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Economic Commission for Europe

Inland Transport Committee

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Item 10 (a) (ii) of the provisional agenda

Issues that need consideration and require decisions

by the Committee – Project related activities:

Euro-Asian Transport Links (EATL) Project

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Progress report

Note by the secretariat

1. In February 2008, at the Ministerial Meeting hosted by the Inland Transport Committee (ITC) in Geneva, representatives of 19 countries signed a joint statement on EATL development (see http://www.unece.org/trans/MinisterialITC70/min_jointstatement.htm); endorsed Euro-Asian rail and road routes for priority development; and agreed to create a mechanism to ensure effective co-ordination and monitoring of EATL activities.
2. To this end, the Inland Transport Committee endorsed the establishment of an Expert Group on Euro-Asian Transport Links (see paras. 28-31, ECE/TRANS/200). Due to continued high interest and uncompleted work, the ITC subsequently approved (see para. 29, ECE/TRANS/208) the extension of the EATL EG until February 2012 (further endorsed by the Executive Committee on 31 March 2010).
3. Between September 2008 and December 2010, the EATL EG demonstrated that with relatively limited financial resources, high quality results can be achieved. However, the high-level mandate could not have been fulfilled by the UNECE secretariat had it not been for the availability of extra-budgetary financial resources. For example, hiring consultants and financing travel of CIS experts would have been impossible without extra-budgetary resources. In this context, financial support received from the Government of Russia was critical in making the EATL EG a success. Given the project's effective duration (28 months) and its annual budget (\$60K), the results have exceeded expectations.
4. The UNECE secretariat sought additional sources of funding, but that task proved to be quite challenging. In the times of economic crisis governments tend to limit their discretionary financial outlays. Given this, international partners were engaged to leverage

the funds donated by the Government of Russia. After the establishment of the EATL EG, international organizations were approached and expressed interest in assisting. Effectively, these in-kind offers provided for co-financing or expense-sharing as the hosts typically covered substantial costs of meeting rooms, equipment, interpretation and hospitality. The UNECE secretariat pursued and accepted these offers as they clearly allowed for beneficial leveraging of Russia's contribution. It is hoped that national governments will, in future, come forward to share the expenses, responsibilities and obligations related to hosting EATL events.

5. Since September 2008, over twenty European and Asian governments have nominated national focal points to participate in the EATL EG. An ambitious EATL EG work plan was approved and implemented (to the extent financial resources made it possible). The following provides major achievements:

- (a) Five EATL Expert Group sessions held (three in Geneva)
- (b) Three capacity building workshops organized: Tehran, Istanbul, Turkmenbashi
- (c) Two technical field visits organized: Navoi and Turkmenbashi port
 - (i) The UNECE secretariat organized five expert meetings in Geneva (three times), in Istanbul (in partnership with the Government of Turkey and Black Sea Economic Co-operation Organization) as well as in Tashkent (in partnership with the Office of the OSCE Project Coordinator based in Tashkent and the Ministry of Foreign Economic Relations, Investments and Trade of the Republic of Uzbekistan). Technical workshops were organized in Tehran (in partnership with the Economic Co-operation Organization), Istanbul (in partnership with the Government of Turkey and Black Sea Economic Co-operation Organization) and Turkmenbashi (in partnership with the Organization for Security and Co-operation in Europe and the Government of Turkmenistan).
- (d) SWOT (strengths, weaknesses, opportunities and threats) analysis of EATL inland transport was completed (see <http://www.unece.org/trans/doc/2009/wp5/ECE-TRANS-WP5-GE2-03-inf03e.pdf>)
 - (i) The Strengths–Weaknesses–Opportunities–Threats analysis has provided useful information by identifying strong and weak points of the EATL inland transport connections and their potential and threats. The analysis has confirmed the need to enhance cooperation to coordinate the development of priority transport infrastructure. The SWOT analysis has made it clear that the development potential of EATL inland transport connections lies upon their capacity to:
 - become parts of the main EATL supply chains
 - function in a complementary fashion in all transport modes
 - focus on the end-to-end transport cost-and-time efficiency and reliability and on urgent facilitation and cost/time-reducing transport measures that need to be undertaken
- (e) Five consultants were engaged to:
 - (i) Identify infrastructure routes in road, rail and inland waterways (geographic extension and updates of Phase I)

Experts reviewed proposed extensions of the EATL routes to cover 27 EATL countries involved in Phase II, agreed with the proposals and requested the secretariat to proceed with the finalization of the respective maps and related database. They also reviewed status of the implementation of priority infrastructure

projects under EATL Phase I, and noted that 54 per cent of projects have been completed according to schedule and 23 per cent are now part of the EATL Phase II.

(ii) Prioritize infrastructure investment (geographic extension and updates of Phase I)

With regard to the new infrastructure investments to-date, 292 priority infrastructure projects have been identified from data made available for 19 of the 27 participating countries. Out of these, 150 are road projects, 101 rail projects, 30 maritime port (and intermodal terminal) projects and 11 inland waterway projects. The total cost of 200 projects for which there are investment data amounts to \$161 billion. Initial prioritization results indicate that almost 40 per cent of these projects are classified as Category I (have ensured funding of about \$36 billion) while 48 percent are classified as Category IV (no secured funding, low maturity or insufficient data (about \$111 billion). There are still 90 projects for which more data are required.

(iii) Estimate transport volumes along the EATL routes

The study on transport statistics, flows and trends, showed that trade growth between Europe and Asia has accelerated rapidly in recent years, partly as a result of the development of Eastern Asian countries, mainly China, but also due to the emergence of the economies of Russia and Central Asia. Apart from trade along the Europe-Asia corridors, trade among Asian countries is also beginning to develop rapidly.

(iv) Study the economic viability of maritime and inland transport options between Asia and Europe (see <http://www.unece.org/trans/doc/2010/wp5/ECE-TRANS-WP5-GE2-05-Draft%20EATL%20Comparison%20Study-id2.pdf>)

A study comparing and analyzing EATL inland transport options with the existing maritime routes was completed. In five out of the nine scenarios considered, rail transport bests maritime transport for both cost and time. In all nine scenarios, rail transport performs better than maritime concerning the transport time. The study has shown that competitive Euro-Asian rail transport is feasible.

(v) Describe and analyze non-physical obstacles to transport (mostly at border crossings)

A study to identify non-physical obstacles to international transport is progressing. The content of questionnaires has been approved by the expert group and is in the final stages of translation into Russian for distribution.

(vi) Develop a GIS internet application to present the collected data

The collection and processing of data to be used to create GIS maps is being finalized. An EATL consultant has studied various technical options for presenting EATL transport data using the internet using Geographic Information System (GIS) technology and final proposals for the on-line EATL application – to be offered for free-access on the internet – will be made soon.

6. Overall, the project's practical results can be classified into three categories: capacity building, technical study tours and studies. While the first two are self-evident, upon the completion of studies, a unique EATL research database will be produced containing: internationally agreed EATL routes, a list of priority infrastructure investments, data/recommendations on obstacles to transport and the GIS internet application to display the database. All of the above studies are ongoing and are expected to be finalized in the first half of 2011. In addition, the EATL project has made it possible to develop and pursue a "North-South demonstration block train proposal (Mumbai-Iran-Russia)" which aims at

promoting regular and commercially viable transport along that route (see http://www.unece.org/trans/main/wp5/wp5_ge2_04.html).

7. The EATL project is not sustainable without extra-budgetary funding. Its effectiveness and impact is directly related to the creation of a network of national focal points “who are the project” and/or act as the bridge between the project and national governments. Many governments in the EATL region are not capable of financially supporting multilateral work that involves international travel. Some EATL governments do not have the required available capacity to participate meaningfully (data availability and provision, analysis) in this type of projects. Extra-budgetary funding allows these countries to participate and/or build that capacity.
