffic along the two corridors; (ii) consider the potential for attracting additional intra-regional, Eurasian and other interregional traffic to the bridge; (iii) estimate the potential traffic flows under different scenario of macro economic development and with better infrastructure and regulatory conditions; (iv) survey and examine the potential logistics sites, facilities, terminals and equipment that could be adapted to realize the intermodal bridge such as (a) border crossings and authorities operating them, (b) information and communication technology (ICT) capacities, (c) institutional and regulatory frameworks governing the possible intermodal operation, (d) potential commercial partners and other stakeholders, and (e) plans for free trade zones along the corridors; (v) identify the opportunities and the constraints and development needs among these and any other relevant factors: (vi) recommend the most promising commercial alternatives to develop the intermodal bridges, estimate development costs and cost/benefit; (vii) carry out preliminary environmental and social assessments of the recommended options; and (viii) suggest financing mechanisms (public sector, PPP, or joint venture). Specifically, assistance will be provided for pilot operations along one or both of the corridors (e.g. Uzbek cotton from the Ferghana Valley to Kashi), containerized or not. Component 2 will investigate, assess and report to stakeholders on the constraints being met in these shipments how they might be resolved. Opportunities revealed and how they might be further exploited will also be reported. The scope also includes traffic forecast and economic assessment of the PRC-KGZ-UZB Railway.
8. Estimated Cost: $600,000
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2010
11. Executing Agencies: MOC/MOR, PRC, MOTC Kyrgyz Republic, and MOFE/UTY Uzbekistan
12. Estimated Benefits and Beneficiaries: Increase in capacity and reduction in transport costs along the two project corridors. This will allow increased volumes of trade and traffic, with commensurate economic benefits to the region. In longer term, it will enhance the prospects of realizing the proposed rail link from Kashi to the Ferghana Valley.
13. Social and Environmental Issues: The Project is principally designed to improve the utilization of existing infrastructure and is not expected have significant environmental impacts. The Project will help alleviate poverty indirectly to the extent that trade is stimulated and employment is created in the transport industry.
14. Priority of Project: High
15. Project Status: Proposed. Initial steps have already been taken under ADB TA 6024 (2005) and TA 4444 (2008).
16. Follow up Actions Required: Securing financing and developing TORs
17. Issues/Constraints: The road links are quite arduous, especially in winter, and the border crossing facilities are of variable quality. Improvements are planned, but if deferred this will restrain all traffic, and aggravate present congestion.
18. PSP/PPP Opportunities: Intermodal terminals could be partially or wholly privately financed. These locations will provide opportunities for the development of related logistics services.

REG TA29: Development of Logistics Centers and Rail Multimodal Hubs to Serve the CAREC Regions
Country: Regional
CAREC CORRIDOR: All

1. Project Name: Development of Logistics Centers and Rail Multimodal Hubs to Serve the CAREC Region
2. Type of Project: Regional Logistics and Trade Facilitation TA
3. Project Location: Kazakhstan, Uzbekistan, Kyrgyz Republic, Tajikistan, and Azerbaijan
4. Sector/Subsector: Logistics
5. Background and Rationale: Transportation and logistics industry development is essential to promote regional and international trade. Currently, the CAREC region's logistics and multi-modal transportation capabilities are not sufficient to support the economic benefits from regional trade facilitation. In regions that practice advanced logistics, such as the European Union and North America, logistics centers are frequently integrated with mega multimodal cargo hubs consisting of a combination of rail multimodal yards, road carrier yards, seaports and airports (e.g., Alliance, Texas and Joliet, Illinois). In the CAREC region, there is a general shortage of logistics centers and multimodal facilities meeting international standards. There is no evidence that highway networks are constructed to couple with the rail multimodal network to form a synchronized multimodal system. Further, its does not appear there is forethought in optimizing the locations of logistics centers, multimodal hubs and in their design. A well-crafted logistics center and multimodal hub development strategy for five CAREC countries, which are included in a common economic and trade region with similar trade partners, will promote economic growth and will save many millions in future logistics cost.
6. Objectives: To assist the countries in planning, developing and designing an optimal network of logistics centers and multimodal hubs that advance the following goals: (i) facilitate trade and the movement of cargo; (ii) promotes the growth of 3PL industry; (iii) enhance supply chain visibility, and improve supply chain management; (iv) contribute to supply chain security and resilience; and (v) increase the capability of the transport and logistics industry to adopt modern multimodal and logistics management concepts and technology.
7. Scope: The feasibility study includes the analysis of the logistics industry and transportation flows in the region, legal assessments and analysis of land, construction and labor costs for different locations. The recommended network should include different types of logistics facilities: multimodal logistics centers, cross-border area trade and logistics centers, agricultural logistics centers, etc., with detailed description of main functions and operations assigned to every facility, preferred locations, size, indicative total investment and investment schedule, estimated NPV/IRR, and details of financial arrangements for establishment of logistics facilities (government grants and subsidies, tax incentives, government guarantees, loans and grants by international financial institutions).
8. Estimated Cost: $3.00 million
9. Financing Plan and Arrangements: EU TRACECA
10. Implementation Schedule: 2008-2010
11. Executing Agencies: EU TRACECA
12. Estimated Benefits and Beneficiaries: Increased trade and enhanced economic growth opportunities for the CAREC region through the creation of an effective and efficient network of logistics centers and multimodal hubs.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Ongoing/Evaluation
16. Follow up Actions Required:
17. Issues/Constraints: None
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): This TA provides good prerequisites for private sector participation in development of logistics infrastructure.

REG TSCC TA30: Developing Multimodal Transport Systems
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: Developing Multimodal Transport Systems
2. Type of Project: Regional Technical Assistance
3. Project Location: Region
4. Sector/Subsector: Transport
5. Background and Rationale: The Transport and Trade Facilitation Sector Strategy has identified corridors for development in the CAREC region. The Action Plan includes transport infrastructure improvement requirements along these corridors. Inland interfaces for rail and road modes are important to the efficient flow of bulk raw materials and containerized cargo in a modern network. Facilities and equipment must be available to move cargo from one mode to another. An inland position is enhanced as a gateway to cross frontier trade by building intermodal capacities. Transport demand from the region's main industries mandate a short, medium, and long term intermodal system. An in-depth examination of the multimodal transport system in each country is needed to identify their capacity to deliver cargo and passengers along CAREC corridors in relation to best practice, pinpoint the problems and prospects, and recommend actions to develop the sector as well as auxiliary services.
6. Objectives: To draft a program for the development of the multimodal transport sector based on an analysis of current conditions and future requirements along the CAREC corridors.
7. Scope: The study will (i) analyze the current capacity of multimodal transport along CAREC corridors, and gather requirements for inter-modal facility and equipment from inland ports; (ii) estimate demand for each mode along CAREC corridors, actual volume of goods transported and income earned, including prospects of routes that connect to Europe's E-40 and E-30; (iii) analyze freight traffic such as goods type and origin/destination at different points along the corridors, and create a database on demand by industry; (iv) identify problems and constraints to development; (v) construct a registration and certification system for trade logistics and a grading system for the operators' resources and quality of service; and (vi) identify areas for harmonization of technical standards e.g. axle load limits, emission standards, etc. The study will then draft a program of development that covers improvements in (i) the competitive capacity, management, technological, logistical and other aspects of cargo delivery by mode of transport, taking best practice into account; and (ii) auxiliary services in the medium and long term period. The study will also prepare a draft agreement to harmonize standards and legal bases for multimodal transport in CAREC countries, including the use of a unified transport document.
8. Estimated Cost: $200,000
9. Financing Plan and Arrangements: To be determined
10. Proposed Implementation Schedule: 2011
11. Executing Agencies: Ministry of Transport and Communications
12. Estimated Benefits and Beneficiaries: Will rationalize the allocation of public resources in the multimodal transport sector, assisting private operators to make investment decisions that will improve capacity that in turn benefits the users
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: Secure funding and commitments.
17. Issues/Constraints: Funding.

REG TA31: Supply Chain Training Institute
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: Supply Chain Training Institute
2. Type of Project: Technical Assistance and Investment
3. Project Location: Regional
4. Sector/Subsector: Trade and Transport
5. Background and Rationale: Currently most logistics requirements are outsourced while educational programs are traditionally focused on transport only, indicating a keen need for local providers with knowledge in modern supply chain practices and management. Aside from this topic, structured training would have to cover the service role of logistics, logistics costs, inventory value, transportation, warehousing, planning and organizing, merchandising, and purchasing. Currently, there are a number of universities that offer logistics curriculum for full time students as well as associations that focus on vocational and on-the-job training for working professionals. Executive training is only offered in limited numbers of countries within the CAREC region. Given the growing demand for training, a Supply Chain Training Institute can be established as a collaboration between universities and associations, to offer accredited courses ranging from diploma to degree programs. The Institute will also arrange overseas study trips and invite resource persons for forums and seminars. The Institute means that management could be centralized instead of having different groups run courses separately, and organizations would focus on their core business.
6. Objectives: To establish a training program or training institute on supply chain practices and management in order to meet the demand for technical and professional development in the region.
7. Scope: TA will (i) Identify the exact needs for supply chain training in each country for major industries; (ii) determine the optimal arrangement for training in the short-term, such as interactive technology for online training programs, regular courses in rotating venues in the region, and in the long-term such as a training institute, seeking the assistance of established providers such as the FIATA; (iii) define the necessary arrangements for online training programs; (iv) identify the prerequisites for establishing a training institute, and draft a financial plan for its operation; (v) obtain investment financing to establish the program and institute; and (vi) establish the training program and institute
8. Estimated Cost: $500,000 TA for training program, $1 million investment in institute
9. Financing Plan and Arrangements: To be determined.
10. Proposed Implementation Schedule: 2011
11. Executing Agencies: Ministries of Trade and Transport
12. Estimated Benefits and Beneficiaries: Logistics industry and consumers.
13. Social and Environmental Issues: To be determined.
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: secure funding and commitments.
17. Issues/Constraints: funding and commitments.

REG TA32: Promote Containerization
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: Promote Containerization
2. Type of Project: Investments
3. Project Location: Region
4. Sector/Subsector: Transport
5. Background and Rationale: In response to globalization, the railway sector in the CAREC participating countries has welcomed increasing opportunities of cross-border railway operations. An example is container block services between PRC and Europe through the Siberian railway. Container block train services currently use Mongolian route and the trans-Siberian railways system. The services have shortened the transport duration by 20 days compared to shipping. New opportunities exist in Kazakhstan routes, which offer shorter route than the current route. The rapid growth of production places great stress on national traffic networks. Given the huge land mass, underdeveloped infrastructure and border bottlenecks, a jam results when goods are moved from origin to destination. Due to overloading and inefficiency of the transport system, logistics costs can reach 40% of production, and delivery times are long with the transport itself taking up 90% of total production cycle time. To reduce the pressure on the transport system, containerization must be further promoted. This standardizes transport loads and enables easy sealing of cargo, so that box traffic considerably raises the efficiency of movement and Customs clearance. This must cover transit containers, and seaport ferries for containers.
6. Objectives: To assist CAREC countries in progressively use containers in the movement of goods in pursuit of operational efficiency.
7. Scope: TA will (i) assess where the use of containers will contribute the most to efficiency in each corridor; (ii) estimate the number of containers needed for medium- and long-term period and total cost; and (iii) define a procurement plan for containers.
8. Estimated Cost: $1 million
9. Financing Plan and Arrangements: To be determined.
10. Proposed Implementation Schedule: 2011
11. Executing Agencies: NTTCs
12. Estimated Benefits and Beneficiaries: Transport operators and consumers.
13. Social and Environmental Issues: To be determined.
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: secure funding and commitments.
17. Issues/Constraints: funding and commitments.

REG TA33: PSP in Transport Development and Trade Facilitation
Country: Regional
CAREC CORRIDOR: All

1. Project Name: PSP in Transport Development and Trade Facilitation Projects
2. Type of Project: Regional Trade Facilitation TA
3. Project Location: CAREC
4. Sector/Subsector: Transport and Trade Facilitation
5. Background and Rationale: Development and maintenance of transportation and logistics infrastructure requires substantial long-term investments. A stable economic environment and strong legal base are the main prerequisites for participation by the private sector in such investment projects. Some countries of the region have already attracted private investments into Transportation and Logistics infrastructure both in the form of private investments and Private Public Partnerships (PPP). But, most of the CAREC countries are still required to implement considerable change in their legal base and public institutions in order to facilitate active involvement by the private sector in transportation and logistics development.
6. Objectives: To help CAREC countries introduce more private sector participation in transportation infrastructure and logistics projects.
7. Scope: The TA will (i) assess legal base for PSP/PPP in the development of Transportation and Logistics infrastructure, provides support to CAREC countries in strengthening their legal frameworks, regulating private sector participation in the long-term investment projects, and provides support for institutional development of private-public partnerships in CAREC region; (ii) develop recommendations; and (iii) provide assistance to CAREC countries in elimination of legal and institutional barriers for PSP/PPP.
8. Estimated cost: $3 million. (to be allocated on an as-required basis rather than as a single project)
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2009–2017
11. Executing Agencies: National Transport and Trade Facilitation Committees (NTTFC) of the eight CAREC PC
12. Estimated Benefits and Beneficiaries • Reduced pressure on national budgets and reduction of international debts • Development of competitive environment in the transportation and logistics sector, which results in the long-term reduction of transportation costs and increased customer service • Increased speed of transportation and logistics industry development
13. Social and Environmental Issues: Reduction of national budgets for transportation and logistics infrastructure development and maintenance can result in allocation of more funds to the social development programs.
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: Allocation of the necessary technical assistance funding.
17. Issues/Constraints: Private sector of CAREC countries is relatively underdeveloped and has very weak access to funding for long-term projects. Many projects are still affected by high investment risks, which result in low attractiveness of long-term transportation and logistics infrastructure projects. This may affect willingness of private sector to respond to government initiatives in the transport sector.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): Feedback and contribution of private sector is essential for the success of the project.

REG TA34: Financing for Renewal of Vehicle Fleets and Equipment for Private Sector Operators
Country: Regional
CAREC CORRIDOR: All

1. Project Name: Financing for Renewal of Vehicle Fleets and Equipment for Private Sector Operators

2. Type of Project: Regional Transport and Trade Facilitation TA

3. Project Location: Regional

4. Sector/Subsector: Transport/Roads and Logistics

5. Background and Rationale: In most CAREC participating countries, vehicle fleets are very old. It is common to see Russian and Byelorussian-made KamAZ and MAZ trucks, which were produced before 1991. A number of these trucks were privatized in the beginning of the 1990s, but continue to be operated by small carriers in Central Asia. These trucks do not meet EU vehicle emission standards and, thus, cannot be used for travel to EU and other countries outside of the CAREC region. In addition, these vehicles are prone to frequent breakage and are more prone to cause road accidents.

Road transport industry is characterized by very tough competition, road carriers normally have tight margins and just a few of them have an opportunity to buy new or second-hand EU-compliant trucks. The banking industry considers such operators as high risk borrowers, and prevailing interest rates for small commercial loans in CAREC countries range between 15 and 25% a year. Combined, all these factors lead to continuous lagging behind minimum international standards for transportation and logistics equipment.

6. Objectives: To help CAREC participating countries strengthen efficient and effective financing system for vehicle fleet and equipment renewal.

7. Scope: The TA will evaluate demand for financing of commercial fleets and logistics equipment, commercial returns of regional operators and their ability to repay the loans. This feasibility study will result in recommendations about the scheme for financing for transport and logistics operators and possible involvement of government and international financial institutions in such financing. Recommendations will focus only on fleet and equipment investment needs.

8. Estimated Cost: $500,000

9. Financing Plan and Arrangements: To be determined

10. Implementation Schedule: 2011

11. Executing Agencies: National Ministries of Transport

12. Estimated Benefits and Beneficiaries

- Improved ability of transport operators to finance new vehicles and equipment
- Improved vehicle fleets will result in lower operating costs and less time for repairs, improved safety, fuel efficiency and reduced pollution

13. Social and Environmental Issues: Positive in terms of reduction of vehicle emissions.

14. Priority of Project: Medium

15. Project Status: Proposed

16. Follow up Actions Required:

17. Issues/Constraints: Many transport operators are one-person entities without formal legal status and proven credit history. Without consolidation and restructuring of transportation sector financial, national financial institutions will continue to consider the road transport sector as high risk sector and will maintain high interest rates.

18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): This TA targets strengthening of private sector in transportation and logistics industry.

REG TA 35: Common CAREC Approach to Road Vehicle Emission Standards and Reduction Measures
Country: All
CAREC CORRIDOR: All

1. Project Name: Common CAREC Approach to Road Vehicle Emission Standards and Reduction Measures

2. Type of Project: Regional TA

3. Project Location: All CAREC Countries

4. Sector/Subsector: Transport/Roads

5. Background and Rationale: Transport related air pollution can have local, regional and global impact. Local air pollution causes health problems (e.g. respiratory diseases and cancer) and causes material damage to buildings and vegetation. An OECD survey has estimated the local and regional costs of air pollution from transport at, typically, 0.4% of GDP. This would vary between countries, average ages of vehicle fleets, effectiveness of controls etc. It excludes any cost of greenhouse gas emissions. Other research suggests that the effects could be much higher than the OECD estimate.

The reduction of vehicle emissions is a particularly complex problem to address[22], not least because a large population of poorer persons living in rural areas depends for their mobility on vehicles that are chronically over-polluting.

Within CAREC, responsibility for road vehicle emission standards is fragmented between several different authorities including:

- Traffic police (for enforcement)
- MOTC (for transport policy and general regulation)
- Ministries responsible for the environment and for public health
- Municipalities and other local entities
- Academic and/or Research Institutes
- Standardization/Normalization bodies (SNiP, GB)

Transport operations to Europe always require vehicles to be compliant with EURO standards. Also, on certain EU roads, progressively higher user fees are charged for vehicles complying only with the earlier, lower, EURO standards.

6. Objectives: The objectives of the project are:

- To reduce negative impacts of road vehicle emissions
- To harmonize CAREC standards on the basis of EURO standards and thus to avoid divergences between countries becoming a further hindrance to cross border transport

7. Scope: Reviews will be conducted of:

- Current and planned emission standards within CAREC (SNiP and GB, national and municipal decrees etc)
- Institutional structures and legal frameworks relevant to emission standards (national, municipal, policy, enforcement, etc)
- The commercial vehicle fleets, their origins and the standards to which they could theoretically comply without modification
- The emission standards of commercial vehicles available from CAREC sources, and imports, including second hand vehicles
- Fuels available and their influence on emission standards
- Testing equipment and procedures used in the region
- The region's knowledge resource base in the domain of vehicle emission origins, impacts and mitigation technologies
- The general cost impacts to the region of progressively applying higher EURO standards over a range of time lines
- The probable health impacts, with indications of resultant economic effects, of a

[22] Harmonization and Simplification of Transport Agreements, Cross Border Documents and Transport Regulations, ADB, October 2005

range of vehicle emission standard scenarios (e.g. do nothing, follow European standards etc)
- The probable impacts in CAREC of other region's plans to tighten emission standards (EU, Russia, Pakistan etc).

The project will formulate options and recommendations for the CAREC governments to consider for reducing the negative impacts of vehicle emissions, and their indicative cost/benefit characteristics. This will be done in workshop forums involving local institutions, experts and stakeholders to build up the region's knowledge base in this domain.

The common and/or divergent interests of rural and urban populations, and the regional aspects of the challenges faced will be examined.
The project will assess the need for new testing equipment for enforcement of any new standards, and provide indicative costs of the required investments. The potential for private sector participation and investment in control activities will be described.

8. Estimated Cost: $800,000

9. Financing Plan and Arrangements: To be determined

10. Implementation Schedule: 2010

11. Executing Agencies: Government organizations responsible for road transport and traffic police offices

12. Estimated Benefits and Beneficiaries:
- Improved health from reduced vehicle admissions
- More CAREC registered vehicles able to engage in regional transport operations, particularly to areas already requiring high standards (e.g., EU)
- Safeguards against loss of local mobility on poor rural areas
- Better regional awareness of the technical aspects

13. Social and Environmental Issues: The project is specifically intended to generate positive environmental and public health impacts.

14. Priority of Project: High

15. Project Status: Proposed
The issue of road vehicle emissions within CAREC is a subject of the present CAREC prioritized Action Plan agreed by the TSCC in Urumqi in August 2005.

16. Follow up Actions Required: Allocation of the necessary technical assistance funds.

17. Issues/Constraints: CAREC risks falling behind more developed regions that are applying higher vehicle emission standards. Within CAREC and even within individual countries there are marked differences in the economic development of different areas. The project addresses complex technical and socio-economic issues to seek balanced responses to these challenges.

18. PSP/PPP Opportunities:

REG TA 36: Regional Road Corridor Safety Auditing
Country: All CAREC Countries
CAREC Corridor: All

1. Project Name: Regional Road Corridor Safety Auditing

2. Type of Project: Advisory TA, Regional

3. Project Location: All CAREC Countries

4. Sector/Subsector: Road Transportation

5. Background and Rationale: International organizations (e.g., WHO, EU, etc) are declaring a road safety crisis. It is estimated that annual road accident deaths total 1.2 million per year and will rise to 2.3 million deaths globally by 2020. 90 per cent of these deaths are expected to occur in developing countries. The annual cost of road crashes amounted to some $500 billion.[23]

Rail and river transport have much better safety records than road. However maintenance has been widely under-funded,[24] with a consequent reduction in safety levels.

Facilitating increased regional transport without addressing the issue of safety could well lead to increased accidents, and diminish the overall social benefits of the effort. Road transport requires particular attention.

A recent meeting of UNESCAP[25] resolved that its member countries should establish an Asian Conference of Ministers of Transport (ACMT), along the lines of the ECMT. The first priority of the proposed ACMT would be to address the problem of road safety.

The MOTC are not the only, or even the primary government body responsible for road safety. The traffic police[26] have a very important role in this domain.

Adhering to the relevant international conventions and applying them is an effective way of addressing road safety within a regional transport context. In particular the Convention on Road Traffic stipulates a broad range of very practical road safety measures. The Convention on Road Signs and Signals harmonizes the disposition of signaling, as an accompanying measure to the Convention on Road Traffic. Many countries have adhered to the Convention on Road Traffic, but do not apply it in full. For example, public education in road safety is not very evident in the media, few countries insist on seat belt use, and the safety of pedestrians seems of little concern to many drivers, and to the traffic police who are supposed to be controlling them.

Development of road side services (e.g. cafes, lodging, small retail outlets, etc) if unregulated, can become a serious safety risk.

6. Objectives: The project objective is to significantly reduce the number and the severity of road accidents in CAREC countries.

7. Scope: A safety audit along CAREC corridors will be carried out in collaboration with local authorities and stakeholders, exchanging know-how at the same time as identifying the typical problems that can be addressed systematically. Maximum use will be made of available accident data records. Observations will be made of typical sections of the CAREC corridors.
Reviews will be conducted of:

- road design standards (SNiP and GB)
- Black spot analysis
- Institutional structures and legal frameworks relevant to road safety
- responsibilities for road accident data collection,
- budgeting for implementation of road safety measures

[23] http://europa-eu-un.org/articles/en/article_3396_en.htm and http://www.unis.unvienna.org/unis/pressrels/2003/ga10131.html
[24] For example railways in CAREC/FSU, see http://www.unescap.org/publications/detail.asp?id=481 for Mekong
[25] Busan, Korea, 2006
[26] GAI in the CIS countries, dependent on the Ministry of the Interior.

- road reserve widths and zoning regulations of road side service developments
- extent of public education on road safety

Recommendations will be formulated for improvements in these domains, in workshop forums involving the principal stakeholders

The project will make a preliminary assessment of the cost of road accidents in monetary terms, as well as the benefits that could accrue from a range of effective road safety measures.

Assistance will be provided to adhere to and to apply the international conventions of relevance to road safety.

A CAREC methodology for the auditing of the designs of projects financed under the program will be suggested.

A range of safety improvement measures covering infrastructure, management, technology and public relations/media will be recommended. Solutions and improvements will be based on best international practice and efficient use of available resources.

8. Estimated Cost: US$800,000

9. Financing Plan and Arrangements: ADB and/or other development partners

10. Implementation Schedule: 2010

11. Executing Agencies: Government organizations responsible for road transport and traffic police offices

12. Estimated Benefits and Beneficiaries

- Reduction in road accidents, benefiting both vehicle users and pedestrians.
- Application of better organizational methods for governments to assess the impacts and address the problem of road accidents

13. Social and Environmental Issues: The project:

- will have a positive road safety impact by reducing road accidents
- is not expected have significant environmental impacts.
- will help alleviate poverty indirectly to the extent that poor people are particularly vulnerable to the consequences of road accidents.

14. Priority of Project: High

15. Project Status: Proposed

The issue of road safety within CAREC is a subject of the present the CAREC prioritized Action Plan agreed by the TSCC in Urumqi in August 2006.

16. Follow up Actions Required: Securing financing and preparing TORs.

17. Issues/Constraints: As noted in section 5 of this project profile, road safety is an extremely serious issue in CAREC countries. The constraint on improvement to the situation has been primarily economic. However, the region's economies are all improving. The challenge now is to focus the available resources to maximize impact.

18. PSP/PPP Opportunities:

REG TA37: Training of CAREC Experts in Aviation Safety Oversight to ICAO Standards
Country: All
CAREC CORRIDOR: All

1. Project Name: Training of CAREC Experts in Aviation Safety Oversight to ICAO Standards
2. Type of Project: Regional TA
3. Project Location: CAREC Member countries
4. Sector/Subsector: Transport/Aviation
5. Background and Rationale: ICAO has established a Universal Safety Oversight Audit Program (USOAP) to sample the level of regulatory safety oversight compliance among its membership. The program was made compulsory in 1998. Recent audits discovered that numerous member states were not fully compliant with ICAO standards and that some had no regulatory oversight of their industry. For the CAREC CIS countries, the Interstate Aviation Committee (MAK) coordinates the activities related to the use of airspace and air traffic control, certifies aircraft, aerodromes and equipment, investigates air accidents, and provides for the unification of aviation rules, among other functions. Since its inception, MAK has organized seminars and projects to improve civil aviation safety in the CIS States. However, despite these efforts ICAO audits indicate that a number of States have not been able to implement an effective safety oversight system over their aviation activities. The main reason identified for this situation is lack of adequate resources, specifically in terms of qualified technical expertise. For instance, the ICAO COSCAP (Cooperative Development of Operational Safety & Continuing Airworthiness Programme for CIS) initiative is sponsored by a number of aviation industry stakeholders including civil aviation authorities, Eurocontrol, major aircraft manufacturers, and others. It organizes projects with outputs such as: (i) operations manuals for airlines (for the CIS countries within the the CAREC region); (ii) model laws and regulations; (iii) safety seminars and training courses; (iv) establishing Regional Civil Aviation Educational/ Trainer Centers; and (v) English language proficiency training.
6. Objectives: The main objective is to assist civil aviation experts in the CAREC participating countries (CAREC civil aviation experts) to undergo training and certification under the ICAO COSCAP program in aviation safety.
7. Scope: TA will assess a training needs in collaboration with the Civil Aviation Authorities (CAA) of the CAREC countries and ICAO representatives; and develop training programs for CAREC civil aviation experts. Critical elements of a safety oversight system for which training may be provided to CAREC experts includes: (i) primary aviation law; (ii) operating regulations; (iii) CAA structure and safety oversight functions; (iv) technical guidance; (v) technical personnel qualifications; (vi) continued surveillance obligations; and (vii) resolution of safety issues and enforcement.
8. Estimated Cost: $ 2 million
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2009 - 2011
11. Executing Agencies: Civil Aviation Authorities
12. Estimated Benefits and Beneficiaries: Reduced risk of aviation accidents and improved access for CAREC carriers to highly regulated and controlled aviation safety environments.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Proposed
16. Follow up Actions Required:
17. Issues/Constraints: There is a lack of CAREC aviation safety experts and they will have difficulty in scheduling absences from their work for training.
18. PSP/PPP Opportunities:

REG TA 38: Developing Inter-Country Bus Services
in CAREC countries
Country: Regional
CAREC CORRIDOR All

1. Project Name: Developing Inter-Country Bus Services in CAREC countries
2. Type of Project: Feasibility study and marketing plan
3. Project Location: Regional
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: Very limited inter-country bus services exist in CAREC participating countries. For example, scheduled bus services exist between Almaty and Bishkek and between Bishkek and Kashi. With the growing number of people living in neighboring countries, there is a growing demand for inexpensive bus services between major towns of neighboring countries. Limited international bus services are mainly attributable to border crossing restrictions. Experience from other regional cooperation programs such as GMS confirms that liberalization of border crossing generates significant inter-country bus services for regular passengers and tourists.
6. Objectives: To enhance international bus services across all CAREC participating countries.
7. Scope: TA will review (i) causes for the limited international bus services; (ii) identify measures to eliminate causes; and (iii) propose an implementation program and marketing plan for introduction of efficient regional bus services. Note: There are some synergies between this TA and TA #52: Facilitating Border Crossing for Drivers, Traders and Migrant Workers.
8. Estimated Cost: $ 500,000
9. Financing Plan and Arrangements: To be determined
10. Implementation Schedule: 2013.
11. Executing Agencies: Ministries of Transport in CAREC countries and private operators
12. Estimated Benefits and Beneficiaries: Direct economic benefit for bus users, indirectly, benefits to economic growth.
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required:
17. Issues/Constraints:
18. PSP Opportunities: bus services

REG TA39: Facilitating Border Crossing of Drivers, Traders and Migrant Workers
COUNTRY: REGIONAL
CAREC CORRIDOR: ALL

1. Project Name: Facilitating border crossing of drivers, traders and migrant workers
2. Type of Project: Regional Trade Facilitation TA
3. Project Location: CAREC Countries
4. Sector/Subsector: Transport and Trade Facilitation
5. Background and Rationale: Development of transit and trade in the CAREC region is affected not only by physical and non-physical barriers for movement of goods, but also by non-physical barriers for movement people and capital. Cross-border movement of drivers is often referred to as one of the most challenging issues by transport carriers. Not all countries of the CAREC region maintain visa-free transit agreements. Drivers, who require visas, normally have to receive them before starting a trip, because they will not be able to get them at cross-border points. Frequently, visas are given for very short time period and if any delays occur, carriers have to extend the driver's visa, which normally requires additional travel for the carrier's agents and interruption of the trip for the driver. Once foreign drivers cross the border of CAREC countries, they face other constraints and risks, such as insurance coverage and handling of road accidents, medical risks, etc. Traders and migrant workers can experience similar problems. But for these groups, risks and economic costs are lower.
6. Objectives: To address constrains for movement of drivers, traders and other economic agents between the countries of CAREC.
7. Scope: This technical assistance project includes identification and evaluation of main barriers for cross-border movement of drivers, traders and migrant workers, cost-benefit analysis for simplification of cross-border regimes, and development of recommendations for establishment of user-friendly and safe transit system for drivers, traders and migrant workers.
8. Estimated cost: $500,000
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2011
11. Executing Agencies: National Transport and Trade Facilitation Committees (NTTFC) of the eight CAREC participating countries
12. Estimated Benefits and Beneficiaries: • Simplified, user-friendly transit system with reduces delays during transit movement of road vehicles • Improved health and social security of drivers, migrant workers and traders
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required: Allocation of the necessary technical assistance funding.
17. Issues/Constraints: Simplification of migration rules should be balanced with security issues, in particular drug-trafficking and human trafficking.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):