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Enhancing transport operational connectivity along international transport routes in SPECA region

(Item 5.3 of the Agenda)

Note by ESCAP/UNECE

ESCAP

1. 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.

2. 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

3. 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.

4. SPECA landlocked developing countries (LLDCs) continue to face challenges in accessing regional and global markets. Despite improvement in the recent years, especially in terms of transport infrastructure development, high transport costs continue undermining the competitiveness of these countries.

5. To support landlocked developing countries in use of new technologies in transit transport facilitation, the secretariat has developed several tools to demonstrate their practical application that includes: a guide on establishing an automated customs transit transport system[1], and the secure cross border transport model. Based on these tools the secretariat has undertaken capacity building workshops in various subregions.

6. Notable among them was a Capacity Building Workshop on application of new technologies in transit facilitation for enhancing transport connectivity of Central Asia that was organized jointly with the Shanghai Cooperation Organization in November 2019 in Tashkent, Uzbekistan. The Workshop reaffirmed the high potential of the use of new technologies such as electronic tracking of vehicles, automatic transit systems in transit transport facilitation to further strengthen transport connectivity in Central Asia. In this regard, it requested the secretariat to develop a guideline on electronic tracking and monitoring of goods and vehicles, capturing latest developments, good practices and providing recommendations for border agencies of the member countries.

7. The secretariat is also currently undertaking a study project on "Strengthening capacity for operationalizing sustainable transport connectivity along the China-Central Asia-West Asia Economic Corridor to achieve the 2030 Agenda" to assess the current operational connectivity along the Corridor and develop policy recommendations to further enhance the use of technology and common monitoring mechanisms in the region.

8. In terms of enhancing operational connectivity along the Asian Highway Network, in line with the Regional Strategic Framework for the Facilitation of International Road Transport, the secretariat completed 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". The goal of the project was to recommend harmonized standards on weights, dimensions and emissions for road freight vehicles along the Network. After data collection and analysis, as well as two dedicated expert meetings, including the regional expert meeting held back to back with the eighth session of the Working Group, the study report was finalized and published.[2] It includes overview of existing applicable standards on weights, dimensions and emissions along the Asian Highway network, as well as recommended

[1] https://www.unescap.org/resources/guide-establishing-automated-customs-transit-transport-system
[2] https://www.unescap.org/resources/strengthening-capacity-escap-member-states-harmonize-standards-weights-dimensions-and

harmonized standards. In addition, the study report offers regional experiences, best practices and recommendations on institutional steps on the implementations of the recommended standards.

9. ESCAP organized the Virtual Expert Group Meeting on Safe and Seamless Transport Connectivity along the Asian Highway Network during and after the COVID-19 Pandemic on 25 June 2020. It discussed the: (i) review the current status of the operational requirements along the Asian Highway network with an emphasis on the ESCAP recent work on supporting further harmonization of the AH operational standards on weights, dimensions and emissions by road vehicles; (ii) discuss the impact of COVID-19 on the road transport operations along the Asian Highway network and beyond; and to (iii) assess the scope for strengthened regional cooperation in response to COVID-19 Pandemic and its aftermath.

10. The secretariat also continues supporting countries in the operationalization of routes along the AH Network. Notably, the secretariat continues supporting the implementation of Intergovernmental Agreement on International Road Transport along the Asian Highway Network. In December 2019, the secretariat helped organized an expert meeting which reviewed the initial period of the Agreement's implementation and discussed the possibility of extending the scope of the Agreement to passenger operations. Likewise, the secretariat provided technical and advisory services to the first meeting of the Joint Committee established under the Inter-governmental Agreement of the Shanghai Cooperation Organization Member States on the Facilitation of International Road Transport.

11. The secretariat also continues to provide support to logistics service providers in Asia and the Pacific. The secretariat, in collaboration with International Federation of Freight Forwarders Associations and national freight forwarders associations, also organizes annual Regional Conference for Logistics Service Providers. Due to COVID-19 context, the 2020 Conference was replaced by supporting dedicated national trainings in selected countries in the region.

12. The use of information and communications technology and digitalization have gained a great momentum in the work related to the Asian Highway Network. The urgency of adopting new technology, especially contactless solutions, was further strengthened by the COVID-19 pandemic, as physical checks and paper-based procedures at border-crossing points and control terminals became associated with the risk of spreading COVID-19. Most of the transport facilitation tools and models, maintained by the secretariat, facilitate the use of new technologies.

13. As the next major step in this area, the secretariat is implementing a project on “Facilitating the deployment of highly and fully automated vehicles in road traffic along the Asian Highway Network” with the objective to develop guidelines on the use of such vehicles along the Asian Highway network. This can bring significant benefits, in terms of fuel consumption, reduced congestion, improved safety and, as currently shown by the pandemic context, the health of road crew and border crossing personnel.

14. When it comes to the international railway transport, the growth of traffic in international freight transport along the corridors of the Trans-Asian Railway network in the recent years and even, during COVID-19 Pandemic, underscored the great benefits of international rail transport, including a higher resilience to pandemics and other disruptions. To further strengthen international railway transport there is imminent need to reduce inordinate border crossing delays through harmonized electronic exchange of information among railways. In addition, developing and implementing smart railway solutions and deepening digitalization in the railways across the region, including SPECA countries, are of great importance.

15. In particular, the issue of electronic exchange of information among railways got a renewed attention from the countries at the Sixth Working Group Meeting of the Trans-Asian Railway network -where it was underscored that scattered initiatives lacking in coherence could potentially undermine seamless flow of information along the railway corridors leading to inordinate delays at the border crossing.

16. Issues related to facilitation of international railway transport have been getting increasing attention from the railways of the region. At its last session, the Committee on Transport took note of the draft framework on enhancing efficiency of railway border crossings along the Trans-Asian Railway network and beyond. The issues identified in the draft framework, namely, (a) electronic information exchange among railways and between railways and control agencies, (b) harmonizing customs formalities for transit by rail, (c) break of gauge and (d) comprehensive indicators to measure performance of railway border crossings.

17. The Joint Virtual Meeting on Challenges and Opportunities for international railway transport along the Trans-Asian Railway network and beyond (7-8 July 2020), organized by the secretariat in cooperation with Organisation for Co-operation Between Railways, reaffirmed the need for a suitable modality on harmonization of electronic information exchange among railways including through considering adding a dedicated annex to the intergovernmental agreement on

Trans-Asian Railway network. The secretariat stands ready to support the parties in this important initiative.

18. Digitalizing railways in the ESCAP region is fraught with multiple challenges such as the digital divide, fragmented levels of development of railways and concerns on data protection and cyber security. Therefore, harnessing the full potential of digitalizing railways of the region require a framework, reflecting among others upon (a) a regional consensus on key areas to be digitalized along with a way forward to scale them up, (b) a plan of action to support railways of landlocked and least developing countries in leapfrogging to digital railways, and (c) a platform to share and learn from experience of digitalizing railways.

19. International railway transport due to its inherent advantages of low costs over long distance is immensely beneficial for the landlocked developing countries. Accordingly, the secretariat, with the financial support of the Islamic Development Bank and in partnership with the Economic Cooperation Organization, is implementing a study project on the commercialization of the railway corridor among Kazakhstan, Turkmenistan and the Islamic Republic of Iran. The project aims to develop a corridor management mechanism to enhance coordination among the railways to support efficient operations along the corridor.

20. At its seventy-fifth session, held in Bangkok in May 2019, the Commission recognized that the Intergovernmental Agreements on the Asian Highway Network, the Trans-Asian Railway Network and Dry Ports were major building blocks for the realization of an international integrated intermodal transport and logistics system in the region and recognized the important role of dry ports in its achievement. Dry ports are key to the efficiency of international transport corridors, acting as points of convergence. Thus, the development and operation of dry ports of international importance, can be more efficiently addressed if considered as an integral part of matters relating to international intermodal transport corridors. The Working Group on Dry Ports at its third meeting in 2019 emphasized the need to include dry port development in the broader context of the international intermodal transport and economic corridors, scaling up the catalytic role of dry ports in the shift to sustainable freight operations.

21. The existing legal frameworks, however, do not reflect developments that have taken place in terms of transport patterns, technology and markets, as presently it consists of several international conventions designed to regulate unimodal carriage, diverse regional/sub-regional agreements, national laws and standard term contracts.

22. The need to upgrade legal frameworks for international multimodal transport operations that would be instrumental in the efficient operation of dry ports and intermodal transport corridors in the region and beyond has been stressed by the by the third meeting of the Working Group on Dry Ports. Based on this request, the secretariat has developed a document proposing several optional approaches on harmonization of the legal framework for multimodal transport which were discussed at an *ad hoc* virtual expert group meeting held on 26-27 August 2020. The expert group considered the proposed options in detail and agreed that all options should remain under consideration for the time-being, pending a detailed comparative analysis of their advantages, disadvantages and specificities, including assessment of the level of commitment needed, time-line for completion and prospects of creating additional fragmentation and/or legal conflicts.

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23. 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.

24. 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. UN transport-related legal instruments offers these indispensable intergovernmental cooperation tools for efficient transport connectivity.

UN legal instruments on border crossing facilitation

25. 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[3], generally known as the "Harmonization Convention" forms one of the most broadly accepted legal foundations of coordinated border

[3] 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.

management. There are 58 Contracting Parties[4] to it, including all SPECA countries except Afghanistan.

26. 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. The Convention now has 76 Contracting Parties, whereas TIR operations can be established with 62 countries.

27. A significant milestone was achieved when, in February 2020, TIR contracting parties approved the legal basis for eTIR in the form of a new Annex 11 to the TIR Convention. In combination with successful eTIR pilots, carried out between Iran (Islamic Republic of) and Turkey, between Azerbaijan and Iran (Islamic Republic of) as well as between Georgia and Turkey which were a first step towards the full computerization of the TIR procedure, the new Annex, which is expected to enter into force on 25 May 2021, brings new impetus to the digitalization of the TIR procedure. As a result of the eTIR pilot projects and of the negotiations on Annex 11, the Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure (GE.1) continued to improve the eTIR specifications, which will ultimately describe all technical details how national ICT customs systems, private sector systems and the eTIR international system will interoperate to ensure a seamless eTIR procedure. Some TIR contracting parties, e.g. at the level of the European Union, have already started considering how to best interconnect their ICT systems with the eTIR international system. Another important step in the course of 2020 has been the conversion of GE.1, as an informal group and working in English only, into the formal Group of Experts on Conceptual and Technical Aspects of Computerization of the TIR Procedure (WP.30/GE.1).

28. Convinced that computerization and digitalization of transport documents brings with it considerable time, cost and efficiency gains, the 76 TIR Contracting Parties, out of which many are LLDC or transit developing countries, have started the eTIR project. Implementation of eTIR

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

by Contracting Parties ensures a secure electronic exchange of TIR transport data between national customs systems and the management by customs of TIR guarantees data. Several eTIR pilots have taken place in recent years and with this in mind, UNECE, UN-OHRLLS, World Customs Organization (WCO) and International Road Transport Union (IRU) joined forces to organize a designated side event on "Modernization of the transit process – opportunities offered by TIR" held in the margins of the High-level Midterm Review Meeting of the Vienna Programme of Action for LLDCs in December 2019. The side-event shed lights on the many opportunities offered to LLDCs by the ongoing TIR digitalization efforts and the transit facilitation tools and initiatives provided by other organizations such as the World Customs Organization (WCO).

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

29. 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 and 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.

30. 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 policymakers 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).

31. In 2019/20 following activities were completed:

- A full set of sustainable inland transport connectivity indicators covering road, rail, IWW and inter-modal transport is available as of June 2019. A SITCIN data collection template model has been produced as well and is available as of November 2019. In the wake of

the COVID-19 outbreak an additional set of indicators has been developed aimed at assisting Governments to assess the degree of their transport systems` preparedness for and resilience to pandemics and international emergency situations across different modes.

- In 2019-20, the project employed a group of eight consultants (one international consultant, and 2 national consultants each in Georgia, Kazakhstan and Serbia respectively).
- Scoping missions have been conducted in Georgia (July 2019), Kazakhstan, Serbia (September 2019) and Jordan (October 2019).
- This has resulted in draft National Connectivity Reports based on implementation of the indicators being prepared by the national consultants in Georgia, Kazakhstan and Serbia and Jordan. In Georgia the NCR has been officially adopted and based on its findings a comprehensive tailor-made capacity building programme will be launched in autumn 2020. By the end of 2020 it is expected that the NCRs in Kazakhstan and Serbia will also be adopted and endorsed by national stakeholders at "virtual" policy dialogue sessions that will be organized.

32. Full background information on SITCIN is available here: https://www.unece.org/trans/main/wp5/special_project_development_of_sustainable_inland_transport_connectivity_indicators.html

United Nations transport-related legal instruments – an efficient tool to improve transport corridors in SPECA region report

33. The "United Nations transport-related legal instruments – an efficient tool to improve transport corridors in SPECA region" is prepared as a report for the SPECA Working Group on Sustainable Transport, Transit and Connectivity and presented during the 2019 SPECA Economic Forum "Connectivity: Sustainable Transport and Trade Facilitation in SPECA Region" held in Ashgabat on 20-21 November 2019. The report has been finalized in December 2019. The study analysed the state of implementation of the most critical conventions and agreements for SPECA countries and provides practical and results oriented policy recommendations for legal framework in inland transport industry. This report identified gaps in the transport-related legal frameworks of the SPECA countries and raised public awareness of the importance of efficient national and international transport connectivity, which promotes economic development in the subregion.

34. The study showed that sophisticated, better-connected inland transport infrastructure and more efficient transport operations can lead to improved transport corridors in the SPECA subregion, which plays a crucial role in their economic and social development. The report highlighted that efficient implementation of UN transport-related conventions and agreements

significantly enhances national legal framework on inland transport, transport safety and security, as well as on facilitation of trade and border crossing.

Strengthening the logistics and transport competitiveness of Kazakhstan and Kyrgyzstan project

35. In 2019 studies on Logistics and Transport Competitiveness in Kazakhstan and in Kyrgyzstan were published. The studies identify the transport infrastructure and services available domestically, review the countries' recent and future transport investments, and sets out recommendations to ensure their transport network is ready to harness the growth in inland transport from rising East-West trade, particularly in the context of the Belt and Road Initiative. The studies present the benefits of adhering to and implementing the full spectrum of UN Transport Conventions and Legal Instruments administered by UNECE, and through their continued participation in UNECE initiatives such as the Euro-Asian Transport Links project. The studies also highlight strengthening the harmonization of legislation as one of the most important conditions for the development of the transport infrastructure domestically and the broader region.

Strengthening the capacity of Central Asian countries to develop sustainable urban mobility policy on car sharing and carpooling initiatives sharing

36. The objective of the project is to strengthen the capacity of Central Asian countries to develop a sustainable urban mobility policy on car sharing and car-pooling initiatives. This study provides a brief history of the emergence and development of shared mobility services, which contribute to a more efficient use of available resources and to achieve a number of UN sustainable development goals. Various forms of shared mobility are increasingly being included in the urban multimodal transport system and impact social and public life of urban residents in the areas of economics, ecology, and safety. This study considers car sharing and carpooling in countries from Western Europe, Asia, and North America and tries to assess the possible development of similar services in Kazakhstan, Kyrgyzstan and Tajikistan. It also offers guidelines and recommendations taking into account the best practices that may facilitate the transition in Central Asia to modern forms of sustainable urban mobility. The project report is published in October 2020.

The Thematic Working Group may wish to:

- Encourage SPECA countries to take further actions to improve operational connectivity along the Asian Highways, Trans-Asian Railways networks and Dry Ports by identifying and eliminating non-physical barriers to land transport;

- Promote the use of digitalization, smart transport solutions and electronic exchange of information for international freight by land transport, including through considering an appropriate arrangement on electronic exchange of information between railways as well as the outcomes of the project on facilitating the deployment of highly and fully automated vehicles in road traffic along the Asian Highway Network;

- Take note and encourage countries to use the studies developed by the ESCAP Secretariat to foster international land transport in the ESCAP region and to pursue greater harmonization of standards on weights, dimensions and emissions for road freight vehicles with due regards to the results of the ESCAP's work in this area and supporting further implementation of intergovernmental agreements operationalizing Asian Highway routes;

- Encourage SPECA countries for strengthening regional cooperation on intermodal transport corridors and development of legal frameworks for intermodal (multimodal) transport operations.

- Take note and encourage countries to use the frameworks and tools developed by ESCAP, including the framework on enhancing the efficiency of railway border crossings along the Trans-Asian Railway network and beyond;

- Support and encourage SPECA countries to actively participate in border crossing facilitation activities, particularly by engaging actively in the TIR computerization process and support the implementation of the 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;