



Regional Projects

Progress Report on the Implementation Action Plan for the Transport and Trade Facilitation Strategy

Prepared by

**Secretariat of the Transport Sector Coordinating Committee (TSCC)
Secretariat of the Customs Coordinating Committee (CCC)**

8 May 2009

I. Background

1. The 7th Ministerial Conference on Central Asia Regional Economic Cooperation (CAREC) endorsed the Action Plan for the Transport and Trade Facilitation Strategy (Action Plan) in November 2008. Included in the Action Plan are 44 regional projects: 5 investment projects and 39 regional technical assistance (RETA) projects focusing on, among others, cross-border agreement, multimodal transport, civil aviation, liability insurance, road safety, customs cooperation, and integrated trade facilitation. The estimated cost is \$877.8 million for the investment projects and \$51.1 million for the RETA projects.

2. The secretariats of the Transport Sector Coordinating Committee (TSCC) and the Customs Cooperation Committee (CCC) have further reviewed RETAs to simplify requirements for project financing, implementation, and monitoring. This has resulted in consolidation of interventions and clearer sector focus: 27 regional project comprising 4 investment projects (\$922.8 million) and 15 RETAs (\$49.7 million).

3. Four investment projects are:

- Border Crossing Point Infrastructure Development;
- Customs IT System Improvement;
- Logistics Center Development; and
- Customs Modernization and Infrastructure Development I (KGZ and TAJ).

4. CCC will take the lead for the implementation of this Project, considering the nature of interventions.

5. The total number of technical assistance (TA) was reduced from 37 to 11, composed of 5 transport initiatives and 6 trade facilitation and customs cooperation programs.

Transport TAs (REG TRTAs) comprises:

- REG TRTA 1: CAREC Transport Sector Support Initiative
- REG TRTA 2: CAREC Road Subsector Support Initiative
- REG TRTA 3: CAREC Railway Subsector Support Initiative
- REG TRTA 4: CAREC Airport and Civil Aviation Subsector Support Initiative
- REG TRTA 5: CAREC Port and Shipping Subsector Support Initiative

Trade Facilitation TAs (REG TFTAs) consists of:

- REG TFTA 1: Facility and Process Improvements at Border Crossing Points
- REG TFTA 2: Strengthening Capabilities of National Certification Agencies
- REG TFTA 3: Development of Logistics Centers and Information Hubs
- REG TFTA 4: Working with the Private Sector in Trade Facilitation
- REG TFTA 5: Integrated Trade Facilitation Capacity Building Program
- REG TFTA 6: Simplified Transit Procedures and Strengthening Guarantee Systems in the CAREC Region

II. Status of Regional Projects

A. Investment Project

A. 1. Border Crossing Point Infrastructure Development (REG IP 1)

- The CAREC Governments, together with their external partners, have improved some of 28 CAREC border crossing points (BCP). For example, Torkham-Landi Kotal BCP was improved with assistance from the Asian Development Bank (ADB), European Union (EU), and the World Bank. USA financed the Shirkhan Bandar-Nizhni Pianj BCP while the World Bank supported the development of Termez-Hairatan BCP. The Islam Qila-Dogharoun BCP was financed by both Iran and USA.

A. 2. Customs IT Systems Improvement (REG IP 2)

- The CAREC Governments have improved the information technology (IT) systems for customs operations. The CCC is further reviewing IT system improvement needs.

A. 3. Logistics Center Development (REG IP 3)

- A private sector company, Russia-Kazakhstan joint venture, is completing large scale logistics centers in Almaty, Astana, and Akutobe in Kazakhstan. Some logistics centers have been operational, welcoming TIR trucks and trucks from neighboring CAREC countries.
- Construction of Korgas logistics center is ongoing (PRC IP8).
- The project preparatory technical assistance (PPTA) for Zamyn-Uud is ongoing (MON TA 5: Regional Logistics Development).
- Feasibility study on the logistics center in Ulaanbaatar is scheduled for 2010 (MON TA2 Ulaanbaatar Intermodal Logistics Park Feasibility Study).

A. 4. Customs Modernization and Infrastructure Development I (KGZ and TAJ) (REG IP 4)

- The Project will be completed in 2009.

B. Technical Assistance Initiative

B. 1. Transport

B. 1. 1. REG TRTA 1: CAREC Transport Sector Support Initiative

- The Development of Coordinated National Transport Policies, funded by the European Union, was completed. The EU project coordinated the transport policies of Kazakhstan, Kyrgyz Republic, Tajikistan, Uzbekistan, and Turkmenistan in order to reduce nonphysical and administrative barriers.

B. 1. 2. REG TRTA 2: CAREC Roads Subsector Support Initiative

- Cross-Border Transport Agreements (CBTA) among the People's Republic of China (PRC), KGZ, and TAJ (REG TRTA 2–3) is being implemented. The inception work was completed in February 2009. The first CBTA negotiation meeting will be held in Dushanbe, Tajikistan, on 19–20 May 2009.
- Coordination with Global Road Safety Partnership and International Road Assistance Programme is ongoing for REG TRTA 2–4: Regional Road Safety Program.
- Preparatory work is ongoing for the remaining components of the initiative.

B. 1. 3. REG TRTA 3: CAREC Railways Subsector Support Initiative

- Preparatory work is ongoing.

B. 1. 4. REG TRTA 4: CAREC Airports and Civil Aviation Subsector Support Initiative

- Preparatory work is ongoing.
- Coordination with EU TRACECA's TA on Training of Civil Aviation Administration and the Personnel Involved in Air Transport (€2 million) is being explored.

B. 1. 5. REG TRTA 5: CAREC Ports and Shipping Sector Support Initiative

- Preparatory work is ongoing.
- Coordination opportunities with EU TRACECA are being explored.

B. 2. Trade Facilitation and Customs Cooperation

B. 2. 1. REG TFTA 5: Working with the Private Sector in Trade Facilitation

- ADB's TA on Working with the Private Sector is scheduled for approval in mid-2009.
- It will cover six TA areas, totaling \$2 million: coordinating cargo processing through a national single window, standardized cargo declaration and other harmonized requirements, periodic survey of measures affecting the movement of goods, corridor performance monitoring and reporting, institutional support for transport and trade facilitation, and private sector participation in transport development and trade facilitation.
- Corridor Performance Measurement and Monitoring (CPMM) meeting was held in Guangzhou, PRC, on 23–24 February 2009. CPMM activities started in March 2009.
- A meeting on regional and national joint transport and trade facilitation committees will be held in Ulaanbaatar, Mongolia, on 26 May 2009.

B. 2. 2. REG TFTA 1: Facility and Process Improvements at Border Crossing Points

- Pilot joint customs control is going on at selected BCPs.
- Unified cargo manifest is being implemented at Dulata (PRC)–Kazhat (KAZ) BCP (Phase I), followed by mutual recognition of inspection results (Phase II).
- Joint control is being tested at Chon-Kapka (KGZ)–Aisha Bibi (KAZ) BCP.
- MON-PRC 3rd working group meeting was held in April 2009, focusing on the unification of cargo manifest forms.

B. 2. 3. REG TFTA 2: Strengthening Capabilities of National Certification Agencies REG TFTA 3: Development of Logistics Centers and Information Hubs REG TFTA 4: Integrated Trade Facilitation Capacity Building Program REG TFTA 6: Simplified Transit Procedures and Strengthening Guarantee Systems in the CAREC Region

- Preparatory work is going on.

III. Follow-up Actions

- Maintain close coordination between TSCC and CCC in processing and implementing REG IP and TA projects.
- Secure financing for REG IP and TA projects.
- Explore partnerships for financing REG IP and TA projects.

Appendixes

- 1 - List of Regional Projects (Appendix 1)
- 2 - Updated Project Profiles (Appendix 2)

List of Regional Projects

Investment

1. REG IP 1: Border Crossing Point Infrastructure Development (ongoing)
2. REG IP 2: Customs IT System Improvement (ongoing)
3. REG IP 3: Logistics Center Development (ongoing)
4. REG IP 4: Customs Modernization and Infrastructure Development (ongoing)

Technical Assistance on Transport

1. REG TRTA 1: CAREC Transport Sector Support Initiative
 - REG TRTA 1-1: Developing Multimodal Transport Systems
 - REG TRTA 1-2: Development of Coordinated National Transport Policies (completed)
 - REG TRTA 1-3: Assessment of Trade Volumes and Transport Costs along CAREC Corridors
 - REG TRTA 1-4: Rail and Intermodal Transport Feasibility Study (PRC, KGZ, and UZB)
 - REG TRTA 1-5: Promote Containerization
2. REG TRTA 2: CAREC Roads Subsector Support Initiative
 - REG TRTA 2-1: Corridor Management and Transport Operators' Partnership
 - REG TRTA 2-2: Road User Charges and Transit Fees
 - REG TRTA 2-3: Cross-Border Transport Agreements among PRC, KGZ, and TAJ (ongoing)
 - REG TRTA 2-4: Regional Road Safety Program (ongoing)
 - REG TRTA 2-5: International Road Transport Conventions
 - REG TRTA 2-6: Liability Insurance System for Transport Operators and Third-Party Motor Vehicle
 - REG TRTA 2-7: Financing for Vehicle Fleets and Equipment Renewal
 - REG TRTA 2-8: Road Vehicle Emission Standards and Reduction Measures
 - REG TRTA 2-9: Developing Inter-Country Bus Services in CAREC countries
3. REG TRTA 3: CAREC Railways Subsector Support Initiative
 - REG TRTA 3-1: Railway Sector Management Support
4. REG TRTA 4: CAREC Airports and Civil Aviation Subsector Support Initiative
 - REG TRTA 4-1: Civil Aviation Capacity Development
5. REG TRTA 5: CAREC Ports and Shipping Sector Support Initiative
 - REG TRTA 5-1: Needs Assessment of Caspian Shipping along CAREC Corridors

Technical Assistance on Trade Facilitation and Customs Cooperation

1. REG TFTA 1: Facility and Process Improvements at Border Crossing Points
2. REG TFTA 2: Strengthening Capabilities of National Certification Agencies
3. REG TFTA 3: Development of Logistics Centers and Information Hubs
4. REG TFTA 4: Integrated Trade Facilitation Capacity Building Program
5. REG TFTA 5: Working with the Private Sector in Trade Facilitation
6. REG TFTA 6: Simplified Transit Procedures and Strengthening Guarantee Systems in the CAREC Region

REG IP1: Border Crossing Point Infrastructure Development

1. Project Name: Border Crossing Point Infrastructure Development
2. Type of Project: Infrastructure and equipment
3. Project Location: All
4. Sector/Subsector: Trade facilitation—Customs
5. Background and Rationale: Many Central Asian Regional Economic Cooperation (CAREC) border crossing points (BCPs) 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, the Asian Development Bank (ADB) considers about \$5 million for the upgrading of BCPs. ADB provided financial assistance to Kyrgyz and Tajikistan to improve the BCPs and Customs procedures.
6. Objectives: The main objective of the Project is to improve the 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 technical assistance (TA) activities. While the Project focuses on the physical and technological improvements, training to maximize the impacts of such improvements may be included.
8. Estimated Cost: \$ 500 million.(preliminary)
9. Financing Plan and Arrangements: External financing and CAREC governments.
10. Implementation Schedule: Ongoing to 2017.
11. Executing Agencies: Customs Coordination Committee (principally)
12. Estimated Benefits and Beneficiaries <ul style="list-style-type: none"> • 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 CAREC BCPs.
14. Priority of Project: High
15. Project Status: Ongoing by way of a series of projects.
16. Follow up Actions Required: Mobilization of TA 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 burden 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 IP2: Customs Information Technology System Improvement

1. Project Name: Enhancements to Information Technology (IT) System at Customs.
2. Type of Project: Technical Assistance (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: information and communications technology (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 investment phase will finance to <ul style="list-style-type: none">• 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;• institute a database system for collecting trade and transport vehicle data;• 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; and• ensure data mining and analysis for risk management and post-entry audits.
8. Estimated Cost: \$100 million
9. Financing Plan and Arrangements:
10. Proposed Implementation Schedule: Ongoing to 2017.
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:
14. Priority of Project: High
15. Project Status: All CAREC countries have invested in IT improvement.
16. Follow up Actions Required: Secure funding and commitments.
17. Issues/Constraints: Funding.

REG IP 3: Logistic Center Development

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. In general, there is a lack of consolidation and distribution nodes in the trade logistics system, no systematic allocation of cargo movement, and 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.																							
6. Objectives: To provide trade and manufacturing logistics services to traders and producers that is easily accessible and will facilitate business transactions.																							
7. Scope: To construct Tier 1 and Tier 2 logistics centers in these suggested locations along CAREC 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.																							
	<table border="1"> <thead> <tr> <th>Corridor</th> <th>Tier 1 Logistics Center</th> <th>Tier 2 Logistics Center</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Urumqi, Korgas, Kashgar</td> <td>Akasu, San San, Korla</td> </tr> <tr> <td>2</td> <td>Baku</td> <td>Aktau</td> </tr> <tr> <td>3</td> <td>Almaty, Astana, and Aktobe</td> <td>Semey</td> </tr> <tr> <td>4</td> <td>Ulaanbaatar</td> <td>Zamyn-Uud, Altanbulag</td> </tr> <tr> <td>5</td> <td>Dushanbe</td> <td></td> </tr> <tr> <td>6</td> <td>Tashkent</td> <td>Navoi, Termez</td> </tr> </tbody> </table>	Corridor	Tier 1 Logistics Center	Tier 2 Logistics Center	1	Urumqi, Korgas, Kashgar	Akasu, San San, Korla	2	Baku	Aktau	3	Almaty, Astana, and Aktobe	Semey	4	Ulaanbaatar	Zamyn-Uud, Altanbulag	5	Dushanbe		6	Tashkent	Navoi, Termez	
Corridor	Tier 1 Logistics Center	Tier 2 Logistics Center																					
1	Urumqi, Korgas, Kashgar	Akasu, San San, Korla																					
2	Baku	Aktau																					
3	Almaty, Astana, and Aktobe	Semey																					
4	Ulaanbaatar	Zamyn-Uud, Altanbulag																					
5	Dushanbe																						
6	Tashkent	Navoi, Termez																					
8. Estimated Cost: \$300 million (preliminary)																							
9. Financing Plan and Arrangements: Private sector and the CAREC governments.																							
10. Proposed Implementation Schedule: Ongoing to 2014																							
11. Executing Agencies: Ministries of Transport, Trade, and 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: High																							
15. Project Status: Construction of Khorgas logistics center is ongoing (PRC IP8). The project preparatory technical assistance (PPTA) for Zamyn-Uud is ongoing (MON TA 5: Regional Logistics Development) while the logistics center in Ulaanbaatar may begin in 2010 (MON TA2 Ulaanbaatar Intermodal Logistics park Feasibility Study). A private sector company (Russia-Kazakhstan joint venture) is developing large scale logistic centers in Almaty, Astana, and Akutobe in Kazakhstan.																							
16. Follow up Actions Required: Secure funding and commitments.																							
17. Issues/Constraints: To be determined.																							

REG IP4: Customs Modernization and Infrastructure Development I (KGZ and TAJ)

COUNTRIES: KYRGYZ REPUBLIC AND TAJIKISTAN

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 (ICT) 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: Around \$18.2 million was financed by the Asian Development Bank (ADB), \$1.9 million by the Kyrgyz Government, and \$2.7 million by the Tajik Government.
10. Implementation Schedule: Ongoing to 2009.
11. Executing Agencies: Ministry of Finance for the 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:
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):

REG TRTA 1: CAREC Transport Sector Support Initiative
REG TRTA 1-1: Developing Multimodal Transport Systems
(formerly REG TA 13 & 30)

1. Project Name: Developing Multimodal Transport Systems
2. Type of Project: Regional Technical Assistance (RETA)
3. Project Location: Central Asia Regional Economic Cooperation (CAREC)
4. Sector/Subsector: Multimodal transport
5. Background and Rationale: 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. 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 help CAREC countries develop national and regional legislation, standards, technologies, documents, and procedures for competitive multimodal transportation; and 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 technical assistance (TA) will (i) assess national regulations, multilateral and bilateral agreements in the area of multimodal transportation; (ii) analyze the current capacity of multimodal transport along CAREC corridors, and gather requirements for inter-modal facility and equipment from inland ports; (iii) examine physical infrastructure, transloading technologies and processes; 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.
8. Estimated cost: \$1.0 million
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2011
11. Executing Agencies: Ministry of Transport and Communications.
12. Estimated Benefits and Beneficiaries: More efficient and time-competitive multimodal CAREC corridors; and improved match between growing demand for transport services and investments in logistics infrastructure for multimodal transportation.
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.
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

REG TRTA 1: CAREC Transport Sector Support Initiative
REG TRTA 1-3: Assessment of Trade Volumes and
Transport Costs along CAREC Corridors
(formerly REG TA21 and TA 22)

1. Project Name: Assessment of Trade Volumes and Transport Costs along Central Asia Regional Economic Cooperation (CAREC) Corridors.
2. Type of Project: Technical Assistance (TA)
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 European Union (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 trade volumes and transport costs according to mode of transport and their underlying components, and rationalize transport charges in order to raise the trade volumes, improve the structure and composition of trade, and reduce the costs of doing business in the CAREC countries. The TA will focus on CAREC corridors.
7. Scope: The study will (i) examine trade volumes and transport cost components for the different modes of transport for the 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: \$1 million
9. Financing Plan and Arrangements: Asian Development Bank
10. Proposed Implementation Schedule: 2011–2012
11. Executing Agencies: Asian Development Bank
12. Estimated Benefits and Beneficiaries:
13. Social and Environmental Issues:
14. Priority of Project: Medium
15. Project Status:
16. Follow up Actions Required:
17. Issues/Constraints:

REG TRTA 1: CAREC Transport Sector Support Initiative
REG TRTA 1-4: Rail and Intermodal Transport Feasibility Study
(formerly REG TA28)
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 Technical Assistance (RETA)
3. Project Location: Two corridors: <ul style="list-style-type: none"> • Kashi–Irkeshtan–Osh–Ferghana Valley • Kashi–Torugart–Bishkek • Railway PRC-KGZ-UZB
4. Sector/Subsector: Logistics (Intermodal Transportation) and Railways.
<p>5. Background and Rationale: Development and management of the four principal transport modes, road, rail, water, and air, are not well coordinated. The Ministry of Transport and Communications (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.</p> <p>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.</p> <p>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. Thus, modal complementarity has lagged.</p> <p>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.¹ The road improvements are being undertaken, but the new rail links have so far been found too expensive for investment to be committed. Asian Development Bank technical assistance (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 1.0 million tons per year of goods are transported on these routes in the Kashi-CIS direction, and a lesser amount in the opposite direction.</p> <p>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 Dostyk (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.</p> <p>The success of these intermodal links would stimulate economic development along the transport corridors, and justify further improvement of their transport infrastructure.</p>

¹ ADB, RETA 6024: *Regional Cooperation in Transport Projects in Central Asia*, 2003 (Road) and 2005 (Rail), earlier EU TRACECA studies, and PRC feasibility studies.

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. ADB TA 4444-KGZ assisted the three countries to meet in Tashkent in April 2008 for negotiations concerning commencement of operations. Progress is being made.

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 communications 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 are 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: \$1 million

9. Financing Plan and Arrangements: To be determined.

10. Implementation Schedule: 2010

11. Executing Agencies: MOC/MOR, PRC; Kyrgyz Temir Jolu and 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.

<p>13. Social and Environmental Issues: The Project is principally designed to improve the utilization of existing infrastructure and is not expected to have significant environmental impacts. In addition, the Project will help alleviate poverty indirectly to the extent that trade is stimulated and employment is created in the transport industry.</p>
<p>14. Priority of Project: High</p>
<p>15. Project Status: Proposed. Initial steps have already been taken under ADB TA 6024 (2005) and TA 4444 (2008).</p>
<p>16. Follow up Actions Required: Securing financing and developing terms of reference.</p>
<p>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.</p>
<p>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.</p>

REG TRTA 1: CAREC Transport Sector Support Initiative
REG TRTA 1–5: Promote Containerization
(formerly REG TA32)

1. Project Name: Promote Containerization
2. Type of Project: Investments
3. Project Location: Region
4. Sector/Subsector: Transport
<p>5. Background and Rationale: In response to globalization, the railway sector in the Central Asia Regional Economic Cooperation (CAREC) participating countries has welcomed increasing opportunities of cross-border railway operations. An example is container block services between the People's Republic of China (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.</p> <p>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.</p> <p>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.</p>
6. Objectives: To assist CAREC countries in progressively use containers in the movement of goods in pursuit of operational efficiency.
7. Scope: Technical assistance (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: National Joint Transport and Trade Facilitation Committees (NJC) of the eight CAREC countries
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 TRTA 2: CAREC Roads Subsector Support Initiative
REG TRTA 2-1: Corridor Management and Transport Operators' Partnership
(formerly REG TA 1)

1. Project Name: Collaborative Regional Operations and Maintenance of Corridors
2. Type of Project: Advisory technical assistance (ADTA), 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: The Regional workshops are aimed to 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: \$2 million
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2014–2017 (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:
14. Priority of Project: Medium
15. Project Status: Proposed
16. Follow up Actions Required:
17. Issues/Constraints:
18. PSP/PPP Opportunities:

REG TRTA 2: CAREC Roads Subsector Support Initiative
REG TA2-2: Road User Charges and Transit Fees

1. Project Name: Equitable Road Maintenance User Charges and Cross Border Fees
2. Type of Project: Advisory Technical Assistance (ADTA), Regional
3. Project Location: Central Asia Regional Economic Cooperation (CAREC) road corridors.
4. Sector/Subsector: Roads and road transport.
<p>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 Transport Sector Coordinating Committee (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.</p> <p>Several externally-financed technical assistance (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.</p> <p>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 overweight usage. Accusations of abusive charges on road users² are commonly heard.</p> <p>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.</p> <p>The European Conference of Ministers of Transport (ECMT)³ resolved that discriminatory⁴ charges in road transport were to be phased out.⁵ 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 the People's Republic of China (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.</p>
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. TA will focus on the CAREC corridors.

² 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.

³ European Conference of Ministers of Transport (ECMT) at a meeting in Moscow in May 2005.

⁴ 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.

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

<p>7. Scope: The TA will assess and recommend options for CAREC countries to charge for use of the CAREC road corridors, with a particular focus on regional harmonization. Factors to take into account will include:</p> <ul style="list-style-type: none"> • 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 <p>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.</p> <p>Outputs will include:</p> <ul style="list-style-type: none"> • tables of indicative tariffs by vehicle class and CAREC road corridor section • recommended collection mechanisms <p>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.</p> <p>A regional workshop will be held to commence the project and findings would be presented regularly at scheduled CAREC Trade and Transport Committee meetings.</p>
8. Estimated Cost: \$1 million
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2011–2012
11. Executing Agencies: To be determined.
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. ⁶
16. Follow up Actions Required: Secure financing and prepare terms of reference.
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.

⁶ Including: RETA 6309: *Maintenance of Regional Road Corridors*, March 2007; TA 4371-AFG: *Master Plan for Road Improvement Project*, April 2006; TA 4659-UZB: *Transport Sector Strategy*, December 2006; and TA 3757-KGZ: *Institutional Support in the Transport Sector*, June 2005.

REG TRTA 2: CAREC Road Subsector Support Initiative
REG TRTA 2-3 Cross-Border Transport Agreements among
the People's Republic of China, Kyrgyz Republic and Tajikistan
(formerly REG TA18)
CAREC CORRIDORS: 2, 5

1. Project Name: Cross Border Agreement among the People's Republic of China (PRC), Kyrgyz Republic, and Tajikistan.
2. Type of Project: Regional Trade Facilitation Technical Assistance (TA).
3. Project Location: People's Republic of China (PRC), Kyrgyz Republic, and Tajikistan
4. Sector/Subsector: Transport and Trade Facilitation
5. Background and Rationale: The 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 Asian Development Bank (ADB), together with the PRC, and the Islamic Development Bank (IsDB) 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: 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.
8. Estimated cost: \$550,000
9. Financing Plan and Arrangements: ADB grant: \$500,000 and the Government: \$50,000. This technical assistance (TA) project is piggy-backed to Loan 2359 CAREC Regional Road Corridor Improvement Project.
10. Implementation Schedule: Ongoing to 2010.
11. Executing Agencies: Asian Development Bank.
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: An option of preparing a bilateral CBA between Kyrgyz Republic and Tajikistan is considered because these countries joined the TIR Convention.
16. Follow up Actions Required:
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):

REG TRTA 2: CAREC Roads Subsector Support Initiative
REG TRTA 2-4: Regional Road Safety Program
(formerly REG TA 36)

1. Project Name: Regional Road Corridor Safety Program
2. Type of Project: Advisory Technical Assistance (ADTA), Regional
3. Project Location: All CAREC Countries
4. Sector/Subsector: Road Transportation
<p>5. Background and Rationale:</p> <ul style="list-style-type: none"> • International organizations (e.g., World Health Organization, European Union, 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. Around 90% of these deaths are expected to occur in developing countries. The annual cost of road crashes amounted to some \$500 billion. • 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 UNESCAP7 resolved that its member countries should establish an Asian Conference of Ministers of Transport (ACMT), along the lines of the European Conference of Ministers of Transport (ECMT). The first priority of the proposed ACMT would be to address the problem of road safety. • The Ministry of Transport and Communications (MOTCs) are not the only, or even the primary government body responsible for road safety. The traffic police⁸ 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. • The issue of road safety within CAREC is a subject of the present the CAREC prioritized Action Plan agreed by the Transport Sector Coordinating Committee (TSCC) in Urumqi in August 2006.
6. Objectives: The project aims to significantly reduce the number and the severity of road accidents in CAREC countries.
<p>7. Scope: Regional road safety program will be prepared together with Global Road Safety Partnership and International Road Assistance Programme. The scope also includes training programs on road safety.</p> <p>A safety audit along CAREC corridors will also 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.</p>

⁷ Busan, Korea, 2006

⁸ GAI in the CIS countries, dependent on the Ministry of the Interior.

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
- 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: \$5 million

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

10. Implementation Schedule: 2009–2013

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: Coordination with Global Road Safety Partnership and International Road Assistance Programme is ongoing. A road safety training seminar will be held during the third quarter of 2009.

16. Follow up Actions Required: Securing financing and preparing terms of reference.

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 TRTA 2: CAREC Road Subsector Support Initiative
REG TRTA 2-5: International Road Transport Conventions
(formerly REG TA17)

1. Project Name: International Road Transport Conventions
2. Type of Project: Regional Technical Assistance (RETA)
3. Project Location: Central Asia Regional Economic Cooperation (CAREC) Countries
4. Sector/Subsector: Transport/Roads
<p>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 the People's Republic of China (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.</p> <p>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.</p> <p>The international transport conventions are legal and normative instruments to promote road safety, facilitate traffic flows, and coordinate technical standards.⁹ 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.</p> <p>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.</p> <p>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 European Union (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</p>

⁹ see www.unece.org/trans/conventn/thessaloniki/BackDoc1.pdf for a list of international transport related conventions registered at the UN, with summary explanations.

dimensions of vehicles; and EURO 1,2,3,4,5 concerning vehicle emission controls 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 technical assistance (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 Transport Sector Coordinating Committee (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: \$1 million

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; and APT – more widely recognized qualifications of drivers.

14. Priority of Project: High

15. Project Status: Proposed. TRACECA has similar ongoing project.

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 TRTA 2: CAREC Roads Subsector Support Initiative
REG TRTA 2-6: Liability Insurance System for Transport Operators and Third-Party Motor Vehicle (formerly REG TA 16 & 19)

1. Project Name: Liability Insurance System for Transport Operators and Third-Party Motor Vehicle
2. Type of Project: Technical Assistance (TA)
3. Project Location: Region
4. Sector/Subsector: Transport /Road
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. It will be useful to know what liability insurance systems cover goods transported across Central Asia and how they are enforced across borders. Compulsory third-party liability insurance has, as its primary goal, the assurance of compensation for victims of road traffic accidents. 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.
6. Objectives: The study will examine national insurance policies and existing liability insurance systems for transport operators and third-party motor vehicles in Central Asia Regional Economic Cooperation (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. The goal of the TA is to explore the feasibility of alternative approaches for establishing liability insurance system for transport operators and third-party motor vehicle valid across CAREC countries.
7. Scope: The 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. The TA may also conduct workshops with government authorities, insurance agencies, and companies to identify the strengths and weaknesses of the current vehicle insurance regulatory regimes and of the insurance industries in each country
8. Estimated Cost: \$500,000
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. With regard to 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) facilitating the victim's access to compensation.
13. Social and Environmental Issues:
14. Priority of Project: Medium.

15. Project Status: Proposed.

16. Follow up Actions Required: Secure funding commitments.

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 funding and commitments.

18. PSP Opportunities: Insurance companies.

REG TRTA 2: CAREC Roads Subsector Support Initiative
REG TRTA 2-7: Financing for Vehicle Fleets and Equipment Renewal
(formerly REG TA34)

1. Project Name: Financing for Renewal of Vehicle Fleets and Equipment for Private Sector Operators
2. Type of Project: Regional Transport and Trade Facilitation Technical Assistance (TA)
3. Project Location: Regional
4. Sector/Subsector: Transport/Roads and Logistics
5. Background and Rationale: In most Central Asia Regional Economic Cooperation (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 European Union (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% per 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: (i) Improved ability of transport operators to finance new vehicles and equipment; and (ii) 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 issues, 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 TRTA 2: CAREC Roads Subsector Support Initiative
REG TRTA 2-8: Road Vehicle Emission Standards and Reduction Measures
(formerly REG TA 35)

<p>1. Project Name: Common Central Asia Regional Economic Cooperation (CAREC) Approach to Road Vehicle Emission Standards and Reduction Measures.</p>
<p>2. Type of Project: Regional Technical Assistance (RETA)</p>
<p>3. Project Location: All CAREC Countries.</p>
<p>4. Sector/Subsector: Transport/Roads</p>
<p>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 survey conducted by the Organisation for Economic Co-operation and Development (OECD) 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.</p> <p>The reduction of vehicle emissions is a particularly complex problem to address,¹⁰ not least because a large population of poorer persons living in rural areas depends for their mobility on vehicles that are chronically over-polluting.</p> <p>Within CAREC, the responsibility for road vehicle emission standards is fragmented between several different authorities including:</p> <ul style="list-style-type: none"> • Traffic police (for enforcement) • Ministry of Transport and Communications (MOTCs) 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) <p>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.</p>
<p>6. Objectives: The objectives of the Project are: (i) To reduce negative impacts of road vehicle emissions; and (ii) 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.</p>
<p>7. Scope: Reviews will be conducted of:</p> <ul style="list-style-type: none"> • 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

¹⁰ ADB, October 2005. *Harmonization and Simplification of Transport Agreements, Cross Border Documents and Transport Regulations.*

- 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 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: \$1 million

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 Transport Sector Coordinating Committee (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 TRTA 2: CAREC Roads Subsector Support Initiative
REG TRTA 2-9: Developing Inter-Country Bus Services in CAREC countries
(formerly REG TA 38)
Country: Regional
CAREC CORRIDOR All

1. Project Name: Developing Inter-Country Bus Services in Central Asia Regional Economic Cooperation (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, limited 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 attributed 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: The technical assistance (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 39: 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 TRTA 3: CAREC Railways Subsector Support Initiative
REG TRTA 3-1: Railway Sector Management Support
(formerly REG TA20)
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 Central Asia Regional Economic Cooperation (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 the People's Republic of China (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 such as speedy and reliable railway services and coordinated railway operations among CAREC countries. In addition, there is also a need to further deepen the ongoing railway sector reforms in the CAREC region.
6. Objectives: The main objective of the Project is to assist the Governments in further deepening railway reforms in order to respond to the new opportunities effectively.
7. Scope: The technical assistance (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: \$1.5 million
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: Terms of reference to be prepared and financing secured.
17. Issues/Constraints:
18. PSP/PPP Opportunities:

REG TRTA 4: CAREC Airports and Civil Aviation Subsector Support Initiative
REG TRTA 4-1: Civil Aviation Capacity Development
(formerly REG TA 24, 25, & 37)
Country: Regional
CAREC CORRIDOR: All

1. Project Name: Developing the Capacity of Civil Aviation in Central Asia Regional Economic Cooperation (CAREC) Countries
2. Type of Project: Technical assistance (TA)
3. Project Location: Regional.
4. Sector/Subsector: Transport/Aviation
5. Background and Rationale: Aviation in CAREC countries is at different stages of development. At present, the civil aviation subsector is looked at largely in national and bilateral terms rather than on a regional basis. The current practice in some CAREC countries of having the same entity managing the national airline, the airports, and the air traffic control system, needs to be changed. In addition, there is a need for each country to have a civil aviation authority, independent from the government. One 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 (EU).
6. Objectives: The main objectives are: (i) to assist the CAREC countries in preparing action plans to improve their civil aviation sector; (ii) help them to comply with ICAO requirements (e.g., SARPs); and (iii) assist their civil aviation experts to undergo training and certification under the ICAO COSCAP program in aviation safety.
7. Scope: The TA will undertake an overall assessment of the civil aviation sector of each CAREC country, including compliance audits with ICAO SARPs, and training needs of civil aviation authorities and experts. An action plan with corresponding training program will be developed based on the needs assessment.
8. Estimated Cost: \$10 million
9. Financing Plan and Arrangements: EU TRACECA's TA on Training of Civil Aviation Administration and the Personnel Involved in Air Transport (€ 2 million) started in January 2009 and will be completed in 2011.
10. Implementation Schedule: 2009–2017
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: Coordination opportunities with EU TRACECA should be explored.
17. Issues/Constraints: There is a lack of CAREC aviation safety experts and they will have difficulty in scheduling absence from their work to attend training.
18. PPP/PSP:

REG TRTA 5: CAREC Ports and Shipping Subsector Support Initiative
REG TRTA 5-1: Needs Assessment of Caspian Shipping along CAREC Corridors
(formerly REG TA23)

Country: Azerbaijan and Kazakhstan

CAREC: 2

1. Project Name: Needs Assessment of Caspian Shipping Along Central Asia Regional Economic Cooperation (CAREC) Corridors
2. Type of Project: Feasibility study and marketing study.
3. Project Location: Kazakhstan, Azerbaijan, and 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 ports.
6. Objectives: The main objective of the Project 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: The technical assistance (TA) will prepare a development master plan on the Caspian Sea section of CAREC Corridor 2. This TA needs to be developed and carried out in coordination with AZE TA 2: Feasibility Study for New Alyat Port and Investment Projects #18: Acquisition of High Capacity Ferries by Caspian Shipping and KAZ IP 10: 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 terms of reference.
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 TFTA 1: Facility and Process Improvements at Border Crossing Points
(formerly REG TA3 & TA39)**

1. Project Name: Facility and Process Improvements at Border Crossing Points (BCPs)
2. Type of Project: Regional technical assistance (RETA)
3. Project Location: Border crossing points in the six CAREC corridors.
4. Sector/Subsector: Trade Facilitation and Transportation / Roads and Railways
<p>5. Background and Rationale: Many Central Asia Regional Economic Cooperation (CAREC) BCPs 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 Joint Transport and Trade Facilitation Strategy. In Mongolia, the Asian Development Bank (ADB) is considering funding support of about \$5 million for upgrading of BCPs. ADB provided financial assistance to the Kyrgyz Republic and Tajikistan to improve BCPs and customs procedures.</p> <p>Border control procedures, at most CAREC BCPs, are cumbersome and cause considerable delays in the smooth movement of goods across borders. Cross-border movement of drivers, in particular, is one of the most challenging issues faced by transport carriers. Not all countries of the CAREC region maintain visa-free transit agreements. Drivers, who require visas, normally have to secure them before starting a trip because they will not be able to get them at BCPs. Frequently, visas are given for very short periods 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 may experience similar problems although risks and economic costs are lower for these groups.</p>
6. Objectives: The goal of the technical assistance (TA) is (i) to help the CAREC Governments to identify and prepare border crossing improvement projects for external investment; and (ii) address constraints for movement of drivers, traders, and other economic agents between the countries of CAREC.
7. Scope: The TA will identify critical BCPs where border crossing facilities need improvements and set-up a fund to conduct pre-feasibility studies for the construction/improvement of such facilities. The pre-feasibility studies/investment packages will be presented to potential investors (private sector and/or other development partners) for possible funding. In addition, border control procedures in these BCPs will be analyzed and barriers for cross-border movement of drivers, traders, and migrant workers will be identified, including 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: \$2,500,000 (\$2million for pre-feasibility studies to be allocated on an as-required basis rather than as a single project and \$500,000 for cross border procedures improvements)
9. Financing Plan and Arrangements: Asian Development Bank.
10. Implementation Schedule: 2010–2015

11. Executing Agencies: Customs Committees (principally) ¹¹
12. Estimated Benefits and Beneficiaries <ul style="list-style-type: none"> • 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) • Simplified, user-friendly, transit system which would help reduce delays during transit movement of road vehicles • Improved health and social security of drivers, migrant workers, and traders
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 necessary TA funding.
17. Issues/Constraints: Simplification of migration rules should be balanced with security issues, in particular, drug-trafficking and human trafficking.
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.

¹¹ 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 TFTA 2: Strengthening Capabilities of National Certification Agencies and
Calibrating Weighing Equipment at BCPs
(formerly REG TA4 & TA5)**

1. Project Name: Strengthening Capabilities of National Certification Bodies
2. Type of Project: Regional Trade Facilitation Technical Assistance (TA)
3. Project Location: Central Asia Regional Economic Cooperation (CAREC) Region
4. Sector/Subsector: Transport and Trade Facilitation.
<p>5. Background and Rationale: Traditionally, CAR exports have been concentrated in a handful of primary commodities such as crude oil, metals, and cotton. Merchandise exports of the region (excluding China) amounted to \$55,165.2 million in 2006 increasing by 23% to \$67,810 million in 2007. Despite considerable growth, CAREC exports remain limited oftentimes due to inability to meet international certification standards or those set by importing countries.</p> <p>Production and sales of certain products and provision of services require certification. It applies to a large group of food products, industrial and electronics equipment, construction materials, and many other products, which can affect consumer health and safety. Quite often, certificates issued by CAREC countries are not recognized by importing countries due lack of equipment and poor integrity of testing procedures. Capacities of CAREC certification bodies must be enhanced and the process of certification must be simplified and made user-friendly. In addition, different systems and calibration of weighbridges at border crossing points cause considerable delays and creates opportunities for rent seeking. These equipment need to be calibrated according to international standards.</p> <p>There is need for upgrading the capacities of certification agencies of CAREC countries including enhancing technical skills of staff and the establishment of test laboratories that comply with international standards.</p>
6. Objectives: To increase export potential of CAREC countries through improvement of technical and organizational capabilities of national product and transportation equipment certification bodies including the adoption of a system of certifying weighing machines at border crossing points.
<p>7. Scope: This TA will: (i) assess the product certification capability of each country; (ii) analyze the legal frameworks that regulate export certification; (iii) prepare road maps on how the countries can comply with international standards; and (iv) propose the adoption of standard weighing machines or a certification system that would assure their accuracy. Based on gap analysis, investment proposals will be prepared for the establishment or development certification laboratories in the region. Opportunities for establishment of private laboratories shall also be examined and test laboratories required within the Agreement on Transportation of Perishable Products (ATP Agreement)¹² for certification of equipment for transportation of perishable goods will be established.</p> <p>Coordination among customs, sanitary, and phytosanitary (SPS) agencies such as health, agriculture, and quarantine will be required for implementation.</p>
8. Estimated cost: \$6 million (including \$5 million investment loan for product certification laboratory; \$500,000 for test laboratories for certification of equipment for

¹² Kazakhstan and Uzbekistan are members of this agreement while Tajikistan is preparing legal documentation for the accession to the Agreement. In addition, the Kyrgyz Republic is implementing a feasibility study for accession to the Agreement.

transportation of perishable goods within ATP Agreement, \$500,000 for the TA).
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 and Technical Standards bodies.
12. Estimated Benefits and Beneficiaries: <ul style="list-style-type: none"> • Safer products and services in CAREC countries and improved access to export markets for products produced in CAREC Region; and • 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 commitment.
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 TFTA 3: Development of Logistics Centers & Information Hubs
(formerly REG TA6, TA29 & TA31)**

1. Project Name: Development of Logistics Centers and Information Hubs
2. Type of Project: Regional Logistics and Trade Facilitation Technical Assistance (TA)
3. Project Location: Central Asia Regional Economic Cooperation (CAREC) countries.
4. Sector/Subsector: Trade Logistics.
<p>5. Background and Rationale: Trade logistics services are crucial to the movement of goods and passengers hence directly affecting the efficiency of trade in the region. Currently, the CAREC region's capability to provide logistics services, including multi-modal transportation facilities, are not sufficient to support the economic benefits from regional trade facilitation. Trade logistics studies covering all CAREC participating countries assessed current capacities and constraints to the growth of the logistics industry in the region. Some of the issues identified include:</p> <ul style="list-style-type: none"> • physical transportation infrastructure inefficiencies and deficiencies—existing logistics centers and multimodal facilities do not meet international standards and highway networks are not constructed to couple with the rail multimodal network to form a synchronized multimodal system; • operational difficulties—there is lack of comprehensive strategy to address operational issues and inadequate educational and training programs to equip local logistics professionals with knowledge and skills in modern supply chain management; and • information gaps—inadequacy of information to support and promote the development efforts in modernizing and upgrading the trade logistics sector. <p>To push forward the development of the trade logistics sector and thus improve trade efficiency, a well-crafted trade logistics development strategy and action plan for the CAREC countries needs to be developed The strategy should aim to: optimize the locations of logistics centers and multimodal hubs; promote the development of a training program on supply chain management; and broaden access to trade, transport, and customs information</p>
<p>6. Objectives:</p> <ul style="list-style-type: none"> • 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) increase the capability of the transport and logistics industry to adopt modern multimodal and logistics management concepts and technology. • To establish a training program on supply chain practices and management in order to meet the demand for technical and professional development in the region. • 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.
<p>7. Scope: The proposed TA will:</p> <p>1. Prepare feasibility study that will include:</p> <ul style="list-style-type: none"> • 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. • Logistics hubs prototypes for: 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,

<p>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).</p> <p>2. Set-up a CAREC Trade web portal that 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</p> <p>3. Design and implement a supply chain management training program. Activities will include:</p> <ul style="list-style-type: none"> • identifying the exact needs for supply chain training in each country for major industries; • determining the optimal arrangement for training and skills development, such as interactive technology for online training programs, regular courses in rotating venues in the region.
8. Estimated Cost: \$5 million
9. Financing Plan and Arrangements: To be determined.
10. Implementation Schedule: 2010–2011
11. Executing Agencies: to be determined
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:
16. Follow up Actions Required:
17. Issues/Constraints: None
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): This TA provides good opportunities for private sector participation in development of logistics infrastructure.

**REG TFTA 4: Integrated Trade Facilitation Capacity Building Program
(formerly REG TA7 & TA10)**

1. Project Name: Integrated Trade Facilitation Capacity Building Program
2. Type of Project: Regional Trade Facilitation Technical Assistance (TA)
3. Project Location: Central Asia Regional Economic Cooperation (CAREC) Countries.
4. Sector/Subsector: Transport and Trade Facilitation.
<p>Background and Rationale: The trade facilitation program of CAREC is aimed at reducing trade costs by (i) promoting concerted customs reform and modernization; and (ii) supporting an integrated trade facilitation approach through efficient regional logistics development, better focus on priority trade corridors, enhanced interagency cooperation and public-private partnerships, and support for the joint transport and trade facilitation strategy.</p> <p>The Customs Coordinating Committee (CCC) at its 7th Meeting held in Bishkek, Kyrgyz Republic, on 8–9 September 2008, recognized the importance of capacity building to support improved trade and customs administration in the CAREC region and requested the Asian Development Bank (ADB) to undertake a study to assess training needs for customs and the broader array of stakeholders involved in trade facilitation and recommend a capacity building framework for trade facilitation.</p> <p>The general findings of the study include: (a) there are existing training facilities and capabilities in CAREC that cater to customs administration and trade facilitation training requirements and focus of assistance should be on further developing and strengthening these capabilities, developing curricula that are more responsive to the current needs to be internationally competitive, upgrading the skills of faculties to international standards and ensuring that these capacities can be sustained ; (b) training approaches need to adapt to CAREC region's needs and situation but should also consider best practices not only from developed countries but especially from neighboring countries in Asia; (c) other government agencies involved in border control and the private sector will have to be involved in the capacity building exercise including in the areas of coordination and cross-agency collaboration. Despite uneven development stages of member countries, there is a high degree of common need both for customs and for other areas of trade facilitation which can be met by a regional supply of training activities. Some countries need to further develop skills/knowledge already possessed, and it may be possible to meet some of the needs using internal resource/expertise – including the private sector. The study recommended the inclusion of the responsibilities for identification of training and development needs in the tasks of the CAREC National Joint Transport and Trade Facilitation Coordination Committees (NJC) and the Regional Joint Committee (RJC); the creation of a simple Regional Training Database, accessible to all member nations and the creation of a simple training development structure, including the measures to ensure consistency in the identification of needs, appropriateness of content, level and quality of delivery and skills transfer</p>
<p>6. Objectives</p> <ul style="list-style-type: none">• Strengthen the NJCs and the RJC to serve as catalysts for change and capacity building for all stakeholders involved in trade facilitation• Develop sustainable capacity building program including development of curricula and training materials for the identified priority training needs and training of trainers.• Create of a simple regional training database and strengthen collaboration with other international organizations offering specialized training for customs

administration and trade facilitation such as the World Customs Organization (WCO)
7. Scope: The TA will support strengthening the capacities of NJCs and the RJC; enhancing the curricula of regional customs educational institutions, translation and adaptation of training materials of WCO and other international agencies, train-the-trainers programs, development of the on-line library of customs materials, financial support for training of border control staff and private sector and creating a regional training database.
8. Estimated cost: \$2 million
9. Financing Plan and Arrangements: CAREC Institute
10. Implementation Schedule: 2011–2013
11. Executing Agencies: NJCs, RJC, and WCO
12. Estimated Benefits and Beneficiaries <ul style="list-style-type: none"> • Increased professionalism of border control 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 border control officers and private sector participants involved in trade facilitation of different countries to meet and exchange ideas.

**REG TFTA 5: Working with the Private Sector in Trade Facilitation
(formerly REG TA8, 11, 15, 26, 27 & 33)**

1. Project Name: Working with the Private Sector in Trade Facilitation
2. Type of Project: Technical Assistance (TA)
3. Project Location: Region
4. Sector/Subsector: Trade Facilitation
<p>5. Background and Rationale:</p> <p>The Transport and Trade Facilitation Strategy (TTFS) was endorsed by the 6th Ministerial Conference (MC) and its Implementation Action Plan was approved by the 7th MC in November 2008. It aims to strengthen the region's competitiveness and expand trade among Central Asia Regional Economic Cooperation (CAREC) economies and between these economies, singly and collectively and the global market. The Strategy adopts an integrated approach combining transport investments with trade facilitation initiatives. The Action Plan focuses on the development of six CAREC corridors and identifies priority investment and technical assistance requirements to develop infrastructure and facilitate the movement of goods through these corridors and across borders. The proposed policy and advisory technical assistance (PATA) is designed as an immediate response to the ministerial guidance on implementing the TTFS.</p> <p>Effective trade facilitation involves numerous agencies, including the private sector, within and outside a country. It will be essential for public and private sector agencies to work in concert to identify the constraints and measures required to improve trade flows, as well as set priorities and timelines to implements those measures. To support this effort, the proposed TA will assist in setting up cooperation mechanisms that will (i) strengthen national and regional capacities to address trade facilitation concerns in an integrated manner; (ii) enhance regional cooperation initiatives in assessing and monitoring performance of selected corridors, identifying bottlenecks to cross border trade and determining courses of action to address such bottlenecks; and (iii) to promote public and private partnerships (PPP) and develop innovative financing models to address the financing requirements of efforts in support of transport and trade facilitation development in the region.</p>
<p>6. Objectives: The proposed TA will support the design, implementation and monitoring of key trade facilitation and private sector development activities under the Central Asia Regional Cooperation (CAREC) Program. Specifically it will (i) establish and provide institutional support to the National Joint Transport and Trade Facilitation Committees (NJC) and the Regional Committee on Transport and Trade Facilitation (RJC), (ii) conduct performance measurement and monitoring of selected CAREC corridors, and (iii) organize private-public sector dialogues and business forums for trade development and explore opportunities for PPPs in support of trade logistics development.</p>
<p>7. Scope:</p> <p>1) NJCs will be set up and assisted in developing and implementing integrated national transport and trade facilitation action plans in accordance with the approved Joint transport and trade facilitation (TTFS) Action Plan. These committees will be composed of representatives of government agencies in charge of transport, trade, and border-crossing activities and relevant private sector groups such as freight forwarders associations and logistics service providers. A CAREC RJC composed of representatives from the NJCs will also be set-up to provide regional leadership in the implementation of the regional joint transport and trade facilitation strategy/action plan. The proposed TA will institutionalize these cooperation mechanisms, deepen</p>

inter-agency collaboration and enhance PPPs by enabling the NJCs and RJC to implement core activities identified in the national and regional action plans.

2) A CAREC Corridors Performance Measurement and Monitoring Scheme (PMM) has been piloted for over a year and data gathered have been useful in formulating strategies to address constraints to the smooth flow of trade in these corridors. The proposed TA will help the CAREC participating countries institutionalize the PMM into a regular activity of the concerned agencies, develop a regional database and website to facilitate access to relevant information regarding the corridors and provide training to enable the CAREC personnel to adjust the PMM scheme to their expanding needs. Well-designed and strategically located trade logistics centers improves the connectivity, reliability and competitiveness and increases opportunities for trade and revenues of each CAREC country as well as the region.

3) The Project will support the conduct of workshops and dialogues between the private sector as well as the donor community in identifying specific constraints to doing business in the region; designing financing models to support the development of transport and trade facilitation infrastructure in CAREC participating countries; and developing potential PPP or joint ventures in trade facilitation.

8. Estimated Cost: \$2.5 million

9. Financing Plan and Arrangements: ADB RCIF=\$1,500,00; ADB PRCF=\$500,000; and Government and private sector \$500,000 (in kind).

10. Proposed Implementation Schedule: 2009–2013

11. Executing Agencies: Customs, Immigration, Quarantine, Health, Technical Standards, Transport, private sector (freight forwarders, road carriers, logistics providers).

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: Concept paper submitted to RCIF.

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

17. Issues/Constraints:

REG TFTA 6: Simplified Transit Procedures and Strengthening Guarantee Systems in the CAREC Region (formerly REG TA9 &TA12)

<p>1. Project Name: Simplified transit procedures and strengthening customs guarantee systems in the Central Asia Regional Economic Cooperation (CAREC) region.</p>
<p>2. Type of Project: Regional Trade Facilitation Technical Assistance (TA)</p>
<p>3. Project Location: CAREC Countries.</p>
<p>4. Sector/Subsector: Transport and Trade Facilitation.</p>
<p>5. Background and Rationale: Central Asia is a historical land bridge between two sets of cardinal points, namely, East Asia and Europe (the silk route), as well as between trading partners in South Asia (India and Pakistan) and the Russian Federation. Today, Central Asia is also a potentially important transit route connecting East/South Asia and Europe, by road, rail, and air.</p> <p>Cross-border and transit traffic through the 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. However, the TIR system has its weaknesses—it can be expensive for small carriers, who operate mostly in the domestic market but sometimes do international hauls; and the People's Republic of China (PRC), a very important trade partner, is not a member of TIR Convention.</p> <p>In addition, most of the transit agreements are not observed, transactions costs are too high due to cumbersome trade and transport formalities and large and arbitrary payments; infrastructure and technical standards are inadequate; and transport systems are inefficient or have limited capacities.</p> <p>Efficient transit trade could help turn the disadvantage of being landlocked countries into the advantage of being a “transit country.” There is a need to examine the barriers to transit trade closely and devise measures taking advantage of the information and communications technology (ICT) or refine current systems so that goods, vehicles, and passengers can move uninterrupted across borders. The applicability of alternative models such as the EU Convention on Joint Procedure for Common Transit System, or the Safe Packet System or improvements to existing systems such as Safe TIR or integration of TIR procedures into NCTS and ASYCUDA, should also be considered, in view of the need for a cheaper and simpler system for movements which only cross one or two borders.</p> <p>Transit trade can be cause for fraud and customs guarantees¹³ can help prevent them. Customs guarantee or the use of alternative systems of customs guarantee need to be explored. It would require considerable investments into Information Technologies and Systems, which should be well balanced against benefits from adopting new or updated customs guarantee systems.</p>
<p>6. Objectives:</p> <ul style="list-style-type: none"> • 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.

¹³ The customs guarantee provides security against unpaid customs duties. It is often used when goods are imported temporarily into a country. A claim can be made if there is no evidence that the goods have been re-exported within the specified period and the resultant customs duties have not been paid.

<ul style="list-style-type: none"> • To facilitate smooth transit of goods in the region through enforcement of TIR Agreement and establishment of other customs guarantee systems if required.
<p>7. Scope: The TA 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) in close liaison with Road Unions of CAREC countries, examine transit trade models including TIR Carnet (including modified or improved versions), Safe Packets, etc., (iii) analyze alternative customs guarantee systems with detailed cost-benefit analysis, and assess implications from implementation and enforcement of electronic systems of customs guarantee; and (v) determine the feasibility of implementing a pilot transit system along one corridor based on a one-time customs guarantee.</p>
<p>8. Estimated cost: \$500,000</p>
<p>9. Financing Plan and Arrangements: Asian Development Bank</p>
<p>10. Implementation Schedule: 2009–2011</p>
<p>11. Executing Agencies: National Transport and Trade Facilitation Committees (NTTFC) of the eight CAREC participating countries.</p>
<p>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.</p>
<p>13. Social and Environmental Issues:</p>
<p>14. Priority of Project: High.</p>
<p>15. Project Status: Proposed.</p>
<p>16. Follow up Actions Required:</p>
<p>17. Issues/Constraints: (i) one of the key constraints for implementation of electronic-based customs guarantee systems is poor ICT infrastructure of CAREC Border-Crossing Points (BCP); and (ii) while all CAREC countries except PRC- are members of TIR Convention, enforcement of countries' commitments for free transit of TIR vehicles is weak, trucks are often stopped at BCPs.</p>
<p>18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP): The Project should be implemented in close collaboration with national associations of freight forwarders, road carriers, and logistics providers.</p>