



**Thematic Working Group on Sustainable Transport, Transit and
Connectivity (TWG-STTC)**

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Ashgabat, Turkmenistan

**Transport infrastructure projects, activities and initiatives
at national and international level, including development of dry ports to facilitate
intermodal transport in SPECA countries**
(Item 4.1 of the Agenda)

Note by UNECE/ ESCAP

ESCAP transport infrastructure development activities

1. ESCAP has played a major role in bringing about a new approach by member States to include an international dimension in the planning of their transport infrastructure. This joint effort has led to the successful definition and formalization of the Asian Highway and Trans-Asian Railway networks, as well as the identification of a set of dry ports of international importance to facilitate the operationalization of the two networks and their integration with other modes.
2. Pursuant to General Assembly resolution 70/197 of 22 December 2015 entitled “Towards comprehensive cooperation among all modes of transport for promoting sustainable multimodal transit corridors”, the Commission at its seventy-second session adopted resolution 72/5 on strengthening regional cooperation on transport connectivity for sustainable development in Asia and the Pacific, in which it recognized the importance of international intermodal transport corridors for safe, efficient, reliable and affordable movement of goods and people for supporting sustainable economic growth, improving the social welfare and enhancing international cooperation and trade among member States.
3. In the context of the 2030 Development Agenda, the Intergovernmental Agreement on the Asian Highway Network, Intergovernmental Agreement on the Trans-Asian Railway Network and Intergovernmental Agreement on Dry Ports will continue to be important frameworks assisting member countries in improving intercountry and interregional transport links, in particular in addressing the specific transport challenges facing landlocked and transit developing countries in line with the Vienna Programme of Action for Landlocked Developing Countries for the Decade

2014-2024. The three Working Groups established under the Agreements provide platforms for member countries to coordinate actions, exchange best practices and benchmark progress in the development of cross-border connectivity.

4. There are now 30 parties to the Intergovernmental Agreement on the Asian Highway Network, 20 parties to the Intergovernmental Agreement on the Trans-Asian Railway Network and 13 parties to the Intergovernmental Agreement on Dry Ports. Table 1 below sums up the status of parties to the Agreements in SPECA member countries.

Table 1. Status of parties to ESCAP's Intergovernmental Agreements in SPECA member countries*

	Intergovernmental Agreement on Asian Highway Network	Intergovernmental Agreement on Trans-Asian Railway Network	Intergovernmental Agreement on Dry Ports
Afghanistan	party		party
Azerbaijan	party	signatory	
Kazakhstan	party	signatory	party
Kyrgyzstan	party		
Tajikistan	party	party	party
Turkmenistan	party	party	party
Uzbekistan	party	party	

* Note: an empty box indicates that the country is neither a signatory, nor a party.

5. The development of the Asian Highway and Trans-Asian Railway networks has been incorporated into national plans or strategies in a number of countries, and their routes have supported the definition of several multilateral transport initiatives such as the Central Asia Regional Economic Cooperation programme of the Asian Development Bank and two important agreements, namely the “Agreement between the Governments of Member States of the Shanghai Cooperation Organization on Creating Favourable Conditions for International Road Transport”¹ signed in Dushanbe in September 2014 and the Intergovernmental Agreement on International Road Transport along the Asian Highway Network signed by the Governments of China, Mongolia and the Russian Federation in Moscow in December 2016.

Assessment of land transport infrastructure

6. Focusing on infrastructure, progress achieved, and remaining challenges can be illustrated through cross-country comparisons such as the “Connecting to compete” 2018 report of the World Bank which tapped the opinion of over a thousand respondents at international logistics companies in 132 countries. In past reports, average country LPI scores were generally improving. But in 2018, low income countries experienced a drop in the LPI scores for quality of infrastructure,

¹ Kazakhstan, Kyrgyzstan Tajikistan and Uzbekistan are members of the Shanghai Cooperation Organization.

customs performance, and quality of logistics services, as lower-middle-income countries' scores on these three LPI components improved.²

Table 2. Change in LPI component score by income group, 2016-2018



Source: World Bank, *Connecting to Compete 2018 – Trade Logistics in the Global Economy*; p.44.

7. For low-income countries, streamlining border clearance procedures and ensuring access to physical trade and transport infrastructure will continue to be priority issues.

8. When it comes to the perception of trade and transport infrastructure improvement, though still a constraint in developing countries, infrastructure seems to be improving. Since the previous LPI survey, respondents from countries in all performance quintiles generally perceive improvements in trade and transport infrastructure. For the first time since the survey began, the perception of improvement is higher in the bottom quintile than in the top one, though lower in the middle. If this pattern persists, it would be consistent with some closing of the logistics gaps.

9. It is also possible to compare respondents' ratings of infrastructure with the ratings in previous LPI reports. Table below shows clear evidence of increasing satisfaction with port infrastructure, since scores in 2018 are higher than in previous years, as they were in 2016 compared with 2014 in most quintiles. Although for other types of infrastructure the picture is mixed and varies by quintile, these results together with respondents' observations of improvement

² World Bank groupings put Afghanistan among the low income countries; Kyrgyzstan, Tajikistan and Uzbekistan among the lower middle income countries; Azerbaijan, Kazakhstan and Turkmenistan among the upper middle income countries. Source: <http://documents.worldbank.org/curated/en/576061531492034646/Connecting-to-competite-2018-trade-logistics-in-the-global-economy-the-logistics-performance-index-and-its-indicators>

clearly suggest that governments are aware of the importance of infrastructure quality for logistics performance and are working successfully to improve it.

Respondents rating the quality of each infrastructure type “high” or “very high,” by LPI quintile

Percent of respondents

LPI quintile	Ports	Airports	Roads	Rail	Warehousing and transloading	ICT
Bottom quintile	26	30	17	17	21	34
Fourth quintile	23	13	10	9	23	44
Third quintile	33	39	20	12	27	48
Second quintile	57	41	37	11	37	52
Top quintile	63	67	57	37	62	75

ICT is information and communications technology.
Source: Logistics Performance Index 2018.

10. Not surprisingly, the quality of service receives higher ratings in countries in the two higher income groupings. This is particularly true for road transport, while the overall low ratings received by rail across all groupings points to a lack of adequacy between services offered by rail and the expectations of business.

Sustainable Road Transport

The Asian Highway Network

11. The Intergovernmental Agreement on Asian Highway Network³ has been the basis of ESCAP secretariat’s work to promote and facilitate the development and upgrading of the international highway network in the region, notably through eight Working Group sessions in which SPECA member States and other states have actively participated.

12. The eighth Biennial Meeting of the Working Group on the Asian Highway was convened at the United Nations Conference Centre in Bangkok on 18 - 19 September 2019. Five SPECA countries, namely Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan and Uzbekistan, participated in the meeting.⁴

³ United Nations, *Treaty Series*, vol. 2323, No. 41607.

⁴ Relevant documents are available at <https://www.unescap.org/intergovernmental-meetings/eighth-meeting-working-group-asian-highway>

13. The Working Group recalled the importance of road transport and recognized that greater efforts would be needed to manage the negative externalities of road transport operations in order to support the region's sustainable growth. The Working Group was of the view that improving the quality of road infrastructure had become an increasingly significant factor in supporting economic growth and delivering results on sustainable development. In addition, the Working Group also recalled the importance of transport facilitation, including border-crossing requirements to ensure smooth and seamless international road transport along the Asian Highway network.

14. According to the latest Asian Highway Database, 10% of the Asian Highway road network consists of Class I roads, 40% Class II roads, 39% Class III roads and 11% of the roads are of below Class III standards.

15. The Working Group noted that, according to the information available to the secretariat, some segments of the Asian Highway routes were of Class III and below Class III categories which adversely affected the efficiency and sustainability of road transport, exacerbating road accidents, emissions, noise pollution and congestion. In that context, the Working Group encouraged the parties to the Agreement to upgrade and maintain all Asian Highway routes to at least Class II level.

16. In comparing to the Asian Highway member States average, there are considerably more Class III road network and lower Class I road network among SPECA countries. Hence, SPECA countries are encouraged to continuously improve their road infrastructure quality.

17. In the study report on "Comprehensive Planning of Eurasian Transport Corridors to Strengthen Intraregional and Interregional Transport Connectivity project," completed in 2017, the secretariat highlighted the need to upgrade the substandard segments of the Asian Highway network and the importance of ensuring that they reach similar levels of infrastructure quality.

18. In that report, the secretariat assessed the quality of road and rail infrastructure along the three major Eurasian transport corridors: (a) the Eurasian northern transport corridor, linking North-East Asia and Northern Europe via Kazakhstan, Mongolia and/or the Russian Federation; (b) the Eurasian central transport corridor, linking East Asia and Southern Europe via Central and West Asia; and (c) the Eurasian southern transport corridor, linking East Asia and South Asia via South-East Asia.

19. In addition to infrastructural issues, the study also identified some challenges relevant to transport facilitation, including border crossing issues. For example, long and complex documentation requirements, long queues and checks at the border areas, lack of modern

equipment and facilities, underuse of information communication and technologies (ICT) all impact the efficiency and effectiveness of international road transport.

20. The Working Group expressed its support for the efforts to promote the use of technology and intelligent transport systems to move towards smart Asian highways, reducing road crashes, traffic congestion and negative environmental externalities in the Asia-Pacific region.

21. The Working Group was of the view that efforts should be strengthened towards realizing the potential of information and communications technology for efficient cross-border and transit transport along the Asian Highway network. In that connection, it welcomed new developments in that area, such as the introduction of electronic cargo tracking, and encouraged member States to consider other tools, such as digital freight platforms, to further streamline road transport operations.

22. Afghanistan highlighted the importance of the Chabahar Transport and Transit Corridor for the Asian Highway network and other major transport corridors that could enhance transport connectivity, such as the Lapis Lazuli Corridor. The representative of Afghanistan informed the Working Group of an initiative undertaken at the national level towards a new route, namely, “Mazar-i-Sharif – Hairaton – Termez – Andijan – Kashgar – Urumqi”.

23. Uzbekistan highlighted the “Termez – Dushanbe – Murga – Kurma – Kashgar” route; the “Mazar-i-Sharif – Hairaton – Termez – Tashkent – Kungrad – Beineu – Astrakhan – Volgograd” route; and the “Port of Lianyungang – Urumqi – Kashgar – Irkeshtam – Osh – Andijan” route with further connection through the territory of Uzbekistan and Turkmenistan and with access to the Port of Baku. The importance of efficient and effective logistics network systems, most notably for landlocked countries in order to ensure their accessibility to the world market at competitive tariffs, was also underscored.

Progress in Road Infrastructure Development

24. Azerbaijan is paying great attention to the development, upgradation and maintenance of highways of regional and subregional importance. For example, the proposed upgradation of Yevlakh – Zakatala – Georgian border (M5) will help developing tourism in the north-western part of Azerbaijan. Another project which is scheduled for completion in 2019 has an objective of contributing to a more efficient and safer Baku- Shamakhi (M4) road. The project includes upgrading of 100-km highway from the existing 2-lane road in to a 4-lane motorway standard.

25. In 2015 the Government of Kazakhstan has adopted its first National Plan for Infrastructure Development “Nurly Zhol” for 2015-2019, which, together with the previously launched road

projects resulting in the rehabilitation of over 12 thousand kilometers of roads by 2019 and the works have been launched and are ongoing for 4.3 thousand kilometers more, most of which will be completed within the next 2-3 years.

26. The following investment projects for the upgrade of AH routes to class I and II were launched under the previous infrastructure development plan for 2014-2019 and will now be continued to complete under the new Plan (column Length shows remaining km to be completed):

#	Project	Length	Estimated Cost, m\$	Correspondence to AH
1	Karaganda-Balkhash	363	436	AH7
2	Aktobe - Atyrau – Astrakhan	725	679	AH70
3	Merke-Burybaytal	266	50	AH7
4	Burybaytal-Kurty	228	110	AH60
5	Balkhash - Burybaytal	297	345	AH7
6	Usharal-Dostyk	184	55	AH68
7	Pavlodar-Semey	122	72	AH60
8	Astana-Petropavlovsk-Russian border	61	44	AH64

27. To complete the projects that had been launched so far as well to provide a solid financing framework for new infrastructure development yet to be undertaken, the Government initiated in 2019 the new National Plan of Infrastructure Development “Nurly Zhol” for 2020-2025 (expected to be adopted in December 2019) which includes rehabilitation and upgrade of 6,600 kilometers of republican roads to I and II technical categories with estimated cost of 2.6 trillion KZT (about 6.8 billion USD) by 2026. This will bring the technical condition of 95% of the network to “good and satisfactory” (presently about 82%). Also, according to the draft plan, about 20,000 km of local roads are seen for rehabilitation by 2026 to reach over 90% of “good and satisfactory” condition of the local road network.

28. There are a few segments of the Asian Highways planned for an upgrade to class I and II during 2020-2025:

#	Project	Length	Estimated Cost, m\$	Correspondence to AH
1	Kyzylorda-Pavlodar-Uspenka-Russian border (to Barnaul)	1,316	1,299	AH62, AH67, AH64
2	Zhezkazgan-Arkalyk-Petropavlovsk (including Petropavlovsk bypass)	929	917	AH62
3	Zhanaozen-Turkmenistan border	169	166	AH70
4	Semey-Russian border	111	109	AH64
5	Uralsk-Atyrau	487		AH63
6	Aktobe-Karabutak	212	418	AH7
7	Atbasar-Kostanay-Russian border	595	587	AH61
8	Settlement bypasses and through-passes along Uzbek border-Shymkent-Taraz-Almaty-Khorgos highway	9	18	AH5

29. In Tajikistan, a proposed highway project will restore and improve connectivity between Dushanbe, the north-eastern part of Tajikistan and Kyrgyzstan via the M41 highway, which is

located on the Asian Highway 65 and the Central Asia Regional Economic Cooperation (CAREC) corridors 2, 3, and 5. The project road, which is about 72-km long, will replace a section of the existing M41 highway between Obigarm and Nurobod which will be inundated due to the construction of the Rogun Hydropower (HPP) project. The new highway will serve communities that presently rely on the existing M41 highway for access to economic opportunities and social services.

30. For many years, the Kyrgyzstan has been actively cooperating with IFIs to rehabilitate the international road corridors. As a result, since 1997 about 1,500 km of roads were rehabilitated with IFIs loans with additional 654 km of roads have been covered by road rehabilitation projects. Midterm development priorities of the road sector are outlined in the Road Sector Development Plan approved by the Decree of the Kyrgyzstan Government No. 372 of 1 July 2016, which considers the rehabilitation of the international roads as a top mid-term priority until 2025. The Plan considers the following road investment projects:

#	Projects	Cost, mln USD	Years
1.	Construction of alternative route North – South, km 159- 183	33.8	2018-2023
2.	Contd. construction of alternative route North-South, km 183-195 and km 291-433 (Phase I)	399.9	2018-2019
3.	Contd. construction of alternative route North-South, km 195-291 (Phase II)	297.8	2018-2021
4.	Construction of alternative route North – South – Ensuring traffic safety	56.5	2019-2023
5.	CAREC 1 & 3 connecting road project (contd. North-South corridor)	114.35	2018-2022
6.	CAREC 1 & 3 connecting road project (contd. North-South corridor)	87.0	2018-2023
7.	Improvement of CAREC 3 Bishkek-Osh road phase 4 (km 61 – km 129)	120.8	2018-2021 2018-2021
8.	Improvement of CAREC 3 Bishkek-Osh road phase 4 (km 507 – km 574)	72.0	2018-2022
9.	Reconstruction of Susamyr – Talas – Taraz road, Phase IV, km 105-199	84.37	2018-2023
10.	Aral-Susamyr road rehabilitation project (92 km)	127.0	2019-2023
11.	Reconstruction of northern bypass of Bishkek (34 km)	50.0	2019-2023
12.	Construction of 11 avalanche sheds on alternative North-South road (1,020 m long)	24.5	2019-2023
13.	Korumdu – Karakol road rehabilitation project (km 104 - 220)	128.0	2018-2023
14.	Balykchi – Karakol road rehabilitation project (221 km)	262.0	2019-2023
15.	Road connections improvement project, reconstruction of Osh-Batken – Isfana – Kairagach + 2 more sections	54.0	2018-2019

16.	Reconstruction of Osh-Batken-Isfana road, km 75-108	23.76	2018-2021
17.	Road communication improvement in CA, Phase 3, Tyu-Kegen	64.0	2018-2022
18.	Rehabilitation of Oash-Batken-Isfana road km 28-75, preventing natural hazards on Bishkek – Osh	133.58	2019-2022

31. Tajikistan is undertaking rehabilitation and reconstruction of a 40-km section of highway on the Asian Highway route AH7 between Dushanbe and Kurgonteppa, which is also a part of the Central Asia Regional Economic Cooperation Corridors 2, 5, and 6 corridors. The project will also include improvement of road safety in selected sections of the national highway.

ESCAP activities to support road transport development

32. ESCAP Transport Division organized a workshop on cross-border co-deployment of fibre optic infrastructure along road and rail networks on 22 November 2018 in Bangkok, Thailand. The participants reviewed findings and recommendations of a study on “Co-deployment of Fibre-Optic Cables Along Transport Infrastructure for SDGs” and findings of a survey conducted by the secretariat in the Asian Highway and Trans-Asian Railway member countries on cross-border co-deployment of fibre-optic cables along highway and railway rights-of-way.

33. ESCAP is implementing a project on **Strengthening Capacity for Operationalizing Sustainable Transport Connectivity along the China-Central Asia-West Asia Economic Corridor**. The project aims at assisting least developed and/or landlocked developing states along the corridor to achieve enhanced seamless transport connectivity through the use of smart transport technologies and strengthened inter-regional cooperation and partnership. The project will provide an inclusive platform where member states can discuss regulatory bottlenecks and connectivity indicators, as well as help to develop a strategy containing assessment of key regulatory barriers to operational transport connectivity, use of smart transport technology for international transport and indicators to measure progress of connectivity. Project countries include China, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan, Iran and Turkey.

Sustainable Railway Transport

34. There is growing acceptance that rail has an important role to play in the national and international movements of goods and people. A number of features speak in favour of a greater utilization of rail transport in serving the region’s trade and in particular facilitating the access of landlocked countries to international maritime ports: (i) the nearest ports are often several thousands of kilometres away, (ii) the distances linking the main origin and destination, both domestically and internationally, are of a scale on which railways find their full economic justification, (iii) the reliance on ports to connect national economies to the world’s markets with

the need to clear landside port areas quickly to avoid congestion, (iv) a number of landlocked countries are major exporters of mineral resources in the logistic of which rail transport plays a crucial role, and (v) the continuing surge in the volumes of goods being exchanged. Finally, the 2030 Development Agenda is inviting governments of the region to give environmentally sustainable transport, including rail new prominence into their transport development plans. However, important challenges remain.

The Trans-Asian Railway Network (TAR)

35. The Sixth Biennial Meeting of the Working Group on the Trans-Asian Railway will be convened at the United Nations Conference Centre in Bangkok on 10-11 December 2019. The Working Group will consider the implementation of the Agreement and any amendments proposed by the Parties. The Working Group will also serve to advance discussions and information exchange on the operationalization of the Trans-Asian Railway Network.

36. In this connection it should be noted that the potential of Kazakhstan to act as a transit in the trade between China, Europe, as envisioned in the Intergovernmental Agreement on Trans-Asian Railway, could be further developed if Kazakhstan becomes the party to the agreement.

37. Railways as an important component of an effective international intermodal transport system, especially in meeting the specific needs of landlocked and transit countries. Kazakhstan, with its geographical location inside the mainland, is at the center of Eurasia. It plays an important role in strengthening ties and developing international trade in Asia and Pacific as part of Trans-Asian Railways network.

Progress in railways infrastructure development

38. The main challenges for railway transport in the ESCAP region remain the numerous missing links and different technical standards which prevent the network from functioning as a continuous system. While within SPECA countries⁵ the technical and operational standards inherited from Soviet Railways are harmonized, they nevertheless differ from those applied in two of the neighbouring countries namely China and the Islamic Republic of Iran which operate shorter trains on networks of a 1,435-mm gauge configuration and are key for transit to important international maritime ports offering access to markets in other regions of the world. The future development of rail transport in SPECA member countries needs to reach a better match between new infrastructure and these emerging trade patterns.

⁵ With the exception of Afghanistan which has yet to develop an operational rail network.

39. The railways of China are now at the centre of international landbridge container services. Asia-Europe rail container volume jumped 60 percent in 2017 from 2016. Container volume transported from Asia into Europe in the first half of 2019 is up 5.2 percent year over year. The Northern Eurasian corridor (via China, Kazakhstan, Russia, Belarus and Poland) is currently the fastest and most reliable route for rail container transport between Asia and Europe with almost 325,000 TEU carried in 2018. Depending on the scenario, the traffic of 437,000 – 4,800,000 TEU is expected by 2030. Two significant factors will affect this development: rail transport subsidies by Chinese local governments and the infrastructure capacity along main railway routes and border crossings.⁶

40. A new freight train linking east China's Shandong Province with Milan, Italy, started service in August 2018, making it the newest China-Europe freight train route. A 41-container train carrying clothing, electronic products, and machinery departed from Yanzhou North railway station and will run every Friday. The 10,900-km journey, which makes a stop in Chengdu for customs clearance, will take 18 days. As of end of June 2018, China-Europe freight trains have made over 9,000 trips since the service began in 2011, delivering 800,000 20-foot equivalent units of goods. In October 2019 a new freight train route opened from the eastern Chinese city of Yiwu to Belgium's Liege. Loaded with 82 standard containers, the train is projected to arrive in Liege in about 20 days and runs twice a week. There are currently 52 routes of China-Europe freight trains, which help promote the trade between over 60 Chinese cities and 28 cities in 13 European countries including Germany, Poland and Belgium. According to the statistics of the Chinese Railways, in 2018, 4128 container trains with China-Europe-China links (excluding container trains destined to Russia and Belarus) were organized through Kazakhstan-China border crossings, which is 59% more than in 2017. China-Europe-China transported 286 thousand TEU via Kazakhstan, which is 61% more than in 2017.

41. However, for more services to be launched and more efficient commercial operation to be offered, infrastructure projects need to be considered that both enhance domestic connectivity of individual SPECA member countries and broaden its international transport options. In this respect, beyond the financing issue, a critical challenge that needs to be addressed is for all of the countries concerned by each of these projects to develop a shared vision of their relevance, afford them the same level of priority in their respective development plans and coordinate their construction schedules. This is critical as delayed or stalled projects do not facilitate their

⁶ https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/report_pl_rail_container_transport_en.pdf

acceptance by policy makers, development partners and the public as they often incur cost overruns.

42. In SPECA member countries a cautious step-by-step approach has seen the realization of projects that are gradually realizing a bigger picture. In late 2016, an 88-km rail section was opened between Atamyrat, Turkmenistan, and Aqina, Afghanistan. Although the part of the section located in Afghanistan is only 3-km-long, the next stage of the same project extended it 35 km to Adkhoy. In July 2019, a 10 km railway segment was opened in the Afghan province of Faryab, connecting the Afghan border cities of Aqina and Andkhoy. The newly-launched railway line is supposed to become a part of the 400-km trade and transportation corridor connecting Jaloliddini Balkhi district in Tajikistan, the cities of Sherkhan Bandar, Kunduz, Mazari Sharif, Sheberghan, Andkhoy, and Aqina in Afghanistan, and Turkmenistan's Ymamnazar and Kerki (formerly known as Atamyrat). The railway line may be extended to the border with Kyrgyzstan, with further access to the states of the Asia-Pacific region.

43. This line is a key element in the railway development master plan of the Government of Afghanistan and is part of a 1,300-km east-west corridor from Nizhniy Pyandzh to Shamtigh at the border with the Islamic Republic of Iran. On the Iranian side, construction work has been completed up to the border from where a 30-km section to Ghorian station in Afghanistan was inaugurated in August 2017, thereby symbolically marking the beginning of rail operation between the two countries. In September 2019, an inaugural service carrying freight for export to China by rail left Hairatan in northern Afghanistan, carrying 1 100 tonnes of goods in 41 containers. The train crossed the bridge over the Amu Darya into Uzbekistan and arrived in China's Jiangxi province in around 14 days, travelling 6 700 km via Kazakhstan and the break-of-gauge at the Chinese border.

44. Branch lines from Tajikistan, Turkmenistan and Uzbekistan to this corridor would substantially improve transit for the landlocked countries of Central Asia to the Iranian port of Bandar Abbas and, in future, to the container port currently under development at Chabahar. In the longer term, this corridor would be part of a wider transport route between China and the Islamic Republic of Iran once the missing link between China, Kyrgyzstan and Tajikistan has been realized. In the blue print for many years, the link has received renewed attention under the Belt and Road initiative of the Government of China.

45. In Kazakhstan, the National Plan for Infrastructure Development for 2020-2025 envisages for a modernization of about 800 km of 2,750-km long rail transit corridor Dostyk – Zhezkazgan – Iletsk, for the total estimated amount of 1.4 billion USD. The project aims to enhance throughput

capacity and speed of delivery via the China – Russia – Europe international rail corridor as well as to improve the internal rail connection between regions of Kazakhstan.

46. Since Azerbaijan, Georgia, and Turkey have launched Baku-Tbilisi-Kars (BTK) on 30 October 2017 it has become an important corridor. On July 2018 a cargo of iron and steel was loaded on cars leaving Magnitogorsk-Gruzovo and reached Payas in South Turkey after travelling 5,000 kilometers in 17 days. The activity between countries along the BTK road increased in 2018. For example, trade between Astana and Ankara has been rising since the railroad began. As of April 2019, 110,000 tons of merchandise have been transported on the BTK railway between these two countries. The average cargo travel time between Turkey and Kazakhstan has been 180 hours, depending on conditions in the Caspian Sea. The 826-kilometer railroad is expected to have an initial capacity to transport 1 million passengers and 5 million tons of freight a year. After departing China, trains will cross into Kazakhstan at the Khorgos Gateway before being transported by ferry across the Caspian Sea toward Baku and then heading to Western Europe via Georgia and Turkey.

47. While the above projects create a dynamic of rail infrastructure development between SPECA member countries and trade partners that are also key transit countries to other markets, their potential will also be increased by projects considered in neighbouring countries, in particular the Rasht-Astara rail link in the Islamic Republic of Iran which has been talked about for many years but the completion of which remain with no fixed date.

Development of dry ports to facilitate intermodal transport

48. The term “dry port” has been in use for decades now. It has often been used interchangeably with Inland Clearance (or Container) Depot (ICD). More recently, it has been used in industry as a marketing tool to imply that a facility has reached a particular level of sophistication in terms of services offered, such as customs or the presence of Third Party Logistics (3PL) firms within the site and/or an adjoining freight village.

49. The dry port concept traditionally emerged from the idea of a seaport directly connected by rail to inland intermodal terminals, where shippers can leave and/or collect standardized units as if directly at the seaport. This was a response to the problems posed by the growth of containerised transport and corresponding lack of space at seaport terminals and growing congestion on the access routes serving their terminals.

The Intergovernmental Agreement on Dry Ports

50. Against this background, the Intergovernmental Agreement on Dry Ports was developed under the auspices of the Economic and Social Commission for Asia and the Pacific (ESCAP), to provide a uniform definition of a dry port of international importance, namely as “an inland location as a logistics centre connected to one or more modes of transport for the handling, storage and regulatory inspection of goods moving in international trade and the execution of applicable customs control and formalities”, identify the network of existing and potential dry ports of importance for international transport operations and propose guiding principles for their development and operation.

51. The Intergovernmental Agreement on Dry Ports entered into force on 23 April 2016. Currently there are 17 signatories and 13 Parties to the Agreement.

52. The Third Meeting of the Working Group on Dry Ports, which was established under Article 6(2) of the Intergovernmental Agreement on Dry Ports, was convened from 13 to 14 November 2019 in Bangkok, Thailand. The Working Group considered the implementation of the Agreement and amendments to the list of dry ports as contained in Annex I to the Agreement proposed by the Parties, including amendments proposed by Kazakhstan, which updated the list of dry ports on its territory.

53. The Working Group also received updated information from participants on initiatives being implemented or considered to develop dry ports of international importance in their respective countries. the progress made towards integrating these dry ports into international intermodal transport corridors. The Working Group also considered the progress in the development and operationalization of international intermodal transport corridors and in integration of dry ports of international importance into such corridors. Finally, the Working Group discussed policies and strategies related to increasing efficiency of multimodal transport operations in the region.

ESCAP activities to support the dry ports of international importance

54. Following the entry into force of the Intergovernmental Agreement on Dry Ports, the secretariat launched follow-up activities to facilitate its efficient implementation, including the regional framework for the planning, design, development and operation of dry ports of international importance. The framework was developed and welcomed by the Working Group at

its second meeting in November 2017⁷ and subsequently taken note of by ESCAP member States in the ESCAP Commission's resolution 74/2 adopted in May 2018.

55. The framework was developed with a view to facilitating the definition of a common approach to the development and operationalization of the dry ports designated in Annex I to the Intergovernmental Agreement on Dry Ports as being of international importance. The key concept underlying this framework is the idea of a network of inter-connected dry ports in the ESCAP region. It is envisaged that such a network could be formed from the dry ports nominated for coverage by the Intergovernmental Agreement on Dry Ports. This framework provides a means by which their development may be planned such that they may follow the same standards and be interconnected in future.

56. The regional framework identifies fundamental issues related to both 'hard' and 'soft' infrastructure of dry ports of international importance, and, along with the description of each issue, proposes a related target to be set when designing or operating dry ports of international importance, as well as process to follow to reach each target.

57. In terms of 'hard infrastructure', the regional framework prioritizes: (a) ensuring compliance with basic requirements as per Annex II to the Intergovernmental Agreement on Dry Ports when designing dry ports, (b) dry port location, (c) transport infrastructure linkages both connecting dry ports to other locations and within dry ports, (d) technical standards for dry ports, (e) container yard capacity and equipment, and (f) design of other major facilities of dry ports. As regards 'soft infrastructure', the regional framework recommends to focus on the issues of: (a) introduction of information technology systems to manage dry port workflows, (b) application of the United Nations Codes for Trade and Transport Locations for identification of dry ports of international importance, (c) incorporation of dry ports into international transport documents, (d) arrangements for customs clearance at dry ports, (e) policy measures, legislation and solutions for planning dry port development, and (f) practical options for financing the development and operation of dry ports.

58. The ESCAP Commission at its 74th session held on 11-16 May 2018, adopted a resolution 74/2 on the promotion of the regional framework. The Commission took note of the framework and recognized its potential for assisting member countries in facilitating the development of regional connectivity.

⁷ The full text of the regional framework is contained in the document E/ESCAP/DP/WG(2)/4

59. In accordance with its plan for the implementation of the above-mentioned resolution, the secretariat organized a series of capacity building workshops, namely, for the countries of: South-East Asia (Bangkok, 23-24 May 2018); North and Central Asia (Almaty, Kazakhstan, 31 May- 1 June 2018) and South Asia (New Delhi, 1-2 August 2018) to create awareness of the regional framework and its practical recommendations among the relevant stakeholders, including Government policy-makers and dry port operators. The Workshop on the regional framework for North and Central Asia has been attended by representatives of the Islamic Republic of Iran, Kazakhstan, Kyrgyzstan, Mongolia, Russian Federation, Tajikistan, Turkmenistan and Uzbekistan. Through the workshops, Government officials and dry ports operators of the respective sub-regions increased their knowledge and strengthened capacity to successfully plan, develop and operate dry ports of international importance.

Progress in dry ports development in SPECA region

60. Some countries have achieved notable progress in terms of dry ports development. Uzbekistan has progressed in the development of Logistic Centers (LC). LCs are a relatively new phenomenon for Uzbekistan. In recent years, Uzbekistan has established 7 logistics centers with annual capacity of cargo handling is 2.735 million tons of cargo and six of them with railways access. Another six are under design and construction. One of the largest Termez Cargo Center LC is located in Termez of Surkhandarya region. Commissioned in 2016, it is a one-of-a-kind terminal built in close proximity to the border with Afghanistan. It provides a range of transport and logistics services, including transit cargo of intermodal transport (rail and road) to and from Afghanistan. In this context, Uzbekistan is strongly encouraged to consider becoming a party to the Intergovernmental Agreement on Dry Ports which could provide further guidance in its efforts to plan, design, develop and operate dry ports of international importance, as well as help Uzbekistan coordinate the dry port development with the neighboring countries.

61. It is expected that the International Center for Trade and Economic Cooperation called "Central Asia" will be established on the border between Kazakhstan and Uzbekistan. The governments of two countries signed a memorandum on this aiming at making the Center region's main transport and logistics hub which will open access to trade development with China and Europe.

62. Kazakhstan has been developing its Khorgos dry port which is one of the biggest in Asia and the Pacific. As part of the International Center for Business Cooperation (ICBC), a visa-free and duty-free zone set between the two nations, the dry port allow trains to carry goods from eastern China to Western Europe in around two weeks, versus a several week journey by container

ship or more expensive shipping by air. Khorgos Gateway's productivity has risen in just the four years since construction began- it now handles over 180,000 TEUs a year and it is expected to increase to 500,000 TEUs by 2023. In addition to the railway terminal and the ICBC, a new highway crossing from China to Kazakhstan opened in November 2018, and plans are underway to develop both sides of the border into cities of hundreds of thousands of people.

UNECE transport infrastructure development activities

Euro-Asian Transport Links

63. In the field of transport infrastructure, UNECE is currently responsible for the development of several transport infrastructure Master Plans, including the Trans-European North-South Motorways (TEM) and Trans-European Railway (TER) masterplans⁸; the Pan-European Cycling Infrastructure Master Plan⁹ (in cooperation with THE PEP) and the Euro-Asian Transport Linkages (Phases I, II and III)¹⁰.

64. The **Euro-Asian Transport Links Project (EATL)** is the most relevant in the context of the Vienna Programme of Action (VPoA) as it is a long-term endeavour and gathers many Landlocked Developing Countries (LLDCs) and transit countries in Europe and Asia¹¹. It is supported by international organizations and the transport business community in an aim to improve conditions for trade and socio-economic development on the continent.

65. The mandate of the UNECE Group of Experts on EATL in phase III has been concluded and a comprehensive report¹² has been finalised and adopted at the UNECE Inland Transport Committee¹³ 80th session in February 2018.

66. The report, which was officially launched as a publication by the UNECE Executive Secretary at the ITC 81st session, is a particularly useful tool for transport policy-makers from LLDCs and transit countries in the EATL region and beyond, in that it, *inter alia*:

⁸ Website: <http://www.unece.org/transport/areas-of-work/ter/about-us/tem-and-ter-master-plan.html>

⁹ Website: https://www.unece.org/trans/main/wp5/special_project_pan_european_cycling_infrastructure_master_plan.html

¹⁰ Website: <http://www.unece.org/trans/main/eatl.html>

¹¹ Phase III was supported by 38 countries: Afghanistan, Armenia, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, China, Croatia, Cyprus, Finland, France, Georgia, Germany, Greece, Iran (Islamic Republic of), Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Luxembourg, Malta, Mongolia, Pakistan, Poland, Portugal, Republic of Moldova, Romania, Russian Federation, Serbia, Spain, Tajikistan, Republic of North Macedonia, Turkey, Turkmenistan, Ukraine and Uzbekistan.

¹² Website: https://www.unece.org/fileadmin/DAM/trans/doc/2018/itc/Informal_document_No_8_EATL_3rd-phase_report.pdf

¹³ The Inland Transport Committee (ITC) is the highest policy-making body of the ECE in the field of transport. Over the last 70 years, together with its subsidiary bodies, the ITC has provided a pan-European intergovernmental forum, where UNECE member countries come together to forge tools for economic cooperation and negotiate and adopt international legal instruments on inland transport.

- Identifies and describes main commodity groups for the transport of which inland modes of transport can compete with maritime and aviation modes (incl. non-containerised, containerised and high-value containerised cargo).
- Provides analysis showing the economic advantage (in terms of time and costs) of inland routes compared to air or maritime routes for containerised cargo – particularly important to attract interest of the private sector.
- Identifies the current strengths and weaknesses and lists several recommendations to make inland routes more competitive vis-à-vis the other modes.

67. At a more specific level, it highlights the need for Governments from LLDCs to accede to and implement international agreements and United Nations Conventions in the field of transport and transit, in particular the *International Convention on Harmonization of Frontier Controls of Goods*, the *Convention on International Transport of Goods under Cover of TIR Carnets* (TIR Convention), and the *Convention on the Contract for the International Carriage of Goods by Road (CMR) and its additional protocol*. It stresses the need to develop institutions and procedures facilitating long-haul container block train operations along selected Euro-Asian routes and advocates for increasing complementarity between road and rail transport rather than increasing competition between these two modes on EATL inland routes and ports hinterlands.

68. In conclusion of the EATL Phase III, an **International Conference on Making Euro-Asian Transport Corridors Operational**¹⁴ was organised in Geneva on 3 September 2018. The conference gathered senior-level representatives of EATL countries (many of which are SPECA members) but also private sector, shippers, rail operators, road transport associations, investment banks as well as representatives of international organisations. Focus of the discussions was on how to further facilitate the development of Euro-Asian corridors, eliminate if possible, any non-physical obstacles and make inland transport a major contributor to the economic development and trade facilitation of the region. Representatives from key private companies that already perform transportation services along those corridors shared the results of their efforts but also the challenges and obstacles that they still face, including:

- Lack of harmonized operating and technical inter-operability standards for railway infrastructure & rolling stock [*≠ gauge-width, signalling and radio systems, train length and weight standards, energy sources, coordinated time schedules and tariffs etc.*]

¹⁴ Website: <http://www.unece.org/index.php?id=48916>

- Absence of EATL corridor-specific work plans, multi-stakeholder coordination efforts [*particularly between public & private sector*), *common goals and Key Performance Indicators (KPIs)*]
- Inefficient use of network capacity for railway operations [*need for longer and heavier trains, shorter block intervals, increase predictability*]
- Different legal regimes for railway transport contracts - Absence of one contract of carriage, one liability and one consignment note decreases reliability of the services
- Cumbersome border crossing, customs and transit procedures [*lack of access to & implementation of United Nations legal instruments*]
- Missing or outdated road & railway and inter-modal/transshipment infrastructure links in some segments, outdated border crossing infrastructure and equipment in some places.
- Poor ICT connectivity and ICT interoperability on EATL corridors [*as a result insufficient attention paid to impact of intelligent transport systems, digitalization of transport documents, computerization of BCPs, satellite track and trace services, introduction of autonomous vehicles on EATL routes efficiency*]

69. Noting the many remaining operational challenges, the UNECE Inland Transport Committee at its eighty-first session (Geneva, February 2019) mandated the UNECE Working Party on Transport Trends and Economics (WP.5) to continue its work on the operationalization of Euro-Asian Transport Corridors (and other transport corridors). Consultations on the way ahead are ongoing and future activities are being planned.

International Transport Infrastructure Observatory

70. The observatory is being developed in the framework of an XB project, which has as beneficiary countries Economic Cooperation Organization (ECO) members in Central Asia and the South Caucasus (almost all of which are SPECA countries). The project has received full funding by the Islamic Development Bank.

71. The observatory is being devised as an online platform in a Geographic Information System (GIS) environment where (a) Governments find all the relevant data to prepare, benchmark and present their transport infrastructure projects and (b) International Financial Institutions (IFIs) can consider, analyse and compare projects from a regional/international perspective and identify projects they wish to finance.

72. IFIs could at a glance not only see online in the format of digital maps all relevant information (incl. pre-feasibility studies) about projects that are in need of funding but also they will be able to see if these projects are part of international corridors, if these corridors are facilitated by the relevant United Nations international agreements, how much other Governments in the region have paid for similar infrastructure projects etc.

73. In the course of 2018-2019, good progress has been made, *inter alia*:

- A prioritized set of transport sub-sectors has been identified as focus areas for data collection, including: road and related infrastructure; rail and related infrastructure; inland waterways; ports (sea and inland waterways); dry ports/ inland container ports/ intermodal terminals; international border crossings and international airports.
- Data collection templates have been prepared and disseminated among the project's beneficiary countries and two workshops with national experts have been held.
- The final report provided by the consultant towards the end of last year included a benchmarking of transport infrastructure construction costs including analysis of national methodologies, tools and good practices implemented as well as a list of agreed terminologies for each transport mode from among most of the project's beneficiary countries.

74. The project's end date has been extended until March 2021. Immediate further steps include: collection of additional country data, a further prioritization analysis and conversion of the collected data into GIS shapefiles as well as production of the actual mappings.

The Thematic Working Group may wish to

- Encourage those SPECA countries that have not yet done so to take measures towards ratification, acceptance, approval of or accession to the Intergovernmental Agreement on the TAR Network, Intergovernmental Agreement on the Asian Highway Network and Intergovernmental Agreement on Dry Ports. This is of high importance as only countries that are Parties can propose amendments to the Agreement and thereby reflect their infrastructure development (see Annex 1);
- Invite SPECA countries to actively participate in the secretariat's activities relating to the development of Trans-Asian Railway and Asian Highway networks and dry ports of international importance.
- Encourage SPECA countries to utilize the regional framework for the planning, design, development and operation of dry ports of international importance.

- Invite SPECA countries to exchange information with the secretariat (e-mail: escap-ttd@un.org) on a regular basis on the latest status of key national and regional road and rail infrastructure projects, and provide the secretariat with information on ongoing and/or planned initiatives relating to policies and projects aiming at developing dry ports of international importance in their respective countries, including issues and challenges;
- Encourage SPECA Governments to implementing the recommendations of the Phase III of the EATL Project contained in The EATL Phase III Report;
- Request SPECA countries to engage actively in the transport infrastructure construction costs data collection efforts taking place in the framework of the ongoing establishment of a web-based International Transport Infrastructure Observatory.

Asian Highway Network in SPECA States

SPECA Country	Primary Length in km	Class I	Class II	Class III	Below III	Total	Status Year	AH Agreement	
								Signed in	Entry into force
Afghanistan	0	10	2,549	0	1,461	4,020	2015	2004	2006
Azerbaijan	0	544	905	0	0	1,449	2017	2004	2005
Kazakhstan	0	557	5,407	6,389	475	12,828	2010	2004	2008
Kyrgyzstan	0	0	303	1,324	136	1,763	2013	2004	2006
Tajikistan	0	20	978	0	914	1,912	2015	2004	2006
Turkmenistan	0	60	0	2,120	24	2,204	2008		2016
Uzbekistan	0	1,195	1,101	670	0	2,966	2008	2004	2005
Total	0	2,386	11,243	10,503	3,010	27,142			
<i>Percentage (SPECA States only)</i>	<i>0%</i>	<i>8.79%</i>	<i>41.42%</i>	<i>38.70%</i>	<i>11.09%</i>				
<i>Corresponding percentage in 2004</i>	<i>0%</i>	<i>1%</i>	<i>14%</i>	<i>55%</i>	<i>29%</i>				
<i>Latest percentage for the entire AH network (2017)</i>	<i>11.82%</i>	<i>21.17%</i>	<i>39.72%</i>	<i>20.06%</i>	<i>7.25%</i>				

Trans-Asian Railway Network in SPECA countries

SPECA Country	TAR Network		TAR Agreement	
	Gauges (mm)	Route Length (km)	Signed in	Became Party in*
Afghanistan			-	
Azerbaijan	1,520	1,261	2006	
Kazakhstan	1,520	9,548	2006	
Kyrgyzstan	1,520	280	-	
Tajikistan	1,520	527	2006	2008(AA)
Turkmenistan	1,520	1,741	-	
Uzbekistan	1,520	3,484	2006	2009
Total		16,841		

*Date of Ratification, Acceptance (A), Approval (AA), Accession (a)

Intergovernmental Agreement on Dry Ports in SPECA countries

SPECA Country	TAR Agreement	
	Signed in	Became Party in*
Afghanistan	-	
Azerbaijan	-	
Kazakhstan		8 April 2016
Kyrgyzstan	-	
Tajikistan	7 November 2013	20 November 2015
Turkmenistan	-	
Uzbekistan	-	

*Date of Ratification, Acceptance (A), Approval (AA), Accession (a)