

Southeast European Cooperative Initiative (SECI)

REGIONAL ROAD TRANSPORT COMMITTEE (RRTC)

Sixth session

(Istanbul, 19 to 20 March 2003,
agenda item 4 (d))

Implementation of the provisions of the MoU in line with the programme of work of the Committee

PREPARATION OF A MULTILATERAL FRAMEWORK AGREEMENT

(in accordance with Articles 11 and 12 of the MoU)

Prepared by Turkey and the UNECE secretariat*

A. MANDATE

1. The Memorandum of Understanding (MoU) on the Facilitation of International Road Transport of Goods in the SECI Region, which has been accepted by all twelve SECI participating States, stipulates in Article 11, paragraph 2 the following:

“2. The Parties agree to strive towards a multilateral framework agreement on road transport, including additional and complementary measures increasing the transport capacities and promoting environmentally sound technologies, covering all SECI participating States, the facilities of which should not be less favorable than those provided for in this MoU and should reflect the best prevailing practices as enshrined in bilateral road transport agreements”.

2. The MoU also states in Article 12, paragraph 1 that the Regional Road Transport Committee should ensure eventually “... the elaboration of a multilateral framework agreement on road transport as mentioned in Article 11, including also provisions on passenger transport.”

3. In accordance with this political mandate, the Committee has included into its Programme of Work for the years 2000 to 2002 an item to be considered at its sixth session, which reads: “Preparation of a draft multilateral framework agreement on road transport”

* This document is a reviewed and updated version of Informal Document no.15 (2001) presented at the fifth RRTC session, in Antalya, on 11-12 October 2001.

This should include the following action: “Review of existing relevant rules as well as bilateral and multilateral legislation”.

4. On the basis of the above mandate and programme of work of the Committee, Turkey and the UNECE secretariat have prepared the present document which briefly describes the activities already undertaken by the Committee in its efforts to implement the provisions of the MoU and offers, as a basis for discussion, a number of elements that might be addressed in the preparation of the mandated Multilateral Framework Agreement.

B. WORK ALREADY UNDERTAKEN BY THE COMMITTEE

5. Since its first meeting in October 1999, the Committee has carried out the following work in its efforts to implement the provisions of the MoU:

- (a) Protocol to the MoU on the introduction of an International Goods Road Vehicle Weight Certificate (adopted in principle by the Committee at its fourth session on 12 June 2001)
- (b) Protocol to the MoU on Roads servicing international traffic (E-Roads) (adopted by the Committee at its third session on 5 October 2000)
- (c) Joint Statement to the MoU on progressive liberalization and sustainability on international road transport (adopted by the Committee at its third session on 5 October 2000)
- (d) Joint Statement to the MoU on charging policies in international road transport of goods (adopted by the Committee at its third session on 5 October 2000).

C. OBJECTIVES OF A MULTILATERAL FRAMEWORK AGREEMENT ON INTERNATIONAL ROAD TRANSPORT

6. Taking account of the provisions of the MoU on the elaboration of a Multilateral Framework Agreement, particularly Article 11 on "Implementation", and considering the work already undertaken by the Committee to implement the provisions of the MoU, it can be induced that the objectives of the mandated Multilateral Framework Agreement should focus on the following aspects:

- (a) to address all issues important for the facilitation of international road transport (framework approach);
- (b) to ensure that *these issues are accepted and implemented in a harmonized manner* by all countries members of and participating in the Committee, i.e. are enforceable, measurable and can be monitored (harmonized implementation); and

(c) to provide for ***compatibility of all measures with relevant international legal instruments***: UNECE Agreements and Conventions, WTO Agreements, ECMT Resolutions as well as with European Union Regulations, Directives, recommendations as well as relevant policy objectives (regional consistency).

7. These objectives of a multilateral framework agreement are in line with the aim of the MoU as reflected in Article 1 of the MoU, with a strong emphasis on the practical application of its provisions.

8. Thus, the general policy objective of the Multilateral Framework Agreement on Road Transport could be:

“to enhance cooperation and coordination among Parties to the agreement towards the harmonization of key elements contributing to efficient international road transport of goods, in line with internationally accepted rules and standards, *inter alia* by simplifying and harmonizing procedures, formalities and documentation. This cooperation will mainly focus on the development of policies incorporating common principles, measures and actions of institutional, regulatory and economic character as well as the means of implementing and monitoring them.”

D. PROPOSED ELEMENTS OF A MULTILATERAL FRAMEWORK AGREEMENT ON INTERNATIONAL ROAD TRANSPORT

9. Based on these considerations, the elements of a multilateral framework agreement could be identified. The Committee could, as a first step, use the elements already addressed in the MoU as well as those contained in the relevant UNECE Agreements and Conventions annexed to the MoU. These Agreements and Conventions have already been ratified to a large extent by the countries in the region and thus also represent a consensus on the approach to be taken to facilitate international road transport.

10. However, in order to provide a real added value to the existing international and sub-regional arrangements, any Multilateral Framework Agreement must be either more comprehensive or more concrete and specific in its provisions than has been achieved in the MoU and/or in the (legal) instruments accepted on a global (UN) or regional level. At the same time, such an Agreement must be in the interest of all countries concerned and must carefully balance the legitimate rights of Governments relating to national security, health and revenues and the requirements of modern economies requiring efficient and reliable transport systems.

11. Only if these requirements are met, the provisions of such a sub-regional Multilateral Framework Agreement will be acceptable to the Governments and of benefit to the economy. They can then also set an example for other countries and other regions facing similar problems.

12. As a basis for consideration of the Committee, possible elements and issues to be addressed by the multilateral framework agreement could be classified into the following five

substantive areas (for a quick overview of these issues, please refer to Table 1, on page 8):

- (a) Facilitation of procedures for **goods** in international road transport
- (b) Facilitation of procedures for **passengers** in international road transport
- (c) Facilitation of procedures for **road vehicles** in international traffic
- (d) Facilitation of international **road transport operations**
- (e) Facilitation of procedures for **drivers** engaged in international road traffic

(a) Facilitation of procedures for goods in international road transport

13. The following important issues, not necessarily only border crossing procedures, would need to be addressed in this area (others may need to be added): Customs transit systems, temporary importation procedures, medico-sanitary regulations, veterinary inspections, control of compliance with technical and other standards, quality control measures, regulations on the transport of dangerous goods, etc.

14. Several of these issues are already addressed, in various degrees of detail and precision, in various international Agreements and Conventions, such as in the TIR Convention, the Common Transit Convention, ATA Convention, International Convention on the Harmonization of Frontier Controls of Goods, ATP Agreement on the transport of perishable foodstuffs, ADR Agreement on the international carriage of dangerous goods, WTO Multilateral Agreements: GATT, GATS, SPS, TBT, Pre-shipment Inspection, Rules of Origin, Importation Procedures and Licenses, etc. Also various ECMT resolutions address these issues. Numerous EU directives and regulations apply in this area, particularly with regard to Customs issues which are virtually all based on the Community Customs Code.

15. None of these issues/elements have been addressed specifically in the MoU, but are covered indirectly by the list of recommended Agreements and Conventions annexed to the MoU.

(b) Facilitation of procedures for passengers in international road transport

16. The following important issues would need to be addressed in this area (others may need to be added): Customs regulations on the carriage of baggage, visa requirements for passengers, etc.

17. Some of these issues are already covered, in various degrees of detail, precision and appropriateness in international Agreements and Conventions, such as in the United Nations Convention concerning Customs Formalities for Touring (1954). Apart from the Schengen Agreement, no other multilateral visa regime is in use in Europe.

18. The MoU does not address the facilitation of procedures for passenger in international road transport.

(c) Facilitation of procedures for road vehicles in international traffic

19. The following important procedures relate to this area (not necessarily exhaustive):

access to national transport markets (traffic rights), road user charges and other taxes, temporary importation procedures for road vehicles, vehicle third-party insurance coverage, road worthiness certificates, regulations on weights and dimensions of road vehicles, environmental standards of lorries (emission, noise), etc.

20. Some of these issues are already covered by bilateral agreements, multi-lateral conventions and international recommendations. Traffic rights and road user charges are to a large extent regulated by bilateral road transport agreements. A limited number of traffic rights are subject to the ECMT multilateral quota regime. The 1954 and 1956 UN Conventions on the temporary admission of road vehicles and the WCO Istanbul Convention on Temporary Admission cover the issue of temporary importation of road vehicles. Regulations on weights and dimensions of road vehicles as well as on environmental standards of lorries exist for transport with and within the European Union. The Green Card insurance system is operation in several countries in the region based on a (permanently updated) recommendation system of the UNECE.

21. The MoU addresses also several of these issues, such as facilitated vehicle weight procedures (IVWC), facilitation of traffic rights (Joint Statement on progressive liberalization and sustainability in international road transport), transparency and harmonization of road user charges (Road Transport Information System and Joint Statement on charging policies in international road transport of goods).

(d) Facilitation of international road transport operations

22. The following issues fall under this category (not exhaustive): rules of the road, technical and safety regulations governing road transport, road construction standards and maintenance procedures, transport documents and civil liability of road carriers, including special regulations for the transport of dangerous goods, accessible, up-to-date and transparent information on transport related regulations and procedures, etc.

23. A large number of United Nations Agreements and Conventions, some of which are applied worldwide provide international regulation and harmonization of these issues. Examples are the Vienna Conventions (and the European Agreements supplementing them) on Road Traffic and Road Signs and Signals of 1968 governing the rules of the road, signalling, admission to international transport and acceptance of international driving licences; the UN ECE infrastructure agreements, such as the E-Road Agreement (AGC) or the Agreement governing combined transport (AGTC), the CMR and CMTD Conventions on civil liability in road transport.

24. The MoU also addresses some of these issues and considerable work has been undertaken on acceptable lorry weights by the adoption of the Protocol to the MoU on roads servicing international traffic (E-Roads). Article 5 of the MoU envisages harmonized maximum permissible vehicle weights and dimensions for international road transport. The international Road Transport Information System established by the MoU provides comprehensive information on road transport regulations and other issues to the public at large.

(e) Facilitation of procedures for drivers engaged in international road traffic

25. The following important procedures relate to this area (not necessarily exhaustive): visa procedures for drivers, regulations on social standards (incl. hours of driving and records), etc.

26. Maximum driving hours and required records are stipulated in the so-called AETR Agreement administered by the UNECE. Some bilateral arrangements exist to facilitate the procurement of visa for drivers engaged in regular international transport. Regional arrangements are not available, but several countries in the region do no longer require visa for residents of other countries in the region. The participation in the Schengen Agreement by other countries in the region creates sometime delays in the procurement of a visa. Efforts by the UNECE to include provisions on the facilitation of visa procedures for professional drivers have so far not been successful (proposed provisions in the new Annex 8 to the "Harmonization Convention are being re-considered within UNECE).

27. Article 10 of the MoU encourages the facilitation of visa procedures for professional drivers and the Committee is working on a compendium of best practices in this regard.

E. PROPOSED APPROACH

28. The above elements of a possible Multilateral Framework Convention on the Facilitation of International Road Transport do not only address pure transport regulations and procedures, but cover also procedures and rules for which a large number of different Governmental authorities are responsible, such as Ministry of Transport, Customs and tax Authorities, Ministries of Finance, Trade, Agriculture, Public Health, Public Works, Environment, Interior, etc. This does not make the preparation and adoption of such an Agreement easier, as experiences in the UNECE have shown.

29. However, the conclusion of a multilateral framework agreement on road transport could provide a political signal carrying further the process of cooperation and coordination (see paragraph 8 above), initiated in April 1999 with the adoption of the MoU by SECI Ministers of Transport, and ensuring its viability for the years to come.

30. While all of these elements are important for the efficient functioning of international road transport in and with the sub-region, the question may be raised whether such an all comprising Multilateral Framework Agreement can be prepared and adopted within a reasonable time-frame.

31. Therefore, should it turn out not to be possible to start now with the preparation of such an Agreement, the Committee could alternatively try to prepare a compendium of all issues important for the facilitation of international road transport. Such a compendium could be of great help to persons working on these issues in different Ministries in the SECI countries. In parallel, the Committee could focus, as a first step, on the elaboration and implementation of a few specific measures in the purview of the Ministries of Transport, for example. In principle, this approach has already been followed with the MoU, however with a

less ambitious and less comprehensive coverage.

32. In this context, the Memorandum of Understanding on Trade Liberalization and Facilitation (signed in Brussels, on 27 June 2001, between some of the SECI countries* in the framework of the Stability Pact, Working Table II) provides for several measures which could be of relevance to international transport facilitation and liberalization in the sub-region and could be considered by the Committee.

33. Some of these measures are: the setting in motion of the “Procedure to Eliminate Quantitative Restrictions and Measures with Equivalent Effect on Trade”, the mandated simplification of Customs procedures, especially at border crossings, the mandated engagement in mutual assistance between Customs administrations and other agencies concerned with the cross-border movement of goods, vehicles and persons, the mandated harmonization of methodologies for the collection of trade statistics, the mandated inclusion in the Free Trade Agreements of a clause foreseeing the future liberalization of trade in services, in accordance with GATS Article V, and more generally the proposed conclusion with neighboring and other interested countries of other appropriate agreements, in addition to existing arrangements, where possible on a regional basis, which would help and complement the MoU on Trade Liberalization and Facilitation.

34. The Committee may want to take account, to coordinate and to align its work with ongoing efforts in different fora. It may wish to consider the possibility of coordinating and cooperating with the Stability Pact Working Table II.

F. CONCLUSIONS AND FUTURE WORK

35. The Committee may wish to consider the approach to be taken and the elements and issues to be addressed in the elaboration of a multilateral framework agreement on road transport with a view to making progress in fulfilling the mandate given to it by the Ministers of Transport of the countries in the sub-region in 1999.

36. As a first approach, Turkey and the UNECE secretariat have listed, already in 2001, a few draft provisions of a possible multilateral framework agreement on road transport (annexed). These provisions should not be considered as a basis for discussion, but rather as possible examples and as a stimulus for a constructive debate in the Committee on this issue.

* Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Serbia and Montenegro, the former Yugoslav Republic of Macedonia. The Republic of Moldova has expressed interest to sign the Memorandum.

Table 1: Proposed list of issues to be addressed in a multilateral framework agreement on international road transport

SUBSTANTIVE AREAS	ISSUES	<i>covered by RRTC</i>	<i>covered by INTERNATIONAL INSTRUMENTS</i>
GOODS	Customs transit systems		-TIR Convention
	Temporary importation procedures		-Common Transit Convention
	Medico-sanitary regulations		-ATA Convention
	Veterinary inspections		-Int'l Convention on the Harmonization of Frontier Controls of Goods
	Compliance with technical standards		-ATP Agreement on the transport of perishable foodstuffs
	Quality control		-ADR Agreement on the int'l carriage of dangerous goods
	Transport of dangerous goods control		-WTO Agreements
	Control of origin of goods Trade statistics		-ECMT Resolutions -EU legislation
PASSENGERS	Customs regulations on carriage of baggage		-UN Convention on Customs Facilities for Touring (1954)
	Visa requirements for passengers		-EU Schengen "acquis" -Bilateral Agreements
VEHICLES	Traffic rights (access to national transport markets)		-Bilateral Road Transport Agreements
	Road user charges + other taxes	-Art.8 MoU, Joint Statement	-ECMT multilateral quota regime
	Procedures for temporary importation of road vehicles		-UN 1954 and 1956 Conventions on the temporary admission of road vehicles
	Vehicle third-party insurance coverage		WCO Istanbul Convention on Temporary Admission
	Road worthiness certificates		-EU legislation
	Regulations on weights and dimensions of road vehicles	-IVWC	-UNECE recommendations (Green Card insurance system)
Environmental standards of lorries	-Art.3 MoU; Joint Statement		
OPERATIONS	Rules of the road		-Vienna Conventions (and European Agreements supplementing them) on Road Traffic and Road Signs and Signals of 1968
	Technical and safety regulations governing road transport		-E-Road Agreement (AGC)
	Road construction standards and maintenance procedures		-Agreement governing combined transport (AGTC)
	Road classifications	-Art.6 MoU, Protocol on E-Roads -Art.5 MoU	-CMR and CMTD Conventions on civil liability in road
	Transport documents		

	Civil liability of road carriers (incl. special regulations for the transport of dangerous goods)		transport
	Transparent information on transport related regulations and procedures	-Art.9 MoU -Road transport Information System	
DRIVERS	Visa procedures for drivers	-Art.10 MoU -Promotion of best existing practices	-AETR -Bilateral Agreements -EU Schengen “acquis” - <i>draft</i> Annex 8 to the “Harmonization Convention”
	Regulations on social standards (hours of driving, records) etc.		

Annex

SECI MULTILATERAL FRAMEWORK AGREEMENT ON ROAD TRANSPORT

SECI participating States, hereinafter referred to as the Contracting Parties, desirous to develop economic relations, trade and transport in the SECI region, have agreed to conclude a Multilateral Framework Agreement on Road Transport (hereinafter referred to as Multilateral Agreement).

Article 1
Scope of Application

The provisions of the Multilateral Agreement shall regulate the international road transport of goods and passengers between the Contracting Parties and road transport in transit through the territories of the Parties.

Article 2
Definitions

For the purpose of the Multilateral Agreement "International Road Transport means the movement of goods or passengers by or in road transport (including trailer and semi-trailer), when the place of taking over the goods or passengers and the place designated for delivery, as specified in the contract, are situated in two different countries, where at least one is Party to Multilateral Agreement and includes storage in the course of transit.

Article 3
Objectives of the Multilateral Agreement

The objectives of the Multilateral Agreement are:

- a. to develop economic relations, trade and road transport in the region of SECI;
- b. to facilitate access to the international market of road transport;
- c. to ensure traffic safety, security of goods and passengers and environmental protection;
- d. to harmonize road transport policy and also legal framework in the field of road transport;
- e. to create equal conditions of competition between the SECI countries;
- f. to establish gradually free market access for international road transport in line with the relevant principles prevailing in the European Community, ECMT and UNECE;
- g. to put into force the preventive measures concerning rationalization of charging policies for international road transport.

Article 4
Transport of Passengers

Carriers settled in the territory of a Contracting Party are allowed to carry out transport of occasional passenger services by road between the Contracting Parties and transit transport through their countries without being subject to an authorization.

Regular and shuttle services are subject to authorization.

Article 5
Transport of Goods

Carriers settled in the territory of a Contracting Party are allowed to carry out transport of goods by road between the Contracting Parties and transit transport through their countries without being subject to an authorization.

Goods transport to and from third countries shall be subject to authorization.

Article 6
General Provisions

a. Insurance

Vehicles of the Contracting Parties that carry out international transport should have insurance coverage both in the transit countries and the country of destination.

b. Cabotage

Vehicles registered in either country of the Contracting Parties should not carry any goods or passenger between two points within the territory of the other Contracting Parties.

c. Customs and Health Control

The provisions of international conventions adopted by the Contracting Parties are applied to customs and health control at border crossing points.

The said control is carried out by priority of transport of patients, animals and perishable goods if possible.

d. Technical Control of Vehicles

A vehicle of a Contracting Party carrying out bilateral or transit transport in the territory of the other Contracting Party must be granted by a state authority with a valid road safety certificate.

The competent authorities of the Contracting Party on whose territory the transport operation is carried out may request the performance of technical control on the vehicles of the other Contracting Party.

A vehicle of a Contracting Party carrying out bilateral or transit transport in the territory of the other Contracting Party and carrying dangerous goods must keep all documents foreseen by the ADR Convention.

e. Traffic Safety, Security of Goods, Environmental Protection

The Contracting Parties shall take appropriate measures to ensure safety of traffic, passenger and carrier, security of goods and means of transport as well as protection of the environment in international transport.

Article 7

Technical Annexes

Technical annexes will be added at the end of the Working Group meetings.

Article 8

Entry into force

The Multilateral Agreement shall enter into force for the Contracting Parties having signed it on the first day of the third month following signature by the six Parties,

Article 9

Duration

This Multilateral Agreement is concluded for five years. Its duration will automatically be extended for a further five years if none of the Signatory Parties objects at least one year before the expiration of a five year period.

Signed in on.....behalf of the Governments of the SECI participating States (list of SECI participating and supporting States is attached).