

Summary of Proceedings

22nd CAREC Transport Sector Coordinating Committee Meeting

16–17 June 2025, Bishkek, Kyrgyz Republic

Introduction

1. The Central Asia Regional Economic Cooperation (CAREC) Transport Sector Coordinating Committee (TSCC) held its 22nd meeting on 16–17 June 2025 in Bishkek, the Kyrgyz Republic. Delegates from ten CAREC Member Countries (MCs) and CAREC development partners, including the Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), CAREC Institute (CI), Eurasian Fund for Stabilization and Development (EFSD), European Bank for Reconstruction and Development (EBRD), German Corporation for International Cooperation (GIZ), International Road Transport Union (IRU), Japan International Cooperation Agency (JICA), Korea International Cooperation Agency (KOICA), United Nations Economic Commission for Europe (UNECE), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and the World Bank (WB) attended the Meeting. The Meeting was chaired and hosted by the Kyrgyz Republic in its role as chair of the CAREC program in 2025.

Objectives and Discussions

2. The TSCC meeting was convened to discuss the preliminary outcomes and draft recommendations of the CAREC Strategy 2030 Midterm Review (CTS 2030 MTR) and take stock of achievements, along with ongoing and planned transport initiatives, under the five core pillars of the CTS 2030.

3. CAREC MCs provided progress updates on their respective transport priority programs, key actions, and needs for financial and technical assistance from the international development community. Development Partners (DPs) likewise shared progress on their transport initiatives in the CAREC region.

4. **CAREC Transport Strategy 2030 Midterm Review.** One of the key recommendations of the CAREC 2030 Midterm Review (MTR), which was endorsed at the 23rd CAREC Ministerial Conference, was to review CAREC sectoral strategies and recalibrate these, as necessary, to ensure that they remain aligned with the overall regional strategy. The MTR of CTS 2030 was conducted, and the draft CTS MTR report had been shared with the TSCC meeting participants before the TSCC meeting. Major findings and recommendations were presented and discussed during the meeting.

5. CTS 2030 MTR indicates that CTS 2030 remains relevant and has successfully met its objectives of improving connectivity and sustainability across CAREC MCs but needs to be updated to reflect emerging trends and new priorities (e.g., climate risks, digital technologies, geographic dynamics). MTR recommendations include (i) strengthening cross-border and corridor efficiency, (ii) promoting modal diversification and smart mobility, (iii) scaling up green, resilient, inclusive, and digitalized transport, and (iv) enhancing institutional collaboration and planning.

6. The review benefited from a diverse range of perspectives through consultations with CAREC MCs, the CI, and DPs. It was conducted in parallel and in collaboration with CAREC Integrated Trade Agenda 2030 (CITA 2030) and CAREC Digital Strategy MTRs. The preliminary findings of the CTS 2030

MTR were presented to CAREC MCs and key stakeholders at a side event of the ITF Summit on 21 May 2025 in Leipzig, Germany. The MTR will also be reported at the Senior Officials' Meeting (SOM) on 18–19 June 2025 in Issyk-Kul, the Kyrgyz Republic and will be endorsed at the CAREC Ministerial Conference in November 2025.

7. In light of the renewed interest in CAREC Corridor 2, the CAREC Program is also spearheading the ongoing CAREC Corridor 2 Development Study. The study outlines strategic responses to key challenges in the development of CAREC Corridor 2, including road, rail, and port infrastructure upgrades and operational efficiency improvements, development of logistics hubs, deployment of digital solutions to optimize logistics operations, and strengthening transnational coordination to harmonize customs and cross-border requirements and procedures.

8. Needs for CAREC Corridor 2 development have already been identified, and some are programmed for implementation over the period 2025–2028. A dedicated working group (WG) will be created to provide advisory support and guide the planning and implementation of the projects. The CAREC Secretariat, CI, DPs, and the private sector will comprise the proposed WG.

9. **Cross-border transport facilitation.** The Meeting provided progress updates on ongoing and planned projects under the cross-border trade and logistics pillar, which include development of ports and full modernization of Border Crossing Points (BCPs) across CAREC transport systems to facilitate the smooth flow of goods and passengers across borders.

10. Several BCPs remain as bottlenecks along the CAREC network, where congestion and delays are caused, among other things, by coordination issues, lack of joint facilities, duplicative cross-border requirements and procedures, as well as outdated infrastructure and equipment. As part of efforts to improve BCPs along the CAREC network, CAREC Transport plans to create a regional financing facility for BCP improvements and joint BCPs development.

11. Under a consultative and programmatic approach, multiple BCP projects can be bundled under the proposed facility (Borders Upgrades for Integration, Logistics and Development or BUILD), thus allowing more harmonized processes and regulations as well as access to financing in a coordinated manner. The facility will blend different types of financing, including technical assistance (TA), ADF grants, and concessional loans. Individual project size is estimated at \$30-50 million with an indicative total amount of \$300-400 million. Suggestions for candidate projects were welcomed at the TSCC Meeting. During discussions, the World Bank expressed willingness to discuss the proposed BUILD financing facility when it becomes available.

12. The geographical coverage of the Corridor Performance Measurement and Monitoring (CPMM) tool is also being expanded to include East Asia – Central Asia, South Asia – Central Asia, Eurasian Continental, and Trans-Mongolia. The CPMM tool tracks CAREC corridor performance in terms of speed and cross-border costs and helps guide the development and assess the impact of border crossing time- and cost-reduction measures. Relatedly, BCP surveys of selected high-traffic BCPs along CAREC corridors were also conducted and completed in 2024 to supplement CPMM data. The surveys allowed the collection of more insightful data on the qualitative aspects of BCPs, including procedures and documentation.

13. On another note, one of the key recommendations of the CTS 2030 MTR is to expand the role of CI on transport planning, including policy advice, strengthening capacities, as well as private sector engagement to advance innovation and transport solutions. Along these lines, the CAREC Institute now leads the preparation of the CPMM Annual Report (beginning 2023) as well as Policy Briefs using CPMM findings. CI will also be the custodian of the proposed regional transport model for monitoring freight flows and corridor development in CAREC. Likewise, CI will spearhead the development of a data and information platform for the CAREC region as well as preparation of annual transport sector profiles and flagship reports using CPMM and Asian Transport Observatory data.

14. On containerization, the CAREC Institute presented the key insights from the CI-led Containerization Study during the Meeting. Key findings of the report indicate that container freight traffic is fast gaining ground in Central Asia, but constraints in seaports, BCPs, and inland facilities which impede multimodal operations remain.

15. The study finds that container freight traffic in the CAREC region is driven largely by transit volume from PRC. The PRC-Europe cluster container freight traffic is in fact projected to reach five million TEUs (Twenty Equivalent Units; base) by year 2030. Of the 10 CAREC MCs (excluding Afghanistan), Pakistan has the highest containerization level at 57%, followed by PRC at a distant 19%, and Georgia at 13%. Tajikistan and Turkmenistan have the lowest containerization level at less than 1%.

16. **Road, Road Asset Management, and Road Safety.** Under the Road Asset Management (RAM) pillar, CAREC Transport encourages the adoption of Road Asset Management System (RAMS) to support a more effective management of road networks across the region. While RAMS have been piloted across all MCs, its full integration appears to take time. To reach this milestone, sustained focus on RAMS will remain a CAREC Transport priority, alongside continued capacity building and policy support for better road management.

17. Under the road safety pillar, several knowledge products and events have been completed to promote road safety across the region, including individual country reports on crash data review and recommendations. Future initiatives under this pillar include (i) continued support on knowledge-sharing and implementation of road safety programs, (ii) development of multi-sectoral national road safety plans; (iii) digitalization of crash data systems and use of Artificial Intelligence (AI) for analysis and decision-making, (iv) strengthening digital enforcement mechanisms to improve compliance and safety outcomes; and (v) promoting inter-agency coordination to address institutional gaps.

18. To strengthen the TSCC structure, a dedicated Road WG is proposed to be created to oversee CAREC initiatives relating to road maintenance and sustainability, RAMS, and road safety outcomes. The Road WG will be composed of two transport focal persons from each CAREC MC (at least one DG-level or above from the Ministry of Transport or equivalent, and one from other national agencies responsible for roads, RAM, or Road Safety). Road WG partners will include the CI, International Transport Forum, MDBs, and members of the private sector.

19. As the Road WG Secretariat, ADB will coordinate, organize, and monitor the Working Group's activities. The Secretariat will accept nominations for Road WG transport focal points until September 2025. The first Road WG Meeting is scheduled tentatively for the fourth quarter of 2025.

20. The Kyrgyz Republic also presented the road safety and asset management developments in the country, including the establishment of a road safety audit unit, introducing road safety audit procedures, training and certification of road safety auditors, updating of the Kyrgyz State Technical University curricula to include road safety lectures, promoting the application of blackspot analysis, and capacity development initiatives, and institutional reforms to support RAMS implementation, among others.

21. **Emerging Areas (EA).** To enhance the competitive edge of CAREC transport networks, CAREC Transport will take proactive measures to stay current with emerging trends and innovative approaches to transportation. Along these lines, the EA Team will work closely with the Road WG and Smart Mobility Team to integrate digitalization, AI, and decarbonization solutions into transport planning and operations across CAREC transport systems.

22. Currently, the EA Team is developing the Carbon Pricing in Transport Study as part of its ongoing efforts. This study seeks to identify trends and best practices in transport carbon pricing as well as implementation pathways for CAREC MCs. The Green Roads toolkit, which compiles green roads practices and interventions that can be applied to road management, planning, design, construction, and asset management, is also in progress and will be introduced to CAREC MCs to support the shift from regular roads to green roads, and help promote inclusive, climate-resilient, low-carbon, and sustainable infrastructure and services across the CAREC road network.

23. The Green Roads Maturity Assessment will be rolled out in Tajikistan on a pilot-basis before the scaled-up implementation in other CAREC MCs. The toolkit is being upgraded into a web-based platform to enhance access and encourage a wider uptake among MCs.

24. Other activities in the EA pipeline include the development of a digitalization toolkit for sustainable corridor management, AI deployment roadmap for CAREC Transport sector, and decarbonization and digitalization roadmaps for each CAREC country. CAREC Transport will also support relevant initiatives to advance (i) transport-energy integration, (ii) AI-powered transport systems, and (iii) emerging connectivity and automation technologies.

25. **Railways, Logistics, and Aviation.** The Railway pillar provides prefeasibility and knowledge support to CAREC MCs through TA 9641: Railway Sector Development in Central Asia Regional Economic Cooperation Countries, Deliverables under the TA have mostly been completed or on track.

26. Activities that have been supported under the TA include railway sector assessments for each CAREC MC, development and use of the CAREC Regional Transport Model, knowledge and capacity development (KCD) projects, and prefeasibility studies (e.g., traffic study on the proposed PRC-Kyrgyzstan-Uzbekistan railway, Tashkent-Turkmenbashy container block services, etc.).

27. Following the completion of the prefeasibility study, the Tashkent-Turkmenbashy container block services will be piloted for 6-12 months with one weekly service per direction initially. The pilot run will introduce the service to the freight market and establish the core elements of the service including technical and operational standards, coordination arrangements, and marketing and pricing strategies, among others. The service will be more widely implemented in line with demand upon successful completion of the pilot run.

28. TA 9641 also supported the preparation of the Pakistan Railway–Port Connectivity prefeasibility study. The study examined the potential for shifting port traffic to rail, which can help reduce freight transport times and costs as well as the country’s transport carbon footprint. The capital requirements and corresponding train km, TEUs, and ton-km p.a. projections under various recommendation scenarios were presented during the Meeting, along with activities planned for the next phase (e.g., assistance in timetable planning software implementation, safety standards improvement, etc.).

29. The Railway pillar presentation also discussed some of the recent global challenges (e.g., COVID-19 pandemic, geopolitical rifts, climate change, etc.), and how such challenges can turn to opportunities when met with strategic responses (e.g., renewed interest in developing the Middle Corridor was driven partly by recent geopolitical frictions). Along these lines, CAREC Transport will continue to provide prefeasibility and knowledge support to CAREC MCs in the formulation and implementation of mitigation and/or transformative actions to address these challenges.

30. **Aviation.** The presentation on Aviation highlighted the market trends in CAREC’s aviation sector. The latest data indicate that CAREC international seat capacity (excluding PRC) grew by 11% in Summer 2025 compared to the global growth rate of 6%. Pakistan accounts for roughly a quarter of CAREC’s international seat capacity in 2025 (27%), followed by Uzbekistan (17%) and Georgia (14%). Intra-CAREC connectivity has also improved, although it only accounts for a small share of the overall market (7%).

31. CAREC countries are the fastest growing air transport market globally, and rapid growth in air traffic raises pressure on CAREC airport operations and infrastructure. Against this background, ADB has spearheaded several initiatives to support improvements in the CAREC aviation sector. These include the preparation of an airport sector assessment study for Georgia, a review of airport tariff policies and funding mechanisms for smaller airports in Kazakhstan, and a study to examine the feasibility of airport PPPs in Bishkek and Astana. Similar initiatives that are in progress include the feasibility study on the construction of a new international airport outside Tbilisi, and an assessment of the state of digitalization at airports in Tajikistan and Uzbekistan.

32. **Smart Mobility.** The CTS 2030 MTR has identified smart mobility as a new transport pillar which will support the greater use of smart mobility solutions (e.g., intelligent transport systems, digitalization, low emission vehicles, public transport and shared mobility, cycling and walking, transport demand management, and integrated urban planning) to help enhance the overall effectiveness of CAREC corridors.

33. A dedicated Smart Mobility Working Group (SMWG) will be created to promote intelligent transport systems, transport digitalization, e-mobility, and comprehensive public transport development across CAREC. The WG would include representatives of national and municipal transport and urban planning agencies from CAREC MCs, international organizations, ADB, and the CAREC Institute. ADB, as Secretariat, will accept nominations for SMWG transport country focal points until September 2025.

34. With technical assistance from ADB, SMWG will lead the preparation of the CAREC Smart Mobility Strategy, which will guide the development of sound smart mobility initiatives in CAREC MCs, with a view to reducing traffic congestion in urban areas, promoting low-emission modes and

vehicles, and improving safety, among others. SMWG will hold its first meeting in the fourth quarter of 2025 to discuss key issues and policy directions for the development of the CAREC Smart Mobility Strategy. To illustrate the application of smart solutions in transportation, the PRC delegate presented PRC's practices in smart transportation, status of smart transportation in PRC, and future trends in transportation.

35. CAREC Development Partners' Response to Regional Transport and Logistics Challenges. CAREC Development Partners (CAREC Institute, EBRD, EFSD, and ITF) shared a brief overview of their respective and completed and ongoing transport initiatives in the CAREC region, including providing infrastructure support (e.g., construction or rehabilitation of road and rail corridors, ports and aviation infrastructure development), promoting the TIR (Transports Internationaux Routiers) system, introducing PPPs in transport projects, promoting climate-resilient and digitalized transport corridors, as well as technical assistance to build institutional capacities and knowledge support for planning of CAREC DMCs' transport policies and investment decisions.

36. Country Transport Priority Programs. CAREC countries presented their respective transport priority programs to provide an overview of ongoing initiatives and achievements under the five strategic pillars of the CAREC Transport Strategy 2030. Country presentations were divided into three clusters: (i) Cluster 1 "Caucasus and Caspian Region," consisting of Georgia, Azerbaijan, and Turkmenistan; (ii) Cluster 2 "Connecting East and Central Asia," comprised of People's Republic of China, Mongolia, Kazakhstan, and Kyrgyz Republic; and (iii) Cluster 3 "Connecting South and Central Asia", consisting of Pakistan, Tajikistan, and Uzbekistan.

37. On the whole, CAREC MCs' transport projects and programs are widely in line with CTS 2030. CAREC MCs have been actively investing in the modernization of their respective road, railway, and aviation infrastructure, as well as in ports and logistics hubs development. Other key initiatives include digitalization of transport and logistics systems and streamlining cross-border procedures to facilitate the smoother flow of goods across borders, prioritizing the transition to green and low-carbon transport modes to promote sustainable transport, and adopting the Safe Systems approach to promote road safety. CAREC MCs also highlighted the importance of deepening cooperation in transport and logistics through accession to international transport conventions and participating in bilateral and multilateral transport agreements.

38. CAREC MCs also identified key challenges in the transport sector, including aging infrastructure, rising traffic volumes, and resource constraints, and are considering the broader deployment of digital solutions, adopting performance-based maintenance (PBM), and tapping public-private partnerships (PPPs) for transport projects to address these challenges.

39. CAREC MCs likewise raised some of their concerns, which they hope that CAREC Transport can help resolve by facilitating dialogues and more detailed discussions. Such concerns include problems encountered at BCPs (e.g., significant delays and high tariffs), improving sea freight conditions, and operationalizing (signed) transport agreements. Member countries also highlighted the huge data requirements of the proposed regional transport model for monitoring freight flows and corridor development in CAREC and the need for more updated BCP data. They also underscored the need for high-quality research with focus on areas that address directly the opportunities and hurdles that MCs face and are applicable and relevant to the CAREC context. . Member countries also appreciated the importance of the Green Roads Toolkit but would appreciate getting more

details (e.g., how it can be used beyond project approval since it may be particularly challenging to modify project design once approved).

40. Following the presentations and discussions, the Meeting agreed on the draft recommendations of the CTS 2030 and other proposed initiatives, including the establishment of dedicated working groups for Roads (road asset management, road safety, etc.) and Smart Mobility, as well as the creation of a regional financing facility for BCP improvements and joint BCPs development. Additionally, the Meeting supported the creation of a dedicated working group for CAREC Corridor 2 development, which will be supervised by ADB's Central and West Asia Regional Cooperation Unit (CWRC). CAREC Transport will prioritize implementation of CTS 2030 MTR recommendations. CAREC Transport will also initiate separate dialogues to discuss the concerns raised during the Meeting.

41. The topics discussed during the Meeting and plans for the CAREC Transport sector work will be relayed at the CAREC SOM on 18–19 June 2025 for review and endorsement. The discussion was concluded with unanimous support from the participants for the activities and initiatives that were proposed.

42. Participants expressed their satisfaction with the consensus reached during the TSCC Meeting. Participants thanked the Government of the Kyrgyz Republic for chairing and hosting the Meeting. The delegates also congratulated the CAREC Transport Secretariat and the CAREC development partners for the organization and successful conclusion of the Meeting.