

Group of Experts on Euro-Asian Transport Links
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EATL Phase II: Overview and Key Findings

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Background

- ▶ EATL Phase I: 2003– 2007
- ▶ **EATL Phase II: 2008–2012**
 - Report endorsed by 2nd EATL Ministerial Meeting (Feb 2013)
 - **27 countries**–7 newly involved countries (Finland, Germany, Latvia, Lithuania, Luxembourg, Mongolia and the former Yugoslav Republic of Macedonia)
- ▶ Long collaborative effort: UNECE, participating Member Countries (NFP), External consultants

EATL Phase II: Objectives

- ▶ Review, extend and update **Priority Routes** identified in EATL Phase I
- ▶ Review, extend and update **Priority Infrastructure Projects** identified in EATL Phase I
- ▶ *Additional tasks:*
 - Analysis of Euro–Asian Transport Flows and Trends
 - Comparison of selected rail routes with existing Euro–Asian maritime routes
 - Identification of non–physical obstacles
 - SWOT Analysis of EATL Land Links
 - Overview of networks & initiatives
 - Country Reports

EATL Phase II: Main Outputs

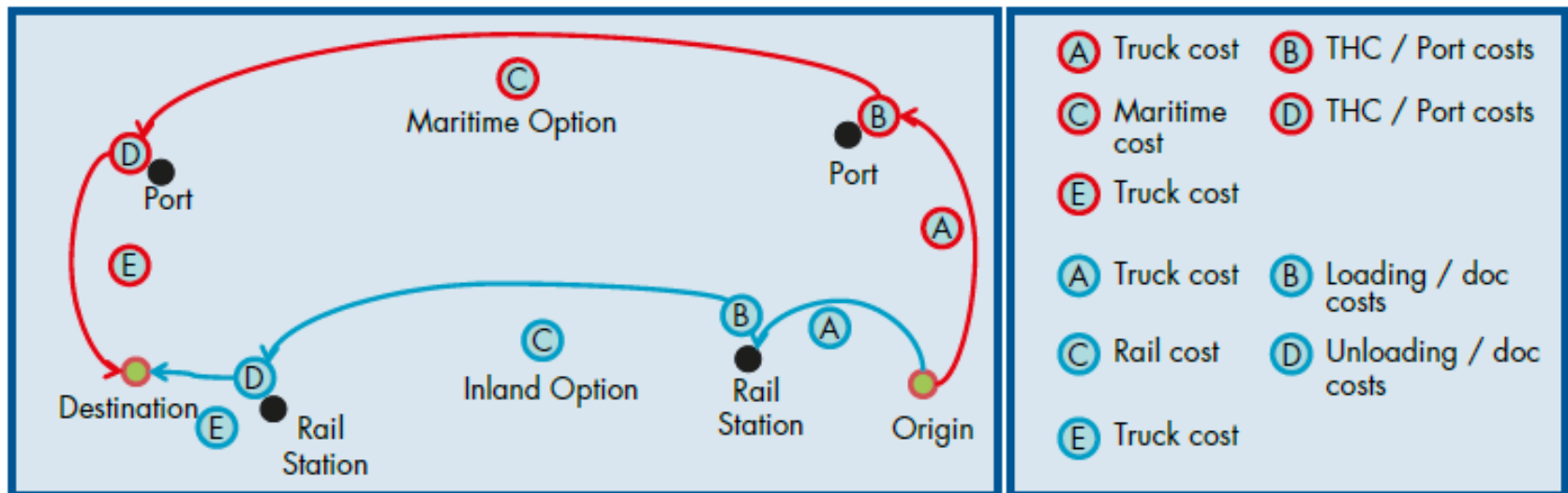
- ▶ **Identification of 9 Road and 9 Rail Priority EATL Routes .**
 - IWW links & ports, key container depots, intermodal terminals and ports
- ▶ **New infrastructure Investment Plan** by prioritizing 311 projects.
- ▶ **Completion and launch of comprehensive Geographic Information System (GIS) database**
- ▶ **Recommendations: infrastructure, facilitation and policies.**

Euro-Asian traffic flows and trends

1. General transport flows and trends
 2. Container transport flows
 3. Merchandise trade analysis of EATL II countries
 4. Trade issues for landlocked countries
- ▶ Data: 2008–2009 & projections (effect economic crisis partly captured)
 - ▶ Trends
 - China's export represents a high percentage of total Asian exports to Europe.
 - Growth of Asia's intraregional trade (Afghanistan China, Iran, Mongolia, Pakistan)
 - CIS countries' trade to/from European Countries
 - Considerable intraregional trade within CIS countries (Russian Federation)

Comparison of Euro-Asian inland transport with existing maritime routes

- ▶ 9 scenarios analysed: time & cost
 - All: rail transport performs better than maritime in terms of *time*
 - In 5: rail transport performs better than maritime for *both cost and time*.



Extension of EATL routes

- ▶ Only newly involved countries.
- ▶ Criteria used under EATL Phase I.
- ▶ Proposed routes to connect to existing EATL routes.
- ▶ Predefined templates for countries proposals

1. Road transport infrastructure On Euro-Asian Transport linkages

From	To	AGR Reference No. (if applicable)	Road Class AGR	Asian Highway (AH) Reference No. (if applicable)	Road Class AH	Length (km)	Number of Lanes (total)	Road Condition (Good, Fair or Poor)	Annual Average Daily Traffic	Road Toll (if any) Y/N	Movement of ISO Containers Possible? Y/N	Current Bottlenecks or Missing Links

UNECE Euro-Asian Links Project Phase II Rail Routes

Legend

- Route Group 1
- Route Group 2
- Route Group 3
- Route Group 4
- Route Group 5
- Route Group 6
- Route Group 7
- Route Group 8
- Route Group 9



UNECE Euro-Asian Links Project Phase II

Road Routes



Legend

- Route Group 1
- Route Group 2
- Route Group 3
- Route Group 4
- Route Group 5
- Route Group 6
- Route Group 7
- Route Group 8
- Route Group 9



Investment Plan Review

Assessment of status of implementation of EATL Phase I projects

Data collection and analysis of new projects based on country inputs for Phase II

Project Prioritization Methodology



Phase II Investment Plan

Consistent and realistic short, medium and long term investment strategy for prioritizing the identified infrastructure projects along the approved and proposed Priority EATL Routes

Methodology for Prioritisation

- ▶ **Phase A:** Recording of prospective projects
- ▶ **Phase B:** Score/degree of performance by means of Multi-Criteria Analysis
- ▶ **Criteria**
 - Serving international connectivity
 - Transit transport needs of landlocked countries
 - Connecting low income and/or least developed countries to major European and Asian markets
 - Crossing natural barriers, removing bottlenecks, raising substandard sections, missing links
 - High degree of maturity (i.e. project stage)
 - Environmental and social impacts
- ▶ **Phase C:** Time period classification

Category Classification

▶ Category I:

- projects that have secured funding, that are ongoing and expected to be completed in the near future (up to 2013).

▶ Category II:

- projects that may be funded or whose plans are approved and are expected to be implemented rapidly (up to 2016).

▶ Category III:

- projects that require additional investigation for final definition before likely financing and implementation (up to 2020).

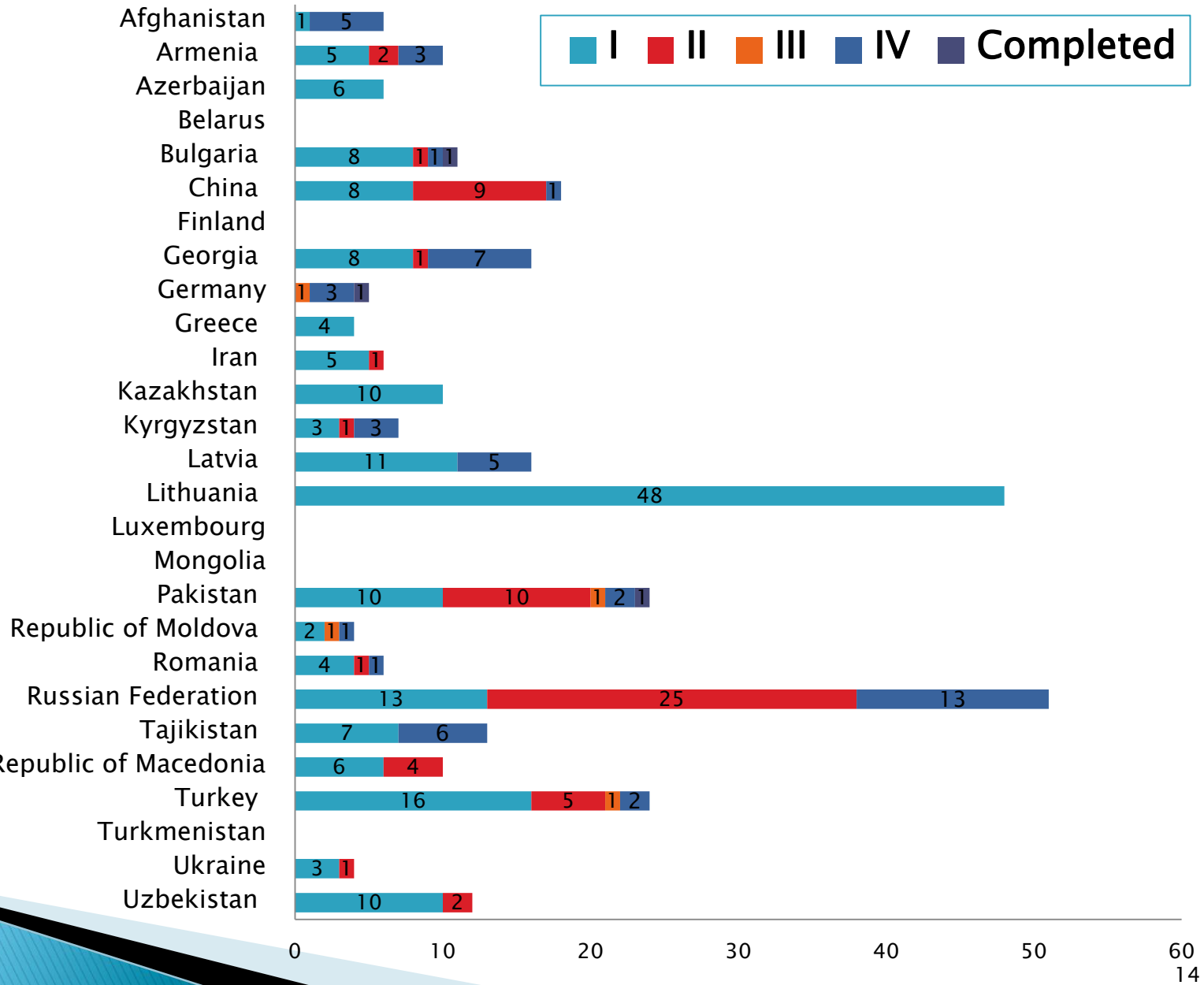
▶ Category IV:

- projects that require further investigation for final definition and scheduling before possible financing, including projects for which insufficient data exists (most likely to be implemented after 2020).

Projects Submitted

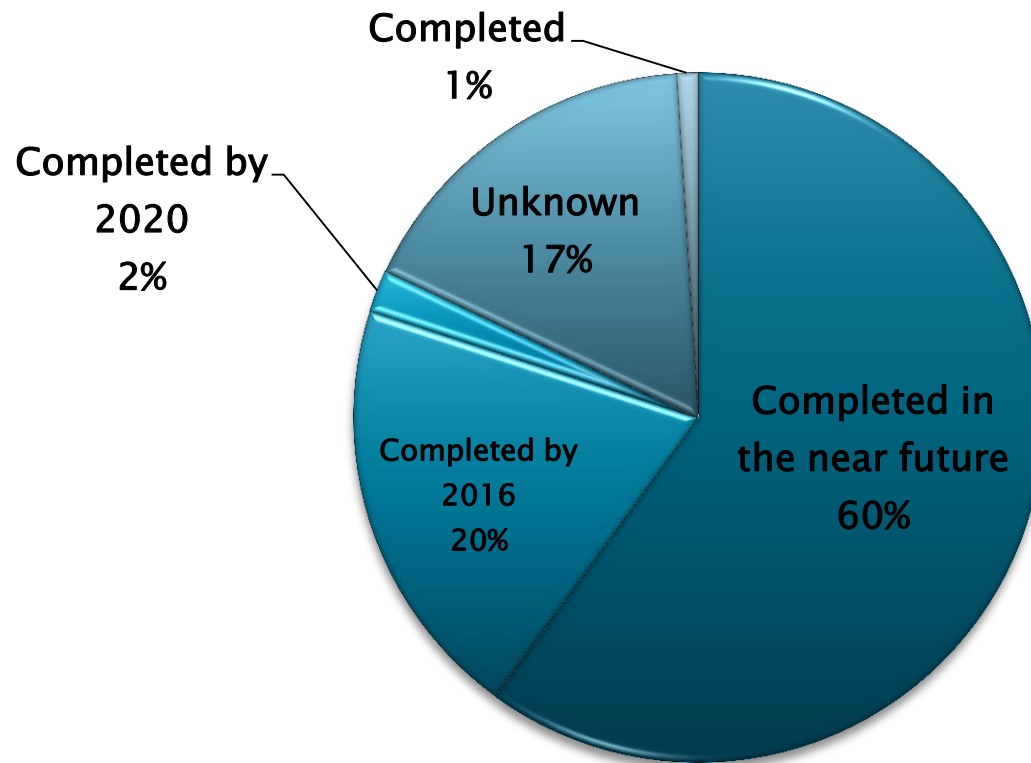
- ▶ **311 projects** (out of 421 projects) have been identified to be along the approved and proposed **EATL Phase II Routes** of total cost amounting to approx. **\$215 billion**
- ▶ **Implementation timespan: 2006–2017**
- ▶ **Type of infrastructure:**
 - Road projects
 - Railway projects
 - Maritime projects
 - Inland waterway projects/Inland terminals
 - Intermodal Terminals, etc.

Analysis on Country Level



Summary of Results

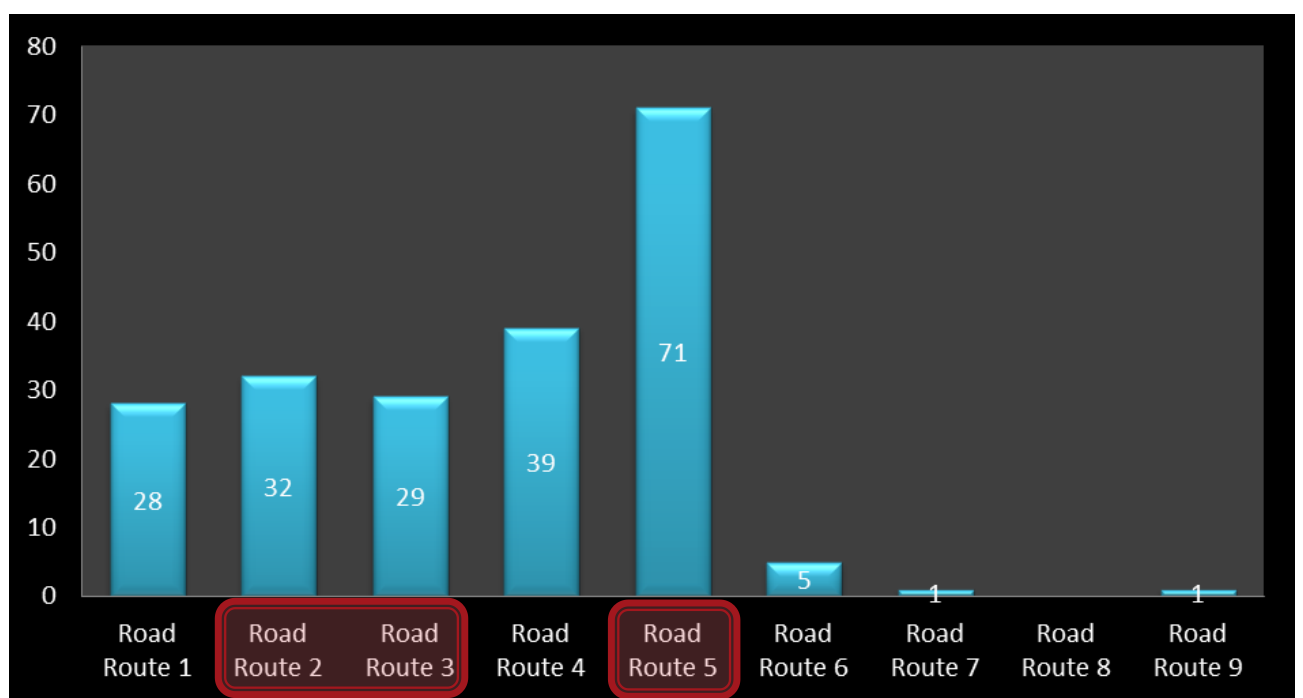
- ▶ The implementation of the EATL network as a whole will require the approximate sum of **\$215 billion**, out of which only **36% has been secured**



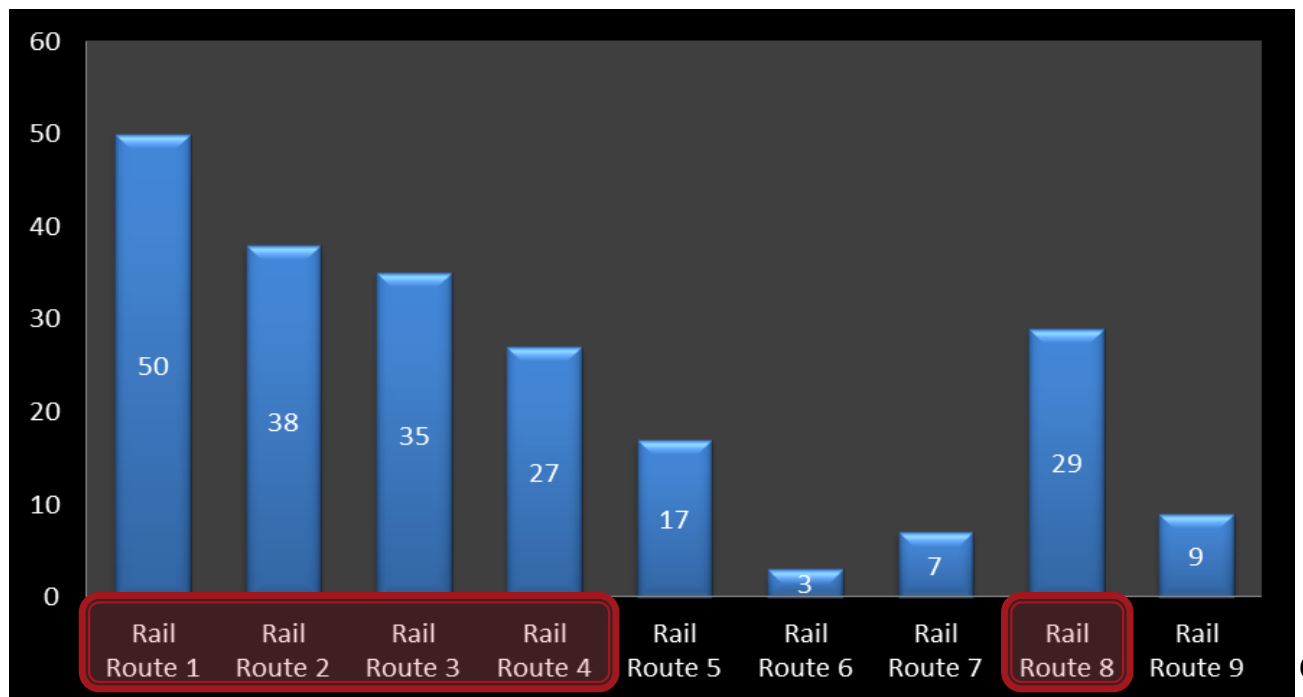
Disclaimer: Lack of information

Analysis on EATL Route Level

EATL
Road
Routes



EATL
Rail
Routes



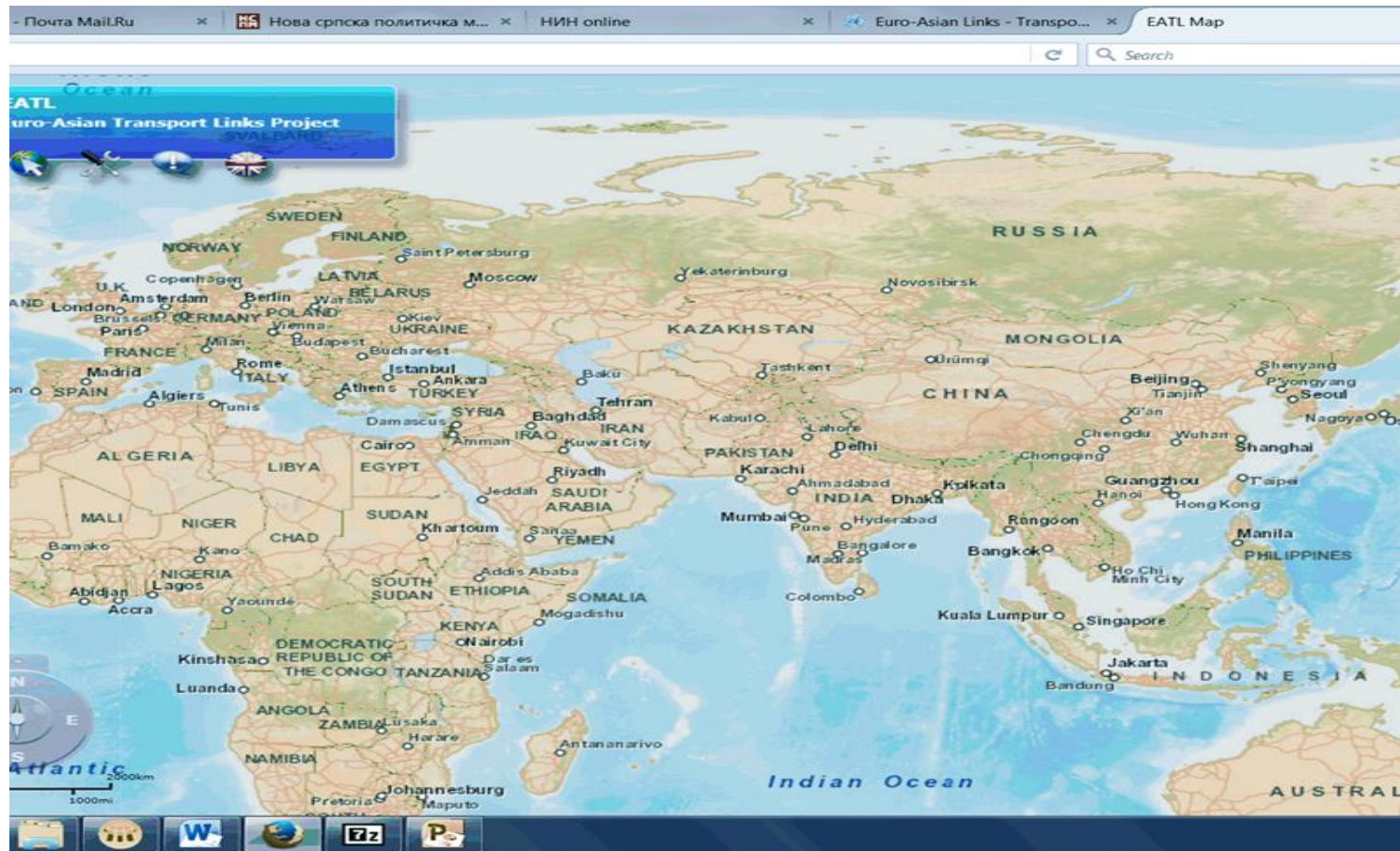
Non-physical barriers

- ▶ Survey: 1000 questionnaires
- ▶ **Border-crossing points: concrete examples**
 - **EATL border-crossing point obstacles, causes and effects analysis Matrix**
- ▶ Visa formalities
- ▶ Export and import documents
- ▶ International trade and transport agreements
- ▶ Poor BC infrastructure and equipment
- ▶ Punitive and arbitrary transit charges
- ▶ Intermodal transportation
- ▶ Cost of logistics
- ▶ Political situation
- ▶ Rail transport
- ▶ Mismatch of public and private interests

Other Tasks

- ▶ SWOT Analysis:
 - *Real development potential of EATL inland transport connections lies in capacity to become part of the main EATL supply chains.*
 - *Weak segment or missing link in one country can render a entire EATL route economically unviable for international transport.*
- ▶ Review of International Transport Networks and Initiatives Linking Asia and Europe
- ▶ Country Reports

GEOGRAPHIC INFORMATION SYSTEM (GIS)



Phase II Recommendations on Infrastructure

- ▶ Secure financing for investment projects along priority road and rail routes
- ▶ Improve land infrastructure as competitive alternative
- ▶ Coordinate implementation
- ▶ Include the EATL programme in national investment plans and programmes

Phase II Recommendations on Facilitation

- ▶ Simplify and streamline procedures and practices BCP
- ▶ Accede to relevant international conventions for border crossing facilitation
- ▶ Ensure system interoperability
- ▶ Benefit from available customs transit systems (TIR)
- ▶ Containers
- ▶ Simplify visa requirements and formalities
- ▶ Standardize trade and transport documents; e-documents
- ▶ Increase security of vehicles, crew and cargo in transport and transit

Phase II Recommendations on Policy

- ▶ Design/implement required reforms of the transport sector, border crossing facilitation and management of large-scale transport investment programmes
- ▶ Reduce pressure that might arise from domestic transport and trade-related monopolies
- ▶ Ensure country fits well into an overall supply chain
- ▶ Improve monitoring of infrastructure and execution of transport facilitation plans
- ▶ Accede to UN conventions and agreements facilitating international transport
- ▶ Support expansion of trade, not only between the EU and Far East, but also along segments of the EATL routes
- ▶ Encourage public-private partnerships in infrastructure development
- ▶ Improve exchange and implementation of international best and good practices

Where does Phase III pick up from?

- ▶ *Move from theory to practice in order to render the EATL routes operational?*
- ▶ Updated/further elaborated Phase II separate analyses:
 - Euro-Asian trade routes and freight flows
 - Comparative analysis of the duration and expenses of different modes of transport between Europe and Asia on selected Euro-Asian routes
 - Overview of international studies, programmes and initiatives on Euro-Asian transport links development
 - Landlocked countries
 - Non-physical bottlenecks

Is it worth while to revisit infrastructure projects?

- ▶ Time lapse from 2013...
- ▶ Challenges/identified priority projects will not change fundamentally and implementation will take time (scarcity of investments).
- ▶ However:
 - Undeveloped rail infrastructure in some parts of Asia
 - Uneven physical infrastructure /missing links/capacity
 - Interoperability (track gauge, electrification, signalling and telecommunications systems)
 - Last mile connections (sea-rail synergy)
- ▶ **Persisting bottlenecks compared against on-going/planned infrastructure projects**

Suggested EATL Route Approach

- ▶ Phase III identified certain infrastructure/BC issues on an **EATL Route Level**
- ▶ **Merits:**
 - Identify specific bottlenecks that hinder the seamless and efficient transport operation along a specific EATL Route
 - Identify where timely coordination is required (both projects and programmes) contributing to the “systems approach”
 - Contribute to “tying together” various streams of analyses
- ▶ **Action/Work Plan for each EATL Route with proposed measures**

Conclusions

- ▶ Administrative/operational bottlenecks and practices may annihilate positive effects and added value of infrastructure investments fundamental for the an EATL Route.
- ▶ **“Quick wins” ,soft measures**
- ▶ **Cooperation, willingness and trust, support from high-level decision makers to:**
 - improve existing agreements and/or draft new ones
 - simplify procedures and eliminate old unnecessary and restrictive rules
- ▶ **Share experiences and implement internationally recognized best practices.**

**Thank you for your
attention!**

