UNITED NATIONS
SPECIAL PROGRAMME
FOR THE ECONOMIES
OF CENTRAL ASIA (SPECA)

UNECE - UNESCAP

SPECA/TWG-STTC (24)/4
20 September 2019

Thematic Working Group on Sustainable Transport, Transit and Connectivity (TWG-STTC)

24th Session
18-19 November 2019
Ashgabat, Turkmenistan

Identification, isolation and elimination of major bottlenecks along international transport routes

(Item 4.4 of the Agenda)

Note by UNECE/ESCAP

UNECE activities on border crossing facilitation

1. The strategic importance of Central Asia makes it a unique region, and this is highlighted by its connective potential as a transport hub between two continents. The region also faces unique challenges, where all the SPECA countries are landlocked with divergent economic development.

2. Within the SPECA framework, ESCAP and the UNECE offer capacity-building and other forms of technical assistance that contribute to the efficient and safe operation of regional transport infrastructures and the identification of bottlenecks. The numerous United Nations transport legal instruments administered by UNECE, as well as UNECE analytical, capacity building and technical assistance activities provide a solid basis for the development of harmonized regulatory frameworks for regional transport, particularly in the SPECA region.

3. Introduction, facilitation and development of international transport have always been a major objective of national Governments. However, since vehicles in international transport cross borders, facilitation and development of international transport raise specific problems, the solution of which requires cooperation and agreement among Governments. The objective of this cooperation is to develop coherent international infrastructure corridors and networks, simplified border-crossing and uniform rules and regulations that enable a high level of efficiency, safety and environmental protection in transport.

4. UNECE provides these indispensable intergovernmental cooperation platforms and addresses transport, across five key areas – accessibility, affordability, safety, security and

environmental impact. Particularly as concerns SPECA countries, UNECE and its transport sub-programme has a special role to play in realizing these goals, given its long-standing expertise in the region and the availability of a vast array of tools and legal instruments.

International Convention on the Harmonization of Frontier Controls of Goods

5. Taking the international legal framework as a starting point, it should be mentioned that among the vast array of available United Nations transport legal instruments, several are aimed at the simplification and harmonization of procedures at border crossings and some are most prominent, broadly used in the SPECA region. For example, the International Convention on the Harmonization of Frontier Controls of Goods[1], generally known as the "Harmonization Convention" forms one of the most broadly accepted legal foundations of coordinated border management. There are 58 Contracting Parties[2] to it, including all SPECA countries except Afghanistan. Turkmenistan acceded to the Harmonization Convention on 27 November 2016, on the occasion of the first Global Sustainable Transport Conference convened by the Secretary-General of the United Nations. Contracting Parties are committed to streamlining administrative procedures at borders and reducing the number and duration of controls carried out by customs authorities.

6. On 30 November 2011, Annex 9 on rail border crossings to the Harmonization Convention entered into force. The Annex introduced key principles for the facilitation of border crossing procedures for international rail freight. Since that time, the Working Party on Rail Transport (SC.2) has developed an action plan for monitoring its implementation at the national level.

7. The plan includes actions to facilitate the issuance of visas for professionals in the railway industry; to develop cooperation mechanisms for border and other controls; to enhance risk assessment and evaluation procedures; and to set time limits for technical operations. The action plan was presented and approved at the sixty-ninth session of SC.2 (23–25 November 2015) and can be found in document ECE/TRANS/SC.2/2015/6. SC.2 continued discussions on this topic at its seventieth session in 2017. The secretariat emphasized the importance of carrying forward the work in understanding the effectiveness of Annex 9 in member States (see ECE/TRANS/SC.2/228, para. 51). At its eleventh session (13 June 2019), the Administrative Committee for the

[1] Detailed information on Harmonization Convention, TIR Convention, eTIR project and other customs transit facilitation measures are available on. http://www.unece.org/trans/main/itc/itc_doc_2019.html . Please refer to document ECE/TRANS/2019/17.

[2] https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XI-A-17&chapter=11&clang=_en

Harmonization Convention invited SC.2 to assess whether it would be worthwhile to relaunch the survey (ECE/TRANS/WP.30/AC.3/22, paragraph 22).

The Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention)

8. The Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention), of 1975, sets up the procedure that permits the international carriage of goods by road vehicles or containers from one customs office of departure to a customs office of arrival, through as many countries as necessary, without intermediate check of the goods carried and without the deposit of a financial guarantee at each border. The procedure includes the use of secure vehicles, an international guarantee chain, set up under the Convention, to cover duties and taxes at risk throughout the journey and each vehicle must carry an international customs document (TIR Carnet) which certifies the contents of the cargo as checked at the customs office of departure. All this results in minimum procedures and delays at borders and in lower transport costs, which in turn results in lower export and import costs.

9. It should be noted that, since the previous report, the TIR Convention has acquired two new contracting parties namely Argentina and Oman. The Convention now has 76 Contracting Parties, whereas TIR operations can be established with 62 countries. In 2018, WP.30 and the TIR Administrative Committee (AC.2) continued their efforts towards considering and finalizing a set of amendment proposals to the TIR Convention. Over the year 2018, AC.2 accepted a set of amendment proposals (pending formal adoption, which includes:

- To amend Article 6, paragraph 1, Explanatory Note 0.6.2 and Annex 9, Part I, paragraph I, adjusting the existing wording to become “customs authorities or other competent authorities”.
- To amend Article 18, increasing the total number of customs offices of departure and destination from four to eight, with the accompanying new Explanatory Note 0.18.3, obliging contracting parties to make any limitation in the application of the said article publicly available as well as to the TIR Executive Board (TIRExB).

10. At its sixty-ninth session (February 2019), AC.2, against the background of progress made by the Working Party in finalizing and adopting the text of draft Annex 11 of the convention, started its considerations of the required amendments to introduce eTIR in the legal text of the TIR Convention, 1975. Not being able to finalize its discussions, the Committee mandated the secretariat to convene an extraordinary session of AC.2 on 13 June 2019.

11. At its seventieth session (June 2019), the Committee recalled that, at its previous session, in conclusion of its first considerations, it had agreed that, before organizing an extraordinary session of AC.2 in June 2019, the experts from the Russian Federation, national experts and the secretariat should hold "Friends of the Chair" consultations to mainly provide clarifications and explanations on concerns raised by the Russian Federation. The alternative text aimed at, at least, clarifying as well as, in most of the cases, improving the text of Annex 11. The delegations of Azerbaijan, the Russian Federation, Turkey and Uzbekistan stated that they were ready to adopt the compromise wording of Annex 11 which constituted the result of the Friends of the Chair meetings, pending minor adjustments.

12. The Committee did not have time to go through all amendment proposals. The Committee requested the secretariat to consolidate all comments received and submit them as a formal document for consideration at its next session with the prospect of finalizing the text of the amendments to the body of the Convention and Annex 11 (For the latest version of the amendment proposals, see document ECE/TRANS/WP.30/2019/9/Rev.2).

13. The intergovernmental process towards the computerization of the TIR procedure (eTIR), has gained further momentum. In the framework of the five years Memorandum of Understanding (MoU) on cooperation between UNECE and the International Road Transport Union (IRU) in the field of computerization of the TIR procedure and of the supporting Contribution Agreement (CA) towards enhancement of the full computerization of the TIR procedure signed on 6 October 2017, Azerbaijan and Iran (Islamic Republic of) launched a new eTIR project. The first eTIR transport from Iran (Islamic Republic of) to Azerbaijan took place on 18 June 2019 and, since then, seven more similar transport took place. Both countries are willing to include other countries in the project and computerize the TIR procedure along new important transit routes in the region. Furthermore, the eTIR project between Iran (Islamic Republic of) and Tukey is ongoing, and both countries are still discussing a revision of their existing MoU to extend their eTIR pilot project to all customs offices and all TIR Carnet holders from both countries. Finally, the eTIR pilot project between Georgia and Turkey is continuing to the satisfaction of both administrations.

Sustainable transport connectivity and implementation of transport related SDGs in selected landlocked and transit/bridging countries project

14. A UNDA funded project entitled "Sustainable transport connectivity and implementation of transport related SDGs in selected landlocked and transit/bridging countries" has been launched in autumn 2018. The project aims at developing a set of Sustainable Inland Transport Connectivity Indicators (SITCIN) and will be implemented from September 2018 - December 2020. It involves

the following pilot countries: Georgia, Kazakhstan, Serbia, Paraguay & Jordan. The main objective of the project, which is led by the UNECE Sustainable Transport Division and implemented with the support of ECLAC and ESCWA, will be to provide a tool for LLDCs/ transit developing countries to measure their degree of connectivity: both domestically & bilaterally/sub-regionally as well as in terms of soft & hard infrastructure.

15. Inter alia, the SITCIN, once fully developed and tested in the pilot countries, will provide an instrument (a measurable set of criteria) to Governments enabling them to evaluate/ assess the extent to which they implement the relevant United Nations legal instruments, agreements and conventions under the purview of the ITC. In doing so, it should enable policy-makers to assess their country's degree of external economic connectivity in terms of efficiency of inland transport, logistics, trade, customs and border crossing facilitation processes. Governments could also use the SITCIN to assess and report on their progress in implementing the transport related SDGs (i.e. 2030 Agenda) and their commitments under the Vienna Programme of Action for LLDCs (for the decade 2014-2024).

16. Kick/off missions were held in Georgia (July) and Serbia and Kazakhstan (September) 2019, in the framework of which consultations took place with Government agencies in charge of transport, trade, customs and border management issues, as well as road and railway transport infrastructure managers and haulers including also representatives of logistics and freight forwarding associations and transporters. In Kazakhstan, an assessment visit took place to the Khorgos Eastern Gate Special Economic Zone (SEZ) on the Kazakh-Chinese border, which aims at providing a full range of logistics services for railway cargo between China, Central Asia and Europe. The Zone consists of a dry port with a terminal capacity of 540,000 TEUs/year and a container yard with six railway lines (both narrow and wide railway tracks enabling inter-operability between the two states).

Workshop on strengthening security on inland freight routes

17. On 3-4 September 2019, in Geneva, in conjunction with the Working Party on Transport Trends and Economics (WP.5), UNECE in collaboration with the Organization for Security and Co-operation in Europe (OSCE) and other partners organized a workshop on strengthening security on inland freight routes. The workshop gathered over 50 security experts and officials from ministries of transport, customs committees and other relevant agencies as well as road and railway transport operators and private sector associations from across many countries in the Euro-Asian region. The workshop took stock of the multiple crime and security challenges faced by inland transport systems globally. In particular, the workshop discussed various risk and threats,

including theft of cargo and vehicles, attacks on train and truck drivers, trafficking, illicit trade, smuggling and contraband. The workshop also discussed risks for misuse of the international transport container system for criminal purposes as well as emerging security threats from digitalisation of inland transport networks, with a wide range of sensitive data streams flowing across different systems. Participants noted the potential of the Customs Convention on the International Transport of Goods under Cover of TIR Carnets to positively impact on inland transport security, particularly through digitalisation and the ongoing eTIR pilot projects. Participants acknowledged the importance of counteracting inland transport security threats and expressed the need for joint actions in this area.

18. More specifically, participants in the workshop agreed on:

- The important role of customs and border management authorities in securing inland transport freight flows, including through the development and implementation of Authorised Economic Operator (AEO) / trusted trader programmes and customs risk management systems (based on selectivity and profiling of cargo flows) thereby reconciling security and facilitation needs.

- The need for inland transport security measures to be based on clear definitions and strong (national, regional and international) legal and administrative frameworks and processes. The signing of the Agreement on Information Exchange in the field of transport security (Minsk, 2014), agreed upon by member States of the Commonwealth of Independent States and open for accession to other interested States, was noted as a positive example in this regard.

- The multiple security benefits of coordinated border management, cross-border and cross-sectoral cooperation and exchange of preliminary customs information and cargo risk profiles at the bilateral, regional and/or international levels.

- The increased level of digitalization and the strong dependence of public and private sector stakeholders on high quality supply chain data that is authentic, complete, reliable and verifiable.

- The growing importance of new technologies e.g. corridor-based tracking & tracing (such as in the railway sector) and the use of AI/block chain and innovative ICT applications to more effectively secure supply chains and inland freight routes. The cross-border electronic exchange of advance information on vehicles, passengers and crews in accordance with

the provisions of national legislation and relevant international treaties was mentioned as a positive example in this regard.

- The need to strengthen international cooperation in developing inland transport specific cyber threat mitigation measures such as the example provided by the European Rail Information Sharing and Analysis Center (ER-ISAC) which offers an inclusive cybersecurity platform for coordinated preventative action by rail infrastructure managers and railway undertakings in Europe.

19. Participants recognized that addressing these current and emerging inland transport security threats requires a comprehensive and proactive approach and enhanced levels of regional/international cooperation. Establishing a structured mechanism for the exchange of information on threats and risks on specific corridors (or freight routes) and engaging multiple stakeholders from different disciplinary backgrounds including law enforcement, customs and border management agencies but also transport authorities and private sector operators was identified as an important step forward. The participants recommended that WP.5, in cooperation with the UNECE Inland Transport Security Discussion Forum, should continue to serve as a platform for determining the future direction of international cooperation aimed at protecting the inland transport sector against acts of illegal interference as well as for identifying and further elaborating available solutions. The proceedings of the workshop, presentations and all workshop materials at https://www.unece.org/trans/main/wp5/strengthening_security_on_inland_freight_routes.html.

Developments in cross-border transport facilitation in ESCAP region

20. In order to improve the efficiency of international transport routes and corridors, both transport infrastructure and operational connectivity issues need to be addressed. Major bottlenecks along international transport routes ought to be identified, isolated and eliminated.

21. The existence of non-physical barriers negatively affects the efficiency of international road and rail transport and increases logistics costs. Going forward, effective regional transport will require political commitment and institutionalization of the integration processes, including removal of non-physical barriers to transport and ensuring harmonization of regulations and norms along with standardizing technical and operational requirements and cross-border procedures.

Sustainable transport development

22. ESCAP supports the efficient and smooth movement of goods, passengers and vehicles by road and railways across the region through the transport infrastructure development and

facilitation measures, as well as by strengthening sustainable transport connectivity between subregions.

23. The **Fifth Session of the Committee on Transport** was held by ESCAP from 19 to 21 November 2018 in Bangkok, Thailand. It emphasized the significant contribution that sustainable transport connectivity to the realization of the 2030 Agenda for Sustainable Development. The Committee deliberated on the major transport development challenges faced by the Asia-Pacific region. Member States shared information on their recent and planned activities for further developing and operationalizing the Asian Highway Network, the Trans-Asian Railway Network and the network of Dry Ports. They also highlighted how a wide array of breakthrough technologies and fast-expanding networks of digitally-connected devices are providing new opportunities to increase the efficiency of the transport sector, while reducing its carbon footprint. The Committee called for attention to be given to enhancing safety, efficiency and sustainability of urban transport and, in this context, endorsed the Sustainable Urban Transport Index developed by ESCAP to help countries assess the quality of their urban transport services.

Sustainable road transport facilitation

24. ESCAP is implementing a project on **Strengthening the Capacity of ESCAP Member States to Harmonize Standards on Weights, Dimensions and Emissions of Road Vehicles for Facilitation of Transport along the Asian Highway Network** to assist its members states to cope with issues related to differences in national standards in the design and construction of road infrastructure as well as vehicles' permissible weight, dimensions and emissions which pose various challenges in international road transport. In this context, ESCAP undertook a study aimed at developing recommendations that will facilitate the harmonization of national and sub-regional standards on weights, dimensions and emissions of road freight vehicles.

- First **Expert Group Meeting** under the framework of this project was held from 23 to 24 January 2019 in Tbilisi, Georgia where preliminary study findings were presented and discussed and where a way forward for the harmonization of weights, dimensions and emissions for road freight vehicles among countries was identified and agreed upon.
- The final Regional Meeting took place on 19 September 2019 in Bangkok, Thailand to discuss study findings and way forward for the harmonization of weights, dimensions and emissions for road freight vehicles among countries. The Meeting recognized the benefits of harmonization on standards on weights, dimensions and emissions of road freight vehicles as a mean to facilitate effective, efficient and seamless international road transportation along the Asian Highway network. The Meeting also encouraged ESCAP member States to take necessary institutional steps for its implementation.

Sustainable railway transport facilitation

25. The adoption of the 2030 Agenda has highlighted the importance of sustainable transport solutions to achieve the Sustainable Development Goals. To move towards such a system at the regional level, there is a need for proactive policy initiatives to encourage energy-efficient and environmentally friendly modes of transport such as rail. ESCAP promotes a wider use of rail transport through formalization of Trans-Asian Railway Network, as well as development and operation of rail-based international intermodal corridors. **Capacity Building Seminar on Railway Network Connectivity and Interoperability Challenges,** which was organized by ESCAP from 5 to 6 September 2018 in Dushanbe, Tajikistan, discussed key issues and potential next steps for addressing railway network connectivity and interoperability challenges that still prevent a wider use of rail transport for international movements amongst themselves and beyond.

26. In order to strengthen and facilitate international railway transport in Asia and between Asia and Europe, it is imperative to develop and implement soft measures. In this context, ESCAP undertook a project on **Harmonization of Rules and Regulations for the Facilitation of International Railway Transport** in the region. Three studies were commissioned under the project:

- Under the first study, on border-crossing practices in international railway transport, the processes at a number of selected railway border crossings in the region were documented and measures to enhance their efficiency proposed;
- Under the second study, on enhancing interoperability to facilitate international railway transport, three dimensions of interoperability were identified;
- Under the third study, on electronic information exchange systems for international railway transport, the existing systems for electronic exchange of information for international railway transport were reviewed.

27. In addition, ESCAP, jointly with the Organisation for Co-operation between Railways, prepared a framework on enhancing the efficiency of railway border crossings along the Trans-Asian Railway network and beyond. In the framework, four specific issues are identified and targets and processes to achieve them are provided with a view to further enhancing the efficiency of railway border crossings along the Trans-Asian Railway network. The issues identified are (a) information exchange between railways; (b) customs and other government agency formalities; (c) break of gauge; and (d) measurement of the performance of railway border crossings.

28. As part of its efforts to support intra and inter-regional trade, increase efficiency of international railway transport between Asia and Europe through higher level of interoperability,

ESCAP organized a **Capacity Building Workshop on Facilitation of International Railway Transport** from 18 to 19 December 2018 in Bangkok, Thailand with the support of the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT). The workshop discussed practical aspects of implementation of common CIM/SMGS consignment note, explored the need for harmonization of customs formalities for international railway transport through an electronic railway transit transport system, ascertained the need for technical assistance/capacity building to support international railway transport in the region, and discussed future activities of UNNExT's Advisory Group on Transit.

29. To fully harness the potential of the recently constructed railway corridor along Kazakhstan, Turkmenistan and Islamic Republic of Iran (KTI)- ESCAP, in collaboration with Economic Cooperation Organization and with the financial support of Islamic Development Bank, ESCAP is implementing a study project on the commercialization of the Kazakhstan-Turkmenistan- Iran railway corridor. Under the project, an **Inception Meeting for the Study Project on Commercialization of Kazakhstan-Turkmenistan- Iran Railway Corridor** was organized from 10 to 11 April 2019 in Tehran, Islamic Republic of Iran. The inception meeting identified current challenges and discussed possible ways and areas to achieve commercialization of the railway corridor, tentatively finalized draft outline for the two studies planned under the project and detailed the information/data required for the implementation of the study project.

30. **Expert Group Meeting on Harmonization of Technical Standards, Rules and Regulations for Enhanced Railway Linkages between Northeast, Central and West Asia** was organized from 17 to 18 September 2019 in Almaty, Kazakhstan, to discuss the ways of enhancing railway infrastructure connectivity among Afghanistan, China, Islamic Republic of Iran, Kyrgyzstan and Tajikistan and improving operational environment through harmonization of technical standards, rules and regulations for railway transport operations.

Other transport facilitation initiatives

Transport connectivity between Asia and Europe

31. The ESCAP Ministerial Conference on Transport at its third session held in Moscow in December 2016, recognizing the needs for coordination of efforts in enhancing Euro-Asian transport connectivity, has adopted the Regional Action Programme of Sustainable Transport Connectivity in Asia and the Pacific, phase I (2017-21), which included the objective to work towards the establishment of an inter-regional coordination committee on transport between Asia and Europe. Against that background, the UNESCAP secretariat is implementing a project to

assist the launch of the inter-regional committee as an institutional bridge between the two regions. In this context, the **Inter-regional Expert Group Meeting on Transport Connectivity between Asia and Europe** was organized from 30 January to 31 January 2019 in Bangkok, Thailand. The Meeting shared information of the initiatives, views and actions related to the development of Euro-Asian transport connectivity in Asia. The follow-up meeting under the form of Forum on Sustainable Transport Connectivity between Europe and Asia took place in Geneva on 30 October in the framework of the UNECE Working Party on Intermodal Transport and Logistics (WP.24).

Enhancing transport connectivity of LLDCs and transit countries

32. Islamic Republic of Iran is the closest transit country for most LLDCs in Central Asia to access the sea and on the request from the Islamic Republic of Iran Custom Administration (IRICA), ESCAP jointly with Shanghai Cooperation Organization (SCO) organized the **Capacity Building Workshop on application of new technologies in transit facilitation for enhancing transport connectivity of LLDCs and transit countries** from 26-27 November 2019 in Tashkent, Uzbekistan. The workshop aimed to enhance understanding of the border officials of the selected member countries (LLDCs and transit countries in North and Central Asia) in using new technologies to facilitate transit as demonstrated through ESCAP transport facilitation tools and frameworks for cross border and transit transport facilitation.

Transport Corridors

33. ESCAP is implementing a project on **Strengthening Capacity for Operationalizing Sustainable Transport Connectivity along the China-Central Asia-West Asia Economic Corridor**. The project countries include China, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan, Iran and Turkey and aims at assisting these countries, many of which are least developed and/or landlocked developing states, to achieve 2030 agenda. The project will focus on enhanced seamless transport connectivity, use of smart transport technologies, strengthened interregional cooperation and partnership by providing and inclusive platform where member states can discuss regulatory bottlenecks and connectivity indicators.

34. Under the project entitled **"Enhancing efficiency of intermodal transport operations in Asia through developing coordination arrangements in support of balanced economic, social and environmental impacts"** ESCAP has conducted a comparative study with an aim to further design and propose options for institutional arrangements on management of one or several of the four existing or potential intermodal transport corridors. In this connection, ESCAP organized an

Expert Group Meeting on Enhancing Efficiency of Selected Intermodal Transport Corridors in Asia from 26 to 27 June 2019 in Bangkok, Thailand. The Expert Group Meeting discussed and reviewed the findings of the study and assessed the possible follow-up steps in developing management arrangements for transport corridors covered by the project.

Belt and Road Initiative (BRI)

The Belt and Road Initiative (BRI) launched by the Government of China could accelerate the implementation of infrastructure projects, create a new basis for the emergence of international economic corridors and play a catalytic role in fostering a shared vision of development aimed at achieving the Sustainable Development Goals. Yet, being at different stages of development and facing specific socio-economic challenges, careful analyses of the macroeconomic, social and environmental impacts of BRI-led projects are required. In cooperation with UNDESA, ESCAP organized a **Workshop on Assessing the Potential Impact of the Belt and Road Initiative on Sustainable Development Goals in Asian Economies** 25 to 26 September 2019 in Bangkok, Thailand. The workshop discussed how to ensure that policy makers in the participating countries gain the information that would yield the best policy advice and help them channel resources towards the most impactful projects.

The Thematic Working Group may wish to:

- Support and encourage SPECA countries to actively participate in the abovementioned activities of UNECE secretariat, as far as border crossing facilitation is concerned, particularly by engaging actively in the TIR computerization process and support the adoption of the new Annex 11 of the TIR Convention;
- Invite SPECA countries to think about introducing new technologies in the implementation of the UN transport legal instruments by joining those electronically processed (Additional Protocol to CMR (e-CMR), e-TIR);
- Take note on progress of the project: Sustainable transport connectivity and implementation of transport related SDGs in selected landlocked and transit/bridging countries and findings and recommendations of the UN transport-related legal instruments – an efficient tool to improve transport corridors in the SPECA region report;
- Increase the effectiveness of facilitation programmes and projects and accelerate the development of international road transport through long-term targets in SPECA countries

as stipulated in the Regional Strategic Framework for the Facilitation of International Road Transport;

- Support the implementation of the Regional Cooperation Framework for the Facilitation of International Railway Transport to tackle challenges and strengthen cooperation to promote international railway transport;
- Encourage the SPECA countries to apply the ESCAP transport facilitation tools;
- Take note and encourage countries to use the studies developed by the ESCAP Secretariat to foster international railway transport in the ESCAP region;
- Take note of the issues discussed and decisions made by the Fifth Session of the Committee on Transport held by ESCAP from 19 to 21 November 2018 in Bangkok, Thailand;
- Take note and actively participate in the implementation of ESCAP projects, namely, to support harmonization of standards on weights, dimensions and emissions of road vehicles for facilitation of transport along the Asian Highway; addressing railway network connectivity and interoperability challenges; enhancing efficiency of intermodal transport operations in Asia and other;
- Consider using the framework on enhancing the efficiency of railway border crossings along the Trans-Asian Railway network and beyond;
- Get familiarized with the three studies on the harmonization of rules and regulations for the facilitation of international railway transport in the region;
- Take note and participate in ESCAP's activities related to the development of transport corridors, including Operationalizing Sustainable Transport Connectivity along the China-Central Asia-West Asia Economic Corridor, Commercialization of Kazakhstan-Turkmenistan- Iran Railway Corridor as well as impact of the Belt and Road Initiative on Sustainable Development Goals in Asian Economies.

Annex 1

Regional Strategic Framework for the Facilitation of International Road Transport

23. Keeping in view the need to provide a strategic vision and common approach to address challenges to international road transport in the region, member states adopted the Regional Strategic Framework for the Facilitation of International Road Transport (RSF) at the ESCAP Ministerial Conference on Transport held in Bangkok in March 2012.

24. The RSF identifies six fundamental issues for the facilitation of international road transport and provides long-term targets along with the process to achieve them. It also provides for seven modalities for addressing the challenges to smooth and efficient transport by road in the region.

25. The RSF serves as a primary policy document on transport facilitation initiatives for member countries and their development partners to increase coordination among different facilitation agreements, projects and measures to avoid inconsistency and conflicts in planning, formulation and implementation, and thereby increase the effectiveness of facilitation efforts. This will provide synergistic effect of facilitation measures benefiting member countries and their development partners.

Regional Cooperation Framework for the Facilitation of International Railway Transport

26. Development of international railway transport in the region is confronted with numerous challenges. Typical non-physical barriers include regulatory issues that relate to control measures by various agencies, such as Customs, which take significant time of train operations. There are also legal issues that underlie the legal and contractual basis among countries and various stakeholders in railway transport. The different legal regimes need to be unified or at least harmonized. Technical and operational issues involving standards and specifications for the rolling stock, signaling systems, data exchange, repair, maintenance and use of railway infrastructure, and break of gauge also need to be addressed to promote cross-border railway transport operations.

27. ESCAP at its seventy-first session, held in Bangkok, Thailand from 25 to 29 May 2015, adopted the Regional Cooperation Framework for the Facilitation of International Railway Transport (RCF). RCF identifies four fundamental issues and eleven potential areas for cooperation to promote international railway transport aimed to:

- Increase effectiveness of facilitation measures/projects
- Increase coordination among different facilitation measures/projects
- Avoid inconsistency in facilitation efforts

- Avoid conflict between different facilitation agreements/measures
- Provide direction of future possible development
- Serve as reference and guide

Transport Facilitation Tools

28. Many countries in the region and their development partners have been trying various ways to improve efficiency of cross-border transport by road and rail. However, overall progress is slow. The eight models developed by ESCAP as a complete package can help address non-physical barriers through more flexible and practical arrangements for transport movement en-route and at border crossings, and also for identification and monitoring of bottlenecks. The models together provide a comprehensive package of solutions for cross-border and transit transport among countries. The brief introduction of the models is presented in the following sections.

29. The **Model Subregional Agreement on Transport Facilitation**[3] has been elaborated on the basis of comparative studies between major sub-regional agreements on transport facilitation to which various ESCAP member States are parties. The Model Subregional Agreement is intended to serve as a common framework for agreements on transport facilitation. The Model can be used for drafting and negotiating new agreements as well as for bringing amendments to existing ones, which will help to expedite the negotiation process of a subregional agreement and to facilitate its subsequent practical implementation. The Model Subregional Agreement provides a checklist of issues typically addressed in sub-regional agreements on transport facilitation. The focus of the model has been on international road transport; hence the checklist of issues is related to a large extent to road transport rather than other modes. It proposes a structure and a brief description of the main elements and specific substantive issues that would be covered by a sub-regional agreement but does not contain uniform wording to be used for all issues. The Model includes a list of recommendations for issues to be settled through additional sub-regional agreements, due to their complexity or specific nature.

30. The **Model Bilateral Agreement on International Road Transport**[4] has been elaborated based on comparative studies of existing bilateral agreements concluded between the countries of the Asia-Pacific region. The Model proposes ways to harmonize the provisions of existing bilateral agreements which ESCAP member States could follow while negotiating new bilateral agreements or amending the existing ones. Due to different approaches to arranging international road

[3] http://www.unescap.org/resources/model-subregional-agreement-transport-facilitation
[4] http://www.unescap.org/resources/model-bilateral-agreement-international-road-transport

transport operations, it would be hardly possible to propose a uniform model bilateral agreement which all countries of the region would be prepared to follow in respect of traffic rights, at least within a short-term perspective. Keeping in mind both the long-term target and currently existing differences in approaches to traffic rights and permit system, the Model Bilateral Agreement on International Road Transport provides three options.

31. The **first option** of the Model is addressed toward countries which are not yet prepared to grant general access to their territories for international road transport operations and still prefer to limit the scope of such operations to designated routes and border crossings. This option of the Model also provides for permits being required for most types of transport operations.

32. The **second option** of the Model has no reference to designated routes and border crossings, but provides for permits with quantitative restrictions (quotas) in respect of most types of international transport operations. This approach is common in the region.

33. The **third option** of the Model provides for a permit-free legal regime for occasional transport of passengers and for bilateral and transit transport of goods. The permits are required only for regular transport of passengers and for third-country transport of goods. Several countries in the region currently follow a similar approach in their bilateral agreements on international road transport.

34. The wording of other provisions of the Model is uniform in all the three options, to provide the countries with a reference guide that could be followed during negotiations of new bilateral agreements.

35. The **Model Multilateral Permit for International Road Transport**[5] is recommended at a time when insufficient transport facilitation measures are still a serious issue in the region. Implementing Multilateral Permit for International Road Transport will help to eliminate the existing inefficient trans-loading practices at borders, which currently increases transport and logistics costs. Transport operations would be accomplished directly which would contribute equally to an uninterrupted and clear line of contractual responsibility for the final delivery of the cargo in time and in an undamaged state. The driver of the originally contracted carrier remains in full control from the point of loading to the point of unloading at final destination. On this basis,

[5] http://www.unescap.org/resources/model-multilateral-permit-international-road-transport

transport security increases and the relationship of trust between business partners is considerably improved.

36. Well-functioning multilateral permits will create a virtuous circle: solving the traffic rights problems translates into enhanced access to international road freight transport markets along the Asian Highway Network and beyond. Permits as transport facilitation measures may give impetus to vehicle fleet modernization, improved vehicle technical, environmental and safety standards, reduced exposure to border crossing bureaucracy and possible illegal activities (rent-seeking, bribes, etc.), and increased physical cargo security.

37. While facilitating road transport by exchanging permits, governments will continue to keep full control of issuing permits to domestic and foreign transport operators; they have the right to carry out regular checks of permit use and apply specific disciplinary action against non-complying operators.

38. The **Standard Model of Logistics Information Systems**[6] provides a comprehensive list of relevant technical standards, proposes common technical standards for the establishment of logistics information systems that would enhance operational connectivity across the ESCAP region, and outlines practical guidance in the overall architecture of logistics information systems. It was developed as part of the "Regional Study: The use of Logistics Information Systems for increased efficiency and effectiveness" which aimed at promoting good practices on the use of logistics information systems and to support capacity building in member countries to increase the efficiency and effectiveness in the movement of goods. The study reviews the technical aspects of selected existing national and transnational logistics information systems and identifies good practices, proposes a Standard Model of Logistics Information Systems and provides recommendations on technical standards in the establishment and operation of such systems. The study is available at http://www.unescap.org/resources/regional-study-use-logistics-information-systems-increased-efficiency-and-effectiveness

39. The **Secure Cross-Border Transport Model**[7] provides a conceptual and standard basis for design of a cross-border vehicle monitoring system using new technologies, including ICT, satellite positioning and electronic seals. The model prescribes standardized components, their interaction and institutional requirements for its application in the cross-border transport.

[6] http://www.unescap.org/resources/standard-model-logistics-information-system

7. Available at http://www.unescap.org/resources/secure-cross-border-transport-model

40. It demonstrates how the use of these technologies can secure and facilitate the trade and transport, while taking care of the concerns of control authorities, giving the control authorities the confidence they need, to open up more international land routes for international trade and transport. It also allows transport operators to manage safe and efficient operation.

41. **The Efficient Cross-Border Transport Models**[8] provide practical solutions to the difficulties in cross-border operations of land transport. With limited requirements of inter-governmental arrangements or absence of such arrangement, goods and passengers can be more efficiently moved across borders and for onward carriage based on the models.

42. With recent developments of trucking industry and technologies, the models use prime mover-trailer system and commercial cooperation to overcome institutional barriers and conflicts of commercial interests in international land transport. It can also largely reduce concerns on safety and security with entry of foreign vehicles in the region. It can also minimize the need for difficult cross-border arrangements, such as visa for driver, driving license, vehicle insurance, temporary importation of vehicles, standards of vehicles and transport permits. Similarly, the models also provide good practices for efficient inter-country railway operations.

43. **The Model on Integrated Control at Border Crossing**[9] provides more efficient information flow and sharing among various agencies at border crossings by application of modern technologies (including ICT as a centre) and streamlined process of documentation and procedures. It can help minimize interventions in the process of crossing borders by various border agencies while maintaining good controls.

44. The model promotes optimized use of modern equipment by different agencies and multiple usage of the results of inspections. It also helps streamline and simplify formalities and procedures for crossing border with re-aligned integrated scheme for a border crossing rather than different schemes for different agencies at the same border crossing.

45. **The Time/Cost-Distance Methodology**[10] is based on the graphical representation of data collected with respect to the cost and time associated with the transport process. The methodology enables easy comparison and evaluation of competing modes of transport operating on the same route and comparison of alternate transport routes. The methodology is based on the premise that the unit costs of transport may vary between modes, with the steepness of the cost/time curves reflecting the actual cost, price or time. At border crossings, ports and inland terminals, delays

8. Available at http://www.unescap.org/resources/efficient-cross-border-transport-models
9. Available at http://www.unescap.org/resources/model-integrated-controls-border-crossings
10. Available at http://www.unescap.org/resources/timecost-distance-methodology

occur and freight/document-handling charges and other fees are usually levied without any material progress or movement of the goods being made along the transport route. This is represented by a vertical step in the cost curve. The height of the step is proportional to the level of the charge or time delay.