
Economic and Social Commission for Asia and the Pacific
Working Group on the Asian Highway

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Policies and issues related to the operationalization of the Asian Highway network

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Note by the secretariat

Summary

Together with building road transport infrastructure, regional operational transport connectivity remains a long-term task for the Asian Highway member countries. In this regard, member countries of the Economic and Social Commission for Asia and the Pacific adopted the Regional Strategic Framework for the Facilitation of International Road Transport in 2012, which identified six fundamental issues, suggested seven modalities and provided common targets for regional harmonization of legal instruments, cross-border documents and formalities, operational standards and facilitation measures. Additionally, the Commission at its seventy-third session, in May 2017, recognized the Intergovernmental Agreement on International Road Transport along the Asian Highway Network as an important initiative to operationalize the Asian Highway network, and adopted resolution 73/4, which encourages all parties to the Intergovernmental Agreement on the Asian Highway Network to consider acceding to the Intergovernmental Agreement on International Road Transport along the Asian Highway Network. In addition to the above, in order to address numerous challenges that the road sector is currently encountering, member countries need strong intergovernmental support at the international level. In this regard, member countries may consider the establishment of an international road organization to make the road sector a key vehicle for sustainable development.

I. Introduction

1. The Economic and Social Commission for Asia and the Pacific (ESCAP) has played a major role in bringing about a new approach by member States to include an international dimension in the planning of their transport infrastructure. This joint effort has led to the successful definition and formalization of the Asian Highway and Trans-Asian Railway networks, as well as the identification of a set of dry ports of international importance to facilitate the operationalization of the two networks and their integration with other modes.

* E/ESCAP/AHWG(7)/L.1.

2. The Ministerial Conference on Transport at its third session, held in Moscow in December 2016, stressed the key role of transport in implementing the 2030 Agenda for Sustainable Development in light of its particular functions to provide people, industry and agriculture with access to economic and social opportunities and combat climate change. It considered transport as an enabler to achieve the Sustainable Development Goals and, in that regard, reiterated the importance of integrated intermodal transport systems for achieving sustainable transport connectivity in the region.

3. The Conference also noted with satisfaction that many member countries had accorded priority to the development of the Asian Highway network, the Trans-Asian Railway network and the network of dry ports to improve national and regional connectivity. It also acknowledged the ongoing work of the secretariat in the fields of standard-setting and promoting innovative new technologies for further development of the Asian Highway network, the Trans-Asian Railway network and the network of dry ports of international importance.

4. Among the three networks indicated above, the Asian Highway network was the first to be adopted by member countries in 2003. Moreover, the entry into force of the Intergovernmental Agreement on the Asian Highway Network¹ in 2005 demonstrated the willingness of member countries in the region to work for coordinated development of road transport. Since then, Asian Highway member countries and their development partners have been making sustained efforts to upgrade the routes of the network. Simultaneously, there have been initiatives towards strengthening interoperability in all its dimensions (legal, technical and operational) for seamless road transport connectivity along the Asian Highway routes.

5. Despite the steady progress achieved during the last two decades, the region still has a long way to go in realizing seamless regional road transport connectivity along the Asian Highway routes. Meanwhile, the demand for transport in the region has grown rapidly due to high economic growth in many countries during the last two decades, a trend that is likely to continue. However, this has occurred while the adverse impact of climate change and the role of road transport in aggravating it have become a matter of concern for the international community. These challenges therefore provide an opportunity for the Asian Highway member countries to take proactive policy measures towards further operationalization of the Asian Highway network.

6. The present document describes key issues in operationalizing the Asian Highway network to provide seamless operational transport connectivity across the region and beyond. It reiterates the importance of eliminating non-physical barriers for efficient and seamless road transport connectivity along the Asian Highway routes.

II. Decisions and recommendations of legislative bodies

7. Since the Intergovernmental Agreement on the Asian Highway Network entered into force on 4 July 2005, the Asian Highway network and issues related to its development and operationalization have continued to be accorded high priority at high-level legislative meetings.

¹ United Nations, *Treaty Series*, vol. 2323, No. 41607.

8. The most recent legislative meetings have included the seventy-second session of the Commission (Bangkok, 15–19 May 2016), the third session of the Ministerial Conference on Transport (Moscow, 5–9 December 2016) and the seventy-third session of the Commission (Bangkok, 15–19 May 2017). These meetings highlighted the key role of the Asian Highway in promoting regional integration and acknowledged the progress made by member countries in developing and operationalizing the network. Relevant excerpts from the reports of these legislative meetings are contained in the annex to the present document.

III. Issues related to the operationalization of the Asian Highway network

A. Status of implementation of the Regional Strategic Framework for the Facilitation of International Road Transport

9. The Asian Highway member countries have made efforts to strengthen road transport connectivity by improving their road infrastructure as well as implementing road transport facilitation measures. Despite some progress, the operationalization of the Asian Highway network remains a challenge for these countries. The region's fragmented approach, particularly for cross-border and transit road transport facilitation, has resulted in a lack of transport connectivity along the Asian Highway routes.

10. Given the dynamic nature of globalization and the emergence of new challenges for border agencies (such as those related to security), the facilitation of international road transport is a long-term endeavour for the Asian Highway member countries, and they will need to make coherent, consistent and tenacious efforts to find the optimal balance between transport facilitation and control and regulatory measures.

11. In this regard, ESCAP member countries adopted the Regional Strategic Framework for the Facilitation of International Road Transport² in 2012, which identified six fundamental issues and suggested seven modalities and long-term targets to support the facilitation of international road transport.

12. The six fundamental issues concern the following: (a) road transport permits and traffic rights; (b) visas for professional drivers and crews of road vehicles; (c) temporary importation of road vehicles; (d) insurance of vehicles; (e) vehicle weights and dimensions; and (f) vehicle registration and inspection certificates. The seven modalities are: (a) building of an effective legal regime; (b) wider applications of new technologies; (c) development of professional training for international road transport; (d) establishment/strengthening of national facilitation coordination mechanisms; (e) promotion of joint control at border crossings; (f) promotion of economic zones at border crossings, dry ports and logistics centres; and (g) further application of facilitation tools.

13. To support countries in implementing the modalities and attain the targets included in the Regional Strategic Framework or deriving from it, the secretariat developed eight mutually complementary transport facilitation models to address the operational challenges of regional transport connectivity. The eight transport facilitation models are: (a) the Secure Cross-Border

² Commission resolution 68/4, annex, appendix II.

Transport Model,³ which demonstrates the use of new technologies in transport facilitation; (b) the Efficient Cross-Border Transport Models,⁴ which address developments in trucking industry practices that allow the tractor and trailer to be swapped to deal with non-physical barriers; (c) the Model on Integrated Controls at Border Crossings,⁵ which provides for streamlining the flow of information from various agencies at the border to avoid duplications; (d) the Time/Cost–Distance Methodology,⁶ which provides a diagnostic tool and a method of monitoring the performance of transport corridors; (e) the Model Bilateral Agreement on International Road Transport,⁷ which proposes ways to harmonize the provisions of existing bilateral agreements which ESCAP member countries could follow in the future while negotiating new bilateral agreements or amending the existing ones; (f) the Model Subregional Agreement on Transport Facilitation,⁸ which proposes a structure and a brief description of the main elements and specific substantive issues that would be covered by a subregional agreement; (g) the Model Multilateral Permit for International Road Transport,⁹ which can be used as an individual tool in implementing existing agreements or included in future agreements on international road transport; and (h) the Standard Model of Logistics Information Systems,¹⁰ which provides a comprehensive list of relevant technical standards, proposes common technical standards for the establishment of logistics information systems that would enhance operational connectivity across the ESCAP region, and outlines practical guidance in the overall architecture of logistics information systems.

14. A series of national and multi-country workshops were organized, upon request by members and associate members of ESCAP, to support them in implementing these models. The workshops enhanced the knowledge and skills of officials involved in cross-border and transit transport on available tools to address challenges in transport facilitation.

15. In South Asia, Bangladesh, Bhutan, India and Nepal signed a motor vehicle agreement in June 2015. Once in force, this agreement will open a number of routes for international road transport in South Asia.

16. The Agreement of the Shanghai Cooperation Organization Member States on Facilitation of International Road Transport entered into force in January 2017. This agreement promotes regional and subregional connectivity and integration among Shanghai Cooperation Organization member countries. Since its initiation in 2004, the secretariat has supported the negotiations for the agreement through technical and financial assistance, relevant research and the drafting of the agreement and its annexes.

³ See www.unescap.org/resources/secure-cross-border-transport-model.

⁴ See www.unescap.org/resources/efficient-cross-border-transport-models.

⁵ See www.unescap.org/resources/model-integrated-controls-border-crossings.

⁶ See www.unescap.org/resources/timecost-distance-methodology.

⁷ See www.unescap.org/resources/model-bilateral-agreement-international-road-transport.

⁸ See www.unescap.org/resources/model-subregional-agreement-transport-facilitation.

⁹ See www.unescap.org/resources/model-multilateral-permit-international-road-transport.

¹⁰ See www.unescap.org/resources/standard-model-logistics-information-system.

17. The Regional Action Programme for Sustainable Transport Connectivity in Asia and the Pacific, phase I (2017–2021) — contained in annex I to the Ministerial Declaration on Sustainable Transport Connectivity in Asia and the Pacific, which was adopted by the Ministerial Conference on Transport at its third session and endorsed by the Commission in its resolution 73/4 — includes a thematic area on regional transport operational connectivity. One of the immediate objectives under this area is to strengthen transport facilitation measures, including harmonization of technical and operational standards, regulations and practices, understanding and use of new technologies, and implementation of tools and frameworks.

B. Implementation of the Intergovernmental Agreement on International Road Transport along the Asian Highway Network

18. Member countries have made efforts to open more international routes on the Asian Highway network. In particular, the Governments of China, Mongolia and the Russian Federation signed the Intergovernmental Agreement on International Road Transport along the Asian Highway Network on 8 December 2016 in Moscow, during the third session of the Ministerial Conference on Transport.

19. In signing this Intergovernmental Agreement, each country agreed to give the other two countries traffic rights for international road transport operation on the parts of Asian Highway routes AH3 and AH4 that connect their respective territories. To demonstrate the benefits of the initiative, in August 2016 the transport ministries of the three countries concerned organized a pilot run of a nine-truck caravan that travelled 2,150 km in seven days from the Chinese port of Tianjin to Ulaanbaatar in Mongolia and continued to Ulan-Ude in the Russian Federation.

20. Through the Agreement, the three States parties have opened up Asian Highway route AH3 from Ulan-Ude in the Russian Federation to Tianjin port in China, via Ulaanbaatar and Beijing, and Asian Highway route AH4 from Novosibirsk in the Russian Federation to Honqiraf at the Chinese border with Pakistan, via Urumqi and Kashi in China, constituting the first substantive achievement of the new trilateral economic cooperation between the three countries.

21. The Commission at its seventy-third session, held from 15 to 19 May 2017, recognized this Agreement as an important initiative to operationalize the Asian Highway network and adopted resolution 73/4, in which it encouraged all parties to the Intergovernmental Agreement on the Asian Highway Network to consider accession to the Intergovernmental Agreement on International Road Transport along the Asian Highway Network and requested the Executive Secretary to continue to support its implementation.

22. Following that resolution, on 27 June 2017 the secretariat sent a letter to the Governments of ESCAP member countries that are parties to the Intergovernmental Agreement on the Asian Highway Network inviting them to consider accession to the Intergovernmental Agreement on International Road Transport along the Asian Highway Network. As of 27 September 2017, the relevant internal procedures had been completed in the Russian Federation, in January 2017; and the required internal procedures were in progress and estimated to be completed before the end of 2017 in China and Mongolia. On 10 October 2017, the Government of Viet Nam expressed its interest in acceding and its readiness to implement the required procedures.

23. In accordance with its article 16, the Intergovernmental Agreement on International Road Transport along the Asian Highway Network will enter into force on the date that the last written notification of the completion by signatories of the required internal procedures is dispatched through diplomatic channels.

C. The road sector and the 2030 Agenda for Sustainable Development

24. The road sector around the world is facing overwhelming challenges under the sustainable development agenda.

25. **Energy consumption and greenhouse gas emissions.** Road transport consumes 77 per cent of total energy used by the entire transport sector and is responsible for 75 per cent of total carbon dioxide emissions by the transport sector.¹¹ The road sector needs to pay greater attention to achieving the Sustainable Development Goals, as it has lower fuel efficiency and higher emissions per tonne-kilometre of travel in comparison with other modes of transport.

26. **Road safety.** Globally, road crashes killed 1.25 million people in 2013.¹² With the current trend, at least 24 Asian Highway member countries will miss the global goal to halve road fatalities and injuries by 2020.

27. **Security.** While transport is an enabler of economic activity, it also is a vector for most of the transnational crimes that lead to security concerns for countries. These persistent challenges include theft and pilferage of goods, human and drug trafficking, and smuggling of contraband including arms and ammunition. In addition, international terrorist groups increasingly use road vehicles to kill innocent people. Almost all of these threats are perpetrated using road transport of one form or another.

28. **Smart roads and vehicles.** The increasing number of vehicles on the roads has led to the deployment of intelligent transport systems for better management of them. Many variations of these advanced systems have been seen in the member countries; for example, the deployment of electronic toll collection and real-time traffic monitoring systems. Moreover, self-driving vehicles are being tested on roads, but corresponding infrastructure and legal frameworks have not been prepared. Intelligent transport systems are a way forward to deal with many of the challenges in the road sector.

29. **Internationalization.** Hundreds of bilateral and multilateral agreements have been signed by countries to open borders and domestic roads for international transport. Cross-border transport by road has been developed from the intercountry to the inter-subregional and interregional levels (such as Eurasian transport). The International Transport Forum

¹¹ Organization for Economic Cooperation and Development (OECD), International Energy Agency World Energy Statistics and Balances database (available from www.oecd-ilibrary.org/energy/data/iea-world-energy-statistics-and-balances/world-energy-balances_data-00512-en; accessed 18 March 2016); International Energy Agency, *CO₂ Emissions from Fuel Combustion: Highlights – 2015 Edition* (Paris, 2015), p. 11.

¹² World Health Organization, *Global Status Report on Road Safety 2015* (Geneva, 2015). Available from www.who.int/violence_injury_prevention/road_safety_status/2015/en/.

estimated that global road passenger travel will grow by 120–230 per cent and freight volumes by 230–420 per cent by 2050.¹³

30. The internationalization of road transport has brought with it many challenges, which both control authorities and road transport operators are struggling to manage. Some of these challenges include: lack of widely recognized intergovernmental standards on competencies of international road transport operators; international movement by road being permitted but largely confined to border areas and a limited number of roads using transport permits issued for a designated route by a specified individual vehicle; and differences between countries in the sets of rules and regulations related to road transport. There has been a lack of intergovernmental leadership on the development of intelligent transport systems, which has raised issues with respect to effective regulations and policies for interoperability, and technical and service harmonization. It also raises non-technical issues, including private security issues, and the legal responsibility in case of traffic crashes or operational malfunctions.

31. Addressing the numerous challenges that the road sector is currently encountering needs strong intergovernmental support at the international level to promote coordinated strategies, recommend harmonized rules, set common standards, recommend best practices, suggest good procedures, provide technical assistance and build members' capacity. The challenges are interrelated, and need to be addressed on a single comprehensive platform.

32. The road sector has a number of non-governmental organizations, including the World Road Association, the International Road Transport Union and the International Road Federation. These organizations represent the interests of the road transport industry and provide technical advice to members in various areas, including infrastructure, safety, environment and disaster management, as well as education and training. The International Road Transport Union manages the private sector side of the functioning of the Customs Convention on the International Transport of Goods under Cover of TIR Carnets.

33. There is a serious institutional gap in the road sector, which causes many of its difficulties and challenges. Today, a piecemeal approach in the road sector means that there are many intergovernmental and non-governmental organizations at the global, regional, subregional, bilateral and national levels dealing only partially with road issues. The net effect of this approach is that there are areas of road transport policy, legislation and operations that are not adequately addressed within the current institutional framework. Many developing countries are not included — or perceive that they are not included — in the global processes to address issues arising in the road sector.

34. Other modes of transport are supported by their respective intergovernmental bodies. However, equivalent intergovernmental support for the road sector is very limited. This support is urgently needed so that the sector can continue to contribute to economic and social development while addressing challenges in a manner that is consistent with the Sustainable Development Goals. The maritime, air and railway transport sectors have their own organizations, namely the International Maritime Organization (IMO), the International Civil Aviation Organization (ICAO) and a number

¹³ OECD/International Transport Forum, *ITF Transport Outlook 2015* (Paris, OECD, 2015). Available from www.oecd-ilibrary.org/transport/itf-transport-outlook-2015_9789282107782-en.

of railway organizations including the Organization for Cooperation between Railways and the Intergovernmental Organization for International Carriage by Rail, as well as the International Union for Railways, a non-governmental organization in special consultative status with the Economic and Social Council.

35. There is a need for an international road organization to provide comprehensive and integrated support for interrelated issues with respect to greenhouse gas emissions, road safety, internationalization, intelligent transport systems, dangerous goods and security. The goal in establishing an international road organization should be to fill in the gaps left by existing institutions and to complement their work, avoiding duplication or overlap, and a prerequisite would be that it would cooperate with other organizations. Following the examples of IMO and ICAO in maritime and air transport respectively, an international road organization could serve as a global intergovernmental platform of countries for roads and road traffic, its main roles being to adopt coordinated strategies, set common standards and definitions, recommend best practices and good procedures, provide associated technical assistance and build members' capacity for the safe, efficient and environmentally friendly development of road transport.

IV. Issues for consideration

36. The Working Group may wish to provide the secretariat with further guidance on its policies and approaches relating to: (a) operationalizing the Asian Highway network under the existing regional framework for the facilitation of international road transport; (b) encouraging all parties to the Intergovernmental Agreement on the Asian Highway Network to consider acceding to the Intergovernmental Agreement on International Road Transport along the Asian Highway Network; and (c) considering the establishment of an international road organization to make the road sector a key vehicle for sustainable development. Member countries are encouraged to provide the secretariat with their comments on perspectives and challenges in operationalizing the Asian Highway network.

Annex

Excerpts from reports of legislative meetings related to the Asian Highway network

<i>Legislative meeting</i>	<i>Decisions and recommendations</i>
Commission, seventy-second session, Bangkok, 15–19 May 2016	<p>The Commission recognized that regional integration and economic development required efficient transport networks, and that efficient transport connectivity was important for the future economic development of the Asia-Pacific region.^a</p> <p>The Commission stressed the importance of integrated intermodal/multimodal transport systems that fully utilized the comparative advantages of different modes of transport in order to ensure safe, efficient, economical, competitive, socially inclusive and environmentally sound transport infrastructure and services as a means to achieving sustainable development.^b</p>
Ministerial Conference on Transport, third session, Moscow, 5–9 December 2016	<p>The Conference recommended, in the implementation of the regional action programme, that priority should be accorded to (a) comprehensive corridor plans and connections between national transport infrastructure development plans; (b) harmonization of construction standards, technical norms of transport means, transport policies and regulations on the basis of the Intergovernmental Agreement on the Asian Highway Network, the Intergovernmental Agreement on the Trans-Asian Railway Network and the Intergovernmental Agreement on Dry Ports; and (c) development of multilateral transport facilitation agreements suitable to the region and connections between bilateral and subregional transport facilitation agreements.^c</p> <p>The Conference noted with satisfaction that many member countries had accorded priority to the development of the Asian Highway network, the Trans-Asian Railway network and the network of dry ports to improve national and regional connectivity. It acknowledged the ongoing work of the secretariat in the fields of standard-setting and promoting innovative new technologies for further development of the Asian Highway network, the Trans-Asian Railway network and the network of dry ports of international importance.^d</p>
Commission, seventy-third session, Bangkok, 15–19 May 2017	<p>The Commission welcomed the signing of the Intergovernmental Agreement on International Road Transport along the Asian Highway Network by the Governments of China, Mongolia and the Russian Federation in December 2016 and acknowledged that the Agreement was an important initiative for operationalizing the Asian Highway network. The Commission recognized that all the parties to the Intergovernmental Agreement on the Asian Highway Network were invited to consider accession to the new Agreement.^e</p>

^a E/ESCAP/72/34, para. 65.

^b Ibid., para. 67.

^c E/ESCAP/MCT(3)/12, para. 7.

^d Ibid., para. 8.

^e E/ESCAP/73/41, para. 63.