

I. BACKGROUND

The growing intraregional trade on one hand and increasing concerns about energy security and adverse effects of transport on environment on the other has made countries of the region more appreciative of the role of railways as an efficient, safe and environmentally sound mode of transport. The entry into force of the Intergovernmental Agreement on the Trans-Asian Railway Network in 2009 signaled the readiness of governments to cooperate on railway projects of international importance and work together on the development of efficient rail transport corridors to serve growing intra-regional trade.

The outcome document of Rio+20 conference “The future we want” emphasized sustainable transport being central to sustainable development bringing sustainable transport high on the agenda on the global development community. This has provided a renewed impetus to develop the environmentally sound railway transport that is efficient, competitive and also complements other modes of transport.

Despite the region’s continued rise in containerized trade and the inherent advantages of rail transport to efficiently carry large volumes of goods over long distances, most railway operators in the region have failed to capitalize on the increase in international trade in all but a marginal way. In particular, despite the launch of a number of international container block-train services, they are still struggling to establish themselves as an efficient alternative to either shipping or long-haul road transport in the eyes of many shippers.

A number of reasons explain this situation. Some are endemic to railways, while others are external and beyond their control. Internally, railway operators in the region are often not geared for quick response in identifying new opportunities and defining related intermodal services. Externally, international railway transport remains difficult in the region and between Asia and Europe due to numerous non-physical barriers, particularly at the border crossings, which cause excessive delays, high costs and uncertainties in the entire transport process.

Typical non-physical barriers include regulatory issues that relate to control measures by various agencies, such as Customs. These measures need to be simplified, standardized and harmonized, than there are legal issues that underlie the legal and contractual basis among countries and various stakeholders in railway transport. The different legal regimes need to be unified or at least harmonized. Technical and operational issues involving standards and specifications for the rolling stock, signaling systems, data exchange, repair, maintenance and use of railway infrastructure and dealing with break of gauge also need to be addressed to promote cross-border railway transport operations. There will be need to simplify, standardize and further harmonize technical and operational requirements among member countries and will need action at government level.

Legal and technical issues were partly addressed among the member countries of two international railway organizations¹, but substantial differences on these issues persist between these organizations. Also, there are many countries in Asia that are not the member of any international railway organization. In addition, the regulatory issues require further streamlining, so that, they do not impede the railway operations. Safe, secure, efficient and smooth railway transport needs common and coordinated facilitation measures among member countries in the region.

Accordingly, this study on regional railway facilitation undertaken under the project “Enhancing the operationalization of the Trans- Asian Railway- Costing, marketing and facilitation of railway services” financed by the Government of the Russian Federation provides background, current status on the state of railway facilitation, elaborates on the key challenges and possible solutions to further facilitate international railway transport in the

¹ Two international organisation in rail transport are the OSJD(Organisation for Cooperation of Railways) and the OTIF(Intergovernmental Organisation for International Carriage by Rail).

region. The study is mandated by the Regional Action Programme for Transport Development in Asia and the Pacific, phase II (2012-2016).

The study findings will be presented to the regional meeting to be held in 2014 and a common strategy/framework on cooperation for facilitation of international railway transport will be formulated detailing actions and modalities for safe, secure, efficient and smooth railway transport in the region and between Asia and Europe.