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Working Party on Transport Trends and Economics

**REPORT OF THE WORKING PARTY ON TRANSPORT TRENDS
AND ECONOMICS ON ITS SEVENTEENTH SESSION
(20-21 September 2004)**

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Annex: Draft Programme of Work for 2005-2009

REPORT¹

ATTENDANCE AND OPENING OF THE SESSION

1. The Working Party on Transport Trends and Economics held its seventeenth session from 20 to 21 September 2004. The session was held under the chairmanship of Mr. V. Arsenov (Russian Federation) and Mr. W. Zarnoch (Poland) as Vice-Chairman. Representatives of the following UNECE member States participated: Armenia, Azerbaijan, Bulgaria, Czech Republic, Germany, Greece, Hungary, Kazakhstan, Netherlands, Poland, Portugal, Russian Federation, Spain, Switzerland, Turkey, Ukraine, the United States of America and Uzbekistan. The Commission of the European Communities (CEC) was also represented. The representative of the Danube Commission (DC) and the representative of the TEM Project Central Office also attended.

2. In opening the session, the Director of the UNECE Transport Division welcomed the participants, in particular delegates from Armenia, Azerbaijan, Kazakhstan and Uzbekistan, whose participation was made possible by successful completion of the Division's project entitled "Facilitation of participation of Central Asian and Caucasus countries in the meetings of UNECE Inland Transport Committee and selected Subsidiary Bodies" funded by the European Union. The Project is aimed at facilitating the attendance of one participant per country to a number of meetings organized in Geneva by the UNECE. Beneficiary countries include: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

ADOPTION OF THE AGENDA

3. The provisional agenda (TRANS/WP.5/35) was adopted.

ACTIVITIES OF ECE BODIES OF INTEREST TO THE WORKING PARTY

(a) Economic Commission for Europe

Documentation: E/2004/37-E/ECE/1416.

4. The Director of the UNECE Transport Division informed the Working Party about the decisions taken by the Commission at its fifty-ninth session (Geneva, 24-26 February 2004), concerning such questions as the UNECE reform, major policy directions of UNECE's work, UNECE technical assistance, and cooperation and coordination with other organizations.

(b) Inland Transport Committee and its subsidiary bodies

Documentation: ECE/TRANS/156; TRANS/2004/18; TRANS/2004/19.

5. The Working Party was also briefed by the Director of the UNECE Transport Division about the results of the sixty-sixth session of the Inland Transport Committee (17-19 February

¹ The underlined text indicates the Working Party's decisions taken at the end of the session.

2004) and its decisions to the extent that they were related to the area of work of interest to the Working Party (ECE/TRANS/156, paras.33-42).

IMPLEMENTATION OF PAN-EUROPEAN TRANSPORT CORRIDORS AND AREAS

Documentation: TRANS/2004/6; COM(2003) 564 final.

6. The Working Party noted the proposals for the follow-up of the conclusions of the Seminar “Transport infrastructure development for a Wider Europe” held in 2003 in Paris. In particular, it noted proposals related to its area of competence as presented in document TRANS/2004/6, i.e. the proposals (i) for the update of the earlier report on infrastructure bottlenecks and missing links, (ii) to consider the possibility to use the criteria similar to The Van Miert Group criteria for project prioritization in the Caucasus, Central Asian and other UNECE countries, and (iii) to identify priority projects in the main transport axes of the various UNECE infrastructure networks in Wider Europe, Caucasus and Central Asia. In this context, the Working Party noted that, at its sixteenth session, it had already initiated discussion on how to proceed with the proposal to update the earlier report on bottlenecks and missing links (TRANS//WP.5/R.44).

7. The Working Party asked the secretariat to prepare the criteria used by The Van Miert Group for prioritization of projects in the Trans-European Transport Networks of the European Union for its consideration at the next session, in order to consider how similar criteria could be developed and used for the prioritization of infrastructure projects in the context of Wider Europe,² Caucasus, Central Asia and other UNECE member countries.

(a) Pan-European transport corridors and areas

8. The representative of the European Union informed the Working Party about the recent developments related to the EU work on Pan-European Transport Corridors. In this context, she mentioned the initiation of the work on a comprehensive review of Pan-European corridors and areas, as defined in The Helsinki Conference in 1997. Due to the enlargement of the EU, among other developments, EC is embarking on the process of prioritization of main projects and axes and cross-border sections through the enlarged European Union. After the decision at the Seminar “Wider Europe for Transport” in Santiago de Compostela in June 2004, a High Level Group (HLG) was set up by the European Commission with the task of agreeing on the extension of the major trans-European axes of the TENs to the neighbouring countries including the new Motorways of the Sea, and on the identification of priority projects on these axes. The first report of the HLG is expected in December 2004 and the final report in the second half of 2005. She concluded by reiterating the interest that the EU attaches to infrastructure developments, not only in the enlarged European Union but also in the Mediterranean region, Western Balkan and new EU neighbouring countries.

9. Noting the ongoing activities within the EU aimed at reconsidering the Pan-European corridors and priority axes in the light of the enlarged European Union, the Working Party asked

² Wider Europe in this context is used as the term referring to the Russian Federation, the countries of the Western Newly Independent States (Belarus, the Republic of Moldova and Ukraine) and the Southern Mediterranean countries as used by the European Union.

the European Commission to present the information on these developments at the next session of the Working Party.

(b) Infrastructure bottlenecks and missing links

Documentation: TRANS/WP.5/2004/1 and Add.1.

10. Noting the importance of the numerous changes which had taken place in the infrastructure in the UNECE region since 1993 when the report “Infrastructure bottlenecks and missing links in the European transport network” (TRANS/WP.5/R.44) was first presented, the Working Party asked the secretariat to circulate the questionnaire amended by the Working Party by 15 October 2004 and ask the member countries for comments. The comments should be submitted to the secretariat by 30 November 2004. The secretariat will then circulate the finalized questionnaire to member countries and present collected information at the next session of the Working Party.

EVALUATION OF INLAND TRANSPORT INFRASTRUCTURE PROJECTS

Phased approach to transport infrastructure developments

Documentation: TRANS/WP.5/2004/2.

11. The Working Party noted the draft outline of the Guidelines on the application of the phased approach in transport infrastructure development as prepared by the secretariat in document TRANS/WP.5/2004/2. It felt that further consideration of the elements of the phased approach might be necessary in light of the potential usefulness of such a document for a large number of member countries. It was mentioned that, in addition to information already collected from EIB, UNECE TER and TEM Projects and some national contributions, additional information on relevant work could be compiled from the ECMT and PIARC.

12. The Working Party agreed to continue considering the issue of the phased approach at its future sessions. It asked the secretariat to circulate the document TRANS/WP.5/2004/2 to all member countries by 15 October 2004 and ask for information on concrete national experiences with the application of a phased approach to infrastructure developments. It further asked the member countries to provide their concrete views, by 30 November 2004, on whether they wish the Working Party to prepare a review of various national experiences with the phased approach or a more formal document containing guidelines (or recommendations) on the application of the phased approach in transport infrastructure developments.

EURO-ASIAN TRANSPORT LINKS

Documentation: TRANS/WP.5/2004/3 and Add.1.

(a) Activities related to the development of Euro-Asian transport links

13. The representatives of Azerbaijan, Kazakhstan and Uzbekistan have presented a detailed account of the most recent transport developments in their respective countries. They highlighted important trends concerning the changing share of various transport modes in their national

transport system, important ongoing and planned infrastructure developments, efforts aimed at restructuring and reorganizing their transport sectors and initiatives aimed at more rapid integration of their national transport systems into the regional and world networks.

14. The Working Party was informed about the reasons for delaying the establishment of a Task Force. Some delegations felt that, due to a growing number and wide range of activities aimed at developing Euro-Asian transport links, the need for closer coordination was becoming more apparent. Noting the potential pivotal role of the UNECE for ensuring a coordination of efforts aimed at developing the Euro-Asian transport links, the Working Party asked the secretariat to convene a one-day informal meeting in Geneva, in April 2005, with the participation of a limited number of concerned countries (Armenia, Azerbaijan, Germany, Kazakhstan, Poland, Russian Federation, Turkey, Ukraine and Uzbekistan) and UNESCAP. The task of this meeting would be to study ways in which the monitoring and coordination of the ongoing work on the development of Euro-Asian transport links in various international bodies could be most efficiently ensured, and to provide recommendations for cooperation by the involved countries, international organizations and institutions. The Working Party asked the secretariat to prepare a basic document containing the information on the subject to be considered by the informal meeting.

(b) Organization of demonstration trains

Documentation: TRANS/WP.5/2004/4.

15. The Working Party took note and appreciated the information from Turkey on the organization of demonstration trains on its territory. The Working Party asked the representatives of the Russian Federation, Turkey and other member countries to inform the Working Party about new developments regarding the demonstration runs of block trains at its next session. It also invited other countries planning to organize demonstration runs of block trains to inform the secretariat about their intentions.

RELATIONSHIP BETWEEN TRANSPORT AND ECONOMIC DEVELOPMENT

Documentation: TRANS/WP.5/2004/5.

16. The Working Party took note of the document containing the views of Hungary, Latvia, Lithuania and Romania on the changing role of transport at the various stages of economic development. Bearing in mind that one of the main elements of its programme of work, as well as several strategic objectives of the Inland Transport Committee fall into this domain of consideration of the Working Party, it reiterated its interest and commitment to continue elaborating on the relationship between economic development and transport at its future sessions.

17. In this respect, the Working Party asked the secretariat to invite member countries and international organizations to provide the information on the role of transport in economic development with particular focus on the relationship between the availability of transport infrastructure and its impact on economic development.

FINANCING SCHEMES OF TRANSPORT INFRASTRUCTURE

Documentation: TRANS/WP.5/2004/6.

18. The Working Party noted that the issue of financing schemes of transport infrastructure had raised considerable interest. In particular, the use of Public-Private-Partnership schemes for financing transport infrastructure was identified as especially interesting for a number of member countries. It was mentioned that, although a considerable volume of literature already exists on this topic, an additional effort should be made in bringing together various national experiences and identifying the best practice for the use of PPP schemes for transport infrastructure.

19. Therefore, the Working Party agreed to continue discussing various approaches to financing of transport infrastructure and experiences gained with applying different financing techniques at its further sessions. The Working Party asked the secretariat to prepare, for its next session, a review of related work on Private-Public-Partnership schemes for the financing of transport infrastructure carried out in the UNECE (under the Public Private Partnership Alliance Programme), within the UNECE TER and TEM projects, as well as in other international organizations. Pending the outcome of the discussion about these issues at the next session of the Working Party, member countries expressed interest in convening a special session of the Working Party devoted to the consideration of issues related to financing of infrastructure projects, in particular PPP schemes, in order to exchange various national views and experiences.

TRANSPORT IN THE MEDITERRANEAN REGION

(a) Mediterranean Transport Study Centre and Transport Training Centre

Documentation: TRANS/WP.5/2004/7.

20. The Working Party took note of and appreciated the information on the work in progress and planned activities of CETMO and TRANSCEM. It asked the Directors of CETMO and TRANSCEM to report on the results of work of the Centre at its next session.

(b) Transport developments in the Mediterranean region

21. The Working Party was informed that, due to the lack of resources, the Seminar on freight flows in the Mediterranean region, as proposed by the CETMO, could not be held during 2004 as planned, in spite of attempts by the secretariat to ensure the necessary funding. The Working Party asked the secretariat to raise the issue of possible financial support for the organization of this Seminar at the forthcoming meeting of Directors of Transport Divisions of all UN Regional Commissions scheduled to take place in Geneva from 29-30 September 2004.

ASSISTANCE TO COUNTRIES WITH ECONOMIES IN TRANSITION

Documentation: TRANS/WP.5/2004/8.

22. The secretariat provided detailed information on the UNDA Project on Capacity Building for the Development of Interregional Transport Linkages. In implementing this project, which includes 18 selected beneficiary countries, the UNECE and UNESCAP Transport Divisions are

confirming the highest priority given to the development of Euro-Asian transport links. The first policy-level expert group meeting of the Project already took place in March 2004, and the second meeting will take place in November 2005. The objective of the project is to assist beneficiary countries in strengthening their national capacities for developing land and land-cum-sea transport linkages by promoting interregional cooperation in order to facilitate interregional trade and tourism.

23. The Director of the UNECE Transport Division briefed the Working Party about the contribution of the UNECE and the outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, held in August 2003 in Almaty, Kazakhstan. The UNECE, together with other bodies of the UN and international institutions, contributed to the adoption of the Almaty Programme of Action which addresses the special needs of landlocked developing countries. A number of countries falling into this group are the UNECE member countries, and their particular development needs will receive particular attention in further activities of the UNECE and its Transport Division.

24. The Working Party agreed that the accumulated UNECE TEM and TER projects' experience could be used as a useful tool in assisting Caucasian and Central Asian member countries in their efforts to integrate their transport systems and establish Euro-Asian transport links. Furthermore, the Working Party, noting that the UNECE TEM and TER Steering Committees included the consideration of Euro-Asian transport links into their activities, recommended that Caucasus, Central Asian and other member countries, that are not yet member countries of the UNECE TEM and TER projects, consider the possibility of becoming full members and active participants in the work of the two projects.

25. Several delegations expressed their concern related to the absence of a post concerning a second Regional Adviser on transport in the UNECE Transport Division. The Working Party felt that the UNECE TER and TEM projects, which are now well established, require that the Regional Adviser currently on board devotes relatively less working time to these projects. Bearing in mind the greater need of Caucasus, Central Asian and other UNECE member countries for assistance, the Working Party invited the Director of the UNECE Transport Division to consider redistributing the work load of the Regional Adviser in such a way that his work assignments provide more assistance to the above-mentioned countries.

26. The Working Party asked the secretariat to report again on assistance to countries with economies in transition at its next session. It also reiterated its invitation to Governments and relevant international organizations and institutions to contribute to the UNECE Trust Fund for Assistance to Countries in Transition (TFACT) and inform the secretariat as to the type of assistance which would be forthcoming.

COHERENT EUROPEAN SYSTEM OF INTERNATIONAL TRANSPORT INFRASTRUCTURES

(a) Development of international transport infrastructures

Documentation: TRANS/WP.5/2004/9.

27. The Working Party took note of developments regarding modifications to the international transport infrastructures as contained in the AGR, AGN, AGC, AGTC and infrastructures of the UNECE TER and TEM projects, since its session in 2002 and asked the secretariat to produce similar information for its session in 2006.

(b) Quality of service concept

Documentation: TRANS/WP.5/2004/10 and Add.1.

28. The Working Party felt that the issue of quality of transport service deserved to be given a particular emphasis in its future activities. Further improvements and changes were proposed in the structure and the content of the questionnaire for data collection agreed at the last session.

29. The Working Party agreed to continue considering the quality of service concept at its next session. The Working Party asked the secretariat to take into account the proposed changes and to present a consolidated document containing all replies for its consideration at the next session.

DRAFT PROGRAMME OF WORK FOR 2005-2009

Documentation: TRANS/WP.5/2004/11.

30. The Working Party amended and approved its draft programme of work for 2005-2009, as reproduced in the annex to this report. It agreed with the table reproduced in TRANS/2004/19 indicating the activities in its programme of work which cover the issues identified in the Committee's Strategic Objectives.

ELECTION OF OFFICERS FOR THE SESSIONS OF THE WORKING PARTY IN 2005 AND 2006

31. Mr. Wojciech ŻARNOCH (Poland) and Mr. Ralph KELLERMANN (Germany) were elected Chairman and Vice-Chairman, respectively, for the sessions of the Working Party in 2005 and 2006.

OTHER BUSINESS

32. The Working Party's eighteenth session is tentatively scheduled for 19-20 September 2005.

ADOPTION OF THE REPORT

33. In accordance with the decision of the Working Party, the decisions taken at its seventeenth session were adopted at the end of the session. The report of its seventeenth session, including the above decisions, was established by the Chairman and the Vice-Chairman with the assistance of the secretariat, for submission to the Inland Transport Committee.

Annex**DRAFT PROGRAMME OF WORK FOR 2005-2009****PROGRAMME ACTIVITY 02.1: TRANSPORT TRENDS AND ECONOMICS**

Review of general trends with regard to transport development and transport policy and analysis of specific transport economic issues Priority: 1

Description: Review and exchange of information on general trends in the development of transport and of specific transport economic issues including transport development in the Mediterranean Region.

Work to be undertaken: The Working Party on Transport Trends and Economics (WP.5) will consider and carry out the following activities:

CONTINUING ACTIVITIES

- (a) Study of economic aspects of transport taking into account (i) the integration process going on within the UNECE region, and (ii) the reform processes under way in ~~transition~~ **member** countries by monitoring current changes in transport in order to identify, promote and spread positive examples for transport development.

Output expected: Report on transport development when needed. Priority: 2

- (b) Periodical review of new important policy developments relating to inland transport in UNECE member countries in order to make the medium- and long-term evolution of transport more transparent. The Working Party WP.5 will examine all decisions, general and specific, recently taken in member countries likely to have implications in the organization of transport and take into account the findings arrived at during international meetings focusing on salient issues of transport development.

Output expected: Reports on developments in inland transport of member countries (every five years; next report: 2007). Priority: 1

- (c) Consideration of the developments of main European traffic lines in order to ensure **coherent development of** transport links with Pan-European Transport Areas.

Output expected: Report on transport development in Pan-European Transport Areas. Priority: 2
(~~2004~~ **2005**)

- (d) Monitoring of the developments **relevant for** ~~of~~ the Pan-European Transport Corridors ~~in~~ ~~co-operation with the EC~~.

Output expected: Report on progress made in the **conception and** implementation of the Pan-European Transport Corridors (~~2004~~ **2005**). Priority: 1

- (e) Study of the interrelationship of the UNECE Agreements (AGR, AGC, AGTC and its Protocol, AGN) and **the** UNECE projects (TEM, TER) with the Pan-European transport network planning procedure with a view to:

- indicating the major international transport routes to be considered for improvement and modernization, establishing priorities and a timetable taking into account those parts of the networks where there are bottlenecks and missing links;
- assessing the cost of this infrastructure plan and making suggestions for financing it.

Output expected: Biannual report on coherent European system of international transport infrastructure (2004 2006). Priority: 1

- (f) Further elaboration of the elements of the joint UNESCAP/UNECE programme on the development of Asia-Europe land transport links as well as the analysis of results of international meetings on the problem.

Output expected: Report on Euro-Asian transport links (2004 2005). Priority: 1

- (g) Financing schemes of transport infrastructure.

Output expected: Report on national experiences. Priority: 1

- (h) Development of efficient management frameworks for transport infrastructure maintenance and operation, thus optimizing the need for new investments (linked to the development of the Quality-of-Service concept).

Output expected: Report on the quality of transport services (2004 2005). Priority: 2

- (i) Improvement of existing transport planning methodologies, including environmental aspects and the relationship between transport and economic development.

Priority: 2

- (j) Improving intermodal coordination and integration with a view to establishing a balanced European transport system.

Priority: 2

- (k) Collection of data concerning investments in transport infrastructures and study of the effects upon such infrastructures of developments in modal split taking into account, in particular, external costs in order to highlight the interaction between infrastructure and modal development.

Priority: 3

- (l) ~~Activities for Assistance to countries in transition~~ regarding institutional adaptation of Government administration and of transport enterprises to market economy. This also includes support through the UNECE Trust Fund for Assistance to Countries in Transition (TFACT).³

Output expected: Annual report (2004 2005). Priority: 1

- (m) Strengthening of cooperation with the Mediterranean Study and Training Centres, ~~the results of which will be submitted to the Committee~~, to enable all UNECE countries to benefit from the activities carried out including the organization of workshops.

³ A detailed list of subjects is circulated in document TRANS/1999/11.

Output expected: Annual report on activities of the Study and Training Centres (2004-2005).

Priority: 2

- (n) Analysis of transport developments in the Mediterranean Basin and the Black Sea region and the promotion of international transport agreements to permit, in particular, Mediterranean countries to adhere to them.

Priority: 3

- (o) Information on the studies on the Europe/Africa Permanent Link through the Strait of Gibraltar.

Output expected: Biannual report by Governments of Morocco and Spain on progress made in the analysis of the Europe/Africa Permanent Link through the Strait of Gibraltar distributed by the secretariat (next report: 2005).

Priority: 3

ACTIVITIES OF A LIMITED DURATION

As follow-up to the Conference on Transport and the Environment: Development and implementation of programmes to establish attractive networks taking into account such aspects as intermodality, interoperability and environmentally sound vehicles.⁴

⁴ In addition to the above item, the Working Party wishes to be associated with activities on transport and environment concerning, in particular, development of methodologies for setting up databases, implementation of scientific programmes, assistance to countries in transition, development of environmental guidelines, external costs, analysis of questions related to the protection of sensitive areas (see also items I (c), (d), (g), (h); III (e); IV (c), (f) in the Programme of Joint Action).