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

21st Session
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Ashgabat, Turkmenistan

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

(Item 4.4 of the Agenda)

Note by ECE/ESCAP

ECE 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 of the SPECA member countries are landlocked with divergent economic development.
2. Within the SPECA framework, ESCAP and the ECE 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 legal instruments administered by ECE, as well as ECE 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 legal instruments, several are aimed at the simplification and harmonization of procedures at border crossings and few are most prominent, broadly used in the SPECA region. For example, the International Convention on the Harmonization of Frontier Controls of Goods¹, generally known as the “Harmonization Convention” forms one of the most broadly accepted legal foundations of coordinated border management. There are 55 Contracting Parties to it, including all SPECA countries except Afghanistan. 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, a new Annex 9 on rail border crossings to the Harmonization Convention, which introduced key principles for the facilitation of border crossing procedures for international rail freight entered into force. Since that time, the Working Party on Rail Transport (SC.2), in cooperation with the Working Party on Customs Questions affecting Transport (WP.30), has undertaken the development of possible mechanisms for monitoring its implementation at the national level. Furthermore, in 2013, the SC.2 secretariat prepared a questionnaire on ways to monitor the implementation of the provisions in the new Annex 9. The questionnaire was distributed to all Contracting Parties and, on the basis of received replies; the secretariat prepared an analysis of preliminary results, presented to SC.2 at its sixty-eighth session on 24-26 November 2014 (ECE/TRANS/SC.2/2013/6). The analysis of the responses of, by that time, twenty-seven Contracting Parties to the Harmonization Convention was also presented to WP.30 in 2015 and demonstrated that:

(a) in principle, the procedures of Annex 9 on the facilitation of border crossings had been implemented in member States;

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_2015.html. Please refer to document ECE/TRANS/2015/17.

(b) the measures taken included the technological reinforcement of railway border stations (installation of information technology systems and means of communication, devices, etc.) and improvement of infrastructure in order to ensure that capacity in stations corresponds to traffic volumes;

(c) bilateral negotiations and signing of bilateral agreements with the aim of minimizing delays of passenger and freight trains had increased; and,

(d) control of transit goods was conducted only when justified by prevailing circumstances.

7. On the basis of the above, SC.2 developed an action plan to follow-up on the results of the survey, which, among others, focused on the possible steps and actions to be taken by Contracting Parties, the secretariat and other stakeholders such as the Organization of Cooperation between Railways (OSJD) and the Intergovernmental Organization for International Carriage by Rail (OTIF). These include 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

8. In November 2014 in accordance with Annex 8 of the Harmonization Convention, the secretariat launched an online survey concerning the implementation of Annex 8 on road border crossings at the national level. The preliminary analysis of the received answers shows that Contracting Parties are successfully implementing Annex 8, in particular: facilitation of visa issuance; provision of information to all parties involved in transport operations: creating priority to urgent consignments (perishable goods and live animals); and improving infrastructure at border crossing points. At the same time there are number of areas where further actions might be required: transfer of control procedures from the border crossings to places of departure and destination of goods; low level of participation in the Agreement Concerning the Adoption of Uniform Conditions for Periodical Technical Inspections of Wheeled Vehicles and the Reciprocal Recognition of such Inspections (1997) and restricted application of International Vehicle Weight Certificates.

9. It should be noted that on 30 September 2014, the first International Vehicle Weight Certificate (IVWC) under Annex 8 to the Harmonization Convention was issued in the Republic of Moldova. Georgia and Ukraine were the first countries to accept the IVWC.

10. In 2016, the Working Party on Customs Questions affecting Transport (WP.30), embarked on the development of a new Annex 10 to the Harmonization Convention, to address

facilitation of maritime port procedures. WP.30 has reviewed a preliminary draft at its 143rd session (June 2016) and, following a round of comments, will be reviewing an amended draft in forthcoming sessions.

Development of a new Convention on rail border crossings for passengers and their luggage

11. WP.30, with the active participation of various stakeholders (such as OSJD), has been discussing, over the course of 2016, a new draft Convention on the facilitation of border crossing procedures for passengers, luggage and load–luggage carried in international traffic by rail, as prepared by an informal group. The meetings of the informal group were organized at the initiative of OSJD and under the aegis of UNECE. The main outcome of these meetings was the first draft of a new Convention, which was presented to WP.30 in October 2015 (see ECE/TRANS/WP.30/2015/22). The draft Convention is not exclusively a customs convention but a comprehensive legal instrument that should accommodate all types of border controls related to the international movement of passengers and their baggage that can be made by border control agencies, including border police. WP.30 has also conducted a comparative study to assess the level of necessity of this Convention, in view of the fact that the 1952 Convention on the same issue is considered outdated. It is expected that WP.30 will finalize its discussions on this new draft Convention in forthcoming sessions. It should be noted that the draft Convention is of particular interest for OSJD member countries.

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

12. 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.

13. It should be noted that, since the previous report, the TIR Convention has acquired two new Contracting States namely the Islamic Republic of Pakistan, for which the TIR Convention

formally entered into force of 5 January 2015 and the People's Republic of China, which deposited its instrument of accession on 5 July 2016, meaning that the TIR Convention will enter into force for China on 5 January 2017. This development is expected to open new efficient and faster transport opportunities and transport routes between China and Europe, of particular relevance also for SPECA countries.

14. The intergovernmental process towards the computerization of the TIR procedure (eTIR), has gained momentum. In Geneva, TIR Contracting Parties, including SPECA countries, have concluded the work on the technical and conceptual aspects of eTIR and have, since November 2015, established a dedicated expert body to work on developing the appropriate legal framework for computerization. At the same time, two eTIR pilot projects were launched to demonstrate the feasibility and identify any potential problems.

15. The status of the work on developing the eTIR legal framework is as follows:

- i. The Group of Experts of Legal Aspects of Computerization of the TIR procedure (GE.2) has decided to conduct a survey on electronic methods of authentication, including electronic signatures;
- ii. The Group has also concluded that it would be necessary to identify the potential financing mechanisms as a matter of priority and, to this end, decided to develop a substantiated document that would eventually be transmitted for further consideration to the competent TIR intergovernmental bodies;
- iii. GE.2 concluded that the eTIR Reference Model should be kept as a separate document with a relevant technical body to update, amend and maintain it with an established simplified procedure.
- iv. Finally, GE.2 reviewed the possible formats of the eTIR legal framework and weighed the advantages and disadvantages of each option. In order to make progress, the main outcome of its second session was that GE.2 requested secretariat to prepare draft legal texts for both formats under discussion, in order to start concretely developing the legal framework at the next session. The detailed report of the session is available as ECE/TRANS/WP.30/GE.2/4.

16. With reference to the eTIR pilot projects, a first pilot project was conducted between Iran (Islamic Republic of) and Turkey:

- (a) Since November 2015 to date, as part of the first phase, more than thirty-five pilot transports have been successfully conducted between Izmir, Sahlan and Teheran;

(b) The light weight version of the eTIR international system, hosted at the UNOG data centre, is functioning and successfully receiving data from the IRU system. The data stored in the eTIR international system can also be securely accessed by the two customs administrations;

(c) In the course of August 2016, parties will start the second phase of the Pilot Project.

17. A second eTIR pilot project was also started between Georgia and Turkey. On 26 January 2016, at the occasion of the 2016 International Customs Day, held under the slogan “Digital Customs: Progressive Engagement”, Mr. Nodar Khaduri, Minister of Finance of Georgia, and Mr. Bülent Tüfenkci, Minister of Customs and Trade of the Republic of Turkey, had signed a Protocol on electronic data exchange in the framework of a joint eTIR Pilot Project. This pilot was partially funded by the United Nations Development Account (UNDA) project: “Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration”. The UNDA funding allowed for the development of a Central Exchange Platform (CEP) which allows both countries to securely exchange data electronically and provided technical assistance to Georgia to connect its ICT system with the CEP.

ESCAP activities on cross-border transport facilitation

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

19. Asia-Pacific has made efforts to strengthen transport connectivity in the region for many decades by improving both the transport infrastructure and transport facilitation. Despite significant progress made, the region still has a long way to go in realizing seamless regional infrastructure and operational transport connectivity.

20. ESCAP Transport Division organized a National Workshop on Facilitation of Border Crossing in International Transport at the request of the State Customs Committee (SCC) of Azerbaijan during 10-11 November 2015 in Baku, Azerbaijan and made presentations on the ESCAP transport facilitation models, ESCAP Regional Cooperation Framework for Facilitation of International Railway Transport and on comparative studies on subregional agreements at the workshop. The workshop was attended by representatives from the customs, border guards and immigration and from Baku International Airport. The objectives of the national workshop were to (a) familiarize the key stakeholders in Azerbaijan, in particular customs officials, with ESCAP tools and recommendations and their potential to address the pressing concerns of border

agencies especially customs authorities while facilitating trade and transport; (b) discuss main challenges in cross-border and transit transport for Azerbaijan; and (c) explore possible application of ESCAP transport facilitation models to increase the efficiency of cross-border and transit transport across Azerbaijan. The workshop enhanced understanding of the participants regarding ESCAP tools and recommendations to facilitate cross border and transit transport. The customs officials of Azerbaijan requested ESCAP's assistance in facilitating study tours to selected sea ports and land border crossings to enhance their understanding of best practices and use of new technologies in facilitation at the sea ports and border crossings.

21. The Policy Dialogue on Strengthening Transport Connectivity in Southern and Central Asia was organized on 20-21 December 2015 in Tehran, Islamic Republic of Iran jointly by ESCAP Transport Division and ESCAP Subregional Office for South and South-West Asia. The Dialogue was initiated in 2013 to engage policy makers and key stakeholders in the subregion and sensitize them about lost economic opportunities due to inadequate transport connectivity. About 100 participants from Azerbaijan, Bangladesh, Bhutan, India, Islamic Republic of Iran, Kyrgyzstan, Myanmar, Nepal, Pakistan, Tajikistan, Turkey and Uzbekistan shared experience on measures to enhance transport connectivity and explored ways to apply a set of transport facilitation tools developed by ESCAP. The policy dialogue reaffirmed that a master plan approach is the most suitable to enhance transport connectivity within the subregion as well as with other subregions. Participants reiterated the importance of railway transport in promoting sustainable transport and expressed the view that ESCAP was best able to coordinate concrete and time-bound measures towards the development of a Master Plan on Transport Connectivity, in consultation with member States.

22. The 2nd meeting of CAREC Railway Working Group was convened in Bangkok, on 18-19 April 2016 to discuss the draft CAREC Railway Strategy and short-term and medium-term actions for the development of railways in the ESCAP member countries participating in the CAREC Programme. The meeting was co-organized by ESCAP and ADB. ESCAP Transport Division shared the Regional Cooperation Framework for the Facilitation of International Railway Transport and experience on the development of railway transport in the region through presentations and participating in discussions. The meeting approved the overall direction taken in the draft Strategy and showcased the example of cooperation among the two organizations.

23. ESCAP and World Bank jointly organized a Workshop on Legal Instruments for Subregional Connectivity on 5 and 6 May 2016 in Bangkok to provide a platform for discussing ways for building more efficient legal regime to facilitate cross-border and transit transport in the subregion including Pakistan, Tajikistan and beyond. The Workshop elaborated on current issues and challenges related to cross-border transport and transit, on difficulties in the implementation of existing legal instruments, and analyzed possible solutions and approaches. The participants were also familiarized with existing multilateral agreements relevant to the (sub)region as well as with draft model subregional and bilateral agreements. The Workshop agreed that comprehensive, yet clear and simple legal framework was essential in creating the enabling environment for the seamless movement of goods and people across borders. The Workshop proposed a number of options for further consideration, consequently or in parallel, by the Governments as ways forward towards improving transport operational connectivity.

Regional Strategic Framework for the Facilitation of International Road Transport

24. 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.

25. 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.

26. 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

27. 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.

28. 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

29. 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 four 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 four 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.

Secure Cross-Border Transport Model²

30. The Secure Cross-Border Transport Model 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.

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

31. 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.

*Efficient Cross-Border Transport Models*³

32. The Efficient Cross-Border Transport Models 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.

33. 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.

*Model on Integrated Control at Border Crossing*⁴

34. The Model on Integrated Control at Border Crossing 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.

35. 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.

*Time/Cost-Distance Methodology*⁵

36. The Time/Cost-Distance Methodology is based on the graphical representation of data collected with respect to the cost and time associated with the transport process. The

3. Available at <http://www.unescap.org/resources/efficient-cross-border-transport-models>

4. Available at <http://www.unescap.org/resources/model-integrated-controls-border-crossings>

5. Available at <http://www.unescap.org/resources/timecost-distance-methodology>

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 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.

Draft Model Bilateral Agreement on International Road Transport

37. A model bilateral agreement on international road transport has been elaborated on the basis of comparative studies of the existing bilateral agreements concluded between the countries of Asia and the Pacific region.

38. The countries of the ESCAP region use quite different approaches to regulate international road transport operations, especially in respect of traffic rights. The level of their liberalization ranges from limiting the geographical scope to routes in border areas only to granting right of undertaking international road transport operations throughout the territory of a given country without permits.

39. In long-term perspective, liberalization of international road transport operations and abolishment of transport permits should be considered as a target to follow. However, it may take a long period of time before all countries of the region could accept such approach, hence the secretariat proposed three options for the model bilateral agreement on international road transport. These three options can also be used as suggested steps for a gradual opening of international transport markets between the parties concerned.

- The first option of the model agreement is addressed to countries which currently are not prepared to grant general access to their territories for international road transport operations and still prefer limiting their scope to designated routes and border crossings. This option of the model agreement also provides for permits for most types of transport operations.
- The second option of the model agreement has no reference to designated routes and border crossings, but provides for permits with quotas in respect of most types of international transport operations. This approach is also very common in the region.

- The third option of the model agreement provides for permit-free legal regime for occasional transport of passengers and for bilateral and transit transport of goods. The permits are kept only for regular transport of passengers and for third-country transport of goods. A number of countries of the region currently follow similar approach in their bilateral agreements on international road transport.

40. Other provisions of the proposed model agreement are kept uniform to the possible extent to provide the countries with reference guide that could be followed during negotiations on bilateral agreements or amendments to them.

41. ESCAP organized the Regional Meeting on Harmonization of Legal Instruments and Documentation for Cross-border and Transit Transport by Road from 25 to 26 May 2016. in Dushanbe, Tajikistan where participants from 17 countries reviewed and finalized the draft Model Bilateral Agreement on International Road Transport and proposed to submit it for adoption at the Ministerial Conference on Transport to be held in the fourth quarter of 2016.

Draft Model Subregional Agreement

42. Asia and the Pacific region is wide and diverse, includes subregions with different geographic, economical historical and ethno-cultural background, a number of frameworks of subregional bodies, entities, initiatives serving for subregional cooperation and integration if their member States. Development of subregional cooperation includes improvement of transport connectivity within the subregions and subregional organizations create their own legal instruments to facilitate transport operations within the particular block in the form of subregional agreements on transport (SRAs). SRAs are different in structure and in nature.

43. The proposed Model Subregional Agreement can be applied for drafting and negotiating new subregional agreements and for planning amendments to existing agreements. The model covers all major issues which should be reflected in a subregional agreement and serves as a useful tool for the establishment of legal regime favorable for development of international transport throughout the region, gradual harmonization towards a regional transport facilitation agreement and as a template to follow while negotiating subregional agreements.

44. A Regional Meeting held in Bangkok on 16-17 December 2015 discussed the draft Model Subregional Agreement on Transport Facilitation and proposed to submit it for adoption at the Ministerial Conference on Transport to be held in the fourth quarter of 2016.

The Thematic Working Group may wish to:

- Support and encourage Member countries to actively participate in the abovementioned activities of the ECE secretariat, as far as border crossing facilitation is concerned;
- Invite SPECA countries to think about introducing new technologies in the implementation of the UN Conventions by joining those electronically processed (Additional Protocol to CMR (e-CMR), e-TIR);
- 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.