

**ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC**

**A Review  
of Regional and Sub-regional  
Agreements on Land Transport Routes:  
Issues and Alternative Frameworks**



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## I. Introduction:

1.1 The strategic role of land transport in international trade and commerce has been undergoing major changes in recent years. In the past, the world production structure and the patterns and directions of trade derived from it, made maritime shipping the dominant mode of international transport. In this pattern of international trade and commerce, the role of the domestic land transport system was mostly limited to providing to the economic hinterland an access to the sea port(s). The ongoing process of globalization in general, and the increasing social, cultural and economic interactions among economies within a region or sub-region in particular, have created a renewed interest in the possibilities of land transport as a critical logistics and service support sector.

1.2 The land transport needs arising out of bilateral trade have been traditionally met through related provisions in the bilateral agreements regulating trade between countries, rather than through general transport or transit agreements. The tendency to avoid independent transport agreements has often reflected an apprehension that general transport or transit agreements would make it difficult to regulate inter-country trade. However, as the trade between countries is being increasingly driven by international market forces, overall significance of formal inter-state trade agreements is declining, and the need for comprehensive transport agreements is becoming evident.

1.3 In the open and competitive global economy, any saving on account of transport cost can give significant competitive edge to the producers. Therefore cost consideration will increasingly influence the choice of a transport mode in providing a specific transport service. Since the relative efficiency of a transport mode depends on the nature of goods carried, expected delivery time between origin and destination as well as level of services provided, cost efficient international transport would increasingly require a more coordinated use of various transport modes. Such coordinated use of transport modes is also indicated by the present or anticipated capacity constraints in specific transport modes as well as by the increasing recognition of environmental implications of transport activities.<sup>1</sup> In the coordinated transport system that is emerging, international land transport routes are likely to play an increasing role. The present review seeks to examine various issues which are relevant to the development of international land transport routes, with a view to identifying various elements of an international land transport agreement that can provide an effective framework for such development.

1.4 As compared with sea or air transportation, international transportation by land in general requires coordination and harmonization of a wider range of potentially conflicting issues. International land transport, with respect to both bilateral transport and overland transit, is entirely subject to the national sovereignty of each country and can therefore exist only within the limits that each country is prepared to accept.

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<sup>1</sup>As different transport modes have different consequences for the environment, environment is now looked upon as a major consideration in determining the modal mix in both domestic and international transport. Within land transport, environment has figured as an important issue in the debate over the relative use of road and rail transports.

1.5 International land transport involves movement into and/or across sovereign countries with different laws, rules and procedures relating to customs, immigration and transportation, which are often developed and applied at various levels of the government. International land transport may require significant adjustments or changes in these national or local laws, rules, procedures and standards, based on an appropriate balance between the interests of the countries traversed and their population in terms of land transport safety, environment, health, customs and fiscal interests etc., on the one hand, and the rights of the users of international transport routes, on the other. Furthermore, a lack of standardization with respect to the technical and operational aspects of transport infrastructure, vehicle and related equipments and installations can add further complications. All these factors underscore the need for, as well as the intrinsic difficulty in, developing international land transport agreements. Small wonder that such agreements have often required protracted and painstaking efforts.

1.6 Most countries give high priority to development of the transport sector. However, as transport traffic is largely national and local, the national transport priorities are primarily driven by domestic economic, commercial, social and, last but not the least, political imperatives, rather than by international transport considerations. The full potential of an efficient international transport system can be fully realized only when national governments agree, within an international framework of cooperation and coordination, to create an environment for increased international trade and investment flows, and to provide the necessary international transport links to make such trade and investment possible. An international land transport agreement can provide the framework for promoting and coordinating efforts towards achieving this objective.

1.7 When it comes to land transport, most countries tend to view its importance largely in the context of their respective transport interface with their immediate neighbours. This probably explains why international transport operations tend to be covered mostly by bilateral agreements. While such bilateral agreements may be adequate in the context of transport between physically contiguous countries, they are hardly adequate in the context of international land transport that requires transit through third countries. Certain issues such as road signs and signals, contracts of carriage and insurance, and customs, taxation and work-related problems can be effectively controlled only by multilateral means. It may be emphasized however that accession to multilateral agreements and conventions does not preclude the need for bilateral agreements to deal with specific details of transport operations; for examples, to regulate the volume of transit traffic permitted.

1.8 The case for a more harmonized development of international land routes in Asia is already well recognized. The ongoing Asian Highway (AH) and Trans-Asian Railways (TAR) projects, which are being sponsored by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), symbolize the strong commitment of ESCAP Member Countries to the promotion of integrated Asian land transport networks as a means to accelerate national, sub-regional and regional development. To further build on it, efforts need to be made to create a greater awareness among all stakeholders in international land transport of the hitherto unexplored possibilities of such international land routes. Dissemination of information on what is being done in various regions and sub-regions to promote

international land transport can facilitate this process of awareness creation, and assist the ESCAP Member Countries in shaping their respective responses to the challenge of developing and utilizing AH and TAR networks to their full potential. The present review is intended to be a contribution towards achieving this goal.

## **II. Issues in International Land Transport**

2.1 International land transport issues are too varied, and sometimes too complex in nature, to be realistically addressed within the framework of a single agreement. This explains the multiplicity of related international agreements, conventions, protocols etc, each focusing on specific aspect(s) of international transport. These agreements vary widely in terms of their contents and geographic coverage. While some are specific to a particular transport mode, others apply to transport in general. While some deal with inter-state transport, others deal exclusively with transit transport. Similarly, some of these are region-specific in scope, while others are open for world-wide accession.

2.2 It is perhaps an indication of the complexity of international land transport issues that, unlike the International Civil Aviation Organization (ICAO) for air transport and the International Maritime Organization (IMO) for maritime transport, there is no one single inter-governmental organization to deal with international land transport. Nevertheless, the development of an international land transport route or corridor can today make use of substantial experiences generated by the development and application of a large number of international agreements and conventions as well as the functioning of various organizations having expertise in international land transport issues.

2.3 The United Nations Economic Commission for Europe (ECE) has been particularly prolific in this respect. ECE has sponsored as many as 53 international transport agreements and conventions since its inception in 1947, covering various aspects of international transport, particularly in relation to road transport. Other international organizations and conferences like the Intergovernmental Organization for International Railway Transport (OTIF), the International Road Union (IRU), International Road Federation (IRF), International Union of Railways (UIC), European Commission (EC), Organization for Railways Cooperation (OSShD), European Conferences of the Ministers of Transport (ECMT), the Trans-European Transport Conferences, to name a few, have made, and continue to make, significant contribution towards an improved understanding of and agreement on various international land transport questions.

2.4 Since international transport involves the use of transport infrastructure and vehicles in moving goods and natural persons across national boundaries, issues relating to infrastructure, vehicles, goods and natural persons all need to be addressed to make efficient international transport possible. Therefore, any transport agreement aimed at developing and operationalizing a transport route or corridor will need to deal with these issues either directly or by invoking other related agreements. As far as infrastructure is concerned, some of the key issues are the harmonization of technical and operational standards and requirements of international routes under various modes, as well as user charges for such infrastructure. For vehicles, the key issues include commercial operating rights, vehicle registration, vehicle technical standards, traffic rules and signage, driving licenses, third party liability, and temporary importation of vehicles for the purpose of carrying goods and people across national frontiers. The movement of goods requires facilitation of customs procedures, an efficient transit regime, various kinds of inspection of goods, people and plants, as

well as regimes for special categories of goods like perishable and dangerous goods. With regard to natural persons, key issues involve passports, visas, border permits, health inspection, personal effects and currency.

2.5 Broadly speaking, the issues addressed by international agreements, conventions and organizations fall under two categories: the so-called “hardware” issues of harmonizing the technical and operational standards and requirements of land transport infrastructure, vehicle and equipment and related installations, and secondly, the “software” issues of facilitation of international border-crossings through the harmonization of the relevant legal and administrative systems.

2.6 While adjustment in and development of transport infrastructure in a coordinated manner is critical to ensure technical compatibility and inter-operability of national transport systems, coordination in the management and control of traffic and user information is key to optimizing the use of such infrastructure. The gains in efficiency from technical measures can however be offset in the absence of streamlined legal and administrative systems for international border-crossings. Discriminatory road charging, restrictive traffic quotas, restrictions on the use of foreign trucks on territory of particular countries and, last but not the least, the amount of time needed for police, customs and security clearance of vehicles and drivers are some of the factors that influence directly the transport operator’s choice of the traffic route. When these and other factors are not adequately dealt with, traffic will be lost to alternative routes, involving waste on the side of the transit country which loses potential income from transit traffic and the shipper who takes a less efficient or more expensive route.

#### ***A. “Hardware” Issues of an International Land Transport Route***

2.7 In operationalizing an international land transport route, the problem of incompatibility with respect to infrastructure, equipments and vehicles may be addressed either by adopting common standards or applying technical solutions. It is however generally agreed that the use of a common standard rather than technical solution is the most efficient long-term answer to the problem of technical incompatibility between national transportation systems. An important question is how such technical standardization can be applied in a realistic manner to a particular land transport route. While a minimum level of standardization is required for all land transport modes, the need for interoperability of transport networks is perhaps more immediately felt in rail transport than in road transport, particularly since the road vehicles and their operators can adapt more easily to an existing difference in the technical characteristics of transport infrastructure. On the other hand, the legal and administrative issues facing international road transport seem to be more difficult to deal with as compared with railway transport in which the networks tend to be State-owned or regulated monopolies. In Europe and Asia, most administrative arrangements between railways are regulated within the framework of either the COTIF Convention of OTIF or the SMGS Agreement of OSShD. Both these systems will be discussed below.



### ***A.1 Hardware Issues: Railway Transport***

2.8 The need for developing technical and operational standards in international railway transport has been long recognized. The International Agreement on Railway Technical Unity (UT), concluded at Berne in 1882, sought to ensure the compatibility and security of rail techniques by setting technical standards for international railway equipment. The International Union of Railways (UIC) was created in 1922 as a permanent conference of national railway administrations to work towards the standardization and improved conditions of rail systems. The UIC Code is disseminated through more than 600 technical leaflets, updated on a regular basis, which deal with technical as well as economic and commercial aspects of railways. Starting with 51 networks from 29 countries, the UIC's membership today includes 92 railway networks from 63 countries, from five continents. UIC has the competency in the matter of technical specifications for rolling stock, track and structures and motive power<sup>2</sup>.

2.9 The scope of technical standardization extends beyond rolling stock, track and structures and motive power to the development and application of uniform technical rules for the carriage of special categories of goods. The Regulations Concerning the International carriage of Dangerous Goods by Rail (RID) provides a framework for carriage of dangerous goods by railways. RID, which is annexed to the COTIF Convention to be discussed later, is harmonized with ADR (for road transport) by joint ADR/RID Meetings.

### ***A.2 Hardware Issues: Road Transport***

2.10 In international road transport route, a more uniform road typology improves the ability of vehicle operators to adapt driving in greater safety. Efforts to standardize road structure in Europe, under the aegis, inter alia, of ECE and IRF, have produced valuable experience. The international conventions now largely cover transverse sections, longitudinal slopes, the clearance of the engineering structures, the design of interchange, etc. The Convention on Road Traffic 1968, through its Annex 5, deals with technical conditions concerning motor vehicles and trailers used in international traffic. The uniform technical rules for the carriage of dangerous goods by roads are contained in the European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR) of 1957. The ADR Agreement is intended to replace the variety of national and local regulations applicable to international transport of dangerous goods. In addition to classifying, packaging and labelling dangerous goods, ADR is concerned with construction and equipment of vehicles and tanks and with the means of carrying the goods, service requirements, loading, unloading, handling and operation of vehicles. The ECE is responsible, through the Economic and Social Council (ECOSOC), for the harmonization of all provisions governing the transport of dangerous goods at the world level and for all modes of transport. The work of the ECOSOC in this area is carried out by the Committee of Experts on the Transport of Dangerous Goods, which has produced the "Regulations on the Transport of dangerous Goods", also known as the "Orange

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<sup>2</sup>The technical and operational differences are often addressed through technical solutions rather than the adoption of common technical standards. For example, the Eurostar which runs from London to Paris involves 3 networks and the Channel Tunnel and uses three types of power supply and four types of signalling.

Book”. First produced in 1956, the Orange Book, which has undergone ten revisions, sets out the minimum requirements applicable for the transport of dangerous goods by all modes of transport.

2.11 There are a number of ECE sponsored international agreements on road traffic and road sign and signals<sup>3</sup>. By means of harmonizing the often conflicting national road signs and signals, imposing restrictions on weights and dimensions of vehicles permitted to travel on certain roads, and prescribing minimum requirements for the issue and validity of driving permits, these agreements and conventions aim at promoting a safer and more efficient national and international road transport. These issues are important to ensure that an appropriate balance is struck between speed and safety in international land transport routes.

## ***B. “Software” Issues in International Land Transport***

### ***B.1 Transit Agreements and International Land Transport Routes***

2.12 When a land route passes through the territories of different countries, the carriage of traffic, whether of goods or passengers, along such a route is possible only when a country grants to the others the right of transit through its territory under specified conditions. Such transit rights are fundamental to the operation of an international transport route in the sense that all other measures designed to facilitate international carriage of goods and passengers become relevant only when such rights of transit have been granted. Given that sovereign states have exclusive jurisdiction over transportation within its territory, such rights, and limits on such rights, can be created only sovereign states by voluntarily signing bilateral, multilateral or international agreement and/or convention<sup>4</sup>.

2.13 The need for an international transit convention or agreement is often discussed in the context of providing to the land-locked countries free access to the sea.<sup>5</sup> The 1965 New York Convention on Transit Trade of Land-locked Countries, developed under the auspices of UNCTAD, specifically addresses this particular issue.<sup>6</sup> In this Convention, “traffic in transit” is defined as “the passage of goods including unaccompanied baggage across the territory of a Contracting State between a land-locked State and the sea when the passage is a portion of a complete journey which begins or terminates within the territory of that land-locked State and which includes sea transport directly preceding or following such passage.” (Article 1b). It should be noted that the Convention makes an explicit reference to the movement of goods only, and not to passenger traffic. The Article 2(3) obligates a Contracting State to “authorize , in accordance with its laws, rules and regulations, the passage across or access to its territory of persons necessary for traffic in transit.” It would thus appear that the scope of the Convention is restricted to goods traffic and serves

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<sup>3</sup> The agreements, among others, are listed at Annex I.

<sup>4</sup> Transit issues and various international conventions, agreements on transit have been discussed in the report, “Transport Planning for Land-locked Countries: Transit Issues and Border-crossing Issues, 1994” prepared by ESCAP, United Nations, New York, 1995 (ST/ESCAP/1484).

<sup>5</sup> Of the 40 land-locked states in the world, 12 are located in the ESCAP region, namely: Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan, Lao PDR, Mongolia, Nepal, Tajikistan, Turkmenistan and Uzbekistan.

<sup>6</sup> ESCAP member countries which are signatories are Afghanistan, Lao PDR, Mongolia, Nepal, Russian Federation and Turkey.

the needs of international land transport only to the extent that it forms part of a transport chain which must include sea transport.

2.14 Similarly, the scope of most bilateral and multilateral transit agreements concluded by land-locked countries and coastal countries is also limited to providing an access to the sea, and fall far short of providing general freedom of transit.

2.15 International land transportation, in so far as it includes not only overland bilateral transport but also overland transit transport across one or more countries, underscores the need for recognizing freedom of transit as a universal need rather than as a need specific to the land-locked countries. The universal nature of the need for freedom of transit was recognized in the Convention and Statute on Freedom of Transit, concluded on 20 April 1921 at Barcelona.<sup>7</sup>

2.16 Unlike the 1965 Convention, the Barcelona Convention of 1921 covers international traffic of both goods and passengers. Traffic is “deemed to be in transit across territory under the sovereignty or authority of one of the Contracting Parties, when the passage across such territory, with or without trans-shipment, warehousing, breaking bulk, or change in the mode of transport, is only a portion of a complete journey, beginning and terminating beyond the frontier of the State across whose territory the transit takes place.” (Article 1 of Statute on Freedom of Transit). Transit rights created under the Barcelona Convention are thus broader in scope than those under the New York Convention. At the same time, the Barcelona Convention only provides for transit by rail or waterway, but not by road.

## ***B.2 International Contracts of Carriage***

2.17 Most international land transport is carried out under private contracts that regulate the rights, obligations and responsibilities of a chain of stakeholders including passengers, carriers, consignors, consignees, transport operators, insurers and so on. The efficiency of international transport largely depends on the efficiency with which these contracts are concluded and enforced. Unlike domestic transport contracts, the performance of these contracts spans different national legal systems. This creates a degree of legal uncertainty about the rights and obligations of different stakeholders in international transport, which is clearly detrimental to efficiency in international transport. Reflecting this, there is a long tradition of efforts at improving the efficiency of international transportation through the standardization of the conditions that govern contracts for international carriage of goods by all transport modes.

2.18 The Berne Convention on the international transport of goods by rail was adopted in 1890, followed by the Brussels Convention of 1924 on maritime transport of goods under bills of lading and the 1929 Warsaw Convention on air transport. This process of covering major transport modes was completed in 1961 with the adoption of the 1956 Convention on the Contract for the International Carriage of Goods by Road (known usually as CMR convention), developed under the aegis of ECE. Some of the major international conventions as applied to railway and road transport modes are described in greater detail below.

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<sup>7</sup> ESCAP member countries which are signatories are: Cambodia, India, Islamic Republic of Iran, Japan, Lao PDR, Nepal, Thailand and Turkey.

### B.2.1 Contract of Carriage by Railway

2.19 The Berne Convention of 1890 led to the implementation of the first convention for the international carriage of goods by rail (CIM) in 1893 and the convention for the international carriage of passengers and baggage by rail (CIV) in 1928, each of which provided a uniform regime of rules for the making and execution of the contract for international carriage. These rules have been periodically updated reflecting the changing needs of international transport. This process eventually led to the 1980 Convention Concerning International Carriage by Rail (popularly known by its French acronym COTIF), which incorporates the CIM and CIV conventions as its Annexes.

2.20 The COTIF Convention creates a uniform legal system for international railway routes. Through its Annexes, the Convention regulates the conclusion and enforcement of the contract of carriage, liabilities, claims and suits, assertion of rights, as well as the relationship between different railway networks. Superseding individual national rights, the Convention thus allows for the direct carriage of goods, passengers and baggage, with one single transport document and on the basis of a standard transportation law.

2.21 The provisions of COTIF apply only to those railway lines which member states bring, through common agreement, within its purview. Reflecting the growing importance of multimodal transport, a 1990 Protocol extended the scope of COTIF to other internal carriage which is undertaken under the responsibility of railway to complement carriage by rail. Consequently, the scope of COTIF includes at present several thousand kilometers of roadway and maritime lines, which are completed by railway passage. An important feature of the Convention is the system of collective responsibility of railways for international carriage of goods whereby each railway involved in the carriage becomes a party to the contract and assumes responsibility for goods it takes over from another railway in the transport chain. The COTIF Convention has been accepted and applied in 36 countries, mainly in Western and Central Europe and in some countries in Asia including the Islamic Republic of Iran. It is administered by OTIF, based at Berne, Switzerland.

2.22 In parallel to the COTIF convention, the Agreement on International Railway Freight Communications (SMGS), which is administered by the Organization for Railways Cooperation (OSShD), provides the legal system for railways in practically all Eastern European countries, including the newly independent states as well as some countries in Asia (e.g. China, Democratic People's Republic of Korea, Mongolia, Vietnam). Some countries in Europe, like Hungary and Poland, have applied both regimes: the COTIF convention for westbound traffic and the SMGS Convention for the eastbound traffic. The corresponding legal system for passenger traffic is provided by the SMPS Convention.

### B.2.2 Contract of Carriage by Road

2.23 The two international conventions that seek to standardize the conditions governing the contracts for the international transportation by road are the Convention on the Contract for the International Carriage of Goods by Road (CMR) of 1956 and the Convention on the International Carriage of Passengers and Luggage by Road (CVR) of 1973, and their respective protocols. Like COTIF for railways, these

conventions have been ratified mostly by the countries in Europe. However, of these two conventions, CMR has been by far the more widely adopted. While forty one countries are now contracting parties to the CMR Convention, CVR has been signed and ratified by only six. The contracts for carriage of goods and people by road transport outside of Europe remain mostly subject to national laws and regulations.

2.24 National laws governing the relationship between road carriers and consignees or consignors usually differ from country to country. The CMR Convention standardizes the terms and conditions under which goods are carried for reward on an international journey, defining the liability of the transport operator and the responsibility of the consignor. The CMR, despite its private law nature, provides for the imposition by the Government of a legal framework within which private parties are free to negotiate transport contracts. It applies "to every contract for the carriage of goods by road in vehicles for reward, when the place of taking over of the goods and the place designated for delivery, as specified in the contract, are situated in two different countries, of which at least one is a contracting country" (Art. 1-1). The Convention applies "irrespective of the place of residence and nationality of the parties" (Art. 1-1). The implication of Art. 1-1 is that a transport contract drawn up in a country which is not a signatory to CMR will still be subject to the CMR Convention in the country of destination if the latter is a signatory.

2.25 Like COTIF, CMR takes into account the development of multimodal transport and applies to all transport operations in which "the vehicle containing the goods is carried over part of the journey by sea, rail, inland waterways or air, where the goods are not unloaded from the vehicle (Art. 2)." The CMR provides for the confirmation of a contract of carriage by means of a consignment note, although such a note is not essential to the performance of such a contract. The CMR also creates a system for determining the liability for loss and damage, as well as for the assessment and award of compensation once the liability has been established. Under CMR, the onus of such liability is placed on the carrier.

### ***B.3 Customs and Transport Facilitation***

#### **B.3.1 Railway Transport**

2.26 It is recognized that the multiplicity of documents in international transport adds significantly to transaction costs and thus is a major source of inefficiency. Attempts have therefore been made to standardize the customs declaration form to replace multiplicity of national forms as well as to consolidate number of separate documents into a single one. The International Convention to Facilitate the Crossing of Frontiers for Goods Carried by Rail of 1952 prescribed the standard International Customs Declaration (TIF form) which the European railways in the past used.

2.27 Although COTIF is not a customs convention, the "Uniform Rules Concerning the Contract for International Carriage of Goods by Rail" or CIM (Annex B of COTIF) has provided the legal basis for the acceptance and use of CIM consignment note as a customs document for railway transport, in place of the TIF form, by the customs authorities in the eighteen countries of the European Commission (EC) and the European Free Trade area (EFTA). This has considerably reduced all customs control measures during the transport operation, since the traditional customs procedures that required the use of special customs document,

sealing devices and the provision of a guarantee are no longer required. In return for these facilities, Customs authorities in EC and EFTA require certain measures to be undertaken by the participating railways which become jointly and severally responsible for the proper conduct of international transit operations.

2.28 The ECE is now working on a draft convention on international customs transit procedures for the carriage of goods by rail, which is intended to extend the simplified customs transit procedures used in EC and EFTA to other COTIF member states of Europe as well as to the countries that now use the SMGS system. The alternative approaches that have been considered are: to use only CIM note, to allow both CIM and SMGS notes to be used and, finally, to prepare a universal railway Customs document requiring modifications in the CIM and the SMGS consignment notes. It is not yet clear whether it would be possible to prepare a single legal regime that would allow the simultaneous or successive use of two different consignment notes regulated by two different legal instruments. Although it is becoming more and more relevant in the context of emerging interregional links, introduction of a universal customs document is still viewed as a long-term goal as it would require considerable time and efforts. ECE is seeking to resolve these issues in cooperation with the Committee for the Organization for Railways Cooperation (OSShD).

2.29 The simplification of customs procedure provided by the well-known TIR Customs Convention<sup>8</sup>, to be discussed in greater detail below, was originally intended for road transport only. The 1975 revision of the Convention allows the TIR carnets to be used for railway transport in the context of multimodal transport, as long as a part of the journey is effected by means of road transport.

### B.3.2 Road Transport

2.30 As many as fourteen agreements<sup>9</sup>, conventions and protocols developed under the aegis of ECE contain measures to facilitate the international movement of passengers, vehicles and transport equipments through (a) the standardization of customs treatment of tourism; (b) temporary importation of private road vehicles; (c) temporary importation of aircraft and pleasure boats for private use; and (d) temporary importation of commercial road vehicles, pallets used in international transport and containers. Furthermore, an international convention- International Convention on the Harmonization of Frontier Controls of Goods, 1982- prescribes a "good practice" regime to harmonize frontier controls with a view to simplify and speed up border-crossings through reduction in the number and duration of all types of controls. The Harmonization Convention, which has been ratified by thirty three parties worldwide, covers customs procedures and other controls such as medico-sanitary inspection, veterinary inspection, compliance with technical standards and quality control measures. The Inland Transport Committee of ECE adopted an important resolution (Resolution No 230), aimed at promoting the world-wide application of this Convention. This Resolution recommends that Contracting Parties to the Convention should endeavour to provide to the developing countries, upon their request and

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<sup>8</sup> TIR is the French acronym for Transports Internationaux Routiers or International Road Transport.

<sup>9</sup> A list of these agreements etc is given in Annex I.

mutually agreed conditions, any technical assistance deemed necessary for its adoption and implementation.

2.31 One of the most successful international transport conventions, and in fact so far the only universal transit system in existence, is the Customs Convention on International Transport of Goods Under Cover of TIR Carnets (TIR Convention). Under the TIR convention, no frontier check is carried out on transported goods between the customs offices of departure and arrival. An international guaranteeing scheme has been created to cover the duties and taxes at risk throughout the whole journey. Originally adopted in 1956, the TIR Convention was revised in 1975 to include multimodal transport that necessitated the acceptance of the container, under certain conditions, as a Customs secure loading unit. It means that the TIR regime no longer covers only road transport but extends to rail, inland waterways and even maritime transport, although at least one part of the total transport operation still has to be by road.

2.32 The idea behind the TIR Convention and its transit regime has formed the basis for many regional transit systems and has thus contributed to the facilitation of international transport, especially international road transport. The application of TIR Convention extends beyond Europe to other parts of the world such as the Middle-east, Africa, Asia and Latin America. As of 1999, it has fifty six Contracting Parties, including the European Community (EC). The United States of America and Canada are also Contracting Parties as well as Chile and Uruguay in South America. The number of TIR transit movements has increased to more than 2.4 million per year and on many border crossings in Central Europe as many as 80 per cent of all truck movements are covered by the TIR system.

2.33 The TIR system is constantly being promoted under United Nations auspices to make it as widely available as possible for all countries wishing to make use of it. In 1984, the Economic and Social Council of the United Nations adopted a Resolution (1984/79), developed by the ECE Group of Experts on Customs Questions affecting Transport, which recommended that countries worldwide examine the possibility of acceding to the Convention and introducing the TIR system in their national legislation. The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), through its Resolution 48/11, called upon its Members States to accede to seven conventions including the TIR Convention. Currently work is under way to establish a TIR or a similar system in Latin America between Argentina, Brazil, Chile and Uruguay. A number of countries in Western and Central Africa are also currently considering the establishment of a TIR system geared to their specific needs and possibilities.

2.34 Despite the overall success of the TIR system, its application has had its share of difficulties, particularly in the context of rapid increase in East-West traffic within Europe and the emergence of many newly independent states. Involvement of international organized crime in the misuse of facilities provided under the Convention has also been reported. As a countermeasure, a special TIR Carnet requiring a guarantee of US \$200,000, in place of the normal guarantee of US \$50,000 per TIR truck/carnet, has been made mandatory for the transport of high risks goods such as tobacco and alcohol. Under a number of amendments made in the TIR Convention in February 1999, minimum conditions and requirements have to be

applied at the national level to ensure that only honest and experienced associations and operators are allowed to make use of the TIR Customs transit system.

2.35 The implementation of the TIR Convention also poses particular technical challenge to the developing countries with regard to vehicle and container construction and its maintenance. Another major problem for the application of the TIR transit system outside Europe and North America is the establishment of a well-functioning guaranteeing system to cover national taxes and duties due in these countries. Given the very different levels of development in different regions, it would be very difficult to assess the risks for insurers and, directly related to it, the cost of a worldwide TIR Carnet. This brings up the possibility of separate regional guaranteeing systems under the umbrella of a worldwide guaranteeing scheme. Such a system would not only allow regional transport but also inter-regional and inter-continental transport under the TIR regime. The efficient operationalization of any international land transport route would need to address this issue.

2.36 Road vehicles, whether used as private transport or for carriage of passengers and goods on commercial basis, are subject to payment of various national, state or local taxes and duties. With a view to promoting the reduction or abolition of double taxation on vehicles engaged in international transport in Europe, two separate Conventions on the taxation of road vehicles engaged in international passenger transport, and in international goods transport were adopted in 1956. These conventions provide for exemption of international road vehicles from payment of such taxes and duties, subject to fulfillment of certain conditions, and thereby facilitate border-crossings by road vehicles. In practice, most bilateral agreements between European States regulating access to the transport market by foreign transport operators and vehicles provide for mutual exemption of taxes and charges levied on the circulation and the possession of such vehicles.

2.37 Even though they have been prepared under the auspices of ECE, the ECE Conventions, Agreements and Protocols dealing with various aspects of international transport are in fact international legal instruments, which are usually open to all States Members of the United Nations and its specialized agencies. This is so even when a Convention stipulates in its final provisions that it is open for accession to the States Members of ECE. The Terms of Reference of ECE allows the admission in a consultative capacity of European nations which are not members of the United Nations as well as the United Nations member countries which are not members of the ECE.



### **III. Alternative Approaches to Agreements on International Land Transport Routes**

3.1 A key question that emerges from the preceding overview of various land transport issues and various existing international agreements and conventions concerned with these issues is then the following: Given that technical standardization and facilitation of border-crossings are both key to the establishment and efficient operation of international land transport routes, what should be the appropriate scope and coverage of an international agreement, in order for such an agreement to serve as an effective framework for the development and operation of such routes?

#### ***A. Comprehensive Approach***

##### ***A.1 Trans-European Transport Network (TEN-T)***

3.2 In so far as efficient international transport requires coordination and harmonization of national policies and actions over a wide array of issues, the “first best” approach would seem to be to develop and operate international transport routes within a larger, multidimensional framework of international cooperation and integration. An obvious example is the Trans-European transport network (TEN-T), which is being developed within the Common Transport Policy (CTP) framework of the European Union. The scope of the CTP framework is not limited to international transport, but rather extends to integration of domestic transport markets. It also provides for Europe-level joint financing of transport projects of common interests.

3.3 The European Parliament, through a decision (No. 1692/96/EC) in 1996, spelled out the Community guidelines for the development of the Trans-European transport network, which covers road, rail, inland waterway and inland ports, seaports, airports, combined transport, shipping management and information, air traffic management and positioning and navigation network. A declaration adopted by the Third Pan-European Transport Conference in Helsinki in June 1997 identified a set of common principles to drive a Europe wide transport policy, which emphasize, inter alia, liberalization and integration of transport markets, integrated use of all transport modes including intermodal transport, promotion of environment-friendly transports, the adoption and implementation, at all levels, of transport laws and policies based on common principles and standards, multilateral legal instruments and conventions, and improvements in the construction and operation of transport systems. Another important aspect of the declaration is the provision for a Europe wide transport network partnership aimed at mobilizing all stakeholders and coordinating infrastructure investment.

3.4 A Europe-style comprehensive approach to international transport development involving full integration of national transport markets and joint financing of projects requires a degree of political and economic integration which is not likely to be achieved in the near future in other regions including Asia and the Pacific. Consequently, the Asia and Pacific Region needs to pursue a more gradualist approach to international land transport development. In this approach, even though

transport facilitation agreements and infrastructure agreements may follow parallel but separate tracts, it needs to be emphasized that transport infrastructure development to integrate national land transport systems cannot be sustained unless significant progress is also achieved in promoting transport facilitation measures, which are critical to the economic and commercial viability of a particular international land routes.

### ***B. Infrastructure Development Approach***

3.5 Recognizing that only a limited number of routes in a particular country are usually of international significance, one practical approach is to identify such international routes and establish the technical and operational standards in order to make national transport systems mutually compatible and inter-operable along the designated routes. In such approach, the actual development and operation of the designated routes according to the mutually agreed norms remains the responsibility of the national governments, but an institutional mechanism at an international level is provided for coordinating the development and maintenance of such a network on an ongoing basis. A number of transport infrastructure agreements sponsored by ECE, and described below, follow this approach.

3.6 The Declaration on the Construction of Main International Traffic Arteries of 16 September 1950 provided an important regional framework for the post-war reconstruction and development of European transport networks. The Declaration of 1950 was intended to be a declaration of certain aspirations by the participating countries and did not create any legally binding obligations. The subsequent infrastructure agreements developed by ECE, on the other hand, created for the contracting parties obligations binding at international law. This means that these latter agreements, like other facilitation conventions sponsored by ECE, are not merely recommendations, but are rather meant to be incorporated into national laws by the countries, which have accepted and ratified them. The European Agreement on Main International Traffic Arteries (AGR), the European Agreement on Main International Railway Lines (AGC) and the European Agreement on Important International Combined Transport (AGTC), developed for road, railway, and intermodal transport respectively, have since provided the legal basis for the development of the E-networks in Europe, and has also been used as a frame of reference in more detailed transport development projects.<sup>10</sup>

3.7 All these agreements follow a similar structure, of which the main elements are the following:

- (a) All these agreement are legally binding at international law. While the main text of an agreement lays down its broad objectives, procedures and modalities, its annexes identify the actual international routes to be developed, and technical standards to which they must conform.
- (b) Annexes containing the specifics of international routes and technical standards formed integral parts of the respective agreements at the time of

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<sup>10</sup>The European Agreement on Main Inland Waterways of International Importance (AGN) (1996) aims, on the other hand, to develop a modern and coherent water transport infrastructure network in Europe.

their inception and were not developed at a later stage by the contracting parties.

- (c) In order for these agreements to come into force, it was required that the Governments of eight States deposited the instrument of ratification, acceptance, approval or accession, provided that one or more lines of the particular international E-network linked in a continuous manner the territories of at least four of the States which deposited such an instrument.
- (d) All contracting parties committed themselves to undertake investment and standardization activities within their national programmes in order to upgrade the networks to the agreed characteristics. The decisions on the timing and financing of such activities under the Agreements are left entirely to the discretion of the contracting parties.
- (e) As the networks covered by these Agreements continuously need to adjust to changes in traffic flows and technology, a critical element of these Agreements is the amending process, particularly in relation to the Annexes. Consequently, detailed procedures have been laid down for the amendment of these Agreements. Requests for amending both main text and annexes are considered by the concerned Working Parties of ECE. The amendment of the Annexes is subject to a simple majority vote whereas the amendment of the main text requires a two-thirds majority.
- (f) The Agreements specifically required that the adoption by the Working Party of any amendment to the International E-networks be communicated to the contracting parties directly concerned. The term directly concerned has been defined in the specific contexts of these Agreements. In the final analysis, no amendment to the E-network is accepted if any of the directly concerned parties has objection to such an amendment.
- (g) Although these Agreements provide for a binding arbitration process for dispute settlement, a contracting party can sign or accede to such an agreement with reservation with respect to the arbitration clause, that is, any contracting party can unilaterally declare itself as not being subject to the arbitration process created by an Agreement.

### ***B.1 The 1975 European Agreement on Main International Traffic Arteries (AGR)***

3.8 The 1975 European Agreement on Main International Traffic Arteries (AGR), which entered into force in 1983, defined the E-Road network, prescribed various technical standards for this network, and provided a system for the identification and signing of E-Roads. By accepting the Agreement, the contracting parties assume obligations to undertake national activities to develop the identified routes in their respective territories according to the agreed standards as part of a coherent and comprehensive road transport network in Europe.

3.9 Annex I of the Agreement provides a typology of roads and a numbering system for these roads. The E-Road numbering and signing are intended to be additional to any national signing systems and national numbering of roads. The E numbers can also be used in place of the latter if desired.

3.10 The main E-Roads run in either west-east or north-south direction, and comprise, in each orientation, reference roads and intermediate roads. These are called Class-A roads. The number of main roads in both orientations are given in the following table. The Class B roads, numbering about 90, on the other hand, consist of branch, link and connecting roads. It should however be noted that both the itinerary and numbering of E-Road network are being regularly updated in accordance with the procedure laid down under AGR and therefore these numbers are only indicative.

**Table-I**  
**E-Roads Network: Main Roads**

	East-West	North-South
Reference Roads	9	10
Intermediate Roads	38	40

3.11 While AGR, as amended (Amendment 2), provides for 3 categories of roads, namely motorways, express roads (i.e. highways with limited access) and ordinary roads, the explicit preference is for international roads to consist of the first two categories only. It is recommended that such international roads avoid built-up areas, present homogeneous characteristics over sufficiently long sections and ensure that the transition from one category to another could be properly anticipated and reacted to by a vehicle operator.

3.12 Each category of international roads is associated with a range of design speeds. The geometric characteristics associated with each design speed have been established and the rationale for the chosen parameter values has been explained. Briefly, the provisions for various characteristics are as follows:

**Table-II**  
**Characteristics of International Routes Under AGR**

Selected Characteristics	Summary of Provisions
Horizontal and Vertical Alignment	For each design speed, parameter values are established for (i) minimum radii in plane; (ii) maximum gradient; (iii) minimum radii at the highest point of vertical alignment; (iv) minimum radii at the lowest point of vertical alignment, as well as for (v) visibility distance which is set at the least at the minimum stopping distance.
Cross-section between junctions	(i) number and width of traffic lanes, and the characteristics of (ii) Shoulders (iii) central reserve and (iv) crossfall have been defined.
Overhead clearance	It has been set at the minimum of 4.5 m.
Deceleration and Acceleration Lanes	Lanes recommended followed by a lane of variable width known as taper.
Railway intersections	Requires intersections with international roads to be at separate levels.

Selected Characteristics	Summary of Provisions
Road Equipment	The AGR provides recommendations and specifications for different kinds of road equipment: Vertical signs and road markings including roadworks and emergency signs, Safety fences and barriers, delineators, anti-glare devices, arrester beds.
Traffic control and user information	Traffic light signals, variable traffic signs, emergency communication systems.
Road Lighting	Sections, junctions and interchanges to be lighted depending on volume of night traffic.
Auxiliary facilities installations	safety of pedestrians and cyclists, protection of disabled persons, protection from animals.
Service facilities	rest areas, service areas, toll areas, frontier posts.
Maintenance	provides best practice guidelines in maintenance management in general and guidelines for specific maintenance aspects.
Environment	Increasing focus on the environmental aspects of network development. Through an amendment which went into force on 10 January 1996, (AGR Amendment 5, ECE/TRANS/16/Amend.5), AGR now explicitly provides that: "An environmental impact assessment shall be carried out when new projects are prepared. It is also desirable to extend this provision to include reconstruction or major improvements of existing roads."

3.13 The network as defined in Annex I of AGR can be amended only with the agreement of all directly concerned parties. For this purpose, a directly concerned party is defined in article 8.2 as: "(a) in the case of a new, or the modification of an existing class-A international road, any Contracting Party whose territory is crossed by that road; (b) in the case of a new, or the modification of an existing, class-B international road, any Contracting Party contiguous to the requesting country, whose country is crossed by international road or roads with which the class-B international road, whether new or to be modified, is connected. Two Contracting parties having in their respective territories the terminal points of a sea link on the class-A international road or roads specified above shall also be considered contiguous for the purposes of this paragraph."

3.14 Although the typology adopted by AGR does not fully cover the wide variations in existing road conditions<sup>11</sup>, AGR has been used as a frame of reference in more detailed network development initiatives. One such an initiative is the Trans-European Road Network (TERN) being developed within the Common Transport Policy framework of the European Union. TERN and the E Roads under AGR are the same, with differences in detail: TERN is more extensive than E-Roads in some countries, while it is the other way round in others. AGR and the Vienna Conventions on Road Traffic Signs and Markings have provided the foundation for the formulation of TERN. The final Report of the Motorway Working Group on Road Typology in the Trans-European Road Network recommended that these Conventions be referenced in establishing road typology of TERN and that modifications, deletions or additions be made only if there are good reasons for it. The Report further

<sup>11</sup> PIARC XIXth World Road Congress, Marrakesh, 1991.

recommended that the EU adopted its own specification, through a Directive, incorporating substantial parts of these international conventions and supplemental provisions developed in the specific context of EC<sup>12</sup>.

3.15 The continuing relevance of AGR is further indicated by the fact that the geographic scope of AGR is now being extended. The EEC Inland Transport Committee in 1995 recommended that the AGR, along with AGC and AGTC, be extended to all the new ECE members including Trans-Caucasian and Central Asian Republics. The concerned Working Parties of the Inland Transport Committee of ECE are now working on the details of the implementation of this mandate.

3.16 Since AGR is an international legal instrument, inclusion of their international roads into AGR has enabled countries to attract investment from International Financial Institutions, as perhaps also from the private sector, for the development of these international roads.

3.17 Most AGR countries are signatories to the major international conventions as indicated in the following table.

**Table-III**  
**AGR: Accession Status of Member Countries to Various International Conventions**

Member Countries	Convention on Road Traffic, '49 or '68	Convention on Road Signs and Signals, '68	Convention on Int Carriage of Goods by Road (CMR), 1956	Convention on Int Carriage of Passengers and Luggage by Road, '73	Customs Convention on Temporary Importation of Commercial Road Vehicles, '56	Customs Convention on Temporary Importation of Private Road Vehicles, '54	TIR Convention, '75	Customs Convention on Containers, '56 or '72	Convention of Harmonization of Frontier Control of Goods, '82	European Agreement on Transport of Dangerous Goods, '57
Azerbaijan	No	No	No	No	No	No	Yes	No	No	No
Belarus	No	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes
Belgium*	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Bosnia-H	Yes	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes
Bulgaria	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes
Croatia	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Czech Rep	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Denmark*	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Finland*	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
	Yes	No	No	No	No	No	Yes	No	No	No
	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Greece*	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes
Hungary	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Italy*	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Kazakhstan	Yes	Yes	Yes	No	No	No	Yes	No	No	No
Latvia	Yes	Yes	Yes	Yes	No	No	Yes	No	No	Yes
Lithuania	Yes	Yes	Yes	No	No	No	Yes	No	Yes	Yes
Luxembourg*	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Netherlands*	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Poland	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Portugal*	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes

<sup>12</sup> Standardization of Typology on the Trans-European Road Network, Transport Infrastructure Committee, Motorway Action Group/Action START, Final Report- October, 1994, VII/692/94-EN.

Member Countries	Convention on Road Traffic, '49 or '68	Convention on Road Signs and Signals, '68	Convention on Int Carriage of Goods by Road (CMR), 1956	Convention on Int Carriage of Passengers and Luggage by Road, '73	Customs Convention on Temporary Importation of Commercial Road Vehicles, '56	Customs Convention on Temporary Importation of Private Road Vehicles, '54	TIR Convention, '75	Customs Convention on Containers, '56 or '72	Convention of Harmonization of Frontier Control of Goods, '82	European Agreement on Transport of Dangerous Goods, '57
Romania	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes
Russian Fed	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Yes	No	No	No	No	Yes	Yes	Yes	No	No
	Yes	Yes	No	No	No	No	Yes	Yes	No	No
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Based on International ECE Transport Agreements and Conventions, Present situation with regard to signing, ratification, accession, etc., Note by the ECE Secretariat, TRANS/1998/6, 30 October 1997.

\*=members of the European Community

## ***B.2 The European Agreement on Main International Railway Lines (AGC) of 1985***

3.18 AGC, which went into force on 27 April 1989, provides a similar legally binding framework for internationally coordinated actions for modernizing and integrating the railway networks in Europe. To-date, the contracting parties are: Belarus, Bulgaria, Croatia, Czech Republic, France, Germany, Greece, Hungary, Italy, Luxembourg, Poland, Republic of Moldova, Rumania, the Russian Federation, Slovakia, Slovenia, Macedonia, Turkey, Ukraine, Yugoslavia. Portuga has signed but yet to ratify it. Belgium and Switzerland have undertaken measures to join AGC.

3.19 AGC defines the E-railway network (as contained in its Annex I) and a set of technical parameters (as contained in its Annex II) as a basis for further development of the network. The E-railway network consist of 'main lines', which are the major railway axes already carrying very heavy international traffic or are expected to do so in the near future, and 'supplementary lines', which are expected to carry heavy international rail tarffic only in the more distant futurè. The technical parameters established in annex II of the Agreement are applicable only to the 'main lines'. For the purpose of numbering, the E-railway network is classified into principal lines (called class-A lines) comprising reference lines and intermediate lines, and supplementary lines (called class-B lines). The reference and intermediate lines have either north-south or west-east orientation and a two-digit numbering system that reflects both orientation of a line and its category, i.e. whether it is a reference or an intermediate line. Each supplementary line has a three-digit number, which is referenced to the nearest reference lines to the north as well as to the west.

3.20 The technical parameters are defined for two categories of lines: (i) those already existing, and (ii) those to be newly constructed. The "newly constructed" category is again divided into goods and passenger traffic and passenger traffic only (like the French TGV system).

3.21 The infrastructure parameters, indicating the minimum requirements for main international railway lines are shown in Table-IV. It is expected that these parameters are treated as “important objectives to be reached in accordance with national railway development plans”. The Annex II of the Agreement which contains these parameters also provides explanations for the choice of various parameter values.

**Table-IV**

**Summary of Technical Parameters of Main International Railway Lines**

	A Existing lines which meet the infrastructure requirements and lines to be improved or reconstructed	B New Lines	
		B1 For passenger traffic only	B2 For passenger and goods traffic
1. Number tracks	-	2	2
2. Vehicle loading guage	UIC B	UIC C1	UIC C1
3. Minimum distance between track centres	4.0 m	4.2 m	4.2 m
4. Nominal minimum speed	160 km/h	300 km/h	250 km/h
5. Authorized mass per axle:			
<u>Locomotives</u> (<200km h)	22.5 t	-	22.5 t
<u>Railway cars and rail motor sets</u> (<300 km/h)	17 t	17 t	17 t
<u>Carriages</u>	16 t	-	16 t
Wagons< 100 km/h	20 t	-	22.5 t
120 km/h	20 t	-	20 t
140 km/h	18 t	-	18 t
6. Authorized mass per linear metre	8 t	-	8 t
7. Test train (bridge design)	UIC 71	-	UIC 71
8. Maximum gradient	-	35 mm/m	-
9. Minimum platform length in principal stations	400 m	400 m	400 m
10. Minimum useful siding length	750 m	-	750 m
11. Level crossings	None	None	None



3.22 As is the case with AGR, no amendment to Annex I of AGC which identifies the main international railway lines can be made in the face of an objection by any contracting party “directly concerned”. AGC defines the term “directly concerned” as follows (Article 11): “ (a) In the case of inclusion of a new main line or modification of an existing main line, any contracting party whose territory is crossed by that line; (b) In the case of inclusion of a new supplementary line or modification of an existing supplementary line, any contracting party contiguous to the requesting country, whose territory is crossed by the principal international line or lines with which the supplementary line, whether new or to be modified, is connected. Two contracting parties having in their respective territories the terminal points of a proposed ferry service on the principal line or lines specified above shall also be considered contiguous for the purpose of this paragraph”.

3.23 An amendment of the technical parameters under AGC is accepted if there is a majority vote in its favor in the Working Party on Rail Transport of ECE, and less than one third of the competent administrations file objections to such an amendment. While AGR provides that the amendment to technical parameters will not apply to a party which has an objection to it, no such provision exists under AGC.

### ***B.3 The European Agreement on Important International Combined Transport (AGTC) of 1991***

3.24 The AGR and AGC Agreements are mode-specific. On the other hand, the European Agreement on Important International Combined Transport (AGTC) of 1991, which became effective in 1993, provides an international legal framework for the development of multimodal transport. Multimodal transport involves the integrated use of different transport modes, given the comparative advantage of each mode, in carrying the same transport unit, e.g. a container or a swap body. AGTC is primarily concerned with efficient use of the railway mode in the context of combined transport. Such combined transport is being given increasing attention as a means to mitigate the adverse environmental consequences of overall transport development by alleviating the burden on road network.

3.25 AGTC identifies all important railway lines in the ECE region used for international combined transport (as contained in its Annex I), and identifies all terminals, border crossing points, gauge interchange stations, ferry links/ports forming part of the international combined transport network (as contained in its Annex II). It establishes internationally acceptable infrastructure standards for railway lines for existing and new lines, which are being or projected to be used in combined transport (as contained in its Annex III).

3.26 The explicit focus of AGTC is on saving time and cost of international transport by effectively utilizing railways as part of a combined transport system, which is dedicated to on-time, door-to-door international delivery of goods. Accordingly, AGTC sets internationally acceptable performance parameters of trains and combined transport installations and equipment (as contained in its Annex IV). The performance parameters of trains include nominal minimal speed, length of train, weight of train and axle load. Performance standards have also been set for terminals, intermediate stations, stations for exchange of wagon groups, gauge interchange stations and border-crossing points. AGTC provides that there “shall be, if possible,

no stops at the frontier or, if unavoidable, only very short stops ( of no more than 30 minutes).” AGTC recommends that stops required for technical and operational reasons should also be used for carrying out other necessary frontier control activities in order to save time and cost.

#### ***B.4 Agreement on Organization and Operating Aspects of Combined Transport between Europe and Asia, 1997***

3.27 This Agreement involves twelve of the twenty seven contracting member countries of the Organization for Railways Cooperation (OSShD). The aim of the Agreement is to create a joint combined transport system for Europe and Asia, based on the railway mode and an extension of the network towards the East under the conditions of AGTC.

3.28 The Agreement identifies railway lines, terminals and border crossing points and ferry links in the member countries to be used for international combined transport. It also defines the technical characteristics of the listed railway lines and requirements for efficient international combined transport services. The technical parameters under this agreement follow those in AGTC and are shown in Table-V.

**Table-V**  
**Technical Parameters under AGTC**

Parameter	A		B
	Existing Lines		New Lines
	At present	Target values	
Number of tracks	Not specified		2
Loading gauge		UIC B	UIC C1
Min Distance between track centres		4.0 m	4.2 m
Nominal min speed	90 km/h	120 km/h	120 km/h
Authorized axle load:			
<100 km/h	20 t	22.5 t	22.5 t
<120 km/h	20 t	20t	20 t
Maximum gradient	Not specified		12.5 mm/m
Minimum useful siding length	600 m	600 m	750 m

3.29 The network covered by the Agreement comprises “main lines” designated by two digit number (eg 50) and “branch lines” from main lines which are designated by three-digit numbers or fractions (eg 701 or 500/3). Some of the railway lines are also included in AGC or AGTC or both. An inventory of the main lines to determine their correspondence to technical and operational parameters prescribed under the

Agreement has been prepared and transport corridors between the Baltic and the Black Seas have been defined and bottlenecks identified.<sup>13</sup>

### ***B.5 Extensions of AGR and AGTC: TEM and TER Projects***

3.30 The AGR, AGC and AGTC agreements all provide that the E-networks would be upgraded to specified standards and maintained within the national programmes of the contracting states. The role of international coordination within the ECE is limited to the amendments of the main text and, in particular, of the Annexes to reflect changes in transport demand and technology. The international coordination of the actual implementation of projects to realize the objectives of these Agreements has been addressed in two long-term, large scale projects of ECE namely, the Trans-European Motorway Project (TEM) and the Trans-European Railway Project (TER). Both these projects provide permanent forum for discussion of common problems.

3.31 The Trans-European North-South Motorway Project (TEM), an ECE sponsored regional cooperation project in which eleven Central and South-Eastern countries participate, aims at construction and management of a modern network of high capacity motorways, connecting the Baltic, Adriatic, Aegean and Black Sea. The project was launched in 1977. In 1978, a large-scale origin/destination survey of international traffic along TEM was carried out by the participating countries themselves, and a general forecast of traffic volumes was completed in 1980. The existing situation with respect to both national regulations and multilateral conventions was studied in depth to identify possible sources of conflict and to suggest remedies thereof.<sup>14</sup> In the mid-1980s, the concept of TEM Corridor was finalized to include completed TEM sections, TEM non-motorway links and other itineraries situated on both sides of TEM routes.

3.32 TEM forms a part of the main international arteries of Europe. The participating countries in TEM are Poland, Czech Republic, Slovakia, Austria, Italy, Hungary, Yugoslavia, Romania, Bulgaria, Greece and Turkey. The motorway is planned, designed and constructed to satisfy the requirements of both domestic and international traffic. It is intended to assist in filling the gaps in the existing motorway network between Eastern, Western and South-Eastern Europe. TEM is now being extended by the inclusion of east-west connections. The over-all responsibility for decision-making concerning the project rests with a Steering Committee in which the participating governments are represented at a high level. A number of Working Groups coordinate activities in various technical fields, particularly through the work of ad hoc meetings.

3.33 It is clear that TEM Project includes countries at different levels of economic development. TEM assists the participating countries in identifying priorities and investment needs as well as securing financial resources needed for the implementation of the project. In order to create a sound financial basis for the continuation of TEM project, a number of TEM countries have concluded a TEM Cooperation Trust Fund Agreement.

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<sup>13</sup> Organization for Railways Cooperation, Report on activities in 1997, Warsaw.

<sup>14</sup> Tran-European North-South Project: Legal Background to Traffic Movements and Transport Operations, UNDP/ECE, TEM/FAC/WP/1, August, 1981.

3.34 The Trans-European Railway Project (TER) includes the countries of Austria, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Romania, the Russian Federation, Slovakia, Slovenia, Turkey, Ukraine and Yugoslavia. The basic purpose of TER is to contribute, within the AGTC framework, to a coherent and efficient rail and combined transport system among these countries of central and eastern Europe and between them and western and southern Europe as well as the Middle East. One of the goals is to alleviate congestion and reduce environmental and safety problems on major international roads in these countries.

3.35 The TER Project provides a permanent organizational set-up for implementation of various procedures, plans and programmes. This involves detailed cooperation in common forecasting and analyses in the needs for future investment; developing common criteria for evaluating costs and benefits of individual projects; devising common systems for railway operations and commercial activities; and introduction of common or compatible technologies.

3.36 The over-all responsibility for project implementation is vested in Steering Committees in which countries are represented at a high level. The Working Groups on Technical Coordination deal with various technical fields, particularly through the work of ad hoc meetings in which national coordinators nominated by the participating countries participate. The Project provides a framework for inter-country management and coordination of data collection and policy development, coordination of the operation and technical parameters of the railway and combined transport systems, and the preparation of technical and economic studies. Similar to TEM Trust Fund, a TER Trust Fund Agreement was signed in 1993.

### ***C. Infrastructure Plus Approach***

3.37 An important point to note is that most signatory countries of ECE transport infrastructure agreements have already adopted the major international agreements and conventions on transport facilitation. In the Asia Pacific Region, by contrast, the non-physical barriers to international transport have persisted as few countries have acceded to the major agreements and conventions on transport facilitation. Physical and non-physical barriers are working in a vicious circle to keep international mobility low. When substantial non-physical barriers exist, low volume of international traffic does not provide sufficient economic and commercial rationale for national and international investment in international land routes. At the same time, low volume of international traffic is itself a symptom of the undeveloped state of international transport infrastructure and facilities. In order to break this vicious circle, progress needs to be made in both physical and non-physical aspects of international transport development. In this context, inclusion of facilitation measures in the integrated ALTID project developed by ESCAP marked a departure from the earlier approach which focussed attention mainly on infrastructural aspects of the development of the Asian Highway and the Trans Asian Railway networks.

3.38 A number of transport agreements in recent years have contained provisions for both the development of transport infrastructure and the promotion of transport facilitation measures. These are usually in the nature of "framework agreements" which lay out broad goals and policy directions, but leave the potentially contentious details of transport facilitation to be worked out and implemented through separate

protocols. One important advantage of adopting these framework agreements, however, is that the urgency of transport facilitation is highlighted in the concrete context of an identified international route or corridor to which, at the least, a commitment in principle has been made by the participating countries.

3.39 In order to fully operationalize such framework agreements, the difficult task of forging a consensus on detailed modalities needs to be addressed. In this process, the existing international agreements and conventions, which have taken many years to be developed, have an important potential role to play. Since international land transport is essentially multilateral in character, there are clear limits to the extent to which bilateral agreements can ensure efficient flow of traffic along international land routes. In the case of bilateral transport, while the provisions of bilateral agreements including the mutual recognition of national laws may eliminate some barriers to international transport, a harmonization may be required in cases where national domestic laws as applied to international transport are in conflict with one another. In the case of transit overland which involves more than two countries, the existence of separate bilateral agreements containing mutually incompatible provisions is likely to impede rather than facilitate international transport.

3.40 International transport involves issues and problems that can be effectively settled only on a multilateral basis. Examples include road traffic, road signs and signals, Customs and tax problems. A regional/sub-regional land transport agreement may therefore require the participating countries to accede fully to relevant international instruments to resolve these issues. While the provisions of some of these international agreements and conventions may be selectively incorporated in a regional land transport agreement, such selective application may be difficult in the case of some others<sup>15</sup>.

### ***C.1 Crete Corridors***

3.41 In March 1994, the 2nd Pan-European Conference of Ministers of Transport decided to examine nine multimodal transport corridors as priority extensions of the EU's internal Trans-European Networks into Central and Eastern Europe and the Newly Independent States. A Corridor has been defined to include the road, rail and combined transport infrastructures, including ancillary installations such as access roads, border crossing stations, service stations, freight and passenger terminals, warehouses and installations necessary for traffic management.

3.42 A coordinated approach has since been adopted towards the development of some of these corridors. A memorandum of understanding (MOU) for example was signed by the Ministers of Transport of Belarus, Germany, Poland, Ministers of Transport and Railways of the Russian Federation and the European Commission for the overall development of the Berlin-Warsaw-Minsk-Moscow Transport Corridor (Crete Corridor 2) including the development of its infrastructure. Under the MOU, the countries undertake to:

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<sup>15</sup> It has been pointed out, for example, that a full accession to the TIR Convention would be required in order to ensure the participation of international insurance industry in the guarantee schemes under these conventions.

- (a) carry out studies, to be financed on a cooperative basis, on (i) state of the infrastructure on the corridor; (ii) needs assessment; (iii) development of an overall concept for a coordinated development of the corridor; (iv) conditions for private sector participation in the development and operation of the corridor; (v) prioritization, feasibility or technical design of specific maintenance, upgrading and investment measures as well as use or operation of the infrastructure and related environmental aspects; and (vi) organizational, legal, economic and social questions;
- (b) make available to each other information relevant to the development, use and operation of the corridor;
- (c) reach an agreement on a common set of technical norms including safety and environmental norms to secure optimal interoperability of all sections of the corridors, in conformity with norms set by ECE Agreements or the European Union;
- (d) initiate coordinated action, in conformity with international or EU agreements, towards the establishment of joint border crossing posts and joint controls as well as Customs services cooperation so as to minimize waiting time and ease transit conditions;
- (e) ensure that the legal and financial conditions are created to encourage and facilitate private sector participation in the development and operation of the corridor; and
- (f) to set up a number of Steering Sub-Committees to oversee the development of particular stretches of the corridor, as well as working groups on particular subjects such as border crossing, road safety and customs cooperation.

3.43 A similar MOU was also reached among the Governments of Finland, Moldova, Belarus, Bulgaria, Lithuania, Rumania, the Russian Federation, Ukraine and the European Commission on the development of the Crete Corridor No 9.

### ***C.2 ASEAN Framework Agreement on the Facilitation of Goods in Transit 1998***

3.44 The origin of this Agreement can be traced to the declaration in the Third Summit of the Association of South East Asian Nations (ASEAN), held in 1987, that the existing transportation system would be developed into an overall ASEAN transportation network. The Ministerial Understanding on ASEAN Cooperation in Transportation signed in March 1996 stipulated the establishment and development of a harmonized regional transportation system, based on interconnectivity and interoperability of national networks. The Agreement under review, which was signed in December 1998 at Hanoi, covers only transit transport among the ASEAN countries. Two separate agreements- ASEAN Framework Agreement on Multimodal Transport and ASEAN Framework Agreement on the Facilitation of Inter-State Transport- dealing with multimodal transport and bilateral transport respectively, are now under preparation.

3.45 The ASEAN Framework Agreement provides for the mutual grant of the right of transit transport and the right to load and discharge third countries' goods destined for or coming from Contracting Parties (Article 5.1a, 5.1b). It also contains a number of general directives to be implemented through Protocols. It is provided that these Protocols would be concluded by Working Groups after the signing of the Agreement. The Protocols which form integral part of the Agreement, are as follow:

Protocol 1: Designation of Transit Transport Routes and Facilities

Protocol 2: Designation of Frontier Posts

Protocol 3: Types and Quantity of Road Vehicles

Protocol 4: Technical Requirements of Vehicles

Protocol 5: ASEAN Scheme of Compulsory Motor Vehicle Third-Party Liability Insurance

Protocol 6: Railways Border and Interchange Stations

Protocol 7: Customs Transit System

Protocol 8: Sanitary and Phytosanitary Measures

Protocol 9: Carriage of Dangerous Goods

3.46 The Transport Ministers' Meeting of September 1999 signed two of the implementing protocols (Nos 3 and 4), while progress has been reported with respect to Protocols 1, 5, 6, and 9. The ASEAN Framework Agreement on the Facilitation of Goods in Transit is now officially projected to be operationalized by 31 December, 2000.

3.47 The ASEAN Vision 2020, adopted in Kuala Lumpur, Malaysia on 15 December 1997, includes, inter alia, the development of an integrated and harmonized Trans-ASEAN transportation network. The Second ASEAN Transport Ministers' Meeting held on 28 February, 1997 decided to jointly develop a complete system of highway network to link ASEAN Member Countries with compatible technical standards of design and road traffic safety. The Hanoi Plan of Action adopted on 15 December, 1998 provided for intensifying cooperation in the development of the Trans-ASEAN transportation network as the trunkline or main corridor for the movement of goods and people in ASEAN. The Fifth ASEAN Transport Ministers' Meeting held in mid-September 1999 adopted the Ministerial Understanding on the Development of the ASEAN Highway Network Project. The ASEAN Highway Network is projected to be the major road (interstate highway) component of the overall Trans-ASEAN transportation network.

3.48 Annex A of the Ministerial Understanding shows the designated routes of the ASEAN Highway Network. It comprises 23 routes involving a total length of some 38,400 kilometers. A tentative numbering system has also been adopted, subject to finalization in due course. The technical standards of the ASEAN Highway Network are based on those developed for the Asian Highway by ESCAP.

3.49 Although the primary responsibility for the development of the ASEAN Highway Network remains with the respective national governments, the Ministerial Understanding of September 1999 provides for the formulation of "ASEAN Highway Infrastructure Development Plan" consisting of priority highway projects of regional

significance, for funding and implementation through Official Development Assistance (ODA), project financing by the private sector or by joint public-private sector arrangement, or by the individual ASEAN Member Countries, as may be necessary. The ASEAN Highway Development Plan has been designed to serve as the coordinated program for the medium to long-term implementation of the ASEAN Highway Network Project. In spirit, it is similar to the TEM Project. Furthermore, the Understanding provides a specific time-frame for the implementation of the ASEAN Highway Network, which is as follows:

**Table-VI**  
**Time Table for ASEAN Highway Network Project**

Phase	Tentative Completion Year	Technical Requirement
Stage 1	2000	Network configuration and designation of national routes to be completed
Stage 2	2004	Road signs for all designated national routes to be installed. All designated national routes upgraded to at least Class III standards. All missing links to be constructed. All designated cross-border points to be operational.
Stage 3	2020	All designated national routes upgraded to at least Class I or Primary Road standards. For low traffic volume non-arterial routes, the Class II standards are acceptable.

### ***C.3 Basic Multilateral Agreement on International Transport for the Development of the Europe-Caucasus-Asia Corridor (TRACECA)***

3.50 This Agreement, signed in September 1998 by the Governments of Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, the Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Ukraine and Uzbekistan, covering the regions of Europe, the Black Sea, the Caucasus, the Caspian Sea and Asia, provides a framework for the development of the Europe-Caucasus-Asia or TRACECA Corridor. The scope of the Agreement extends to road, railway, maritime, air and multimodal transports, as well as transportation by pipelines, and covers both bilateral and transit transport.

3.51 The Basic Agreement spells out the broad objectives which include facilitation of international transport by harmonizing transport policy and the legal framework in the field of transport, and sets up an institutional mechanism for implementing the Agreement. Under Articles 4, 5 and 6 of the Agreement, signatory countries undertake respectively (a) to grant to each other the right of transit of international means of transport, goods and passengers, (b) to exempt transport in transit from taxes, duties and other payments, and (c) to establish terms and tariffs for transport transit services on preferential terms, and not to discriminate between any two parties. The Agreement provides for the creation of an Inter-Governmental Commission (IGC) at the level of the "highest governmental authorities" which is to be invested with full authority to make decisions under the Agreement. The IGC, to be based at Baku, is to be assisted by a permanent secretariat.



3.52 The Agreement includes four technical annexes, with provisions for more if needed, which cover international road transport, international railway transport, international commercial maritime navigation and customs and documentation procedures. The Technical Annex I of the Agreement requires, inter alia, that the parties regulate the customs and documentation procedures according to provisions contained in: Customs Convention on International Transport of Goods under Cover of TIR Carnets 1975, International Convention on the Harmonization of Frontier Controls on Goods 1982 and Customs Convention on Containers 1972.

3.53 The actual operationalization of the Corridor is being facilitated by a number of projects being carried out by the European Commission within the TRACECA Programme. The Transport Legal and Regulatory Framework Project has drafted a number of model codes and agreements that are being discussed within the Governments. The TRACECA Trade Facilitation Project has recommended acceptance of TIR, CMR, COTIF and other conventions. Computerized customs clearance has been evaluated for all TRACECA countries and common agreement between a number of them has led to the introduction or piloting of the United Nations ASYCUDA model in an effort to find the most cost effective system.

3.54 Apart from assistance in securing financing for infrastructure development and rehabilitation projects to remove physical bottlenecks, the TRACECA projects are also contributing to insitutional reform including the restructuring of railways in the TRACECA countries.

#### ***C.4 SADC Protocol on Transport, Communications and Meteorology, 1998***

3.55 The scope of this Protocol<sup>16</sup>, signed by the member states of the Southern African Development Community (SADC) in 1996, covers the entirety of the transport, communications and metereology sectors in each member state and the region including domestic transport policy and the organization of domestic transport markets, and contains components that deal with the development of an integrated regional transport system. The Protocol:

- (a) assigns regional priority to the development of a corridor which is defined to be a “major regional transportation route along which a significant proportion of Member States’ and non-Member States’ regional and international imports and exports are carried by various transport modes.” Article 3.5 of the Protocol requires the Member States to establish criteria to identify regional development corridors which may include all modes or be mode specific;
- (b) provides for cross-border multimodal Corridor Planning Committees which “shall be structured and assume functions according to the specific requirements of a corridor.” It is also expected that the tasks of such Committees will be facilitated by national committees comprising national, public and private stakeholders on such corridor;
- (c) provides for the creation of Bilateral or Multilateral Road Transport Route Management Groups on high volume routes, if necessary for both freight and

<sup>16</sup> The signatories are Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

passenger traffic, to facilitate consensus on liberalization measures, quotas and capacity management measures and monitoring;

- (d) requires the Member States to adopt a common definition, to be revised annually, of a Regional Trunk Road Network (RTRN) to be developed within the framework of their national programmes, a common route numbering system and harmonized minimum bridge and road design standards and specifications for RTRN;
- (e) provides for regional funding initiative including a regional road maintenance fund;
- (f) envisages a phased approach to removal, on the basis of reciprocity, of restrictions on access to transport markets in respect of cross-border carriage of goods, eventually permitting carriers of one Member State to carry goods between another Member State and a third Member State or a non-Member State;
- (g) provides for an undertaking by the Member States to develop a regional road traffic policy through the harmonization of road traffic and safety legislation, control measures in respect of vehicles, drivers and traffic operations, and the harmonization and implementation of relevant technical standards (Article 6.2);
- (h) creates for the purpose of implementing the Protocol the Southern Africa Transport and Communications Commission (SATCC), which comprises a Committee of Ministers that acts as the supreme body of SATCC, a Committee of Senior Officials, Sub-sectoral Committees with their specialized Working Groups and a Technical Unit (SATCC-TU); and
- (i) creates a mechanism for the amendment of Protocol and Annexes and inclusion of new Annexes.

### ***C.5 ECO Transit Transport Framework Agreement 1998***

3.56 The Economic Cooperation Organization (ECO), comprising Afghanistan, Azerbaijan, Islamic Republic of Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan and Uzbekistan, adopted the Almaty Outline Plan in 1993 and the Programme of Action for the ECO Decade of Transport and Communication (1998-2007) in 1998 for the development of transport sector in the ECO Region. The Transit Transport Framework Agreement, signed on 9 May 1998, was prepared in pursuance of paras 4.1.6 and 4.3.2 of the Almaty Outline Plan with a view to establishing a common regulatory framework for development and facilitation of transit transport among the member countries.

3.57 The Agreement provides for freedom of transit through respective territories of the Contracting Parties using road, railway and inland water navigation as well as an access to maritime ports for the purpose. The Agreement comes into force six months after the Governments of six member States, of which at least one is a coastal state, have either signed it not subject to ratification, acceptance or approval or have deposited instruments of ratification, acceptance, approval or accession with the Depository, i.e. the Secretariat of ECO. It may be noted that six out of the ten signatories of the ECO Agreement, namely Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey and Uzbekistan, are also signatories to Basic Multilateral

Agreement on International Transport for the Development of the Europe-the Caucasus- Asia Corridor (TRACECA), discussed earlier.

3.58 The Agreement contains a Preamble, and a total of forty five Articles divided into twelve Parts, which describe the general conditions for transit transport under the Agreement. The specific modalities of implementing the Agreement are to be specified in eight Annexes to the Agreement which remain to be formulated. Briefly, the structure of the Agreement is shown in the following table.

**Table- VII**

**Provisions in Transit Transport Framework Agreement, 1998, of ECO**

Parts	Articles	Provisions relate to
I. General Provisions	1-3	definitions, purposes and objectives, and scope of applications
II. Freedom of Transit	4-5	Facilities of transit, custom duties, taxes and other levies and charges
III. Designation of Transit Transport Routes	6-12	Designation and technical characteristics of of road, rail and inland waterway routes, combined and multimodal transport, frontier facilities, measures designed to expedite clearance of transit traffic, safety of transit traffic, establishment of offices and multiple entry and transit visa
IV. Maritime Ports and Facilities	13	
V. General Conditions for Road Transport	14-23	Traffic regulations, road transport permits, transport services, temporary admission of means of transport, technical requirements of vehicles, provision of fuels and lubricants, mutual recognition of driving licenses and certificate of road worthiness, motor vehicle third-party insurance scheme and charges and other payments
VI. General Conditions for Rail Transport	24	Transit Services
VII. General Conditions for Inland Water Transport	25-26	Inland water navigation and ship paers
VIII. Rules of Carriage by Road Transport	27	To be specified in an Annex
IX. Customs Control	28-29	Establishment of Customs Transit System, simplification and harmonization of customs procedures
X. Documentation and procedures	30-32	Consolidation and alignment of documentation, change in documentation and procedures and basic documentation and procedures
XI. Miscellaneous Provisions	33-39	Provision of greater facilities, domestic legislation, international conventions, monitoring and implementation of the Agreement, dispute settlement, arbitration process

Parts	Articles	Provisions relate to
XII. Final Clauses	40-45	Functions of depository, signature, ratification, acceptance, approval and accession, validity of Amendments, entry into force, date of application, denunciation

3.59 The subject matters to be dealt with in annexes to the Agreement are shown below.

Annex-I:	Identification of road, rail and inland waterway transit routes
Annex-II	Minimum Technical Characteristics of Roads used for transit traffic
Annex-III	Minimum Technical Characteristics of Railways used for transit traffic
Annex-IV	Technical Requirements of Road Vehicles
Annex-V	Motor Vehicle Third Party Insurance
Annex-VI	Rules of Carriage by Road Transport
Annex-VII	Customs Control
Annex-VIII	TOR of Transport Transit Coordination Council

3.60 While the the specific contents of the Annexes are yet to be worked out, the main text of the Agreement provides the framework for the elaboration of these annexes. Although the Agreement intends to prescribe, through annexes, specific technical characteristics of the road, rail and inland waterway routes to be designated for transit transport, these are not made binding on the parties, since the Agreement only requires that these technical characteristics be “kept in view” when such routes are developed or rehabilitated. The Agreement creates a general obligation for the Contracting Parties to provide adequate facilities and related installations for road, railway, inland navigation as well as multimodal transport for transit traffic. The Contracting Parties undertake to “make efforts to” coordinate border inspection hours and procedures and to adopt a uniform set of consignment notes/way bills, to expedite movement of transit traffic.

### 3.61 General Provisions on Road Traffic

- (a) It is made obligatory for the Contracting Parties to accede to the Convention on Road Traffic 1968 and the Convention on Road Signs and Signals 1968, and to make domestic road traffic regulations conform to these international conventions;
- (b) In the matter of road transport permits for vehicles engaged in transit transport under the Agreement, it is required that such permits be not subjected to any limitation or quota;
- (c) Each Contracting Party undertakes to recognize the driving licenses and the certificate of road worthiness of vehicles issued by others as long as they meet the requirements of the Convention on Road Traffic 1968;
- (d) The Parties undertake to establish an international motor vehicle third party insurance scheme. Pending the establishment of the scheme, to be elaborated in Annex-V of the Agreement, the Contracting Parties undertake to ensure the third party insurance coverage for motor vehicles engaged in transit traffic.

### General Provisions on Charges and other Payments

- (a) It is required that charges and fees on transport means from other contracting countries be applied in accordance with domestic legislations, subject to Article 34(1) of the Agreement, which provides that “Domestic Legislation and regulations relating to transport, shall, in so far as this Agreement and its Annexes do not lay down, apply equally and without discrimination to transit transport.”

### 3.63 General Provisions on Contract of Carriage and Customs Control

- (a) Under the Agreement, the Contracting Parties undertake to apply rules of carriage of goods, passengers and luggage by road transport, to be incorporated later into the Agreement. It is not yet known if a new set of rules will be developed to govern the carriage of goods along the designated routes or these requirements will be met through accession to the international conventions like the CMR Convention. It may be noted that five of the ten signatories of this Agreement namely, Kazakhstan, Tajikistan, Turkey, Turkemenistan and Uzbekistan are also signatories to the CMR Convention.
- (b) For railway transport, the Contracting Parties undertake to formulate rules and procedures “keeping in view the provisions of the Agreement on the International Carriage of Passenger (SMPO) as well as the Agreement on International Carriage of Goods (SMGS), COTIF/CIM,CIV and within the framework of OSJD and UIC.”
- (c) The Contracting Parties undertake to establish a Customs Transit System for the cargo and means of transport “in accordance with the relevant International Customs Convention” as well as to simplify and harmonize Customs procedures in relation to the transit traffic. Although the form of the Customs Transit System is not known, it may be noted that all the signatories, **except** Pakistan and Kyrgyzstan, are already signatories to the TIR Convention. The Agreement provides that the signatories “not yet parties to this Convention will consider the possibility of acceding to this Convention.”

3.64 The ECO Framework Agreement on Transit Transport is strictly speaking not a stand-alone Agreement. It has been developed within the overall framework of the Almaty Outline Plan, and accordingly a number of activities within the Programme of Action for the ECO Decade of Transport and Communications (1998-2007) have been designed to contribute to the operationalization of the Framework Agreement. The Programme provides for accession by 2000 to 14 international agreements including the seven recommended by ESCAP Resolution 48/11 and for bringing national legislations in line with these agreements by 2001. It also envisages specific infrastructural activities by the member states involving the upgrading of existing land routes and construction of missing links.

### *C.6 Agreement on International Land Transport Among the Southern Cone Countries of Latin America, 1989*

3.65 Land transport agreements in Latin America are being developed to accelerate the process of economic integration in Latin America which dates back to the creation of the Latin American Free Trade Association (LAFTA) under the Montevideo Treaty of 1960. The 1980 Montevideo Treaty modified LAFTA and created the Latin American Integration Association (ALADI). ALADI comprises the member states of sub-regional groupings Andean Community (Bolivia, Colombia, Ecuador, Peru), MERCOSUR (Argentina, Brazil, Paraguay and Uruguay), and Venezuela, Chile and Mexico.

3.66 The Montevideo Treaty of 1980 (TM80) provides a flexible framework in which member countries of ALADI can enter into both “Regional Scope” and “Partial Scope” agreements. While regional scope agreements include all ALADI members, ALADI member countries can enter into partial scope agreements among themselves on a selective basis as well as with non-ALADI Latin American and Caribbean countries in commercial aspects of integration as well as in other areas such as transport and communication. The Partial Scope Agreements, however, have to be kept open to other ALADI members. ALADI, through its Committee of Representatives, provides the institutional framework for ensuring the compatibility of the partial scope agreements with the World Trade Organization (WTO) Process, the requirements of the Free Trade of the Americas Area (ALCA) as well as with negotiations made with other countries and in international forums. The ALADI member countries have concluded more than 80 bilateral and multilateral integrating agreements of varying coverage and depth.

3.67 The “Southern Cone” countries of Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay concluded the Agreement on International Land Transport (Convenio Sobre Transporte Internacional Terrestre) in 1989, which replaced an earlier agreement concluded in 1977. The Agreement, which is open to accession by other member countries of ALADI also, has the objective to provide a uniform legal regime for the conduct of international transport by authorized transport companies as a public service of fundamental importance in the integration process.

3.68 The Agreement draws upon a number of international conventions including the TIR Convention, Container Convention, and Frontier Control Convention. It makes provisions on the form, contents and modalities of drawing up and executing an international transport document, an international Customs transit regime modeled after the TIR Convention (albeit without an International Guaranteeing Scheme) and the obligation of the Contracting Parties to implement an international third-party liability scheme. Also included are immigration-related provisions designed to facilitate movement of crews engaged in international land transport. A parallel agreement on the contract of international land transport and the standards of civil responsibilities of carriers with respect to loss, damage and delay in the course of international land transport (Convenio Sobre El Contrato De Transporte Internacional Y Las Normas Sobre Responsabilidad Civil Del Porteador Terrestre (CRT)) was also signed in 1989. This Agreement has been adapted from the CMR Convention, with modifications particularly in the area of legal proceedings.

3.69 The Agreement on International Land Transport includes a Preamble and four chapters covering the General Provisions (Chapter I), International Transport by Highway (Chapter II), International Freight Transport by Railway (Chapter III) and the Final Provisions (Chapter IV). A number of appendices to the main text prescribe the format and contents of transport permits to be used in international highway transport under the Agreement as well as the procedure for the issuance and utilization of such permits. Three separate annexes to the Agreement deal with customs, immigration and insurance aspects of international transport respectively.

3.70 The general provisions of the Agreement are as follows:

- (a) The Agreement applies to land transport as a whole along designated routes, i.e. it covers passenger and goods traffic by both road and railway transport modes. It covers bilateral inter-state as well as transit transport involving more than two countries.
- (b) Transit transport is subject to the same procedure, irrespective of whether the destination country is a signatory to the Agreement or not.
- (c) Each contracting Party undertakes to give, on the basis of reciprocity, national treatment to the transport companies authorized by other Parties to carry out international transport under the terms of the Agreement. Such transport companies from other countries can also be given exemption from domestic taxes, duties and rates on a reciprocal basis.
- (d) The Agreement further requires the Parties to develop for both railway and road transport modes special measures for the carriage of dangerous and perishable goods.
- (e) The Agreement requires a Competent National Organization to be designated in each country, which is made responsible for its application in its territory. It also sets up a Permanent Commission with representatives of National Organizations to evaluate the Agreement and its Annexes with a view to proposing modifications in the Agreement and in its Annexes to the respective Governments. The Commission is authorized to modify appendices and approve complementary provisions.
- (f) Any domestic measure by a country that affects the operation of international transport has to be brought to the knowledge of the Competent National Organizations of other countries before such measure comes into effect.

#### **Specific Provisions on International Highway Transport**

3.71 The general principles and the actual modalities of international highway transport between bordering states as well as for transit to third countries have been laid down in Chapter II of the Agreement. These relate, inter alia, to:

- (a) the conditions and procedures for the issue of primary international road transport permits by the country of origin and complementary permits issued by the countries of transit or destination, for regular as well as occasional carriage of goods and passengers;
- (b) provision for a unique transport document- "*Carta de Porte Internacional-Conhecimento de Transporte Internacional (CRT)*";

- (c) provision for direct negotiation between the concerned National Organizations on the distribution/allocation of passenger and goods traffic between the Parties, leading to bilateral accords based on the principle of reciprocity;
- (d) provision for accords among concerned countries to assure just compensation for the use of infrastructure of the transit country in transit transport;
- (e) mutual recognition of each others' mechanical inspection of vehicles, and recognition, on a reciprocal basis, the competence of vehicles of one country to provide international transport services in another country (excluding cabotage), subject to their meeting regulations in the latter country in respect of vehicle dimensions, maximum weights and other technical characteristics;
- (f) provision to allow, subject to bilateral agreement, the temporary use of road vehicles belonging to third countries by an authorized transport company in carrying out international highway transport under the terms of the Agreement;
- (g) provision defining legal jurisdiction in proceedings arising out of infractions of laws and regulations by a transport company: under the Agreement, the legal proceedings for such infractions are made subject to the legal regime of the country where such infractions occur, irrespective of the company's country of origin; and
- (h) establishment of a special regime through bilateral or multilateral negotiation to regulate the frequency, volume of goods and the quantity of vehicles in international transport of goods on own account -"*transporte propio*"- as distinct from commercial transportation for reward. In this transport, an enterprise uses its own vehicles to transport its own products for their distribution, or to transport goods intended for its own use.

### **Specific Provisions on Transport by Railway**

3.72 These provisions, contained in Chapter III of the Agreement, apply to direct international railway transport between at least two countries using only those lines and stations, which have been agreed to by the railway companies under the Agreement. The transport between two points in the same country involving passage through another country is excluded if the concerned countries and railway companies have agreed not to treat such transport as international. Some of the specific provisions of the Agreement are outlined below:

- (a) A Council on Freight ("*Camara de Compensation de Fletes*") has been created and made responsible for the settlement of accounts of the participating railway companies. The functions of the Council include the formulation, in agreement with the Parties, special instructions for the railway stations open to international traffic, to receive communications sent by the Parties and the Railway Companies and, when appropriate, transmit them to other Parties and Railway Companies and the maintenance of a list of railway stations designated for international transport under the Agreement. The execution of the mandate and



responsibility of the Council has been entrusted to the Latin American Association of the Railways (ALAF).

- (b) A framework has been provided for determining the level and modalities of freight and other expenses incurred by the railway companies in the execution of a transport contract.
- (c) A unique transport document "*Conocimiento-Carte de Porte Internacional-TIF*", and the modalities of its use in international railway transport have been prescribed.
- (d) Specific provisions have been made to define the rights and liabilities of the senders as well as carriers in the execution of a transport contract by railway.
- (e) A detailed system for the determination of liabilities and compensation for loss, damage and delay in the delivery of goods has been provided. The burden of proof in fixing liability is on the railway carrier; and
- (f) Criteria have been established to identify goods which are excluded from being transported under the terms of the Agreement and goods which are carried on a conditional basis.

#### **International Customs Transit under the "Southern Cone" Land Transport Agreement**

3.73 The Annexe I to the Agreement contains customs provisions applicable to transit transport using containers, road vehicles as well as railway wagons as transport units. These provisions do not apply to transport to a third country, which is not a signatory to the Agreement. It describes the different steps involved in an international custom transit operation- *Transito Aduanero Internacional* (TAI)- from a customs office in one country to a customs office in another, crossing at least one international frontier. The carrier, which remains solely responsible for discharging the obligations under the customs regime, makes a declaration- *Declaracion de Transito Aduanero Internacional* (DTA)- in Spanish and Portugese languages for each transport unit, before the customs authorities at the Customs office of departure. DTA serves as the basic customs document in the execution of the international customs transit operation. Formalities to be observed at customs offices of departure, at the frontier(s) and of destination have been detailed.

3.74 The Agreement obligates the Parties to reduce to the minimum the time necessary to complete the formalities at the frontier post and to allow such formalities, if necessary, to be completed outside the days and hours normally established. As there is no provision for an international guaranteeing scheme to cover the duties and taxes at risk in the course of the operation, the carriers are required to furnish formal guarantee to cover such risks. The vehicles of the transport company engaged in the international transport are recognized as legally valid guarantee. If the Customs authorities in any country detects any infractions of the Customs Regime, legal measures are initiated in accordance with its own legislation. Without prejudice to the legal and administrative actions, the Customs authorities can request the concerned National Organization to suspend the relevant transport permit and, in the case of repeated violation, to cancel such permit.

#### **IV. Towards Developing ESCAP Agreements for Asian Highway (AH) and Trans-Asian Railways (TAR)**

4.1 The preceding overview of various international conventions and regional, sub-regional and bilateral initiatives relating to international land transport routes underscores the important fact that there is a growing recognition in principle by national governments all over the world of the need for a coordinated integration of their national transport networks, particularly in the context of today's increasingly interdependent global economy. What also emerges from the overview is that the provision of adequate and technically compatible transport infrastructure and equipment is a necessary, but not sufficient, condition for developing a regionally integrated transport network. Also of critical importance is the adoption of a host of legal, administrative and procedural measures, in order to make such integration economically and commercially attractive. These measures require harmonization and coordination of a wide range of issues, most of which are within the full and exclusive jurisdiction of national governments. Such harmonization and coordination can be clearly achieved only through the forging of consensus among various national governments. The rationale of an international agreement on a land route is to incorporate such a consensus.

4.2 Fortunately, a broad framework for developing integrated international land transport networks at the regional level in Asia and the Pacific already exists in the Asian Land Transport Infrastructure Development (ALTID) project. The ALTID Project, which has been evolving over time, takes an integrated approach to the development of land transport linkages in Asia. Endorsed by the ESCAP Commission in 1992, ALTID focuses not only on the physical integration of national networks through the development and operation of Asian Highway (AH) and Trans-Asian Railway (TAR), but also, equally importantly, on the accession to various international facilitation conventions to assure efficient movement of goods, vehicles and people across national boundaries. The ESCAP Commission at its 54th session accordingly endorsed a Refined Implementation Strategy of the ALTID project, which provides for:

- (a) Facilitation of transport at border crossings and ports;
- (b) Completion of formulation of AH and TAR networks covering the whole of Asia as well as completion of missing links;
- (c) Improvement of operational efficiency of AH and TAR routes;
- (d) Improvements of transport logistics;
- (e) The promotion of AH and TAR; and
- (f) Formalization of AH and TAR routes/networks through ESCAP related agreements.

4.3 The basic ALTID strategy has been to establish specific criteria for inclusion of road and rail routes in the networks, to minimize the number of such routes, and to maximize the use of existing transport infrastructure, with the goal to create reliable and efficient intra-regional and inter-regional land transport linkages and, thereby,

facilitate international trade and tourism. The “refined” ALTID criteria, as formulated by ESCAP, go beyond establishing international links (“capital-to-capital link”), to promoting well-dispersed economic growth (“links to main industrial and agricultural centres and growth triangle/zones”) and development of inter-modal transport by integrating various transport modes (“connections to major sea/river ports” and “connections to major container terminal and depots”).

4.4 The progress that has been made to date in implementing various components of the ALTID Strategy is encouraging. The itinerary and technical specifications of AH and TAR networks are evolving, with the ESCAP Member States participating very actively in the process. Significant progress has been made in identifying AH and TAR routes (please see Annex II and Annex III). The technical standards for Asian Highway, originally established in 1974, were revised in 1993 to better reflect actual and anticipated changes in the type and volume of international traffic in the region as well as the changes in transportation technology. Both networks are expected to be finalized in the first few years of the new millenium, and it is hoped that parts of these networks would be operationalized soon thereafter.

4.5 One very important implication of the ALTID project is that its endorsement by ESCAP member countries signifies their commitment in principle to a shared goal of greater integration of the ESCAP Region by means of land transport. Efforts need to be intensified to consolidate and build upon this commitment to make these networks fully operational as soon as possible.

4.6 However, notwithstanding their acceptance in principle of the strategic components of the ALTID project, the ESCAP member countries have not yet formally adopted the completion and operationalization of the AH and TAR networks according to agreed itinerary and technical standards as their international obligations. This lack of “formalization” is in contrast with the E-transport networks in Europe, which have been formalized, under the aegis of ECE, through a number international agreements namely, the AGR, AGC, AGN, and AGTC.

4.7 Irrespective of whether the AH and TAR networks have been formalized or not, the fact remains that many transport projects relevant to these networks are already being planned and implemented through the national transport programmes. To promote the ALTID goal of regional connectivity, such national transport projects should be optimized for promoting interconnection and interoperability between national networks. The international status of Asian land transport networks should be further strengthened to enable it to provide a robust framework for long-term integration of national transport plans and programmes and international coordination for bridging existing missing links in the networks and their upgradation, harmonization and maintenance. Formalization of AH and TAR networks as soon as possible can set the stage for more effective coordination of national efforts, and thereby help avoid costly revisions in the future.

4.8 Furthermore, a land transport agreement at the regional level is necessary to coordinate the various initiatives which are now under way in promoting international land transport at sub-regional levels. It should be emphasized that such sub-regional transport initiatives in Asia are in no way inconsistent with the goals of international transport development as embodied in the ALTID project. In fact, an important element of the ALTID strategy is to encourage the establishment of efficient cooperative arrangements at the sub-regional level to achieve the broader ALTID

objectives. In fact, a sub-regional agreement can address specific transport issues in greater detail than is possible within the purview of a broader regional agreement, since the latter usually covers a wider geographic area with correspondingly greater variation in economic, social and infrastructure development, and in legal and administrative systems. From this perspective, the sub-regional initiatives may be viewed as important building blocks for realizing the long-term ALTID goal of a fully integrated Trans-Asian transportation network and the eventually an integrated Asia-Europe transport system.

4.9 However, it is important to ensure, in the interim, the consistency of these various sub-regional agreements as well as the ongoing national transport developments in Asia and the Pacific with the overall goals of AH and TAR transport networks. After all, the goal of AH and TAR networks is to facilitate transportation across the region as a whole by promoting interconnectivity and inter-operability of national and/or sub-regional networks. In the European Community and in the Southern Cone countries of Latin America, as described earlier, international land transport routes are being developed within larger economic and political integration schemes. These schemes provide specific institutional mechanisms to ensure efficient interconnection and interoperability of national and sub-regional transport systems. Since no region-wise integration scheme exists for Asia and the Pacific, an early formalization of AH and TAR networks can provide a much-needed mechanism to assure the compatibility of sub-regional, multilateral as well as bilateral transport agreements in the region with the broader goals of AH and TAR.

4.10 In order to make international transport along the designated routes of AH and TAR technically and procedurally efficient *and* commercially attractive, agreements to formalize these networks would need to contain provisions on transport infrastructures as well as legal and administrative matters. In this respect, an important question is whether the designation and revision of routes and their technical and operational parameters, and other facilitation measures of a legal and administrative nature should be dealt with in the same or separate international agreements. Given the strong complementarity between these two sets of issues in operationalizing international transport, it is clear that the issues of infrastructure development to promote international transport and the legal and procedural facilitation of such transport have to be addressed contemporaneously, and with the same degree of urgency.

4.11 As discussed earlier in this review, there are important international agreements that deal exclusively with transport infrastructure such as the European Transport Infrastructure Agreements of ECE, which can serve as models for ESCAP Agreements on AH and TAR. In the case of these European agreements, however, most contracting parties are also signatories to the major international transport facilitation agreements (Table III). Consequently, the legal and administrative impediments to the operation of the European transport networks were far less binding than the impediments that are likely to be faced in operationalizing AH and TAR networks, since accession to such international agreements has so far been limited in Asia and the Pacific region.

4.12 Recognizing that harmonized transport facilitation measures at the national and international levels are a prerequisite for enhancing international trade and transport, the ESCAP Commission, at its forty-eighth session, adopted a resolution on

Road and Rail Transport Modes in Relation to Facilitation Measures (Resolution 48/11 of 23 April 1992), in which it was recommended that the countries in the region, if they had not already done so, consider the possibility of acceding to seven international conventions in the field of transport facilitation. These conventions are listed in Table VIII. Although ESCAP member countries are showing increasing interests in these agreements and conventions, Table VIII clearly indicates that there is still a long way to go before Resolution 48/11 is fully implemented.

4.13 The major reason for the very limited response to international conventions appears to be that most of the ESCAP member countries have not yet given these conventions their full consideration, and consequently there is an inadequate understanding of the potential benefits from an accession to these conventions. In recent years, ESCAP, ECE and other international organizations such as Asian Development Bank (ADB), World Bank and UNCTAD, have addressed this matter and undertaken activities to clarify various issues involved in order to bring about a greater recognition of these potential benefits. For example, ESCAP, in cooperation with ECE, organized sub-regional seminars on this subject for the ECO sub-region in 1994, for North-East Asia in 1996, Greater Mekong Sub-region in 1996 and the South Asian Association of Regional Cooperation (SAARC) sub-region in 1997. National level seminars have also been held in several countries.

4.14 While the efforts to implement Resolution 48/11 must continue, it is to be noted that the scope of the conventions covered by it is confined to highway transport and customs procedures. It is being recognized that with increased trade, transport and tourism among the ESCAP countries and sub-regions, facilitation of cross-border movement of railways, goods and passengers also need to be addressed. Accordingly, it would be necessary to extend the scope of Resolution 48/11 to such international agreements, among others, as the Customs Convention on the Temporary Importation of Private Road Vehicles (1954), European Agreement Concerning the International Carriage of Dangerous Goods by Road (1957), as well as COTIF or SMGS.

4.15 The ESCAP member countries may also in this context consider the possibility of assuming a formal obligation to accede to relevant international conventions within the framework of future Agreements on AH and TAR. Resolution 48/11, as amended where necessary, can then form an integral part of such Agreements. Such inclusion of provisions for transport facilitation along with those for infrastructure development in a single agreement arguably has the advantage that the need for such facilitation measures are placed in the concrete context of internationally agreed routes and formal agreement to operationalize these routes.

4.16 An alternative approach may be to develop an "umbrella" agreement covering selected issues of the most immediate urgency. Such an umbrella agreement can draw upon the relevant international conventions. Such an agreement can be adopted either as part of an International Agreement on Transport Infrastructure or as a separate Agreement. It may be recalled that a 1993 ESCAP Expert Group Meeting on the Asian Highway agreed that the possibility of such an "umbrella" agreement should be examined.

4.17 Even as efforts are intensified to promote greater accession to international conventions, region-level actions are needed to ensure that an adequate institutional and legal environment is created in order for the key conventions such as TIR and CMR to operate efficiently in the Asia and Pacific Region. Without such an

environment, accession to conventions will by itself not ensure their actual application. It is to be recognized that some of these key conventions may have to be carefully reviewed, and where necessary, modified in the specific legal and institutional contexts of the Region, as is being done, for example, in the Latin American region. This is particularly true for the TIR Convention, which can provide the foundation for a much-needed Asian Customs Transit Regime.

**Table-VIII**

**Status of ESCAP member countries' and areas' accession or being party to international conventions listed in Commission Resolution 48/11, as of 24 September 1999**

Country or Area	Convention on Road Traffic (1968)	Convention on Road Signs and Signals (1968)	Customs Convention on the International Transport of Goods under Cover of TIR Carnets (1975)	Customs Convention on the Temporary Importation of Commercial Road Vehicles (1956)	Customs Convention on Containers (1972)	International Convention on the Harmonization of Frontier Control of Goods (1982)	Convention on the Contract for the International Carriage of Goods by Road (CMR) (1956)
<b>Group I: Mainland Asia</b>							
Afghanistan			x	x			
Armenia			⊗			⊗	
Azerbaijan			⊗				
Bangladesh							
Bhutan							
Cambodia				x			
China					x		
Democratic People's Republic of Korea							
Hong Kong, China				x			
India		x					
Islamic Republic of Iran	x	x	x				⊗
Kazakhstan	⊗	⊗	⊗				⊗
Kyrgyzstan			⊗	⊗		⊗	⊗
Lao People's Democratic Republic							
Malaysia							
Mongolia	⊗	⊗					
Myanmar							
Nepal							
Pakistan	x	x					
Republic of Korea	x	x	x		x		
Russian Federation	x	x	x		x	x	x
Singapore				x			
Tajikistan	⊗	⊗	⊗				⊗

Country or Area	Convention on Road Traffic (1968)	Convention on Road Signs and Signals (1968)	Customs Convention on the International Transport of Goods under Cover of TIR Carnets (1975)	Customs Convention on the Temporary Importation of Commercial Road Vehicles (1956)	Customs Convention on Containers (1972)	International Convention on the Harmonization of Frontier Control of Goods (1982)	Convention on the Contract for the International Carriage of Goods by Road (CMR) (1956)
Thailand							
Turkey			x		x		x
Turkmenistan	⊗	⊗	⊗				⊗
Uzbekistan	⊗	⊗	⊗	⊗	⊗	⊗	⊗
Viet Nam							
<b>Group II: Island Countries</b>							
Brunei Darussalam				x			
Indonesia	x	x	x		x	..	..
Japan						..	..
Maldives						..	..
Philippines	x	x				..	..
Sri Lanka						..	..

Notes: Two dots (..) indicate that data are not applicable

x- party/acceded, ⊗- acceded after adoption of resolution 48/11

4.18 A major impediment to smooth flow of international transport is the existence of conflicting national laws and regulations affecting the transport sector. The modification of these domestic laws and regulations to conform to the needs of international traffic is a challenging task, particularly since international traffic in general constitutes a small proportion of the total traffic within a country. A greater understanding of the domestic regulatory regimes affecting international transport is essential to create a harmonized regulatory regime at the regional level. Formalization of AH and TAR Agreements can set the stage for more collaborative efforts in bringing greater uniformity in national transport laws, regulations and practices.

4.19 Internationally agreed technical standards have a strong symbolic value, and can potentially exert a strong influence on national transport planning, particularly when these standards are an integral part of formal, legally binding international agreements. It may be recalled that the European Transport Infrastructure Agreements provided technical guidelines even though the standards of existing infrastructures were already quite high. The adoption of common technical standards in transport, however, requires a long-term perspective. The formalization of AH and TAR networks, by providing such a perspective, can expedite the process of harmonizing the technical standards. These standards themselves should be forward-looking and upgradable, flexible enough to reflect changes in international transport demand and transport technology. The issue is thus not only one of upgrading AH and TAR routes to established standards, but also of upgrading the standards themselves to better reflect changes, for example, in gross vehicle weight, changing pattern and volume of traffic, higher level of desired road safety, compatibility in terms of design standards,

road signs and markings and environmental conditions. Similarly the itinerary of the AH and TAR networks must also respond to changes in the patterns of international traffic flow in the region. The formalization of AH and TAR networks can institutionalize the adaptation of these networks to changing needs and technology.

4.20 In the above context, ESCAP member countries may consider setting up, within the framework of ESCAP Agreements on AH and TAR networks, a standing institutional arrangement to amend the technical standards and to modify the itinerary of the networks on an *ongoing basis*. It would be recalled that under the AGR, AGC and AGTC Agreements, this responsibility is vested in the relevant Committees of ECE. Considering the current variation in technical standards of land transport routes and the need for accelerated progress towards operationalizing AH and TAR networks, the ESCAP member countries may also consider if the ESCAP Agreements on these networks may lay down a time-table to phase in progressively higher technical standards and different facilitation measures. The ASEAN Highway Project, discussed earlier, provides such a time-table. The European Transport Infrastructure Agreements, on the other hand, give complete latitude to the contracting parties as regards the timing of upgrading the routes.

**Table- IX**

**AH Countries Sharing Borders: Legal Situation**

Country	Borders with Country(ies)	Bilateral Agreements	Other arrangements
Singapore	Malaysia Indonesia(ferry)		ASEAN framework agreement on transit ASEAN Highway
Malaysia	Thailand	Bilateral agreements on railways transport (1922,54), MOU with Malaysia on transport of perishable goods (1979)	ASEAN framework agreement on transit ASEAN Highway
Thailand	Malaysia Cambodia Lao PDR Myanmar	Bilateral agreements on railways transport with Malaysia (1922,54), MOU with Malaysia on transport of perishable goods (1979). Transit Treaty with Lao (1978).	ASEAN framework agreement on transit Barcelona Transit Convention 1921 ASEAN Highway
Cambodia	Thailand Vietnam Lao PDR		ASEAN framework agreement on transit Barcelona Transit Convention 1921 ASEAN Highway
Lao PDR	Thailand Cambodia Vietnam China Myanmar	Land transport agreement with Vietnam. Agreement on Joint Railway Traffic and on Transit Transport are under discussion with Thailand.	Signatory to Barcelona and New York Transit Agreements Barcelona Transit Convention 1921 New York Transit Convention 1965 ASEAN Highway



Country	Borders with Country(ies)	Bilateral Agreements	Other arrangements
Viet Nam	Lao PDR China Cambodia	Agreement with railway transport with China (1992), Agreement on goods and passenger transport by road with Lao PDR (1996)	Agreement for transit of goods with Cambodia, China and Lao ASEAN FWA on transit ASEAN Highway
China	Mongolia Vietnam Nepal Bhutan Myanmar India	Road transport agreements with Kazakhstan, Kyrgyzstan, Lao PDR, Mongolia, Nepal, Pakistan, Russian Fed, Uzbekistan, Vietnam.	Agreement for transit of goods among Cambodia, China and Lao PDR Multilateral agreement involving China, Kazakhstan, Kyrgyzstan, Pakistan (1995)
Mongolia	China Russian Federation	Bilateral transit agreements with China(1991) and Russian Fed (1993). Bilateral agreement on freight transport by road and rail with China (1991)	New York Transit Convention 1965
Myanmar	India Bangladesh Thailand	Bilateral Agreement with Thailand	
Bangladesh	Myanmar India	“Fundamental and Subsidiary Rules for Interchange of Railway Traffic Between India and Bangladesh.” Transit Agreement with Nepal	Multilateral Agreement with India and Nepal 1997
Nepal	India China	The Treaty of Transit with India (1991)-third country trade is governed by this bilateral treaty. Agreement Concerning Bilateral Road Transportation with China (1994)	Barcelona Transit Convention 1921 New York Transit Convention 1965 Multilateral Transit Agreement with India and Bangladesh 1997
Bhutan	India China	Bilateral Transit Agreements with India(1991), Bangladesh(1976)	
India	Bangladesh Nepal Bhutan Pakistan Sri lanka China	Treaty of Transit with Nepal (1991) Agreement on International Transit of Goods with Islamic Republic of Iran and Turkmenistan (1997), open to other CIS countries. Land Transport agreements under discussion with Bangladesh and Nepal “Agreement Between the Government of India and the Government of China Relating to Railway Communications Between the Two Countries”	Barcelona Transit Convention 1921
Pakistan	India China	“Agreement Between the Government of India and the Government of China Relating to Railway Communications	ECO Agreement on Transit

Country	Borders with Country(ies)	Bilateral Agreements	Other arrangements
	Iran Afganistan	Between the Two Countries" Transit Treaty with Afghanistan (1965)	
Islamic Republic of Iran	Turkey Azerbaijan Armenia Pakistan		Barcelona Transit Convention 1921 ECO Agreement on Transit
Afghanistan	Pakistan, Islamic Republic of Iran		Barcelona Transit Convention 1921 New York Transit Convention 1965
Turkey	Islamic Republic of Iran, Armenia Georgia Iraq		Barcelona Transit Convention 1921 New York Transit Convention 1965

4.21 Just as restrictive regulatory regimes in individual countries may impede international transport flows, international commitments made by various countries under various bilateral, multilateral or sub-regional agreements may in some cases run counter to the development and efficient operation of international land transport routes at the regional level. Table IX above contains a **partial** list of transport agreements between bordering countries along the Asian Highway. A number of other similar agreements are currently in the works, such as the Draft Framework to Facilitate the Cross-Border Movement of Goods and People in the Greater Mekong Sub-region, Draft Transit Traffic Framework Agreement between the People's Republic of China, Mongolia and the Russian Federation, and Draft Agreement between and among the Governments of the Lao People's Democratic Republic, Thailand and Viet Nam for Facilitation of Cross Border Transport of Goods and People. An in-depth review of these agreements to determine the extent to which they are consistent, or in conflict, with the operation of integrated ALTID routes may be considered. The need for such a review is illustrated, for example, by the particular situation in which one member country faces the prospect of being involved in five Transit Transport Framework Agreements, each with a different approach or coverage.

## V. Concluding Remarks

4.21 While greater interoperability and interaction among national transport systems has a very important *potential* role in increasing trade and investment flows in the Asia-Pacific region to the mutual benefit of all countries, it must be clearly recognized that some of these countries also differ significantly from others with respect to their *present* state of social and economic development, as reflected in large variations in the technical and operational standards of their respective transport systems. The differences in present social and economic conditions result in the adoption of different development priorities. Inadequate access to technical, institutional and economic resources limits some countries' ability to raise the standards of their transport systems to an internationally acceptable level in the short to the medium term. The individual countries may also have specific concerns about the social and economic effects of further opening up their societies and economies to the outside world through a more efficient international transport interface. Perceptions about how to strike a balance between national objectives in terms of security, safety, environment, fiscal interests etc., on the one hand, and the needs of international transport, on the other, also vary from one country to another. In order to develop a common and shared approach to international land routes in the region, the above-noted differences among countries and their concerns would need to be taken into account. This is a very challenging task, which can be accomplished only through a step-by-step approach based on mutual cooperation and understanding.

4.22 The purpose of the present review has been to direct attention to some of the experiences in Asia and other regions with respect to the development of international land transport routes, and to highlight the need of developing and formalizing ESCAP Agreements on AH and TAR networks. In the process of discussing various technical, legal and administrative issues that need to be taken into account in formalizing AH and TAR networks, attention has also been drawn to various international agreements and conventions that deal specifically with these issues. The review suggests that there is a substantial body of relevant experiences to draw upon with respect to the development of land routes in the region. It is expected that this review would facilitate a more informed exchange of ideas and discussion among the ESCAP Member Countries on the importance of such Agreements, as well as help set in motion a regionally coordinated process of identifying the appropriate contents and formats of such Agreements.

***Annex-I: Summary List of International UN/ECE Transport Agreements and Conventions***

**I. Transport Infrastructure**

1. Declaration on the Construction of Main International Traffic Arteries, of 16 September 1950
2. European Agreement on Main International Traffic Arteries (AGR), of 15 November 1975
3. European Agreement on Main International Railway Lines (AGC), of 31 May 1985
4. European Agreement on Important International Combined Transport Lines and Related Installations (AGTC), of 1 February 1991
5. European Agreement on Main Inland Waterways of International Importance (AGN), of 19 January 1996

**II. Road Traffic and Road Signs and Signals**

6. Convention on Road Traffic, of 19 September 1949  
Convention on Road Traffic, of 8 November 1968
8. Protocol on Road Signs and Signals, of 19 September 1949
9. Convention on Road Signs and Signals, of 8 November 1968
10. European Agreement supplementing the Convention on Road Traffic
11. European Agreement supplementing the Convention on Road Signs and Signals
12. European Agreement on the Application of Article 23 of the 1949 Convention on Road Traffic concerning the Dimensions and Weights of Vehicles Permitted to Travel on Certain Roads of the Contracting Parties, of 16 September 1950
13. European Agreement supplementing the 1949 Convention on Road Traffic and the 1949 Protocol on Road Signs and Signals, of 16 September 1950
14. European Agreement on Road Markings, of 13 December 1957
15. Protocol and Road Markings, Additional to the European Agreement supplementing the Convention on Road Signs and Signals, of 1 March 1973
16. Agreement on Minimum Requirements for the Issue and Validity of Driving Permits (APC), of 1 April 1975

**III. Road Vehicles**

17. Agreement concerning the Adoption of Uniform Conditions of Approval and Reciprocal Recognition of Approval for Motor Vehicle Equipment and Parts, of 20 March 1958

#### **IV. Other Road Transport Legal Instruments**

##### **(a) Working conditions**

18. European Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport (AETR), of 1 July 1970

##### **(b) Taxation**

19. Convention on the Taxation of Road Vehicles for Private Use in International Traffic, of 18 May 1956
20. Convention on the Taxation of Road Vehicles engaged in International Passenger Transport, of 14 December 1956
21. Convention on the Taxation of Road Vehicles engaged in International Goods Transport, of 14 December 1956

##### **(c) Private Law**

22. Convention on the Contract for the International Carriage of Goods by Road (CMR), of 19 May 1956
23. Protocol on the Contract for the International Carriage of Goods by Roads (CMR), of 5 July 1978
24. Convention on the Contract for the International Carriage of Passengers and Luggage by Road (CVR), of 1 March 1973
25. Protocol to the Convention on the Contract for the International Carriage of Passengers and Luggage by Road (CVR), of 5 July 1978

##### **(d) Economic Regulations**

26. General agreement on Economic Regulations for International Road Transport, of 17 March 1954

#### **V. Inland Navigation (Private Law)**

27. Convention relating to the Unification of Certain Rules concerning Collisions in Inland Navigation, of 15 March 1960
28. Convention on the Registration of Inland Navigation Vessels, of 25 January 1965
29. Convention on the Measurement of Inland Navigation Vessels, of 15 February 1966
30. Convention relating to the Limitation of the Liability of Owner of Inland Navigation Vessels (CLN), of 1 March 1973  
 Protocol to the Convention relating to the Limitation of the Liability of Owner of Inland Navigation Vessels (CLN), of 5 July 1978  
 Convention on the Contract for the International Carriage of Passengers and Luggage by Inland Waterway (CVN), of 6 February 1976
33. Protocol to the Convention on the Contract for the International Carriage of Passengers and Luggage by Inland Waterway (CVN), of 5 July 1978

## **VI. Transport Facilitation**

Convention concerning Customs Facilities for Touring, signed in New York on 4 June 1954

35. Customs Convention on the Temporary Importation of Private Road Vehicles, signed in New York on 4 June 1954
36. Customs Convention on the International Transport of Goods Under Cover of TIR Carnets (TIR) Convention, of 15 January 1959
37. Customs Convention on the International Transport of Goods Under Cover of TIR Carnets (TIR) Convention, of 14 November 1975
38. Customs Convention on the Temporary Importation for Private Use of Aircraft and Pleasure Boats, of 18 May 1956
- Customs Convention on the Temporary Importation of Commercial Road Vehicles, of 18 May 1956
- International Convention to Facilitate the Crossing of Frontiers for Passengers and Luggage Carried by Rail, of 10 January 1952
41. International Convention to Facilitate the Crossing of Frontiers for Goods Carried by Rail, of 10 January 1952
42. Customs Convention concerning Spare Parts Used for Repairing European wagons, of 15 January 1958
43. Customs Convention on Containers, of 18 May 1956
44. Customs Convention on Containers, 1972, of 2 December 1972
- European Convention on Customs Treatment of Pallets Used in International Transport, of 9 December 1960
46. International Convention on the Harmonization of Frontiers of Goods, 21 October 1982
47. Convention on Customs Treatment of Pool Containers Used in International Transport, 21 January 1994

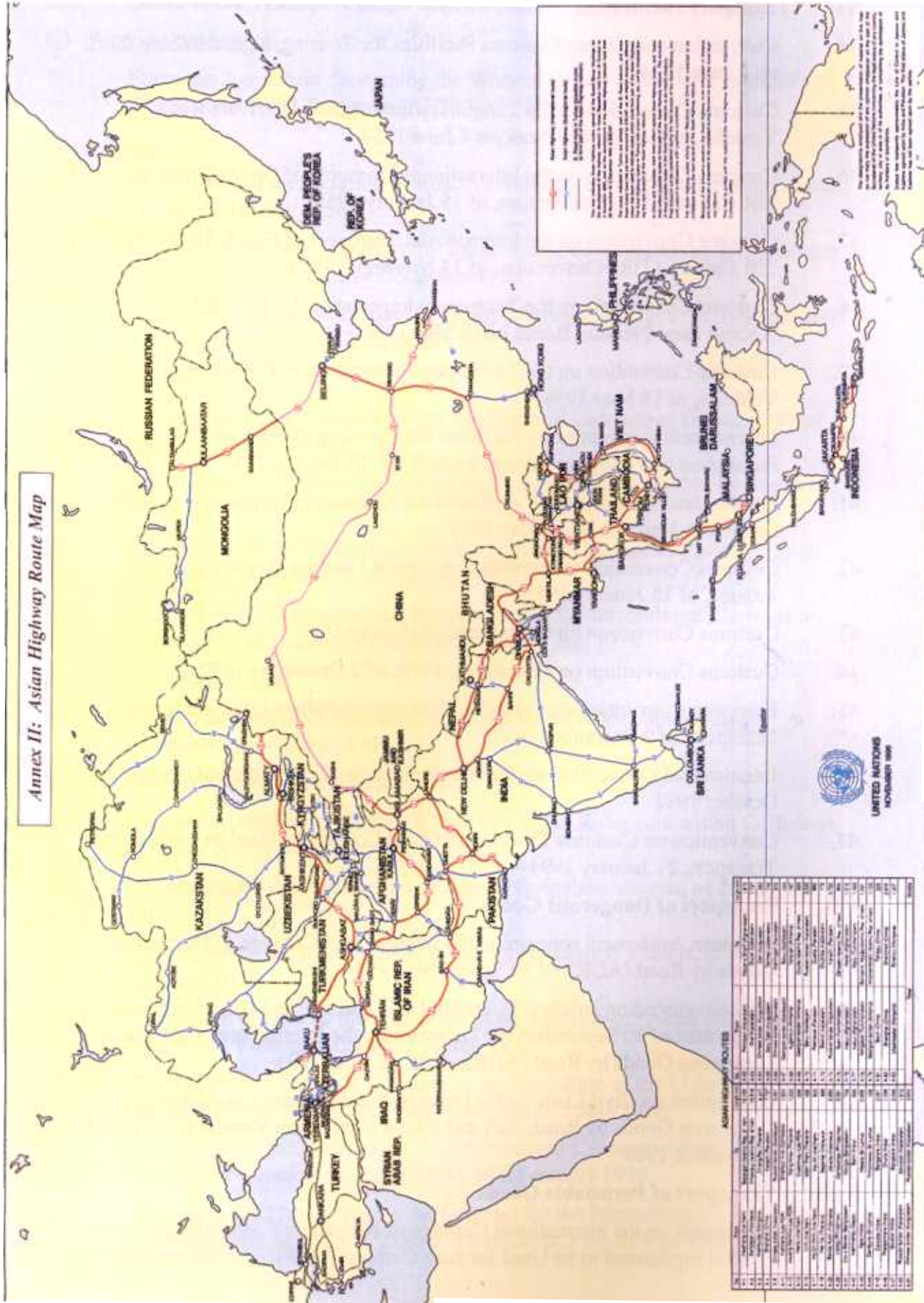
### **Transport of Dangerous Goods**

48. European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR), of 30 September 1957
- Protocol amending article 1(a), article 14(1) and article 14(3) of European Agreement of 30 September 1957 concerning the International Carriage of Dangerous Goods by Road (ADR), of 28 October 1993
- Convention on Civil Liability for Damage caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels (CRTD), of 10 October 1989

### **Transport of Perishable Goods**

51. Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for such Carriage (ATP), of 1 September 1970

## Annex II: Asian Highway Route Map



**ASIAN HIGHWAY ROUTES**

Route No.	Start City	End City	Length (km)	Status
1	Yamouli	Yamouli	0	Asian Highway International route
2	Yamouli	Yamouli	0	Asian Highway International route
3	Yamouli	Yamouli	0	Asian Highway International route
4	Yamouli	Yamouli	0	Asian Highway International route
5	Yamouli	Yamouli	0	Asian Highway International route
6	Yamouli	Yamouli	0	Asian Highway International route
7	Yamouli	Yamouli	0	Asian Highway International route
8	Yamouli	Yamouli	0	Asian Highway International route
9	Yamouli	Yamouli	0	Asian Highway International route
10	Yamouli	Yamouli	0	Asian Highway International route
11	Yamouli	Yamouli	0	Asian Highway International route
12	Yamouli	Yamouli	0	Asian Highway International route
13	Yamouli	Yamouli	0	Asian Highway International route
14	Yamouli	Yamouli	0	Asian Highway International route
15	Yamouli	Yamouli	0	Asian Highway International route
16	Yamouli	Yamouli	0	Asian Highway International route
17	Yamouli	Yamouli	0	Asian Highway International route
18	Yamouli	Yamouli	0	Asian Highway International route
19	Yamouli	Yamouli	0	Asian Highway International route
20	Yamouli	Yamouli	0	Asian Highway International route

### Annex III: Proposed Trans-Asian Railway Routes



**LEGEND**

- TAR LINKS (1676 MM)
- TAR LINKS (1520 MM)
- TAR LINKS (1435 MM)
- TAR LINKS (1067 MM)
- TAR LINKS (1000 MM)
- NEW TAR LINKS (PLANNED)
- POTENTIAL TAR LINKS
- BREAK - OF - GAUGE POINT
- FERRY CROSSING



UNITED NATIONS  
Department of Economic and Social Affairs

The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the jurisdiction of the territories shown in this map or the status of the territories or the boundaries of the territories.

Social Asia in Japan and Korea represents approximately. The Line of Control agreed upon by India and Pakistan. The Red areas of Japan and Korea has not been agreed upon by the parties.