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

21<sup>st</sup> Session  
7-8 September 2016  
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 ECE/ ESCAP*

**ESCAP regional transport activities with focus on SPECA countries**

1. Acting on the Bangkok Declaration on Transport Development in Asia and the Pacific (March 2012), the work of the Economic and Social Commission for Asia and the Pacific (ESCAP) secretariat in the transport infrastructure sector has focused on the realization of the vision of an integrated intermodal transport and logistics system in Asia with priority given to the development and upgrading of the Asian Highway (AH), Trans-Asian Railway (TAR) networks and a network of dry ports of international importance including intermodal interfaces to link them with water and air transport networks.

2. The Intergovernmental Agreements on the Asian Highway, Trans-Asian Railway and Dry Ports networks which entered into force in 2005, 2009 and 2016, respectively have provided the necessary institutional background for a coordinated and rationale planning of regional infrastructure. The status of signatories concerning accession, signature, ratification and/ or approval of the three agreements by SPECA countries are shown in Annex 1 through Annex 3.

**The Asian Highway (AH)**

3. The Intergovernmental Agreement on Asian Highway Network has been the basis of ESCAP secretariat's work to promote and facilitate the development and upgrading of the international road network in the region, notably through six Working Group sessions in which SPECA member States and other states have actively participated. The 6th session of the

Working Group on Asian Highway was held on 3 and 4 November 2015 in Seoul, in conjunction with the 25th World Road Congress, which was attended by four SPECA member countries<sup>1</sup>. Through the meetings, amendments to the Asian Highway Network were adopted, detailed updates of Asian Highway development projects were provided by member countries, and latest progress in policies and issues related to international road transport such as road safety facilities were discussed. The Working Group expressed its support for the work of the secretariat in defining standards for road safety facilities and called for comprehensive region-wide policies in matters of road safety. It further recognized that the development of intelligent transport systems (ITS) would play an important role in reducing road accidents by creating the conditions for better road traffic management. The 7th session of the Working Group on AH is scheduled for 2017.

4. Phase II (2012-2016) of the Regional Action Programme for Transport Development in Asia and the Pacific, adopted by the Ministerial Conference on Transport held in March 2012 in Bangkok, Thailand, mandated the ESCAP secretariat to promote regional and interregional connectivity and cooperation through further development of the Asian Highway and Trans-Asian Railway networks as well as dry ports.<sup>2</sup> The activities under the Regional Action Programme are aimed at the realization of an integrated intermodal transport and logistics system for the region. In this regard, the secretariat has been implementing a 3-year project since 2015 named “Development of technical standards on road infrastructure safety facilities and model ITS deployments for the Asian Highway Network”, with financial and technical support from the Korea Expressway Corporation (KEC) of the Republic of Korea. This project is expected to have positive effect to the development of the Asian Highway sections in the member countries, including SPECA countries.

5. Overall, since the adoption of the Agreement, notable progress has been made in the development and upgrading of the AH in conformity with the Agreement’s classification and design standards. While the proportion of Class I sections in SPECA countries increased from 1% (2004) to 7.9% (2016), the proportion of Below Class III, which doesn’t meet the minimum desirable standard, decreased from 29% to 11.1% during same period. There are, however, still over 3,010 km of AH routes that need to be upgraded, and the overall quality of Asian Highway

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<sup>1</sup> Azerbaijan, Kazakhstan, Kyrgyzstan and Tajikistan.

<sup>2</sup> Commission resolution 68/4 endorsed implementation of the Ministerial Declaration on Transport Development in Asia and the Pacific, including the Regional Action Programme for Transport Development in Asia and the Pacific, phase II (2012-2016), and the Regional Strategic Framework for the Facilitation of International Road Transport.

in SPECA member countries is relatively low compared to the entire Asian Highway Network (Annex1). According to Article 4 of the Intergovernmental Agreement on the Asian Highway Network, the Asian Highway routes should be indicated by means of the Asian Highway route signs within five (5) years from the date of entry into force of the Agreement for the country concerned. However, among SPECA member countries, only Azerbaijan is known to have installed the Asian Highway route signs.

6. The SPECA member countries have taken noteworthy initiatives towards regional connectivity. Afghanistan is working on various routes of transport connectivity, including the Silk Route from Afghanistan to Turkmenistan, Azerbaijan, Georgia and then to Europe; a new trade route linking the Gulf and the Indian Ocean and a new connection from China to Tajikistan, Afghanistan and to the Islamic Republic of Iran.

7. The development objectives of the East West Roads Project between Almaty and Horgos (305 km) in Kazakhstan are to increase transport efficiency along the section of the Western Europe-Western China road corridor within Almaty Oblast and to modernize highway management on sections of the above road corridor. The estimated cost is USD 1.2 billion. The project was approved in 2013 and is scheduled to be completed by June 2017.

8. Tajikistan has set the “connection of local roads to international corridors passing through Tajikistan and creation of transit infrastructure; and joining to International Conventions in the field of transport” as their strategic goals. The Dushanbe-Uzbekistan Border Road Improvement Project will increase the connectivity and mobility along the Tajikistan section of the Central Asia Regional Economic Cooperation Corridor 3 by rehabilitating a 5 km section of the road connecting Dushanbe to the border with Uzbekistan. The total project cost is estimated at USD 106 million. Tajikistan has applied for joint financing from the Asian Infrastructure Investment Bank (AIIB) and the European Bank for Reconstruction and Development (EBRD) for the project.

9. Turkmenistan experienced a significant growth in its transport network in recent years, due to the construction of new highways. The development of the transport sector was considered to be one of the high priorities of the country. As Turkmenistan is located at the crossroads of major road corridors of the Eurasian region, a great attention has been paid to road

transport. The reconstruction of the network of main highways is taking place and new highways are being built

### **Trans-Asian Railway**

10. In 2015-16, SPECA countries continued their efforts to enhance rail connectivity through the region. The following projects are of particular significance for the development of connectivity amongst and transit through the concerned countries.

11. The construction of the railway North-South corridor from Kazakhstan to the Islamic Republic of Iran via Turkmenistan (east side of Caspian Sea) significantly reduced the cost and time for cargo transportation in the Asia-Pacific direction. The cargo handling was expected to increase from 3 to 10 million tons per year, which would undoubtedly give new impetus to the economic development of the region. A trial container train was launched with direction from Turkmenistan to the Islamic Republic of Iran, which made its first journey on the route China-Kazakhstan-Turkmenistan- Islamic Republic of Iran. The train route was two times faster than the sea route. Moreover, it reduced the tariff rate of grain and flour from Kazakhstan to the Islamic Republic of Iran.

12. On the western side of the Caspian Sea, the 372 km Qazvin-Rasht-Astara rail line is being built and, when completed, will connect Northern Europe with Southeast Asia, as well as link the railway networks of Azerbaijan, Islamic Republic of Iran and the Russian Federation. As of April 2016, 92 percent of the Qazvin-Rasht section was completed and full implementation is expected by the end of 2016. In April 2016, foundation of a bridge with a length of 82.5 meters over Astara River was laid on the border between Azerbaijan and the Islamic Republic of Iran. Also in early March 2016, the construction of the railway section with a length of 8.3 km from Astara (Azerbaijan) station up to the border of the Islamic Republic of Iran was started. The construction of both, the bridge and the railway is scheduled to be completed by late 2016. In the initial stage, the corridor is expected to transport 5 million tons of cargo and this figure could get raised to more than 10 million tons at a later stage.

13. An initiative of China which envisages the construction of a new 270 km-long rail link from Kashi/ Kashgar of China to Andijan of eastern Uzbekistan via Kyrgyzstan's Naryn and Osh oblasts remained dormant for a number of years. However, the Government of Kyrgyzstan announced that construction is expected to begin in 2016. If the project is implemented as planned, the corridor will become a part of a larger transcontinental rail road system. The

forecast shows that the annual cargo volume could be up to 15 million tons, and up to 250,000 passengers a year. One of the challenges is the existence of two different railway gauges: 1,520 mm in Kyrgyzstan and Uzbekistan and 1,435 mm in China. To overcome the break-of-gauge challenge Kyrgyzstan is planning to build a bogie exchange station at Tuz-Bel.

14. The historical declaration on “Baku-Tbilisi-Kars new railway connection” project between Azerbaijan and its neighbors on the west was signed on 25 May 2005 that would connect the SPECA countries with Georgia and Turkey. The project was started back in 2007, and was initially scheduled to complete by 2010. Currently, the expected completion date is end of 2017. The completion of this 826 kilometers of rail connection will connect the European and Trans-Asian Railway networks. The route includes sectors with two different railway gauges: 1,520 mm from Baku in Azerbaijan to Akhalkalaki in Georgia and 1,435 mm from Akhalkalaki to Kars in Turkey. The break-of-gauges will be at Akhalkalaki and therefore a bogie exchange station will be needed there.

15. In Afghanistan, a technical feasibility study has been launched for a proposed railway which would run from Herat to Torghundi at the border. Torghundi is a railhead to the Turkmenistan’s rail network and also a freight yard. The study is expected to take six months under the financing of Asian Development Bank (ADB). This link as a part of a railway corridor which crosses multiple countries including Islamic Republic of Iran, Afghanistan, Tajikistan, Kyrgyzstan and China.

16. ESCAP secretariat continues to actively support the development and operationalization of the Trans-Asian Railway network. The fourth meeting of the Working Group on the Trans-Asian Railway Network was held on 23 and 24 November 2015 in Bangkok. The Working Group noted with satisfaction the continued commitment of member countries to develop the Trans-Asian Railway network as a regional infrastructure asset facilitating regional and interregional trade and acknowledged the role of the network in the development of rail-based international intermodal services. The next meeting of the Working Group will be held in 2017.

#### **Development of dry ports to facilitate intermodal transport in SPECA countries**

17. The development of a sustainable integrated intermodal transport and logistics system for Asia and the Pacific is the vision of the transport ministers of the region. The Intergovernmental agreements on the Asian Highway and the Trans-Asian Railway networks have been

successfully developed and are being implemented with the aim of establishing two essential regional infrastructure assets best able to serve the region's economic integration and ensure shared prosperity. This development paradigm requires a new approach to how transport policies are envisaged, i.e. an approach based on the recognition of (i) emerging trade flows and (ii) a possible mismatch between these trade flows and current transport infrastructure.

18. To avoid this mismatch, it is essential that transport development be increasingly looked at from a regional perspective. This involves a detailed analysis of trade flows, a deep understanding of industry requirements and clockwork integration of transport modes, which can only happen at intermodal interfaces such as dry ports and through the provision of efficient logistic services.

19. A few countries of the region have already established well-functioning dry ports and put in place an efficient logistics industry. However, most countries are at the beginning of the process.

20. As a link in the transportation chain, dry ports have proven to have a positive effect on the efficiency of the logistic chain. Well-managed dry ports help reduce transportation costs and, in the case of dry ports located at a significant distance from a seaport, cut total transit time. This feature is particularly important for the ESCAP region which has vast hinterland areas and 12 of the world's landlocked countries. In the European Union, successful dry ports have increased logistics efficiency and allowed a modal shift from roads onto rail or inland waterways, thereby supporting policies aiming to reduce carbon emissions within the logistics chain. At the same time, a number of dry ports have provided valuable space for activities such as customs clearance, unpacking containers, added value and distribution with some of them turning into large logistics park.

21. SPECA countries are some of the most remote from major international maritime ports. Well-functioning dry ports are therefore particularly relevant and essential to facilitate their access to international markets by acting as ports away from coastal areas through the provision of efficient intermodal transport and logistics services. As such, they can improve the efficiency of transport services available to the region and consequently its overall international competitiveness. Dry ports can also promote balanced spatial development by helping industrialization extension to the hinterlands.

22. Against this background, intermodal facilities and dry ports have, in recent years, received high-level commitment from governments in the ESCAP region. The Commission in its resolution 66/4 of 19 May 2010 and the second session of the Committee on Transport (Bangkok, 1-3 November 2010) requested the ESCAP secretariat to work on an intergovernmental agreement on dry ports. Pursuant to this, the secretariat developed a draft of an intergovernmental agreement on dry ports.

23. The Committee on Transport at its third session in October 2012 approved the draft intergovernmental agreement on dry ports and the Commission adopted it at its 69<sup>th</sup> session through resolution 69/7 of 1 May 2013. A signing ceremony for the intergovernmental agreement was held during the Forum of Asian Ministers of Transport at its second session on 7 November 2013 when 14 member States<sup>3</sup> signed the Agreement, of which one also deposited an instrument of ratification. The Intergovernmental Agreement on Dry Ports entered into force on 23 April 2016. As of 20 July 2016, 17 ESCAP member States have signed the Intergovernmental Agreement on Dry Ports and ten have deposited their instrument of ratification, acceptance/ approval/ accession. Among the SPECA member countries, Kazakhstan and Tajikistan have deposited their instrument of ratification.

24. In drafting Annex I to the Agreement, member States were invited to indicate dry ports of international importance, either existing or planned for development, within their respective territories. So far 43 such dry ports have been identified by SPECA member countries. It is envisaged that the identified dry ports will serve the coordinated development of important nodes in an international integrated intermodal transport and logistics system.

25. It is anticipated that formalizing the development of dry ports through an intergovernmental agreement would (a) promote international recognition of dry ports, (b) facilitate infrastructure investment by attracting strong commitment of member States and increased financing from international banks and bilateral donors, (c) define operational services for a more harmonized approach to the development and operation of dry ports in the region through enhanced collaboration with the private sector and (d) contribute to the development of an efficient logistics industry in member States.

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<sup>3</sup> Armenia, Cambodia, China, Indonesia, Islamic Republic of Iran, Lao People's Democratic Republic, Mongolia, Myanmar, Nepal, Republic of Korea, Russian Federation, Tajikistan, Thailand (also became Party), Viet Nam.

26. With the above expectations in mind, the secretariat conducted a series of discussions with policy makers and dry port operators in selected countries that have successfully gone through the process of establishing dry ports of regional importance. The aim of the discussions and field visits was to review the legislative framework, partnerships, financing mechanisms and operational modalities adopted in planning, designing, building and operating these dry ports with a view to promoting best practices to countries of the region that are currently going through a similar process. Initial findings were presented at the first meeting of the Working Group on Dry Ports that was held in Bangkok on 25 and 26 November 2015. The Working Group noted with satisfaction that, in the context of increased international trade, the establishment of dry ports was gaining momentum across the ESCAP region. It also noted that efficient dry ports along international intermodal corridors could contribute greatly to improving the access of landlocked countries to international markets.

### **ECE regional transport activities with focus on SPECA countries**

#### **Euro-Asian Transport Links**

1. In 2016, the Euro-Asian Transport Links (EATL) project continued to fulfil its role as the platform for transport infrastructure development cooperation between countries involved in the project. At the same time, continuation of the project ensured the coordinated development of Euro-Asian land transport links as well as transition into the concrete operationalization of the routes identified in the previous phases. Phase II of the project was completed by the end of 2012. This phase revised EATL priority transport infrastructure projects and updated the international Investment Plan for new projects that would entail a consistent and realistic short-, medium- and long-term investment strategy for road and rail EATL routes. Furthermore, Phase II provided an extensive inventory of specific road, rail, inland waterway, maritime port, inland terminal and other infrastructure projects for the 27 participating countries, their estimated budget and an implementation timetable.

2. The Second EATL Ministerial Meeting which took place on 26 February 2013 marked the launch of the EATL Phase III (2013–2015). In a Joint Statement, the participating Ministers supported continuing the project into the next phase. Thirty-two governments signed the Joint Statement on Future Development of Euro-Asian Transport Links which, inter alia, reiterated their willingness to work together towards the implementation of activities that:

- (a) aim to develop and enhance favorable financial conditions to ensure sustainable and long-term financing of priority transport infrastructure projects in order to integrate



them into medium- and long-term investment programmes adopted at the national level;

- (b) foster and sustain coordination and collaboration with other participating member States, international organizations and international financial institutions as well as other stakeholders from the public and private sector to ensure that additional financial resources for the completion of identified priority projects are made available;
- (c) remove, in an orderly and systematic manner, the remaining non-physical barriers along the Euro-Asian transport routes crossing their countries;
- (d) support the establishment of an adequate mechanism to ensure continued monitoring and the follow-up activities of the project, and the most appropriate modalities to use the existing structures and available resources of the UNECE; and
- (e) support further implementation and continuation of the EATL project in the new Phase III with clearly defined targets and measurable objectives and ensure the necessary resources for its timely implementation.

3. The EATL participating countries increased from 27 (Phase II) to 38 countries (Phase III). This increase demonstrates both the growing interest in and relevance of the work that has been carried out so far in the first two phases.

4. The primary objective of Phase III is to operationalize the nine road and nine rail EATL routes that have been identified. The Group of Experts and the secretariat initiated the process that is expected to convert the results of Phase II into reality during Phase III, as far as available resources permit. To this end, the EATL Group of Experts held two formal sessions in Geneva (3-4 February 2015) and in Dushanbe (9-10 June 2015). As the mandate of the Group of Experts expired in September 2015, the Group held two informal sessions in Istanbul (Turkey on 20-21 October 2015) and in Vienna (2-3 February 2016). At the same time, the Group of Experts initiated procedure for the extension of its mandate for another year. This request was successfully completed and the extended mandate for one more year was granted in May 2016.

5. The main objectives of the meetings were: to identify the specific structure of cargo that could be transported overland between two continents; to facilitate the coordination of integrated time schedules and tariffs on the Euro-Asian transport links; to identify of needs and requirements of producers, shippers, traders and freight forwarders in transport and trade on the EATL routes; and to consider further application of the Geographical Information System (GIS) on EATL routes.

6. The EATL Group of Experts also identified potential cargo for overland (rail) transport between Asia and Europe. This included a group of 'light weight' but higher value products such as cars, automobile components, computers, electronic equipment and parts (television sets, image and sound recording and reproducing equipment), optical and medical equipment, clothes, shoes, sports-related items, as well as food.

7. The Government of the Russian Federation provided financial resources, primarily, to support participation of the national EATL focal points from CIS countries at the EATL sessions. This is considered an essential factor for advancing the work of the Group of Experts. Relatively low participation at the earlier sessions of the EATL Group of Experts slowed the progress of the Group's work. However, activities accelerated and tangible results appeared in the form of documents that would be used as partial inputs in the final Phase III report. Nonetheless, a lack of financial resources hampers the development of the EATL GIS application. The Group of Experts is exploring possibilities both with Governments and the private sector to solve this problem. The Group of Experts welcomed and accepted the involvement of the "Scientific and Research Institute of Motor Transport" (NIIAT) from Moscow in the finalisation of the Phase III report. The first draft of the report is expected by the end of 2016.

8. The Organization for Security and Cooperation in Europe (OSCE) continued its support of the EATL project in the form of providing documents and co-organization of meetings (Vienna 2016).

**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 particular importance as only countries that are Parties can propose amendments to the Agreement and thereby reflect their infrastructure development;
- 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.
- Invite SPECA countries to exchange information with the secretariat (e-mail: [escap-ttd@un.org](mailto: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;

- Give its support to the Euro-Asian Transport Links (EATL) Project;
- Encourage Governments to actively participate in the activities of the EATL Group of Experts and
- Invite Governments and other donors to contribute to the EATL budget, preferably on a project basis.

**Annex I: Asian Highway Network in SPECA countries**

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	291	1,174	0	0	1,465	2013	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		
Uzbekistan	0	1,195	1,101	670	0	2,966	2008	2004	2005
<b>Total</b>	<b>0</b>	<b>2,133</b>	<b>11,512</b>	<b>10,503</b>	<b>3,010</b>	<b>27,158</b>			
<i>Percentage (SPECA countries only)</i>	<i>0%</i>	<i>7.8%</i>	<i>42.4%</i>	<i>38.7%</i>	<i>11.1%</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</i>	<i>12.2%</i>	<i>21.4%</i>	<i>37.1%</i>	<i>21.3%</i>	<i>7.9%</i>				

**Annex II: 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
<b>Total</b>		<b>16,841</b>		

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

**Annex III: Status of Signatories/ Parties: SPECA countries**

**Intergovernmental Agreement on Dry Ports**

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)		