

### **III. EXISTING ORGANISATIONS AND INITIATIVES TO PROMOTE COOPERATION AMONG COUNTRIES FOR RAILWAY TRANSPORT**

#### **A. Organisations**

##### **1. Organization for Co-operation between Railways (OSJD)<sup>26</sup>**

###### **(a) Background**

The Organization for Co-operation between Railways (OSJD) is an international organization established at the Railway Ministers Conference in Sofia, Bulgaria, by the ministers in charge of railway transport on 28 June 1956. The OSJD activities are undertaken on the basis of the OSJD Statute, which was adopted and is subject to amendments by the OSJD Ministers Conference.

###### **(b) Objective**

The main objective of OSJD is providing, developing and improving the international transportation by rail between Europe and Asia. It includes development of international freight and passenger traffic, creation of common railway transport environment in the EurAsian region, higher competitiveness and an increase in transcontinental railway routes as well as promotion of technological progress and technical-scientific cooperation in the field of railway transport.

###### **(c) Structure**

The cooperation within the framework of OSJD is being effected at both intergovernmental level and at the level of railway companies. The OSJD Ministers Conference (MC) is the top governing body of OSJD. The sessions of the Ministers Conference consider and take decisions on issues concerning overall directions of the organization's activities. The Conference of General Directors (authorized representatives) of OSJD Railways (CGD) is the top OSJD steering body at the level of railways and railway undertakings.

Conference of General Directors organizes cooperation in the field of international railway traffic between Europe and Asia, including combined transportation, reciprocal exchange of information on expected international trade transportation and, based on this, develops joint competitive proposals, adopts rules for the use of wagons and coaches and containers for international services, and organizes the process of accounting between railways

OSJD Committee is the executive body of OSJD. It manages the OSJD activities in the period between the sessions of the Ministers Conference and General Directors Conference. The Committee acts as a depository for the agreements and other legal instruments within the OSJD framework. The system of the OSJD working bodies consists of commissions and permanent working groups, which focus on the main directions of OSJD activities.

There are five commissions (Commission on Transport Policy and Development Strategy; Commission on Transport Law; Commission on Freight Traffic; Commission on Passenger Traffic; and Commission on Infrastructure and Rolling Stock) and two permanent working groups (Permanent Working Group on Coding and Information Technology and Permanent Working Group on Finance and Accounting).

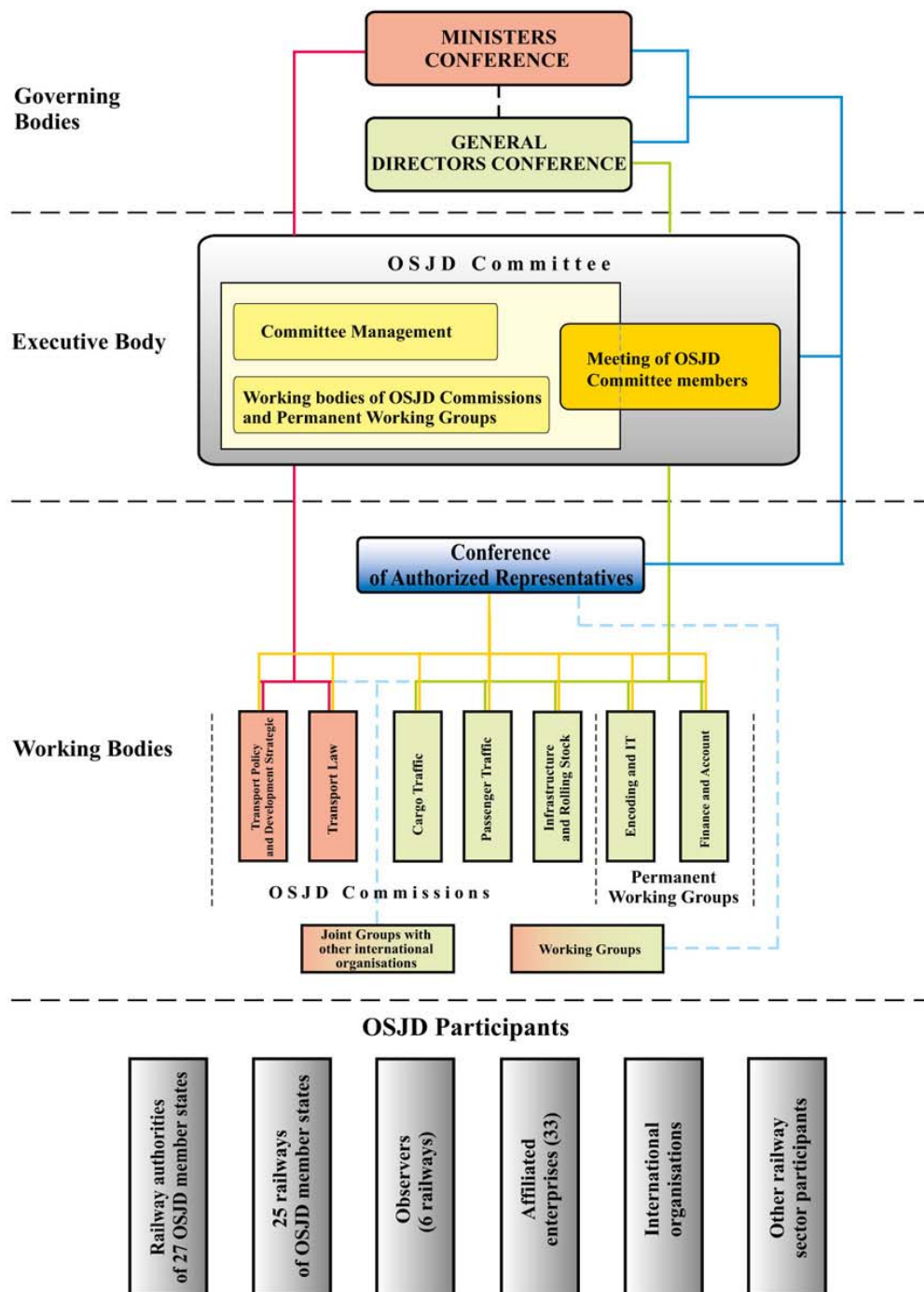
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<sup>26</sup> [www.en.osjd.org](http://www.en.osjd.org)

Besides the main OSJD working bodies, there are a number of ad hoc working groups and joint working groups for cooperation with other international organizations.

Figure 6. OSJD structure

## Structure of Organization for Co-Operation between Railways



Source: [http://en.osjd.org/statico/public/en?STRUCTURE\\_ID=5051](http://en.osjd.org/statico/public/en?STRUCTURE_ID=5051)

#### (d) Members

There are several levels of cooperation and different types of membership in OSJD:

- i. Members of the Ministers Conference (most typically, heads of transport authorities of the countries represented);
- ii. Members of the Conference of General Directors (Authorized Representatives) of railway companies;
- iii. Observers (railway companies);
- iv. Affiliated enterprises (companies with activities related to railway transport).

The number of OSJD members, observers and affiliated enterprises as of 30 September 2013 totalled: 25 member government transport authorities; 25 member railway companies; 7 observer railways; and 32 affiliated enterprises.<sup>27</sup>

ESCAP member countries represented in the OSJD are: Azerbaijan, China, Democratic People's Republic of Korea, Georgia, the Islamic Republic of Iran, Kazakhstan, Kyrgyzstan, Mongolia, Russian Federation, Tajikistan, Turkmenistan, Uzbekistan and Viet Nam. Other countries represented in OSJD are mainly the East European countries. A number of other non-ESCAP member countries are being represented in OSJD only at the level of observer railway companies.

The new members can join OSJD on the basis of a consensus decision of the current members.

#### (e) Main legislative documents

The system of the OSJD legislative documents consists of: the basic documents of OSJD, including, procedural rules and regulations for the OSJD; agreements concluded within the framework of the OSJD; decisions of the OSJD governing bodies such as rules; and leaflets of either mandatory or recommendation nature on various technical issues of member railway operations.

There are nine main agreements concluded within the framework of OSJD:

- Agreement on the International Passenger Traffic (SMPS);
- Agreement on the International Freight Traffic (SMGS);
- Agreement on the International Passenger Tariff (MPT);
- Agreement on the International Railway Transit Tariff (MTT);
- Agreement on the Uniform Transit Tariff (ETT);
- Agreement on Rules for the Use of Coaches in International Traffic (PPW);
- Agreement on Rules for the Use of Wagons in International Traffic (PGW);
- Agreement on the Accounting Rules in International Transport of Passengers and Goods by Rail; and
- Agreement on Organizational and Operational Aspects of Combined Transportation between Europe and Asia.

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<sup>27</sup> Report on OSJD activities for 2012 (en.osjd.org)

(f) Important activities

- Development and improvement of international railway transportation between Europe and Asia, including combined transportation;
- Development of consistent transport policy in the field of international railway traffic, elaboration of railway transport and OSJD activity strategies;
- Development of international transport law, administration of the Convention concerning International Passenger Traffic by Rail (SMPS), Convention concerning International Goods Traffic by Rail (SMGS) and other legal documents connected with the international railway traffic;
- Co-operation on the solution of the problems related the economic, information, scientific, technological and ecological aspects of railway transport;
- Development of measures aimed at increasing the competitiveness of railway transport in comparison with other modes of transportation;
- Co-operation in the field of railway operation and technical matters connected with further development of international railway traffic; and
- Collaboration with other international railway transport organizations.

(g) Key current activities

Activities related to transport policy and development strategy include efforts on improving of operation and further development of OSJD transport corridors, facilitating border crossing formalities for passenger and freight traffic and implementing measures on increasing the railways competitiveness, including studies on defining technical and operational parameters of compatibility of 1,520 mm and 1,435 mm railway gauges.

In the area of transport law, OSJD administer agreements concluded within its framework. It also undertakes revision of SMGS and SMPS agreements to modernize them and adapt modern realities, promotion of the application of CIM/SMGS Common Consignment Note. Another direction of work is the formulation of the draft Convention on Through International Rail Transport, which is aimed at future integration of OSJD basic documents, SMGS and SMPS agreements and other key legal acts.

The activities for the development of freight traffic focus on improving the existing international agreements on combined transport and transit freight traffic tariffs, updating the Agreement on Rules for the Use of Wagons in International Traffic, harmonizing the unified system of coding and cargo description for OSJD member railways, scheduling and managing container block trains along the routes between Europe and Asia.

Passenger traffic-related activities comprise management of passenger trains, drafting and approval of timetables, train makeup procedures, improving conditions and services for passengers, development of passenger traffic and compliance with the timetables of international passenger trains.

The activities on infrastructure and rolling stock are concentrated on rolling stock clearance in international carriage with regard to interoperability, railway track and engineer structure, signalling, interlocking and communication systems, power supply and electric traction, and technical requirements to the components of the rolling stock. A joint OSJD/UIC Group on Automatic Gauge Changeover Systems (AGCS) was also established.

The work being carried out on the issues of coding and information technology covers the topics of coding and information technologies, paperless international carriage of

goods, security of information resources, information and telecommunications' infrastructure and information support for interoperability of passenger and freight traffic.

The activities related to finance and accounting focus on addressing the issues of payment clearance between the railways, reduction of the existing debts and dispute settlement, as well as on updating of the Agreement on the Accounting Rules in International Transport of Passengers and Goods by Rail.

OSJD's main international cooperation partners are ECE, ESCAP, OTIF, ERA and UIC. Among the important results of joint activities is the elaboration, in cooperation with UIC, of the Handbook on the CIM/SMGS Common Consignment Note, which contains rules of practical application of that document.

## **2. International Organization for international carriage by Rail (OTIF)**

### **(a) Background**

OTIF (Intergovernmental Organization for international carriage by Rail) is one of the intergovernmental organizations for promoting, improving and facilitating all aspects of rail transport. The organization came into being in May 1985 after the Convention concerning International Carriage by Rail (COTIF) entered into force in May 1980.

### **(b) Members**

Presently OTIF has 48 Member States in Europe, North Africa and the Middle East. The ESCAP members that are members of OTIF are Armenia, France, Georgia, Iran (Islamic Republic of), Pakistan, Russian Federation.

### **(c) Establishment of uniform rules for international rail traffic**

One of the principal objectives of OTIF has been establishment of uniform system of law on various aspects of rail transport and supports its development and application among its members. These uniform rules are contained in appendices A to G to the COTIF and cover following areas of rail transport:

- Uniform Rules concerning Contract of International Carriage of Passengers by Rail(CIV);
- Uniform Rules concerning Contract of International Carriage of goods by Rail(CIM);
- Regulations concerning the International Carriage of Dangerous goods by Rail(RID);
- Uniform Rules concerning Contract of Use of Vehicles in International Rail Traffic(CUV);
- Uniform Rules concerning Contract of Use of Infrastructure in international rail traffic(CUI);
- Uniform Rules concerning the Validation of Technical Standards and the Adoption of Uniform Technical Prescriptions applicable to Railway Material Intended to Be Used in International Traffic(APTU);
- Uniform Rules concerning the Technical Admission of Railway Material Used in International Traffic(ATMF)

#### (d) Structure of organization

Headquartered in Berne, Switzerland, the work of the OTIF is carried by the three bodies namely the General Assembly, the Administrative Committee and the Revision Committee. The General Assembly consists of the representatives from all the member states and meets once in three years or at the request of the Administrative Committee.

The Administrative Committee consists of representatives from one third of the member states as decided by the General Assembly. The Committee keeps a check on the administrative and financial business by the Secretary General and also approves the work programme, budget, management report and accounts of the organization.

The Revision Committee made of the representatives of the member states takes decision on the proposals to amend the provisions of the Convention and its Appendices that are subject to simplified and accelerated revision procedure. It also gives initial consideration to the proposals where final decisions are required to be made by the General Assembly.

The Secretary General, elected by the General Assembly performs the functions as the head of the Secretariat of the organization.

There are three expert Committees to consider technical issues:

- RID Expert Committee is made from the representatives of the member states and takes decision on amendment to the Regulations concerning Carriage of Dangerous Goods (RID).
- Committee of Technical Experts decides on the amendment to the annexes to the Uniform Rules concerning the Validation of the Technical Standards and the Adoption of Uniform Technical Prescriptions applicable to the railway material intended to be used in the international rail traffic.
- Rail Facilitation Committee deals with all issues related to cross border movement of rail traffic. It can recommend standards, methods, procedures and practices relating to rail facilitation.

### **3. International Union for Railways (UIC)<sup>28</sup>**

#### (a) Background

UIC was established in Paris on 17 October 1922 with a main purpose to harmonise and improve conditions for railway construction and operations. The idea of creating an international organization, bringing together the railway companies, was developed in the wake of the international conference of Portorosa, Italy on 23 November 1921, followed by the international conference of Geneva in 3 May 1922. The state representatives favoured the “creation of a permanent rail administration focusing on international traffic for the standardization and improvement of conditions of railway construction and operations”.

The international conference founding UIC was held in Paris on 17 October 1922. Initially, the UIC had 51 members from 29 countries including China and Japan, which were soon joined by the railways from the erstwhile USSR, the Middle East and North Africa.

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<sup>28</sup> <http://www.uic.org/>

## (b) Membership

UIC has presently 197 members of which 82 are active members from railways of Europe, Asia, Middle East, Africa, 80 associate members (including railways from Asia, Africa, America and Australia) and 35 affiliate members (related or ancillary rail transport businesses or services)

The members of UIC can be integrated railway companies, infrastructure managers, and railway or combined railway transport operators, rolling stock and traction leasing companies, service providers (restaurant services, sleeping cars, public transport, and maritime transport).

## (c) Mission and objectives

UIC mission is to promote rail transport globally and meet the challenges of mobility and sustainable development. The main objectives of UIC are to:

- Facilitate the sharing of best practices among members (benchmarking);
- Support members in their efforts to develop new business and new areas of activities;
- Propose new ways to improve technical and environmental performance;
- Promote interoperability, create new world standards for railways (including Common standards with other transport modes);
- Develop centres of competence (High Speed, Safety, Security, e-Business); and
- Original principal task to harmonise and improve conditions for railway constructions and operations.

## (d) Important UIC projects

### (i) *Standardization Platform*

Launched in December 2012, the UIC standardization platform is one of the important initiatives to develop standardization strategy of UIC on various aspects of railway operations. Its objective is to make UIC global unifying body for railway operating rules and maintenance. Some of the other purposes the platform will serve are:

- Development of international railway standards (IRS) from the current UIC leaflets in phases;
- Institutional arrangement with other standards organisations such as ISO, IEC in development of railway standards; and
- Coordination of standardisation activities developed by different UIC forums.

Apart from increasing the geographical scope and use of UIC standards, the platform will strike a better balance between various stakeholders and standard bodies.

### (ii) *Intercontinental Combined Traffic (ICOMOD)*<sup>29</sup>

Under this project completed in 2011, UIC commissioned study in collaboration with a consulting firm Roland Berger with an objective to:

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<sup>29</sup> <http://www.uic.org/spip.php?article3152>

- Establish viability of a rail link between Asia and Europe
- Elaborate steps required to increase traffic on these routes
- Estimate market potential for rail freight

The study found that to be successful railways must focus on niche markets where they have competitive advantage and thereby avoid direct confrontation with maritime transport. In this regard, it suggested maximum value for railway transport in hinterland areas for high value goods. It also highlighted importance of predictability and reliability as vital to shippers as they decide on alternate modes of transport and therefore rail operators may well focus on them to attract freight. The study also underscored importance of improvement in the Customs procedures and inspections at origin or destination during transit.

*(iii) Organization of global rail freight conference (GRFC)*

Since 2007, UIC has been organizing GRFC, every alternate year. It brings together all stakeholders involved in rail transport such as policy makers, rail logistic service providers, customers, regulators and research institutions across the globe.

The purpose of GRFC is to highlight strategic issues of freight development along international corridors that promote intercontinental and transcontinental traffic, develop partnerships and exchange of ideas among all stakeholders.

#### **4. International Rail Transport Committee (CIT)<sup>30</sup>**

International Rail Transport Committee was formed in 1902 for simplification of formalities in international railway transport. The main objective of the CIT is to promote interoperability of international railway transport by promoting harmonisation of legal frameworks and support uniform implementation of laws governing railway transport.

**(a) Membership**

Currently, CIT is an association of about 200 railway undertakings and shipping companies which provide international passenger and/or freight services. 129 organizations are members in their own right, 80 organizations are linked indirectly by being members of CIT associate members. The CIT is an association under Swiss law and is based in Bern.

**(b) Activities**

CIT helps implement international rail transport law by:

- Drawing up and maintaining legal publications and boiler plate documents for international traffic by rail;
- Standardizing the contractual relationships between customers, carriers and infrastructure managers;
- Representing the interests of carriers by rail vis-à-vis legislators and authorities;
- Providing regular briefings on legal issues; and
- Organizing training courses and giving legal advice as requested.

Every two years, it brings together some 150 specialist in international rail transport law at a workshop where experts debate on the current legal developments and future direction of railway transport law.

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<sup>30</sup> <http://www.cit-rail.org/>

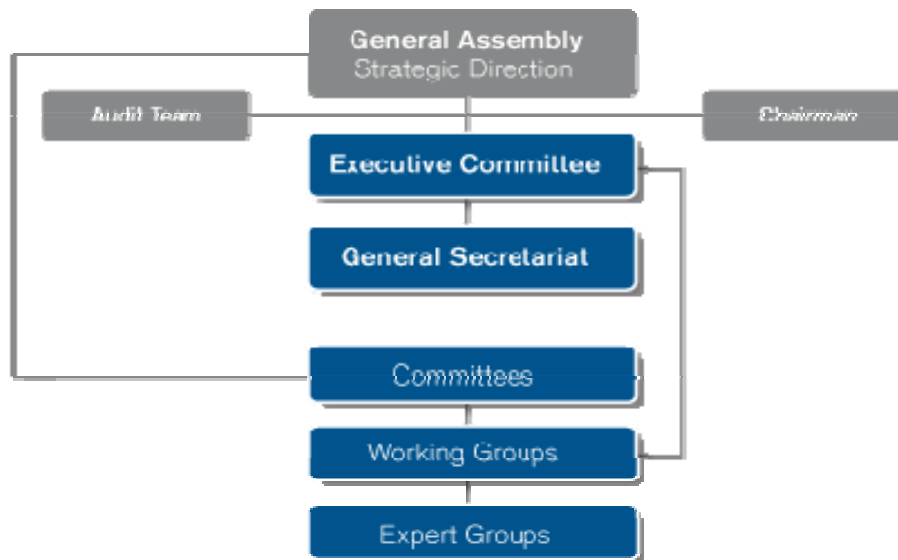


CIT supports the freight business by supporting its members in implementation of the legislation applicable and in particular the CIM Uniform Rules. It also aims to simplify and standardize the working relationships between transport undertakings and between them and their customers. In this regard it produces various reference documents such as agreements, basic contractual documents, manuals and forms.

(c) Structure of the organisation

The main working bodies of CIT are the Executive Committee and the Committees on Passenger and Freight Transport and the Use of Infrastructure. The Executive Committee directs the operations and administration and oversees the work of the Secretary General. The general assembly provides the strategic direction approves budget, accounts and elects members of working bodies. The Working groups are responsible for recommendations for decisions by the committee and expert groups are constituted to examine specific issues as needed.

Figure 7. CIT Structure



Source: CIT website

(d) Latest developments

In 2012, CIT completed a pilot project on shipments from China to Europe with the use of the common CIM/SMGS consignment note. Further, it supported the strengthening of legal framework of COTIF to cover multimodal shipments that have subsequently included in the CIT documents. CIT also made progress in completing the legal ground work for the use of electronic consignment note.

The CIT works closely with the OSJD, OTIF and other international organisations on joint projects to make transport law regimes for traffic between Europe and Asia interoperable.

## 5. Coordinating Council for Transiberian Transportation (CCTT)<sup>31</sup>

### (a) Background

The Coordinating Council on Trans-Siberian Transportation (CCTT) is an international non-profit association with an open-ended duration, registered in the main trade register of St. Gallen, Switzerland, on 21 February 1997. The CCTT was founded by the Ministry of Railway of the Russian Federation (since 2003 JSC "Russian Railways"), DB AG (Deutsche Bahn), GETO (Association of European Trans-Siberian Operators), and KIFFA (Korean International Freight Forwarders Association).

### (b) Members

Presently the CCTT has 105 members from 23 countries, including railways and shipping companies, operators and freight forwarders, ports and stevedoring companies, governmental organizations and commercial companies. According to the Statutes of the CCTT, Chairperson of the Council on a permanent basis is President of the JSC "Russian Railways". Deputy Chairpersons are presidents of freight forwarder associations that are members of the CCTT.

### (c) Objectives

The main objectives of the CCTT are:

- Attracting transit and foreign trade cargo to the Trans-Siberian route (TSR);
- Coordinating activities of companies that participate in international cargo transportation on the TSR to ensure high-quality delivery of goods; and
- Development of economic relations between countries of Southeast Asia, Far and Middle East, Central Asia, and Europe using the infrastructure of the Russian railways.

### (d) Main duties of the CCTT

- Coordinating the interaction of all participants of cargo transportation via the TSR;
- Participating in the elaboration of norms and regulations concerning the transportation process on the TSR;
- Preparing suggestions on growing cargo transportation volumes on the TSR based on the analysis of the transport market;
- Preparing suggestions on the elimination of the factors that restrain the attraction of transit and foreign trade cargo to the TSR; and
- Participating in the activities of other public and transport organizations within the competence of the CCTT.

### (e) Selected CCTT activities

- Monitoring of functioning of the TSR;
- Involved in the organization of a number of container block trains operating between Europe and Asia along the TSR;

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<sup>31</sup> <http://en.icctt.com>

- Promoted products related to the use of the TSR; and
- Promoted advanced technological solutions to increase the attractiveness of the TSR, including the “electronic train” pilot project, which demonstrated the possibilities of optimization of document flow on of the international goods transportation on the basis of development and introduction of information technologies with use of electronic legal and commercial documents related to international rail transport operations.

(f) International cooperation

The CCTT is cooperating with international transport organizations, in particular, with OSJD, UIC, International Rail Transport Committee (CIT), and European Intermodal Association (EIA).

## **6. Asian Railway Association (ARA)**

(a) Background

The first meeting of the chief executives of the railways held in Delhi in September 2004 recommended that an institutional mechanism be established for the region to promote interoperability and technical harmonization. The recommendation of the chief executives, to set up a regional body for the railways of South Asian countries, was welcomed at the Experts Group Meeting organized by ESCAP on Trans-Asian Railway in Delhi in April 2005. The Asian Railways Association (ARA) was formally launched in December 2006. The intergovernmental agreement on Trans-Asian Railway network materialized in the year 2007.

(b) Secretariat

The Asian Institute of Transport Development is the secretariat for the Asian Railway Association.

(c) Members

Presently the members of ARA include Bangladesh, Cambodia, India, Indonesia, Lao People’s Democratic Republic, Nepal, Sri Lanka, Thailand and Vietnam.

(d) Activities

AITD on the behalf of ARA has been organizing training courses for the railway personnel from south and south-east Asian countries. Recently, Indian Railways have offered cooperation research to member countries using the facilities of Research Design and Standards Organisation (RDSO). The programme will be coordinated through Asian Railways Association with AITD as the nodal point.

The Asian Institute of Transport Development, New Delhi is currently engaged in establishing a permanent campus with related infrastructure in a prime location in New Delhi. The facilities at the Campus would include a hostel, classrooms, library, conference halls, computer centre etc. These facilities could be utilized for setting-up a regional training institution for the Asian region.

## **B. Subregional initiatives**

### **1. Singapore Kunming Rail Link (SKRL) Project**

#### **(a) Background**

Proposed at the 5<sup>th</sup> ASEAN Summit held in 1995, the Singapore- Kunming Rail Link (SKRL) is the flagship project of AMBDC (ASEAN Mekong Basin Development Cooperation). It is also one of the important projects under Master Plan on ASEAN connectivity. The project proposes to connect the capital cities of Cambodia, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam.

#### **(b) Objectives**

The main objective of the project is to provide an environmentally sound and complementary mode of land transport that is efficient and economical for cross border transport of goods in the subregion and beyond. The project will allow railways to play an important role in the economic integration and boost trade and transport by extending the container land-bridge currently under operation between Malaysia and Thailand to adjoining countries. Once complete the SKRL will connect the ASEAN countries with their main trading partners China and India.

#### **(c) Railway lines**

SKRL has two lines, an Eastern line through Thailand, Cambodia and Viet Nam with a spur line between Lao People's Democratic Republic and Viet Nam and Western Line through Thailand and Myanmar.

#### **(d) SKRL Special Working Group (SWG)**

The progress of SKRL is monitored by a special working group (SWG) that meets annually. Till 2013, fifteen meetings of the SWG have taken place; the latest one took place in Kuala Lumpur, Malaysia in October 2013. By consensus, Malaysia holds the chair of the SWG and is supported by ASEAN secretariat. At the SWG meetings, each country briefs about the work undertaken by it in the previous year to complete the missing links on SKRL in their jurisdiction. The members also brief about other significant railway developments in their countries.

In addition to monitoring missing links on the SKRL, the SWG is also working to develop strategy for seamless operation of SKRL and in this regard during the fifteenth meeting of the SWG adopted a template (Annex) regarding information to be submitted on various aspects of railway infrastructure and operations by member countries, so that further decision based on analysis of information could be taken.

## **2. Economic Cooperation Organization**

Economic Cooperation Organization is an intergovernmental subregional organization of 10 countries<sup>32</sup> and was established in 1985 to promote economic, technical and cultural cooperation among its member countries. Transport connectivity is immensely important for ECO due strategic location of its member countries.

Rail transport development is mixed in ECO region, with some countries having no rail transport while others have well developed rail infrastructure. ECO has approved a master plan on railway network and identified eight railway transport corridors. ECO works the areas of railway infrastructure, operations and facilitation.

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<sup>32</sup> The ECO member countries are Afghanistan, Azerbaijan, Islamic Republic of Iran, Pakistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Turkey, Uzbekistan.

ECO developed corridor based strategy for designing and implementing rail transport in the region covering infrastructure, security, marketing, tariffs, and legal arrangements. Under the subregional programme on ECO railway development, five priority corridors are being planned for investment. For each corridor there are several working groups to deal with issues related to infrastructure, security, and operations. The important operational corridors are:

- Corridor 1 Istanbul- Tehran-Islamabad;
- Corridor 2 Bandar Abbas- Almaty rail route; and
- Corridor 3 Islamabad Almaty.

Most technical aspects for interoperability such as axle load have been included in the ECO Transit Transport Framework Agreement (TTFA); however fixing tariff and marketing of container trains pose continual challenge. For tariff fixation along the routes of container bloc trains, ECO is playing an important role to coordinate among the member countries. In this regard, a template has been designed and given to countries and after receiving back they are checked for discrepancies. On Istanbul-Almaty route six working groups have been constituted to agree on tariff. For marketing of train services, it is essential to involve association of chambers of industry and freight forwarders. ECO chamber of commerce also supports studies for marketing of train services.

TTFA is playing a significant role in rail transit operations in the ECO region. Transit Transport Coordinating Council is enforcement organ under TTFA and has statutory powers to monitor implementation of the agreement and it meets regularly. Under the TTCC there are five committees one on rail, road, insurance, regulatory and legal issues.

Rail committee deliberates on issues of harmonization of technical specification and their updating, ways to deal with break of gauge, regulatory issues such as alignment of working hours, conduct workshops on legal arrangements, promote accession of rail conventions such as COTIF.

### **3. Commonwealth of Independent States**

#### **(a) Background**

The Commonwealth of Independent States (CIS) is a subregional organization whose members are the majority of the former Soviet Republics. The member countries of the CIS include 9 official members (Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, and Uzbekistan) and two participating countries: Turkmenistan (unofficial associate member) and Ukraine (*de facto* member). Some of the members of the CIS have established the Eurasian Economic Community (EurAsEC) with the aim of creating a full-fledged common market.

#### **(b) Activities related to railways**

The CIS body which coordinates and implements the activities of the Commonwealth related to railway transport is the CIS Council for Rail Transport. The members of the CIS established the Council for Rail Transport in February 1992 to coordinate the railway systems on the territory of the former Soviet Union. Later several non-CIS member countries joined the CIS Council for Rail Transport as associate members or as participants with individually defined status.

The Council continues to coordinate the development of the infrastructure and tariff policy of railways across the CIS, approving over 130 agreements, rules, instructions and other documents regulating the joint operation of rolling stock, maintenance and the international transportation of passengers and goods.

## 4. Eurasian Economic Community (EurAsEC)<sup>33</sup>

### (a) Background

The Eurasian Economic Community (EurAsEC) is a subregional organization, established for effective promotion of the creation by its member states of the Customs Union and Common Economic Space and fulfillment of other tasks and objectives, related to economic and humanitarian cooperation. The EurAsEC was founded according to the Treaty on the Establishment of the Eurasian Economic Community, signed by the presidents of the Belarus, Kazakhstan, Kyrgyzstan, the Russian Federation and Tajikistan in Astana on 10 October 2000.

### (b) Members

The EurAsEC member states are Belarus, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, and Uzbekistan.<sup>34</sup> Uzbekistan<sup>34</sup> joined to EurAsEC in 2005. Armenia, Moldova, and Ukraine have the status of observers with EurAsEC.

### (c) Customs Union among Belarus, Kazakhstan and Russian Federation

The Customs Union within the framework of EurAsEC is a form of trade and economic integration between its members to establish a common customs territory for free flow of goods within it and for application of unified customs tariffs for the third countries. The Customs Union was established in 2007, and currently includes three member countries: Belarus, Kazakhstan and the Russian Federation.

### (d) Common Economic Space of Belarus, Kazakhstan and Russian Federation

The Common Economic Space (CES) within the framework of EurAsEC is a deeper form of economic integration, which includes, apart from the existing Customs Union, conducting a coordinated economic policy, ensuring the free movement of services, capital, manpower and providing access to the infrastructure of CES member states. The package of basic treaties to establish the Common Economic Space of Belarus, Kazakhstan and the Russian Federation were signed in 2009 and entered into force since 2012.

### (e) Activities

The EurAsEC main goal in the area of transport is to form the common transport market and unified transport system through the establishment of Single Transport Space, which is understood as the aggregate of transport systems of the member states, allowing seamless transportation of passengers and goods, technical and technological compatibility of transport operations, harmonized legislation and unified rules of competition. The Concept of establishment of Single Transport Space was adopted by the EurAsEC Interstate Council in 2008.

### (f) Railway agreements under EurAs EC

A number of agreements on railway transport were concluded under the auspices of EurAsEC. The main measures related to railway transport being implemented or planned to be implemented within the framework of EurAsEC include unification of the railway tariffs for the transportation of goods within the member countries and providing access to the services of the railway infrastructure for the transport operators of the member countries.

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<sup>33</sup> [www.evrazes.com](http://www.evrazes.com)

<sup>34</sup> Uzbekistan has suspended its activities within the framework of EurAsEC in 2008.

## 5. Strategic Framework for connecting the Greater Mekong Subregion (GMS) Railways<sup>35</sup>

In 2010, Greater Mekong Subregion (GMS) countries developed a Strategic Framework for connecting GMS Railways. Currently, the GMS countries have no rail interconnection except between China and Viet Nam.

The Strategic Framework provides for five priority actions:

- “1. Ensuring that all GMS countries are connected to a GMS rail network by 2020
2. Promoting the development of a seamless rail network in the GMS by:
  - agreeing on common technical standards of interoperability;
  - streamlining and harmonizing procedures for cross-border movement of people and goods;
  - agreeing on regional operating rules and safety standards;
  - fostering cooperation between GMS railways; and
  - ensuring connection to other modes of transport
3. Ensuring that railway infrastructure and equipment in the GMS are modern and sufficient to meet the demand for rail services, and operated and regulated according to best practices in the operation and regulation of railways.
4. Developing GMS railway organizations to support the network by establishing a GMS rail coordination office.
5. Involving the private sector in the planning and development of the GMS railway network.”

To support these priority actions the framework contemplates four components. The first component is the identification and completion of at least one connecting route by 2020 from the four possible routes identified by the study as detailed below:

- Route 1: Bangkok–Phnom Penh–Ho Chi Minh City– Ha Noi–Kunming and Nanning;
- Route 2: Bangkok–Vientiane–Kunming (via Boten– Mohan)–Nanning and Ha Noi– Ho Chi Minh City;
- Route 3: Bangkok–Vientiane–Ha Noi and Ho Chi Minh City (via Thakhek–Mu Gia– Vung Ang)–Kunming and Nanning (via Ha Noi); and
- Route 4: Bangkok–Kunming (via Chiang Rai– Boten–Mohan)–Nanning and Ha Noi– Ho Chi Minh City.

The framework suggests route 1 to be taken up for construction on priority as it has least cost (USD 1.09 billion) and maximum freight potential that is estimated to be 25.7 million tonnes by 2025.

The second component of the framework is to consider supporting investments required to upgrade the existing lines on the selected route so that when the missing links are put in place entire network can be used to its full potential.

The third component is to contemplate and execute various technical assistance projects that are essential for rail connectivity among the GMS countries. Some of these

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<sup>35</sup>Connecting GMS Railways- A Strategic Framework ,available on the ADB website at: <http://www2.adb.org/documents/reports/connecting-gms-railways/connecting-gms-railways.pdf>

projects are adoption of common technical standards, building appropriate regulatory regimes, agreement for exchange of information and cooperation for cross-border transport, investment needs in rolling stocks, developing national railway plans.

The last component is the establishment of the rail coordination office to coordinate activities of the GMS countries and multilateral institutions to develop an efficient rail network among the countries. The main task of the rail coordination office will be to serve as a focal point for developing GMS railway network information system, monitor and report on the progress of development of GMS railway network, liaise with railway officials of the member countries, help in financing issues, mobilise private sector and its participation in various projects.

## **6. Central Asia Regional Economic Cooperation (CAREC)<sup>36</sup>**

The Central Asia Regional Economic Cooperation (CAREC) programme consists of 10 countries: Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan and Uzbekistan.

The activities of CAREC for rail transport are directed by the CAREC Transport and Trade Facilitation Strategy for 2008-2017, endorsed by the 6th Ministerial Conference held in Dushanbe, Tajikistan in November 2007. The Strategy sets out the framework for the upgrading of key transport corridors in the subregion, and measures to enhance the efficient movement of people and goods.

The strategy also addresses the need of harmonization of procedures, and a reform in the railway sector of the member countries. Privatization in particular is suggested to increase the regional competitiveness of the sector and enhance private sector participation.

The Strategy also draws attention to the need for a track sharing agreement, and increased transparency and standardization in the economic cost accounting procedures and inter-railway payments. The tariffs for containers are also to be made more attractive.

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<sup>36</sup> <http://www.carecprogram.org/uploads/docs/CAREC-Transport-TradeFacilitation-Strategy.pdf>