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

22nd Session
1-2 November 2017
Astana, Kazakhstan

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

Note by ECE/ ESCAP

ESCAP regional transport activities with focus on SPECA States

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. The initiatives implemented under these programmes have enabled the region to accommodate increasing volumes of international trade on mostly existing infrastructure and have constituted a first effort towards aggregating disparate infrastructure systems into a common regional network that is best able to serve the region's economic integration, strengthen its future economic growth and facilitate the exchange of goods and services.
3. Acknowledging that attainment of these objectives is vital for the sustained economic development of the region, governments of the region have adopted a number of declarations and resolutions aiming at guiding the work of ESCAP in further developing and operationalizing the Asian Highway and Trans-Asian Railway networks to attain full seamless connectivity in the region. In particular, 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.

4. Importantly, these resolutions provide support to General Assembly resolution 70/1 of September 2015 entitled “Transforming our world: the 2030 Agenda for Sustainable Development” by which the international community adopted the Sustainable Development Goals that aim at implementing programmes and initiatives best able to align economic growth with wider social inclusiveness and greater environmental protection. These programmes and initiatives will influence the scope and implementation of transport-related activities.

5. 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.

6. There are now 30 parties to the Intergovernmental Agreement on the Asian Highway Network, 19 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.

7. 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. The Asian Highway network has for its part supported the negotiation of 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 and services in SPECA countries

8. Focusing on infrastructure, progress achieved and remaining challenges can be illustrated through cross-country comparisons such as the “Connecting to compete” 2016 report of the World Bank which tapped the opinion of over a thousand respondents at international logistics companies in 132 countries. Globally, when asked about changes in trade and transport infrastructure since 2013, 51 per cent of respondents in low and lower middle income countries, and 49 per cent in upper middle income countries recorded an improvement.²

Table 2. Perception of changes in trade and transport infrastructure (per cent)

	Low income	Lower middle income	Upper middle income	High income
Much worsened or worsened	5	16	12	9
Improved or much improved	51	51	49	53

Source: World Bank, *Connecting to Compete 2016 – Trade Logistics in the Global Economy*; p.44.

9. However, the perceived improvement does not signify a high level of satisfaction with the actual quality of existing infrastructure; nor with the level of services provided by road and rail as shown in tables 3 and 4.

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

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/408581467988942234/pdf/WPS7528.pdf>.

Table 3. Quality of road and rail infrastructure (per cent)

		Low income	Lower middle income	Upper middle income	High income
Roads	Low or very low	37	44	41	14
	High or very high	17	18	19	45
Rail	Low or very low	61	53	72	44
	High or very high	17	18	12	25

Source: World Bank, *Connecting to Compete 2016 – Trade Logistics in the Global Economy*; p.42.

Table 4. Quality and competence of service (per cent)

		Low income	Lower middle income	Upper middle income	High income
Roads	Low or very low	36	32	24	9
	High or very high	14	27	29	58
Rail	Low or very low	62	54	58	33
	High or very high	15	13	12	33

Source: World Bank, *Connecting to Compete 2016 – Trade Logistics in the Global Economy*; p.42.

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.

11. The Global Economic Forum sought the opinion of nearly 15,000 business leaders from small- and medium sized enterprises and large companies representing the main sectors of the economy (agriculture, manufacturing industry, non-manufacturing industry, and services) across 141 countries. Asked to rate the quality of road and rail infrastructure on a scale of 1 (extremely underdeveloped) to 7 (extensive and efficient – among the best in the world), the highest score in the ESCAP region, i.e. 5 and above, were in Japan, Malaysia and the Republic of Korea for both roads and rail, and China for rail. Singapore also received a high score of 6.3 for roads although these are mostly city roads which may be easier to maintain. High scores of 4 and above were also recorded in Australia, Azerbaijan and India for both road and rail; Brunei Darussalam³, China, Islamic Republic of Iran, New Zealand, Sri Lanka, Tajikistan, Thailand and Turkey for road; and Kazakhstan and the Russian Federation for rail. Meanwhile, the lowest scores, i.e.

³ Brunei Darussalam does not operate a rail network.

below 3.5 in both road and rail, were in Bangladesh, Cambodia, Kyrgyzstan, Lao People Democratic Republic, Mongolia, Nepal, and the Philippines.^{4 5}

12. It must also be noted that in only five countries, i.e. China, Georgia, India, Japan, Kazakhstan and the Russian Federation, did rail infrastructure score higher than road infrastructure. This should be of particular concern to governments of the region, in particular those of SPECA member countries, given the long distances, i.e. 3,000 km or more, to connect hinterland areas and landlocked countries to international maritime ports in China, the Islamic Republic of Iran or the Russian Federation. This also points to a need for greater investment in rail if the region is to take active measures towards reducing the impact of the transport sector on the environment under the 2030 Development Agenda.

The Asian Highway Network (AH)

13. The Intergovernmental Agreement on Asian Highway Network⁶ 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 seventh meeting of the Working Group on the Asian Highway Network will be held in Bangkok from 13 to 15 December 2017. The Working Group on the Asian Highway Network will receive updated information from participants on initiatives being implemented or considered in their respective States on the Asian Highway routes. Proposals for amendments to the Agreement¹ will also be considered. Additionally, the Asian Highway Working Group and the Asia-Pacific Information Superhighway Steering Group will hold a joint session to discuss opportunities and challenges of co-deploying fibre-optic cable along the Asian Highway network.

14. The Ministerial Conference on Transport held in Moscow in December 2016, which was attended by all SPECA member States, stressed the key role of transport in implementing the 2030 Agenda for Sustainable Development considering its functions to provide people, industry and agriculture access to economic and social opportunities and combat climate change. Among various transport sector initiatives, the Conference acknowledged the ongoing work of the secretariat in the fields of standard setting and promoting innovative new technologies for further development of the Asian Highway network.

⁴ Source: World Economic Forum, *The Global Competitiveness Report 2016-2017*, Part 2.

⁵ It must be noted that the report of the World Economic Forum does not rate Afghanistan, Turkmenistan and Uzbekistan.

⁶ United Nations, *Treaty Series*, vol. 2323, No. 41607.

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 States, including SPECA States. In October 2017, the secretariat was working towards finalizing studies on three components of the project: a) development of road safety facility standards and related design guidelines for the Asian Highway network, b) development of model ITS deployments for the Asian Highway network, and c) development of strategies to promote and facilitate the implementation of the Asian Highway design standards. In May 2017, an Expert Group Meeting (EGM) was organized to review the findings of the study on the development of road safety facility standards.⁷ Additionally, in August 2017, a “Regional Meeting on Road Safety Facility Standards for the Asian Highway” was organized.⁸

15. Overall, since the adoption of the Agreement¹, 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 States increased from 1 per cent (2004) to 8.8 per cent (2017), the proportion of Below Class III, which doesn’t meet the minimum desirable standard, decreased from 29 per cent to 11.1 per cent 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 States is relatively low compared to the entire Asian Highway network (Annex1).

16. 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 States, only Azerbaijan is known to have already installed, and Kyrgyzstan and Tajikistan are considering the installation of the Asian Highway route signs.

17. Afghanistan has recognized the importance of developing its road transport infrastructure and a number of projects are being implemented. For example, maintenance works are going on

⁷Five SPECA member States: Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan participated in the EGM.

⁸Four SPECA member States: Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan participated in the Regional Meeting.

for sections from Jalalabad to Kabul, from Kabul to Ghazni and from Ghazni to Kandahar, which are the economic lifelines of the country as well as part of the Asian Highway route 1. A project is also being implemented to build a new road that will open a trade link with Tajikistan and beyond. Moreover, preparation of Central Asia Regional Economic Cooperation Corridors 5 and 6 which is known as Salang Corridor (AH76) is also moving forward.

18. As a landlocked country, Azerbaijan is paying great attention to the development and maintenance of highways of international importance. For example, construction of new motorway between Jalilabad and Shorsulu (AH8) is underway which forms part of the country's primary north south highway linking the country's capital, Baku, to the neighbouring Islamic Republic of Iran. Another initiative is to rehabilitate a 30-kilometer road section from Ganja to the Qazax region (AH5), which is a part of the east-west highway corridor linking Baku to Georgia.

19. Kazakhstan has placed emphasis on the construction of new roads. The development objectives of the East-West Roads Project, which is an important road connectivity project in Kazakhstan are to increase transport efficiency along the section from Almaty to Khorgos (Horgos) of the Western Europe-Western China road corridor within Almaty Oblast and to modernize highway management on sections of the corridor. The 305-kilometre road section was being upgraded to a 4-lane highway including new alignments. The Corridor (AH5) is the road with the most impact on the subregional economy, being a transit link for goods imported from China to Kazakhstan and other Central Asian States.

20. In Kyrgyzstan rehabilitation work of a crucial connector road which would join the southern areas of Batken, Jalal-Abad, and Osh with the northern regions of Chui, Issyk-Kul, Naryn and Talas (AH7) is going on. Additionally, improvements of Bishkek-Kara Balta (AH5) section and Bishkek- Torugart (AH61) section will contribute to fostering regional trade of Kyrgyzstan with Kazakhstan and China, respectively.

21. Tajikistan has prioritized rehabilitation of the Vose- Khovaling- Tavildara road (AH66), as improvements to this road will cut travel time by half from the border of Kyrgyzstan and also open a new trade corridor in the most populous region in the country. The section between Vose and Khovaling was already completed in mid-2017. Another road section on the Asian Highway route AH7 between Dushanbe and Kurgonteppa is under improvement.

22. In Uzbekistan rehabilitation work for an 87-km long section near Bukhara on Asian Highway route AH63 is underway. Once completed, this will result in completing a crucial section of the international highway corridor connecting Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

Trans-Asian Railway

23. 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 rail new prominence into their transport development plans. However, important challenges remain.

24. The main challenges for railway transport in the ESCAP region as a whole remain the numerous missing links and different technical standards which prevent the network from functioning as a continuous system. While within SPECA countries⁹ 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 on the Indian subcontinent or in the Association of South East Nations, or further afield to Australia or the U.S. West coast. The future development of rail transport in SPECA member countries needs to reach a better match between new infrastructure and these emerging trade patterns. The new line linking Uzen (Kazakhstan) to Gorgan (Islamic Republic of Iran) via Etrek (Turkmenistan) which was inaugurated in late 2014 is a critical example of this new vision.

25. In particular, the railways of China are now at the centre of international landbridge container services. By the end of 2016, such services linked 16 cities in China and 12 in Europe

⁹ With the exception of Afghanistan which has yet to develop a full blown operational rail network..

as far afield as Hamburg and Madrid¹⁰. Although not the first of its kind, the triggering factor for a surge in new services was the success of the service launched in 2011 to carry BMW spare parts between the company's factories in Leipzig and Regensburg, Germany, and its assembly plant in Shenyang, China. In 2016, 40,000 containers were transported, up 15 per cent from the previous year, with volumes of 100,000 containers expected by year 2020. As the service developed, so did its performance with transit times of 12 to 16 days compared to 23 days when the service was first launched¹¹. Encouraged by this success other services have launched, either on a regular basis, or on a trial basis. In early 2016, a first container train travelled from Zhejiang province in China to Tehran through Kazakhstan, Uzbekistan and Turkmenistan, and in September of that year a train travelled from China's east coast to Hairaton in Northern Afghanistan¹². More recently, in January 2017, over 700 tonnes of Kazakh grain were sent in 32 containers from Zhaltyr railway station to the Chinese port of Lianyungang for onward movement by sea to the port of Ho Chi Minh city in Viet Nam¹³.

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

27. 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 will extend it 35 km to Adkhoy with a 420-km section from Adkhoy to Nizhniy Pyandzh at the Tajik-Afghan border planned to be constructed in the near future. 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

¹⁰ Railway Gazette International, "*Freight China – Containers up, coal down*", September 2016.

¹¹ Source: Leipziger Volkszeitung, "*Mehr container gehen per zug nach China*", 30 December 2016.

¹² Source : Railway Gazette International, « *Chinese freight train reaches Hairatan* », 7 September 2016.

¹³ Source: http://www.inform.kz/en/first-batch-of-kazakhstan-grain-sent-from-china-to-vietnam_a2996084.

section to Ghorian station in Afghanistan was inaugurated in August 2017, thereby symbolically marking the beginning of rail operation between the two countries. 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. Essential to improved connectivity in the subregion, the project would see the construction of a rail section from Kashi, China, to Elok, Tajikistan, through Kyrgyzstan, comprising two parts: (a) a 274-km section between Torugart, the border point between China and Kyrgyzstan, and Karamik, the border point between Kyrgyzstan and Tajikistan and (b) a 296-km section between Karamik and Elok which is not yet designated as part of the Trans-Asian Railway network. Although not part of the Trans-Asian Railway network at this stage, another option through Kyrgyzstan is via a shorter 200-km link from Irkeshtam, another border point between China and Kyrgyzstan, to Karamik at the border between Kyrgyzstan and Tajikistan.

28. 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. Combined with the Baku-Tbilisi-Kars project – whose completion date has also been pushed back numerous times – the project would open up for SPECA countries a number of trade with countries in central and southern Europe.

Development of dry ports to facilitate intermodal transport in SPECA States

29. As mentioned earlier, the provision of seamless and sustainable connectivity in support of market integration and economic dynamism may offer a way forward to meet demand for the mobility of goods and people while reducing the environmental impact of the transport sector.

30. The concept of seamless connectivity conjures up the vision of an integrated transport system that allows goods and people to travel efficiently and “effortlessly” across modes and national borders. It requires policies to be coordinated, infrastructure gaps to be filled, technical standards to be harmonized, operational procedures to be synchronized, information and

communication systems to be developed and deployed and cross-border legislation to be aligned. The tools through which these requirements are tested are international intermodal transport corridors that incorporate different modes of transport, consider the development of adjacent land, connect industry clusters, synchronize supply chains and, most importantly, serve the lives of communities, small or large, along the way.

31. A key prerequisite for their successful operation is the development of intermodal facilities as critical centres where the numerous technical, operational and institutional interfaces that characterize these corridors are managed efficiently to guarantee that freight can switch modes without delays or damage, regulations and procedures can be speedily and efficiently processed, and associated services can be delivered. Dry ports are designed to fulfil these functions.

32. Indeed, developing dry ports may create economic stimuli by attracting manufacturing, agricultural processing and associated activities. Transport and related services, such as freight forwarding, logistics, customs and sanitary services, would be available at these facilities. Other value-added services would include storage, warehousing, packing, grading, labelling and distribution. In addition, dry ports could grow into special economic zones with a much broader industrial and service base. Similar growth potential has existed around seaports that have brought prosperity to coastal areas by clustering economic activity and services, which in turn have attracted further economic factors of production in a self-perpetuating process, such as a constant pool of mobile and well-trained labour.

33. Dry ports are an essential part of an inland trade distribution system, and although related facilities bear different names across the region, they all share the common characteristic that their main functions are to complete customs and other border-crossing formalities for traded cargo and to transfer this cargo between the different modes used for transportation between a port origin and an ultimate inland destination, or vice versa. In this respect, in acting as a conduit for international trade between trade origins and points of destinations or seaports, dry ports – in particular, rail-connected dry ports – are essential for landlocked countries.

34. In addition, dry ports can play an important role in rebalancing the transport task of land transport modes. Well-managed dry ports, particularly those located at a significant distance from a seaport, help reduce transportation costs and total transit time. Experiences from outside the region show that 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. In many countries in the Asia-Pacific region, dry

ports and their associated transport links function as a conduit for international trade between inland points of origin or destination and seaports.

35. The Intergovernmental Agreement on Dry Ports, which entered into force in April 2016, was developed under the auspices of ESCAP to provide a uniform definition of a dry port of international importance, identify the network of existing and potential dry ports of importance for international transport operations and propose guiding principles for their development and operation. The main objective of developing a regional dry port network is to expand trade opportunities by facilitating the uninterrupted movement of trade consignments between dry ports located in different countries. This can be achieved by consigning goods from a dry port in one country to a dry port in another, by minimizing border inspections and delays between the two, and by carrying out customs and other border control formalities and securing the release of goods at the destination dry port.

36. However, the interconnection of dry ports requires that there be some consistency among them in terms of the services they provide, their location in relation to trade generating industry, and their transport connections. While the Intergovernmental Agreement provides guidelines with respect to all of these factors, it is clear that the facilities identified by countries as dry ports under the agreement fall within a wide range of types, infrastructure links and service functions. Some do not have authority or facilities for customs and other border control functions. Keeping these factors in mind, ESCAP recently developed a “regional framework for the planning, design, development and operation of dry ports of international importance” with the objective of offering practical solutions and modalities for the coordinated development of dry ports across the region. 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. The regional framework will be considered for adoption by the Working Group on dry ports at its second meeting due to be held in Bangkok on 14-15 November 2017.¹⁴

37. In addition, to assist governments and policymakers in approaching the development of dry ports, the secretariat, with funding support from the Government of the Russian Federation, recently carried out an assessment of dry port development projects in five countries of the region, namely Australia, China, India, the Republic of Korea and Thailand, which were considered to have achieved some measure of success in the establishment and operation of dry

¹⁴ The regional framework is annexed to document E/ESCAP/DP/WG(2)/4 prepared for the Working Group and is available at: <http://www.unescap.org/events/2nd-meeting-working-group-dry-ports>.

ports. It is expected that the progress achieved in these five countries could benefit countries with more limited experience in applying best practice planning techniques and policy formulation to the development of dry ports.¹⁵

38. SPECA States 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.

ECE regional transport activities with focus on SPECA States

Euro-Asian Transport Links

39. In 2017, Phase III of the Euro-Asian Transport Links (EATL) Project was concluded. This phase launched at the second EATL High-level Ministerial Meeting, held in Geneva on 26 February 2013, aimed at improving the operational capacity and connectivity of the inland transport routes between Europe and Asia.
40. In order to achieve the objective of the Phase III of the EATL Project, a Group of Experts on EATL with the support of the UNECE secretariat, in the period 2013-2017, carried out analysis of trends in trade, assessed cargo flows between Asia and Europe as well as compared delivery times and costs of cargo on various EATL routes. The Group also looked into possibility of integrating time schedules and coordinating tariffs for transit on EATL inland routes. It reviewed various initiatives and projects along the EATL corridors as well as identified main obstacles hampering cargo flows on EATL inland routes.
41. Based on its work, the Group updated SWOT analysis developed during phase II of the EATL project. It formulated a set of recommendations towards improving the operational capacity and connectivity of the inland transport routes between Europe and Asia.
42. The insight into the analysis carried out during phase III of the EATL Project, the

¹⁵ Economic and Social Commission for Asia and the Pacific, "Planning, development and operation of dry ports of international importance: report on trends in the development of inland ports and policies underlying their development in selected countries of the UNESCAP region" (Bangkok, 2015). Available from www.unescap.org/resources/study-planning-development-and-operation-dry-ports-international-importance.

updated SWOT analysis of EATL inland routes and the conclusions and recommendations have been contained in the report of the phase III, in particular:

- Chapter I analyses trends in trade, describes the EATL routes with special attention to rail and road routes. It provides comparative analysis of the delivery times and costs of different modes of transport on selected routes between Europe and Asia. It further identifies cargo for the transport of which the EATL inland routes could be competing with the maritime and air routes.
- Chapter II reviews numerous initiatives and projects either national or undertaken by various international organizations and programmes in support of the development of EATL inland routes.
- Chapter III identifies and describes the obstacles and bottlenecks along the EATL routes that disrupt the flow of cargo. Physical and, in particular, the non-physical barriers, identified as the main obstacles in developing the EATL routes, are explained in some detail.
- Chapter IV updates the EATL SWOT analysis developed during phase II of the project. The strengths, weaknesses, opportunities and threats are presented by different issues, among them, to name a few, are such as e.g. (i) access to markets for the land locked developing States, (ii) international trade between Europe and Asia, (iii) EATL infrastructure, or (iv) harmonization of procedures between EATL States.
- Chapter V formulates recommendations for future development of the Euro-Asian inland transport links at national, international and industry levels. These recommendations for consideration and action of governments, international organizations, non-governmental organizations, business and other stakeholders are provided in a format of actionable initiatives.

43. The report was endorsed by the UNECE Working Party on Transport Trends and Economics (WP.5) at its 30th session (Geneva, 4-6 September 2017). The report was to be submitted to UNECE Inland Transport Committee at its session in February 2018 for final approval.

44. In the follow-up to Phase III of the EATL Project, the UNECE secretariat was invited to organize in the second half of 2018 an international conference for launching the “operationalization of Euro-Asia Transport Links”. The conference should focus on achieving practical outcome, such as for example an elaboration and approval of a plan of voluntary actions by governments and business towards implementation of the recommendations contained in the report concluding Phase III of the EATL Project.

The Thematic Working Group may wish to

- Encourage those SPECA States which have not already done so, take measures towards becoming parties to or implementing the Intergovernmental Agreement on the Asian Highway Network, the Intergovernmental Agreement on the Trans-Asian Railway Network and Intergovernmental Agreement on Dry Ports and actively participate in the ESCAP's activities related to the development of these networks;
- Invite SPECA States 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, countries are invited to nominate representatives to take part in the forthcoming 2nd meeting of the Working Group on Dry Ports (Bangkok, 14-15 November 2017) and 7th meeting of the Working Group on the Asian Highway (Bangkok, 13 to 15 December 2017).
- Invite SPECA States 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 States, 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;
- Invite SPECA governments to consider hosting the 2018 international conference for launching the "operationalization of Euro-Asia Transport Links" and to work closely with UNECE secretariat and other interested parties in organizing it;
- Invite SPECA States to take an active participation in the 2018 international conference for launching the "operationalization of Euro-Asia Transport Links" and to commit to implementation of the EATL recommendations at this meeting.

Annex I: 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>				

Annex II: Trans-Asian Railway Network in SPECA States

SPECA Country	TAR Network	
	Gauges (mm)	Route Length (km)
Afghanistan		
Azerbaijan	1,520	1,261
Kazakhstan	1,520	9,548
Kyrgyzstan	1,520	280
Tajikistan	1,520	527
Turkmenistan	1,520	1,741
Uzbekistan	1,520	3,484
Total		16,841