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

23<sup>rd</sup> Session  
27-28 August 2018  
Astana, 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 ECE/ ESCAP*

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

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”<sup>1</sup> 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” 2018~~6~~ 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. In past reports, average country LPI scores were generally improving. But in 2018, low income countries experienced a drop in the LPI scores for quality of infrastructure, customs performance, and quality of logistics services, as lower-middle-income countries’ scores on these three LPI components improved.~~<sup>2</sup>

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<sup>1</sup> Kazakhstan, Kyrgyzstan Tajikistan and Uzbekistan are members of the Shanghai Cooperation Organization.

<sup>2</sup> 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/576061531492034646/Connecting-to-compete-2018-trade-logistics-in-the-global-economy-the-logistics-performance-index-and-its-indicators><http://documents.worldbank.org/curated/en/408581467988942234/pdf/WPS7528.pdf>.

8.



Table 2. ~~Perception of changes in trade and transport infrastructure (per cent)~~ Change in LPI component score by income group, 2016-2018

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

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

9. For low-income countries, streamlining border clearance procedures and ensuring access to physical trade and transport infrastructure will continue to be priority issues.

10. When it comes to the perception of trade and transport infrastructure improvement, though still a constraint in developing countries, infrastructure seems to be improving. Since the previous LPI survey, respondents from countries in all performance quintiles generally perceive improvements in trade and transport infrastructure. For the first time since the survey began, the perception of improvement is higher in the bottom quintile than in the top one, though lower in the middle. If this pattern persists, it would be consistent with some closing of the logistics gaps.

11. It is also possible to compare respondents’ ratings of infrastructure with the ratings in previous LPI reports. Table below shows clear evidence of increasing satisfaction with port infrastructure, since scores in 2018 are higher than in previous years, as they were in 2016 compared with 2014 in most quintiles. Although for other types of infrastructure the picture is mixed and varies by quintile, these results together with respondents’ observations of improvement

clearly suggest that governments are aware of the importance of infrastructure quality for logistics performance and are working successfully to improve it.

### Respondents rating the quality of each infrastructure type “high” or “very high,” by LPI quintile

Percent of respondents

LPI quintile	Ports	Airports	Roads	Rail	Warehousing and transloading	ICT
Bottom quintile	26	30	17	17	21	34
Fourth quintile	23	13	10	9	23	44
Third quintile	33	39	20	12	27	48
Second quintile	57	41	37	11	37	52
Top quintile	63	67	57	37	62	75

ICT is information and communications technology.

Source: Logistics Performance Index 2018.

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.~~

~~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.

~~10.12.~~ 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.

~~11.13.~~ 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 Darussalam<sup>3</sup>, 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. below 3.5 in both road and rail, were in Bangladesh, Cambodia, Kyrgyzstan, Lao People Democratic Republic, Mongolia, Nepal, and the Philippines.<sup>4 5</sup>

~~12.14.~~ 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)**

<sup>3</sup> Brunei Darussalam does not operate a rail network.

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

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

~~13.15.~~ The Intergovernmental Agreement on Asian Highway Network<sup>6</sup> has been the basis of ESCAP secretariat's work to promote and facilitate the development and upgrading of the international highway network in the region, notably through seven 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 was held in Bangkok from 13 to 15 December 2017. The Working Group adopted an amendment to the Agreement<sup>6</sup> with respect to the addition of a new Asian Highway route (AH35) connecting Undurkhaan in Mongolia to Jinzhou in China. An amendment related to the alignment of Asian Highway route AH43 in Sri Lanka was also adopted.

~~14.16.~~ Among others, the Working Group recognized the recommendations contained in the report of the Committee on Transport on its fourth session, of 21 October 2014 on co-deployment of fibre optic infrastructure along road and rail networks, and against that background, it requested the secretariat to undertake a further study on co-deployment. In response to that, the secretariat is currently conducting a study on co-deployment and will organize a workshop in Bangkok on 22 November 2018. At the workshop, the secretariat will present the findings of the study related to planning and undertaking co-deployments for cross-border connectivity along road and rail routes.

~~15.17.~~ The Working Group also acknowledged that the expected increase in road movements across borders called for a harmonized driving environment across the region and that, in this context, the Agreement<sup>6</sup> provided an institutional platform for collective action towards this objective. It recognized that tackling the road safety issue from the infrastructure perspective would help member States achieve the “updated Regional Road Safety Goals and Targets for Asia and the Pacific, 2016-2020”<sup>7</sup> which had been adopted at the third Ministerial Conference on Transport held in Moscow from 5 to 9 December 2016.

~~16.18.~~ In addressing road safety in the region, the secretariat implemented a 3-year project during 2015-2017 named “Development of technical standards on road infrastructure safety facilities and model intelligent transport systems (ITS) deployments for the Asian Highway Network”<sup>8</sup>, with financial and technical support from the Korea Expressway Corporation (KEC) of the Republic of

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<sup>6</sup> United Nations, *Treaty Series*, vol. 2323, No. 41607.

<sup>7</sup> E/ESCAP/MCT(3)/11.

<sup>8</sup> The details of the project is available at: [www.unescap.org/resources/road-safety-infrastructure-its](http://www.unescap.org/resources/road-safety-infrastructure-its)

Korea. The project included a study<sup>9</sup> on the development of road infrastructure and safety facility standards which led to the drafting of a new annex to the Agreement<sup>6</sup> entitled “Asian Highway Design Standards for Road Safety” and a detailed “Design Guideline”<sup>10</sup> for road safety. The new annex was adopted by the Working Group on the Asian Highway at its seventh meeting as Annex II bis to the Agreement<sup>11</sup> which was a concrete step by the Asian Highway member States towards strengthening the role of the Agreement<sup>6</sup> as an institutional framework supporting realization of the road safety related Sustainable Development Goals.

~~17~~19. In this regard, the new annex was circulated by the Secretary-General of the United Nations to all Parties<sup>12</sup> to the Agreement for their acceptance in Depositary Notification C.N.53.2018.TREATIES-XI.B.34.a of 26 January 2018, which is available at <https://treaties.un.org/doc/Publication/CN/2018/CN.53.2018-Eng.pdf>. In accordance with Article 8, paragraph 5 of the Agreement, the new annex shall enter into force twelve (12) months after it has been accepted by two-thirds of the Parties. A model instrument of acceptance is enclosed in Annex IV to this document for ease of reference. In addition to implementing the design standards as stipulated in the Agreement<sup>6</sup>, SPECA member States are encouraged to follow the detailed “Design Guideline” as a reference document while implementing their highway projects.

~~18~~20. Under the project<sup>8</sup> with title “Development of technical standards on road infrastructure safety facilities and model intelligent transport systems (ITS) deployments for the Asian Highway Network”, the secretariat reviewed current practices and status of ITS deployments in the Asian Highway member States. The study included a comprehensive survey which was conducted in 2016. Twenty-One Asian Highway member States, including four SPECA member States (Afghanistan, Kazakhstan, Turkmenistan and Uzbekistan) responded to the survey. The study<sup>13</sup> identified several benefits of the deployment of ITS services for road users and operators in terms of traffic operation and safety. The study recommended that it is necessary to develop

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<sup>9</sup> Further information on the study “Road Infrastructure Safety Facilities for the Asian Highway Network” is available at: [www.unescap.org/sites/default/files/1-Road%20safety%20study%20report.pdf](http://www.unescap.org/sites/default/files/1-Road%20safety%20study%20report.pdf)

<sup>10</sup> The detailed “Design Guideline” is available from [www.unescap.org/resources/road-safety-infrastructure-its](http://www.unescap.org/resources/road-safety-infrastructure-its).

<sup>11</sup> The adopted Annex II bis is available from [www.unescap.org/sites/default/files/2-Annex%20II%20bis%20Asian%20Highway%20Design%20Standards%20for%20Road%20Safety.pdf](http://www.unescap.org/sites/default/files/2-Annex%20II%20bis%20Asian%20Highway%20Design%20Standards%20for%20Road%20Safety.pdf)

<sup>12</sup> All SPECA member States are Parties to the Agreement<sup>6</sup>.

<sup>13</sup> Further information on the study is available at: [www.unescap.org/sites/default/files/4-Model%20ITS%20deployment%20study%20report.pdf](http://www.unescap.org/sites/default/files/4-Model%20ITS%20deployment%20study%20report.pdf)

customized ITS services by appropriately classifying the member States according to their socioeconomic characteristics, existing and planned road infrastructure and social needs.

19-21. Overall, since the adoption of the Agreement<sup>6</sup>, notable progress has been made in the development and upgrading of the Asian Highway in conformity with the Agreement's classification and design standards. While the proportion of Class I sections in SPECA member 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 Asian Highway 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 (Annex I).

20-22. Afghanistan is developing its highway infrastructure as a part of its regional and subregional transport connectivity initiative. For example, under the Trans-Hindukush Road Connectivity Project, preparations for the construction of the Baghlan to Bamiyan (B2B) road, and the rehabilitation of the Salang road and tunnel (AH76) are moving forward. During the first half of the project, the focus is on upgrading the B2B road so that it can serve as a bypass road of the Salang pass, then, major repairs of the Salang road and tunnel will be conducted. Under the Road Asset Management Project, Ghazni- Kabul -Jalalabad (AH1) is being maintained as well as a Road Asset Management System (RAMS) is being developed.

21-23. Azerbaijan is paying great attention to the development, upgradation and maintenance of highways of regional and subregional importance. For example, the proposed upgradation of Yevlakh – Zakatala – Georgian border (M5) will help developing tourism in the north-western part of Azerbaijan. Another project which is scheduled for completion in 2019 has an objective of contributing to a more efficient and safer Baku- Shamakhi (M4) road. The project includes upgrading of 100-km highway from the existing 2-lane road in to a 4-lane motorway standard.

22-24. Kazakhstan has continued to expand its highway network by construction of new roads. The Central Asia Regional Economic Cooperation (CAREC) 1b and 6a Connector Project, which includes reconstruction of a 299-km section between Aktobe and Makat will enhance connectivity between Asian Highway 61 and Asian Highway 70. The existing Aktobe- Makat road is a two-lane national road, connects the administrative centres of the oil- and mineral-rich provinces of Aktobe and Atyrau. The project will thus promote regional trade and inclusive economic growth, particularly in the western part of Kazakhstan.

[23-25.](#) A proposed highway project will restore and improve connectivity between Dushanbe, the north-eastern part of Tajikistan and Kyrgyzstan via the M41 highway, which is located on the Asian Highway 65 and the Central Asia Regional Economic Cooperation (CAREC) corridors 2, 3, and 5. The project road, which is about 72-km long, will replace a section of the existing M41 highway between Obigarm and Nurobod which will be inundated due to the construction of the Rogun Hydropower (HPP) project. The new highway will serve communities that presently rely on the existing M41 highway for access to economic opportunities and social services.

[24-26.](#) In Kyrgyzstan, the Central Asia Regional Economic Cooperation Corridors 1 and 3 Connector Road Project, which will connect Asian Highway 7 and Asian Highway 61, will improve national and regional connectivity by rehabilitating an estimated 253 kilometres of road sections in the centre of the country. The proposed project is consistent with the government's priority of providing alternate access in national and regional connectivity.

[25-27.](#) Tajikistan is undertaking rehabilitation and reconstruction of a 40-km section of highway on the Asian Highway route AH7 between Dushanbe and Kurgonteppa, which is also a part of the Central Asia Regional Economic Cooperation Corridors 2, 5, and 6 corridors. The project will also include improvement of road safety in selected sections of the national highway.

[26-28.](#) In Uzbekistan, rehabilitation and upgradation works for the sections of the Central Asia Regional Economic Corridor 2 (Asian Highway 5) is moving forward. All these sections connect Uzbekistan to Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan. Once completed, these sections of roads will provide Uzbekistan and other Central Asian countries direct access to the Caspian Sea, and thereafter to South Asia and the Black Sea (via road corridors being built in Armenia, Azerbaijan, and Georgia).

### **Trans-Asian Railway**

[27-29.](#) 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 environmentally sustainable transport, including rail new prominence into their transport development plans. However, important challenges remain.

28.30. 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 countries<sup>14</sup> 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.

29.31. In particular, the railways of China are now at the centre of international landbridge container services. Asia-Europe rail container volume jumped 60 percent in 2017 from 2016. By 2027, the total rail potential is forecast to be about 636,000 TEU, or 21 trains a day, according to China Railway Corp.

30.32. A new freight train linking east China's Shandong Province with Milan, Italy, started service in August 2018, making it the newest China-Europe freight train route. A 41-container train carrying clothing, electronic products, and machinery departed from Yanzhou North railway station and will run every Friday. The 10,900-km journey, which makes a stop in Chengdu for customs clearance, will take 18 days. Direct freight train service will be launched between Shandong and Europe on Aug. 31. Trains departing from Yanzhou North railway station will ship goods to cities including Warsaw, Poland and Hamburg and Duisburg, Germany via Russia and Belarus. As of end of June 2018, China-Europe freight trains have made over 9,000 trips since the service began in 2011, delivering 800,000 20-foot equivalent units of goods. The trains are currently operated between 48 Chinese cities and 42 cities in 14 European countries.

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<sup>14</sup> With the exception of Afghanistan which has yet to develop a full blown operational rail network.-

31-33. 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 launched<sup>15</sup>. 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 Afghanistan<sup>16</sup>. 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 Nam<sup>17</sup>.

32-34. 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.

33-35. 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 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

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<sup>15</sup> Source: Leipziger Volkszeitung, "Mehr container gehen per zug nach China", 30 December 2016.

<sup>16</sup> Source : Railway Gazette International, « Chinese freight train reaches Hairatan », 7 September 2016.

<sup>17</sup> Source: [http://www.inform.kz/en/first-batch-of-kazakhstan-grain-sent-from-china-to-vietnam\\_a2996084](http://www.inform.kz/en/first-batch-of-kazakhstan-grain-sent-from-china-to-vietnam_a2996084).

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.

[34:36.](#) Azerbaijan, Georgia, and Turkey have launched a rail link connecting the three countries on 30 October 2017 as part of the new Baku-Tbilisi-Kars (BTK). The 826-kilometer railroad will have an initial capacity to transport 1 million passengers and 5 million tons of freight a year. The project, which included 105 kilometers of new track, was launched in 2007. Its completion had been postponed several times since 2011. After departing China, trains will cross into Kazakhstan at the Khorgos Gateway before being transported by ferry across the Caspian Sea toward Baku and then heading to Western Europe via Georgia and Turkey.

[35:37.](#) 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.

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

[36:38.](#) 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.

[37:39.](#) 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.

[38-40.](#) 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.

[39-41.](#) 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. 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 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.

[40-42.](#) 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.

[41-43.](#) 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~~was 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.<sup>18</sup>

42.44. 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 countries**

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

43.45. 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.

44.46. 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.

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<sup>18</sup> 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>.

[45.47.](#) 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.

[46.48.](#) The insight into the analysis carried out during phase III of the EATL Project, the 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 countries, (ii) international trade between Europe and Asia, (iii) EATL infrastructure, or (iv) harmonization of procedures between EATL countries.
- 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.

[47.49.](#) 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) and was approved at the UNECE Inland Transport Committee at its session in February 2018. In conclusion of the EATL Phase III, an International Conference on Making Euro-Asian Transport Corridors Operational will be organized, in Geneva on 3 September 2018. The conference targets senior-level representatives of EATL countries (many of which are LLDCs) but also private sector, shippers,

rail operators, road transport associations, investment banks as well as representatives of international organizations. Focus of the discussions will be on how to further facilitate the development of Euro-Asian corridors, eliminate if possible any non-physical obstacles and make inland transport a major contributor to the economic development and trade facilitation of the region. Representatives from key private companies that already perform transportation services along those corridors will be invited to share the results of their efforts but also their experience, lessons learnt and challenges that they still face.

48.50. One of the key challenges towards sustainable infrastructure development in the Euro-Asian region remains the lack of funding. In response to this, under the auspices of the UNECE an International Transport Infrastructure Observatory is being developed with funding support of the Islamic Development Bank. The observatory will be an innovative example of how government data on new transport infrastructure projects is presented to financial institutions and other donors in a transparent, comprehensive and 'bankable' way. It is devised as an online platform where (a) governments find the data to prepare benchmark and present their transport infrastructure projects and (b) financial institutions can consider, analyse and compare projects from a regional/international perspective and identify those they wish to finance. Bearing in mind that along European and Asian corridors there are currently many different regional initiatives all having transport and border crossing facilitation as their main objective the observatory is also expected to enhance cooperation among those different initiatives, create economies of scale, maximize efficiency and provide concrete and tangible inputs to Governments. In accordance with the initial project plan, the first phase of the observatory will be ready and operational in autumn 2018.

#### **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) 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;
- 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 take active participation in the International Conference on Making Euro-Asian Transport Corridors Operational which will be organized, in Geneva on 3 September 2018.

**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
<b>Total</b>	<b>0</b>	<b>2,386</b>	<b>11,243</b>	<b>10,503</b>	<b>3,010</b>	<b>27,142</b>			
<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 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)

## Annex IV

### Model Instrument of Acceptance of Amendment

*(to be signed by the Head of State, Head of Government or Minister for Foreign Affairs)*

WHEREAS the Intergovernmental Agreement on the Asian Highway Network was adopted at Bangkok on 18 November 2003, and *[ratified, accepted, approved, definitively signed or acceded to]* by *[State]* on *[date of deposit of its instrument of ratification, acceptance, etc.]*,

WHEREAS the Working Group on Asian Highways at its seventh meeting, held in Bangkok on 13-15 December 2017, adopted the following Amendments in accordance with Article 8 of the Agreement:

Article 10, Title: *after Annexes II add IIbis*

Article 10, paragraph 1: *after Annexes II add IIbis*

Article 17: *after Annexes II add IIbis*

WHEREAS these amendments, resulting in the introduction of a new Annex II bis “Asian Highway Design Standards for Road Safety”, were communicated by the Secretary-General to all Parties by Depositary Notification C.N.53.2018.TREATIES-XI.B.34.a on 26 January 2018,

NOW THEREFORE I, *[name and title of Head of State, Head of Government or Minister for Foreign Affairs]*, declare that the Government of *[State]*, having considered the above-mentioned Amendments accepts the same and undertakes faithfully to perform and carry out the stipulations therein contained.

IN WITNESS WHEREOF I have signed this instrument of acceptance at *[place]* on *[date]*.

*[Signature]*