

Economic Cooperation Organization (ECO)

*A Presentation to the 4th Session of the Group of
Experts on the Euro-Asian Transport Links*

(Geneva, September 6, 2010)

*Role of ECO in Development of
Transportation in the Euro-Asia Region*

*Mohammad Mirzaei Kahagh,
Director Transport and Communications
ECO Secretariat-Tehran*

Contents

- 1. Introduction to Economic Cooperation Organization (ECO)**
 - 2. Main areas of regional cooperation**
 - 3. Main activities in the field of transport**
The Transit Transport Framework Agreement
Railway
Road
Maritime
 - 4. Development of regional Corridors**
 - 4.1. ECO Container and Passenger Trains:**
Islamabad-Tehran-Istanbul Train project
Istanbul-Tehran-Mary-Tashkent-Almaty Container Train
Bandar Abbas-Mary-Tashkent-Almaty
 - 4.2. ECO Silk Road Truck Caravan**
 - 5. Cooperation with regional/international organizations**
-



ECO: A regional inter-governmental organization with 8 million km² and more than 400 million people. Member Countries are Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan, and Uzbekistan

ECO's Main Areas of Activity

- Trade and Investment
- *Transport and Communications*
- Energy, Minerals and Environment
- Agriculture, Industry and Tourism
- Human resource and sustainable development
- Project and Economic Research and statistics

Trade and Investment :

I. ECO-TRADE AGREEMENT (ECOTA)

1. Tariff liberalization: Tariffs for 80% of tradable commodities will be reduced to less than 15% within 8 years
2. Removal of Non-Tariff Barriers

II. ECO Trade and Development Bank (ECO-TDB)- Its headquarter is in Istanbul-Turkey.

III. Agreement on Promotion and Protection of Investment

IV. ECO Re-Insurance Company: Its headquarters is established in Islamabad (Pakistan) with 30 Million Dollars as initial capital of the company provided by the Contracting Parties

V. Regional cooperation in the field of customs through the Council of Heads of Customs Administration (CHCA)

- 1- The ECO Agreement on Mutual Administrative Assistance in Customs Matters
- 2- Agreement on establishment of ECO Smuggling and Customs Offences Data Bank

ECO Activities in the field of Transport

1. Introduction: Potentials and Challenges in the field of transport .

2. Main activities and projects in the area of transport development

1. Development of Infrastructure: The Program of Action for ECO Decade of Transport and Communications

2. Harmonization of national rules and regulations and development of regional legal frameworks for transit facilitation : The Transit Transport Framework Agreement (TTFA)

**3. Development of rail and road corridors
Railway**

4. Cooperation in the field of Maritime (not discussed in this presentation)

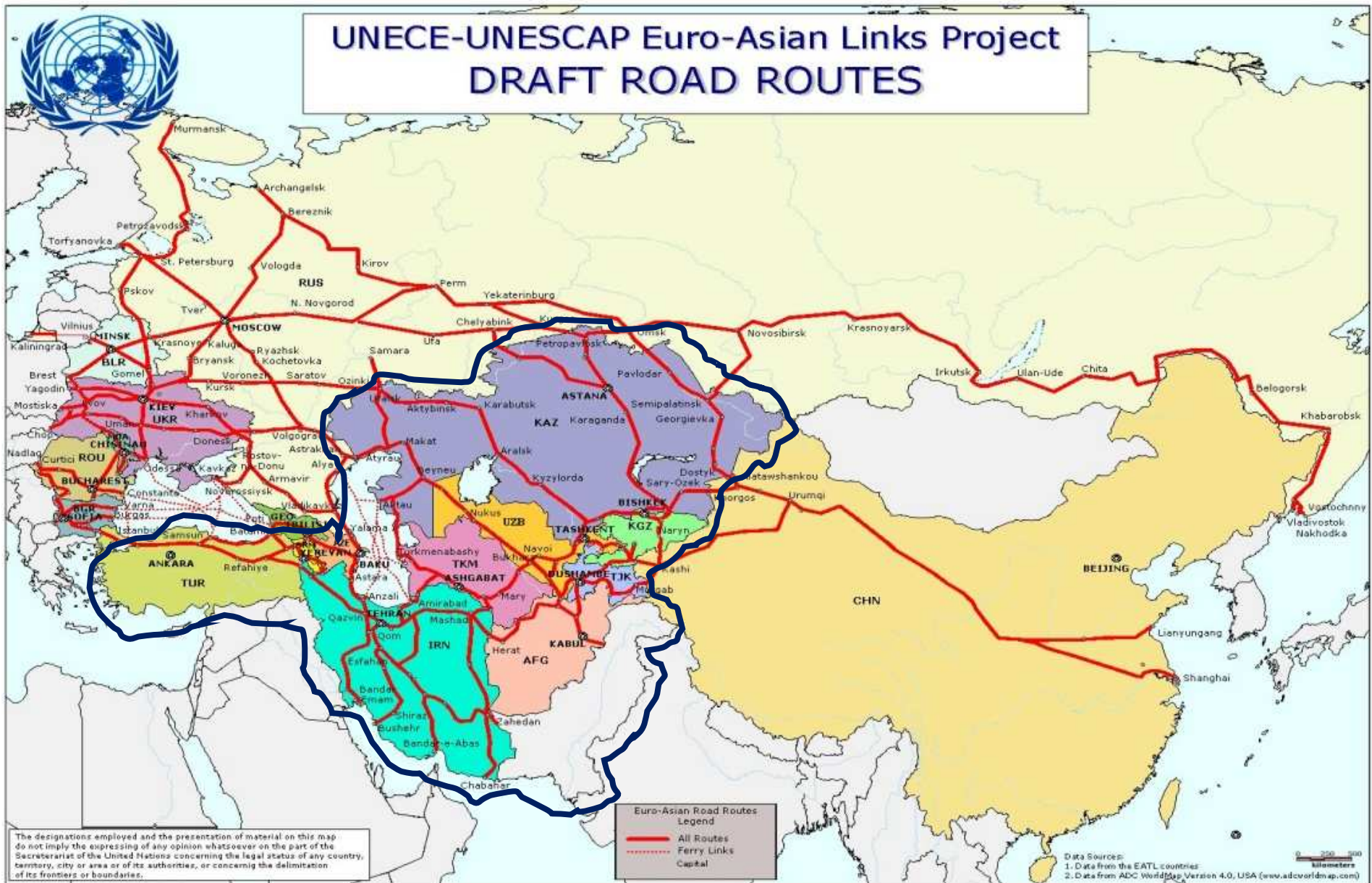
5. Cooperation with International and regional organizations: MoU with UNECE, UNESCAP, UNCTAD, IRU, OSJD, UIC, OTIF, CIT, TRACECA, IDB, EC, etc.



1. Introduction: Potentials in the field of transport : Center?



1. Introduction: Crossroad of main Euro-Asian Routes/Corridors



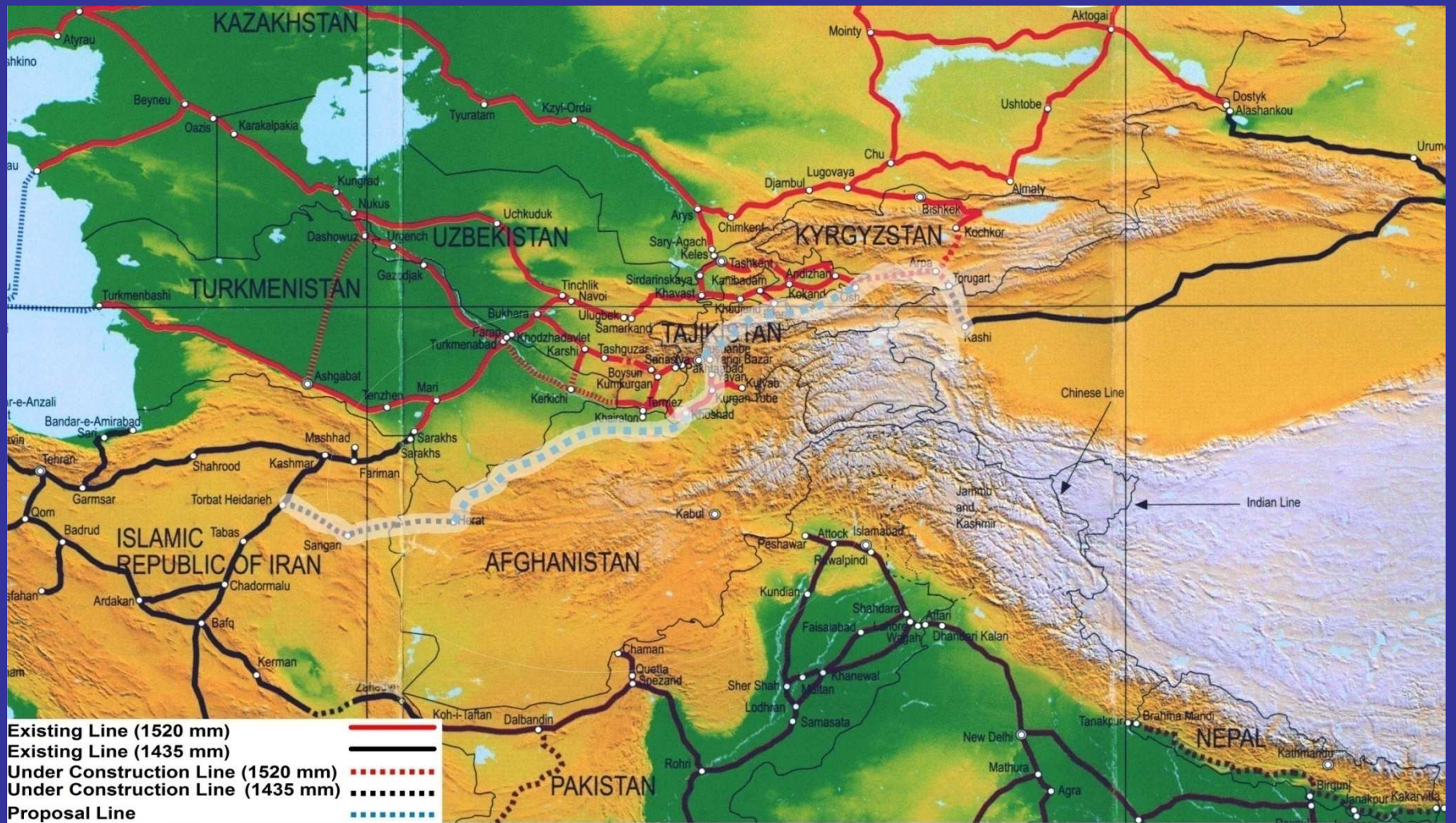
2.1. Development of Infrastructure: The Program of Action for ECO Decade of Transport and Communications

The PA for DTC includes more than 110 Projects for Elimination of physical and non-Physical Barriers on Main Transit-Transport Routes of the ECO region.

Examples of some important projects implemented\ in progress under the Programme of Action for ECO Decade of Transport:

- Gwader Port of Pakistan, (under constructcion)
- Bafgh-Mashad Railway (Iran)-Completed
- Kerman-Bam Railway (Iran) - Completed
- Tehran-Qazvin-Zanjan-Tabriz Freeway (Iran) –Completed.
- Bam-Zahedan Railway (Iran)- Completed
- Tabriz-Bazargan Freeway (in progress) , (Iran)
- Qazvin-Rasht-Astara railway (in progress) (Iran)
- Kars-Aktash Railway in progress (Turkey)
- Tajan-Sarakhs-Meshad (Iran-Turkmenistan)-completed
- Kurgan-Tabe-Kulab Railway (Tajikistan)
- Bridge (672 m) on Pyand River (Afghanista-Tajikistan)-completed.
- Ashkabad-Dashaguz Railway (Turkmenistan)
- Uzen-Barakat-Gorgan (Kazakhstan-Turkmenistan-Iran) –in progress
- Gurbalak-Kars-Hopa Road (Turkey)

Based on the decisions of the 6th ECO Ministerial Meeting on Transport & Communications (Tehran, April 2006) a High Level Expert Group is organized to prepare the 2nd phase of the programme , with a particular emphasis on implementation of the ECO Transit Transport Framework Agreement (TTFA).



Proposal Railway Corridor I.R.IRAN - AFGHANISTAN - TAJIKISTAN - KYRGYZSTAN - CHINA

Main activities and projects in the area of transport development

2.1. Harmonization of national rules and regulations and development of regional legal frameworks for transit facilitation :

The Transit Transport Framework Agreement (TTFA)

A historical movement toward Reduction of cost and acceleration of the transport services through harmonization and of transit transport in the region

Objectives

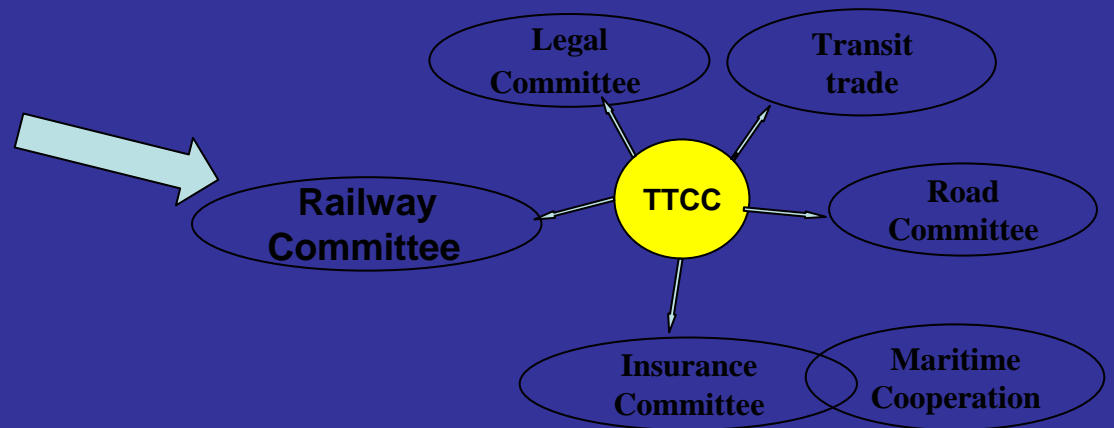
- **Facilitation of movement of goods and passengers**
- **Ensuring the safety of goods and passengers and avoiding unnecessary delays during the transit traffic**
- **Cooperation and coordination of the efforts to avoid the incidence of customs frauds and tax evasion**
- **Harmonizing necessary administrative affairs dealing with transit traffic**

2.1. Harmonization of national rules and regulations and development of legal frameworks for transit facilitation : TTFA

Measures for expeditious implementation of the TTFA

**The Transit Transport
Coordination Council
(TTCC)**

**The TTFA Fund
Joint ECO/IDB
Project**



Railway related of the TTFA:

- i. Prescribed railway transit routes
- ii. Technical characteristics of railway lines important for transit/MMT
- iii. Operational characteristics of, and minimum infrastructure standards for transport services
- iv. Formulation of Rules of Use of Wagons keeping in view the framework of UIC, OSJD, RIV, RIC and PPW.
- v. Formulation of rules and procedures for international rail passenger and freight traffic keeping in view the frameworks and provisions of SMPS, SMGS, COTIF/CIM, CIV, OSJD and UIC.

3. Development of rail and road corridors: ECO's Container Train on Almaty-Bandar Abbas Rote (A Demonstration Train to be Launched in July 2010)



3. Development of railway corridors: ECO's Container Train on Istanbul-Almaty Route:

- i. Operational since 2002
- ii. To be extended to Urumchi
- iii. Demonstration train from Urumchi to Istanbul in near future



Main activities and projects in the area of transport development

Railway



ECO passenger Train in Istanbul-Almaty Route

- **1st phase operational since 2002 between Tehran and Istanbul.**

THE ECO TRAIN ON ISLAMABAD-TEHRAN-ISTANBUL ROUTE: KEY FACTS

- The Train covers a 6,476-km journey: 1,900 km in Pakistan, 2,570 km in Iran and 2006 Km in Turkey.
- The total duration of travel was initially planned for 14 days, but now it is reduced to about 10.5 days.
- More than 30% reduction in railway tariffs comparing with demonstration run.
- Regular run started on 2nd August 2010



THE DEMONSTRATION RUN

The Demonstration Train was launched on 14th August, 2009 from Islamabad.



The Train reached Tehran on 23rd August, 2009



It arrived at its final destination in Istanbul on 28 August, 2009





Construction of 545 km of Kerman-Zahedan missing link in Iran was accomplished in 2009. More than 5 km of Tunnels and 1700 small and long bridges constructed in this segment and connected Pakistan to ECO Railway Network.



Pakistan-Iran Border Mark

Preparatory activities for launching ITI Express (Istanbul-Tehran-Islamabad Train)

Decision Making Meetings

- Trilateral Ministerial Meeting: March 2009, Tehran.
- The 1st Meeting of the High Level Working Group (HLWG), March 2009, Tehran
- The 2nd Meeting of the HLWG, May 2009, Islamabad.
- The 3rd Meeting of the HLWG, July 2009, Ankara.
- The 10th ECO Meeting of the Heads of Railways (Islamabad-August 13-14, 2009)
- The 4th Meeting of the HLWG, January 27-28, 2010, Tehran.
- The 5th Meeting of the HLWG, July 2010
- 1st Meeting of the Senior Customs Officials (July 2010)

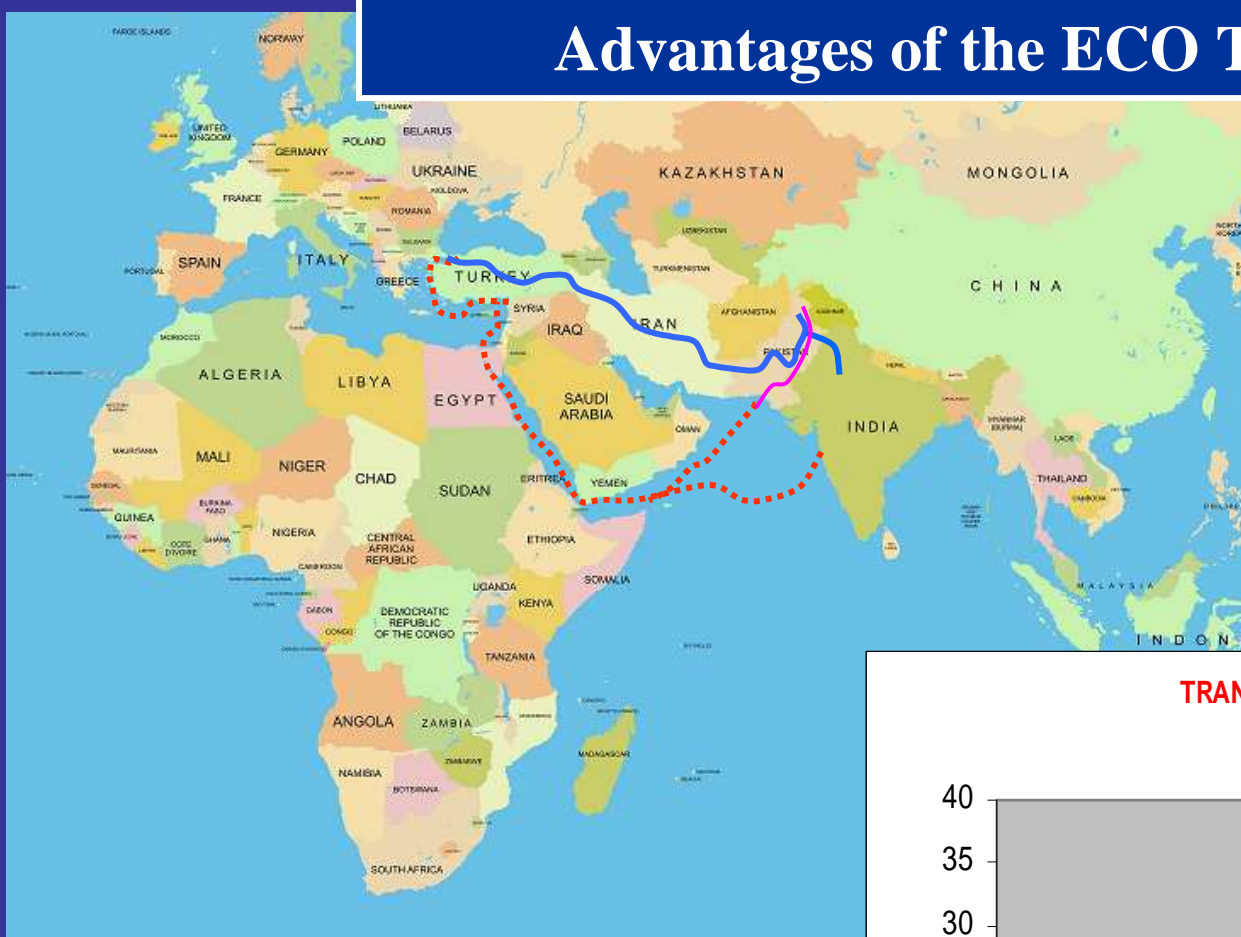
Demonstration Runs

- First Demonstration Run, launched on 14 August 2009 from Islamabad to Istanbul.
- First Regular Run, 02nd August 2010 from Istanbul to Islamabad.
- More than four trips after 2nd August 2010

Field Study

- A field study carried out with participation of the national/international experts.

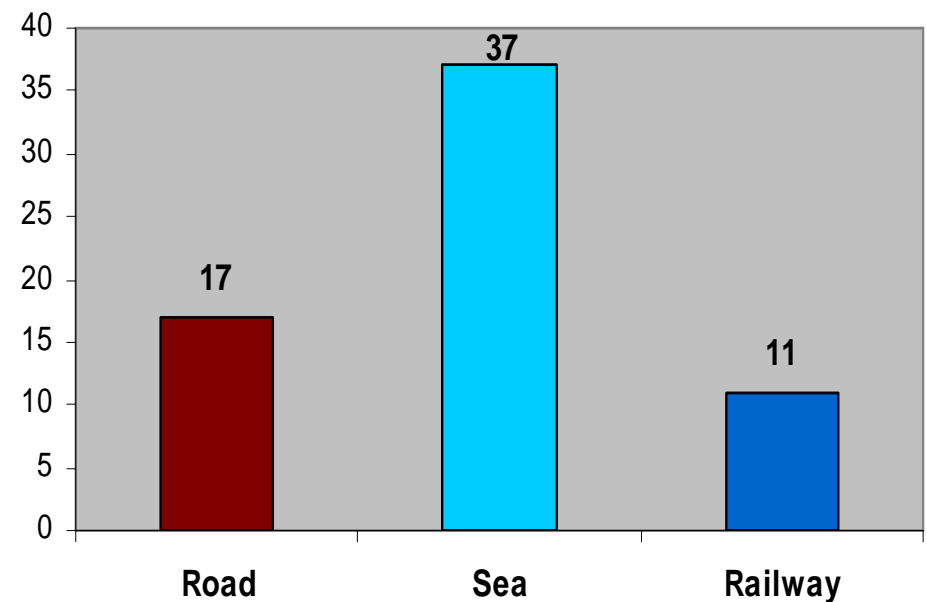
Advantages of the ECO Train



It is the shortest land bridge between the South and South-East Asia and Europe

Compared to other modes of transport, except air, it is the fastest to take goods between Islamabad and Istanbul

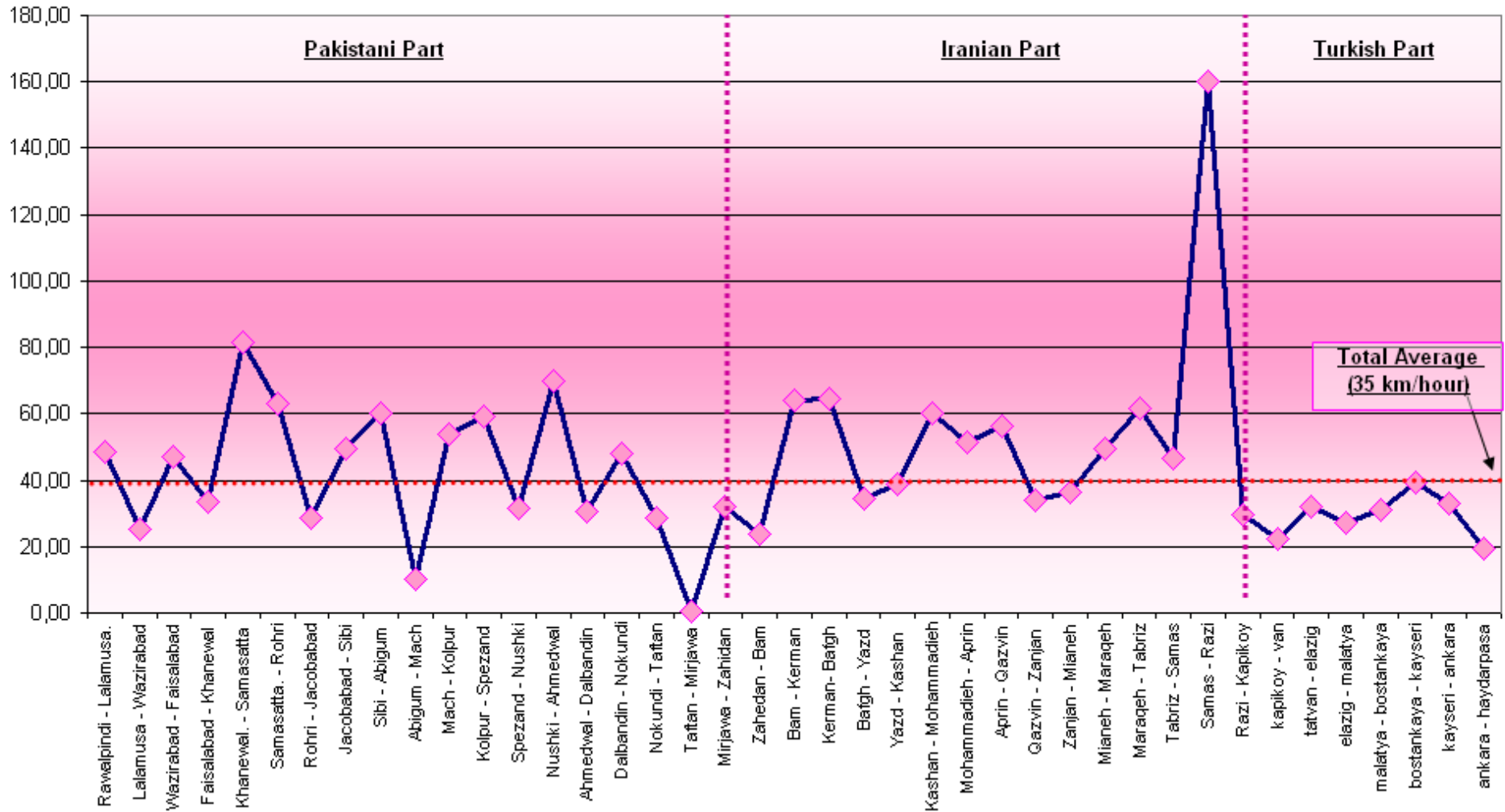
TRANSPORTATION SPAN (DAY)



THE FIELD STUDY- KEY FINDINGS

Average Speed of the Train (Target): 8 Days (in Mid-Term) / 7 Days (in Long-

Average Speed of the train

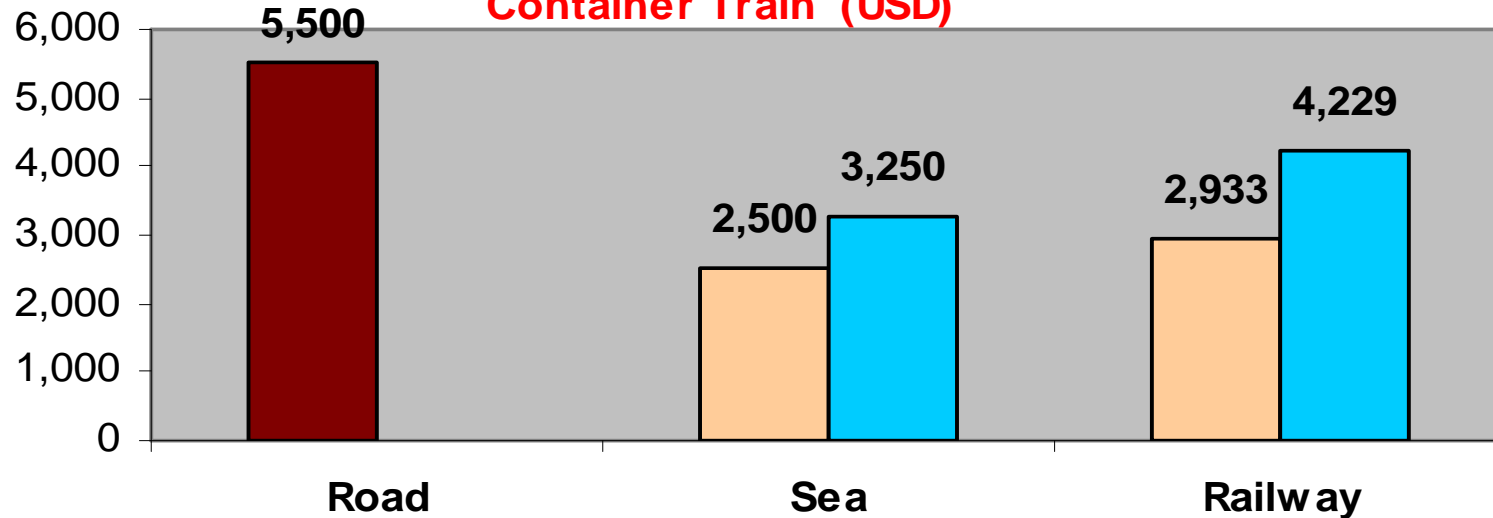


THE FIELD STUDY- KEY FINDINGS

2. Tariffs

- The Filed Study scrutinized the issue of Tariffs. It analyzed the initial tariffs proposed by the member states against the operation costs of the Train and came up with new suggestions, which are under consideration by the member states.
- The conclusion of the Study is that, the Train can be quite competitive with slight adjustments in the exiting level of tariffs.
- Railway costs in the following chart is on the basis of demonstration run, while the regular run is being carried out with 30% lower tariff rates

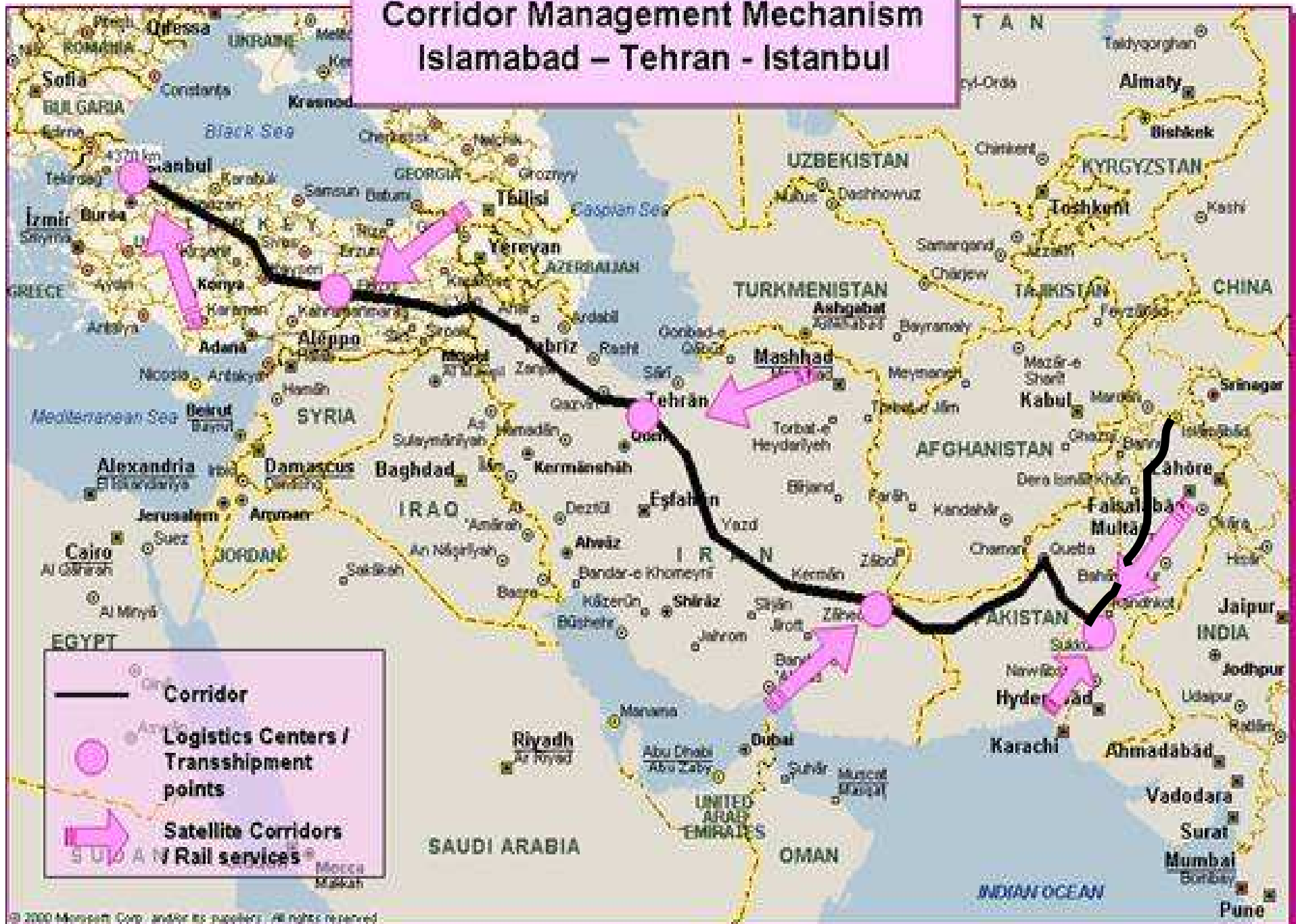
A comparison of transportation costs between Pakistan and Turkey by different modes of transport, including th ECO Container Train (USD)





■ 20 Feet Container

■ 40 Feet Container

Corridor Management Mechanism Islamabad – Tehran - Istanbul



	Corridor
	Logistics Centers / Transshipment points
	Satellite Corridors / Rail services

ECO's Road related Projects/Plans: Implementation of the TTFA

- Establishment of the ECO Logistics Provider Associations' Federation (ECOLPAF)
- ECO White Card (Motor Vehicle Third Party Liability Insurance Scheme)
- ECO Common Visa for Drivers
- Common ECO Transport Permit/License
- ECO Truck Caravans
- Implementation of the Int. conventions/agreements e.g. TIR & Harmonization Convention



ECOLPAF

**Economic Cooperation Organization
Logistics Provider Associations' Federation**

ECOLPAF's Mission:

Representation of the
vast majority
of National Private
Sector **ECO** Freight
Related Service
Providers



ECO-IRU SILK ROAD TRUCK CARAVAN September 2010



Maritime Transportation: Special Projects to Assist Landlocked Member States

- **The provision of port facilities to the Landlocked Member states:**
Decisions of the ECO Heads of Reference Marine Organizations.
- **A regional Project on Promotion of transit transport cooperation among landlocked and transit countries in the region is under consideration with the following proposed activities :**
 - Identifying the particular needs and problems of the landlocked member states and the potentials of Transit member states
 - Identification and showcasing of priority technical assistance and investment projects to possible donors/funding institutions.
- Convening regional, international and national meetings, as appropriate, to raising awareness on the needs of landlocked and transit member states of the ECO.
- Strengthening the existing transport cooperation mechanisms for effective coordination, monitoring and implementation of the Almaty Programme of Action in the ECO Region.
- **Selection of Two ports in each transit country to be assigned for provision of transit facilities and logistics services for landlocked countries**
- **Establishment of ECO Zones in the areas near to the regionally/internationally important ports of the transit countries**

3. Cooperation with international and regional organizations in the field of transport

UNECE

UNESCAP

UNCTAD

OTIF, UIC, OSJD, CIT

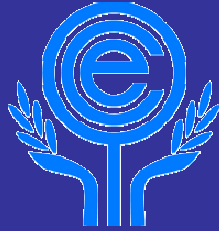
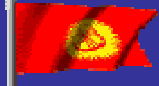
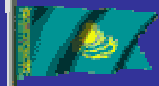
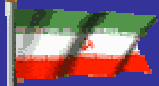
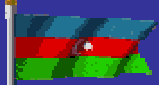
IRU, IRF, FIATA

IDB, ADB, WB

TRACECA

IMO

UNHRLLDs



Economic Cooperation Organization (ECO)

Thank YOU

Economic Cooperation Organization (ECO)

**Mohammad Mirzaei Kahagh,
Director, Transportation and Communication**

ECO Secretariat, No.1, Golbou Alley, Kamranieh,
Tehran, I.R. Iran, P.O. Box: 14155-6176

Tel: 009821-22831733-4

Fax: 009821-22831732

[Http://www.ecosecretariat.org](http://www.ecosecretariat.org)

E-mail: Registry@ecosecretariat.org;

dtc@ecosecretariat.org