



Central Asia Think Tank Development Forum

CAREC Program:

Improving infrastructure connectivity to promote construction of economic corridors and economic cooperation and integration

Astana, Kazakhstan
20 June, 2016



CAREC Program

CAREC Program is a partnership of 10 countries, supported by 6 multilateral institutions, working together to promote development through regional cooperation.

10 Member Countries:

Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, The People's Republic of China, Tajikistan, Turkmenistan, and Uzbekistan

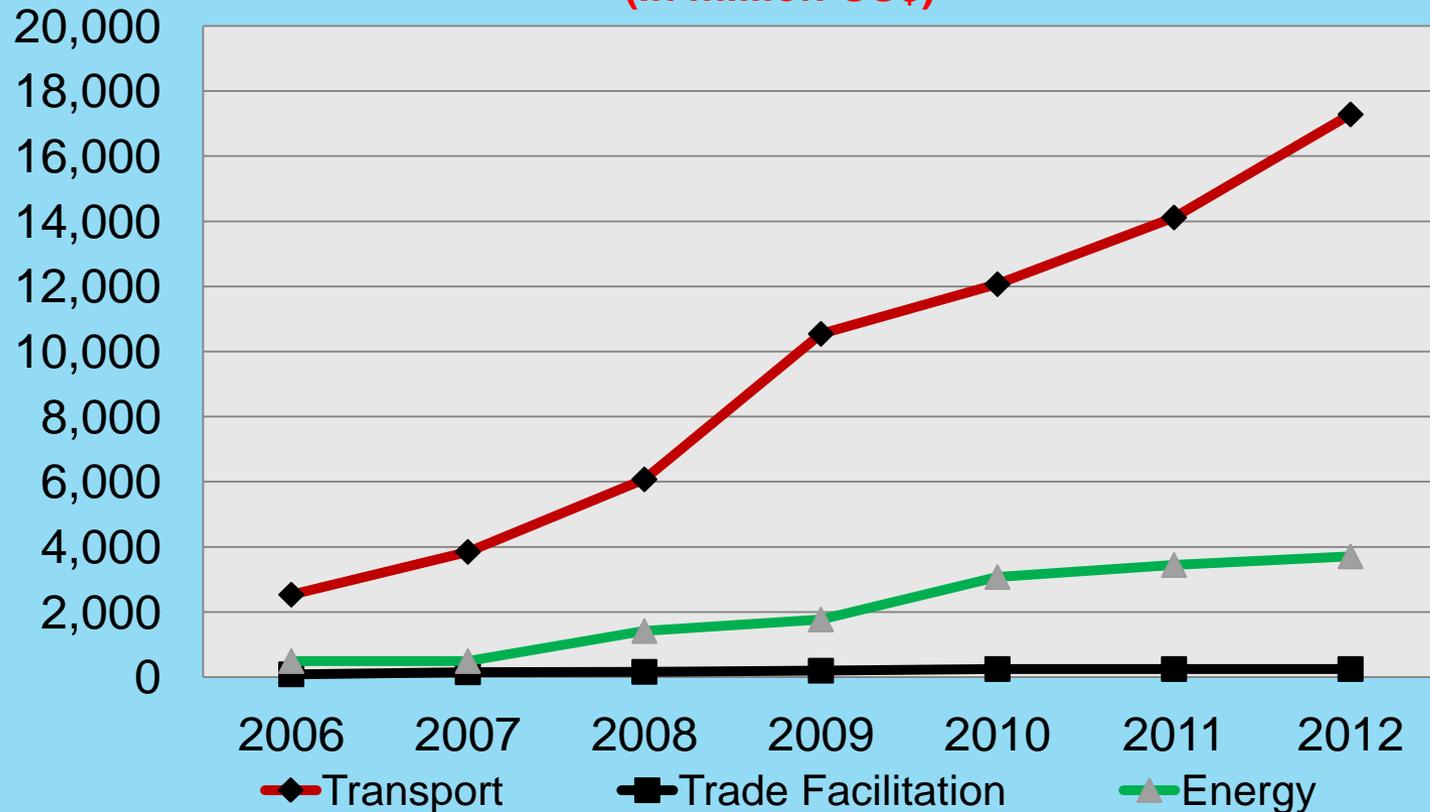
6 Multilateral Partners: ADB, EBRD, IMF, IsDB, World Bank, UNDP

Four Priority Sectors: Transport, Trade Facilitation, Trade Policy, and Energy



Total Investments within CAREC Program: \$21.3 billion (2001-2012)

Volume of CAREC Related Projects, 2001-2012
(In million US\$)



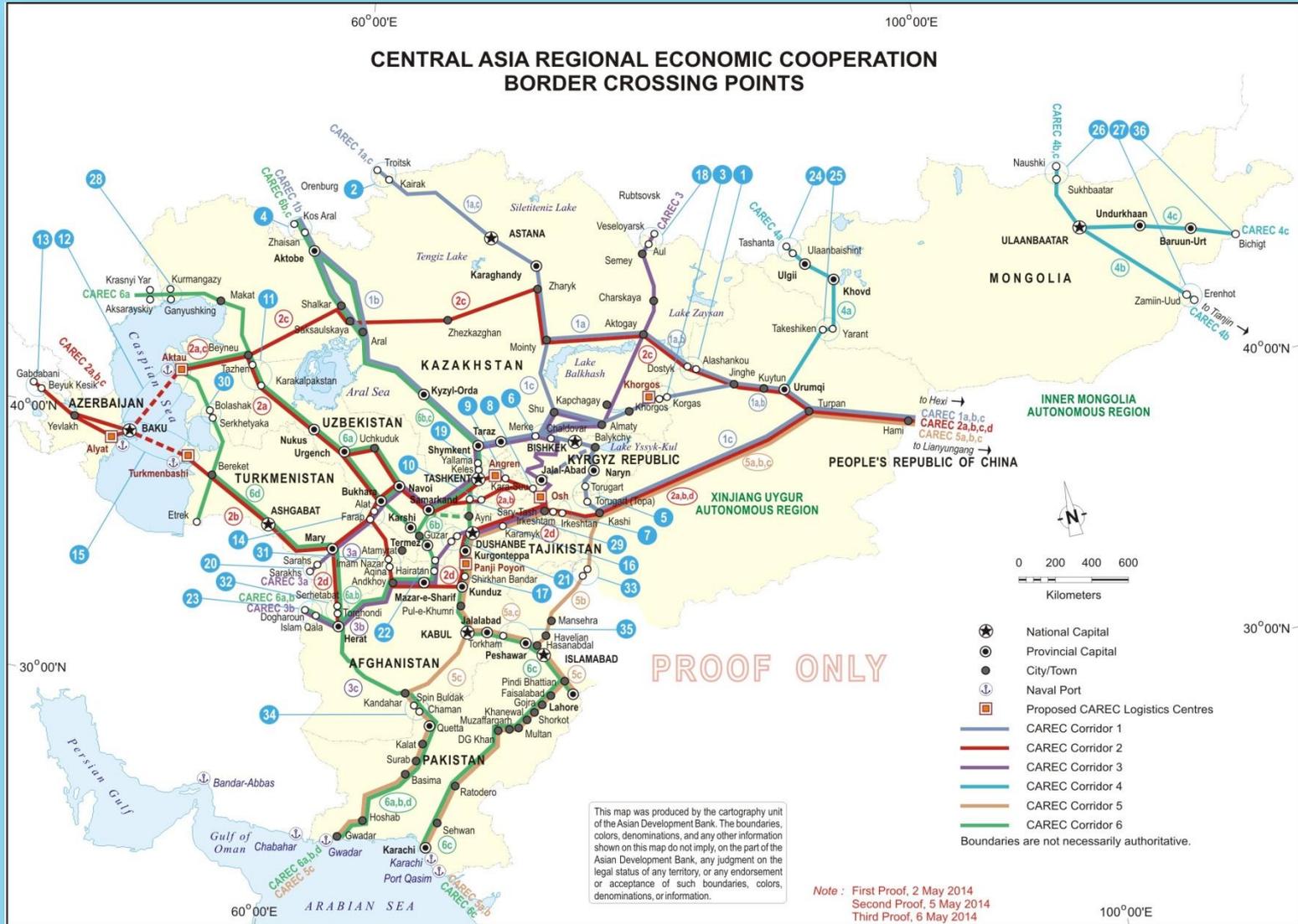


CAREC Transport Corridors

- Network of multimodal corridors to align investments in transport infrastructure and improve operational connectivity.
- CAREC Transport Corridors include:
 - Corridor 1: Europe – East Asia
 - Corridor 2: Mediterranean – East Asia
 - Corridor 3: Russia – Middle East and South Asia
 - Corridor 4: Russia – East Asia
 - Corridor 5: East Asia – Middle East and Central Asia
 - Corridor 6: Europe – Middle East and South Asia

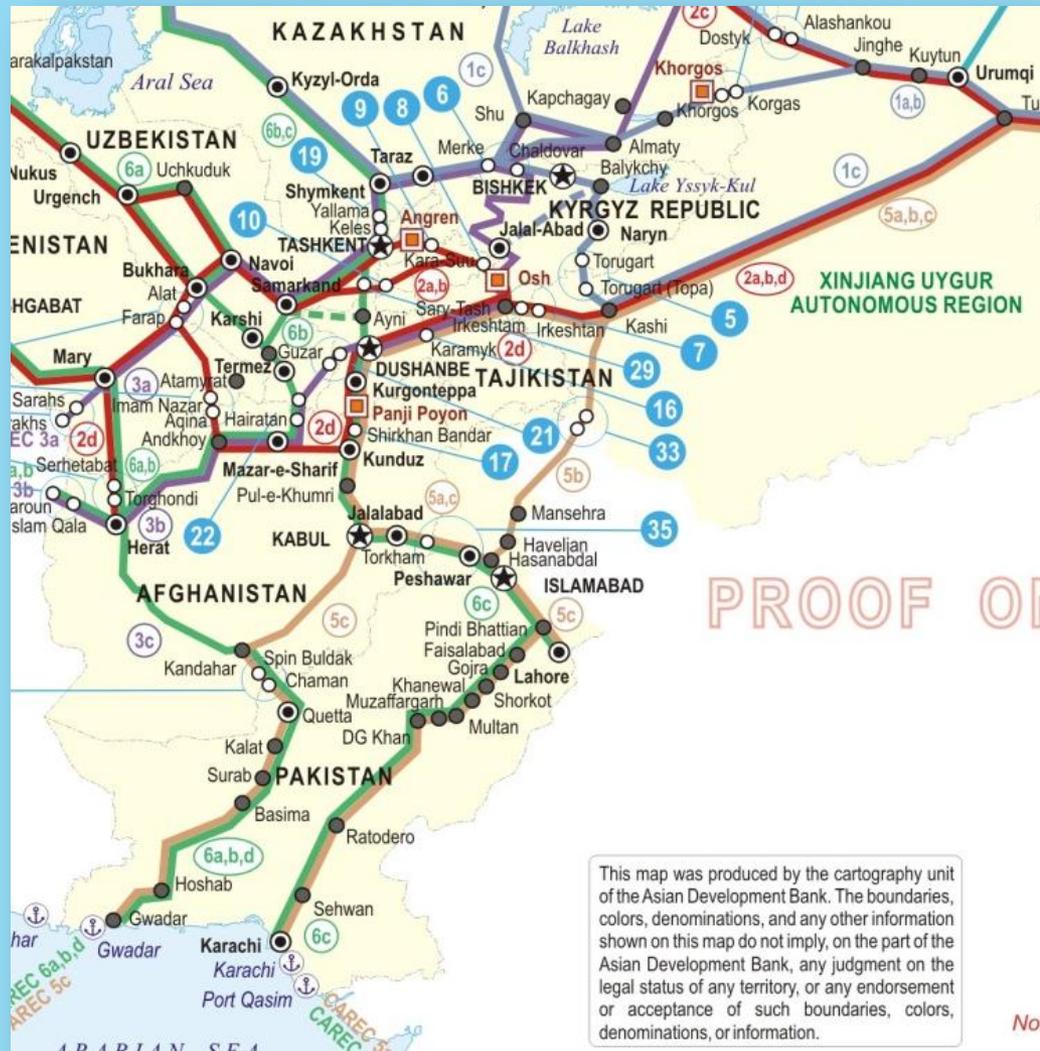


CAREC Transport Corridors





CAREC Transport Corridors connectivity between Central and South Asia



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Transport Infrastructure and Operational Challenges

- Inadequate road transport infrastructure, partially due to underinvestment during Soviet times, partially due to poor road maintenance during transition period of 1990s-2000s
- Overall good railway infrastructure, inherited from the Soviet Union, but railway operations require further market reforms, improved operational efficiency and good maintenance
- Low quality of intermodal logistics infrastructure and weak trade logistics capacity add cost and time at all stages of product supply chains
- Inefficient cross-border procedures, primarily driven by security concerns is key bottleneck for regional trade and transport



CAREC Infrastructure Performance

Country	GCI rank	Roads rank	Rail rank
Afghanistan	-	-	-
Azerbaijan	40	70	39
PRC	28	42	16
Kazakhstan	42	107	27
Kyrgyzstan	102	131	77
Mongolia	104	118	73
Pakistan	126	77	60
Tajikistan	80	82	46
Turkmenistan	-	-	-
Uzbekistan	-	-	-

GCI includes 140 countries, Railway infrastructure rank includes 108 countries



Logistics Performance Index (LPI) of CAREC countries

Country	2007	2010	2012	2014	Trend
Afghanistan	150	143	135	158	
Azerbaijan	111	89	116	125	
PRC	33	27	26	28	
Kazakhstan	133	62	86	88	
Kyrgyz Republic	103	91	130	149	
Mongolia	136	141	140	135	
Pakistan	68	110	71	72	
Tajikistan	146	131	136	114	
Turkmenistan	-	114	-	140	
Uzbekistan	129	68	117	129	

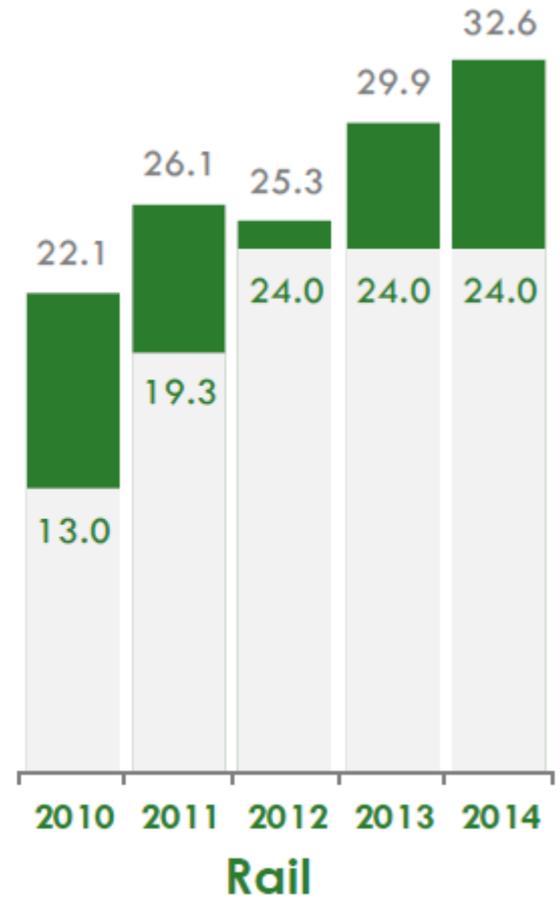
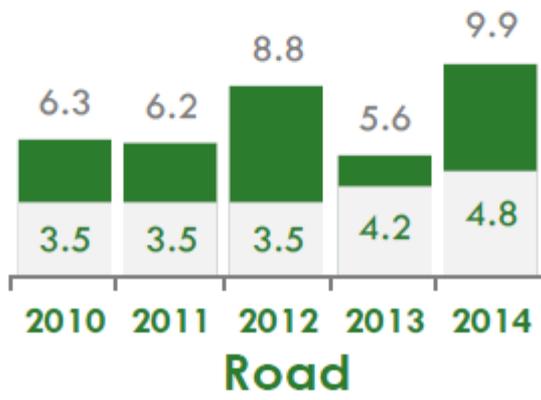
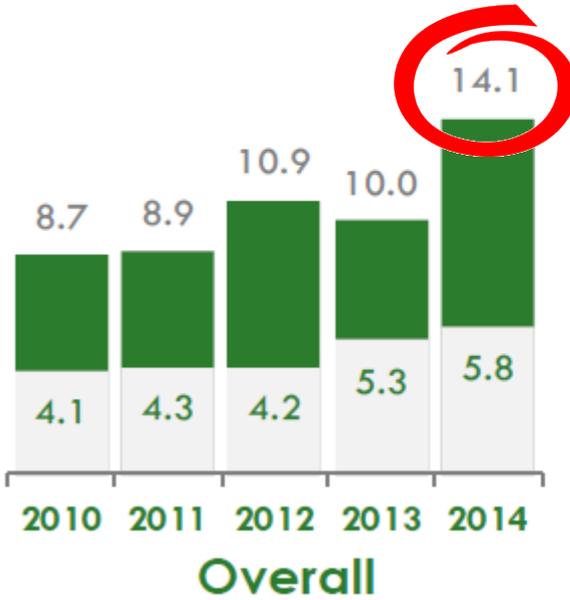


CAREC Corridor Performance

Based on CAREC Performance Measurement and Monitoring (CPMM)

Average time to clear a border crossing point
Our target – 5.7 hrs (2020)

■ Average
■ Median



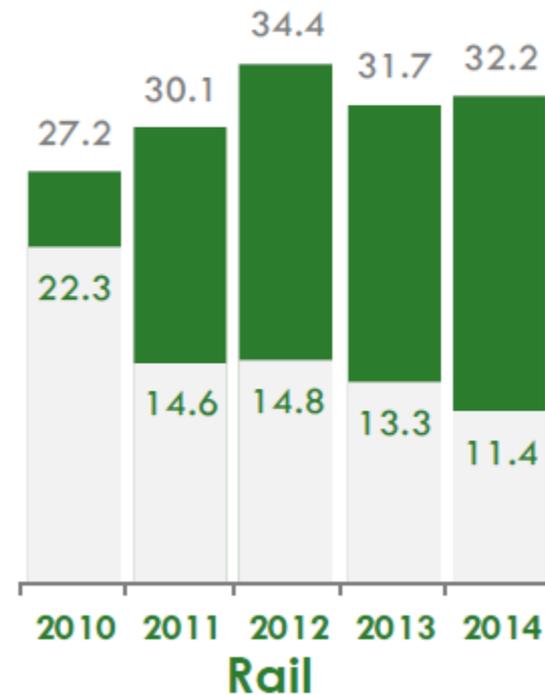
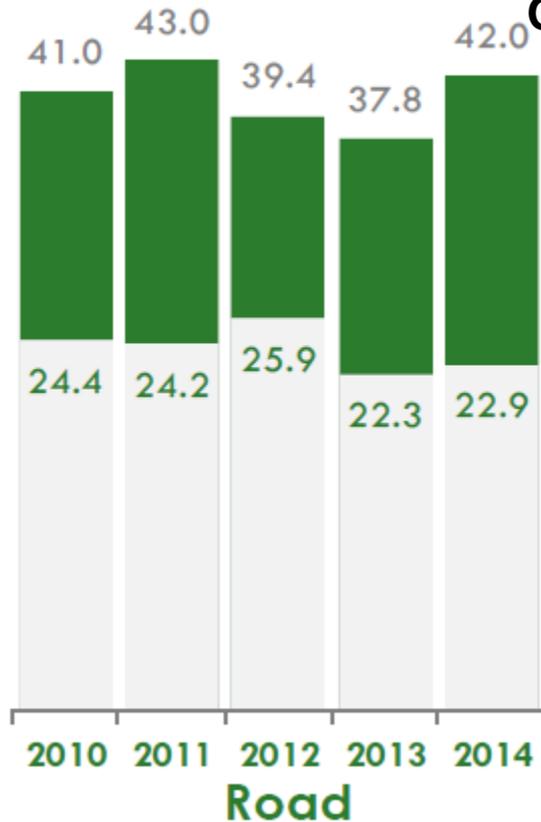


CAREC Corridor Performance

Based on CAREC Performance Measurement and Monitoring (CPMM)

■ SWOD
■ SWD

Average speed of CAREC Corridors
Our target – 30.0 kph (2020)





Time / cost of transport from Islamabad to Alma-Ata





CAREC Transport and Trade Facilitation Strategy (TTFS 2020)

- Developed in 2013 to address transport infrastructure and operational challenges of CAREC countries
- Gives more attention to North – South connectivity to connect landlocked Central Asia to deep sea ports of Pakistan
- Maintains high attention to road infrastructure development
- Gives increased attention to railway development
- Proposes measures to improve cross-border transport and trade logistics services

**Priority Investment Projects:
108 projects
with total investment of \$39 billion**



CAREC Railway Transport Strategy 2030

- To be completed in 2016, with input from CAREC countries and international development partners, and other development partners, such as UNESCAP and UIC
- Identified priority railway corridors for investment and operational improvement
- Proposed Regional Cooperation Integration (RCI) models for railway development in the CAREC space
- Listed priority investment plans and regional coordination activities among CAREC railways

**Preliminary Priority Investment Projects:
___ projects
with total investment of \$___billion**



Thinking beyond the horizon

- How to increase contribution of transport and logistics industry to the overall economic development of CAREC countries?
- How to convert massive investments in transport infrastructure into reduction of cross border transaction costs and subsequent increase of international trade and regional economic integration?
- What further actions are required to improve economic rate of return from investments in transport and logistics infrastructure?