



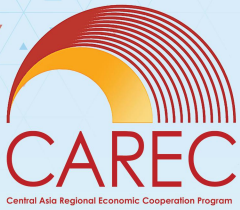
Role of Multi-lateral Development Banks in developing bankable transport infrastructure projects – experiences and best practices

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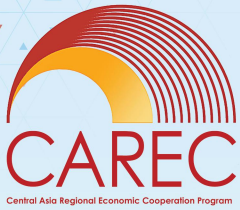
Asian Development Bank

- Established in 1966 to assist Asia & Pacific Developing Countries with economic and social development
- Provides support to 12 landlocked countries:
 - Afghanistan, Armenia, Azerbaijan, Bhutan, Lao PDR, Mongolia, Kazakhstan, Kyrgyz Republic, Nepal, Tajikistan, Turkmenistan, Uzbekistan
- Landlocked countries are members of 3 regional cooperation platforms (CAREC, SASEC and GMS)



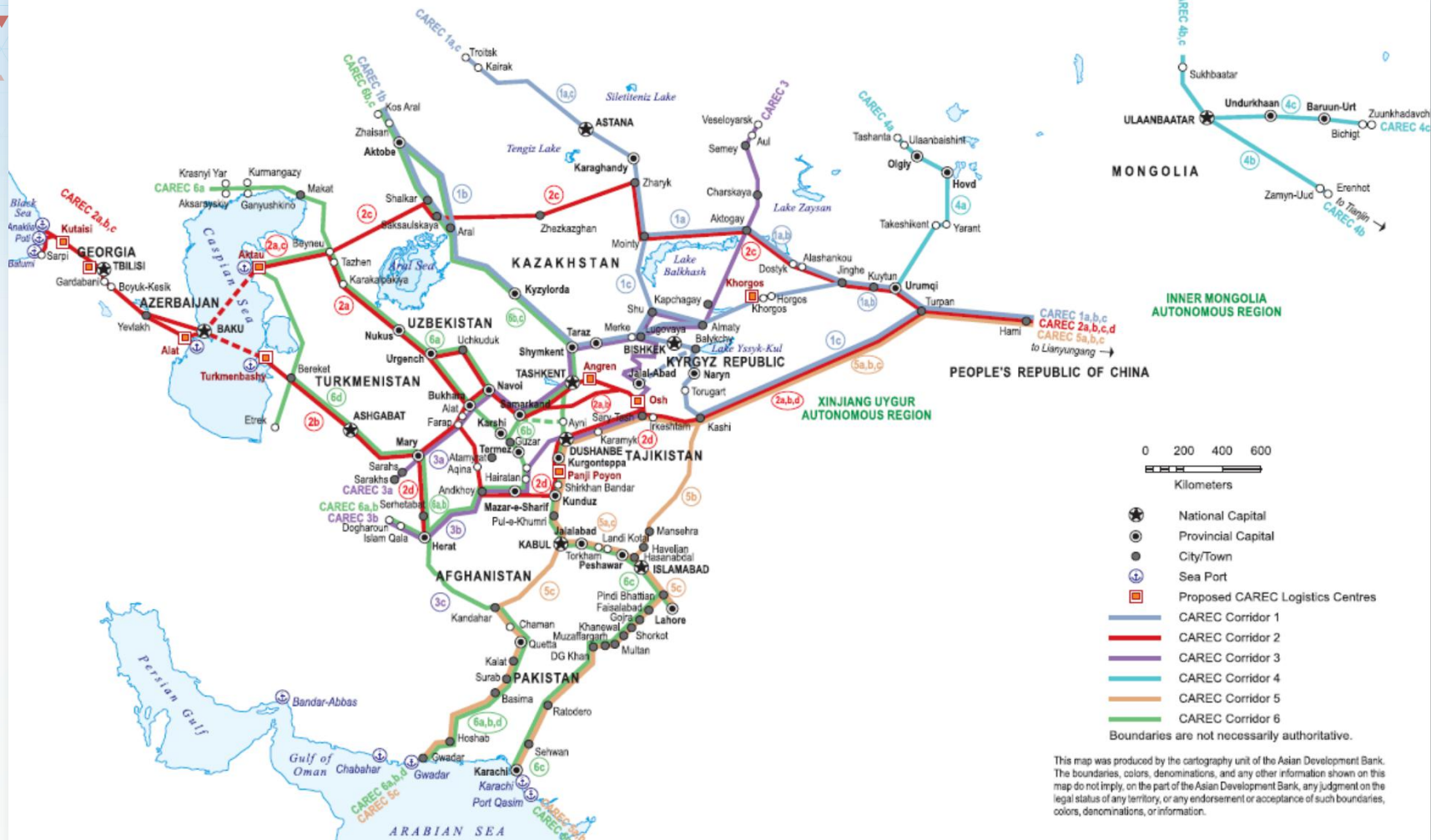
Land locked countries have different challenges

Country	Main trading partners (% of total trade), EU 2020	% of international trade can be served entirely by land transport	Transit challenges
Afghanistan	IRN (15.2), PRC (14.2), PAK (12.9), IND (12.2)	> 80%	Poor land connectivity with main trading partners, dependency of PAK ports
Armenia	RUS (30.3), EU27 (18.0), PRC (13.6)	> 80%	Connection through Georgia ports enhances regional connectivity
Azerbaijan	EU27 (36.3), TUR (17.0), RUS (10.9)	> 75%	Well connected to main trading partners, has transit potential
Kazakhstan	EU27 (29.7), RUS (21.9), PRC (15.6)	> 75%	Transit country, well connected to main trading partners by land
Uzbekistan	PRC (17.4), RUS (15.9), EU27 (10.9)	> 65%	Connected by land to main trading partners, but many border crossings



Central Asian Regional Economic Cooperation (CAREC) program

- The partnership platform among Developing Member Countries, IFIs and other development partners
- Focused on alignment of transport priorities, investments and initiatives among member countries and development partners
- Projects are aligned along designated transport corridors
- Projects under CAREC umbrella normally follow IFI procedures for project preparation and implementation





Project selection, scoping and preparation

- Borrowing capacity is monitored, IFIs coordinate lending
- IFIs and DMCs have partnership strategies and operations plans, actions are coordinated by DMCs and directly among IFIs (e.g. Western Europe – Western China road in Kazakhstan)
- Projects are examined to ensure economic and social return on investment and sustainability. Additional components can be added to enhance economic return and sustainability
- IFIs can provide additional support to ensure project readiness (e.g. detailed feasibility studies, detailed engineering design, advance procurement, etc.)
- Strict social safeguards are applied to ensure proper property acquisition, fair distribution of benefits, especially among disadvantaged social groups
- Procurement is transparent and is based on best international practices of goods and consulting services procurement and contract management
- IFIs provide implementation support during the entire project cycle
- Projects are assessed upon completion and further validated for achieving outcomes a few years after completion

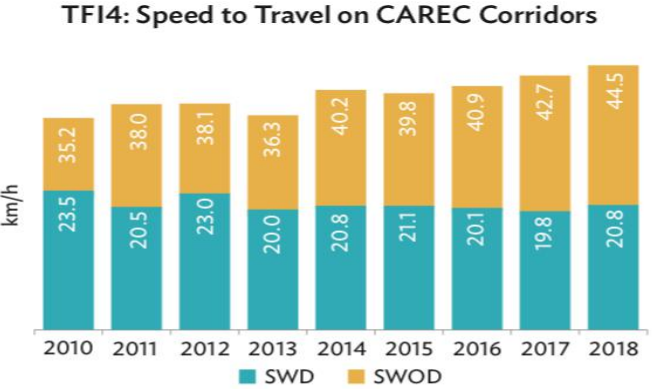
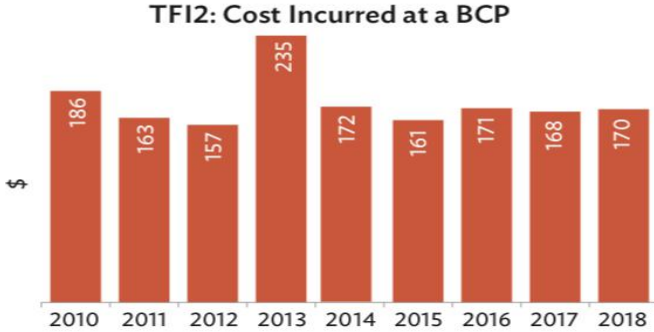
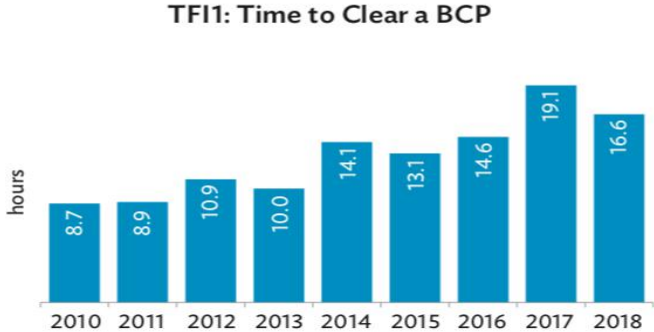


CAREC Corridor Performance Measurement and Monitoring (CPMM)

- Used to monitor time and cost of delays at the key road and rail border crossing points, since 2010
- Data is collected by the private transport/freight forwarding associations based on inputs from the truck drivers (road) and freight forwarders (rail)
- Annual reports are available on the www.carecprogram.org and www.adb.org



Figure 2.9: Trend of Trade Facilitation Indicators for Combined Road and Rail Transport, 2010–2018



BCP = border-crossing point, CAREC = Central Asia Regional Economic Cooperation, km = kilometer, km/h = kilometer per hour, SWD = speed with delay, SWOD = speed without delay, TFI = trade facilitation indicator.
 Source: Asian Development Bank.

Selected CPMM Results 2018 (hours to cross the BCP)



Border crossing point	Frontier	Hours
Chaman, outbound	PAK-AFG	65.2
Torkham PAK, outbound	PAK-AFG	33.5
Torkham AFG, inbound	AFG-PAK	27.6
Spin Boldak, inbound	AFG-PAK	25.7
Ak-Tilek, outbound	KGZ-KAZ	0.2
Pogodaevo, outbound	KAZ-RUS	0.1
Torugart, inbound	PRC-KGZ	0.1
Troitsk, inbound	RUS-KAZ	0.1

Time / cost of transport from Islamabad to Alma-Ata (ADB, 2014)

North-South Great Transportation Divide:

- Short direct road transport routes are less cost competitive than much longer multimodal routes
- Despite geographical proximity, economic distance bw Central and South Asia is huge





Case study: Regional Improving Border Services project

Key works and facilities:

- Slope retaining walls, drainage, utilities
- Power supply, lighting
- Large parking areas, road works, bridges
- Cargo and Passenger terminal
- Administrative Center, Business Center, Service facilities
- Warehouses, Sheds, Inspection facilities
- Fencing, Watchtowers
- Gantry scanner blocks

Key equipment:

- Gantry, Portal and Mobile cargo x-scanners
- Immigration control equipment
- Weighbridges
- Security equipment
- IT equipment and networks





Project background

- Has strong regional impact as project facilities (BCP Torkham, Chaman and Wagha) are located along main CAREC corridors, connecting Central and South Asia
- The project was prioritized, considering borrowing capacity of Pakistan, and the project economic and social impact
- Aligned with other IFI- and government-financed projects to improve backbone transport infrastructure
- The project design was enhanced to implement a comprehensive modern border management regime in Pakistan, through establishing the Pakistan Land Port Authority, training and capacity development of Border Management Agencies
- Direct contracting was used, but proper control mechanisms were implemented. Contracts were awarded only after ADB's no-objection
- Social and environmental impacts were assessed and required actions were properly implemented before notice to proceed for construction
- ADB project team continuously supports the client during all stages of the project implementation



Thank you!

Further reading:

CAREC Transport: https://www.carecprogram.org/?page_id=14

CPMM 2019: <https://www.adb.org/publications/carec-cpmm-annual-report-2019>

Pakistan RIBS project: <https://www.adb.org/projects/46378-002/main>

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