Developing Coordination and Institutional Arrangements for the Management of Intermodal Transport Corridors in the ESCAP Region

STUDY REPORT 2019
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Abbreviations

ADB Asian Development Bank
AfCFTA The African Continental Free Trade Agreement
BCIMEC Bangladesh – China – India – Myanmar Economic Corridor
CAREC Central Asia Regional Economic Cooperation Program
CBVOCS Cross Border Vehicle Overload Control System
CCWAEC China – Central Asia – West Asia Economic Corridor
CDCMI Corridor Development Coordination and Management Institution
CICPEC China – Indochina Peninsula Economic Corridor
CIM Uniform Rules concerning the Contract of International Carriage of Goods by Rail
CLOF Container Liners Operations Forum
CMREC China – Mongolia – Russia Economic Corridor
CPEC China – Pakistan Economic Corridor
COMESA Common Market for Eastern and Southern Africa;
GMS Greater Mekong Subregion
EAC East African Community
ECO Economic Cooperation Organization
ERTMS European Railway Traffic Management System
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>ESCAP</td>
<td>The United Nations Economic and Social Commission for Asia and the Pacific</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>INSTC</td>
<td>International North-South Transport Corridor</td>
</tr>
<tr>
<td>IRI</td>
<td>International Roughness Index</td>
</tr>
<tr>
<td>ITS</td>
<td>Intelligent Transport Systems</td>
</tr>
<tr>
<td>IWT</td>
<td>International Warehousing and Transport</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MCBRTA</td>
<td>Multilateral Cross Border Road Transport Agreement</td>
</tr>
<tr>
<td>MNT</td>
<td>Mongolian tögrög</td>
</tr>
<tr>
<td>NATA</td>
<td>Namibia Transporters Association</td>
</tr>
<tr>
<td>NCCI</td>
<td>Namibia Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>NCGFTP</td>
<td>The Northern Corridor Green Freight Transport Programme</td>
</tr>
<tr>
<td>NELBEC</td>
<td>New Eurasian Land Bridge Economic Corridor</td>
</tr>
<tr>
<td>NLA</td>
<td>Namibia Logistics Association</td>
</tr>
<tr>
<td>NTTC</td>
<td>Northern Transport and Transit Corridor</td>
</tr>
<tr>
<td>PIDA</td>
<td>Programme for Infrastructure Development in Africa</td>
</tr>
<tr>
<td>RECs</td>
<td>Regional Economic Communities</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
</tr>
<tr>
<td>SASEC</td>
<td>South Asia Subregional Economic Cooperation</td>
</tr>
<tr>
<td>SMGS</td>
<td>Agreement on International Goods Transport by Rail</td>
</tr>
<tr>
<td>TEN-T</td>
<td>Trans-European Transport Network</td>
</tr>
<tr>
<td>TFTA</td>
<td>Tripartite Free Trade Area</td>
</tr>
<tr>
<td>TKC</td>
<td>Trans-Kalahari Corridor</td>
</tr>
<tr>
<td>TRACECA</td>
<td>Transport Corridor Europe-Caucasus-Asia</td>
</tr>
<tr>
<td>TTTFP</td>
<td>Tripartite Transport &amp; Transit Facilitation Programme</td>
</tr>
<tr>
<td>VOC</td>
<td>Vehicle overloading control</td>
</tr>
<tr>
<td>VLMA</td>
<td>Vehicle Load Management Agreement</td>
</tr>
<tr>
<td>WBPUA</td>
<td>Walvis Bay Port Users’ Association</td>
</tr>
</tbody>
</table>
Introduction

The Ministerial Conference on Transport at its third session held in Moscow in December 2016, recognizing the needs for coordination of efforts in enhancing Euro-Asian transport connectivity, adopted the Regional Action Programme of Sustainable Transport Connectivity in Asia and the Pacific, Phase I (2017-2021), which included the objective to develop and operationalize the intermodal transport systems by using existing capacities and infrastructure more effectively, enhanced network connectivity resulting from better interconnected and compatible transport networks throughout the region, transfer facilities, harmonization of technical standards and the definition of common legislative frameworks.

With a view to strengthen the national capacities of target stakeholders in ESCAP member countries to cooperate in support of intermodal transport corridor management and transport connectivity between Asia and Europe, the ESCAP secretariat is implementing a project on "Enhancing efficiency of intermodal transport operations in Asia through developing coordination arrangements in support of balanced economic, social and environmental impacts".

The aim of the project is to continue to assist ESCAP target member States to: (a) discuss and develop institutional arrangements for the management of intermodal transport corridors; (b) assist in development of the identified intermodal transport corridors or in enhancing coordination along the existing corridors through creating awareness of the existing good practices on transport corridor management and advising on the ways of their adaptation by the target member States; (c) decide on feasibility and scope of cooperation in corridor management arrangements.

The project focuses on the comparison of four existing or potential intermodal transport corridors:

a) Republic of Korea – China – Central Asia – Russian Federation – further to Europe;

b) ASEAN member states – China – Russian Federation - further to Europe;

c) China – Mongolia – Russian Federation; and

d) India – Islamic Republic of Iran – Azerbaijan – Russian Federation («International North – South Transport Corridor»).

Over the past decade or so there has been a proliferation in the nomination and development of national and international corridors. Nationally, for example, the National Informatics Centre of the Government of India lists 44 corridors. Internationally, a non-exhaustive list of corridors in Asia include the corridors of the Belt and Road Initiative (New Eurasian Land Bridge Economic Corridor (NELBEC), China – Mongolia – Russia Economic Corridor (CMREC), China – Central Asia – West Asia Economic Corridor (CCWAEC), China – Indochina Peninsula Economic Corridor (CICPEC), Bangladesh – China – India – Myanmar Economic Corridor (BCIMEC) and China – Pakistan Economic Corridor (CPEC)), the corridors of the ADB regional economic cooperation programmes (CAREC, GMS and SASEC), the ECO and TRACECA corridors, the INSTC, the Chabahar Corridor, and the International Transport and Transit Corridor of the Ashgabat Agreement.

Despite the extensive use of the word “corridor”, it is an imprecise concept and provokes discussion on what constitutes a corridor. In this respect, the report adopts a pragmatic approach, which defines a corridor by its physical and economic characteristics including:

- one or more routes that connect economic centers within and across countries;
- one or more modes of transport; and
- a set of dry ports that provide for interconnection of modes of transport, development of logistics centers and development of growth centers.

As such, these physical characteristics can accommodate the above and similar initiatives designated by countries and country groupings as corridors.

These characteristics (physical and economic) can be extended further. Srivastava\(^1\), for example, listed five stages in corridor development, to which have been added Smart Corridors, in view of relatively recent developments in information and communications technology (ICT) and intelligent transport systems (ITS), and Green Corridors, incorporating environmental issues, as follows:

**Stage 1**: Transport Corridor;

**Stage 2**: Transport and Trade Facilitation Corridor;

**Stage 2/3**: Smart Corridors and Green Corridors;

**Stage 3**: Logistics Corridor;

**Stage 4**: Urban Development Corridor, and

**Stage 5**: Economic Corridor.

While the stages have slightly different definitions, FAO considers each stage to be the previous stage “plus” some additional features are shown in Figure 1 below.

Figure 1 Potential Development Path for Corridors.

![Potential development path for corridors](image)

In a similar manner to the imprecise nature of, and discussions on the word “corridor”, terms such as intermodal, multimodal and combined transport also provoke discussion. Broadly, these terms are defined as follows\(^2\):

- Multimodal transport (legal concept) – carriage of goods by two or more modes of transport.

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- Intermodal transport (functional concept) – carriage of goods in one and the same loading unit using two or more modes without handling the goods.

- Combined transport (political concept) – intermodal transport of which the major part is by rail, IWT or short-sea shipping whereby the initial/final haulages by road are as short as possible.

The focus in this study, as reflected in the title is “Intermodal Transport Corridors”. Consequently, its main concern is intermodal transport infrastructure (links and nodes including dry ports), transportation facilitation and, as necessary, operationalization and transport logistics.

Considering the above discussion of stages in corridor development, the study uses four stages namely:

- Transport Corridor
- Transport Facilitation Corridor
- Transport Service Corridor
- Logistics Corridor

3 Given the lengths of the corridors under consideration in this study, there is also a bias towards combined transport.
Table 1 shows the “FAO method” of classification, with each stage being the previous stage “plus” some additional features. The Table also outlines the objectives for each of the four stages.

<table>
<thead>
<tr>
<th>Table 1 Stages in Corridor Development considered in Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport Corridor</td>
</tr>
<tr>
<td><strong>Definition</strong></td>
</tr>
<tr>
<td>Transport Infrastructure</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Objective</strong></td>
</tr>
<tr>
<td><strong>Objective</strong>: to develop well designed, maintained, interconnected and interoperable highways, railways, inland waterways, sea ports, river ports, airports and dry ports with capacities appropriate to expected traffic volumes, which allow for the smooth flow of vehicles and cargoes between and among countries of the corridor.</td>
</tr>
<tr>
<td>Source: ESCAP Secretariat</td>
</tr>
</tbody>
</table>


In order to achieve these objectives, there are many issues that need to be addressed. Box 1 provides a selected list of issues that arise in different stages of intermodal transport corridor development.

<table>
<thead>
<tr>
<th>Box 1 Selected issues arising on intermodal transport corridors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Infrastructure and traffic control systems</strong></td>
</tr>
<tr>
<td><strong>Road:</strong> Missing links, substandard sections, poor maintenance.</td>
</tr>
<tr>
<td><strong>Railway:</strong> Break of gauge, single track, low level of electrification and use of different voltages, poor maintenance, low quality of signaling and blocking systems.</td>
</tr>
<tr>
<td><strong>International transport</strong></td>
</tr>
<tr>
<td><strong>Road:</strong></td>
</tr>
<tr>
<td>Traffic rights, visas, temporary importation, vehicle insurance, vehicle weights and measures and vehicle registration, designated routes and border crossings points, compulsory convoys and escorts, and cabotage.</td>
</tr>
<tr>
<td><strong>Railway:</strong></td>
</tr>
<tr>
<td><em>Technical interoperability parameters:</em> track gauge, axle load, structure gauge, passing siding length, platform length, platform height, signaling systems, traffic management, telecommunications, traction system, loading gauge, maximum train length, coupling system of railway cars, brake gear, floor height passenger coaches, rail/wheel interface (rail profile, its inclination to the vertical, switches and crossings etc.), electrical systems, water and waste, locomotive type, locomotive traction power, maximum speed.*</td>
</tr>
<tr>
<td><em>Operational interoperability parameters:</em> harmonized international train timetables, exchange of information between the railways along the corridor for traffic management, train composition, maintenance of wagons, breakdowns of wagons, handling and inspection of hazardous and perishable goods, management of traffic, including rules for communication between drivers and operational control centres (including language of communication), locomotive drivers operating locomotives on track of different railways, locomotive fueling and maintenance, criteria and procedures for certification for safety critical staff, training of drivers and other safety critical staff.*</td>
</tr>
<tr>
<td><strong>Legal interoperability parameters:</strong> CIM, SMGS and common CIM/SMGS consignment notes.</td>
</tr>
<tr>
<td><strong>Border Crossing:</strong></td>
</tr>
<tr>
<td><em>Infrastructure and equipment:</em> Buildings, plant, parking, IT infrastructure, ICT connectivity, interoperability and harmonization in information exchange systems, X-ray cargo scanners, weighbridges.*</td>
</tr>
<tr>
<td><em>Control procedures:</em> Cargo transported: checks on trade documents, physical inspection of cargo, quarantine (agriculture and veterinary)/ health inspection and collection of statistical data.*</td>
</tr>
<tr>
<td><em>Vehicles:</em> fuel tax assessment, vehicle tax, road charges, transit fees, transport authorization (bilateral, transit, third country, multilateral), payments for special transport permits, weights and dimensions, vehicle certificate (registration), vehicle roadworthiness, third party insurance, customs security of vehicles (checks on vehicle and container seals), quarantine (agriculture and veterinary)/ health inspection and collection of statistical data;*</td>
</tr>
<tr>
<td><em>Drivers:</em> passport and visa, customs inspection, quarantine (agriculture and veterinary)/ health inspection, driver license, inspection re driving time and rest periods.*</td>
</tr>
<tr>
<td><strong>Operational procedures:</strong> Locomotive change, wagon inspection, transshipment procedures, crew change.*</td>
</tr>
</tbody>
</table>

There are many coordination mechanisms and/ or institutional arrangements through which these issues can be addressed. In some cases, formal corridor agreements have been developed while in others, a comprehensive set of bilateral, multilateral, sub-regional and international agreements as well as technical assistance measures have been set in place which when taken together provide the conditions necessary for smooth operationalization of the corridor.
In selecting the coordination mechanisms and/or institutional arrangements there is a need to recognize that they are only tools for achieving an objective. For example, the objective of a “transport service corridor” stated in Table 1 above is “to provide efficient, cost effective, socially acceptable, safe and environmentally friendly multimodal transport services along the interconnected transport infrastructure, across borders and through countries along the corridor”. Subject to a set of mutually agreed principles of international relations,\(^4\) it is the objective, which is important, not the means.

It also has to be borne in mind that agreements supporting corridor development are not static and that the dynamics of corridor development could lead from implementation of a comprehensive set agreements to more formal arrangements as the corridor evolves.

This study report contains three chapters.

**Chapter 1** reviews selected corridors from Europe, Africa and Asia that have or had formal agreements.

**Chapter 2** reviews the study and related corridors.

**Chapter 3** contains the conclusions and recommendations of the study.

\(^4\) These include principles such as equity, transparency and mutual benefit.
Chapter 1: Review of Selected Corridors with Formal Agreements

Background
While there are many designated corridors in the ESCAP region, there are very few corridors that have formal coordination and/or institutional arrangements that are specific to their management. Instead, the formulation and implementation of corridors tends to be an integral part of a regional economic cooperation agreement or programme. For example, the corridors of the CAREC, GMS and SASEC programmes and those of the ECO and TRACECA sub-regional organizations.

By way of contrast, Europe and Africa have significant numbers of formal coordination/ institutional arrangements for their management.

The following sections of this chapter consider the substantive content and institutional arrangements for a number of selected formal corridor agreements.

Corridors in Europe
In 1993, the European Council adopted decision\(^5\) on the creation of a Trans-European road network (TEN-T) which contained an outline of the road network in the members of the European Union (twelve at that time).

Cognizant of the need for connectivity with neighboring Central and Eastern European countries the European Council decision stated that projects with third country links should be initiated within 10 years.

In 1996, TEN-T was extended to other modes of transport including rail, inland waterways and ports, seaports, airports and combined transport in the then 15 members of the European Union by Decision No 1692/96/EC on guidelines for the development of the Trans-European transport network. As well as providing general principles for route selection, it was again stated that the network must be capable of being connected to the networks of, amongst others, the countries of Central and Eastern Europe, while at the same time promoting interoperability and access to these networks.

Overlapping these initiatives was the set of three Pan-European conferences (Prague, 29-31 October 1991; Crete, 14-16 March 1994; Helsinki, 23-25 June 1997). One of the main outcomes of these conferences was the formulation of ten Pan-European Corridors.

The Trans-European Transport Network
The Trans-European Transport Network (TEN-T) is a European Commission policy directed towards the implementation and development of a Europe-wide network of roads, railway lines, inland waterways, maritime shipping routes, ports, airports and rail-road terminals. It consists of two planning layers:

- The Comprehensive Network: Covering all European regions; and

The Core Network: Most important connections within the Comprehensive Network linking the most important nodes

The ultimate objective of TEN-T is to close gaps, remove bottlenecks and eliminate technical barriers that exist between the transport networks of EU Member States, strengthening the social, economic and territorial cohesion of the Union and contributing to the creation of a single European transport area. The policy seeks to achieve this aim through the construction of new physical infrastructures; the adoption of innovative digital technologies, alternative fuels and universal standards; and the modernizing and upgrading of existing infrastructures and platforms.

Following a 2013 review of TEN-T policy, nine Core Network Corridors were identified to streamline and facilitate the coordinated development of the TEN-T Core Network. These are complemented by two Horizontal Priorities, the European Railway Traffic Management System (ERTMS) deployment and Motorways of the Sea; both established to carry forward the strategic implementation of the objectives of the Core Network, in-line with the funding period, 2014 to 2020.

Oversight of the Corridors and the implementation of the two Horizontal Priorities lies with European Coordinators; high-level personalities with long standing experience in transport, financing and European politics, nominated by the European Commission.

First generation Work Plans for each Corridor and Horizontal Priority were presented in 2014, outlining exact objectives for each Corridor and Horizontal Priority, within the framework of the TEN-T Core Network. This is a continuous process, which takes into consideration current developments.

EU funding for projects on each Corridor and Horizontal Priority is provided by the Connecting Europe Facility (CEF), with relevant Member States obliged to align national infrastructure investment policy with European priorities. Other sources of funding and financing include the European Structural and Investment Funds and the European Fund for Strategic Investment.6

Being a European Commission policy, the coordination and institutional arrangements of the TEN-T are very centralized with oversight lying with European Coordinators appointed by the European Commission and finance being provided by various European Union funding mechanisms.

In addition, while there are nine core inter-country corridors, they are internal to the European Union and the main interventions are: the construction of new physical infrastructures; the adoption of innovative digital technologies, alternative fuels and universal standards; and the modernizing and upgrading of existing infrastructures and platforms.

As these characteristics make the TEN-T Core Network Corridors substantially different from the corridors envisaged by this paper, they are not elaborated any further.

The Pan-European Corridors

One of the main outcomes of the three Pan-European conferences that took place between 1991 and 1997 was the formulation of the 10 Pan-European Corridors7. These corridors were outside of, but connected to, the TEN-T of the then 15 members of the EU. They included the countries of Central and Eastern Europe and extended to the Russian Federation (connection to Moscow and Nizhny Novgorod), Belarus, Ukraine and Moldova8.

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8 In 1998 the EU transport infrastructure needs assessment (TINA) was commenced, aimed at ensuring coherence with the TEN-T and initiating the development of a multimodal transport network within the EU enlargement countries of Estonia, Latvia, Lithuania, Poland,
Figure 2 The Pan-European Corridors


Czech Republic, Slovakia, Hungary, Slovenia, Romania, Bulgaria and Cyprus. Its starting point was the Pan-European Corridors in the enlargement countries. This network was later included in a revised TEN-T network.
For each of the corridors a Memorandum of Understanding (MoU)\(^9\) was concluded amongst the participating countries, at the level of Ministers of Transport, and in most cases, with the European Commission. These Memoranda of Understanding recommended, among others, the establishment of a Steering Committee, which promoted and monitored progress and stimulated the action needed. The Steering Committees furthermore had the powers to create working groups to deal with specific issues related to each Corridor. In some cases, additional Memoranda of Understanding have been signed between railway companies. Table 2 outlines the main elements of the MOU for Corridor X. The MOUs for the other nine corridors have similar elements.

### Table 2 Memorandum of Understanding on the development of the Pan-European Transport Corridor X, and Protocol on Cross-Border Cooperation Along Pan-European Corridor X

<table>
<thead>
<tr>
<th>Corridor countries</th>
<th>Austria, Slovenia, Croatia, Serbia, Macedonia, and Greece.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related REC agreements and MOUs</td>
<td>Declarati...</td>
</tr>
<tr>
<td>Length of corridor document</td>
<td>MOU, 9 pages; 10 Articles</td>
</tr>
<tr>
<td>Competent Authority</td>
<td>The MOU and the Protocol were signed by Ministers of Transport however, competent authorities were not mentioned in them.</td>
</tr>
<tr>
<td>Objectives</td>
<td>“The aim of the Memorandum of Understanding is to co-operate in the development of main and ancillary infrastructures on the multimodal Pan-European Transport Corridor X. The development of the Corridor should include maintenance, reconstruction, rehabilitation, upgrading and new construction of main and ancillary infrastructures as well as its operation and use with a view to foster the most efficient and environmentally friendly transport modes (infrastructure and services). The co-operation furthermore aims at perceiving and defining prerequisites and conditions for the most efficient use of funds and know-how provided by public and private sources.”</td>
</tr>
<tr>
<td>Institutions: Composition and functions</td>
<td>The MOU established a Steering Committee.</td>
</tr>
</tbody>
</table>

\(^9\) A Memorandum of Understanding is a voluntary commitment between the participants, and it has no legal binding character. Concluding a Memorandum of Understanding, however, indicates the intention of the concluding partners to undertake joint efforts and to accomplish the common task.
The Group of 24 was set up in 1989 at the Paris G7 summit meeting of heads of state and government as a means of coordinating aid to Central and Eastern European countries embarking on democratization and the transition to a market economy, with the European Commission acting as coordinator. Twelve Central and Eastern European countries (Albania, Bulgaria, the Czech Republic, Estonia, the Former Yugoslav Republic of Macedonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia) currently receive aid from the 24 donor countries involved (the 15 EU Member States plus the United States, Japan, Turkey, Canada, Switzerland, Norway, Iceland, Australia and New Zealand) and international agencies including financial institutions such as the International

<table>
<thead>
<tr>
<th>Institutions: Frequency of Meetings</th>
<th>MOU: The Steering Committee will meet as necessary, but at least once a year. (The Committee met on an annual basis). Protocol: There was no frequency of meetings mentioned in the Protocol however, Working Group met annually between 2004 and 2010.</th>
</tr>
</thead>
</table>

| Institutions: Reporting           | The Steering Committee will regularly report about its work to the G-24 Transport Group\textsuperscript{10}. The Working Group is subsidiary to the Steering Committee and is assisted by the Technical Secretariat. |

\textsuperscript{10} The Group of 24 was set up in 1989 at the Paris G7 summit meeting of heads of state and government as a means of coordinating aid to Central and Eastern European countries embarking on democratization and the transition to a market economy, with the European Commission acting as coordinator. Twelve Central and Eastern European countries (Albania, Bulgaria, the Czech Republic, Estonia, the Former Yugoslav Republic of Macedonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia) currently receive aid from the 24 donor countries involved (the 15 EU Member States plus the United States, Japan, Turkey, Canada, Switzerland, Norway, Iceland, Australia and New Zealand) and international agencies including financial institutions such as the International
| Transit and Transport Issues | The **MOU** defines five main areas of cooperation as follows: (i) undertaking studies necessary for the realization of the MOU. (The studies are to cover: state of the infrastructure on the Corridor; needs assessment; an overall concept for a co-ordinated development of the Corridor; the conditions necessary for international financial institutions and the private sector participation in the development and operation of the Corridor; questions such as prioritization, feasibility or technical design of specific maintenance, reconstruction, rehabilitation, upgrading and investment measures, as well as use or operation of the infrastructure and related environmental aspects; and organizational, legal, economic and social questions); (ii) making available to each other information relevant to the development, use and operation of the Corridor; (iii) agree upon a common set of technical standards necessary to secure optimal interoperability of all sections of the Corridor, including the interoperability between various transport modes (In this respect the MOU states that “Standards set by the European Community Directives, the UNECE Agreements on transport infrastructure or CEN, CENELEC and ETSI European Standards\(^{11}\) for the various transport modes will be adhered to as appropriate in order to secure interoperability”; (iv) stimulate and promote, through a co-ordination of actions with the competent authorities, the installation of joint border crossing posts and joint controls as well as co-operation of customs services in order to minimize waiting times and to improve long-distance transport conditions for rail and road (Again the MOU states that “Standards set by International Agreements or the European Community should be adhered to’’); and (v) provide for an optimum of private sector involvement in the development, operation and use of the Corridor. For this purpose, a dialogue with the private sector and the international financial institutions should take place during the planning and realization of studies (The MOU further states that “The Participants jointly aim to ensure the development of the legal and financial conditions necessary for private sector participation in the development and operation of the Corridor”).

The areas addressed in the **Protocol** include: (i) verifying the operating status and deficiencies of their border crossings bilaterally so as to evaluate and ensure their conformity with standardized blueprints and best practice established by the EU and international organizations; (ii) alignment of border-crossing legislation and procedures with EU Acquis\(^{12}\); (iii) exchange of information; (iv) set common standards for the operation of neighbouring border crossings. (Potential measures may include common border crossing control points, juxtaposed national control offices, separate lanes for TIR trucks, ‘single windows’, etc.); (v) application of risk analysis methodology; (vi) introduction of a common time measurement tool exercise with a view to identifying specific obstacles to smooth trade flows and to seeking solutions to overcome them; (vii) undertaking common staff training activities to enhance the operation of border crossings. |

| Funding | Financing of the Technical Secretariat for the period January 2000-July 2001 was provided by the Greek Government, since no other resources were available. It was also noted that the same problem of financing of the Technical Secretariat was faced in Corridor IV and the Chairman of }
Corridors in Africa

East and Southern Africa has a number of subregional organizations, with overlapping membership, each of which has their own agreements addressing transport, transit and corridors.

The three main Regional Economic Communities (RECs) are:

- COMESA: Common Market for Eastern and Southern Africa;
- EAC: East African Community; and
- SADC: Southern African Development Community.

**Figure 3** illustrates the membership of these RECs.

*Note: Since this figure was drawn, Tunisia and Somalia have become members of COMESA; Seychelles and Comoros are members of both COMESA and SADC; and South Sudan has become a member of EAC.*
Located within these RECs are a large number of corridors as illustrated in **Figure 4**.

**In broad terms, these organizations have a three-tiered structure of legal instruments which includes a main treaty, transport protocols or annexes and corridor agreements or MOUs (the protocols having the same legal force as the Treaty).**

This paper considers two corridors in East and South Africa namely the Northern Transport and Transit Corridor (NTTC) which is located in the COMESA countries and the Trans-Kalahari Corridor (TKC) which is located in SADC countries.
## Northern Transport and Transit Corridor (NTTC)

### Table 3 Northern Corridor Transit and Transport Agreement (NCTTA), 6 October 2007

<table>
<thead>
<tr>
<th>Corridor countries</th>
<th>Burundi, Democratic Republic of Congo, Kenya, Rwanda, Uganda and South Sudan (2012).</th>
</tr>
</thead>
</table>
| Related REC agreements and MOUs | • Treaty Establishing the African Economic Community (AEC), signed 3 June 1991; EIF 12 May 1994.  
• Protocol on Transit Trade and Transit Facilities, Annex 1 of COMESA Treaty  
• Northern Corridor Transit and Transport Agreement (NCTTA), 6 October 2007. |
| Length of corridor document | 109 pages (including Protocols); 17 Sections, 73 Articles and 11 Protocols |
| Scope | Transportation of goods and persons in the Northern Corridor, including but not confined to the following: maritime port facilities; routes and facilities; customs control and operations; documentation and procedures; transport of goods by rail, road and inland waterways; transport by pipeline; multimodal transport of goods; handling of dangerous goods; measures of facilitation for transit agencies, traders and employees; and development of an economic corridor |
| Objectives | To facilitate trade, the movement of persons, vehicles and goods in domestic, regional and international transport; to stimulate economic and social development in the territories of the contracting parties; to transform the corridor into a Development Corridor which, in addition to offering safe, fast and competitive transport and transit services that secure regional trade, will stimulate investment, encourage sustainable development and poverty reduction; and to implement strategies for accelerating economic and social growth along the corridor while ensuring environmental sustainability. |
| Institutions: Composition and functions | **a. The Council of Ministers;**  
*Composition:* Ministers responsible for transport matters in each of the contracting parties  
*Functions:* The Council shall carry out the following functions:  
(i) be the policy making body of the Authority and its decisions shall be binding on all contracting parties; (ii) approve the budget and audited accounts of the Authority; (iii) joint resource mobilization and the allocation of funds for regional projects under the Northern Corridor transport system aimed at improving conditions of interstate traffic and of transit within the territories of the contracting parties; (iv) through the current Chairman of the Council, report to the heads of State and Government of the Contracting Parties any matter mandated by the Council of Ministers; (v) approve the annual work plan of the Authority; and (vi) appoint the Executive Secretary of the Northern Corridor Co-ordination Authority.  
**b. The Executive Committee;**  
*Composition:* Permanent Secretaries or their equivalent who are responsible for transport matters in each of the contracting parties  
*Functions:* It shall carry out the following functions:  
(i) initiate the formulation of general principles and policies governing the Authority; (ii) approve the financial and administrative rules and regulations of the Authority; (iii) ensure that the
Agreement and its protocols are uniformly applied among the contracting parties; (iv) foster coordination with other international institutions whose objectives are similar to those of the Northern Corridor or would advance the objectives of the corridor; (v) consider the budget and audited accounts of the Authority before presenting them to the Council of Ministers; (vi) appoint independent external Auditors to audit the accounts of the Permanent Secretariat; (vii) appoint the professional staff of the Permanent Secretariat; and (viii) The Executive Committee shall report to the Council of Ministers.

c. The Specialized Committees:

*Composition:* Organizations and persons from the member States dealing with specialized areas of transport and transit

*Functions:* The Specialized Committees shall be responsible for implementation of aspects of transit transport operations in their specialized areas and in doing so, they shall do the following:

(i) prepare implementation strategies for corridor operations; (ii) report their activities in periodic reports to the Executive Committee through the Permanent Secretariat; (iii) advise the Executive Committee on required amendments to this Agreement.

d. Public Private Partnership Committee:

*Composition:* public and private sector persons and organizations dealing with matters of interstate and transit along the corridor

*Functions:* (i) identify existing problems within their areas of operation and to solve them; (ii) consolidate their views and put forward recommendations to the Permanent Secretariat for onward submission to the Executive Committee for review and consideration by the council of Ministers; (iii) facilitate implementation of decisions of the organs of the Authority.

e. The Permanent Secretariat.

*Functions:* (i) provide technical and analytical support to the Authority’s organs in the form of strategy formulation, project identification, analysis of national standards and practices, collection and storage of data and statistics, and of any other task and study that may be assigned to it by the appropriate organs of the Authority in technical, economic, institutional and legal matters; (ii) set performance indicators and monitors their implementation, including implementation of the Agreement, and make periodic reports; (iii) provide secretarial services to the meetings of the different organs of the Authority including the preparation and distribution of agendas, keep minutes of the meetings, maintain archives, prepare work plans and budgets, keep accounts and prepare financial statements for audit; (iv) perform all such tasks as shall be assigned to it by the organs of the Authority; (v) In exercising its functions the Permanent Secretariat shall be responsible to the Executive Committee.

**Institutions:**

**Frequency of Meetings**

a. The Council of Ministers: once a year.
b. The Executive Committee: twice a year one meeting of which shall be held immediately preceding the meeting of the Council of Ministers.
c. The Technical/Specialized Committee and the Private Public Private Partnership Committee: at least once a year.
d. Both the Council of Ministers and the Executive Committee may hold extraordinary meetings.
g. Each contracting party shall bear the cost for the participation of its delegation at regular and extraordinary meetings of the organs of the Authority.

**Institutions:**

**Reporting**

The Executive Committee reports to the Council of Ministers.
The Specialized Committees report their activities in periodic reports to the Executive Committee through the Permanent Secretariat.
Public Private Partnership Committee consolidates their views and put forward recommendations to the Permanent Secretariat for onward submission to the Executive Committee for review and consideration by the council of Ministers.

The Permanent Secretariat is responsible to the Executive Committee.

<table>
<thead>
<tr>
<th>Transit and Transport Issues</th>
<th>The operative paragraphs of the MOU addresses many of the selected issues arising on intermodal transport corridors. This is done in five main ways:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(i) as part of the agreement where phrases such as “the parties shall ..”, “the parties undertake to ..”, “the parties agree to ..”, “the parties shall put in place ..” are used; (ii) requiring harmonization e.g. harmonization of technical standards, working hours, commodity codes, legal regime and format of driving licenses and measures to minimize environmental degradation; (iii) reference to one of the protocols; (iv) reference to instruments developed by the Common Market for Eastern and Southern Africa (COMESA); and (v) reference to some international instruments e.g. UN Layout Key for Trade Documents.</td>
</tr>
<tr>
<td></td>
<td>Examples of cross references to COMESA instruments include: Regional Customs Bond Guarantee Scheme of COMESA; COMESA Transit Carnet; Customs Transit Document and any other related document approved by the council of Ministers of COMESA; the vehicle identification and marking system similar to the one agreed upon under the COMESA Treaty; Third Party Motor Vehicle Insurance regime established by COMESA (the COMESA Yellow Card); the provisions of the Protocol for transit trade and transit facilities annexed to the COMESA Treaty; the customs document for transit declaration in a format approved by the COMESA Council of Ministers; COMESA Regional Customs Bond Guarantee Scheme; Common Market Customs Document (COMESA-CD COM); COMESA Carrier License (which effectively replaces permits); and the maximum permissible axle loads, applicable to axles with four-wheel per axle, shall be those specified under the relevant COMESA Protocols.</td>
</tr>
<tr>
<td></td>
<td>In an evaluation of the agreement, it was stated that the Northern Corridor Transit and Transport Agreement (NCTTA) can and should be used as a model.</td>
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</table>

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<tr>
<th>Monitoring</th>
<th>Under Article 8 “Composition and Functions of the Organs of the Authority” one of the functions of the Permanent Secretariat is to “Set performance indicators and monitors their implementation, including implementation of the Agreement, and make periodic reports.” To perform this function a monitoring tool (Northern Corridor Transport Observatory) that measures 30 indicators on the performance along the corridor has been established. The Observatory tracks the indicators using raw data collected from the stakeholders in all the member states.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>It has a website which contains a dashboard, indicators, and a GIS (see figures below). It also produces in electronic format, a Monthly Port Community Charter Report, a Quarterly Northern</td>
</tr>
</tbody>
</table>
Corridor Performance Report and an Annual Transport Observatory Report (Source: [http://top.ttcanc.org](http://top.ttcanc.org)).

<table>
<thead>
<tr>
<th><strong>Funding</strong></th>
<th>Article 11 on The Resources of the Authority states that:</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>The contracting parties shall ensure that the Permanent Secretariat receive the necessary resources for its functioning.</td>
</tr>
<tr>
<td></td>
<td>The resources of the Authority shall come from the following sources:</td>
</tr>
<tr>
<td></td>
<td>a. Contributions of contracting parties.</td>
</tr>
<tr>
<td></td>
<td>b. Funding of specific activities by donor agencies.</td>
</tr>
<tr>
<td></td>
<td>c. Exert a levy on goods loaded or unloaded at Mombasa Port or on goods leaving or entering any customs post using the corridor itineraries as defined in this agreement and its protocols. Provided that the levy shall be charged once only on a specified load of goods for one single entry or exit transport operation taking place in the corridor.</td>
</tr>
<tr>
<td></td>
<td>The levy shall be remitted to the Permanent Secretariat on a monthly basis.</td>
</tr>
</tbody>
</table>

| **Achievements\(^2\)** | Amongst its achievements, the NCTTA notes: (a) elimination of multiple security bonds and multiple customs declarations; (b) creation of the implementing institutions in Member States such as Road Authorities, Road Maintenance Funds, National Road Safety Authorities, Revenue Authorities, etc.; (c) interfacing of Customs Systems and joint verification of multiple Customs documents; (d) reduction of roads, police, and customs roadblocks; (e) introduction of High Speed-Weigh-In-Motion Systems; (f) domestication of some REC polices such as the implementation and effective monitoring of EAC Vehicle Load Control (VLC) and some COMESA Trade Facilitation Instruments; (g) harmonization of National Customs Laws and Instruments; (h) constant advocacy for public-private partnerships in Member States to stimulate investment and encourage development; (i) mobilization of funding for rehabilitation of major highways to ensure road quality according to the International Roughness Index (IRI); (j) advocacy for adequate border infrastructure such as One Stop Posts and related facilities; (k) effective monitoring system through Transport Observatory and Dashboard. |


Table 4 outlines the main elements of the MOU for the Trans-Kalahari Corridor.
Table 4 Memorandum of Understanding between the Governments of the Republics of Botswana, Namibia and South Africa on the Development and Management of the Trans-Kalahari Corridor, 2003

<table>
<thead>
<tr>
<th>Corridor countries</th>
<th>Botswana, Namibia and South Africa</th>
</tr>
</thead>
</table>
| Related REC agreements and MOUs | • Treaty Establishing the African Economic Community (AEC), signed 3 June 1991; EIF 12 May 1994.  
• Treaty of the Southern African Development Community (SADC Treaty), signed 17 August 1992; EIF 30 September 1993  
• SADC Protocol on Transport, Communications and Meteorology, 24 August 1996  
• Part 3 and Annexes II and IV of the SADC Protocol on Trade, 24 August 1996  
• SACU Memorandum of Understanding on Road Transportation, 4 September 1990  
• Memorandum of Understanding between the Governments of the Republics of Botswana, Namibia and South Africa on the Development and Management of the Trans-Kalahari Corridor, 3 November 2003 |
| Length of corridor document | 18 pages; 7 Chapters, 31 Articles and no Protocols |
| Date signed/entered into force (EIF) | MOU dated 3 November 2003 |
| Competent Authority | Respective Ministries and Departments responsible for transport, traffic, customs and immigration and safety and security. |
| Scope | The movement of goods and persons on the TKC. The MOU also provides for review of its scope and provisions to encourage the development of integrated transportation services and facilities on the TKC. |
| Objectives | To: (a) facilitate the movement of goods and persons on the TKC by simplifying and harmonizing the requirements and controls that govern the movement of goods and persons with a view to reducing transportation costs and transit times; (b) establish effective consensus-building mechanisms; (c.i) secure and monitor the implementation of this MOU; (c.ii) expand and extend the content and implementation requirements of the MOU through the development of annexes; and (c.iii) establish an appropriate financially self-sustaining institutional structure to oversee, guide, coordinate and facilitate the implementation of the MOU. |
| Institutions: Composition and functions | a. Trans-Kalahari Corridor Management Committee (TKCMC)  
**Composition:** The membership of the TKCMC follows that of Article 3.5 of the PTCM\(^{13}\) (essentially all relevant stakeholders – see Public-Private Participation below) and is chaired by an official mandated by the Ministry or Department responsible for transport of the same Contracting Party that is responsible for providing secretariat services. The Contracting Parties are required to ensure that they are represented on the TKCMC by officials at least at the rank of Director or equivalent.  
Amongst others, the functions of the TKCMC include:  
**Functions:** (i) development of performance indicators to be applied to the TKC such as trade and traffic flows, container volumes, adequacy of facilities, processing times at border posts and average point-to-point transit times, the frequency with which performance monitoring shall take place, and the dissemination of performance monitoring results; (ii) development of an  
\(^{13}\) SADC Protocol on Transport, Communications and Meteorology |
implementation plan; (iii) collectively and individually, on a quarterly basis, to assess progress made with the implementation of the MOU on the basis of the implementation plan; (iv) in the case of government policy and regulatory matters, making recommendations to the Contracting Parties for decision; (v) exchanging information pertaining to the TKC, and for that purpose shall develop and implement a TKC information system that: records and provides data for the planning, development, implementation and monitoring of the TKC; facilitates business contacts; and provides information to consumers and the public; (vi) establishment of an Operations Committee (referred to above) and any other additional committees and working groups under its control and supervision, as the need arises, to assist it in the execution of its functions.

b. Secretariat

*Functions (Services):* (i) supporting the Contracting Parties with the implementation of the provisions of the MOU; (ii) monitoring compliance by the Contracting Parties with their obligations in terms of the MOU; (iii) assisting the TKCMC with the execution of its functions; and (iii) providing secretariat and administrative support to the TKCMC including maintaining an updated list of all TKCMC members.

c. Operations Committee

*Composition:* (a) the Chairperson of the TKCMC; (b) two officials each representing one of the Competent Authorities of different signatory states than the one represented by the Chairperson; and (c) not more than three members nominated by the Contracting Parties representative of the private sector in the signatory states.

*Function:* is to assist the TKCMC in the execution of its functions.

<table>
<thead>
<tr>
<th>Public-Private Participation</th>
<th>Membership of the TKCMC includes: (a) all modal transport operators servicing the corridor including multimodal transport operators; (b) transport and infrastructure authorities with responsibilities in respect of the provision and management of transport and related infrastructure facilities along the corridor; (c) port authorities; (d) customs and excise authorities with responsibilities in respect of the corridor; (e) freight forwarding and clearing agents servicing the corridor; (f) trade and industry authorities and bodies; (g) financial and insurance institutions, industrialists and developers; (h) border post authorities; (i) immigration authorities with responsibilities in respect of the corridor; (j) tourism groups; (k) users of corridor systems and facilities; and (l) any other stakeholders.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutions: Frequency of Meetings</td>
<td>The TKCMC is required to meet at least twice per year.</td>
</tr>
</tbody>
</table>
Transit and Transport Issues

The MOU heavily cross-references ‘higher level agreements’ … , for example (where decimal numbers refer to Article numbers in the MOU or other agreement):

2.1: Customs Procedures (*14 and Annex IV Of the SADC Protocol on Trade*); 2.2: Joint Customs Controls and Border Post Management (*3.3 of the SADC PTCM*); 2.3: Border Post Business Hours (*7 of Annex II of the SADC Protocol on Trade*); 2.4: Border Post Facilities (*3.3 of the SADC PTCM*); 3.1: Road Funding And Maintenance (*4.5 and 4.6 of the SADC PTCM*); 3.2: Road Transport Policy (*Chapter 5 of the SADC PTCM and SACU MOU on Road Transportation*); 4.1: General Commitment to Harmonize Road Traffic Laws (*6.3, 6.4, 6.5, 6.6 and 6.11 of the SADC PTCM*); 4.2: Road Traffic Law Enforcement (*6.13 of the SADC PTCM*); 4.3: Loads on Vehicles (*6.6 and 6.7 of the SADC PTCM*); 4.4: Driver Training and Testing (*6.9 of the SADC PTCM*); 4.5: Transportation of Hazardous Substances and Dangerous Goods (*6.7 of the SADC PTCM*); 4.6: Road Traffic Safety (*6.12, 6.14 and 6.15 of the SADC PTCM*).

In other words, the MOU on the TKC relies heavily upon the SADC PTCM and to a lesser extent the SACU MOU on Road Transportation.

The approach adopted in the SADC PTCM is to place responsibility on Member States to individually harmonize conditions for international transport, for example, Article 5.2, Road Transport Policy, states that “In order to obtain road transport objectives, Member States agree to develop a harmonized road transport policy”.

For inter-country issues, the SADC PTCM largely relies on bilateral agreements. Chapter 5, Road Transport, states that “Member States shall comply with this Chapter by concluding standardized bilateral or multilateral agreements based on the principles of non-discrimination, reciprocity and extra-territorial jurisdiction which address the following: (a) Single SADC carrier permits or licenses; (b) carrier registration; (c) quota and capacity management systems; (d) harmonized administrative (including consultative) procedures, documentation and fees; (e) information management, including a harmonized format of supporting information systems and exchange of information procedures; (f) establishment of joint route management committees on a bilateral or multilateral basis; (g) carrier obligations in respect of drivers, vehicles, passenger manifests, cargo manifests and returned permits or licenses as well as sanctions against carriers in the case of contraventions; and (h) harmonized transport law enforcement, including carrier identification to facilitate on-the-road law enforcement such as the utilization of standardized vehicle identification logos.”

SADC does not have a Yellow Card system for third party insurance.

One example where a multilateral agreement is used is the SACU MOU on Road Transport which mainly deals with permits.
Monitoring

A corridor performance monitoring system (Transport Observatory) is one of the planned initiatives of the TKCMC.

Funding

The Contracting Parties shall introduce mechanisms to ensure the financial sustainability required by the TKCMC and the Secretariat to execute the functions contemplated in Article 6.3

Achievements

Introduction of the Customs Single Administration Document (SAD 500), which ensures commercial traffic clearance of between 20 to 30 minutes at border points on the Corridor, if all documentation meets requirements; adoption of common transit procedure; harmonization of extended Border operating hours and Axle Load Limits at the Trans Kalahari Border Posts.

Planned Initiatives

Corridor performance monitoring system (Transport Observatory); enactment and enforcement of the legislation on the transportation of dangerous goods; One Stop Border Post (OSBP) at Mamuno; harmonization of road traffic laws along the corridor; harmonization of driver training/testing/licensing; harmonization of vehicle testing standards; Information Communication Technology (ICT) systems interface and connectivity; roll out of Cross Border Vehicle Overload Control System (CBVOCS).


Closely linked with the development of the TKC is the Namibian Public-Private Partnership company Walvis Bay Corridor Group. Its background and structure are outlined in Box 2.

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**Box 2 Walvis Bay Corridor Group a National Public-Private Partnership for Corridor Development**

The Walvis Bay Corridor Group is a Namibian Public Private Partnership, established as a section 21 Company - an association not for gain.

Membership is drawn from government ministries and private sector associations. Currently, the members are:

- Container Liners Operations Forum (CLOF) (representing all Container Shipping Lines only calling and servicing the Walvis Bay port directly).
- Ministry of Finance, Department of Customs and Excise, Namibia
- Ministry of Home Affairs and Immigration: Department of Immigration, Namibia
- Ministry of Industrialization, Trade and SME Development, Namibia Investment Centre, Namibia
- Ministry of Works and Transport, Department of Transport, Namibia
- Namibia Chamber of Commerce and Industry (NCCI)
- Namibia Transporters Association (NATA)
- Namibian Ports Authority (Namport)
- Road Fund Administration, Namibia
- Road Fund Administration, Namibia
- Trans-Namib Holdings Ltd
- Walvis Bay Municipality
- Walvis Bay Port Users’ Association (WBPUA)

Individual membership by the private sector is arranged under the umbrella of private sector organizations, namely the Namibia Logistics Association (NLA) and the Walvis Bay Port Users Association (WBPUA).

During 2001, a core of public and private sector stakeholders prompted USAID/RCSA to fund the preparation of a regional cooperation framework for the Trans-Kalahari Corridor. This core group became known as the Trans Kalahari Corridor Management Committee (TKCMC).


The Walvis Bay Corridor Group volunteered to act as secretariat for the TKCMC.

The Committee championed the development of the “Memorandum of Understanding between the Governments of the Republics of Botswana, Namibia and South Africa on the Development and Management of the Trans-Kalahari Corridor”, outlined above.

The Secretariat of the Trans-Kalahari Corridor was established on 1 March 2007 and its headquarters is located within the offices of the Walvis Bay Corridor Group (WBCG) in Windhoek, Namibia.

As stated on the Group’s website:\n
“The Walvis Bay Corridor Group’s main organizational strength is its unique public-private partnership (PPP) set-up of transport and logistics stakeholders from both the public and private sector. The partnership allows for the pooling of resources, expertise and authorities from both the regulators and the operators, who together form an integrated transport and logistics service for potential customers”.

“Due to the Group’s constitution as a PPP, it is able to lean on the public sector for advice and action on issues such as customs, transport regulation and infrastructure development, while the private sector can focus on business development such as marketing and making practical operational proposals and logistics solutions. Both arms provide input into developing human resources, the institutions themselves and the associated infrastructure”.

Note 1. All shares in TransNamib are owned by the Government of the Republic of Namibia.

Note 2. This Trans Kalahari Corridor Management Committee (TKCMC) should not to be confused with the TKCMC established under the “Memorandum of Understanding between the Governments of the Republics of Botswana, Namibia and South Africa on the Development and Management of the Trans-Kalahari Corridor, 2003”.


Tripartite Agreement between COMESA, EAC and SADC

On 19 January 2011, the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC) agreed to a Memorandum of Understanding on Inter Regional Cooperation and Integration. In the preambular to the MOU it was stated that:

AWARE that, in order to enhance economic development and integration of markets as a stimulus for profitable business in the region, the need to create an enabling environment for foreign, cross border and domestic investment including the promotion of research and development and the adoption of common positions in the international fora is paramount;

NOTING that the highest organs of the COMESA, EAC and SADC have endorsed the need to harmonize the policies of the three institutions in the context of the overall objective of all the states to attain continental integration as envisaged under the Constitutive Act of the African Union, 2000 and the Treaty Establishing the African Economic Community, 1991 (Abuja Treaty).

Consequently, a recognized need to harmonize policies of the three communities as well as a vision of an integrated African continent is leading to a more harmonized system within which corridors can operate.

On 10 June 2015, the Agreement Establishing a Tripartite Free Trade Area (TFTA) among the Common Market for Eastern and Southern Africa, the East African Community and the Southern African Development Community, was signed. In early April 2019, four of the necessary 14 countries had ratified the agreement. (The African Continental Free Trade Agreement (AfCFTA) has complicated matters for the tripartite member countries, as that agreement already has the required number of ratifications or parliamentary approvals for entry into force).
The Tripartite Agreement bears many similarities with the COMESA Treaty. For example, the 2010 draft of Annex 5 of the TFTA on Transit Trade and Transit Facilities has similar text and headings to Annex I of the COMESA Protocol on Transit Trade and Transit Facilities, dealing with Licensing of Transitors and Carriers, Approval of Means of Transport, Bonds and Sureties, Common market Transit Document, and Transit Procedures. It should also be noted that the Annex 8 of the AfCFTA on Transit (legally scrubbed and signed 16 May 2018) also has similar text and headings to these two documents.

In addition to the TFTA, there is a Tripartite Transport & Transit Facilitation Programme (TTTFP) funded by the European Union. Expected outputs of this programme include:

- Draft Tripartite Vehicle Load Management Agreement (VLMA)
- Draft Multilateral Cross Border Road Transport Agreement (MCBRTA) – dealing with: operator registration, terms for registration of operators, registration of vehicles, registration of professional drivers, operator discs for cross-border operations and operating standards (equipment on vehicles, vehicle dimensions, loads on vehicles, transport of abnormal loads, transport of dangerous goods, testing stations and inspection of vehicles for roadworthiness, training and licensing of drivers and professional drivers and compliance with the vehicle overloading control (VOC))
- Draft Model Laws & Regulations
  - Vehicle Load Management
  - Cross Border Road Transport
  - Road Traffic (including Driver Quality and Vehicle Quality)
  - Transportation of Dangerous Goods
  - Road Traffic and Transport Transgressions

Further, a Draft Memorandum of Understanding on the Harmonization of Compulsory Third Party Motor Vehicle Liability Insurance Scheme has been developed, which is basically the COMESA Yellow Card scheme for the Tripartite COMESA, EAC and SADC.

**African Continent**

As part of the support to the Programme for Infrastructure Development in Africa - Priority Action Plan (PIDA PAP) for the start-up of smart-corridor activities, funded by the EU, a draft African Union Model Memorandum of Understanding on the Establishment of a Corridor Development Coordination and Management Institution (CDCMI) has been developed.

The draft MOU is outlined in Table 5.

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15 Part of a broader activity of support to the African Union Commission (AUC), Department of Infrastructure and Energy, in transport policy harmonization and transport services sector development.
<table>
<thead>
<tr>
<th>Corridor countries</th>
<th>Yet to be determined</th>
</tr>
</thead>
</table>
| Related REC agreements and MOUs | African Union Commission  
Regional Economic Communities  
Corridors  
National Corridor States |
| Length of corridor document | 33 pages (including Annexures); 22 Articles and 4 Annexures. |
| Date signed/ entered into force (EIF) | Draft only. |
| Scope | Article 2: Scope of the MOU  
(1) This MOU provides for the following:  
a) the establishment of the CDCMI by the Corridor States and for its composition;  
b) the objectives of the Corridor States in establishing the CDCMI;  
c) the legal status of the CDCMI;  
d) the objectives and functions of the CDCMI;  
e) the structure of the CDCMI at regional and corridor levels and a framework for institutional arrangements at individual Corridor State level;  
f) the outline of operational and administrative procedures of the CDCMI;  
g) the outline of financing arrangements for the CDCMI; and  
h) general provisions.  
(2) The provisions of this MoU shall apply to issues relevant to the movement of persons, goods and services within the perimeters of all the Corridor States. |
| Objectives | Article 5: Objectives and functions of the CDCMI  
(1) The main objectives and functions of the CDCMI shall be to:  
a) progressively design and implement the smart corridor concept within the Corridor taking into account the objectives and characteristics of a smart corridor as more fully described in Annexure “B” to this MOU;  
b) improve the quality and the reliability of the corridor infrastructure, ICT / ITS, transport and other logistic services within the Corridor;  
c) coordinate, integrate and optimize various corridor improvement initiatives and development projects undertaken by the stakeholders of the public sector, private sector, regional transport and trade facilitation institutions, REC and the AUC within the Corridor;  
d) advocate and lobby for conducive and harmonized legal and regulatory frameworks within the Corridor States;  
e) enhance the efficiency and cost effectiveness of the Corridor through the facilitation of the movement of persons, goods and services; |
f) monitor and review the performance of the Corridor; and in fulfilling its objectives and functions, the CDCMI shall exercise both executive and advisory authority.

g) market the Corridor with a view to increasing corridor utilization and financial viability of corridor management structures.

(2) In fulfilling its objectives and functions, the CDCMI shall exercise both executive and advisory authority.

Institutions: Composition and functions

Article 7: CDCMI Institutional Framework

(1) The CDCMI shall consist of organs and institutions at the Regional level (both AUC and REC), the Corridor level (all Corridor States) and at each Corridor State’s national level.

a) **Regional level:**
   i) Directorate responsible for Infrastructure and Directorate responsible for Trade at AUC; and
   ii) Directorate responsible for Trade and Transport at REC Secretariat.

b) **Corridor level:**
   i) Committee of Ministers;
   ii) Executive Management Committee; and
   iii) CDCMI Secretariat.

c) **National level of each Corridor State:**
   i) National Committee mandated to coordinate Trade and Transport facilitation; and
   ii) any other structures as deemed appropriate by each Corridor State.

---

**CDCMI ORGANOGRAM**

Key to lines of communication:

- **Official and formal**
- **Informal**
Institutions: Reporting
The reporting structure is shown in the above diagram.

Transit and Transport Issues
The draft MOU focuses on the progressive design and implementation of the smart corridor concept within the Corridor. Details of such a corridor are described in Annexure “B” to the MOU. The main text does not attempt to include details of international transport and border crossing in the manner of other agreements discussed above.

Funding
The activities of the CDCMI shall be funded from one or more of the following sources in accordance with the parameters of the Financial Sustainability Funding Mechanism at Annexure “D” to this MoU:

   a) annual membership fee contributions by the Corridor States as determined by the Committee of Ministers, in addition to Corridor Champions contributions, which shall be payable in advance from inception of the CDCMI;
   b) user – pay systems as shall be introduced at a time within the discretion of the Committee of Ministers and dependent on the existence of conditions conducive for their introduction;
   c) grants and donations from corridor stakeholders, international cooperating partners and other interest groups; and
   d) any other sources as may be approved by the CDCMI.

Source: Draft African Union Model Memorandum of Understanding on the Establishment of a Corridor Development Coordination and Management Institution (CDCMI).

Corridor in Asia

Table 6 outlines the main elements of the Intergovernmental Agreement on International North-South Transport Corridor.

<table>
<thead>
<tr>
<th>Table 6 Inter-Governmental Agreement on International &quot;North-South&quot; Transport Corridor and Statute of International “North-South&quot; Transport Corridor Coordination Council</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corridor countries</strong></td>
</tr>
<tr>
<td>Related REC agreements and MOUs</td>
</tr>
<tr>
<td>Length of corridor document</td>
</tr>
<tr>
<td>Date signed/entered into force (EIF)</td>
</tr>
</tbody>
</table>
| Competent Authority | India - Ministry of Surface Transport (Department of Shipping) and Ministry of Commerce and Industry (Department of Commerce);  
|                     | Islamic Republic of Iran - Ministry of Roads and Transportation;  
|                     | Russian Federation - Ministry of Transport [and Ministry of Railways]. |
| Objectives | The objectives of this Agreement shall be as follows:  
|             | (a) increasing effectiveness of transport ties in order to organize goods and passenger transport along the international "North-South" transport corridor;  
|             | (b) promotion of access to the international market through rail, road, sea, river and air transport of the state Parties to this Agreement;  
|             | (c) assistance in increasing the volume of international transport of passengers and goods;  
|             | (d) providing security of travel, safety of goods as well as environmental protection according to the international standards;  
|             | (e) harmonization of transport policies as well as law and legislative basis in the field of transport for the purpose of implementing this Agreement;  
|             | (f) setting up equal non-discriminative conditions for all types of transport service providers from all the Parties in transport of passengers and goods within the framework of the international "North-South" transport corridor.  
|             | In accordance with the above objectives the Parties shall make every effort aimed at:  
|             | a) reducing transit time for passengers and goods transport in their respective territories;  
|             | b) minimizing transit transport costs.  
|             | c) simplifying and unifying all administrative documentation and procedures (including customs) applicable to international transport of goods and passengers through their respective territories in accordance with the adopted international agreements and standards. |
| Institutions: Composition and functions | The Agreement established a Coordinating Council consisting of the Competent Authorities of the Parties. The council was mandated to adopt a Statute at its first meeting.  
|             | In the Statute, the functions of the Council included: (i) regulating the issues related to implementation and application of the provisions of the Agreement; (ii) consideration and settlement of any dispute, discord or claim among the Parties; (iii) suggesting any additions and amendments to the Agreement which may be introduced; (iv) recommendation of accession to the Agreement by the other countries.  
|             | In order to achieve its objectives the Council may establish the required Expert Committees to study, review and analyze available information and submit modalities, plans and proposals, inter-alia covering the following areas: (i) reducing transit time and providing security of travel, safety of goods as well as environmental protection according to international standards; (ii) reducing the cost or all modes of transport; (iii) elaboration of documents regulating the transport process and simplifying and unifying documents and regulations and drawing up uniform documents; (iv) economic evaluation of the corridor, forecasting the volume of movement of cargo and passengers, marketing and attracting investments and stipulating procedures regarding cooperation with international organizations; (v) developing transport infrastructures and prioritization; (vi) propagating and advertising the corridor capabilities; (vii) laying technical specifications for all modes of transport and corridor infrastructure; (viii) coordination of transportation concepts.  
|             | (The proposals and recommendations by the aforesaid committees will be implemented after approval by the Council.) |
The Islamic Republic of Iran acts as Repository for the Agreement and it is understood that it performs secretariat functions (e.g. maintenance of the website).

Private Sector Participation

The Statute states that “The Council will have the authority to invite any entity or person directly associated with the execution of the Agreement to attend a particular meeting of the Council, provided members of the Council are consulted in advance in this regard and Parties agree to their participation.”

“Transport, economic, commercial, investing, technical and institutions directly related to the implementation of the Agreement may apply to be an observer at a particular meeting of the Council or on a permanent basis.”

“Such invitees as referred to above will not take part in the decision making of the Council.”

Institutions: Frequency of Meetings

The Coordination Council shall meet at least once a year or upon a request made by any party to the Agreement.

Institutions: Reporting

The Coordinating Council approves proposals and recommendations of the Expert Committees.

Transit and Transport Issues

Article 4 of the Agreement grants the other Parties the right of international transit of passengers, goods and transport means, through its respective state territory on the terms and conditions stipulated by this Agreement as well as a multiple entry visa regime for personnel engaged in international transit of goods and passengers as per the procedure laid down by the respective Parties.

See “Institutions: Composition and functions” above.

Funding

The Islamic Republic of Iran is the Repository and it is understood that it supports secretariat activities (e.g. maintenance of the website).

Summary of Formal Agreements

1. Objectives

The five agreements have similar objectives, the most common phrasing being “to facilitate the flow of goods and persons”. In addition, the full infinitives “to cooperate” and “to coordinate” are also used in the statements of objectives.

2. Legal Framework

In order to “facilitate the flow of goods and people” a legal framework consisting of a set of agreements (bilateral, subregional, regional, multilateral, international etc.), protocols, rules, procedures and best practices is established.

In the case of Corridor X, the principal legal framework is derived from European Community Directives, UNECE Agreements and European Standards and in the case of NCTTA and TKC, the legal framework derived from subregional agreements, including their protocols and annexes, of COMESA and SADC (and SACU in the case of TKC).

The African Union CDCMI draws upon a number of sources for its legal framework including the Union’s definition of a Smart Corridor’s key ITS components (computerized networks infrastructures, Electronic Data Interchange (EDI) and software) including:

- Cross border Trade Community Data Hub (TCDH) & Electronic Data Interchange (EDI);
- Customs Management Systems (CMS) connected through the TCDH / regional network;
- Customs Risk Management Systems for cargo physical examination selection;
- Electronic payment systems between stakeholders’ banks via the TCDH;
- Real time monitoring and tracking system for cargo and vehicle movements - GPS/GPRS tracking
- Devices and electronic seals for all types of cargo transport vehicles;
- Corridor Coordination Entity (CCE) statistical performance monitoring and reporting system;
- Customs Transit Security Bond Guarantee monitoring software at regional level;
- X-ray Cargo Scanners remote image analysis at destination for cargo examination
- Weigh-in-motion weighbridges automated and interconnected to the TCDH;
- Electronic toll portal equipment on highways;
- Electronic application / delivery of authorizations /credential by government agencies; and
- Traffic information / route status / alerts - data collection and report delivery to corridor users,

It also draws upon the WTO Trade Facilitation Agreement (TFA) which entered into force on 22 February 2017, and includes:

- National Single Windows;
- Coordinated Border Management;
- One Stop Border Posts;
- Common Customs declaration form - Single Administrative Document (SAD);
- Customs procedures modernization and streamlining (e.g. Pre-arrival clearance); and
- Risk Management based procedures for Customs physical examination,

Further, it draws upon implementation of the Regional Economic Communities’ agreed transport and trade facilitation policies, laws, regulations, procedures and safety measures, and implementation of quality transport infrastructures.

By way of contrast, all of the members of INSTC (collectively) do not belong to one specific subregional organization and consequently they do not have a sub-regional legal framework to draw upon. As a result, they have largely relied upon “harmonization of transport policies as well as law and legislative basis, in the field of transport, for the purpose of implementing the Agreement” (Note that India’s accession to the TIR Convention on 15th June 2017 expands the legal framework for the INSTC).

3. Institutional Framework

With some exceptions, the institutional structures at the corridor level outlined in the five agreements consists of three tiers namely, a Ministerial Council or Committee; an Executive, Management or Steering Committee; and Specialized or Operations Committees or Working Groups or Expert Groups. This structure is supported by a secretariat. At the national level, there are also National Committees.

3.1 Composition

Ministerial Committee, as their name implies, is comprised of ministers.
The composition of the second tier Executive, Management or Steering Committees varies. In the case of NCTTA it is comprised of permanent secretaries or equivalents responsible for transport; Corridor X representatives of the MOU participants; INSTC, Competent Authorities of the Parties (Ministries of Transport); CDCMI, the Permanent Secretary or equivalent designation of the Ministries designated by each Corridor State with responsibility for development of corridors in each of the Corridor States, one representative appointed by the private sector associations grouping of each Corridor State; and one representative each appointed by the REC and the regional transport and trade facilitation institutions. The composition of the TKCMC follows the SADC Protocol on Transport, Communications and Meteorology which ends a list of public and private stakeholders with “any other stakeholders”.

The TKC however also has an Operations Committee which is composed of the Chairperson of the TKCMC; two officials each representing one of the Competent Authorities of different signatory states than the one represented by the Chairperson; and not more than three members nominated by the Contracting Parties representative of the private sector in the signatory states.

The composition of the third tier Specialized or Operations Committees or Working Groups or Expert Groups usually focus on more specific issues including private sector committees. For example, INSTC has an Expert Group on “Commercial and Operational matters” (speedier container movements, review of bonded warehousing facilities, common liability regimes, multiple visas, rational and minimum service and other taxes, and joint venture possibilities for promoting freight forwarding services); and “Documentation, Customs matters and related issues” (harmonizing documentation and information sharing systems, relaxing of customs supervision and inspection by avoiding breaking of seals while containers are in transit). And, the NCTTA has five committees: Transport Policy and Planning Committee; Customs and Transit Facilitation Committee; Infrastructure Development and Management Committee; Private Sector Investment Promotion Committee; and Northern Corridor Public-Private Stakeholders Forum.

3.2 Functions

Starting with the third tier, the main function of the Specialized or Operations Committees or Working Groups or Expert Groups is identification of issues and problems and formulation of proposals for consideration of the second tier Executive, Management or Steering Committee. The second tier accepts or rejects the proposal or submits them to the first tier Ministerial Committee whose functions include policy making, budget approval and resource mobilization.

3.3 Frequency of Meetings

The first tier Committees generally meet annually, the second tier twice a year and the third tier at least once a year, an exception being the TKCMC which meets quarterly.

3.4 Reporting

As indicated above reporting is from third tier to second tier and second tier to first tier.

4. Implementation

Implementation is based upon the “Legal Framework” discussed above.

Given that the agreements in the “Legal Framework” are intergovernmental agreements, responsibility for implementation lies with the countries acceding to the agreement. This is reflected, particularly in the African agreements where the text “directs” implementation in five main ways: (i) placing responsibility directly on the Parties (e.g. “the parties shall ...”); (ii) requiring harmonization of conditions for international transport from the Parties; (iii) referencing one of the protocols; (iv) referencing instruments developed by COMESA; and (v) referencing international instruments e.g. UN Layout Key for Trade Documents.
However, the extent to which Parties received support (technical assistance, workshops etc.) through the institutional arrangements outlined in the agreement remained unidentified and unanalyzed at the time of submitting this report. For example, references to Strategic Plans for the Northern Corridor 2012-2016\textsuperscript{16} and 2017-2021 have been found but their texts and evaluation of the 2012-2016 Plan unidentified. Similarly, reference to a Trans-Kalahari Corridor Management Committee (TKCMC) Strategic Plan, 2016-2020\textsuperscript{17} has been found but text unidentified.

In the absence of these documents, the stated achievements of the NCTTA and TKCMC are used. Boxes \textbf{3 and 4} illustrate achievements of these two corridors.

\textsuperscript{16} The five strategic objectives (SO) of the 2012-2016 Strategic Plan were: SO1: Development of opportunities and incentives for increased private sector investment and participation in the Northern Corridor; SO2: Expansion, modernization and improvement of Transport Infrastructure and service relating to road, rail, pipeline, ports, inland waterways, Border Posts, terminals, communication systems and other related facilities; SO3: Harmonization and Streamlining of policies and legal framework for transport and Trade facilitation; SO4: Enhanced Knowledge Management and Capacity Building; S05: Performance Monitoring and Evaluation [http://www.ttcanc.org/documents/TOR_STRATEGIC_PLAN.pdf].

\textsuperscript{17} Policy Statement Delivered by John Mutorwa, MP and Minister of Works and Transport (MWT) at the Trans-Kalahari Corridor Secretariat (TKCS) Information Session, on 24 April 2019 Windhoek Namibia. <http://www.mwt.gov.na/documents/98944/690341/Policy+Statement.pdf/72e6cdf5-b425-48b9-bba4-e6afe7c6a84d>
Box 3 Trans-Kalahari Corridor – Achievements, Projects to be Undertaken and Challenges, 2015

The Trans Kalahari Corridor (TKC)

Achievements

- Among the TKCMC achievements are the establishment of the Secretariat
- The introduction of the Customs Single Administration Document (SAD 500), which ensures commercial traffic clearance of between 20 to 30 minutes at border points on the Corridor. This document was subsequently rolled out to all SACU countries and is being rolled out to other corridors in the region.
- Completion of a Feasibility Study for Truck Stops on the TKC
- Adoption of a multi-year Action Plan that directs focus on key sector deliverables namely Customs & Transit Facilitation and Transport & Business Development and Marketing.
- Development of a 5-year Strategic Plan.
- Development of the TKC Client Service Charter in 2011
- A substantial increase in both passenger traffic and commercial traffic since 2000 to date.
- Development of harmonized weighbridges
- Alignment of the closing times of the Zeerust weighbridges with border closing times
- Reduction of border clearance (dwell) time from over several hours to less than 1 hour with a minimum of 30 minutes clearance if all documentation meets requirements.
- Adoption of a common through bond to cover the movement of goods along the entire corridor, thus replacing multiple bond systems that existed before.
- Harmonization of axle load limits from 8.2 to 9 tones effective 17 June 2008
- Harmonization of border operating hours from 22h00 to 00h00 midnight at Mamuno (Botswana) and Trans Kalahari (Namibia) and Pioneer Gate (Botswana) and Skilpadshek (South Africa) border posts.
- Adoption of common transit procedures.
- Adoption of streamlined legislations and harmonized Customs procedures to facilitate transit traffic along the corridor.
- Fencing along TKC completed October 2013
- Increased commercial and passenger traffic from less than 5% in 2000 to nearly 50% (commercial) and over 60% (passenger) to date

Projects to be Undertaken

- To support the Member States’ developmental initiatives such as the transport Master Plan, development of transport and logistics hubs, the TKCMC will have to run with the following projects and strategic initiatives:
  - Review of the Strategic Plan with view to enhance initiatives related to trade facilitation
  - Development of Marketing and Communication strategy
  - Corridor performance Monitoring system (Transport Observatory)
  - Enactment and enforcement of the legislation on the transportation of dangerous goods
  - One Stop Border Post (OSBP) at Mamuno
  - Road Transport Management System (RTMS)
  - Promote the Dry Port
  - Movement toward implementation of an integrated bond guarantee arrangement;
• Give technical advice to member states by conducting research and writing paper that can advise decision by member states
• Development of Wellness Centres
• Development of Truck Ports
• Harmonization of road traffic laws along the corridor;
• **Harmonization of driver training/testing/licensing**;
• **Harmonization of vehicle testing standards**
• **Implementation of the Cross Border Vehicle Overload Control System (CBVOCS)**
• **Application of risk management techniques for selective inspection of goods**;
• Collaborate with SACU on the **Preferred Trader Programme**
• Review and implement the service charter between government agencies and stakeholders;
• **Harmonization of road user charges systems/methodology**
• Harmonization of PrDPs
• Strengthening security of freight along the corridor to comply with international requirements; *(Use of Electronic Logbooks to Improve Efficiency, Safety, Security in Commercial Bus & Truck Industries)*
• Establishment of a data and information collection and dissemination system for corridor performance monitoring *(Develop TKC as a Transport Corridor Observatory)*
• Collaborate with SACU and the World Bank in conducting a Trade and Transport Facilitation Assessment (TTFA)
• Progress work on a **regional customs connectivity** project between Botswana and Namibia (Cloud)

**Challenges**

• One Stop Border Post
• Connectivity (Cloud System)
• Road Safety
• Rest Stops
• Botswana volumes low (historical factor)
• Delays with the Trans Kalahari border with the processing of acquittals.
• Delays in the release of Road Bonds results in traders having to wait for a long time for the next cargo to move thus affecting just in time deliveries
• The increase of work volume not commensurate with manpower contribute to delay.


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**Box 4 Northern Corridor Transit and Transport Agreement – Achievements**

<table>
<thead>
<tr>
<th>NCTTCA website</th>
</tr>
</thead>
<tbody>
<tr>
<td>In line with the Northern Corridor Transit and Transport Agreement, the achievements of the NCTTCA include but not limited to;</td>
</tr>
<tr>
<td>• Enhanced cooperation among the Member States.</td>
</tr>
</tbody>
</table>
• Elimination of multiple security bonds and multiple customs declarations.
• Creation of the implementing institutions in Member States such as Road Authorities, Road Maintenance Funds, National Road Safety Authorities, Revenue Authorities, etc.
• Interfacing of Customs Systems and joint verification of multiple Customs documents.
• Reduction of roads, police, and customs roadblocks.
• Introduction of High Speed- Weigh-In-Motion Systems to reduce multiple weighbridges along the Corridor.
• Decongestion of Mombasa Port by streamlining and automating the procedures and operations.
• Domestication of some RECs polices such as the implementation and effective monitoring of EAC Vehicle Load Control (VLC) and some COMESA Trade Facilitation Instruments.
• Harmonization of National Customs Laws and Instruments.
• Ratification of the Agreement by the Member States.
• Expansion of the corridor membership from five to six Member States.
• The Northern Corridor has constantly advocated for public-private partnerships in Member States to stimulate investment and encourage development.
• Mobilization of funding for rehabilitation of major highways to ensure road quality according to the International Roughness Index (IRI).
• Advocacy for adequate border infrastructure such as One Stop Posts and related facilities to minimize Customs procedures and transit times.
• The various studies conducted by NCTTCA provided for improved planning and decision making on issues related to transport and trade facilitation in the Member States.
• Effective Monitoring System through Transport Observatory and Dashboard.
• The Northern Corridor Green Freight Transport Programme (NCGFTP).

World Bank
Lower transit costs and transport times along a key road route linking Kenya’s international seaport at Mombasa with Uganda and other countries in Africa’s interior, aiding trade between these interior countries and the outside world:

• Transit times at the border have now been reduced from three days to three hours;
• Dwell time at the port of Mombasa is down from 19 to 13 days, and transit time along the Mombasa-Nairobi-Kampala section of the route has dropped from 15 to five days;
• Processing times at the Mombasa Port have been lowered due to information sharing among agencies;
• Joint inspection of cargo and exchange of electronic information due to increased cooperation between Kenyan and Ugandan agencies;
• Efforts are underway to develop a one-stop border post.


5. Stakeholder Participation
Stakeholder participation, particularly private sector participation, is generally supported in the agreements. In the case of the Working Group for Corridor X, “Representatives of stakeholder groups may also be invited, as appropriate”; for the NTCCA, there is a Private Sector Investment Promotion Committee; and a Northern Corridor Public-Private Stakeholders Forum (which “consolidate their views
and put forward recommendations to the Permanent Secretariat for onward submission to the Executive Committee for review and consideration by the council of Ministers”); for the TKCMC all stakeholders are included in the membership while the Operations Committee includes “not more than three members nominated by the Contracting Parties representative of the private sector in the signatory states”; and for the INSTC, “Transport, economic, commercial, investing, technical and institutions directly related to the implementation of the Agreement may apply to be an observer at a particular meeting of the Council or on a permanent basis” (however, such invites will not take part in the decision making of the Council).

In the case of the Namibian National WBCG the private sector is represented by private sector associations.

6. **Resources**

Generally, financial resources for the secretariat are drawn from one or more of the following: contributions of contracting parties; funding of specific activities by donor agencies; or exacting a levy on goods using the corridor. In some cases, this may involve contributions from the host country only.

7. **Studies and Guidelines**

Undertaking or commissioning studies that identify physical and non-physical barriers to corridor development as well as forming the basis for the development of strategic plans, master plans and work programmes is a feature of management of the corridors discussed above.

On the Northern corridor these include: The Northern Corridor Infrastructure Master Plan (2011); Analytical Comparative Transport Cost Study along the Northern Corridor Region Volume (2010); The Northern Corridor Spatial Development Study(NCSDS) (2010); Project for Master Plan on Logistics in Northern Economic Corridor (JICA, 2017); and The Northern Corridor Time Release Study (2017).

In addition, the NCTTA has produced a number of guidelines including: Transport Policy Common Guidelines for the Northern Corridor Member States (2011); Border Clearance Guidelines (2014); Regional Trade Facilitation Instruments and Strengthening of Northern Corridor Trade Facilitation Committees (2015); and Northern Corridor PPP Handbook and Guidelines (2016).

8. **Monitoring**

Monitoring of border crossing and transit performance (either implemented or planned) is also a feature of management of the corridors discussed above.

The Northern Corridor Transit and Transport Coordination Authority, for example, publishes a Monthly Port Community Charter Report, a Quarterly Northern Corridor Performance Report and a Biannual Northern Corridor Transport Observatory Report as well as having a Northern Corridor Transport Observatory website <http://top.ttcanc.org/index.php>.

9. **Other considerations**

As indicated earlier in this chapter, East and Southern Africa has a number of subregional organizations, with overlapping membership, each of which has their own agreements addressing transport, transit and corridors. However, the African Economic Community is currently going through a process of harmonization of regional economic communities. In this respect, the Treaty Establishing the African Economic Community, 3 June 1991 states that “In order to promote the attainment of the objectives of the Community, … the Community shall, by stages, ensure: (a) The strengthening of existing regional economic communities and the establishment of other communities where they do not exist; (b) The conclusion of agreements aimed at harmonizing and coordinating policies among existing and future sub-regional and regional economic communities”. Amongst others, this will lead to harmonization of the “Legal Framework” for corridors as was illustrated above under Tripartite Agreement between COMESA, EAC and SADC.
Chapter 2: Review of the comparative study and related corridors

Introduction

As indicated in the introduction to this report, the four corridors under the comparative study are:

a) Republic of Korea – China – Central Asia – Russian Federation – further to Europe;
b) ASEAN member states – China – Russian Federation - further to Europe [potential corridor];
c) China – Mongolia – Russian Federation; and
d) India – Islamic Republic of Iran – Azerbaijan – Russian Federation («North – South International Transport Corridor»).

The first two of these corridors are however extensions of existing “working corridors” to the Republic of Korea (and Japan) and to ASEAN countries. Consequently, these extensions cannot be considered in isolation from the corridors to which they connect.

These two “working corridors”, also referred to as “related corridors” in the title to this chapter, are the New Eurasian Land Bridge Economic Corridor (NELBEC) and the Trans-Siberian Railway (TSR).

This chapter will therefore consider the coordination/ institutional arrangements of the New Eurasian Land Bridge Economic Corridor (NELBEC) and the Coordinating Council on Trans-Siberian Transportation (CCTT), as well as a discussion of their extension to the Republic of Korea, Japan and ASEAN. It will then consider the China-Mongolia-Russia Economic Corridor (CMREC) and the International North – South Transport Corridor.

In chapter 1, the framework for discussing the corridors was the structure of the agreement upon which corridor was based. With the exception of INSTC, the Study corridors do not have formal agreements covering their whole length. Consequently, a slightly different framework is used for these corridors where their characteristics are described under the following headings (as appropriate and where information is available):

<table>
<thead>
<tr>
<th>1. Background</th>
<th>5. Roles &amp; Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Infrastructure (and Services)</td>
<td>6. Institutional Framework</td>
</tr>
<tr>
<td>3. Traffic Volume</td>
<td>7. Related Subregional Initiatives</td>
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<tr>
<td></td>
<td></td>
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<tr>
<td>9. Resources</td>
<td>10. Participation of Stakeholders</td>
</tr>
<tr>
<td></td>
<td>11. Monitoring</td>
</tr>
</tbody>
</table>

For consistency and comparison, the INSTC will also be considered within these headings.
Characteristics of the study and related corridors

New Eurasian Land Bridge Economic Corridor (NELBEC)

1. Background

The New Eurasian Land Bridge Economic Corridor is essentially a railway corridor. In contrast to the corridors in Europe and Africa discussed above, it does not have a formal agreement for the whole length of the corridor. Instead, it relies, amongst others, upon the vision of the Belt and Road Initiative and supporting measures (for example customs-related measures, infrastructure financing, the China-Europe Railway Construction and Development Plan (2016-2020), OSJD’s agreement on combined transport, multilateral inter-railway agreements and bilateral agreements.

The countries along the China-Europe “New Eurasian Corridor” include China, Kazakhstan, the Russian Federation, Belarus and EU members.

The main infrastructure for the corridor has been available since 1990 following the completion of the section between Urumqi and Alashankou. This allowed rail transport between China and Kazakhstan (and onwards to Europe), the first freight train traveling along the line in July 1991.

2. Infrastructure (and Services)

The further development of transport infrastructure and services along the NELBEC are illustrated in the “Sino-European Railway Construction Plan” (2016-2020), an extract of which is shown in Box 5. Some of the elements of the plan include: promotion of the plan with the countries along the Corridor; construction of logistics hub facilities and promotion of logistics services; satellite positioning to increase container security and intelligent anti-theft facilities; and strengthening international customs cooperation between countries along the line.

<table>
<thead>
<tr>
<th>Box 5 Summary of Tasks in “Sino-European Railway Construction and Development Plan (2016-2020)”</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improve international trade linkages: focus on improving the domestic railway network; actively promote the development of the Eurasian railway plan with the countries along the Eurasian Corridor, and steadily promote the construction of overseas railways.</td>
</tr>
<tr>
<td>• Strengthening the construction of logistics hub facilities: build large-scale integrated logistics centers with multimodal transport functions at hubs along the corridor</td>
</tr>
<tr>
<td>• Strengthening the integration of resources: optimize transportation organization; strengthen cooperation with large-scale logistics enterprises, port enterprises and freight forwarding companies at home and abroad; encourage Chinese enterprises to set up offices in key overseas regions, promote joint ventures to establish business outlets, and improve overseas logistics operations capabilities; strengthen brand building (fixed trains, routes, timetables and full-time operations, traveling to and from China)</td>
</tr>
<tr>
<td>• Innovative transportation service mode: provide full logistics services; expand international mail transportation; improve logistics value-added services; promote the establishment of a unified rules system (WCO, OSJD, UIC and UPU)</td>
</tr>
<tr>
<td>• Establishing a price mechanism: in accordance with market rules, changes in traffic volume, the principle of volume and price bundling, establish a flexible China-Europe train pricing mechanism.</td>
</tr>
<tr>
<td>• Building an information service platform: promote the development of logistics public information platform; strengthen intelligent monitoring and supervision (satellite positioning technology to increase container security and</td>
</tr>
</tbody>
</table>

18 The vision of a Eurasian Landbridge has been an important part of foreign policy of a number of Asian countries, with, for example, China and Japan in 1998 confirming that they would promote cooperation in enhancing transportation and distribution infrastructure from East Asia to Central Asia.
intelligent anti-theft facilities; maintain close communication with countries along the route, establish a safety cooperation mechanism between China and Europe, improve the monitoring capability of the trains and ensure the safety of cargo transportation).

- Promoting the facilitation of large customs clearance: strengthen international customs cooperation between countries along the line; promote the integration of inspection and quarantine; expand the number of dry ports; timely amend and improve bilateral land border management agreements.

(see also <http://www.ndrc.gov.cn/zcfb/zcfbghwb/201610/P020161017547345656182.pdf> for full text).

3. Traffic Volume

Table 7 shows the build-up of traffic between China and Europe. As with any “new product”, sales (traffic volumes) take time to grow to viable levels. In this case, traffic doubled every year (tripling between 2013 and 2014), taking six years to build up from a zero base to over 300,000 TEUs in 2017. The Table also illustrates a gradual balancing of westbound and eastbound traffic where in the first three years there was no eastbound traffic.

<table>
<thead>
<tr>
<th>Year</th>
<th>Direction</th>
<th>Container Block Trains</th>
<th>TEU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Westbound</td>
<td>17</td>
<td>1,404</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2012</td>
<td>Westbound</td>
<td>42</td>
<td>3,674</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2013</td>
<td>Westbound</td>
<td>80</td>
<td>6,960</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>Westbound</td>
<td>280</td>
<td>23,804</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td>28</td>
<td>2,266</td>
</tr>
<tr>
<td>2015</td>
<td>Westbound</td>
<td>550</td>
<td>47,132</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td>265</td>
<td>21,770</td>
</tr>
<tr>
<td>2016</td>
<td>Westbound</td>
<td>1,130</td>
<td>97,499</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td>572</td>
<td>48,394</td>
</tr>
<tr>
<td>2017</td>
<td>Westbound</td>
<td>2,399</td>
<td>212,000</td>
</tr>
<tr>
<td></td>
<td>Eastbound</td>
<td>1,274</td>
<td>105,930</td>
</tr>
</tbody>
</table>


4. Policy and Legal Framework

The policy framework for the NELBEC consists of a number of promotional, technical assistance and infrastructure financing and construction elements. The principal elements include:

- Vision and Action to Promote the Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, 28 March 2015;
- China-Europe Railway Construction and Development Plan (2016-2020), October 8, 2016; and
• General Administration of Customs, China, “Belt and Road Initiative, 16 customs-related measures”, 28 June 2015.

In addition, the legal framework is derived from various legal instruments which are used to address specific issues along all or part of the corridor including:

- OSJD Agreement on Organizational and Operational aspects of Combined Transport in Communication Europe – Asia as of August 1, 2018;
- Agreement for Further Cooperation on China-Europe Container Block Trains among the Railways of China, Belarus, Germany, Kazakhstan, Mongolia, Poland and Russia, 20 April 2017 (see below);
- Single CIM/SMGS common consignment note (since 1 May 2017); and
- Belt and Road Initiative, bilateral agreements with countries and regional groupings (e.g. bilateral agreements between customs authorities and the Memorandum of Understanding on establishing a Connectivity Platform between the EU and China, 28 September 2015).

Further, there has been a number of commercial arrangements that have facilitated the movement of traffic on the corridor including:

- JSC United Transport and Logistics Company – Eurasian Rail Alliance (UTLC-ERA) whose shareholders of are: JSC Russian Railways, the National Union Belarusian Railway and JSC National Company Kazakhstan Temir Zholy (see below).

5. Institutional Framework

The key feature of the NELBEC is that whilst it has a guiding policy, it does not have a formal agreement that encompasses the whole corridor. Instead, it is comprised of a “jigsaw” of agreements, including those mentioned above which collectively ensure the operationalization of the corridor.

To the extent that there is an institutional framework, each of the agreements in the jigsaw has its own institutional arrangements which deal with the specialized issues of those specific agreement. In this respect, there are similarities with corridors that have formal agreements, as the institutional framework for those specific agreements will also have a number of committees, working groups or expert groups dealing with specialized issues.

6. Related Sub-regional Initiatives

The importance of the Belt and Road Initiative in general, is reflected in the 2017 Agreement on Economic and Trade Cooperation between the Eurasian Economic Union and its Member States and the People’s Republic of China which states in one of its preambular paragraphs that “RECOGNIZING the importance of economic integration in the Asia-Pacific and Eurasia and the importance of conjunction of the Eurasian Economic Union and the Belt and Road Initiative as a means of establishing strong and stable trade relations in the region.”

The Belt and Road Initiative in general, is also reflected in the 2018 Joint statement of the 20th EU-China Summit, which stated that:

The two sides will continue to forge synergies between China’s Belt and Road Initiative and the EU’s initiatives, including the EU Investment Plan and extended Trans-European Transport

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19 Agreement on Economic and Trade Cooperation between the Eurasian Economic Union and its Member States, of the one part, and The People’s Republic of China, of the other part, Astana, 17 2017 (Followed up by the Trade and Economic Cooperation Agreement between the People’s Republic of China and the Eurasian Economic Union, 18 May 2018).

Networks, and to promote cooperation in hardware and software connectivity through interoperable maritime, land and air transport, energy and digital networks. The two sides stressed that this cooperation should improve the economic, social, fiscal, financial and environmental sustainability of Europe-Asia connectivity. Such cooperation should abide by the shared principles of market rules, transparency, open procurement and a level playing field for all investors, and comply with established international norms and standards, respective international obligations, as well as the law of the countries benefitting from the projects, while taking into account their policies and individual situations.

Of particular interest are the institutional mechanisms (Connectivity Platform) referred to in the EU-China Joint Statement:

The two sides welcomed the progress achieved under the EU-China Connectivity Platform and the successful holding of the third Chair’s Meeting, the third Working Group on Connectivity, and the third meeting of the investment and financing cooperation expert group.

On 28 September 2015, the European Commission and the Chinese government signed a "Memorandum of understanding on establishing a Connectivity Platform between the EU and China" with the objectives to strengthen information exchange, promote seamless transport connections and transport facilitation, synergize related policies and projects, create cooperation opportunities for Chinese and European enterprises, and an open, and transparent environment and a level playing field for investment in transport and other fields.

The 3rd Chairs' Meeting of the EU-China Connectivity Platform on 15 July 2018, requested the implementation of a short-term action plan which included four main actions: (i) Deepen strategic planning synergies (including, strengthen the synergies between China's Belt and Road Initiative and the EU's Trans-European Transport Network's policy); (ii) Cooperation in corridor infrastructure development (including, jointly conduct an "EU-China Railway Corridor Study" to define the most appropriate railway corridors, identify bottlenecks, identify and prioritize the missing links to improve the capacity and efficiency of rail corridors); (iii) Cooperation to improve the quality of infrastructure and related services (including, deepen the discussion on the cooperation in infrastructure standardization). Continue to carry out cooperation in technical standards systems for railways, highways, water transport, and civil aviation; and (iv) Develop green transport infrastructure (including, exchange experiences on green and low-carbon transport infrastructure, and facilitation of training and exchanges between government departments and enterprises from both sides on development pathways for green and low-carbon transport infrastructure).

At the 4th Chairs' Meeting of the EU-China Connectivity Platform, 8 April 2019, the Terms of Reference of the Joint Study on Sustainable Railway-based Comprehensive Transport Corridors between Europe and China were agreed. In the Background and Context to the TOR it was stated that the Study “should identify and propose missing sections to be filled, solutions for interoperability and operational bottlenecks as well as safety and security issues and various non-technical barriers, and it should propose measures to improve the capacity and efficiency of the thus identified corridors (a “project pipeline”). Trade flows assessment and forecast will underpin the identification of corridors.”

In “identifying and proposing missing sections to be filled, solutions for interoperability and operational bottlenecks …”, the EU China Connectivity Platform is implementing one of the important functions of corridor coordination.

7. Leadership

Policy leadership and support in substantive areas, including financing support and technical assistance, is being led by China. However, as the concept of the Belt and Road Initiative has evolved there has been
increasing cooperation on the corridor (see above “Related Subregional Initiatives” and below “Resources”).

8. Resources

Deficiencies in policy or institutions, or inadequacies in the financial, human and technological resources needed to deliver the infrastructure and services required along a corridor are the root causes of the corridor not meeting expectations.

The identification of a “project pipeline” indicated in the EU-China Connectivity Platform Study above is the first step in a process of addressing inadequacies in financial resources.

Another important function of corridor coordination is technical assistance for human resources development. In this respect, China’s General Administration of Customs issued, in 2015, a 16-Point Policy to Support “Belt and Road”21. Measures proposed in this policy included the establishment of a customs college and promotion of bilateral customs cooperation:

“In order to meet the needs of customs capacity building in the countries along the route, the Shanghai Customs College will establish the ‘One Belt and One Road’ international customs capacity building training institute, and establish a ‘One Belt, One Road’ customs education and training cooperation special fund to build a wider education and training cooperation platform to strengthen cooperation with customs officers in the countries along the route.”

China General Administration of Customs “will promote bilateral and pragmatic cooperation with customs in the countries and regions along the line in joint supervision, AEO (Authorized Economic Operator) mutual recognition, safe and intelligent trade routes, risk management, data exchange, law enforcement, and capacity building to improve the efficiency of border crossings and maintain border security.”

9. Participation of Stakeholders

The mechanisms for stakeholder participation are similar to those for China-Mongolia-Russian Federation Economic Corridor (CMREC) (see section below).

10. Monitoring

It appears that there is no publicly available data on the performance of the NELBEC. However, GPS tracking of containers is used on the corridor. Consequently, the data is available to monitor border crossing times and transit times on various sectors of the corridor is readily available.

Independently of the NEBEC, the ADB CAREC programme corridor performance measurement and monitoring (CPMM) tool22 collects and publishes data on an annual basis (the CPMM is discussed further under the China-Mongolia-Russia Economic Corridor).

Republic of Korea and Japan—China – Central Asia – Russian Federation – further to Europe

Commercial and other sources suggest that there are a number of routings available from Japan and the Republic of Korea via of the Trans-Siberian Railway, Trans-Manchurian Railway or the “Trans-China Railway” (NELBEC). Some of these consist of a sea leg to a port in China then a rail leg to Europe. Others consist of a sea leg to a port in China, a road transport leg to an inland rail consolidation terminal then a rail leg to Europe. (Nippon Express also advertises a service that combines air transport from


major airports in Japan (Narita, Haneda, Chubu, Kansai) to Chongqing, China, with rail transport from Chongqing to Duisburg, Germany.

Consequently, the NELBEC, Trans-Siberian Railway and Trans-Manchurian Railway are used to extend services to the Republic of Korea and Japan.

Examples of services on the NELBEC (discussed above) are given in the next section followed by consideration of the characteristics of the Coordinating Council on Trans-Siberian Transportation (CCTT) as well as examples of Trans-Siberian and Trans-Manchurian Services.

Illustrative Services from Republic of Korea and Japan on the NELBEC

The following are extracts from commercial sources\(^{23}\), which illustrate the services offered between Japan and Republic of Korea to Europe.

1. **Nippon Express**

*Nippon Express climbs aboard China's Belt and Road Initiative: New service to carry goods from port along East China Sea to Europe, 30 September 2017*

Nippon Express and Kazakhstan's state railway company have teamed up to start carrying cargo from China's east coast, through Central Asia and on to Europe.

Nippon Express hopes to generate and meet demand for carrying goods directly from Japan and other countries to Europe.

The company currently has a service that carries goods to Europe through Central Asia, beginning in Chongqing and other inland locations in China. It does not operate in China's coastal areas, where many Japanese companies operate.

*Source: [https://asia.nikkei.com/Politics/Nippon-Express-climbs-aboard-Chinas-Belt-and-Road-Initiative](https://asia.nikkei.com/Politics/Nippon-Express-climbs-aboard-Chinas-Belt-and-Road-Initiative)*.

2. **Nippon Express**

*Nippon Express to Begin Intermodal Through Transport Services between Japan and Europe Using China-Europe Rail Transport, 15 May 2018*

Eurasia Train Direct (Sea & Rail) *Route: Japan - Dalian - Duisberg*

This service combines maritime transport from major ports in Japan (Tokyo, Yokohama, Nagoya, Osaka, Kobe) to Dalian, China, with rail transport from Dalian to Duisberg, Germany, and offers lead time from Tokyo Port to Duisberg Railway Terminal 28 days in the shortest.


3. **Nissin Corporation**

*Japan firms try out China's 'Belt and Road' cargo transport to Europe, 15 October 2018*

Japanese and Chinese logistics firms are paving the way for an alternative route to ship cargo from Japan to Europe faster than by sea by exploiting China’s “Belt and Road” initiative designed to improve regional cooperation and connectivity.

\(^{23}\) Note: It is recognized that commercial sources do not always reflect reality. However, it is believed that these extracts broadly reflect the types of services offered.
Major Japanese logistics firm Nissin Corp. and Sinotrans, China’s largest integrated logistics service provider, joined hands this summer to undertake a sea-and-rail shipment trial from the Far East to Western Europe via China and Central Asia.


4. Sinotrans

Sinotrans Limited, Land-bridge Sea-rail Transport

Sinotrans arranges rail transshipment of sea cargo originated from Japan, Korea, Hongkong, Southeast Asian countries, North America, etc. via Chinese seaports (Tianjin, Qingdao, Lianyungang etc.) to Russia, Mongolia, Central Asia, CIS and European countries passing through the territory of China, and in opposite directions.


5. DHL

New Korean connection expands China-Europe rail service, 29 June 2017

New services continue to expand the China-Europe rail system, with DHL setting up ocean links connecting South Korea to its multimodal network and Kerry Logistics rolling out weekly less-than-container-load (LCL) services.

DHL Global Forwarding has set up new ferry services from Incheon and Busan to a range of Chinese ports including Shanghai, Taicang, and Lianyungang. South Korean shipments will then travel via truck to major inland hubs in cities including Chengdu, Hefei, Suzhou, and Xi'an for subsequent transport to Europe on DHL's rail services.


6. Kuehne + Nagel


Six months after the successful launch of the KN Eurasia Express rail service, Kuehne + Nagel is continuing to strategically expand its network. For the first time ever, it is offering shipments from northern China, Japan, South Korea and South-East Asian countries to locations in Europe.

The Trans-Siberian route

Coordinating Council on Trans-Eurasian Transportation\textsuperscript{24} (CCTT)

1. Background

The Coordinating Council on Trans-Eurasian Transportation (CCTT) International Association is a non-commercial transport association with an open-ended duration, registered in the Main Register of the canton of St. Gallen (Switzerland) on February 21, 1997.

The CCTT was founded by the Ministry of Railway Communication of the Russian Federation (after the restructuring of 2003 – RZD JSC (Russian Railways), Deutsche Bahn (DB AG), Association of European Transsiberian Operators (GETO), and Korean International Freight Forwarders Association (KIFFA).

Presently the CCTT has more than 100 member societies from 23 countries, including railways of Europe, Asia and the CIS states, leading shipping companies, operators and forwarders, ports and stevedoring companies, state organizations, administrations and municipalities, telecom and marketing companies, security services and mass media.

2. Infrastructure (and Services)

The project Trans-Siberian in 7 Days consists of a wide range of technological measures to ensure the rapid delivery of containers from Russia's Far Eastern ports to the country's western borders.

Technologies used in the project included: gradually increasing the route speed of container trains to up to 1,500 km/day; improving rolling stock for container transportation and increased efficiency; creating and developing modern document management systems; creating transport and logistics infrastructure; legal regulation; and tariff regulation\textsuperscript{25}.

3. Traffic Volume

Traffic volumes for the Trans-Siberian route from 1999 to 2014 are shown in Figure 5. International traffic was 726,184 TEUs and transit traffic was 131,246 TEUs in 2014. The decline after 2008 was largely due to the global economic recession.

\textsuperscript{24} Renamed into Coordinating Council on Trans-Eurasian Transportation in September 2019. The former name is “Coordinating Council for Trans-Siberian Transportation”.

\textsuperscript{25} http://www.eng.rzd.ru/statice/public/en?STRUCTURE_ID=4317&layer_id=4516&refererLayerId=4516&id=2499
4. Legal Framework

Non-commercial transport association, registered in the Main Register of the canton of St. Gallen (Switzerland) on February 21, 1997

Charter of the International Association "Coordinating Board on Transsiberian Transportation" (CCTT), Vilnius, October 18, 2006

5. Roles & Responsibilities

The main objectives of CCTT are:

• attraction of transit and foreign trade cargoes on the Trans-Siberian route;

• coordinating the activities of participants in the transportation of goods along the Trans-Siberian route (TSR) in international traffic to ensure high-quality cargo delivery and the development of economic relations between the countries of Southeast Asia, the Far and Near East, Central Asia and Europe using the infrastructure of the Russian railways.

The main functions of CCTT are:

• coordination of interaction of all participants in the transport of goods on the Trans-Siberian route (TSR);

• participation in the development of regulatory documents governing the transportation process for TSR;

• preparation of proposals for an increase in the volume of cargo transportation by TSR based on an analysis of the situation on the transport market;

• preparation of proposals to eliminate the factors constraining the attraction of transit and foreign trade goods on the Transsiberian route;
participation in the activities of other public and transport organizations within their competence.

6. Institutional Framework

The permanent chairman of CCTT is the President of the Open Joint Stock Company "Russian Railways".

The permanent vice presidents are the presidents of international or national associations of carriers and forwarders, members of the CCTT, Group of European TransEurasia Operators and Forwarders (GETO), Trans-Siberian Intermodal Operators Association of Japan (TSIOAJ), Freight Forwarders Association of the Russian Federation (FAR) and Korea International Freight Forwarders Association (KIFFA). The host of the annual plenary session of CCTT is also a vice president for the year before the meeting.

The principal organs of the CCTT are the Plenary meeting of the CCTT, the CCTT Board, the Secretariat of the CCTT and the Independent Auditor. In addition, the CCTT Board has powers to develop recommendations on the establishment and operation of necessary working groups for the different activities of the CCTT. Some of the working groups include: Working group on IT development (CCTT IT WG); Working group on Harmonization of international transport law (CCTT WG HITL); and Working group on increasing the competitiveness of the Trans-Siberian Route (CCTT WG IC TSR).

Membership of CCTT can be permanent and associate. Permanent members have full participation and voting rights as well as the right to elect and be elected to the governing bodies of CCTT. Associate members have participation rights but no voting or electoral rights.

7. Related Subregional Initiatives

A representative of the Secretariat of the Transport Policy Council under the EAEC Integration Committee is a member of the CCTT IT Development Working Group and participates in the sessions of the group and drafting of proposals for elimination of barriers caused by custom formalities and hampering transit freight traffic.

8. Leadership

Russian Railways (RZD)

Group of European TransEurasia Operators and Forwarders (GETO), Trans-Siberian Intermodal Operators Association of Japan (TSIOAJ), Freight Forwarders Association of the Russian Federation (FAR) and Korea International Freight Forwarders Association (KIFFA)

9. Resources

The costs associated with the establishment and maintenance of the CCTT Representative, are the founders of the CCTT: JSC "Russian Railways", the Association of European Transsiberian forwarders and operators, as well as members of the CCTT.

10. Participation of Stakeholders

There are over 100 members from 23 countries.

Members include both public and private sector organizations including railways; logistics operators and freight forwarders; shipping companies; seaports and stevedores; state and municipal bodies; partnerships and international organizations; and security services, telecoms, information technology, marketing, insurance and mass media organizations.

11. Monitoring

Monitoring of the transport corridor is carried out within the framework of the CCTT project “Trans-Siberian Route: Multimodal Euro-Asian Transport Network”. At the 27th Plenary Meeting of the CCTT (Sochi, October 4, 2018), the CCTT Secretariat prepared the “Annual Review of TSR - 2018”, which
provided analytical and practical information on technological advantages, price incentives and favorable transit times for rail transport Asian countries to Europe and vice versa using TSR.²⁶ (CCTT has produced Annual TSR Digests for 2013-2018).

Illustrative Services from Republic of Korea and Japan on the Trans-Siberian and Trans-Manchurian Railways

The following are extracts from commercial sources²⁷, which illustrate the services offered between Japan and Republic of Korea to Europe.

1. Pantos Logistics

Pantos Logistics, a Korean Company, provides transport services for cargoes that are sent from Korea to CIS, East Europe, and Central Asia by using TSR (Trans Siberian Railway), TCR (Trans China Railway), and TMR (Trans Manchurian Railway). Pantos Logistics provides optimized transport services through its subsidiaries and local offices in Moscow, St. Petersburg, Vladivostok, Almaty, Tashkent, and other regions, and it assures on time delivery and cargo tracking regarding rail services in the CIS region by retaining the shipper’s own containers (SOC) with a capacity of 10,000 TEU.

2. Russian Railways

"We are interested in attracting additional freight volumes from Japanese companies," says President of Russian Railways, 29 February 2016

Russian Railways has developed a new transport service called the Baikal Shuttle for transporting goods from Japan and other Asian countries from the port of Yokohama to Moscow. The Baikal Shuttle makes it possible to deliver freight door to door on a regular and frequent basis with strict adherence to the timetable over Russia's vast distances. This new service will reduce the delivery price gap for containerized cargo from the port of Yokohama to Moscow and will also reduce the delivery time from 42 to 25 days.


3. FESCO JSC

Sea-rail route offers South Korean exporters new option to Europe, 2 October 2018.

Russia’s FESCO Transportation Group and South Korean logistics provider Hyundai Glovis Co. Ltd. have jointly launched the Busan-St. Petersburg route.


| Table 8 FESCO Moscow Shuttle Schedule (Vladivostok-Moscow), January 2019 |
|---|---|---|---|---|
| Dep. City | Dep. Date | Arr.City | Arr. Date | Transit Time (Days) |
| Vladivostok | 01/16/2019 | Silikatnaya, Moscow | 01/25/2019 | 9 |
| Vladivostok | 01/16/2019 | Silikatnaya, Moscow | 01/27/2019 | 11 |
| Vladivostok | 01/17/2019 | Silikatnaya, Moscow | 01/26/2019 | 9 |


²⁷ Note: It is recognized that commercial sources do not always reflect reality. However, it is believed that these extracts broadly reflect the types of services offered.
Vladivostok  |  01/17/2019  |  Silikatnaya, Moscow  |  01/28/2019  |  11  
Vladivostok  |  01/18/2019  |  Silikatnaya, Moscow  |  01/27/2019  |  9  
Vladivostok  |  01/18/2019  |  Silikatnaya, Moscow  |  01/27/2019  |  9  
Vladivostok  |  01/18/2019  |  Silikatnaya, Moscow  |  01/29/2019  |  11  
Vladivostok  |  01/19/2019  |  Silikatnaya, Moscow  |  01/30/2019  |  11  
Vladivostok  |  01/20/2019  |  Silikatnaya, Moscow  |  01/31/2019  |  11  

Source: [https://www.fesco.ru/clients/container/trains/fesco-moscow-shuttle/](https://www.fesco.ru/clients/container/trains/fesco-moscow-shuttle/)

### 4. Far East Land Bridge (FELB)

Figure 6 shows FELB’s routing to and from Japan and Republic of Korea.

![Routing to / from Japan and Republic of Korea](https://zlz.sk/wp-content/uploads/2016/11/Transsib%C3%ADrska-magistr%C3%A1la.pdf)

**Source:** <https://zlz.sk/wp-content/uploads/2016/11/Transsib%C3%ADrska-magistr%C3%A1la.pdf>

**Note:** Routings the same as 2018 FELB company brochure  
<https://docs.wixstatic.com/ugd/aa87eb_352165c7eb924cda126098fa7da127b.pdf>
ASEAN member states – China – Russian Federation - further to Europe

Viet Nam

1. Background
Viet Nam has shown considerable interest on land transport linkages to Central Asia, Russian Federation and Europe.

2. Infrastructure and Services
Viet Nam has two railway routes to China namely:

- Hanoi (Yen Vien) - Dong Dang/ Pingxiang – Nanning (1435 mm, no break-of-gauge)
- Hanoi (Yen Vien) – Lao Cai/ Hekou – Kunming (the Yen Vien-Lao Cai section in Viet Nam is metre gauge, upgraded under an ADB loan and completed in 2015, metre gauge continues into Hakou. Kunming–Yuxi–Hekou railway (consisting of the three sections, the Kunming–Yuxi, Yuxi–Mengzi and Mengzi–Hekou). is standard gauge (1435 mm)).

There is a weekly train operating between Chengdu and Hanoi, as well as a rail service between Chongqing and Hanoi. There is also a container service connecting the port of Qingdao via to Chengdu to Viet Nam (Hanoi).

Vietnamese cargos for export to Europe, including containerized cargo, are being consolidated at Chengdu and Chongqing, then Chinese scheduled trains transport them to Europe along with Chinese goods. There are no wholly Vietnamese container trains operating to Europe.

For transport operations to third countries (with transit through China), Chinese containers are used.

3. Traffic Volume
Viet Nam was able to arrange the transport of containers to Central Asia, Russia and Europe through the auspices of OSJD, Box 6 explains the process in negotiating the prospects on organizing container traffic through OSJD.
Box 6 Discussions on the prospects in organizing container traffic from Viet Nam via China, Kazakhstan, Mongolia, Russia to third countries

Within the framework of the Joint Meeting of Plenipotentiary Representatives of Members of the OSJD Ministerial Conference and the Conference of General Directors (Authorized Representatives) of OSJD Railways, Warsaw, Poland, 26 February - 2 March 2018, the Chinese (KZD), Kazakh (KZH) and Vietnamese (VZD) railways held a tripartite meeting and exchanged views on the perspectives in the development of freight traffic between Kazakhstan, China and Viet Nam, in particular, the organization of international container trains.

During a penta-lateral meeting held at the suggestion of VZD the representatives of Viet Nam, Kazakhstan, China, Mongolia and Russia discussed the prospects in organizing container traffic from Viet Nam via China, Kazakhstan, Mongolia, Russia to third countries.

The RZD JSC proposed to hold preliminary consultations with the purpose of considering this issue at CGD meeting XXXIII in April 2018 in Viet Nam. The Chinese Railways also expressed their readiness to hold a penta-lateral meeting in China in the second quarter of 2018.

The parties addressed the Vietnamese Railway with a proposal to provide the Parties with information on the expected volumes of container freight traffic, indicating the nomenclature of goods and routes.

It was noted in the proposals of the Vietnamese Railway, that VZD was ready, together with KZD, KZH, RZD and other railways, to study the possibility of arranging container traffic from Viet Nam to China and transit through China to Kazakhstan, Russia and other countries, including the possibility of container trains traffic. Basing on the demonstration runs of container trains, the possibility of regular container train traffic in accordance with the market requirements will be considered. In this regard, VZD addressed the meeting with an invitation to assist in attracting the freight volumes from their countries to Viet Nam and vice versa.

Within the framework of the meeting, expert consultations were held between the representatives from VZD, KZH, KZD, UBZD JSC and RZD JSC with a view to finalizing the costs, routes and responsible operators for the organization of container traffic on the relevant sections of the routes:

- Viet Nam (Hanoi) - Germany (Duisburg);
- Viet Nam (Hanoi) - Russia (Moscow, Yekaterinburg, Novosibirsk);
- Viet Nam (Hanoi) - Kazakhstan (Astana, Almaty);
- Viet Nam (Hanoi) - Uzbekistan (Tashkent).

When discussing the issue of work organization for the next year, the head of the VZD delegation confirmed the readiness to host, in the Socialist Republic of Viet Nam in March 2019, the meeting on the coordination of the volumes of freight railway traffic for 2019 and on the development of technical and organizational measures for their provision.


On 6 March 2019, press reports stated that “For the first time ever, 1,686 TEU of goods were shipped from Hanoi, Viet Nam, via the Vietnamese border railway terminal of Dong Dang, and then through China and Kazakhstan to Duisburg, Germany. The shipment of LG and Samsung goods by rail from Hanoi to Duisburg took 22 days, including 2 days for the transportation of goods from Viet Nam to China. It took 20 days to transport the goods to Duisburg. In the future, it is planned to reduce the total shipment

28 This was the total for 2018. Assuming 40 FEU per train in China, this is equivalent to 40 trains or just under one train per week.
time from Viet Nam to Europe to 19 days. According to Vietnam Railways, the volumes will significantly increase this year*. 29

4. Legal Framework


The 1992 agreement uses the multilateral framework of OSJD agreements. It is understood that the following OSJD agreements are in use:

- Agreement on the International Passenger Transport by Rail (SMPS), 1951;
- Agreement on the International Goods Transport by Rail (SMGS), 1951;
- Agreement on the International Passenger Tariff (MPT), 1991;
- Agreement on the Uniform Transit Tariff (ETT), 1951;
- Agreement on Rules for the Use of Passenger Wagons in International Traffic (PPW), 2009;
- Agreement on Rules for the Use of Freight Wagons in International Traffic (PGW), 2009; and

5. Institutional Framework

Article 11 of the Agreement on Border Railway between Ministry of Transport of Viet Nam and Ministry of Railway of China, 1992 on Convening of the National Railway Conference, states that “The frontier railway meeting is organized by the railways of both sides and is held once a year”. The meeting is presided over by the head of the convening railway delegation. The Chinese side is represented by the Ministry of Railways of the People's Republic of China and the Vietnamese side by the Ministry of Transport, Posts and Telecommunications of the Ministry of Transport, Ministry of Communications and the Ministry of Railways.

The article further states that “In order to implement the provisions of this Agreement and the Protocol, the heads of the borders of the two sides meet once a month to exchange information on the work of the national border stations and to deal with problems, and jointly agree on measures to improve the work. The talks were held in turn at the borders of the two sides. The specific date is agreed by the relevant departments of both parties”.

The institutional framework for transporting containers to Central Asia, Russian Federation and Europe (based on OSJD documents and guidelines) was outlined in Box 6 above.

6. Related Subregional Initiatives

6.1. Railway Transport

In 2010 ADB published a report on Connecting Greater Mekong Subregion railways: A strategic framework. 30 The report identified four potential GMS railway routes as shown in Figure 7.

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Priority 6 of the Greater Mekong Railway Association (GMRA)\(^{31}\) is the Kunming - Ha Noi - Vung Ang – Mu Gia - Thakek - Vientiane (SKRL East Spur Line) – see potential Route 3 in Figure 7.

The project on the construction of Line 6 (Vung Ang – Mu Gia - Thakek - Vientiane) is being implemented with technical assistance from the Republic of Korea. If the Masterplan is developed on schedule, the construction of the rail link could start in 2020. In February 2019, Viet Nam and Lao PDR concluded an agreement on the railway connection. Consequently, “the software” is already in place.

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\(^{31}\) GMRA is an association established by the six GMS countries with assistance from ADB.
In principle, Line 6 would provide access from Vientiane to Hanoi and beyond. Whether this route would be used depends upon other rail and road choices that Lao PDR may have in accessing China.

6.2. Road Transport

It is understood that there are much larger ASEAN-China road transport traffic volumes. In this respect, Kerry Asia Road Transport (KART), for example advertises seven routes (and an eight to Sabah and Sarawak) in South East Asia and China (see Figure 8). The legal basis for these movements is the Greater Mekong Subregion\textsuperscript{32} Cross Border Transport Agreement (CBTA).

An assessment of the potential for road transport from ASEAN countries to Yunnan Province and Guangxi Zhuang Autonomous Region followed by rail transport to the Russian Federation and further to Europe was not available at the time of submission of this report.

Figure 8 Kerry Asia Road Transport (KART) Advertised Routes

\[\text{Source: http://www.kart-asia.com/routes.}\]

\textsuperscript{32} Membership of GMS includes: Cambodia, the People's Republic of China (specifically Yunnan Province and Guangxi Zhuang Autonomous Region), Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam.
Thailand

The Bangkok-Kunming Highway has been completed and the High-Speed Train Bangkok-Kunming is scheduled for completion 2021/2022.

An assessment of the potential for road or rail transport from ASEAN countries to Kunming followed by rail transport to the Russian Federation and further to Europe was not available at the time of submission of this report.

China-Mongolia-Russian Federation Economic Corridor (CMREC)

1. Background

Corridor countries: China, Mongolia and Russian Federation (see Figures 9 and 10)
2. **Infrastructure (and services)**

In November 2014, Mongolia announced the Prairie Road Program (also known as the Steppe Road Program) the estimated cost was US$50 billion. Amongst its projects was a 997-kilometer-long expressway linking China and Russia, 1,100 kilometers of power transmission lines, and expansion of existing railways as well as gas and oil pipelines.

The goal of the Mongolian-Russian Economic Corridor is to link the Silk Road Economic Belt, the Eurasian Economic Union and the above “Prairie Road” initiative.

Both the road and railway on the central route in Mongolia are connected to the Chinese and Russian networks. With regard to the implementation of the Economic Corridor Program Mongolia is undertaking the following activities:

**Central Railways corridor:**

- Signaling renovation works is undergoing among Khoid-Ulaanbaatar-Zamiin-Uud stations of the Ulaanbaatar railways from 2016 to 2019;
- The extension of the rolling stock depot at the Zuunkharaa station from 2017 to 2019 with the funding of the 30 billion MNT (~11.13 million USD);
- Railways infrastructure renovation work (200 km – 164 billion MNT (~60.86 million USD)) (2016-2020).
- Pre-feasibility of study of the “Bogdkhan” railway bypass of Ulaanbaatar is developed.

In order to decrease the transport concentration and to increase transit transportation volume of the Mongolia it is planned to build 281 km railway to continue Sainshand-Zuunbayan branch line until the

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33 Source: Country Presentation of the Expert Group Meeting on Enhancing Efficiency of Selected Intermodal Transport Corridors in Asia (Bangkok, 26-27, June, 2019)
Khangi-Mandal border port. Moreover, a 414.6 km railway project under the construction stage from Tavantolgoi to Zuunbayan direction under development.

**Central and Western Road corridor:**

The extension and renovation of the 204.1 km paved road connecting Darkhan and Ulaanbaatar cities are implemented with the ADB and EBRD soft loans. The project is to be implemented from 2019 to 2021 with the total cost of the project is 260 million USD.

The extension and renovation of the 20.9 km paved road connecting Nalaikh and Choir from Gatsuurt junction of Ulaanbaatar city are implemented with the Chinese soft loan. The project is to be implemented from 2019 to 2020 with the total cost of the project is 36.5 million USD.

189.7 km paved Western road construction project funded by ADB and Government of Mongolia, completion rate is around 80% and will be completed by 2020. The total cost of the project is 120 million USD.

3. **Traffic Volume**

The traffic volumes in 2017 between China and the Russian Federation are outlined in Box 7.

<table>
<thead>
<tr>
<th>Box 7 Russian Federation - Mongolia - China Railway Traffic, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>From the Russian Federation to China, 2.6 million tons were transported via Mongolia, which is 28.4% or 564.6 thousand tons higher than in 2016. The main nomenclature of transported goods was: timber cargo - 1.5 million tons (+16%), cellulose - 670.8 thousand tons (+16%), oil cargo - 244 thousand tons (2.6 times).</td>
</tr>
<tr>
<td>From China to the Russian Federation, 575,000 tons were transported through Mongolia, that is 86% or 266,000 tons higher than in 2016.</td>
</tr>
<tr>
<td>The main nomenclature of transported goods consisted of chemical cargoes - 224.5 thousand tons (-10%), including 207.6 thousand tons of containerized cargo.</td>
</tr>
</tbody>
</table>

*Note: Percentages in parenthesis are changes from 2016.*


4. **Legal Framework**

The legal framework for CMREC derives from the output documents of a number of meetings of heads of state of China, Mongolia and the Russian Federation.

The first trilateral meeting was held in Dushanbe, Tajikistan, on 11 September 2014. The parties agreed to launch the trilateral cooperation process with an increased focus on economic content by linking “Mongolian Steppe Road Initiative” with Chinese Silk Road Economic Belt and Russian Trans-Eurasian Railway with the goal to strengthen the interconnection, accelerate the construction of railways and highways and to promote effective customs clearance and transit transportation.

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34 Source: The context of the legal framework section from Letter 07/4537 of the Ministry of Foreign Affairs of Mongolia, on 01 August, 2019
The second meeting of the heads of states was held in Ufa, Russian Federation, on 09 July 2015 and adopted the “Medium-term Roadmap for Development of Trilateral Cooperation between Mongolia, China and Russia”. Relevant ministries and agencies of the three countries signed the “Memorandum of Understanding on formulating guidelines for constructing China-Mongolia-Russia Economic Corridor”, “Memorandum on Cooperation in Creating favorable conditions to facilitate trade development among Mongolia, China and Russia” and “Framework agreement on Cooperation in Development of Ports of Entry among China, Russia and Mongolia”.

Third meeting of the heads of states in Tashkent, Uzbekistan was held on 23 June 2016. The documents signed were the “Program for the establishment of China-Mongolia-Russia Economic Corridor” and “Agreement between the General Administration of Customs of the People’s Republic of China, the General Administration of Customs and Taxation of Mongolia and the Customs Administration of the Russian Federation on Mutual recognition of Customs supervision results for specific commodities”.

The fourth meeting of the heads of states was organized in Qingdao, People’s Republic of China, on 09 June 2018. The heads of the three countries agreed to accelerate the implementation of the China-Mongolia-Russia Economic Corridor. As a result, “Memorandum of Understanding on Establishing a Trilateral Mechanism coordinating implementation of China-Mongolia-Russia Economic Corridor Program” was signed in September 2018.

The fifth meeting of the heads of states took place in Bishkek, Kyrgyzstan, on 14 June 2019. The heads of the three countries reviewed the achievements of trilateral cooperation and agreed to accelerate the implementation of priority projects within the China-Mongolia-Russia Economic Corridor.

4.1. Road Transport Agreements

The main road transport agreement between Mongolia and China is “The Agreement between the Government of China and the Government of Mongolia on International Road Transport of 16 June 2011 (including the Protocol on the implementation of the Agreement)”. The key provisions of the agreement related to the following35: traffic rights; designated routes and border crossings; types of permits for goods; special permits issued for transport of oversized/overweight/dangerous goods; types of permits for regular passenger transport; third country transport operations; requirements for vehicles in Mongolia; mutual recognition of driving licenses; visa facilitation for professional drivers; temporary importation of vehicles in Mongolia; vehicle insurance; and institutional arrangements for implementation.

There is a similar “Agreement between the Government of Mongolia and the Government of the Russian Federation on International Road Transport of 7 February 1996 (including the Protocol on the implementation of the Agreement)”.

The competent authorities for the agreement are the Ministry of Transport of the Russian Federation and the Ministry of Infrastructure Development of Mongolia, and the General Police Directorate of Mongolia under article 8 (oversized or overweight a motor vehicle). Concerning meetings the Agreement states that “the competent authorities of the Contracting Parties will have direct contacts, hold meetings at the

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proposal of one of the Contracting Parties to resolve issues related to the system of permits for passenger and cargo transportation, and exchange experience and information on the use of the issued permits.”

The trilateral agreement is the ESCAP promoted Intergovernmental Agreement on International Road Transport along the Asian Highway Network, 2016.

The experimental freight successfully was carried out in August 2016 from Tianjin (China) to Ulan-Ude (Russian Federation) via Ulaanbaatar (Mongolia) along AH3.

The working group meeting to facilitate the implementation of the Intergovernmental Agreement on International Road Transport along the Asian Highways was organized with the support of ESCAP in November 2018, in Ulaanbaatar. The parties have expressed their willingness to commence the implementation of the Agreement in the nearest future and proposed to create a Joint Committee.

The first meeting of the Joint Committee of the Intergovernmental Agreement on International Road Transport along the Asian Highways was held in July 2019 in Manzhouli, China. During this meeting, the three parties agreed upon the following: a) total number of Permits in 2020, b) commencement of the road transport route- AH-4 and c) experimental freight via road transport network of the following route: Novosibirsk-Barnaul-Gorno-Altaiisk-Tashanta-Ulaanbaishint-Khovd-Yarantai-Takeshen-Urumqi-Kashi-Honqiraf.

4.2. Railway Agreements

The main bilateral railway agreement is the “China-Mongolia Border Railway Agreement”, 1955. This agreement is under revision as per the “Memorandum of Understanding between the China National Railway Administration and the Mongolian Ministry of Road and Transport on Amending the Sino-Mongolian Border Railway Agreement, 2014”.


The most recent agreement is the “Agreement between the Government of the Russian Federation and the Government of Mongolia on the Conditions of Transit Transportation Of Goods Cargo Railway Transport 8th June 2018”. The undertakings in this agreement include: “By this Agreement, the Parties create favorable conditions for the carriage by rail of foreign trade goods through the territory of the States of the Parties to third countries, for which they undertake: to pursue a flexible tariff policy in relation to the carriage of goods by rail transit through the territory of the States of the Parties; to ensure the competitiveness of tariffs for rail freight compared to alternative directions on a long-term basis; to create conditions to facilitate the procedures for crossing the state border for goods transported by rail; to stimulate the growth of freight traffic by railways of the Parties; to balance the growth rates of traffic and the development of railway transport infrastructure; and to create conditions for unimpeded access to the sea for exporters of Mongolia”.

4.3. Transit Agreements


36 Source: The first meeting of Joint Committee of the Intergovernmental Agreement on International Road Transport along the Asian Highways held in July 2019 in Manzhouli, People’s Republic of China. From http://nrd.gov.mn/i/2067
Mongolia’s transit through the Russian Federation to the sea is governed by the “Agreement between the Government of Mongolia and the Government of the Russian Federation Concerning Access to the Sea and Transit Transport for Mongolia through the Territory of the Russian Federation, 1992”

4.4. Customs Agreements

In the area of management of border crossing points, there is an “Agreement between the General Administration of Customs of China and the Mongolian Port Committee on Establishing the China-Mongolia Border Port Management Cooperation Committee, 2014”.

5. Institutional Framework (including Stakeholder Participation)

The Competent Authorities for CMREC are:

Mongolia - Ministry of Foreign Affairs;
China - National Development and Reform Commission; and
Russian Federation - Ministry of Economic Development

The “Medium-term road map for the development of tripartite cooperation between the People's Republic of China, the Russian Federation and Mongolia”, Ufa, Russian Federation, 10 July 2015 agreed to carry out tripartite cooperation in a wide range of areas (see extract in Box 8). Amongst others these included between: the competent authorities; transport departments; customs departments; legislators, political parties, social groups and non-governmental organizations; chambers of commerce and industry; local and border cooperation forums (including the China-Russia-Mongolia Economic and Trade Cooperation Fair in Erlianhot, China); three-party academic and think tank exchange mechanism; and the three academic institutions engaged in international relations and world political and economic research, including the improvement of international consultations, seminars, academic conferences and a network of round tables.

**Box 8 Extracts related to institutional arrangements from the “Medium-term road map for the development of tripartite cooperation between the People's Republic of China, the Russian Federation and Mongolia”, 2015**

It is agreed to carry out tripartite cooperation in the following areas:

- Maintain broad political dialogue and regular high-level interactions, including meetings within the framework of various international and regional events.

- Develop and improve the consultation mechanism of the three deputy foreign ministers and include relevant departments and institutions.

- Carry out friendly cooperation between the legislatures and expand exchanges of legislative experience.

- Promote development and exchanges between political parties, social groups and non-governmental organizations.

- We will improve the cooperation mechanism of the three chambers of commerce and industry, promote the regular holding of fairs and economic and trade forums, and strengthen trade, investment and business partnerships among the three parties.

- The three-party customs cooperation was carried out and a three-nation customs authorities meeting was held.

- Regular meetings of the tripartite transport departments and institutional working groups will continue.

- Ensuring the implementation of the consensus reached by the tripartite communications minister and the Deputy Minister of Transport of the Ministry of Communications in Ulaanbaatar in December 2013 and April 2015.
• The research parties co-financed and technically participated in the construction of new railway line projects in Mongolia and the modernization of the Ulaanbaatar Railway.

• Research on a package of measures to improve the transit volume of the Ulaanbaatar Railway, including the possibility of forming a Sino-Russian railway transport logistics joint company.

• Within the framework of the UN ESCAP, continue to promote the formulation and signing of the Intergovernmental Agreement on the Development of International Road Transport between China, Mongolia and Russia (Draft). [“Intergovernmental Agreement on International Road Transport along the Asian Highway Network” signed 8 December 2016]

• Regular local and border cooperation forums (seminars) are held. Continue to support the China-Russia-Mongolia Economic and Trade Cooperation Fair in Erlianhot, China.

• Accelerate the establishment of a three-party academic and think tank exchange mechanism between China, Russia and Mongolia to provide intellectual support for tripartite cooperation.

• Make full use of Mongolia’s status as an observer of the Shanghai Cooperation Organization and promote the strengthening of economy, trade, security, energy, transportation, agriculture, immigration, environmental protection and humanities within the framework of the SCO within Mongolia and the People’s Republic of China, the Russian Federation and other member states. Cooperation in the field.

• Tripartite Foreign Ministry consultations are held regularly on a wide range of international issues.

• Promote dialogue between the three academic institutions engaged in international relations and world political and economic research, including the improvement of international consultations, seminars, academic conferences and a network of round tables.


From press releases and other documents, the following meetings for the purpose of trilateral cooperation between China, Mongolia and the Russian Federation have been identified37:

• Trilateral Meeting of the Heads of State:
  • The First Meeting of Three Heads of State held in Dushanbe, Tajikistan, 11 September 2014
  • The Second Meeting of Three Heads of State held in Ufa, Russian Federation, 9 July 2015
  • The Third Meeting of the Three Heads of State held in Tashkent, Uzbekistan, 23 June 2016
  • The Fourth Meeting of the Three Heads of State held in Qingdao, China, 9 June 2018
  • The Fifth Meeting of the Three Heads of States held in Bishkek, Kyrgyzstan, 14 June 2019

• Trilateral Meeting of Vice Minister of Foreign Affairs:
  • Held in Ulaanbaatar in September 2014
  • Held in Beijing in February 2015
  • Held in Moscow in June 2015
  • Held in Beijing 28 May 2018

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37 These lists are completed from Letter 07/4537 of the Ministry of Foreign Affairs of Mongolia, on 01 August 2019 and meeting reports of the Ministry of Road and Transport Development of Mongolia.
• Held in Beijing in June 2016
• Held in Beijing in May 2018
• Held in Beijing in May 2019

• Trilateral Meeting of Vice Ministers of Transportation:
  • Held in Ulaan Baatar in December 2013
  • Held in Ulaan Baatar in April 2015

• Three-party expert group meeting:
  • Held in Beijing in March 2017
  • Held in Moscow in August 2017
  • Video conference in April 2018
  • Held in Ulaanbaatar in December 2018

• Three-party customs cooperation:
  • Held in Beijing in December 2015
  • Held in Ulaanbaatar in May 2016
  • Held in Harbin in June 2017
  • Held in Moscow in February 2019

• Cooperation among other stakeholders:
  • The China-Mongolia-Russia Think Tank Forum was jointly established by relevant agencies and associations from the three countries in 2015. Four meetings have been held: Ulaan Baatar, Mongolia in 2015; Hohhot, Inner Mongolia, China in 2016; Buryatia, a republic of Russia in 2017; and Ulaan Baatar, Mongolia in 2018.
  
  • The 15th China-Russia-Mongolia Business Forum, co-hosted by Russian Federation Chamber of Commerce and Industry, China Council for the Promotion of International Trade and Mongolian National Chamber of Commerce and Industry (MNCCI) was held on June 26, 2019, in Krasnoyarsk, Russian Federation. More than 400 representatives from China, Russia and Mongolia had lively discussion during the forum.\(^{38}\)
  
  • 14th China-Russia-Mongolia Business Forum held in Arxan, Inner Mongolia, China13-14 June 2018. The forum was hosted by: China Council for the Promotion of International Trade (CCPIT); Russian Federation Chamber of Commerce and Industry; Mongolian Chamber of Commerce and Industry, and The Inner Mongolia Autonomous Region People's Government. It was organized by CCPIT Inner Mongolia Autonomous Committee and Hinggan League Administrative Office.
  
  • 13th China-Russia-Mongolia Industry and Commerce Forum held in Ulaanbaatar, Mongolia, 14-16 June 2017
  
  • 11th China-Russia-Mongolia industry and commerce forum held in Baotou, Inner Mongolia, China, 22 July 2015

\(^{38}\) [http://en.ccpit.org/info/info_40288117668b3d9b016bb0feec3c0292.html](http://en.ccpit.org/info/info_40288117668b3d9b016bb0feec3c0292.html)
• “Transit Mongolia” International Forum was organized by Ministry of Road and Transport Development of Mongolia, Joint Stock Company Ulaanbaatar Railways and relevant agencies since 2017. The three forums have been held: in Beijing in April 2017\(^{39}\), Moscow, in April 2018\(^ {40}\) and Ulaanbaatar, in June 2019\(^{41}\).

At the national level, the Prime Minister of Mongolia issued an ordinance on 30 May 2017 on the establishment of a National Working Group on the trilateral economic corridor.

Under this ordinance, the Ministry of Foreign Affairs plans to organize the regular trilateral meeting on the Mongolia-Russia-China Economic Corridor Program.

This Working Group is chaired by Deputy Minister of Foreign Affairs and at its first regular meeting on January 26 2018, attendees included representatives of the Ministry of Road and Transport Development, the Ministry of Energy, the National Development Agency, the Communications and Information Technology Authority, the Customs Authority, the General Agency for Specialized Inspection, the Agency for Standardization and Metrology, the Development Bank and Erdenes Mongol LLC.

6. Related Subregional Initiatives

Related subregional initiatives include the ADB CAREC programme and the Greater Tumen Initiative (GTI). Figure 11 shows the extent of the Greater Tumen Region and the Greater Tumen Initiative Transport Corridors. Corridors 1 and 2 were amongst the 32 projects listed for feasibility study in the “Program for Creating the Economic Corridor China - Mongolia – Russian Federation” signed at the Third Meeting of the Three Heads of State held in Tashkent, Uzbekistan, on 23 June 2016.

![Greater Tumen Initiative Transport Corridors](http://www.lldc2conference.org/custom-content/uploads/2014/06/2bWang-Weina-GTI_.pdf)


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\(^{39}\) [http://mongolia.gogo.mn/r/157999](http://mongolia.gogo.mn/r/157999)

\(^{40}\) [https://montsame.mn/en/read/134532](https://montsame.mn/en/read/134532)

\(^{41}\) [https://montsame.mn/en/read/191812](https://montsame.mn/en/read/191812)
7. Leadership

The initiative is led by the heads of state of China, Mongolia and the Russian Federation.

8. Monitoring

Whilst the Trilateral Meetings of the Heads of State, Vice Minister of Foreign Affairs, Vice Ministers of Transportation, Customs Departments and National Working Group on the trilateral economic corridor etc., have monitoring functions with respect to implementation of agreements, detailed information does not appear to be publicly available.

However, the corridor performance measurement and monitoring (CPMM) tool under the Central Asia Regional Economic Cooperation (CAREC)\(^2\) has been monitoring performance of CAREC Corridor 4. The CPMM relies on organizations are the local associations, which represent the transport and logistics industry. The key responsibilities of CPMM partners are to: act as a local point of contact for ADB to conduct the CPMM exercise; understand the CPMM methodology; organize drivers to use customized drivers’ forms for data collection; review the completed drivers’ forms to ensure data completeness and correctness; input the raw data from the drivers’ forms into a specially designed CAREC CPMM file (created using Microsoft Office Excel); and send completed CPMM files to CAREC. The partners for CAREC Corridor 4 are: Mongolia Chamber of Commerce and Industry MNCCI; National Road Transport Association of Mongolia NARTAM; Chongqing International Freight Forwarders Association CQIFA; Inner Mongolia Autonomous Region Logistics Association IMARLA; and Xinjiang Uygur Autonomous Region Logistics Association XUARLA.

International North-South Transport Corridor (INSTC)

1. Background

Corridor countries: India, Iran and Russian Federation (founding members), Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan*, Oman, Syria, Tajikistan, Turkey*, and Ukraine* (* = it is not clear whether Kyrgyzstan, Turkey and Ukraine have acceded to the Agreement) - see Figure 12.

The Inter-Governmental Agreement on International "North-South" Transport Corridor, was signed, Saint Petersburg, 12 September 2000.

2. Infrastructure and services

The Agreement specified a multimodal corridor from India and Oman via sea to and through the Islamic Republic of Iran, Caspian Sea, the Russian Federation and beyond and back.

More recently (2005), a land transport route on the western side of the Caspian Sea has been included in the corridor (India-Islamic Republic of Iran-Azerbaijan-Russian Federation and beyond). Currently the land transport section is multimodal as there is a 167 km missing link in the railway of the Islamic Republic of Iran between Rasht and Ansara. It is understood that Azerbaijan is financing half the cost of this link (USD 500 million). It is further understood that Iran’s Plan and Budget Organization has approved the project and that operations are planned to begin in the early months of the Iranian year which starts on 21 March 2019.

3. Traffic Volumes

Traffic volumes on the corridor have been negligible.

4. Legal Framework

While the INSTC has an intergovernmental agreement covering the whole length of the corridor, it has not established a clear legal framework with which to efficiently operationalize the corridor. This is illustrated in the recent attempts (2015) to develop a Transit Agreement.
Consequently, there is no underlying “regional economic cooperation agreement” which includes transit transport, between Azerbaijan, India, Islamic Republic of Iran and the Russian Federation (as there is with African corridors, ECO, CAREC or GMS). Neither has INSTC identified and implemented a comprehensive set of subregional and international agreements and measures which together provide the conditions necessary for smooth operationalization of the corridor.

5. Institutional Framework
The Agreement established a “Coordination Council in order to regulate the issues related to implementation and application of the provisions of the Agreement” (Article 6.1). Article 6.3 required the Coordination Council to meet at least once a year or upon request made by any party to the Agreement.

At its first meeting the Council set up two Expert Groups to consider and recommend solutions to the following issues: Commercial and Operational matters (speedier container movements, review of bonded warehousing facilities, common liability regimes, multiple visas, rational and minimum service and other taxes, and joint venture possibilities for promoting freight forwarding services); and Documentation, Customs matters and related issues (harmonizing documentation and information sharing systems, relaxing of customs supervision and inspection by avoiding breaking of seals while containers are in transit).

Between 21 May 2002 and 5 March 2019, there were seven meetings of the council and eight meetings of the Expert Groups.

6. Related Subregional Initiatives
ECO Road Network Development Plan-Corridor Management Studies under the Project on Implementation of TTFA (2012)
ECO Railway Network Development Plan-Corridor Management Studies under the Project on Implementation of the TTFA (2012)
Implementation of the Customs Transit Related Provisions of the TTFA and Modernization of Border Crossing Points in the ECO Region, November 2016
SCO Intergovernmental Agreement of the Shanghai Cooperation Organization Member States on the Facilitation of International Road Transport

7. Leadership
At times, INSTC has had political support at the highest level. For example, it was stated in the India-Russia Joint Statement during visit of President of the Russian Federation H.E Vladimir Putin to India (October 05, 2018)\(^43\) that “The Sides underscored the vital importance of increasing connectivity between them. They called for the development of the International North-South Transport Corridor (INSTC) through intensified efforts by finalizing pending issues related to Customs authorities, development of road and rail infrastructure and financial facilitation through bilateral discussions as well as discussions with other partner countries at the earliest.”

8. Resources
The missing link on the INSTC is the 167 km Rasht-Astara section in Islamic Republic of Iran. It is understood that Azerbaijan is financing half the cost of this link (USD 500 million). It is understood that

Iran’s Plan and Budget Organization has approved the project and that operations are planned to begin in the early months of the Iranian year which starts on March 21, 2019.

9. Participation of Stakeholders

The Statute states that “The Council will have the authority to invite any entity or person directly associated with the execution of the Agreement to attend a particular meeting of the Council, provided members of the Council, provided members of the Council are consulted in advance in this regard and Parties agree to their participation.”

“Transport, economic, commercial, investing, technical and institutions directly related to the implementation of the Agreement may apply to be an observer at a particular meeting of the Council or on a permanent basis.”

“Such invitees as referred to above will not take part in the decision making of the Council.”

The Federation of Freight Forwarders Association of India (FFFAI) has played an active role in attempting to operationalize the INSTC. It organized an produced a detailed report on a “Dry Run” on the corridor in July and August 2014 at the commission of the Ministry of Commerce, Government of India. It also jointly organized, with the Ministry the International North South Transport Corridor (INSTC) Stakeholders’ Conference: Exploring Opportunities on the INSTC on 12 June 2015 at Mumbai.

In October 2017, Russia’s JSC RZD Logistics, Iran Railways, Azerbaijan Railways and logistics company ADY Express organized the first test shipment on the INSTC. The cargo left Mumbai on September 22 and arrived in Russia’s Kaluga Region on October 12. The transit time was 23 days. India and Russia currently use maritime routes for freight transport at the moment, with goods reaching their destination in about 40 days. Containers with industrial radiators were sent by sea from Mumbai to the Iranian port of Bandar Abbas, then transported by rail to Iran’s Rasht station and from there delivered by road to Astara (Azerbaijan), reloaded on the railway and finally delivered to the destination in Russia.44

10. Monitoring

Implementation is reviewed at the Coordinating Council and Expert Committees as well as the “Dry Run” on the corridor in July and August 2014.

Other Coordination and Cooperation Arrangements

Seven Railways Agreement, 20 April 2017 and China-Europe Joint Transport Working Group

In April 2017, at the initiative of the Chinese Railways, an Agreement for further Cooperation on China-Europe Container Block Trains among the Railways of China, Belarus, Germany, Kazakhstan, Mongolia, Poland and Russia was signed.45

The Parties to the Agreement decided to establish a Joint Working Group for China - Europe Container Block Trains as well as an Expert Working Group to coordinate and solve practical problems occurring during the operation of the block trains.

The Working Group has met on four occasions namely:

- The first meeting in Zhengzhou, China 17 - 19 October 2017\(^\text{47}\).
- The second meeting in Minsk, Belarus April 10 – 11 April 2018\(^\text{48}\).
- The third meeting in Potsdam, Germany. 17 - 18 of September 2018\(^\text{49}\).
- The fourth meeting in Almaty, Kazakhstan 2-3 April 2019\(^\text{50}\).
- The fifth meeting will be held in Poland in September 2019.

At the first meeting, it was agreed to jointly promote the transportation organization of the “three columns merged into two columns” or “two columns into one column” in the railway sections of Belarus, Kazakhstan, Mongolia and Russia in China, and improve transportation efficiency\(^\text{51}\). It was also agreed to set up an information collaboration working group, a transportation organization working group and a marketing working group within the framework of the joint working group to conduct research on the technical issues related to the China - Europe Container Block Trains. It further reviewed and signed the Measures for the Advancement of New Members of the Sino-European Cooperation Agreement.

At the second meeting, the parties agreed that the Austrian, Latvian and Lithuanian railways would formally participate in the joint working group meeting as observers. And at the fourth meeting, it reviewed and approved the results of the work of the two expert working groups of transportation organization, marketing and information cooperation.

The Eurasian Economic Commission and the United Transport and Logistics Company

**The Eurasian Economic Commission**

The Treaty on the Eurasian Economic Union was signed on 29 May 2014 by the leaders of Belarus, Kazakhstan and Russia, and came into force on 1 January 2015. Armenia's accession entered into force on 2 January 2015 and Kyrgyzstan's accession entered into effect on 6 August 2015.

Section XXI of the treaty deals with transport. Amongst others, the priorities of the policy include creation and development of the Eurasian transport corridors; coordination of transport infrastructure development; and creation of logistics centers and transport organizations ensuring optimization of transportation processes (see Box 9).

\(^\text{47}\) http://www.crct.com/index.php?m=content&c=index&a=show&catid=20&id=145
\(^\text{48}\) http://www.crct.com/index.php?m=content&c=index&a=show&catid=20&id=209
\(^\text{49}\) http://www.crct.com/index.php?m=content&c=index&a=show&catid=20&id=251
\(^\text{50}\) http://www.crct.com/index.php?m=content&c=index&a=show&catid=20&id=307
\(^\text{51}\) Most European countries are using 1,435 mm standard gauge. However, Russia, Ukraine and Kazakhstan are widely using broad gauge. So that the China railway Express (CR express) are facing two times of reloading processes in this area. In order to improve wide gauge utilization, China railway agreed to jointly promote the three trains of CR Express merged into two trains, and compiled two trains will transport to the end point of broad gauge, and then reloaded and restored to the original three trains.
Box 9 Eurasian Economic Commission – Coordinated (agreed) transport policy

**Principles**

- Fair competition
- Transparency
- Security
- Reliability
- Accessibility
- Sustainability

**Tasks**

- creation of a common market of transport services;
- adoption of coordinated measures to ensure common benefits in the sphere of transport and introduction of best practices;
- integration of the Member States' transport systems into the global/international transport system;
- effective use of the Member States' transit potential;
- transport services quality improvement;
- provision of transport safety;
- reduction of negative impact imposed by transport on the environment and human health;
- establishment of a congenial investment climate.

**Priorities**

- formation of a single transport space;
- creation and development of the Eurasian transport corridors;
- realization and development of transit potential within the framework of the Union;
- coordination of transport infrastructure development;
- creation of logistics centers and transport organizations ensuring optimization of transportation processes;
- creation of conditions aimed at attraction and utilization of the workforce capacity of the Member States;
- development of science and innovation in the sphere of transport.


**Joint stock company "United Transport and Logistics Company – Eurasian Rail Alliance" (JSC UTLC ERA)**

UTLC ERA is incorporated on the ‘no asset’ basis with JSC Russian Railways, the National Union Belarusian Railway and JSC National Company Kazakhstan Temir Zholy each holding 33.33% shares in it.

JSC UTLC ERA is a transit container operator providing regular container trains services on the China-Europe-China route between Dostyk/ Altynkol and Brest/ Bruzhi/ Svislach/ Kaliningrad inside of the Eurasian Economic Union (see **Figure 13**).
Over the period 2015-2018 years the company increased the volume of transit traffic almost six times:

- 2015 - 47.6 thousand TEU;
- 2016 - 101 thousand TEU, 1177 trains;
- 2017 - 176 thousand TEU, 2102 trains;
- 2018 - 280 thousand TEU, 3342 trains

UTLC ERA is not the only operator that provides container train services on the 1,520 mm railway gauge of the Eurasian corridor, these services can be provided by any other operator. However, UTLC ERA operates 76 per cent of all container traffic on the corridor\textsuperscript{52}. General competition rules of the Treaty on the Eurasian Economic Union prohibit abusing market dominance, anti-competitive agreements and unfair competition\textsuperscript{53}.

\textsuperscript{52}https://www.railfreight.com/beltandroad/2019/04/17/utlc-seeks-european-cooperation-on-new-silk-road/.

\textsuperscript{53}Competition policy of the Eurasian Economic Union. General competition principles specified in the Union Treaty include, in particular, the principles of: (i) the Laws of EAEU members-states prohibiting agreements between the authorities and economic entities that (have) led or can lead to preventing, restricting, eliminating competition, and prohibiting state or municipal preferences, except particular cases; (ii) Efficient control over economic concentration; (iii) Formalizing penalties and applying fines in EAEU member-states; and (iv) Each EAEU member-state having a government body authorized to implement and (or) pursue competition policy with particular powers determined by the Union Treaty. General competition rules prohibit abusing market dominance,
Tariffs are set according to the OSJD International Transit Tariff (MTT) or Uniform Transit Tariff (ETT).

In order to monitor the cost of transit container shipments across Kazakhstan, Russian Federation and Belarus, as well as to market the service, a Eurasian Rail Alliance Index (ERAI) has been developed. Box 10 outlines the Index.

**Box 10 Eurasian Rail Alliance Index (ERAI)**

The ERAI is a composite index of the cost of transit container shipments in the Eurasian rail corridor across the territory of the Eurasian Economic Union between China and the EU.

Components used for calculating the value of ERAI include:

- Tariffs on cargo freight across the territory of Kazakhstan, Russia and Belarus
- Fitting platform lease/usage cost
- Freight train travel time and speed
- Market price of freight forwarding, terminal, agency, customs services
- Container train load level
- Freight balancing level across destinations
- Percentage of empty containers in the traffic volume
- Cost of cargo escorting and security services
- Relation of 20- and 40-foot containers in transit freight

![ERAI Index Chart](image)

It is envisaged that consignors tracking the ERAI values on a regular basis will be in a better position to make informed shipping decisions as well as to calculate the delivery cost for container shipments between Asia and Europe.

**Source:** [http://www.index1520.com/](http://www.index1520.com/)

**Note:** WCI Drewry = The World Container Index assessed by Drewry, a composite of container freight rates on 8 major routes to/from the US, Europe and Asia
Chapter 3: Conclusions and Issues for Consideration

Conclusions

Globally, there are many examples of “working corridors” where goods, vehicles and people are moving across borders and transiting countries between their origins and destinations. Examples cited in this study include the Pan-European Corridors, the African Northern Corridor and Trans-Kalahari Corridor, the corridor of the Coordinating Committee of the Trans-Siberian Railway, the New Eurasian Land Bridge Economic Corridor and the China-Mongolia-Russia Economic Corridor.\(^{54}\)

The three main types of management arrangements for these corridors are a formal corridor agreement (hereinafter referred to as a “formal corridor”), a comprehensive set of bilateral, multilateral, subregional and international agreements as well as technical assistance measures have been set in place which when taken together provide the conditions necessary for smooth operationalization of the corridor (hereinafter referred to as a “jigsaw corridor”) and an association consisting of railways, shipping companies, operators and forwarders, ports and stevedoring companies, state organizations, administrations and municipalities, telecom and marketing companies, security services and mass media (hereinafter referred to as an “association corridor”).

In practice, formal corridor agreements are an implementation plan for a subregional transit transport agreement.\(^{55}\)

The comprehensive set of agreements along the corridor is also an implementation plan however, instead of relying upon a single transit transport agreement among all the countries along the corridor, a jigsaw of agreements is put together which collectively provide the legal basis for movement along the whole corridor.

**Corridor Objectives**

In the introduction to this study, a number of stages in corridor development were outlined. As the study is focused on intermodal transport corridors, the first four stages were considered. The broad objectives of these stages of corridor development are repeated in Table 9.

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\(^{54}\) While not all of these corridors are operating as efficiently as they could, they have goods, vehicles and people moving along them and are consequently they are referred to as “working corridors”.

\(^{55}\) Formal corridor agreements may be broader in scope than transport and include logistics, ICT, ITS, environmental considerations, and development and economic areas and zones. These extensions are however also contained in a subregional agreement with the corridor agreement again being an implementation plan for them.
There are many types of institutional arrangements however, the “acid test” is whether they are achieving these objectives in a timely and efficient manner.

Factors Contributing to Corridor “Success”

The following is a brief outline of factors contributing to corridor “success”.

1. **Infrastructure (and Services)**

A corridor consists of a set of links and nodes, where any “inefficiencies” on any links (including missing links) or at any nodes affects the overall efficiency of the whole corridor. Consequently, adequate infrastructure, facilitation measures and operations along every link and at every node need to be set in place in order for the whole corridor to operate efficiently.

2. **Traffic Volumes**

The actual levels of traffic on a corridor are the result of the interaction between the level of service that providers are willing to supply and the willingness of users to pay for the level of service (i.e. supply and demand). In selecting a corridor, a user will take into account such factors as cost, transit time, frequency, scheduled services, reliability, safety and security. However, if there are low traffic volumes providers may be unwilling to supply frequent, scheduled and reliable services (due to the high cost of supplying those services). For example, if the average traffic volume on a corridor is 40 containers per week and the train service on the corridor carries 40 containers then, at best, only a weekly service can be offered.
Sometimes, a “vicious circle” of decline can be created where low traffic volumes lead to an inability to supply regular (or scheduled) services, which dissuades shippers from using the services which in turn leads to lower traffic volumes and a further deterioration in the service levels provided.

Consequently, in developing corridors, it is important to take into account this interaction between supply and demand and the resulting traffic volumes.

It is also important to take into account that even where potential traffic exists, it takes time for traffic volumes to build up to viable levels. During that time it may be necessary for interventions to be made in support of this development stage. In this respect interventions that have been used include freight rate subsidies and provision of capacity in excess of traffic needs. (see also “Corridors and Choice” discussed below)

3. Legal Framework

The development of inter-country corridor infrastructure raises questions of sovereignty and mutual non-interference in each other's internal affairs whereby the decision to develop, upgrade and maintain infrastructure lies with the state in which the infrastructure is located. Consequently, there is a need for intergovernmental agreement on issues such as border crossing point infrastructure, infrastructure capacity, design standards, control systems etc.

4. Coordination/Institutional Framework

Because of their inter-agency nature at the national level and their inter-country nature at the international level, corridors need a coordination/ institutional framework. For Formal corridors, the framework is either a transit transport agreement or a subregional agreement and for “Jigsaw” corridors a comprehensive set of agreements, each agreement having its own coordination/ institutional arrangement. This is also the case with an “Association” corridor (for example the CCTT).

5. Leadership/Champions

Clearly leadership at the highest level is an important success factor however, it has often been shown that there is a “disconnect between the excellent political will at executive level and the capacity for implementation at administrative level”56

6. Resources

In order to operate efficiently, a corridor needs financial, technical and human resources both for its development and to support its institutional arrangements. In these respects, there is a need to develop financial institutions and funding mechanisms, including Public-Private Partnerships; technology, including ICT (network, hardware and software) and ITS; and human resources (often through technical assistance programmes).

7. Participation of stakeholders

The ultimate beneficiaries of corridor development are the people. Amongst others, these benefits are derived from economic growth created by increased exports and from reduced costs of imports. The responsibility of government is to create the necessary and sufficient conditions for these benefits to be realized. Part of this responsibility includes the involvement of those stakeholders that benefit from or are affected by the corridor development, the involvement of those users that are familiar with the issues that are impeding the efficient operation of the corridor as well as those stakeholders that can contribute to the effective development of infrastructure and services. (see also “Stakeholder Participation” discussed further below).

56 <https://ecdpm.org/great-insights/africa-turning-point-mozambique-case/maputo-corridor/>
8. Monitoring

As indicated above under Infrastructure and Services, the infrastructure, facilitation measures and operations along every link and at every node of need to be set in place in order for the whole corridor to operate efficiently. In the absence of effective monitoring systems inefficient links and nodes cannot be identified for action by the responsible authorities and organizations. It also needs to be noted that monitoring can be employed as an effective marketing tool.

Coordination Tasks and Activities on Corridors

Earlier this year, on 30-31 January 2019, ESCAP convened an Inter-regional Expert Group Meeting on Transport Connectivity between Asia and Europe in Bangkok. The convening of that meeting was in response to a request by the Commission to the secretariat in its resolution 71/8 of 29 May 2015 on strengthening intraregional and interregional connectivity in Asia and the Pacific, to consult with members and associate members, as well as other relevant organizations, in order to establish an institutional mechanism to support interregional transport connectivity between Asia and Europe.

In the Background Document to that meeting, a set of generic tasks and activities in corridor coordination were outlined. The diagram of these generic tasks and activities is reproduced in Figure 13 below.

In the figure, most of the boxes relate to “normative tasks” with only the last two boxes on the right hand side being “operational activities”. The boxes in the figure move sequentially from left to right through data and information collection; analysis and consolidation in a repository; monitoring and studies; follow-up on monitoring and studies (identification of issues, dissemination and proposals); dissemination of information; best practice promotion; and increasing awareness. These are then followed by the technical and financial assistance, and training activities.
Figure 14: A set of generic tasks and activities in corridor coordination

**Normative Tasks**
- Analyse data and information
- Encourage the pooling and sharing of research capabilities
- Standardize format and content of questionnaires and oversee data and information collection processes
- Create Repository
  - Studies
  - Best practices
  - Model agreements
  - Conventions and IGAs
  - Resolutions and declarations

**Operational Activities**
- At the request of concerned governments, refer the matters to relevant intergovernmental and non-governmental organizations, financial institutions, governments and national research institutions for technical and financial assistance, the convening of workshops and training activities
- Encourage relevant intergovernmental and non-governmental organizations, financial institutions, governments and national research institutions to develop standards, best practice manuals and model agreements in areas that they have not been addressed

**Monitor performance**
- Identify issues and bottlenecks
- Encourage concerned countries to address issues and relieve bottlenecks
- Disseminate study findings
- Encourage concerned countries to implement recommendations of studies
- Propose actions emanating from studies
- Disseminate information in depository
- Promote best practices and model agreements
- Increase awareness of conventions and IGAs incl. their benefits and obligations
- Promote accession to conventions and IGAs
- Encourage implementation of conventions and agreements
- Increase awareness of commitments contained in resolutions and declarations
- Encourage compliance with commitments contained in resolutions and declarations
Regardless of the institutional arrangements developed for a particular corridor, there is a need for the tasks and activities shown in Figure 15 to be undertaken.

The inter-country nature of a corridor requires some form of coordination. The following considers the main coordination functions/activities/requirements in an “institution neutral framework” i.e. without assigning functions to a particular type of institution.

**Formal and Jigsaw Corridors**

In principle, once there is a bilateral or subregional transit transport agreement there is no need for a separate corridor agreement which repeats the substantive content of the transit agreement and establishes a corridor authority. This is because the functions of a corridor “authority” can be performed by the organs of the subregional transit transport agreement. This, for example, is the case for the ADB Greater Mekong Subregion programme, where three corridors (North-South, South and East-West) are being developed without corridor agreements. This is also the case with many bilateral agreements where the “corridor” provides access to the sea for landlocked countries. For example, the Treaty of Transit between His Majesty's the Government of Nepal and the Government Of India, 5th January 1999 and 27th October 2009, states that “In order to facilitate effective and harmonious implementation of this Treaty the Contracting Parties shall consult each other regularly” ; and Transit Agreement between His Majesty’s Government of Nepal and the Government of the People’s Republic of Bangladesh, 2nd April 1976, states that “The Contracting Parties shall take appropriate measures to ensure that the provisions of this Agreement are effectively and harmoniously implemented and to consult with each other periodically so that such difficulties as may arise in its implementation are resolved satisfactorily and speedily”.

In fact, there is a third agreement, the Memorandum of Understanding between India And Bangladesh to Facilitate Overland Transit Traffic between Bangladesh And Nepal, 1978. In none of these cases is there a corridor authority, either at the bilateral or trilateral level. This is despite a set of 15 routes (which could be defined as a corridor) being designated between Calcutta and Nepal as well as one designated route for transit between Nepal and Bangladesh.57

In practice, however, there are cases where countries may consider it desirable to develop a multilateral corridor agreement in addition to a subregional transit transport agreement.

Firstly, because there are financial, technical and human resource constraints to the implementation of the subregional agreement across the whole subregion. In this case, scarce resources can be focused on one or more corridors that perhaps have greater traffic generation potential.

Secondly, and similar to the to the first case, is where it is considered desirable to implement a demonstration or pilot project to promote the wider subregional agreement.

Thirdly, the corridor countries may only be a small subset of the membership of the subregional agreement. For example, in Africa, COMESA has 19 members but only five are members of the African Northern Corridor Transit Transport Agreement (NCTTA).

Fourthly, membership of the corridor may be extended to countries that are not members of the subregional agreement. For example, South Sudan is a member of NCTTA but not a member of

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57 The above description does not imply a recommendation in favour of bilateral agreements. In this respect, ESCAP has been working on various types of agreements including the Model Subregional Agreement on Transport Facilitation.
COMESA. In this case the subregional organization is unlikely to have a mandate to support activities in non-member States.

Fifthly, to ensure compliance with and uniform interpretation of an agreement. The was the case for the original 1985 Northern Corridor Transit Agreement (NCTA), where three of the five members were landlocked and a fourth had no access to the East African coastline. The agreement had extensive explanatory notes to the main text which amongst others gave the background and reasons for particular Articles.

Article 37 of the agreement states that:

The Contracting Parties agree to establish, within six months of the entry into force of this Agreement, an authority for the co-ordination of transit transport in the Northern Corridor to be known as the “Transit Transport Co-ordination Authority” (TTCA), with mandate, composition and functions as set out in the Annex to this Agreement.

The explanatory note on the TTCA further states that:

A “Permanent Steering Committee” was created by the Northern Corridor States in August 1981, with the objective to “follow the implementation of the measures that have been discussed at the Mombasa meeting” (minute of the Mombasa meeting, conclusion).

The function of the Permanent Steering Committee, as established at Mombasa, has been carried out through a number of meetings, held in Nairobi in 1982, and at Ministerial level in Kigali in 1983, in Bujumbura and Kampala in 1984 and in Nairobi 1985.

However, for the daily execution of the transit transport policy in the Northern Corridor, according to the spirit and the letter of the Northern Corridor Transit Agreement, a body is needed at a more operational level. For this reason, Article 37 of the Northern Corridor Transit Agreement provides for a Transit Transport Co-ordination Authority (TTCA). TTCA is intended to ensure that each Contracting Party applies the provisions of the Agreement and guarantees a uniform interpretation of the Agreement by all of them.

Sixthly, where specialist technical knowledge and expertise is required to manage a particular activity on the corridor. The is the case with the ADB CAREC Program Corridor Management Units (CMUs) for Designated Rail Corridors (DRCs) – see Box 11 below.
Improvements in rail transport require not only sufficient capacity to allow the unimpeded movement of trains, but also the coordination of movements across borders and through neighboring countries to allow a scheduled movement from origin to destination. Capacity can be increased through investments in infrastructure, including rehabilitation of existing track, double tracking, improvements in signalization, and electrification. Coordination requires changes in procedures and management and is therefore more difficult to achieve.

For long-distance freight and specific passenger services such as high-speed trains, it is common practice for those trains to be given priority. This allows the priority service to move through the rail system with minimum delay. When this prioritized service operates over a selected linear rail section or route, it is referred to as a “designated rail corridor” (DRC). Train services in the DRCs are scheduled to enter and exit corridors at specific times; they only stop at designated locations and meet set performance and reliability criteria such as journey time. Once a train leaves a DRC, it is governed by the local regional rail systems.

For a DRC to function efficiently, standardization and harmonization of the elements that form the regional rail system across DRCs is vital, particularly in terms of fixed performance norms. This will require greater coordination among the railways, involving:

(i) a high-level rail operational plan;
(ii) common technical standards, rules and regulations, processes and procedures;
(iii) harmonization of financial and accounting cost bases;
(iv) agreement on key performance indicators;
(v) agreement on maintenance strategies, requirements, and cost base; and
(vi) agreement on liability and insurance coverage.

To be able to undertake these tasks ADB proposed to establish the corridor management unit (CMU), including a specific group of railway specialists charged with railway planning and operations coordination.


In general, the reasons for formal corridor agreements lie on a spectrum, which range from ensuring compliance, as was the case with the 1985 Northern Corridor Transit Agreement, through to marketing and promotion, as is the case of the Coordinating Council on Trans-Siberian Transportation.

The Jigsaw corridor consists of a number of agreements and policies. In the case of the NELBEC, the policy framework consists of a number of promotional, technical assistance and infrastructure financing and construction elements. The principal elements include:

- Vision and Action to Promote the Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, 28 March 2015;
- China–Europe Railway Construction and Development Plan (2016–2020), 8 October 2016; and
- General Administration of Customs, China, “Belt and Road Initiative, 16 customs-related measures”, 28 June 2015.

In addition, various legal instruments are used to address specific issues along all or part of the corridor including:

- OSJD Agreement on Organizational and Operational aspects of Combined Transport in Communication Europe – Asia as of August 1, 2018;
• Agreement for Further Cooperation on China-Europe Container Block Trains among the Railways of China, Belarus, Germany, Kazakhstan, Mongolia, Poland and Russia, 20 April 2017;
• Single CIM/SMGS common consignment note (since 1 May 2017); and
• Belt and Road Initiative, bilateral agreements with countries and regional groupings (e.g. bilateral agreements between customs authorities and the Memorandum of Understanding on establishing a Connectivity Platform between the EU and China, 28 September 2015).

Further, there has been a development of commercial arrangements that have facilitated the movement of traffic on the corridor including:

• JSC United Transport and Logistics Company – Eurasian Rail Alliance (UTLC-ERA) whose shareholders are: JSC Russian Railways, the National Union Belarusian Railway and JSC National Company Kazakhstan Temir Zholy.

Each of the policies have their own institutional arrangements and forums to consider and address issues arising.

**Collection and Analysis of Information and Data**

In order for a corridor to achieve its objectives, it needs to be borne in mind that any corridor consists of a set of links and nodes, and that any “inefficiencies” on any links or at any nodes affects the overall efficiency of the whole corridor, and consequently the achievement of the abovementioned objectives.

The “inefficiencies” referred to above can be physical, non-physical and operational and were outlined in **Box 12** of the Introduction to the Study (they are repeated below for ease of reference).
### Box 12 Selected issues arising on intermodal transport corridors

<table>
<thead>
<tr>
<th>Infrastructure and traffic control systems</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Road:</strong> Missing links, substandard sections, poor maintenance</td>
</tr>
</tbody>
</table>

| **Railway:** Break of gauge, single track, low level of electrification and use of different voltages, poor maintenance, low quality of signaling and blocking systems |

<table>
<thead>
<tr>
<th>International transport</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Road:</strong> Traffic rights, visas, temporary importation, vehicle insurance, vehicle weights and measures and vehicle registration as well as designated routes and border crossings points, compulsory convoys and escorts, and cabotage.</td>
</tr>
</tbody>
</table>

| **Rail:** Technical interoperability parameters: track gauge, axle load, structure gauge, passing siding length, platform length, platform height, signaling systems, traffic management, telecommunications, traction system, loading gauge, maximum train length, coupling system of railway cars, brake gear, floor height passenger coaches, rail/wheel interface (rail profile, its inclination to the vertical, switches and crossings etc.), electrical systems, water and waste, locomotive type, locomotive traction power, maximum speed |

| **Operational interoperability parameters:** harmonized international train timetables, exchange of information between the railways along the corridor for traffic management, train composition, maintenance of wagons, breakdowns of wagons, handling and inspection of hazardous and perishable goods, management of traffic, including rules for communication between drivers and operational control centres, (including language of communication), locomotive drivers operating locomotives on track of different railways, locomotive fueling and maintenance, criteria and procedures for certification for safety critical staff, training of drivers and other safety critical staff |

| **Legal interoperability parameters:** CIM, SMGS and common CIM/SMGS consignment notes |

<table>
<thead>
<tr>
<th>Border Crossing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Infrastructure and equipment:</strong> Buildings, plant, parking, IT infrastructure, ICT connectivity, interoperability and harmonization in information exchange systems, X-ray cargo scanners, weighbridges</td>
</tr>
</tbody>
</table>

| **Control procedures:** Cargo transported: checks on trade documents, physical inspection of cargo, quarantine (agriculture and veterinary)/ health inspection and collection of statistical data |

| Vehicles: fuel tax assessment, vehicle tax, road charges, transit fees, transport authorization (bilateral, transit, third country, multilateral), payments for special transport permits, weights and dimensions, vehicle certificate (registration), vehicle roadworthiness, third party insurance, customs security of vehicles (checks on vehicle and container seals), quarantine (agriculture and veterinary)/ health inspection and collection of statistical data |

| **Drivers:** passport and visa, customs inspection, quarantine (agriculture and veterinary)/ health inspection, driver licence, inspection re driving time and rest periods |

| **Operational procedures:** Locomotive change, wagon inspection, transhipment procedures, crew change |

**Source:** Compiled by ESCAP secretariat.

In order to rectify these inefficiencies, there is a need, for those in a position to address them, to know what they are, the nature and extent of their impact, and their location on the corridor.

This implies that, regardless of the corridor’s institutional arrangements, information is collected on, but not limited to, the following:

- assessment of existing and potential traffic volumes;
- inventories of road, railway, waterway, modal and intermodal transfer points, and border crossing point infrastructure including signaling and electrification;
• border crossing and modal and intermodal transfer times;
• transit times on various sections;
• description of instruments used in international transport including an assessment of the effectiveness of their implementation;
• descriptions of instruments and procedures used at border crossing points including an assessment of the effectiveness of their implementation;
• inventories of projects proposed for consideration of financial institutions or the private sector (including PPPs);
• inventories of projects under construction and their expected completion dates;
• identification and assessment of technical assistance requirements.

Corridors and Choice
One of the features of markets is consumer choice\textsuperscript{58}.
Where there is no choice, the provider of transport services is “king”: where there is choice, the consumer of transport services is “king”.
Where there is no choice, markets fail to produce “good” solutions for consumers, let alone “optimal” solutions. Under such circumstances there is a case for some form of intervention in the market.
For some corridors in Africa that provide access to landlocked countries, the landlocked countries have no alternative route to the sea. In this case, market interventions that attempt to address this lack of choice include intergovernmental agreements and the formation of corridor authorities that “ensure that each Contracting Party applies the provisions of the Agreement and guarantees a uniform interpretation of the Agreement by all of them.”
Where there is a choice, either another land or maritime corridor (for example, INSTC and NELBEC), the consumer of transport services, taking into account such factors as cost, transit time, frequency, reliability, safety and security, will decide whether to use the corridor or not.

Stakeholder Participation
Many corridor agreements have provision for stakeholder participation in corridor development. For example, the SADC Protocol on Transport, Communications and Meteorology states that: Corridor Planning Committees shall include adequate representation by: a) all modal transport operators servicing the corridor including multimodal transport operators; b) transport and infrastructure authorities with responsibilities in respect of the provision and management of transport and related infrastructure facilities along the corridor; c) port authorities; d) customs and excise authorities with responsibilities in respect of the corridor; e) freight forwarding and clearing agents servicing the corridor; f) trade and

\textsuperscript{58} Choice of routes was an important criterion for the ESCAP ALTID project. For example, the Commission at its 55\textsuperscript{th} "reiterated its strong support for the priority status of the integrated ALTID project, stressing its practical importance to the developing countries in Asia, especially the landlocked States, in providing a choice of reliable and efficient land and land-cum-sea routes.” Annual Report of the Economic and Social Commission for Asia and the Pacific, 23 April 1998-28 April 1999, para 213, E/1999/38, E/ESCAP/1155.
industry authorities and bodies; g) financial and insurance institutions, industrialists and developers; h) border post authorities; i) immigration authorities with responsibilities in respect of the corridor; j) tourism groups; k) users of corridor systems and facilities; and l) any other stakeholders (Article 3.5 Institutional Framework). At the corridor level, the Memorandum of Understanding on the Development and Management of the Trans-Kalahari Corridor, 2003 draws on the same article of the Protocol.

In general, stakeholders in formal agreements are represented by organizations or industry associations. This would also appear to be the case with “jigsaw” agreements. For example, the “Medium-term road map for the development of tripartite cooperation between the People's Republic of China, the Russian Federation and Mongolia”, Ufa, 10 July 2015 (Second Meeting of Heads of State of China, Mongolia and Russia) agreed to carry out tripartite cooperation in various areas including, amongst others, promoting development and exchanges between political parties, social groups and non-governmental organizations; and improving the cooperation mechanism of the three chambers of commerce and industry, promoting the regular holding of fairs and economic and trade forums, and strengthening trade, investment and business partnerships among the three parties. Implementation of this agreement included: the China-Mongolia-Russia Think Tank Forum; China-Russia-Mongolia Business Forum; China-Russia-Mongolia Industry and Commerce Forum; and China-Russia-Mongolia industry and commerce forum.

In the case of the CCTT, membership includes both public and private sector organizations including railways; logistics operators and freight forwarders; shipping companies; seaports and stevedores; state and municipal bodies; partnerships and international organizations; and security services, telecoms, information technology, marketing, insurance and mass media organizations.

**Issues for consideration**

In the Introduction to this study, it was stated that: In selecting the coordination mechanisms and/or institutional arrangements there is a need to recognize that they are only tools for achieving an objective. For example, in case when the objective of a “transport service corridor” is to provide efficient, cost effective, socially acceptable, safe and environmentally friendly multimodal transport services along the interconnected transport infrastructure, across borders and through countries along the corridor, subject to a set of mutually agreed principles of international relations, it is the objective which is important, not the means.

The study has considered a number of different types of formal institutional arrangements which lie along a spectrum of compliance with the terms and conditions of an agreement through to promotion and marketing of the corridor as well as “jigsaw” arrangements.

The remaining sections consider a number of issues for consideration on each of the study corridors.

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59 These include principles such as equity, transparency and mutual benefit.
As mentioned in the text, these “corridors” represent extensions of existing working corridors.

As the existing corridors, Trans-Siberian and NELBEC do not have formal corridor agreements, it makes little sense developing a formal corridor agreement to include the Republic of Korea, Japan and ASEAN.

The Republic of Korea, Japan and ASEAN (Viet Nam) have however demonstrated an interest in, and are using, the existing corridors for their trade with Central Asia, Russian Federation and Europe.

In this respect, the CCTT provides some insight into the means of promoting further trade between, on the one hand, Republic of Korea, Japan and ASEAN and, on the other hand, Central Asia, Russian Federation and Europe (as well as countries and regions not included in this study).

The main objectives of CCTT are:

- attraction of transit and foreign trade cargoes on the Trans-Siberian route; and
- coordinating the activities of participants in the transportation of goods along the Trans-Siberian route (TSR) in international traffic to ensure high-quality cargo delivery and the development of economic relations between the countries of Southeast Asia, the Far and Near East, Central Asia and Europe using the infrastructure of the Russian railways.

The Trans-Siberian Railway providing the conduit through which traders and shippers in the Republic of Korea and Japan are connected to Central Asia, Russian Federation and Europe.

The conference structure of the Council places special emphasis in freight forwarders in Europe, Japan and Republic by appointing the presidents of the Group of European TransEurasia Operators and Forwarders (GETO), Trans-Siberian Intermodal Operators Association of Japan (TSIOAJ), Freight Forwarders Association of the Russian Federation (FAR) and Korea International Freight Forwarders Association (KIFFA) as permanent vice presidents of the CCTT, with the President of the Open Joint Stock Company "Russian Railways" being the permanent chairman.

Taking this conference structure, one could envisage a similar arrangement on the NELBEC, with the head of China Railway acting as permanent president and GETO, TSIOAJ, KIFFA and the ASEAN Freight Forwarders Associations (AFFA) acting as vice presidents.

China – Mongolia – Russian Federation

The current arrangements on the China-Mongolia-Russia Economic Corridor appear to be contributing to its development. Consequently, it does not appear at the current point in time that introducing any institutional mechanisms beyond those discussed in Chapter __ above would add any value to the existing arrangements.

On the sidelines of the 4th Eastern Economic Forum on 11-13 September 2018, Vladivostok, the three heads of state signed a Memorandum of Understanding on the Establishment of a Joint Mechanism to Advance the Development of the Economic Corridor. It is understood that the MOU addresses a broad range of issues, transport being only one element.
In this respect, it is noted that the “Program for Creating the Economic Corridor China - Mongolia – Russia” signed 23 June 2016, at the third meeting of heads of state in Tashkent, Uzbekistan had annexed to it a “List of projects to create an economic corridor China - Mongolia – Russia”. Of the 32 projects listed, 13 were in the transport sector. The majority of these transport projects were feasibility studies of road and rail corridors. So, perhaps the need for and form of corridor management arrangements could be considered as part of the studies.

Further on the AH3 and AH4, China, Mongolia and Russia have signed the ESCAP promoted Intergovernmental Agreement on International Road Transport along the Asian Highway Network, 2016. This agreement for the road sector along with various other instruments of, for example, those of OSJD in the railway sector provide a legal basis for traffic to move. Consequently, at the current point in time, it would not appear to require any additional corridor arrangements.

India – Islamic Republic of Iran – Azerbaijan – Russian Federation
(«International North – South Transport Corridor»)

The INSTC agreement was signed on 12 September 2000. In spite of the endeavours of the founding member countries – India, Islamic Republic of Iran and the Russian Federation as well as the Federation of the Freight Forwarders Association of India (FFFAI) and other entities, traffic volumes have been negligible. This is in spite of a recent estimate of the Head of Strategic Marketing Department at FESCO TG that “the current turnover from India, Iran to Russia and back is estimated at 142 thousand TEU. 41 thousand TEU - trade between India, Scandinavian countries - Finland and Sweden.”

The original agreement specified a multimodal corridor from India and Oman via sea to and through the Islamic Republic of Iran, Caspian Sea, the Russian Federation and beyond and back. Issues encountered on this route included:

- Return of empty containers was recognized as “the most crucial issue for making [the INSTC] economically viable”
- Imbalanced trade – flow India-Russia >> Russia-India
- Iranian trucks had higher tare weight which combined with axle load restrictions reduced carrying capacity
- Lack of scheduled rail services Bandar Abbas – Bandar Anzali
- Lack of “Special Economic Zone”/ dry port at Bandar Anzali to store goods for distribution to Russia
- Inadequate shipping services and delays at ports on the Caspian
- Need for augmenting infrastructure capacity at Bandar Anzali and Astrakhan, and shipping capacity in the Caspian Sea.

No one particular factor has caused the slow progress in realization of the INSTC. It has been caused by a set of interacting factors. Inability to resolve legal and procedural transit issues, technology issues (EDI and GPS tracking), missing links (increasing transit times and costs), a “vicious circle” of low traffic

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volumes leading to an inability to provide regular (or scheduled) services, which dissuades shippers from using the services which in turn leads to low traffic volumes, unreliable shipping and port services (India-Iran and Caspian), additional transshipments (Caspian Sea or Rasht-Ansara) increasing transit time and costs have all contributed.

Given that shippers have demonstrated little confidence in the original multimodal corridor it appears that the solution which would have the greatest chance of success is an all rail solution from the Persian Gulf to the Russian Federation and beyond.

The constraints that need to be addressed in this solution include:

- The 167 km missing link between Rasht and Ansara. Assuming that the construction of this missing link commences as scheduled, it is likely that it will take some years to complete.

- Absence of a legal framework within which to operationalize the corridor. Given that Azerbaijan, India, Islamic Republic of Iran and the Russian Federation do not have an underlying “regional economic cooperation agreement” including a transit transport agreement (similar to, for example, ECO) a jigsaw approach, similar to that used for the NELBEC may be considered. Some elements of this approach may include:
  - MOU between the railways of Azerbaijan, Islamic Republic of Iran and the Russian Federation;
  - Creation of joint venture logistics companies;
  - Consideration and development of a legal framework for multimodal transport on the corridor;
  - Technical assistance on adoption of best practices on border crossings.

- At the 5th Coordination Council Meeting of INSTC, June 2013, Islamic Republic of Iran suggested that, until the rail route under consideration/ implementation is completed, the road route which starts from Bandar Abbas (Iran) and through Azerbaijan and to Russia needs to be utilized and popularized. If this option is to be followed then strengthening of the legal framework for road transport is also required including:
  - Transition to electronic transport and accompanying documents, including e-CMR;
  - Introduction of electronic guarantees in the framework of the TIR Convention (e-TIR) in the field of international road transport of goods;
  - Implementing a digital mechanism for goods and vehicles along the INSTC using satellite navigation technologies. (The key problem of using electronic navigation seals along the entire corridor is the lack of agreements on the use of GLONASS in all the INSTC countries or devices that could use both GLONASS technology and GPS simultaneously.)

- Recognition that it may take time to gain shipper confidence and build up traffic.

In implementing such measures due cognizance needs to be taken of the Islamic Republic of Iran’s eminent position as a potential transit hub from the Persian Gulf to Europe (via the Black Sea or the Russian Federation), Afghanistan, Central Asia and China as well as Turkey to Almaty and China as well as Turkey to Pakistan (see Figure 15). In developing the INSTC, it is desirable that a consistency with the legal framework of other corridors is maintained.
Some container block train demonstration runs, in conjunction with ECO, have been made, but for various reasons regular services have not commenced. More recently, a number of container block train runs have been made between China and the Islamic Republic of Iran including:

- Yiwu for Tehran, 28 January 2016, 14 days
- Yinchuan South Railway Station on 5 September 2017
- The third, fourth and fifth cargo trains from China to Iran which arrived in Tehran in the week of 8 January 2018

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Experience gained and lessons learned from these runs need to be incorporated in development of other corridors.

In order to expedite the work on development of the INSTC, a Business Club "North-South" was established in February 2017. The club is an informal open international platform for discussion among project stakeholders in the framework INSTC. The Club's mission is the pursuit of the pooling of resources between business and government of member of the INSTC project, as well as the dialogue partner countries and the creation of the most favorable, comfortable conditions for member countries of the Club in the debate on the practical implementation of projects aimed at the development of high-performance infrastructure created within the INSTC. The activities of the Club are expert and advisory in nature.

As the corridor develops, consideration may be given to converting this Business Club "North-South" into a Coordinating Council for the INSTC, similar to the CCTT.

In addition, ESCAP, OSJD, ECO, IDB and SCO may wish to consider (subject to their mandates) working together with Azerbaijan, India, Islamic Republic of Iran and the Russian Federation in developing a “jigsaw” of agreements which together collectively provide the legal basis for movement along the whole corridor.
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