

## Final Summary of Discussion: Transport Sector

The inaugural Meeting of the Transport Sector Coordinating Committee was held at Almaty from 30 June to 1 July 2004. The Meeting was chaired by Kazakhstan and co-Chaired by ADB. On behalf of Kazakhstan government, Mr. R. Zhumatayev, Director, Department of Transit Policy and Foreign Relations of the Ministry of Transport and Communications, welcomed the Participants. Mr. Nigel C. Rayner, Director, ECTC, ADB gave opening remarks for the Meeting (Attachment 1). The Agenda for the Meeting was introduced for the approval and discussions.

Country presentations were made by the PRC, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan and Uzbekistan highlighting the state of infrastructure in the different modes of transport, development projects and initiatives already undertaken and planned, and their strategic focus. EBRD, IsDB and ADB made presentations about their priorities, activities and involvement in the region.

Delegations reaffirmed transport as one of the priority areas for cooperation in Central Asia as a means to promote sustained economic growth and alleviate poverty. The delegations expressed strong commitment to work jointly in the sector. The delegations appreciated the practical and result-oriented approach of the IFIs.

### Agenda Items

- **Strategic Priorities.** After deliberations, the delegations endorsed the following strategic priorities for the improved transport systems in Central Asia:
  - (i) development of regional transport corridors;
  - (ii) harmonisation of the regulatory framework;
  - (iii) promoting simplification of cross-border procedures;
  - (iv) further restructuring and modernisation;
  - (v) marketing and tariff setting based on competition; and
  - (vi) improving financing and management.
- **Sector Road Map.** The delegations endorsed the need to develop a regional transport sector road map. The Secretariat will circulate the first draft of this road map by 31 July 2004 to all the member countries and the IFIs for their review and comments. Based upon the comments received, a revised road map will be presented for consideration at Senior Officials Meeting (SOM).
- **Gap Analysis** – Specific Areas for Lending and Non-Lending activities which IFIs should focus – The delegations requested (i) IFIs to explore the possibility of raising the availability of resources for technical assistance and other non-lending activities, and (ii) possibility of financing technical assistance for harmonization of regulatory framework. EBRD raised the issue of taxation of grant funds and requested the delegations to assist in resolving this issue. In addition to the specific requests, the member countries will advise the Secretariat by 31 July 2004 any specific areas on which they would like IFIs to focus.

- **Identify Investment Requirements and how these can be financed** - The member countries will advise the Secretariat by 31 July 2004 their investment requirements for the next five years. They will advise the total project cost, the proposed Government financing, and the amount they seek from IFIs. They could also include projects that are included in the pipeline, but have a shortfall.
- **IFI Work Program** – IFIs would provide their work program to the Secretariat for compilation by 31 July 2004. The Secretariat, based on the information provided by the countries would consolidate a draft IFI work program indicating the lending and non-lending activities in the next three to five years. This will be circulated to the member countries by 31 August 2004, and will be discussed at the next SOM, to be held at Almaty in September 2004.
- **Regional Transport Agreement** – PRC delegation informed that under the Shanghai Cooperation Organization (SCO), action has already been initiated for an agreement on Facilitation of International Road Transport assisted by UNESCAP. The delegations agreed that in view of the similar initiatives taken by SCO the consideration on this issue should be based on the outcome of the next SCO meeting.
- **CACO-CAREC Relationship** – It was agreed that this issue may be discussed at the SOM and based upon the guidance provided at this meeting, further discussions could then be taken up in the next coordination committee meeting.