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**Project Working Group on Transport and Border Crossing (PWG-TBC)**

20<sup>th</sup> Session  
10-11 September 2015  
Almaty, Kazakhstan

**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/ UNESCAP*

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

1. Acting on the Bangkok Declaration on Transport Development in Asia and the Pacific, 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 international integrated intermodal transport and logistics system in Asia with priority given to the development and upgrading of the Asian Highway (AH) and Trans-Asian Railway (TAR) networks, including intermodal interfaces to link them with water and air transport networks.
2. These networks have been formalized through two intergovernmental agreements which entered into force in 2005 and 2009, respectively and which 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 two agreements by SPECA countries has remained the same since 2009 (Annex1 and Annex 2).

**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 five Working Group sessions in which SPECA member States and other states have actively participated. The 5<sup>th</sup> session of the Working Group on Asian Highway was held on 7-8 October 2013 in Bangkok, which was

attended by five 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 financing and border-crossing were discussed. The 6<sup>th</sup> session of the Working Group on AH is scheduled for 3-4 November 2015 in Seoul, Republic of Korea, in conjunction with the 25<sup>th</sup> World Road Congress.

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 international integrated intermodal transport and logistics system for the region. In this regard, the secretariat has initiated a 3-year project 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, 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% (2015), 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 in SPECA member countries is relatively low compared to other regions in Asia (Annex1).

### **Trans-Asian Railway**

6. In 2014-15, SPECA countries continued their efforts to establish greater rail connectivity through the region. The following four projects are of particular significance for the development of connectivity amongst and transit through the concerned countries as well as facilitating access to a number of international ports.

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<sup>1</sup> Afghanistan, 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.

7. In October 2014, Kazakhstan inaugurated a 988-km line between Zhezkazgan and Beineu which cuts around 1,000 km from the traditional east-west route between the Chinese border at Dostyk/Alashankou and the Caspian Sea port of Aktau. From Aktau, cargo can continue further south to the Islamic Republic of Iran via the newly-completed north-south corridor connecting Kazakhstan, Turkmenistan and the Islamic Republic of Iran (see below). It can also use ferry services across the Caspian Sea to Baku and move on to Georgia and Turkey via the soon-to-be-completed Baku-Tbilisi-Kars rail project that will connect the rail networks of Georgia and Turkey and under which the railways of Azerbaijan have invested heavily in modernizing the line section from Baku to Beyouk Kesik at the border with Georgia.

8. On the eastern side of the Caspian Sea, the 925-km rail link from Uzen (Kazakhstan) to Bereket-Etrek (Turkmenistan) and Gorgan (Islamic Republic of Iran) was inaugurated in December 2014. Under construction since 2009, the US\$1.4 billion route opens up a direct rail connection between the three countries to the east of the Caspian Sea. Most of the route is 1,520-mm gauge with a break of gauge at the Iranian border. Around 600 km shorter than the more easterly route through Sarakhs, the new line is expected to serve trade between the three countries and be a major transit route between Central Asia and sea ports on the Persian Gulf, i.e. the existing port at Bandar Abbas and the future port being developed at Chabahar.

9. On the western side of the Caspian Sea, the railways of Iran have been working for a number of years on completing the 372 km Qazvin-Rasht-Astara link which, when completed, will establish a north-south corridor linking the Baltic Sea to the Persian Gulf. The 205 km section between Qazvin and Rasht is expected to be completed by the end of 2015, while work on the 167 km section from Rasht to Astara at the border with Azerbaijan remains subject to solving the funding issue.<sup>i</sup>

10. In Afghanistan, following the successful completion and commissioning of the 75 km line section between Khairaton and Mazar-i-Sharif, the Government is moving on with the implementation of its ambitious rail development master plan aiming to develop connectivity with its neighbouring countries and the long-term prospect of offering rail transit between countries of Central Asia and the ports of Chabahar and Bandar Abbas in the Islamic Republic of Iran and Gwadar and Karachi in Pakistan. In 2014, the Government of Afghanistan approached the ESCAP secretariat to have its master plan recognized as part of the Trans-Asian Railway network<sup>3</sup>.

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<sup>3</sup> [http://www.unescap.org/sites/default/files/TAR%20map\\_GIS.pdf](http://www.unescap.org/sites/default/files/TAR%20map_GIS.pdf)

11. Top most among the routes included in the master plan is the 1,250-km east-west corridor that will start at Shirkhan Bandar on the border with Tajikistan and travel along the northern part of Afghanistan before reaching Herat, a city in the north-western part of Afghanistan which is to be connected to the rail network of the Islamic Republic of Iran. In addition to the already existing branch line from Mazar-i-Sharif to Heiraton (border with Uzbekistan), two more branch lines are planned to Aqina and Torghondi, both at the border with Turkmenistan. Other routes in Afghanistan that are being discussed with a view to establishing rail connectivity with neighbouring countries are a rail link from Kundus to Torkham (Pakistan) via Kabul and a branch line from Pakistan to Spin Boldak with future extension to Kandahar.

12. Kyrgyzstan and Tajikistan are collaborating with Afghanistan and the Islamic Republic of Iran on a line that will link with China. The Iranian Engineering company METRA has already completed the feasibility study for the section through Tajikistan and is started similar work for the section through Kyrgyzstan. In Afghanistan, the line section is part of the above-mentioned railway master plan.

13. Other projects have also been recently completed such as the 214-km Arkalyk-Shubarkol line in Kazakhstan which provides new transport services for Shubarkol coal and ore deposits and offer a new transit option from central Kazakhstan to Russia and on to western Europe.

14. The secretariat continues to actively support the development and use of the Trans-Asian Railway network. On 23 and 24 November 2015, it will conduct the 4<sup>th</sup> meeting of the Working Group on the Trans-Asian Railway Network, at which government officials will have an opportunity to discuss issues and challenges relating to the development and operationalization of the network.

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

15. The development of a sustainable international 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.

16. 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.

17. 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.

18. 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.

19. SPECA countries belong to the countries in the world that are the most remote from major international maritime ports. 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.

20. 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 working draft of an intergovernmental agreement on dry ports based on the outcome of the Regional Expert Group Meeting on the Development of Dry Ports along the Asian Highway and Trans-Asian Railway Networks and the second session of the Committee on Transport held in Bangkok during 1-3 November 2010.

21. Three sub-regional meetings were subsequently organized in 2011 to provide platforms for member countries to refine the working draft of the agreement. One of these meetings was organized by the ESCAP secretariat in December 2011 in Dushanbe to deal specifically with the Central and North-East region<sup>4</sup>. An ad hoc intergovernmental meeting on intergovernmental agreement on dry ports was then convened in Bangkok from 20 to 22 June 2012 to finalize the draft agreement which was approved by the Committee on Transport at its third session in October 2012 and adopted by the Commission at its 69th session through resolution 69/7 of 1 May 2013. On this occasion, the Commission also requested the secretariat to organize a signing ceremony for the intergovernmental agreement on dry ports during the Forum of Asian Ministers of Transport at its second session (Bangkok, 4 to 8 November 2013). The ceremony took place on 7 November 2013 on which date 14 member States<sup>5</sup> signed the Agreement, including one which deposited an instrument of ratification. Subsequently, the Republic of Korea became a party to the Agreement through ratification (April 2014) and so did Viet Nam through approval (October 2014).

22. 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 (see Annex). It is envisaged that the list in the Annex, which also reflects the status of SPECA member countries relevant to the Agreement, will serve the coordinated development of important nodes in an international integrated intermodal transport and logistics system.

23. 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.

24. With the above expectations in mind, the secretariat has started to conduct 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 is to review the legislative framework, partnerships, financing

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<sup>4</sup> The subregional meeting was attended by 5 SPECA countries (Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, and Tajikistan).

<sup>5</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.

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 will be presented at the first meeting of the Working Group on Dry Ports that ESCAP will convene in Bangkok on 25-26 November 2015.

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

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

1. In 2014, 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 five sessions in Geneva (4–5 February 2014, 27–27 May 2014; 30–31 October 2014 and 3-4 February 2015) and one in Dushanbe (9-10 June 2015).

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.

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 (Dushanbe).

9. Latvia took the presidency of the European Union during the first half of 2015. The Government of Latvia increased the profile of transport, especially the EATL dimension during this term, and organized a high level meeting of transport ministers in Riga on 29 and 30 April 2015.

#### **The Project 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;
- Encourage SPECA countries to nominate officials to take part in the forthcoming meetings of the Working Groups on the Asian Highway network (Seoul, 3 to 5 November 2015), Trans-Asian Railway network (Bangkok, 23-24 November 2015) and Dry Ports (Bangkok, 25-26 November 2015);
- 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, in particular nominate relevant experts to participate in the Railway Costing Seminar that ESCAP will jointly organize with the International Union of Railways in Bangkok on 9-10 December 2015;
- 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	2,519	0	1,718	4,247	2008	2004	2006
Azerbaijan	0	291	1,174	0	0	1,465	2012	2004	2005
Kazakhstan	0	557	5,407	6,389	475	12,828	2010	2004	2008
Kyrgyzstan	0	0	303	1,324	136	1,763	2012	2004	2006
Tajikistan	0	20	978	0	914	1,912	2012	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>11,482</b>	<b>10,503</b>	<b>3,267</b>	<b>27,385</b>			
<i>Percentage (SPECA countries only)</i>	<i>0%</i>	<i>7.8%</i>	<i>41.9%</i>	<i>38.4%</i>	<i>11.9%</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 whole AH network</i>	<i>16.1%</i>	<i>17.6%</i>	<i>36.6%</i>	<i>21.6%</i>	<i>8.1%</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)				

<sup>i</sup> Source: Report of 12th Meeting of Heads of ECO Railway Authorities, Tehran, 17-18 May 2015