The IRU Model Highway Initiative

Road and Rail Finance Conference – launching the study on Europe-Asia Transport Linkages, Phase II

February 25, 2013, Geneva
Evolution of IRU Membership

1948: eight founder countries

2013: 170 Members in 74 countries

...and 26 CRIPA Members in 22 countries
Development Corridors
IRU New Eurasian Land Transport Initiative – NELTI

Launched in September 2008

Commercial road transport deliveries performed by road transport companies from the Eurasian countries

4 phases

In cooperation with the ADB, ECO and IDB
NELTI: Problems are Procedural!

- 40% of time lost at border crossings!
- Illegal payments account for 30% of additional costs!
- Lack of ancillary roadside infrastructure
“Model Highway is a chosen section (2-3 stretches) of an internationally rated trunk road of 1500 – 2000 km in length, crossing the territories of several Eurasian countries and of strategic importance for interconnecting and promoting Eurasian trade and transit by road to major world markets.”
Creation of modern ancillary roadside infrastructure

- Border crossing points (BCP) and facilities
- Rest areas (RA): fuel station, shop/kiosk, café, phone, wi-fi, WC, info
- Service areas (SA): shops, restaurants/café/market, fuel station, parking area, entertainment area, phone, wi-fi, WC, tourist point, etc
- Safe parking lots for trucks and buses / coaches
- Roadside hotels, motels and campings
- Dry ports and multimodal logistics centres
- Maintenance and repair centers for cars, trucks and buses
Institutional reforms and implementation of best practices in the road transport sector

- Liberalisation of international road transportation
- Harmonisation and facilitation of border crossing procedures
- Accession to and effective implementation of international agreements and conventions on trade, transit and road transport facilitation
3d key MHI Element

**Multilateral Investment Mechanism**
(Regional Infrastructure Fund – MHI RIF)

- Allocate funds for MHI infrastructure projects
- Public-private partnership
- Involve business community (international, national and local businesses) into the process of creation, and modernisation of ancillary roadside infrastructure
- Model highway operation management
- Other measures (Including ancillary MHI infrastructure clause into long term credit lines, etc.)
MHI South Caucasus (MHI-SC) section:

Trabzon - Sarpi (Georgia/Turkey BCP) – Batumi – Tbilisi – Krasny Most (Georgia/Azerbaijan BCP) - Baku

Possible extensions: Baku port (BCP) - Turkmenbashi port (BCP) - Ashgabat; Trabzon – Samsun

- Rest area
- Service area
- Parking lot
- BCP (border crossing)
- Dry port (logistics centre)
Prefeasibility Study on the development of Model Highway

Pre-Feasibility Study presentations:

2. Tbilisi, Georgia, November 1, 2012
3. Ankara, Turkey, November 14, 2012
Joint Statement
of the Ministry of Transport of the Republic of Azerbaijan, Ministry of Economy and Sustainable Development of Georgia and Ministry of Transport, Maritime Affairs and Communications of the Republic of Turkey on the creation of Model Highway on the Motor Road Baku-Tbilisi- Trabzon

Taking into consideration high potential for regional trade, the section Baku-Tbilisi was agreed to create an ad-hoc working group including representatives of Azerbaijan, Georgia, Turkey, BSEC and IRU to monitor realization of the project and timely preparation of the appropriate recommendations.

15 March 2013: The First meeting of the Working Group on creation of the MHI-SC Technical Secretariat of the Working Group was established in Tbilisi, Georgia
MHI-CA section

- Rest area
- Service area
- Parking lot
- BCP (border crossing)

MHI Central Asia section:
- Pol-eXomri - Nizhniy Panj (Afghanistan/ Tajikistan BCP) – Dushanbe – Karamyk (Tajikistan/ Kyrgyzstan BCP) – Bishkek – Kordai (Kyrgyzstan/Kazakhstan BCP) – Shimkent – Kzyl-Orda

Branches: Kordai – Almaty – Khorgos (Kazakhstan/China BCP) – Sarytash - Irkeshtam (Kyrgyzstan/China BCP)
MHI - what’s next?

1. Creation of the MHI coordination centres

2. Consultations on the creation of the Regional Infrastructure Fund (MHI RIF)

3. Preparation of the Feasibility study (Master Plan)

4. Intergovernmental Agreement negotiations

5. Development of national plans of administrative reforms
Working together
for a better future

since 1948