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**EMERGING ISSUES AND DEVELOPMENTS AT THE REGIONAL LEVEL:
TRANSPORT, COMMUNICATIONS, TOURISM AND
INFRASTRUCTURE DEVELOPMENT**

(Item 6 (d) of the provisional agenda)

REPORT OF THE MINISTERIAL CONFERENCE ON INFRASTRUCTURE

Note by the secretariat

SUMMARY

The Ministerial Conference on Infrastructure was hosted by the Government of the Republic of Korea and organized by the ESCAP secretariat at Seoul from 12 to 17 November 2001. It was attended by 203 representatives, including 22 ministerial-rank officials from 35 members and associate members of ESCAP, and 31 representatives from relevant organizations within and outside the United Nations system, including the private sector. The Prime Minister of the Republic of Korea presided over the opening session of the Conference, while the Minister of Construction and Transportation of the Republic of Korea was Chairperson. Vice-Chairpersons were elected from among the ministerial-rank representatives and the representative of Vanuatu was elected Rapporteur.

The Conference culminated in the adoption of the Seoul Declaration on Infrastructure Development in Asia and the Pacific, including phase II of the Regional Action Programme (2002-2006) of the New Delhi Action Plan on Infrastructure Development in Asia and the Pacific, which was annexed to the Declaration. That underscored the priority areas for the Regional Action Programme, including: (a) the formulation, development and improvement of integrated/intermodal international transport to facilitate the smooth movement of goods and people and reduce transport costs, (b) the establishment of working groups on the development of the Asian Highway and Trans-Asian Railway to facilitate the development of the networks, (c) private sector participation and foreign direct investment in infrastructure development, (d) the development of transport infrastructure and services to enhance access to markets, facilities and services for social development and poverty alleviation, and (e) the development of sustainable transport for effective management of the impacts of rising transport demand related to the environment, health and safety in the ESCAP region. Considerable discussions on the special needs of the Pacific island developing countries also led to the development of a programme of work for their benefit.

The Conference recommended that the Plan of Action for phase V (2002-2003) of the Asian land transport infrastructure development (ALTID) project be endorsed by the Commission, with priority accorded to the container transport demonstration project of the Trans-Asian Railway Northern Corridor and implementation of the joint ESCAP/ECE programme on the development of land transport links between Asia and Europe. An important highlight in this respect was the signing of the memorandum of understanding between ESCAP and the participating countries on the planning and implementation of demonstration runs of container block trains along the Trans-Asian Railway Northern Corridor.

The Commission is invited to consider the major conclusions and decisions and to endorse the recommendations brought to its attention. The Commission may also wish to provide the secretariat with guidance on the implementation of the recommendations.

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ABBREVIATIONS

ADB	Asian Development Bank
AITD	Asian Institute of Transport Development
ALTID	Asian land transport infrastructure development
APT	Asia-Pacific Telecommunity
ASEAN	Association of Southeast Asian Nations
BIMST-EC	Bangladesh-India-Myanmar-Sri Lanka-Thailand Economic Cooperation
BOT	build-operate-transfer
CPD	Centre for Policy Dialogue
EBRD	European Bank for Reconstruction and Development
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ECO	Economic Cooperation Organization
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
EU	European Union
GATS	General Agreement on Trade in Services
GMS	Greater Mekong Subregion
ICAO	International Civil Aviation Organization
ICD	inland container depot
IDB	Islamic Development Bank
IGC-TRACECA	Intergovernmental Commission TRACECA
ILO	International Labour Organization
IMO	International Maritime Organization
ITU	International Telecommunication Union
KMI	Korea Maritime Institute
MOU	memorandum of understanding
SAARC	South Asian Association for Regional Cooperation
SPECA	Special Programme for the Economies of Central Asia
SRADP	Silk Road Area Development Programme
TAR	Trans-Asian Railway
TRACECA	Transit Corridor Europe-Caucasus-Central Asia
TRADP	Tumen River Area Development Programme
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNAIDS	Joint United Nations Programme on HIV/AIDS
UPU	Universal Postal Union
WTO	World Trade Organization

I. MATTERS CALLING FOR ACTION BY THE COMMISSION OR BROUGHT TO ITS ATTENTION

A. Recommendations for the consideration of the Commission

1. The Conference considered and adopted the Seoul Declaration on Infrastructure Development in Asia and the Pacific (chapter IV), including the Regional Action Programme (2002-2006) of the New Delhi Action Plan on Infrastructure Development in Asia and the Pacific (annex I).
2. The Conference requested that the formulation, development and improvement of integrated/intermodal international transport should be given priority attention within the Regional Action Programme (2002-2006) of the New Delhi Action Plan.
3. The Conference considered the plan of action for phase V of the ALTID project (2002-2003) and proposed that the plan (annex II) be endorsed by the Commission, with the container transport demonstration project of the Trans-Asian Railway Northern Corridor and implementation of joint ESCAP/ECE programme on development of land transport links between Asia and Europe being accorded priority.

B. Major conclusions and decisions of the Ministerial Conference on Infrastructure to be noted by the Commission

4. The Conference expressed its satisfaction at the implementation of the Regional Action Programme (1997-2001). It emphasized, however, that, despite the efforts made, there was still much to be done.
5. The Conference noted that at a time of globalization and trade-dependent economic growth, countries in the ESCAP region were witnessing an unprecedented demand for transport. Land, water and air transport services had been upgraded, but, in most countries, demand was far outstripping capacity. In addition, inefficiencies in the transport system were unnecessarily adding cost. Faced with rapidly increasing competition in international markets, ESCAP member countries could not afford to allow transport constraints to have a negative impact on the future competitiveness of Asian products in the global market place.
6. In that regard, the Conference noted the commitment of ESCAP member countries to increasingly focus on a more integrated and coordinated approach to infrastructure development and management in order to facilitate the smooth movement of goods and people and reduce transport costs.
7. The Conference noted with appreciation the progress made through the implementation of the Regional Action Programme (1997-2001) of the New Delhi Action Plan on Infrastructure Development in Asia and the Pacific, the ALTID project and Commission resolution 52/9, particularly in terms of the formulation of the Asian Highway and Trans-Asian Railway networks.

8. As a result, the Asian Highway network formulation covering the whole of Asia was nearing completion.

9. The Conference also felt that working groups on Asian Highway and Trans-Asian Railway development should be established to facilitate the development of the networks.

10. The Conference stressed the importance of the demonstration runs of container block trains on TAR routes to demonstrate their competitiveness and pinpoint existing bottlenecks. In that regard, the signing, on 16 November 2001, of the memorandum of understanding on the planning and implementation of such demonstration runs along the Trans-Asian Railway Northern Corridor was met with appreciation.

11. The Conference noted that the above-mentioned developments with regard to the Asian Highway and Trans-Asian Railway provided an important basis on which an integrated intermodal transport network could be built to meet the increasing demands for reliable, efficient transport services within the ongoing globalization process and to meet the development needs of international trade and tourism. The particular importance of integrated intermodal transport networks to landlocked countries and economies in transition was emphasized.

12. The Conference requested that the report of the Policy-level Expert Group Meeting on the Road Networks Connecting China, Kazakhstan, Mongolia, the Russian Federation and the Korean Peninsula, held at Bangkok from 10 to 12 October 2001, be brought to the attention of the Commission.

13. In view of the massive demands for development of transport infrastructure and services coupled with the limited financial resources of the public sector, delegations indicated that they were encouraging the private sector and foreign investors to invest in infrastructure development and take part in the operation and management of transport infrastructure and services.

14. The Conference emphasized that the development of transport infrastructure and services to enhance access to markets, facilities and services was vital for social development and poverty alleviation.

15. The Conference expressed its concern at the deterioration of urban transport conditions and environmental pollution in many cities in the region, which were becoming more serious with the increasing level of congestion.

16. The Conference highlighted the importance of sustainable transport development to effectively manage the impacts of rising transport demand related to environment, health and safety in the ESCAP region.

II. DELIBERATIONS AT THE MINISTERIAL CONFERENCE ON INFRASTRUCTURE

A. Policy debate on issues pertaining to infrastructure development in Asia and the Pacific

(Item 4 of the agenda)

17. The policy statement of the Executive Secretary of ESCAP noted that through the implementation of the Regional Action Programme (1997-2001) tangible results had enhanced national capabilities and helped to improve transport efficiency. Significant progress had also been made towards formulation of intraregional and interregional transport linkages through the Asian Highway, Trans-Asian Railway and shipping programmes. However, more needed to be done for the Pacific island countries. The Executive Secretary also noted that the Seoul Declaration on Infrastructure Development in Asia and the Pacific proposed for adoption by the Ministerial Conference, including the Regional Action Programme (2002-2006) of the New Delhi Action Plan, provided a strategic framework for regional transport development and the work of ESCAP in addressing critical issues of regional concern.

18. He stressed that the Regional Action Programme was designed to support actions at the country level and that it was the responsibility of each country to develop its own strategy for the implementation of national actions corresponding to the country's perceived priorities and circumstances.

19. He observed that globalization had created an unprecedented demand for efficient, cost-effective transport systems. However, deficiencies in transport infrastructure and institutional barriers continued to inhibit access to global markets.

20. The Conference expressed its gratitude for the important role that ESCAP played in promoting regional cooperation aiming towards healthy social and economic development of the Asian and Pacific region.

21. Recognizing the vital importance of transport infrastructure and services in the globalization process, poverty reduction and addressing social issues in the region, the Conference expressed its appreciation of the activities of ESCAP and other concerned agencies in the transport sector.

22. The Conference expressed its satisfaction with the implementation of the Regional Action Programme (1997-2001) of the New Delhi Action Plan. It emphasized, however, that, despite the efforts made, there was still much to be done. It noted that various issues concerning the development of transport infrastructure and services in Asia and the Pacific were still confronting member countries. Those issues called for ever-increasing attention and coordination of member countries as well as donors and other regional and international organizations in close cooperation with the ESCAP secretariat.

23. The Conference noted that at a time of globalization and trade-dependent economic growth, countries in the ESCAP region were witnessing an unprecedented demand for transport. Land, water and air transport services had been upgraded, but, in most countries, demand was far outstripping capacity. In addition, inefficiencies in the transport system were unnecessarily adding cost. Faced with rapidly increasing competition in international markets, ESCAP member countries could not afford to allow transport constraints to have a negative impact on the future competitiveness of Asian products in the global marketplace.

24. In that regard, the Conference noted the commitment of ESCAP member countries to increasingly focus on a more integrated and coordinated approach to infrastructure development and management in order to facilitate the smooth movement of goods and people and reduce transport costs. To that end, it was also recognized that construction of infrastructure had to progress along with measures to facilitate the smooth movement of goods through simplification of procedures, transit requirements and cross-border regulations.

25. The Conference noted that while developing ESCAP member countries were at the initial stages of development in multimodal transport and strived to accept the concept and clear the obstacles hampering further progress, the more advanced countries in the region were exerting efforts to become transport and logistics hubs. It was also noted that landlocked countries had a bigger stake in optimizing intermodal and multimodal transport processes to expedite the smooth movement of goods on a door-to-door basis.

26. The Conference was pleased to note the spirit of cooperation that prevailed among ESCAP member countries. It was particularly pleased to note the willingness expressed by the more advanced countries in the ESCAP region to share experiences on a range of issues including infrastructure construction, legal and regulatory systems, financing and investment, training, project design and contracting.

27. Considering the beneficial work that the secretariat had undertaken in introducing and progressing multimodal transport and logistics in the ESCAP region, and the contribution to human resources development, the Conference requested the ESCAP secretariat to work further with member countries and with other United Nations agencies in that important area.

28. With regard to port and shipping development, the Conference highlighted the importance of ports as critical intermodal linkages and potential logistics centres. Specific examples were provided as to how countries were addressing privatization issues, including displacement of labour.

29. In order to maximize the benefits of containerization, improvement of port performance and simplification of institutional procedures were recognized by the Conference to be priorities in the port policies of the developing countries in the region.

30. Concerning inland waterways development, the Conference noted with appreciation that ESCAP has assisted member countries, particularly countries in the Mekong subregion, through seminars, workshops and advisory services.

31. The Conference also noted that ESCAP and other international organizations concerned could provide assistance in linking Asian Highway and Trans-Asian Railway routes to shipping services. It noted with interest that some landlocked countries planned to establish dry ports along their borders and to establish ship registration schemes.

32. The Conference noted with appreciation the progress made through the implementation of the Regional Action Programme (1997-2001) of the New Delhi Action Plan, the ALTID project and Commission resolution 52/9, particularly in terms of the formulation of the Asian Highway and Trans-Asian Railway networks.

33. As a result, the Asian Highway network formulation covering the whole of Asia was nearing completion with major TAR international corridors identified. The intensive development of such highways and bridges in Bangladesh, China, India, the Republic of Korea, the Russian Federation and Uzbekistan were noted as vivid examples. Such developments clearly illustrated the need to review the Asian Highway network (which was planned for 2002) as some parts of the network had been formulated in 1993-1996. The task of formalizing the Asian Highway network through an agreement was also recognized by the Conference as being of high priority.

34. The Conference requested that the report of the Policy-level Expert Group Meeting on the Road Networks Connecting China, Kazakhstan, Mongolia, the Russian Federation and the Korean Peninsula, held at Bangkok from 10 to 12 October 2001, be brought to the attention of the Commission.

35. The Conference also felt that a working group on Asian Highway development should be established to facilitate the development of the network.

36. With regard to the Trans-Asian Railway network, progress had been made in the identification of major international corridors such as the Northern Corridor (Europe – Russian Federation - Korean Peninsula direct, or through the Russian Federation via Kazakhstan and China, or Mongolia and China); the Transit Corridor Europe – Caucasus - Central Asia (TRACECA); the Southern Corridor (Europe – Turkey - South Asia - South-East Asia and southern China); the Corridor Europe – Turkey - Islamic Republic of Iran - Central Asia - China; the North-South Corridor (Northern Europe – Russian Federation to South and South-East Asia via the Islamic Republic of Iran; and the corridor from South-East Asia to North-East Asia with the ASEAN study on the Singapore–Kunming railway completed in 2000. The importance of transit corridors between the ESCAP and ECE regions as well as the ESCAP and ESCWA regions was emphasized.

37. Progress in the construction and improvement of Trans-Asian Railway sections was noted, particularly in China, India, the Islamic Republic of Iran, Malaysia, Myanmar and the Russian Federation, along with the expected interconnection between the Trans-Siberian and Trans-Korean railways.

38. The Conference stressed the importance of the demonstration runs of container block trains on TAR routes to demonstrate their competitiveness and pinpoint existing bottlenecks. In that regard, the signing of the memorandum of understanding on the planning and implementation of such demonstration runs along the TAR Northern Corridor on 16 November 2001 was met with appreciation. The Conference also expressed its gratitude to the Russian Federation for an offer to provide facilities for the first meeting of the Steering Committee to be formed under the MOU, to be held at Vladivostok in the first half of 2002. The Conference also noted the active preparations made by Kazakhstan for such runs.

39. The Conference felt that further work was required on the formulation and formalization of the TAR network, for which a working group should be established.

40. The Conference supported the action plan for phase V (2002-2003) of the ALTID project as reflected in annex II and accorded priority to the demonstration runs of container block trains along the Trans-Asian Railway Northern Corridor and the implementation of the joint ESCAP/ECE programme on development of Euro-Asia land transport links.

41. The Conference recognized the efforts undertaken by ESCAP and ECE to support the United Nations Special Programme for the Economies of Central Asia (SPECA) and felt that active cooperation between the countries of the subregion and the neighbouring countries as well as with ECO and IGC-TRACECA and the UNDP Silk Road Area Development Programme (SRADP) was essential to achieve its objectives. The Conference requested the secretariat to more actively encourage the involvement of the Caucasus countries and IGC-TRACECA in SPECA.

42. The Conference noted that the above-mentioned developments with regard to the Asian Highway and Trans-Asian Railway provided an important basis on which an integrated intermodal transport network could be built to meet the increasing demands for more reliable, efficient transport services within the ongoing globalization process and to meet the development needs of international trade and tourism. The particular importance of integrated intermodal transport networks to least developed and landlocked countries and economic in transition was emphasized.

43. The Conference requested the secretariat to take into account the special needs of the Pacific island countries, including human resources development and education in the transport sector as well as facilitation of subregional meetings to exchange information on best practices and experiences.

44. The Conference requested that the formulation, development and improvement of integrated/intermodal international transport should be given priority attention within the Regional Action Programme (2002-2006) of the New Delhi Action Plan.

45. In view of the massive demands for the development of transport infrastructure and services coupled with the limited financial resources of the public sector, delegations indicated that they were encouraging the private sector and foreign investors to invest in infrastructure development and take part in the operation and management of transport infrastructure and services. Measures taken included the drafting and enactment of private investment legislation including BOT legislation; establishment of private investment centres and “one-stop shops”; streamlining of administrative and bureaucratic procedures; increasing the understanding of public sector officials of the new approach of public/private partnership in infrastructure development; capacity-building of public sector officials to negotiate and to identify and package viable BOT projects; and enabling courts to deal with commercial disputes effectively and expeditiously.

46. A number of delegations apprised the Conference of different means of financing infrastructure that they had recently introduced, including issuance of bonds, earmarked fuel taxes for road construction and maintenance, toll roads and infrastructure banks.

47. Despite encouraging private sector participation in transport projects, the Conference noted that the role of government remained crucial. That was especially the case for roads that did not have high traffic volumes. Governments also needed to assume a regulatory function to ensure that privatized projects met the standards and expectations of the people in the country.

48. The Conference noted that, despite the financial and economic crisis of 1997 and the current global economic slowdown, most countries had experienced rapid increases in the numbers of motor vehicles and transport demand. As a result, many cities were experiencing chronic traffic congestion. Some estimates indicated that the ensuing costs of congestion represented 3.5 per cent and more of GDP. Consequently, there was an urgent need to expand transport infrastructure facilities and adopt demand-management measures.

49. The Conference noted that the 1997 crisis and current economic slowdown had adversely affected the economic well-being of people throughout the region, as evidenced by increased poverty and unemployment, reductions in governmental economic support programmes and, in some cases, reductions in social cohesion.

50. In order to address the impacts of the crisis, a number of countries attached high priority to the construction of infrastructure to stimulate domestic demand and generate additional employment.

51. The Conference emphasized that the development of transport infrastructure and services to enhance access to markets, facilities and services was vital for social development and poverty alleviation. A number of representatives informed the Conference of the importance that their countries attached to development of rural roads to provide links with their national networks, particularly in remote areas, and provided details of their current achievements. The Conference noted with great interest the initiatives taken by many member countries in rural road development,

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particularly Bangladesh, China, India and the Islamic Republic of Iran, and was informed that the return on investments in rural transport development programmes could be very high.

52. The Conference expressed its concern at the deterioration in urban transport conditions and environmental pollution in many cities in the region, which were becoming more serious with the increasing level of congestion. It acknowledged that alleviation of urban congestion required promotion and development of efficient public transport and application of intelligent transport systems for better traffic management, transport efficiency, safety and comfort as well as reduction of environmental pollution. The Conference also recognized the significance of providing access to urban public transport services for the poor, women and disadvantaged groups in society.

53. The Conference highlighted the importance of sustainable transport development to effectively manage the impacts of rising transport demand related to environment, health and safety in the ESCAP region. It noted the need to manage the substantial external costs related to, inter alia, air pollution, climate change impacts, traffic congestion, accidents and safety issues. In that respect, it noted the key role that energy-efficient mass transport systems, railways and energy resources and technologies could play. It recognized that climate change was a serious issue for island countries in the Pacific. It also stressed the importance of ensuring transport and communications safety in the ESCAP region.

54. The Conference recognized the significance of sustainable development in tourism on the development of transport infrastructure in the long term, as well as poverty alleviation.

55. The Conference welcomed the generous offer of Japan to continue to support ESCAP activities in the transport sector related to globalization and integration of transport, infrastructure financing, and transport and society.

56. The Conference requested the secretariat to undertake activities regarding sharing of experience in improvement of urban public transport services, particularly to serve the interests of the poor and other disadvantaged groups.

57. In the context of the Asian Highway, the delegation of Bangladesh informed the Conference that its request for a direct link between Bangladesh, India and Myanmar had not been resolved and requested ESCAP to take the initiative of addressing the issue.

58. The delegation of Bhutan requested assistance in preparing an integrated transport plan.

59. The delegation of Vanuatu requested international agencies to provide guidance on how to take account of the effects of climate change in development planning.

60. The delegation of Pakistan suggested that ESCAP should consider updating its multimodal transport studies for the region, including Afghanistan, when the Security Council considered such

efforts appropriate, as an important contribution towards the socio-economic development and stability of the region. While one country supported that suggestion, a number of delegations considered it to be premature.

61. The Conference requested the secretariat to promote networking and exchange of experience and information between member countries with respect to the transport sector including areas such as tariffs and customs regulations. It also requested the secretariat to extend further assistance to SAARC, ECO and BIMST-EC for development in the transport sector.

62. The delegation of the Islamic Republic of Iran requested the secretariat to take the necessary measures to facilitate and expedite the process of joining WTO.

63. The delegation of the Lao People's Democratic Republic requested the secretariat to provide further assistance in increasing institutional capacities and skills development in the freight forwarding industry.

64. The delegation of Azerbaijan called for more active involvement of ESCAP in the South Caucasus.

65. In their statements to the Conference as part of the policy debate, the ministers and representatives provided details of their infrastructure problems and objectives, development experiences and policy initiatives.

66. **Azerbaijan** had implemented a number of significant transport infrastructure projects with the assistance of international financial institutions. Under a process of reform, private sector participation was being promoted. As a landlocked country, Azerbaijan placed emphasis on the development and diversification of transport routes, with special attention to the TRACECA project, and would participate in the SPECA programme.

67. **Bangladesh** was making efforts to accelerate the development of infrastructure linkages, enhance cross-border trade and create a conducive environment for private sector investment. The most significant development of the road-rail network in the country had been the opening of the Jamuna multi-purpose bridge over one of world's largest rivers.

68. **Bhutan**, being a landlocked country, was giving high priority to infrastructure development and in particular expanding the road network to promote gross national happiness. Since it was dependent on the transport systems of its neighbours, plans had been formulated to establish dry ports to link with the Asian Highway.

69. **Cambodia** largely focused its transport development policies on rehabilitation to achieve greater integration into the Asian Highway and Trans-Asian Railway networks. Port development and in particular containerization had benefited from private sector participation. However, low volumes were still an impediment.

70. **China** had invested in infrastructure to stimulate domestic demand, create jobs and mitigate the impact of the Asian economic crisis. It had given high priority to development of road and rail trunk routes that were now being extended through the development of rural roads to meet the needs of poorer areas of the country.
71. **Georgia**, as a transit country between the Black Sea and neighbouring landlocked countries, was developing an adequate transport infrastructure to handle the expected traffic. It was planning a highway between Sarpi at the Turkish border and Baku in Azerbaijan as a regional project and was seeking assistance in its implementation.
72. **India** was implementing key policy initiatives to provide financing for national highways and rural road connections to villages where returns were found to be very high. Private sector participation in infrastructure including ports was being promoted through several approaches, including BOT, for which national model concession agreements had been developed.
73. **Indonesia**, being an archipelagic country, faced special problems that required an integrated approach to the planning of sea and land transport. The Asian economic crisis and current economic slowdown had resulted in difficulty in attracting private sector participation. However, new legislation had been implemented to attract investment.
74. **The Islamic Republic of Iran** was giving high priority to transit corridors East to West and North to South, including links between the ESCAP, ECE and ESCWA regions. In addition, improved transport access was being provided to more remote areas to enhance economic development and address poverty. In addition, the Islamic Republic of Iran had given high priority to the process of privatization.
75. **Japan** was further promoting the transport sector, ensuring sustainable development and international competitiveness for urban revitalization. Other initiatives included curtailing costs, advancing transparency, encouraging environmental awareness and making the best use of infrastructure through the development of logistics capabilities.
76. **Kazakhstan** had established a Development Bank to help to finance new road and rail transport construction projects which had resulted in the creation of new jobs and promoted economic development. Priority was being given to the improvement of cross-border and transit transport within Asia-Europe land bridges.
77. **Kyrgyzstan** highlighted its efforts to renew the silk routes through the development of the road and railway links between China and Central Asia and referred to the important assistance provided by ADB, the World Bank, IGC-TRACECA and ESCAP in planning and developing new transport infrastructure.
78. **The Lao People's Democratic Republic** recognized transport infrastructure as a means of strengthening regional cooperation. It had strategic potential to form land bridges for the transit

transport of the countries in the GMS. It had undertaken studies and physical improvement for the development of roads, railways and inland waterways to facilitate international and domestic traffic.

79. **Macao, China**, a major tourist destination in East Asia, had a comprehensive transport system of air, land and sea links to cities in the Pearl Delta area, ferry services to Hong Kong, China, and shuttle services between Macao airport and China. New cross-harbour links were being developed to provide additional transport capacity.

80. In **Malaysia**, while further private sector participation was being encouraged, the role of government in financing capacity-led infrastructure development remained substantial. The focus was now on the regulatory function of government. Malaysia was currently upgrading its railway network through electrification and double-tracking.

81. **Mongolia**, a vast landlocked country with a small population, had placed great emphasis on establishing a new road network East to West and North to South including the “Millennium” project to provide links with the Tumen River area. The railway network effectively connected China and the Russian Federation.

82. **Myanmar**, owing to its geographical position, could play an important role in the Asian Highway and Trans-Asian Railway networks. Efforts had been made to upgrade and construct new roads and develop the railway. Additional bridges had been built across the Ayerwaddy River using domestic financial resources.

83. **Nepal** considered transport to be the most important form of infrastructure and was developing a legal and regulatory framework to promote and strengthen private sector participation. Nepal had recently completed construction of three ICDs and related export processing zones to improve transit transport. A road fund to improve road maintenance was being established.

84. **Pakistan** had made considerable strides in private sector participation in the development of the road sector, particularly major highways through BOT and other concessionary agreements. “Farm to market roads” had also been developed with foreign assistance. The rail sector, which had declined in recent years, was now receiving priority attention.

85. **The Republic of Korea** was focusing on enhancing private sector participation and improving logistics capacities. The National Intermodal Transportation Network Plan (2000-2019) had been launched. In parallel with that, the Government was making maximum efforts to expand environmentally sound transport facilities that provided efficient and safe services.

86. **The Russian Federation** was developing transport links between Asia and Europe through transport corridors, including connections between the Trans-Korean and Trans-Asian Railway and the completion of a Trans-Siberian highway. Several initiatives were also being taken to enhance transport efficiency including facilitation measures. Actions were being taken to develop a transport information network and modernize the transport system.

87. **Samoa** emphasized the special needs of small island countries, the creation of an enabling environment for the private sector to participate in the development of roads, power, ports and education in the transport sector. The Infrastructure Asset Management Project commenced in 1999 included the urgent rehabilitation of key infrastructure and meeting priority needs in the road sector.
88. **Thailand** attached importance to the development of the country's transport infrastructure and to linking its transport networks with those of other countries. Thailand would host the International Road Federation World Meeting in June 2005, which would encourage the exchange of information, experience and new technology.
89. **Uzbekistan** placed emphasis on the development and construction of its main highway and railway network. Recently plans had been put in place to develop expressways within the national highway network and to increase the efficiency of the international railway connections.
90. **Vanuatu** noted the substantial progress made in the implementation of the Asian Highway and Trans-Asian Railway but noted that the Pacific subregion still required assistance to promote the development and integration of transport systems to more effectively link the vulnerable economies and thereby promote development.
91. **Viet Nam** was implementing projects relating to the rehabilitation and upgrading of all transport modes. Viet Nam also placed particular emphasis on developing accessibility for rural areas and cross-border transport development with its ASEAN and GMS neighbours, under the Asian Highway and Trans-Asian Railway projects and other subregional initiatives.
92. **UNCTAD** had been cooperating with ESCAP in the areas of: the development and application of training materials used in freight forwarding and multimodal transport; the development of draft framework agreements on transit and multimodal transport; and a national project for Bangladesh aimed at improving rail transport efficiency through the introduction of a management information and tracking system.
93. **UNDP** was implementing the regional projects for the Tumen River area and for the Silk Road area with particular relevance to transport infrastructure and considered cooperation with ESCAP essential for their implementation.
94. **UPU** was working with the postal administrations and Governments of the developing countries to provide universal access to the worldwide postal communications network and define the conditions, standards and quality of the universal postal service.
95. **The Asia-Pacific Telecommunity** informed the Conference of the world summit on the "Information Society" to be held at Geneva in 2003, in which all ESCAP member countries were being invited to participate. It also indicated that there was likely to be a regional preparatory meeting for Asia and the Pacific.

96. **ASEAN** was implementing a more focused transport action agenda and had already developed plans for the trans-ASEAN transport network of road, rail, seaports and airports. The framework agreement on transit transport had come into effect and the inter-State and multimodal transport agreements were in the final stages of formulation.

97. **The Economic Cooperation Organization** was promoting the interconnection of the main transport and communication arteries between ECO member States as well as with regional transport corridors. Among the priority projects were ECO transit route demonstration trains and the ECO/IDB/ESCAP/UNCTAD multimodal transport project.

98. **IGC-TRACECA** was implementing infrastructure projects in its member countries with financial assistance from the EU. Cooperation with the ESCAP ALTID project and with other subregional and international organizations was considered an important approach to explore beneficial complementarities, in order to avoid duplication.

99. **AITD** was an interdisciplinary, non-governmental autonomous institute that had a membership of 14 countries in the region and an MOU with ESCAP. It fostered inter-country cooperation by sharing its expertise and disseminating the findings of research studies in infrastructure areas related to, inter alia, financing, environment, poverty reduction and gender.

B. Report of the Meeting of Senior Government Officials

(Item 5 of the agenda)

100. The Conference considered the report of the Meeting of Senior Government Officials in Preparation for the Ministerial Conference on Infrastructure, held at Seoul from 12 to 14 November 2001, as contained in document E/ESCAP/MCI(2)/1 and unanimously endorsed its findings and recommendations.

C. Other matters

(Item 6 of the agenda)

101. No other matters were raised.

D. Draft Seoul Declaration on Infrastructure Development in Asia and the Pacific

(Item 7 of the agenda)

102. The Conference had before it the draft Seoul Declaration on Infrastructure Development in Asia and the Pacific, which was annexed to the report of the Meeting of Senior Government Officials (E/ESCAP/SGO/MCI(2)/Rep.)

103. The Conference was pleased to note that the Declaration had been developed in cooperation with a working group of the Advisory Committee of Permanent Representatives and Other

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Representatives Designated by Members of the Commission (ACPR) and that its members had sought guidance from their respective capitals as to the content and formulation.

104. The Conference approved phase II of the Regional Action Programme (2002-2006) of the New Delhi Action Plan, which was annexed to the draft Declaration. It further noted that the Programme had been formulated taking account of Commission resolutions and decisions during phase I (1997-2001) of the Programme, the reports of expert group meetings and other forums and the results of analytical studies.

105. The Conference considered it imperative that Governments take the necessary action at the national level in line with the New Delhi Action Plan.

106. The Conference adopted the Seoul Declaration on Infrastructure Development in Asia and the Pacific by acclamation. The Declaration appears as chapter IV of this report.

III. ORGANIZATION OF THE MEETING

A. Opening, duration and organization of the Conference

107. The Ministerial Conference on Infrastructure was held at Seoul on 16 and 17 November 2001.

108. H.E. Mr. Lim In-Taik, Minister of Construction and Transportation of the Republic of Korea, welcomed the delegations. The Executive Secretary of ESCAP read out a message from the Secretary-General of the United Nations and also delivered an address, declaring the session open. H.E. Mr. Lee Han-Dong, Prime Minister of the Republic of Korea, delivered a congratulatory address. Present also were H.E. Admiral Yu Sam-Nam, Minister of Maritime Affairs and Fisheries of the Republic of Korea, and H.E. Mr. Lee Jae-Chang, Member of the National Assembly Committee on Construction and Transportation.

Welcoming address by the Minister of Construction and Transportation

109. The Minister of Construction and Transportation welcomed the delegations and said that the convening of the Conference was meaningful to the Republic of Korea. The development of appropriate infrastructures had a vital role to play in sustaining the region's economic advancement, alleviating poverty and improving the quality of life of the people. For that reason, substantial efforts had been made by countries in the region to expand transport facilities. However, the magnitude of the financing task had prompted countries in the region, including the Republic of Korea, to turn to other sources of funding such as the private sector.

110. The Minister extended his Government's appreciation to ESCAP for its lead role in the implementation of regional projects during the first half of the New Delhi Action Plan on Infrastructure Development in Asia and the Pacific, and noted the achievements. He expressed the hope that the Ministerial Conference would contribute to reinforcing mutual understanding and cooperation among countries in the region.

Message from the Secretary-General of the United Nations

111. In his message, the Secretary-General expressed his gratitude to the Government and people of the Republic of Korea for hosting and generously supporting the Ministerial Conference on Infrastructure.

112. The Secretary-General observed that despite the socio-economic opportunities arising from globalization, economic liberalization and the rapid diffusion of information and communications technology, endemic poverty and inequalities among and between nations remained causes of profound concern in the ESCAP region. In that context, he noted that transport played a crucial role in providing global market access and helping all sectors of society to seize the new opportunities. For its part, the United Nations stood ready to assist all the members in forging new partnerships and increasing cooperation in the development of that sector, thereby contributing to peace, progress and stability in the region and beyond.

Opening statement by the Executive Secretary of ESCAP

113. The Executive Secretary expressed gratitude and appreciation to the Prime Minister for bestowing on the occasion the honour of his presence, thereby reaffirming the Government of the Republic of Korea's sustained commitment and support to the aims and ideals of the Charter of the United Nations and, in particular, the role and mission of ESCAP. He also acknowledged with appreciation the presence of the Minister of Construction and Transportation and the Minister of Maritime Affairs and Fisheries at the inaugural session.

114. The Executive Secretary noted that the region's diversity offered enormous potential for collaboration and enhanced regional cooperation that could benefit all the members in the current context of globalization. In that regard, he called on the delegations to evolve together policies and plans that would enhance transport performance to position the region competitively so as to reap the benefits of globalization and regional cooperation. For its part, ESCAP intended to reassert its leading role in assisting the members in achieving sustained and balanced growth and in addressing poverty.

Congratulatory remarks by the Prime Minister of the Republic of Korea

115. The Prime Minister of the Republic of Korea, speaking on behalf of the people and Government of the Republic of Korea, extended a warm welcome to all those attending the Conference. He expressed the hope that the Conference would serve to heighten the recognition of the importance of infrastructure development and, at the same time, enhance understanding and cooperation in the region.

116. Noting the supportive role that transport played in socio-economic development and in the process of globalization, the Prime Minister observed that the increasing demand for transport had prompted countries in the region to improve the capacity and efficiency of the different modes of transport. Notwithstanding those efforts, transport problems such as traffic and airport congestion, urban transport and environmental pollution still needed to be addressed.

117. The Prime Minister said that at a time of globalization the establishment of transport linkages among countries in the region was as vital as the development of national transport networks. He further noted that the attainment of the region's economic and social development was dependent on close regional cooperation in transport development. In that context, the Government of the Republic of Korea pledged itself to participate in, and provide maximum cooperation to, the implementation of ESCAP programmes.

B. Attendance

118. The Meeting was attended by representatives of the following members and associate members of ESCAP: Australia, Azerbaijan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, France, Georgia, India, Indonesia, Islamic Republic of Iran, Japan, Kazakhstan, Kyrgyzstan, Lao People's Democratic Republic, Malaysia, Mongolia, Myanmar, Nepal, Netherlands, Pakistan, Papua New Guinea, Philippines, Republic of Korea, Russian Federation, Samoa, Sri Lanka, Tajikistan, Thailand, Turkey, United States of America, Uzbekistan, Vanuatu, Viet Nam and Macao, China.

119. A representative of Belgium attended as an observer.

120. Representatives of the following United Nations bodies and specialized agencies also attended: United Nations Conference on Trade and Development, United Nations Development Programme, International Labour Organization, World Bank and Universal Postal Union.

121. The following intergovernmental organizations, non-governmental organizations and other organizations attended as observers: Asia-Pacific Telecommunity, Association of Southeast Asian Nations, Commonwealth of Independent States, Economic Cooperation Organization, European Commission, Inter-Governmental Commission TRACECA, International Association of Ports and Harbors, International Federation of Freight Forwarders Association, Asian Institute of Transport Development, GIF Research Foundation Japan, Korea Maritime Institute, Korea Railroad Research Institute and Korea Transport Institute.

C. Election of officers

122. The Conference elected H.E. Mr. Lim In-Taik (Republic of Korea) Chairperson. Following past practice, it decided to elect the following heads of delegations Vice-Chairpersons: H.E. Mr. Nazmul Huda (Bangladesh), H.E. Dasho Leki Dorji (Bhutan), H.E. Mr. Zhang Guobao (China), H.E. Mr. Mehdi Tafazzoli (Islamic Republic of Iran), H.E. Mr. Shinya Izumi (Japan), H.E. Mr. Vadim Zverkov (Kazakhstan), H.E. Mr. Kubanychbek Jumaliev (Kyrgyzstan), H.E. Mr. Vonglokhom Bouathong (Lao People's Democratic Republic), H.E. Dato' Seri S. Samy Vellu (Malaysia), H.E. Mr. Jigjid Byamba (Mongolia), H.E. Mr. Chiranjibi Wagle (Nepal), H.E. Mr. Alexander V. Tselko and H.E. Mr. Oleg V. Skvortsov (Russian Federation), H.E. Mr. Faumuina Liuga (Samoa), H.E. Mr. Khalikov Rustam Isufovich (Tajikistan), H.E. Mr. Wanmuhammadnoor Matha (Thailand), H.E. Mr. Turgunbay A. Azimbaev (Uzbekistan) and H.E. Mr. Nguyen Viet Tien (Viet Nam).

123. Mr. Lennox Brian Vuti (Vanuatu) was elected Rapporteur.

D. Agenda

124. The Meeting adopted the following agenda:
1. Opening of the Conference.
 2. Election of officers.
 3. Adoption of the agenda.
 4. Policy debate on issues pertaining to infrastructure development in Asia and the Pacific.
 5. Report of the Meeting of Senior Government Officials:
 - (a) Infrastructure development, and the New Delhi Action Plan on Infrastructure Development in Asia and the Pacific;
 - (b) Globalization and integration of transport;
 - (c) Infrastructure financing and private sector participation;
 - (d) Transport and society.
 6. Other matters.
 7. Draft ministerial declaration on infrastructure development in Asia and the Pacific.
 8. Adoption of the report.

E. Adoption of the report

125. The Ministerial Conference on Infrastructure adopted its report on 17 November 2001. In so doing, it expressed gratitude and appreciation to the Government of the Republic of Korea for hosting the Conference, and also to other donor countries, namely, Australia, France, Indonesia, Japan and the Netherlands for extending assistance to the preparations for and convening of the Conference.

IV. SEOUL DECLARATION ON INFRASTRUCTURE DEVELOPMENT IN ASIA AND THE PACIFIC

We, the Ministers of members and associate members of ESCAP attending the Ministerial Conference on Infrastructure held at Seoul from 12 to 17 November 2001,

Recognizing in this era of globalization the crucial role of infrastructure in sustaining and promoting the economic and social development of our economies,

Recalling Commission resolution 51/8 of 1 May 1995 on the implementation of the New Delhi Action Plan on Infrastructure Development in Asia and the Pacific, covering the period 1997-2006, as well as the launching of the Plan at the Ministerial Conference on Infrastructure held at New Delhi from 23 to 29 October 1996,

Noting that the development of roads, rail, shipping, ports, inland waterways and air transport has shown significant progress, but that the region still faces deficiencies and bottlenecks in these sectors and that actions are required to meet the economic, social and environmental challenges and demands; further noting that economic growth in Asia and the Pacific is the highest in the world, that 61.8 per cent of the world's population live in the region, some of them in extreme poverty, that half of the region's population may be living in urban areas by 2025, that tourism plays a key role in poverty alleviation and employment generation, especially in developing countries, and that all these factors, along with the impacts of globalization, indicate the need for substantial increases in transport capacity and efficiency to provide access to meet the needs of the population and more effectively interconnect markets, production and urban areas,

Also noting that infrastructure investment plays a vital role in reducing poverty and promoting economic development by creating employment and increasing production in the region,

Appreciating the significance of activities implemented during the first half of the Plan (1997-2001), promoting infrastructure development in the region, and the need to further enhance the pace and scope of such endeavours,

Also appreciating the various initiatives taken in the infrastructure sector by regional and subregional organizations, as well as those taken in the context of growth triangles and other similar cooperative endeavours,

Recognizing the need for continuing implementation of Commission resolution 52/9 of 24 April 1996 on intra-Asia and Asia-Europe land bridges (extended by the Commission at its fifty-sixth session, in 2000), also recognizing other priority areas, as identified by Commission resolution 48/11 of 23 April 1992 on road and rail transport modes in relation to facilitation measures (extended by the Commission at its fifty-sixth session), resolution 55/1 of 28 April 1999 on sustainable development of inland water transport in the Asian and Pacific region and resolution 57/4 of 25 April 2001 on regional cooperation in information and communication technologies for development,

1. **Agree** that, at this time of globalization, infrastructure development policies need to be formulated and implemented by Governments in accordance with specific situations, conditions and national priorities to meet economic and social targets and to achieve success in this regard:

(a) Consider it essential that Governments take a leading role in more effectively integrating the different forms of transport in order to develop sustainable intermodal transport systems that deliver efficient domestic transport services and at the same time provide access to international markets and wider hinterlands;

(b) Support the formulation and implementation of strategies and policies to promote private sector participation and public/private partnerships in the financing and operation of transport infrastructure and services to accelerate development and encourage improved efficiency;

(c) Deem it essential that the economic, social, environmental and safety impacts of transport on society be evaluated in a comprehensive manner and that Governments commit themselves to the implementation of sustainable development policies including appropriate community-based infrastructure interventions designed to assist in the poverty alleviation process;

2. **Renew** our commitment to the New Delhi Action Plan on Infrastructure Development in Asia and the Pacific and approve the Regional Action Programme (2002-2006) of the Plan (annex I);

3. **Invite** members and associate members of ESCAP, donor countries, multilateral financing institutions, concerned agencies and organizations of the United Nations system, other intergovernmental and subregional organizations, non-governmental organizations and, in particular, the private sector to provide financial and technical support, taking particular cognizance of the special needs and measures required to assist the least developed, landlocked and island developing economies and economies in transition;

4. **Request** the Executive Secretary:

(a) To accord priority to mobilizing resources for the implementation of the Regional Action Programme, covering the period 2002-2006;

(b) To ensure effective coordination with other concerned United Nations and multilateral agencies in the implementation of the Programme and to continue to promote cooperation in a synergistic manner with the various regional and subregional organizations which are playing an increasingly important role in the infrastructure sector;

(c) To encourage the active participation of subregional organizations and other groupings, including growth triangles and other similar cooperative endeavours, in formulating and implementing the Programme in coordination with the secretariat;

(d) To associate national transport institutions with the implementation of Programme activities;

(e) To continuously monitor and evaluate the impact of the Programme and to submit his reports, with appropriate recommendations, to the Commission at its fifty-ninth and subsequent sessions until the end of the Plan.

Annex I

REGIONAL ACTION PROGRAMME (2002-2006) OF THE NEW DELHI ACTION PLAN ON INFRASTRUCTURE DEVELOPMENT IN ASIA AND THE PACIFIC

Globalization has created new opportunities for countries in the ESCAP region. It has also created challenges. Management of these challenges requires a collaborative effort among member countries and the United Nations agencies, intergovernmental organizations, subregional organizations and professional associations involved in transport.

The ESCAP secretariat has worked closely with several key United Nations agencies including ECA, ECE, ECLAC, ESCWA, UNCTAD, UNDP, UNAIDS, IMO, ICAO, ILO, ITU, UPU and the World Bank, intergovernmental organizations including APT, ADB, EBRD and IDB, other subregional organizations such as ASEAN, ECO, the Forum Secretariat, SAARC, IGC-TRACECA, TRADP and other collaborating institutions, including AITD, CPD and KMI in the implementation of the New Delhi Action Plan, phase I. Further cooperation and coordinated action between ESCAP and these organizations would greatly enhance the prospect of successful implementation of the Regional Action Programme, phase II.

1. INFRASTRUCTURE PLANNING AND POLICY

In this era of globalization, the opportunities to expand intra- and interregional trade are reliant on the capacity of countries to deliver efficient road, rail, water and air transport infrastructure and services. However, several factors are inhibiting their ability to meet this challenge. For example, within the Asian land transport infrastructure development (ALTID) project,¹ the current approach to formulating the Asian Highway is not sufficiently responsive to the need for regular regionwide review of the network's development and timely coordination between national and regional transport networks. Similarly, progress has been made in the development of the Trans-Asian Railway network; however, its formulation and operational integration are not yet complete.

While development of the individual modes will remain important within the process of globalization, the expansion of intermodal transport systems can further reduce costs and increase efficiency. However, national and regional plans promoting an integrated transport network have yet to be fully developed. At the same time, the concept of a sustainable transport system balancing transport demand across the various modes and with environmental and social concerns has not yet emerged.

Changes brought about by countries in the ESCAP region over the last two decades are part of a much broader movement towards deregulation and liberalization of world trade within the multilateral framework of WTO. In the transport sector, proposals for renewed negotiations on

¹ Owing to the vital importance and cross-cutting nature of facilitation measures across all modes of transport, they have been dealt with specifically under theme area 4, "Logistics and facilitation".

maritime transport will take into consideration the different levels of development and the principles of progressive liberalization. Such proposals may have substantial impacts on countries in the ESCAP region that are striving to maintain a presence in the provision of transport services. Consequently, there is a need for countries to prepare themselves for these and other negotiating rounds that may impact on the transport sector.

Development objective: To improve regional transport infrastructure planning and policy formulation, thereby assisting countries in enhancing their competitiveness in accessing global markets.

1.1 ALTID project: Formalization of the Asian Highway

Immediate objective: To formalize the development of the Asian Highway network through the coordinated planning of national road infrastructure with regard to regional transport needs.

Outputs:

1. A formulated agreement on the Asian Highway comprising (a) the regional highway network, (b) the technical standards and (c) a review mechanism for regular updating of the regional network.
2. Road maps, reports and an updated database promoting Asian Highway development.

Indicators of achievement:

1. Countries having ratified/acceded to the Asian Highway agreement.
2. The Asian Highway network, as laid down in the agreement, is recognized as a priority in national highway planning.

1.2 ALTID project: Formulation and formalization of the Trans-Asian Railway

Immediate objective: To promote the regional railway network for efficient movement of goods and people.

Outputs:

1. A network for the Trans-Asian Railway incorporating route configuration and technical characteristics for regional and interregional rail transport.
2. Cooperation arrangements among railway organizations on Trans-Asian Railway routes and operationalization of rail transport services.

Indicators of achievement:

1. Countries participating in network formulation for the Trans-Asian Railway.
2. Trains moving on international routes of the Trans-Asian Railway.

1.3 Integrated transport network and intermodal linkages

Immediate objective: To promote the development of intermodal transport systems at the national, subregional and regional levels to increase efficiency and reduce transport costs.

Outputs:

1. A conceptual plan formulated for an integrated regional transport network for Asia covering all transport modes, including railway, roads, water transport, ports, freight terminals and airports.
2. Recommendations for the development of intermodal transport facilities at the country, subregional and regional levels.

Indicators of achievement:

1. Countries adopting integrated intermodal approaches to transport infrastructure planning.
2. Intermodal transport facilities planned and/or developed in the countries.

1.4 Transport policy analysis

Immediate objective 1: To assist countries in identifying issues and formulating policy responses in the transport sector.

Outputs:

1. Biennial publication *Review of Developments in Transport and Communications in the ESCAP Region* and regional transport policy studies.
2. Regional shipping and seaport studies and forecasts to provide a regional context for national planning processes utilizing the ESCAP Maritime Policy Planning Model.

Indicators of achievement:

1. Timely delivery of the *Review*.
2. Positive response to the *Review*, and studies from member countries and other readers.

Immediate objective 2: To promote an integrated approach to economic, financial, environmental and social sustainability in planning and policy development with regard to transport facilities and services.

Outputs:

1. Reports, analytical studies and policy advice on sustainable transport development issues (e.g., strategic approaches to transport planning, transport pricing and charges for sustainable development, and economic and commercial regulation in transport).
2. Capacity-building through seminars, workshops and training activities.

Indicators of achievement:

1. Positive response from member countries to outputs.
2. Incorporation of sustainable transport policies in national planning processes.

1.5 Liberalization and WTO

Immediate objective: To create awareness of the implications of the WTO/GATS negotiations on maritime transport services for countries that are members of WTO and for countries that are non-members.

Outputs:

1. A review of the current level of liberalization of transport services and potential niche markets for developing countries in the region.
2. Exchange of views and best practices among ESCAP member countries at the subregional and regional levels designed to assist countries in reviewing negotiating positions.

Indicators of achievement:

1. Regional awareness of the impact of the WTO/GATS negotiations on the transport sector and advance preparation for negotiations.
2. A network of national research institutions undertaking work on WTO transport-related subjects.

2. ADMINISTRATION, MANAGEMENT AND FINANCE

At a time when the growth of trade and other factors are fuelling an increasing demand for efficient and cost-effective transport options, freight and passenger traffic moving by rail is below capacity. At the same time, it is clear that an increased focus on port productivity can reduce the need to invest significant quantities of new capital in expanding port facilities. In the highways sector, the management of pavement maintenance continues to be a regional problem owing to limited financial resources and the high priority being given to construction.

Participatory approaches in transport planning and decision-making can help in addressing various issues of a cross-cutting nature and in pursuing sustainable development, ensure improvements in the welfare of the poor and other disadvantaged groups, resolve conflicts of interests and thereby assist in preserving or building security at all levels. However, institutional mechanisms to ensure wide participation by all social groups are still largely absent.

Development objective: To encourage countries to engage in modern strategic decision-making within a sound regulatory and administrative framework.

2.1 Revitalization of railways

Immediate objective: To promote increased responsiveness of railway organizations to the changing demands of the transport market.

Outputs:

1. Evaluation and information planning concerning best practices to enhance rail transport services, including the separation of different businesses financially and managerially.
2. Guidelines for commercialization of railway organizations facilitated through policy advice, case studies and subregional and country-level training activities.

Indicators of achievement:

1. Countries initiating commercial reforms in national railway organizations.
2. Increased freight and passenger volumes transported by rail and new railway services established.

2.2 Road maintenance and administration

Immediate objective: To improve the planning capacities of national road administrations.

Outputs:

1. Capacity-building for road management facilitated through policy advice and subregional and country-level training activities.
2. Network of professionals and institutes related to road management.

Indicators of achievement:

1. Countries initiating legislative reforms for funding of road maintenance.
2. Participation of countries in the proposed network.

2.3 Improving transport productivity

Immediate objective: To enhance transport efficiency and productivity.

Outputs:

1. Application of information and communications technologies (ICT) to enhance transport productivity, particularly through networking of regional transport organizations and service providers to exchange data, information and software.
2. Evaluation of transport performance indicators and comparative analysis of transport productivity in the region.

Indicators of achievement:

1. Participation of regional transport organizations and service providers in the ICT network.
2. Increase in regional transport productivity through the application of ICT.

2.4 Participatory planning and policy formulation

Immediate objective: To promote participatory approaches in planning and policy formulation in the transport sector.

Outputs:

1. Studies on the implications of participatory planning and decentralization of decision-making; guidelines, seminars and workshops; and advisory services.
2. Establishment of sustainable consultative mechanisms among key stakeholders, including providers and users of transport infrastructure, Governments and relevant institutions.

Indicators of achievement:

1. Involvement of relevant stakeholders in the planning and policy formulation process.
2. Participants' positive evaluation of consultative meetings.

3. PRIVATE SECTOR PARTICIPATION

Countries of the ESCAP region are facing shortages of transport infrastructure and services. In most cases they are also experiencing difficulties in funding or allocating adequate financial resources to undertake the necessary investment and increase efficiency. To address these issues, Governments are encouraging the participation of the private sector; however, progress has been slower than anticipated owing to a range of issues that still need to be addressed.

With increased demands for capital investment in transport infrastructure and promotion of private sector participation, it will become increasingly necessary to avoid wasteful investment and ensure that funds are available. Unless some outstanding issues are addressed, it may become more difficult to attract private capital in the future, as private investors become more discriminating in the choice of projects.

Development objective: To assist countries in establishing appropriate public/private partnerships in the development of transport infrastructure and services.

3.1 Building institutional capacities

Immediate objective: To assist in building institutional capabilities for private sector participation in transport undertakings.

Outputs:

1. Networks of institutions and bodies concerned with economic and commercial regulation in transport.
2. Exchange of ideas and experiences in private sector participation among member States, including exchange programmes; training material and workshops on “Negotiating platform for public/private partnership (PPP) projects” (both activities being undertaken in cooperation with the Economic Commission for Europe’s BOT Expert Group); and action plans for private sector participation.

Indicators of achievement:

1. Network positively evaluated by participants.
2. Actions taken to improve the environment for public/private partnerships.

3.2 Improving the legislative environment

Immediate objective: To assist countries in improving their legislative environment for private sector participation.

Outputs:

1. Joint workshops/seminars with the United Nations Commission on International Trade Law (dissemination of *Legislative Guide on Privately Financed Infrastructure Projects*).
2. Joint workshops/seminars with the United Nations Industrial Development Organization (dissemination of *Guidelines for Infrastructure Development through Build-Operate-Transfer (BOT) Projects*).

Indicators of achievement:

1. Participants’ positive evaluation of workshops/seminars.
2. Actions taken by regional members to enact or revise legislation related to public/private partnerships.

3.3 Evaluating privatization projects

Immediate objective: To assist countries of the region in evaluating the potential for commercialization of transport infrastructure projects from an international perspective.

Outputs:

1. Advisory services and application of the ESCAP/UNDP financial and economic planning models as well as case studies to evaluate business and asset values.
2. Regional and country-level seminars/workshops to promote an exchange of regional experiences in creating favourable public opinion with regard to private sector participation.

Indicators of achievement:

1. Regional ports/other transport undertakings utilizing economic planning models in evaluating projects for potential private sector involvement.
2. Measurable improvement in public opinion towards private sector participation.
3. Increased demand for capital investment.

4. LOGISTICS AND FACILITATION

Overcoming the friction associated with transport procedures and other institutional constraints is a critical success factor in providing competitive access to the global market. While the cost impact of this friction is widespread and difficult to quantify, its effect is very evident in the frustration caused and the time wasted. Yet few countries in the region have been able to address this issue effectively.

Multiple sourcing and just-in-time requirements have encouraged trade and transport intermediaries to go beyond management of the multimodal transport process and apply principles of logistics and ICT to manage the entire supply chain. However, for many developing countries there is a need to upgrade institutional capacity and introduce specific skills to provide new value added services.

Development objective: To encourage countries to implement trade and transport facilitation measures that would remove friction, streamline transport processes and develop efficient logistics services in order to engage in the globalization process.

4.1 Improving trade and transport

Immediate objective: To promote the simplification/harmonization of trade/transport procedures/documentation and assist countries in achieving the seamless movement of goods and people.

Outputs:

1. Simplification and harmonization of trade and transport procedures.
2. Reports isolating and quantifying bottlenecks that impede the smooth movement of goods and measures to overcome the impediments, including ICT applications in transport and trade.

Indicators of achievement:

1. Countries addressing identified bottlenecks.
2. Countries adopting simplified and seamless trade and transport procedures including ICT applications.

4.2 Improving legal regimes

Immediate objective: To assist countries in putting in place a suitable legal regime that would facilitate international and transit transport.

Outputs:

1. Analysis of international and subregional agreements that facilitate trade and transport.
2. Training and advisory services to build institutional capacities and assist in the implementation of transport agreements.

Indicators of achievement:

1. Countries taking action towards the adoption and implementation of international and subregional agreements including the Conventions listed in resolution 48/11.
2. Countries formulating and enacting multimodal transport legislation.

4.3 Raising awareness of logistics concepts

Immediate objective: To increase awareness of logistics concepts and assist countries in developing multimodal transport services and supply chain management capabilities.

Outputs:

1. Case studies of best practices and development of guidelines on establishment of logistics centres.
2. Comparative analysis of logistics costs in countries of the region.

Indicators of achievement:

1. Countries taking measures to provide logistics services.
2. Countries adopting a logistics approach to transport development.

4.4 Capacity-building and skills development

Immediate objective: Capacity-building and skills development to further progress multimodal transport and develop logistics services at the national, subregional and regional levels.

Outputs:

1. Interactive training material suitable for distance mode delivery prepared in conjunction with Governments, freight forwarders associations and training institutions.
2. Qualified trainers certified to deliver the training material at the subregional and regional levels.

Indicators of achievement:

1. Countries adopting ESCAP training material as a basis for human resources development.
2. Delivery of training material by national training institutes.

5. ENVIRONMENT AND SAFETY

Transport-related environmental and social issues of major concern include land-use change, population displacement, climate change and local and regional air pollution, the costs of which in many cases account for several times the direct costs of transport services. Environmental, social and health impact assessments of transport-related projects, plans and activities are preventive tools for integrating broader considerations into transport planning.

All transport modes involve safety risks, especially with respect to the transport of dangerous goods, and personal security issues which need to be addressed. In the Asia-Pacific region alone, 400,000 people are killed in road accidents each year, and the economic losses caused by road accidents are more than double the total development assistance to the ESCAP region from all sources. The activities proposed under this programme item focus on specific tools to address environmental, social and safety issues.

Development objective: To mitigate the environmental and social impact of transport and improve safety.

5.1 Environment

Immediate objective: To assist member countries in incorporating the environmental and social impacts of transport in the planning, implementation and operation of transport projects.

Outputs:

1. Guidelines on multistage environmental and social impact assessments (ESIA) in the transport sector.
2. Workshops and seminars based upon the guidelines.

Indicator of achievement: Actions being undertaken by member countries to incorporate multistage ESIA into transport projects.

5.2 Safety

Immediate objective: To assist policy makers in analysing the road safety situation in their countries in comparison with other countries.

Outputs:

1. Asia-Pacific road accident database (APRAD) and comparative analysis of regional accident data.
2. Network of national agencies and users involved in maintaining the regional database.

Indicators of achievement:

1. Countries using the regional APRAD data for national policy planning.
2. Countries participating in the APRAD network.

5.3 Transport of dangerous goods

Immediate objective: To assist countries in applying international standards for the transport of dangerous goods.

Outputs:

1. Training needs identified through advisory service missions.
2. A core of experts in countries of the region with the capacity to implement international standards for the transport of dangerous goods.

Indicators of achievement:

1. Countries utilizing the training material.
2. Updated national regulations on the transport of dangerous cargo.

6. HUMAN RESOURCES DEVELOPMENT CAPABILITIES

Investment in human resources development is recognized as one of the most fundamental prerequisites for participation in the globalization process.

In this respect, Commission resolution 50/7 of 13 April 1994 on the update of the Jakarta Plan of Action on Human Resources Development in the ESCAP Region noted the need to enhance national capabilities through promoting human resources development policies that are compatible with economic growth and promote flexibility and continuous skills development.

Within the proposed Regional Action Programme, there is a strong focus on capacity-building and institutional strengthening in all programme areas. In addition to the traditional modalities such as knowledge sharing and communication through workshops, forums, studies, content provision and advisory services, the programme seeks to integrate the different modalities and optimize the substantive outputs developed. This will be achieved by making full use of modern delivery tools, including the Internet, to make their provision more cost-effective, sustainable and flexible to respond to emerging needs.

In this process, the secretariat will focus on its role as facilitator and will aim to ensure participants' ownership and the development of national capacities to deliver the training programmes and work closely with government and industry to establish delivery mechanisms.

7. POVERTY ALLEVIATION, RURAL AREAS AND DISADVANTAGED POPULATION GROUPS

Vast rural areas in the region are still experiencing a basic access problem, while deficiency in access is one of the characteristics of poverty and an obstacle to social development. Often transport investments to address the basic access problem remain narrowly focused, mainly owing to gaps in the understanding of how transport interventions and policies can be made more effective for social development and the general welfare of the poor. At the same time, traditional transport planning hardly recognizes the special needs of women, the elderly and people with disabilities. There is a growing awareness, however, of the importance of developing transport systems that are accessible to all groups.

Development objective: To improve standards of living, especially of the poor, women, children, the elderly and people with disabilities by examining their access and mobility needs and formulating appropriate policy responses.

7.1 Socio-economic impact of transport

Immediate objective: To assist countries in identifying and quantifying linkages between transport and socio-economic development.

Outputs:

1. Review of analytical and quantitative studies on linkages between transport and socio-economic development.
2. Methodology for establishing transport satellite accounts to the national accounts.

Indicators of achievement:

1. Pilot project on transport satellite accounts implemented and evaluated positively for application in other countries.
2. Transfer of experience with the pilot project utilized by the secretariat to other institutions.

7.2 Transport interventions to improve standards of living

Immediate objective: To promote the development of accessible transport infrastructure and services.

Outputs:

1. Case studies on integrating the transport needs of women into the mainstream of transport policy and planning.
2. Case studies on integrating the special needs of people with disabilities and senior citizens into transport policy and planning.

Indicators of achievement:

1. Positive response from member countries.
2. Inclusion of study findings in national policy and country-level activities.

8. INFRASTRUCTURE NEEDS OF THE LEAST DEVELOPED, LANDLOCKED AND ISLAND DEVELOPING COUNTRIES AND THE ECONOMIES IN TRANSITION

In the least developed, landlocked and island developing countries and the economies in transition, special and significant problems exist which intensify the difficulties in providing adequate and efficient transport infrastructure. Specific areas in the implementation of national and regional transport sector plans include: developing ports, roads, rural tracks and railways; training the required manpower and setting up indigenous training institutions; creating internal transport facilities, particularly to link remote areas; expanding and improving transit transport and port facilities in transit countries to facilitate transport to and from landlocked countries as well as the development of air transport to meet the needs of landlocked and island developing countries; giving appropriate attention to the development of coastal shipping services and of river and lake services; developing, where necessary, joint shipping companies or merchant fleets; overcoming congestion of ports; and taking the necessary measures to ensure the management and maintenance of transport equipment.

Each of these areas 1 to 7 above is relevant to the infrastructure needs of the least developed, landlocked and island developing countries and the economies in transition. In the implementation of the Regional Action Programme, phase II (2002-2006), of the New Delhi Action Plan on Infrastructure Development in Asia and the Pacific, specific attention and resources will be devoted to addressing the special problems of this group of countries.

Meeting priority needs of the Pacific island developing countries

Trade-related growth has been slow to come to the Pacific island developing countries owing to high transport costs. Lack of an efficient and integrated transport network hampers access to domestic and international markets and essential utilities. Transport-sector solutions identified and implemented in Asia are not necessarily suitable for the Pacific island developing countries. Innovative solutions have to be formulated and implemented by the trade and transport industry in the Pacific communities. These dialogues have to be facilitated. Stakeholders in the trade and transport sector have to meet. Capacity has to be built and institutions strengthened.

Development objectives:

1. To provide access to domestic and international markets (for goods and services).
2. To provide access for people to economic, social and welfare opportunities.

Immediate objectives: To assist Pacific island developing member countries in facilitating the integration of the transport network through identification of the trade and transport task, private sector participation and human resources development.

Outputs:

1. Exchange of best practices from within and outside the Pacific island developing member countries related to the integration of transport networks and public/private partnership models suitable for the subregion.
2. A programme for institutional strengthening and sustainable skills development.

Indicators of achievement:

1. Best practices on collaborative approaches among stakeholders implemented through technical cooperation among developing countries.
2. Countries utilizing the public/private participating models to encourage private sector investment.
3. Countries adopting ESCAP material as a basis for human resources development.

Annex II

PLAN OF ACTION FOR PHASE V OF THE ALTID PROJECT (2002-2003)

	Projects/activities	2002				2003				Remarks
		Quarter				Quarter				
		First	Second	Third	Fourth	First	Second	Third	Fourth	
1.	Implementation of Commission resolution 52/9 on intra-Asia and Asia-Europe land bridges	---	---	---	---	---	---	---	---	
2.	Container transport demonstration project in the northern corridor of the Trans-Asian Railway (phase II)	---	---	---	---	---	---	---	---	
3.	Study on Trans-Asian Railway routes in the corridor North-East Asia – South-East Asia		---	---	---	---	---	---	---	Subject to the availability of funds.
4.	Asian Highway promotion and impact assessment	---	---	---	---	---	---			
5.	Implementation of the joint ESCAP/ECE programme on the development of land transport links between Asia and Europe	---	---	---	---	---	---	---	---	
6.	Draft ESCAP agreement on Asian Highway routes and network			---	---	---	---	---	---	
7.	Draft ESCAP agreement on Trans-Asian Railway routes and network			---	---	---	---	---	---	
8.	Study on an integrated Asian transport network					---	---	---	---	

Annex III

LIST OF DOCUMENTS

<i>Symbol</i>	<i>Title</i>	<i>Agenda item</i>
E/ESCAP/MCI(2)/1	Report of the Meeting of Senior Government Officials in Preparation for the Ministerial Conference on Infrastructure	5

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