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### **Review of the implementation of the Busan Declaration on Transport Development in Asia and the Pacific and the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011)**

## **Review of the implementation of the Busan Declaration on Transport Development in Asia and the Pacific and the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011)**

### **Note by the secretariat**

#### *Summary*

The Ministerial Conference on Transport, held in Busan, Republic of Korea, from 6 to 11 November 2006, adopted the Busan Declaration on Transport Development in Asia and the Pacific, including the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011). The Declaration was subsequently endorsed by the Commission in its resolution 63/9 of 23 May 2007 on the implementation of the Busan Declaration on Transport Development in Asia and the Pacific and the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011).

The present document contains a review of selected activities in the implementation of the Regional Action Programme, a brief assessment and evaluation of the impact these activities have had and recommendations for future implementation. The review focuses on recent progress made since the first session of the Forum of Asian Ministers of Transport, held in Bangkok from 14 to 18 December 2009, particularly in priority areas recommended in the Bangkok Declaration on Transport Development in Asia, which was adopted at the Forum.

Members of the Committee may wish to report on progress made in implementing the Regional Action Programme in their respective countries and to provide the secretariat with guidance to ensure further implementation of the Regional Action Programme in an effective and efficient manner to meet the priority needs of the member countries.

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### **I. Introduction**

1. The Commission at its sixty-third session adopted resolution 63/9 of 23 May 2007 on the implementation of the Busan Declaration on Transport Development in Asia and the Pacific and the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011).

2. The secretariat has prepared a summary of the current status of activities implemented under the Regional Action Programme (see E/ESCAP/CTR(2)/INF/4) for information purposes. Based on that summary, section I reviews some selected activities and provides updated information to highlight the approaches being adopted in order to offer the Committee insight into the implementation of the Programme so that it can provide the secretariat with necessary guidance.

3. Section II presents a brief assessment and evaluation of the impact of the implementation of the Regional Action Programme. Section III proposes a number of areas where the secretariat and member countries could work together for an effective and efficient implementation of the Programme and the early realization of an international integrated intermodal transport and logistics system for the region. The areas take into consideration the priorities contained in the Bangkok Declaration on Transport Development in Asia (E/ESCAP/66/11, chap. IV), which was adopted by the Forum of Asian Ministers of Transport at its first session, held in Bangkok from 14 to 18 December 2009. The priorities were subsequently reflected in Commission resolution 66/4 of 19 May 2010 on the implementation of the Bangkok Declaration on Transport Development in Asia.

### **II. Selected activities**

4. The Regional Action Programme identifies eight areas in which the secretariat should work in consultation with member countries, namely: (a) policy guidance at the ministerial level; (b) transport infrastructure development; (c) transport facilitation; (d) transport logistics; (e) finance and private sector participation; (f) sustainable transport development; (g) road safety; and (h) transport and the Millennium Development Goals.

5. Over recent years, the impact of globalization and the substantial growth of output, trade and investment experienced by countries in the Asian and Pacific region, coupled with newly emerging issues, including the volatility of oil prices, have placed increasing pressure on the region's transport sector. More recently, the economic downturn, while posing severe challenges to policymakers around the world, is bringing new opportunities for capital investment in infrastructure as one approach to stimulating growth. It is therefore of critical importance for different national ministries and agencies involved in the development of transport

across the region to provide policy guidance on how to improve efficiency in the sector and how to respond more rapidly and effectively to the new demands placed on transport.

6. The Ministerial Conference on Transport, held in Busan, Republic of Korea, in November 2006, expressed strong support for the establishment of a forum of Asian ministers of transport as a formal regional mechanism to facilitate close collaboration and more frequent interaction to address emerging issues.

7. Subsequently, the Commission endorsed the initiative in its resolution 64/5 of 30 April 2008 on the establishment of the Forum of Asian Ministers of Transport. The first session of the Forum was convened in Bangkok from 14 to 18 December 2009. It culminated in the adoption of the Bangkok Declaration on Transport Development in Asia, an action that was welcomed by the Commission in its resolution 66/4 on the implementation of the Bangkok Declaration on Transport Development in Asia. In the same resolution, the Commission requested the Executive Secretary to convene a ministerial conference on transport in 2011 to assess and evaluate the implementation of the Bangkok Declaration and the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011), and to consider a regional action programme for phase II (2012-2016). The ministerial conference is planned for November 2011 (see E/ESCAP/CTR(2)/4).

8. The two high-profile projects being undertaken by ESCAP in the transport sector relate to the Asian Highway and the Trans-Asian Railway.

9. In 2010, three additional countries (Indonesia, Nepal and Turkey) ratified the Intergovernmental Agreement on the Asian Highway Network,<sup>1</sup> which entered into force in July 2005. There are now 28 parties to the Agreement, and one signatory that has yet to become a party.

10. In accordance with the terms of the Intergovernmental Agreement on the Asian Highway Network, the Working Group on the Asian Highway was established to consider the implementation of the Agreement and to consider any amendments proposed. At its third meeting, held in Bangkok on 4 September 2009, the Working Group adopted proposed amendments to the Asian Highway routes connecting China and Mongolia, India and Bhutan, and within Kazakhstan (see E/ESCAP/TD/WGH(3)/Rep., para. 5).

11. ESCAP, in collaboration with the Ministry of Land, Infrastructure, Transport and Tourism of Japan, held a seminar in Tokyo on 18 and 19 February 2010 to celebrate the fiftieth anniversary of the Asian Highway and to reflect on achievements and chart future strategies.

12. The Intergovernmental Agreement on the Trans-Asian Railway Network<sup>2</sup> entered into force on 11 June 2009, having been ratified by eight member countries (as per article 5 of the Agreement).<sup>3</sup> Since then, an additional seven countries have become parties, namely Bangladesh, Georgia, the Islamic Republic of Iran, Pakistan, Sri Lanka, Uzbekistan and

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<sup>1</sup> United Nations, Treaty Series, vol. 2323, No. I-41607.

<sup>2</sup> Commission resolution 62/4 of 12 April 2006, annex.

<sup>3</sup> Cambodia, China, India, Mongolia, Republic of Korea, Russian Federation, Tajikistan and Thailand.

Viet Nam. To date, the Agreement has been signed by 22 countries, of which 15 are parties.

13. The Intergovernmental Agreement on the Trans-Asian Railway Network called for the establishment of the Working Group on the Trans-Asian Railway Network, which held its first meeting in Bangkok on 15 and 16 December 2009. The meeting provided a forum to discuss issues and exchange information relating to the future development, upgrading and operational efficiency of the Trans-Asian Railway network.

14. A joint meeting of the working groups on the Asian Highway and the Trans-Asian Railway is planned for the biennium 2010-2011.

15. The Asian Highway has been included in the national plans of many member countries.<sup>4</sup> It has also been used as a reference for the development of subregional cooperation programmes in the Greater Mekong Subregion and by organizations such as the Association of Southeast Asian Nations (ASEAN), the Central Asia Regional Economic Cooperation (CAREC) Programme, the Shanghai Cooperation Organization, the Economic Cooperation Organization (ECO) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). For example, the ASEAN Highway Network was formulated on the basis of the Asian Highway network, with the same technical and design standards, and the transport corridor initiatives of BIMSTEC, CAREC and the South Asian Association for Regional Cooperation (SAARC) were formulated with reference to the Asian Highway routes. Recently, ECO also adopted the Asian Highway design standard for its road network. International financial institutions, such as ADB, the European Bank for Reconstruction and Development (EBRD), the Islamic Development Bank and the World Bank, made funds available for the development and upgrading of various sections of the Asian Highway network in a number of member States.<sup>5</sup>

16. The secretariat, in cooperation with the Shanghai Cooperation Organization, organized a seminar on road networks, which was held in Beijing on 16 and 17 December 2008, to promote the integration of the Asian Highway into the subregional network.

17. In the railway sector, substantial progress has been made in the planning and construction of missing links in the Trans-Asian Railway network. In the Islamic Republic of Iran, the missing link between Kerman and Zahedan has been completed, as has construction of the line section between Sangan and the border with Afghanistan. In Thailand, the extension of the country's rail network across the border to Thanaleng in the Lao People's Democratic Republic is the first stage of a project to provide rail connectivity to Vientiane. In Uzbekistan, the line between Tashguzar and Boysum has also been inaugurated.

18. In addition, other projects are being implemented across the region. Thus, work is in progress on the missing link between Astara, Azerbaijan,

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<sup>4</sup> Cambodia, India, the Islamic Republic of Iran, the Lao People's Democratic Republic, Nepal, Pakistan, Thailand and Viet Nam have indicated that the Asian Highway is a priority for development in their national plans.

<sup>5</sup> Afghanistan, Armenia, Azerbaijan, Bangladesh, Bhutan, Cambodia, China, Georgia, India, Indonesia, Iran (Islamic Republic of), Kazakhstan, Kyrgyzstan, Lao People's Democratic Republic, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka, Tajikistan, Thailand, Uzbekistan and Viet Nam.

and Qazvin, Islamic Republic of Iran, to complete a land-based corridor that will extend from Saint Petersburg to Bandar Abbas with a junction at Bafq permitting travel to India and Dhaka. Meanwhile, in Cambodia, track work commenced to put in place the 48-km missing link between Sisophon and Poipet that will allow for direct rail services between Cambodia and Thailand. In South Asia, the Government of India has listed the construction of the 180-km section of the 325-km missing link with Myanmar as a priority project for the development of the Trans-Asian Railway network on its territory. In addition, the Government of India has financed a feasibility study to connect a number of border towns in Bhutan to the nearest railheads on Indian Railways. In the Caucasus region, the missing link between Akhalkalaki, Georgia, and Kars, Turkey, that will give landlocked countries in the Caucasus region access to Turkish ports on the Mediterranean Sea (Iskenderun and Mersin) and the Aegean Sea (Izmir) is being constructed. Finally, a memorandum of understanding was signed recently between the Governments of China and the Lao People's Democratic Republic to build the line from Vientiane to Boten at the border between the two countries (approximately 570 km), which is a major connection in the Singapore-Kunming Rail Link Project.

19. Completion of the link between Akhalkalaki, Georgia, and Kars, Turkey, will open additional transport routes for landlocked countries in the Caucasus region and access to southern Europe when the Marmaray project is completed.

20. The secretariat has continued to work to foster synergies among member States, international financing institutions and other stakeholders, including the private sector, to explore financing opportunities in priority infrastructure projects along the Asian Highway and Trans-Asian Railway routes. As part of this effort, the secretariat organized the Asian Highway Investment Forum in November 2007, which provided an opportunity for participating countries, international financing institutions and the private sector to discuss investment priorities and prospects and different approaches to finance projects as well as to exchange experiences related to the financing, development and operation of major highways. The Expert Group Meeting on Financing for Transport Infrastructure was held on 16 December 2009. It further encouraged member countries to give high priority to projects that aim to improve cross-border connectivity and operationalization across the Asian Highway and Trans-Asian Railway networks. Given the investment requirements, the Meeting also encouraged governments to pursue policy measures to create an enabling institutional environment for the development of public-private partnerships. To assist the secretariat in pursuing the issue of investment in the Asian Highway and Trans-Asian Railway, member countries were asked to inform the secretariat of their priority investment projects on a regular basis using the ESCAP template. On the issue of future assistance from international financial institutions, the Meeting noted that ADB was placing increased emphasis on projects seeking greater modal integration and offering reduced impacts on the environment through, for example, the induction of a modal shift from road transport to rail transport or inland waterways.

21. In continuing its efforts to promote support from development partners and the private sector for investments in priority routes along the Asian Highway network, the secretariat formulated a new project, entitled "Promotion of investment in the Asian Highway network: pre-feasibility studies of priority sections". In addition to conducting pre-feasibility studies, the project encompasses regional and subregional training

workshops and seminars to enhance the capacity of transport officials to prepare investment studies and proposals, as well as another session of the Asian Highway Investment Forum.

22. ADB has commenced a project on promoting regional infrastructure development (RDTA-44147), with an overall budget of \$2.175 million for the period July 2010-December 2011. Under that project, there are plans to undertake pre-feasibility studies focusing on sections of the Asian Highway and Trans-Asian Railway, to prioritize investment and update project pipelines, develop a framework to facilitate linkages between trade and transport, and establish a regional project development facility.

23. Following the identification of the Trans-Asian Railway network, the secretariat initiated demonstration runs of container block-trains, one of which was from Lianyungang, China, to Almaty, Kazakhstan, to showcase their operational capability and promote their services. Since that time, the number of container block-trains dispatched from various ports in China to Kazakhstan has increased from 100 trains in 2004 to 1,026 in 2008.<sup>6</sup>

24. In July 2010, the secretariat initiated a project on promoting the use of the Trans-Asian Railway through improved awareness of commercial requirements in order to enhance the role of railways in the movement of freight along international corridors. In this respect, a regional meeting is planned for the middle of 2011 for shippers active in international trade between North-East Asia, Central Asia and Europe, and for managers of railway organizations offering transport services along the relevant routes of the Trans-Asian Railway network. This interaction will allow railway managers to promote services that already exist and to foster greater awareness among them of international trade patterns arising from globalization, especially as regards recent growth in intra-Asian trade. Meanwhile, the business community will be in a position to explain which service requirements need to be put in place before they increase their use of rail transport. At its core, the project seeks to allow targeted countries, including landlocked countries, to take advantage of the increased use of rail transport for the international movement of goods while achieving sustainable growth and reducing the impact of transport on the environment.

25. In support of the Commission's vision of an international integrated intermodal transport and logistics system, the secretariat published a region-wide study, entitled *Policy Framework for the Development of Intermodal Interfaces as part of an Integrated Transport Network in Asia* (ST/ESCAP/2556) in December 2009.<sup>7</sup> The study reviews the progress, best practices and associated policies related to the development of intermodal infrastructure within and outside the ESCAP region and proposes policy guidelines and recommendations to develop inland container depots and dry ports for intermodal transport development.

26. The secretariat also implemented a project to review the main dry ports in Asia and to enhance the awareness of policymakers and the dry port development industry. Under the project, a workshop on the development of dry ports and logistics in the ASEAN subregion was held in Bangkok on 9 and 10 September 2008. Subsequently, the secretariat fielded missions to

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<sup>6</sup> Data are from Kazakhstan Railways and Kaztransservice.

<sup>7</sup> Available from [www.unescap.org/ttdw/common/TIS/TAR/text/study\\_report\\_final.pdf](http://www.unescap.org/ttdw/common/TIS/TAR/text/study_report_final.pdf).

Cambodia, Malaysia and Viet Nam between October 2008 and February 2009 to share regional experiences in the development of dry ports with the relevant government officials and operators. Advisory services were provided to the Government of Indonesia in July 2009 for its dry port project.

27. In 2007, the secretariat published *Logistics Sector Developments: Planning Models for Enterprises and Logistics Clusters*,<sup>8</sup> which provides useful references on the development of dry ports and logistics centres. The secretariat also published the *Transport and Communications Bulletin for Asia and the Pacific*, No. 78 (ST/ESCAP/SER.E/78), which discusses various issues related to the development of dry ports in selected countries in Africa, Asia, Europe and North America.

28. In its resolution 66/4 on the implementation of the Bangkok Declaration on Transport Development in Asia, the Commission requested the Executive Secretary to assist regional members and associate members in their efforts bring about connectivity and the integration of the Asian Highway network, the Trans-Asian Railway network and other transport modes by working towards the development of an intergovernmental agreement on dry ports. In March 2010, the secretariat initiated a project on the development of dry ports along the Asian Highway and Trans-Asian Railway networks. The first phase of the project focuses on the review of operational practices and existing institutional and regulatory requirements at dry ports. In this respect, a regional expert group meeting is scheduled to be held in Bangkok in November 2010, in conjunction with the second session of the Committee on Transport, to discuss the preliminary findings of the study on the development of dry ports. The meeting will pave the way for the preparation of a working draft of an intergovernmental agreement as the basis for future negotiations among member countries.

29. In order to provide quantitative policy guidance on formulating an integrated approach to effective transport planning, the secretariat, in collaboration with the Korea Maritime Institute, has developed the Integrated Transport Planning Model. The model can be applied to creating forecasts of intermodal container traffic and investment requirements for seaports, dry ports and inland container depots, thereby providing a regional context for national intermodal transport planning and regional policy development. A study on the maritime container traffic forecast, based on the application of this model and highlighting long-term demands for investment in the region, was published in 2007.<sup>9</sup> The secretariat will update the intermodal traffic forecast during the current biennium.

30. The secretariat is implementing a project on the operationalization of international intermodal transport corridors in North-East and Central Asia that is designed to enhance corridor-based cooperation among member countries to develop and operationalize intermodal transport corridors. Under the project, three expert group meetings were held: in Tashkent on 4 and 5 March 2009, in Bishkek on 4 and 5 November 2009 and in Uiwang-

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<sup>8</sup> ESCAP and Korea Maritime Institute, *Logistics Sector Developments: Planning Models for Enterprises and Logistics Clusters* (United Nations publication, Sales No. E.07.II.F.23), available from [www.unescap.org/ttdw/PubsDetail.asp?IDNO=197](http://www.unescap.org/ttdw/PubsDetail.asp?IDNO=197).

<sup>9</sup> ESCAP and Korea Maritime Institute, *Regional Shipping and Port Development: Container Traffic Forecast 2007 Update* (ST/ESCAP/2484, 2007), available from [www.unescap.org/ttdw/Publications/TIS\\_pubs/pub\\_2484/pub\\_2484\\_fulltext.pdf](http://www.unescap.org/ttdw/Publications/TIS_pubs/pub_2484/pub_2484_fulltext.pdf).

city, Republic of Korea, on 15 and 16 July 2010. The meetings identified international intermodal transport corridors, reviewed progress and discussed ways to enhance cooperation for the operationalization of the corridors. Subsequently, the meeting in Uiwang-city adopted a joint statement of experts to enhance corridor-based cooperation among member countries.<sup>10</sup> The secretariat is coordinating with member countries to implement and monitor demonstration runs along the corridors.

31. On transport facilitation, the secretariat published a study on national coordination mechanisms for trade and transport facilitation in the ESCAP region in 2007 to provide global and regional overviews, good practices and recommendations for the establishment or strengthening of national committees for trade and transport facilitation in the region.<sup>11</sup> Following earlier national workshops in Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, the Lao People's Democratic Republic, Mongolia and Tajikistan, the secretariat organized national workshops and provided advisory services in Islamabad in August 2007, in Tehran in October 2007, in Ulaanbaatar in July 2009, and in Almaty, Kazakhstan, in August 2009 to assist the countries in strengthening or establishing their national coordination mechanisms. The secretariat also provided advisory services to the national committee in Kyrgyzstan and provided information to the committees in the Lao People's Democratic Republic and Mongolia.

32. The secretariat is preparing a publication on trade and transport facilitation to provide a guide to institution-building that can assist member countries in strengthening inter-ministerial cooperation, with the participation of the private sector.

33. The secretariat has continued to support the formulation and implementation of subregional agreements on transport facilitation. In cooperation with the secretariat of the Shanghai Cooperation Organization and the Asian Development Bank, the secretariat has been providing technical and financial assistance to support the formulation of the Agreement between the Governments of the Shanghai Cooperation Organization Member States on Facilitation of International Road Transport. This has included support to the negotiation of the main agreement, which was adopted at the eighth negotiating meeting, held in Issyk-Kul, Kyrgyzstan, from 24 to 28 June 2008, and the preparation of a study on draft annexes to the agreement, including a comparative analysis of proposals made by member States regarding the content of the annexes. The study and analysis were discussed at a recent consultation meeting, held in Beijing from 14 to 17 June 2010, and the draft annexes have been prepared. The draft annexes will be tabled for discussion at the next negotiating meeting, which is scheduled to be held in December 2010.

34. The secretariat also provided technical assistance for the implementation of the ADB-supported Agreement for Facilitation of Cross-border Transport of Goods and People in the Greater Mekong Subregion.

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<sup>10</sup> The Joint Statement of Experts on the Operationalization of International Intermodal Transport Corridors in North-East and Central Asia was adopted at Uiwang-city, Republic of Korea, on 16 July 2010. It is available from [www.unescap.org/ttdw/common/TIS/CorridorStudy/EGM\\_Uiwang/JointStatement\\_Adopted.pdf](http://www.unescap.org/ttdw/common/TIS/CorridorStudy/EGM_Uiwang/JointStatement_Adopted.pdf).

<sup>11</sup> ESCAP, Study on National Coordination Mechanisms for Trade and Transport Facilitation in the UNESCAP Region (2007), available from [www.unescap.org/ttdw/PubsDetail.asp?IDNO=198](http://www.unescap.org/ttdw/PubsDetail.asp?IDNO=198).



Four policy and technical studies on cross-border charges in Cambodia and the Lao People's Democratic Republic and pricing of customs documents for the East-West Economic Corridor and the North-South Economic Corridor were undertaken. In 2008 and 2009, the secretariat assisted ADB in organizing meetings on the exchange of traffic rights and capacity-building for operators and customs officials. In June 2009, the transport ministers of the Lao People's Democratic Republic, Thailand and Viet Nam officially opened trilateral cross-border land transport operations along the East-West Economic Corridor at Mukdahan in Thailand, Savannakhet in the Lao People's Democratic Republic, and Lao Bao in Viet Nam. The secretariat is continuing to assist the countries of the Greater Mekong Subregion and ADB with the arrangements for implementation of the agreement, as well as with the operation of the Customs Transit and Temporary Admission System in the Greater Mekong Subregion.

35. The secretariat published a study entitled *Towards a Harmonized Legal Regime on Transport Facilitation in the ESCAP Region: Guidelines* (ST/ESCAP/2489) in December 2007 to enhance the understanding of ESCAP member countries in formulating and implementing legal instruments for international cross-border and transit transport. The secretariat also organized a seminar in Urumqi, China, on 21 and 22 August 2007 to promote the effective implementation of legal instruments.

36. The time/cost-distance methodology has been widely recognized as an important tool to identify and address the major bottlenecks impeding smooth and efficient cross-border transport. Many countries in North-East Asia, Central Asia and South-East Asia have applied the methodology and some international organizations and financing institutions have assisted the member countries in applying it. The methodology has also been promoted by the Economic Commission for Africa and the Economic and Social Commission for Western Asia. In response to requests from member countries and other organizations, the secretariat prepared a toolkit with a more user-friendly template and a user guide, and translated it into Arabic, French and Russian to ease its application in non-English speaking countries. The toolkit has been disseminated to a large number of national organizations and some international organizations and financing institutions, including the World Bank, ADB and the International Road Transport Union. During the biennium 2010-2011, the secretariat will upgrade the toolkit to enable it to be used for the analysis of transport corridors. In parallel with efforts to improve the application of the methodology, the secretariat also undertook training and cooperated with other organizations in its application. The secretariat provided training and advisory services on the practical applications of the methodology in Mongolia in October 2008 and, in cooperation with the United Nations Conference on Trade and Development, the secretariat assisted the Lao People's Democratic Republic and Thailand in applying the methodology to transit routes between the two countries. The secretariat, in cooperation with ADB, organized a subregional policy workshop in Bangkok in November 2008 on the applications of the methodology to the corridors linking the six countries of the Greater Mekong Subregion.

37. With respect to transport logistics, the secretariat continues to collaborate with national freight forwarders and logistics associations in undertaking research on existing codes of conduct, minimum standards and qualifications, membership criteria, standard trading conditions and registration requirements. Preliminary research findings based on the information received from 13 member countries and relevant international

best practices have been shared with industry and policymakers. The results of the research are expected to be published in 2011.

38. To move towards the promotion of sustainable partnerships and the establishment of a regional platform for exchanging best practices and current know-how, the secretariat organized self-funded regional forums and meetings of chief executives of national associations of freight forwarders, national logistics associations and other professional transport bodies in the ESCAP region in Bangkok in 2007, in New Delhi in July 2008, in Bangkok in June 2009, and in Bali, Indonesia, in July 2010.

39. Priority attention continues to be given to the provision of technical assistance and advisory services to national associations of freight forwarders and national logistics associations for the design, delivery and monitoring of customized training programmes in freight forwarding, multimodal transport and logistics in several countries, including Cambodia, Indonesia, Kazakhstan, Malaysia, Mongolia, Nepal and Sri Lanka. To further promote capacity-building, the secretariat organized a regional training-of-trainers workshop, which was held in Bangkok from 16 to 19 November 2009. Training-of-trainer workshops conducted by the secretariat have helped to create a pool of local trainers, disseminate ESCAP training materials and promote regional networking through the sharing of resources and experiences. The secretariat has also established a close relationship with the International Federation of Freight Forwarders Associations (FIATA) with a view to aligning its training materials with FIATA applications. In September 2008, the secretariat assisted the Sri Lanka Freight Forwarders Association in obtaining a validation of their newly developed training programme and materials from FIATA.

40. As a number of countries do not yet have a pool of national trainers that are capable of conducting foundation courses, their national transport associations have requested that the secretariat continue its assistance and organize a foundation course in 2010. Consequently, training courses will be conducted in Bangladesh, Myanmar and other countries to assist them in incorporating updated ESCAP training materials into their national training materials.

41. In the area of finance and private sector participation, the secretariat, in conjunction with the Economic Commission for Africa and the Economic Commission for Europe, implemented an interregional United Nations Development Account project on a public-private partnership alliance programme for capacity-building in infrastructure development and the provision of basic services. As part of the project, the High-level Expert Group Meeting on Public-Private Partnerships for Infrastructure Development, held in Seoul from 2 to 4 October 2007, was jointly organized by the secretariat and the Ministry of Planning and Budget of the Republic of Korea. The meeting provided an opportunity for agencies involved in the development of public-private partnerships to discuss issues of common concern. The Seoul Declaration on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific<sup>12</sup> was subsequently adopted at the Ministerial Conference on Public-Private Partnerships, which was hosted by the Government of the Republic of Korea in Seoul on

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<sup>12</sup> Adopted at the Ministerial Conference on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific, held in Seoul, Republic of Korea, on 5 October 2007, available from [www.unescap.org/ttdw/ppp/PPP2007/Seoul\\_Declaration\\_on\\_PPP\\_2007.pdf](http://www.unescap.org/ttdw/ppp/PPP2007/Seoul_Declaration_on_PPP_2007.pdf).

5 October 2007, with support provided by the secretariat. The Commission then adopted resolution 64/4 of 30 April 2008 on the implementation of the Seoul Declaration on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific. In April 2010, the secretariat organized the High-level Expert Group Meeting on Public-Private Partnerships for Infrastructure Development in Jakarta. The secretariat also provided technical support to the Asia-Pacific Ministerial Conference on Public-Private Partnerships for Infrastructure Development 2010 and the Jakarta International Expo, which were hosted and organized by the Government of Indonesia in Jakarta from 14 to 17 April 2010. The Conference culminated in the adoption of the Jakarta Declaration on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific (E/ESCAP/66/CRP.17). Subsequently, the Commission adopted resolution 66/5 of 19 May 2010 on the implementation of the Jakarta Declaration on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific.

42. The secretariat, in collaboration with the Asian Institute of Transport Development, organized a regional workshop and study visit on developing bankable public-private partnership projects for infrastructure development in India in 2008. Officials and experts involved in public-private partnership project implementation from ministries and government departments/agencies and from government public-private partnership units of 13 member States were trained in developing bankable projects, which included the consideration of financial viability as well as legal, contractual, project-marketing and administrative matters. They also gained first-hand knowledge of selected projects and had the opportunity to network with their peers. The secretariat organized an interregional expert group meeting, held in February 2009, bringing together officials and experts involved in the implementation of public-private partnership projects from the ministries, government departments/agencies and/or public-private partnership units of 19 member States of the Economic Commission for Africa, Economic Commission for Europe and ESCAP. The participants emphasized, among other things, the need to develop the capacity of public officials in implementing successful public-private partnership programmes, and reiterated support for ESCAP resolution 64/4 of 30 April 2008 on the implementation of the Seoul Declaration on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific.

43. The secretariat has developed resource and training materials on public-private partnerships for use in online training courses.<sup>13</sup> To date, three courses on model concession contracts have been offered, between March and July 2009. They provided valuable insights into a potential template for concession contracts in the road sector. Many aspects of the template used in the course are transferable to public-private partnership projects in other sectors. In addition, the ESCAP-developed analytical tool for the assessment of country readiness for such partnerships has provided an easy way to assess a country's ability to implement projects on public-private partnerships and prepare action plans to overcome deficiencies in the related areas.<sup>14</sup> In parallel with this, the ESCAP-commissioned case studies on streamlining the processes of public-private partnership management in Bangladesh and the Philippines, as well as in Maharashtra,

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<sup>13</sup> [www.unescap.org/ttdw/ppp/courses.html](http://www.unescap.org/ttdw/ppp/courses.html).

<sup>14</sup> [www.unescap.org/ttdw/ppp/PPPreadiness.html](http://www.unescap.org/ttdw/ppp/PPPreadiness.html).

India, have been used at workshops, including at the aforementioned interregional expert group meeting.

44. To strengthen the capacity of countries of the region to benefit from effective public-private partnerships in infrastructure development, the secretariat has commenced a project that aims to assist countries of the region in capacity-building and networking. The capacity-building element aims to develop curricula for different levels of public-private partnership training and education, while the networking element is aimed at promoting the exchange of experiences and information in this important area.

45. With regard to sustainable transport, during the first session of the Committee on Transport, held in Bangkok in October 2008, some delegations expressed support for the secretariat to further promote close cooperation and sharing of experiences among members in the area of reducing energy consumption and emissions in the transport sector (see E/ESCAP/65/4, para. 4). Subsequently, the issue of transport and environment was included in the agenda for the first session of the Forum of Asian Ministers of Transport. The Forum stressed the importance of intermodal transport and of encouraging a modal shift from road to rail and waterways, where possible, and from private motor vehicles to public transport, to help reduce energy consumption and emissions in the transport sector.

46. The transport component of the United Nations Development Account project on eco-efficient and sustainable urban infrastructure in Asia and Latin America, implemented jointly with the Economic Commission for Latin America and the Caribbean, involved the preparation of reports describing good practices in urban freight transportation and in the development of eco-efficiency indicators. As part of the project, the secretariat organized the Expert Group Meeting on Sustainable Transport Development: Eco-efficiency in Freight Transportation and Logistics, which was held in Bangkok on 29 and 30 March 2010.

47. On road safety, the secretariat has further elaborated the goals contained in the Ministerial Declaration on Improving Road Safety in Asia and the Pacific (E/ESCAP/63/13, chap. IV) and has developed regional road safety goals, targets and indicators through a series of consultations with member States. These goals, targets and indicators were refined at two expert group meetings on improving road safety on the Asian Highway (21-22 June 2007, Bangkok and 27-29 October 2008, Bangkok), which provided a forum for member States to share their experiences of many ambitious road safety initiatives and encouraged their continued high-level commitment to improving road safety.

48. The ESCAP regional experience of improving road safety has been shared with countries outside the region through the United Nations Development Account project on improving global road safety: setting regional and national road traffic casualty reduction targets, which was implemented jointly by the five regional commissions of the United Nations. The secretariat organized an expert group meeting, held in Bangkok from 2 to 4 September 2009, to prepare regional inputs to the first Global Ministerial Conference on Road Safety: Time for Action, which was held in Moscow, on 19 and 20 November 2009. Participants in the expert group meeting also shared global and regional experiences and lessons on creating awareness and improving road safety.

49. Following the first Global Ministerial Conference, the General Assembly proclaimed the period 2011-2020 as the Decade of Action for Road Safety.<sup>15</sup> The Forum of Asian Ministers of Transport at its first session requested the secretariat: (a) to organize regional road safety meetings to consider implementation of the Moscow Declaration (A/64/540, annex); and (b) to assist regional members and associate members in their efforts to set road safety goals, targets and indicators through networking among national and subregional organizations (see E/ESCAP/66/11). Reaffirming the importance of addressing global road safety issues and the need to further strengthen regional cooperation, taking into account the needs of low-income and middle-income countries, including those of the least developed countries, the Commission adopted resolution 66/6 of 19 May 2010 on improving road safety in Asia and the Pacific.

50. Consequently, the secretariat is implementing a project on achieving road safety goals and targets for Asia and the Pacific: Decade of Action for Road Safety (2011-2020). The project aims to assist member countries in developing their national road safety strategy, action plan, goals and targets to be achieved by 2020. In this respect, a regional expert group meeting, advisory services and national workshops are planned and a web-based road safety network will be established to encourage partnerships and the monitoring of achievements at the regional and national levels. A regional expert group meeting on the implementation of activities during the Decade of Action for Road Safety, which is scheduled to be held in Bangkok from 21 to 23 September 2010, will review the status of road safety in member countries, discuss regional road safety goals, targets and indicators for the period 2011-2020, and provide a forum for the sharing of regional and global experiences on improving road safety.

51. The efforts by the secretariat in the above-mentioned areas contributed to the goal of assisting members and associate members in achieving inclusive and sustainable economic and social development. Increasing investment in and improvement of transport infrastructure and services has a significant impact on poverty reduction, which is the ultimate objective of the Millennium Development Goals.

### **III. Assessment and evaluation**

52. As a result of the implementation of the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011), countries are working in closer cooperation towards the development of a fully effective international, integrated intermodal transport and logistics system based on the two major building blocks—the Asian Highway and Trans-Asian Railway networks—and significant tangible progress has been made.

53. With more countries joining the intergovernmental agreements, the Asian Highway and Trans-Asian Railway networks have been receiving increased attention from member States and development partners, triggering a number of national and multilateral initiatives to develop regionally important road and railway infrastructure, especially with a view to offering international transit and access to major ports.

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<sup>15</sup> See General Assembly resolution 64/255 of 2 March 2010 on improving global road safety.

54. The networks are now forming the basis for the development of subregional infrastructure cooperation programmes promoted by other subregional organizations, such as ASEAN, ECO and SAARC.

55. Significant progress has been achieved in developing and upgrading the Asian Highway network. Of the total length of 142,076 km, road sections below minimum standards were reduced from 22,263 km (16 per cent) in 2004 to 11,570 km (8 per cent) in 2008.<sup>16</sup>

56. Many railway authorities are now collaborating in the organization of demonstration runs on sections of the Trans-Asian Railway network and new scheduled commercial train services are increasingly being launched. The completion in 2009 of the missing link between Kerman and Zahedan in the Islamic Republic of Iran was followed by the organization of a pilot container block-train between Islamabad and Istanbul in August 2009 and another one from Istanbul to Islamabad in August 2010. In January 2008, the demonstration run of the first international container block-train took place from Beijing to Hamburg, Germany, through Mongolia, the Russian Federation, Belarus and Poland, with a total transit time of 15 days. In addition, the railways of Malaysia and Thailand are continuing the operation of container block-train services, while the railway of the Islamic Republic of Iran is running an increased number of services between the port of Bandar Abbas and the landlocked countries of Central Asia.

57. Considerable progress has been made through ESCAP studies in the identification of investment requirements for the Asian Highway and Trans-Asian Railway networks across the region, and significant funds have been allocated by ADB for pre-feasibility studies.

58. The analytical and advocacy work of the secretariat has helped countries to increase awareness and enhance understanding of dry ports and logistics centres. The implementation of specific projects by the secretariat on dry ports has provided policymakers and industry with guidelines on the location and development of such facilities. Physical progress and investments are being made in the development of dry ports in several countries of the region, notably in China and India, thereby providing the opportunity to move goods and production processes away from coastal areas to domestic hinterlands and landlocked countries.

59. On transport facilitation, the mechanism of national facilitation committees has proven to be an effective tool for addressing issues of non-physical barriers to cross-border transport, which requires substantive coordination and cooperation among different national ministries and agencies.<sup>17</sup> The advisory services and information provided by the secretariat have helped countries to structure their coordination mechanisms and streamline their facilitation programmes.

60. Many countries have been undertaking initiatives, including some in which the secretariat is directly involved, to facilitate cross-border and transit transport by formulating and implementing subregional agreements, acceding to international conventions, establishing/strengthening

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<sup>16</sup> ESCAP, "Status of the Asian Highway in Member States (2008): Overview of Asian Highway Network", Transport Division (2009), available from [www.unescap.org/ttdw/common/tis/ah/Status-AH.asp](http://www.unescap.org/ttdw/common/tis/ah/Status-AH.asp).

<sup>17</sup> Particular progress has been made in Azerbaijan, China, the Lao People's Democratic Republic, Mongolia, Pakistan and Viet Nam, among others.

coordination mechanisms, determining transit charges and developing cross-border trucking capacity.

61. Assistance in formulating and implementing subregional agreements has promoted subregional cooperation, the opening of domestic infrastructure for international traffic, and the harmonization and simplification of formalities and procedures across subregions.

62. The annual regional meetings of freight forwarders, multimodal transport operators and logistics service providers have underscored the growing importance attached by member countries to collaborative dialogue, the sharing of experience and the development of value-added logistics services.

63. Public-private partnerships in infrastructure development are being used in the region and considerable interest is being expressed in this modality. In the transport sector, India has made substantial progress and notable examples of major investments are being made in the highways, railways and ports sectors.

64. Countries in the Asia-Pacific region have achieved significant progress in exchanging experiences on making infrastructure safer. More than 25 ESCAP members and associate members are now adopting qualitative and/or quantitative road safety targets. Many member countries are developing national road safety plans based on regional targets and indicators, and countries are also implementing national plans that include engineering measures to reduce road fatalities. For example, the Republic of Korea has a target to reduce by 30 per cent the number of road fatalities and crashes on its part of the Asian Highway network.

#### **IV. Recommendations and issues for consideration**

65. As the Regional Action Programme draws towards the end of its fourth year of implementation, notable progress is being made in moving towards an international integrated intermodal transport and logistics network. Countries across the region are benefiting from the various activities initiated under the Regional Action Programme. However, many opportunities remain to be explored. The Committee may wish to provide the secretariat with guidance on its priorities for the last year of the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011) and beyond, particularly with respect to the issues described below.

##### **A. Policy guidance at the ministerial level**

66. In adopting resolution 64/5 of 30 April 2008 on the establishment of the Forum of Asian Ministers of Transport, the Commission expressed its conviction that the forum would play a significant role in providing strategic guidance for the regional development of transport, transit and the improvement of transport capacity, including promoting cooperation, contributing to regional integration and enabling countries to benefit from globalization, thereby further supporting the growth of output, trade and investment in the region.

67. The provision of policy guidance at the ministerial level would consequently be an ongoing activity in the future programme of work of the secretariat.

## **B. Transport infrastructure**

68. Significant progress is being made in the formalization of the Asian Highway and Trans-Asian Railway networks. The Committee may wish to encourage the countries that have not become parties to the intergovernmental agreements on the Asian Highway and Trans-Asian Railway networks to do so. The two agreements have created a focus for development and have opened new opportunities for the funding of infrastructure. However, much remains to be done to complete missing links and to upgrade the physical infrastructure, including intermodal interfaces, and to operationalize the system. These activities require ongoing advocacy at the national, subregional and regional levels. The next major step forward is to link the Asian Highway and Trans-Asian Railway through the development of dry ports to form an integrated intermodal transport system.

69. In this respect, and in line with Commission resolution 66/4 on the implementation of the Bangkok Declaration on Transport Development in Asia, the Committee may wish to encourage member countries to extend their full cooperation to the secretariat in working towards the development of an intergovernmental agreement on dry ports.

70. The secretariat will continue its analytical work on dry port development, with a view to improving the efficiency and effectiveness of the transport sector for more inclusive economic development.

## **C. Transport facilitation**

71. The facilitation of cross-border and transit transport has not been resolved as effectively as transport facilitation has been at seaports through, for example, the wide acceptance of the Convention on Facilitation of International Maritime Traffic.<sup>18</sup> Further, work in the area of transport facilitation is required in order to ensure the smooth functioning of international land transport.

72. While promoting the establishment of national facilitation committees in the countries that have not established such a mechanism, the secretariat could further promote awareness and implementation of guidelines on institution-building in trade and transport facilitation and conduct training and advisory services for the existing committees. The secretariat could also cooperate with international, regional and subregional organizations to deliver country-level facilitation projects through the committees. In addition, the secretariat could provide opportunities for the national facilitation committees to share experiences and enhance their mutual cooperation, possibly through regional and subregional meetings.

73. To assist countries in completing the negotiation of pending agreements and implementing completed agreements on transport facilitation, the Committee may wish to note the provision of assistance by the secretariat to the member countries of the Greater Mekong Subregion and the Shanghai Cooperation Organization in the formulation and

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<sup>18</sup> United Nations, *Treaty Series*, vol. 591, No. 8564. The Convention was adopted by the International Maritime Organization on 9 April 1965. Its main objectives are to prevent unnecessary delays in maritime traffic, to aid cooperation between Governments and to secure the highest practicable degree of uniformity in formalities and other procedures.



implementation of their subregional agreements. The secretariat could also explore the possibility of inter-subregional cooperation in the implementation of subregional agreements.

74. As mandated by the Commission at its fifty-sixth session (E/ESCAP/1197, para. 242), the secretariat undertook a study to evaluate the progress achieved in the implementation of resolution 48/11 of 23 April 1992 on road and rail transport modes in relation to facilitation measures.<sup>19</sup> The study identified the following additional conventions for consideration by member countries to complement the conventions recommended in resolution 48/11:

- Protocol to the Convention on the Contract for the International Carriage of Goods by Road, 1978;<sup>20</sup>
- Convention on Temporary Admission (Istanbul Convention), 1990;<sup>21</sup>
- International Convention on the Simplification and Harmonization of Customs Procedures, as amended (Revised Kyoto Convention), 1999;<sup>22</sup>
- Convention on Facilitation of International Maritime Traffic, 1965.<sup>23</sup>

75. These important conventions also need to be promoted in the interest of simplifying and harmonizing documents and procedures for international transport.

76. Application of and training on the ESCAP time/cost-distance methodology needs to be continued and could lead to the establishment of a depository of outcome data and charts that, when consolidated, could inform national policymakers on existing barriers and facilitation measures.

77. New technologies, such as information and communications technology, satellite positioning and electronic customs seals, have a profound impact on documentation, formalities and procedures for international transport. There is a need to organize more seminars and workshops to promote the application of new technologies, in particular integrated applications.

#### **D. Transport logistics**

78. The secretariat plans to work with governments and industry to explore effective measures, including the development of guidelines, for formulating national logistics policy and promoting inter-ministerial coordination.

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<sup>19</sup> ESCAP, Review of Progress in the Implementation of UNESCAP Resolution 48/11 of 1992 relating to Accession of Seven UNECE Conventions: Transport Facilitation—Overcoming non-physical barriers, promoting intraregional international trade (March 2006).

<sup>20</sup> United Nations, Treaty Series, vol. 1208, No. 19487.

<sup>21</sup> United Nations, Treaty Series, vol. 1762, No. 30667.

<sup>22</sup> United Nations, Treaty Series, vol. 2370, No. 13561.

<sup>23</sup> United Nations, Treaty Series, vol. 591, No. 8564.

79. There is a need for the secretariat to continue its efforts to institutionalize networks of national freight forwarders, multimodal transport operators and logistics service providers, to strengthen their capacities and to bring relevant industry concerns to the attention of the Governments of member States.

80. With a view to promoting professionalism and common standards in the freight forwarding and logistics sector, the secretariat is undertaking a survey of existing industry criteria for registration and recognition and will develop guidelines at the regional level that could be applied by national associations of freight forwarders.

81. The secretariat could also continue to assist freight forwarders, multimodal transport operators and logistics service providers in conducting a capacity-building training programme in each member State.

### **E. Finance and private sector participation**

82. The funding needed to complete missing links, upgrade existing links and maintain the Asian Highway and Trans-Asian Railway places considerable demands on national budgets. Consequently, both traditional and innovative financial resources need to be mobilized.

83. The potential contribution of public-private partnerships needs to be further explored. The principal areas in which countries have expressed interest in the secretariat's work are in assessing the readiness of countries to embark on public-private partnership projects, the standardization of contracts at the national level, the streamlining of the public-private partnership process, capacity-building in the public and private sectors, and networking among public-private partnership units and programmes.

### **F. Sustainable transport development**

84. Sustainable transport development is the overarching theme of the secretariat's work in the area of transport and is implicitly embedded in the other themes. For example, the linking of the Asian Highway and Trans-Asian Railway to form an integrated intermodal transport system provides the opportunity to utilize energy-efficient and low-emission modes of transport; transport facilitation and improved logistics increase energy efficiency and reduce emissions; public-private partnerships lead to more sustainable and efficient utilization of financial resources; and the contribution of improved road safety and transport to the achievement of the Millennium Development Goals supports the social pillar of sustainability. While it is important to bear in mind the work of other organizations, further work is required to develop sustainable transport scenarios, address the modal split in interurban freight movement and improve freight logistics.

### **G. Road safety**

85. The secretariat has been successful in enhancing the awareness and understanding of road safety issues in member countries. Road safety remains a problem across the region, however, in terms of economic and social costs. Substantial institutional and financial resources, which can offer a high return on investment, need to be further deployed in this area. The next challenge is to mobilize these resources and to encourage further

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high-level commitment for action to achieve global, regional and national goals and targets to improve road safety and save lives.

## **H. Transport and the Millennium Development Goals**

86. Like the sustainable transport development element, transport and the Millennium Development Goals is a central theme of the secretariat's work. The principal means by which the transport sector contributes to the achievement of the Millennium Development Goals is by providing access to economic, health, education and other benefits of social interaction (see E/ESCAP/MCT/SGO/7 for a deeper discussion of the mechanisms). Examples from the other themes include the promotion of secondary and feeder roads that provide access to the Asian Highway; the promotion of rural-urban transport linkages and farm-to-market logistics (see E/ESCAP/FAMT/SGO/5); the integration of the principles of sustainable transport into national policies; addressing the special needs of the least developed countries; and the reduction of the burden on the public exchequer through the implementation of public-private initiatives. Consequently, in implementing the other themes of the Regional Action Programme, the contribution of transport to the achievement of the Millennium Development Goals needs to be borne in mind.

87. The Committee may wish to consider these issues and provide the secretariat with guidance to ensure further implementation of resolution 63/9 of 23 May 2007 in an effective and efficient manner to meet the priority needs of member countries.

88. Delegations may also wish to inform the Committee of action taken at the national and regional levels in working towards the implementation of the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011).

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