

## **UN legal instruments to support sustainable transport connectivity**

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### **SLIDE 1**

On behalf of the UNECE Secretariat, thank you to the Government of the Kingdom of Thailand and to our sister commission UNESCAP for hosting here in this beautiful location in Bangkok.

### **SLIDE 2**

The UNECE Inland Transport Committee and its working parties, administer a total of 58 UN legal instruments that facilitate the international movement of cargo, drivers and their vehicle. Thematic areas covered, include multi-modal transport infrastructure, railway regulatory aspects, inland waterways and river transportation, transport of dangerous goods, transit and border crossing facilitation, road traffic safety, vehicle regulations, environmental aspects of transport.

We gather a group of 56 countries including the EU, Eastern and South Eastern Europe, the South Caucasus and Central Asia. ECE and ESCAP have quite a few countries in common in terms of membership (Central Asia, South Caucasus, but also Turkey and Russian Federation). This maps shows however that our legal instruments are becoming increasingly global in reach. With the dark green area (our core area) having often over 40 conventions signed up to, lighter green lesser conventions but on the increase.

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Many of these conventions also have direct links or are in direct support to the UN 2030 Agenda (the Sustainable Development Goals).

Over and above the transport link to specific SDGs and targets, this paper illustrates that transport plays a vital role in contributing to all SDGs. It becomes clear that transport has to be understood as means to an end – rather than an end in itself. Transport is not only a matter of developing transport infrastructure and services, but rather the ease of reaching destinations in terms of proximity, convenience and safety.

This paper illustrates the correlation between transport and each of the SDGs and seeks to provide suggestions for transforming the transport sector into a “sustainable” one. Many SDGs are dependent on transport to meet their targets. Transport may not play a major (or obvious) role in a goal - but to achieve the goal and its targets, transport is necessary and acts as a vital “enabler”. It has thus become clear that by ignoring sustainable transport it will be much more difficult to achieve most of the proposed goals.

#### **SLIDE 4**

Let us take a closer look at the area of border crossing facilitation is really at the heart of the work of the UN Economic Commission for Europe`s Inland Transport Committee and of crucial importance to LLDCs. There are no less than 16 conventions administered by the UNECE (with an applicability beyond the Eurasian region) that relate to border crossing facilitation. The most famous instruments in that regard are the TIR and Harmonization Conventions. There are also many indirect links.

#### **SLIDE 5**

Border crossing facilitation, implementation of some of the UNECEs key conventions offer an opportunity to make quick gains in terms of time efficiency and cost effectiveness. Yet what do we see?

65% of LLDCs globally have not yet acceded to either the TIR or the Harmonization Convention. Progress in the ratification rate of TIR and the Harmonization Convention by LLDCs has been very slow.

Yet, `the benefits are very tangible both for public and private sectors:

The Harmonization Convention aims at facilitating border crossing in the international transport of goods through the harmonization and reduction of the requirements for completing formalities as well as the number and duration of controls at borders. The Convention establishes the procedures for carrying out efficiently all types of controls that may be necessary at borders, including Customs controls, medico-sanitary inspections, veterinary inspections, phytosanitary inspections, controls of compliance with technical standards and quality controls. Procedures largely call for national cooperation and coordination of the various services among them, as well as for international cooperation between the respective border services of the adjacent countries. In this respect, the Convention foresees measures that include joint controls of goods and documents through the provision of shared facilities, same opening hours and same types of services at the same border. These procedures apply to all goods being imported, exported or in transit and to all modes of transport. An Administrative Committee manages the Convention, which is foreseen for global application.

#### **SLIDE 6**

What is TIR about?

The **Convention on International Transport of Goods Under Cover of TIR Carnets**<sup>1</sup> (TIR Convention) is a unique transport facilitation tool. It is a global United Nations Convention that establishes and regulates the only existing and operational global customs transit system. It has a broad geographic coverage with 74 Contracting Parties, including the European Union. More than 33,000 operators are authorized

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<sup>1</sup> Website: [https://www.unece.org/fileadmin/DAM/tir/handbook/english/newtirhand/TIR-6Rev10\\_En.pdf](https://www.unece.org/fileadmin/DAM/tir/handbook/english/newtirhand/TIR-6Rev10_En.pdf)

to use the TIR system and around 1.2 million TIR transports are currently carried out on an annual basis. The TIR Convention facilitates the international carriage of goods from one or more customs offices of departure to one or more customs offices of destination and through as many countries as necessary. As a rule, the vehicle remains sealed throughout the TIR transport and, thus, goods are generally not inspected at border crossings. However, customs authorities remain entitled to perform inspections whenever they suspect irregularities or randomly. To cover the customs duties and taxes at risk throughout the journey, the Convention has established an international guaranteeing chain which is managed by the International Road Transport Union (IRU). The Convention applies to transports with road vehicles, combinations of vehicles as well as containers and allows for the use of the TIR Carnet across all modes of transport, including railways, inland waterways and maritime transport provided that at least one leg of the journey is made by road. In October 2017, the first successful intermodal TIR customs transit system operation involving road, sea and rail on a corridor linking Europe to the Middle East has demonstrated a 5-day time saving, with significant potential to further reduce costs and enhance trade. The pilot run started in Ljubljana (Slovenia) and arrived in the Caspian Sea port city of Bandar Abbas (Iran), the container transited through Italy and Turkey, crossing the Mediterranean Sea (IRU, 2017).

#### **SLIDE 7**

The latest TIR accessions of Saudi Arabia and Qatar, the activation of the TIR system in China and the United Arab Emirates (UAE) and India's and Pakistan's recent accession open-up significant transit facilitation opportunities for landlocked developing countries. In May 2018, a 5,600 km long test-run has taken place from Dalian (Liaoning province) in China to Novosibirsk in the Russia Federation using for the very first time the TIR system which, according to the IRU, could potentially cut customs clearance time along that route with up to 80 percent.

#### **SLIDE 8**

To keep up with the latest developments in the transport sector and in customs administrations, the TIR system is constantly being updated. Electronic tools, such as the international TIR database (ITDB) and the electronic pre-declaration tool (TIR-EPD), have been introduced to improve risk management. Additional facilities such as authorized consignors and consignees are also under discussion at the Working Party on Customs Questions affecting Transport (WP.30). Most importantly, TIR contracting parties have started the eTIR project, i.e. the computerization of the TIR procedure.

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The project aims at ensuring a secure electronic exchange of TIR transport data between national customs systems and the management by customs on TIR guarantees data. A step-by-step and corridor-based approach has been adopted for its implementation. A first eTIR pilot has taken place from December 2015 to February 2017 between Iran and Turkey and involved a limited number of inland customs offices and one border crossing point. To carry out the pilot, the existing electronic procedures of the two countries have been connected, enabling the real time exchange of information about TIR operations and improved risk management. The successful conduct of this pilot and the satisfaction of all stakeholders led to the decision to

continue the conduct of eTIR transport between Iran and Turkey. A second eTIR pilot project, between Georgia and Turkey, was focused on customs-to-customs electronic data exchange of TIR data. Considering the benefits of the real-time exchange of data, both countries also decided to continue to operate the systems developed in the framework of the project. In next phases, additional functionalities will be included, and more countries will be involved. At the intergovernmental level TIR Contracting Parties are still working on finalizing the legal basis of eTIR.<sup>2</sup>

## **SLIDE 10**

The UN Convention on the Contract for the International Carriage of Goods by Road<sup>3</sup> (CMR) and its Additional Protocol concerning the Electronic Consignment Note<sup>4</sup> (eCMR) The CMR convention of 1956 and its two protocols facilitate international road freight transport by standardizing the conditions governing the contract for the international carriage of goods by road, particularly with respect to the documents used for such carriage and to the carrier's liability in the case of a delay or the partial or total loss of the goods. The e-CMR additional protocol provides CMR contracting parties with the option of computerizing the current system of paper consignment notes to electronic ones. The CMR convention provides a harmonized and robust legal framework for cross-border commercial road freight shipments when the place of taking over of the goods and the place designated for delivery are situated in two different countries, at least one of which is a contracting country. The well-established CMR framework includes the contract conditions, the mandatory information for the contract document (known as a consignment note) and the liability of the carrier, as well as provisions relating to carriage performed by successive carriers. Claims and actions fall under the purview of private civil law. At present, the e-CMR has 17 contracting parties. With the increased success of e-CMR (signatories 8 and parties 17<sup>5</sup>), transport operators may soon be able to input electronically and store logistics information as well as exchange data, in multiple languages, in real time via a mobile phone or tablet. The application of the eCMR will bring transport cost reductions (with handling costs up to three to four times less expensive), faster administration and invoicing, and a reduction of delivery and reception discrepancies. Using the e-CMR consignment note is also expected to increase data accuracy and would be linked to real time information on progress of shipments, including proof of delivery. Testing the feasibility of e-CMR in practical applications is the object of pilot projects between France and Spain, in Belgium — for national transport operations, and in the Benelux — for transport between the three countries. The pilot concerning e-CMR transports between Spain and France started in January 2017. The recent accession, to the Additional Protocol, of the Republic of Moldova, Russian Federation, Armenia, Turkey and Estonia (UNECE, 2018) only further strengthens its road transport facilitation and increased geographical out-reach potential.

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<sup>2</sup> UNECE (2018), "Railways Role in Intermodality and the Digitalization of Transport Documents", July 2018, New York and Geneva

<sup>3</sup> Website: [https://www.unece.org/fileadmin/DAM/trans/conventn/cmr\\_e.pdf](https://www.unece.org/fileadmin/DAM/trans/conventn/cmr_e.pdf)

<sup>4</sup> Website: <https://www.iru.org/innovation/e-cmr>

<sup>5</sup> Website: [https://www.unece.org/trans/conventn/legalinst\\_27\\_olirt\\_e-cmr.html](https://www.unece.org/trans/conventn/legalinst_27_olirt_e-cmr.html)

Railway shipments from West to East and vice versa frequently travel thousands of kilometres, crossing through many countries, borders and language regimes and thus interoperability challenges are plentiful. The bottlenecks faced by the railway sector are two-fold. On the physical side, the lack of interoperability puts the railway sector at a significant disadvantage to road and other modes, increasing the cost of transport when trains need to go through gauge changing facilities or goods need to be moved from one train to another at national borders. Lack of interoperability is a significant comparative disadvantage leading to increases in both costs and travel times

Nevertheless, progress is being made when it comes to administrative railway interoperability. In Western and Central Europe, a uniform law applies to rail transport referred to as CIM<sup>6</sup>, whereas in Eastern Europe, Russian Federation, China and parts of Asia another law applies referred to as SMGS<sup>7</sup>. The creation and gradual introduction of a CIM/SMGS Common Consignment Note from 2007 onwards has become a key railway facilitation tool. It contains all the needed information for the consignment: consignor, consignee, type, weight and special features of the goods. It has simplified and expedited rail shipments between the two legal regimes considerably and by offering a contractual link between those involved in the two regimes it offers legal certainty.<sup>8</sup>

Building further on this achievement, UNECE member States are currently trying to solve remaining administrative issues through the creation of a full-fledged Unified Railway Law<sup>9</sup> (URL). Through the URL, operators will be able to carry out their activity within a single legal regime along the entire East-West axis connecting Europe to Asia. The work is ongoing in the framework of a designated Expert Group which meets under the auspices of the UNECE Working Party on Rail Transport<sup>10</sup> (SC.4) in cooperation with legal experts from all interested Governments, international organizations, such as the Organisation for Co-operation of Railways (OSJD), the Intergovernmental Organisation for International Carriage by Rail (OTIF), the International Rail Transport Committee (CIT), the International Union of Railways (UIC) and the transport industry to work out the required mechanisms and legal provisions. As of 2017, draft legal provisions of the URL are being tested in real-life. A virtual pilot test took place, in May 2017, along the corridor Germany – Poland – Belarus – Russian Federation. Real pilot tests will be carried out by the railway companies involved in the UNECE Group of Experts towards Unified Railway Law along the corridors agreed and along other corridors if proposed by governments in order to ensure the operational validity and effectiveness of the legal provisions prepared. The ultimate purpose of this initiative is the establishment of a unified set of transparent and predictable provisions and legal rules for Euro-Asian rail transport operations in all countries concerned leading to facilitated border crossing procedures, particularly for transit traffic.

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<sup>6</sup> “Appendix B” to the Convention concerning International Carriage by Rail (COTIF) - Uniform Rules Concerning the Contract of International Carriage of Goods by Rail

<sup>7</sup> Agreement on International Goods Transport by Rail (SMGS)

<sup>8</sup> CIT (2013), Common CIM/ SMGS Consignment Note for Euro-Asian Rail Freight Shipments (Brochure), July 2013, Bern

<sup>9</sup> Website: <http://www.unece.org/?id=32361>

<sup>10</sup> Website: [https://www.unece.org/trans/main/sc2/sc2\\_geurl\\_mandate.html](https://www.unece.org/trans/main/sc2/sc2_geurl_mandate.html)