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Item 4 (a) of the provisional agenda

**Euro-Asian Transport Links: Progress of Euro-Asian
Transport Links (EATL) work****Report on the progress of Euro-Asian Transport Links
(EATL) work****Note by the secretariat**

1. The Inland Transport Committee (ITC) at its seventieth session (19–21 February 2008) agreed to establish a Group of Experts on Euro-Asian Transport Links, adopted its terms of reference and asked that the results of the Group be reported to the United Nations Economic Commission for Europe (UNECE) Working Party on Transport Trends and Economics and to the ITC (ECE/TRANS/200, para. 30, and its Annex III, para. 8). During ITC's seventy-second session on 23–25 February 2010, the Committee approved the extension of the mandate of the EATL Group of Experts by two years until February 2012. This decision was endorsed at the Meeting of the Executive Committee on 31 March 2010. The following report is a partial fulfilment of the reporting requirement requested by the ITC.

I. Euro-Asian Transport Links

2. In 2000 and 2002, the UNECE extended its European Agreement on Main International Traffic Arteries (AGR) and its European Agreement on Main International Railway Lines (AGC) (road and rail) infrastructure network agreements to include transport infrastructure in the Caucasus and Central Asia. These international agreements do not set priorities nor do they posit deadlines to meet the AGR/AGC standards. In addition, the governments in the region have generally lacked sufficient funds to upgrade and/or maintain transport infrastructure. As a result of these two factors, the Euro-Asian inland transport links remain relatively undeveloped and underutilized.

3. At the same time, to promote the development of Euro-Asian transport links, the UNECE and the United Nations Economic and Social Commission for Asia and the Pacific

(UNESCAP) created and adopted a Common ECE/ESCAP Strategic Vision for Euro-Asian Transport Links. This document took into account the findings of the Second International Euro-Asian Conference on Transport (St. Petersburg, Russian Federation, 2001) and was the seminal step in the preparations of the two regional commissions to develop Euro-Asian transport links.

II. Euro-Asian Transport Links Project – Phase I

4. In 2003, with funds from a United Nations Development Account Project, the UNECE and UNESCAP secretariats with designated national focal points from 18 countries in the Euro-Asian region began to promote the framework of the Euro-Asian Transport Linkages Project (EATL). The following countries participated: Afghanistan, Armenia, Azerbaijan, Belarus, Bulgaria, China, Georgia, Iran (Islamic Republic of), Kazakhstan, Kyrgyzstan, Republic of Moldova, Romania, Russian Federation, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan.

5. In the four Expert Group Meetings that took place in Almaty, Kazakhstan (March 2004), Odessa, Ukraine (November 2004), Istanbul, Turkey (June 2005), and Thessaloniki, Greece (November 2006), government representatives from these countries identified the main Euro-Asian rail, road and inland waterway routes to be considered for priority development, and the main transshipment points along these routes. Country experts also provided data for the creation of a Geographic Information System (GIS) database and related maps. This included data on technical characteristics and performances of main rail, road and inland water transport infrastructure, borders crossing points, ferryboat links, intermodal terminals and ports along the Euro-Asian routes. This work has been made available to participating countries and constitutes a basic tool for future efforts aimed at developing efficient, safe and secure Euro-Asian transport links.

6. These government representatives have also agreed on a common methodology, similar to that used in the United Nations Trans-European Motorway (TEM) and Trans-European Railway (TER) projects' Master Plan, for the evaluation and prioritization of projects along the selected routes. On the basis of this methodology and national proposals submitted by 15 countries, 230 transport investment projects, of an estimated total cost of over US\$ 43 billion, have been evaluated and prioritized. About one-half of the projects have secured financing and are likely to be implemented in the medium term.

7. Non-physical obstacles, which constitute a major barrier to Euro-Asian transport, have also been addressed. Capacity-building national workshops on facilitation of international transport and trade were organized in the framework of the EATL project in six participating countries: Azerbaijan (May 2006), Belarus (May 2007), Georgia (May 2006), Kyrgyzstan (December 2006), Republic of Moldova (November 2007) and Ukraine (December 2007). Workshop participants included government officials and business sector representatives from the beneficiary countries.

8. A study, elaborated and published by UNECE and UNESCAP, describes the routes and projects that have been identified and considers the status and problems of international transport along the Euro-Asian land bridge. It shows that a successful development of the EATL network depends on intergovernmental cooperation that is necessary to address technical and operational issues as well as non-physical obstacles to efficient transit and

border clearance. The study also presents specific recommendations on infrastructure development, facilitation and policy.¹

9. Government representatives have identified priority areas for future work, including: monitoring of implementation of the identified priority projects; removing non-physical obstacles to transit transport; improving the performance of border-crossing facilities; promoting harmonization of transport legislation; and promoting best practices and sharing of know-how.

10. During the seventieth session of the ITC, Ministers of Transport and high-level officials from countries in the Euro-Asian region, signed a Joint Statement on Future Development of the EATL Project. The statement has confirmed the need for continued cooperation, endorsed the identified Euro-Asian routes and their priority developments and supported the establishment of an adequate mechanism to continue the development of EATL links. The high-level officials also invited governments, international organizations and potential donors to consider providing the needed financial assistance to ensure implementation of the EATL Project Phase II (2008–2011).²

III. Euro-Asian Transport links Project – Phase II

11. In 2006, the ITC had asked the secretariat to present, together with ESCAP, a joint proposal that would ensure the continuation of the project in a new Phase II. In early 2008, UNECE began establishing an institutional structure to make further EATL work possible. At its seventieth session, ITC agreed to establish a Group of Experts on Euro-Asian Transport Links and adopted its terms of reference. The primary objective of the Expert Group was to ensure monitoring and coordination of the activities related to developing efficient, safe and secure Euro-Asian inland transport links. Its duration was set for two years with a possibility of further extension. During ITC's seventy-second session on 23–25 February 2010, the Committee approved the extension of the mandate of the EATL Group of Experts by two years until February 2012. This decision was endorsed at the Meeting of the Executive Committee on 31 March 2010. The UNECE invited governments to nominate National Focal Points who would actively contribute to the work of the EATL Group of Experts and the EATL Phase II. Related international organizations and international financial institutions were also invited to take an active role in the work. In response, twenty-seven governments have nominated national EATL focal points (Armenia, Afghanistan, Azerbaijan, Belarus, Bulgaria, China, Finland, Georgia, Germany, Greece, Iran (Islamic Republic of), Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Luxemburg, Republic of Moldova, Mongolia, Pakistan, Romania, Russian Federation, Tajikistan, the former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine and Uzbekistan).

12. Five Expert Group meetings have been organized under EATL Phase II so far. The UNECE hosted the three of them in Geneva, in September 2008, 2009 and 2010. Two more meetings of the group were organized, one in Istanbul, in November 2009, hosted by the Ministry of Transport and Communications of Turkey and the Organization of the Black Sea Economic Cooperation Organization (BSEC) and one in Tashkent, in November 2010, in cooperation with the Ministry of Foreign Economic Relations, Investments and Trade of Uzbekistan and in partnership with the Organization for Security and Co-operation in Europe (OSCE). Moreover, one subregional workshop was also organized under EATL project in Tehran, in May 2009, together with the Economic Cooperation Organization

¹ The English and Russian versions of the study are available free of charge at the UNECE website: www.unece.org/trans/main/eatl/in_house_study.pdf.

² See www.unece.org/trans/MinisterialITC70/index.html.

(ECO) and two interregional workshops on developing Euro-Asian transport links were also organized, one in Istanbul, in November 2009, back-to-back with the third meeting of the group, and one in Turkmenbashi (Turkmenistan), in November 2010 in partnership with the Government of Turkmenistan and with generous support of the OSCE field office in Ashgabat and the OSCE secretariat in Vienna.

13. During these meetings, National Focal Points from twenty-seven participating countries put together the basis for the development of the EATL Phase II. Government experts agreed on the specific tasks and expected accomplishments of the project; on the strengths, weaknesses, opportunities and threats (SWOT) to the Euro-Asian Transport Links; on the basic data that need to be further collected and processed; and on the basic methodological aspects of the work. They have also agreed on the studies to be elaborated with the support of external consultants and country inputs, related to the transport flows and statistics, the comparison of inland transport options with those of existing maritime and on the analysis of non-physical obstacles to international transport along the EATL routes. Questionnaires have been developed for some of the above studies and were sent out to participating countries.

14. Moreover, during the workshops experts from participating governments and international organizations discussed on the most recent developments on transport infrastructure and facilitation in ECO, BSEC and Central Asian regions and on specific projects. In addition they reviewed related national experiences along the Euro-Asian Links and dealt with other issues of implementation of various tasks under the projects. Holding these events in partnership with ECO, BSEC and OSCE offered the opportunity to explore further interaction and synergy.

15. Most important achievements, findings and conclusions of the EATL Expert Group work developed so far include:

(a) The SWOT Analysis, which provided useful information in identifying the strong and weak points of the EATL inland transport connection, their existing potential for further development and their potential threats. SWOT Analysis has confirmed the need for enhanced coordination and cooperation among all countries, aimed at a coordinated development of priority transport infrastructure, as well as on intensive efforts for transport and transit facilitation. It made it clear that the real development potential of EATL lies upon their capacity to become parts of the main supply chains, functioning complementarily among various transport modes focusing on the end-to-end transportation cost-and-time efficiency and reliability and on urgent facilitation and cost/time-reducing transportation measures;

(b) The study on transport statistics, flows and trends has shown that trade growth between Europe and Asia had accelerated rapidly. Apart from trade along the Europe-Asia corridors, trade among Asian countries themselves is also beginning to develop. Maritime transport, the dominant transport mode for Euro-Asian trade, is increasingly concentrated in a small number of maritime hubs in both Europe and Asia. This has considerable implications for port operations and brings out hinterland challenges such as congestion, safety and security;

(c) The review carried out to assess the status of the implementation of priority infrastructure projects identified under EATL Phase I, showed that 54 per cent of projects have been completed according to schedule, and that 23 per cent of projects, that had longer implementation time-frame, are now part of EATL Phase II;

(d) The EATL priority routes (road, rail and inland water transport), as well as EATL ports, transshipment points and terminals identified among eighteen countries under the Phase I for development and cooperation, have been extended to include the nine newly

involved countries (Finland, Germany, Greece, Latvia, Lithuania, Luxemburg, Mongolia, Pakistan and the former Yugoslav Republic of Macedonia);

(e) EATL countries proposed a total number of 404 infrastructure projects of total cost amounting to approximately US\$ 246 billion. Out of these, 287 projects are along identified EATL Phase II routes of total cost amounting to approximately US\$ 189 billion. The remaining 117 projects are of national importance with a total value of approximately US\$ 57 billion. From the 287 EATL projects 141 are road projects (49 per cent), with an estimated value of US\$ 109 billion, representing 58 per cent of the total investment cost, 109 are railway projects (38 per cent), with an estimated value of US\$ 59 billion, representing 31 per cent of the total investment cost, 37 are other projects (13 per cent), with an estimated value of US\$ 20 billion, representing 11 per cent of the total investment cost. The percentage of secured funding for the total number of EATL Projects is 33 per cent. This demonstrates once more the importance of prioritization. All countries have huge investment needs and are competing for scarce resources;

(f) The comparison study of existing Euro-Asian maritime routes with selected rail routes provided impressive results. In five out of the nine scenarios considered, rail transport performs better than maritime for both the cost and time. In all nine scenarios, rail transport performs better than maritime concerning the travelling time. Therefore, successful and competitive rail services along the Euro-Asian transport links is not a myth or a long distant future option. The study showed that competitive Euro-Asian rail transport, and its combination with that of maritime and road transport, is feasible and competitive;

(g) The collection and processing of a huge volume of GIS data has been finalized and a set of important new GIS maps have been prepared for the EATL region as well as for each country involved. A consultant studied various technical options for presenting EATL transport data and maps on the internet using Geographic Information System (GIS) technology and already presented to the expert group an impressive demonstration of such an application. We will soon be in the position to see the online EATL GIS application offered free-access to all internet users;

(h) The analytical work on non-physical obstacles to transport along the Euro-Asian Transport routes is ongoing and soon we will be in a position to see the results. One thousand questionnaires have been sent to EATL road, rail and combined transport operators, supply chains managers, forwarders and important shippers seeking their inputs on existing problems and potential solutions along the EATL routes used.

16. The sixth meeting of the EATL Group of Experts will take place from 5 to 7 July 2011 in Almaty (Kazakhstan), and is jointly organized and sponsored by the government of Kazakhstan and the OSCE Centre in Astana and the OSCE secretariat in Vienna, whilst the seventh meeting of the group will be hosted by the Ministry of Transport of the Russian Federation in October 2011, in Astrakhan (Russian Federation). Both meetings are expected to consider and approve the project findings and results and discuss the project's future.

17. The first draft detailed report of the group containing most parts of the finding of the EATL Phase II is ready. Its compete and approved version would be ready before the end of this year and will be submitted to the Inland Transport Committee for its consideration, at its seventy-fourth session, in February 2012.

18. Since 2008, the EATL Phase II has been funded by the Government of the Russian Federation. Without this funding, it would have been impossible to achieve any progress. In its recent official communication to UNECE, the Government of the Russian Federation has confirmed its readiness to continue funding of the projects beyond 2010.

IV. Conclusions

19. Globalization has led to significant increases in trade and transport between Asia and Europe. While most of the traffic has used – increasingly congested – maritime routes, further development of efficient and integrated inland transport routes would provide credible and competitive additional transport options. Once established, these routes could become an effective tool for economic development and integration of the Euro-Asian region, including facilitating greater participation in the globalization process by Central Asia's landlocked countries.

20. International cooperation under EATL Project promoted by the UNECE and UNESCAP has produced tangible results. These results have been considered as a solid basis for continued cooperation for the development of Euro-Asian transport linkages. The EATL work is being continued through the activities of an ad hoc Group of Experts on EATL established by UNECE. The Group is implementing a well-focused workplan, including studies and analyses, promoting transport infrastructure and facilitation initiatives and actions, organizing meetings and capacity building events. Tangible results have been produced by the group, which will present its final report before the end of this year.

21. Notwithstanding the value of the results achieved, there are also many challenges ahead. The work done so far has made it clear that the real development potential of EATL inland transport connections lies upon their capacity to become parts of the main EATL supply chains, functioning complementarily among various transport modes, focusing on efficiency and reliability and on urgent facilitation and cost/time-reducing transportation measures and reforms that need to be undertaken in the EATL transitions economies involved. It is important to stress that EATL countries, particularly EATL landlocked developing countries, depend on each other. A weak part or missing link in one country can render a whole EATL route economically unviable for international transport.

22. It is, therefore, evident that developing Euro-Asian inland transport links would be a long-term undertaking, requiring a great deal of effort and perseverance, and enhanced coordination and cooperation among all countries along the EATL.

V. Recommendations

23. The strategic objectives and conclusions highlighted above clearly indicate the critical importance attached to the further development of Euro-Asian transport links. After four years of uninterrupted joint work of ECE and the Governments of 27 participating countries, as well as previous joint work of ECE and ESCAP from 2002–2007 there is still a lot of unfinished work. More importantly, the sustainable development of transport links and priority projects identified in the Phase II, would be seriously impaired if the climate created around the project and the momentum established among participating member States during the Phase II is not sustained. It is therefore clear that there is considerable merit in continuing the work in a new Phase III.

24. In order to enhance prospects for the continuation of the project and related activities in future, as well as to continue implementing concrete results achieved so far, the political will and the commitment from participating Governments, international financial institutions, relevant international organizations and the private sector, as appropriate, are of a crucial importance.

25. With a view to ensuring the necessary political commitment from all involved parties, it appears that a strong impetus for the continuation of the project might be most effectively obtained through a meeting of Ministers of Transport of the countries concerned. At this meeting, Ministers or high-ranking officials from participating EATL

and other ECE member States and from other interested ESCAP member States could pledge their commitment and support for the continuation of the project. By endorsing priority links and projects and supporting the continuation of the work of the UNECE Expert Group in a new EATL Phase III that would ensure continued monitoring and follow-up of the work, the Ministers would, in the most visible way, reaffirm their support and commitment to the project by signing a possible joint statement pledging endorsement of the future development of Euro-Asian transport links.

26. Such a Ministerial Meeting may be hosted in 2012 by one of the EATL member countries that would be ready to support it.
