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## **Economic Commission for Europe**

Inland Transport Committee

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## **Euro-Asian Transport Links**

## Note by the secretariat

Summary

The Second EATL Ministerial Meeting which took place on 26 February 2013 marked the launch of the EATL Phase III (2013-2015). The primary objective of Phase III is to operationalize the nine road and nine rail EATL routes that have been identified.

The Committee is invited to consider to **support** the EATL project and to **request** the final Phase III report at its next session in 2018.

1. The importance and volume of Euro-Asian trade in goods is growing. The need for stronger transport connectivity and the revitalization of the old and development of new inland transport and trading routes between Europe and Asia lies in the fact that direct benefits are expected to impact a huge economy of 4.4 billion consumers that encompasses 65 countries in the two continents. The Silk Road region comprises of 61 per cent of the global population, with significant and growing influence on world agriculture (51.2 per cent), manufacturing industry (31.7 per cent), imports (31.8 per cent), exports (38 per cent), net investment inflow (40.8 per cent) and GDP (28.6 Per cent).<sup>1</sup>

2. The Euro-Asian Transport Links (EATL) project Phase I (2002-2007) was undertaken by UNECE in cooperation with the United Nations Economic and Social Commission for Asia and Pacific (ESCAP). The EATL project started the process of

<sup>&</sup>lt;sup>1</sup> WANG Yiwei, OBOR and the Revival of Civilizations, Institute of International Affairs, Renmin University of China, 2016.

creating a platform for cooperation in transport-related matters between Europe and Asia under the United Nations auspices including 18 countries from the two regions. The principal results of Phase I included the selection of main Euro-Asian road, rail and inland water transport routes, transshipment points and ports; prioritization of projects based on the agreed, common, methodology; analysis of physical and non-physical obstacles; establishment of database and the Geographic Information System (GIS) maps; organization of six Expert Group Meetings (EGM) as well as a number of capacity-building national, regional and interregional workshops.<sup>2</sup>

3. The following EATL Phase II (2008-2012) built on the achievements of Phase I. The principal results of Phase II included: a wider geographical coverage of countries (27 in Phase II); emphasis on transport and trade facilitation; more harmonized legislation and procedures; enhanced capacities of officials to simplify and carry out more efficient administrative procedures; identified nine road and nine rail transport routes for priority investment, development and cooperation (311 projects with the value of 215 billion United States dollars); comparison of various overland with maritime transport scenarios and proved that overland transport in commercially viable transport alternative to maritime routes.<sup>3</sup>

4. The Second EATL Ministerial Meeting which took place on 26 February 2013 marked the launch of the EATL Phase III (2013-2015).<sup>4</sup> In a Joint Statement, the participating Ministers supported continuing the project into the next phase. Thirty-two governments signed the Joint Statement on Future Development of Euro-Asian Transport Links which, inter alia, reiterated their willingness to work together towards the implementation of activities that:

(a) aim to develop and enhance favourable financial conditions to ensure sustainable and long-term financing of priority transport infrastructure projects in order to integrate them into medium- and long-term investment programmes adopted at the national level;

(b) foster and sustain coordination and collaboration with other participating member States, international organizations and international financial institutions as well as other stakeholders from the public and private sector to ensure that additional financial resources for the completion of identified priority projects are made available;

(c) remove, in an orderly and systematic manner, the remaining non-physical barriers along the Euro-Asian transport routes crossing their countries;

(d) support the establishment of an adequate mechanism to ensure continued monitoring and the follow-up activities of the project, and the most appropriate modalities to use the existing structures and available resources of the UNECE; and

(e) support further implementation and continuation of the EATL project in the new Phase III with clearly defined targets and measurable objectives and ensure the necessary resources for its timely implementation.

5. The EATL participating countries increased from 27 (Phase II) to 38 countries (Phase III). This increase demonstrates both the growing interest in and relevance of the work that has been carried out so far in the first two phases.

<sup>&</sup>lt;sup>2</sup> www.unece.org/trans/ministerialitc70/min\_study.html

<sup>&</sup>lt;sup>3</sup> www.unece.org/trans/main/wp5/eatl\_phase\_2\_final\_report.html

<sup>&</sup>lt;sup>4</sup> The mandate of the EATL Group of Experts was extended in 2016 for one more year. The Group will finish its work on the Phase III report in 2017.

6. The primary objective of Phase III is to operationalize the nine road and nine rail EATL routes that have been identified. The Group of Experts and the secretariat initiated the process that is expected to convert the results of Phase II into reality during Phase III, as far as available resources permit. To this end, the EATL Group of Experts held two formal sessions in Geneva (3 and 4 February 2015) and in Dushanbe (9 and 10 June 2015). As the mandate of the Group of Experts expired in September 2015, the Group held two informal sessions in Istanbul (Turkey on 20 and 21 October 2015) and in Vienna (2 and 3 February 2016 - hosted by the OSCE). At the same time, the Group of Experts initiated procedure for the extension of its mandate for another year. This request was successfully completed and the extended mandate for one more year was granted in May 2016, hence the EATL Group of Experts had its formal fourteenth meeting in Yerevan (26-27 October 2016) hosted by and co-organized with the OSCE.

7. The main objectives of the meetings were: to identify the specific structure of cargo that could be transported overland between the two continents; to facilitate the coordination of integrated time schedules and tariffs on the Euro-Asian transport links; to identify needs and requirements of producers, shippers, traders and freight forwarders in transport and trade on the EATL routes; and to consider further application of the Geographical Information System (GIS) on EATL routes.

8. The EATL Group of Experts also identified potential cargo for overland (rail) transport between Asia and Europe. This included a group of 'light weight' but higher value products such as cars, automobile components, computers, electronic equipment and parts (television sets, image and sound recording and reproducing equipment), optical and medical equipment, clothes, shoes, sports-related items, as well as food.

9. The Government of the Russian Federation provided financial resources, primarily, to support participation of the national EATL focal points from CIS countries at the EATL sessions. This is considered an essential factor for advancing the work of the Group of Experts. Relatively low participation at the earlier sessions of the EATL Group of Experts slowed the progress of the Group's work. However, activities accelerated and tangible results appeared in the form of documents that would be used as partial inputs in the final Phase III report. Nonetheless, a lack of financial resources hampered the development of the EATL GIS application. The Group of Experts welcomed and accepted the involvement of the 'Scientific and Research Institute of Motor Transport' (NIIAT) from Moscow in the Phase III report. The first draft of the report was presented at the meeting in Yerevan. The EATL Group of Experts gave comments and instructions to the NIIAT regarding the revision of the Phase III report. A revised version of the document is expected at the end of 2016.

10. The Organization for Security and Cooperation in Europe (OSCE) continued its support of the EATL project in the form of providing documents and co-organization of meetings (Dushanbe, Vienna and Yerevan). The Organization for Cooperation between Railways (OSJD) will host the fifteenth session of the EATL Group of Experts on 31 January-1 February 2017 in Warsaw, which confirms a continued interest and international support to the EATL project by pertinent intergovernmental institutions.

11. Latvia took the presidency of the European Union during the first half of 2015. The Government of Latvia increased the profile of transport, especially the EATL dimension during this term, and organized a high level meeting of transport ministers in Riga on 29 and 30 April 2015.

12. As a project that has a long-term forward-looking objective that helps both government planners and transport and trade operators, the EATL shall continue to provide a lasting platform for the coordination of infrastructure-related plans. It will also be of use to the private and public financial institutions (domestic, foreign and international) that are

involved in project financing. This is especially important as there are emerging investment institutions such as the Asian Infrastructure Investment Bank, the New Development Bank and the Eurasian Development Bank. There are also indications that the Shanghai Cooperation Organization may establish an infrastructure investment bank of its own. Hence, there are enduring grounds for the EATL project.

13. Among various Euro-Asian transport-related initiatives, the EATL is the most comprehensive. It may continue to assist in the shaping, coordination and integration of regional infrastructure-development policies and projects; it may help to eliminate infrastructure bottlenecks and missing links; work on transport and trade facilitation through simplification of border-crossing matters and procedures (harmonisation, paperless clearance); visas; raise awareness, spread information and encourage financial institutions to be even more active in the region; promote public-private partnerships; involve the private sector in the policy-shaping procedures; offer an early warning system for both threats and opportunities. It may also continue to serve as a platform to exchange information on administrative regimes and their current and expected changes; encourage the creation of standardised documents and procedures, as well as their shift towards electronic formats; eliminate redundant documents and administrative procedures that may be prone to illicit activities; promote multi-modal transport and logistic hubs; stimulate foreign direct investment; motivate economies of scale in transport; boost supply chains; expand and deepen the GIS and other IT systems to ensure both transparency and fast spread of information and data; and provide studies and training workshops.

14. The informal document under this agenda item contains the draft EATL Phase III report. It is presented to ITC for information about the progress achieved by the EATL Group of Experts. The Group would welcome comments and the guidance by the ITC, which will be valuable in the course of finalizing the Phase III report.

15. The ITC **is invited** to consider the draft EATL Phase III report and to request the final version to be submitted for adoption at its next session in 2018.