



2019 CAREC TRANSPORT SECTOR ANNUAL REPORT

OCTOBER 2020

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Notes:

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Cover design by Edith Creus.

On the cover (from left to right): Cargo and passenger transport inspection at the Khorgos Customs Post in Almaty Region, Kazakhstan, bordering the People’s Republic of China; a passenger plane at the Tbilisi Airport, Georgia; and passengers waiting at the Samarkand Railway Station, Uzbekistan (photos by Andrey Terekhov, Daro Sulakauri, and Eric Sales).

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ABBREVIATIONS

ADB	Asian Development Bank
ADY	Azerbaijan Railways Closed Joint Stock Company
AIIB	Asian Infrastructure Investment Bank
BCP	border crossing point
CAREC	Central Asia Regional Economic Cooperation
CPMM	Corridor Performance Measurement and Monitoring
CTS	CAREC Transport Strategy
DFID	Department for International Development of the United Kingdom
DMC	developing member country
DRC	Designated Railway Corridors
DSCR	debt service coverage ratio
EBRD	European Bank for Reconstruction and Development
IsDB	Islamic Development Bank
JICA	Japan International Cooperation Agency
km	kilometer
OPEC	Organization of the Petroleum Exporting Countries
PBC	performance-based contracting
PRC	People's Republic of China
QATT	Quadrilateral Agreement on Traffic in Transit
RAM	road asset management
RAMS	road asset management system
RIBS	Regional Improvement of Border Services
RSO	Road Safety Observatory
RWG	Railway Working Group
SCO	Shanghai Cooperation Organization
TA	technical assistance
TIR Convention	International Transport of Goods under Cover of TIR Carnets
TSCC	Transport Sector Coordinating Committee
TTF	trade and transport facilitation
TTFS	Transport and Trade Facilitation Strategy





INTRODUCTION

Endorsement of the CAREC Transport Strategy 2030 in 2019

1. The Central Asia Regional Economic Cooperation (CAREC) Program is a partnership of 11 developing member countries¹ and development partners working together to promote development through cooperation among the countries, with the overarching vision of “Good Neighbors, Good Partners, and Good Prospects.”

2. The CAREC Transport Strategy (CTS) 2030 was approved by all the CAREC countries in the 18th CAREC Ministerial Conference in Tashkent, Uzbekistan on 14 November 2019. The CTS 2030 is aligned with *CAREC 2030: Connecting the Region for Shared and Sustainable Development* (CAREC 2030),² the new strategic framework guiding the CAREC Program until 2030.

3. The Transport and Trade Facilitation Strategy (TTFS) was endorsed at the sixth Ministerial Conference in November 2007 as the first development strategy of transport sector in the CAREC countries for improving the region’s competitiveness and expanding intraregional and interregional trades in the CAREC region. Subsequently, the CAREC Transport and Trade Facilitation 2020 (TTFS 2020)³ was endorsed at the 12th CAREC Ministerial Conference in 2013.

The TTFS 2020 was developed on a more integrated approach to improving transport and logistics infrastructure and promoting trade and transport facilitation, by reflecting findings and lessons gained from the implementation of the TTFS. The TTFS 2020 updated the six CAREC multimodal corridors and recognized the importance of railway subsector in the CAREC region leading to development of the CAREC Railway Strategy 2017–2030 and the CAREC Railway Working Group. To facilitate the development of the newly defined CAREC corridors and Designated Railway Corridors (DRCs), potential development projects and their implementation schedule were suggested by the CAREC countries and development partners.

4. During the development of the CTS 2030, the progress of CAREC transport sector achieved in 2014–2019 was assessed and was found to have exceeded the target set in the TTFS 2020: road infrastructure totaling 7,800 kilometers (km) was constructed or rehabilitated by 2017; railway lines of 1,800 km were to be achieved by 2020. Moreover, to sustain the quality of those achievements, institutional and policy instruments were developed: *A Railway Strategy of CAREC, 2017–2030*;⁴ and *A Regional Road Safety Strategy for*

¹ Afghanistan, Azerbaijan, the People’s Republic of China (PRC), Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

² ADB. 2017. *CAREC 2030: Connecting the Region for Shared and Sustainable Development*. Manila. <http://dx.doi.org/10.22617/TCS179132-2>.

³ ADB. 2013. *CAREC Transport and Trade Facilitation Strategy 2020*. Manila. <https://www.adb.org/sites/default/files/institutional-document/34107/files/carec-ttfs-2020.pdf>.

⁴ ADB. 2017. *Unlocking the Potential of Railways: A Railway Strategy for CAREC, 2017–2030*. Manila. <https://www.adb.org/documents/railway-strategy-carec-2017-2030>.

CAREC Countries, 2017–2030.⁵ In addition to those strategies, *Compendium of Best Practices in Road Asset Management*⁶ was produced in 2018 to help the CAREC countries introduce and strengthen road asset management (RAM). In the course of the assessment, the importance of cross-border facilities and port and aviation subsectors was also acknowledged, because of strong linkages between transport and trade. The scoping studies of the subsectors were initiated in 2018. Furthermore, needs emerging after the endorsement of the TTFS 2020 were identified. In 2016, Georgia joined the CAREC Program as the 11th CAREC country, contributing to the extension of CAREC Corridor 2 toward Europe through the Black Sea.

5. The CTS 2030 reflects these achievements in line with the TTFS 2020 and lessons learned. The CTS 2030 will be implemented by continuing physical investments in conjunction with institutional and policy interventions in the five pillars: (i) roads and road asset management, (ii) road safety management, (iii) railways, (iv) cross-border transport and logistics, and (v) aviation. This comprehensive approach is expected to respond to the countries' growing needs for developing the transport sector, as illustrated in Appendix 1.

6. Appendix 2 shows the latest CAREC multimodal corridors, Appendix 3 shows the latest Designated Railway Corridors and Appendix 4 shows the progress and status of the 105 transport investment priority projects under TTFS 2020.

⁵ ADB. 2017. *Safely Connected: A Regional Road Safety Strategy for CAREC Countries, 2017–2030*. Manila. <https://www.adb.org/documents/road-safety-strategy-carec-2017-2030>.

⁶ ADB. 2018. *Compendium of Best Practices in Road Asset Management*. Manila. <https://www.adb.org/publications/compendium-best-practices-road-asset-management>.

SHOWCASE 1

Major Achievements in Afghanistan in 2019

7. Afghanistan is a landlocked country, located almost at the center of the CAREC countries, surrounded by Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. The country joined CAREC in 2005 and funds were invested in the country's transport sector to facilitate transportation of people and goods inside the country, as well as among the surrounding countries.

8. Road transportation has been a vital mode for movements of people and transportation of goods while the development of railway networks is ongoing in the country. The CAREC Program helped Afghanistan to facilitate the development of those land transportation modes in close coordination with bilateral or multilateral development partners. To achieve the concerted assistance, the country's Transport Sector Master Plan was updated in 2017 with the assistance of the Asian Development Bank (ADB), which functions as a strategic instrument supporting the country's transport sector development in 20 years (2017–2036 for the updated Transport Sector Master Plan).⁷ Current interventions by development partners are aligned with the updated Transport Sector Master Plan on developing physical infrastructure and strengthening institutional capacity. This approach is expected to ensure the national transport infrastructure development and sustainability in the long run.

9. **Road sector.** Developing the Ring Road—linking major cities including Kabul, Kandahar, Herat, and Mazar-e-Sharif—is considered the most important national transport infrastructure development project,

contributing to the establishment of connectivity among CAREC Corridors 2, 3, 5, and 6. Hence, improving the ring road and associated access roads would contribute to the enhancement of regional connectivity over the country. Currently, ADB is providing financial assistance in constructing the Qaisar–Dari Bum section (CAREC Corridors 3 and 6) and the Kabul–Jalalabad section (CAREC Corridors 5 and 6); the Government of Saudi Arabia finances the Leman–Armalik section; and the World Bank supported the rehabilitation of the Salang Road Tunnel. To enhance accessibility to the capital city for the local population, the Islamic Development Bank (IsDB) and the Saudi Development Fund provide financial assistance in developing the Kabul Ring Road. This assistance is provided in phases. In addition to those ongoing projects, CAREC development partners are considering several more projects listed in the CAREC TTFS 2020 required to complete the entire Ring Road.

10. Afghanistan commits to strengthening road safety and institutionalizing road asset management system in the road sector operation, which is a part of the ongoing sector reform under the national Transport Master Plan. The government is currently preparing for implementing the road safety audit program and is planning to allocate budgets to the Annual Road Safety Mitigation Measures Program. To leverage such momentum, the CAREC Program provided a road safety engineering workshop for around 20 officials from Afghanistan's Ministries of Transport and Health on 4–7 November 2019 in Tbilisi, Georgia.

⁷ ADB. 2017. *Afghanistan Transport Sector Master Plan Update (2017–2036)*. Manila. <http://dx.doi.org/10.22617/TCS178667-2>.



Jalalabad–Kabul Highway

Trucks carrying goods from Afghanistan to Pakistan ply the Jalalabad-Kabul Highway (photo by Jawad Jalali).

The participants attended interactive discussions with transport officials in Georgia, and joined site visits around the city to carry out blackspot inspections and exercise road safety audits. Furthermore, the CAREC Program plans to hold a comprehensive workshop on road asset management (RAM) and performance-based maintenance contract for the country's officials who are (or will be) engaged in the road asset management system (RAMS) and road maintenance.

11. Railway sector. The Government of Afghanistan pays high attention to constructing railways linking it to its neighboring countries. The first of such railways was the Hairatan to Mazar-e-Sharif line, financed by ADB and completed in 2010, linking Afghanistan to Uzbekistan and neighbors to the north.⁸ Currently, efforts are focused in the completion of the Khwaf–Herat Railway, linking Afghanistan to neighbors to its west. The 62 km westernmost section from the western border to Ghoryan district of Afghanistan is under construction. The final 44 km section from Ghoryan district to Herat will be financed by a loan of €65 million provided by the

Italian government, for which the loan agreement was signed between the government of Afghanistan and Italy on 20 February 2020.

12. In December 2017, the governments of Afghanistan and Uzbekistan signed an agreement for designing and constructing the Mazar-e-Sharif–Herat railway (CAREC-DRC 2 and 4). Under the agreement, a framework for establishing a consortium was developed to finance the project. Technical due diligence for the project was completed with financial assistance from the World Bank, which confirmed the project's economic viability and contribution to inter- and intraregional connectivity. The Afghanistan Railway Authority, in conjunction with other stakeholders, is working to establish a consortium to raise funds for this project. In addition to this, Afghanistan and Tajikistan signed another bilateral agreement in December 2019, under which Tajikistan will extend its railway network to the Afghanistan border, and a bridge and cross-border station will be constructed in the Tajikistan–Afghanistan border as well.

⁸ ADB. 2013. *Hairatan to Mazar-e-Sharif Railway Project. Project Completion Report*. Manila.



Yakwalang-Dar-e-Suf Road in Bamian Province

Afghan workers work on the 32 km distance of Yakwalang-Dar-e-Suf road in Bamian province, Afghanistan (photo by Jawad Jalali).

Railway Terminal in Mazar-e-Sharif, Afghanistan

The railway has provided easy transportation for oil, wood, flour, wheat, asphalt, and other important products (photo by Jawad Jalali).



SHOWCASE 2

Major Achievements in the Railways Pillar in 2019

13. The TTFS 2020 introduced the Designated Railway Corridors (DRCs), showing the key railway networks over the CAREC countries for future development. This reflected the recognition that railway transport was pivotal to promoting economic growth more efficiently and effectively, particularly for long-distance freights of heavy and bulky goods and movements of passengers within the region. However, it was found that the railway networks in the countries were not developed enough to facilitate regional transportation and trade as anticipated, continuing heavy reliance on road transportation. Otherwise, more efficient railway networks can help accommodate expanding traffic, widen transportation options, help reduce bottlenecks, and lower transportation costs. Thus, the railway subsector will remain among the priorities of the CAREC Program, along with the road subsector, as illustrated in the TTFS 2020.

14. To offer a platform for the CAREC countries and relevant agencies, the Railway Working Group (RWG) was set up by the decision of the 14th Transport Sector Coordinating Committee in Ulaanbaatar in April 2015.⁹ The RWG formulated *Unlocking the Potential of Railways: A Railway Strategy for CAREC, 2017–2030* (footnote 4), which was endorsed at the 15th CAREC Ministerial Conference in October 2016 as a long-run guidance document for developing the pillar in a concerted manner among the countries.

The vision behind the CAREC railway strategy is that “rail transport will become the preferred mode of choice for trade: quick, efficient, accessible for customers, and easy to use throughout the region.”

15. In November 2018, ADB approved a technical assistance (TA) project, “Railway Sector Development in Central Asia Regional Economic Cooperation Countries,” to support the implementation of the CAREC railway strategy.¹⁰ The TA project’s major outputs are: (i) CAREC regional transport model developed, which would be customized to the CAREC’s regional contexts; (ii) project preparation facility established for new railway projects of the CAREC countries; (iii) knowledge products and events completed in common areas of interest among those countries; and (iv) capacity of executing agencies in project preparation improved. Their progress is to be shared and discussed regularly at the RWGs among the members. The TA project receives the financial support of the People’s Republic of China Poverty Reduction and Regional Cooperation Fund and the United Kingdom Fund for Asia Regional Trade and Connectivity.

⁹ The RWG consists of representatives of railway agencies from the CAREC countries, railway-related international organizations such as the Organization for Cooperation of Railways and International Union of Railways, and CAREC development partners.

¹⁰ ADB. 2018. *Technical Assistance Report for Railway Sector Development in Central Asia Regional Economic Cooperation Countries*. Manila.



Samarkand Railway Station, Uzbekistan

A high-speed train, “Afrosiyob,” stops here on its way from Tashkent to Karshi; “Afrosiyob” trains use an electrified railroad which is a part of the CAREC project in Uzbekistan (photo by Relisa Granovskaya).

16. The TA project was introduced, and its proposed approach paper was reviewed at the fourth RWG on 22–23 April 2019 in Tashkent. With the approval of the approach paper at that RWG, the major activities commenced in May 2019. During the RWG meeting, the CAREC countries were requested to submit proposals of potential railway projects and knowledge support assistance to program the allocation of the TA resources.

17. During the fifth RWG meeting on 12–13 December 2019 in Bangkok, the following activities were confirmed for implementation within the TA project’s framework, and CAREC countries and the development partners will discuss the implementation program:

- (i) commencement of piloting CAREC regional transport model for potential railway projects;
- (ii) completion of all the CAREC countries’ railway sector assessments and disclosure of their results;
- (iii) execution of two to three prefeasibility studies; and
- (iv) provision of selected knowledge supports to the concerned CAREC countries.

COUNTRY-SPECIFIC IMPLEMENTATION PROGRESS

18. Azerbaijan. CAREC Corridor 2 passes through Azerbaijan, starting at the Baku Port to the Georgian border, and functions as one of the country's key economic corridors. To strengthen the corridor, the Government of Azerbaijan initiated multimodal transport development by strengthening capacities and functions of roads, railways, and logistics facilities. One of the initiatives is the construction of the new Baku International Sea Trade Port at Alat, completed in 2018. Currently, the production of two new Ro-Pax vessels for "Azerbaijan Caspian Shipping" Closed Joint Stock Company (CJSC) is in the last stage. It will positively impact on transit speed and quality in the Caspian Sea. In the road sector, ADB provided the assistance under the framework of the ongoing Second Road Network Development Investment Program. Under this program, the Alat–Astara section was upgraded to a four-lane motorway, which was opened in September 2018, while the European Bank for Reconstruction and Development (EBRD) provided support to upgrade the Ganja–Gazakh–Georgian border road. The M1 motorway connecting Baku with the state border of the Russian Federation will be completed in 2021. It will connect Azerbaijan with the Russian Federation through the Samur border crossing point. At the same time, a new road bridge connecting the state border of Azerbaijan with the state border of the Russian Federation was opened in 2019 over the Samur river. Infrastructure at Azerbaijan–Russian Federation border crossing points were improved and a program for increasing crossing capacity is under implementation (Khanoba border crossing point and Khanoba–Shirvanovka road). To advance the integration of state-of-the-art technologies in the ongoing multimodal transport development, various international transport institutions held several workshops related to intelligent transport system and road safety in Baku in April 2019.

19. The development of the railway subsector in Azerbaijan has also been significant. Through the modernization of the east–west rail corridor, the country has been pivotal in the joint development of the Baku–Tbilisi–Kars Railway line, connecting Alat Port with Georgia and Turkey (CAREC DRCs 2 and 6). The Baku–Tbilisi–Kars Railway became operational in October 2017 as a major driver for freight movement in the three countries. ADB provided a policy-based loan, the Rail Sector Development Program, to improve the subsector's financial and operational performance through a comprehensive reform of the Azerbaijan Railways Closed Joint Stock Company (ADY). The program also finances the rehabilitation of the track and associated structures of the 167 km Sumagayit–Yalama (the border with the Russian Federation) railway line, to be completed in 2023. The government is preparing for the rehabilitation of the southern section between Alat and Astara, to be completed in 2027.

20. The financial restructuring plan (FRP) implemented under the Railway Sector Development Program has been of utmost importance and a turning point in the ADY regaining financial stability.

21. As a result of performed refinancing operations, the average interest rate of the loan portfolio was reduced from 5.86% to 2.26% and the average duration of the repayment period was extended from 5 to 9.5 years during the period from end of 2016 till the end of 2018. The debt service coverage ratio (DSCR) of ADY without the debt restructuring would be 0.19 over 2017 and 0.40 over 2018. The actual DSCR was 1.12 over 2017 and 1.02 over 2018. As a result, ADY's financial stability substantially strengthened and this allows ADY's management to focus on core business development activities.

22. New contractual relations between ADY and the government were developed and reflected in a Public Service Obligation contract and the draft agreement on consistent financing for the maintenance of the railway infrastructure are currently awaiting the government's approval. The Public Service Obligation contract will enable ADY to cover the profitability gap for loss-making passenger services and reduce substantially cost share of freight tariffs.

23. A risk management unit was established to systematically manage all corporate risks. ADY has been regularly updating its Key Performance Indicators which are now disclosed on ADY's website. ADY's Asset Management Strategy for core assets as well as a Property Strategy defining a non-core asset separation program were approved. ADY established new divisions, including a division for controlling efficiency of power supply and sales to improve commercialization of electricity and increase the efficiency of consumption. ADY also established a performance appraisal system.

24. For the development of employees' knowledge and skills, ADY commenced the implementation of a Skills Development Program with at least 30% women's participation. As a result of these reforms, the financial and operational performance of ADY improved.

25. **People's Republic of China (PRC).** Since establishment of the CAREC Program, the PRC remains its active participant. The PRC has its own regional initiative to promote connectivity among countries in Asia, Africa, and Europe, including CAREC countries, called the Belt and Road Initiative, through which it contributes to developing transport infrastructure in the neighboring CAREC member countries. Within these two cooperation frameworks, the PRC actively works with the CAREC countries on bilateral intergovernmental agreements for easing trade in goods and transportation of people.

26. **Georgia.** Due to its locational strategic value, Georgia's participation in CAREC helps extend CAREC Corridor 2 toward the Black Sea and contributes to linking the CAREC countries with Europe. Along CAREC Corridor 2, there is the East–West Highway from Sarpi through the center of the country toward the border with Azerbaijan. ADB currently finances the improvement of several sections of the highway, including the Khevi–Ubisa and Shorapani–Argveta sections. Furthermore, at the southwestern end is the internationally well-known port city of Batumi, and ADB is helping build a new bypass road around the city to reduce congestion resulting from mixed traffic flowing into and from the highway. The Asian Infrastructure Investment Bank (AIIB) is financing the project to build the bypass at Batumi. ADB also financed the Kobuleti Bypass which was opened to traffic in June 2018. Other development partners, such as the Japan International Cooperation Agency (JICA), the World Bank, and the European Investment Bank financed the highway's improvement, reducing geographic or terrain challenges along the highway and easing transportation of people and goods. In 2019, Azerbaijan and Georgia adopted the Trans-European Transport Network and its investment action plan was published. This will help smooth border crossing between Europe and Georgia and Azerbaijan, contributing to the growth of trade in various goods from and to the CAREC countries through Georgia and Azerbaijan, leading to those countries' economic growth.

27. **Kazakhstan.** Four CAREC corridors pass through the country, including (i) CAREC Corridor 1 connecting the PRC toward the Russian Federation, (ii) CAREC Corridor 2 traversing toward the Aral Sea, (iii) CAREC Corridor 3 linking with Uzbekistan, and (iv) CAREC Corridor 6 crossing from north to south. The country's major road networks are designated along those CAREC Corridors (for instance, the Western Europe–Western China International Transit Corridor, linking the major economic centers of Khorgos, Almaty, Taraz, and Aktobe, coincides with the CAREC Corridor 1). The improvement is nearly complete.

The government prioritized the improvement of the networks and allocated its resources supported by financial assistance from the CAREC development partners, such as ADB, EBRD, IsDB, JICA, and the World Bank. To sustain the quality of those developed networks, the government initiated performance-based maintenance contracts and progressed the development of RAMS. Moreover, there are railway networks over the country which were developed decades ago, and their renovation has been under consideration by the development partners to enable fast and reliable transportation of people and commodities. The CAREC Program is expected to facilitate policy dialogues on railway sector development and programming the short- and long-term investments in close coordination with the surrounding countries and the development agencies.

28. The country is actively involved in the concerted development of transport and trade sectors with neighboring countries such as Azerbaijan, the PRC, and Georgia, and held several bilateral meetings in 2019. Furthermore, as a member country of the SCO, the country attended the meetings in 2019 to discuss the SCO Road Development Program for easing movements of passengers and goods among the member countries. Under the United Nations Special Programme for the Economies of Central Asia, the country attended a meeting in November 2019 to discuss regional development strategies to facilitate intermodal transport operations among the member countries.

29. Kyrgyz Republic. The country is surrounded by the PRC, Kazakhstan, Tajikistan, and Uzbekistan; and CAREC Corridors 1, 2, 3, and 5 cross the country. To evolve interregional road connectivity along those corridors, several road improvement projects are ongoing with assistance from the development partners, as well as the Arab Corporation Group, the Eurasian Development Bank, the PRC's Export-Import Bank and State Bank, and the Saudi Development Fund.¹¹

In parallel, the construction of border crossing points at the border with Kazakhstan and Tajikistan is ongoing under the ADB-financed Central Asia Regional Economic Cooperation Regional Improvement of Border Services Project to help improve time- and cost-efficiency of international trade in goods, fleets, and movements of peoples. This will eventually contribute to the enhancement of the country's function as a transit point bridging the surrounding countries and helps accommodate the continuously growing cargo volumes and people's transits. These initiatives will enable smooth international transitions.

30. Mongolia. The development is ongoing in the country along CAREC Corridors 4a, 4b, and 4c; and progress was made in the road, railways, and aviation subsectors in line with the TTFS 2020. As for road transportation, upgrading and rehabilitation works are ongoing along the CAREC corridors, including upgrading of the Ulaanbaatar–Darkhan section from two lanes to four lanes with assistance from ADB and EBRD. The section from the Gachuurt Junction, located in nearby Ulaanbaatar, to Nalaikh is also being upgraded with support from the Government of the PRC. ADB has financed the Western Regional Road Corridor Investment Program since 2011, which involves constructing 403.8 km of the road connecting the PRC and the Russian Federation, along with rehabilitation of access roads from provincial and district centers to the main corridor. The investment program is expected to be completed by 2022. The Government of Mongolia extended its efforts to improve existing railway networks by upgrading signaling systems along the Altanbulag–Ulaanbaatar–Zamiin–Uud sections (1,110 km) and rehabilitating a rolling stock depot at the Zuunkharaa station and the existing 250-km railway networks. The Ulaanbaatar Railway Joint Stock Company executed these developments with the government's funds. To further multimodal logistics development, the government plans several initiatives related to railway, airports, and

¹¹ Several ongoing IFI-financed projects in the road subsector include the CAREC Corridors 1 and 3 Connector Road Project and its additional financing project; and CAREC Corridor 3 (Bishkek–Osh Road) Improvement Project, Phase 4.

logistics centers. ADB has been providing assistance under the Regional Logistics Development Project in Zamiin-Uud, which includes the construction of an intermodal container terminal with equipment, and rail and road access. The project was physically completed by 2019 and is expected to be closed by June 2020. The government plans to develop logistics centers in Ulaanbaatar, Bayan Ulgii, Khovd, and Darkhan-Uul along CAREC Corridor 4, which are designated for trading food, agricultural products, and mineral materials.

31. Pakistan. The country's trunk road networks and railways from international ports at Karachi and Gwadar toward the border with Afghanistan or the PRC are located along CAREC Corridors 5 and 6. Those corridors are vital not only for Pakistan, but also the surrounding landlocked countries—Afghanistan, the Kyrgyz Republic, and Tajikistan—and the development is ongoing with financial assistance from ADB, the United States Agency for International Development, the Department for International Development of the United Kingdom (DFID), and the China–Pakistan Economic Cooperation. The road networks being developed became toll roads to help generate maintenance budgets sustainably, and to ensure road quality and safety over time for long-distance drivers, fleets, and travelers. The rehabilitation of the Main Railway Line, linking Karachi with Peshawar through Hyderabad and Lahore (called the ML-1), is ongoing through the China–Pakistan Economic Cooperation, though several missing links remain. Constructing border crossing point facilities at Chaman, Torkham, and Wagah is ongoing under the ADB-financed Regional Improving Border Services Project. The DFID provides a TA fund to the Government of Pakistan in developing the National Transport Policy, the core direction of the country's transport sector development, and the National Road Safety Strategy 2018–2030, both approved by the cabinet in 2018. Preparation of the National Freight and Logistics Policy (NFLP) and the introduction and harmonization of RAM approaches among the Provincial Road Authorities are also carried out under a DFID–ADB TA (TA-8990).

32. Tajikistan. Road transport accounts for more than 90% of domestic freight and passenger transportation, and the development was implemented mainly along CAREC Corridors 2, 3, 5, and 6, connecting Tajikistan with the surrounding countries, such as Afghanistan, the Kyrgyz Republic, and Uzbekistan. The development of those corridors through rehabilitation or construction will help enhance interregional and intraregional connectivity and movement of peoples, trade, and goods. To enable the sustainable and safe operation of those rehabilitated and constructed roads, the Government of Tajikistan initiated piloting performance-based maintenance schemes and committed itself to institutionalize and operationalize RAMS by getting the 5-year road map adopted within 2020. In addition to the active road networks development, the country continued policy dialogues with the neighboring countries to pursue integrated regional transport networks. Furthermore, a border crossing point facility was developed at Guliston while national single-window systems were established under the ongoing ADB-financed CAREC Regional Improvement of Border Services Project. To strengthen the country's comprehensive land transport networks, several CAREC development partners, such as ADB, EBRD, the IsDB, and the World Bank; as well as AIIB, the OPEC Fund for International Development, and the Saudi Development Fund continuously provide technical and financial assistance. One notable ongoing cofinancing project is the development of a bypass linking Obigarm and Nurobod around the Rogun Dam that involves ADB, AIIB, EBRD, and the OPEC Fund for International Development.

33. Turkmenistan. The Government of Turkmenistan has actively financed various transport projects in the subsectors of aviation, railways, roads (in particular, highways), and ports along the CAREC Corridor 2. To date, the Kerki–Ymamnazar–Aqina (Afghanistan) railway, and the new international seaport at Turkmenbashi were completed and are already operational. Meanwhile, the reconstruction of Ashgabat–Turkmenbashi Highway is scheduled

for completion in 2020. In the following years, the modernization of the railway line connecting Turkmenabat and Turkmenbashi and the construction of airports at Kerki and Garabogaz are planned. In February 2018, the railway line between Serkhetabat and Turgundi (Afghanistan) was commissioned (DRCs 2 and 6). This multimodal development is expected to benefit interregional trade in goods and movements of peoples between Turkmenistan and its neighboring countries. To discuss the priority areas of interstate cooperation, the country's delegation visited the city of Herat, Afghanistan on 16–17 June 2019. During negotiations, a range of issues was discussed regarding the implementation of Akina–Andkhoy and Turgundi–Herat railway projects in Afghanistan. Following the negotiations, several memorandums were signed, related to studies, design, and construction of the Turgundi–Herat railway.

34. In January 2019, the Ministry of Industry and Communication was established, responsible for managing comprehensively the transport-related subsectors. To improve the management of the railway subsector, the responsibility for relevant physical infrastructure such as communication, signaling, and power supply systems, was given to the “Turkmemdemiryollary” Agency while the open joint-stock company “Demiryollary” was established to oversee carrier services. The “Turkmemdemiryollary” Agency decided to build a new sleeper plant to produce modern and robust types of sleepers and fasteners.

35. Currently, joint work is ongoing among the Government of Turkmenistan, the Government of Japan, and ADB on the project for electrification and modernization of the Turkmenabat–Mary–Ashgabat–Turkmenbashi railway line. To study the possibilities of practical application of international best experience, as well as to prepare a feasibility study for the project, ADB allocated a grant that financed the engagement of international consultants. The Government of Japan and ADB are expected to partially finance this project, including joint funding from other international financial institutions.

36. Uzbekistan. Uzbekistan is the only developing country in the world that crosses the territory of at least two states in any direction to reach free international maritime communications. CAREC Corridors 2, 3, and 6 cross the country, along which several road and rail projects are currently implemented. ADB plays a leading role in developing the transport strategy covering various subsectors: roads, railways, cross-border transport and logistics, as well as aviation. The strategy also includes road and rail subsector reforms. ADB is mobilizing technical assistance while developing and implementing the road strategy and master plan to design and improve international roads, and reorganize the Roads Committee and related enterprises. This work involves the private sector in development and maintenance of roads with the introduction of public–private partnerships schemes. ADB also provides systematic and effective support to the Uzbekistan railways (Uzbekistan Temir Yullari) in implementing institutional reform with a view of their transformation into a financially and technically sustainable organization. The Ministry of Transport was established in 2019 to carry out state regulation of the country's transport sector.

37. There are several ongoing projects in the road sector, including the Kashkadarya Region Road Project and the Second Investment Program for the CAREC Corridor 2 roads. The project is being developed, which will include construction, reconstruction, and rehabilitation of roads in the Surkhandarya region that borders Afghanistan. Work is underway to prepare a detailed design. Two ongoing investment projects are being implemented in the railway subsector: (i) the CAREC Corridor 2 (Pap–Namangan–Andizhan) Railway Electrification Project and (ii) the CAREC Corridor 2 (Pap–Namangan–Andizhan) Railway Electrification Project – Additional Financing. ADB finances these projects that also come with TA.

PROGRESS OF STRATEGIC PILLARS IN 2019

38. Cross-border transport and logistics facilitation. Under the new CAREC Strategy 2030 transport and trade facilitation, actions are assigned to two different subsector strategies: the CTS 2030 and CAREC Integrated Trade Agenda 2030. Both strategic documents call for the integrated trade and transport facilitation (TTF) and address pertinent TTF issues in a coordinated way. The transport sector looks specifically at the border crossing point infrastructure, regional cross-border transport facilitation agreements, and international transport conventions. In the past, the CAREC Program facilitated discussions among its developing member countries (DMCs) for establishing the CAREC Cross-Border Transport Agreement among Afghanistan, the Kyrgyz Republic, and Tajikistan; and operationalization of the Quadrilateral Agreement on Traffic in Transit (QATT) among Kazakhstan, the Kyrgyz Republic, Pakistan, and the PRC. Both efforts did not produce expected outcomes for a number of reasons, the main one being the absence of the regional customs transit guarantee mechanism. With the accession of Pakistan and the PRC to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention), of 14 November 1975, this legal barrier to transit trade has been removed, although operationally, these two DMCs have not yet fully implemented the TIR Convention, and the CAREC traders and transport operators have not yet felt its benefits. Pakistan initiated efforts to hold the expert level meeting of QATT member countries to facilitate the successful implementation of the agreement and promote the overall goal of regional economic integration in the CAREC region.

In 2019, Pakistan acceded another important legal instrument for establishing an effective regional transit regime in the CAREC: the Convention on the Contract for the International Carriage of Goods by Road (CMR).

39. CAREC development partners support CAREC DMCs in improving cross-border infrastructure, operational procedures, and strengthening border management capacity through various projects and TA activities. CAREC Regional Improvement of Border Services (RIBS) projects in the Kyrgyz Republic, Mongolia, Pakistan, and Tajikistan deploy an integrated approach toward improving border crossing points (BCPs) and include construction of the BCP, supply and deployment of the BCP security and information and communication technology equipment, establishing National Single Window facilities, establishing integrated border management institutions, strengthening capacity of the national sanitary and phytosanitary and certification agencies, and training and capacity development of the Border Management Agencies and trade regulatory agencies.

40. The CAREC Program continuously used and improved its Corridor Performance Measurement and Monitoring (CPMM) tool to register and analyze border crossing delays and costs. Annual CPMM reports are on the website.¹² In 2018, the most significant delays for the cross-border transport by road were registered at the Afghanistan–Pakistan, Afghanistan–Tajikistan, Kazakhstan–PRC, and Kazakhstan–Uzbekistan border crossing points; and by rail, at the Kazakhstan–PRC, PRC–Mongolia border crossings.

¹² CAREC. 2019. *CAREC Corridor Performance Measurement and Monitoring Annual Report 2018*. <https://www.carecprogram.org/?publication=carec-corridor-performance-measurement-monitoring-2018>.

Such delays and high transport costs are associated with low complementarity of the transport infrastructure, equipment, procedures, and documentation. The CAREC transport action plan will prioritize continued alignment of the transport infrastructure, procedures, and documentation among CAREC member countries of Central Asia, South Asia, East Asia, and the Caucasus.

41. Roads and road asset management.

During the 17th Transport Sector Coordinating Committee meeting in April 2018, participants reached the following agreements: (i) a need for strengthening RAMS-related capacity is growing; and (ii) assistance in evolving technical requirements of RAM is necessary. To respond to such agreements, the CAREC Program developed a 3-day training program to be provided to the CAREC countries in 2020. The training program is designed to provide a comprehensive set of knowledge relating to RAMS and performance-based contracting (PBC) through the combination of lectures and group work for participants' effective learning. The RAMS-related session presents the principles of RAMS and technical and institutional arrangements for developing RAMS. The PBC-related session provides concepts of PBC and discusses institutional requirements for operationalizing the PBC as one effective option of road maintenance. The contents are based on the CAREC Program's findings while developing the *Compendium of Best Practices in Road Asset Management* (footnote 6), along with its sister publications, *Guide to Performance-Based Road Maintenance Contracts*¹³ and *Decision Makers' Guide to Road Tolling in CAREC Countries*,¹⁴ hence, the training program is considered to respond well to challenges and needs the CAREC countries have faced.

The workshop was rolled out at Dushanbe, Tajikistan on 12–14 February 2020. A similar workshop will be arranged for officials from Afghanistan, and will also be organized in other countries, helping the CAREC countries to develop one common knowledge platform. Main participants of the training program would be from the government agencies related to road sector operation, particularly road maintenance, including the Ministry of Finance. During the individual training programs in those countries, needs and challenges will be discussed and studied to develop their RAMS for sustainable use.

42. Road safety. In 2019, the CAREC Institute and the CAREC Program jointly organized 4-day technical training workshops for national officials in the seven CAREC countries: 4–7 March in the Kyrgyz Republic, 11–14 March in Tajikistan, 8–11 April in Azerbaijan, 15–18 April in Georgia, 22–25 April in Uzbekistan, 2–5 September in the PRC, and 4–7 November for Afghani officials in Georgia. Around 140 officials from ministries and agencies responsible for road safety participated in those workshops. The workshop program was designed to follow the *Safely Connected: A Regional Road Safety Strategy for CAREC Countries, 2017–2030* (footnote 5) and the three CAREC Road Safety Engineering Manuals,¹⁵ with focus on four components: (i) treating hazardous road locations, (ii) road safety audits, (iii) roadside hazard management, and (iv) safety at road work sites. As the workshop's principle was “learn by seeing and doing,” the participants were provided with lectures for enhancing relevant technical knowledge in a structured manner while attending site visits to simulate blackspot investigations and road safety audits.

¹³ ADB. 2018. *Guide to Performance-Based Road Maintenance Contracts*. Manila. <https://www.adb.org/sites/default/files/institutional-document/415301/guide-performance-based-road-maintenance-contracts.pdf>.

¹⁴ ADB. 2018. *Decision Makers' Guide to Road Tolling in CAREC Countries*. Manila. <https://www.adb.org/sites/default/files/publication/431141/decision-makers-guide-road-tolling-carec-countries.pdf>.

¹⁵ ADB. 2018. *CAREC Road Safety Engineering Manual 1: Road Safety Audit; CAREC Road Safety Engineering Manual 2: Safer Road Works; and CAREC Road Safety Engineering Manual 3: Roadside Hazard Management*. Manila.

The participants appreciated the comprehensive design of these training workshops and reminded themselves of the need to pay more attention to road safety not only during development of engineering designs, but also during and after civil works for ensuring safety of road users and construction workers.

43. Aviation. The aviation sector work started in 2017 in response to the proposal of several countries to include this sector in the scope of the CAREC Transport Program. The aviation scoping study was initiated during the first regional aviation workshop held in Singapore on 6–7 April 2017. Following the workshop, the CAREC Secretariat prepared and published the CAREC Aviation scoping study,¹⁶ which outlined key issues and priorities for the aviation sector in the CAREC member countries.

The scoping study served as a reference document for establishing the aviation pillar under CAREC Transport Strategy 2030. One of the key objectives of the aviation pillar is to establish more open regional aviation markets in the CAREC region to establish more direct, cost-efficient, and safe aviation links among the CAREC member countries. In 2018 and 2019, the CAREC Secretariat held consultations with the governments of the Kyrgyz Republic and Mongolia, and civil aviation authorities on their national priority actions for reforming the civil aviation sector. In 2020, further advisory services can be provided to these and other CAREC member countries based on demand.

¹⁶ ADB. 2018. *Aviation and the Role of CAREC. A Scoping Study*. <https://www.adb.org/sites/default/files/publication/452736/aviation-role-carec-study.pdf>.

WAYS FORWARD

What Will Happen in 2020–2021

44. The CAREC Program will offer technical assistance in 2020 onward through the dissemination of knowledge products and the provision of workshops to the CAREC countries in the five pillars: roads and road asset management, road safety, railways, cross-border facilitation, and aviation. Its best efforts will be extended to share best practices in those pillars and help those countries apply principles and approaches articulated in the workshops and training manuals to their operation.

45. Cross-border transport and logistics facilitation. The CAREC DMCs and development partners agreed to examine the required priority actions in improving maritime operations, ports and multimodal logistics in the CAREC region. The CAREC Secretariat has completed the CAREC Ports and Logistics scoping study. Specific actions in support of this pillar will be suggested and launched in 2020. The CAREC stakeholders will continue improving the regional cross-border transport and logistics focusing on the holistic improvement of border crossing operations through implementation of the ongoing and new CAREC RIBS projects. The CAREC CPMM tool will be used to help improve operations along the specific transport corridors and at the specific road and rail BCPs.

46. Roads and road asset management. Country-specific RAM and maintenance workshop programs are planned for the remainder of 2020. Each country's transport country focal and relevant authorities were consulted on the schedule of the workshop programs.

During the workshop, the trainer will offer advisory services to participants on their concerns about existing RAMS and road maintenance systems and their relevant policies and/or legislative frameworks. Furthermore, the introduction of maturity models will be explored to help the CAREC countries assess their RAMS and evolve the existing RAMS into a more functional and effective one.

47. Road safety. Road safety remains one priority in the development of CAREC corridors, and further efforts are still required to enhance road safety standards of the CAREC corridors at the international level. The CAREC Program has been exploring possible partnerships with leading international organizations related to road safety, such as the Global Road Safety Partnership, the International Road Federation, the International Road Assessment Programme, and the World Health Organization. Furthermore, a concerted approach has been pursued with the Asia-Pacific Road Safety Observatory, a platform established by several international agencies including the abovementioned, as potential benefits are recognized in the CAREC countries' participation.¹⁷ The Asia-Pacific Road Safety Observatory is a platform for providing technical support to its participants for strengthening road safety policy frameworks and instruments and for helping those countries comprehensively collect and consolidate quality data. In addition to such comprehensive efforts for knowledge support, the fourth road safety engineering manual will be published in 2020: *CAREC Road Safety Engineering Manual 4: Pedestrian Safety* is the latest manual after three published CAREC Road Safety Engineering Manuals (footnote 11).

¹⁷ The Asia-Pacific Road Safety Observatory was established by a group of international development organizations—The World Bank, Fédération Internationale de l'Automobile, ADB, the International Transport Forum, and the United Nations Economic and Social Commission for Asia and the Pacific—with support from the Global Road Safety Facility.

48. Railways. Railway sector assessment for all CAREC countries will be completed in 2020 and disclosed in the CAREC website. As major outputs of the RWG activities, the following knowledge products will be shared with the CAREC countries and development partners to enable consistent and effective development of railway networks over the CAREC region: (i) briefing note on the use of track capacity software; (ii) CAREC rolling stock needs and financing study; and (iii) traffic study of the railway corridor (PRC–Kyrgyz Republic–Uzbekistan).

49. Aviation. The CAREC Secretariat will continue providing advisory services to the CAREC government and civil aviation authorities based on demand. A more comprehensive review of the civil aviation sector and its development needs will also be conducted.

50. The planned activities under the transport sector for 2020–2021 are listed in the table, virtual events for which can be organized as required.

Transport Sector Activities for 2020–2021

Pillar	Type	Activities	Timeframe
Cross-border transport and logistics	KP	Ports and Logistics Scoping Study	Q4 2020
Roads and road asset management	Event	National Road Asset Management and Road Maintenance Workshop	Q1 2021
	KP	Road Asset Management (RAM) Needs Assessment	Q4 2020
Road safety management	Event	National Road Safety Workshop	Q1 2021
	KPs	CAREC Road Safety Engineering Manual 4: Pedestrian Safety	Q4 2020
		CAREC Road Safety Scorecard	Q1 2021
Railways	Event	Sixth Railway Working Group Meeting	Q2 2021
	KPs	Country-specific railway subsector assessments	Q2 2021
		Briefing Note on the Use of Track Capacity Software	Q2 2021
		CAREC Rolling Stock Needs and Financing Study	Q2 2021
		Traffic Study of the Railway Corridor (PRC–Kyrgyz Republic–Uzbekistan)	Q1 2021
Aviation	Event	Regional Aviation Forum	Q4 2021
	KP	Impact of COVID-19 in Aviation Sector	Q4 2020
Overall transport	Event	19th Transport Sector Coordinating Committee Meeting	Q2 2021

CAREC = Central Asia Regional Economic Cooperation, KP = knowledge product, PRC = People's Republic of China, Q = quarter.

Source: Transport Sector Coordinating Committee (TSCC) Secretariat.

CAREC Transport Strategy 2030, Infographic

CAREC Transport Strategy 2030

Connecting People, Policies, and Projects for Shared and Sustainable Development



**Network Quality – Continued
Construction and Rehabilitation**



Enhanced Connectivity



Increased Sustainability

**CROSS-BORDER TRANSPORT
AND LOGISTICS FACILITATION**



**ROADS AND ROAD ASSET
MANAGEMENT**



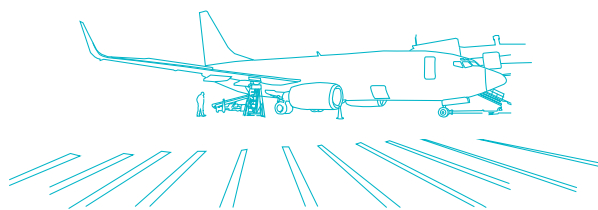
ROAD SAFETY



RAILWAYS



AVIATION



ADDING VALUE THROUGH

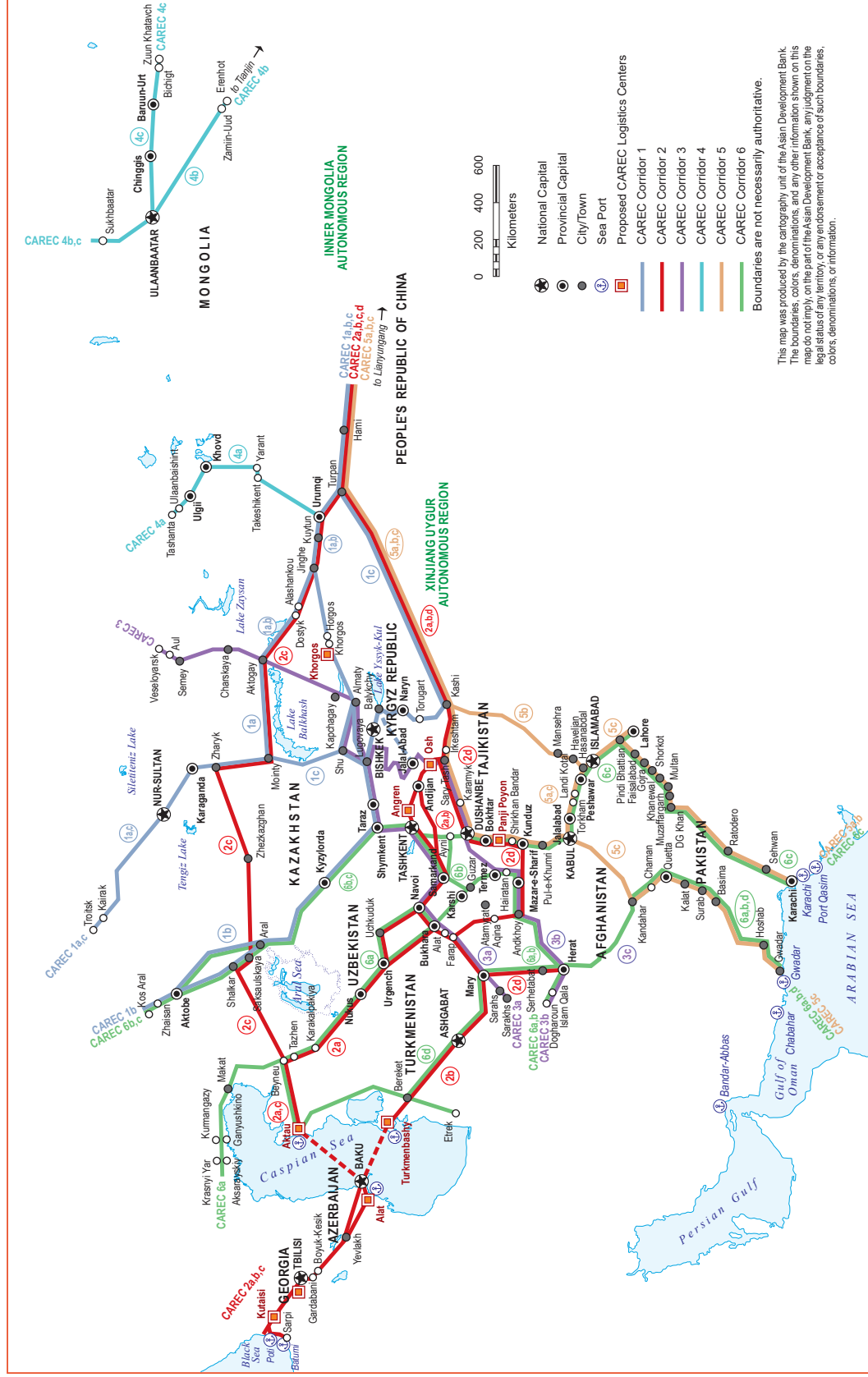


CAREC = Central Asia Regional Economic Cooperation.

Source: CAREC Secretariat.

APPENDIX 2

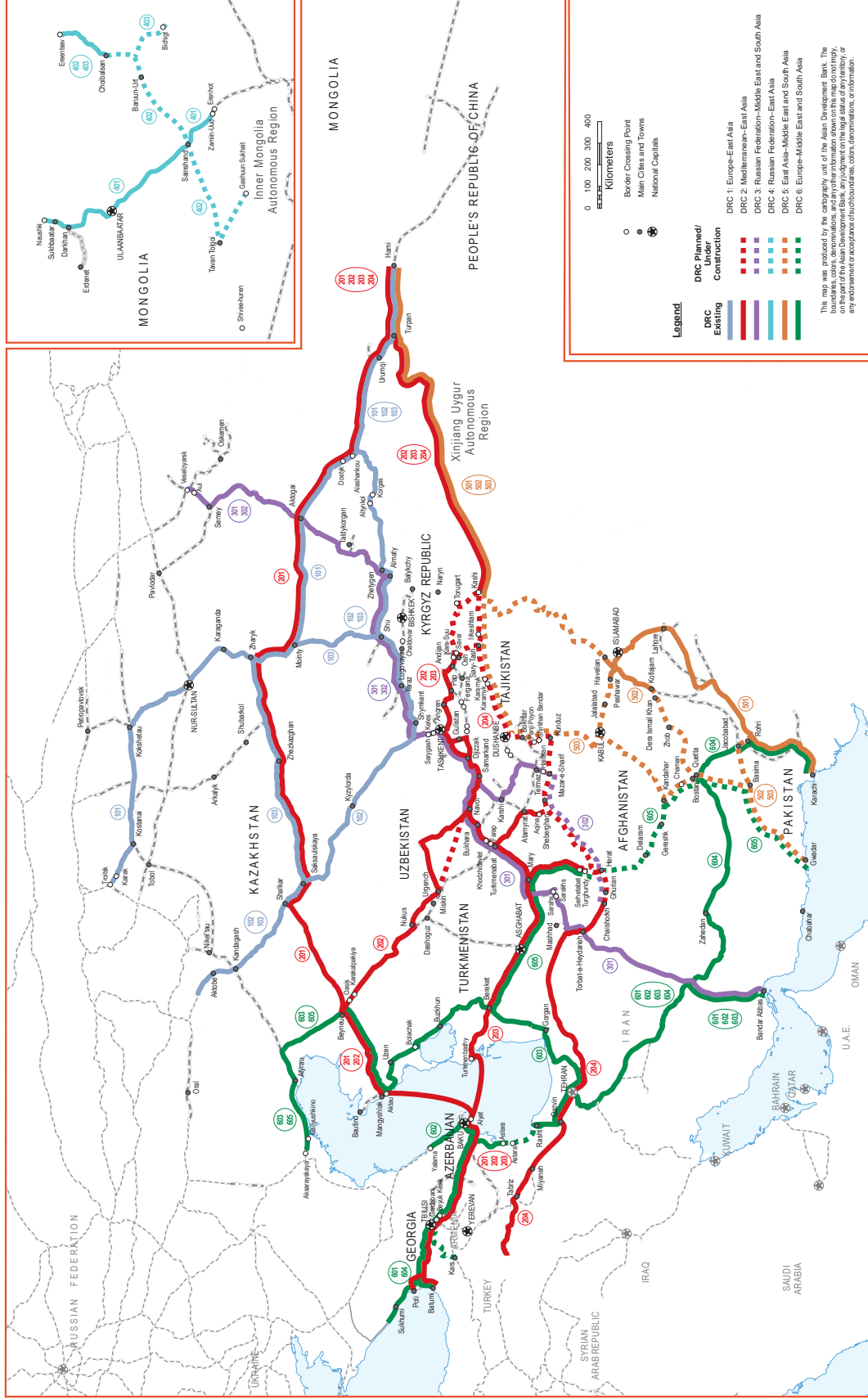
Six CAREC Corridors



CAREC = Central Asia Regional Economic Cooperation.
Source: CAREC Secretariat.

APPENDIX 3

CAREC Designated Railway Corridors



CAREC = Central Asia Regional Economic Cooperation.

Source: CAREC Secretariat.

APPENDIX 4

List of Investment Projects by Country

No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period	Status
1	AFG	IP 1	Qaisar–Bala Murghab–Leman Road (Road Network Development Project 1)	721	2012–2023	Ongoing
2	AFG	IP 3	Laman–Armalick Road	61	2012–2016	Ongoing
3	AFG	IP 4	Pul-e-Khumri–Doshi Road	23	2013–2015	Ongoing
4	AFG	IP 8	Construction of Kabul–Jalalabad Road	36	2014–2019	Completed
5	AFG	IP 9	Rozanak/Ghorian–Herat Railway Line Construction (Iran–Afghanistan)	125	2016–2018	Ongoing
6	AFG	IP 11.1	Construction of Shirkhan Bandar–Kunduz–Kholam–Naibabad–Andkhoy–Herat Railway	2,200	2015–2020	F/S completed
7	AFG	IP 12	Construction of Aqina–Andkhoy Railway (Turkmenistan–Afghanistan)	31	2016–2017	F/S completed
8	AFG	IP 101	Construction of Turkmenistan Border–Herat Railway	311	2016–2020	F/S completed
9	AFG	IP 102	Salang Road Tunnel	20	2017–2020	Ongoing
10	AFG	IP 103	Rehabilitation of Mazar-e-Sharif–Kunduz Road	99	2011–2021	Ongoing
Subtotal				3,627		
11	AZE	IP 2	Rehabilitation of the Azerbaijan Railways (1st and 2nd phases)	1,021	2010–2019	Completed
			Electrification, signaling, and telecommunication “Railway Trade and Transport Facilitation”	1,083	2012–2024	Ongoing
12	AZE	IP 5	Rehabilitation and Construction of Road Ganja–Gazakh–Georgian state border	392	2018–2021	Ongoing
Subtotal				2,496		
13	KAZ	IP 1	Astana–Karaganda Road Rehabilitation	415	2013–2019	Completed
14	KAZ	IP 2	Almaty–Kapshagai Road Rehabilitation	208	2013–2016	Completed
15	KAZ	IP 3	Aktau–Beyneu Road Rehabilitation (MFF CAREC Corridor 2: Mangystau Oblast Section)	718	2010–2017	Completed
16	KAZ	IP 4	Rehabilitation of Western Europe–Western PRC Transit Corridor	4,670	2009–2017	Completed
17	KAZ	IP 7	Electrification of Aktogay–Mointy Railway Section	150	2022–2025	Planned
18	KAZ	IP 10	Expansion of Aktau Port (Phases 1 and 2)	82	2006–2015	Completed
19	KAZ	IP 10	Expansion of Aktau Port (Phase 3)	38	2015–2018	Completed
20	KAZ	IP 13	Construction of New Railway Line Zhezkazghan–Saksaulskaya–Beyneu	3,032	2012–2016	Completed
Subtotal				9,313		
21	KGZ	IP 1	Bishkek–Torugart Road Rehabilitation	453	2010–2017	Completed
22	KGZ	IP 4	Electrification of Lugovaya–Bishkek (Alamedin) Railway	TBD	2019–2025	Ongoing
23	KGZ	IP 5	Rehabilitation of Balykchy–Chaldovar–Lugovaya Railroad	TBD	2019–2025	Ongoing
24	KGZ	IP 6	Equipment Purchase for Wagon Repair/Maintenance Facility for Rail	TBD	2019–2025	Ongoing
25	KGZ	IP 7	Reconstruction of Osh International Airport	105	TBD	Planned

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No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period	Status
26	KGZ	IP 8	Kyrgyz ATC System Capacity Enhancement	14	2019–2023	Ongoing
27	KGZ	IP 9	Rehabilitation of Bishkek–Osh Road	192	2014–2019	Ongoing
28	KGZ	IP 11	Construction of the Northern Bypass Road (Bishkek–Kara–Balta)	350	TBD	Planned
29	KGZ	IP 102	North–South Road: Balykchy–Kochkor–Aral–Kazarman–Jalal–Abad	850	2014–2020	Ongoing
30	KGZ	IP 104	BCP Improvement for Road Vehicles at Karamyk	8	2016–2018	Ongoing
31	KGZ	IP 105	LC Osh	15	TBD	Planned
Subtotal				1,987		
32	MON	IP 1	Western Regional Road Development (PRC Border at Yarant–Khovd–Ulgii–Ulaanbaishint)	145	1995–2018	Completed
33	MON	IP 2	Regional Road Development (Construction of Altanbulag–Ulaanbaatar–Zamiin–Uud)	126	1995–2014	Completed
34	MON	IP 5	Construction of New International Airport in Ulaanbaatar	591	2008–2018	Completed
35	MON	IP 10	Access Road to the New International Airport in Ulaanbaatar	140	2015–2018	Completed
36	MON	IP 11	Western Regional Road Development Phase 2 MFF—Bayan Ulgii and Khovd Aimags (provinces)	120	2012–2019	Ongoing
37	MON	IP 12	Railway Rolling Stock Maintenance Depot	59	2020–2022	Planned
38	MON	IP 13	Railway Centralized Traffic Control Center	29	2020–2021	Planned
39	MON	IP 14	Ulaanbaatar City Railway Passenger Station	36	2020–2021	Planned
40	MON	IP 101	Undurkhaan (AH32)–Baruun–Urt–Bichigt–Huludao/Chifeng–Jinzhou Road	268	2014–2024	Ongoing
Subtotal				1,514		
41	PAK	IP 101	Realignment of Karakoram Highway at Hunza due to Attabad Lake Overflow, N-35	281	2012–2015	Completed
42	PAK	IP 103	Karachi–Hub–Dureji–Sehwan–M-7 (250 km), New Alignment, 6-Lane Motorway	1,050	2020–2025	Planned
	PAK	IP 104	Construction of Additional Carriageway from Jamshoro–Peshawar, N-55			
43	PAK	IP 104.1	Jamshoro–Kandokh, N-55, 4-Lane	16	2017–2020	Completed
44	PAK	IP 104.2	Khandokh–Sunn, N-55, 4-Lane	10	2017–2021	Ongoing
45	PAK	IP 104.3	Sunn–Sehwan, N-55, 4-Lane	50	2018–2021	Ongoing
46	PAK	IP 104.4	Sehwan–Ratodero, N-55, 4-Lane	219	2010–2015	Completed
47	PAK	IP 104.5	Ratodero–Shikarpur, N-55, 4-Lane	35	2020–2022	Ongoing
48	PAK	IP 104.6	Shikarpur–Rajanpur, N-55, 4-Lane	310	2021–2024	Planned
49	PAK	IP 104.7	Rajanpur–D G Khan, N-55, 4-Lane	250	2021–2024	Planned
50	PAK	IP 104.8	D G Khan–D I Khan, N-55, 4-Lane	330	2022–2027	Planned
51	PAK	IP 104.9	D-I Khan–Sarai Gambila, N-55, 4-Lane			Completed
52	PAK	IP 104.10	Sarai Gambila–Kohat, N-55, 4-Lane	65	2017–2021	Ongoing

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No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period	Status
53	PAK	IP 104.11	Rehabilitation of Kohat–D A Khel Road	12	2018–2020	Ongoing
54	PAK	IP 104.12	Rehabilitation of D A Khel–Peshawar Road	11	2018–2019	Ongoing
55	PAK	IP 110	Peshawar–Torkham, 4-Lane Motorway	350	2020–2025	Planned
56	PAK	IP 111	Gwadar–Hoshab (M8)	550	2014–2016	Completed
57	PAK	IP 115	BCP Expansion and Upgrading at Torkham, Wagah, and Chaman	250	2015–2020	Ongoing
58	PAK	IP 116.1	M-4 (Section 2 Gojra–Shorkot [4-Lane Motorway])	317	2015–2017	Completed
59	PAK	IP 116.2	M-4 (Section 3–Shorkot–Khanewal [4-Lane Motorway, including bridges over Ravi and Sidhnai Rivers])	273	2016–2019	Completed
60	PAK	IP 118	M-4 (Section 1 Faisalabad–Gojra 4-Lane Motorway)	170	2010–2015	Completed
61	PAK	IP 119	Railway Rehabilitation of Lahore–Peshawar	665	2016–2020	Planned
62	PAK	IP 120.1	Hoshab–Surab (N85 and N25)	450	2010–2016	Completed
63	PAK	IP 120.2	Surab–Kalat (N85 and N25)	100	2020–2023	Planned
64	PAK	IP 121	E-35 (Section 1 Hasanabdal–Havelian) 4-Lane Expressway	150	2015–2017	Completed
65	PAK	IP 122	E-35 (Section 1 Havelian–Mansehra) 4-Lane Expressway	200	2015–2020	Ongoing
66	PAK	IP 123	M-4 (Section 4 Khanewal–Multan) 4-Lane Motorway	150	2011–2015	Completed
67	PAK	IP 124	N-70 Muzaffargarh–DG Khan Section (Upgrading of Existing Road to 4-Lane Dual Carriageway)	150	2016–2019	Completed
68	PAK	IP 3344 & 3345	CAREC–RIBS Project Integrated Transit Trade Management System (ITTMS) Project			
			Improvement of Torkham BCP	123	2019–2024	Ongoing
			Improvement of Chaman BCP	113	2019–2023	Ongoing
			Improvement of Wagah BCP	82	2021–2023	
Subtotal				6,732		
69	TAJ	IP 1	Rehabilitation of Bokhtar–Dusti–Nizhny Pyandj road (Phases 1 and 2)	76	2007–2013	Completed
70	TAJ	IP 2	CAREC 3 Corridor improvement project (Dushanbe–border of Uzbekistan)			
			• Road section from the Western gate of Dushanbe to the border of Uzbekistan	131	2011–2016	Completed
			• Road section from Avicenna monument to the Western gate of Dushanbe km 1+200–1+900 (construction of 3-level interchange to microdistrict 82)	37	2016–2018	Completed
			• Road section from Avicenna monument to the Western gate of Dushanbe km 0+000–1+200 and km 1+900–4+960 (except for microdistrict 82)	55	2018–2020	Ongoing

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No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period	Status
71	TAJ	IP 3	Rehabilitation of some sections of Dushanbe–Bokhtar–Dangara–Kulyab road	27	2003–2006	Completed
72	TAJ	IP 4	Rehabilitation of Dushanbe–Bokhtar road (33.2 km), Phase 1	96	2017–2020	Ongoing
73	TAJ	IP 5	Rehabilitation of Dushanbe–Bokhtar road (39.6 km), Phase 2	108	2018–2021	Ongoing
74	TAJ	IP 6	Construction of Vakhdat–Yavan railway (new) [former TAJ IP6]	127	2009–2016	Completed
75	TAJ	IP 7	Construction of Dj. Balkhi–Djaikhun–Nizhny Pyandj–AFG border railway line (50 km)	90	TBD	Ongoing
76	TAJ	IP 8	CAREC 6 Corridor improvement project (Aini–border of Uzbekistan road) (114 km)	115	2012–2016	Completed
77	TAJ	IP 9	LC Nizhny Pyandj	8	TBD	Ongoing
78	TAJ	IP 10	CAREC 3 and 5 Corridors improvement project	77	2014–2021	
79	TAJ	IP 11	Construction of Vakhdat–Rasht–Lyakhsh–KGZ border road	379	2020–2023	Consulting company selection process ongoing
80	TAJ	IP 12	Rehabilitation of Kizilkala–Bokhtar section of Dushanbe–Bokhtar road	30	2020–2022	Consulting company selection process ongoing
Subtotal				1,356		
81	TKM	IP 102	Construction of Kerki–Yamnazar–Aqina Railway	297	2013–2016	Completed
82	TKM	IP 103	Construction of International Seaport in Turkmenbashi	1,500	2014–2017	Completed
83	TKM	IP 105	(combined IP 103: Turkmenbashi LC and IP 105: Development of CAREC Sea Transport Corridors)	50	2015–2018	Completed
84	TKM	IP 104	Reconstruction of Ashgabat–Turkmenbashi Highway	TBD	2014–2019	Ongoing
Subtotal				1,847		
85	UZB	IP 3	Acquisition of New Cargo and Passenger Locomotives	167	2009–2016	Completed
86	UZB	IP 4	Electrification of Karshi–Termez Railway Section	328	2012–2017	Completed
87	UZB	IP 16	First MFF: CAREC Corridor 2 Road Investment Program (Phase 2)	552	2010–2018	Completed
88	UZB	IP 17	Electrification of Marokand–Karshi Railway Section	208	2012–2017	Completed
89	UZB	IP 18	Electrification of Bukhara–Urgench–Khiva railway section	359	2017–2022	Planned
90	UZB		Electrification of Samarkand–Bukhara railway section	394	2015–2016	Completed
91	UZB		Electrification of Pap–Namangan–Andizhan railway section	160	2017–2021	Ongoing
92	UZB		Upgrading the locomotive fleet	210	2018–2020	Ongoing
93	UZB	IP 19	Reconstruction of Runway of Andijan Airport	16	2016–2020	Delayed
94	UZB	IP 24	Reconstruction of M39 Tashkent–Termez road	243	2010–2018	Completed
95	UZB	IP 26	Construction of Hangar for Boeing-787 Maintenance	TBD	2014–2020	Ongoing

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No.	Country	IP No.	Project Title	Cost (\$ million)	Implementation Period	Status
96	UZB	IP 27	Reconstruction of Airport Complex in Termez Airport	6	2019–2020	Planned
97	UZB	IP 30	Second CAREC Corridor 2 Road Investment Program (Phase 3)	441	2011–2020	Ongoing
98	UZB	IP 31	Acquisition and Standardization of Uzbekistan Airways Aircraft (Renewal and standardization of NAC Uzbekistan Havo Yullari aircraft fleet)	784	2010–2016	Ongoing
99	UZB	IP 32	Reconstruction of R87 Guzar–Chim Kukdala	114	2011–2019	Ongoing
100	UZB	IP 33	Construction of Centralized Refueling Station in Navoi Airport	35	2016–2020	Planned
101	UZB	IP 101	Improvement of road BCP at Yallama	–	2014–2017	Ongoing
102	UZB	IP 102	Improvement of road BCP at Alat	5	2014–2017	Ongoing
103	UZB	IP 103	Improvement of road BCP at Daut-Ata	2	2014–2015	Completed
104	UZB	IP 104	LC Angren (Extension)	25	2016–2020	Planned
105	UZB	IP 105	Third MFF: Third CAREC 2 Road Investment Program	1,600	2019–2025	Planned
Subtotal				5,649		
Total				[34,521]		

AFG = Afghanistan, ATC = Air Traffic Control, AZE = Azerbaijan, BCP = border crossing point, CAREC = Central Asia Regional Economic Cooperation, IP = investment project, IT = information technology, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, km = kilometer, LC = logistics center, MFF = multitranchise financing facility, MON = Mongolia, PAK = Pakistan, PRC = People's Republic of China, REG = regional, Ro/Ros = roll on/roll off, SPS = sanitary and phytosanitary, TAJ = Tajikistan, TBD = to be decided, TKM = Turkmenistan, UZB = Uzbekistan.

Source: CAREC Secretariat.

2019 CAREC Transport Sector Annual Report

This publication summarizes transport sector developments in member countries of the Central Asia Regional Economic Cooperation (CAREC) Program. It highlights key achievements as of 2019 in aviation, cross-border transport and logistics, railway, roads and road asset management, and road safety as the five strategic pillars of the CAREC Transport Strategy 2030. An outline of activities in 2020–2021 focusing on the five strategic pillars is also presented.

About the Central Asia Regional Economic Cooperation Program

The CAREC Program is a partnership of 11 member countries and development partners working together to promote development through cooperation, leading to accelerated economic growth and poverty reduction. It is guided by the overarching vision of “Good Neighbors, Good Partners, and Good Prospects.” CAREC countries include Afghanistan, Azerbaijan, the People’s Republic of China, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.



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