



23rd Transport Sector Coordinating Committee Meeting

8-9 June 2026 | Ulaanbaatar, Mongolia

23-е заседание Координационного комитета по транспортному сектору

8-9 июня 2026 года | Улан-Батор, Монголия



CAREC Border Upgrades for Integration, Logistics and Development (BUILD) Facility

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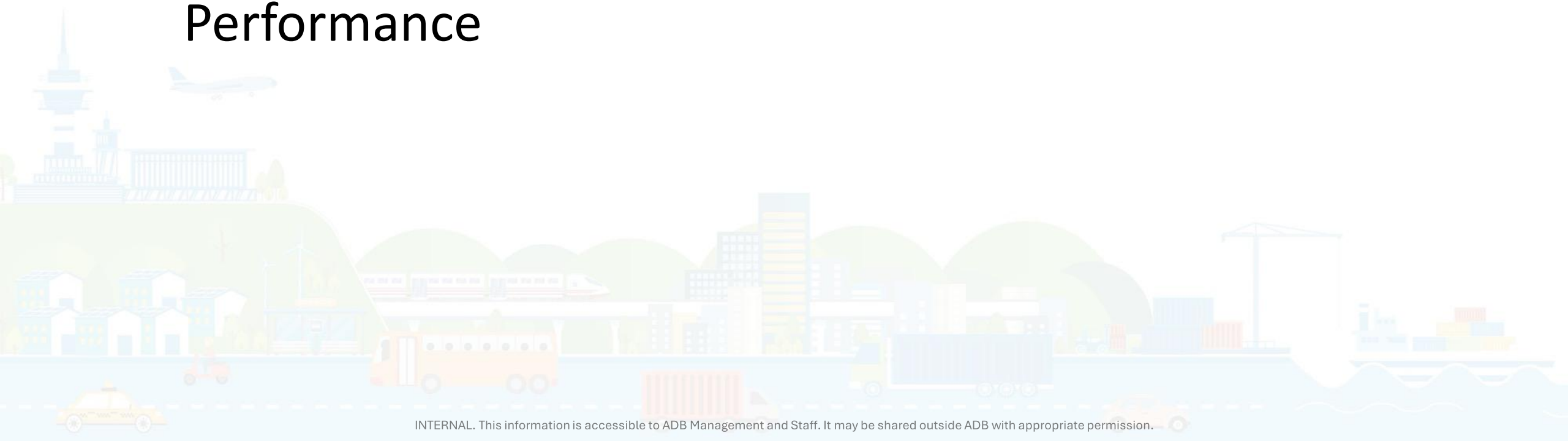
Principal Transport Specialist

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Outline

- I. Regional Trade
- II. The Performance Barriers
- III. Transforming BCPs to Unlock CAREC Corridor Performance





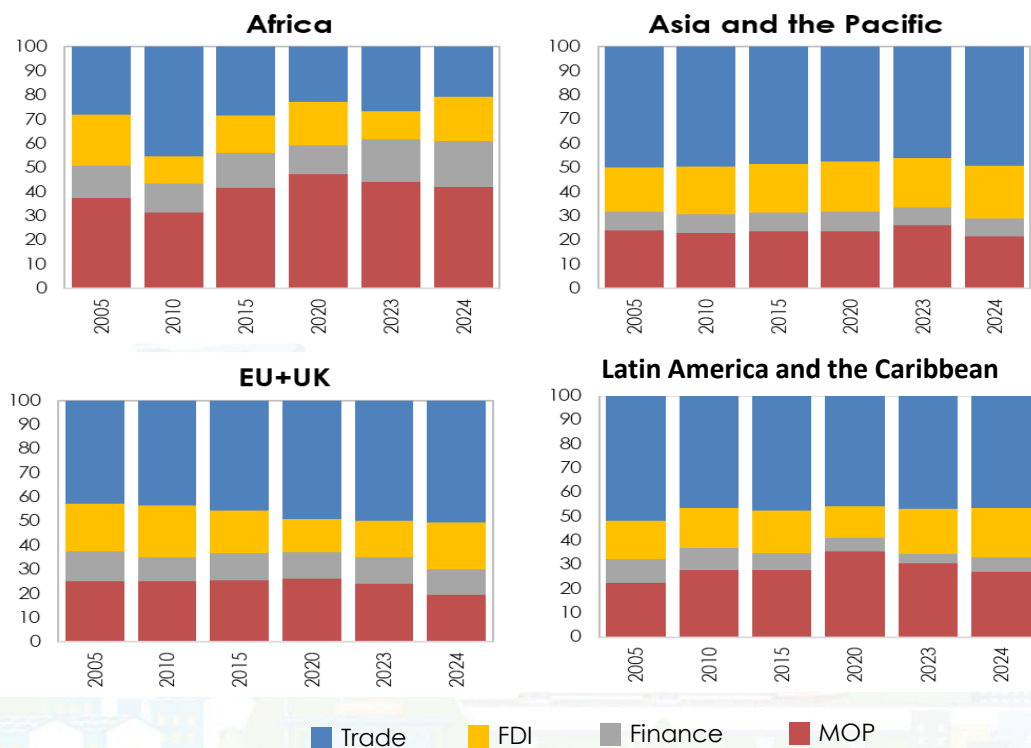
Part I: The Regional Trade

Trade has been the main driver of regional economic integration in Asia and the Pacific, followed by FDI and movement of people

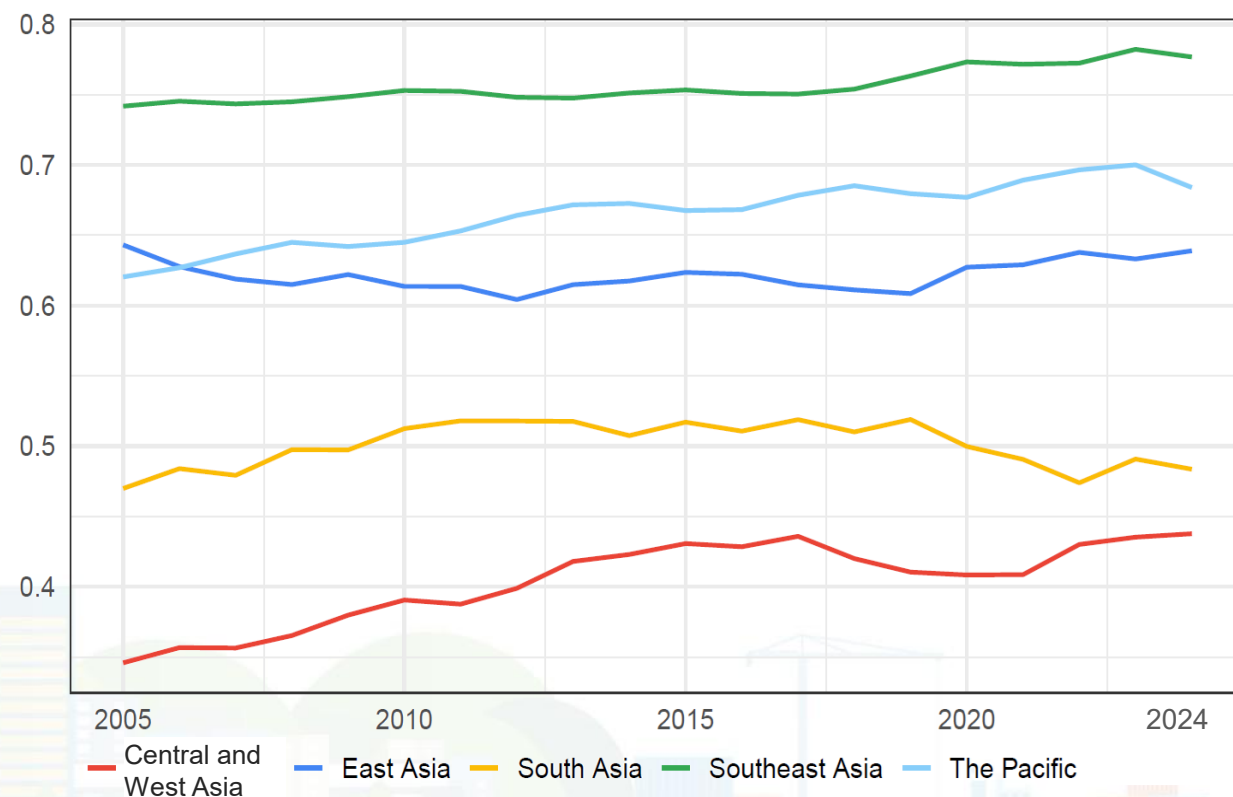
Trade in goods and services is the main driver of regional integration in Asia and other regions, except for Africa

Economic integration with Asia and the Pacific remains uneven across subregions, while having grown overall

Dimensional Shares to Overall Regional Integration Index, by World Regions (%)



Overall Regional Integration Index by Asian Subregions
(subregion's integration with itself plus with the rest of Asia and the Pacific)



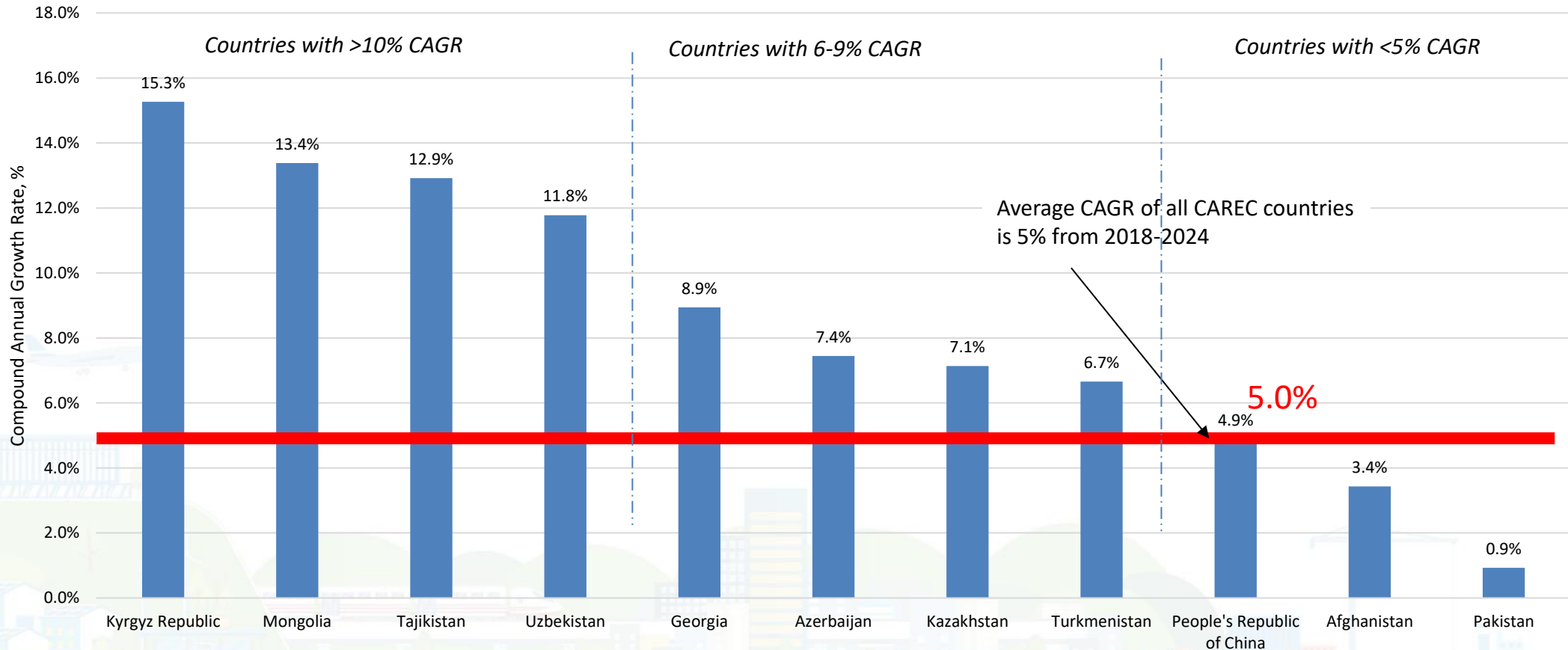
EU = European Union (27 members), FDI = foreign direct investment, MOP = movement of people, RII = Regional Integration Index, UK = United Kingdom.

Notes: Based on ADB's Regional Integration Index, estimated using Bayesian state-space model, the overall RII is the weighted average of the dimensional indexes: trade in goods and services, movement of people, FDI, and finance. For the detailed methodology, indicators used per dimension, and data sources, refer to Box 1.1 of ADB. 2025. *Asian Economic Integration Report 2025*. The composition of subregional groupings in Asia and the Pacific is outlined in <https://aric.adb.org/integrationindicators/groupings>.

Source: ADB calculations using ADB's Regional Economic Integration Index Database.

Regional Trade Turnover Trends From 2018 to 2024

CAGR of Cross-Border Trade by value (USD), %



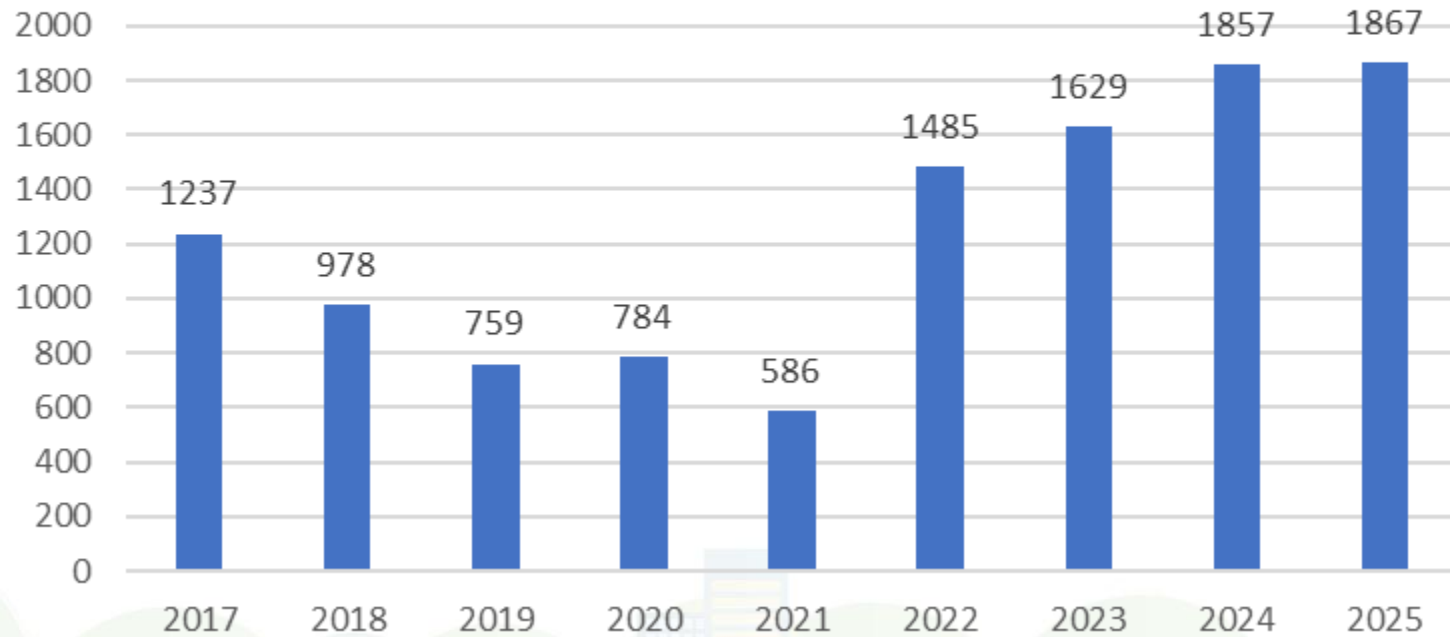
Cross-Border Trade is the sum of imports and exports

Source: Data from ITC TradeMap

Note: ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021.

The cargo along CAREC Corridor 2 is increasing:

Freight Tonnage Transported Across the CAREC Corridor 2 (000s tons)



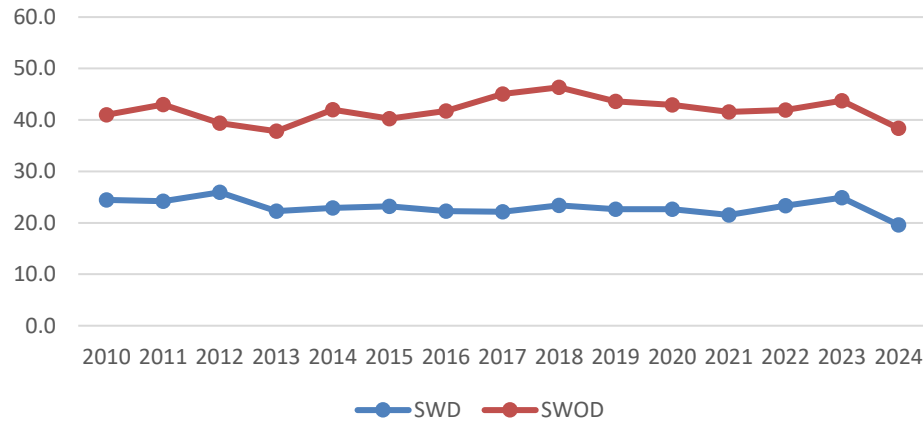
Source: Middle Corridor (<https://middlecorridor.com/>)



PART II : The Performance Barriers - Quantifying border-related friction

Average Speed to Travel on CAREC Corridors

Average Speed to Travel on CAREC Corridors
by Road, km/h

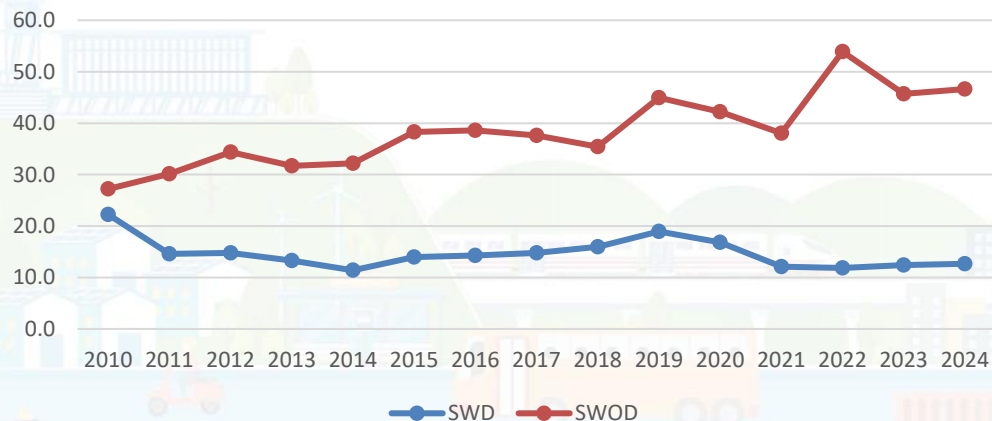


massive “lost speed” attributable to border bottlenecks

BCPs average ‘share’ of the total delays:

- 45% (roads)
- 60% (railways)

Average Speed to Travel on CAREC Corridors
by Rail, km/h



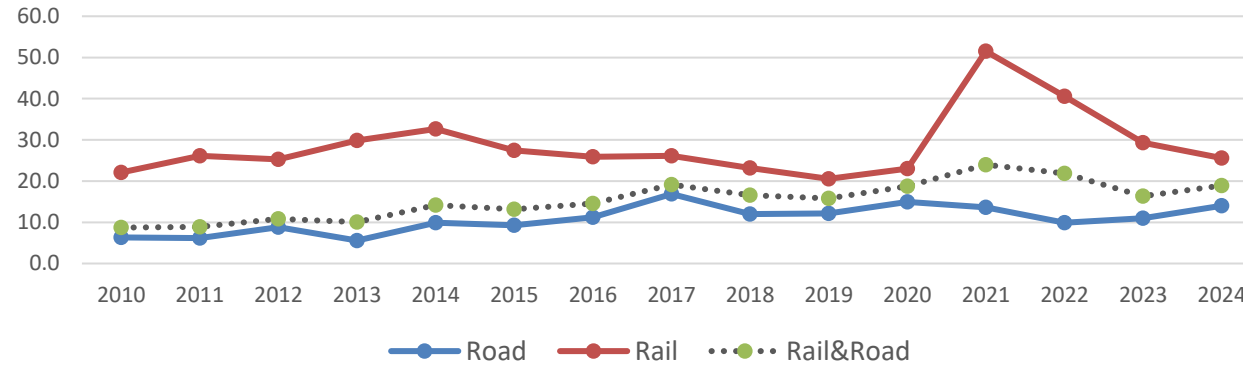
Speed without delay: upward trend reflecting improvements in railway infrastructure

Speed with delay: border crossing efficiency has not kept pace with corridor upgrades

Source: CPMM

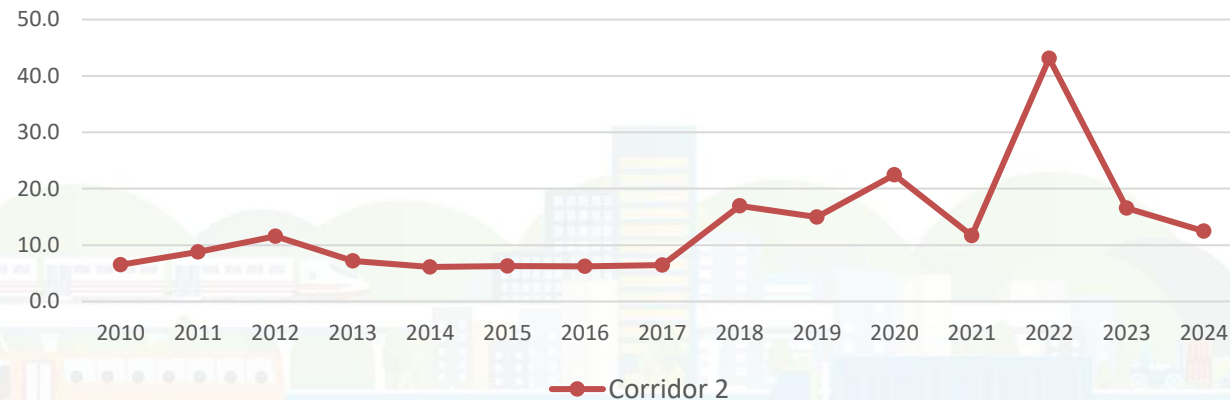
Average Time Taken to Clear a BCP

Time Taken to Clear a BCP (hours) - by Mode, all corridors



No improvements in BCP clearance time

Time Taken to Clear a BCP (hours) – Corridor 2



Source: CPMM

How BCPs Become Bottlenecks

Physical Constraints:

- Insufficient inspection and processing infrastructure
- Inadequate queuing, parking, and holding areas
- Weak traffic management
- Asymmetric capacity across borders,

Institutional Constraints:

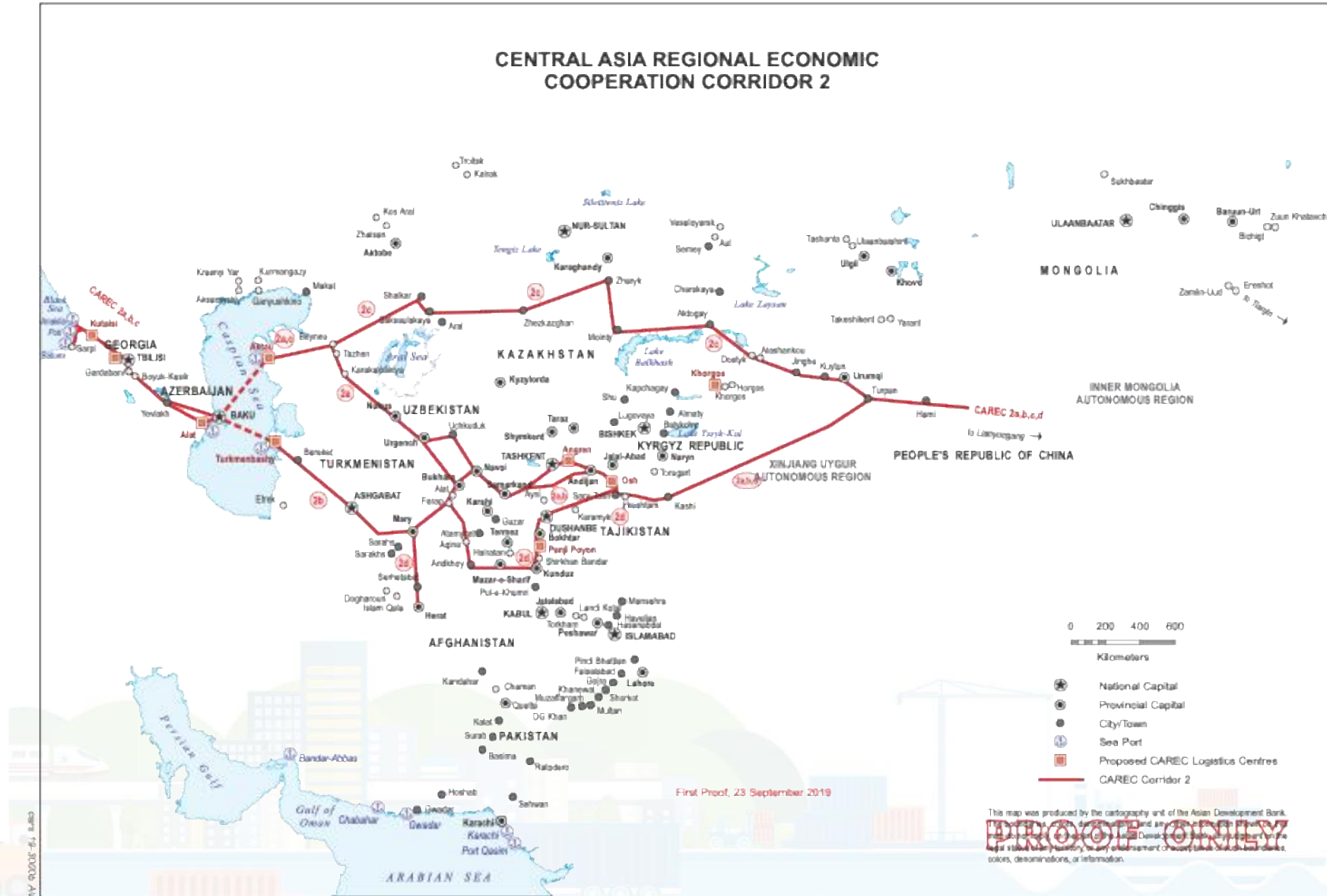
- Fragmented border management
- Weak cross-border coordination
- Inadequate risk-based controls
- Inefficient transit regimes, Restrictions related to transport rights and bilateral agreements

Digitalization Constraints:

- Limited deployment of integrated digital border management systems
- Lack of interoperability across agencies and between neighboring countries' systems
- Continued reliance on paper-based and manual processes

From Connectivity to Resilience

- Recent external events have shown that maritime trade lanes are fragile.
 - Traffic is diverted to overland routes such as the CAREC Corridor 2.
 - Increased traffic from sea (> 80% of international trade) can overwhelm overland routes on roads and railways.
- For CAREC Corridor 2, past experience shows that the **BCPs** become heavily congested once freight traffic increased.





PART III : Transforming BCPs to Unlock CAREC Corridor Performance

Benefits of BCP Upgrades

BCP / Corridor	Potential intervention	Estimated time savings (queue reduction)	Estimated cost savings using 10% transport cost reduction
Horgos – Nur Zholy (road)	Increase and expand number of access roads, enlarge parking lot, digital upgrades	20–30 hours reduction (30–45%)	\$150–300 per truck
Horgos – Altynkol (rail)	Yard scheduling + digital train sequencing + gauge change stations	10–20 hours reduction (25–40%)	\$80–120 per TEU (rail)
Alashankou – Dostyk (rail)	Yard scheduling + digital train sequencing + gauge change stations	20–40 hours reduction (30–50%)	\$80–120 per TEU (rail)
Zamiin-Uud – Erenhot (road + rail)	Improve Yard 2 and 4 transloading stations at Zamiin-Uud and increase supply of new wagons	20–35 hours reduction (30–50%)	\$150–300 per truck. \$260–\$330 per TEU (rail)
Tsiteli Khidi (GEO) – Krasny Most	Data harmonization + mutual recognition + risk management	3–8 hours reduction (20–35%)	\$50–100 per truck / shipment

MTR of CAREC Transport Strategy 2030 Recommendations

1. Strengthen Cross-Border and Corridor Efficiency

- Establish **financing facility for border crossing point** improvements
- Enhance capacity and connectivity of **Corridor 2**
- Address bottlenecks in **Caspian Sea transport**

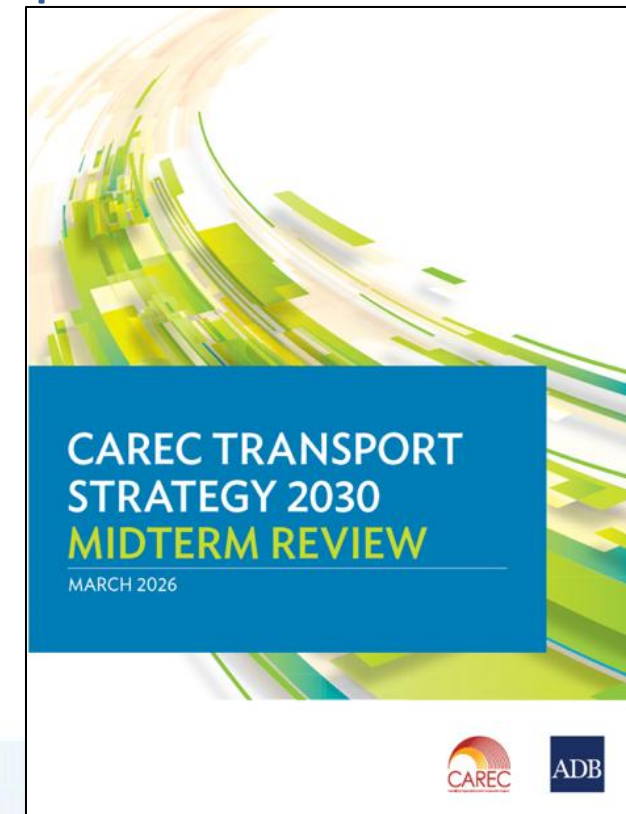
2. Promote Modal Diversification and Smart Mobility

- Create **Smart Mobility Working Group**

3. Scale up Green, Resilient, Inclusive, and Digitalized Transport

4. Deepen Institutional Collaboration and Planning

- Establish **Transport and Logistics Center** in CAREC Institute



BUILD (Border Upgrades for Integration, Logistics, and Development) Facility

- **New financing facility** for border crossing point (BCP) improvements in CAREC region (expected approval in June 2026)
 - address infrastructure and soft-side needs
 - promote joint BCPs
 - builds capacity within CAREC countries
- **ADB financing of \$400 million** to finance a series of individual BCP projects along the CAREC network
 - seeking approx. **\$150 million grant co-financing**
- ADB's extensive experience on BCP projects show significant **cost and time reduction at BCPs**
- **TA (\$1.25 million)** supporting the BUILD preparation and implementation approved in April 2026



BUILD (Border Upgrades for Integration, Logistics, and Development) Facility

- **Tentative candidate projects (work in progress):**
 - Silk Road Joint BCP between Georgia and Azerbaijan
 - Several BCPs between Tajikistan, Uzbekistan and other neighboring countries
 - TAJ/UZB: Fotehobod-Oybek, Patar-Besharyk, Kushtegirmon-Bekobod, Hissar-Bobotog
 - TAJ/KGZ: Madaniyat
 - BCPs between Pakistan and neighboring countries
 - Joint BCP at Kemin (KGZ/KAZ)
 - Your suggestions are welcome!



BUILD Facility

- Reducing travel time along the CAREC corridors through BUILD initiative will provide **significant benefits for businesses and consumers**
- BCP projects will:
 - (i) support global climate goals,
 - (ii) provide spillover benefits to the border area communities,
 - (iii) reduce smuggling risks protecting industries, and
 - (iv) promote transparent, rules-based trade systems aligned with international standards.
- BCP projects provide **opportunities for** European and Asian **private sector** to export cutting-edge digital border crossing solutions (paperless customs, digital tracking, AI-driven inspections and logistics).

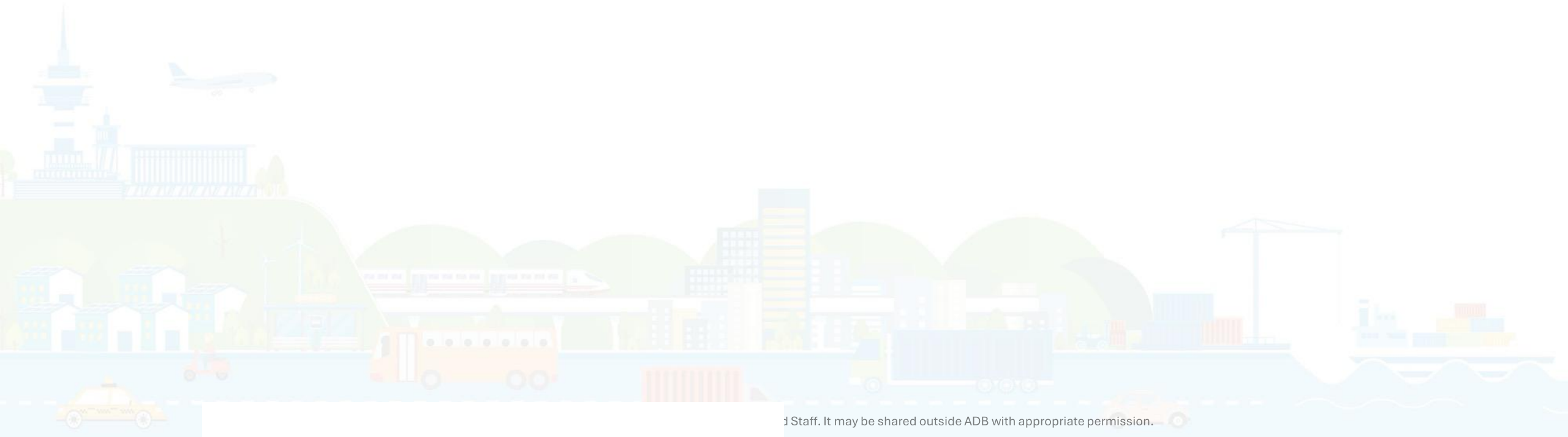


Timeline

- 2025: Initial CAREC country consultations conducted.
- 16–19 June 2025: CAREC Transport Sector Committee Meeting and CAREC Senior Officials Meeting endorsed the BUILD approach.
- 20 November 2025: CAREC Ministerial Conference endorsement.
- 22 December 2025: ADB approved the BUILD Concept Note.
- April 2026: Technical Assistance (\$1.25 million ADB financing) approved [Developing New Generation Border Crossing Points for CAREC Countries](#)
- **June 2026: ADB approval of the BUILD facility**
- **2026-onwards: Individual projects designed (ongoing) and approved.**

Contact information

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Thank you

