

Policy Dialogue on Strengthening Transport Connectivity in Southern and Central Asia

Tehran, 20-21 December, 2015

A Report

1. The Policy Dialogue on Strengthening Transport Connectivity in Southern and Central Asia, organized by UNESCAP jointly with the Ministry of Roads and Urban Development of the Government of the Islamic Republic of Iran, took place in Tehran on 20-21 December 2015. It was attended by nearly 100 participants including representatives of governments, private sector and civil society from following countries: Azerbaijan, Bangladesh, Bhutan, India, Islamic Republic of Iran, Kyrgyzstan, Myanmar, Nepal, Pakistan, Tajikistan, Turkey and Uzbekistan. The representatives of sub-regional organizations namely: South Asia Association for Regional Cooperation (SAARC), Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Economic Cooperation Organization (ECO), Shanghai Cooperation Organization (SCO) and Islamic Development Bank (IDB) also participated in the Policy Dialogue.
2. The Policy Dialogue was organized as a part of the UNESCAP's initiative to engage policy makers and other key stakeholders to sensitize them on the potential of regional economic integration through improved transport connectivity in Southern and Central Asia. Building on the previous Policy Dialogues held in Dhaka in June 2013, Lahore in December 2013 and New Delhi in November 2014, it highlighted key challenges to strengthen transport connectivity. The participants agreed on the importance of such dialogues in raising awareness of stakeholders on benefits of regional economic integration, strengthened transport connectivity and identification of solutions to support them.
3. The Policy Dialogue noted that trade within and between countries in the Southern and Central Asian countries is currently far below its potential and that high trade costs resulting from inadequate transport connectivity is a major reason behind it. This has prevented the subregions from exploiting the potential of geographic proximity and contiguity for fostering regional production networks for inclusive development. Harnessing the potential of regional economic cooperation and integration through enhanced connectivity has assumed more importance in the context of weakening of the erstwhile drivers of growth following the global financial crisis of 2008.
4. The Policy Dialogue observed that the regional connectivity has become paramount also in the context of the adoption of the Sustainable Development Goals (SDGs). Enhancement of regional connectivity finds specific reference in the SDGs and thus should be an integral part of the overall development strategies of Southern and Central Asian countries to bring about sustainable and inclusive growth and address environment and social sensitivities to achieve SDGs.

5. The Policy Dialogue took stock of numerous initiatives to strengthen transport connectivity under different overlapping subregional frameworks of ASEAN, ECO, BIMSTEC and SAARC. Parallel developments in this area such as the International North South Transport Corridor (INSTC), Bangladesh-China,India,Myanmar (BCIM), and Central Asia Regional Economic Cooperation(CAREC) corridors were also considered along with initiatives such as possible extension of the Afghanistan-Pakistan Transit Trade Agreement (APTTA) to include Tajikistan, operationalisation of the Bangladesh,Bhutan,India and Nepal (BBIN) Motor Vehicle Agreement and progress towards the India,Myanmar and Thailand (IMT) corridor. Participants acknowledged the need for coordination between transport corridors being promoted under these frameworks to maximize network externalities and provide a major boost to the economic activity in the region especially in the landlocked countries of the region. UNESCAP, given its broader membership, could facilitate the coordination between the subregional organizations.Developing extended corridors in Southern and Central Asia can immensely benefit from the fact that most of the subregional initiatives form part of UNESCAP’s transport connectivity development programmes through the Asian Highway, Trans-Asian Railway and Dry Ports networks.
6. The Policy Dialogue discussed a number of potential extended land transport corridors for development in Southern and Central Asia. In particular a railway corridor along the Trans-Asian Railway Network, extending the existing Istanbul-Tehran-Islamabad container block train to Dhaka through Delhi and Kolkata linking it with the container train proposed in the Bangladesh-India-Nepal within the SAARC framework. With eventual extension to Yangon, this extended rail corridor can connect South, South-West and Central Asia with South-East Asia. With multimodal feeder links to landlocked countries including Afghanistan, Bhutan and Nepal and the Central Asian Republics and ports of the region, the Istanbul-Tehran-Islamabad-Delhi-Kolkata-Dhaka-Yangon (ITI-DKD-Y) corridor could become an important transport artery not only for promoting intra-regional trade and transport by improving its competitiveness but could also become important conduit of Asia’s trade with Europe. This corridor was seen as a low hanging fruit and could be made effective with minimal investments as the infrastructural links already existed. Only necessary transport facilitation arrangements would need to be put in place. The Policy Dialogue recommended that UNESCAP could support operationalization of ITI-DKD-Y container train corridor by moving towards a demonstration run facilitated by a memorandum of understanding between the stakeholders.
7. The Policy Dialogue noted that even though the infrastructure along the ITI-DKD-Y Corridor was almost complete, its efficient operation would require upgrading/construction of bridge over Padma river in Bangladesh for transfer of heavier cargo along the Kolkata to Dhaka sector, and upgrading of Quetta to Taftan segment in Pakistan as well as the Istanbul to Ankara segment in Turkey along the Istanbul-Islamabad sector, which will reduce train running time considerably. Ongoing projects are already addressing these gaps. The extension to Yangon is also underway by constructing small missing links between Jiribam (in Manipur State of India) and Kalay (in Sagaing Region of Myanmar) through Moreh-Tamu border-crossing point between India and Myanmar are completed.

8. The Policy Dialogue noted the findings of assessments by experts that inland connectivity through railway corridors would help to substantially reduce time and costs of intra-regional trade. The cost and time effectiveness of railway corridors was illustrated by a number of examples from the Southern and Central Asian subregions. The Policy Dialogue noted that security concerns and other risks concerning surface transport can be addressed by modern technologies and advanced transport security measures. Adherence to international transport conventions or development of regional transport protocols can help in this regard. The Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA) offered to share its expertise by hosting and facilitating a training workshop for subregional countries for accession to important international transport facilitation conventions. The representative of Indian Railways offered to extend the training facilities provided by them to countries represented at the Policy Dialogue.
9. The Policy Dialogue was informed of the efforts made by countries to develop cross-border transport infrastructure and integrated border management including by customs automation and use of ICT, and by entering into bilateral and subregional transport arrangements. The Policy Dialogue acknowledged the positive momentum generated towards expected adoption of the SAARC Railways and Motor Vehicles Agreements at the forthcoming SAARC Summit in Islamabad in 2016. These agreements in conjunction with the ECO Transit Transport Agreement can provide a significant boost towards the realization of extended corridors in Southern and Central Asia.
10. The Policy Dialogue appreciated the pivotal role that the Islamic Republic of Iran can play in bringing about integrated corridors in Southern and Central Asia, given the country's strategic location and building expertise in international transport connectivity. By co-hosting the policy dialogue the Islamic Republic of Iran has demonstrated its commitment towards building intra-regional linkages and facilitation of greater engagement between Southern and Central Asian countries.
11. The Policy Dialogue reaffirmed the importance of the private sector in forwarding the regional connectivity agenda. Close involvement of private sector bodies can assist the corridor development programmes by helping to mobilize resources required through public-private partnerships and other modes of investments. Such investment can bridge the gaps in the financing of infrastructure development for regional transport and energy corridors. The need to build capacity of the private sector to ensure effective implementation of such measures was also indicated.
12. The Policy Dialogue noted the UNESCAP Regional Strategic Framework for Facilitation of International Road Transport and the UNESCAP Regional Cooperation Framework for Facilitation of International Railway Transport as guiding documents that can be used to plan and implement measures to strengthen transport connectivity in Southern and Central Asia. In addition, the four UNESCAP transport facilitation models can help address the operational challenges in international land transport. Secure Cross Border Transport Model provides a concept for vehicle tracking system using new technologies; Efficient Cross Border Transport Model as a methodology to identify non-physical barriers, evaluate alternatives and find optimal solutions which can work best in a given subregion; Model on Integrated

Border Crossing that provides ways to streamline the flow of information and equipment at the borders; and Time-Cost Distance (TCD) methodology to identify bottlenecks along the corridors.

13. The Policy Dialogue reaffirmed the need of a comprehensive Master Plan on TransportConnectivity in Southern Asia to guide the future development of transport corridors in a most optimal manner in a building block manner. Such a Master Plan could be developed in consultationwith government agencies, regional and subregional organizations, multilateraldevelopment banks and other key stakeholders. The Policy Dialogue further notedthat such a Master Plan could be implemented using a building block approach andcould help to attract investments for infrastructure development in the subregion.
14. The Policy Dialogue emphasized the importance of railways as the most benign mode of transport in terms of environmental sustainability and recommended that railway corridors receive due attention for promoting regional transport connectivity. The Policy Dialogue welcomed the offer by the Indian Railways representative to host in 2016 in partnership with UNESCAP, a meeting of chief executives of railways of Southern Asian countries for follow up the recommendations of the Policy Dialogue on development of railway corridors and strengthening cooperation between them.
15. The Policy Dialogue suggested the need for adopting a comprehensive view of regionalconnectivity, taking also into account various dimensions of connectivity including energy connectivity pursued through regional electricity grids and gas pipelines, ICT connectivity and people-to-people connectivity.
16. The Policy Dialogue highlighted the need for knowledge sharing and policy advocacy partnerships for dissemination to all thestakeholders including the government representatives, subregional groupings, thinktanks, and private sector players to overcome the perceptual biases existing amongthe people on benefits of regional cooperation and draw up action plans fordevelopment of connectivity. It also stressed the need for effective follow up on therecommendations of the Policy Dialogue. The participants also felt the need forinstitutionalizing a specialized body or group of experts for pushing the connectivityagenda in the subregion to ensure continuity. The Policy Dialogue urged that continuation of the discussions based on sound analysis would help to compel the governments in Southern and Central Asia to put aside the political differencesand move ahead to exploit the potential of stronger connectivity and economicintegration for enhanced competitiveness, shared prosperity and inclusive andbalanced development.
17. The participants thanked Ministry of Roads and Urban Development of Islamic Republic of Iran for warm hospitality and excellent organization of the Policy Dialogue.



**Policy Dialogue on
Strengthening Transport Connectivity in Southern and Central Asia**
Laleh International Hotel, Tehran, Islamic Republic of Iran,
20-21 December 2015

TENTATIVE PROGRAMME

Day 1 Sunday, 20 December 2015

0800-0900 Registration

0900-1000 Inaugural Session

Welcome Remarks by **Mr. Teymour Bashirgonbadi**, Acting Director General for International Affairs Office, Ministry of Roads and Urban Development, Islamic Republic of Iran

Opening Remarks by **Dr Nagesh Kumar**, Head, South and South-West Asia Office, UNESCAP

Keynote Address by **Mr Ahsan Ali Mangi**, Deputy Secretary General ECO Secretariat, Teheran (delivered by Mr Mohsen Esperi, Director of Transport)

Inaugural Address by H.E.Dr Amir Amini, Deputy Minister of Roads and Urban Development (for Planning and Transport Economy), Islamic Republic of Iran

1000-1030 Group Photo and Coffee Break

1030-1200 Session 1: High-level Panel on Potential and Prospects of Strengthened Transport Connectivity for Regional Economic Integration in Southern and Central Asia

Chair: Mr Hossein Ashouri, Deputy CEO of the Islamic Republic of

Iran Railways (IRIR)

Introductory theme presentation

Dr Nagesh Kumar, Head, South and South-West Asia Office,
UNESCAP

Distinguished Panelists

H.E. Mr Riza Hakan Tekin, Ambassador of Turkey in Teheran

Mr M. Javed Anwar, CEO and Senior General Manager (Operations),
Pakistan Railways, Lahore

Mr M. Jamshed, Member (Traffic), Railway Board, Ministry of
Railways, Government of India

Mr Khosro Saraei, Director General, Transit and Tariffs Office Ports
and Maritime Organization, Islamic Republic of Iran, Tehran

Maj. Gen. A K M Abdur Rahman, Director-General, Bangladesh
Institute of International and Strategic Studies, Dhaka

Open Discussion

1200-1300

Lunch

1300-1500

**Session 2: Status of Cross-border Transport Connectivity
including Transit Facilitation in South Asia including with Central
Asia and Southeast Asia: Country Presentations**

Chair: Mr Mohammed Ali Zarie Zare, Director, Ministry of Foreign
Affairs, Islamic Republic of Iran

Country presentations (5-7 minutes each) by senior transport officials
of

Bangladesh

Bhutan

India

Islamic Republic of Iran

Myanmar

Nepal

Pakistan

Turkey

Open discussion

1500-1515

Coffee Break

1515-1630 Session 3: Business Sector Perspective on Strengthening Transport Connectivity in Southern Asia

Chair: Dr Mohammad Tiv, International Transport Association, Islamic Republic of Iran

Key panelists

Mr Iqbal Tabbish, Secretary-General, SAARC Chamber of Commerce and Industry, Islamabad

Mr Anil K. Gupta, CMD, Container Corporation of India Ltd.

Mr Rajan Sharma, President, Nepal Freight Forwarders Association, Kathmandu

Mr Can Itez, Economic Policy Research Foundation of Turkey (TEPAV), Ankara, Turkey

Mr Behnam Faramarzian, Head TIR Operation/International Transport, Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA)

Open discussion

2000 Welcome Dinner hosted by the Iranian Railways

Day 2 Monday , 21 December 2015

0900-1015 Session 4: Cross-border Transport connectivity and Transit Facilitation of Central Asian Republics including with Southern Asia - current state and potential

Chair: Mr M. Ayati, Deputy Director of Transit Supervision Department, The Islamic Republic of Iran Customs Administration

Country presentations by senior transport officials

Azerbaijan

Kyrgyzstan

Tajikistan

Uzbekistan

Open Discussion

1015-1030

Coffee Break

1030-1200

Session 5: Roundtable on Promoting Transport Connectivity in Southern Asia: Initiatives of Regional Groupings and Multilateral Development Banks

Chair: Mr. Ahsan Ali Mangi, Deputy Secretary General, Economic Cooperation Organization, Tehran, Islamic Republic of Iran

Panelists

Mr. Alireza Afkham, Deputy Director General, Road Maintenance and Transportation Organization, Ministry of Roads and Urban Development, Tehran

Mr Sandeep Raj Jain, Transport Division, UNESCAP

Mr. Seyed Mohsen Esperi, Director of Transport and Communications, Economic Cooperation Organization, Tehran, Islamic Republic of Iran

Mr S.M. Nazmul Hasan, Director, BIMSTEC Secretariat, Dhaka

Mr Iqbal Tabbish, Secretary-General, SAARC Chamber of Commerce and Industry, Islamabad(on behalf of **Dr Sunil Motiwal**, CEO, SAARC Development Fund, Thimphu)

Mr M. Mirzai Kahagh, Senior Partnership Officer, Islamic Development Bank, Jeddah

Mr Ulugbek Yusubov, Expert, SCO Secretariat, Beijing

Open Discussion

1200-1300

Lunch

1300-1430

Session 6: Developing Multimodal Railway Corridors Transport Corridors for Advancing in SSWA as a way to promote sustainable development

Chair: Mr K.L. Thapar, Chairman, Asian Institute of Transport Development, New Delhi

Key panelists

Railway officials from

India

Pakistan

Islamic Republic of Iran

Open discussion

1430-1500

Coffee Break

1500-1600

Concluding Session

Chair: Dr Nagesh Kumar, UNESCAP

Presentation of draft major conclusions and recommendations

Closing remarks by UNESCAP and Ministry of Roads and Urban
Development, Islamic Republic of Iran