Draft Framework for
Enhancing Efficiency of Railway Border Crossings
along
Trans-Asian Railway Network and beyond

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Outline

- **WHY** do we need the framework for railway border crossings?
- **WHAT** does it contain?- main issues
- **HOW** will it support efficient railway transport in Asia and between Asia and Europe?
“16. The Working Group recognized that the operational readiness of the Trans-Asian Railway network would improve only if the development of infrastructure were accompanied by a series of measures in areas that do not relate directly to infrastructure. Some of the identified areas were facilitation measures to ease customs clearance procedures, the development of efficient electronic data interchange between railways as well as between railways and other entities, such as customs or logistics service providers, and the definition of a common regulatory framework to govern the movement of freight across borders.”
Why do we need the framework on railway border crossings

- Agenda 2030 on Sustainable Development - Sustainable Transport is central to Sustainable Development

- Sustainable Transport is about optimal use of different modes of transport according to their strength - encouraging efficient railway transport as an energy efficient and environment friendly mode

- OECD estimates international freight flows to grow by 4.3 times by 2050 as compared to 2010. Road and railway freight expected to grow by 230-420 percent

- OECD estimates potential of Asia-Europe railway container traffic to be one million TEUs annually
Why do we need framework on railway border crossings?

- Railway freight is rising rapidly along China–Europe routes from 17 freight trains in 2011 to 1705 in 2016 (100 times in five years) from 2 routes in 2011 to 39 in 2016.
- The Railway routes through Central Asia are becoming increasingly important.
- Under initiatives like
  - Belt and Road Initiative, China,
  - Nurly Zhol, Kazakhstan and
  - Railway Transport Development strategy of Russian Federation for 2030.
- Around USD 22 billion is expected to flow in transport connectivity project – a lot of it would flow to strengthen railway transport including at railway border crossings.
Vicious cycle created by delays at railway border crossing

- Delays at the railway border crossings
- Leads to low reliability and predictability of freight trains
- Reduces the demand for rail freight
- Rail freight costs cannot be reduced, adversely affecting its competitiveness
- Lack of investments in border crossing facilities

Economic and Social Commission for Asia and the Pacific (ESCAP)
Complex environment of railway border crossing

- Numerous stakeholders
- Competing interests of the stakeholders
- Lack of sharing of information among regulatory agencies
- Inefficient information exchanges among railways and regulators
- Lack of mutual recognition of inspections: Customs to Customs and railways to railways
- Different processes and inspections for completion of formalities
2. What does framework contains?
Key issues at the railway border crossings

1. Electronic information exchange among the railways

The main processes undertaken at the railway border crossing can be grouped as follows:

- Commercial handover
- Technical handover including dealing with break of gauge
- Customs formalities
- Border guard / Immigration formalities
- Other Government Agencies formalities

Initiation and completion of these processes require information. The flow of this information has a crucial impact on the efficiency of border crossing processes.
Railway to railway electronic exchange of information

- Railway to railway (R2R) exchange of information to complete commercial and technical handover

- Electronic exchange of information could further enhance efficiency

- Many countries in the region are taking steps in this direction e.g. the railways of Russian Federation has agreements on the electronic exchange of information with Kazakhstan (2016), China (2017), Belarus, and with Baltic, some Nordic and CIS countries

- Railways of Russian Federation, China, Kazakhstan, Mongolia, Belarus, Germany and Poland have signed a multilateral agreement for organization of container trains between China and Europe in April 2017

- OSJD leaflets provide details on various aspects of electronic information exchange among railways

- TAF-TSI and interoperability with European Railway Network
Fragmented railway legal arrangements

Annex 9 - Convention on the Harmonization of Frontier Controls of Goods

ESCAP Regional Cooperation Framework for Facilitation of International Railway Transport

OSJD Agreements

COTIF

EU regulation

EAEU regulation

ECO TTFA

ASEAN Protocol 6 AFAFGIT

Bilateral Agreements Only
Suggestions

- Many countries in Asia-Pacific are developing their international railway transport.

- In the absence of regional guidelines for exchange of messages for railway transport, it is likely they could go in different direction.

- This would lead to challenges in the flow of information along railway corridors due to lack of interoperability, undermining efficiency of railway transport operations.

- For the efficiency of international railway transport along the Trans-Asian Railway Network (and beyond), it is critical, that messages exchanged between railways are preferably electronic and harmonized and compatible with other networks.
Railway to railway electronic exchange of information

Such an arrangement could specify:

- In principle, an understanding among railways of ESCAP member countries *to harmonize message flows* for international railway transport

- *Specify railway processes/operations* for which information would be exchanged

- *Structure and format* of standardized electronic messages based on international standards where they exist

- Data protection and security standards

- *Tailored and gradual approach for implementation*, depending on the priorities of railways of the country, and provision for technical assistance

- Mechanism to *monitor implementation*

  **And who would do this?**

- *A Group of Experts* to identify railway processes, and lay down structure and format of standardized messages to be exchanged electronically

- Build on the *work already being done*
2. Electronic information exchange among Railways, Customs and OGA

- Completion of regulatory formalities and lack of coordination among them are among the prime reason for delays

- **Pre-arrival information in electronic and standardized format** to be shared with Customs and OGAs for them to *have joint risk assessment* and identify wagons/containers to be *physically inspected*

- For transit goods - the *consignment note should be accepted as a customs declaration* without need for separate customs transit declaration. Still if customs declaration is required - standardized and accepted electronically

- Standard message exchanges among Customs and OGAs on (a) wagons/containers selected for physical inspection; (b) completion of inspection; and (c) release of wagons/containers from Customs control
3. Customs and Other Government Agencies formalities

Customs have a major role in facilitating movement of goods and to complete formalities they need information.

Recommendations in the framework:

- **Pre-arrival information** on goods in electronic form
- **Selective physical inspections based on risk assessment**
- Simplified customs transit procedures at railway border crossings - includes *use of railway consignment note as custom transit declaration*
- **Use of new technologies** such as dynamic scanners and weigh bridge, electronic seals and non intrusive inspections
- Joint inspections of goods by border agencies or else sharing of inspection results - *no duplication of inspections*
- **Goods imported for domestic clearance be moved immediately to nearest dry port** or inland container depot for customs clearances - ease for transit
3. Customs and Other Government Agencies formalities

Railway Transport Single Window for completion of formalities

- Pre-arrival information on goods and train arrival
- Data from automatic equipment's dynamic weighing scale, dynamic scanners
- Railway freight information system
- Rolling stock inspection data
- Passport/identity card data for railway crew

Railway Transport Electronic Single Window

Customs
- Railways
- Immigration
- Border Guards
- Quarantine
- Others

Joint inspections

4. Simplified, reduced and harmonized document requirements for regulatory and railway formalities
5. Break-of-Gauge

- Most common break of gauge along the Trans-Asian Railway Network happens on 1435-1565-1435 mm

- Bogie changing is the most common way to deal with break of gauge for wagons and transhipment for containers

- Inefficiencies in dealing with Break-of-Gauge arise from:
  - Limited reloading capacities
  - Lack of availability of wagons
  - Lengthy transhipment operations
  - Inefficient information exchange among the railways

Recommendations
- Optimal utilization of installed capacities of bogie changing across the railway border crossing based on bilateral agreement
- Efficient container transhipment operations
- Electronic communications with adjacent railways on movement of trains to prepare in advance for Break-of-Gauge
5. Methodology for analyzing current state of railway border crossings and proposing measures for enhancing their efficiency

The prescription in this framework cannot be implemented uniformly at all the railway border crossings across the region. These are guiding principles:

Each railway border crossing is unique in terms of challenges it faces and specific issues that need to be addressed.

Choosing which recommendation to implement would require an in-depth analysis of a pair of border crossing between adjacent countries to offer optimal solutions.

Such a complex and demanding analysis needs a systematic and methodical approach and would include:
5. Methodology for analyzing current state of railway border crossings and proposing measures for enhancing their efficiency

I. Current and forecast of railway freight traffic along the railway border crossings

II. Type of goods transported and nature of traffic bulk or containerized both current and expected

III. Review of legal arrangements for railway transport (national and bilateral)

IV. Major stakeholders and their role at the railway border crossings

V. State of railway border crossing equipment, facilities and infrastructure
5. Methodology for analyzing current state of railway border crossings and proposing measures for enhancing their efficiency

VI. Critical analysis of the processes being carried out and their sequence

VII. Existing arrangements for sharing of information between railways and between railways and other control agencies

VIII. Present state of cooperation among control agencies at the border crossing

IX. Finally, *specific set of recommendations to improve efficiency* of railway border crossing
Thank you for your attention
Questions?
Comments?
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http://www.unescap.org/our-work/transport