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EURO ASIAN TRANSPORT LINKS

#### Note by the secretariat

The Working Party (WP.5) at its eleventh session, discussed <u>inter alia</u> the question of Euro-Asian transport links (TRANS/WP.5/24, paras. 54-60). In order to identify more detailed objectives for the development of efficient Euro-Asian transport links, the Working Party decided to establish an informal ad hoc meeting, to consider a work plan for the development of Euro-Asian transport links, and asked the ECE secretariat to prepare this note, which identifies the problems encountered on Euro-Asian transport connections (TRANS/WP.5/24, para. 58 and 60).

Please note that the distribution of documentation for the Working Party on Transport Trends and Economics (WP.5) is no longer "restricted". Accordingly, the secretariat has adopted a new numbering system whereby all working documents other than Reports and Agendas will be numbered as follows: TRANS/WP.5/year/serial number. Reports, Agendas, resolutions and major publications will retain their previous numbering system (i.e. TRANS/WP.5/21).

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# EURO-ASIAN TRANSPORT CONNECTIONS A PRELIMINARY REVIEW OF EXISTING PROBLEMS

#### 1. Objectives

The Working Party on Transport Trends and Economics, at its eleventh session, held in Geneva in September 1998, discussed <u>inter alia</u> the question of Euro-Asian Transport Links, and requested the UN/ECE secretariat, in cooperation with the ESCAP Secretariat, to prepare a note identifying the problems encountered on Euro-Asian transport connections bearing in mind the extension of international road, rail and combined transport networks (AGR, AGC and AGTC) to ECE member countries in Central Asia and the Caucasus. The note should also include information currently available on the subject, including the conclusions of technical and economic studies prepared by Governments and International Organizations (TRANS/WP.5/24, par.60).

This note is intended to provide a first basis for the work to be undertaken by WP.5 and to be followed up by an informal *ad hoc* joint meeting.

#### 2. Background information

#### Recent International Conferences and Declarations

Following the interest of the countries concerned, a number of international resolutions and declarations have been developed in recent years. Not surprisingly, in all of them the improvement of Euro-Asian links is seen as a key lever to economic development strategies. ESCAP and ECE are therefore requested to work together in this field:

- New Delhi Declaration on Infrastructure Development in Asia and the Pacific, adopted at the Ministerial Conference on Infrastructure held in October 1996. Through the adoption of the Declaration, the Conference also launched the New Delhi Action Plan on Infrastructure Development in Asia and the Pacific and further approved the operational set of 64 projects for phase I (1997-2001) of the Regional Action Programme for implementation of the New Delhi Action Plan., including the ALTID1/project.
- At the Tashkent Declaration (26 March 1998), the Central Asian Republics express their intention to adopt the Un Special Programme for the Economies of Central Asia (SPECA). The development of transport infrastructure and simplification of procedures for the movement of goods, services and people across borders is one of the 4 areas of cooperation.

<sup>1/</sup> Asian Land Transport Infrastructure Development.

- The ECO Transit Transport Framework Agreement was signed in Tashkent on 9 May 1998. Its objectives include: to facilitate the movement of passengers and goods and ensure their safety, in transit and through the respective territories of the Contracting Parties. The agreement was drafted with the assistance of UNCTAD.
- The International Euro-Asian Conference on Transport (12-13 May 1998, St. Petersburg) identified the main Euro-Asian routes, and recommended to use as a basis the extension of the international UN/ECE transport infrastructure networks to the Caucasus and the Central Asian Regions as well as the routes identified in the UN/ESCAP's ALTID project. The need to improve operational efficiency (border crossing facilitation, logistics, etc) was stressed. It also requested ECE and ESCAP to continue their efforts in standardizing transport statistics and harmonizing statistical questionnaires.
- The II International Conference Transeurasia-98 (Almaty, 19-20 May 1998) invited the UN ESCAP, ECE, EC, ECO, and OSZhD to jointly consider issues of linking Pan-European Transport Corridors with the Northern, Central and Southern Corridors of the Trans-Asian Railway. It also recommended that States situated along these corridors introduce compatible systems of tracking wagon/freight movement, giving high priority to upgrading traffic control along transport routes. International organizations (ECE, ESCAP, OSZhD, ECO, EC) were also requested to develop a common approach in code naming of the transcontinental corridors.
- The Declaration of the International Conference on the Restoration of the Historic Silk Route (Baku, 7-8 September, 1998) (Baku Declaration) states the progress made in the development of the TRACECA route since its launching in 1993, welcome the signing of the Basic Agreement2/.

#### Existing studies

A number of studies on Euro-Asian links have been made. Most of them have been conducted by ESCAP and the EU's TACIS programme. A full list of the studies identified thus far is attached in the annex.

Since 1992, ESCAP has been developing its ALTID project, which includes the Asian Highway and the Trans-Asian Railway projects. In this context, a study was completed in 1996 for the identification of land routes for container transport between Europe and Central Asia3/. It was felt that this study should be completed in the future with another one giving practical guidance for the development of cost-effective services to a variety of destinations in Europe.

The European Union has developed a number of studies in the framework of the TACIS-financed TRACECA4/ project. The most recent and comprehensive EU's study on the topic seems to be the *Comparative Study of Surface Transport Routes between Europe and Asia*, completed in 1998. This study analyses in

 $<sup>\</sup>underline{2}/$  Basic Multilateral Agreement on International Transport for Development of the Europe-Caucasus-Asia Corridor.

<sup>3/</sup> Study on Asia-Europe Land Transport Corridor.

detail trade flows between Europe, CARs and the Far East, describes the condition of the different routes and recommends to focus future efforts in the improvement of the links between the EU and CARs, and discourages from expecting much from an inland link to the Far East.

OSZhD developed in 1997 A Coordinated Plan for the Development of Combined Transport Services and Infrastructure on the Basis of International Performance Parameters and Standards, with the stated objective to create a unified European-Asian transport system. An Agreement on Organization and Operating Aspects of Combined Transport between Europe and Asia was signed in 1997 in Tashkent by 10 member countries. This plan could serve as a basis for the extension of the European Agreements AGC and AGTC to Asia.

#### 3. Euro-Asian links: key issues

A number of different objectives are usually mentioned to justify the strategic importance of improving the existing Euro-Asian links:

- The development of transport networks in the Central Asia region.
- The extension of the European transport networks towards the East of the Russian Federation, and the Caucasus and Central Asian Republics.
- The improvement of accessibility of the Central Asian landlocked States.
- The development of inland routes for Far East-Western Europe traffic, as an alternative to existing maritime routes.

Due to the specific conditions of the inland transport networks in the countries concerned, there seems to be a broad consensus in giving priority to railways and to combined transport. The standards of the railway network inherited from the Soviet Union are comparatively much higher than those of the roads. Long travelling distances and hard weather conditions also favour rail transport. However, current conditions are far from satisfactory: the infrastructure has been deteriorating due to poor maintenance and, in some cases, to destruction during armed conflicts; stopping times at the borders are long and uncertain; railway operations are far from efficient... Any attempts to improve transport connections in the area should therefore be the result of a comprehensive strategy including:

- bilateral and multilateral transit facilitation agreeements, including the simplification of border-crossing procedures;
- development of transport laws and policies based on common principles and standards;
- updating of existing institutional and regulatory frameworks, including the reform of railway undertakings;
- development of commercially-oriented door-to-door railway transport services;
- infrastructure development, including the reconstruction of key sections, the development of maintenance programmes, construction/improvement of combined transport facilities, etc;
- security issues.

<sup>4/</sup> Transport Corridor Europe Caucasus Asia.

#### 4. Suggested approach

Following the suggestions of the different Conferences, ECE and ESCAP could develop a joint programme, with consideration, *inter alia*, of the following items:

#### Objectives of the programme

The programme could be seen as a means to developing an integrated vision of the Asia/Europe transport system. Its objectives would be the formulation and formalization of that transport system, as well as the improvement of its operational efficiency.

#### Scope and contents

The development of such a programme will significantly benefit from findings made in previous studies. In this sense, it could be useful to focus on the most promising transport modes and routes and on the removal of the more significant barriers for their development. Tentatively:

- The analysis could be initially focused on railway and combined transport of goods, and be circumscribed to the most relevant routes (TSR, TAR and TRACECA), thus covering those countries members of both Regional Commissions.
- The following items could be developed. Thanks to the studies already conducted, a good deal of information is available in most of them.
  - a. Network definition. The potential of the alternative routes has been fully explored in the above-mentioned reports. The selected routes could be formally agreed upon by including them in the relevant ECE and ESCAP networks.
  - b. Network formalisation. The definition of the network should be formalised by the extension of AGC and AGTC agreements to the Caucasus and Central Asian Regions with the accession of the countries concerned to those agreements.
  - c. Data collection (on the agreed network): standardization of transport statistics and harmonization of statistical questionnaires.
  - d. Traffic forecasts.
  - e. Identification of existing barriers and potential for improvement in the following fields:
    - i. Regulatory framework.
    - ii. Reform of railway undertakings.
    - iii. Infrastructure needs.
    - iv. Security issues.
  - f. Accession by the countries concerned to the relevant international conventions, and eventually, development of new international agreements.

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# <u>Annex</u>

ESCAP Studies	<del>miner</del>
ST/ESCAP/1636	Railway Break-of-Gauge Problem and Possible Solutions in the ESCAP Region
ST/ESCAP/1663	Trans-Asian Railway Route Requirements: Feasibility Study on connecting Rail Networks of China, Kazakhstan, Mongolia, the Russian Federation and the Korean peninsula
ST/ESCAP/1679	Trans-Asian Railway Route Requirements: Development of the Trans-Asian Railway in the Indo-China and ASEAN Subregion
ST/ESCAP/1681	Trans-Asian Railway Route Rquirements: Preliminary Study on Development of TAR in the Southern Corridor of Asia-Europe Routes
ST/ESCAP/1442	Asian Highway Network Development (Project: A study for the development of the Asian Highway network)
ST/ESCAP/1697	Asian Highway Network Development in the Asian Republics
ST/ESCAP/1560	Land Transport Linkages from Central Asia to Sea ports in the South and the East
ST/ESCAP/1848	Land Transport Corridors between Central Asia and Europe, 1997
ST/ESCAP/1829	Joint ESCAP-Japan Symposium on AH Development
E/ESCAP/CTC(3)2	Major Issues in Transport and Communications: Asian Land Transport Infrastructure Development: Refinement of the Strategy for Implementation of the ALTID Project

# TRACECA Studies

Transport Legal and Regulatory Framework Project
Regional Traffic Forecasting Models
Intermodal Transport
TRACECA Trade Facilitation.
Joint Venture for the Trans-Caucasian Railways.
Central Asian Railways Restructuring and Telecommunications Studies.
Restructuring of the Azeri and Georgian Railways.

# EC Study

Comparative Study of Surface Transport Routes between Europe and Asia. Final Report, February, 1998.

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