

Expert Group Meeting on the Midterm  
Review of Vienna Programme of Action for  
Landlocked Developing Countries for the  
Decade 2014-2024

# Fundamental Transit Policy Issues and Transport Infrastructure

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# **Preparation for the Midterm Review of Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024**

**Priority 1: fundamental transit  
policy issues**

**Priority 2: Infrastructure  
Development and maintenance**

**Operational  
connectivity**

**Physical connectivity**

# ESCAP Transport

## Regional Action Programme on Sustainable Transport Connectivity in Asia and the Pacific (*Phase I, 2017-2021*)

- ❑ Integrate different modes of transport (incl. airports and ports)
- ❑ Connect industry clusters
- ❑ Synchronize supply chains
- ❑ Serve the lives of communities along the corridors

International Intermodal transport corridors  
*for seamless connectivity*

the ESCAP institutional framework

Intergovernmental Agreements

- on Asian Highway network
- on Trans-Asian Railway network
- on Dry Ports



# Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

- ❑ A new UN Treaty open to interested (53) ESCAP member states (voluntary) to become parties
- ❑ **Objective:** To facilitate cross-border paperless trade (data exchange) among willing ESCAP member states by providing a dedicated intergovernmental framework to develop legal and technical solutions
  - ❑ Complementary to the WTO Trade Facilitation Agreement as well as (sub)regional efforts
  - ❑ Strong capacity building support to countries with special needs, including landlocked developing countries (LLDCs).

The screenshot displays the United Nations Treaty Collection interface. The main content area shows the details for the '20. Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific', adopted in Bangkok on 19 May 2016. The page includes a 'Depository' sidebar, a search bar, and a table of participants. A red dashed box highlights the table of participants, which lists the following countries and their signature dates:

Participant	Signature	Reservation, Acceptance(A), Approval(AA), Accession(a)
Armenia	22 Sep 2017	
Azerbaijan	22 Mar 2018 a	
Bangladesh	29 Aug 2017	
Cambodia	29 Aug 2017	
China	29 Aug 2017	
Iran (Islamic Republic of)	29 Sep 2017	

Below the table, the 'Azerbaijan' section contains a reservation: 'In accordance with paragraph 7 of Article 17 of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, the Republic of Azerbaijan states that it does not consider itself bound by the provisions of the Article 17 relating to conciliation.'

For more information: <http://www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific>

# PRIORITY 1: FUNDAMENTAL TRANSIT POLICY ISSUES

## ACTIONS

1. To **accede to and ratify international, regional and subregional conventions** on transit and trade facilitation;
2. To ensure their **effective implementation**
3. To enhance **coordination and cooperation of national agencies** responsible for border and customs controls (Domestic and cross-border)
4. To create an **effective bilateral or regional mechanism for the implementation** of the agreements and to **avoid** maintaining, seeking or adopting quotas or other **quantitative restrictions**;
5. To promote the **simplification, transparency and harmonization of regulations and requirements** related to transit systems by all modes of transit transport;
6. To develop effective logistics systems by aligning **incentives for efficient transport and transit operations, promoting competition**;
7. To collaborate on **exchanging trade and transport data** with a view to conducting cross-border transactions faster and more efficiently;
8. To formulate **national transit policies and establish appropriate national mechanisms** with the participation of all relevant stakeholders.

## OBJECTIVES

- 1) To **reduce travel time along corridors** with the aim of allowing transit cargo to move 300-400 kilometres per 24 hours;
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**Accession and ratification of selected conventions and international agreements related to transit transport (progress made in period 2014 – 2018)**

	Landlocked Countries	Transit Countries
WTO (1995) (Art. V GATT 1994)	Afghanistan (2016), Kazakhstan (2015)	/
Convention on the Law of the Sea (1982)	Azerbaijan (2016)	/
Convention on Road Traffic (1968)	/	Viet Nam (2014)
Convention on Road Signs and Signals (1968)	/	Viet Nam (2014)
International Convention on the Harmonization of Frontier Control of Goods (1982)	Turkmenistan (2016)	/
International Convention on the Simplification and Harmonization of Customs Procedures, as amended (Revised Kyoto Convention) (1999)	Bhutan (2014); Lao PDR (2016); Nepal (2017)	Cambodia (2014), Islamic Republic of Iran (2016), Thailand (2015)
WTO Agreement on Trade Facilitation (2013)	Afghanistan (2016), Armenia (2017), Kazakhstan (2016), Kyrgyzstan (2016), Lao PDR (2015), Mongolia (2016), Nepal (2017)	Bangladesh (2016), Cambodia (2016), China (2015), Georgia (2016), India (2016), Myanmar (2016), Pakistan (2015), Russian Federation (2016), Thailand (2015), Turkey (2016), Viet Nam (2015)
Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention) (1975)	/	China (2016/2018), India (2017/no), Pakistan (2015/2018)
Istanbul Convention on Temporary Admission (1990)	/	Islamic Republic of Iran (2016)
UN ESCAP Intergovernmental Agreement on Dry Ports (2013) (2016)	Afghanistan (2016), Kazakhstan (2016), Mongolia (2016), Tajikistan (2015), Turkmenistan (2016)	Bangladesh (2016), China (2016), India (2015), Islamic Republic of Iran (2017), Russian Federation (2015), Viet Nam (2014)
OSJD Agreement on the International Goods Transport by Rail (SMGS) (1951)	Afghanistan (2014)	

## **Accession and ratification of selected conventions and international agreements: the current situation**

- In 2014 – 2018, **there has been a significant number of new ratifications by LLDCs**: (Afghanistan – 4, Kazakhstan- 3, the rest, except Uzbekistan, 1-2) and by **transit** countries (Viet Nam – 4, Islamic Republic of Iran, China and India – 3, other-1-2).
- Presently **5 out of 12 landlocked and 7 out of the transit countries** participate in **less than half of 20 international conventions/agreements** considered.
- In general lower participation is notable with the Customs Convention on the Temporary Importation of Commercial Road Vehicles, Istanbul Convention on Temporary Admission, the Customs Convention on Containers, the International Convention on the Harmonization of Frontier Control of Goods and Convention on the Contract for the International Carriage of Goods by Road.
- At the sub-regional level the landlocked and transit countries from **Central Asia are much better integrated**, while participation to the above-mentioned instruments in South East Asia and South Asia countries is sporadic.
- in some circumstances it is **not possible to fully utilize the benefits from participation to the international instruments because landlocked countries and their transit countries do not participate to the same agreements**
  - Afghanistan and the Customs Convention on the Temporary Importation of Commercial Road Vehicles (1956): only Uzbekistan or one out of six of its transit/potential transit countries is a member
  - Lao PDR is a member of the International Convention on the Harmonization of Frontier Control of Goods (1982), however none of its transit/potential transit countries do not participate in this Convention.
  - Tajikistan can use the Convention on the Contract for the International Carriage of Goods by Road (CMR) only with two out of four transit/potential transit countries, which are members

## Subregional and multilateral initiatives

- Significant developments in sub-regional agreements:
  - the ASEAN Framework Agreement on Multimodal Transport (AFAMT) and the Great Mekong Sub-region (GMS) Cross-Border Transport Facilitation Agreement (CBTA)
  - SCO Agreement between on Creating Favorable Conditions for International Road Transportation
- Multilateral agreements:
  - China, Mongolia and Russian Federation;
  - Bangladesh, Bhutan, India and Nepal (BBIN MVA);
  - Islamic Republic of Afghanistan, the Republic of India and the Islamic Republic of Iran (Chabahar Agreement) ;
  - Afghanistan, Azerbaijan, Georgia, Turkey and Turkmenistan (Lapis Lazuli Transit, Trade and Transport Route).
- Several ongoing negotiations and preparatory activities for on transit related multilateral arrangements:
  - Trilateral Agreement among Azerbaijan, Georgia and Kazakhstan for development and piloting of CAREC Advanced Transit System (CATS);
  - Pakistan-Afghanistan-Tajikistan Trilateral Transit Trade Agreement;
  - South Asian Association for Regional Cooperation (SAARC) Motor Vehicle agreement;
  - Agreement on facilitating cargo movement along the India-Myanmar-Thailand (IMT) Trilateral Highway.

## **Bilateral agreements**

- All twelve landlocked Asia-Pacific countries have bilateral agreements relevant for transit transport with their most important transit countries concluded before 2014.
  
- In the period between 2014 and 2018 some of those bilateral agreements have been updated and few new bilateral arrangements have been agreed, including:
  - Agreement between Azerbaijan and Georgia and on Coordination of Railway Transport Activities, in 2014;
  - Railway Agreements on rule and regulation of railway communication across border between Afghanistan and Turkmenistan, in 2017.
  - The bilateral Afghanistan - Pakistan Transit Trade Agreement (APTTA) from 2010 has expired in 2017 and presently Afghanistan and Pakistan do not have a bilateral road transport agreement.

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# ESCAP Transport Facilitation Technical assistance

**The Regional Framework on Road** that identified six fundamental issue and seven modalities for supporting efficient international road transport in the region

**The Regional Cooperation Framework for Railways** that identified four fundamental issues and provides eleven areas for cooperation to facilitate international railway transport.

## **The Secure Cross Border Transport Model**

Use of new technologies in transport facilitation

## **The Efficient Cross Border Transport Models**

Developments in trucking industry practices that allow the tractor and trailer to be swapped to deal with non-physical barriers

## **The Model on Integrated Controls at Border Crossings**

Streamlining the flow of information from various agencies at the border to avoid duplications

## **The Time Cost Distance methodology**

A diagnostic tool and a method of monitoring the performance of transport corridors

## **The Standard Model of Logistics Information Systems**

Interoperability and information exchange of the existing national and transnational logistics information systems and identifies good practices

Model sub-regional agreement on Transport Facilitation

Model bilateral agreement on road transport

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**Objective: To reduce travel time along corridors with the aim of allowing transit cargo to move 300-400 kilometres per 24 hours**

**Sources of information**

- CAREC Annual Reports of Corridor performance measurement and monitoring (CPMM) by ADB (2014, 2015 and 2016 CPMM Reports; and CPMM 2017 preliminary)
- Baseline Studies on Trade and Transport Facilitation Monitoring Mechanism (TTFMM) in Nepal and Bhutan supported by ADB/UNESCAP conducted in 2016/2017,
- Other relevant studies and publicly available information.

**Preliminary results**

- Many corridors in the Asia Pacific still not meeting the VPoA target
- In some corridors, observed improvement in SWOD and not SWD
- Average time has increased for several corridors.

## **Objective: Reduction of time spent at land borders**

### **Sources of information**

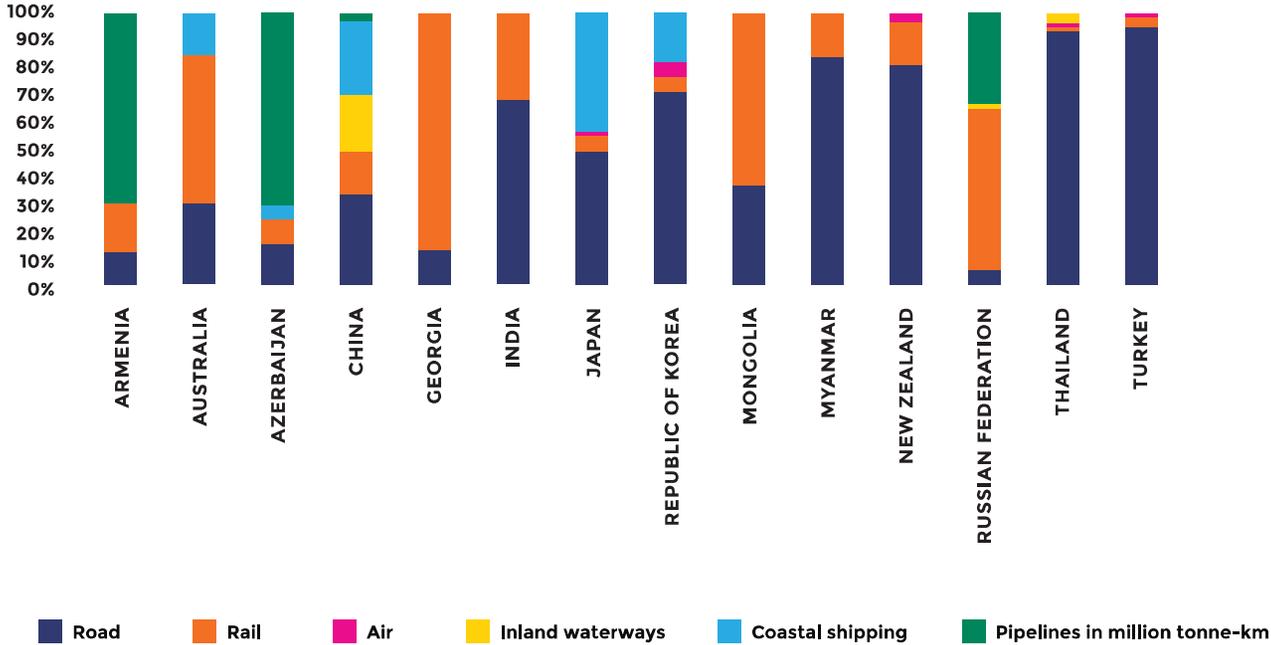
- annual CAREC CPMM Reports (for 2014, 2015 and 2016) and 2017 preliminary information.
- Other relevant studies and publicly available information
- International (perception) indicators

### **Preliminary results**

- The average time to clear a border-crossing point in road transport on CAREC Corridors by road increased by 69 per cent, from 9.9 hours in 2014 to 16.7 hours in 2017. Impressive reduction of time to clear a border-crossing point on Corridor 4 (reduction by 70%) and corridor 1 (reduction by 33%)
- Low perception of customs efficiency has been maintained or even increased for most LLDCs
- Successful measures which resulted in the time reduction:
  - Cross-border level: (e.g. start of electronic exchange of cargo manifests; mutual recognition of weight certificates and X-ray scans; opening of green channels);
  - National level: e.g. changes in Customs and other regulation that result in fewer paper based documents required
  - Local level: e.g. introduction of automated customs clearance system; improvements of facilities and border crossing infrastructure.

**Objective: To significantly improve intermodal connectivity with the aim of ensuring efficient transfers from rail to road and vice versa and from port to rail and/or road and vice versa.**

SHARE OF FREIGHT MODE (MILLION TONNES/KM), 2015



Source: ESCAP Review of Developments in Transport in Asia and the Pacific 2017

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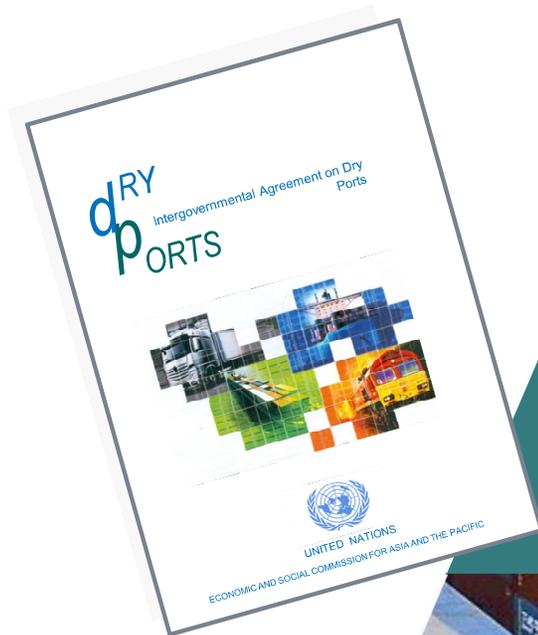
**Number of Dry Ports of international importance identified by the Intergovernmental Agreement on Dry Ports (2013)**

Number of Dry Ports at Landlocked Countries		Number of Dry Ports at Transit Countries	
Afghanistan	8	Bangladesh	8 (& 9 potential)
Armenia	4	Cambodia	7
Azerbaijan	11 (& 10 potential)	China	17
Bhutan	1 (& 5 potential)	Georgia	1 (& 1 potential)
Kazakhstan	2 (& 3 potential)	India	34
Kyrgyzstan	2	Myanmar	(8 potential)
Lao PDR	1 (& 8 potential)	Pakistan	12
Mongolia	4 (& 1 potential)	Russian Federation	5 (& 10 potential)
Nepal	4 (& 1 potential)	Thailand	1 (& 2 potential)
Tajikistan	7	Turkey	2 (& 17 potential)
		Viet Nam	4 (& 4 potential)

Source: ESCAP, 2018

# Status and challenges

# Dry Ports



- Intergovernmental Agreement on Dry Ports  
*247 dry ports in 27 countries*
- Regional framework for the Planning, Design, Development and Operation of Dry Ports of International Importance

- address the cross-cutting nature of logistics
- set common strategies across sectors
- provide consistency across the region in the approach to dry port development and operation



## **Priority 2 (a) : Transport infrastructure**

### **ACTIONS**

- 1.To develop and implement comprehensive national policies for infrastructure development and maintenance, encompassing all modes of transport
- 2.To collaborate to promote sustainable and resilient transit systems
- 3.To work towards the harmonization of gauges to facilitate regional connectivity, where feasible
- 4.To promote multilateral and regional permit systems for road transport and to endeavour to implement permit-free bilateral and transit road transport and the expansion of a multilateral quota system
- 5.To endeavour, to gradually liberalize road transport services, taking into account specific circumstances
- 6.To encourage the development of international logistic hubs;
- 7.To develop the necessary policies and regulatory frameworks to promote private sector involvement in infrastructure development and promote an enabling environment to attract foreign direct investment;
- 8.To promote PPP for the development and maintenance of transport infrastructure
- 9.To develop inland transport networks that ensure road and rail safety and involve local businesses thereby creating development corridors along transit highways and railroads

### **OBJECTIVES**

1. Significantly increase the quality of roads, including increasing the share of paved roads, by nationally appropriate standards;
2. To expand and upgrade the railway infrastructure in landlocked developing countries, where applicable;
3. To complete missing links in the regional road and railway transit transport networks.

# Status and challenges

## Asian Highway



- 143,000 km
- unequal standards for same AH route on different sides of a border (*risk to drivers and vehicles*)
  - model facilitation instruments
- intergovernmental agreement on international road transport along the Asian Highway network
- standards for road safety facilities

AH network development status



## Status and challenges

# Trans-Asian Railway



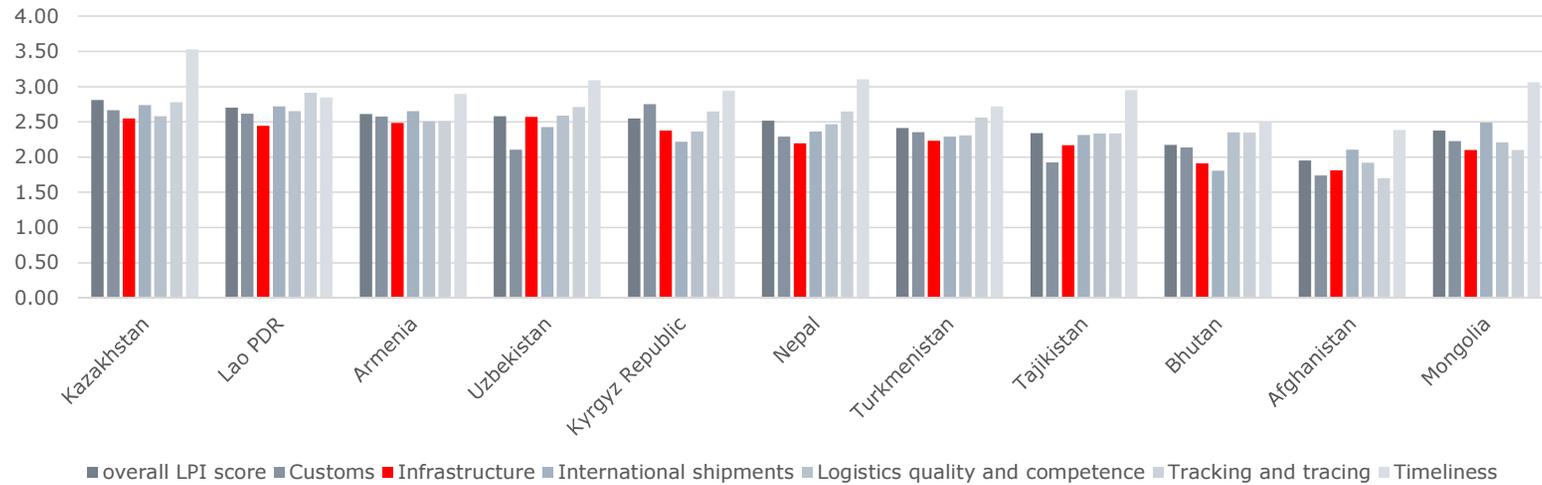
- 118,000 km
- efficient for long-distance international container block train services
- unequal level of operational readiness
- 10.5% of network still need to be constructed  
(investment requirement estimated at US\$ 75.5 billion)

### TAR missing links by subregion

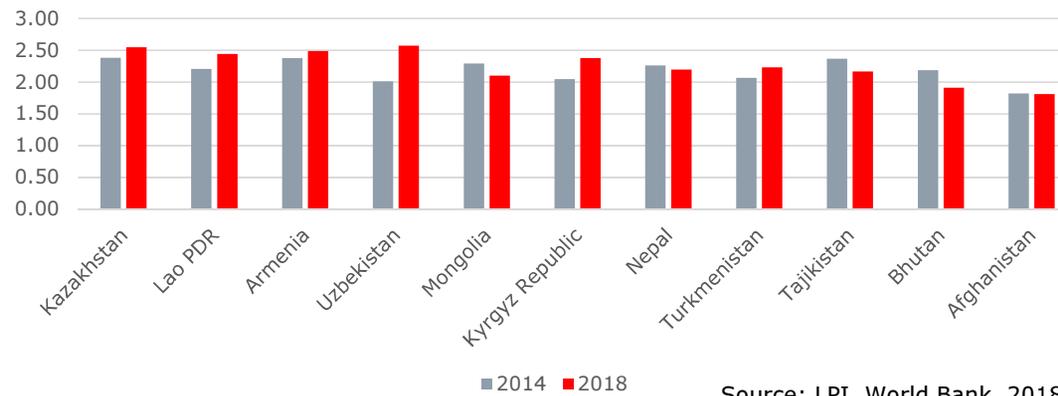
Subregions	Share of missing links	Cost of construction
South-East Asia	4,763 km (38%)	US\$ 49.6 billion
North-East Asia	3,396 km (27%)	US\$ 8.6 billion
South Asia	2,495 km (20%)	US\$ 9 billion
Central Asia (incl. IR of Iran and Turkey)	1,405 km (12%)	US\$ 5.2 billion
Caucasus	346 km (3%)	US\$ 3.2 billion



## Perception of transport infrastructure quality : LLDCs in Asia and the Pacific (2018)



### LPI Infrastructure 2014 - 2018



Source: LPI, World Bank, 2018

## **PRIORITY 1 and 2 (2) : FUNDAMENTAL TRANSIT POLICY ISSUES AND INFRASTRUCTURE**

### **OBJECTIVES**

- ❑ To reduce travel time along corridors;
- ❑ To significantly reduce the time spent at land borders;
- ❑ To significantly improve intermodal connectivity
  
- ❑ To significantly increase the quality of roads
- ❑ To expand and upgrade the railway infrastructure applicable;
- ❑ To complete missing links in the regional road and railway transit transport networks

**Assessment of progress.**

**Reasons behind the persisting challenges.**

**Role of UN system and other development actors.**

Thank you for your  
kind attention!

For any further questions:  
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