

CAREC – Transport Conference

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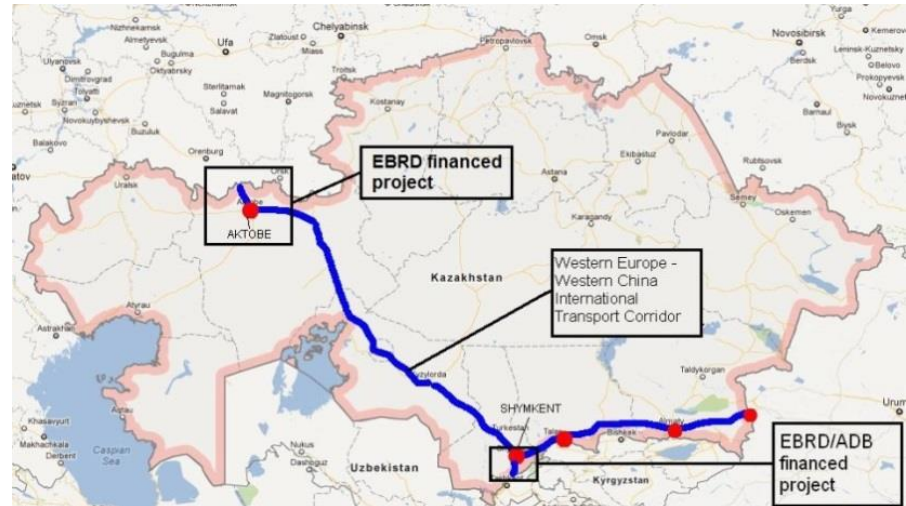
May 2017



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Kazakhstan: Europe – China Transport Corridor

- Active cooperation between IFIs, including EBRD, and the Government
- The corridor includes passes through the routes of CAREC corridors connecting Central Asian countries with Russia and Europe.
- Two projects to date:



1. **City of Aktobe to Russian border - 100km section** – part of CAREC corridor 1 and 6.
 - EBRD provided USD 180 million sovereign loan.
 - This project was successfully completed in 2014
2. **City of Shymkent to Uzbek border - 60km** - part of CAREC corridor 3 and 6
 - EBRD provided a USD 196 million sovereign loan
 - Construction works are still ongoing.

Kazakhstan: Center-South Transport Corridor



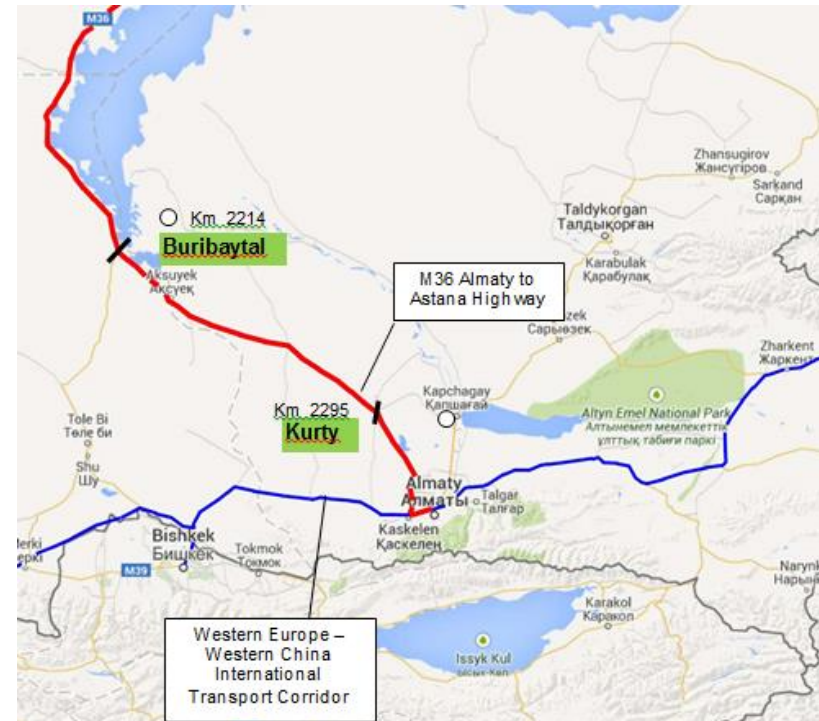
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Almaty and Astana connection 81km section
(Kurty-Buribaytal) – part of CAREC corridor 1

EBRD financing totaling USD 189 million in
sovereign loans

Total project cost USD 455 million, co-financed
with World Bank and state budget

A stepping stone to rolling out of the roads
tolling system in Kazakhstan

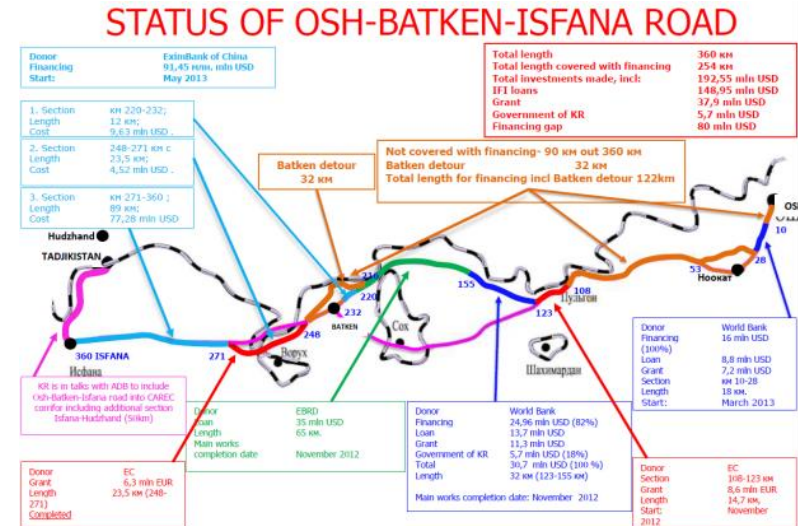


Kyrgyz Republic: Osh-Isfana Road Upgrade



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- Total Project cost: Approx. USD 272 mln
- EBRD financing: up to USD 35 mln
- Co-financing with WB, EU and JICA
- EBRD provides EUR 440,000 TC package to support Government on sector reform



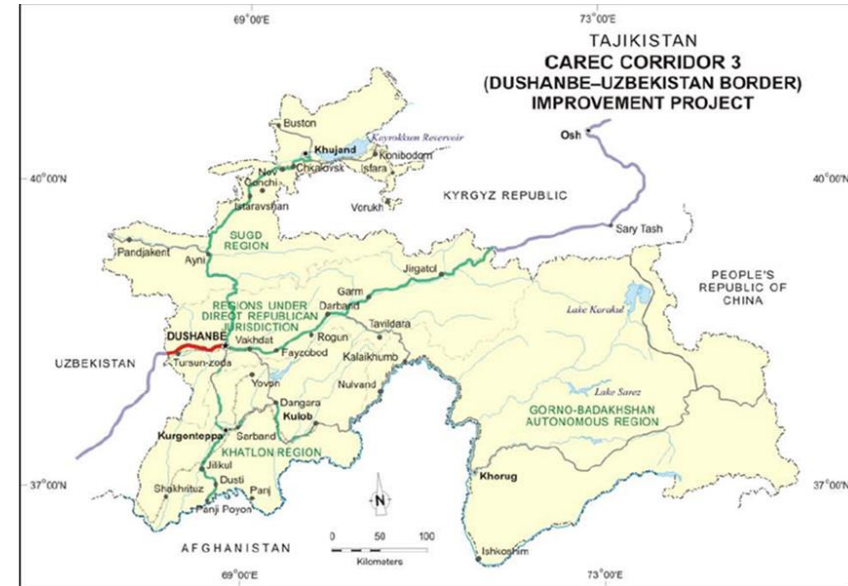
- International transit route linking KR with China, Uzbekistan and Tajikistan.
- The Ministry of Transport and Communications requested EBRD to participate in the financing of additional parts of the Osh-Isfana corridor. This would be the EBRD's second road financing project in the country and continuation of the financing of the same road but other sections.

Tajikistan: Dushanbe to Uzbek Border Road



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- Total Project cost: Approx. USD 200 mln excluding taxes
- EBRD financing: up to USD 63 mln
- Co-financing with ADB and AIIB
- The Road is part of CAREC Corridor 3
- Connecting Uzbekistan to Kazakhstan, Kyrgyz Republic, Turkmenistan and Afghanistan
- EBRD provides EUR 500,000 TC package to support Government on sector reform



Reform Challenges: Railway Sector

1520 market still dominated by non-corporatized state owned incumbents

Some are non-commercially oriented, inefficient and loss making

Legacy infrastructure requires substantial investments in maintenance and modernisation

Weak sector regulation

Lack of institutional capacity to unlock the region's true potential for transit, modal shift, connectivity and catalyst role for regional development

Reform Challenges: Road Sector

Underdeveloped O&M capacity results in gradual deterioration of even newly built assets

Limited private sector involvement in O&M


Slow progress with introduction of heavy vehicles charges and user/polluter-pay-principles

Weak sector regulation

Lack of institutional capacity to unlock the region's true potential for transit, modal shift, connectivity and catalyst role for regional development

The Region's Transit Potential

The region's transit role is challenged by competition, hence a success is possible only if accompanied by efficiency enhancements to the overall system



To grow the role of private sector, regulations and institutions need to be developed further to improve procurement function, which would increase transparency, predictability and accountability

This also needs to be backed up by political willingness, evidenced by actions

Inefficiencies in customs and border clearance, low quality of trade and transport related soft infrastructure, and difficulties in arranging competitively priced shipments are major impediments to transit

Besides investments in physical infrastructure major institutional improvements are required!

Contact



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