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**Economic Commission for Europe****Inland Transport Committee****Working Party on Intermodal Transport and Logistics****Sixty-third session**

Geneva, 28–30 October 2020

Item 6 (a) of the provisional agenda

**Emerging issues in freight transport and logistics:****Issues, trends and performance in the industry****Meeting of the Friends of the Chair of the Working Party on Intermodal Transport and Logistics on the COVID-19 impacts on intermodal transport and logistics – outcomes and ways forward****Note by the secretariat****I. Background**

1. At the initiative of the Chair of the Working Party on Intermodal Transport and Logistics (WP.24) a meeting of the Friends of the Chair was held on 26 June 2020 to discuss the impacts of the COVID-19 on intermodal transport and logistics.
2. More specifically, the meeting was held to attain the following objectives:
  - To discuss the lessons learned and the actions taken in Economic Commission for Europe (ECE) countries to limit any negative impacts COVID-19 caused to intermodal transport and logistics;
  - To consider the ways to promote intermodal transport and sustainable logistics in the aftermath to COVID-19, especially through measures aimed at recovery of the national and regional economies; and
  - To reflect on the emerging intermodal transport and logistics models as a catalyst for the recovery to encourage a more sustainable use of freight transport.
3. The meeting held virtually attracted attention of more than 70 professionals in freight transport and logistics representing national governments, private sector, research institutes as well as international and non-governmental organisations.
4. The discussion started in an informal way at the Friends of the Chair meeting on COVID-19 impacts on intermodal transport and logistics should be further taken by WP.24 in the framework of its regular session. To this end, this document is prepared to inform about the outcomes of the informal meeting. This document further formulates possible ways forward building on the outcomes of the informal meeting, which WP.24 may wish to consider.

## II. Programme of the Friends of the Chair meeting

5. The Friends of the Chair meeting comprised three sessions as follows:
  - (a) Lessons learned and the actions taken in ECE countries to limit any negative impacts from COVID-19 on intermodal transport and logistics;
  - (b) Intermodal transport and sustainable logistics models in post-COVID-19; and
  - (c) Intermodal transport and sustainable logistics as part of economy recovery measures.
6. The Chair and the secretariat appreciate and acknowledge the contributions of the following experts to the sessions:

### Session I

- Ms. Julia Elsinger, Vice-Chair of WP.24 and Deputy Head of Department I/K4 – Combined Transport, Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology, Austria;
- Mr. Rati Devadze, Deputy Head of Transport and Logistics Development Policy Department, Ministry of Economy and Sustainable Development, Georgia;
- Ms. Natasia de Gama, Program Manager multimodal freight corridors, Rail Transport Department, Ministry of Infrastructure and Water Management, the Netherlands;
- Ms. Larysa Nazarenko, Senior project manager, Reform support team, Ministry of infrastructure, Ukraine;
- Mr. Marco Terranova, Managing Director, FerCargo;
- Mr. Enric Pons, Project Manager, CETMO;
- Mr. Alexander Oleynikov, Director for GR and international organizations cooperation, Freight Village RU.

### Session II

- Ms. Olena Hula, Senior project manager, Reform support team, Ministry of infrastructure, Ukraine;
- Mr. Matthias Plehm, Senior Project Manager, German Research Association for Combined Transport;
- Mr. Jan Hoffmann, Chief, Trade Logistics Branch, Division on Technology and Logistics, UNCTAD.

### Session III

- Ms. Julia Elsinger, Vice-Chair of WP.24 and Deputy Head of Department I/K4 – Combined Transport, Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology, Austria;
- Mr. Bartosz Guszczak, Institute of Logistics and Warehousing, Poland;
- Ms. Annika Kroon, Deputy Head of Unit, Unit D1 – Maritime Transport & Logistics and Mr. Laurent Prat, Legal & Policy Officer - Single European Rail Area, Directorate-General for Mobility and Transport, European Commission; and
- Mr. Alberto Grisone, Director Development Russia & CIS Countries, Hupac Intermodal SA.

### III. Outcomes from the discussions

7. The discussions at the Friends of the Chair meeting showed the following lessons learned from the COVID-19 emergency:

- From its onset, COVID-19 impacted both transport operations as well as transport infrastructure. For the latter, infrastructure constructions projects were delayed;
- Road freight transport operations were mainly impacted as a result of border closure and/or road traffic restrictions at the onset of pandemics;
- Rail freight transport, and combined transport appeared to be less impacted especially in the initial phase, and in some cases, they benefited from the availability of more train paths for freight services due to cancellation of passenger trains;
- The timely application of measures aimed at facilitating cross-border road freight transport such as e.g. green lanes in the European Union or trailer change in Turkey allowed for road transport operations restart. The road transport sector was able to recover the operations it had initially lost to rail or combined transport;
- Rail and combined transport appeared to gain a bigger share of the market for intercontinental Euro-Asian transport operations during COVID-19;
- Single wagonload (SWL) and unaccompanied combined transport (UCT) appear to be more resilient to COVID-19-like emergencies as they require little human interactions for moving freight;
- Security measures implemented for rolling roads helped to continue this service at a good level despite restrictions for road transport;
- The intermodal sector was able to work together and speak largely with one voice which helped the sector respond effectively to the COVID-19 emergency, yet this voice had to be further strengthened to establish more support for intermodal transport;
- Operators of terminals and harbours adjusted and/or enhanced their operations procedures targeting the prevention of virus transmission;
- There had been no comprehensive contingency planning for transport operations in place whose application would have ensured continuous operation of key networks;
- COVID-19 triggered an economic slowdown and, potentially, the start of a recession. The trade flows have fallen and were expected to fall further. This is to bring less demand for transport and lead to increased competition between transport modes. This is also likely to bring about import/export imbalances, which in turn will affect and make planning for combined transport more difficult;
- The COVID-19 situation questions the suitability of complex and long supply chains. Improving resilience to future COVID-19-like emergencies may require streamlining of supply chains by limiting their complexity and length through relocating production/ suppliers of key production inputs. This may result in less demand for transport in a medium to longer term;
- Finally, COVID-19 revealed that transport networks are not sufficiently integrated and that there is a need to increase data exchange and transparency.

8. The discussion further showed that if transformation of transport to a more sustainable one is to continue and succeed, governments need to make sure that COVID-19 recovery measures do not undermine or disadvantage intermodal transport versus road transport. Furthermore, recovery measures should help create conditions that increase the competitiveness of intermodal transport versus other transport solutions, in particular the road transport. Some measures that governments may consider include:

- Provision of funding in support of UCT and rolling roads and solutions for optimization of intermodal freight transport;
- Reduction of train access charges for intermodal freight;

- Prioritization of intermodal traffic along with passenger traffic on rail lines;
- Increased investments in intermodal transport infrastructure and technology and further integration of networks; and
- Increased transparency in the sector and facilitation of data exchange.

9. Further optimization of freight transport and more specifically intermodal freight transport is necessary. Options for this can be found, among others, in the Handbook for preparing national master plans which WP.24 is in the process of finalization (reference to ECE/TRANS/WP.24/2020/6 and ECE/TRANS/WP.24/2020/7). Optimization concerns both transport operations and infrastructure. Digitalization is seen as a solution for enhanced optimization in both operations and infrastructure.

#### **IV. Possible ways forward**

10. Strengthening intermodal freight transport that is not only a more sustainable solution for moving freight but also one that is less vulnerable to COVID-19-like emergencies may benefit from greater international and intergovernmental cooperation.

11. WP.24 as the Inland Transport Committee (ITC) body looking after intermodal transport and the principle intergovernmental United Nations body in the region of the Economic Commission for Europe (ECE) may consider its future role in attaining a greater international cooperation for a strengthened intermodal freight transport.

12. Possible areas for enhanced intergovernmental cooperation could address:

- Protocols for data interoperability for improved transparency and networks integration enabling freight transport platforms and bundling of services;
- Handbook on best practice from ECE countries on the use of automation in intermodal transport;
- Collaborative networks for strengthening the voice of the intermodal transport sector in the ECE region;
- Collaborative networks for flexible transport planning processes and integration of modes;
- Bilateral or multilateral joint incentive programmes in support of UCT and rolling roads as well as intermodal infrastructure or strengthened interactions on incentivizing intermodal transport;
- A common policy for train access charges and paths for intermodal freight that could potentially be prioritised over other rail freight paths;
- The development of agreed targets for the market share of intermodal transport in the freight sector;
- Availability of network contingency plans for intermodal network operations in emergency situations including a common framework for train path allocation in emergency situations with a focus on intermodal flows as the primary tool for transporting freight during pandemics and other situations.
- Digitalization of documents in intermodal transport.

13. The European Agreement on Important International Combined Transport Lines and Related Installations (AGTC) together with its Protocol on Combined Transport on Inland Waterways, which serve as co-ordinated development plans for respectively combined transport and combined transport on inland waterways laid down in the legal frameworks, may possibly play a greater role in strengthening intermodal freight transport.

14. Plausibly, contingency planning and identification of core networks could be identified in these legal instruments. Special procedures for operations during emergencies could be also integrated.

15. Technical characteristics of networks, performance parameters of trains and minimum infrastructure standards (Annexes III and IV of AGTC) may be reviewed with the aim of identifying potential improvements which could help strengthen intermodal freight transport. Incorporation of Information and Communication Technology (ICT) and Intelligent Transport System (ITS) solutions could be considered.

16. Reviews on the implementation of the AGTC and setting of targets can be another field of focus that can help boost intermodal freight transport.

17. Promotion of actions and measures for improving freight transport and logistics as contained in the Handbook for preparing national master plans, subject to its finalisation, can be yet another field of focus. Support programmes for preparations of national master plans for freight transport and logistics prioritizing intermodal solutions and for the implementation of the plans could render tangible benefits.

18. To facilitate these actions, WP.24 may wish to consider a resolution on strengthening intermodal freight transport, as set out in draft in the annex, for adoption by its parent body – the Inland Transport Committee – at its eighty-third session in February 2021.

## Annex

### **Draft resolution on strengthening intermodal freight transport**

*The Inland Transport Committee,*

*Recalling* its role stipulated in the Strategy until 2030 in serving as UN Platform for promoting sustainable regional and interregional inland transport connectivity and mobility, and within this role, *emphasizing* the work on sustainable integrated intermodal infrastructural connectivity and mobility,

*Being aware* of the role inland transport and its transition to sustainable transport play in achieving the Sustainable Development Goals,

*Acknowledging* the important contribution of intermodal freight transport in making freight sector more sustainable and, in this regard, *recognizing* the need for increasing the market share of intermodal transport in the freight sector,

*Appreciating* the importance of the European Agreement on Important International Combined Transport Lines and Related Installations (AGTC Agreement) and Protocol on Combined Transport on Inland Waterways to the AGTC Agreement as well as the role these legal instruments play in making international intermodal freight transport more efficient and attractive to customers in the ECE region,

*Appreciating further* the work of the Working Party on Intermodal Transport and Logistics in promoting intermodal transport and in supporting its development through elaboration of guidance or handbooks,

*Observing* a higher resilience of intermodal freight transport in coping with emergencies such as the COVID-19 pandemics,

*Desires* to further strengthen intermodal freight transport in the ECE region, and in doing so:

*Invites* ECE member States to accede to the AGTC Agreement and/or the Protocol if they have not done so yet,

*Encourages* the Contracting Parties to both legal instruments to strengthen the implementation of these instruments and, in doing so, to update as necessary the co-ordinated plans for the development and operation of intermodal networks contained in the instruments and put them in operations through national investment programmes,

*Invites* the Contracting Parties to establish, through the Working Party on Intermodal Transport and Logistics, a mechanism helping to monitor the implementation of efficient intermodal networks in conformity with the legal instruments with particular attention to green logistics,

*Further encourages* the Contracting Parties to identify a core intermodal network in both instruments, accompanied by special procedures for operations on this core network, during emergency situations including pandemics,

*Requests* the Contracting Parties and other ECE member States, within the auspices of the Working Party on Intermodal Transport and Logistics, to work on data interoperability for improved transparency and network integration with the aim of improving the bundling of services in freight transport, and consider ways for integrating data interoperability aspects in the AGTC Agreement,

*Proposes* that Governments of interested ECE member States agree within the framework of the Working Party on Intermodal Transport and Logistics on appropriate targets for the market share of intermodal transport in freight sector and to elaborate a plan for achieving the targets e.g. through prioritization of international intermodal freight trains on the rail network,

*Encourages* the Working Party on Intermodal Transport and Logistics to help accelerate automation in intermodal transport and, in doing so, prepare a handbook with best practices on the use of automation in the sector,

*Invites further* the Working Party on Intermodal Transport and Logistics to consider supporting collaborative networks for flexible transport planning processes and integration of modes and for strengthening the voice of the intermodal industry,

*Suggests* the Working Party on Intermodal Transport and Logistics to support the transport documents digitalization efforts,

*Requests* the Working Party on Intermodal Transport and Logistics with support of the ECE secretariat to report progress on the above-mentioned issues after five years.

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