

Regional Policy Dialogue on Strengthening Transport Connectivity in Southern and Central Asia

7-8 February 2018

United Nations Conference Centre, Bangkok

Background

Connectivity has a vital role to play in unlocking full trade and economic potential of countries of the Southern and Central Asian subregions. South and South-West Asia – comprising of countries in the SAARC subregion, the Islamic Republic of Iran and Turkey – registered intraregional trade of only US\$63 billion in 2016 against a minimum estimated potential of US\$ 190 billion. Estimates further show that the intraregional potential of the subregion could be as high as US\$221 billion by 2020. The growth of trade within the subregion is not sufficient to catch up with these projected figures, predominantly owing to a lack of adequate, accessible and affordable transport options, particularly inland cross-border transport which are often cheaper and faster.

Spurring enhanced trade within and between Southern and Central Asia through better connectivity can be expected to deliver far greater benefits than enhanced Asia-Pacific intraregional trade. While Turkey and India share borders with Europe and South-East Asia respectively, Afghanistan, Pakistan and the Islamic Republic of Iran can act as a gateway to the landlocked and mineral rich Central Asian countries. This opens up immense possibilities of interregional connectivity in the greater Eurasian region, allowing South and South-West Asia to trade with neighbouring Europe, South-East Asia and Central Asia through direct and more cost-effective transport channels, while earning revenues as a conduit of trade flows between these three regions. As UNESCAP estimates reveal, South Asia's export potential to South-East Asia is at least 2.5 times its current level of US\$32 billion. The subregion's exports to Central Asia are found to be grossly unexploited at only about 5 per cent of its estimated potential.

Southern and Central Asia is currently lagging in taking advantage of the UNESCAP-led initiatives for promoting surface transport connectivity in the Asia-Pacific region. The Asian Highways (AH) and Trans-Asian Railways (TAR) networks remain underutilized in the subregion, while South-East Asian as well as East and North-East Asian subregions have operationalized key long-distance cross-border surface transport segments along the AH and TAR networks, securing huge trade and economic benefits. The recent launch of the northern TAR corridors linking commercial centres and major ports, including Shanghai, Qingdao and Tianjin in the eastern seaboard of China, to Western European cities is indicative of potential of surface transport corridors, while also demonstrating their potential complementary role to ocean-based transport.

With the aim of assisting Southern Asian countries to fully utilize the possibilities of AH and TAR corridors, to connect markets internally as well as with those of Europe, Central Asia and South-East Asia, two trunk corridors for intra- and inter-regional connectivity have been identified, namely the TIPI-BM (Turkey–Iran (Islamic Republic of)–Pakistan–India–Bangladesh–Myanmar) Road Corridor and the ITI-DKD-Y (Istanbul–Tehran–Islamabad–Delhi–Kolkata–Dhaka–Yangon) Container Rail Cargo Corridor. The ITI-DKD-Y and TIPI-BM corridors are integral parts of AH and TAR networks, and are interlinked at various locations covering Southern Asia longitudinally and latitudinally. Together, they offer multimodal

connectivity to inland production centres in the subregion with minimal infrastructural investments, linkages to other major transport corridor proposals in Southern and Central Asia, new transport connectivity options for landlocked developing countries of the subregion and possibilities of forming production networks.

Given that transport and trade facilitation issues deserve greater attention than infrastructure in order to operationalize the Southern and Central Asian corridors, UNESCAP is also engaged in developing knowledge products and capacity-building tools, as envisioned in the Regional Frameworks adopted by UNESCAP member States, for facilitation of international road and rail transport. These tools cover key challenges in strengthening transport connectivity, including legal and institutional arrangements, and offer policy solutions including international transport conventions, cross-border paperless trade and single-window systems, as well as other facilitation measures for seamless connectivity. Along with the mapping of the trunk corridor – feeder networks, these facilitative tools would together form the components of a connectivity master plan.

UNESCAP has been organizing a series of Regional Policy Dialogues [[Dhaka](#) (June 2013), [Lahore](#) (December 2013), [New Delhi](#) (November 2014), and [Tehran](#) (December 2015)] as preliminary groundwork to build capacity for implementing the ITI-DKD-Y and TIPI-MB Corridors. The deliberations at these Policy Dialogues were also cognizant of the overlapping cross-border connectivity projects and programmes led by various subregional organizations. In continuation of those earlier initiatives, UNESCAP proposes to bring together participating countries in order to advance to the next stage of operationalizing the ITI-DKD and TIPI-BM proposals, in the context of new developments in international transport policies and practices.

Objectives of the Regional Policy Dialogue

- Review new developments in cross-border transport connectivity in the Southern and Central Asian subregions and identify gaps in implementation of key subregional transport corridor proposals;
- Present and discuss institutional challenges and policy solutions thereof for strengthening transport connectivity in Southern and Central Asia;
- Explore ways to apply various transport facilitation tools in light of the ‘Regional Strategic Framework for the Facilitation of International Road Transport’ and the ‘Regional Cooperation Framework for the Facilitation of International Railway Transport’ adopted by UNESCAP member States; and
- Discuss and agree on actionable measures required for a connectivity master plan for Southern and Central Asian subregions.

Participation

The Policy Dialogue proposes to host officials from ministries in charge of road and rail transport from various Southern and Central Asian countries, representatives from international, regional, subregional organizations engaged in international transport facilitation, representatives from multilateral development banks and development agencies, private sector and other key stakeholders.

**Regional Policy Dialogue on
Strengthening Transport Connectivity in Southern and Central Asia**

7-8 February 2018

United Nations Conference Centre, Bangkok

Conference Room 4

Programme

Day 1 (7 February 2018)	
0830-0900	Registration
0900-0930	<p><i>Opening: Introduction to the Regional Policy Dialogue</i></p> <p>Hongjoo Hahm, Deputy Executive Secretary, ESAP Michael Williamson, Head, South and South-West Asia Office, ESCAP Konstantinos Alexopoulos, Secretary, Sustainable Transport Division, ECE</p>
0930-1100	<p><i>Session 1: Challenges and Prospects of Rail Transport Connectivity for Regional Economic Integration in Southern and Central Asia</i></p> <p>Moderator: Pierre Chartier, Chief of Section, Transport Division, ESCAP</p> <p>Sandeep Raj Jain, Transport Division, ESCAP Anil Kumar Gupta, Consultant, ESCAP Konstantinos Alexopoulos, Sustainable Transport Division, ECE</p>
1100-1130	Group Photo and Coffee Break:
1130-1230	<p><i>Session 2: Initiatives on Transport Connectivity by Subregional Organizations of Southern and Central Asia</i></p> <p>Moderator: Sandeep Raj Jain, Transport Division, ESCAP</p> <p>Ali Haider Altaf, Director, Energy, Transport, Science & Technology, SAARC Secretariat Ahmad Saffari, Director for Transport and Communications, Economic Cooperation Organization (ECO), Tehran, Islamic Republic of Iran Pankaj Hazarika, Director (CS), Connectivity and Security Division, BIMSTEC Secretariat Ulugbek Yusubov, Transport Expert, Shanghai Cooperation Organization, Beijing</p>
1230-1330	Lunch

1330-1500	<p><i>Session 3: Status of Cross-border Rail Transport and Transit Facilitation in Southern and Central Asia: Country Presentations</i></p> <p>Moderator: S.D. Muni, Distinguished Fellow, Institute for Defense Studies and Analyses, India</p> <p><i>Afghanistan</i> <i>Azerbaijan</i> <i>Bangladesh</i> <i>Bhutan</i> <i>India</i> <i>Kazakhstan</i></p>
1500-1530	Coffee Break
1530-1700	<p><i>Session 4: Status of Cross-border Rail Transport Connectivity including Transit Facilitation in Southern Asia: Country Presentations (ctd.)</i></p> <p>Moderator: Muhammad Iqbal Tabish, Chief Executive Officer, Pakistan Industrial Development Corporation, Karachi</p> <p><i>Iran (Islamic Republic of)</i> <i>Myanmar</i> <i>Nepal</i> <i>Pakistan</i> <i>Tajikistan</i> <i>Turkey</i></p> <p>Open discussions</p>

Day 2 (8 February 2018)	
0900-1030	<p><i>Session 5: Prospects of inter-regional transport connectivity in Southern and Central Asia: Transport Corridor Projects</i></p> <p>Moderator: S.D. Muni, Distinguished Fellow, Institute for Defense Studies and Analyses, India</p> <p>Konstantinos Alexopoulos, Secretary, Sustainable Transport Division, ECE Zurab Kozmava, Member of OSJD Committee. OSJD, Warsaw Prabir De, Director, India-ASEAN Centre, Research and Information System for Developing Countries (RIS) Raghu Dayal, Senior Fellow, Asian Institute of Transport Development (AITD), India Kulbhushan Warikoo, Professor, Jawaharlal Nehru University, India</p>
1030-1045	Coffee Break
1045-1215	<p><i>Session 6: Prospects of inter-regional transport connectivity in Southern and Central Asia: Trade and Transport Facilitation Issues and Solutions</i></p> <p>Moderator: Posh Raj Pandey, Chairman, SAWTEE, Kathmandu</p> <p>Muhammad Iqbal Tabish, Chief Executive Officer, Pakistan Industrial Development Corporation, Karachi Saroj Ayush, Senior Transport Specialist, Transport & ICT, World Bank Somi Hazari, Senior Advisor, India Transnational Strategy Group, Washington T.A. Khan, UNNEXT Advisory Committee Member and Vice-chair of UN/CEFACT</p>
1215-1400	Lunch
1400-1530	<p><i>Closing Session: Open Discussions on the Way Forward and Role of the ESCAP Secretariat in fostering transport connectivity in the region</i></p> <p>Transport Division, ESCAP Sustainable Transport Division, ECE</p>