# Informal document No. 4 Item 7 of the provisional agenda

#### **ECONOMIC COMMISSION FOR EUROPE**

INLAND TRANSPORT COMMITTEE

Working Party on Transport Trends and Economics

Group of Experts on Euro-Asian Transport Links

Second session Geneva, 7 September 2009

# Review of International Transport Networks and Initiatives Linking Asia and Europe

## Draft 1

This paper, prepared by the secretariat, provides preliminary and tentative information about recent, present and future EATL-related initiatives undertaken by various international organizations. The information – subject to revision and updating by the Expert Group - has been obtained from publicly available sources and/or submitted by international organizations. The Expert Group is requested to comment and contribute to this paper with a view of making this document more accurate and comprehensive.

# 1. Asian Development Bank

Asian Development Bank (ADB) is a Manila-based international development finance institution founded in 1966 in order to support its members in reducing poverty and in improving life quality. ADB's main partners are governments, nongovernmental organizations, development agencies and also the private sector in 67 members <sup>1</sup> from the region as well as from other parts.

ADB's operations in the transport sector promote economic growth and sustainable increases in welfare in its developing member states. ADB's main focuses for the transport sector are interventions in roads and highways, urban transport systems, railways, ports and waterways, and civil aviation areas with other donors such as Islamic Development Bank (IDB).

# Recent initiatives/ projects

ADB has performed the secretariat function for the Central Asian Regional Economic Cooperation (CAREC) Program. CAREC Program is an ADB-supported initiative established in 1997 to encourage economic cooperation among countries in the Central Asia region by cooperation of Central Asian republics<sup>2</sup> and six multilateral institutions, namely; ADB, World Bank, International Monetary Fund (IMF), European Bank for Reconstruction and Development (EBRD), IDB and the United Nations Development Programme (UNDP). Main concerns about inland transport in the CAREC region are:

- inefficient cross-border and transit movement due to excessive bureaucratic procedures;
- lack of unified transport regulations among CAREC countries;
- inadequate regional transport networks;
- lack of competition in railways due to the monolithic and monopolistic nature of organisations;
- limited institutional and human resource capacities; and
- lack of regional approach in civil aviation.

In order to deal with these issues, the CAREC Transport Sector Coordinating Committee (TSCC), launched in 2004, developed 'Regional Transport Sector Road Map (2005-2010)' in 2005 (updated in 2006) for co-operative activities in the transport sector among CAREC countries. The Regional Transport Sector Road Map sets six strategic priorities for an integrated and efficient transport system in the CAREC region:

- Harmonisation and simplification of cross-border transport procedures;
- Harmonisation of transport regulations among CAREC countries;
- Development and improvement of regional and international transport corridors;
- Restructuring and modernisation of railways;
- Improvement of sector funding and management; and
- Incremental approach to liberalisation of civil aviation.

The list of member countries is available at <a href="http://www.adb.org/About/membership.asp">http://www.adb.org/About/membership.asp</a>.

<sup>&</sup>lt;sup>2</sup> Afghanistan, Azerbaijan, People's Republic of China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan and Uzbekistan

TSCC also worked on establishment of the CAREC Transport and Trade Facilitation Strategy<sup>3</sup> jointly with other participants such as Customs Cooperation Committee. This Strategy aims at three overarching goals: to establish competitive transport corridors across the CAREC region; to facilitate efficient movement through corridors and across borders; and to develop sustainable, safe, and user-friendly transport and trade networks.

The total CAREC road network is 271,000km and the rail network is 25,700km. The six CAREC Corridors have undertaken a significant role in facilitating transport (figure 1.1). The new CAREC Transport Corridor I will run 2,715 km from the city of Khorgos which is on Kazakhstan's border with the People's Republic of China to the western border with the Russian Federation through Almaty and Shymkent.

SIX CENTRAL ASIA REGIONAL ECONOMIC
COOPERATION CORRIDORS

RUSSIAN FEDERATION

RUSSIAN

Figure 1.1. Six CAREC Corridors

#### **References:**

This section is based on publicly available information accessed at the website of ADB and retrieved from <a href="http://www.adb.org/">http://www.adb.org/</a>, especially:

http://www.adb.org/About/default.asp;

http://www.adb.org/Transport/default.asp;

http://www.adb.org/Carec/programs.asp;

http://www.adb.org/Carec/transportation.asp;

http://www.adb.org/media/Articles/2008/12702-kazakhstan-silk-road/.

<sup>3</sup> The Strategy was endorsed by the Six Ministerial Conference in 2007 and its assessments are reported in *Transport* and *Trade Facilitation Strategy Report: Final Report December 2008*.

# 2. Organization of the Black Sea Economic Cooperation

The Organization of the Black Sea Economic Cooperation (BSEC) was transformed in 1999 from the Black Sea Economic Cooperation which had been established in 1992 to foster interaction and to ensure peace, stability and prosperity among its Member States.<sup>4</sup>

In the same year, the Working Group on Transport and Communications was developed, and in 1994 the Group was divided into two working groups: on transport; and communications. The Working Group on Transport has elaborated most of transport-related initiatives through analysing the transport developments in the region and bringing its conclusion to meetings such as the Meeting of the Ministers of Transport of the BSEC Member States.

At the Meeting of the Ministers of Transport of the BSEC Member States in Thessaloniki in 2005, it was concluded that the development of transport axes connecting Trans-European Transport Network with the Black Sea transport network should be based on the Euro-Asian transport corridors and on the major routes under the UNECE-UNESCAP EATL framework as well as other international agreements and initiatives.

# Recent initiatives/ projects

BSEC has worked collaboratively with UNECE on issues related to transport facilitation. The Cooperation Agreement between BSEC and UNECE, signed in 2001, aims at accelerating development of international transport infrastructure networks, transport and border crossing facilitation, and also harmonisation of safety and environment standards in the area of transport. These objectives have been main considerations of BSEC under the strategy of transport development.

Transport Action Plan of the Black Sea Economic Cooperation, established as a particular result of the Third Pan-European Transport Conference in Helsinki in 1997, proposes promotion of a highly efficient and sustainable regional transport system. Priority activities of the Action Plan includes: rehabilitation, modernisation and construction of transport infrastructure; simplification and harmonisation of border crossing procedures; and harmonisation of transport legislation.

The plan of transport infrastructure development was incorporated into the Memorandum of Understanding for the Coordinated Development of the Black Sea Ring Highway. The Black Sea Ring Highway will promote co-operation in development of multimodal transport infrastructure for interconnections with the Trans-European, the Pan-European and the Euro-Asian Transport Networks with the approximately 7,000km route.

## **References:**

This section is based on BSEC's report, 'BSEC Contribution into the Development of the Euro-Asian Links' and publicly available information accessed at the website of BSEC and retrieved from

http://www.bsec-organization.org/Pages/homepage.aspx, especially:

http://www.bsec-organization.org/Information/Pages/testt.aspx;
http://www.bsec-organization.org/aoc/Transport/Pages/Information.aspx;
and
http://www.bsec-organization.org/aoc/Transport/Pages/ActionP.aspx.

<sup>&</sup>lt;sup>4</sup> The eleven founding states are Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine and Serbia is also current member since the accession in 2004.

<sup>&</sup>lt;sup>5</sup> The MoU was singed in 2007 and entered into force in 2008. It is available at http://www.bsec-organization.org/documents/LegalDocuments/agreementmous/m3/Documents/MoU%20BSRH%200711227.pdf.

# 3. Economic Cooperation Organization

The Economic Cooperation Organization (ECO) is an intergovernmental organisation founded in 1985 in order to promote economic, technical and cultural cooperation for its Member States. Main goals of the ECO include sustainable economic development, economic liberalisation and privatisation, mutually beneficial cooperation with regional and international organisations, removal of trade barriers, and also the development of transport and communications infrastructure. ECO's activities are conducted by six Directorates under the supervision of Secretary General and his Deputies.

## Recent initiatives/ projects

The Directorate of Transport and Communications has played a significant role in facilitating ECO Agreements and Declarations in the transport and communications field to foster economic cooperation, integration and cohesiveness in the ECO region. The ECO transport sector has achieved considerable developments in, for example, interconnection of road and railway networks of Central Asian Republics with Iran, Pakistan and Turkey, and international road transport among all ECO countries on the basis of bilateral agreements and construction of the missing links in the ECO region, under the framework of the Almaty Outline Plan for the Development of Transport Sector in the ECO region adopted at the first meeting of the ECO Ministers of Transport in 1993.

In 2006, the First Meeting of the Transit Transport Coordination Council (TTCC) was held to discuss important issues and also to develop cooperative activities since the Transit Transport Framework Agreement (TTFA) came into force. TTFA aims at adequate transit traffic arrangements for regional and international trade as well as for economic progress through its objectives, which are:

- to facilitate the movement of goods, luggage and passengers and to provide all necessary facilities for transit transport;
- to ensure the safety of goods, luggage and passengers and avoidance of unnecessary delays during the transit traffic; and
- to cooperate and coordinate the efforts to avoid the incidence of customs frauds and tax evasion and harmonising necessary administrative affairs dealing with transit traffic.

The meeting reached a conclusion to establish four committees as auxiliary bodies of TTCC, namely, Road Committee, Railway Committee, Legal Committee and Insurance Committee. The Second Meeting of the TTCC, being held in 2007, finalised modalities for establishment of ECO Fund for implementation of TTFA.

The transport sector of the ECO has developed transport infrastructure linking among the Member States and also between the ECO and other regions. The First Regional Workshop of Euro-Asian Transport Links Phase II: Facilitation of Euro-Asian Transport in the ECO Region, co-organised by the ECO and UNECE, was held in Tehran, Iran, in April 2009 to review progress on implementations and achievements of the EATL project and to discuss border crossing facilitation and development of new routes in the ECO region.

#### References:

This section is based on publicly available information accessed at the website of ECO and retrieved from <a href="http://www.ecosecretariat.org/">http://www.ecosecretariat.org/</a>.

<sup>&</sup>lt;sup>6</sup> Iran, Pakistan and Turkey are a founding member, and ECO enlarged its member states: Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz, Tajikistan, Turkmenistan and Uzbekistan in 1002.

# 4. Eurasian Economic Community

The Eurasian Economic Community (EurAsEC) is an intergovernmental organisation, established in 2000, consisting of five Member States. The two main objectives of the EurAsEC are the establishment of a customs union, and the creation of a single economic space and its activities encompass various domains, pursued by four principle bodies: the Inter-State Council comprising heads of States and Governments; the Integration Committee formed by Deputy Prime Ministers; Inter-Parliamentary Assembly; and the Secretary-General.

In the EurAsEC region, there are motorway and railway corridors running east-west and north-south, and a number of new corridors are under construction. Development of transport in the EurAsEC region is encumbered by both physical and non-physical obstacles such as extremely inefficient road transport, unsophisticated logistic systems, and protracted customs procedures at border crossing. The EurAsEC Integration Committee launched the Council on Transport Policy (CTP) to address these issues.

# Recent initiatives/ projects

The CTP brings together the ministers of transport of all EurAsEC countries to develop coordinated activities, for instance, on creating the international transport corridors between Europe and Asia, on developing transport infrastructure as well as standardisation of technical and technological parameters, and on refining the legal framework at the border crossing.

The EurAsEC is focusing on developing a Unified Transport System (UTS) and a Transport Union of its member countries. For this purpose, the Inter-State Council adopted the UTS Development Concept in January 2008, and approved the Measures for Developing the Unified Transport Space in EurAsEC 2008-2010 in order to ensure that UTS-related proposals could be implemented, at the 15<sup>th</sup> session of the Council in December 2008. The Measures includes harmonisation of regulations within the EurAsEC pertaining to transportation and also agreements between EurAsEC and third countries, and development of transport infrastructure, shared information system and a system of logistic centres.

## **References:**

This section is based on the report of the Eurasian Development Bank<sup>8</sup>, *The EurAsEC Transport Corridors* published in March 2009, and publicly available information: UNESCO, (2008), Executive Board, provisional agenda, Relations between UNESCO and the Eurasian Economic Community, retrieved from <a href="http://unesdoc.unesco.org/images/0016/001618/161885e.pdf">http://unesdoc.unesco.org/images/0016/001618/161885e.pdf</a>; and

Ministry of Foreign Affairs of the Republic of Belarus, retrieved from <a href="http://www.mfa.gov.by/en/multilateral/int\_org/ref/c1c1d559d46ac4ba.html">http://www.mfa.gov.by/en/multilateral/int\_org/ref/c1c1d559d46ac4ba.html</a>.

<sup>&</sup>lt;sup>7</sup> Member States are Belarus, Kazakhstan, Kyrgyzstan, Russian Federation and Tajikistan. In addition, observer countries are Armenia, Moldova and Ukraine.

<sup>&</sup>lt;sup>8</sup> The Eurasian Development Bank is an international financial institution established by the intergovernmental agreement signed in 2006 by the Russian Federation and the Republic of Kazakhstan in order to support economic growth and integration processes in Eurasia.

# 5. European Bank for Reconstruction and Development

The European Bank for Reconstruction and Development (EBRD) is an international financial institution established in 1991 to assist creation of democratic environment in the formerly communist countries. The EBRD is owned by 61 countries and two intergovernmental institutions. It supports projects in 30 countries from central Europe to central Asia for the purpose of promoting entrepreneurship and transition towards open and democratic market economies.

The transport sector is EBRD's major concern in the context of the economic development. The Transport Operations Policy<sup>11</sup> establishes the framework for EBRD's activities in the transport sector. The principle objective of the policy is to review and update the means whereby the EBRD achieves its mission on the subject of: airports and aviation; ports, shipping and inland waterway; railway; and road infrastructure.

# Recent initiatives/ projects

The EBRD fosters the development of efficient, reliable and secure transport system. In 2008, the EBRD invested approximately €660 million in transport infrastructure, with additional €350 million coming from co-financing with other international financial institutions and commercial banks.

EBRD's investment is both in the public and private sector. The South-West Corridor Road Project<sup>12</sup> is aiming at rehabilitation and upgrading of the 102km road section between Russian border and the city of Aktobe in Kazakhstan as part of Western Europe-Western China Corridor linking Europe and China through Kazakhstan and Russia by financial assistance to the Kazakh Government.

## References:

The section is based on publicly available information accessed at the website of the EBRD and retrieved from http://www.ebrd.com/, especially:

http://www.ebrd.com/about/index.htm; http://www.ebrd.com/about/policies/sector/transpor.htm; and also Annual Report 2008, available at http://www.ebrd.com/pubs/general/ar08e.pdf.

<sup>&</sup>lt;sup>9</sup> The list is available at <a href="http://www.ebrd.com/about/structure/govern.htm">http://www.ebrd.com/about/structure/govern.htm</a>.

10 For project details, see <a href="http://www.ebrd.com/country/index.htm">http://www.ebrd.com/country/index.htm</a>.

<sup>11</sup> The Policy (2005-2008) was approved by the Board of Directors in 2005 and is the third policy replacing the Transport Operations Policy of 1997. The full text of the Policy is available at http://www.ebrd.com/about/policies/sector/transpor.pdf.

The Project Summary Document is available at http://www.ebrd.com/projects/psd/psd2008/39258.htm.

# 6. European Union

The European Union (EU) is an economic and political partnership between 27 Member States<sup>13</sup> with the following decision-making and legislative bodies:

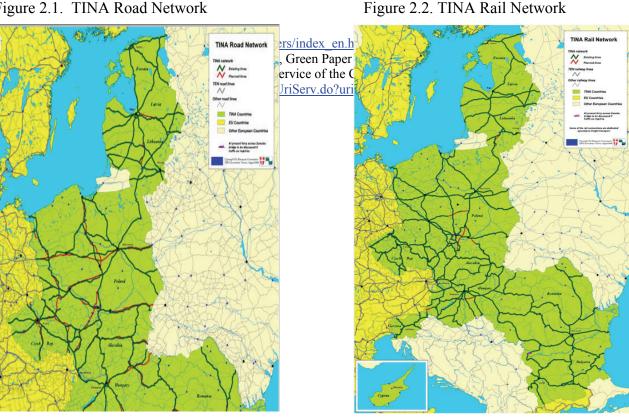
- the European Parliament, elected by citizens, focusing on passing European laws on the basis of proposals presented by the European Commission;
- the Council of the European Union, composed of ministers from the national governments of all EU countries, focusing on decision-making; and
- the European Commission focusing on presenting new proposals to the European Parliament and the Council, implementing EU policies, and managing the spending of EU funds.

EU transport policies aim to foster clean, safe and efficient transport network throughout Europe. The comprehensive network comprises 95,700km of road, 106,000km of railway including 32,000km of high-speed links, 13,000km of inland waterways, 411 airports and 404 sea ports, however, almost 20,000km of road, over 20,000km of railway and 600km of inland waterway remain to be built or substantially upgraded at estimated cost of €500 billion. 14

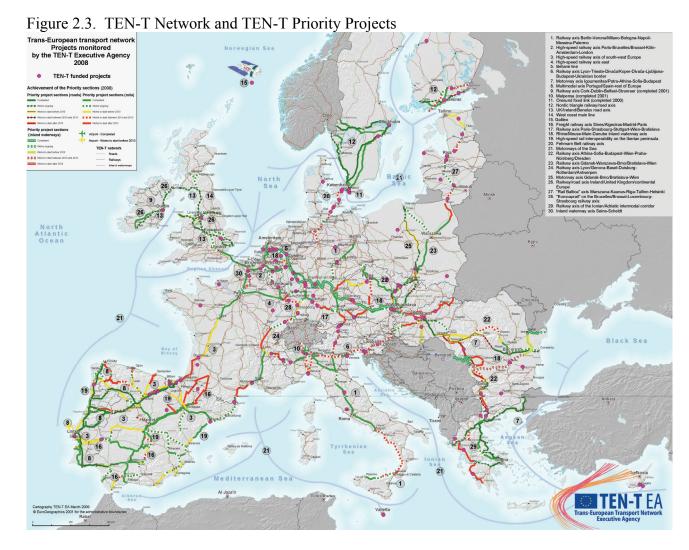
# Recent initiatives/ projects

The recommendation on Transport Infrastructure Needs Assessment (TINA) was developed at the first structural dialogue between the Transport Council of the EU and the Transport Ministers of the EU-associated countries. On the basis of this recommendation, the Commission launched the TINA process (figure 2.1 and 2.2) with the objective to define the future Trans-European Transport Infrastructure Network.

Figure 2.1. TINA Road Network



The Trans-European Transport Network (TEN-T) projects have taken a notable role in providing a single market with free movement of people and goods as well as in reinforcing the economic and social cohesion and in promoting economic competitiveness and sustainable development, with financial support by the European Investment Bank. <sup>15</sup> 30 Priority Projects have been identified based on proposals from the Member States (figure 2.3). Of 30 projects, 18 are railway projects, 3 are mixed rail-road projects. <sup>16</sup>



The TEN-T has developed through key processes:

- the first action plan adopted in 1990;
- the list of 14 priority projects adopted in 1994;
- the related financial regulation adopted in 1995;
- the first guidelines established in 1996; <sup>17</sup> and
- revised guidelines and financial regulations adopted in 2004 to integrate infrastructures of new Member States<sup>18</sup> into the TEN-T.

 $^{15}$  For the period 2007-2013, the investment needs in TEN infrastructures are expected at some €300 billion in total.

<sup>&</sup>lt;sup>16</sup> For more detail of TEN-T Projects, see <a href="http://tentea.ec.europa.eu/en/ten-t\_projects/30">http://tentea.ec.europa.eu/en/ten-t\_projects/30</a> priority projects/ and European Commission, DG Energy and Transport, (May 2008), TEN-T: Implementation of the Priority Projects, Progress Report, electrically available at <a href="http://ec.europa.eu/transport/publications/doc/">http://ec.europa.eu/transport/publications/doc/</a> 2008 brochure tent t implementation priority projects progress report.pdf.

<sup>&</sup>lt;sup>17</sup> 'Decision no. 1692/96/EC of the European Parliament and of the Council of 23 July 1996 on Community guidelines for the development of the trans-European transport network' is available at <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31996D1692:EN:HTML">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31996D1692:EN:HTML</a>.

With the EU enlargement in 2004, TINA networks were incorporated into the TEN-T.

A 2004 study, entitled "Scenario, traffic forecasts and analysis of corridors on the Trans-European Network" (TEN-STAC), analysed traffic, bottlenecks and environmental issues on 25 corridors.

In 2006, the Brussels-based TEN-T Executive Agency (TEN-T EA) was launched to provide an efficient and effective service in realising the technical and financial implementation of the TEN-T programme with close co-operation with the Commission. The Commission makes decisions regarding the TEN-T programme, defines strategies, objectives and priority areas of action, takes the final financing decisions, and monitors and supervises the TEN-T EA, whilst TEN-T EA implements the TEN-T programme on behalf of the Commission and under its responsibility, efficiently manages entire project lifecycle, prepares financing decisions, and provides key feedback to the Commission.

In order to strengthen the relationship between Europe and Asia, the Asia-Europe Meeting (ASEM) is a fundamental informal dialogue and cooperation bringing together 27 EU Member States, the European Commission, 16 Asian countries and the ASEAN (Association of Southeast Asian Nations) Secretariat to address political, economic and cultural issues. The first ASEM Transport Minister's Meeting will be held in October 2009 in Vilnius, Lithuania, to discuss the development of the international transport and trade, in parallel with the Asia-Europe Transport Development Forum aiming at providing a business approach towards transportation issues between Asia and Europe.

#### **References:**

This section is based on publicly available information accessed at:

the website of EU retrieved from <a href="http://europa.eu/">http://europa.eu/</a>, especially,

http://europa.eu/abc/panorama/index en.htm;

http://europa.eu/abc/panorama/howorganised/index en.htm;

http://europa.eu/legislation\_summaries/enlargement/2004\_and\_2007\_enlargement/e50017\_en.htm;

the website of European Commission DG-TREN retrieved from

http://ec.europa.eu/transport/index en.htm; especially,

http://tentea.ec.europa.eu/en/ten-t projects/30 priority projects/;

the website of ASEM, retrieved from http://www.aseminfoboard.org/, especially,

http://www.aseminfoboard.org/page.phtml?code=About;

http://www.asemtransport.org/en/news 55.html; and

http://www.asemtransport.org/en/news\_55/welcome.html.

<sup>&</sup>lt;sup>18</sup> On 1<sup>st</sup> May 2004, ten new countries (Cyprus, the Czech Republic, Estonia, Hungary, Malta, Latvia, Lithuania, Poland, Slovakia and Slovenia) joined the EU.

# 7. International Road Transport Union

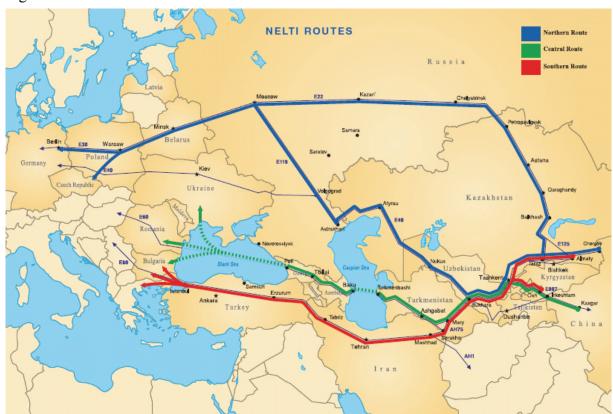
The International Road Transport Union (IRU) was founded in 1948 to represent interests of the international road transport industry. The goals of IRU are to ensure the mobility of people and goods while improving safety and environmental performance of road transport. The IRU holds Euro-Asian Road Transport Conferences biennially in order to promote and revive the 'Silk Road' linking Europe and Asia.

## Recent initiatives/ projects

The 5<sup>th</sup> IRU Euro-Asian Road Transport Conference, held in June 2009 in Almaty, discussed the implementation of the New Eurasian Land Transport Initiatives (NELTI) Project. This project, developed by the IRU, was inaugurated in September 2008. The project has played a significant role in providing data on corridors connecting Europe and China through Central Asia with support from international organisations and governments. The project aims to encourage regular road freight shipments between Europe and China and to assist in achieving the transit potential of, particularly, nations in Central Asia and the Caucasus. The objectives of the project are:

- to contribute to the implementation of the UN Millennium Development Goals and of the Almaty Programme of Action for landlocked developing countries in order to develop Eurasian land transport links;
- to assist in the development of trade in landlocked countries and regions and to broaden access for their goods to international markets;
- to increase the contribution of road transport to international trade and socio-economic development; and
- to offer alternative delivery routes to maritime shipments in order to assist businesses in landlocked countries.

NELTI networks have exceeded 1,100,000km through three corridors (figure 3.1): Figure 3.1. NELTI Routes



- the Northern Route covers approximate 6,500km from Chinese borders to Europe, crossing 13 countries
- the Central Route covers approximate 5,100km from China to Europe
- the Southern Route covers approximate 4,000km from Kyrgyzstan to Europe

Issues of the NELTI Project include delays at border crossing, disharmonised regulations among NELTI countries and lack of infrastructure on NELTI routes. The second phase of NELTI (NELTI 2) shall be implemented from 2009 to 2011 by monitoring the situation in the bottlenecks as well as by lobbying the Governments of the transit countries and regional economic organisations to implement recommendations based on the conclusions of the first NELTI phase.

#### **References:**

This section is based on publicly available information accessed at the website of IRU and retrieved from <a href="http://www.iru.org/">http://www.iru.org/</a>, especially:

http://www.iru.org/index/en\_event\_Almaty2009\_programme;
http://www.iru-nelti.org/index/en\_nelti\_problems; as well as IRU's report and publications,
IRU, (2008), Final Countdown...to 16 September 2008, retrieved from
http://www.iru-nelti.org/index/cms-filesystem-action?file=nelti/nelti\_en.pdf;
IRU, (2009), NELTI...creating new business opportunities, retrieved from
http://www.iru-nelti.org/index/cms-filesystem-action?file=publications/nelti\_join\_us\_en.pdf;

'Report on the First Six Months of the Implementation of the NELTI Project', retrieved from

http://www.iru-nelti.org/index/cms-filesystem-action?file=nelti/report\_6\_months\_eng.pdf;

NEA Transport Research Institute & IRU, (2009), *NELTI Final Report: Analysis of Monitoring Data Collected on NELTI Projects Routes in 2008-2009*, retrieved from <a href="http://www.iru.org/index/cms-filesystem-action?file=events\_2009\_almaty/NELTI-report-EN.pdf">http://www.iru.org/index/cms-filesystem-action?file=events\_2009\_almaty/NELTI-report-EN.pdf</a>.

# 8. International Transport Forum

The International Transport Forum (ITF) is a global platform and meeting place at the highest level for transport, logistics and mobility under structure of Organisation for Economic Co-operation and Development (OECD). Its member states include OECD member countries as well as Central and Eastern European countries. <sup>19</sup> The ITF was transformed from the European Conference of Ministers of Transport (ECMT)<sup>20</sup> in order to enlarge accession not only of European countries but also of non-European countries as well as in order to cover topics of world-wide strategic importance.

# Recent initiatives/ projects

An ECMT/UNECE seminar on intermodal transport between Europe and Asia took place in 2004 in Kiev, Ukraine. This seminar emphasised work on the following issues to create an effective intermodal land transport links between Europe and Asia:

- development of technical and technological capacities of transport infrastructures;
- simplification of border crossing procedures;
- removal of physical and non-physical obstacles;
- enlargement of the network of intermodal transport;
- development and implementation of joint investment projects and ensuring their financing;
- creation of a network of logistic centres and information support;
- implementation of a harmonised tariff and price policy;
- improved usage of the inland waterways for intermodal transportation; and
- harmonisation of the regulatory and legal frameworks.

The ITF aims to foster a deeper understanding of the essential role of transport in the economy by organising annual forums in Leipzig and meetings organised by the Joint Transport Research Centre. The 2009 Forum's main theme "Transport for a Global Economy: Challenges and Opportunities in the Downturn" focussed on discussing the economic downturn and stimulus packages, the risks of protectionism and the challenges of sustainability, the financing of transport, the reliability and security of transport chains, as well as the need for international cooperation. The Forum also discussed importance of efficient transport between Europe and Asia in the globalised economy, which would effect on international trade.

#### **References:**

This section is based on publicly available information accessed at the website of ITF and retrieved from <a href="http://www.internationaltransportforum.org/">http://www.internationaltransportforum.org/</a>, especially,

http://www.internationaltransportforum.org/about/aboutintro.html; http://www.internationaltransportforum.org/about/history.html; http://www.internationaltransportforum.org/Press/PDFs/2009-05-29E.pdf; and also, OECD, (2006), *Transport Links between Europe and Asia*, available at http://www.internationaltransportforum.org/europe/ecmt/pubpdf/06Europe-Asia.pdf.

<sup>&</sup>lt;sup>19</sup> The list of member countries is at <a href="http://www.internationaltransportforum.org/about/members.html">http://www.internationaltransportforum.org/about/members.html</a>. For OECD member states, see <a href="http://www.oecd.org/pages/0,3417.en/36734052">http://www.oecd.org/pages/0,3417.en/36734052</a> 36761800 1 1 1 1 1,00.html.

<sup>&</sup>lt;sup>20</sup> ECMT was established by a Protocol signed in Brussels in 1953. At the meeting in Dublin in 2006, the Council of Ministers agreed on the creation of the ITF.

<sup>&</sup>lt;sup>21</sup> The Joint Transport Research Centre was established in 2004 jointly by the ECMT and the OECD. The Centre conducts co-coperative research programmes addressing all modes of inland transport and their intermodal linkages, in support of policy-making processes in member countries.

# 9. Islamic Development Bank

The Islamic Development Bank (IDB) is an international financial institution consisting of its Headquarters in Jeddah, Saudi Arabia and its regional offices in Almaty (Kazakhstan), Kuala Lumpur (Malaysia), Rabat (Morocco) and Dakar (Senegal). IDB was established in 1973 to support the economic development and social progress of its member countries.<sup>22</sup>

# Recent initiatives/ projects

# IDB Group Infrastructure Strategic Plan (1431H-1433H / 2009- 2011G):

Over the next three years (2009-2011), IDB Group will focus on the core infrastructure sectors including the Transport sector which covers the following sub-sectors: roads, railways, airports, ports, and multi-modal facilities.

Taking into account the existing infrastructure capacity in IDB member states, as well as considering the developmental impact of its financing and the absorption capacity of the regions, IDB Group would significantly alter the existing allocation of its resources. Since inception, the average MENA region share of the total IDB Group infrastructure financing portfolio has been about 55%. It has been proposed that this share be reduced to 30% by 2011 to free-up resources for Sub-Saharan Africa, CIS and Asia regions, where the developmental impact of IDB Group intervention may be higher.

As the IDB is undergoing a major reform exercise, it is envisaged that the current Infrastructure Strategic Plan (2009-2011) will be of a transitional nature for the IDB to fully adopt the proposed new approach to infrastructure. This transition period is needed to allow for the gradual build up of the IDB Group internal capacity and the absorptive capacity of the member countries in the various categories.

# The Objective

The objective of several on-going and planned transport sector projects is to provide year-round, reliable and direct land transport service between the eastern part of Europe and the western part of Asia Region to enhance trade and flow of passengers and freight traffic between Europe and Asia countries in line with CAREC program.

#### **IDB Investments**

- 1. Major investment projects approved or planned under IDB funding are highlighted as follows:
- **Kazakhstan** IDB, together with its co-financiers, ADB and Japan International Cooperation Agency (JICA), has already approved the 480km road section in the Zhambyl Oblast<sup>23</sup> of the

<sup>&</sup>lt;sup>22</sup> The membership of IDB includes 56 countries listed at <a href="http://www.isdb.org/irj/portal/anonymous?NavigationTarget=navurl://750e51a0219adf78e6329e889512714e">http://www.isdb.org/irj/portal/anonymous?NavigationTarget=navurl://750e51a0219adf78e6329e889512714e</a>.

<sup>&</sup>lt;sup>23</sup> The cost of improving the Zhambyl Oblast section is estimated at about \$1.5 billion and is being financed by ADB (\$700 million), IDB (\$414 million), JICA (\$150 million), and the Government (\$216 million).

Western Europe–Western China International Transport corridor.<sup>24</sup> IDB approved \$186 million in February 2009 to cover the financing of the 58 km section in the Jambul Oblast. The financing agreement is currently being negotiated between the IDB and the Government of Kazakhstan. The mark-up to be used was agreed at 5.1%. Meanwhile, the Executing Agency has already published the invitation for pre-qualification of firms through local mass-media and located the same on the IDB website.

- **Kyrgyz Republic.** ADB approved a \$20 million grant to rehabilitate the Bishkek-Torugart road in November 2008. Additional \$50 million for the km 439-479 and km 365-400 road segments is planned for approval in 2009. To complete the abovementioned road corridor, a Cofinanciers' meeting, was held in Bishkek and attended by the members of Coordination Group, (IDB, Kuwait Fund for Arab Economic Development (KFAED), Abu Dhabi Fund for Development (ADFD), OPEC Fund for International Development (OFID) and Saudi Fund for Development (SFD), in October 2008 and an MOU was signed to consider the financing of the road stretch from Dolon Pass to Atbashi of the Bishkek-Torugart Road Corridor. All concerned Funds have in principle agreed to finance the project. IDB is already co-financing with ADB the reconstruction of the Osh-Sary Tash-Irkeshtam road. Furthermore, IDB funded phases of the project "Reconstruction of Taraz-Talas-Suusamyr" are progressing satisfactorily; the Phase I of the road project will be completed by mid-2009. In 2009 the Government of Kyrgyz Republic is planning to invite the concerned Funds of the Coordination Group to conduct its meeting in Bishkek and to consider the priority projects submitted by the Kyrgyz Government. The bilateral meetings were held between the Kyrgyz delegation and the representatives of the Coordination Group during the IDB Annual Meeting in Ashgabat, Turkmenistan, 2-3 June 2009. The documentation pertaining to the projects for the above meeting are now being prepared by the concerned ministries.
- Tajikistan. A Co-financiers' meeting, was held in Dushanbe and was attended by the members of Coordination Group, (IDB, Kuwait Fund for Arab Economic Development (KFAED), Abdu Dhabi Fund for Development (ADFD), OPEC Fund for International Development (OFID) and Saudi Fund for Development (SFD),in October 2008 and an MOU was signed to consider the financing of the Kulyab-Khalaikum Road Corridor. The IDB and the other funds mounted a joint appraisal mission to Tajikistan in the end of April 2009. In addition to the above the IDB is planning to mount another appraisal mission to Tajikistan in the second half of 2009, to provide financing for the third phase of the Shagon-Zhigar road project subject to successful completion of the second phase.

# C. Non-lending Activities

- 2. IDB has committed to support the Feasibility study of Kafarnigan-Yavan Railway in Tajikistan
- 3. A list of investment and TA projects in the CAREC transport sector having IDB involvement for the period 2007–2011 along with IDB interventions in the transport sector since 1993 is attached.

<sup>24</sup> The total length of the corridor is about 2,715 km, of which 2,237 km will be constructed and/or reconstructed. The total investment plan for the corridor is estimated at about \$6.7 billion: ADB (\$700 million), EBRD (\$181 million), IDB (\$414 million), JICA (\$150 million), World Bank (\$2,125 million), the private sector (\$2,221 million), and the Government (\$909 million).

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External Assistance for Transport Sector in CAREC Countries
Table 1: Approved and Planned Investments 2008–2011

	CAREC Corridor	Other Intervention	Country Involved	Funding Agency	Total for all Interventions (US\$ million)	Total for CAREC Interventions (US\$ million)
Project Title						
IDB interventions in the transport sector since 1997						, , ,
Karaganda- Astana Road Project (Approved 2000)	-	-	KAZ	IDB	20.0	
Construction of Bishkek- Osh Road (Approved 1998)	-	-	KGZ	IDB	10.0	
Reconstruction of Taraz–Talas–Suusamyr Road (Approved 2000)			KGZ	IDB	9.15	
Reconstruction of Osh- Irkeshtam Road (Approved 2007)			KGZ	IDB	17.3	
Reconstruction of Taraz–Talas–Suusamyr Road (Supplementary)(Approved 2007)			KGZ	IDB	3.6	
Construction of Murgab- Kulma Pass Highway (Approved 1999)			TAJ	IDB	9.5	
Shagoon- Zigar Road (Approved 2001)			TAJ	IDB	9.1	
Shagoon- Zigar Road Phase-II (Approved 2004)			TAJ	IDB	13.77	
Alyat- Ggazi Mohamed Road ( Approved 1997)			AZE	IDB	13.14	
Reconstruction of Ujar- Yevlakh Road ( Approved 2003)			AZE	IDB	22.0	
Reconstruction of Yevlakh- Ganja Road ( Approved 2005)			AZE	IDB	10.4	
Approved and Planned Investments 2008–2011						
Reconstruction of Taraz-Talas-Suusamyr Road Phase-II (Approved 2008)	3b	-	KGZ	IDB	11.2	
2009 APPROVED IN 1 QUARTER						
Western Europe-Western China Corridor (Korday-Taraz- Zhambyl Oblast) Section1(Tranche-1)	1b	-	KAZ	IDB	186.0	186.0
2009 PLANNED			1/07		40.0	
Dolon-Pass to Atbahsi of the Bishkek-Torugart Road Corridor	1c	-	KGZ	IDB	10.0	15.0
Kulyab-Khalaikum Road project	-		TAJ	IDB	20.0	20.0
Shagon–Zigar Road Reconstruction, Phase III	-	Feeder for 5	TAJ	IDB	20.0	20.0
Bereket- Etree- Gorgan Railway Project (Tranche-1) Turkmenistan			TURK	IDB	120.0	
Subtotal planned for 2009					356.0	25.0
2010 INDICATIVE b  Western Europe–Western China (Korday-Taraz-	1b	-	KAZ	IDB	228.0	228.0
Zhambyl Oblast) Section2, Tranche 2     CAREC Corridor I (Bishkek-Torugart Road), Phase     -III	1c	-	KGZ	ADB	40.0	40.0
Reconstruction of the Osh-Sary Tash-Irkeshtam Road (Phase II) c	2,3b,5		KGZ	IDB	15.0	15.0
Reconstruction of Taraz-Talas-Suusamyr Road 4 Phase-III	3b	-	KGZ	IDB	10.0	10.0
Bereket- Etree- Gorgan Railway Project (Tranche-2) 5 Turkmenistan			TURK	IDB	120.0	13.0
Subtotal Planned for 2010					413.0	
2011 INDICATIVE						
1 Ujar–Zardab–Aghdjabedi Highway Construction	-	Other	AZE	IDB	50.0	-
Bereket- Etree- Gorgan Railway Project (Tranche-3) Turkmenistan			TURK	IDB	120.0	
Subtotal Planned for 2011					170.0	

ADB = Asian Development Bank; AFG = Islamic Republic of Afghanistan; AZE = Azerbaijan; EBRD = European Bank for Reconstruction and Development; IsDB = Islamic Development Bank; JICA = Japan International Cooperation Agency; KAZ = Kazakhstan; KGZ = Kyrgyz Republic; TAJ = Tajikistan;;

<sup>&</sup>lt;sup>a</sup> The amount of CAREC intervention is estimated.

<sup>&</sup>lt;sup>b</sup> Processing of projects in 2009 and 2011 will depend on further discussion with concerned governments and availability of financing.

<sup>&</sup>lt;sup>c</sup> In case the Government fails to reach agreement with other financiers, IsDB might finance this project.

No.	Project Title	Country Involved	Funding Agency	Total (US\$'000)				
IDB	IDB interventions for T.A. in the transport sector since 1993							
1.	T.A for Economic F.S. of Almaty- Bystrovka Road (Approved 1995)	KAZ	IDB	257.0				
2.	T.A. for F. S. for Karaganda- Akmola Road (Approved 1996)	KAZ	IDB	298.0				
3.	T.A. for Baravoe- Kokshetau- Petropvlovsk Road (Approved 2001)	KAZ	IDB	232.0				
4.	T.A. for Detailed Eng. Design & Tender Doc. For Alyat- Ggazi Mohamed Road ( Approved 1993)	AZE	IDB	240.0				
5.	T.A. for F.S. for constructing 15 km Road from Kulma pass to Karako (Approved 1997)	TAJ	IDB	280.0				
6.	T.A. for F.S. for construction of 30.7 km Road from Shagon to Zigar ( Approved 1998)	TAJ	IDB	270.0				
2009 I	PLANNED		1					
1	Feasibility Study for Kafarnigan-Yavan Railway	TAJ	IDB	300.0				

ADB=Asian Development Bank; AZE=Azerbaijan; EBRD=European Bank for Reconstruction and Development; IDB=Islamic Development Bank; JICA = Japan International Cooperation Agency; KAZ=Kazakhstan; KGZ=Kyrgyz Republic; TAJ=Tajikistan;

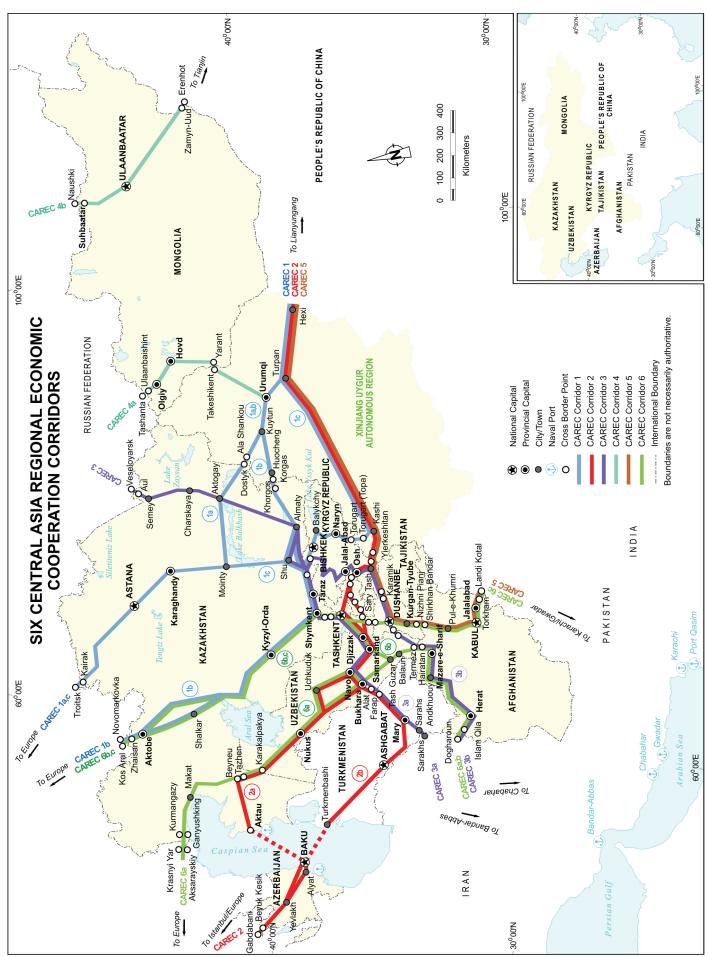
### **References:**

This section is based on the IDB submission as well as on publicly available information accessed at the website of IDB and retrieved from

http://www.isdb.org/irj/portal/anonymous?guest\_user=idb\_eng, especially:

 $\underline{http://www.isdb.org/irj/portal/anonymous?NavigationTarget=navurl://fd0cb8101ac50bfe83d6477ba087e1b8;\ and$ 

 $\frac{http://www.isdb.org/irj/go/km/docs/documents/IDBDevelopments/Internet/English/IDB/CM/Publications/Annual Reports/31st/Contents-1426H.pdf.$ 



# 10. Organization for Railway Cooperation

The Organization for Railway Cooperation (OSJD) is an international organisation focusing on developing international railway traffic and exchanging information between member countries. <sup>25</sup> It has established five commissions: Transport Policy, Transport Law, Freight Traffic, Passenger Traffic, and Infrastructure and Rolling Stock.

The railway links among the member countries of the OSJD are notable for lengthy routes (8,000 to 10,000km) with two changes of gauge size during transport in a single direction (1,435mm-1,520mm-1,435mm) and a large number of border crossings en route. In addition, transport operations on OSJD routes between Europe and Asia are governed by regulations, which differ somewhat from those prevailing in Western Europe.

# Recent initiatives/ projects

In 1996, 13 main railway routes between Europe and Asia were identified by the OSJD on the basis of flows of goods between countries on the two continents. Between 1996 and 2001, the OSJD performed the analysis of technical and operational indicators and technical equipment of these 13 routes, collected data on infrastructure and border crossing and studied ways of improving the freight transport technology. This work resulted in comprehensive measures being drafted for improving the organisation of international rail transport operations along the transport corridors between Europe and Asia. The interested countries signed Memoranda of Understanding for the development of these corridors, which served as a basis for coordinated actions by States to reorganise and modernise pertinent railway lines.

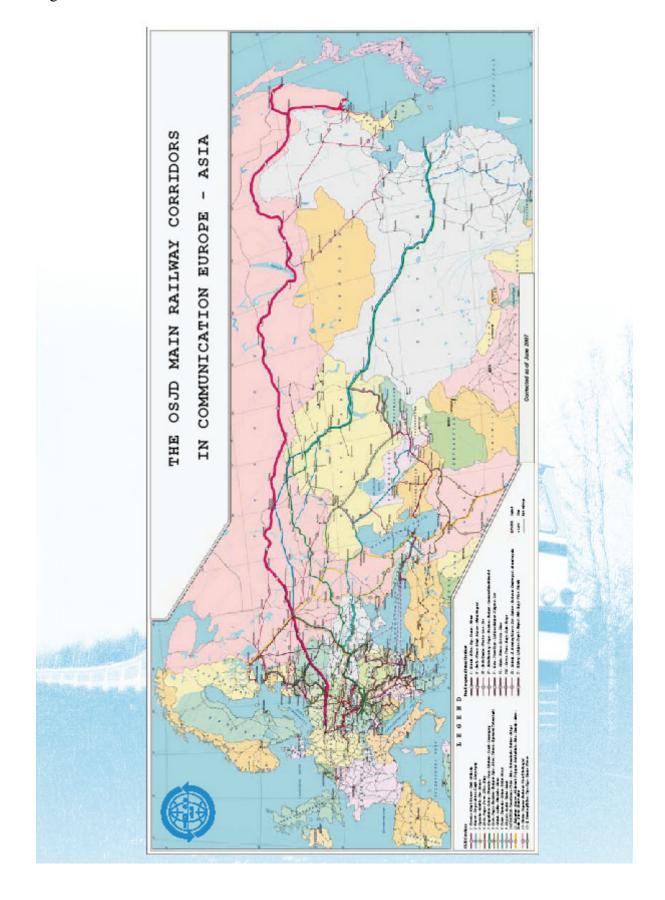
Taking into account that the geography of transport flows is continuously changing due to numerous factors, the OSJD is constantly adapting and refining its strategies for the development of intercontinental links along the main railway routes. For example, its programme of work for 2005-2015 calls for the development within the Organization of comprehensive plans for the improvement of transport and the development of transport corridors. The Comprehensive Plans for OSJD Corridors No. 1, 9 and 11 were completed in 2006 and endorsed by the 34<sup>th</sup> session of the OSJD Ministerial Meeting held in Sofia in 2006, and Comprehensive Plans for corridors No. 2, 3, 4, 6, 10 and 12 were adapted at the 35<sup>th</sup> OSJD Ministers Conference in Warsaw in 2007. The map of OSJD's 13 rail corridors is reproduced in Figure 4.1.

#### **References:**

This section is based on publicly available information accessed at the website of OSJD and retrieved from <a href="http://osjd.jdvm.cz/">http://osjd.jdvm.cz/</a>, especially, <a href="http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm">http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm</a>, and <a href="http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm">Report on OSJD activities in 2007, downloaded from <a href="http://www.osjd.info/wps/PA\_1\_M71IFOI21GLP502LBRBVSP0021/download?vp=51&load=v&col\_id=121&id=111">http://osjd.jdvm.cz/</a>, especially, <a href="http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm">http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm</a>, and <a href="http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm">http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm</a>, and <a href="http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm">http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm</a>, and <a href="http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm">http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm</a>, and <a href="http://osjd.info/wps/PA\_1\_M71IFOI21GLP502LBRBVSP0021/download?vp=51&load=v&col\_id=121&id=111">http://osjd.info/wps/PA\_1\_M71IFOI21GLP502LBRBVSP0021/download?vp=51&load=v&col\_id=121&id=111</a>.

<sup>&</sup>lt;sup>25</sup> Members are listed at http://osjd.jdvm.cz/u-index\_uvod\_dokumenty.htm.

Figure 4.1. OSJD



# 11. Organization for Security and Co-operation in Europe

The Organization for Security and Co-operation in Europe (OSCE) is the world's largest regional security organisation. It addresses three dimensions of security: the politico-military, the economic and environmental, and the human dimension, with 56 participating states in Western, Eastern and South-Eastern Europe, South Caucasus, Central Asia and also North America. The OSCE has engaged in transport matters since the adoption of the Helsinki Final Act<sup>27</sup> in 1975.

## Recent initiatives/projects

Under the 2006 Belgian Chairmanship, the OSCE's economic and environmental dimension focused its work on *Transportation in the OSCE area: Secure transportation, networks and transport development to enhance regional economic co-operation and stability.* At the annual OSCE Ministerial Council in Brussels (2006), the 56 OSCE participating States adopted Decision No. 11/06 on the *Future Transport Dialogue in the OSCE.* Based on this document, the OCEEA has implemented, in the course of 2008 and 2009, various activities aimed at facilitating transit transport and legitimate cross-border trade across the OSCE region.

# Activities in support of the the implementation of the UN Almaty Programme of Action

The OSCE's active support for the implementation of the *UN Almaty Programme of Action* (APA): Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries in the region goes back to the adoption of the aforementioned MC Decision No. 11/06. In addition to developing and implementing a number of very practical projects such as capacity-building and training activities, the OCEEA has also been lending its political support to the APA provisions.

On 17-18 September in Piraeus (Greece) the UNECE in conjunction with the Hellenic Republic Ministry of Mercantile Marine and the Agaen and Island Policy held a conference on the important role seaports serve as a link between maritime and inland transport. The OCEEA presented the OSCE approach on transport development and co-operation and emphasized the need to link sea ports more effectively with their remote hinterland, including landlocked developing countries.

On1-3 October 2008, in New York, the Senior Economic Adviser represented the OCEEA at the high-level plenary meeting on the **midterm review of the Almaty Programme of Action** which was held in the framework of the UN General Assembly. The OSCE's intervention focused on the role the OSCE can play in intensifying regional dialogue and co-operation to help its landlocked countries to overcome transit transportation challenges.

On 2 March 2009, in Geneva, the Co-ordinator attended the **Fifth Inter-Agency Consultative Meeting on Accelerating the Implementation of the Almaty Programme of Action: follow-up to the mid-term review** jointly organised by the United Nations Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) and the UNECE. The Co-ordinator gave a detailed

<sup>&</sup>lt;sup>26</sup> For details of countries, see <a href="http://www.osce.org/regions/">http://www.osce.org/regions/</a>.

<sup>&</sup>lt;sup>27</sup> "Conference on Security and Co-operation in Europe: Final Act" is available at http://www.osce.org/documents/mcs/1975/08/4044 en.pdf.

presentation on the OCEEA's planned contributions towards accelerating the implementation of the Almaty Programme of Action in the OSCE region in 2009 and beyond.

Further to providing political support, the OCEEA has also been involved in capacity-building and training activities: On 16-17 March 2009, the OCEEA together with the OSCE Centre in Astana, the UNECE Transport Division and the Customs Committee of Kazakhstan held in Astana a National Seminar on Improving the Implementation of International Legal Instruments to Facilitate Cross-border Trade and Transport Operations. The seminar brought together some 50 representatives of customs departments from Kazakhstan's regions, international experts, including from the UN, the World Customs Organization (WCO) and private sector representatives. Seminar participants discussed, among others: Kazakhstan's recent completion of preparatory work to accede to the WCO's Revised Kyoto Convention, measures to facilitate railway border crossings along the Euro-Asian transport corridors, and benchmarking and performance measurements at border crossings, as well as risk management systems and the potential of advanced public-private partnerships.

On 5-6 May 2009, in Astana, the OCEEA together with the OSCE Centre, the WCO and the Customs Committee of Kazakhstan organised a **Seminar on Strategic Anti-corruption Methods in the Customs Field: Sharing International Best Practices**. The meeting gathered around 95 national participants, including the heads of relevant departments of the territorial divisions of the customs service and several representatives of law enforcement agencies, the private sector and international organizations. The ultimate aim of the event was to enhance the capacity of the national authorities to further improve and implement their existing national Anticorruption Strategy.

# **OSCE/UNECE Handbook of Best Practices at Border Crossings**

In May 2008, the OCEEA, jointly with the UNECE and in co-ordination with the CPC OS Borders and the Action Against Terrorism units, started the development a **Handbook of Best Practices at Borders**. Through the promotion of existing border-crossing best practices in the field, the Handbook's main purpose is to assist OSCE participating States, particularly landlocked countries with limited access to world markets, in developing more efficient border, transit transport and customs policies.

The Handbook is expected to become a reference document for:

- national policy-makers
- senior customs, transport and border guard/police officials
- heads of regional customs chambers/border crossing points.

In addition, the OSCE-UNECE Handbook will also be made accessible to representatives of transport agencies, the business community, civil society and academia. It will focus on border-crossing points along roads and railways and at sea and airports.

As the Handbook is expected to address the real concerns experienced on a day-to-day basis by the relevant authorities in our participating States and to reflect existing best practice experiences, the OCEEA held, in October 2008, two regional preparatory stakeholders' meetings bringing together relevant Customs, Border Guard/Police and Transport officials: one in Minsk (for Eastern and Central Europe) and one in Bishkek (for Central Asia and South Caucasus). The valuable input received during these meetings will definitely find its way into the final publication.

The Handbook is expected to be published in the second half of 2009. Upon its publication (both in Russian and English) it will be distributed to the Permanent Delegations to the OSCE in Vienna as well as through OSCE Field Presences across the region.

## **Building partnerships**

The OCEEA relies on partnerships with international expert organizations to enhance its capacity to effectively address a wider range of issues. In this regard, in the course of the past year, the OCEEA continued deepening some of its already existing partnerships with technical players in the field of transport and border-crossing facilitation.

On 8 September 2008, upon invitation by the UNECE, the OCEEA participated in Geneva, in a meeting of the **Expert Group on Euro-Asian Transport Links (EATL)**. The Expert Group discussed the programme of work, objectives, tasks and possible deliverables regarding the continuation of Phase II of the EATL and fulfilling the recommendations of the ECE/ESCAP Joint Study on Developing Euro-Asian Transport Linkages. The OCEEA presented the OSCE approach on transport development and co-operation, as well as some recent and planned activities on transport, trade and border crossing facilitation.

On 1-4 September 2008, in Hallstatt (Austria), the OCEEA participated, in the **First UNECE TEM/TER Expert Group Meeting** which was attended by Ministry of Transport officials as well as experts from railway companies and road administrations from across the OSCE region. On this occasion, the OCEEA collected useful information related to the transport and border-crossing infrastructure situation (particularly in the South Caucasus and Eastern Europe) and presented on the OSCE approach towards transport. Possibilities for intensified cooperation as well as possible joint projects were explored as well.

On 2 December 2008, the OCEEA participated in a conference organised in Brussels by the British Chamber of Commerce in Belgium on **Integrated Border Management: Delivering Integrated Border Management: Challenges and Solutions**. The conference offered policymakers, technology solution providers, EU member state officials, transport operators and border agencies, the opportunity to share views and ideas as well as practical solutions for the challenges experienced in the border management field. The OCEEA presented the OSCE approach on transport and trade facilitation and announced the forthcoming OSCE/UNECE Handbook on Best Practices at Borders.

On 4 December 2008, the Deputy Co-ordinator represented the OSCE Secretary General at the **Anniversary Ministerial of the TRACECA Transport Programme** in Baku. He used this opportunity to discuss the OSCE transport-related activities with a number of delegations from Central Asia and the President of the CIS branch of the International Road Transport Union.

On 4-5 December 2008, the OCEEA participated in the World Customs Forum 2008 on Managing Secure Trade Lanes & the Future of Facilitation – Navigating the Seas of Change which took place in Brussels. The Forum which was organised in conjunction with the Trusted Trade Alliance provided a platform for representatives of Customs administrations and the trade to undertake a critical dialogue on the global implementation of national and multilateral initiatives under the auspices of the WCO SAFE Framework of Standards to secure and facilitate global trade. In the margins of the Forum, the OCEEA had consultations with representatives of the US International Chamber of Commerce to discuss progress made

regarding the Eurasia Business Platform (EBP), the WCO's Compliance and Facilitation/Capacity Building Departments to discuss future joint activities and with the UNODC.

On 24-26 February 2009, the Deputy Co-ordinator participated in Geneva in the **Seventy-first session of the UNECE Inland Transport Committee**. On the first day, the Deputy Co-ordinator made a statement on the positive cooperation between the OSCE and the UNECE in the transport field and on the second day the another OCEEA representative gave a presentation on the forthcoming OSCE-UNECE Handbook of Best Practices at Borders. On the margins of the event, several side-meetings took place with senior representatives of the UNECE Transport Division to discuss future avenues for cooperation.

On 5-6 March 2009, in Paris, the OCEEA, contributed, upon invitation, to a **Joint International Transport Forum (ITF), UNECE, World Bank Seminar on Overcoming Border Crossing Obstacles**. The Seminar was held as a preparatory thematic meeting for the high-level International Transport Forum taking place in Leipzig (Germany) in May 2009. The OCEEA representative gave a presentation on *OSCE efforts aimed at facilitating legitimate cross-border trade and transport operations across its region*. On the margins of the seminar various sidemeetings with representatives of the OECD, the ILO, the WCO, the World Bank and other relevant organizations took place.

On 21-24 April 2009, in Bad Gastein (Austria), the OCEEA participated, upon invitation, in the **Second Joint Meeting of the UNECE TEM/TER Master Plan Expert Group Meeting**. Participants discussed the revision of the Master Plan which was initiated in 2008 as well as newly emerging challenges and opportunities such as inter-modality, funding and operational performance. The OCEEA representative provided an overview of OSCE activities in the transport field, paying particular attention to activities in the railway sector. With the aim of exploring possible joint project activities, the OCEEA jointly with the TER Project Co-ordinator, conducted various side-meetings with BSEC and European Investment Bank (EIB) representatives as well as with Ministry of Transport officials and experts of railway companies from across the OSCE/UNECE region.

On 27-29 April 2009, in Tehran (Iran), the OCEEA, upon invitation by the UNECE and the Economic Cooperation Organization (ECO), participated in the First Regional Workshop of Euro-Asian Transport Links Phase II: Facilitation of Euro-Asian Transport in the ECO region. Participants from across the ECO region discussed the current status of implementation of the Eurasian Transport Links (EATL) in their region as well as challenges and opportunities, new initiatives and constraints related to its further development. The OCEEA representative gave a presentation on the role of the OSCE in promoting best practice solutions related to the facilitation of legitimate cross-border trade and transport operations across the region. The final day of the workshop was dedicated to the UNECE TIR Convention (1975). The OCEEA used its presence at the workshop to discuss OSCE transport-related activities with a number of delegations from Central Asia and from OSCE Asian Partners for Cooperation Afghanistan and Mongolia.

# Turkmenistan - Railway Infrastructure Planning, Safety and Management

The OSCE Centre in Ashgabad in co-operation with the OCEEA and with the substantial support of the Austrian Federal Railways set up two workshops, which aimed at sharing international best practices and technical expertise in the areas of railway safety, infrastructure planning, operations and maintenance. Fifteen employees from the Ministry of Railway Transport -

engineers, technical operators and maintenance workers - participated in both workshops. Participants were also informed on risk management, safety procedures and technical maintenance by experts from the Austrian Federal Railways.

# Tajikistan – Trans-border Trade Promotion Centres

The OSCE Office in Tajikistan has continued to promote trade growth between Tajikistan and Afghanistan and supported the operations of four permanent trans-border trade promotion centres, three in the Gorno Badakhshan Region and one in the Khatlon Region, serving the major border crossings to Afghanistan.

The Centres provide information on customs and markets to entrepreneurs from both sides of the border and offer business training focused on small enterprises involved in trans-border trade. The centres in the Badakhshan region continue to assist many businesses in the area. Latter praise the Centres for the information, advice and assistance that they provide on a permanent basis. In 2008, through consultations with the local authorities on the Afghan side of the border, the Centres succeeded in lifting a ban for Afghan businesswomen to participate in trade activities. In addition, the Centres facilitated changes in Tajikistan's regulations on cross-border trade, which resulted in simpler and more effective administrative procedures. The amended regulations were adopted on 1 October 2008.

# <u>Uzbekistan - Development of a Regional Transport Programme</u>

Based on the 2007 recommendations on the transport sector in Uzbekistan in phase I, the project commissioned by the OSCE Project Co-ordinator in Uzbekistan entered in its second phase, during which a transport sector policy team was set up. This team focused on analyzing existing legislation and guidelines. It also prepared Terms of Reference for the establishment of a 'Dispatching Co-ordination Centre', which will facilitate national, regional and international trade. Within the framework of the project a legal database was created, regular newsletters issued and a website containing information on freights, road planning and conditions as well as on the overall transportation infrastructure set up. The project will continue in 2009 with OSCE's increased co-operation with the Ministry of Foreign Economic Relations, Investments and Trade and the Agency for Rivers and Automobile Transport.

#### **References:**

This section is based on the OSCE submission as well as on publicly available information accessed at the website of OSCE and retrieved from <a href="http://www.osce.org/">http://www.osce.org/</a>, in particular,

http://www.osce.org/about/19298.html;

http://www.osce.org/eea/29035.html;

http://www.osce.org/eea/29039.html;

http://www.osce.org/conferences/eea trans 2007.html; and

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Office of the Co-ordinator of OSCE Economic and Environmental Activities,

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# 12. Transport Corridor Europe-Caucasus-Asia

The Transport Corridor Europe-Caucasus-Asia (TRACECA) Programme is an EU-funded project aiming at improvements in trade and transport. The current 13 participating states<sup>28</sup> work together on reaching the following objectives:

- stimulating the co-operation among the participating states for trade development in the region;
- promoting optimal integration of the international transport corridor TRACECA into Trans-European Networks (TENs);
- identifying factors hindering the development of trade and transport systems; and
- promoting TRACECA projects as means to attract loans from IFIs and private investors.

This Programme was launched at a conference in Brussels in 1993, brought together Trade and Transport Ministers from eight Caucasus and Central Asia countries, for the purpose of development of a transport corridor on a West-East axis from Europe across the Black Sea, through the Caucasus and the Caspian Sea, to Central Asia (map is presented in Figure 5.1). The Brussels Conference identified a number of problems and deficiencies in the trade and transport systems in the region. The programme was developed through four sectoral working groups, namely, Trade Facilitation, Road, Rail and Maritime Transport, with representatives from all participating countries taking an active part. These working groups were responsible for project identification and for the endorsement of projects proposed for EU financing.

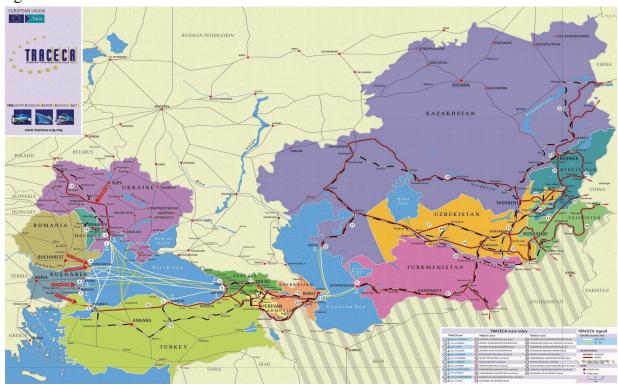


Figure 5.1. TRACECA Network

officially applied for membership in 2000.

<sup>&</sup>lt;sup>28</sup> Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are original founding countries. Moldova and Ukraine joined in the period 1996 to 1998, and Bulgaria, Romania and Turkey

Between 1996 and 2006, 61 technical assistance projects<sup>29</sup> and 15 investment projects<sup>30</sup> were supported by the TRACECA programme having disbursed a total amount of about €160 million. These projects were identified and developed in the framework of the Action Programme<sup>31</sup> and in accordance to the TACISs<sup>32</sup> regulations and programming cycle. The technical assistance provided through TRACECA has helped to attract investments from development partners, including the European Bank for Reconstruction and Development, the World Bank, the Asian Development Bank and also the Islamic Development Bank.

At the 5<sup>th</sup> Annual Meeting of the Intergovernmental Commission TRACECA in Sofia in 2006, a new strategy for the development of the TRACECA up to 2015 was presented. This strategy proposes the development of a number of actions and principles, which could be summarised as follows:

- strengthening and modernising the institutional dimensions of transport through organisational restructuring and reinforcement of human resources;
- integration and cohesion of infrastructure networks through setting up the principles for development of such networks, planning methodology, traffic forecasts, establishment of key transport projects, and continuous refinement of the network;
- development of sound multimodal chains through port modernisation, motorways of the sea, modernized road transport industry, putting the railway system in perspective, border-crossing, and integrated multimodal plans, advanced logistics and sophisticated IT solution;
- exploring air transport and boosting air passenger traffic;
- safe, secure and sustainable transport;
- secure funding through developing national funding plans, mobilising regional and international resources, promoting public private partnership; and
- enhancement of TRACECA as an international organisation.

#### **References:**

This section is based on publicly available information accessed at the website of TRACECA and retrieved from <a href="http://www.traceca-org.org/default.php?l=en">http://www.traceca-org.org/default.php?l=en</a>.

<sup>&</sup>lt;sup>29</sup> For detail, see the website, TRACECA Programme/ Projects—Projects—Technical Assistance.

<sup>&</sup>lt;sup>30</sup> For detail, see the website, TRACECA Programme/Projects→Projects→Investment Projects.

<sup>&</sup>lt;sup>31</sup> Action Programme comprises projects proposed by the Member States and agreed upon by the EC under the EC regulations and goals.

<sup>&</sup>lt;sup>32</sup> EU's Tacis Programme aimed to promote the transition to a market economy and to reinforce democracy and the rule of law in the partner states in Eastern Europe and Central Asia. For more information, see Website of European Union, Tacis Programme (2000-2006), <a href="http://europa.eu/legislation\_summaries/">http://europa.eu/legislation\_summaries/</a> external relations/relations with third countries/eastern europe and central asia/r17003 en.htm.

# 13. Trans-European North-South Motorway & Trans-European Railway

The Trans-European North-South Motorway (TEM) and the Trans-European Railway (TER) Projects are sub-regional cooperative frameworks established by the Governments of the Central, Eastern and South Eastern European countries under the aegis of UNECE for the purpose of developing coherent road, rail and combined transport infrastructure networks in the region and facilitating international traffic in Europe.

The TEM and the TER are managed by the Project's Steering Committee as the highest administrative and political body, formed by national delegates from each participating country; by the Project Central Offices (TEM- in Warsaw, Poland, TER- in Bratislava, Slovakia) which coordinate activities to achieve objectives; and finally by the National Project Offices in each participating country, providing liaison between national activities and activities under the project.

#### **TEM**

The TEM Project, established in 1977, has extended its network to 24,047km (figure 6.1), out of which 10,113km in operation, representing 42.1% of TEM and 1,046km under construction. The project aims to: facilitate road traffic in Europe among and through the participating countries<sup>33</sup>; improve the quality and efficiency of transport operations; reduce imbalances existing in the network between Western, Eastern, Central and South-Eastern Europe; as well as assist the integration process of European Transport Infrastructure systems in order to promote the overall development of the region.

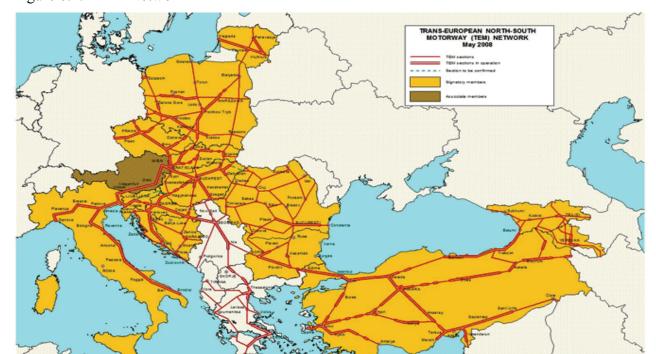


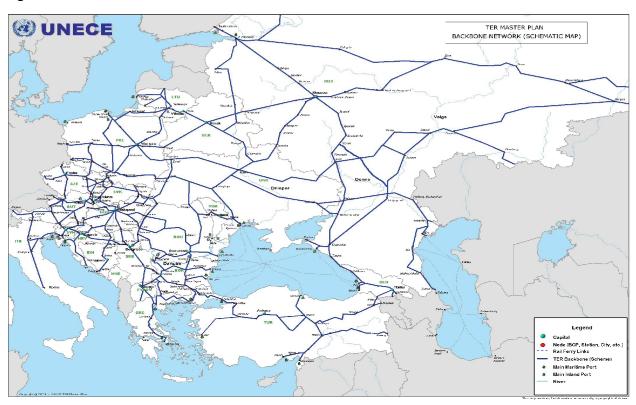
Figure 6.1. TEM Network

<sup>&</sup>lt;sup>33</sup> 14 TEM member countries are Armenia, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Italy, Lithuania, Poland, Romania, Slovakia, Slovenia and Turkey.

## **TER**

The TER Project was launched in 1990. The objective of TER is the facilitation and development of coherent and efficient international railway and combined transport system among the Central and Eastern European countries and through the territories of the participating countries<sup>34</sup> as well as between them and other European countries by, for example, upgrading network infrastructure extending over 24,000km (figure 6.2), and eliminating obstacles such as proliferation of taxes and duties at border crossing. The project aims at developing rail infrastructure, improving co-operation in all matters concerning the rail transport between TER countries, and supporting the European integration process by assisting in implementation of EU directives.

Figure 6.2. TER Network



#### **Master Plan**

In 2005, TEM and TER Projects completed the elaboration of the Master Plan. The Master Plan includes identification of main bottlenecks, missing links and other priority infrastructure needs in road, rail and combined transport networks in 21 participating countries, and the design of a realistic investment strategy to support those needs.

The Terms of References for the TEM and TER Master Plan Revision have been endorsed by the Projects' Steering Committees and the Joint Meeting of the TEM and TER Expert Groups on

<sup>&</sup>lt;sup>34</sup> 17 TER member countries are Armenia, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Greece, Hungary, Italy, Lithuania, Poland, Romania, Russia, Slovakia, Slovenia and Turkey, and observer countries are Belarus, FYROM, Moldova Montenegro, Ukraine and Serbia.

Revision of the Master Plan was held twice in September 2008 and in April 2009. The revision of the TEM and TER Master Plan in 2008-2009 will extend the geographical coverage of the Master Plan to 25 UNECE countries including four new member states (Albania, Armenia, Azerbaijan and Montenegro). In addition, the revision will embrace new challenges, for instance, intermodality, funding, operational performance, motorways of the sea, connections to Freight Villages and Logistics Centres.

## **References:**

This section is based on publicly available information:

the website of TEM, especially retrieved from <a href="http://www.unece.org/trans/main/tem/tem.html">http://www.unece.org/trans/main/tem/tem.html</a>; <a href="http://www.unece.org/trans/main/tem/temobj.html">http://www.unece.org/trans/main/tem/temobj.html</a>; <a href="http://www.unece.org/trans/main/tem/temachi.html">http://www.unece.org/trans/main/tem/temachi.html</a>;

the website of TER, retrieved from especially, <a href="http://www.unece.org/trans/main/ter/ter.html">http://www.unece.org/trans/main/ter/ter.html</a>; <a href="http://www.unece.org/trans/main/ter/terachi.html">http://www.unece.org/trans/main/ter/terachi.html</a>; and

UNECE, (2006), *TEM and TER Master Plan Final Report*, UNECE Transport Division, Geneva, retrieved from http://www.unece.org/trans/main/temtermp/news.html.

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<sup>&</sup>lt;sup>35</sup> ToR is available at <a href="http://www.unece.org/trans/main/temtermp/docs/RevisionTOR.pdf">http://www.unece.org/trans/main/temtermp/docs/RevisionTOR.pdf</a>. Reports on the meetings are available at <a href="http://www.unece.org/trans/main/temtermp/docs/1stJoint\_Report.pdf">http://www.unece.org/trans/main/temtermp/docs/1stJoint\_Report.pdf</a> (UNECE Report on the First Joint Meeting of the TEM and TER Expert Groups on Revision of the Master Plan) and <a href="http://www.unece.org/trans/main/temtermp/docs/2ndJoint\_Report.pdf">http://www.unece.org/trans/main/temtermp/docs/2ndJoint\_Report.pdf</a> (UNECE Report on the Second Joint Meeting of the TEM and TER Expert Groups on Revision of the Master Plan).

# 14. United Nations Conference on Trade and Development

The United Nations Conference on Trade and Development (UNCTAD), established in 1964, promotes the development-friendly integration of developing countries into the world economy by carrying out three key functions: operating as a forum for intergovernmental deliberations supported by discussions with experts and exchanges of experience for consensus building; undertaking research, policy analysis and data collection; and providing technical assistance to developing countries.

The programmes of Transport and Trade Logistics have been implemented by the Trade Logistics Branch at the Division on Technology and Logistics (DTL). The objective of the DTL is to enhance the economic development and competitiveness of developing countries through efficient trade logistics services, transit transport systems, increased access to and sustainable utilisation of information and communication technology, and training and capacity-building programmes for local institutions.

# Recent initiatives/ projects

UNCTAD has contributed by providing tangible solutions to the problems faced by landlocked developing countries and transit countries. The concerns of landlocked and transit developing countries were addressed at the Ministerial Conference on Transit Transport Cooperation, which adopted the Almaty Programme of Action, in Almaty, Kazakhstan, in 2003. As part of the preparatory process of the Mid-term Review of the Almaty Programme of Action, the 'UNCTAD Expert Meeting on Regional Cooperation in Transit Transport-Solution for Landlocked Developing Countries' was held in 2007. The meeting provided a forum to explore models and best practices to improve international transit transport operations based on practical solutions with a view to enhancing transit transport for the benefit of landlocked and transit developing countries.

In July 2008, UNCTAD organised a global preparatory meeting on the mid-term review of the Almaty Programme of Action in order to affirm progress on implementation of trade facilitation for the benefits of landlocked and transit developing countries. The meeting recommended relevant international organisations to continue and intensify their efforts on improving transit facilitation along transit corridors during the period from 2008 till 2013.

## References:

This section is based on publicly available information accessed at the website of UNCTAD and retrieved from

http://www.unctad.org/Templates/StartPage.asp?intItemID=2068, especially:

http://unctad.org/Templates/Page.asp?intItemID=1530&lang=1; http://www.unctad.org/Templates/Page.asp?intItemID=1536&lang=1; as well as the website of UNCTAD Trade Logistics Branch, Transport and Trade Logistics, retrieved from <a href="http://r0.unctad.org/ttl/">http://r0.unctad.org/Templates/Page.asp?intItemID=1536&lang=1</a>; as well as the website of UNCTAD Trade Logistics Branch, Transport and Trade Logistics, retrieved from <a href="http://r0.unctad.org/ttl/">http://r0.unctad.org/ttl/</a>; and UNCTAD Transport Newsletter No. 35- No. 39, downloaded from <a href="http://www.unctad.org/Templates/Page.asp?intItemID=2651&lang=1">http://www.unctad.org/Templates/Page.asp?intItemID=2651&lang=1</a>.

## 15. United Nations Economic and Social Commission for Asia and the Pacific

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) is a regional development arm of the United Nations for the Asia-Pacific region, composed of 62 Governments, 58 of which are in the region, with its headquarters in Bangkok, Thailand. UNESCAP was founded in 1947 in order to overcome regional challenges in areas of poverty and development.

The Transport Division at UNESCAP consists of three sections:

- the Transport Infrastructure Section aiming to develop a network of highways, railways and ports across the UNESCAP region;
- the Transport Facilitation and Logistics Section aiming to assist member countries to integrate all modes of transport, adopt effective multimodal and logistics solution, overcome non-physical bottlenecks, harmonise legal regimes, and strengthen human resources and institutional capacities; and
- the Transport Policy and Development Section aiming to improve the information context of transport planning and policy formulation at the regional, national and local levels.

# Recent initiatives/ projects

The Transport Division has carried out a project 'Operationalization of international intermodal transport corridors in North-East and Central Asia'. The main objectives of the project are to support countries to identify priority intermodal transport corridors linking countries in North-East and Central Asia, and to establish and implement cooperative mechanisms for the development and operationalisation of the selected corridors. Under the project, six intermodal corridors (figure 7.1) have been identified based on existing routes of the Asian Highway (AH) and the Trans-Asian Railway (TAR).

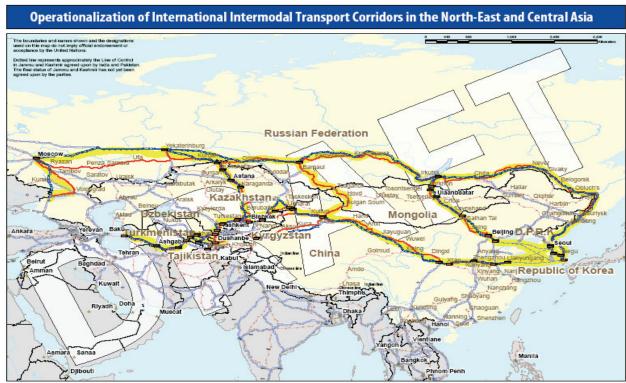
Both the AH project and the TAR project have been implemented under the framework of Asian Land Transport Infrastructure Development Project (ALTID) which was launched in 1992 to promote the coordinated development of a regional transport network.

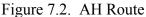
In order to meet the increasing demand for reliable and efficient land transport linkages and services in the region, the AH project was established in 1959 to foster international road transport. The member countries have adopted the network of 141,000km in 32 Asian countries with linkages to Europe (figure 7.2). This network provides access to: capitals; main industrial and agricultural centres; major air, sea and river ports; major container terminals and depots; and major tourist attractions. The AH network was formalised through the Intergovernmental Agreement on the Asian Highway Network which entered into force in 2005.<sup>37</sup> The Agreement has been signed by 28 countries, of which 23 are Parties.

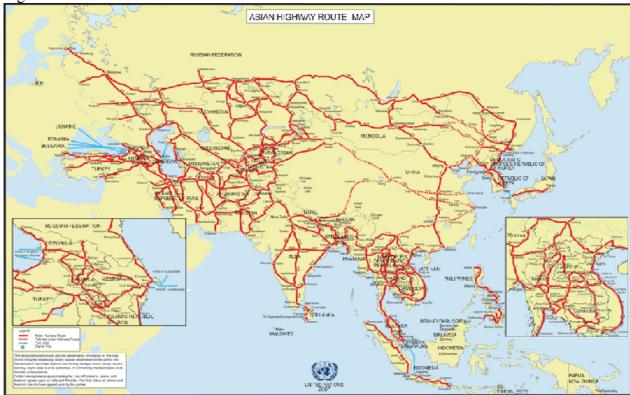
<sup>&</sup>lt;sup>36</sup> For more detail of membership, see <a href="http://www.unescap.org/about/member.asp">http://www.unescap.org/about/member.asp</a>.

<sup>&</sup>lt;sup>37</sup> For detail of the AH Intergovernmental Agreement, see <a href="http://www.unescap.org/ttdw/common/tis/AH/AH-Agreement-E.pdf">http://www.unescap.org/ttdw/common/tis/AH/AH-Agreement-E.pdf</a>.

Figure 7.1. Six Intermodal Transport Corridors



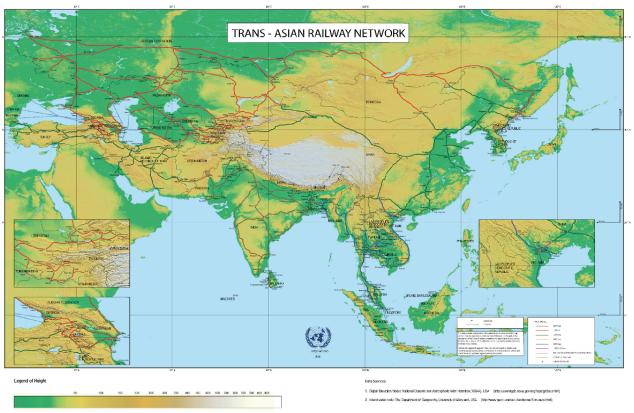




The TAR project was initiated in the early 1960s to offer efficient rail transport services within the region and between Asia and Europe. The network has extended to 114,000km of railways across 28 countries (figure 7.3) through three phases of the project: the Network Identification by

four corridor studies <sup>38</sup> (1994-2001); the Network Operationalization by demonstration runs of container block trains <sup>39</sup> (1997-2005); and the Network Formalization by negotiation and finalization of the Intergovernmental Agreement on the Trans-Asian Railway Network <sup>40</sup> (2001-2006).





This Agreement entered into force in June 2009. Under the terms of the Agreement, a working group will be established to regularly discuss policies and issues relating to the development of the rail network.

#### **References:**

This section is based on publicly available information accessed at the website of UNESCAP and retrieved from <a href="http://www.unescap.org/">http://www.unescap.org/</a>, especially:

http://www.unescap.org/about/index.asp; http://www.unescap.org/ttdw/;

<sup>&</sup>lt;sup>38</sup> Four corridors are: the Northern Corridor connecting China, Kazakhstan, Mongolia, Russia and the Korean Peninsula (1995, refined in 1999); the ASEAN and Indo-China subregional network covering Cambodia, China, Indonesia, Lao PDK, Malaysia, Myanmar, Singapore, Thailand and Viet Nam (1996); the Southern Corridor connecting Thailand and the southern Chinese with Turkey through Bangladesh, India, Iran, Myanmar, Pakistan, Sri Lanka (1999); and the North-south Corridor linking Northern Europe to the Persian Gulf through Russia, Central Asia and the Caucasus region (2001).

<sup>&</sup>lt;sup>39</sup> Demonstration runs were operated along the TAR Northern Corridor.

<sup>&</sup>lt;sup>40</sup> For detail of TAR Intergovernmental Agreement, see http://www.unescap.org/ttdw/common/TIS/TAR/tar agreement final e.pdf.

http://www.unescap.org/about/committee t.asp;

http://www.unescap.org/ttdw/index.asp?MenuName=Infrastructure;

http://www.unescap.org/ttdw/index.asp?MenuName=Facilitation;

http://www.unescap.org/ttdw/index.asp?MenuName=Tourism;

http://www.unescap.org/ttdw/index.asp?MenuName=AsianHighway;

http://www.unescap.org/ttdw/common/tis/ah/IGA intro.asp;

http://www.unescap.org/ttdw/common/TIS/TAR/tar home.asp; and

http://www.unescap.org/unis/press/2009/jun/g41.asp.

# 16. United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States

The United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States (UN-OHRLLS) was established by the United Nations General Assembly in 2001 through its resolution 56/227 with functions recommended by the Secretary-General in his report A/56/645 <sup>41</sup> to provide appropriate support to Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

## Recent initiatives/ projects

To deal with constraints facing landlocked countries, the 'International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation' was held in Almaty, Kazakhstan, in 2003. 'Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries' was adopted at the Ministerial Conference for the purpose of development of efficient transit transport systems in landlocked and transit developing countries.

The goal of the Programme of Action is to forge partnerships to overcome the specific problems of the landlocked developing countries, resulted from their remoteness and isolation from the world market. The Programme focuses on five priorities: policy improvements by reducing customs bureaucracy and fees; infrastructure development and maintenance of rail, road, ports, inland waterway, pipeline and air transport sectors; international trade facilitation; technical and financial international assistance; and monitoring and follow up on agreements, in order to archive aims to:

- secure access to and from the sea by all means of transport;
- reduce costs and improve services so as to increase the competitiveness of their exports;
- reduce the delivered costs of imports:
- address problems of delays and uncertainties in trade routes;
- develop adequate national networks;
- reduce loss, damage and deterioration en route;
- open the way for export expansion; and
- improve safety of road transport and security of people along the corridor.

The Midterm Review of the Almaty Programme of Action was implemented from 2007 to 2008 including two days of high-level plenary meetings held in October 2008. UN-OHRLLS coordinated the preparatory process, in addition, UN system organisations such as the United Nations Conference on Trade and Development and the regional commissions as well as relevant regional and international organisations provided necessary support to the review process.

<sup>&</sup>lt;sup>41</sup> Report of the Secretary-General, Follow-up mechanism for coordinating, monitoring and reviewing the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010. It is electrically available at

http://www.unohrlls.org/UserFiles/File/LDC%20Documents/Reports/N0165665 A%2056%20645.pdf.

Under the framework of the Midterm Review, the 'Euro-Asian Regional Review Meeting for the Midterm Review of the Almaty Programme of Action' was jointly organised by the UN-OHRLLS, UNECE and UNESCAP in Bangkok in April 2008. The outcome document of the meeting identifies progress and obstacles in the implementation of the Almaty Programme of Action along its five priority areas, and provides action-oriented recommendations and deliverables aimed at harmonising legal regime, adopting integrated approach to trade and transport facilitation, eliminating physical and non-physical bottlenecks to transport, promoting integrated training programmes in both public and private sectors, establishing national transit and trade facilitation committees, completing missing links, promoting intermodal transport, developing integrated transport corridors and logistics services, and also mobilising domestic and external resources.

### **References:**

This section is based on publicly available information accessed at the website of UN-OHRLLS and retrieved from <a href="http://www.unohrlls.org/">http://www.unohrlls.org/</a>, especially,

http://www.unohrlls.org/en/about/; http://www.unohrlls.org/en/lldc/40/; http://www.unohrlls.org/en/lldc/673/; and http://www.unohrlls.org/en/orphan/644/.

# 17. United Nations Special Programme for the Economies of Central Asia

The United Nations Special Programme for the Economies of Central Asia, a joint UNECE-UNESCAP initiative, began in 1998. At present, the participating countries include Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Various Project Working Groups have been established to promote greater regional cooperation. <sup>42</sup> Under this framework, the Project Working Group on Transport and Border Crossing (PWG-TBC) was launched with Kazakhstan as the lead country. The main aim of PWG-TBC is further development of Euro-Asian transport corridors as the SPECA region is a potential transport hub connecting Europe and Asia.

### Recent initiatives/ projects

The PWG-TBC held its first session in 1998 and has met 14 times to date to implement activities along its programmes of work. <sup>43</sup> In 2005 in Issyk-Kul, Kyrgyzstan, the formulation and adoption of SPECA road and rail networks was identified as one of the key objectives of SPECA countries. The goal is to develop comprehensive network that would include transport routes defined in relevant international agreements.

In this regard, draft SPECA road and rail networks have been developed on the basis of regional agreements such as the Intergovernmental Agreement on the Asian Highway Network, the Intergovenmental Agreement on the Trans-Asian Railway Network, the European Agreement on Main International Traffic Arteries (AGR), the European Agreement on Main International Railway Lines (AGC), the European Agreement on Important International Combined Transport Lines and Related Installations (AGTC) as well as on the basis of routes and networks defined under the framework of ECO (Economic Cooperation Organization), CIS (Commonwealth of Independent States), TRACECA (Transport Corridor Europe Caucasus Asia), and OSJD (Organization for Cooperation of Railways). The SPECA road and rail networks and their respective maps (figure 8.1 and 8.2) have been adopted at the 11<sup>th</sup> session of the PWG-TBC in 2006 in Almaty, Kazakhstan.

The PWG-TBC developed four priority transport databases (rail routes, road routes, border crossing points and intermodal transport) at its 12<sup>th</sup> session in 2007 in Dushanbe, Tajikistan. These databases assume a key role in monitoring situation in the transport sector in SPECA countries.

At the 13<sup>th</sup> session held in Almaty in 2008, the PWG-TBC reviewed initiatives of SPECA countries in relation to the implementation of the Almaty Programme of Action at national level, and noted the importance of the Busan Declaration on Transport Development in Asia and the Pacific. <sup>44</sup> It also noted problems hampering international transport in the SPECA region,

<sup>&</sup>lt;sup>42</sup> SPECA Project Working Groups are on Gender and Economy, Knowledge-based Development, Statistics, Trade, Transport and Border Crossing, and Water and Energy Resources.

<sup>&</sup>lt;sup>43</sup> For detail of 2008-2009 Work Plan, see <a href="http://www.unece.org/speca/pdf/gc/session2/2008-2009">http://www.unece.org/speca/pdf/gc/session2/2008-2009</a> workplan e.pdf. <sup>44</sup> Busan Declaration on Transport Development in Asia and the Pacific was adopted at the Ministerial Conference on Transport in Busan, Republic of Korea in 2006. For detail see <a href="http://www.unescap.org/ttdw/common/TIS/TAR/text/busan\_declaration\_11nov06.pdf">http://www.unescap.org/ttdw/common/TIS/TAR/text/busan\_declaration\_11nov06.pdf</a>, and also Resolution 63/9 Implementation of the Busan Declaration on Transport Development in Asia and the Pacific and the Regional Action Programme for Transport Development in Asia and the Pacific , phase I (2007-2011), being available at <a href="http://www.unescap.org/EDC/English/Committee/CMG/CMG4-I/Resoloution63">http://www.unescap.org/EDC/English/Committee/CMG/CMG4-I/Resoloution63</a> 9.pdf.

including significant border-crossing delays, high transit costs, numerous and unnecessary national check points, non-official charges, low standard infrastructure, and bottlenecks and missing links. The Programme of Work 2010-2011<sup>45</sup>, in line with the Almaty Programme of Action and the Busan Declaration on Transport Development in Asia and the Pacific, was represented at the 14<sup>th</sup> PWG-TBC session in Almaty in March 2009.

## **References:**

This section is based on publicly available information about SPECA on the website of UNECE and retrieved from <a href="http://www.unece.org/speca/">http://www.unece.org/speca/</a>, especially:

http://www.unece.org/speca/tbc.html;

http://www.unece.org/trans/main/speca/speca\_12.html;

http://www.unece.org/trans/main/speca/speca 13.html; and

http://www.unece.org/trans/main/speca/speca 14.html.

<sup>45</sup> The draft of Programme of Work 2010-2011 is available at <a href="http://www.unece.org/trans/main/speca/docs/14th\_document07.pdf">http://www.unece.org/trans/main/speca/docs/14th\_document07.pdf</a>.

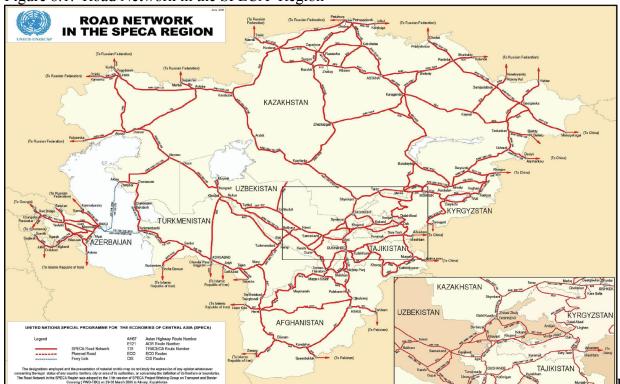
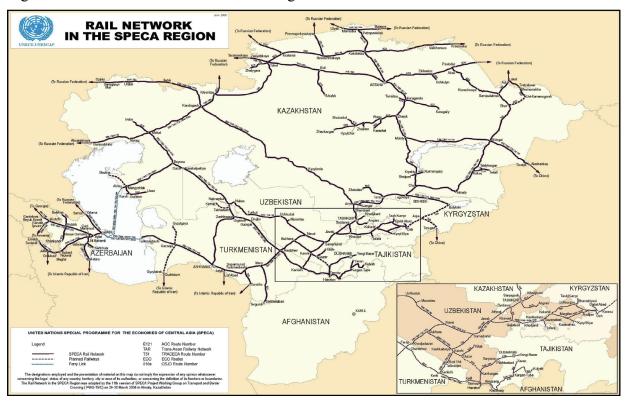


Figure 8.1. Road Network in the SPECA Region

Figure 8.2. Rail Network in the SPECA Region



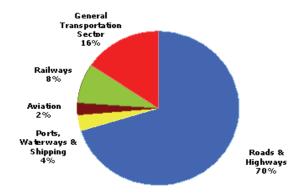
#### 18. The World Bank

The World Bank is an international institution, owned by 185 member countries<sup>46</sup>, aiming at providing financial and technical assistance to developing countries. The World Bank Group consists of two development institutions, namely: International Bank for Reconstruction and Development (IBRD) focusing on middle income and creditworthy poor countries; and the International Development Association (IDA) focusing on the poorest countries, and three affiliates. <sup>47</sup>

## Recent initiatives/ projects

The Transport Sector constitutes a significant part of World Bank's portfolio. This Sector supervises 174 projects with total net commitments of US\$23 billion, sharing 23 percent of the Bank's portfolio. 48 Lending in the road and highways sector accounts for 70 percent of the transport projects portfolio in the Financial Year 2008.

# Transport Portfolio of Active Projects at End of FY08



Source: The World Bank

The Transport Business Strategy for 2008-2012, being an update of the 1996 Strategy, seeks the objective: "to help partner countries to establish the governance, strategies, policies and services that will deliver transport for development in a way that is economically, financially, environmentally and socially sustainable". <sup>49</sup> In order to achieve the goal, the Strategy sets five strategic directions:

- 1. to create the conditions for increased support for transport investment;
- 2. to deepen engagement in the roads and highways subsector;
- 3. to increase engagement in the urban transport subsector;
- 4. to diversify engagement in transport for trade; and
- 5. to control emissions and to mitigate impact on climate change.

http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/0,,contentMDK:20103870~menuPK:1697011~pagePK:51123644~piPK:329829~theSitePK:29708,00.html.

<sup>&</sup>lt;sup>46</sup> The list is available at

<sup>&</sup>lt;sup>47</sup> The affiliates of the World Bank Group are International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA) and International Centre for Settlement of Investment Disputes (ICSID).

<sup>48</sup> Information updated in April 2009.

<sup>&</sup>lt;sup>49</sup> IBRD and the World Bank, Safe, Clean, and Affordable ... Transport for Development: The World Bank Group's Transport Business Strategy for 2008-2012, p. 80.

The World Bank participates with the European Union, the Asian Development Bank and other institutions to build better transport networks between Europe and Asia via Central Asia and Caucasus. The Bank will focus increasingly on promoting trade growth and regional integration by projects creating better international transport links, such as highway improvements, railway modernisation, and multimodal transport corridor development.

## **References:**

This section is based on publicly available information accessed at the website of the World Bank and retrieved from <a href="http://www.worldbank.org/">http://www.worldbank.org/</a>, especially:

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