



**Economic and Social
Council**

Distr.
GENERAL

TRANS/WP.5/28
25 September 2000

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

Working Party on Transport Trends and Economics

**REPORT OF THE WORKING PARTY ON TRANSPORT TRENDS AND ECONOMICS
ON ITS THIRTEENTH SESSION
(18-20 September 2000)**

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REPORT

ATTENDANCE

1. The Working Party on Transport Trends and Economics held its thirteenth session from 18 to 20 September 2000. Mr. W. Dörries (Germany) and Mr. V. Arsenov (Russian Federation) were Chairman and Vice-Chairman, respectively, of the session. Representatives of the following ECE member States participated: Belarus; Czech Republic, Germany; Greece; Italy; Netherlands; Poland; Russian Federation; Spain, Switzerland and Turkey. The following intergovernmental organizations were represented: Danube Commission, European Conference of Ministries of Transport (ECMT), Organization for Cooperation between Railways (OSZhD). The Commission of the European Communities (EC) was also represented.

INTRODUCTORY REMARKS

2. The Director of the Transport Division welcomed the participants and invited the Working Party to undertake an in-depth discussion on strategic directions for its future work on the basis of the preliminary discussion paper prepared by the secretariat to that end. He invited WP.5 to consider not only substantive (e.g. development of transport planning guidelines and methodologies, identification of strategic issues) but also organizational directions (e.g. increase *ad hoc* informal work and/or hold one-and-a-half day meetings a year instead of one). He felt that such a discussion was badly needed in order to attract higher participation of Governments in the work of the Working Party and increase its usefulness and value added of such a work as compared to that of the European Commission and the ECMT.

3. The Director also announced the forthcoming departure of Mr. Aparicio, after servicing the Working Party for the last two years. He invited WP.5, when the relevant vacancy announcement will be issued, to encourage competent candidates, particularly female candidates, to apply for the post.

4. The Working Party stressed the need to continue having in future the support of a professional with extensive transport planning background and experience.

ADOPTION OF THE AGENDA

5. The provisional agenda (TRANS/WP.5/27) was adopted.

ACTIVITIES OF ECE BODIES OF INTEREST TO THE WORKING PARTY

(a) Economic Commission for Europe

Documentation: E/ECE/1381

6. The Working Party was informed about the results of the fifty-fifth session of the Economic Commission for Europe (Geneva, 3-5 May 2000), regarding ECE's operational activities and the development of joint projects with the Economic Commission for Africa (ECA), the Economic and Social Commission for Western Asia (ESCWA) and the Economic and Social Commission for Asia and the Pacific (ESCAP).

(b) Inland Transport Committee and subsidiary bodies

Documentation: ECE/TRANS/133 and Add.1

7. The Working Party learned about the results of the sixty-second session of the Inland Transport Committee to the extent that they were related to the area of work of interest to the Working Party (ECE/TRANS/133, paras. 10-12 and 19-28).

FOLLOW-UP TO THE REGIONAL CONFERENCE ON TRANSPORT AND THE ENVIRONMENT

Documentation: JMTE/2000/8

8. The Working Party was informed about the progress made in the implementation of the Vienna Declaration (ECE/RCTE/CONF./2/FINAL) and the Programme of Joint Action (ECE/RCTE/CONF./3/FINAL), and the decisions taken at the third Joint Meeting of the Bureaux of the Inland Transport Committee and the Environment Committee (6 June 2000) (JMTE/2000/8). Other questions related to transport and environment were discussed under item 6 (b) of the agenda (paras. 20-23).

DISCUSSION ON STRATEGIC DIRECTIONS FOR THE WORKING PARTY

Documentation: TRANS/WP.5/2000/1

9. The Working Party appreciated the views and proposals made by the secretariat's note (TRANS/WP.5/2000/1), and agreed to establish both, medium-term strategic directions and activities for immediate action as a way to focus its future efforts.

10. The Working Party identified the following medium-term strategic directions:

- Development of multimodal transport planning frameworks and methodological tools.
- Development of the "Quality of Services" concept as a key element for the definition of transport policies.

- The identification of emerging transport policy issues to be raised to the attention of the Inland Transport Committee.
- Follow-up and analysis of questions related to transport economics and techniques, in order to identify future areas for development.

11. In line with this strategic guidelines, the following concrete activities were identified for immediate action:

- Development of inter-regional transport links (particularly in Euro-Asia and the Mediterranean region, including maritime transport).
- Development of efficient management frameworks for transport infrastructure maintenance and operation, thus optimizing the need for new investments (linked to the development of the Quality-of-Services concept).
- Improvement of existing transport planning methodologies including environmental aspects, particularly in CIS countries.
- Multimodal Coherence of the European Transport System (building on TEM, TER, AGC, AGR, AGTC and AGN).

DEVELOPMENTS REGARDING TRANSPORT POLICIES

(a) Implementation of Pan-European Transport Corridors and Areas

Documentation: TRANS/WP.5/2000/2

12. The Working Party took note of document TRANS/WP.5/2000/2, containing the report on the Status of the Pan-European Transport Corridors (PETrC), prepared by the Transport Infrastructure Needs Assessment (TINA) Project Office. Updated information was also given concerning Pan-European Transport Corridors No. 2 and 6, as well as the TEM Permanent Table recently established in Trieste, working for the time being on questions concerning Pan-European Transport Corridor No.5.

13. The Working Party asked TEM and TER member countries to play a more active role in the development of the Pan-European Transport Corridors through the TEM and TER projects, particularly by using the Project Central Offices' experience and potential in the co-ordination of corridor work. Thereby they could assist the European Commission in monitoring and co-ordinating activities for those corridors of which TEM and TER networks are an integral part.

14. The Working Party asked the European Commission to submit also for its next session a report showing the progress made in the implementation of the Pan-European Transport Corridors and Areas, and encouraged the secretariat to be involved in its preparation through the TEM and TER offices, particularly concerning progress in the sections of the corridors in CIS countries.

(b) Analysis of problems encountered during implementation of market economy principles in the transport sector

Documentation: TRANS/WP.5/2000/3, TRANS/WP.5/2000/4 and Add.1, TRANS/WP.5/2000/4/Add.1/Corr.1, Informal Documents No. 1, 2 and 3.

15. The Working Party took note of the summary note on the reform process to market conditions in the transport sector in transition countries (TRANS/WP.5/2000/3), the comments sent by transition countries to this note (TRANS/WP.5/2000/4/Add.1 and TRANS/WP.5/2000/4/Add.1/Corr.1), and discussed on the follow-up proposals contained in document TRANS/WP.5/2000/4.

16. The Working Party noted that, according to the above-mentioned documentation, further work should be undertaken in the following areas:

- The development of adequate legal concession systems for passenger transport in transition countries, and the implementation of modern benchmarking systems for public transport operations.
- The expected impacts of licensing foreign operators to offer cabotage services and of making access to international transport more flexible (taking into account the experience in the EU and the current situation in transition countries).
- Increasing transport efficiency achieving *inter alia* a decoupling between transport activities and the corresponding overall economic growth.

17. The Working Party requested the secretariat to amend document TRANS/WP.5/2000/4 accordingly and to send it together with document TRANS/WP.5/2000/4/Add.1 to the ECMT secretariat, for further consideration in the context of the forthcoming ECMT Council of Ministers.

EVALUATION OF INLAND TRANSPORT INFRASTRUCTURE PROJECTS

(a) Transport Infrastructure Needs Assessment Project

Documentation: TRANS/WP.5/2000/5 and Informal Documents No.11 and 13

18. The Working Party took note of the Final Report on Transport Infrastructure Needs Assessment (TINA) in Central and Eastern Europe, as provided by the EC (TRANS/WP.5/2000/5 and Informal Document No.11), and was pleased to know that this project has now been completed.

19. The Working Party was informed of the remarks to the Final Report presented last January to the EC by the Czech Republic (Informal Document No.13), and took note of the Chairman's information on the expected follow-up to be given to this study by the European Commission. In particular, the need for political commitment with its implementation through the appropriate EC's policies and tools (such as the ISPA fund and the Trans-European Transport Network (TEN-t) policies).

20. The Working Party asked the EC to provide information on the progress made in the implementation of the TINA project.

(b) Methodologies for project appraisal in the New Independent States

Documentation: TRANS/WP.5/2000/6 and Informal Documents No.4, 5, 6, 9 and 10.

21. The Working Party took note of the questionnaires prepared by the secretariat concerning the EU's handbook on Strategic Environmental Assessment (SEA) and the TINA methodology on socio-economic cost-benefit analysis, and the answers received, as contained in document TRANS/WP.5/2000/6, as well as additional information on project appraisal methodologies contained in the Informal Documents No. 4, 5, 6, 9 and 10. The Working Party pointed out that the documentation produced in Russian could be an excellent basis to foster further discussion on planning methodologies in CIS countries in the future.

22. The Working Party appreciated the presentation made by the delegate from the Russian Federation and the analysis presented by the secretariat, and agreed on the need to facilitate further discussion on items such as:

- The practical way to develop more concern about the need for a coherent SEA framework in CIS countries, for example through the organization of workshops, etc.
- The importance to fully consider "non-transport" benefits when assessing projects in transition economies.
- The major difficulties faced to undertake transport and economic forecasting.

23. The Chairman of the Working Party informed that questions of (i) SEA, (ii) cost-benefit analysis and (iii) traffic forecasts were under study within the European Union, in the context of its Trans-European Transport Network (TEN-t) policy, and asked the representative of the Netherlands, Mr. B. Griffioen, to follow the developments on the above-mentioned three questions, so that this information can be provided to Mr. V. Arsenov (representative of the Russian Federation) for further analysis.

24. The Working Party endorsed the request of the Chairman and agreed to examine this question at its forthcoming session, based on new developments made in both, the EU and CIS countries.

(c) Phased-approach to transport infrastructure developments

Documentation: TRANS/WP.5/2000/7 and Corr.1.

25. Following the presentation of document TRANS/WP.5/2000/7, the Working Party agreed that a phased strategy to transport infrastructure development, although limited to very specific conditions, could play a positive role to upgrade some critical sections of the existing networks under the present budgetary constraints. Accordingly, TEM and TER PCOs were invited to undertake an analysis within both projects in order to identify acceptable intermediate standards, and those sections in their networks where such standards could be applied, and consider the possibility of convening a Workshop on the subject.

26. In this context, the Working Party underlined the need to take also into account the findings arrived at in the Road Transport Research and Intermodal Linkage (RTR) project of the Organization for Economic Co-operation and Development (OECD).

EURO-ASIAN TRANSPORT LINKS

Documentation: TRANS/WP.5/2000/8 and Add.1 and 2; TRANS/WP.5/2000/9 and Informal Documents No. 7, 8 and 12.

27. The Working Party was briefed on the conclusions of the informal ad hoc meeting held in Geneva on 16 May 2000, and particularly on the guidelines and schedule proposed for the development of Euro-Asian transport links (TRANS/WP.5/2000/8), as well as the note prepared by its Chairman (TRANS/WP.5/2000/8/Add.1), and the final declarations of the International Conferences recently held in Astana (TransEurasia 2000, Informal Document No. 7) and St. Petersburg (Informal Document No. 8).

28. The Working Party welcomed the progress made by ECE and ESCAP in the definition of a joint programme of work for the development of the Euro-Asian links, and requested the secretariat to give an adequate follow-up to the actions and timing therein defined.

29. The Working Party was also briefed on the programme proposal submitted by all the regional commissions to the United Nations Development Account for Funding with the title "Capacity Building through Co-operation in Developing Interregional Land and Land-cum-Sea Transport Linkages" for the period 2001-2006 and agreed that it could contribute positively to the development of a comprehensive- concept for the Euro-Asian links.

30. The Working Party took note of the strategic paper (TRANS/WP.5/2000/9) and asked the secretariat to undertake together with the ESCAP secretariat the following tasks:

- To modify it as appropriate in order to include the joint ECE/ESCAP programme of work with a view to having a common ECE/ESCAP strategic vision.
- To circulate a questionnaire (and the revised strategic paper) among countries directly involved in the Euro-Asian links, requesting information on:
 - Identification of a senior official as national focal point.
 - Major economic and regional development strategies along the corridors (including major economic nodes, environmental constraints, etc).
 - National transport plans and policies, focused on the reform of the regulatory policies, accession to international agreements on transport facilitation and investment projects for the corridors.
 - Relevant national transport statistics.
- To present at its next session an interim report including the progress made in the joint programme of work and identifying needs for action in each corridor.

31. In the context of the joint ECE/ESCAP programme of work, the Working Party agreed to consider the question of demonstration runs of block trains along two routes, in order to demonstrate its ability to compete with sea routes, and asked the Russian Federation and Turkey to be the responsible lead countries for the organization of the demonstration trains, respectively, on the following routes:

- Europe (PETrC No. 2)- Russian Federation- Korean Peninsula/ Japan, with two branches from the Russian Federation to
 - Kazakhstan-China and

- Mongolia-China.
- South-eastern Europe (PETrC No. 4)- Turkey- Islamic Republic of Iran- South Asia- South-east Asia/Southern China (see sections B and D of Informal Document No. 8).

32. The representative of Turkey announced that she would inform the Chairman by the end of September whether her country could assume this function.

33. The Working Party requested the secretariat to reconvene the informal meeting as appropriate.

TRANSPORT IN THE MEDITERRANEAN REGION

(a) Mediterranean Transport Study Centres and Transport Training Center

Documentation: TRANS/WP.5/2000/10.

34. The Director of CETMO presented the main activities of the centre (TRANS/WP.5/2000/10). He highlighted the development of the WebSite (www.cetmo.org), and announced that CETMO has arranged with the EC the participation, for the first time, of Maghreb transport experts in the fifth Research and Development programme of the EU.

35. The Working Party asked the Directors of CETMO and TRANSCEM to report on the results of their work at the forthcoming session.

(b) Transport developments in the Mediterranean Region

36. The Director of CETMO briefed on the two seminars on ports and airports forecasts and infrastructure planning, organized by CETMO in June and July 2000 in Madrid in the framework of GTMO (Group of Transport Ministers of the Western Mediterranean).

37. A Seminar on facilitation of international freight transport will take place in spring 2001, in Barcelona, The Seminar is being organized by CETMO in co-operation with the Transport Division of UN/ECE, and is listed in the Working Party's programme of work. The Working Party asked the Director of CETMO to report on this subject to the Inland Transport Committee in due course.

ASSISTANCE TO COUNTRIES IN TRANSITION

Documentation: TRANS/WP.5/2000/11.

38. The Working Party highly appreciated the general information on on-going activities in the context of the South-east European Cooperative Initiative (SECI), the Special Programme for the Economies of Central Asia (SPECA), the Black Sea Economic Cooperation (BSEC), and the TEM and TER projects. The Regional Adviser reported on his last missions in transition countries. In accordance with Commission decision B (51), the Working Party invited Governments and relevant international organizations and institutions to contribute to the UN/ECE Trust Fund for Assistance to Countries in Transition (TFACT) and to inform the secretariat as to the type of assistance which would be forthcoming.

COHERENT EUROPEAN SYSTEM OF INTERNATIONAL TRANSPORT INFRASTRUCTURES

Documentation: TRANS/WP.5/2000/12.

39. On the basis of the analysis and proposals developed in document TRANS/WP.5/2000/12, the Working Party agreed that coherence and complementarity among the modal AGC, AGR, AGN and AGTC networks should be improved in the future, and that in so doing future work should focus on the establishment of thresholds for the quality of services in the different international networks.

40. As a first step, the Working Party asked the secretariat to approach modal international organizations and UN/ECE modal Working Parties (SC.1, SC.2, SC.3 and WP.24) in order to get further information on this question and, if appropriate, to convene an informal group in order to further develop this question, and to report on the progress made at its forthcoming session.

DEVELOPMENT OF A EUROPEAN TRANSPORT DATABASE SYSTEM

Documentation: TRANS/WP.5/2000/13.

41. The Working Party took note of the progress made in the development of the TEM and TER databases, and of other activities undertaken by the ECE on the design and implementation of a European Transport Database System (TDS) and agreed that, in the future, the Working Party would focus only on data needs for the development of its activities concerning the coherence of the European transport system.

DRAFT PROGRAMME OF WORK FOR 2001-2005

Documentation: TRANS/WP.5/2000/14.

42. The Working Party revised its programme of work in order to put it in line with the strategic directions and activities defined in paras. 10 and 11, and adopted a new draft as reproduced in the annex to this report.

ELECTION OF OFFICERS FOR THE SESSIONS OF THE WORKING PARTY IN 2001 AND 2002

43. Mr. Viatcheslav ARSENOV (Russian Federation) and Mr. Wojcieh ZARNOCH (Poland) were elected Chairman and Vice-Chairman respectively, for the sessions of the Working Party in 2001 and 2002.

OTHER BUSINESS

44. The Working Party noted that its fourteenth session was tentatively scheduled to be held from 17 to 19 September 2001.

ADOPTION OF THE REPORT

45. The Working Party agreed that the report on its thirteenth session should be established by the Chairman and the Vice-Chairman with the assistance of the secretariat for submission to the Inland Transport Committee.

46. The Working Party agreed that, in the future, the report will be adopted at the end of its session.

Annex

DRAFT PROGRAMME OF WORK FOR 2001-2005¹

PROGRAMME ACTIVITY 02.1: TRANSPORT TRENDS AND ECONOMICS

Review of general trends with regard to transport development and transport policy and analysis of specific transport economic issues

Priority: 1

Description: Review and exchange of information on general trends in the development of transport and of specific transport economic issues including transport development in the Mediterranean Region.

Work to be undertaken: The Committee and the Working Party on Transport Trends and Economics (WP.5) will consider and carry out the following activities:

CONTINUING ACTIVITIES

- (a) Study of economic aspects of transport ~~and annual review of transport developments~~ taking into account (i) the integration process going on within the ECE region, and (ii) the reform processes under way in transition countries by monitoring current changes in transport in order to identify, promote and spread positive examples for transport development.

Output expected: ~~Annual~~ report on transport development **when needed** Priority: 2

- (b) Periodical review of new important policy developments relating to inland transport in UN/ECE member countries in order to make the medium- and long-term evolution of transport more transparent. The Working Party WP.5 will examine all decisions, general and specific, recently taken in member countries likely to have implications in the organization of transport **and take into account the findings arrived at during international meetings focusing on salient issues of transport development.**

Output expected: Reports on developments in inland transport of member countries (every five years; **next report: 2002**); ~~report on competition in the transport sector (2001).~~

Priority: 2

- (c) Consideration of the main European traffic lines in order to ensure accessibility of peripheral regions.

Output expected: Report on transport development in Pan-European Transport Areas (**2001**)

Priority: 1

- (d) Consideration of the extension of the Pan-European transport corridors outside the EU and the countries associated with the EU.

¹ The text of the programme of work reproduced below is based on the programme of work approved by the Inland Transport Committee at its sixty-second session (15-17 February 2000). The changes proposed are in **bold** (to be added) or ~~struck through~~ characters (to be deleted).

Output expected: Report identifying and assessing important projects on Pan-European transport corridors Nos. 2, 3, 5 and 9(b) (2001); Report on progress made in the implementation of the Pan-European Transport Corridors (2001); ~~Report on Transport Infrastructure Needs Assessment (TINA) project (2000); Report on problems concerning the application, inter alia, of principles of market economy in the inland transport sector (2000).~~

Priority: 1

- (e) Study of the interrelationship of the UN/ECE agreements (AGR, AGC, AGTC and its Protocol, AGN) and projects (TEM, TER) with the Pan-European transport network planning procedure, ~~including Euro-Asian links~~, with a view to:
- indicating the major international transport routes to be considered for improvement and modernization, establishing priorities and a timetable taking into account those parts of the networks where there are bottlenecks and missing links;
 - assessing the cost of this infrastructure plan and making suggestions for financing it.

Output expected: Annual report on coherent European system of international transport infrastructure; ~~Report on bottlenecks in the Trans-European Railway (TER) network (2000)~~

Priority: 1

- (f) **Development of Euro-Asian links including the preparation of an ESCAP/ECE joint programme of work on development of Asia-Europe land transport links as well as the analysis of results of international meetings on the problem.**

Output expected: Report on Euro-Asian transport links (2001).

Priority: 1

- (g) **Development of efficient management frameworks for transport infrastructure maintenance and operation, thus optimizing the need for new investments (linked to the development of the Quality-of-Service concept).**

Priority: 2

- (h) **Improvement of existing transport planning methodologies, including environmental aspects, particularly in CIS countries.**

Priority: 2

- (i) ~~(f)~~ Collection of data concerning investments in transport infrastructures and study of the effects upon such infrastructures of developments in modal split taking into account, in particular, external costs in order to highlight the interaction between infrastructure and modal development.

Priority: 3

- ~~(f) Transport 2000 in Central and Eastern Europe. Consideration of specific subjects related to the transport situation in central and eastern Europe in order to improve transport in transition countries.~~

~~Output expected: Annual report on development of data bank system in countries in transition.~~

~~Priority: 3~~

- (j) ~~(g)~~ Activities for assistance to countries in transition regarding institutional adaptation of government administration and of transport enterprises to market economy including also support through the UN/ECE Trust Fund for Assistance to Countries in Transition (TFACT)².

² A detailed list of subjects is circulated in document TRANS/1999/11.

Output expected: Annual report on assistance to countries in transition; ~~Report on progress made towards market economy in the transport sector of transition countries (2000).~~

Priority: 1

(k) ~~(h)~~ Strengthening of cooperation with the Mediterranean Study and Training Centres, the results of which will be submitted to the Committee, to enable all ECE countries to benefit from the activities carried out including the organization of workshops.

Output expected: Annual report on activities of the Study and Training Centres. Priority: 2

(l) ~~(j)~~ **Analysis of transport developments in the Mediterranean Basin and the Black Sea region and the** promotion of international transport agreements to permit, in particular,

Mediterranean countries to adhere to them. Priority: 3

(m) ~~(k)~~ Information on the studies on the Europe/Africa Permanent Link through the Strait of Gibraltar.

Output expected: **Bi**-annual report on progress made in the analysis of the Europe/Africa Permanent Link through the Strait of Gibraltar (**next report: 2002**).

Priority: 3

ACTIVITIES OF A LIMITED DURATION

~~(l) Consider the impact of regulatory measures in transport with the objective to identify the need for transport infrastructure and to study particular aspects in the New Independent States (NIS).~~

~~Output expected: Report on regulatory measures in transport in NIS (2000). Priority: 1~~

(n) ~~(m)~~ As follow-up to the Conference on Transport and the Environment: Development and implementation of programmes to establish attractive networks taking into account such aspects as intermodality, interoperability and environmentally sound vehicles³.

³ In addition to the above item, the Working Party wishes to be associated with activities on transport and environment concerning, in particular, development of methodologies for setting up databases, implementation of scientific programmes, assistance to countries in transition, development of environmental guidelines, external costs, analysis of questions related to the protection of sensitive areas (see also items I (c), (d), (g), (h); III (e); IV (c), (f) in the Programme of Joint Action.