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

17th Session
25-26 April 2012
Almaty, Kazakhstan

**Transport infrastructure projects, activities and initiatives
at national and international level**

(Item 4.1 of the Agenda)

Note by UNECE

UNECE regional transport activities with focus on SPECA countries

Euro-Asian Inland Transport links

Background

Globalization of the economies and trade has led to significant increases in trade and transport between Asia and Europe. Following the slowdown of international trade in 2008 and 2009 as a result of the recent economic crisis, the trade between Europe and Asia is expected to resume growth. While most of the traffic has used – increasingly congested – maritime routes, further development of efficient and integrated inland transport routes would provide credible and competitive additional transport options. Once established, these routes could become an effective tool for economic development and integration of the Euro-Asian region, including facilitating greater participation in the globalization process by Central Asia's landlocked countries.

UNECE extended its road and rail infrastructure network agreements in 2000 and 2002 respectively in order to include the Caucasus and Central Asian links. However, these agreements do not foresee priorities or time limits, let alone financial means. The links are to be developed by the governments concerned, which often lack sufficient funds to cover their large needs.

In order to promote the development of Euro-Asian transport links, UNECE and UNESCAP developed a common strategic vision for the development of Euro-Asian links. At its fourteenth session in 2001, the Working Party on Transport Trends and Economics (WP.5) adopted the Common ECE/ESCAP Strategic Vision for Euro-Asian Transport Links. This document, endorsed by the Inland Transport Committee (ITC) in 2002, took into account the findings of the Second International Euro-Asian Conference on Transport (St. Petersburg, 2001) and was a first milestone in the work of the two United Nations Regional Commissions on Euro-Asian transport links.

Euro-Asian Inland Transport links Project - Phase I

The greatest progress has been made since 2003 when, with funds from a United Nations Development Account Project, the UNECE and ESCAP secretariats together with designated national focal points from eighteen countries in the Euro-Asian region promoted cooperation among the countries most directly concerned in the framework of the Euro-Asian Transport Linkages Project (EATL). The following countries were invited to participate: Afghanistan, Armenia, Azerbaijan, Belarus, Bulgaria, China, Georgia, Iran, Kazakhstan, Kyrgyzstan, Moldova, Romania, Russian Federation, Tajikistan, Turkmenistan, Turkey, Ukraine and Uzbekistan. In 2004, Greece expressed the wish to be associated with activities of the project. At the Ministerial Meeting on Euro-Asian Transport Links in Geneva on 19 February 2008, Mongolia joined the other participating countries while signing the joint declaration.

In four Expert Group Meetings that took place in Almaty (March 2004), Odessa (November 2004), Istanbul (June 2005) and Thessaloniki (November 2006) government representatives from these countries have *identified the main Euro-Asian rail, road and inland waterway routes* to be considered for priority development, and *the main transshipment points along these routes*.

Country experts provided a huge amount of data for the creation of a *Geographic Information System (GIS) Inform database* and related maps that were used by the project. This include data on technical characteristics and performances of main rail, road and inland water transport infrastructure, borders crossing points, ferryboat links, intermodal terminals and ports along the Euro-Asian routes. This work has been made available to participating countries and constitutes a basic toll for future efforts aimed at developing efficient, safe and secure Euro-Asian transport links.

These government representatives have also agreed on a common methodology, similar to that used in the Trans-European Motorways (TEM) and Trans-European Railway (TER) Master Plan, for the evaluation and prioritization of projects along the selected routes. On the basis of the agreed methodology and national proposals submitted by 15 countries, *230 transport investment projects, of an estimated total cost of over USD 43 billion, have been evaluated and prioritised.* About one-half of the projects have secured financing and are likely to be implemented in the medium term.

Non-physical obstacles, which constitute a major barrier to Euro-Asian transport, have also been addressed in the context of this project. *Capacity-building national workshops* on facilitation of international transport and trade were organized in the framework of the EATL project in six participating countries: Azerbaijan (May 2006), Belarus (May 2007), Georgia (May 2006), Kyrgyzstan (December 2006), Moldova (November 2007) and Ukraine (December 2007). Workshop participants included government officials and business sector representatives from the beneficiary countries.

The *published in-house study*, elaborated jointly by UNECE and UN-ESCAP, describes the routes and projects that have been identified and considers the status and problems of international transport along the Euro-Asian land bridge. It shows that a successful development of the EATL network depends on intergovernmental cooperation that is necessary to address technical and operational issues as well as non-physical obstacles to efficient transit and border clearance. The study also presents specific recommendations on infrastructure development, facilitation and policy. The English and Russian versions of the study are available free of charge at the UNECE website:

http://www.unece.org/trans/main/eatl/in_house_study.pdf.

Government representatives have identified *priority areas for future work*, including: monitoring of implementation of the identified priority projects; removing non-physical obstacles to transit transport; improving the performance of border-crossing facilities; promoting harmonization of transport legislation; and promoting best practices and sharing of know-how.

The project outputs, as described above, also provided a solid basis for continued international cooperation towards this end. ITC and WP.5, as well as the SPECA Project Working Group on

Transport and Border Crossing and other stakeholders have repeatedly stressed the project's relevance for ECE member countries. The Work Plan on UNECE Reform, inter alia, invited the ITC to submit proposals to the Executive Committee on ways and means to strengthen Euro-Asian transport links (E/ECE/1434/Rev.1).

During the 70th Session of the ITC, held in Geneva 19-21 February 2008, Ministers of Transport and high level officials from countries in the Euro-Asian region, signed a Joint Statement on Future Development of the EATL Project, by which they confirmed their support for continued cooperation, endorsed the identified Euro-Asian routes and their priority developments, supported the establishment of an adequate mechanism to ensure continued monitoring of the follow-up of the project. They also invited Governments, international organizations and potential donors to consider providing the needed financial assistance to ensure implementation of the EATL Project Phase II (2008-2011):

<http://www.unece.org/trans/MinisterialITC70/index.html>.

Euro-Asian Inland Transport links Project - Phase II

In 2006, the ITC had asked the secretariat to present, together with ESCAP, a joint proposal that would ensure the continuation of the project in a new Phase II.

During the panel discussion on "Secure transport development: a key to regional cooperation", held on the occasion of the sixtieth Anniversary session of the UNECE Commission in 2007, the usefulness of the inter-country cooperation promoted by UNECE jointly with ESCAP under the EATL Project was stressed. The panel agreed that this work needs to be strengthened and practical steps taken to facilitate the further development of the priority transport links and projects that have been identified under the EATL Project.

In early 2008, the UNECE began establishing an institutional structure to make further EATL work possible. At its 71st session, 19-21 February 2008, the Inland Transport Committee agreed to establish a Group of Experts on Euro-Asian Transport Links and adopted its terms of reference. The primary objective of the Expert Group is to ensure monitoring and co-ordination of the activities related to developing efficient, safe and secure Euro-Asian inland transport links. Its duration was set for two years with a possibility of further extension. UNECE invited governments to nominate National Focal Points who would actively contribute

to the work of the EATL Group of Experts and the EATL Phase II¹. Related international organizations and IFIs were also invited to take an active role in the work. Unfortunately ESCAP did not participate actively in EATL phase II.

Seven Expert Group (EG) meetings have been organized under EATL Phase II. UNECE hosted the three of them (the first, second and fourth) in Geneva, in September 2008, 2009 and 2010. The third meeting of the group was held in Istanbul, in November 2009, back-to-back with an interregional workshop on developing Euro-Asian transport links, kindly hosted by the Ministry of Transport and Communications of Turkey and the Organization of Black Sea Economic Cooperation. A sub-regional workshop was also organized under EATL project in Tehran, in May 2009, together with the Economic Cooperation Organization (ECO). The fifth EG meeting took place in Tashkent (November 2010). The Sixth session was co-organised with the OSCE in Almaty (Kazakhstan) in July 2011, while the Ministry of Transport of the Russian Federation kindly hosted the seventh EG meeting in Astrakhan (Russian Federation) in October 2011.

During these meetings National Focal Points from 27 participating countries put the basis for the development of the EATL Phase II. Government experts agreed on the specific tasks and expected accomplishments of the project; on the strengths, weaknesses, opportunities and threats (SWOT) to the Euro-Asian Inland transport routes; on the basic data that need to be further collected and processed; and on the basic methodological aspects of the work. They have also agreed on the studies to be elaborated with the support of external consultants and country inputs, related to the transport flows and statistics, the comparison of inland transport options with those of existing maritime and on the analysis of non-physical obstacles to international transport along the EATL routes. Questionnaires have been developed, sent out to over 1000 operators in the EATL region and replies were collected and analysed. The EG also worked on the finalisation of its report for phase II of the EATL project expected to be ready in January 2012.

¹ All countries involved in ETL Phase II are: Afghanistan, Armenia, Azerbaijan, Belarus, Bulgaria, China, Finland, Georgia, Germany, Greece, Iran, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Luxemburg, Mongolia, Pakistan, Republic of Moldova, Romania, Russian Federation, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine, Uzbekistan

The EG identified:

- 404 projects proposed - total cost US\$ 271 billion
- 311 projects along EATL routes with US\$ 213 billion cost and
- 117 projects of national importance.

In addition, the UNECE collected and processed of huge volume of GIS data. The GIS application is being finalised for the EATL region and each country involved in the EATL project. Internet access will be made available soon and it will be free of charge.

Analytical work on non-physical obstacles to transport along the Euro-Asian Transport routes is ongoing. One thousand questionnaires have been sent. Problems include long waiting times at BCP sometimes a whole day, while few work 24H/7days. There are also long delays for veterinary, phyto-sanitary, passport, transit, visa and other controls

The SWOT study provided useful analysis by identifying the strong and weak points of the EATL inland transport. The analysis has confirmed the need to enhance coordination and cooperation among all EATL countries; the need to coordinate development of priority transport infrastructure, as well as to intensify efforts to facilitate transport and transit.

A comparison study of existing Euro-Asian maritime routes with selected rail routes provided interesting results. In five out of the nine scenarios considered, rail transport performs better than maritime for both the cost and time dimensions. In all nine scenarios, rail transport performs better than maritime concerning the travelling time. Therefore, successful and competitive rail services along the Euro-Asian transport links is not a myth or a long distant future option. The study showed that competitive Euro-Asian rail transport, and its combination with that of maritime and road transport is feasible.

In parallel with the EATL project, UNECE governments and the industry are taking steps and develop initiatives toward further facilitating international transport. Following the introduction of Annex 8 on facilitation of road border crossings that entered into force in 2008, the

Administrative Committee of the Harmonization Convention of Frontier Control of Goods² adopted the amendment proposal with regard to the introduction of a new Annex 9 on rail border crossing to the Harmonization Convention. Following the usual legal procedure, Annex 9 entered into force on 30 November 2011.

Moreover, during the Tehran, Istanbul and Turkmenbashi events experts from participating governments and international organizations discussed on the most recent developments on transport infrastructure and facilitation in the ECE and BSEC regions and on specific projects. In addition, they reviewed related national experiences along the Euro-Asian Links and dealt with other issues of implementation of various tasks under the projects. Holding these events in partnership with ECE, BSEC and OSCE offered the opportunity to explore further interaction and synergy with the work being developed under their auspices.

National Focal Points of EATL countries present at the third session of the EATL Expert Group and Inter-Regional Workshop, requested the secretariat to address official invitations to the Governments of India, Japan and the Republic of Korea to take part in the EATL Project and noted that collaboration and synergy between the UNECE TEM and TER Projects and the EATL work need to be further explored. Those countries are aware of the EATL activities, and are invited to the appropriate meetings.

The EATL Phase II has been funded by the Government of Russia in the period 2009-11. Without this funding, it would have been impossible to achieve any progress in following up the results and recommendations of the Phase I. Expectations are that this generous funding would continue in the future as the mandate of the EG was extended for the period 2012-13 by the WP.5 at its 24th session on 6-7 September 2011. This decision is pending approval by the ITC in February 2012. An EATL Ministerial Meeting will be held on 3 September 2012 and should confirm a strong political commitment to the EATL project and provide a new push and direction for activities in the future.

The secretariat is in talks with the governments of Tajikistan and Armenia to organize the EG sessions in these countries in the future subject to approval of respective governments and available resources.

² <http://www.unece.org/fileadmin/DAM/trans/conventn/harmonie.pdf>
<http://live.unece.org/trans/conventn/legalinst.html#rts>

Conclusion

The inter-country cooperation under the EATL Project promoted by the ECE, encourages cooperation among 27 countries along the Euro-Asian land bridge for the coordinated development of Euro-Asian inland transport links. The project has so far produced tangible results and potentials for the development and operation of safe, secure and efficient Euro-Asian transport solutions addressing both physical and non-physical obstacles to transport. Results include an investment strategy for developing 404 identified priority transport infrastructure projects along the main Euro-Asian routes of a total cost of \$271 billion, together with analysis of non-physical obstacles to transport, elaboration of focused studies, development of a GIS data base and related applications, as well as policy recommendations. The Group is implementing a well focused work plan, including studies and analyses, promoting transport infrastructure and facilitation initiatives and actions, organizing meetings and capacity building events.

Notwithstanding the value of the results achieved, there are also many challenges ahead. The work done so far has made it clear that the real development potential of EATL inland transport connections lies in the following dimensions:

- The capacity to become a part of the main supply chains including a combinations of various transport modes that complement each other,
- In focusing on facilitation, efficiency, reliability and cost/time-reducing transportation measures,
- In facilitating reforms that need to be undertaken in the EATL transition economies, and
- In assisting landlocked EATL developing countries to enter strongly in the EATL routes since a weak part or a missing link in one country can render a whole EATL route economically unviable for international transport.

It is, therefore, evident that developing Euro Asian inland transport links would be a long-term undertaking, requiring a great deal of effort and perseverance, and enhanced coordination and cooperation among all countries along the EATL. It would therefore be welcome that ESCAP is more involved in the development of a new phase III to be soon launched.

Information on the EATL activities is available on this web address:

<http://www.unece.org/trans/main/eatl.html?expandable=99>