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Nineteenth session
Geneva, 14-15 September 2006

**REPORT OF THE WORKING PARTY ON TRANSPORT TRENDS
AND ECONOMICS**

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REPORT¹

ATTENDANCE AND OPENING OF THE SESSION

1. The Working Party on Transport Trends and Economics held its nineteenth session from 14 to 15 September 2006. The session was held under the chairmanship of Mr. W. Zarnoch (Poland) and Mr. R. Kellermann (Germany) as Vice-Chairman. Representatives of the following UNECE member States participated: Austria, Belarus, Germany, Poland, Portugal, Republic of Moldova, Romania, Russian Federation, Spain, Switzerland, Turkey and Ukraine. The representative of the European Commission attended. The representatives of the Danube Commission, South East Europe Transport Observatory (SEETO) and UNCTAD secretariat as well as the representatives of the UNTEM and UNTER Project Central Office also attended. The representative of the COWI A/S attended at the invitation of the secretariat.

2. During the session of the Working Party, a Workshop “From Pan-European Corridors to major transport axes – Consequences for Euro-Asian transport links” was held on

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

15 September 2006. The report of the Workshop with conclusions is circulated in document ECE/TRANS/WP.5/40/Add.1

ADOPTION OF THE AGENDA

3. The provisional agenda (ECE/TRANS/WP.5/39) was adopted.

MONITORING OF DEVELOPMENTS RELEVANT FOR THE PAN-EUROPEAN TRANSPORT CORRIDORS AND AREAS

- (a) Relationship between UNECE infrastructural Agreements (AGR, AGC, AGTC, AGN) and the UNECE Projects (TEM and TER), with Pan-European transport infrastructure network planning procedures

4. The Working Party invited the secretaries and representatives of the Pan-European Transport Corridors II, III, IV, VI and VII to provide a detailed account of the most recent developments in corridors under their management during the Workshop that was held on 15 September 2006.

5. Following the presentation of the Master Plan follow-up activities, the Working Party expressed its appreciation for its results as well as for its potential extension to Caucasus countries. The Working Party invited TEM and TER Projects to continue their work on progressive implementation of the Master Plan and provide an update on the respective developments at its session in 2007.

6. The representative of the European Commission presented updated information on the follow up to the report of the High Level Group on the “Extension of the major trans-European transport axes to the neighbouring countries and regions”. She mentioned that the five major axes identified in the report have been endorsed by the EC, and that the work is progressing on finalization of the Communication to the Council and the EU Parliament outlining the future development of these axis.

7. The Working Party appreciated the exchange of information about important infrastructure developments and policy actions related to further development of pan-European transport corridors, and decided to invite the chairpersons of the Corridors to provide an update on developments along Pan-European Transport Corridors at its session in 2008. It further invited the EC to provide, again, an update on its activities related to Pan-European Transport Corridors, implementation of the trans-European transport networks, and activities on implementation on the extension of the major trans-European transport axes to the neighbouring countries and regions at the next session of the Working Party.

- (b) Infrastructure bottlenecks and missing links

Documentation: ECE/TRANS/WP.5/2006/1 and Add. 1-5; ECE/TRANS/WP.5/2006/2.

8. The Working Party discussed replies to the questionnaire on infrastructure bottlenecks and missing links. In the context of discussion this agenda item, the Working Party considered the relevance of the secretariat’s document “Draft report on the methodological basis for the

definition of common criteria regarding bottlenecks, missing links and quality of service of infrastructure networks” (TRANS/WP.5/R.60 of 20 July 1994).

9. The Working Party expressed high appreciation for the valuable content and uniqueness of this document, however it felt that the methodological basis and analysis provided in it might be outdated. To this end it decided to ask the secretariat to convene a small informal group of experts, which would undertake the task of revising and updating the document in light of new methodological developments, evolution and the current practice in the UNECE member countries. This informal group should comprise the Chairman, the Vice-chairman, country experts as well as experts from transport related international organizations and bodies concerned. The secretariat was requested to ensure the necessary resources for engaging external expertise, as appropriate, the involvement of which is considered essential for the success of this work.

DEVELOPMENT OF EURO-ASIAN TRANSPORT LINKS

Documentation: ECE/TRANS/WP.5/2006/9.

(a) Elaboration of the elements of the Joint UNECE-UNESCAP programme for the development of Euro-Asian transport links, and analysis of the results of the relevant international meetings

10. The secretariat informed the Working Party about the activities and developments in the concluding phase of the Joint UNECE-UNESCAP Project on developing Euro-Asian transport links and the proposal for its continuation - Phase II. The Working Party also exchanged information about the outcome of international meetings and activities relevant for the development of Euro-Asian transport links.

11. The Working Party discussed in what ways it could ensure the necessary follow-up of the work and the future use of valuable results produced by the UNECE-UNESCAP joint project. It also noted that the publication of the UNECE-UNESCAP in-house study under this project, which is currently being elaborated, is expected soon. Based on this study and on the experience gained from the implementation of its first Phase, the Working Party decided to ask the secretariat to convene an informal meeting with the Chairman, Vice-chairman and country experts to prepare proposals on how the outcome of this work could be best used by the Working Party in its future work.

12. The Working Party further stressed the importance it attaches to the continuation of the Euro-Asian transport links project and its support to the joint UNECE-UNESCAP proposal for a Phase II of the project after 2006. To this end it invited Governments, international organizations and potential donors to consider providing the needed financial assistance to the UNECE - UNESCAP, considering this as the only way to ensure the continuation of this project.

13. In addition, the Working Party proposed to the TEM and TER Projects to consider further strengthening their collaboration with WP.5 in the form of organization of joint workshops and meetings, promotion and elaboration of focused studies, support in the implementation of their Master Plan, and possibly, a future extension of the Master Plan to include Central Asian countries. To this end, the Working Party invited the Steering Committees of TEM and TER to

consider this proposal as well as the ways and means necessary to achieve such an enhanced collaboration. One delegation expressed concern regarding the possibility of the extension of the Master Plan to Central Asia, considering the limited resources of the two Project Offices to accomplish such a demanding task and asked that the Central Asian Governments be informed of all implications of such work.

(b) Organization of demonstration trains

Documentation: ECE/TRANS/WP.5/2006/3.

14. The Working Party took note of the information provided by the representatives of Romania, the Russian Federation and Turkey about new developments concerning demonstration runs of block trains along the Euro-Asian corridors on their respective territories. The Working Party appreciated the information which highlighted the importance of the demonstration runs of block trains for further promotion of inland transport links between Europe and Asia.

15. Furthermore, it decided to ask the secretariat to compile the best practices used in preparation of demonstration runs of container block trains and present its findings at the next session. The Working Party felt that, even though transport operators are the most important actors in this process, the role of governments could be very instrumental in providing the necessary regulatory support, and asked Romania, Russian Federation, Turkey and other Governments to provide a similar information for its next session.

TRANSPORT IN THE MEDITERRANEAN REGION

(a) Mediterranean Transport Study Centre and Transport Training Centre

Documentation: ECE/TRANS/WP.5/2006/4.

16. The Working Party took note of the report on activities of CETMO in recent years and asked the Director of CETMO to report on the results of the work of the centre at its next session.

(b) Transport developments in the Mediterranean Region

Documentation: ECE/TRANS/WP.5/2006/7 and Add.1-2.

17. The representative of the EC DG TREN informed the Working Party about the activities in the EC regarding the development of the Euro-Mediterranean transport network and the European Commission's ongoing activities in this field. She mentioned the "Blue Paper" which aims at identifying the main orientations and directions for achieving a sustainable, efficient and multimodal transport system in the region that can adequately link the Mediterranean countries together, as well as these countries and the European Union, as well as the outcome of the Ministerial Conference held in Marrakech in December 2005

18. In addition, the secretariat presented the information on developments of motorways of the sea provided by member Governments. The Working Party was also informed about various activities relevant to transport developments in the Mediterranean Region.

19. In view of the importance of seaports as major interface to inland transport and basic nodal points as well as because of dynamic changes in the status and operation of seaports affecting transport systems in a great number of UNECE member countries, the Working Party decided to consider the issues related to infrastructure and hinterland connections of the sea ports in the UNECE region, their operations, management, status and further development. To this end, the Working Party asked the secretariat to convene an informal meeting of country experts and relevant international organizations dealing with seaports, in order to formulate concrete proposals for the future involvement of the Working Party in this regard.

ELECTION OF OFFICERS FOR THE SESSIONS OF THE WORKING PARTY IN 2007 AND 2008

20. Mr. R. KELLERMANN (Germany) and Mr. V. Arsenov were elected Chairman and Vice-Chairman, respectively, for the sessions of the Working Party in 2007 and 2008.

DRAFT PROGRAMME OF WORK FOR 2007-2011

Documentation: TRANS/WP.5/2006/8.

21. The Working Party decided to invite, once again, all member Governments to submit their concrete proposals concerning its future Programme of Work. These proposals should reach the secretariat before 30 October 2006 in order to incorporate any new proposals into the Programme of Work, which will be considered by the Bureau of the Inland Transport Committee at its session in November 2006. Moreover, it felt that by its engagement in focused activities, including those decided in the course of its present session, as well as the organization of seminars and workshops hosted by member countries and addressing topics of interest to them, the Working Party would increase its efficiency and would best respond to the ongoing UNECE reform as well as to country needs. With this addition, the Working Party adopted its Programme of Work for 2007-2011, as reproduced in the annex to this report.

ACTIVITIES OF UNECE BODIES OF INTEREST TO THE WORKING PARTY

Documentation: E/2006/37-E/ECE/1444 and ECE/TRANS/166.

22. The Working Party was informed about the decisions taken by the sixty-first session of the Economic Commission For Europe concerning such questions as the UNECE reform, follow-up to the global and regional conferences, major policy issues of the UNECE and their impact on the UNECE programme of work, and the UNECE technical cooperation activities. The secretariat further informed the Working Party about the sixty-eighth session of the Inland Transport Committee and its discussion on questions related, in particular, to the work areas of the Working Party.

PHASED APPROACH TO TRANSPORT INFRASTRUCTURE DEVELOPMENT

Documentation: Informal document No. 1.

23. The Working Party took note of the document and presentation made by Mr. C.Kingombe - "Phased Approach to Transport Infrastructure Projects in Landlocked

Countries". The document provided a reflection on the advantages of one aspect of the phased approach to infrastructure developments, namely the construction of rural feeder roads using labour-based technology, which is perceived as being a more suitable alternative to equipment intensive construction methods in resource poor and low-income countries such as Kyrgyzstan and Tajikistan.

ASSISTANCE REGARDING INSTITUTIONAL ADAPTATION OF GOVERNMENT ADMINISTRATION AND OF TRANSPORT ENTERPRISES TO MARKET ECONOMY

Documentation: TRANS/WP.5/2006/9.

24. The Working Party was informed about the activities of the Regional Adviser. It stressed the importance of the technical assistance provided in this context to some UNECE countries through advisory missions, organization of seminars and workshops as well as implementation of projects.

25. Taking into account the new project proposals elaborated by the secretariat, the Working Party decided to reiterate its support to such activities of the secretariat and to support the new projects proposed by it. To this end it invited Governments, relevant international organizations and potential donors to consider funding the implementation of such activities of the secretariat, including through voluntary contributions to the UNECE Trust Fund for Assistance to Countries in Transition (TFACT).

RELATION BETWEEN TRANSPORT AND ECONOMIC DEVELOPMENT

Documentation: ECE/TRANS/WP.5/2006/10.

26. The Working Party took note of the study carried out by the Swiss Federal Office for Spatial Development (ARE), which attempts to bring some light into the debate on benefits of transport. It noted that the study proposes a theoretical overview on the state of international discussion of the issue on the one hand, and also presents empirical estimates in selected fields in order to fill existing knowledge gaps. The Working Party asked the secretariat to bring to its attention, for information, similar research and findings on the same topic from other member countries and international organizations at its future sessions.

OTHER BUSINESS

27. The Working Party's twentieth session is tentatively scheduled for 13–14 September 2007.

ADOPTION OF THE REPORT

28. The report of the nineteenth session, including the 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 2007-2011

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 Committee and 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 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 developments every 5 years (2007). 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) Monitoring of the developments relevant for the Pan-European Transport Corridors in cooperation with the EC.

Output expected: Report on progress made in the implementation of the Pan-European Transport Corridors (2007). Priority: 1

(d) 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 (2007). Priority: 1

- (e) 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 (2007). Priority: 1

- (f) Financing schemes of transport infrastructure

Output expected: Report on national experiences Priority: 1

- (g) 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). Priority: 2

Output expected: Report on the quality of transport services (2008).

- (h) Improving inter-modal coordination and integration with a view to establishing a balanced European transport system. Priority: 2

- (i) Assistance 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).²

Output expected: Annual report for information (2007). Priority: 1

- (j) Strengthening of cooperation with the Mediterranean Study and Training Centres, to enable all UNECE countries to benefit from the activities carried out including the organization of workshops. The Working Party will also analyse the evolution of transport developments in the Mediterranean basin and the Black Sea region, as well as consider information on the Europe/Africa Permanent Link through the Strait of Gibraltar.

Output expected: Annual report on activities of the Study and Training Centres (2007). Priority: 2

Output expected: Biennial report on progress made in the analysis of the Europe/Africa Permanent Link through the Strait of Gibraltar (next report: 2007) Priority: 3

ACTIVITIES OF A LIMITED DURATION

- (a) 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.³

² A detailed list of subjects is circulated in document TRANS/1999/11.

³ 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).