

**Action Plan for
Implementation of
Transport and Trade Facilitation Strategy
and
2009 Work Plan**

**Senior Officials' Meeting on
Central Asia Regional Economic Cooperation
25-26 September 2008
Baku, Azerbaijan**



Action Plan for Implementation of Transport and Trade Facilitation Strategy

Introduction

The Action Plan

- specifies the key results
- prioritizes investments and technical assistance projects
- provides measurable performance indicators
- defines the overall institutional arrangements

Approach

Action Plan

- covers a 10-year period of 2008–2017
- combines transport and trade facilitation initiatives
- enhances infrastructure, management, and technology

Key Results

- **Improved CAREC Corridors**
64% in 2007
75% by 2012
100% by 2017
- **Increased transit trade volume between Europe and East Asia via the CAREC corridors**
<1% in 2005 (34 million ton)
2% by 2012
5% by 2017
- **Increased intraregional trade volume**
by 25% by 2012
by 50% by 2017
- **Reduced time for border crossing along the CAREC corridors**
by 50% by 2012
by further 30% by 2017,
as compared with 2007
- **Effective functioning of the national transport and trade facilitation committee or a similar organization in each CAREC county for managing the CAREC corridors by 2012**

Investment and TA Projects

- **63 Investment Projects: \$21 billion**

(41 New : \$15.8 billion and 22 Ongoing: \$5.2 billion)

- **64 TA Projects: \$64.2 million**

(58 New: \$59.0 million and 6 Ongoing: \$5.2 million)

Preliminary Financing Plan for Investment Projects (\$ billion)

Source	Ongoing	New	Total
CAREC Governments	2.5	2.8	5.3
Development Partners	1.7	5.4	7.1
Private Sector	0.1	4.2	4.3
Financing Gap	0.9	3.4	4.3
Total	5.2	15.8	21.0

Investment Project by Country (\$ billion)

AFG	0.3
AZE	3.1
PRC	2.9
KAZ	10.7
KGZ	0.8
MON	0.8
TAJ	0.5
UZB	1.0
Regional	0.9
Total	21.0

Major Investments for 2008-2012

- **38 investment projects (\$13.9 billion)**
- **6 major projects (\$9.4 billion) to improve the critical segments of CAREC Corridors**

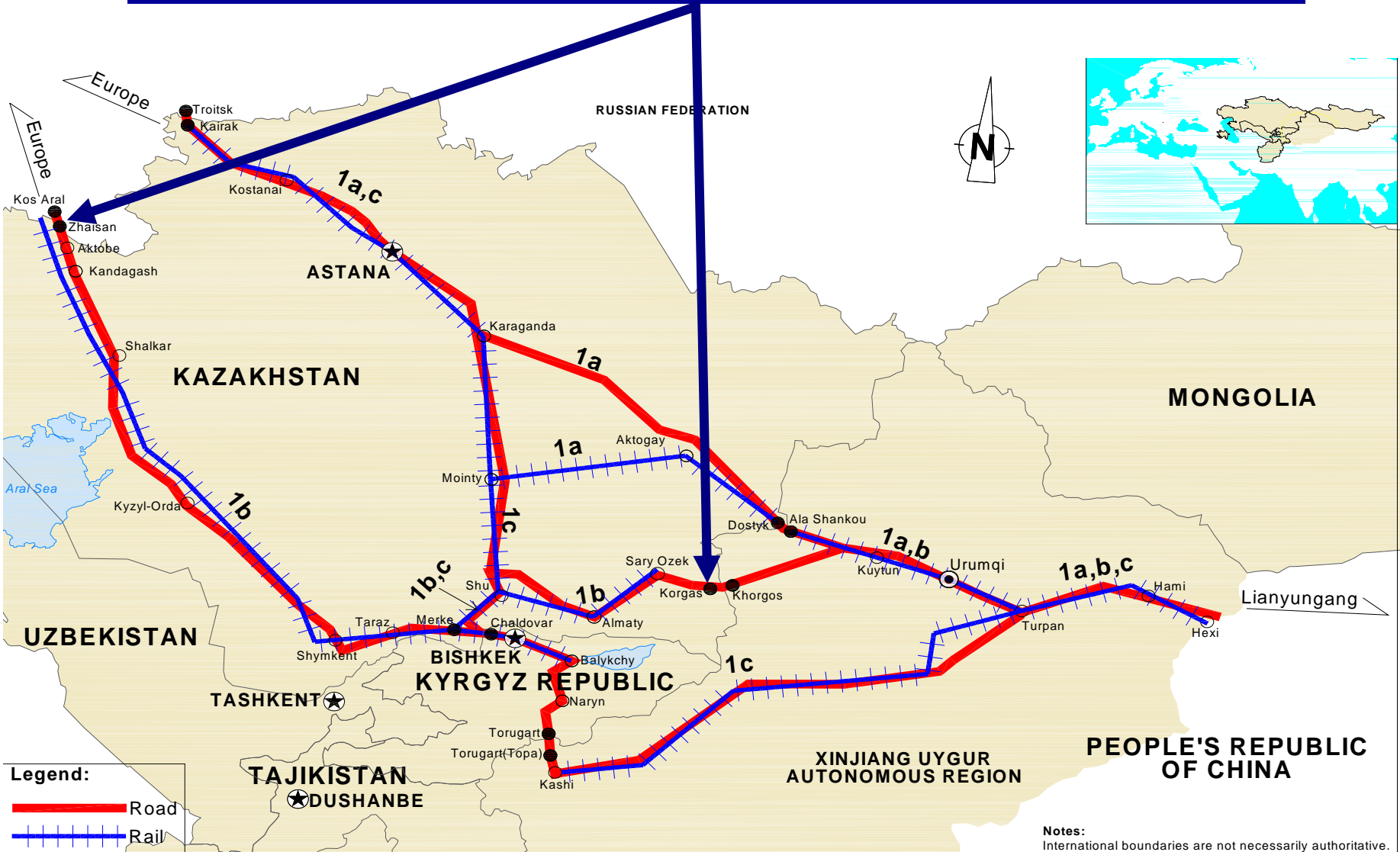
CAREC 1b (Kazakhstan Road Segment)

- *Total cost: \$6.6 billion
- *External financing: \$3.5 billion
- *Government financing: \$2 billion
- *PPP: \$0.7 billion
- *Cofinancing (TBD): \$0.4 billion

Complementary or synergistic interventions

- *High Tech Logistics Centers, Almaty & Aktobe
- *Khorgas Global Logistics Center, PRC
- *Korgas (KAZ)/Khorgos (PRC) border crossing points

CAREC 1b (Kazakhstan Road Segment)



CAREC 1c (Kyrgyz Road Segment)

- *Total cost: \$300 million

- *ADB & IsDB financing: \$100 million

Additional cofinancing is being explored

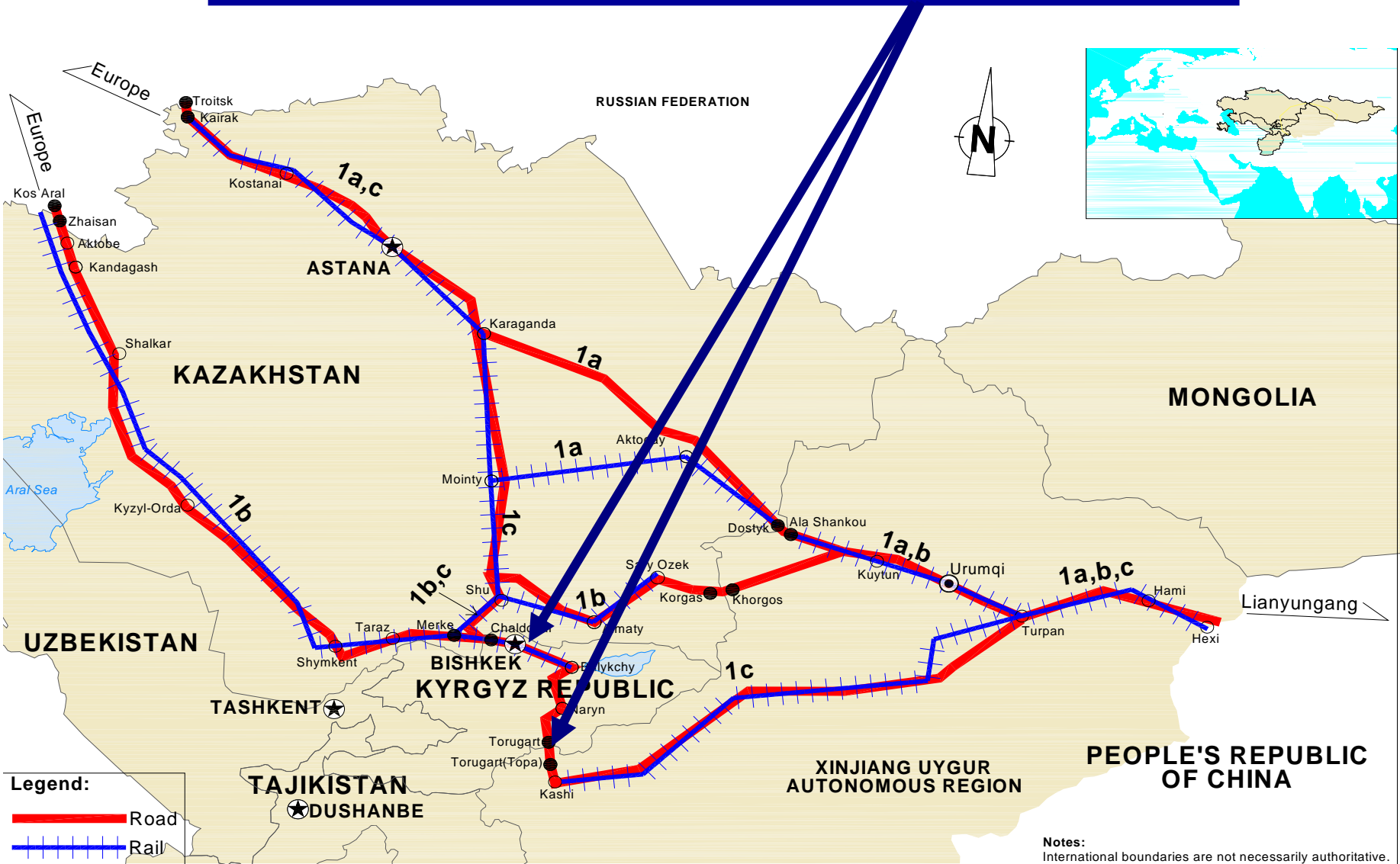
Complementary or synergetic interventions

- *Ongoing rehabilitation by PRC:

110-km Torugart-Kashigar section

- *ADB financing: \$150 million for the Kuqa-Korla section (297 km) of the Urumqi-Kashigar road along CAREC 1c

CAREC 1c (Kyrgyz Road Segment)



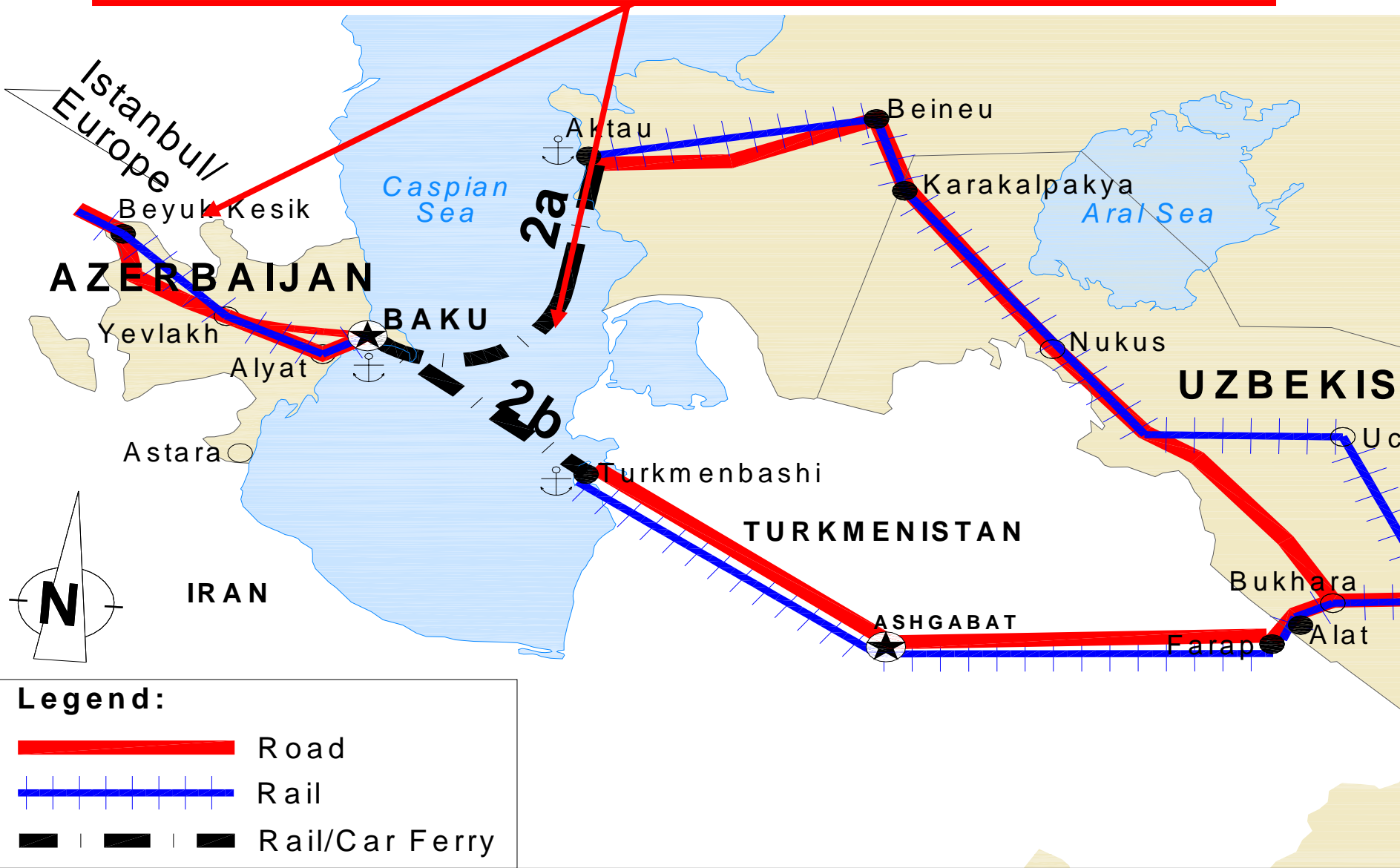
CAREC 2 (Azerbaijan Railway Segment)

- *Total cost: \$2 billion
- *WB financing: \$450 million
- *ADB and EBRD financing is being considered

Complementary or synergetic interventions

- *Road corridor improvement
- *Planned new port construction in Baku
- *Aktau port development financed by Japan Bank for International Cooperation

CAREC 2 (Azerbaijan Railway Segment)



CAREC 4 (Mongolian Section)

Total Cost: \$669 million

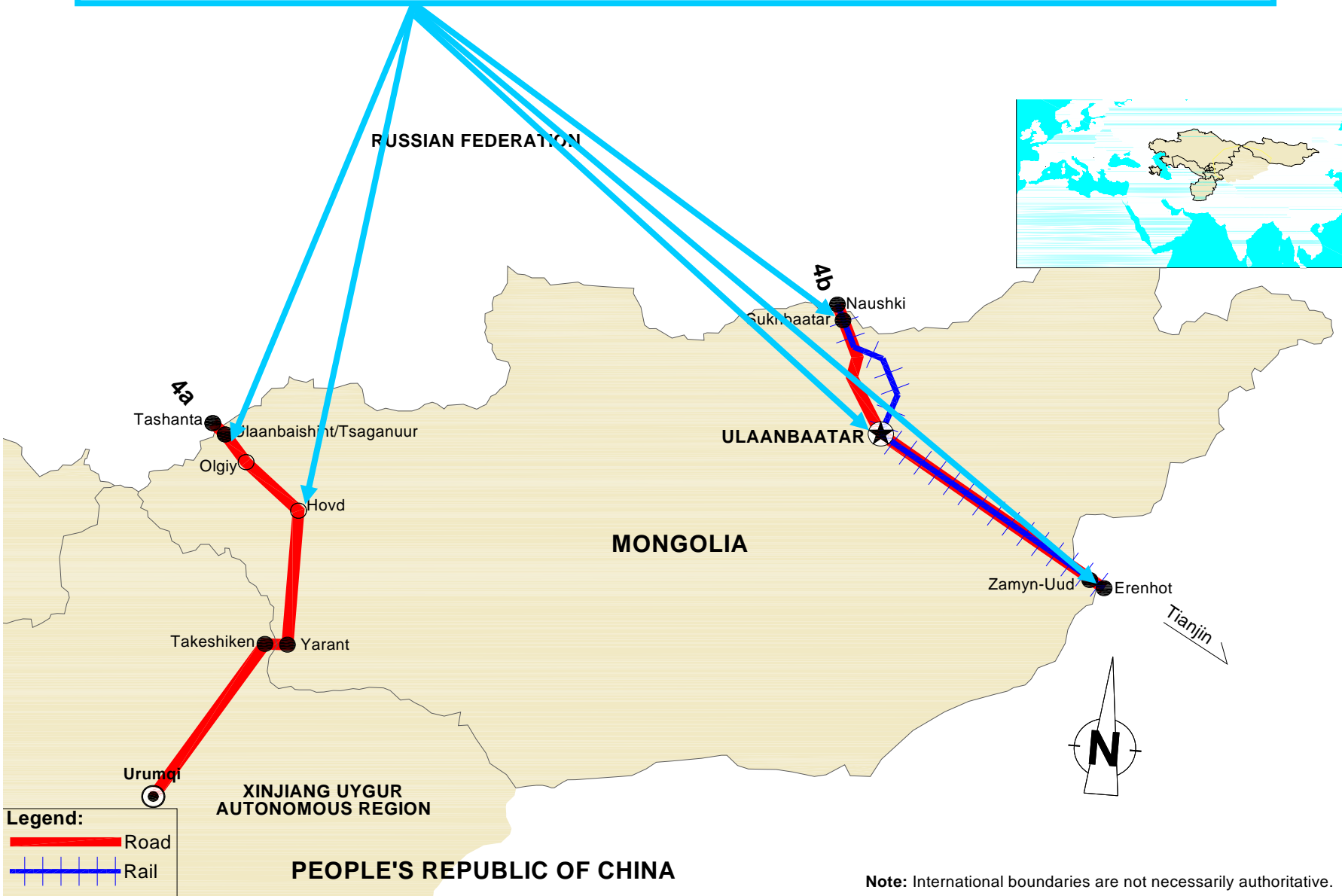
External Financing: \$489 million

- * CAREC 4a: Northern section (\$200 million)
ADB financing (\$20 million) in 2010 and
cofinancing is being pursued**
- * CAREC 4b: Railway by MCC (US) (\$189 million)
and Ulaanbaatar International Airport by JBIC
(\$280 million)**

Complementary or synergetic interventions

- * CAREC 4a & b: ADB TA: regional logistics development
project including logistic centers**
- * CAREC 4b: a bulk cargo handing facility and a container
depot at Zamyn-Uud (private sector) and Zamyn-Uud
(MON)/Erenhot (PRC) border crossing points**

CAREC 4 (Road, Railway, and Airport)



Corridor Performance Measurement and Monitoring

- Time/Cost – Distance analysis along selected CAREC corridors
- Time-release analysis (Customs procedures) at the CAREC border crossing points
- Logistics performance analysis along selected CAREC corridors

Corridor Performance Measurement and Monitoring (Cont.)

- **Overall Leadership: National Transport and Trade Facilitation Committee (the Committee) or a similar set-up**
- **Committee Composition:**
 - **All government agencies with transport- and trade-related functions and responsibilities:**
 - **Freight Forwarders Association**
- **ADB will provide technical assistance in partnership with other development agencies**
- **Showcase Corridors for Performance Monitoring = CAREC Corridors 1b, 2a, 3b, 4b, 5, and 6c**

Performance Measurement and Monitoring Implementation Plan

- with coordination of the Union of National Freight Forwarders Associations (UNFFA), ADB consultant(s) will prepare each National Freight Forwarders Association collecting data for Time/Cost Distance analysis starting in 4Q 2008
- ADB will cover part of operational cost for data collection
- Data will be collected, analyzed and reported on quarterly basis starting from 1Q 2009
- More extensive annual report will be prepared after end of 2009
- Time-release analysis (customs procedures) would be conducted at selected border crossings in 2009
- Methodologies for Logistics performance analysis will be developed in 2009

2009 Work Plans

Transport

- Review Implementation Status of the Action Plan (transport activities)
- Prepare the CAREC Transport Sector Report Update
- Hold 8th TSCC Meeting
- Others including the proposed First Transport Ministers' Meeting

Customs

- Review Implementation Status of the Action Plan (Customs activities)
- Focus on Customs Cooperation:
 - pilot implementation of joint customs control at border crossing points along CAREC corridors,
 - pilot regional transit schemes
 - promote development of single window
 - Conduct training needs assessment for both in customs area and in broader trade facilitation areas
 - support prevention of customs offences through specific training and exchange of customs intelligence
- Strengthen ties among customs authorities and other trade related agencies both internally and regionally.

Trade Facilitation

- **Streamline and enhance institutional arrangement for effective ownership and leadership in trade facilitation**
 - **establishment of National Joint Transport and Trade Facilitation Committees and the CAREC Joint Transport and Trade Facilitation Coordination Committee**
- **Promote national and regional single windows with priority placed on designated CAREC transport/trade facilitation corridors**
- **Establish a regional forum to harmonize and plan for trade logistics development**
- **Operationalize the performance measurement and monitoring system for CAREC corridors**

CAREC Participating Countries with Their Development Partners



Achieving Results Together

Thank you