
**Thematic Working Group on Sustainable Transport, Transit and
Connectivity (TWG-STTC)**

24th Session
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Ashgabat, Turkmenistan

National coordinating mechanism for transport facilitation

(Item 4.3 of the Agenda)

Note by UNECE/ ESCAP

1. The removal of physical and non-physical barriers in international trade and transport requires involvement of numerous government agencies. Efficient and effective coordination and cooperation among all the relevant agencies through proper inter-agency coordination institutions are crucial for the facilitation of international trade and transport. Cooperation from the private sector is essential as the private sector has to go through the whole procedures to bring people and goods across the borders.
2. Further streamlining and harmonization of customs and transit procedures and formalities and transparent and efficient border management and coordination of agencies involved in border clearance, should have a concrete and direct impact on reducing the cost of doing trade and stimulating faster and competitive trade for landlocked developing countries. Such improved trade facilitation would help landlocked developing countries towards enhancing the competitiveness of their export products and services.
3. A number of initiatives have been taken by SPECA countries in establishing national transit transport facilitation bodies. However, existing facilitation coordinating bodies are facing difficulties in sustaining their operations, often resulting from insufficient financing sources, inadequate recognition of their role and functions, inadequate organizational structure and lack of representation from key stakeholders.
4. Several activities on transit related multilateral arrangements have been completed or preparation are ongoing, including:

- Afghanistan, Azerbaijan, Georgia, Turkey and Turkmenistan (Lapis Lazuli Transit, Trade and Transport Route).
- Trilateral Agreement among Azerbaijan, Georgia and Kazakhstan for development and piloting of CAREC Advanced Transit System (CATS);
- Pakistan-Afghanistan-Tajikistan Trilateral Transit Trade Agreement;

5. The Vienna Programme of Action (2014) recommended that landlocked and transit developing countries should enhance coordination and cooperation of national agencies responsible for border and customs control procedures as well as to consider establishing, where appropriate, national committees on trade facilitation and/or strengthening existing ones, with the involvement of all relevant stakeholders, including the private sector.

6. ESCAP, UNECE and the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) organized the Euro-Asian Regional Midterm Review of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024 on 11 and 12 February 2019 in Bangkok, Thailand.

7. The meeting encouraged landlocked developing countries and transit countries to:

- Cooperate and coordinate on fundamental transit policies, laws and regulations and towards enhancing freedom of transit and transpose the international standards based on international conventions/agreements into national legislation.
- In a coordinated manner, develop and upgrade international transport and transit corridors encompassing all modes of transportation to address the special development needs and challenges of landlocked developing countries, integrate development and maintenance of trans-boundary transport and infrastructure corridors in the national development strategies. These should not be seen as stand-alone initiatives.

8. The outcome of the Euro-Asian Regional Midterm Review to the comprehensive high-level midterm review on the implementation of the Vienna Programme of Action to be held in December 2019 in New York.

9. On 2 September 2019 in Geneva, UNECE in collaboration with the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) organized a workshop on quantifying transport costs for landlocked developing countries.

10. The workshop gathered representatives from Landlocked Developing Countries (LLDCs) from across the Euro-Asian region, Africa and Latin America and discussed the specific challenges

and disadvantages of LLDCs. Participants were informed that LLDCs have transport costs which, in accordance with available research, are on average 50 per cent higher than developing countries that do have access to the open sea. As a result, LLDC exports are less competitive and the average LLDC has less than 40% of the trade volume of the average littoral state.

11. Participants learned about several currently available approaches, such as the UNCTAD corridor development approach (implemented in several countries in Africa) which aims at quantifying and assessing corridor performance through systematically measuring time and costs spent during transport and quantifying transport bottlenecks experienced en route. Participants also learned about the World Customs Organization (WCO) Time Release Study conducted by Georgian Customs which is measuring the actual time required for the release and/or clearance of goods from the time of arrival until the physical release of the cargo. Participants were familiarised with the findings of the International Road Transport Union (IRU) New Eurasian Land Transport Initiative (NELTI) phases I-IV according to which up to 57 per cent of transport time is lost at border crossings and 38 per cent of transport costs along Euro-Asian corridors consist of unofficial levies. According to a recent IRU study the benefits to the economy of implementing the TIR Convention range between 0.14 and 1.31 per cent of the national GDP of a country which may even be higher in the case of LLDCs.

12. Participants recommended that the Working Party on Transport Trends and Economics (WP.5) should conduct a review of existing approaches and methodologies for measuring economic value of international transport corridors aimed at turning landlocked into land-linked regions. The proceedings of the workshop, presentations and all workshop materials have been uploaded at https://www.unece.org/trans/main/wp5/quantifying_transport_costs_for_landlocked-developing_countries.html

13. ESCAP secretariat has developed the guidelines on establishing and strengthening national coordination mechanisms. The guidelines lay down broad principles, salient aspects and main requirements for a successful national coordination institution. The publication complements the existing UNECE guidelines on setting up national trade facilitation bodies consequent to Recommendation No. 4 adopted by the United Nations Centre for Trade Facilitation and Electronic Business (UN CEFAC). The publication is available in English at http://www.unescap.org/sites/default/files/Study_on_Coordination_Mechanisms_Ch4.pdf.

14. ESCAP also supports SPECA countries in transport transit facilitation. These include ESCAP's Intergovernmental Agreement on Dry Ports; the Regional Strategic Framework for the

Facilitation of International Road Transport; the Regional Cooperation Framework for Facilitation of International Railway Transport; ESCAP's transport facilitation models to comprehensively address non-physical barriers and to enable seamless international transport in the region.

15. Given that the design and industrial development cycle of innovative technologies are shorter than the policy cycle, regulatory authorities often lag at the national level, but do so particularly at the international level. This leads to technical fragmentation and, eventually, interoperability issues within and across countries. UNECE, having recognized the importance of innovation and the difficulties that accompany the use of new technologies in transport and border crossing, is scaling up efforts towards the development and implementation of regulations and agreements on technical and technological compatibility (e.g. eTIR - please check SPECA/TWG-STTC (24)/4 for more details).

The Thematic Working Group may wish to

- Encourage SPECA countries to establish or strengthen national coordination mechanisms to review, assess, propose and take actions for the facilitation of international trade and transport;
- Encourage SPECA countries to mobilize public and private sector resources to finance the operations and activities of the national coordination mechanisms; and
- Encourage SPECA countries to hold workshops on establishing and strengthening of national coordination mechanisms to build common position of different stakeholders on ways to reduce barriers for cross-border and transit transport.
- Invite SPECA Governments to actively engage in the work of ITC WP.5 on the development of a harmonized model to quantify transport costs for LLDCs.