

IV. CONCLUSIONS

The study entitled “Priority investment needs for the development of the Asian Highway network” was carried out with the involvement of all member countries participating in the Asian Highway network development as well as multilateral and bilateral donors and subregional organizations. The main objectives were (a) to assess the current level of investment and (b) to identify investment needs and priorities for the development of the Asian Highway.

A new phase of the Asian Highway, which now extends to 32 countries and totals more than 141,000 km, began with the entry into force of the Intergovernmental Agreement on the Asian Highway Network on 4 July 2005. So far, 28 member States have signed the Agreement and 20 are Parties to it.

One of the major obligations of the Parties to the Agreement is to develop the routes of the network in conformity with the Asian Highway classification and design standards, which specify a minimum standard of double-lane paved road. Some 22,000 km (15.8 per cent) of the network do not conform to the specified minimum standard, including some major international trade and transport corridors in the region.

Although there are many regional and subregional initiatives supporting the development of the regional transportation infrastructure and the removal of barriers to transport, member countries are facing major challenges in mobilizing sufficient resources for the development and upgrading of the regional highway infrastructure.

During the study, three subregional expert group meetings were organized: South Asia (with the participation of Afghanistan and the Islamic Republic of Iran) in September 2004 at Islamabad; North, Central and South-West Asia in January 2005 at Tehran; and South-East Asia (with the participation of Mongolia) in April 2005 at Bangkok.

For the first time, this study: (a) assessed the current level of investments being made or committed; and (b) identified the priority projects and investment needs for developing and upgrading the Asian Highway to the required technical standards as outlined in the Agreement.

A consolidated picture revealed that about US\$ 26 billion was currently being invested or committed to the development of 37,000 km of the Asian Highway routes in member countries. A shortfall of US\$ 18 billion¹⁴ was also identified in the investment required to upgrade and improve about 26,000 km of priority sections of the Asian Highway. This investment is required for implementing 121 priority projects along the Asian Highway or for providing connectivity to the Asian Highway in 25 member countries. Selected project profiles (see the annex) provide detailed information on each priority project. Some of the identified priority projects are already at different stages of development.

The study provided opportunities for the member countries and development partners¹⁵ to exchange respective policies and strategies on financing transportation and highway infrastructure as well as initiate policy dialogues for the mobilization of funds for the identified priority projects. The Working Group on the Asian Highway established by the Agreement will continue to provide a forum for the member countries and development partners to meet and discuss issues related to development of domestic and regional road transportation.

¹⁴ Assessment of investment requirement is largely based on the input from the member countries on their priorities and estimates of resource requirement.

¹⁵ The Asian Development Bank, the World Bank, the Islamic Development Bank, the Japan International Cooperation Agency, the Japan Bank for International Cooperation, the Association of South East Asian Nations Secretariat, the Economic Cooperation Organization, the Intergovernmental Commission-Transport Corridors Europe, Caucasus, Asia and the Infrastructure Development Institute participated in the subregional expert group meetings.

In addition to developing road infrastructure to ensure efficient and smooth delivery of goods to the final destination, the development of other modes of transportation and intermodal facilities should also be adequately addressed. This includes improving the capacity of, and connectivity to different modes of transport, ports, ICDs and freight terminals. Member countries should continue to invest in intermodal connectivity and facilities.

The tasks ahead

Member countries should make efforts to develop and upgrade priority sections of the Asian Highway that are below the minimum standards, and that are in need of improvements and repairs. When countries experience difficulty in funding such activities, due to inadequate provisions in the national budgets, they need to explore alternative funding options including public-private sector partnerships, development assistance and loans from financing institutions. This requires a cooperative approach of dialogue between member countries and international financing institutions, bilateral donors, subregional organizations and the private sector.

In addition to the development of road infrastructure, in order to promote the use of Asian Highway, increased attention needs to be given by governments to promoting and developing efficient measures for facilitating land transportation. This should be done through a set of integrated measures in terms of establishing or strengthening national coordinating mechanisms, improvement of legal frameworks, application of new technologies (including information and communication technology), the use of facilitation tools and human resources development.

The task of promoting investment in the identified priority projects and the development of the Asian Highway network is an ongoing activity that will continue in collaboration with member countries and development partners.