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Group of Experts on Euro-Asian Transport Links

Fourteenth session

Yerevan, 26 and 27 October 2016

Report of the Group of Experts on Euro-Asian Transport Links on its fourteenth session

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I. Attendance

1. The Group of Experts on Euro-Asia Transport Links (EATL) held its fourteenth session on 26 and 27 October 2016 in Yerevan. Representatives of the following member States of the United Nations Economic Commission for Europe participated: Armenia, Greece, Islamic Republic of Iran, Poland, Russian Federation and the former Yugoslav Republic of Macedonia.
2. The following intergovernmental organizations were represented: Organization for Security and Cooperation in Europe (OSCE) and Organization for Cooperation between Railways (OSJD).
3. At the invitation of the secretariat the Russian Railways, Coordinating Council on Trans-Siberian Transport (CCTT), PLASKE and consultants from Greece and Singapore also attended the meeting.

II. Adoption of the agenda (agenda item 1)

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4. This meeting of the Group of Experts was hosted by OSCE.
5. Mr. A. Zakaryan, Chair of the Standing Committee on Foreign Relations of the National Assembly of the Republic of Armenia, welcomed the meeting and mentioned the importance of EATL for landlocked countries and wished it a successful work.
6. Mr. A. Arakelyan, First Deputy Minister of Transport, Communication and Information Technologies of the Republic of Armenia, welcomed the meeting, expressed his appreciation of the work by the EATL Group of Experts and Armenian interest in the EATL Phase III results.
7. Mr. D. Gullette (OSCE), welcomed the meeting as a continuous joint work and cooperation with UNECE on projects that have impact on economic development and social stability.
8. Ms. Z. Bektepova (Office of the Coordinator of OSCE Economic and Environmental Activities), noted that transport issues remain high on the agenda of OSCE. She pointed out that promoting economic connectivity, through strengthening trade, transport and customs cooperation among countries, has been one of the central themes of the German OSCE Chairmanship during 2016. Ms. Bektepova underlined that, in accordance with its mandate, OSCE will continue promoting the ratification and implementation of relevant international conventions and legal instruments aimed at addressing administrative and regulatory barriers to transport and trade in the region. The OSCE Border Management Staff College in Dushanbe was mentioned as an excellent platform for such capacity-building efforts.
9. Mr. J. Kleniewski (Poland), expressed the continuous support to the EATL programme.
10. Mr. M. Kopevski (the former Yugoslav Republic of Macedonia), supported the EATL programme, especially as it is relevant for the landlocked countries.
11. The EATL Group of Experts (GE) elected Ms. Alevtina Kirillova (Russian Federation) as the Chair of the GE. Ms. Kirillova accepted the chairmanship of the EATL GE and expressed continued support by the Russian Federation to the EATL project.
12. The Group of Experts adopted the agenda.

III. Identification of cargo flows on the Euro-Asian transport links (agenda item 2)

13. Ms. P. Moraiti (National Technical University, Athens) briefed the GE about the principal results of EATL Phase II. This created basis for the next EATL phase.

14. Following the conclusions of EATL Phase I report, as well as the establishment of the GE on Euro-Asian Transport Links in 2008, the EATL Phase II report was carried out between 2008 and 2013, with the final report endorsed by the second EATL ministerial meeting in February 2013. Twenty-seven countries took part in the second phase. The study constituted a long collaborative effort among UNECE, the participating member Countries through their appointed National Focal Points (NFP) and a group of external consultants.

15. The main outputs of Phase II were: (i) the identification of nine Road and nine Rail Priority EATL Routes, together with related nodal infrastructure (inland ports, key container depots, intermodal terminals, seaports), and (ii) the development of the New Infrastructure Investment Plan as a short, medium and long term investment strategy through the prioritization of 311 projects identified along the Priority EATL Routes.

16. The study included also the development of several other supporting tasks and parallel streams of analyses, namely the analysis of Euro-Asian transport flows and trends; a comparison of selected rail routes with existing Euro-Asian maritime routes; the identification of non-physical obstacles; a Strength-Weaknesses-Opportunities-Threats (SWOT) Analysis of EATL Land Links; an overview of transport infrastructure network networks and initiatives linking Europe and Asia and the drafting of Country Reports. Another key output was the set up and launch of a comprehensive Geographic Information System (GIS) database. Finally, recommendations were put forward structured around three key strategic areas of action, i.e infrastructure, policy and facilitation laying the groundwork for the continuation of the EATL project, and stipulating the needs and issues that could potentially be addressed in the subsequent third phase.

17. The EATL Phase III has successfully built on and updated/elaborated further a number of the above analyses. Regarding the priority infrastructure projects and the Phase II investment plan, considerable time has lapsed since 2013, however, one idea to complement the Phase III report would be to identify any persisting bottlenecks and examine whether these are addressed by any ongoing and planned projects. Moreover, Phase III identified certain infrastructure/border crossing issues on an EATL route level. Since there are several merits to adopting a corridor/route approach, another suggestion is to develop an action plan for each specific EATL route along with proposed measures to alleviate both physical and administrative/operational bottlenecks. With regard to the latter, there is an imperative need for “quick wins”/soft measures that require the cooperation, willingness and support from high-level decision makers. One of the most pragmatic and effective solutions is to share experiences and implement internationally recognized best practices.

18. Mr. S. Theofanis (Rutgers University, New Jersey, United States of America) introduced the GE to various aspects of the “One Belt, One Road” plan and compared it with maritime transport between China and Europe. A relatively low oil price does not provide commercial grounds any more for “slow steaming” in maritime transport which is superior (cost-wise) to the overland transport of containers and bulk cargo. Still, rail transport is faster than maritime which faster frees resources that are tied in cargo during transport.

19. Mr. R. de Souza (The Logistic Institute of the National University of Singapore) shared his Asian experience in supply chains and risk management. The EATL draft report is in his opinion a great step forward in seeding and catalyzing the overall improvement of

transport and logistics services that could reduce time and costs to transport operators and traders and ultimately to end consumers. In a world threatened by severe disruptions, natural or otherwise, it is wise to include a discussion on risk management and its categorisation based on the frequency of occurrence and consequence – a low probability, high impact risk is called a disruption. Disruptions are unplanned and unanticipated events that may severely disrupt the planned flow of goods that traverse infrastructural and modal links within and across borders in EATL. A previously functional (integrated) infrastructure may not be fully bolstered leading to one or more stakeholder's capacity losses within EATL. Worse still, such disruptions may propagate through tightly connected infrastructure or inter or multi modal networks. A consideration of risk events, possible disruption profiles and mitigating alternative routes or mode in the decay and recovery phases would perhaps augur well for inclusion in future studies. The Logistics Institute – Asia Pacific at the National University of Singapore, is pursuing studies in time-cost-disruption modelling and analysis and looks to contributing and collaborating in this and future EATL sessions and studies.

20. The GE welcomed the involvement of the Scientific and Research Institute of Motor Transport – (NIIAT) from Moscow in the EATL project. It also appreciated the first version of the EATL Phase III report presented by Mr. A. Zaboev.

21. The GE provided comments on the first version of the Phase III report about both substance and style. Comments on substance included comparison of overland-maritime transport, i.e. inclusion of new starting-ending points (Yiwu-Warsaw, China-Groningen, China-Munich, Duisburg,...); cost-related impact of differences in technical (gauges) and legal obstacles in Euro-Asian overland transport; impact on landlocked countries; and risk management. As for the style, the NIIAT will follow the United Nations style and provide the secretariat with the best possible maps and other non-text inserts in the report that will be suitable for publication.

22. The NIIAT shall provide the EATL GE with the revised Phase III report by the end of 2016.

23. The GE decided to present the new version of the EATL Phase III report to the seventieth session of the Inland Transport Committee as an informal document for information.

IV. Facilitating the coordination of integrated time schedules and tariffs on the Euro-Asian transport links (agenda item 3)

24. Ms. Z. Aspeyeva (OSJD) continued to support the EATL project and briefed the meeting on new developments in the OSJD. The GE also appreciated the OSJD “List of Container Trains and Combined Transport on the Railways of OSJD Member Countries”

25. Mr. G. Bessonov (Coordinating Council on Trans-Siberian Transport – CCTT) informed the delegates about the CCTT activities, especially about new opportunities that will arise in the near future when the regional governments in China cease subsidising railways. It is expected that the increase in cost of rail transport in China would shift more cargo towards Russian rail services. Cost of transport of a 20 feet container costs United States dollars 0.14 per kilometre in the Russian Federation.

26. Ms. R. Dranchenko (Russian Railways) provided information on the volume of cargo transportation for 2015 and for eight months of 2016 along the Trans-Siberian Railway; on the reconstruction and modernisation of the Baikal-Amur and Trans-Siberian railways, including funding; as well as investment projects for developing terminal and warehouse infrastructure of "Russian Railways" until 2018.

V. Identification of needs and requirements of producers, shippers, traders and freight forwarders in transport and trade on the EATL routes (agenda item 4)

27. The GE welcomed updated information, presented by Mr. V. Lugovets (PLASKE) and expressed appreciation of continued support of the EATL by PLASKE.

VI. Information from participants on recent developments in transport infrastructure priority projects on the EATL routes (agenda item 5)

28. Mr. M. Kharimsizadeh (Islamic Republic of Iran), informed GE about the importance of EATL for his country and on ongoing investment in infrastructure relevant for EATL. He emphasised the geographical importance the Islamic Republic of Iran in the region, as well as its role in the EATL project. He informed the meeting about the most important measures which have been taken in recent years. In particular:

- Gazvin-Rasht-Astara railway project (330 km), one of the main routes in the framework of EATL and North-South Corridor, is under construction. The Gazvin-Rasht segment with the length of 164 km is under construction and almost completed in full. It is expected that this portion will be completed by the end of 2017. The Rasht-Astara 164 km long segment, is another portion of the same railway route for which a foreign partner is sought. The total transit capacity of this route is 10 million ton annually.
- Amirabad port on the Caspian Sea is the third generation of ports. The port is completed and provides services to customers. It is connected with the rail network of the country and links, in particular, Bandar Abbas port.
- Imam Khomeini port-Bazargan (border with Turkey) - Caucasus, as part of the North-South corridor is one of the priorities for the transport infrastructure development in the country. The upgrading of the rail and road projects along with this route is being considered. This route is one of the main routes of the Persian Gulf-Black Sea Corridor Agreement which has recently been finalised among Armenia, Azerbaijan, Bulgaria, Georgia, Greece and Iran, Islamic Republic of.

29. As for the Silk Road corridor, Mr. Kharimsizadeh provided a comprehensive explanation about the measures which have been taken for implementing the relevant segments of this corridor. He indicated three scenarios for connecting Europe to China as follows:

- China – Kyrgyzstan – Tajikistan – Afghanistan - Islamic Republic of Iran - towards Europe (rail and road corridor)
- China - Kazakhstan-Uzbekistan - Turkmenistan - Islamic Republic of Iran - towards Europe (rail corridor)
- China (ports in the east) - Persian Gulf - Islamic Republic of Iran - Black Sea Basin countries - Europe (multimodal transit corridor)

30. Ms. Z. Bektepova (Office of the Coordinator of OSCE Economic and Environmental Activities), briefed the group on two OSCE supported capacity-building activities that were held earlier this year. In June, in Dushanbe, the OSCE Economic and Environmental Activities and the UNECE Trade Division co-organized a Regional Trade Facilitation and Border Management Workshop. At the event, experts provided guidance to Governments

on how to simplify procedures for international trade and harmonise and automate customs clearance, transit, import and export procedures. Ms. Bektepova also mentioned a regional workshop on Enhancing Trade Facilitation through the improvement of regional transit which was held in September 2016 in Astana jointly with the World Customs Organization (WCO). At this workshop, experts and business representatives discussed available tools to improve the transit transport potential of the Central Asia region and exchanged views on challenges related to the implementation of the WTO Trade Facilitation Agreement.

31. Mr. M. Kopevski (the former Yugoslav Republic of Macedonia), updated the GE on the most recent infrastructure-related developments in his country.

32. Mr. J. Kleniewski (Poland), spoke about the “Via Carpatia International Transport Corridor”. Via Carpatia is the conventional name of the transport corridor linking Central European and Baltic countries with the countries of Southern Europe and Central Asia or - from another point of view - the corridor connecting Baltic, Black and Mediterranean sea ports. Up to now (2016), this corridor runs through Lithuania-Poland, Slovakia-Hungary-Ukraine-Romania-Bulgaria-Greece-Turkey. Via Carpatia is the concept by Poland initially addressed to Lithuania, Slovakia and Hungary, as well as the Czech Republic - in an observatory role. The corridor was established in 2006 during first international conference. At that time the Łańcut Declaration was signed. In 2010, during second international conference, Romania, Bulgaria and Greece joined the Declaration. On 3 March 2016 the third conference was held in Warsaw. The declaration was signed also by Turkey and Ukraine and the corridor was redefined - the corridor core and its branches were established. The Declaration is open towards other countries. Talks took place with Belarus in October 2016. The idea behind the corridor is to follow up the existing and established network of Euro-Asian transport network. The corridor will support the development of economic and social relations among the countries, including land-locked and less developed ones, bridge the continents, include involved participants into the main stream of international trade and utilise their development potential. The first stage of the corridor will be based on the road network, with the foreseen option of expanding it into rail and air networks.

33. Mr. K. Jeyranyan (Armenia) presented the major infrastructure programme (North-South Road Corridor Investment Programme) relevant for EATL in his country, as well as financial backing, connections and importance of infrastructure connections with neighbouring and European countries.

VII. Geographical Information System (agenda item 6)

Documentation: ECE/TRANS/WP.5/GE.2/2014/1

34. The Group recalled the previous meetings and noted a lack of progress in the Geographical Information System (GIS), principally due to a lack of financial resources. None the less, the Group will continue to explore ways to continue with this important tool. Commercial enterprises willing to be involved in GIS would be welcome. Accumulated experience and contacts established by OSJD in this area of work are welcome in the EATL project.

35. The Group decided to keep this item on the agenda for its next session.

VIII. Other business (agenda item 7)

36. The Group of Experts noted with renewed interest the Vienna Programme of Action (VPoA) (2014) for Landlocked Developing Countries. The duration of this programme is ten years. Transport and border-crossing linkages are at the heart of VPoA and there is an obligation to introduce those matters in the activities of the Group. The Group concluded that all EATL activities are directly linked with the general agenda of VPoA.

37. Mr. Jovanovic invited the delegates to the seventieth session of Inland Transport Committee (ITC) (21-24 February 2017) that will take place in Geneva.

38. The EATL GE expressed its gratitude to the Government of Armenia and to the OSCE for hosting the fourteenth session of the EATL GE. It also decided to welcome and support involvement of international organisations and other stakeholders in the EATL project.

39. Mr. Miroslav Jovanovic (UNECE), secretary of the EATL, informed the GE about his retirement from the United Nations in January 2017 after twenty-seven years of United Nations service.

IX. Date of next meeting (agenda item 8)

40. The EATL GE welcomed the invitation by the OSJD to host the fifteenth session of GE in Warsaw. The GE requested the secretariat to explore the possibility with the OSJD to hold this session at the end of January or beginning of February 2017. It also requested the secretariat to keep the GE informed about the date of its next session.

X. Summary of decisions (agenda item 9)

41. In accordance with the established practice, the Group of Experts adopted a list of decisions and asked the secretariat to prepare a report on the outcome of the session:

Decisions:

1. The NIIAT shall revise the Phase III draft report by the end of 2016. The secretariat shall send the revised version of the EATL Phase III report to the GE and the ITC as soon as it is ready.

2. Secretariat to approach the OSJD in order to organise the fifteenth session of the GE and to inform the GE on the date(s).

3. EATL GE and the secretariat to explore the way to continue the EATL project in the future, i.e. in the post 2018 period when the final Phase III report is presented to the ITC in 2018. One avenue may be to have stronger synergies with the Trans-European Railways (TER) project.
