

Workshop on

Road Transport Facilitation in Southern Asia Along the Asian Highway Corridors

6 February 2018

United Nations Conference Centre, Bangkok

Concept Note

High cost of doing trade in South Asia has a detrimental effect on growth of the subregion's trade. At 112 percent, the ad-valorem cost of intra-regional trade in South Asia is well more than double that of East Asia. Transport facilitation along cross-border land transport corridors, particularly international road transport corridors which account for more than 70 percent of intra-regional cargo flows, is therefore critical for realizing South Asia's intra-regional trade potential estimated at more than 3 times the actual figure of US\$ 26 billion in 2016.

The greater Southern Asian subregion (comprising of countries in South and South-West Asia and Myanmar) has achieved notable improvements in domestic road transport infrastructure. In terms of road density (road length in kilometres per 1,000 square-kilometres of surface area), South and South-West Asia is the leader among Asia-Pacific subregions by far, with some 840 km of roads per 1,000 sq.km against 400 in East and North-East Asia. Though the national road networks in the contiguous countries of South and South-West Asia are linked, fully functional international road transport links are still few and far between. Cross-border transport operational and infrastructure connectivity remains suboptimal, severely constraining trade, owing to both procedural and cross-border transport infrastructural issues.

Existing international carriageways and land transport infrastructure are getting crowded with the increase in trade, putting upward pressure on the marginal cost of transportation. By contrast, missing links, heterogeneous transport regulations and the requirement of transshipment at borders have limited the development of land transport corridors as viable alternatives or additional carriageways. As a result, Southern Asia is experiencing challenges in expanding trade within the subregion.

In recent years, a number of policy initiatives have been spearheaded by Southern Asian countries to facilitate seamless cross-border road transport. For instance, on the infrastructural side, India and neighbouring countries are investing in upgrading their land customs stations (LCSs) to integrated check posts (ICPs). Equipped with cargo complexes, parking spaces, immigration services and other facilities, the ICPs offer simplified procedures and single-window facility covering customs, warehousing and transshipment under a single roof.

On the procedural side, Southern Asian countries are acceding to international road transport conventions (such as the TIR Convention) and similar policy tools. Some of the allied developments are the Pakistan-Afghanistan-Tajikistan Trilateral Transit Trade Agreement, the Bangladesh-Bhutan-India-Nepal Motor Vehicle Agreement (BBIN MVA) and the ongoing negotiations for an MVA facilitating cargo movement along the India-Myanmar-Thailand (IMT) Trilateral Highway. The MVAs are of particular importance as they are expected to remove restrictive requirements of transshipment of cargo at borders and thereby generate significant cost and time advantages for traders. However, none of these initiatives have realized their expected positive effects, as none of them is implemented yet.

Additional facilitation measures are required to boost and support the implementation of these initiatives. For instance, current architecture of the ICPs is highly influenced by safety and security concerns. But new developments such as the Secure Cross Border Transport Model and tools developed by UNESCAP, regional Electronic Cargo Tracking Systems (eCTS) which make use of advanced ICT, radio frequency identification (RFID), geographical information systems (GIS) technologies are transforming the way

international cargo movement is monitored. Similarly, implementation of policy tools including protocols and conventions, framework MVAs etc. needs formulation, negotiation and finalization of the necessary legal instruments and specific operating procedures.

Countries of Southern Asia have an opportunity to optimize their road transport facilitation measures through subregional cooperation and coordination. The Turkey–Islamic Republic of Iran–Pakistan–India–Bangladesh–Myanmar (TIPI–BM) Road Corridor proposed by UNESCAP, which combines various segments of the Asian Highway (AH) network to form a trunk international transport corridor in Southern Asia, provides connectivity to sea and land ports, and to important rail gateways. It thus offers multimodal transport options. Recognizing the need for long-term commitment and continuity in addressing critical issues in the transport sector, UNESCAP member States have adopted a ‘Regional Strategic Framework for the Facilitation of International Road Transport’. The Subregional Workshop will explore ways and means of operationalizing the TIPI-BM corridor, in light of the above Framework, taking into account the unmet procedural and infrastructural requirements, and available policy tools.

Objectives of the Workshop

- To take stock of important initiatives in the Southern Asian subregion regarding cross-border road transport facilitation measures and identify gaps in implementation of infrastructure and policy reforms;
- To present and discuss modalities for harmonization of transport documentation, allied procedural reforms based on modern policy tools and global best practices, covering various aspects of transport operations;
- To present and discuss possible application of new developments and technological advancements for the implementation of the Regional Strategic Framework in the subregion;
- To frame a forward-looking policy agenda for regional cooperation to facilitate cross-border road transport in Southern Asia along the AH corridors.

Participation

Senior officials from ministries/departments in charge of international road transport from Southern Asian countries, and representatives from international, regional, subregional organizations engaged in international road transport facilitation in the subregion.

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Programme

0830-0900	Registration
0900-0930	<i>Inaugural Session</i> Welcome Address Opening Remarks Introduction to the Workshop
0930-1100	<i>Session 1: Asian Highway Corridors in Southern Asia: Challenges and Prospects</i>
1100-1130	Coffee Break
1130-1300	<i>Session 2: UNESCAP tools and recommendations for enhancing cross-border road transport connectivity</i> <i>Presentations by UNESCAP secretariat</i>
1300-1400	Lunch
1400-1530	<i>Session 3: Status of Road Transport and Transit Facilitation in Southern Asia: Country Presentations</i> <i>Afghanistan</i> <i>Bangladesh</i> <i>Bhutan</i> <i>India</i> <i>Iran (Islamic Republic of)</i> <i>Myanmar</i> <i>Nepal</i> <i>Pakistan</i> <i>Turkey</i>
1530-1545	Coffee Break
1545-1700	<i>Session 4: Addressing institutional and legal challenges to cross-border and transit transport connectivity in Southern Asia</i> <i>Modalities of regional cooperation</i>
1700-1730	<i>Closing Session - A Forward-looking Agenda for Cross-border Road Transport Facilitation in Southern Asia</i>

Regional Policy Dialogue on Strengthening Transport Connectivity in Southern and Central Asia

7-8 February 2018

United Nations Conference Centre, Bangkok

Background

Connectivity has a vital role to play in unlocking full trade and economic potential of countries of the Southern and Central Asian subregions. South and South-West Asia – comprising of countries in the SAARC subregion, the Islamic Republic of Iran and Turkey – registered intraregional trade of only US\$63 billion in 2016 against a minimum estimated potential of US\$ 190 billion. Estimates further show that the intraregional potential of the subregion could be as high as US\$221 billion by 2020. The growth of trade within the subregion is not sufficient to catch up with these projected figures, predominantly owing to a lack of adequate, accessible and affordable transport options, particularly inland cross-border transport which are often cheaper and faster.

Spurring enhanced trade within and between Southern and Central Asia through better connectivity can be expected to deliver far greater benefits than enhanced Asia-Pacific intraregional trade. While Turkey and India share borders with Europe and South-East Asia respectively, Afghanistan, Pakistan and the Islamic Republic of Iran can act as a gateway to the landlocked and mineral rich Central Asian countries. This opens up immense possibilities of interregional connectivity in the greater Eurasian region, allowing South and South-West Asia to trade with neighbouring Europe, South-East Asia and Central Asia through direct and more cost-effective transport channels, while earning revenues as a conduit of trade flows between these three regions. As UNESCAP estimates reveal, South Asia's export potential to South-East Asia is at least 2.5 times its current level of US\$32 billion. The subregion's exports to Central Asia are found to be grossly unexploited at only about 5 per cent of its estimated potential.

Southern and Central Asia is currently lagging in taking advantage of the UNESCAP-led initiatives for promoting surface transport connectivity in the Asia-Pacific region. The Asian Highways (AH) and Trans-Asian Railways (TAR) networks remain underutilized in the subregion, while South-East Asian as well as East and North-East Asian subregions have operationalized key long-distance cross-border surface transport segments along the AH and TAR networks, securing huge trade and economic benefits. The recent launch of the northern TAR corridors linking commercial centres and major ports, including Shanghai, Qingdao and Tianjin in the eastern seaboard of China, to Western European cities is indicative of potential of surface transport corridors, while also demonstrating their potential complimentary role to ocean-based transport.

With the aim of assisting Southern Asian countries to fully utilize the possibilities of AH and TAR corridors, to connect markets internally as well as with those of Europe, Central Asia and South-East Asia, two trunk corridors for intra- and inter-regional connectivity have been identified, namely the TIPI-BM (Turkey-Iran (Islamic Republic of)-Pakistan-India-Bangladesh-Myanmar) Road Corridor and the ITI-DKD-Y (Istanbul-Tehran-Islamabad-Delhi-Kolkata-Dhaka--Yangon) Container Rail Cargo Corridor. The ITI-DKD-Y and TIPI-BM corridors are integral parts of AH and TAR networks, and are interlinked at various locations covering Southern Asia longitudinally and latitudinally. Together, they offer multimodal connectivity to inland production centres in the subregion with minimal infrastructural investments, linkages to other major transport corridor proposals in Southern and Central Asia, new transport connectivity options for landlocked developing countries of the subregion and possibilities of forming production networks.

Given that transport and trade facilitation issues deserve greater attention than infrastructure in order to operationalize the Southern and Central Asian corridors, UNESCAP is also engaged in developing knowledge products and capacity-building tools, as envisioned in the Regional Frameworks adopted by UNESCAP member States, for facilitation of international road and rail transport. These tools cover key challenges in strengthening transport connectivity, including legal and institutional arrangements, and offer policy solutions including international transport conventions, cross-border paperless trade and single-window systems, as well as other facilitation measures for seamless connectivity. Along with the mapping of the trunk corridor – feeder networks, these facilitative tools would together form the components of a connectivity master plan.

UNESCAP has been organizing a series of Regional Policy Dialogues [[Dhaka](#) (June 2013), [Lahore](#) (December 2013), [New Delhi](#) (November 2014), and [Tehran](#) (December 2015)] as preliminary groundwork to build capacity for implementing the ITI-DKD-Y and TIPI-MB Corridors. The deliberations at these Policy Dialogues were also cognizant of the overlapping cross-border connectivity projects and programmes led by various subregional organizations. In continuation of those earlier initiatives, UNESCAP proposes to bring together participating countries in order to advance to the next stage of operationalizing the ITI-DKD and TIPI-BM proposals, in the context of new developments in international transport policies and practices.

Objectives of the Regional Policy Dialogue

- Review new developments in cross-border transport connectivity in the Southern and Central Asian subregions and identify gaps in implementation of key subregional transport corridor proposals;
- Present and discuss institutional challenges and policy solutions thereof for strengthening transport connectivity in Southern and Central Asia;
- Explore ways to apply various transport facilitation tools in light of the ‘Regional Strategic Framework for the Facilitation of International Road Transport’ and the ‘Regional Cooperation Framework for the Facilitation of International Railway Transport’ adopted by UNESCAP member States; and
- Discuss and agree on actionable measures required for a connectivity master plan for Southern and Central Asian subregions.

Participation

The Policy Dialogue proposes to host officials from ministries in charge of road and rail transport from various Southern and Central Asian countries, representatives from international, regional, subregional organizations engaged in international transport facilitation, representatives from multilateral development banks and development agencies, private sector and other key stakeholders.

Regional Policy Dialogue
Strengthening Transport Connectivity in Southern and Central Asia
7-8 February 2018, Bangkok
Programme

Day 1 (7 February 2018)	
0830-0900	Registration
0900-0930	Inaugural Session Welcome Address Opening Remarks Introduction to the Regional Policy Dialogue
0930-1100	Session 1: High-level Panel on Potential and Prospects of Transport Connectivity for Regional Economic Integration in Southern and Central Asia
1100-1130	Group Photo and Coffee Break:
1130-1300	Session 2: UNESCAP initiatives for operationalizing the Trans-Asian Railway Network Presentations by UNESCAP secretariat
1300-1400	Lunch
1400-1530	Session 3: Status of Cross-border Rail Transport and Transit Facilitation in Southern and Central Asia: Country Presentations <i>Afghanistan</i> <i>Azerbaijan</i> <i>Bangladesh</i> <i>Bhutan</i> <i>India</i> <i>Iran (Islamic Republic of)</i> <i>Kazakhstan</i>
1530-1545	Coffee Break
1545-1730	Session 4: Status of Cross-border Rail Transport Connectivity including Transit Facilitation in Southern Asia: Country Presentations (ctd.) <i>Kyrgyzstan</i> <i>Myanmar</i> <i>Nepal</i> <i>Pakistan</i> <i>Tajikistan</i> <i>Turkey</i> <i>Turkmenistan</i> <i>Uzbekistan</i> Open discussions
Day 2 (8 February 2018)	
0900-1030	Session 5: Challenges and opportunities of inter-regional transport connectivity between Southern and Central Asia
1030-1100	Coffee Break
1100-1230	Session 6: Promoting Transport Connectivity: Synergies between Initiatives of Subregional Organizations and Multilateral Institutions
1230-1330	Lunch
1330-1500	Session 7: Addressing institutional and legal challenges to cross-border transport and transit connectivity: Modalities of Regional Cooperation
1500-1515	Valedictory