

**SIXTH NORTH AND CENTRAL ASIA MULTI-STAKEHOLDER FORUM ON  
IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT GOALS  
6-7 OCTOBER 2022, ALMATY**



## **LEVERAGING FREIGHT TRANSPORT STRATEGIES FOR REALIZATION OF SDGs IN NCA SUBREGION**

**Ekaterina KOZYREVA**  
President, IEC International – InfraEconomy Group  
[e.kozyreva@infraeconomy.fr](mailto:e.kozyreva@infraeconomy.fr)

# 1. ESCAP CONTRIBUTION TO SUSTAINABLE FREIGHT IN THE ASIA-PACIFIC REGION

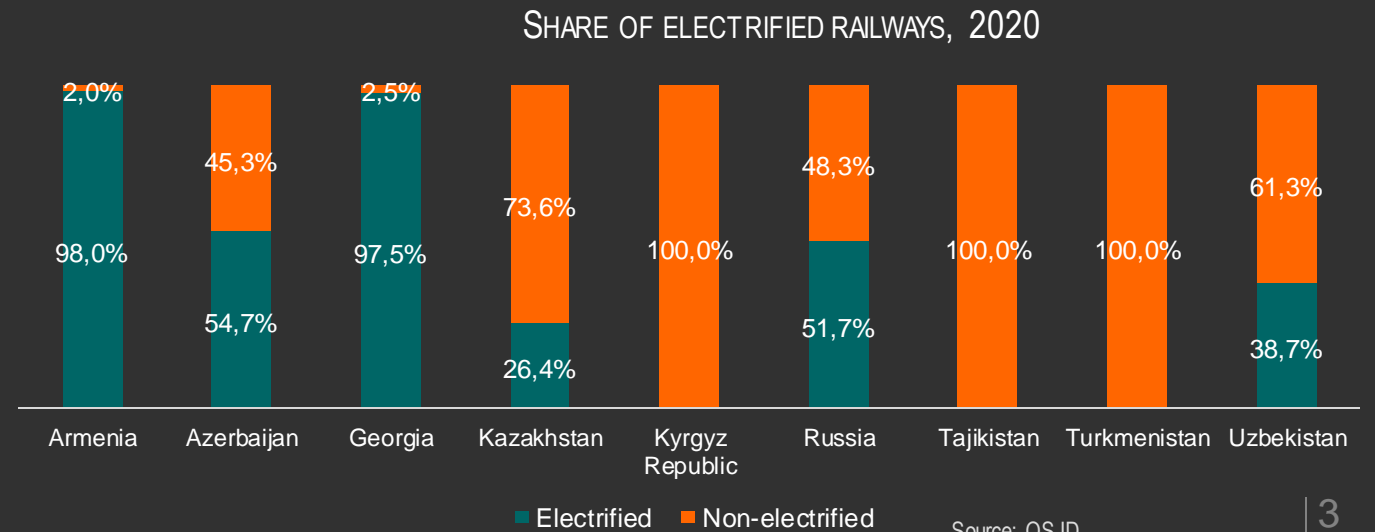
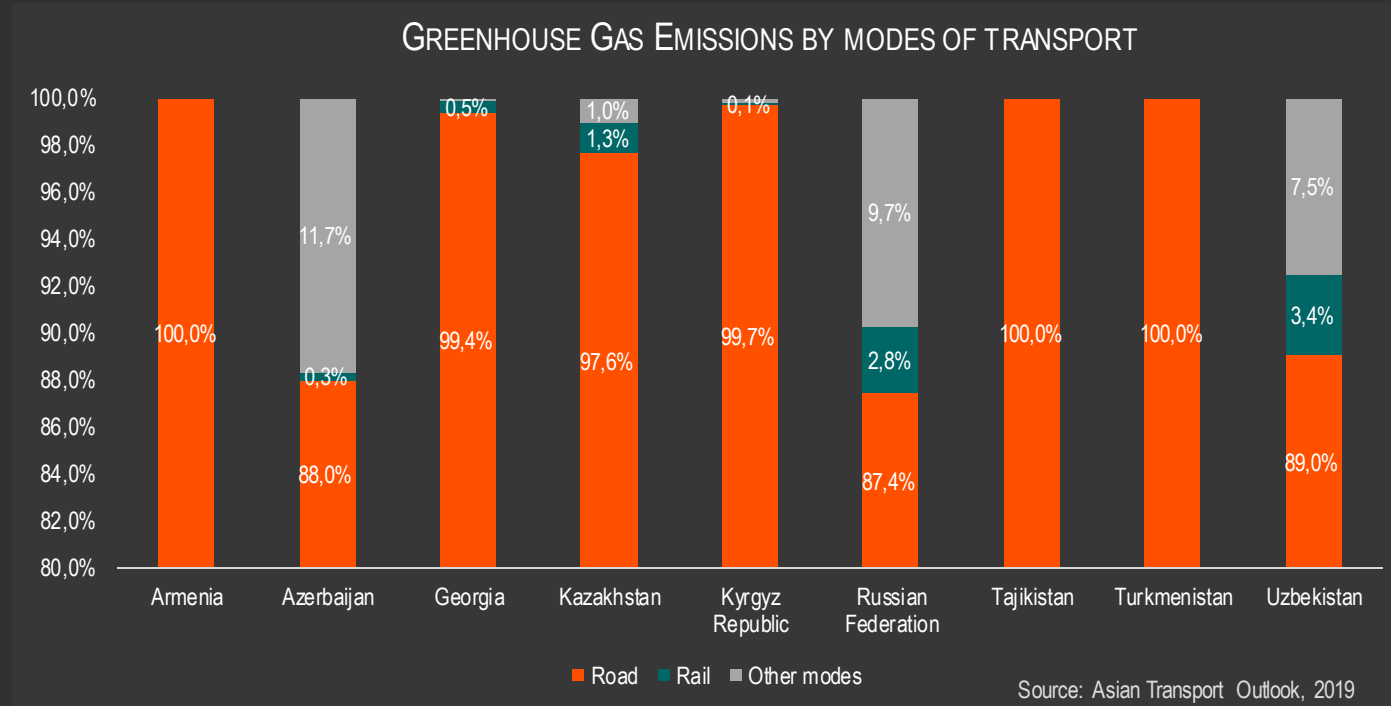
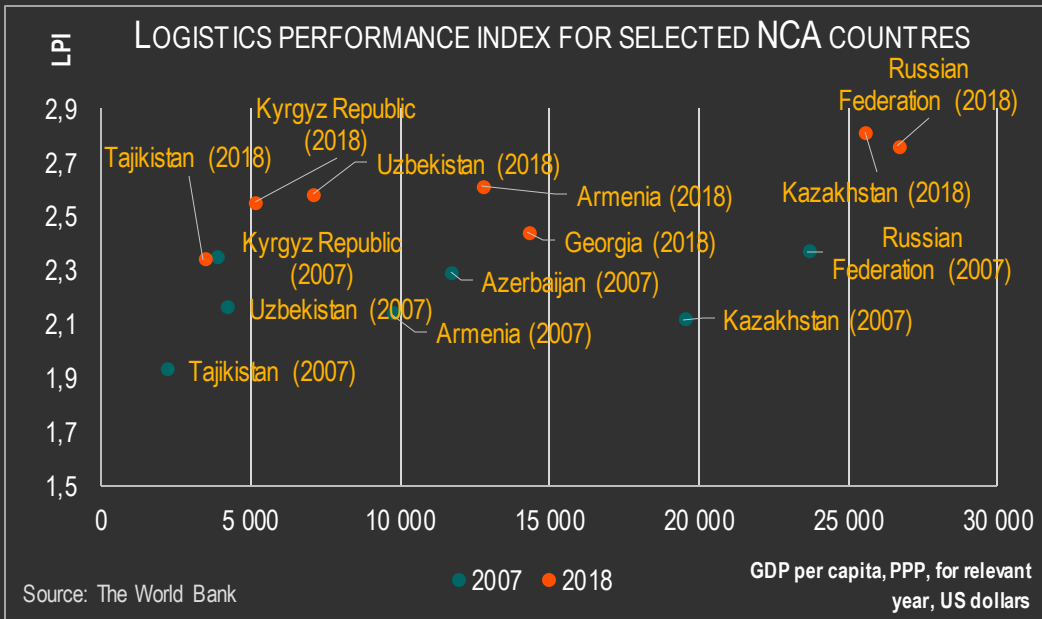
ESCAP is currently implementing a United Nations Development Account project on **enhancing a shift towards sustainable freight transport** in the Asia-Pacific region based on two tracks:

- 1** *national assessments* in the selected countries for developing national strategy for deepening sustainability in the freight transport,
- 2** *subregional strategies on sustainable freight transport* including by encouraging subregional cooperation among countries to deal with shocks (e.g. pandemics) through experience sharing in areas such as modal shift to sustainable modes of transport

**IDEA OF THESE STRATEGIES IS TO LINK AND MAKE VERY CLEAR THE CONNECTIONS BETWEEN THE FREIGHT POLICIES AND THE SDGs.**

**THIS HAS A PARTICULARLY HIGH IMPORTANCE FOR THE LANDLOCKED COUNTRIES OF NCA.**

# 2. PECULIARITIES AND NEEDS OF NCA COUNTRIES. GENERAL AND ENVIRONMENTAL EFFICIENCY



## 2. PECULIARITIES AND NEEDS OF NCA COUNTRIES. INTERNATIONAL CORRIDORS AND STRATEGIES



## 2. PECULIARITIES AND NEEDS OF NCA COUNTRIES. CONCLUSIONS

**Peculiarities** of the transport system of countries of North and Central Asia:

- 1) dominant role of **inland transportation**, also for international connections,
- 2) **interconnectivity** of transport network,
- 3) for most countries of the region – **joint rail traffic planning** and support systems,
- 4) high **dependency** of necessary road and rail capacities on **transit, export and import flows**,
- 5) **interdependency** of the capacities.

### **SPECIFIC NEEDS OF NCA COUNTRIES BASED ON THE PECULIARITIES**

**In terms of logistics sustainability:**

- need for **regional cooperation** to balance freight flows, especially transit ones,
- need for higher **digital interoperability and integration**, especially for rail transport.

**In terms of economic sustainability:**

- important **dependency of transit flows on economic changes in third countries**,
- need to consider **comprehensive efficiency of freight transport enhancements on their impact on national and regional economies**.

**In terms of environmental sustainability:**

- further shift to more **environmentally friendly modes** (rail, piggyback transportation, etc.),
- need for **investments for further decarbonization** (shift to new technologies),
- possibly **high impact of ecological incentives and levies applied by third countries**.

### 3. KEY POST-PANDEMIC MACROECONOMIC FACTORS IMPACTING ON FREIGHT STRATEGIES



#### GENERAL ECONOMIC RECOVERY

impacting on (a) total volumes of freight transportation, both domestic and international, (b) directions of freight transportation

#### GEOPOLITICAL TENSIONS AND TRADE PROTECTIONISM

a multi-factor impacting on all aspects of transport sustainability, also limiting possible volumes, variety of routes, as well as opportunities to diversify transport mix

#### BASE COMMODITY PRICES

impacting on (a) total volumes of transportation and (b) fares of transportation / need for subsidies or other forms of support

#### MONETARY POLICIES

factor impacting on general available level of infrastructural funding and support

#### ENERGY TRANSITION AND DECARBONIZATION

directly impacting on environmental sustainability of rail freight, may lead to temporary deharmonization of international trade corridors, growing costs of trade and additional costs for Central Asian landlocked countries

# 3. KEY POST-PANDEMIC MACROECONOMIC FACTORS IMPACTING ON FREIGHT STRATEGIES. USE-CASE OF THE RUSSIAN FEDERATION

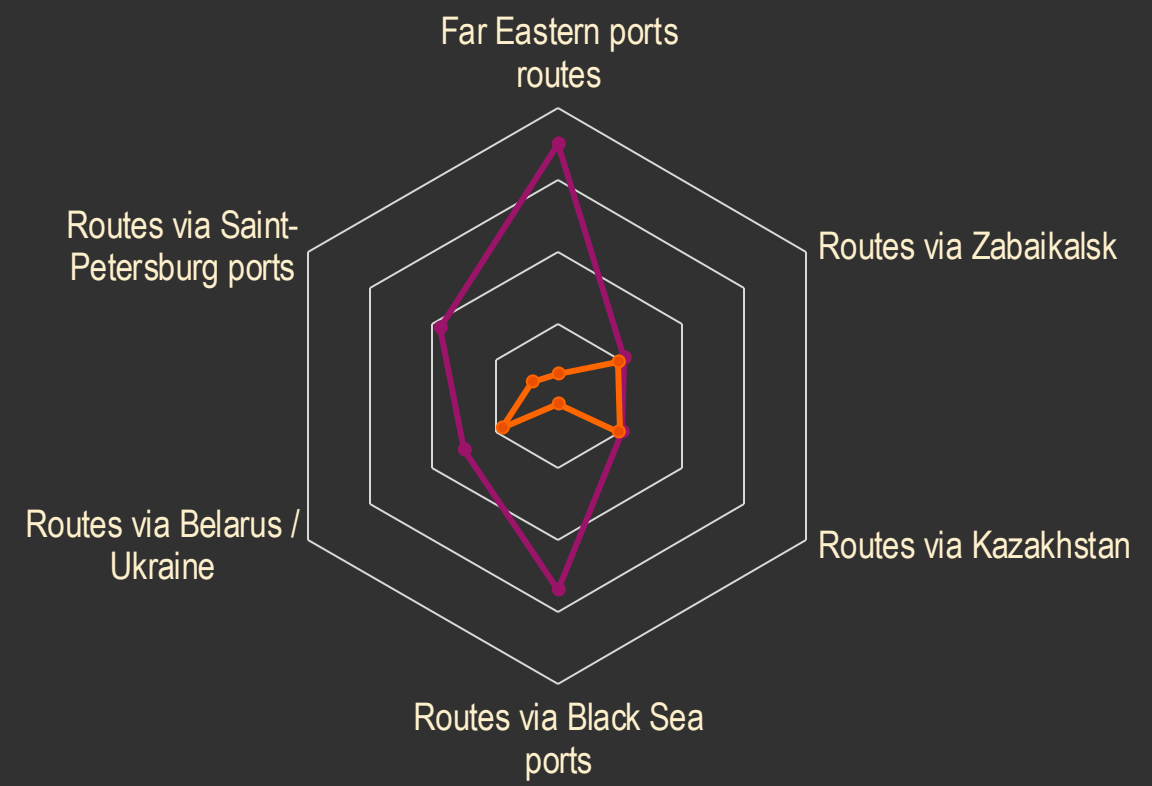
## MODELED SETS OF FACTORS\*

### 1) SET ONE

- substitution of Australian coal with Russian coal in China (increase from 16.4 percent to 26.4 percent (~20 m tons))
- growth of coal exports to Europe by 10 percent points (~7 m tons)

### 2) SET TWO

- declining demand for coal in Europe (to achieve SDGs, reduction of exports to Europe by 5 pp. (-3.5 m tons))
- accelerated build-up of domestic coal production in China
- resumption of Australian coal imports to China (reduction of Russia's share in Chinese imports from 16.4 percent to 13 percent (~7 m tons))



**FREIGHT STRATEGIES REFER TO ACHIEVING SDGs (TECHNOLOGIES, INFRASTRUCTURE), BUT ACHIEVEMENT OF SDGs (ENERGY TRANSITION) DO IN ITS TURN IMPACT ON FREIGHT STRATEGIES (CHANGING VOLUMES, CARGO TYPES, DIRECTIONS).**

\*2021 DATA AND PREREQUISITES

# 4. WHY AND HOW TO COMBINE FREIGHT STRATEGIES AND SGDs. USE-CASE OF KAZAKHSTAN

## 1. ECONOMIC SCENARIOS AND EXTERNAL FACTORS



## 4. PRIORITY ACTIONS TO UNLOCK THE POTENTIAL

Infrastructure projects:

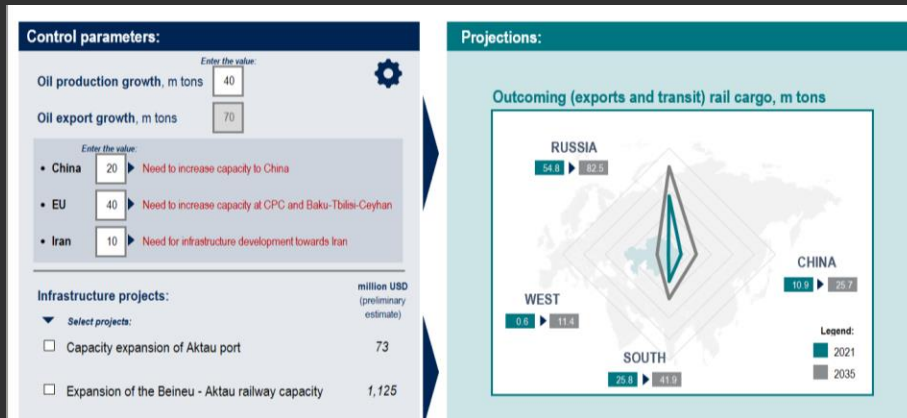
Select projects:	million USD (preliminary estimate)
<input type="checkbox"/> Capacity expansion of Aktau port	73
<input type="checkbox"/> Expansion of the Beineu - Aktau railway capacity	1,125
<input type="checkbox"/> Expansion of the Moynyt - Dostyk railway capacity	1,225
<input type="checkbox"/> Purchase of railway ferries	1,000
<input type="checkbox"/> Expansion of the container terminal in the port of Baku	550
<input type="checkbox"/> Expansion of the Baku-Tbilisi-Kars railway capacity	675
<input type="checkbox"/> Increase of capacity of Almaty - Tashkent - Ashkhabad railway	1,550

## 5. STRATEGY AIMED AT ACHIEVING SGDs

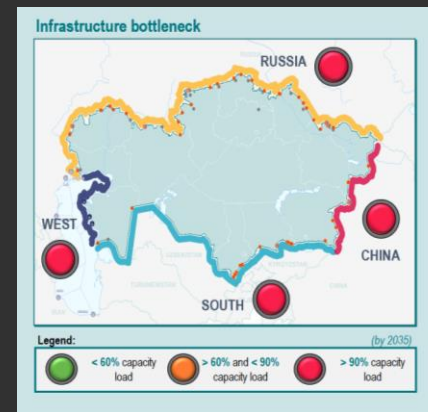
Economic effects for Kazakhstan

Indicator	Optimistic scenario		% deviation
	without actions	with actions	
GDP, CAGR 2022-2035, %	3.45	3.45	0.00
Investment, CAGR 2022-2035, %	4.79	4.79	0.00
Employment, 2035, thousand people	9,990	9,990	0.00
Exports of goods, 2035 bn USD	162.8	162.8	0.0
Foreign trade turnover, 2035 bn USD	260.5	260.5	0.0

## 2. TRADE PROJECTIONS CONVERTED TO FREIGHT PROJECTIONS



## 3. INFRASTRUCTURE GAPS AND GAPS IN OPERATIONS



**FREIGHT, AND MORE LARGELY, CONNECTIVITY STRATEGIES ARE IMPORTANT ENABLERS FOR REALIZATION OF SGds, FASTER AND RESILIENT ECONOMIC GROWTH.**



# 5. RECOMMENDATIONS ON STRATEGIC PRIORITIES AND ACTIONS FOR NCA COUNTRIES

1

## AGREEING ON THE STATISTICS ON FREIGHT TRANSPORT IMPACT ON SDGs

- Elaboration of **data lists and formats to be collected on freight sustainability**.
- Elaboration of guidelines on data collection and processing.
- Implementation of new data collection system.

2

## ENABLING CORRIDOR-BASED HARMONIZATION

- **Corridor-based 'sustainability watch' programme**: joint identification of weak segments or parts, joint planning of actions to increase the overall freight sustainability by specific corridors.

3

## PROMOTION OF SMART TECHNOLOGIES AND SOLUTIONS, ESPECIALLY FOR INTERNATIONAL PROJECTS

- Application of **combined economic and freight transport modeling as a smart decision-making solution within national and regional strategic planning** to ensure the best choice of parameters for new projects or modernization of existing infrastructure / services.
- Consideration of governmental support for green multimodal solutions (piggyback transport and other options of semitrailer transport).
- Promoting digitalization and **digital integration**.

4

## INTRODUCTION OF **ESG** CHECK-UP FOR FREIGHT TRANSPORT PROJECTS AND CERTIFICATION (LABELLING) OF CONNECTIVITY PROJECTS

- Establishment of **certification methodology for sustainable freight projects** (ESG check-up)
- Cooperation with international financial institutions on acceptance of such certification as a necessary condition for attracting international green financing.
- **Publication of data on certified sustainable freight projects to promote knowledge and experience sharing**.

## 6. WAY FORWARD FOR REGIONAL COOPERATION ON SUSTAINABLE FREIGHT STRATEGIES

01

CONVERTING FREIGHT TRANSPORT STRATEGIES INTO SUSTAINABLE CONNECTIVITY STRATEGIES

02

SHIFTING FROM THE ONLY POSSIBLE OPTIMALITY TO ALTERNATIVITY AS A PATH TO HIGHER RESILIENCE.

03

INTRODUCING CONSTANT IMPROVEMENTS CONCEPT INSTEAD OF FOCUSING ON FIXED INDICATORS TO FIT VARIOUS NEEDS, BUDGETS, TECHNOLOGICAL LEVELS OF NCA COUNTRIES.

!

ENHANCING PRACTICAL REGIONAL COOPERATION: ESTABLISHMENT OF NCA PLATFORM FOR SUSTAINABLE FREIGHT.

**SIXTH NORTH AND CENTRAL ASIA MULTI-STAKEHOLDER FORUM ON  
IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT GOALS  
6-7 OCTOBER 2022, ALMATY**

**THANK YOU FOR ATTENTION!**

CONTACTS

