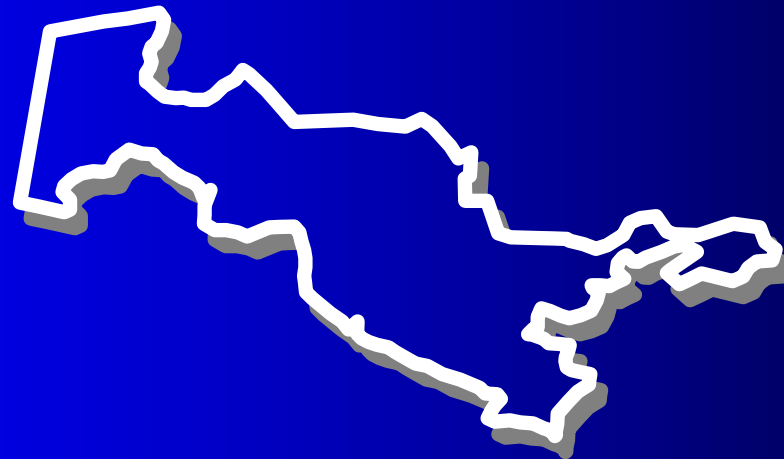




Uzbekistan: implementation of the Action Plan for the CAREC Transport and Trade Facilitation Strategy



VII MINISTERIAL CONFERENCE (19-21 NOVEMBER 2008, BAKU): KEY DIRECTIONS FOR COOPERATION



Action Plan for CAREC Transport and
Trade Facilitation Strategy 2017

**Improvement of transport
corridors meeting international standards**

Investments into transport and initiatives
on trade facilitation



43 500 km

Road passenger and freight carriages amounted to 4,5 bln. passengers and 725 mln.tons





ROAD DEVELOPMENT PROGRAM (2007-2010)

The major strategic focuses are:

- Use public funds focusing on high-priority road construction projects;
- Construct or rehabilitate roads (totaling 679 km), comprising international transport routes (489 km) and priority roads (190 km);
- Increase the total length of first class roads by 557 km;
- Increase domestic and transit freight and passenger road traffic by 60–70%;
- Increase international and transit road traffic by 45–55% on average;
- Maintain and improve the road network and its connectivity with the international transport systems, and increase the road network capacity;
- Use the dry port in Navoi city actively as a transcontinental transport and forwarding hub on the routes connecting Western, Central and Eastern Europe and European CIS countries with PRC, Japan, and countries of South-East and South Asia to provide efficient intermodal transport services (road, railway, and civil aviation services);
- Improve roads (primarily international and priority roads) to international standards; and
- Achieve competitive and efficient freight and passenger transit in all destinations.

- Improve over 400 km of international roads
- Includes constructing a four-lane international motorway along
 - Beineu, Bukhara, Samarkand, Tashkent, and Andijan
 - strategic regional road sections (Bukhara-Alat, CAREC Corridor 2b, and Samarkand-Guzar, CAREC Corridor 6b).
- Increase financing for the rehabilitation of local feeder roads, using the budget and the Republican Road Fund.

ROADS DEVELOPMENT PROGRAM (2009)



- On 22 April 2009 was adopted Program on development of Uzbek national highway for the period up to 2014 with total length of 1501 km, including:
- Beyneu-Kungrad-Bukhoro-Navoi-Samarqand-Tashkent-Andijan - 1139 km (CAREC Corridor 2a);
- Bukhara-Karshi-Guzar-Termez - 195 km
- Samarkand-Guzar - 152 km
- Bukhoro-Alat - 15 km

E-40



RAILWAY SECTOR MODERNIZATION AND DEVELOPMENT (2009–2013)

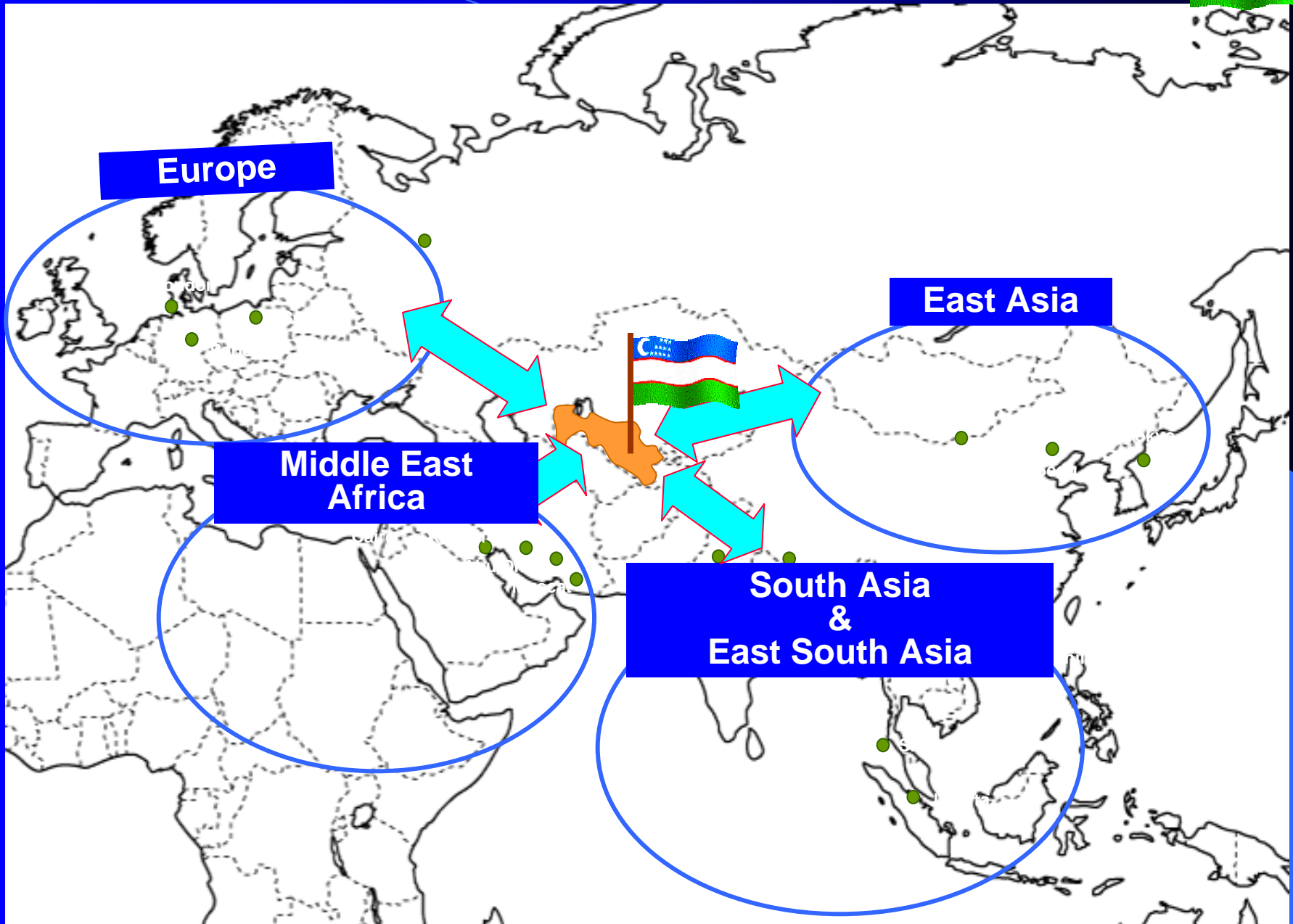
- A concept has been developed.
- The 5-year plan will identify:
 - key areas, approaches, and mechanisms for developing the railway network and
 - the sector's capacity
 - to meet the country's needs in quality freight transport, and
 - to increase high-speed passenger transport
- Includes constructing:
 - the Tashguzar-Boysun-Kumkurgan railway line;
 - a new line to the Dekhqanabad potassium fertilizer plant;
 - a double-track electrified Jizzakh-Yangiyer line; and
 - a single-track electrified Yangiyer-Farkhad line.

RECENT RAILWAY DEVELOPMENTS

- **Navoi-Uchkuduk-Nukus and Tashguzar-Boysun-Kumkurgan Railway Lines**
 - have become operational.
 - have improved transport connectivity in the southern region.
 - have supported the development of new mining industries and industrial enterprises, creating new jobs.
 - have provided direct access to other countries, primarily via trans-Afghan railway corridor to the Indian Ocean ports.
- **Completed:**
 - Tashkent-Samarkand line electrification
 - Tashkent-Khodjikent line electrification
- Implementing Tukimachi-Angren line electrification.
- Built a rail and road bridge across Amudarya River.
- Improved Tashkent-Samarkand-Bukhoro railway track.
- Installed a fiber-optic communication cable (totaling over 600 km) along the Keles-Bukhoro railway section.

AIRPORTS AND CIVIL AVIATION

- **Navoi airport Management Contract**
 - Korean Air and Uzbekistan Airways have signed a management agreement. enables Korean Air to operate the Navoi airport.
 - The airport is expected to become an international multimodal transport and logistics center and an important regional hub.
 - An agreement was also signed for Uzbekistan Airways to lease from Korean Air two cargo aircraft A300–600.
- **Joint Venture Transport Company**
 - Hanjin Group (the mother company of Korean Air) and SJC «Central Asia Trans» (a unit of the MFERIT of Uzbekistan) signed an agreement to set up a joint venture transport company providing efficient door-to-door road transport services.



**ON 4-5 MARCH 2009 IN SEOUL WAS HELD INTERNATIONAL
FORUM DEDICATED TO DEVELOPMENT OF ILC AND FIEZ
«NAVOI»**



- **565 ha**
- **50 enterprises**
- **3000 personnel**
- **500 mln. USD**

STATUS OF INVESTMENT AND TECHNICAL ASSISTANCE PROJECTS

ROADS

- **UZB IP 1: CAREC Regional Road Improvement (ongoing)**
 - Project implementation started in 2008 and is proceeding well.
 - Established Transyulkurulish (a road equipment pool company) which will assist the Project Implementation Unit by creating seven modern road-building equipment depots.

RAILWAYS

UZB IP 2: Renewal of Railway Equipment

- Newly emerged high priority project for implementation during 2010–2011.
- Project cost: \$20 million.

- **UZB IP 3: Acquisition of New Cargo and Passenger Locomotives**

- Components: 10 new modern high-speed electric cargo locomotives and 15 new passenger electric locomotives.
- Obtained financing from China Exim (\$75 million) for the passenger locomotives.
- Exploring financing for the 10 cargo locomotives.
- Project period: 2009–2012.

- **UZB IP 4: Electrification: Marokand-Karshi-Tashguzar- Boysun-Kumkurgan Section**
- Additional component: Marokand-Kashi section
 - This has resulted in an increase in the project cost estimate (from \$180 million to \$273 million).
 - Exploring JICA financing (about \$163 million).
 - Start: 2010 (one year earlier than the original plan).
 - Planned Completion: 2015
- **UZB IP 5: Construction: Tashguzar- Boysun-Kumgurgan Section**
 - Construction is almost completed.
 - Financing: SJSC Uzbekiston Temir Yullari (UTY) and JICA.
- **UZB IP 6: Construction: Navoi–Uchkuduk-Sultanuizdag-Nukus Section**
 - Additional component: Sultanuizdag-Nukus section.
 - New project cost: \$40.46 million.
 - Financing: UTY.
 - Planned completion: by the end of 2010.

- **UZB IP 7: Electrification: Tukimakchi-Angren Section (new)**
 - Feasibility Study completed (UZB TA 1: Electrification: Tukimakchi-Angren Section).
 - Project scope: 113.9km railway line electrification.
 - Financing: UTY, KfW (Germany), and Kuwait Fund of Arabic Economic Development.
- **UZB IP 8: Construction: Double-track Electrified Yangier-Jizzakh Section and Single-line Electrified Yangier-Farkhad Section (new)**
 - Newly emerged high priority project in three heavily trafficked railway sections in Syrdarya and Jizzakh provinces.
 - Feasibility study completed.
 - Start: 2009 (project preparatory work including detailed design).
 - Planned completion: 2011. Financing: UTY

AIRPORTS AND CIVIL AVIATION

- **UZB IP 9: Upgrading the Bukhara Airport**
 - Financing: UAE
 - Start: 2009 (feasibility study and detailed design).
 - one year ahead of the original schedule.

MOU IMPLEMENTATION



MEMORANDUM OF UNDERSTANDING

Between the Government of the Islamic Republic of Afghanistan,
the Government of the Republic of Uzbekistan, and
the Asian Development Bank

on the Hairatan – Mazar-e-Sharif – Herat Railway

The Government of the Islamic Republic of Afghanistan, and the Government of Republic of Uzbekistan, and the Asian Development Bank (ADB), hereinafter referred to as 'the Parties',

- a) acknowledging their common interest in regional economic cooperation;
- b) desiring to cooperate in the field of railway transport;
- c) recognizing the potential for growth in railway freight traffic, including transit freight traffic, between the Islamic Republic of Afghanistan and Republic of Uzbekistan;
- d) confirming the need for further development of the Trans-Afghan transport corridor, in accordance with the Agreement on International Transport Routes among the Transitional Islamic State of Afghanistan, the Islamic Republic of Iran and the Republic of Uzbekistan, dated 18th of June 2003;
- e) recognizing the recent signing by the Republic of Uzbekistan and the Islamic Republic of Afghanistan of the (i) *Uzbekistan-Afghanistan Boundary Railway Agreement*; (ii) *Freight Transportation Rules for the Uzbekistan-Afghanistan Railway*; and (iii) *Rules for Passenger Transport and Freight Accounts for the Uzbekistan-Afghanistan Railway*;
- f) recognizing the proposed Hairatan – Mazar-e-Sharif – Herat Railway is a key link in CAREC Corridors 3 and 6; and
- g) emphasizing the vital importance of strengthening regional cooperation in transport within the framework of the CAREC Program; have agreed as follows:

Article 1

The Government of the Islamic Republic of Afghanistan confirms the importance of the Hairatan – Mazar-e-Sharif – Herat railway line for the economic development of Afghanistan. Accordingly, the Government of the Islamic Republic of Afghanistan requested ADB to provide technical and financial assistance for the preparation of a pre-feasibility study for the proposed railway project, hereinafter referred to as 'the Project'.

Article 2

The Parties support the Project and have agreed that technical assistance for the pre-feasibility study should be provided within the framework of the CAREC Program.

Article 3

The Parties agree that the reconstruction and modernization of Hairatan station (Afghanistan) should be considered as part of the Project.

Article 4

The Republic of Uzbekistan supports the objectives of the CAREC Program in the areas of trade and transport. Accordingly, the Republic of Uzbekistan endorses the provision by ADB of technical assistance to Afghanistan for the Project pre-feasibility study.

Article 5

ADB recognizes the importance of transport sector development, including railway development, for sustained growth and poverty reduction in the Islamic Republic of Afghanistan. ADB undertakes to prepare and process the requested technical assistance within the shortest possible time.

Article 6

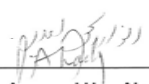
To monitor and guide the development of the Project, the Parties will establish a Project Working Group, consisting of public servants from Uzbekistan [from the Ministry for Foreign Economic Relations, Investments and Trade, the Ministry of Finance, and the Uzbekistan Railways SJC] and Afghanistan [from the Ministry of Public Works and the Ministry of Finance]. The Project Working Group will hold regular meetings to review the progress of this Project, as well as, other regional cooperation initiatives between Afghanistan and Uzbekistan in the field of transport and communications.

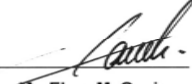
Article 7

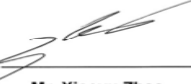
The Islamic Republic of Afghanistan submits, as soon as possible, a draft project profile for the proposed railway to ADB.

This Memorandum of Understanding shall enter into force upon the date of its signing.

Done in Baku, Azerbaijan, on 21 November 2008 in 3 copies in English.


Dr. Anwar ul Haq Ahady
For the Government of
The Islamic Republic of
Afghanistan


Mr. Elyor M. Ganiev
For the Government of
The Republic of Uzbekistan


Mr. Xiaoyu Zhao
For the
Asian Development Bank

ADB ratified technical assistance grant on the amount of 1,2 mln. USD to carry out technical and economical studies on the key transport routes with priority focused on railway line linking Hayraton (Uzbekistan) with Mazari Sharif (Afghanistan)



1-st meeting of Uzbek-Afghan working group and ADB experts on the issues related to implementation of MOU was held on 4-5 March 2009 in Tashkent

- Project design institutes are ready to dispatch to Afghanistan working group for field study on identification of railway route
- 4 April 2009, Beijing - meeting on the issues of developing SCO transit potential was held. It was agreed to activate investment, technical and economical cooperation on the projects of E-40 road construction and road routes linking Central Asia with China (CAREC transport corridors 6a, 6b, 5, 3, 2)



COMBINATION OF TRANSPORT INVESTMENTS WITH INITIATIVES ON TRADE FACILITATION

- On 20 January 2009 was adopted Program on further development of manufacturing and social infrastructure of the Republic of Uzbekistan

Thank you for attention!