

## Economic and Social Commission for Asia and the Pacific

Working Group on the Trans-Asian Railway Network

### Second meeting

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### Item 6 of the provisional agenda

**Policies and issues relating to the development of the  
Trans-Asian Railway**

## Policies and issues relating to the development of the Trans-Asian Railway

### Note by the secretariat

#### *Summary*

The present document highlights the work performed by the secretariat in collaboration with member States as well as policies and issues related to the Trans-Asian Railway. The Working Group is invited to review the document and consider policies and approaches for (a) promoting investment in the Trans-Asian Railway, including intermodal interfaces; (b) creating a process for providing the secretariat with updated information on priority rail infrastructure development projects at regular intervals; and (c) enhancing the Trans-Asian Railway database.

## I. Introduction

1. Now more than ever, the region's development is reliant on its transport system. The benefits of regional transport connectivity, which are widely recognized, include greater regional integration and the development of intraregional trade. Regional transport connectivity also provides better access to markets for landlocked and remote areas and offers economic and social opportunities to hinterland populations. The vision of an international integrated intermodal transport and logistics system articulated by ministers in the Busan Declaration on Transport Development in Asia and the Pacific<sup>1</sup> (November 2006)

\* The footnote required in accordance with paragraph 8, Section B, of resolution 53/208, by which the General Assembly decided "that when a report is submitted late to the conference services, the reason for this should be included in a footnote to the document", was not included in the original submission.

<sup>1</sup> E/ESCAP/63/13, chap. V. The declaration was subsequently endorsed by the Commission in its resolution 63/9 of 23 May 2007 on the implementation of the Busan Declaration on Transport Development in Asia and the Pacific and the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011).

and reiterated in the Bangkok Declaration on Transport Development in Asia (December 2009),<sup>2</sup> aims to fully realize the potential economic and social benefits of improved transport connectivity, while mitigating the negative effects. The Trans-Asian Railway network is an important building block in the realization of this vision. In this respect, issues related to the development of the Trans-Asian Railway network are regularly discussed at legislative meetings. With a view to providing the members of the Working Group with a ready reference, the secretariat herein outlines some of the decisions of legislative bodies that are relevant to the Trans-Asian Railway and rail transport. The present document also highlights some policies and issues which the Working Group may consider useful in its discussion.

## **II. Decisions and recommendations of legislative bodies**

2. Since the Intergovernmental Meeting to develop the Intergovernmental Agreement on the Trans-Asian Railway Network was held in Bangkok from 28 to 30 November 2005, the Trans-Asian Railway network and issues related to its development and operationalization have been considered at a series of high-level legislative meetings, as summarized in the annex. In addition, related issues have been discussed with development partners at meetings, such as the Greater Mekong Subregion Transport Forum organized by the Asian Development Bank (ADB) and the Working Group on the Singapore-Kunming Rail Link project organized by the secretariat of the Association of Southeast Asian Nations.

3. These meetings have highlighted the importance of developing efficient transport connections, including railways, for the future economic development of the region. In addition, Governments of the region have been adopting an increasingly holistic approach in defining their transport policies and paying increased attention in their decision-making process to issues such as energy efficiency and the contribution of each mode to greenhouse gases. Also of note, the financial crisis of 2008-2009, which affected the economies of many countries in the region, has highlighted the need for a more inclusive pattern of development. By providing connectivity to remote areas, rail can offer an opportunity to link remote populations to mainstream economic development processes and play a key role in achieving the Millennium Development Goals.

## **III. Activities of the secretariat**

### **A. Promoting investment in the Trans-Asian Railway network**

4. In 2009, following a number of subregional workshops held over the period 2007-2008, the secretariat completed the implementation of a study entitled "Identifying development needs and priority projects for the Trans-Asian Railway network". The projects identified in the study have served as inputs for discussions between ESCAP and ADB on defining future technical assistance with greater emphasis on rail transport.

5. The financial crisis and its consequences have stressed the need for the Asia-Pacific region to amend its economic model to be more focused on its internal market. In this connection, preliminary efforts by the secretariat to identify international transport corridors best able to reach this objective and identify

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<sup>2</sup> E/ESCAP/66/11, chap. IV. The declaration was subsequently endorsed by the Commission in its resolution 66/4 of 19 May 2010 on the implementation of the Bangkok Declaration on Transport Development in Asia.

priority road projects have been timely. However, priorities may shift as projects gain or lose importance or as new ones emerge to reflect evolving trade patterns. Therefore, countries are invited to regularly inform the ESCAP secretariat and other development partners of the life of projects as they are completed, dropped or altered. Delegations may think of a mechanism to ensure that regular updates are provided to the secretariat.

6. The secretariat has observed that many Governments in the region have increased the share of their transport budget allocated to rail infrastructure development. At the same time, increased intercountry cooperation is taking place. As examples, Thailand has provided assistance to the Lao People's Democratic Republic for the development of the line section between Nongkhai and Thanaleng, the Governments of Azerbaijan, the Islamic Republic of Iran and the Russian Federation are collaborating on the development of the North-South corridor, and China has placed priority in the development of links with the Lao People's Democratic Republic and Myanmar. Meanwhile, the secretariat has estimated the cost of developing the 8,200-km of missing links at \$24 billion. More funds need to be directed into the upgrading of existing lines.

7. The Working Group may consider additional approaches to promoting investment in the priority projects identified by enhancing collaboration and facilitating discussions between member States, potential donors, bilateral and multilateral donors and the private sector. Member States may also wish to share their experience relating to the establishment of public-private sector partnerships in financing rail infrastructure projects in their territory.

## **B. Updating of the Trans-Asian Railway database**

8. Adequate knowledge of land infrastructure in member countries is often piecemeal. This situation prevents a clear understanding of the state of infrastructure at the subregional and regional levels. It also complicates the development of strategies aimed at addressing demand arising from new trade patterns and prioritizing investment across corridors and across modes. The "Trans-Asian Railway database" has been devised with a view to gradually filling this gap to become a source of reference for the secretariat and the members of the Commission as well as other subregional organizations and financial institutions. In its current format, the database is orientated to static figures, such as the number of route-kilometres. Delegations may wish to consider informing the secretariat on a regular basis about traffic volumes along the routes of the Trans-Asian Railway network, especially across borders.

9. The secretariat maintains regular contact with the seats of Government, permanent representatives (embassies in Bangkok) and railway organizations in member States regarding issues related to the development of the Trans-Asian Railway network. Member States are invited to provide updated information on initiatives to develop rail infrastructure in their territory, management indicators relating to staffing and traffic levels and new international rail services along the routes of the Trans-Asian Railway, in particular international container block-train services. This information could be disseminated, some as best practices, at meetings or be used as inputs for legislative documents.

## **C. Promoting the development of intermodal interfaces**

10. In accordance with relevant mandates, the secretariat, together with member States, has been implementing a number of activities aimed at promoting

the development of infrastructure and services along the routes that make up the Trans-Asian Railway network, including intermodal interfaces.

11. In order to expand the reach of the Trans-Asian Railway through integration with other modes, increased focus is now being placed on the development of dry ports and efficient logistics, both of which are seen as critical steps for further regional economic cooperation and integration. As mandated by the Commission in its resolution 66/4 of 19 May 2010 and the Committee on Transport at its second session, the secretariat has already taken the initial step of preparing a draft intergovernmental agreement on dry ports<sup>3</sup> with a view to its adoption by member States in 2012 and opening for signature at the sixty-ninth session of the Commission in 2013. The agreement will define common functions and guiding principles with a view to assisting member countries in developing overall strategies as well as policy and regulatory measures for the development of dry ports. Delegations may wish to update the secretariat on ongoing or planned initiatives to develop dry ports along the routes of the Trans-Asian Railway network.

#### **IV. Issues for consideration**

12. The Working Group is invited to review the document and consider policies and approaches for: (a) promoting investment in the Trans-Asian Railway, including intermodal interfaces; (b) creating a process for providing the secretariat with updated information on priority rail infrastructure development projects at regular intervals; and (c) enhancing the Trans-Asian Railway database.

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<sup>3</sup> See E/ESCAP/67/7, para. 4.

## Annex

### Decisions and recommendations of legislative bodies on the Trans-Asian Railway and related issues

Legislative meeting	Decisions and recommendations
Sixty-second session of the Commission 6-12 April 2006, Jakarta	<p>§ The Commission adopted resolution 62/4 of 12 April 2006 on the Intergovernmental Agreement on the Trans-Asian Railway Network</p> <p>§ The Commission welcomed the offer of the Government of the Republic of Korea to host the signing ceremony for the Agreement during the Ministerial Conference on Transport, which would be held in Busan, Republic of Korea, from 6 to 11 November 2006</p>
Ministerial Conference on Transport 6-11 November 2006, Busan, Republic of Korea	<p>§ The Conference noted that the Trans-Asian Railway network constituted an important building block for the realization of an international integrated intermodal transport and logistics system for the development of the transport sector in order to meet the growing challenges of globalization</p> <p>§ The Conference hosted the signing ceremony for the Intergovernmental Agreement on the Trans-Asian Railway Network, at which a message from the Secretary-General noted that the event marked a milestone in cooperation between countries</p>
Sixty-third session of the Commission 17-23 May 2007, Almaty, Kazakhstan	<p>§ The Executive Secretary highlighted the successful signing of the Agreement during the Ministerial Conference on Transport held in the Republic of Korea in November 2006</p> <p>§ The Commission noted the importance of transport in supporting regional integration and access to landlocked countries, trade and tourism</p>
Sixty-fourth session of the Commission 24-30 April 2008, Bangkok	<p>§ The Commission recognized the role of the Trans-Asian Railway network in connecting people and expanding trade</p>
First session of the Committee on Transport 29-31 October 2008, Bangkok	<p>§ The Committee emphasized that the secretariat's activities in connection with the implementation of the Asian Land Transport Infrastructure Development project, notably the development of the Asian Highway and Trans-Asian Railway and the formation of an international integrated intermodal transport and logistics system in the region, should be considered as top priorities</p> <p>§ The Committee stressed that the operational efficiency of the Asian Highway and Trans-Asian Railway networks was linked to the development of intermodal transport</p>
Sixty-fifth session of the Commission 23-29 April 2009, Bangkok	<p>§ The Commission expressed satisfaction with the forthcoming entry into force of the Intergovernmental Agreement on the Trans-Asian Railway Network on 11 June 2009</p> <p>§ The Commission noted that, with the entry into force of the agreements on the Asian Highway and Trans-Asian Railway, more and more parts of Asia were now connected, with development in landlocked and transit countries being</p>

Legislative meeting	Decisions and recommendations
	promoted and the goals contained in the Almaty Programme of Action being achieved
First session of the Forum of Asian Ministers of Transport 17-18 December 2009, Bangkok	<p>§ The Forum endorsed the continued implementation of the Busan Declaration on Transport Development in Asia and the Pacific and the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011)</p> <p>§ The Forum requested the secretariat to continue to assist and coordinate in the identification of priority investment needs and promote financing for the development of road and railway infrastructure and rolling stock as well as supporting the installation of route signage along the Asian Highway network</p> <p>§ The Forum supported the development of an intergovernmental agreement on dry ports to facilitate a coordinated approach to an international integrated intermodal transport and logistics system</p> <p>§ The Forum stressed the importance of intermodal transport and encouraging a modal shift from road to rail and waterways, where possible, and from private motor vehicles to public transport, to help reduce energy consumption and emissions in the transport sector</p>
Sixty-sixth session of the Commission 13-19 May 2010, Incheon, Republic of Korea	<p>The Commission adopted resolution 66/4, in which:</p> <p>§ It welcomed the successful outcome of the first session of the Forum of Asian Ministers of Transport, held in Bangkok from 14 to 18 December 2009, which adopted the Bangkok Declaration on Transport Development in Asia</p> <p>§ It noted the central role of efficient, reliable and cost-effective transport services, including infrastructure, facilitation and logistics, in supporting the regional integration process</p> <p>§ It noted the important role which transport infrastructure and high-quality transport services play in ensuring sustainable economic growth and increasing the competitiveness of economies in the region as well as improving living standards</p> <p>§ It requested the Executive Secretary to assist regional members in their efforts to bring about connectivity and the integration of the Asian Highway network, the Trans-Asian Railway network and other transport modes by working towards the development of an intergovernmental agreement on dry ports.</p>
Second session of the Committee on Transport 1-3 November 2010, Bangkok	<p>§ The Committee recognized the importance of the Busan Declaration and its Regional Action Programme, phase I (2007-2011), as a vital long-term strategy for the development of an international integrated intermodal transport and logistics system, based on the two major building blocks — the Asian Highway and Trans-Asian Railway networks</p> <p>§ The Committee requested the secretariat to proceed with the development of a draft intergovernmental agreement on dry ports, for consideration by further subregional and regional meetings</p> <p>§ The Committee noted that the development of transport infrastructure and services, especially in rural areas, played a</p>

Legislative meeting	Decisions and recommendations
Sixty-seventh session of the Commission 19-25 May 2011, Bangkok	critical role in the economic and social development of a country, thereby contributing to the achievement of the Millennium Development Goals
	§ The Commission encouraged the secretariat to continue its work in fostering better transport connectivity among member countries to promote regional cooperation and integration
	§ The Commission recognized that the Asian Highway and Trans-Asian Railway were making significant contributions towards promoting regional transport connectivity, improving access to social infrastructure and services, fostering economic growth, and achieving the Millennium Development Goals
	§ The Commission expressed its appreciation to the secretariat for its work on drafting an intergovernmental agreement on dry ports
	§ The Commission expressed the expectation that the Ministerial Conference on Transport to be held in Bangkok in November 2011 would stimulate opportunities for further wide-ranging cooperation in transport development for the region