

**Economic and Social Council**Distr.: General
23 June 2017

Original: English

Economic Commission for Europe**Inland Transport Committee****Working Party on Transport Trends and Economics****Thirtieth session**

Geneva, 4-6 September 2017

Item 7 (a) of the provisional agenda

Euro-Asian Transport Links:**Progress on Euro-Asian Transport Links work****Report of the Phase III of the Euro-Asian Transport Links*****Submitted by the Group of Experts****I. Introduction and mandate**

1. This document has been prepared in line with the output/activities of cluster 2: "Transport trends and economics (including Euro-Asian transport links)" of the programme of work of the transport subprogramme for 2016-2017 (ECE/TRANS/2016/28) and the Terms of Reference of the United Nations Economic Commission for Europe (UNECE) Group of Experts on Euro Asian Transport Links (ECE/TRANS/2013/5) as adopted by the Inland Transport Committee on 28 February 2013 (ECE/TRANS/236, para. 20) and by the Executive Committee of ECE on 11 July 2013 (EXCOM/CONCLU/62 and ECE/EX/2013/L.7).
2. This document prepared by the Group of Experts on Euro-Asian Transport Links (EATL) contains chapter IV and V, i.e. the forward looking chapters, of the Group's full report concluding the phase III of the Euro-Asia Transport Links project.
3. The Working Party on Transport Trends and Economics is invited to endorse the full report of the Expert Group and in particular its forward looking chapters, and to suggest way forward.

* The full report, due to its volume, is available at: www.unece.org/trans/main/wp5/inf30.html .



II. Part IV. EATL: Looking into the future

4. As noted in the Joint Statement on Future Development of Euro-Asian Transport Links (EATL) signed in Geneva, on 26 February 2013, by ministers of transport from EATL countries, there was a great potential to diversify freight transport routes between Europe and Asia and increase the use of existing and projected inland transport capacities.

5. The development of efficient, economically justified, safe and more secure EATL inland routes could provide alternative or complementary transport connections to the maritime transport, facilitate existing and future trade and cargo flows between Europe and Asia, and facilitate integration of national economies in the global economy¹.

6. Development of EATL could play a significant role in achieving the Sustainable Development Goals (SDG). EATL inland routes can facilitate access to markets, economic opportunities and social services to a number of countries spanning these routes, including landlocked and transit developing countries, in a manner that could significantly contribute to economic development, reduction of poverty and increase in the stability of economic prospects in these states.

7. The initial SWOT-analysis that had been developed during Phase II of the EATL project gave the overall picture of the status of EATL. It helped to understand maximum benefits from strengths, to outline the ways to compensate weaknesses, to minimize threats and take the greatest possible advantage of opportunities.

8. The current section of the report contains the upgraded version of the SWOT analysis of the EATL project reflecting the changes and trends identified in the course of the Phase III of the project.

9. The following were identified as strengths of EATL inland routes:

(a) Faster delivery on EATL inland routes than on maritime routes for the transport of goods between Europe and the Asia-Pacific;

(b) Important transport option for landlocked developing countries (LLDCs) lying on EATL inland routes;

(c) Unutilized existing capacities along some parts of the EATL road and railway routes running East-West and North-South;

(d) Preferred transport option for countries along the EATL inland routes to reach their major trade partners (countries of Central Asia, Afghanistan and Mongolia);

(e) Integral part and physical extensions of Pan-European Corridors, AGR, AGC, AGTC, the Trans-European Transport Networks (TEN-T), Asian Highway (AH) network, Trans-Asian Railway (TAR), Trans-European Motorway (TEM), Trans-European Railway (TER), TRACECA, International Transport Corridor North-South and International OSJD Rail Corridors, International Transport Corridor Via-Carpatia, International Road Corridor Europe – Western China and other related corridors and networks of high significance to transport between Europe and Asia;

(f) Political commitment to the development of EATL inland routes expressed by concerned governments and various international and subregional governmental and non-governmental organizations promoting related initiatives and projects in the area of transport;

¹ UNECE. Joint Statement on Future Development of Euro-Asian Transport Links, 26 February 2013. Available: www.unece.org/fileadmin/DAM/trans/doc/2013/itc/Joint_Declaration_on_EATL.pdf

(g) Availability of Public-Private Partnerships (PPPs) for the implementation of projects and initiatives aimed at EATL inland routes development (in addition to traditional PPPs, new institutional forms of global partnerships, in particular the Global Partnership for Sustainable Transport (GPST), involvement of international financial institutions, was expected to contribute to improvement of cooperation between different transport businesses and the United Nations, its specialized and regional agencies in the area of transport facilitation, harmonization of transport law and other issues essential to EATL); and

(h) Availability of best available technological and environmental standards and best practices for planning and construction of missing links.

10. The following were considered to be general weaknesses observed on EATL inland routes (not necessarily present in all EATL countries):

(a) Comparably too high costs of goods transport on EATL inland routes vis-à-vis the maritime routes across the Indian Ocean and the Suez Canal due to:

(i) Limited competition on EATL inland routes versus high competition between liner shipping companies leading to low freight rates;

(ii) (sometimes) Unreasonably high transit tariffs, fees and charges pursuing, primarily, the fiscal objectives; and

(iii) Challenges in harmonizing tariff rates between rail operators for cargo delivery between Europe and Asia;

(b) Slowly developing transport and logistic services along the EATL inland routes;

(c) Insufficient development of intermodal transport across the EATL region, mainly in the Central-Asian region (few intermodal services provided on the continental Euro-Asian market; insufficient number of logistic centres along the routes);;

(d) Existing physical and non-physical barriers along the EATL inland routes hampering transport operations, in particular:

(i) Missing links on road and railway networks;

(ii) Time-consuming control procedures leading to delays at border crossing points;

(iii) Absence of 'single window' procedures at border crossing points;

(iv) Multiple cargo checks *en route*;

(v) Mandatory transit convoys; and

(vi) Frequently changing restrictions and sanitary and phito-sanitary procedures;

(e) Slowly developing conditions for competitive business operation in some EATL countries, especially:

(i) Prevailing restrictions to permits for road transport operators for transit, bilateral transport and transport to/from third countries; and

(ii) Slowly developing markets of freight forwarders, cargo integrators, 3 PL providers and other market players facilitating trade and transport (and lack of legal base for their operation);

(f) Different approach to international co-ordination and harmonization, in particular:

- (i) Different customs transit regime along EATL inland routes;
- (ii) Time-consuming and costly procedures for granting of visas to professional drivers;
- (iii) Difficult monitoring of EATL inland routes due to the heterogeneity of existing transport and transit rules; and
- (iv) Different approach to and absence of synchronization of EATL infrastructure development across borders;
- (g) Cases of corruption along some EATL road routes (detected during some international project implementation – New Euro-Asian Land Transport Initiative (NELTI), the Global Anti-Corruption Initiative, etc., as well as by international organizations OSCE, ECO, IRU and others – forcing international operators to make illegal payments and making officially declared procedures unreliable;
- (h) Safety and security concerns along sections of the EATL inland routes;
- (i) Absence of fully electronic document and procedure management at border crossing points, including pre-declaration of vehicles and cargo, e-CMR, e-TIR along most of EATL inland routes;
- (j) Limited institutional and human resource capacities in many EATL member countries, especially in LLDCs;
- (k) Insufficient level of investments in development of transport infrastructure in some countries; and
- (l) Relatively high risks of natural disaster and technological failures along some sections of EATL inland routes while poorly developed risk management activities in the field of transport and development of alternative transport and transit routes;

11. The following were considered to be EATL inland routes opportunities:

- (a) Increasing long-term transport flow of goods between Europe and Asia due to continuous globalization;
- (b) Rapid growth of China and India and some other Asian countries generating greater transport demand and thus new opportunities for EATL inland routes;
- (c) Adoption during 2014-2015 by UN General Assembly and the ongoing implementation of United Nations Resolutions 70/1 "Transforming our world: the 2030 Agenda for Sustainable Development", 69/213 "The Role of Transport and Transit Corridors in Ensuring International Cooperation for Sustainable Development", 70/197 "Towards comprehensive cooperation among all modes of transport for promoting sustainable multimodal transit corridors";
- (d) Launch of "The Ashgabat Process" on Sustainable Transport Development based on the results of the First Global United Nations Conference on Sustainable Transport (November 26-27, 2016, Ashgabat, Turkmenistan);
- (e) The adoption of Ministerial Declaration on Sustainable Transport Connectivity in Asia and the Pacific and the Regional Action Programme for Sustainable Transport Connectivity in Asia and the Pacific, phase III (2017-2021) during the Third Session of the UNESCAP Ministerial Conference on Transport (5-9 December 2016, Moscow, Russian Federation);
- (f) Ongoing implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024;

(g) Establishment of the Eurasian Economic Union (EAEU) in 2014 and implementation of coordinated (agreed) transport policies among its member states with gradual creation of a single transport space and common market of transport services;

(h) The start of “One Belt - One Road” (OBOR) Initiative by China;

(i) Creation of the Global Partnership for Sustainable Transport (GPST) and launch of its work on key transport issues related to the development of EATL, for example its proposal to develop a Global Transit Document (GTrD) to facilitate inter-modal transit of goods across multiple jurisdictions taking into account related legal and insurance issues during the transit of goods;

(j) Accession of EATL countries to the WTO (Russian Federation (2012), Tajikistan (2013) and Kazakhstan (2015));

(k) Entry into force of the WTO Trade Facilitation Agreement (TFA) in 2017;

(l) Economic reforms in certain EATL countries improving the business climate and transparency of procedures as evidenced by the growth indices of competitiveness and LPI in those countries;

(m) Developing trade among EATL countries, in particular between LLDCs in Central Asia and their transit developing neighbours;

(n) Implementation of certain infrastructure projects improving the transport-logistic network within the EATL area, including the Via-Carpatia project, construction of Europe-Western China International Route and North-South Corridor by all involved countries, reconstruction of the railway lines of BAM and TRANSSIB in the Russian Federation, construction and launch of operation in the new commercial sea and dry port Alyat (Republic of Azerbaijan), Eurasia Tunnel crossing the Istanbul Straits (Bosporus) undersea, construction of Resht - Astara railway section in the Islamic Republic of Iran, etc.;

(o) Increase in volumes of “time-sensitive” goods transit on EATL inland routes due to “slow steaming” on the maritime routes;

(p) Increasing coverage of the CIM/SMGS consignment note along EATL railway routes (for example in China and in the Islamic Republic of Iran);

(q) Expansion of CMR consignment note and TIR carnet along EATL road routes;

(r) Railway reforms in certain EATL countries improving the environment for long-haul block-trains operations;

(s) Availability of legal framework (Convention on the Harmonization of Frontier Controls of Goods) and good practices in facilitating border-crossing procedures; and

(t) Increasing efforts to advance regional cooperation and integration among EATL countries offering new opportunities to address existing challenges in a coordinated way.

12. The following were considered to be EATL inland routes threats:

(a) The risks of "slowdown" of fast-growing Asian economies and thereby low growth or reduction of the physical volume of trade between Europe and Asia;

(b) Replacement of productive capacities by trans-national businesses from China to other Asian and Pacific countries, making the switching freight traffic from maritime to inland routes less favourable;

- (c) Increasing global trend of economic protectionism;
- (d) The persisting low transport costs of maritime routes making them the most attractive and simple transport option for the majority of supply chains in Euro-Asian trade;
- (e) The continuing growth in the efficiency of international air transport and air cargo logistics taking away the most attractive "luxury" goods from the sea and EATL inland routes to air transport;
- (f) Growth in transport flows along the North Maritime Route to container traffic making maritime transport more competitive; and
- (g) Persisting conflicts and political instability in some countries and regions of Eurasia increasing the risk for inefficient operation of some EATL inland routes.

EATL Roadmap to 2030 (“Strengths - Weaknesses - Opportunities - Threats” matrix).

13. The main goal of Project Phase III was to identify the measures that would make the EATL routes operational.

14. In fact, these links had already been functioning accumulating the everyday experience of trade and transport. In this context, the task was rather to generalize this experience and formulate the coordinated measures that could facilitate the further growth in transport flows on EATL routes.

15. Table 1 lists strengths, weaknesses, opportunities and threats for several issues recognized as important to the development and further operationalization of EATL inland routes such as: (i) SDG implementation, (ii) LLDCs improved access to markets, (iii) Inland transport and international trade between Europe and Asia, (iv) EATL infrastructure, (v) Harmonization and facilitation of procedures along EATL inland routes, (vi) Container block trains, (vii) Road transport and Euro-Asian connectivity, (viii) Universal legal regimes, and (ix) Railway reforms in certain EATL countries. By grouping strengths, weaknesses, opportunities and threats in that way, the table shows in clear way which are the strengths to build on, weaknesses to address, opportunities to seize and threats to minimize for each of the nine issues of importance. Hence, the table can serve as an effective tool for different actors in formulating adequate action under each of the nine issues of importance.

Table 4.1
Strengths - Weaknesses - Opportunities- Threats (SWOT) matrix for further EATL development

Issue	SWOT			
	Strengths	Weaknesses	Opportunities	Threats
	<i>EATL development and further operationalization can increase due to:</i>	<i>EATL development and further operationalization can be weakened by:</i>	<i>EATL development and further operationalization should benefit from:</i>	<i>EATL development and further operationalization can be at risk from:</i>
EATL and SDG implementation	<ul style="list-style-type: none"> Inclusion of EATL issues in the SDGs 2, 8, 9, 11, 12; Political commitments of governments, IGOs and NGOs on SDGs implementations; and Increased role of new global partnerships on sustainable development (such as GPST). 	<ul style="list-style-type: none"> Low involvement of some EATL countries in the EATL inland routes coordinated development. 	<ul style="list-style-type: none"> Opportunities generated under global trends on sustainable transport development; and Multiplicative effects created by EATL inland routes development for socio-economic growth, employment, trade and transport costs for exporters and consumers. 	<ul style="list-style-type: none"> Persisting conflicts and political instability in some EATL countries taking the attention away from the SDGs implementation.
EATL and LLDCs improved access to the markets	<ul style="list-style-type: none"> EATL being the important transport option for LLDCs and their access to sea ports and world markets; and Mainstreaming of the Vienna Programme of Action in national and sectoral development strategies. 	<ul style="list-style-type: none"> Low regional and interregional connectivity in LLDCs; Insufficient level of investments in development of transport infrastructure in LLDCs; Non-harmonized transport, transit, and border crossing procedures among neighbouring LLDCs; and Limited institutional and human resource capacities in many LLDCs. 	<ul style="list-style-type: none"> Future improvement of regional connectivity between LLDCs increasing their access to regional and global markets; More inclusive and sustainable economic growth in LLDCs; Possible import cost reduction; and Increasing flexibility for small and medium-sized enterprises in LLDCs to integrate in global supply chains. 	<ul style="list-style-type: none"> Decreasing LLDCs investment potential.
Inland transport and international trade between	<ul style="list-style-type: none"> Faster delivery of goods between Europe and 	<ul style="list-style-type: none"> Higher costs of goods transport on inland routes 	<ul style="list-style-type: none"> Growth in inland container transport of “time- 	<ul style="list-style-type: none"> Further/possible move of productive capacities from

	SWOT			
	Strengths	Weaknesses	Opportunities	Threats
<i>Issue</i>	<i>EATL development and further operationalization can increase due to:</i>	<i>EATL development and further operationalization can be weakened by:</i>	<i>EATL development and further operationalization should benefit from:</i>	<i>EATL development and further operationalization can be at risk from:</i>
Europe and Asia	<p>Asia on inland routes compared to maritime routes; and</p> <ul style="list-style-type: none"> Trade partners located along the inland routes. 	<p>compared to maritime routes; and</p> <ul style="list-style-type: none"> Slowly developing markets of freight forwarders, cargo integrators, 3 PL providers and other market players facilitating trade and transport (and lack of legal base for their operation). 	<p>sensitive” cargo; and</p> <ul style="list-style-type: none"> Growth in inland transport of cargo originated from landlocked regions of China (e.g. Western and Central China). 	<p>China to South-East-Asia favouring maritime shipping;</p> <ul style="list-style-type: none"> Possible growth “slowdown” in r fast-growing Asian economies; Increasing global trend of economic protectionism; The continuing growth in the efficiency of international air transport and air cargo logistics; and Growth in transport flows along the North Maritime Route to container traffic making maritime transport more competitive.
EATL infrastructure	<ul style="list-style-type: none"> Free capacities along some routes East-West and North-South; EATL routes forming an integral part and being physical extensions of the Trans-European and Asian Transport Networks, OSJD Rail Corridors, TRACECA, International Transport Corridor North-South, International Transport Corridor Via-Carpatia, International Road Route Europe – Western China and other related corridors and 	<ul style="list-style-type: none"> Insufficient level of investments in development of transport infrastructure in some countries; Insufficient development of intermodal and combined transport (few intermodal services provided on the continental Euro-Asian market); Insufficient number of logistic centres along the routes; and Slowly improving infrastructure of border 	<ul style="list-style-type: none"> Planned infrastructure projects; Start of the One Belt - One Road (OBOR) Initiative by China; PPPs, innovative options and other mechanisms for EATL infrastructure development financing; Potential increase in coordinated development of some EATL routes (such as OSJD corridors in framework of Complex 	<ul style="list-style-type: none"> Preference for raw commodity goods transport vis-à-vis containerized transport.

<i>SWOT</i>				
<i>Issue</i>	<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
	<i>EATL development and further operationalization can increase due to:</i>	<i>EATL development and further operationalization can be weakened by:</i>	<i>EATL development and further operationalization should benefit from:</i>	<i>EATL development and further operationalization can be at risk from:</i>
	<p>networks with high significance for transport between Europe and Asia; and</p> <ul style="list-style-type: none"> Ongoing activities in the framework of international projects and initiatives implemented by IGOs and NGOs with the aim to develop infrastructure and to increase the EATL inland routes efficiency. 	<p>crossing points.</p> <ul style="list-style-type: none"> Lack of accession by some EATL countries to international conventions and United Nations agreements; Insufficient level of international co-ordination and harmonization of border crossing procedures; Cases of corruption along some EATL road routes; Absence of fully electronic transport and customs documents/ procedures, including electronic pre-declaration systems; and 	<p>Plans developed by OSJD Committee);</p> <ul style="list-style-type: none"> Elimination of bottlenecks and missing links; Improved coordination of infrastructure programs and projects by governments of the EATL countries; and Advanced development of railway and logistic infrastructure and dry ports for more efficient container transport. 	
Harmonization and facilitation of procedures along EATL inland routes	<ul style="list-style-type: none"> Participation of most of EATL countries in key international agreements and United Nations conventions, such as CMR, TIR, Harmonisation Convention as well as in WTO TFA. 		<ul style="list-style-type: none"> Entry into force of the WTO Trade Facilitation Agreement (TFA) in 2017; Start of TIR carnets in Pakistan; China accession to the TIR Convention; Entry into force and implementation of new regional transport agreements (SCO Agreement, Intergovernmental Agreement on road transport along Asian Highway Network, etc.); Establishment of the 	<ul style="list-style-type: none"> Continuing low level of implementation in some EATL countries of international programs and initiatives related to facilitation and harmonization of transport, transit and border crossing procedures.

<i>SWOT</i>				
	<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
<i>Issue</i>	<i>EATL development and further operationalization can increase due to:</i>	<i>EATL development and further operationalization can be weakened by:</i>	<i>EATL development and further operationalization should benefit from:</i>	<i>EATL development and further operationalization can be at risk from:</i>
		<ul style="list-style-type: none"> Limited institutional and human resource capacities. 	<p>Eurasian Economic Union (EAEU) in 2014 and implementation of coordinated (agreed) transport policies among its member states with gradual creation of a single transport space and common market of transport services;</p> <ul style="list-style-type: none"> Dissemination of best decisions and models in the area of international trade, transport and border crossing (UN ECE – OSCE Handbook of best practices at border crossings, WCO standards, Safe-TIR, TIR-EPD etc.); Further development of bilateral and multilateral forms of cooperation in the field of transport between EATL countries; and Enhanced development of the freight-forwarding and high level logistic providers segment (3PL and higher). 	
Container block trains	<ul style="list-style-type: none"> Container block train in regular services. 	<ul style="list-style-type: none"> High competition between liner shipping companies and the associated low freight rates; Challenges in tariff 	<ul style="list-style-type: none"> Increasing capacity for operating container block trains between Europe and Asia due to efforts of IGOs, NGOs (in particular OSJD, Coordinating Council on 	<ul style="list-style-type: none"> Persisting preference for raw commodity transport vis-à-vis containerized transport; Continuing growth in

<i>SWOT</i>				
<i>Issue</i>	<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
	<i>EATL development and further operationalization can increase due to:</i>	<i>EATL development and further operationalization can be weakened by:</i>	<i>EATL development and further operationalization should benefit from:</i>	<i>EATL development and further operationalization can be at risk from:</i>
		<p>harmonization for container transport between Europe and Asia for rail transport operators;</p> <ul style="list-style-type: none"> • Slowly improving quality of transport and logistics services across the EATL corridors compared to that of maritime routes; • Insufficient number of intermodal logistic centres on EATL routes; and • Empty containers back haul. 	<p>Trans-Siberian Transportation International Association, etc.), transport businesses;</p> <ul style="list-style-type: none"> • Growth in “time-sensitive” containerized inland transit; • Improving transport-logistic network within the EATL region due to implementation of specific infrastructure projects; • Promotion of block train projects and marketing of block train services between Europe and Asia; and • Increasing the share of scheduled block train services. 	<p>the efficiency of international air transport and air cargo logistics;</p> <ul style="list-style-type: none"> • Conservation of high container freight rates on inland routes making them less competitive to maritime routes; and • Growth in transport flows along the North Maritime Route to container traffic making maritime transport more competitive.
Road transport and Euro-Asian connectivity	<ul style="list-style-type: none"> • Existing network of roads; • Strong role of road transport in trade between neighbouring countries along EATL inland routes; and • Strong role of road transport for small and medium-sized enterprises in Euro-Asian trade. 	<ul style="list-style-type: none"> • Existing physical and non-physical barriers along the inland EATL routes hampering transport operations, including: time-consuming control procedures leading to delays at border crossing points, absence of ‘single window’ procedures at border crossing points, multiple cargo checks en route, mandatory transit convoys, frequently changing 	<ul style="list-style-type: none"> • Progressing modernization and upgrade of road transport infrastructure and creation of new road corridors (such as “Europe - West China”, China - Mongolia - Russia corridors, SCO routes, BSEC Ring Highway, International Transport Corridor Via-Carpatia, etc.); • Geographical expansion of TIR system 	<ul style="list-style-type: none"> • Persisting market access limitation and restrictions for road transport carriers under bilateral and regional road transport agreements; • Persisting restrictions in the area of road transport operations between China and other countries; and • Increasing traffic and traffic jams in vicinity of

	SWOT			
	Strengths	Weaknesses	Opportunities	Threats
<i>Issue</i>	<i>EATL development and further operationalization can increase due to:</i>	<i>EATL development and further operationalization can be weakened by:</i>	<i>EATL development and further operationalization should benefit from:</i>	<i>EATL development and further operationalization can be at risk from:</i>
		<p>restrictions and sanitary and phytosanitary procedures;</p> <ul style="list-style-type: none"> • Absence of fully electronic transport and customs documents/ procedures; • Transit permits, limitation of transit permits quotas; • Visa formalities for drivers; • Insufficient infrastructure of border crossing points, dry ports and logistic centres for serving road transport; and • Insufficient ancillary roadside infrastructure and services along EATL road routes (road safety issues). 	<p>(Pakistan and China accession);</p> <ul style="list-style-type: none"> • New possibilities from implementation of electronic instruments (e-CMR, e-TIR); • Entry into force and implementation of new regional agreements aimed at facilitation of international road transport (SCO agreement, Intergovernmental Agreement on road transport along Asian Highway Network, etc.); • Increasing involvement of road transport in long haul operations between Europe and Asia, in particular between Central Asia, Iran, Turkey and European Union and between China and its neighbouring countries; and • Increasing involvement of small and medium-sized enterprises in Euro-Asian trade. 	<p>major cities along the Euro-Asian road routes.</p>
Universal legal regimes	<ul style="list-style-type: none"> • Availability of international good practice for creation of national legal regimes and administrative 	<ul style="list-style-type: none"> • Absence of harmonised administrative and customs procedures among some of the EATL 	<ul style="list-style-type: none"> • Increasing implementation of unified consignment documents/ invoices for inland transport 	<ul style="list-style-type: none"> • Potential complication (e.g. political instability), leading to delays in harmonization of legal

<i>SWOT</i>				
<i>Issue</i>	<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
	<i>EATL development and further operationalization can increase due to:</i>	<i>EATL development and further operationalization can be weakened by:</i>	<i>EATL development and further operationalization should benefit from:</i>	<i>EATL development and further operationalization can be at risk from:</i>
	<p>procedures for facilitation of transport operation; and</p> <ul style="list-style-type: none"> • Availability of trade and transit facilitation measures for facilitation of multimodal transport of goods between Europe and Asia. 	<p>countries in international trade.</p>	<p>on regional or global level, and of the proposed Global Transit Document (GTrD) for multimodal delivery of goods;</p> <ul style="list-style-type: none"> • Expansion of universal CIM/SMGS legal regime along EATL railway routes, and road transport under CMR consignment notes and TIR carnets along EATL road routes; and • Creation of GTrD expert group in the framework of GPST in 2016. 	<p>regimes.</p>
Railway reforms in certain EATL countries	<ul style="list-style-type: none"> • Availability of good practice for railway reforms. 	<ul style="list-style-type: none"> • Lack of legal basis for private operators to arrange competitive railway services. 	<ul style="list-style-type: none"> • Creation of competitive market of rail transport operations between Europe and Asia. 	<ul style="list-style-type: none"> • Potential complication leading to delays in implementation of railways reforms.

III. Part V. Conclusions and recommendations

16. In the context of above mentioned SWOT Matrix, it was relevant to identify the best options and mechanisms for further EATL development by governments, international intergovernmental and non-governmental organizations and the business community. These recommendations have been prepared in recognition of the fact that conditions in which transport systems develop differ among countries and regions along the EATL inland routes.

17. These recommendations seek to propose options on how to most effectively develop EATL inland routes at national, international and business levels by “translating” the policy language into potentially actionable initiatives that governments, IGOs, NGOs and businesses could undertake in order to reap the benefits of these important policy instruments.

A. Transport policy

18. Establishing of transport policies based on good practice available internationally and developing bilateral and international forms of cooperation should be a priority to help further operationalize the EATL inland routes.

*Recommendations:**For governments and IGOs*

1. Continue the activities within the EATL project in co-ordination with other similarly focused initiatives (UNECE, UNESCAP, SPECA, OSJD, ECO, CCTT, UIC, IRU, GPST etc.) with the aim to increase the EATL efficiency:
 - Implement at the national level the provisions of United Nations Resolutions 69/213 "The Role of Transport and Transit Corridors in Ensuring International Cooperation for Sustainable Development" and 70/197 "Towards comprehensive cooperation among all modes of transport for promoting sustainable multimodal transit corridors";
 - Implement the provisions of Ministerial Declaration on Sustainable Transport Connectivity in Asia and the Pacific and the Regional Action Programme for Sustainable Transport Connectivity in Asia and the Pacific, phase III (2017-2021) by Asian EATL countries;
 - Participate in the regional and international projects and initiatives implemented by IGOs and NGOs in the area of EATL, trade, transport and transit facilitation (UNECE, UNESCAP, SPECA, OSCE, OSJD, ECO, CAREC, CCTT, UIC, IRU, GPST etc.);
 - Develop solutions for improving national transport policies including transit and border crossing provisions with the participation of all relevant stakeholders; and
 - Integrate EATL achievements in national transport plans and programs.
 2. Analyse and disseminate best practices and models in the sphere of international trade and transport (UNECE – OSCE Handbook of best practices at border crossings, WCO standards, etc.):
 - Carry out studies on transport-logistical competitiveness based on internationally recognized methodologies;
 - Promote policies helping national businesses, especially small and medium-sized enterprises, to participate wider in international trade and transport; and
-

*Recommendations:**For governments and IGOs*

-
- Simplify and synchronize visa issuing procedures and introduce long-term multi-entry visas where possible.
3. Develop bilateral and multilateral forms of cooperation in the field of transport between EATL countries:
 - Improve the monitoring of infrastructure developments, the execution of transport facilitation plans, and the functioning of transport corridors;
 - Improve collection and dissemination of transport and trade statistics and other relevant data, develop the harmonized approach in trade and transport activities monitoring and forecasting to produce reliable commonly used forecasts;
 - Collaborate on prompt exchange of trade and transport data between the neighbouring countries along the EATL routes;
 - Promote harmonization of regional policies, in particular within regional initiatives and programs so as to strengthen regional synergy, competitiveness and regional value chains;
 - Support implementation of national transport and trade facilitation action plans and back committees with participation of all the groups of stakeholders;
 - Join and implement initiatives aimed at EATL development, such as the project on “Merging of Eurasian Integration and the Economic Belt of the Silk Road”; and
 - Improve the monitoring and high-level coordination of regional initiatives, programs and projects.
 4. Develop cooperation at the administrative and business levels internationally:
 - Continue and enhance international coordination and cooperation of national agencies and bodies responsible for all kinds of border and customs controls and procedures;
 - Establish or strengthen national committees on trade and transport facilitation, with the involvement of all relevant stakeholders; and
 - Introduce international early-warning system to inform involved countries along transport corridors about the changes in the administrative regimes, charges, infrastructure restrictions, etc.
 5. Encourage development of the freight-forwarding and logistic providers segment (3PL and higher) by providing legal conditions for market competition development in the transport and logistics sector.
 6. Put railway reforms as one of policy priorities:
 - Create competitive market of rail transport operations between Europe and Asia;
 - Create favourable conditions for all rail transport operators to undertake international railway and transit operations between Europe and Asia;
 - Provide mechanisms for changing railway tariffs according to the market situation;
 - Provide necessary market conditions in neighbouring segments (e.g. in wagon manufacturing) to avoid lack of equipment and services used by railways for transport operations between Europe and Asia; and
 7. Develop transport policies aimed at increasing complementarity between road and rail transport rather than increasing competition between these two modes on EATL
-

Recommendations:

For governments and IGOs

inland routes and ports hinterlands.

Recommendations:

For transport businesses and NGOs:

1. Contribute to the development of cooperation between businesses, governments and international organizations:

- Involve in public-private partnerships, training and knowledge-exchange projects;
- Participate in national committees on trade and transport facilitation;
- Cooperate with policymakers, legislators and opinion makers, in order to promote harmonisation of national transport regulations with international standards and best practices along the EATL inland routes; and
- Initiate the public consultations process on the possibilities and benefits of accession to the United Nations transport agreements and conventions.

2. Support development of the freight-forwarding and logistic providers segment (3PL and higher):

- Undertake efforts to build human capacity in the logistics sector (training, educational programs, international knowledge and experience exchange, etc.); and
 - Contribute to establishing of associations and other non-governmental structures expressing the interests of cargo owners, transport and logistics operators, freight-forwarding providers involved in international trade and transport between Europe and Asia.
-

B. Facilitation, procedures and institutions

19. Institutional reforms and trade facilitation should be a priority for operationalization of EATL routes.

Recommendations:

For governments and IGOs

1. Implement universal trade and transit facilitation measures, paperless technologies for transport and border crossing:

- Standardize and unify trade and transport documents;
 - Encourage shift to electronic documents with the aim of full paperless technologies for transport and transit;
 - Implement or scale up trade facilitation initiatives such as single-stop inspections, single window for documentation, electronic payment, etc.;
 - Prevent fixing specific routes or border crossing points for international trade and traffic, instead enable flexibility across tradelanes;
 - Prevent discrimination in visa regimes for drivers and offer long-term and multi-entry visas;
 - Prevent arbitrary derogations or limitations of international agreements
-

*Recommendations:**For governments and IGOs*

-
- concerning trade and transport;
- Use standardized practical tools to identify the obstacles to trade and transport flows, e.g. the World Bank “Trade and Transport Facilitation Assessment: A Practical Toolkit for Country Implementation”;
 - Promote the development of international road transport among EATL countries under TIR carnets; and
 - Promote the development of international rail transport operations under CIM/SMGS consignment note.
2. Accede to and implement international agreements and United Nations conventions in the field of transport and transit:
- Accede, if not done so yet, to the United Nations conventions and agreements on transport and transit facilitation, including the International Convention on the Harmonization of Frontier Controls of Goods, the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention), and the Convention on the Contract for the International Carriage of Goods by Road (CMR);
 - Accede to the e-CMR Protocol and implement e-CMR consignment note for international road transport between Europe and Asia;
 - Promote implementation of the electronic TIR carnet project (e-TIR); and
 - Implement the Shanghai Cooperation Organisation’s Intergovernmental Agreement on Creation of Favourable Conditions for International Road Transport and the Intergovernmental Agreement on International Road Transport along the Asian Highway Network signed in 2016 by China, Mongolia and the Russian Federation.
3. Implement best practices and standards adopted internationally:
- Implement best practices at border crossings recommended by UNECE and OSCE in their Joint Handbook; and
 - Implement the WCO standards and best practices in accordance with the Handbook on Transit adopted in 2017.
4. Harmonize legal provisions on transport, trade and transit facilitation in the framework of regional and bilateral agreements:
- Introduce solutions based on best international practices in bilateral and regional cooperation as well as introduce them into trade and transport national legislation;
 - Harmonize procedures in the international road transport and introduce permits-free system of transit road transport;
 - Introduce the rule of obligatory “early warning” about changes in rules, tariffs, and procedures related to international trade and transport;
 - Provide special simplified control procedures for cargo owners and transport operators with good reputation;
 - Limit compulsory convoy or escort to high risk commodities only;
 - Implement legislation allowing the operation of long-and-heavy road vehicles across the main trade corridors and in the hinterland of logistic centres; and
 - Promote multilateral and regional permit systems for road transport aimed at eliminating quantitative limits and focus on provision of quality and safety for
-

Recommendations:

For governments and IGOs

road transport services.

5. Develop institutions and procedures facilitating the long-haul container block train operation and related services and activities by promoting a better business environment so as to assist all the interested parties to organize and operate long-haul container trains.

6. Implement procedures for facilitating transit, border crossing and enabling paperless technologies accelerating trade and transport operations:

- Identify non-physical barriers and evaluate their influence according to agreed common benchmarking procedures;
- Simplify visa requirements and formalities for personnel involved in international transport;
- Remove internal checkpoints, as possible;
- Record and analyse the reasons for border-crossing point congestion, queuing and time delays;
- Develop and implement the system of border-crossing point performance indicators to evaluate the results of investment projects and changes in procedures;
- Decrease the number of documents necessary for export, import and transit procedures;
- Introduce optimization of border crossing procedures on the basis of joint operations and data sharing; and
- Evaluate the possibility to introduce the unified format of data exchange (e.g. EDIFACT).

7. Introduce best international practice when amending railway legislation:

- Follow the provisions of the Joint Declaration expressing willingness to create a common legal regime for rail traffic across Asia and Europe of 2013;
 - Cooperate in the development of general conditions for Euro-Asian rail transport;
 - Introduce competition within the railway sector using the most effective international models; and
 - Envisage elaboration of legal conditions for the access of foreign rail operators to the national network, at least, in container train operations.
-

Recommendations:

For transport businesses and NGOs:

1. Support governments in implementation of international agreements and United Nations conventions in the field of transport and transit:

- Formulate recommendations for governments or regional cooperation authorities on how to create favourable conditions for regional transport and transit operations (including accession to international agreements and United Nations conventions, conclusion of new regional agreements to promote trade, transport and transit facilitation; and
- Participate in the implementation of activities under the Vienna Programme of Action.

2. Contribute to developing the container block train operations and related services

*Recommendations:**For transport businesses and NGOs:*

and activities:

- Establish container pools;
 - Organizing training programs and inter-railway staff exchange programs in the area of organization and promotion of container block trains;
 - Issue research work analysing the successful cases and the failures in inland container train operations;
 - Analyse the possibility of developing “Terminal services standard minimum” for use by the terminal staff across the EATL inland corridors - in a form of recommendations or “Best practices manual”; and
 - Improve the quality of transport and logistics services, punctuality and cargo safety conditions.
3. Assist in implementing procedures and paperless technologies accelerating trade and transport operations:
- Help identifying non-physical barriers and evaluating their influence according to agreed common benchmarking procedures;
 - Provide data and analysis on the reasons for border-crossing point congestion, queuing and time delays; and
 - Assist in developing single transit document for multimodal transport.
-

C. Infrastructure

20. The EATL transport network was nearly formed by the time this report was written and proved its efficiency for certain tradelanes and commodities. Numerous initiatives, programmes and projects were undertaken to improve the infrastructure in the EATL region. Therefore, it seemed reasonable that efforts should focus on coordination, standardization of infrastructure parameters and implementation of the most effective “point-focused” projects.

*Recommendations:**For governments and IGOs*

1. Eliminate bottlenecks and missing links on the potentially most effective inland transit routes and tradelanes in the EATL area:
 - Focus at identifying and removing obvious physical bottlenecks;
 - Develop logistics centres and hubs as well as dry ports at the nodes of the EATL routes; and
 - Modernize the infrastructure of border crossing points.
 2. Encourage introduction of public-private cooperation and other market-oriented and innovative forms for infrastructure project financing:
 - Develop the necessary policies and regulatory frameworks to promote private sector involvement in infrastructure development;
 - Promote enabling environment to attract foreign direct infrastructure investments; and
 - Encourage the PPPs for development of EATL inland routes infrastructure.
-

*Recommendations:**For governments and IGOs*

3. Coordinate infrastructure programs and projects using the “system approach” to infrastructure programs on development of the transport and logistics infrastructure in the framework of regional cooperation and unions of economic integration:

- Encourage creating transport-logistics and industrial clusters in order to foster knowledge networks and links among enterprises;
- Promote economies of scale for transport systems through intermodal transport development, creation of dry ports, logistic centres, etc.;
- Provide development of sea ports coordinated with the development of port hinterland connections and the infrastructural objects located in the hinterland and directly linked to sea ports;
- Motivate the developers and operators to cooperate in creation of high-scale multipurpose logistic sites serving domestic, international trade, transport and transit;
- Create logistic centres and dry ports as market-oriented nodes of supply chains improving the competitiveness of the entire EATL system;
- Work towards harmonization of the total vehicle weight, dimensions and axle weight limits along the main EATL road routes to provide effective road transport; and
- Further improve GIS and GNSS applications and develop tools to support “smart” decisions in transport and supply chains.

4. Advance development of railway and logistic infrastructure providing effective container transport, in particular, by promoting the cross-border cooperation of railway infrastructure administrations to provide the harmonized technologies for block train border crossing.

5. Prioritize infrastructure projects providing time-effective transport:

- Ensure technical and operational interoperability of railway and road systems of neighbouring countries;
- Encourage harmonization of railway technological standards and road axle load limits to facilitate regional connectivity, where feasible;
- Implement IT-systems to ensure transparency in border crossing procedures, customs and transit transport rules, regulations, fees and charges;
- Upgrade border crossing points equipping them with modern surveillance methods for security (vehicle scanning equipment, etc.), as well as the necessary IT infrastructure and supportive systems; and
- Develop a Border-Crossing Point Design Guide for border crossing points of different types and scales based on BCP best-practice examples.

6. Introduce effective mechanisms of railway infrastructure development in reform programs:

- Implementing the best practices in the area of infrastructure management and development;
 - Introduce adequate infrastructure fees within the railway industry paying special attention to intermodal transport; and
 - Encourage private participation in development and operation of certain infrastructure objects (terminals, railway logistic centres, railway sections built and operated by private companies).
-

*Recommendations:**For transport businesses and NGOs:*

1. Involve in public-private cooperation and other market-oriented and innovative forms of infrastructure projects financing by intensifying participation in national and international programmes that propose financial and technical assistance in the area of transport infrastructure development.
 2. Contribute to the development of railway and logistics infrastructure providing effective transport for containers:
 - Involve in development of multi-purpose logistics centres with intermodal terminals;
 - Develop effective reloading capacities for containers and other intermodal units in the gauge-changing points;
 - Engage in replacing where possible the boogie change procedures for block trains by effective container transshipment on railway gauge changing stations; and
 - Expand marketing and promotion of EATL inland routes and block train services.
 3. Get involved in infrastructure projects providing time-effective transport:
 - Invest in projects aimed at improvement of sea-rail interoperability to ensure the synergy between these two modes;
 - Help design border-crossing points of different types and scales based on BCP best-practice examples; and
 - Adopt modern and innovative transport systems, including Intelligent Transport Systems (ITS).
-