
Project Working Group on Transport and Border Crossing (PWG-TBC)

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**INTERGOVERNMENTAL AGREEMENTS ON THE ASIAN HIGHWAY AND
TRANS-ASIAN RAILWAY NETWORKS**

(Item 4 (c.i) of the Agenda)

Note by UNESCAP

Introduction

1. The Economic and Social Commission for Asia and the Pacific (UNESCAP) at its forty-eighth session in 1992 approved the Asian Land Transport Infrastructure Development (ALTID) project, composed of the Asian Highway (AH), the Trans-Asian Railway (TAR) and the facilitation of land transport. Under ALTID, UNESCAP completed the formulation of the AH network covering 141,000 km in 32 countries and the TAR network of 81,000 km in 28 countries. The AH and TAR networks have been formalized through intergovernmental agreements.
2. The Ministerial Conference on Infrastructure (Seoul, 2001) recognized the AH and TAR networks as two important components of an international, integrated, intermodal transport network covering the whole Asia. The Ministerial Conference on Transport held in Busan, Republic of Korea on 6-11 November 2006 reiterated the importance of the development of an international integrated intermodal transport and logistics system that would contribute to the long-term objective of regional cooperation in support of production and distribution networks and international trade.
3. This document describes the progress and current status of the two Intergovernmental Agreements and UNESCAP's recent activities to promote intermodal integration of AH and TAR with sea ports and maritime transport networks.

I. Intergovernmental Agreement on the Asian Highway Network

4. The Intergovernmental Agreement on the Asian Highway Network (<http://www.unescap.org/ttdw/common/tis/AH/AH-Agreement-E.pdf>) entered into force on 4 July 2005. As of February 2007, the Agreement has been signed by 28 countries, of which 20 including 5 SPECA countries are Parties¹ to the Agreement (see Annex for status of SPECA member States' signing or being Parties to the Agreement).

¹ Afghanistan, Armenia, Azerbaijan, Bhutan, Cambodia, China, Georgia, India, Japan, Kyrgyzstan, Mongolia, Myanmar, Pakistan, the Republic of Korea, the Russian Federation, Sri Lanka, Tajikistan, Thailand, Uzbekistan and Viet Nam

5. In accordance with the terms of the Agreement, the Working Group on the Asian Highway has been established to consider the implementation of the Agreement and the amendments proposed as well as to discuss progress in development policies and issues relating to international road transport. Following its first meeting, held in Bangkok on 14 and 15 December 2005, the second meeting of the Working Group is planned in 2007.

6. An important consideration underlying the Agreement is upgrading and improving the network to satisfy the requirements of the Asian Highway Classification and Design Standards. Currently, around 28 per cent (compared to 16 per cent for all AH network) of the AH routes in the SPECA member States need upgrade and improvement to meet the minimum design standards.

7. According to a recent UNESCAP study on “Priority investment needs for the development of the Asian Highway network” (http://www.unescap.org/ttdw/Publications/TIS_pubs/pub_2424/pub_2424_fulltext.pdf), in SPECA countries, around US\$3.5 billion is currently being invested or committed and an additional US\$3.2 billion is required for the maintaining and upgrading of the AH routes.

8. UNESCAP continues to work to promote investment in the AH projects by facilitating discussion between member countries and potential donors and international financial institutions.

II. Intergovernmental Agreement on the Trans-Asian Railway Network

9. The Intergovernmental Agreement on the Trans-Asian Railway Network (<http://www.unescap.org/ttdw/common/TIS/TAR/TARintergovagreement.asp>) was adopted by the 62nd session of the Commission held on 6-12 April 2006 in Jakarta. A special signing ceremony of the TAR Agreement was organized on 10 November 2006 during the Ministerial Conference on Transport held in Busan, Republic of Korea and 18 member States² including 4 SPECA member States, signed on that occasion (see Annex). The Agreement has now been deposited with UN Headquarters where it will remain opened for signature until 31 December 2008. The secretariat is now liaising actively with member countries to encourage ratification of the Agreement so as to ensure an early entry into force.

10. UNESCAP is now implementing a new project to identify investment needs and development priorities for the Trans-Asian Railway network.

III. Intermodal integration

11. With successful implementation of the ALTID project in formulating and formalizing the Asian Highway and Trans-Asian Railway networks, the next step is to promote intermodal integration of the two networks with sea ports and maritime transport networks, which would help the region create new opportunities to expand agricultural and manufacturing production in inland locations of both landlocked and transit countries in line with the Almaty Programme of Action.

² Armenia, Azerbaijan, Cambodia, China, Indonesia, Islamic Republic of Iran, Kazakhstan, Lao People's Democratic Republic, Mongolia, Nepal, Republic of Korea, Russian Federation, Sri Lanka, Tajikistan, Thailand, Turkey, Uzbekistan and Viet Nam

12. Intermodal integration requires a number of inland intermodal interfaces which are strategically located where networks of different modes converge. These can be dry ports, inland container depots (ICD), logistics centres, freight villages or stations of international importance. The secretariat has been undertaking a project on “Promotion of Asian Highway and Trans-Asian Railway: intermodal interfaces as focus for development”. The project reviews intermodal facilities and operational practices at selected intermodal interfaces including border crossing points and provides guidelines for landlocked developing countries to develop intermodal interfaces not only as nodes that efficiently connect with the coastal production networks but also becoming part of the production network that will stimulate economic development.

13. The secretariat has also been undertaking an ongoing study to provide impartial forecasts of maritime container trade and future shipping and port capacity and investment requirements from a regional perspective. The study has been extensively used by member countries as a basis for policy dialogue in formulating shipping and port development strategies such as PPP (private public partnership) in infrastructure development, as evidenced by repeated requests from countries to the secretariat to update the forecast periodically. The secretariat is now working with the Korea Maritime Institute to expand the container forecast study to include intermodal aspects to provide detailed forecasts of the structure of container transport network linking the major sea ports with main inland areas of production and consumption, with a particular attention to intermodal linkages with landlocked and transit developing countries in the region. Within the framework of the study, UNESCAP organized a subregional workshop on intermodal transport planning in Tehran, Islamic Republic of Iran in December 2006. The workshop was attended by delegates from landlocked and transit developing countries in Central Asia and Caucasus region and provided an opportunity to discuss possible intermodal transit transport routes of international importance.

IV. Issues for consideration

14. The Project Working Group may wish to:

(a) Encourage those SPECA member States that have signed but yet to become the Parties to the Intergovernmental Agreement on the Asian Highway Network to take the necessary steps towards ratification, acceptance or approval, and encourage those member States that have not yet signed the Agreement to take measures towards accession.

(b) Encourage those SPECA member States that have signed the Intergovernmental Agreement on the Trans-Asian Railway Network to take the necessary steps towards ratification, acceptance or approval to ensure its early entry into force and encourage those member States that have not yet signed the Agreement to take measures to do so.

(c) Stress the importance of intermodal integration of transport networks particularly to landlocked developing SPECA countries and encourage them to actively participate in the UNESCAP activities in this area.

Annex

**Status of SPECA member States' signing or being party to Intergovernmental Agreements
on the Asian Highway Network and Trans-Asian Railway Network
as of February 2007**

Country	AH Agreement	TAR Agreement
Afghanistan	x	- *
Azerbaijan	x	s
Kazakhstan	s	s
Kyrgyzstan	x	-
Tajikistan	x	s
Turkmenistan	-	-
Uzbekistan	x	s

Note: s – signatory; x – party

* Afghanistan has not jointed in the formulation of the TAR network
