International Transport Forum

Best practices for sustainable corridor development

25 September 2024

UNECE WP.5 37th session
e. Roundtable discussion on financing transport infrastructure in support of corridor development in the ECE region

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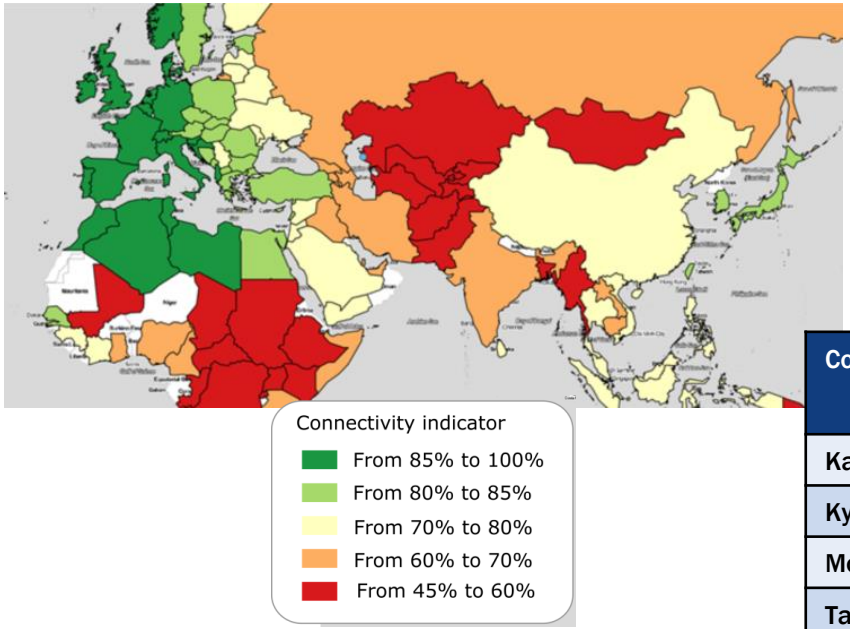
International Transport Forum

OECD

Infrastructure investment can reduce connectivity gaps

High cost of being landlocked



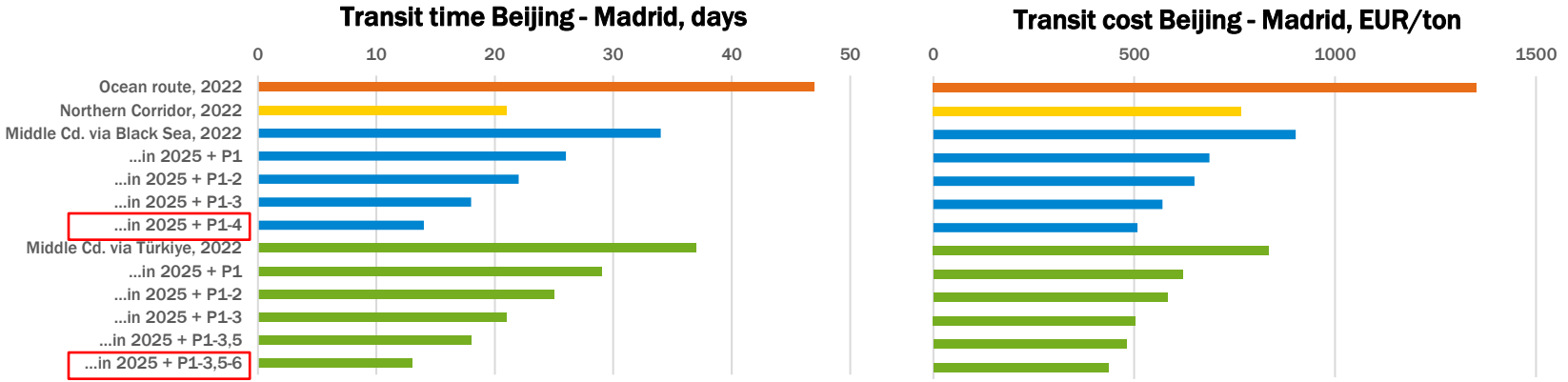
Infrastructure capacity required to maintain network performance in 2030 and 2050 (in volume/capacity ratios)

Country	2030		2050	
	Road	Rail	Road	Rail
Kazakhstan	151%	45%	350%	138%
Kyrgyzstan	251%	5%	984%	10%
Mongolia	84%	65%	284%	306%
Tajikistan	191%	0%	516%	3%
Uzbekistan	486%	13%	1365%	459%

Source: Enhancing Connectivity and Freight in Central Asia, OECD/ITF, 2019

Realising Middle Corridor's potential through targeted measures

- P 1: Improve the China-Kazakhstan rail link (Beijing-Aktau)
- P 2: Optimise border crossings in the Caspian Sea and for China-Kazakhstan
- P 3: Develop ports and increase the number of vessels in the Caspian Sea
- P 4: Enhance the capacity of ports and rail connections in the Black Sea
- P 5: Improve the Türkiye rail link (Kars-Istanbul)
- P 6: Modernise border crossings and interoperability for Türkiye-Bulgaria and Türkiye-Georgia

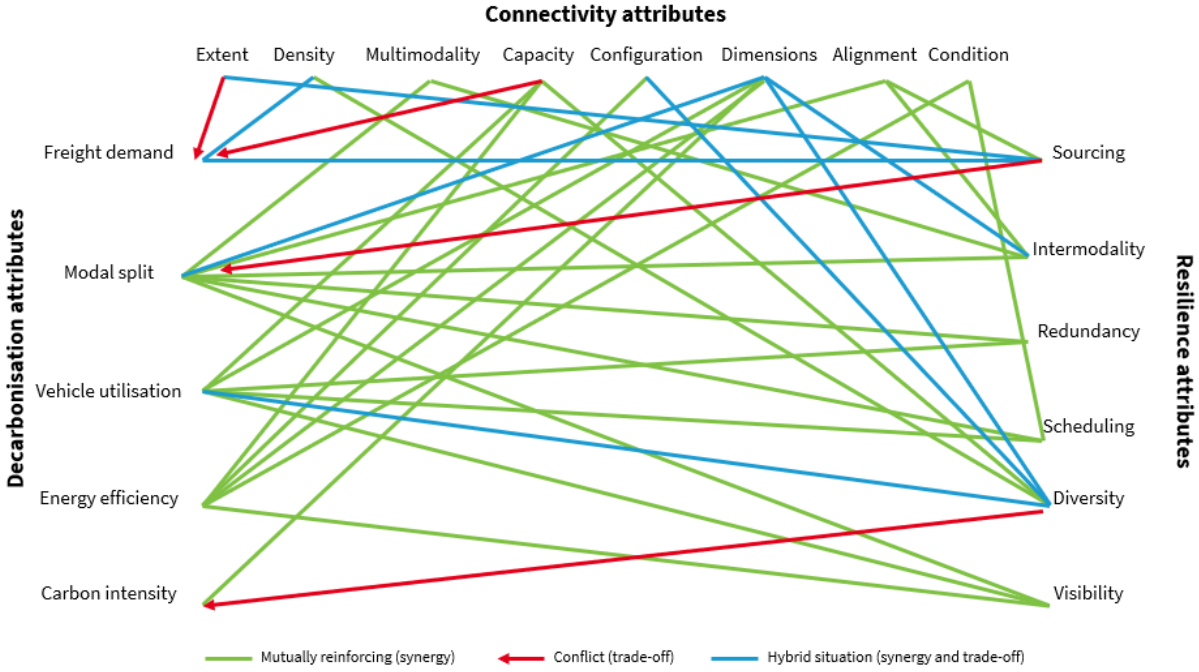


Source: Transport Policy Responses to the War in Ukraine, No. 2, OECD/ITF 2022

Policy recommendations for sustainable corridor development

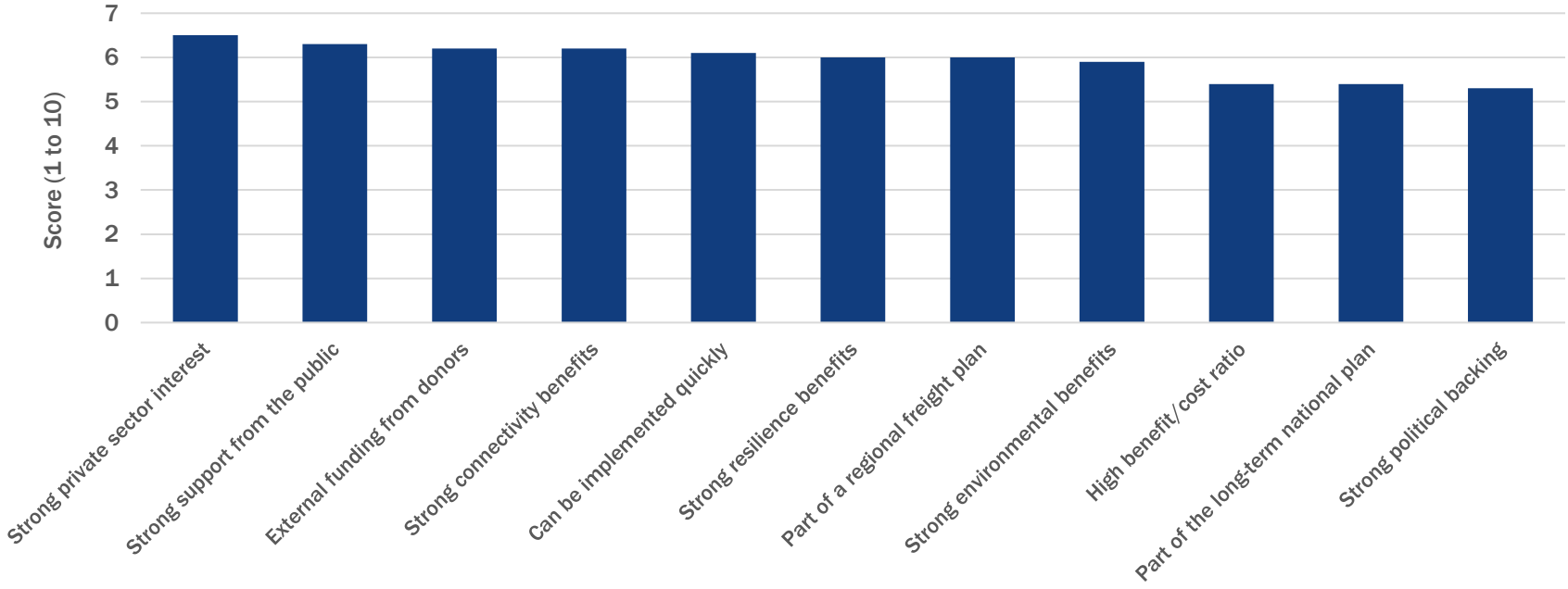
- **Shift from transit to connectivity**: utilise the full corridor potential by better connecting local economies
- **Develop a multimodal vision,** including infrastructure planning, logistics market and stakeholder coordination
- **Maximise the value for money:** improve project appraisal and prioritisation for more targeted investments
- **Enhance knowledge of transport and trade** with regular, standardised, disaggregated, transparent data collection
- **Secure sustainable future:** implement national sustainability and resilience strategies at an early stage

Maximising sustainability benefits from corridor development



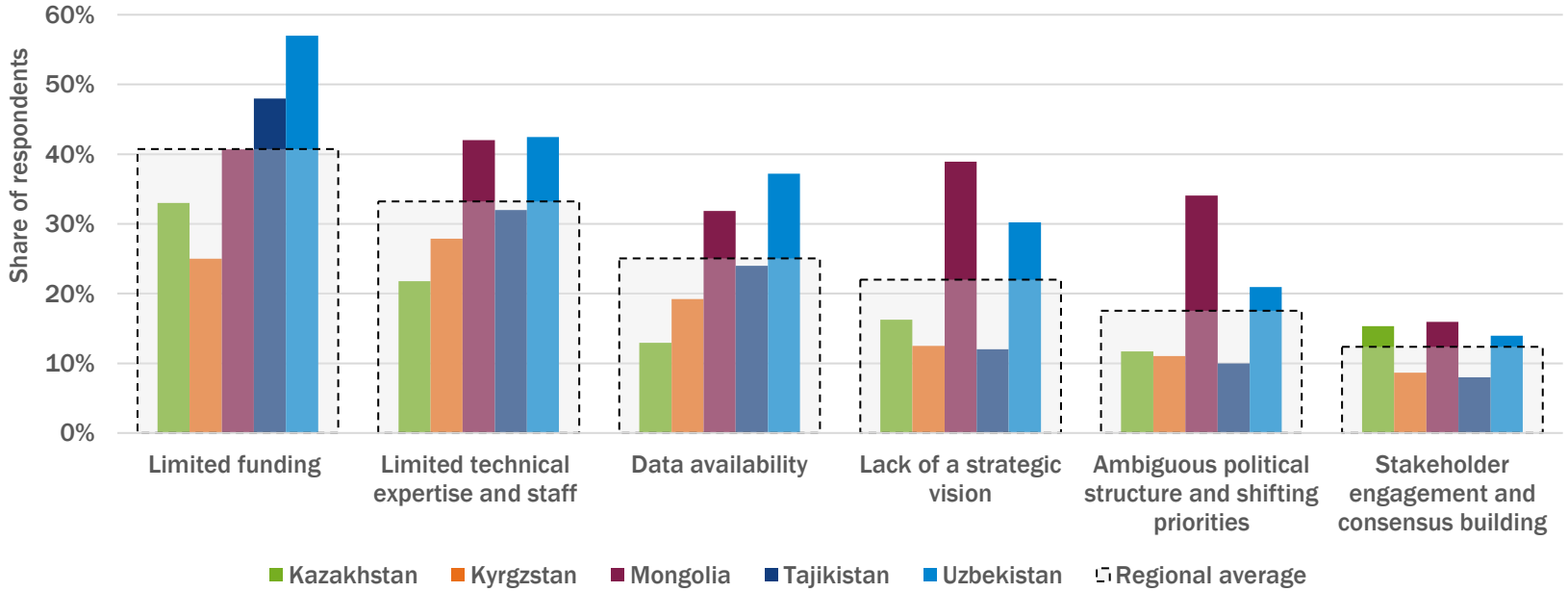
Source: Evaluating the relationships between connectivity, decarbonisation and resilience in freight transport: Applications to Central and Southeast Asia, OECD/ITF 2024

Central Asia: Ranking of criteria used for project prioritisation



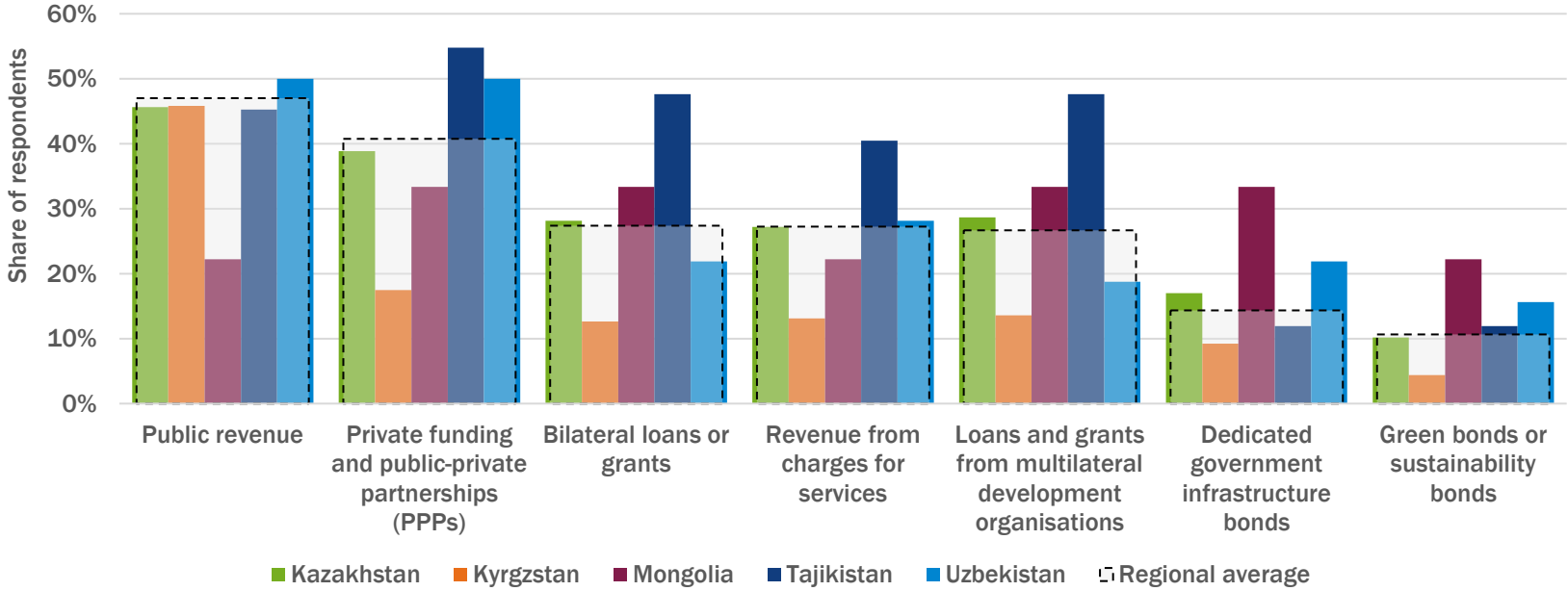
Source: SIPA Stakeholder Survey Analysis for Central Asia, OECD/ITF 2024

Central Asia: Challenges in evaluating infrastructure investments



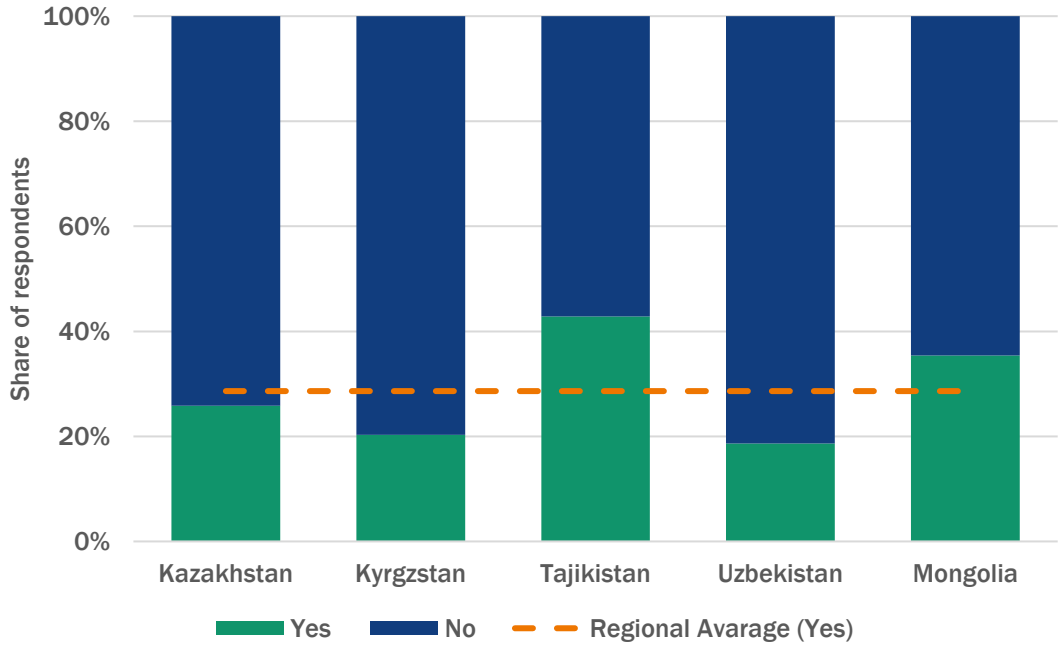
Source: SIPA Stakeholder Survey Analysis for Central Asia, OECD/ITF 2024

Central Asia: Financing sources for key freight infrastructure



Source: SIPA Stakeholder Survey Analysis for Central Asia, OECD/ITF 2024

Central Asia: Government policies to mobilise private investment



Source: SIPA Stakeholder Survey Analysis for Central Asia, OECD/ITF 2024

Infrastructure procurement in publicly and privately financed projects

Identify how the cost of major infrastructure projects can be reduced.

- Dealing with uncertainty: how uncertainty impacts private investment in transport infrastructure projects.
- Private-Public Partnerships (PPP): exploring the need for better risk management and pricing in PPPs.
- Recommendations: improving project preparation, regulatory frameworks, and fostering competition for more efficient private investment.

The synthesis report builds on 19 input papers from >30 experts in 13 countries.

Available via the ITF repository:

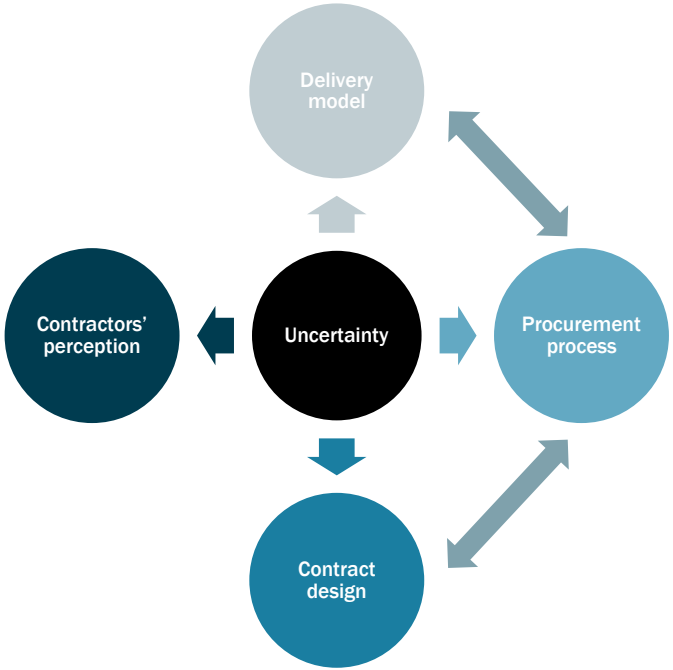
https://www.itf-oecd.org/private-investment-infrastructure

Source: Private Investment in Transport Infrastructure: Dealing with Uncertainty in Contracts, OECD/ITF 2018

Infrastructure procurement in publicly and privately financed projects

What we found:

- Uncertainty drives up costs
- Long-term contracts pose risks
- Demand risk is problematic
- Public sector expertise is crucial
- Private financing can't fill the funding gap

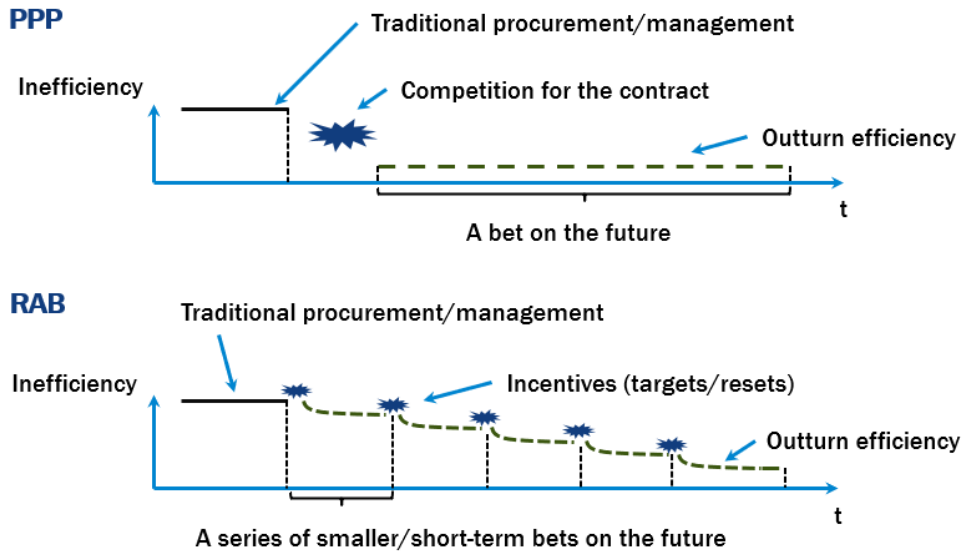


Source: Private Investment in Transport Infrastructure: Dealing with Uncertainty in Contracts, OECD/ITF 2018

Infrastructure procurement in publicly and privately financed projects

What we recommend:

- Invest in project preparation
- Consider the Regulatory Asset Base (RAB) model
- Avoid demand risk transfers
- Increase competition
- Adopt a transparent public accounting standard



Source: Private Investment in Transport Infrastructure: Dealing with Uncertainty in Contracts, OECD/ITF 2018

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Thank you

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