



# 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 Corridor 2

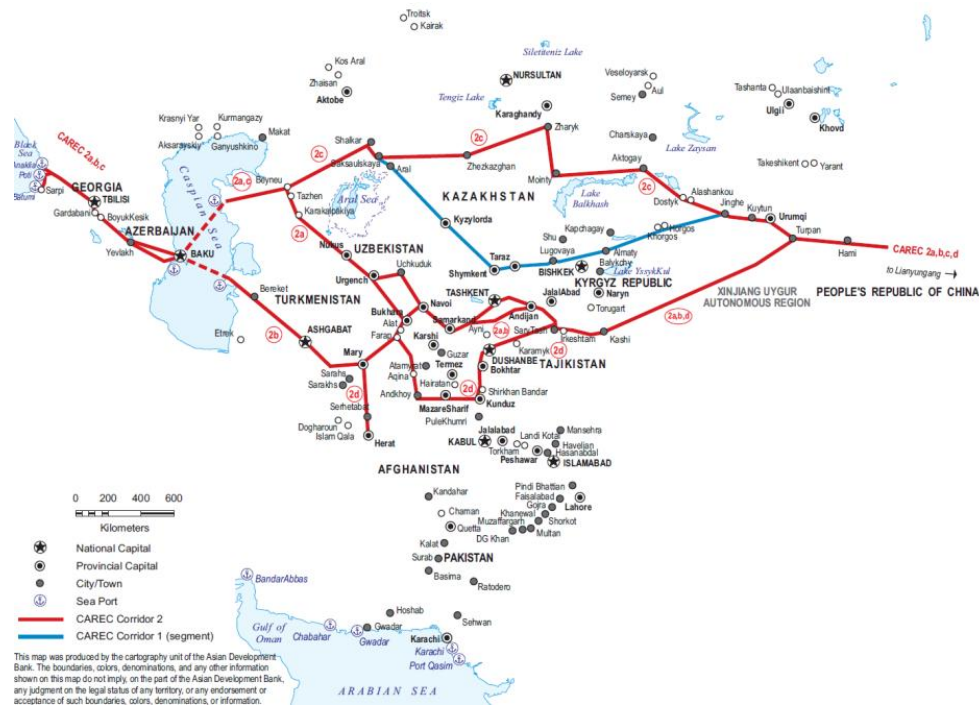
Indicative \$3.7 billion for 18 projects (2025–2028)

## Transport & Logistics

- Railway sector reforms and upgrades (AZE, GEO, TKM, UZB)
- Road rehabilitation and modernization (KAZ, UZB)
- Port capacity development and multimodal connections (AZE, GEO, KAZ, TKM)

## Border Infrastructure

- Joint border crossing points (AZE–GEO)
- Digital solutions in queue management (KGZ–UZB)



## Strategic Projects

- Azerbaijan Railways Digital Transformation (\$47M, 2025)
- Batumi-Sarpi Road Project, Georgia (\$360M, 2025)
- CAREC Corridor 2 Resilience & Modernization, UZB (\$233M, 2025)

## Cross-Sector Integration

- Agribusiness, manufacturing, tourism, clean energy
- New economic nodes along secondary cities and border areas
- Coordinated investments across transport, logistics, energy, digital

Corridor 2 largely coincides with the Trans-Caspian International Transport Route (Middle Corridor), a critical link for Eurasian supply chain diversification

# Corridor 2 Working Group: Multi-Sector Coordination



Establishing a Working Group to ensure timely delivery of multi-sector investment projects on CAREC Corridor 2

## Composition

Representatives of ministries in charge of:

- State investment programs
- Economic corridors and economic development
- Transport and infrastructure planning

## Focus Countries

**AZE** Azerbaijan

**KAZ** Kazakhstan

**UZB** Uzbekistan

**TKM** Turkmenistan

**PRC** People's Republic of China

**GEO** Georgia

**KGZ** Kyrgyz Republic

**TAJ** Tajikistan

**MON** Mongolia

## Mandate

Promote multi-sector investments in transport, skills development, healthcare, agriculture value chains, governance, services, and digital connectivity along Corridor 2

# Corridor 2 Working Group: Governance & Structure

*Proposed implementation arrangement under the CAREC institutional framework*

## Working Group Setup

- Multi-sector body led by ADB as CAREC Secretariat
- Ministries for state investment programs, economic corridors, and transport planning
- Initially 8+ countries; expanded to include Mongolia
- Reports through CAREC SOM and Ministerial Conference

## Institutional Anchors

- Ministerial Conference: policy dialogue and decisions
- Senior Officials' Meeting: oversight and progress monitoring
- CAREC Secretariat: technical and organizational support
- CAREC Institute: knowledge and capacity building

## Mongolia Integration

- Connects Corridor 4 with Corridor 2 for diversified trade
- Responds to Mongolia's push to reach Central Asian markets
- Builds on bilateral and multilateral initiatives: UZB–MON Special Commission on road transport (2025)
- To be confirmed at CAREC TSCC as a shared regional priority

## Coordination Objectives

- Align national investment planning to avoid timing mismatches
- Guide programming missions on emerging finance needs
- Facilitate timely processing of programmed projects
- Harmonize transport and transit regulations across countries

# Corridor 2 Working Group: Sector Priorities & Projects

*Indicative \$3.7–3.8 billion multi-sector pipeline across 7 CAREC countries (2025–2028)*

## Transport & Logistics

- Azerbaijan Railways Digital Transformation (\$47M, 2025)
- Batumi–Sarpi Road Project, Georgia (\$360M, 2025)
- CAREC Corridor 2 Resilience & Modernization, UZB (\$233M, 2025)
- TransTurkmenistan Railway Modernization Ph. 1 & 2 (\$850M, 2027)

## Energy & Cross-Sector

- Caspian Green Energy Corridor (AZE, KAZ, UZB) feasibility
- Agribusiness value chains and SME trade participation
- Tourism clusters and roadside services along the corridor
- Skills development, healthcare, and digital connectivity

## Border & Digital

- BUILD Facility for border modernization (up to \$400M)
- Joint border crossing points (AZE–GEO, TAJ–UZB)
- Digital queue management solutions (KGZ–UZB)
- Daut-Ata BCP upgrade linking UZB cargo to Aktau port

## Spatial & Pilot Approach

- Karakalpakstan economic corridor pilot (UZB)
- Critical minerals processing in regional value chains
- Special economic zones and industrial clusters
- Cross-border coordination with Kazakhstan via Aktau gateway

# Corridor 2 Working Group: Challenges & Next Steps

*Identified bottlenecks and forward roadmap*

## Key Challenges

- Operational complexity and limited cross-country coordination
- Rail inefficiency: aging assets, no block trains, weak scheduling
- Limited port capacity at Caspian and Black Sea hubs
- Lack of digitalization and interoperability across borders

## Immediate Next Steps

- Finalize Working Group terms of reference and outreach plan
- Confirm CWRC focal point for TRA coordination
- Launch CAREC Transport Model and RCI impact assessments
- Advance Karakalpakstan pilot spatial development study for scaling up throughout economies adjacent to the CAREC Corridor 2 network

## Coordination Risks

- Timing mismatches in national project implementation
- Geopolitical sensitivities
- Sequencing trade modeling with pipeline project design
- Limited SME and farmer participation in regional value chains

## 2026-2030 Roadmap

- Anchor in CAREC 2030 Strategy and ADB's RCI Operational Approach
- Showcase Corridor 2 at ADB's 60th Anniversary (Japan, 2027)
- Sequence projects with CAREC Institute Transport & Logistics Center
- Connect with Corridor 4 to extend Eurasian transit options