

SUMMARY OF DISCUSSION
3RD TRANSPORT SECTOR COORDINATING COMMITTEE MEETING
1–2 March 2005, Bishkek, Kyrgyz Republic

Introduction

1. The 3rd Meeting of the Transport Sector Coordinating Committee (TSCC) under the Central Asia Regional Economic Cooperation (CAREC) Program was convened on 1–2 March 2005 in Bishkek, Kyrgyz Republic. Delegations from CAREC member countries — Azerbaijan, the People’s Republic of China (PRC), Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan — participated in the Meeting. Representatives of multilateral institutions including the Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Islamic Development Bank (IDB), United Nations Development Programme (UNDP), and the World Bank also attended. The Meeting was chaired by the Kyrgyz Republic and co-chaired by ADB.

2. The TSCC members reaffirmed the importance of regional transport cooperation in promoting sustainable growth and poverty reduction among CAREC member countries. They agreed to continue working together to develop an integrated and efficient transport system in the region so as to facilitate movement of passengers and freight.

Progress in Regional Transport Cooperation

3. The TSCC members reviewed the progress since the last TSCC Meeting in Almaty in September 2004. They appreciated the accomplishment in improving the regional transport network and addressing sector policy issues. Major new investment projects approved or processed included (i) KGZ: rehabilitation of the southern road corridor, cofinanced by ADB and the Governments of the Kyrgyz Republic and PRC; and (ii) AZE: reconstruction of Yevlax-Ganja and Qazax-Georgian border sections of the east-west road corridor, cofinanced by ADB, IDB, and the Government of Azerbaijan (IDB approved the \$10.4 million loan in February 2005, while the ADB loan is expected to be considered by its Board within 2005). EBRD has completed pre-feasibility of investments on improving the Baku-Russian border road in Azerbaijan.

4. In addition to investments, with support from development partners the CAREC members have intensified their efforts to jointly address transport sector issues. Following the approval of the establishment of the Transport Consortium by the heads of the Central Asia Cooperation Organization (CACO) in October 2004, preparatory work is now underway. The Shanghai Cooperation Organization (SCO) member countries have begun negotiating over the draft Intergovernmental Agreement on Facilitation of International Road Transport. The Governments of SCO member countries are committed to conclude negotiations over the draft framework agreement within the first half of 2005. In this connection, ADB approved a technical assistance grant in December 2004 to help develop the Intergovernmental Agreement on Facilitation of International Road Transport. The World Bank has completed a study on Trade and Transport Facilitation in Central Asia; a workshop is scheduled for 3–4 March in Bishkek (following the 3rd TSCC Meeting) to disseminate the findings of the study.

TSCC 2005 Work Program

5. The TSCC members reviewed the draft TSCC 2005 Work Program prepared by the Secretariat and provided useful comments. They endorsed the revised TSCC 2005 Work

Program and agreed to present it to the Senior Officials' Meeting scheduled for April 2005. Major activities of TSCC in 2005 include:

- Finalizing the Regional Transport Sector Roadmap to formulate strategic priorities for regional cooperation in transport.
- Preparing and submitting specific recommendations on harmonizing and simplifying cross-border transport procedures and documentation in CAREC member countries to the Senior Officials' Meeting for consideration.
- Preparing and submitting specific recommendations on harmonizing transport regulations in CAREC member countries to the Senior Officials' Meeting for consideration.
- Coordinating closely with other regional organizations including CACO and SCO through timely sharing of information and regular consultations.
- Preparing and submitting the TSCC Work Report to the Senior Officials' Meeting.

Regional Transport Sector Roadmap

6. The TSCC members reviewed the refined draft of the Regional Transport Sector Roadmap prepared by the Secretariat and provided constructive comments. They endorsed the Regional Transport Sector Roadmap and agreed to present it to the Senior Officials' Meeting scheduled for April 2005. The Regional Transport Sector Roadmap, once approved by the Senior Officials' Meeting and Ministerial Conference, will guide future activities of regional cooperation in transport among CAREC member countries. The goal of regional cooperation in transport is to develop an integrated and efficient transport system so as to promote sustainable economic growth and poverty reduction in the CAREC member countries. In achieving this goal, regional cooperation in transport among CAREC member countries has five strategic priorities:

- Harmonization and simplification of cross-border transport procedures and documentation to facilitate the efficient movement of passengers and freight.
- Harmonization of transport regulations to create a level playing field for transport operators.
- Development and improvement of regional and international transport corridors to link production centers and markets within the CAREC member countries and to enhance CAREC member countries' access to neighboring regions and markets.
- Restructuring and modernization of railways to provide quality and efficient services through private sector participation and improved corporate governance.
- Improvement of sector funding and management to ensure that the regional transport network is developed and maintained properly.

7. The TSCC members reviewed the proposals, prepared by the Secretariat, of harmonizing and simplifying cross-border transport procedures and documentation, and of harmonizing transport regulations among CAREC member countries. In principle, they endorsed these two proposals. It was agreed that harmonizing transport regulations will be implemented in two phases. Phase One will focus on the regulations on (i) vehicle emission requirements; (ii) axle load control; (iii) tariffs, road user charges, and transit fees; (iv) traffic safety; and (v) provision of transport services. Phase Two will focus on the regulations on (i) environmental assessments of transport projects; (ii) social assessments of transport projects; (iii) design standards of transport infrastructure; and (iv) maintenance of transport infrastructure.

Coordination with Other Regional Organizations

8. The TSCC members were briefed on the establishment of the Transport Consortium of CACO and on the negotiations of SCO member states over the draft Intergovernmental Agreement on Facilitation of International Road Transport. They reaffirmed their commitment to coordinate closely with other regional organizations including CACO and SCO to ensure the synergy of regional cooperation efforts.

9. The briefing on CACO Transport Consortium also included proposal on coordinating the efforts of CACO and CAREC for mutual benefit. The delegates discussed the current status on establishing the Consortium and the next steps required to move ahead. The delegates were unanimous in seeking ADB assistance to guide them in finalizing the draft intergovernmental agreement and draft charter, and advice on functioning of the consortium. ADB agreed and suggested that the member countries need to clearly outline the specific areas where ADB assistance will be helpful. In this context it was agreed that Tajikistan as the current chair will coordinate with other member countries in identifying the areas of ADB assistance and will send a formal request to ADB.

10. Country delegations expressed their appreciation to ADB for helping the SCO member countries develop the draft Intergovernmental Agreement on Facilitation of International Road Transport. The PRC Delegation extended a warm welcome to other SCO member countries for the Second Negotiating Meeting on the draft Intergovernmental Agreement on Facilitation of International Road Transport, which is scheduled for 9–12 March 2005 in Beijing.

Next Steps

11. The TSCC members agreed to take the following steps:

- To present the endorsed TSCC 2005 Work Program and the Regional Transport Sector Roadmap to the Senior Officials' Meeting scheduled for April 2005
- Harmonization of cross-border transport procedures and documentation:
 - (i) For road transport, the PRC and four Central Asian member countries will accelerate negotiations over the draft Intergovernmental Agreement on Facilitation of International Road Transport. Once the SCO member countries conclude negotiations, other countries should be given the opportunity to join the Intergovernmental Agreement on Facilitation of International Road Transport, subject to the agreement among SCO member countries.
 - (ii) For railway transport, the CAREC member countries will review the existing cross-border agreements and prepare, if necessary, an action plan prior to the TSCC Meeting scheduled for August 2005. The August TSCC Meeting will review, and revise if necessary, the draft action plan and submit its time-bound recommendations to the Senior Officials' Meeting scheduled for September 2005 for consideration.¹
- Harmonization of transport regulations:

¹ The PRC Delegation mentioned that this process would require the participation of the Ministry of Railways.

- (i) In Phase One, the CAREC member countries will review the concerned transport regulations, identify areas for harmonization, and prepare, if necessary, an action plan prior to the TSCC Meeting scheduled for August 2005. The August TSCC Meeting will review the draft action plan and submit its time-bound recommendations to the Senior Officials' Meeting in September 2005 for consideration.

Concluding Remarks

12. The TSCC members noted that TSCC has made important progress in coordinating on issues and activities of regional cooperation in transport among the CAREC member countries.

13. The TSCC members expressed their appreciation to the Government of the Kyrgyz Republic and ADB for hosting the 3rd TSCC Meeting and for their excellent arrangements and warm hospitality.

14. It was agreed that the 4th TSCC Meeting would be held in August 2005 in Kyrgyz Republic.