



FINAL REPORT

**PROJECT FOR DEVELOPMENT
OF ISLAMABAD - TEHRAN -
ISTANBUL (ITI) ROAD
CORRIDOR**

2020



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ABBREVIATIONS/ACRONYMS

ADB	Asian Development Bank
CAREC	Central Asia Regional Economic Cooperation
ECO	Economic Cooperation Organization
EAEU	EurAsian Economic Union
EU	European Union
IDB	Islamic Development Bank
IRU	International Road Transport Union
TRACECA	Transport Corridor Europe-Caucasus-Asia
UN	United Nations
UNESCAP	UN Economic and Social Commission for Asia and the Pacific
WB	World Bank
WTO	World Trade Organization

COUNTRY ABBREVIATIONS

AFG	Islamic Republic of Afghanistan
CHN	People's Republic of China
IRN	Islamic Republic of Iran
KGZ	Kyrgyz Republic
KAZ	Republic of Kazakhstan
PAK	Islamic Republic of Pakistan
TJK	Republic of Tajikistan
TUR	Republic of Turkey



PREFACE



I am delighted to introduce the final report for the Field Studies for the Islamabad-Tehran-Istanbul (ITI) and Kyrgyz-Tajikistan-Afghanistan-Iran (KTAI) Road Corridors. These documents serve as a means to facilitate the realization of the transit, transport and communication potential of the region.

During the past decade the Economic Cooperation Organization (ECO) has in collaboration with its partners strived to initiate and successfully implement regional studies aimed at facilitating the movement of goods across the region's borders. As a result we have been able to prepare time-bound action plans which in turn require effective action at a national and regional level.

The ITI and KTAI field studies, conducted in partnership with International Road Transport Union (IRU) address the various aspects of road transportation and related provisions of ECO Transit Transport Framework Agreement (TTFA) and other international legal tools. Intra-regional trade indicates a great potential for increasing freight flows along ITI where TIR Carnet is a facilitative international tool for trucks carrying goods through the region.

Another promising development has been the introduction of the eTIR, an international paperless transit system which based the provisions of the TIR Convention seeks to secure the exchange of electronic data between national customs systems for the international transit of goods, vehicles and containers. TIR Contracting parties within the ECO region have taken the first step towards implementing the eTIR system worldwide. The launch of paperless TIR procedures between the Islamic Republic of Iran and Turkey has allowed real-time exchange of data on declarations and the status of the guarantee through Bazargan-Gurbulak border crossing points. Recent eTIR transports between Iran and Azerbaijan is another example of the efficiency of the digital TIR within a real transit environment. I am also pleased to announce plans for the digitalization of the ITI Corridor in the near future and the expansion of digital TIR to other corridors of the region and beyond.

As all but one of ECO Member States are contracting parties of the Convention on the Contract for the International Carriage of Goods by Road (CMR), the CMR consignment note is among main documents concerning their transportation of cargo by road within the region. The implementation of the e-CMR protocol, which allows national and international transports to be done with digital consignment notes, will allow the region and beyond to profit from simplified processes

At the Economic Cooperation Organization (ECO) we are determined to the realization of a Digital Free-Trade Area (DFTA). This will complement the ongoing efforts on enhancing economic integration at a regional and international level in a time when the worldwide adoption of digital technologies, has resulted in rapid transformation within the global trading environment.

In the context of COVID-19, we consider it timely to accelerate efforts towards wider



coverage of the major checkpoints of the member states by the digital technologies as there are already pre-requisites for mutual recognition of the electronic document, electronic contracts and digital signatures to facilitate cross border transactions and businesses.

The digital revolution has changed the nature of trade; therefore, it is our hope that a planned, structured and progressive transition can allow the region to grow and evolve into a better future where all people can enjoy and take pride in its achievements.

Dr. Hadi Soleimanpour
ECO Secretary General



Since the signing of a memorandum of understanding in 2008 and the agreement of a five-year action plan for transport and transit facilitation in 2015, cooperation between IRU and the Economic Cooperation Organization (ECO) has gone from strength to strength.

The two recent studies conducted by IRU and ECO into the potential of the corridors linking Kyrgyzstan-Tajikistan-Afghanistan-Iran and Islamabad-Tehran-Istanbul are a demonstration of the strong relationship between the two organisations. Other achievements resulting from the cooperation between IRU and ECO include the activation of TIR in Afghanistan, the accession of Pakistan to the TIR Convention and the implementation of eTIR projects between Iran and Turkey, and Iran and Azerbaijan.

These studies provide an analysis of the road transport environment in the ECO region with concrete data on trade and transport. Recommendations are included on how to improve regional connectivity, with a view to increasing cooperation between the ECO member states.

As we look to the future, the studies can guide our work to minimise the impact of COVID-19 on the supply chain. Measures are necessary to support the business need for opening new trade corridors with faster and safer border crossings. The key areas requiring joint action include the implementation of digital instruments such as eTIR and eCMR, the application of harmonised procedures and rules, including on vehicle weights and dimensions, and the upgrading of roads and roadside infrastructure. In addition, waiting times could be significantly reduced by establishing TIR-EPD Green Lanes at borders and facilitating visa issuance for drivers.

This work has already begun. At the end of 2019, IRU, in cooperation with its members and relevant authorities, successfully conducted a pilot TIR transport operation between Iran, Afghanistan and Tajikistan, and in July 2020 ECO and IRU jointly conducted the second TIR pilot between all KTAI corridor members including Kyrgyzstan which is now a fully operational TIR corridor.

I am confident that the valuable insights contained in these two studies will foster the continued improvement of trade links and increased prosperity in the ECO region.

Umberto de Pretto
Secretary General of IRU



INTRODUCTION

The Project for Development of ITI Road Corridor (hereinafter - the Project) has been implemented under the authority of the Economic Cooperation Organization (ECO), an inter-governmental regional organization putting the countries from Europe, Caucasus and Central Asia, Middle East and South Asia together. The general purpose of the Organization involves the sustainable economic development of its Member States and the Region in the whole.

Now ECO unites 10 member states: Islamic Republic of Afghanistan, Republic of Azerbaijan, Islamic Republic of Iran, Republic of Kazakhstan, Kyrgyz Republic, Islamic Republic of Pakistan, Republic of Tajikistan, Republic of Turkey, Turkmenistan and Republic of Uzbekistan. Seven of these countries are land-locked therefore the social well-being and economic prosperity directly depends on the level of development of the transit-transport potential in the countries of the ECO region, both along these countries and in the ECO region in the whole. The achievement of objective has been carried out in virtue of Transit Transport Framework Agreement (TTFA) focused on the formation of ECO Roadway Network and ECO Railway Network.

In the framework of this project, the ITI road corridor, constituting a part of the ECO Roadway Network, are essential due to the provision of transportation between six countries of the ECO region, as well as alternative trade routes between East and West.

The ITI Road Corridor: Pakistan, Iran, Turkey to EU runs along the route:

- Pakistan: Islamabad, Dera Ismail Khan, Zhob, Lorallai, Quetta, Dalbandin, Taftan (Mirjaveh, IRN);
- Iran: (Taftan, PAK) Mirjaveh, Kerman, Yazd, Qom, Zinjan, Tabriz, Bazargan (Gorbulak, TUR);
- Turkey: (Bazargan, IRN) Gurbulak, Erzurum, Amasya, Duzce, Istanbul, Edirne, Kapikule.

The purpose of this research is to facilitate the implementation of transit and transport and commercial potential within the framework of Transit Transport Framework Agreement (TTFA) and the concept of the development of road transport ITI corridors.

According to a stated objective, as well as in accordance with the task order hereto, the major objectives of the research were the following:

- Evaluation of the current cargo traffic on the routes of two road corridors and the prospects of its further increase;
- Data collection and analysis on road and roadside furniture on the routes of two corridors, as well as on the fleet of trucks in the corridors to determine the requirements for their further development;
- Research of checkpoints operation, identification of bottlenecks and development of recommendations for simplification of border crossing procedures;
- TTFA implementations considerations, affiliating with international conventions and



agreements in the field of cargo carriage by road transport mentioned in the TTFA, as well as compliance with these conventions to determine measures on efficiency improvement and TTFA implementation;

- Development of proposals for monitoring of work and operational coordination of ITI road corridor.

In the course of research, all objectives set by the project including IRU's component of Model Highway Initiative (MHI) have been fulfilled, recommendations on simplification and harmonization of border crossing procedures, increasing the effectiveness and implementation of the TTFA have been developed as well as a mechanism for monitoring the work and operational coordination ITI road corridor. All findings are presented in this report. Thus the recommendations have been elaborated based on the research findings and the identified issues.

The research has been conducted under direct supervision of the ECO Secretariat and in close cooperation with IRU. The national consultants (contacts of national consultants are indicated in the Annex VI) specified for contributing the national inputs have provided an invaluable help in organizing and carrying out of the field research, as well as the collection of required information.



CHAPTER 1. THE PROCEDURES OF DATA COLLECTION, REVIEW AND ANALYSIS

The following three main approaches have been used to complete project objectives, data collection, review and analysis:

- Desk research and data collection from reliable sources;
- Data collection from the national consultants;
- Data collection during field research;

Desk research

In the course of the desk research, the following available materials used to write this report have been collected: statistical information, information on joining the conventions and agreements, data on the national legislation of the countries studied, etc. The following has been used to collect these data:

- Data bases of WB, UNESCAP, WTO, TRADE MAP¹, UN, IRU and others²;
- Official websites of ministries, agencies and databases of legal documents of the countries participating in the research.

The procedures of data collection from the national consultants

In order to obtain systematic data, the questionnaires and tables/templates have been designed which correlate with the technical task and the project objectives, in particular:

The questionnaire:

- Data collection 14 tables/templates;
- Data collection table for third-party liability insurance of truck carriers (two versions: for countries using the Green Card system and for countries where this scheme is not available).

Data obtained from national consultants are presented in Annex II.

Field research procedures

Data collection included three parts:

- on-site inspection and monitoring of roads and roadside furniture;
- on-site inspection of checkpoints (practically in all corridors);
- interview of the main participants of international cargo road transportation.

The route, facilities as well as the schedule of the field research has been elaborated by ECO's TC Directorate (*Figure 1*). The national consultants of the corridors accompanied the international consultant and facilitated data collecting.

The field research provided an opportunity to visit and evaluate road segments, roadside furniture facilities, border crossing stations and weighing points.

¹ International Trade Centre - www.trademap.org

² From these sources it is possible to obtain data on customs statistics, information on the ratification of the main conventions and agreements in the field of road transport, research results and other data



On-site inspection and monitoring of roads and roadside furniture

In order to carry out on-site inspection and monitoring of roads and roadside furniture, an international consultant has developed a special procedure that during the trip along road segments allowed to record such indicators as: road quality, difficult areas limiting traffic, problems such as pits, rockfalls, etc., as well as to fix truck hauling density of traffic.

To collect this data, manually filled table has been designed and then processed. The results of data processing are presented in *Annex 4.2*.

Counting campaign, monitoring of roads and roadside furniture, checkpoints, weighing points

During the field research, 5 checkpoints have been examined:

- Mirjaveh (IRN)/ Taftan (PAK);
- Kapikoy (TUR), Esendere (TUR)/ Serow (IRN).

The main attention was paid to examining the schemes and technology of operation, the availability of furniture and equipment, automation of the technological process, schedule of work, congestion, availability of queues from trucks, the average waiting time of one truck and other indicators.

During the research, two ports of Chabahar (Iran) and Karachi (Pakistan) have been visited.

Interview with the main participants of motor transportation

In the course of research, the representatives of customs authorities, national road transport agencies, border crossing points, transport companies (including ports), transport associations, insurance companies, insurance companies' associations of drivers of motor vehicles, etc. have been interviewed.

The interview was conducted in a form of conversation the results of which were recorded.

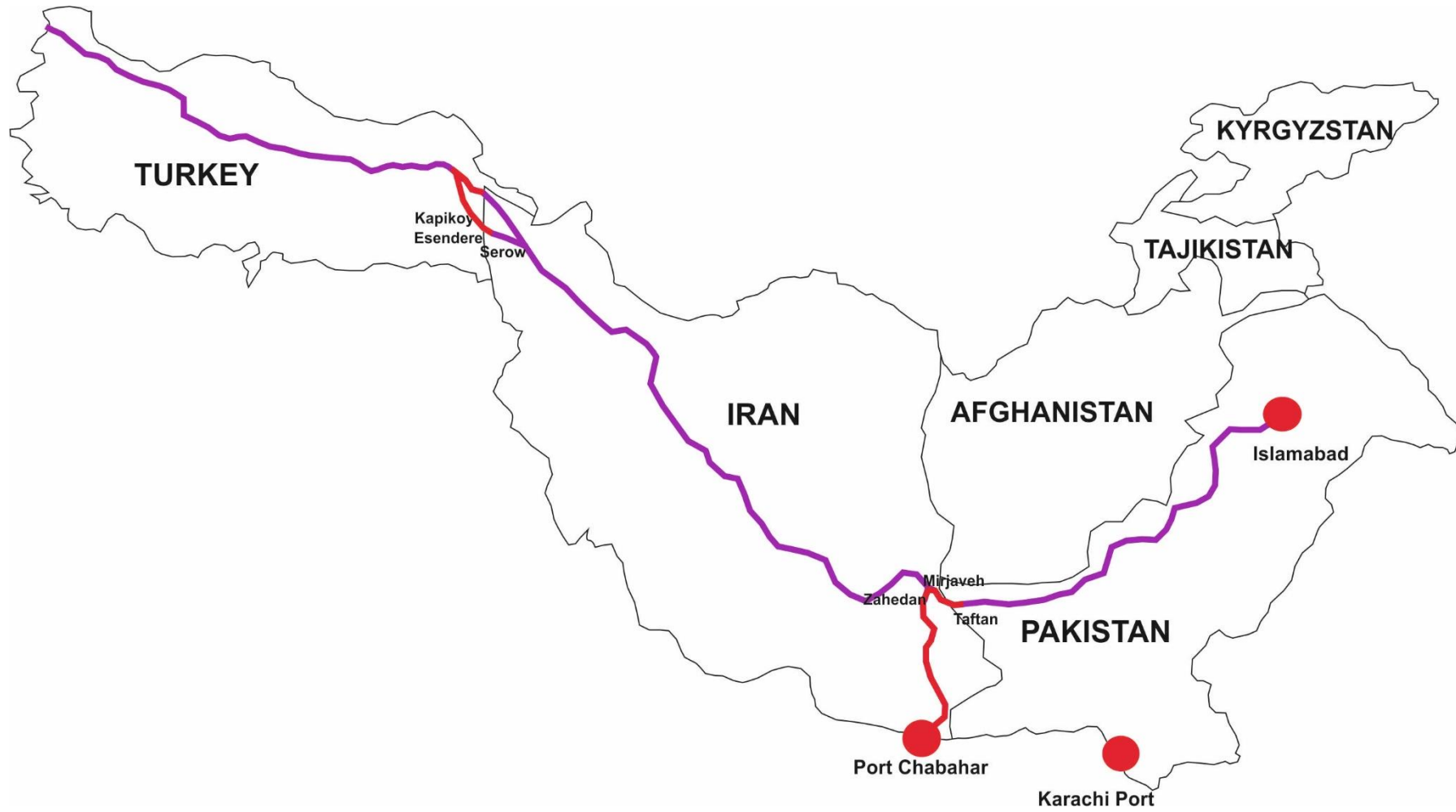


Figure 1. Field research routes



CHAPTER 2. TRADING ACTIVITY OF ITI CORRIDOR

Some factors affecting of trading activity in the region of the ITI corridor

Countries of the ITI corridor have some potential for trade activity (and traffic) due to the following factors:

- The territory of the countries is more than 3,2 million square kilometers with 358 million persons residing (4.8% of the world population), while the population in these countries has increased by 5.5% over the past 5 years (see *Table 1*);
- GDP growth has been recorded in the countries of the ECO region, including the countries enroute the corridor. The average growth of real GDP in the ECO region was 4.49 percent, which is higher than the world average of 2.78 for most of the years, except in 2012, when economic sanctions against Iran were introduced, which led to a significant reduction of economic growth of the country and affected the indicators of the region as a whole (see *Table 2*).

Table 1. Population and area of ITI corridor region¹

Country / indicator	Population, mln. people					Growth over 5 years,%	Area, thsd. km ²
	2013	2014	2015	2016	2017		
World population	7 181,7	7 265,8	7 349,5	7 432,7	7 515,3	4,6	
Iran	77,2	78,1	79,1	80,0	80,9	4,8	1648,2
Pakistan	181,2	185,0	188,9	192,8	196,7	8,6	796,1
Turkey	76,2	77,5	78,7	79,6	80,4	5,5	783,6
Total in the corridors	334,6	340,6	346,7	352,4	358	5,5	3227,9
Share in World population, %	4,7	4,7	4,7	4,7	4,8		

¹ <https://www.cia.gov>, <http://www.imf.org>, www.populationpyramid.net

**Table 2. GDP¹ at Constant Prices (2010 US\$) of the Member States and the ECO Region, 2000-2015²**

Member State	(in million US\$)				Real GDP Growth (in %)	
	Year				Change in 2015 over 2000	Average Per Annum Growth Rate
	2000	2005	2010	2015		
Afghanistan ³	8 013	9 763	15 937	20 294	153,26	6,39
Azerbaijan	13 147	24 751	52 903	59 025	348,98	10,53
Iran*	281 928	368 530	467 790	471 789	67,34	3,49
Kazakhstan	66 851	109 482	148 047	185 031	176,78	7,02
Kyrgyz Republic	3 205	3 859	4 794	6 059	89,05	4,34
Pakistan	117 555	149 991	177 407	217 668	85,16	4,19
Tajikistan	2 571	4 101	5 642	7 779	202,55	7,66
Turkey	500 192	624 924	731 168	906 585	81,25	4,04
Turkmenistan	10 754	13 789	22 583	37 254	246,43	8,64
Uzbekistan	20 046	26 085	39 333	58 114	189,91	7,35
ECO Region	1 018 710	1 335 277	1 665 604	1 968 910	93,27	4,49
Change(in %)	-	31,08	24,74	18,21	-	-
<i>in ITI countries</i>	<i>899 675</i>	<i>1 143 445</i>	<i>1 376 365</i>	<i>1 596 042</i>	<i>77,40</i>	<i>3,91</i>

Thus, the corridors are densely populated, and the population continues to increase. As expected, people consume goods and services. At the same time, the regions produce resources, produce goods and services (indicators of growing GDP), which are consumed both in the domestic markets of these countries, and also exported and imported. These two factors are fundamental to justify the availability of commercial potential and the formation of international freight flows in the ITI corridor countries.

Export-import between ITI corridor countries

The data on export and import volumes between the ITI corridor countries are given in Tables 3 and 4, as well as Figure 2. The Annex I also provides the geography of exports and imports of the ITI corridor countries for 2018.

¹ GDP - Gross Domestic Product

² ECO Economic Review 2017 - Economic Cooperation Organization: Fifteen Years of Cooperation and Development (2000-2015)

³ Data for Afghanistan was not available for 2000; hence the earliest available, 2002, has been used for 2000, Also data for Iran is not available for 2015, Proxy for 2015 has been used by multiplying GDP of 2014 with estimated growth rate 1,7 percent recorded in report available at <http://pubdocs.worldbank.org/en/206581475460660337/Iran-MEM-Fall-2016-ENG.pdf> and <http://www.worldbank.org/en/country/iran/overview>,



Table 3. Export-import volumes between of the ITI corridor countries, mln. \$US¹

Country	Export							Import						
	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018
IRAN														
PAK	742	653	971	639	796	930	1247	186	326	269	226	364	393	330
growth, %		-12	49	-34	25	17	34		75	-17	-16	61	8	-16
TUR	1476	1649	1976	1315	3247	3990	2367	3782	3605	3873	2970	2725	3183	2580
growth, %		12	20	-33	147	23	-41		-5	7	-23	-8	17	-19
PAKISTAN														
IRN	142	63	43	32	36	27	23	120	168	186	261	323	327	374
growth, %		-56	-31	-25	10	-25	-14		39	11	40	24	1	14
TUR	416	407	391	235	237	327	303	189	150	193	205	260	269	358
growth, %		-2	-4	-40	1	38	-8		-20	28	6	27	3	33
TURKEY														
IRN	9922	4193	3886	3664	4966	3259	2393	11965	10383	9833	6096	4700	7492	6931
growth, %		-58	-7	-6	36	-34	-27		-13	-5	-38	-23	59	-7
PAK	276	286	259	289	347	352	462	555	437	436	311	263	323	331
growth, %		4	-9	12	20	2	31		-21	0	-29	-15	23	2

Table 4. Comparison of export-import volumes of the ITI corridor countries with all countries of the world and among themselves, mln. \$US

Country/ Indicators	2012	2013	2014	2015	2016	2017	2018	
EXPORT								
IRN	to world	132713	92123	90328	60041	78267	91737	96618
	incl. to ITI	2218	2301	2946	1954	4043	4921	3614
PAK	to world	24614	25121	24722	22089	20534	21878	23631
	incl. to ITI	558	470	434	268	272	354	326
TUR	to world	152462	151803	157610	143850	142530	156993	167967
	incl. to ITI	10198	4478	4146	3953	5313	3611	2855
TOTAL	to world	309788	269046	272660	225980	241331	270608	288216
	incl. to ITI	12973	7249	7526	6175	9629	8886	6796
share of ITI, %	4,2%	2,7%	2,8%	2,7%	4,0%	3,3%	2,4%	

¹ For some years, information in the context of countries is missing



Country/ Indicators	2012	2013	2014	2015	2016	2017	2018	
IMPORT								
IRN	to world	51458	48432	52250	40043	42702	51612	41236
	incl. to ITI	3969	3931	4143	3196	3089	3576	2911
PAK	to world	43813	43775	47545	43990	46998	57440	60163
	incl. to ITI	309	318	379	466	583	596	732
TUR	to world	236545	251661	242177	207207	198618	233800	223046
	incl. to ITI	12520	10820	10269	6407	4963	7815	7262
TOTAL	to world	331816	343868	341972	291239	288319	342852	324446
	incl. to ITI	16798	15069	14790	10069	8635	11987	10904
share of ITI, %	5,1%	4,4%	4,3%	3,5%	3,0%	3,5%	3,4%	

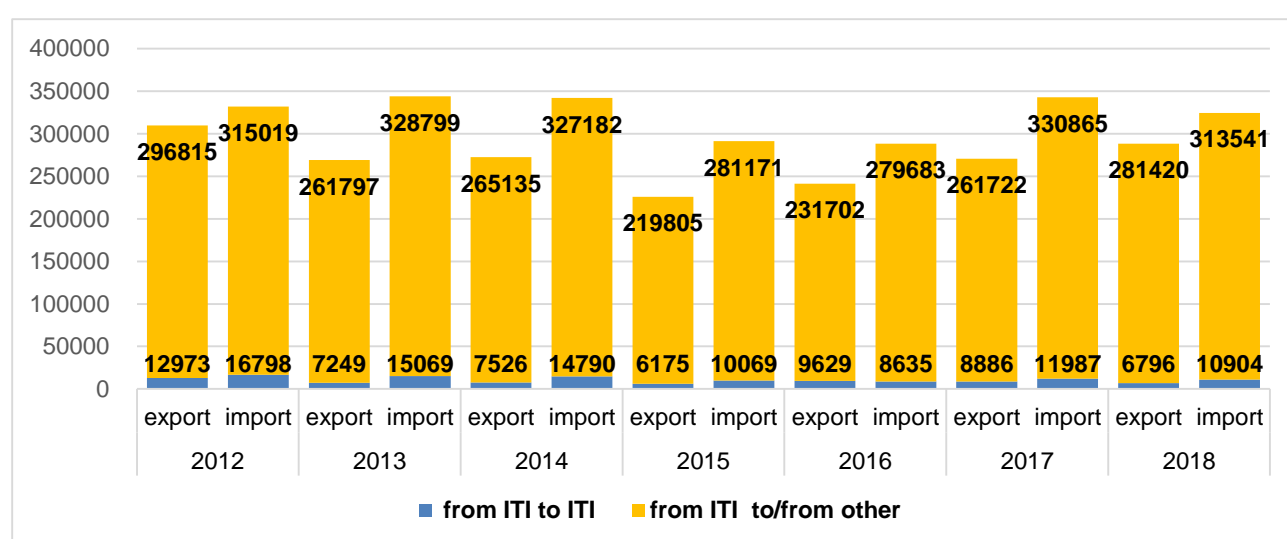


Figure 2. Comparison of export-import volumes of the ITI corridor countries with all countries of the world and among themselves in 2012-2018, mln.\$US

The availability of commercial potential is supported by statistical data on export-import volumes in the corridors¹ shown in Figure 2 - Figure 7. More detailed data on the volume of exports and imports of the corridors over the past 5 years are presented in Annex I.1, an analysis of the trade geography is shown in Annex I.2.

The following conclusions can be drawn from the presented data:

- international trade between ITI corridor countries accounts for about 2,5-5% of the total trade volume of these countries with all countries of the world.
- Mainly traffic flows in the countries of concerned corridors are formed by the export and import of Iran and Turkey.

Assessment of the transit potential of the ITI corridor

Data on the volumes of export-import (in terms of value) of countries where goods can be transported to / from the ITI corridor are given in Table 5. From this data it can be seen

¹ Information resources: International Trade Centre - www.trademap.org, <https://comtrade.un.org/>



that part of the export-import shipments of Turkey, Iran and China can be delivered via the ITI corridor, which confirms that this corridor has a certain transit potential. The transit potential of the ITI corridor can also be formed due to freight traffic from China to Europe.

Table 5. Export-import volumes to assess the potential of transit of ITI corridor, mln. \$US

country, indicators	export					import				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
TURKEY										
CHN	2861	2415	2328	2936	2913	24918	24873	25441	23371	20719
growth, %		-16	-4	26	-1		0	2	-8	-11
IRAN										
CHN	9389	7230	8370	9065	21099	12719	10473	10696	13115	14009
growth, %		-23	16	8	133		-18	2	23	7
CHINA										
IRN	24338	17770	16417	18585	14009	27504	16057	14827	18554	21099
growth, %		-27	-8	13	-25		-42	-8	25	14
TUR	19305	18608	16687	18122	17864	3705	2944	2785	3783	3763
growth, %		-4	-10	9	-1		-21	-5	36	-1

Despite the fact that the data are presented in value terms, as well as the fact that these goods can be delivered by various modes of transport and alternative routes, the data show that some of these goods can be transported along ITI corridor.

Thus, in the course of creating favorable conditions for the carriage of goods, the ITI corridor possesses a certain transit potential since the use of this corridor may open up the shortest running distance to deliver goods in a number of directions.

Key findings

The countries enroute ITI corridors there is a commercial potential and, accordingly, the potential for cargo flows growth. This is justified by the following three facts:

- a steady increase in the population of the studied countries and constant GDP growth in corridors;
- fluctuating, but relatively stable volumes of export-import (in value terms);
- due to the significant export and import activity of China, Turkey and Iran, the ITI corridor has a certain transit potential, since the use of this corridor for transportation can ensure the shortest distance to deliver goods in a number of directions.



CHAPTER 3. CONCEPT OF TRANSPORT CORRIDORS. INTERNATIONAL INITIATIVES FOR THE DEVELOPMENT OF TRANSPORT CORRIDORS IN THE REGION

Concept of transport corridors

The principle idea of any transport corridor is the concentration of transport, cargo and passenger flows on highways having the maximum throughput and high level of arrangement. Modern systems of transport corridors have been actively developed on all continents since 1970s.

Depending on the purpose of creating the transport corridor, the level of interaction of stakeholders in its creation and the nature of regulation of transport, trade and economic activities, the transport corridor can be a transit corridor, a trade corridor or a development corridor.

A transit corridor provides conditions for an unhindered and cost-effective movement of vehicles in a certain direction.

A trade corridor introduces favorable customs, tax, administrative regimes and the provision of a set of additional logistics services for the development of trade between regions or countries that connects this transport corridor.

A development corridor is called upon to play a systemic role in the economic and social development of the territories they pass through. Their creation is linked with projects for the development of economic and social sectors of the respective regions.

Transport corridors can be international or national.

International transport corridors connect two or more neighboring states and can pass through several transit states, in particular, to ensure maritime trade for landlocked countries.

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The creation and development of the International transport corridors is the subject of international agreements concluded in various regions of the world. Such agreements involve the involvement of significant resources in the establishment of the transport corridor, as well as the harmonization of the legislation and administrative procedures applied in the transport of transport corridor.

Using the concept of transport corridors in the creation and development of transport systems allows:

- to ensure the alignment of priorities and projects for the development of transport and economic infrastructure, modes of transport, territories;
- reduce the costs associated directly or indirectly with transportation, by



concentrating transport and freight flows, reducing the necessary land allocation, etc.;

- to develop intermodal transport, ensuring the interaction of modes of transport at the key points of transport corridors;
- to localize environmental effects by placing in a common communication band of different modes of transport;
- provide a clear system of priorities for the selection of infrastructure projects.

The selection of projects for the development of communications and terminals in the transport corridor band, the attraction of resources for their implementation, the harmonization of regulatory regimes related to the transport corridor and the solution of other transport corridor development tasks require continuous monitoring of corridors functioning, analysis and forecasting of transport and cargo flows, parties. Therefore, transport corridors can be independent objects of management. The nature of the bodies and mechanisms of management created for this purpose depends on the type of transport corridor and the purposes of its creation.

International initiatives for the development of transport corridors in the region

Based on two main messages that the volume of trade between Europe and Asia has been constantly increasing, and the delivery of cargo by land, as a rule, takes less time than by sea, a number of international organizations pay significant attention to the development of transit and transport potential in the countries of ECO region, including the studied countries by forming transport corridors (including road and multimodal corridors). The main initiatives for the formation of transport corridors in Kazakhstan and Central Asia include:

Alongside ITI ECO corridor some other main initiatives for the formation of transport corridors in region could be as follows:

Initiatives of UN ESCAP¹: The Asian Highway Route is a regional initiative for cooperation in transportation and the development assistance of the international road transport system in Asia, supporting the development of transportation between Europe and Asia and improving communication between landlocked countries. The Asian Highway Project was launched in 1959. The formalization of the network was started in 2002. The ESCAP Secretariat has worked with national Governments to develop the International Agreement on the Asian Highway Network adopted on November 18, 2003 and entered into force on July 4, 2005. The agreement includes a list of Asian Highways and classification and design standards.

TRACECA (TRACECA Corridor)² is a multifaceted program of cooperation proposed by the European Union in 1993. The program is aimed at developing economic relations, trade and transport communication in the regions of the Black Sea basin, the South Caucasus, and Central Asia (Europe - Caucasus - Asia). The TRACECA International Transport Corridor includes the transport system of 13 participating countries of the Basic

¹ <http://www.unescap.org>

² <http://www.traceca-org.org>



Multilateral Agreement on International Transport for the Development of the Corridor Europe-Caucasus-Asia (TRACECA BMA): Azerbaijan, Armenia, Bulgaria, Georgia, Iran, Kazakhstan, *Kyrgyzstan*, Moldova, Romania, *Tajikistan*, *Turkey*, Ukraine, and Uzbekistan.

The Belt and Road Initiative (BRI) or the Silk Road Economic Belt and the 21st-century Maritime Silk Road is a development strategy proposed by the Chinese government which focuses on connectivity and cooperation between Eurasian countries, primarily the People's Republic of China (PRC), land Silk Road Economic Belt (SREB) and ocean Maritime Silk Road (MSR)¹.

BRI is not an economic program with exact deadlines, a list of actions and final figures. The new image of the Great Silk Road doesn't have clear geographic framework, starting and ending points. It is assumed that the main routes of the Silk Road Economic Belt will be passing:

- from China across Central Asia, Russia till Europe (till the Baltic Sea);
- from China through Central Asia and western Asia to the Persian Gulf and the Mediterranean Sea;
- from China to Southeast Asia, South Asia, to the Indian Ocean.

The main directions of the Sea Silk Road of the XXI century:

- from China's seaports through the South China Sea to the Indian Ocean and further to Europe;
- from Chinese ports through the South China Sea to the South Pacific Ocean.

It is planned to form international corridors of economic cooperation such as: China-Mongolia-Russia, China-Central Asia-West Asia, China-Indochina, China-Pakistan, and Bangladesh-India-Myanmar-China in the above-mentioned directions.

The Central Asia Regional Economic Cooperation Program (CAREC)² is a partnership of 10 countries and 6 multilateral institutions working to advance development through cooperation leading to accelerated economic growth and poverty reduction, helping the Central Asian and neighboring countries realize their enormous potential in multi-speed Eurasia. The priority areas of CAREC are transport, trade facilitation, trade policy and energy. Within the frameworks of CAREC program six transport corridors shall be considered.

Other initiatives³. In addition to the above-mentioned initiatives, other organizations are also developing road (or multimodal) transport corridors, for example:

- The European Commission (EC) TES-T network includes nine main corridors.
- Within the framework of the New Eurasian Land Transport Initiative (NELTI) of the International Road Transport Union (IRU), three main corridors (routes);
- Other international initiatives for the development of transport corridors.

UNECE combined data on the initiatives for the development of transport corridors (not

¹ For information on introduction of TIR pls. visit <https://www.iru.org/resources/iru-library/tir-and-facilitation-unimpeded-trade-china>

² <http://www.carecprogram.org>

³ <http://www.unece.org/fileadmin/DAM/trans/doc/2016/wp5/ECE-TRANS-WP5-2016-03r.pdf>

only road) and presented in the form of the scheme (see Figure 3).

From the data presented, it is clearly seen that the countries considered in this research are in the focus of many international organizations in terms of transport corridors development.

Presented data show that international organizations pay special attention to the development of trade and transport potential of the countries in the region and there are other alternative ways of cargo delivery (except for the ECO corridors).



Figure 3. Transport corridors of Europe and Asia¹

Some factors constraining development of ITI corridor

In the course of field research, a research of the main transport participants (drivers, transport personnel) was carried out, during which it became clear that for the development of the ITI corridor there is objective factor limiting its development: Quetta-Taftan (PAK) has bad road segments and there are other problems related to border crossing (for more details see other sections of the report). There is an alternative more efficient transport connection with Pakistan involving maritime transport.

¹ Source: UNECE, Transport Department



CHAPTER 4. TIME-COST-DISTANCE CARGO ROAD TRANSPORTATION

Information sources

The research of the timing and cost of transporting goods is a large-scale research that requires considerable resources. Therefore, to demonstrate the overall picture of the cost and timing of the transportation of goods along the studied routes, we used data provided by the Corridor Performance Measurement and Monitoring (CPMM) project, carried out under the authority of ADB.

CPMM is a regional research of transport and trade facilitation effectiveness in Central Asia. Started in 2009, CPMM has been ongoing throughout the years. The research was possible through coordinated efforts of 11 national transport associations in each CAREC country spanning six CAREC Corridors. Basic data are recorded by drivers and freight forwarders using customized data collection sheets. These data are then collected by a CPMM coordinator in each of the transport association. The data are entered into a standardized Microsoft Office Excel spreadsheet. These are submitted monthly to international consultants who have reviewed the data and verified the values. After the acceptance, the spreadsheets are sent to the ADB CAREC Secretariat office to aggregate and report the findings using SAS statistical software. Quarterly and Annual CPMM reports can be found on the website www.cfcfa.net.

The procedures for CPMM data collection is based on the UN-ESCAP procedures CT-TPM Toolkit - Time / Cost-Distance. The application of this procedures allowed the collection of digital data about:

- the TIME, including time for transportation (Transit Time (hrs.)) And time for stops for the various operations (such as Border Security, Customs Control / Clearance, Health / Quarantine, Phytosanitary / Veterinary Inspection, Transport Inspection/ Weight / Standard Inspection, Road Toll) and delays in the way (Activities Time (hrs.))
- the COST, including cost for transportation (Operating Cost (US \$)) and cost for the various operations, including unofficial payments (Activities Cost (US \$)).

In the framework of this research, some CPMM Annual Report 2016 data were used¹, as well as the most current data received from national associations on the transport of goods along routes comparable to the ITI corridor, which are presented in Annex III.

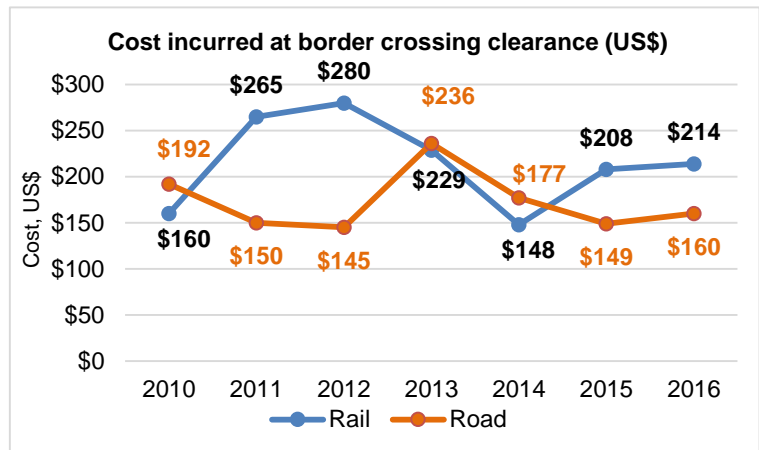
Some useful conclusions of the CPMM research

Although the CPMM research was conducted for the CAREC corridors, some of the routes of these corridors coincide with the ITI corridor, therefore some findings of the CPMM research can be correlated to demonstrate a common situation on the international transport of goods by road in the region.

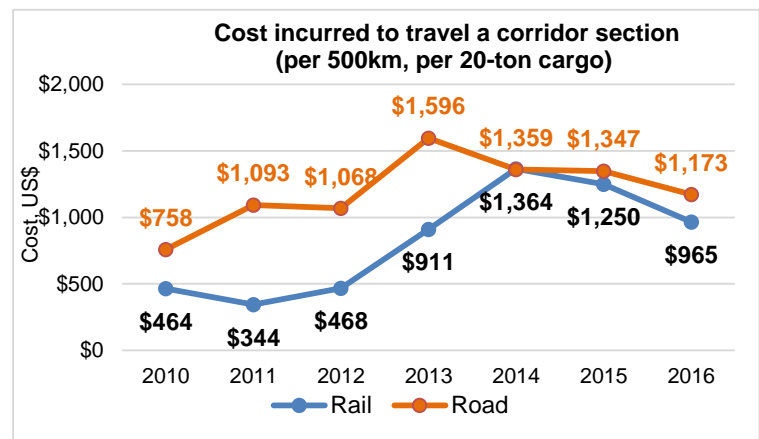
¹ www.cfcfa.net



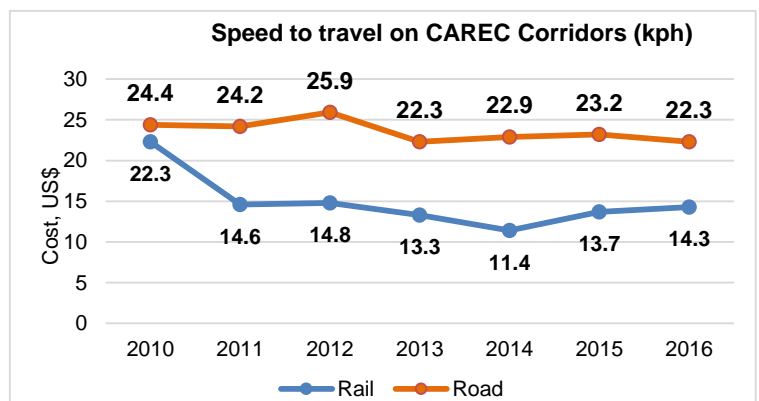
1. In 2016, the costs (average) incurred at border crossing clearance for both types of transport have increased. For vehicles the latter increased by 7% and amounted to US\$160, and for the railway- by 3% and amounted to US\$214.



2. In 2016, the average cost of transportation for both types of transport has decreased, displaying further tendency in this regard as it was noted in 2015. The cost of transportation by road has decreased by 12%.



3. CPMM measures two types of speeds. The first one is Speed Without Delay (SWOD). This measurement excludes any stopover time, for example, delays at crossing the border. The second is Speed With Delay (SWD). In 2016 it was revealed that in road transport has decreased (-4%) up to 22.3 km / h, in railway transport it has increased (+ 4%) up to 14.3 km / h. If you exclude the border crossing time, the speed (SWOD) by trucks was 41.7 km / h and the train - 38.6 km/h. Via comparing SWOD and SWD, it is not difficult to notice that crossing the border significantly affects the overall speed due to long and inefficient procedures at the border.



4. Operating Cost constitutes approximately 35-50% of the total cost of transportation (including Activities Cost and all related costs) and for a number of routes this figure is higher than Activities Cost (55-57% of the total cost of transportation).



CHAPTER 5. CARGO TRAFFIC AND EVALUATION OF TRAFFIC INCREASE

General data on volumes of international transport of goods

To assess the flow of goods from national consultants, data were obtained on the volumes of cargo transportation. The data presented in Annex II are organized as follows:

- Table with numbers 1.n contains information on the volume of exports, imports and transit in the whole country (in some cases there are two, because the information on transit is presented separately).
- Table with numbers 2.n contains information on the distribution of the volume of international transport of goods by different modes of transport.
- Table with numbers 3.n contains information on traffic volumes of cargo traffic through the researched checkpoints.

In Tables with numbers 1.n and 2.n, it was possible to collect only available information, which in a number of countries is represented by:

- Only for vehicles of one country;
- Only in US dollar equivalent which is more suitable for assessing traffic flows, rather than traffic flows (data on trade volumes are obtained from centralized reliable sources of information on customs statistics (presented in Annex I);
- In some cases, the data presented causes doubt and is not correlated.

For the above reasons, the data in Tables No. 1. and 2 in Annex II can only be used to show trends in international traffic in the countries that submitted them, namely:

- The volume of international transportation of Iran in general for the last 5 years has increased, both in export-import and transit traffic (see Annex Tables: IRN 1.1 and IRN 1.2), while:
 - volumes of export-import with Pakistan and Turkey increased;
 - volumes of transit traffic increased only with Turkey.
- The volume of international transport of Turkey in the export-import has generally increased (see Tables: TUR 1) for the last 5 years due to increase in the volume of transport with Iran, while the volumes with Pakistan have decreased.

Data on checkpoints' workload

From the point of view of the estimation of the traffic flow through the studied corridors, the data on the volume of work carried out by the number of trucks crossing the checkpoints presented in Tables No 3.n in Annex II are the most valuable, as in fact the checkpoints are the key points of the corridor section.

Such data are sufficient if only provided by one of the neighboring countries. Thus, the statistics on the work of checkpoints provided by Iran (see Tables IRN 3.1 .and IRN 3.2 in Annex II) covers the needs for the estimation of the ITI traffic flow. The data of these tables

are shown in diagrams (Figure 4), where it is seen the following:

- At the Iranian checkpoints the freight traffic increased in 2017, wherein:
 - through Mirjaveh at border with Pakistani the traffic has increased in the export and transit (both ways) and has decreased in the import;
 - through Bazargan¹ at border with Turkey the traffic has increased in exports and imports and has decreased in transit.

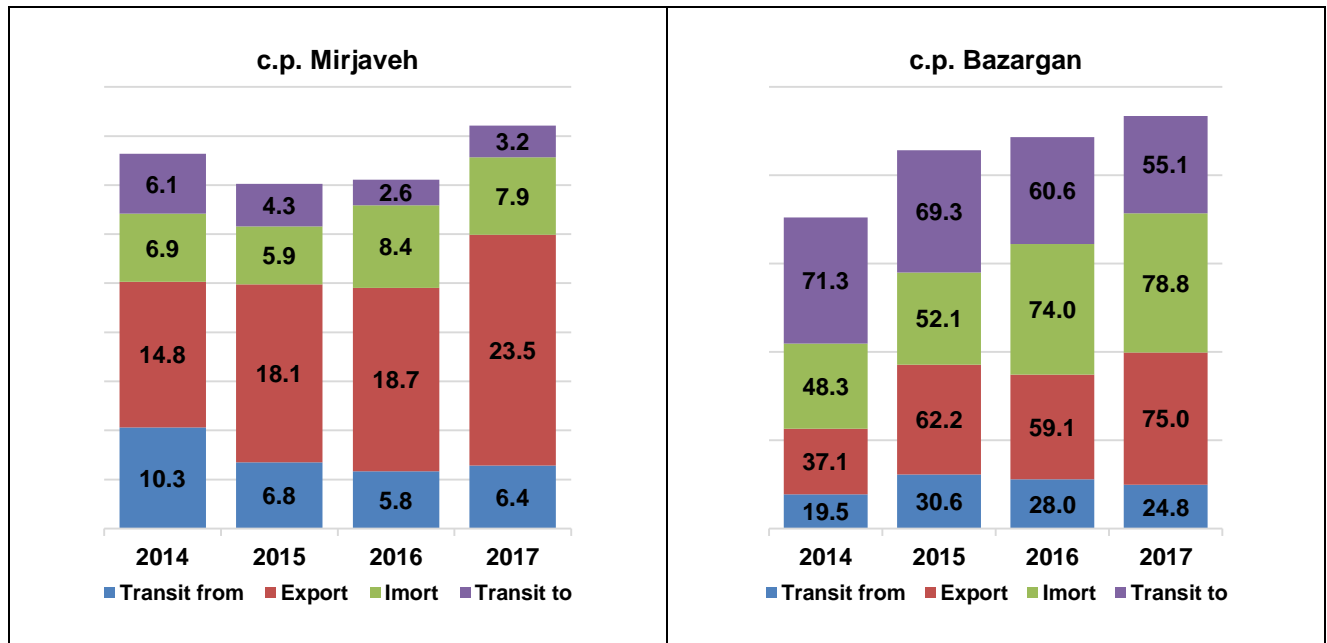


Figure 4. Annual traffic through Iranian checkpoints 2014-2017, thou. trucks

Table 6 presents data on the average freight traffic per day for all key corridor crossings in 2016² (calculated from traffic data for the year). These data are shown in Figure 5.

Table 6. Truck traffic through checkpoints (2016)

Name of checkpoint	Export		Import		Transit from		Transit to		Total Transit		Total	
	in year, thou. trucks	average per day, trucks	in year, thou. trucks	average per day, trucks	in year, thou. trucks	average per day, trucks	in year, thou. trucks	average per day, trucks	in year, thou. trucks	average per day, trucks	in year, thou. trucks	average per day, trucks
Mirjaveh (IRN) - border of PAK	18,7	51	8,4	23	5,8	16	2,6	7	8,4	23	35,5	97
Bazargan (IRN) - border of TUR	59,1	162	74,0	203	28,0	77	60,6	166	88,6	243	221,7	607
	Outgoing		Incoming		Total							
Serow (IRN) - border of TUR ³	10,8	30	3,04	8	13,9	38						

¹ Transportation of border trade is being performed through Serow check point

² Data for 2017 is not available since data collection has been made in September 2017

³ The data on Serow BCP has been provided for 9 months of 2017 and these blinks are counted



In 2017, daily traffic at Iran's checkpoints increased in accordance with annual indicators and in all directions amounted to:

- Mirjaveh (IRN) – 228 trucks on average per day (increased by 16%);
- Bazargan (IRN) – 640 trucks on average per day (increased by 5%).

In general, the data on the volume of work of the checkpoints confirms the conclusions made on the statistics analysis of the volumes of the international transportation of goods.

Traffic intensity of trucks along the studied routes

In addition to information received from national consultants, the data on the number of trucks suitable for the international transport of goods following the researched routes (see Annex IV) was collected to assess the current traffic flow during the roadside research.

Probably, not all fixed vehicles carried out international transportation, but the collected data provides a general description of the traffic intensity on the route. This data is consolidated in Table 7 and allows us to estimate the density of traffic along the studies routes.

Table 7. Data on the freight transport traffic, obtained during field research

RESEARCH ROUTE	Research time, hour	Total number of trucks	Average per hour, trucks	Waiting at the border, trucks
CHABAHAR– ZAHEDAN (IRN)	8	177	22	
ZAHEDAN – MIRJAVEH (IRN)	2	46	23	
ISLAM-QALA – HERAT (AFG)	2	17	9	150
HERAT – deep into the country (AFG)	0	0	0	
VAN – KAPIKOY (TUR)	2	2	1	
VAN – ESENDERE (TUR)	4	34	9	50

Main conclusions

The data presented above leads to the following conclusions:

- traffic volumes along the ITI corridor has increased mainly due to the growth of export and import shipments between Iran and Turkey;
- at the Esendere (TUR), Mirjaveh (IRN), Taftan (PAK) checkpoints there is a large accumulation of trucks (the reasons will be discussed in more detail in 'Checkpoints' clause).

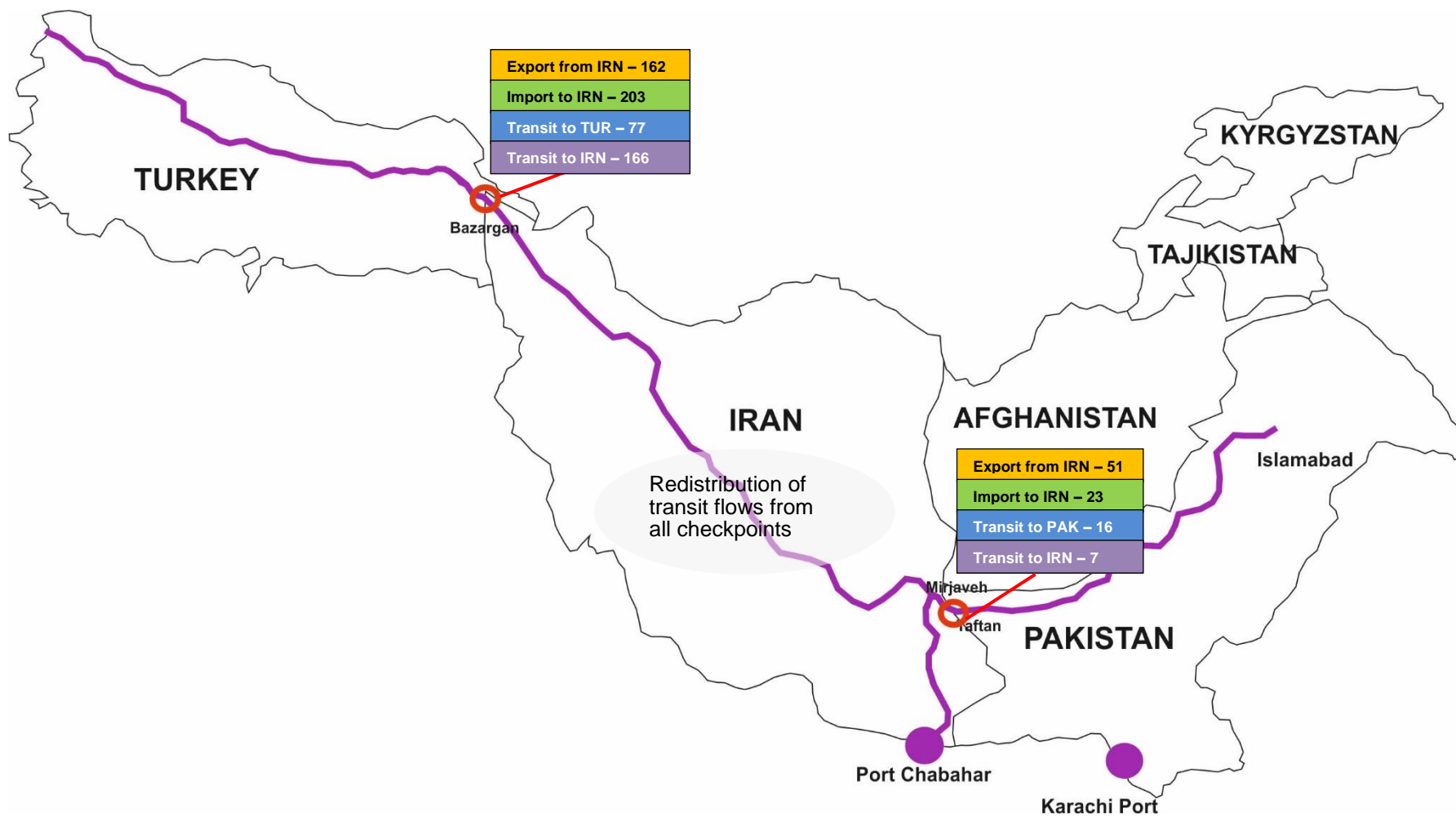


Figure 5. Estimation of daily traffic of ITI corridor in 2016 (trucks per day)

CHAPTER 6. EXISTING ROADS AND INVESTMENT NEEDS FOR DEVELOPMENT. ROADSIDE INFRASTRUCTURE. TRANSPORT LOGISTICS FACILITIES. TRUCK FLEET

Road and roadside infrastructure

The general information on the quality and assignment of roads in the countries under the study was provided by the national consultants and is presented in Annex 4.1. The data indicate that the development of roads in the countries under the study is at different levels. In Iran and Turkey, the road network is more developed compared to Pakistan. In Iran, there are plans to modernize the roads, it possesses 61 highways, which can be upgraded to motorways (5611 km) ¹.

In the course of this study, the monitoring of roads and roadside facilities was conducted. Protocols of roads' monitoring are given in Annex 4.2. Summary data of the monitoring of roads and roadside facilities is given in Table 8.

Information on the construction and reconstruction of roads provided by national consultants of ITI corridor countries is presented in Annex 4.3.

Pakistan

Pakistan sprawls in an area of 868591 Km² sharing borders with India, Iran, Afghanistan and China. Arabian Sea falls to its south with a coastal line of 1000 odd Km. The North – South geographical layout of the country provides an excellent trade corridor establishing the shortest possible links between the landlocked country of Afghanistan, as well as China with the Arabian Sea. Added to this, Pakistan is an ideal location accessing the Central Asian countries via Afghanistan, and Europe via Iran, becoming a bridge between Europe and the South East Asia.

Pakistan has approximately 262,000 km (2017) long highway network. Around 70% of the entire network consists of paved roads. This wide network provides extensive coverage and it consists of (a) National Highway & Motorway network (b) Provincial Highways & Roads and (c) Local Government and City Roads.

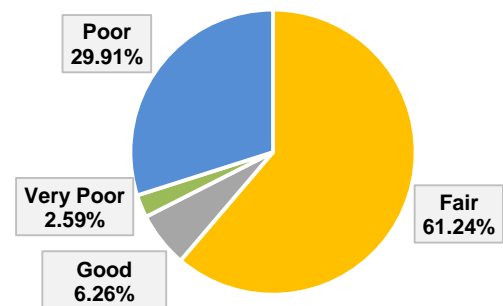


Figure 6. Road conditions of Lakpass-Taftan Road

¹ Data provided by Iran's Ministry of Roads and Urban Development and Road Maintenance and Transportation Organization (RMTO)



Table 8. Summary data of road and roadside furniture monitoring

STUDED ROUTE	LENGTH, KM ¹					NUMBER OF SPECIAL NOTES AT THE ROUTE ²												NUMBER OF ROADSIDE FACILITIES THE ROUTE						
	Total	With marks for road quality					R	∫	↑	↓	S	Sn	W	I	P	N	*	GS	cant.	TSC	host.	bridge	TP	other
		1	2	3	4	5																		
CHABAHAR – ZAHEDAN (IRN)	651			8	89	554	2	3			2							14	12	10	8	6	7	
ZAHEDAN – MIRJAVEH (IRN)	100				35	65														1			2	3
VAN – KAPIKOY (TUR)	98				43	55		1										2	1	1				5
VAN – ESENDERE (TUR)	232			8	35	189	1	8	2	5	3		1		4			19	5	2	2	2		3

¹ Calculation of km has been done via utilizing speedometer of the vehicle, so there might be some differences between official cartographic data

² Transcript of symbols are given in Annex III



The National Highway Authority (NHA) is responsible for approximately 12,000 km National Highways, Motorways and Strategic Roads System. It owns the main transport corridors, which constitute inter-provincial linkages and links major towns and cities, providing also connections to neighboring countries.

As a part of long term strategy, the government of Pakistan has taken up several initiatives to develop and modernize the road transport infrastructure. A number of these projects are entirely financed through government's own resources, while others are co-financed by the development partners.

Since 2005, a composite transport sector reform initiative supported by investments has been launched by the government to enhance the efficiency of the transport and logistics sectors. The program is known as National Trade Corridor Improvement Program (NTCIP) aimed at achieving a coherent transport and logistics system including all the transport sectors to support economic growth and improve regional connectivity.

As it was pointed out in the ECO Road Network Development Plan (2012) the NTC Highway Sector Improvement Program (HSIP) envisaged an investment of about US\$ 4.0 to 5.0 billion aimed at upgrading capacity, extending the network, modernizing the national highways and improving the international linkages. The Asian Development Bank (ADB) under a Multi Financing Facility (MFF) was specified to provide equivalent to US \$ 900 million for the National Trade Corridor Highway Improvement Program (NTCHISP). The implementation period is spread over 10 years (2007/08 to 2017/18).

Karachi and Gwadar are the two major ports of the country on the Arabian Sea to play the key role in the economy of the country. This was the main reason for specifying three routes having access either to Gwadar or Karachi ports and recommending them for inclusion in CAREC Corridors.

These are:

1. Khunjerab-Burhan-Pindigheb–Bhakkar-DG Khan–Jacobabad-Khuzdar-Gwadar (2325 km).
2. Chaman-Quetta–Kalat-Basima-Hoshab-Gwadar (825 km);
3. Torkham-Peshawar-Burhan-Pindi Bhattian-Faisalabad-Khanewal-Multan-Sukkur-Dadu-Karachi (1540 km).

As regards the route No.1, being a part of China Pakistan Economic Corridor (CPEC) corridor, the federal government has set aside at least Rs49.5 billion under the Public Sector Development Programme (PSDP) in the fiscal year 2016-17.

During the field study the roads of Pakistan were not visited. However, it was possible to collect the information presented in Table 9 and in the diagram (Figure 6)¹.

From the data presented, it can be seen that in the Lakpass-Taftan section there are sections of a bad road, despite the fact that the traffic intensity is high. In addition, Lakpass-Taftan has only 2-lanes.

¹ Provided by the National Highways Authority of Pakistan

Table 9. Information on the roads from Islamabad to Tehran

Route/ the name of the cities of the beginning and end of the segment	Road	Length (km)	Traffic, thou. Tracks per year ¹	Status of Road
Route-I				
Islamabad - Peshawar	M-1	156	38 087	6-lane
Peshawar - DI.Khan	N-55	334	9 310	4-lane
DI.Khan - Zhob	N-50	210	3 300	4-lane
Zhob - Quetta	N-50	310	8 409	4-lane
Quetta - Lakpass	N-25	37	8 088	
Lakpass-Taftan	N-40	623	1 216	2-lane
Route-II				
Islamabad - Pindi Bhattian	M-2	282,6	11 685	6-lane
Pindi Bhattian - Gojra	M-4	110		4-lane
Gojra - Multan	M -4	212		Under contraction
Multan - Qilla Saif ullah	N-70	447		
Qilla Saif ullah - Quetta	N-50/N-25	162	15 405	
Quetta - Lakpass	N-25	37	8 088	
Lakpass-Taftan	N-40	623	1 216	2-lane
Route-III				
Islamabad - Hakla	M-1	49		6-lane
Hakla- DI.Khan	CPEC part	285		4-lane
DI.Khan - Zhob	N-50	210	3 300	4-lane
Zhob - Quetta	N-50	310	8 409	4-lane
Quetta - Lakpass	N-25	37	8 088	
Lakpass-Taftan	N-40	623	1 216	2-lane
Route-IV				
Islamabad - Lahore	M-2	367	16 772	6-lane
Lahore - Sukkar	M-3/ M-4 /M-5	742		KLM
Sukkar - Quetta	N-65	385	3 300	2-lane
Quetta - Lakpass	N-25	37	8 088	
Lakpass-Taftan	N-40	623	1 216	2-lane

In the course of the field visit of the consultancy team to Pakistan only Karachi port was visited. Detailed information regarding Karachi port is available in Chapter 7 “Checkpoints and Ports.

During an interview with the National Highway Authority, it was indicated that there are 5 recreation areas on the site of Islamabad-Quetta, and another one is being built in the immediate vicinity of the Taftan checkpoint. However, the object looks like a long-term construction (Figure 7).



Figure 7. Prolonged construction of hostel near checkpoint Taftan

In Quetta, there is a dry port. In accordance with the requirements of Pakistani legislation, customs clearance of the cargo to

¹ In given data units of measurement have not been indicated



Islamabad shall be carried out by Quetta, so there is an intense traffic on the segment of the Taftan-Quetta, an increase of its throughput is required.

From the information on the projects on construction, reconstruction and rehabilitation of roads presented in Annex 4.3 it can be seen that in Pakistan more than 2.3 thousand km of roads are being renewed or under construction, the cost of projects is more than 4.7 billion US dollars (37.9% of them are foreign investments). More attention is paid to the development of roads connecting to China.

Iran

The crucial geographical and strategic location of the country in the region has turned it to a transit route, playing an important role in the trade between West and East. Numerous international corridors cross the territory of the Islamic Republic of Iran, connecting the Middle East and Asia to Europe. Iran borders on 7 countries, namely, Afghanistan, Azerbaijan, Armenia, Iraq, Pakistan, Turkey and Turkmenistan.

There are 11 main sea ports available nationwide with transit capacity of around 135 mln.tons goods annually, of which 4 major ports of Bandar-e-Abbas, Bandar-e-Imam Khomeini, Bushehr and Chabahar are playing a significant role to open up for its neighbors, notably Central Asian countries, Azerbaijan and Afghanistan, the shortest access to the open seas.

Iran has a long paved road system linking most of its towns and all of its cities. It comprises of around 23000 km transit roads for transit of trucks.

In parallel to existing public roads serving for transit traffic as well, the Government of the Islamic Republic of Iran have come up with national plans on constructing freeways (expressways) destined for high-speed traffic with two or more lanes and with limited access road.

Among latest efforts in this regard is the construction of Marand-Bazargan freeway split into 3 segments (a) Marand-Ivugli (70 km) with the estimated cost of around \$110mln., (b) Ivugli-Marganlar (60 km), around \$123 mln., and (c) Marganla-Bazargan which is already under construction. Design estimates, feasibility/pre-feasibility studies for Marand-Ivugli and Ivugli-Marganlar are completed and the projects are ready for investment.

The reason for the construction of high-speed highways was the large volume of along the roads towards Bazargan checkpoint/Gurbulak checkpoint of Turkey which are one of the busiest border crossing points in the region. According to ECO's regional study on "implementation of customs provisions of TTFA and modernization of border crossing points" (2016) it was recorded that average 400-600 trucks pass via Bazargan/Gurbulak daily and in spring/summer season it may even go up to 1000 trucks per day.

In the course of the field visit the consultancy team was able to visit Chabahar – Zahedan – Mirjaveh road segments, constituting a part of ITI Road Corridor in the territory of Iran.

Chabahar – Zahedan – Mirjaveh (Protocols № 1 и 2).

Almost on the whole route the road is very good, with good markings, roadside signs. There are some small sites for 4 and 3 points, but a parallel road or reconstruction is being built. Throughout the route, video cameras are installed to detect violations of speed limits.

The intensity of traffic on the route on average is 20-23 cars per hour, to the checkpoint Mirjaveh the traffic intensity of trucks is increasing.

On the route there are objects of roadside furniture (Figure 9), mostly gas stations and dining rooms, but most of them are empty. In many recreation areas, an ambulance is on duty.

Near Mirjaveh the construction of a dry port is planned, as according to the I.R.I Ministry of Roads and Urban Development, Mirjaveh is a strategically important place for the development of the country's transit and transport potential. Currently, a legislative base is being developed to regulate the activities of logistics centers and dry ports

At the checkpoint there is a large crowd of people (pilgrims from Pakistan), awaiting the passage of the border.

On the route there were places where new roadside furniture facilities are being built, mostly TIR parking.

In general, Iran has a developed network of TIR parking lots (Figure 10) and they are still under construction. On the one hand, the presence of TIR parking is necessary to ensure safe transportation¹, on the other hand, it seems that the construction of such a significant number of TIR parking sites in Iran is not entirely justified.

In addition, since TIR parking involves not only ensuring the safety of cargo vehicles and cargo, but also the organization of rest for drivers, as well as other services, such as dining rooms, hostels, truck repair service.

Iran is building a TIR parking network, conditions are being created for the construction of logistics centers, it is planned to implement a WIM²

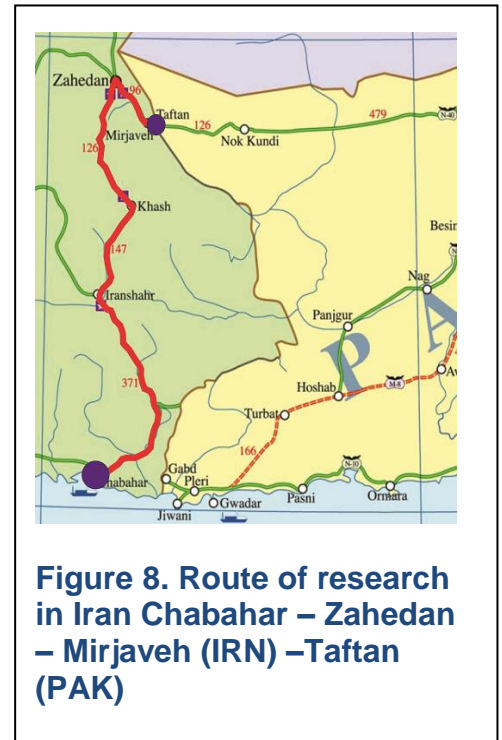


Figure 8. Route of research in Iran Chabahar – Zahedan – Mirjaveh (IRN) – Taftan (PAK)



Road signs



Rest area

Figure 9. Photos of road monitoring Chabahar - Zahedan - Mirjaveh (IRN)

¹ <https://www.iru.org/resources/newsroom/safer-more-secure-road-transport-networks-iran-thanks-transpark>

² Weigh-in-motion devices are designed to capture and record axle weights and gross vehicle weights as vehicles drive over a measurement site (do not require the vehicle to come to a stop).



system on the roads.



layout of TIR parking in Iran

Figure 10. layout of TIR parking¹

During the site visit, on the way to Mirjaveh checkpoint, TIR parking was visited, which is located 120 km from Chabahar Port (near Nikshahr City). This zone is fenced, there is everything necessary for parking TIR, technical service of trucks, however, there was no activity on this site, there were no trucks in the parking lot.

Turkey

The Republic of Turkey with a total area of 814,578 km² and 8,333 km of coastal line lies in the main traffic artery between Asia and Europe, having borders with Bulgaria, Greece, Iran, Iraq, Syria, Georgia, Armenia, and Azerbaijan. Turkey is surrounded by the Black Sea on the north and the Mediterranean Sea on the south; it connects the Balkans to the Middle East, Central Asia to the Caucasus and the Black Sea countries with the Mediterranean countries. Turkey's location elevates its transport policies and investments to a prime ranking relative to other policies of the country. The transportation sector together with the communication sector makes up almost 12% GDP.

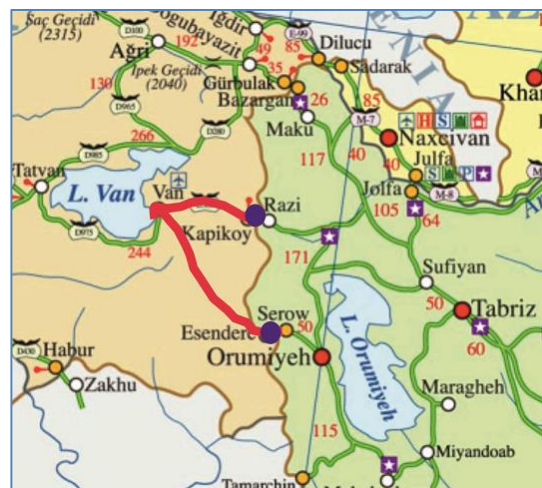


Figure 11. Routes of study in Turkey

Turkey will adopt the role of being an interconnection between Europe, the countries of

¹ <https://www.iru.org/apps/transpark-app>

the Middle East, the Caucasus region, the littoral countries of the Mediterranean, the Aegean and the Black Seas. The transport infrastructure networks in this region are, therefore, vital to competitiveness, economic growth and employment in Turkey and the entire region. Turkey's unique geographic location offers tremendous multi-modal transport opportunities. To make maximum use of these opportunities priority should be given to:

- Improving transport in the North-South and East-West axes to better integrate Turkish transport with international transport networks;
- Improving intermodal transport facilities and services, to take advantage of the strong growth in container transport; and,
- Improving maritime connections and nodal points (seaports), to take advantage of their potential strategic role as industrial and logistic platforms.

The transportation-communication sector ranks first in terms of public investments and is the major sector in the public fixed assets investments. The transportation sector together with the communication sector makes up almost 12% GDP. The Turkish road network has a great number of links to the routes originating from Europe and Asia and constitutes an important section of international arteries.

The country possesses more than 23,000 km of highways and motorways.

The international highway transportation ventures have been a substantial source of foreign currency revenues for Turkey, totaling between 1,5 and 2 bln.USD per year.

In the course of the field visit of the consultancy team to Turkey, it was able to visit only Van – Kapiköy and Van – Esendere road segment constituting a part of ITI Road Corridor.

Van – Kapiköy and Van – Esendere (Protocols № 3 и 4). The roads on the routes under research are very good, there are roadside furniture facilities, road markings and road signs. There are practically no trucks on the Van-Kapiköy route (Figure 12). Also they are few on the Van-Esendere route.



Figure 12. Photos of road monitoring Van – Esendere (Turkey)

Toll Roads

In Annex 4.4, information on toll roads provided by national consultants is compiled. According to Turkey, it was possible to collect information on the planned construction of toll roads. The presented data allow us to make the following conclusions:



- Iran has 490 km of toll road, but there is a free route for all these roads, in addition, the cost of using toll roads is relatively low;
- In Pakistan there are almost 2 thousand kilometers of toll roads, for more than half of them there is no free alternative, at the same time, the cost of using the toll road is relatively small;
- In Turkey, more than 2 thousand kilometers of toll roads which provide high-speed traffic, all toll roads have alternative free roads.

In general, current toll roads are not a significant obstacle.

Logistic centers, dry ports, common border zones, etc.

In the course of the field study we have not been able to collect enough information on the activities related to the logistics centers as the enroute countries have had own national plans and approach to the subject. Anyway there is a general information on the subject we have been able to analyze through various sources including own.

The development and globalization of international trade poses new challenges in optimizing supply chains, reducing the cost and timing of cargo delivery, requires action to facilitate the organization of transport: the provision of consolidation services, deconsolidation and delivery of goods to the desired destination and “just in time”.

That is why in recent decades, the issue of the development of logistics centers, dry ports and other transport logistics facilities - systems that optimize the delivery of goods by time and cost, carry out planning and organization of rational delivery of goods, monitor the implementation of the agreed transportation schedule and provide relevant information to cargo owners is demanded.

However still there is a general lack of consensus about the definition that an area containing logistics activities can have. A wide variety of terms have been put forward, including logistics zones, transport centers, freight village, freight yard, freight yard distribution hubs, or logistics parks.

Today there are some transport companies claiming themselves as logistic centers although lacking own storage facilities (territories), since they can use them on an outsourced basis. Besides, logistics centers can be called by various names, such as: terminal-logistics complexes, transport center, freight village, intermodal center, etc.

In a broad sense, "logistics centers" ("multimodal / intermodal cargo terminals») are large enterprises having appropriate territories, buildings and structures (including warehouses), equipment and facilities that specialize in mass processing of goods, including customs clearance, may also provide free space and other services to customers (other companies). The range of services of such centers is usually very wide, therefore, regional logistics centers have a large number of different departments and a large working staff. The logistics center that provides services to other organizations (customers) is usually called "regional".

Logistic centers serving the needs of one company are called the "logistics center of the company."

The following are some definitions of UNESCAP transport logistics facilities.



Intermodal terminal enables containers to be transferred from road to rail or rail to road. It can be an efficient method for moving high volumes of freight from one inland location to another and typically incorporates the services of the other terminals in the ESCAP typology.

A container yard is dedicated to the temporary storage, cleaning, and repair of empty containers. Sometimes it is located near a seaport to improve import export container turnaround time.

A dry port provides all the services of a port except for the loading of cargo to and from seagoing ships. In comparison to container depots, it can accommodate all types of cargo, not just containers. Typically provides all of the features of the facilities above.

Keeping in view the role of dry ports of international importance as an important component of an effective and efficient international integrated intermodal transport and logistics system, especially in addressing the specific needs of landlocked, transit and coastal States, the "Intergovernmental Agreement on Dry ports "(hereinafter Agreement) under the aegis of UNESCAP,¹ was developed in 2013.

In accordance with this agreement, the member countries approved the list of “dry ports” and expressed their intention for their further coordinated development in accordance with the principles established by this Agreement (Appendix II of the Agreement). In accordance with the Agreement, the basic functions of the “dry ports” include the handling, storage and statutory inspection of goods transported in the international trade process, and the implementation of the applicable customs control and formalities. The Agreement also contains recommended requirements for the infrastructure, equipment and services of the Dry Ports.

Appendix I of the Agreement contains a list of 247 logistics facilities in 27 countries that have been designated by countries to be included in the international network of dry ports. About 150 of these facilities already exist, more than 80 are potential dry ports.

Today, the process of signing of the Agreement on dry ports is going on; from the ITI countries of the corridor, the agreement is not signed by Pakistan².

Name of facilities included in the list of dry ports in the KTAI enroute countries

Countries	names
Pakistan	<ul style="list-style-type: none"> • Customs Dry Port, Hyderabad • Customs Dry Port, Peshawar • Faisalabad Dry Port Trust, Faisalabad³ • Lahore Dry Port, Mughalpura • Margalla Dry Ports, Islamabad • Multan Dry Port Trust, Multan • National Logistics Center Container Freight Station, Lahore • National Logistics Center Dry Port, Quetta • Pakistan Railways Prem Nagar Dry Port, Kasur

¹ <https://treaties.un.org/doc/Treaties/2013/11/20131107%2012-02%20PM/XI-E-3.pdf>

² https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XI-E-3&chapter=11&clang=en

³ <https://faisalabaddryport.com/>



	<ul style="list-style-type: none"> • Railways Dry Port, Quetta • Sambrial Dry Port, Sialkot • Silk Route Dry Port, Sost, Gilgit, Baltistan
Iran	<ul style="list-style-type: none"> • Imam Khomeini International Airport, Tehran Province • Motahari Rail Station, Mashhad, Khorasan Razavi Province • Salafchegan Special Economic Zone, Qom Province • Sirjan Special Economic Zone, Kerman Province • [Arvand Free Industrial Zone, Khozestan Province] • [Sahlan Special Economic Zone, Tabriz, East Azerbaijan Province] • [Sarakhs Special Economic Zone, Khorasan Razavi Province] • [Shahid Dastgheyb International Airport, Shiraz, Fars Province] • [Zahedan Logistics Centre, Sistan and Baluchestan Province]
Turkey	<ul style="list-style-type: none"> • Gelemen, Samsun • [Bogazkopru, Kayseri] • [Gokkoy, Balikesir] • [Halkali, Istanbul] • [Kaklik, Denizli] • [Kayacik, Konya] • [Mardin] • [Sivas] • [Usak] • [Yesilbayir, Istanbul] • Kazan, Ankara • [Bozuyuk, Bilecik] • [Habur] • [Hasanbey, Eskisehir] • [Kars] • [Kosekoy, Izmit] • [Palandoken, Erzurum] • [Turkoglu, Kahramanmaras] • [Yenice, Mersin]

To ensure the effective implementation of the Agreement, the UNESCAP secretariat developed the Regional Framework on Dry Ports in 2017. This document does not have legal force as an agreement, but only determines the direction of future possible development, is a reference and guidance. In order to analyze the current situation and compare it with the recommendations of the UNESCAP Regional Framework on Dry Ports, a number of studies have been carried out in several countries, including the ITI corridor.

Pakistan

The figure shows information on the deployment of logistics facilities included in the list of dry ports in accordance with the International Agreement on Dry Ports.

Only three of them are located along ITI corridor:

railway and road logistic centers in Quetta u Margalla Dry Ports in Islamabad. Given the proximity of Peshawar to Islamabad, the dry port in this administrative center can also be considered as a major logistics facility for the ITI corridor.





In addition, there is a logistics center in Chaman (Chaman Customs House), which is located 120 km from Quetta. However, this logistics facility is not included in the list of international dry ports. In total, it was revealed that 24 logistics facilities are called dry ports in Pakistan.

Unfortunately, it was not possible to find sufficient and reliable information about the work of the logistics centers and dry ports of Pakistan. Only three dry ports have their own site, but all of them are not located on the ITI route.

Azad Jammu & Kashmir	• Muzaffarabad Dry Port	
Balochistan	• Chaman Border Terminal • Quetta Dry Port	• Quetta NLC Dry Port • Taftan Border Terminal
Gilgit-Baltistan	• Gilgit Dry Port • Sost Dry Port	
Islamabad Capital Territory	• Islamabad Dry Port	
Khyber Pakhtunkhwa	• Torkham Border Terminal • Azakhel Dry Port • Havelian Dry Port	• Peshawar Dry Port • Jamrud Dry Port
Punjab	• Faisalabad Dry Port ¹ • Lahore Dry Port ² • Lahore NLC Dry Port • Multan Dry Port • Rawalpindi Dry Port • Sialkot Dry Port ³	• Sialkot International Container Terminal • Wagha Border Terminal • M.M.T.H (Multi Model Transit Hub) Jia-Bagga Terminal J.V With Pak Group Of Companies (PLS)
Sindh	• Karachi Dry Port • Karachi NLC Dry Port	

In some publications⁴, found on the Internet about the work of dry ports, it is noted that these facilities are not adequately equipped with equipment for customs inspection, cargo transshipment, and are not staffed with professional staff. Approximately the same observations were made during a visit to the Taftan Border Terminal, which is reflected in the section "checkpoints". The only exception is the Faisalabad Dry Port, which is managed in partnership with DP World, a Dubai-based logistics company (UAE). From the data of the site of this company, you can see that the dry port is quite well equipped.

Iran

In order to implement the provisions of the "Intergovernmental Agreement on Dry Ports", ratified by the Government of the Islamic Republic of Iran in 2017, the High-Level Council on Dry Ports was established, which is composed of representatives of several organizations under the chairmanship of the Railways of I.R.of Iran:

- Iranian Port and Maritime Organization
- Railways of the Islamic Republic of Iran (RAI)
- Islamic Republic of Iran Customs Administration

¹ <https://faisalabaddryport.com/>

² <http://www.mict.com.pk/>

³ <http://www.sdpt.org.pk/>

⁴ https://www.unodc.org/documents/data-and-analysis/Studies/Opiate_Trafficking_and_Trade_Agreements_english_web.pdf



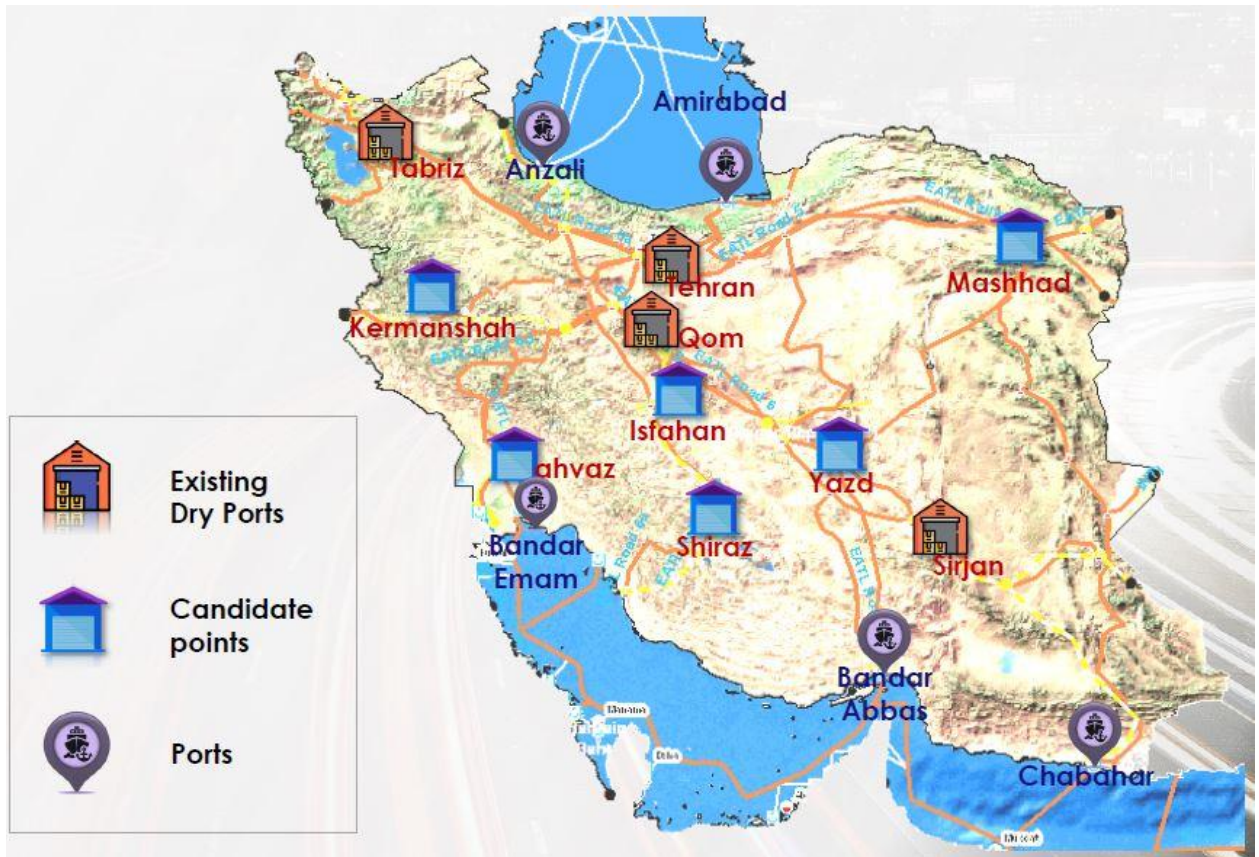
- Civil Aviation Organization of the Islamic Republic of Iran
- Management and Planning Organization of Iran
- Iran Chamber of Commerce, Industries, Mines and Agriculture

In addition to the 9 dry ports enlisted in the Agreement (see. Fig.), the dry port of Aprin, located about 21 km south-west of Tehran, was proposed to include in the list.

In addition to the approved sites, 15 more sites were proposed for the construction of the dry port. In accordance with a resolution of the Council, all approved and proposed dry ports must be connected to the railway network.

With few exceptions, all approved sites are those where trade generating industry is concentrated, and therefore they have been given priority for the construction of dry ports.

However, according to ESCAP study in 2017, one can doubt whether the market is large enough to support 9 or more “dry” ports, since the port's throughput capacity for container handling can cope with the existing volumes of container traffic.



There are three dry ports on the KTAI corridor route: Chabahar, Aprin and Tabriz.

Aprin is located about 21 km southwest of Tehran at the intersection of the east-west line from Mashhad to the border with Turkey at Razi, and the north-south line from Bandar Abbas to Tehran. As such, it is in a strategic position to handle cargo from the southern ports, 60-70 per cent of which originates in, or is destined for, Tehran and in addition to handle cargo to and from major industrial centres, such as Tabriz (automobiles, clothing and foodstuffs) and Esfahan (steel).

Aprin is situated within an industrial zone and will serve many factories within a 60 km radius.

A land area of 700 hectares is available for development at Aprin, all under the title of the Ministry of Transport and Urban Development. In 2016 a tender was awarded for the initial development of the dry port on 35 hectares. The facility will be developed and operated under a BOT contract between RAI and a Swiss company, at an estimated cost of € 42 million (US\$ 44.4 million). Construction is estimated to take 2.5 years. Tenure of the BOT contract will be 25 years.



Sahlan Special Economic Zone (Tabriz, East Azerbaijan Province) located 15km west of Tabriz, 10 km from Tabriz international airport. Proximity to Turkey, Armenia and Azerbaijan. 14 km exclusive railway that connects warehouses directly to the rail. Capacity of handling 3 million ton freight per year, 345000 m² warehouses, container terminal with 25000 TEU.

Turkey

In Turkey, logistics centres are accepted as the base of modern transport and implemented under the leadership of the Ministry of Transport, Maritime Affairs and Communication (MOTMC). The development of a network of logistics centres is one of the targets of the Government listed in many policy documents, in particular the '2023 Strategy'.

In addition to Ankara Logistics Centre founded in 2004, which was the first logistics centre built in Turkey, logistics centres were, as mentioned, planned by TCDD, to be primarily built in the following 20 locations where the freight transport potential is high due to the existence of organized industrial zones (see fig.)¹.

¹ According to a 2017 study <https://www.unece.org/fileadmin/DAM/trans/doc/2017/wp24/ECE-TRANS-WP.24-2017-03r.pdf>



Turkish Logistics Centres vary in size, spectrum of services offered, modes served and financial/funding schemes. Most of them are developed on the basis of various forms of Public/Private Partnership.

The closest logical centers to the Iranian city, gravitating to the ITI corridor are: Kars and Erzurum (Palandöken)

Kars Logistics Centre. Kars is the last big terminal in north-eastern Turkey. The existing railway connection to Armenia is closed. The other connection to Georgia-Azerbaijan has been under construction for the past 9 years. TCDD made plans for the construction of a LC based on the assumption Kars Terminal would play an important role after the opening of Baku-Tbilisi-Kars railway line.



Construction of the Erzurum Logistics Center (Palandöken) was completed in 2018. The Logistics Center covers an area of 350,000 m² and has a capacity of 437 thousand tons of cargo per year.

Truck fleet

Table 10 provides information on truck park in the countries enroute corridor.

Table 10. Truck park

Truck category name	Total	Years of release		
		2015-2017	2010-2014	before 2010
TURKEY				
Total trucks	76 678	20 558	56 120	NA
including EURO 5	33 610	16 312	17 298	NA
including EURO 4	5 113	2 687	2 426	NA

Maximum permissible axle loads applied in the territories of contracting parties in accordance with their domestic legislations, is presented in Annex V.

Despite the fact that the data was not provided by all countries, the following conclusions are obtained, including data provided through interviews that were consumed during the research:



Figure 13. Homemade trucks, often found in Pakistan

- A relatively good fleet of trucks is available only in Turkey: a significant number, quite new, about 45% of EURO-4 and EURO-5;
- In Pakistan (from the observations of the field research), there are also few new vehicles, in addition most of the vehicles are built up by hand, it has a load of up to 70 tons (Figure 13);
- In Iran, the renewal of the truck fleet faces challenges, as the country is under economical sanctions. In order to ensure the safety of trucks, all vehicles are equipped with GPS (GPS equipment is provided by more than ten companies with special rights delegated by the state).

Main conclusions

- On the route of the ITI corridor there is a hard-to-reach area on Quetta-Taftan segment of Pakistan;
- On the route of the ITI (except Turkey), there are not enough rest areas for drivers, in some cases they are not enough (especially hostels), their location is spontaneous, the quality leaves much to be desired. Food places are mainly eateries;
- In Pakistan there are not enough TIR parkings. IRU's website contains information about all available TIR parking lots¹ (with the option of on-line search for the country, the location of the parking lot and the services available on it), but there are only information available on Turkey and Iran, the rest of the enroute countries did not provide such information to IRU;
- The truck fleet (with the exception of Turkey) needs to be updated, while the used trucks can be used for transportation to the corridors. In Iran, due to sanctions, there are difficulties with renewal of the fleet of trucks, however, the current fleet can serve the needs of international transportation.
- There is a big problem with truck fleet in Pakistan, as there are a lot of self-made cars that exceed the dimensions that do not ensure traffic and road safety. Due to over-sized and overweight standards Pakistani vehicles cannot enter the countries enroute corridor. Cargo from Pakistani vehicles need to be reloaded at the border

¹ <https://www.iru.org/apps/transpark-app>



into 2-3 foreign trucks which causes delays.

CHAPTER 7. CHECKPOINTS AND PORTS

Checkpoints and port of Iran

Mirjaveh Checkpoint (IRN) (Figure 14) is located 90 km from Zahedan City at the common border point with Pakistan and the closest city in Pakistan to the border is Taftan city. The total area of the terminal is 67 thou. square meters.

The terminal has the necessary facilities and services for border, customs and other required formalities, and to ensure unimpeded passage of goods, including the Truck X-Ray Scanner, Veterinary Quarantine and Plant Quarantine locations and others.

Also, in the customs operations area, the so-called commercial transactions for the execution of documents required in accordance with Iranian legislation are being processed (also information about the documents required for transportation in Iran and their cost are provided in CHAPTER 8. CUSTOMS PROCEDURES AND DOCUMENTS), including:

- insurance (since Pakistan is not a member of the Green Card).

In addition, a transit list and other documents are filled in for transit cargoes. Filling of all documents, including those related to customs inspection is automated, is made electronically.

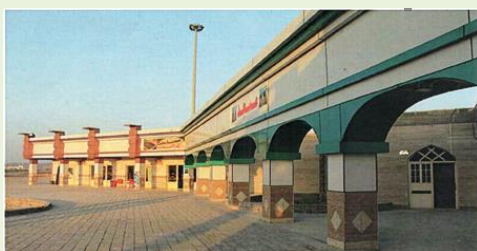
At the border terminals, there are 10 (ten) government organizations, providing services to drivers and merchants such as:

Currently:

- Borderline Guard
- Passport Police
- Customs
- Road Maintenance & Transpiration organization
- Animal & Plant Quarantine Organization

Future development plan for border terminal:

- Construction of a commercial hall
- Increasing passenger lounge area to 3500 m²
- Construction of wastewater treatment plant
- Increasing landscaping and parking places
- The construction of the entrance porch



Checkpoint terminal « Mirjaveh»

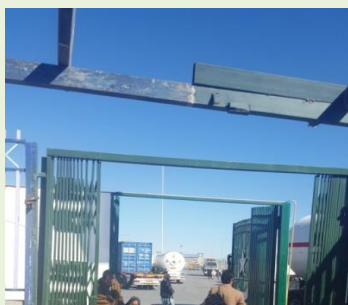




Figure 14. Photos of Mirjaveh Checkpoint

The Mirjaveh Checkpoint operates on the same principles as other Iranian Checkpoint terminals, however, the Pakistani party has complaints about the CMR clearance by the Iranian side. CMR are issued without the Iranian customs authorities' stamp, without the carrier's signature, looks like a copy of the document (not the original one), (see the sample of fake CMR at Figure 20).

Truck parking is located at 5 km distance from the border crossing point (private company), the cost of parking is US \$2 per night, trucks usually wait for 2 days. At the parking lot there are about 100-150 trucks, their admission is also done electronically. Despite the fact that it is stated that the checkpoint operates at daylight hours, at 16.00 all the services of the checkpoint have already been closed. As it was said earlier at 11:00 there was a big line of buses with people and people (about 200-300 - Pakistani pilgrims come from Iraq), by 4:00 pm this queue was gone. It is unlikely that in 5 hours one can inspect and pass such a significant number of passengers and trucks.

Representatives of Pakistan also noted that Mirjaveh's working hours are shorter than at the Taftan checkpoint¹, in addition, the Iranian checkpoint does not work in connection with frequent state holidays. For Pakistan, as for the country that exports mostly perishable products (vegetables, fruits), the settlement of the hours and days of operation of the two border points is extremely important.

¹ The note of the National Consultant of Iran: In accordance to Minutes of 8th Joint Road Committee signed between Concerned Authorities of Iran and Pakistan on 12 March 2014, and Minutes of 9th Joint Road Committee signed between concerned Authorities of two sides on 12 January 2017 both sides agreed to increase the working hours of their checkpoints from 7:00 to 19:00. The Iranian side fully respect all the agreements as far as working hours.



The Iranian side does not trust the certificates (veterinary, phytosanitary, etc.) issued by the Pakistani side, therefore it carries out an additional check of cargoes of vegetable and animal origin, for this purpose special services are available at the checkpoint. There is no exchange of customs information with the Pakistani side.

Preliminary information¹ and declaration is not provided. Truck X-Ray Scanner has not been demonstrated. According to the statistics provided, the point passes about 100 vehicles a day, this is confirmed by a field research.

Serow Checkpoint (IRN) (Figure 15). The Serow checkpoint is located on the border with Turkey, the adjacent Turkish checkpoint Esendere. Offices located in Serow border terminal is 27 thou. square meters and includes areas for passport control, halls for passengers, office facilities of the border guard service and customs, customs warehouses. Also in the zone of the checkpoint are buildings providing various services, including Veterinary Quarantine and Plant Quarantine.



Figure 15. Photos of the checkpoint «Serow»

About 10 trucks were observed waiting. Despite the fact that it is said that the checkpoint is open 24/7, interviews with drivers revealed that they are trying to cross the border in the morning, since they will not be able to do it after lunch because of the completion of the work of the checkpoint. Truck X-Ray Scanner has not been demonstrated.

On average, the checkpoint crosses 60-70 trucks a day towards Iran and the same amount back. The peculiarity of this point (and the Esendere point) is that through them the cargo of cross-border trade is delivered to a greater extent (there is a bilateral agreement on a free economic zone in this region). Between the checkpoint and the city of Urumia there is a logistics center, where cars with cargo from Turkey are unloaded. Transit cargo mainly moves through other checkpoints - Gurbulak-Bazargan.

Registration of documents at this checkpoint is carried out according to the same principles as at Dogharoun. The exchange of customs information with the Turkish side is not carried out.

Serow is planning to build a new terminal and a road to Tehran.

Chabahar Port (IRN)² (Figure 16) is located in southeastern Iran, north of Oman Sea. One of the features that distinguishes it from other Iranian ports and ports in southern coast of Persian Gulf, is its access to international open seas.

¹ Preliminary information implemented is provided only for the TIR system

² <http://chabaharport.pmo.ir>



Chabahar port development plan



Chabahar port



Customs terminal at Chabahar



Customs terminal hall at Chabahar

Figure 16. Photos of Chabahar Port

Currently, Chabahar port consists of two port complexes, named Shahid Kalantari port and Shahid Beheshti port. Generally, Shahid Beheshti port development plan consists of five main phases, to be completed by the 2024 and nominal capacity of 86 million tons. First phase was completed in 2017, increasing the nominal capacity to over 8,5 million tons annually.

Phases of port development plan:

Description	Deadline, Year	Phase
<ul style="list-style-type: none"> • Approximately 1650 m of breakwater extension, construction of two container berth(640m) and three multi-purpose berth (540m) • 17 million m3 dredging to(-16m) depth • Reclamation of 195 hectares by sediment 	2017	I
Construction of a container berth(360m)	2018	II
Construction of an oil berth	2020	III
Construction of a multi-purpose berth	2020	IV
Construction of a container berth (360m)	2024	V

The Government of Iran pays much attention to the development of the transport network, which connects Chabahar to international routes and ensures the maximum use of the port, and increase of cargo traffic, as:

- The only oceanic port of Iran;
- More than 300 km marine border;
- Minimum transit distances to Afghanistan, Pakistan and Central Asia, and most economical port in commercial trade for these countries;

- the cost of handling cargo in the port is cheaper, compared to other ports in the region.

Currently, a terminal for liquid cargo is being built. All other goods can be processed.

Near the port there is a customs terminal. All functions for interaction between the port and customs authorities are automated.

100% of the document circulation of customs authorities are automated and processed in electronic form, including customs declaration. A unified customs information system is used, linked to Tehran.

Processing of consignments takes 4-5 hours. Animal & Plant Quarantine is conducted, and all other types of controls and inspections.

As it was noted in the course of the interview with the employees of the customs terminal of the port, the guarantee of payment of customs payments can be made by insurance¹. There are 2-3 insurance companies operating in the market, which distribute so-called coupons for a fixed amount of coverage. Depending on the amount of the required guarantee, a different number of coupons is used (similar to insurance bonds used in Europe). Coupons of the transport company are available online.

Checkpoints of Turkey

Kapikoy Checkpoint (TUR) (Figure 17) is located on the border with Iran border crossing point Razi. At present, the checkpoint is only under construction, the passage of cargo transport through it is not carried out. The checkpoint is impressive in size and comparable to the Gurbulak checkpoint. It will also house cafes, shops, comfortable waiting rooms. The construction is carried out on the basis of public-private partnership.

Using the route through this checkpoint will shorten delivery distance to Tehran for approximately 73 km.

Earlier the construction of Kapikoy Checkpoint was planned to complete in August 2018 but then it has been rescheduled to 2019.

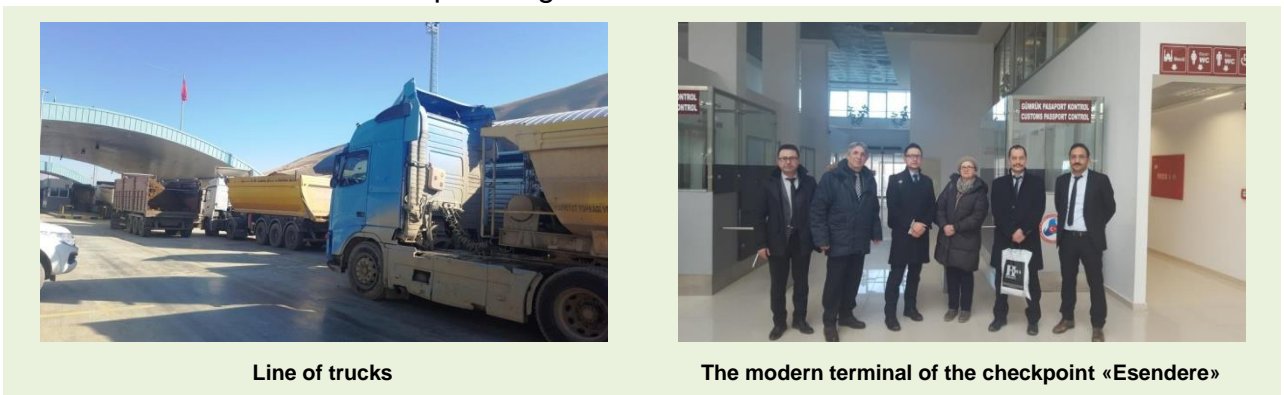


¹ Only customs officials of Chabahar know about such a way of guaranteeing payment of customs payments, they did not know about other methods at the Iranian checkpoints. It is possible that customs officials confuse this type of insurance with cargo insurance.



Figure 17. Construction of Kapiköy Checkpoint

Esendere Checkpoint (TUR) (Figure 18) is located on the border with Iran, adjacent to Serow checkpoint. This is a modern new terminal (commercial areas in the terminal of Esendere Customs Office are in operation as of February, 2017), there are places for shops, cafes, a recreation area, similar to the Gurbulak checkpoint, but at present the terminal is empty, only the terminal administration is located here. Perhaps this situation is due to the fact that the checkpoint has been recently built, the same reason may be the lack of a sufficient number of passengers.



Line of trucks

The modern terminal of the checkpoint «Esendere»

Figure 18. Photos of Esendere Checkpoint

As mentioned earlier the checkpoint serves largely for delivery of cross-border trading goods (there is a bilateral agreement on free trade zone in the region).

The Esendere checkpoint is well equipped, there is a Truck X-Ray Scanner, license plate recognition system and variety of technical equipment, the paperwork is automated. It is important to note that the scanning equipment is located away from the zone of entry / exit. Further from it there is also a hangar for unloading cargo, in case of need of full inspection. Thus, the scan (and all the more inspection with unloading) are not all the trucks, but only selectively those that caused distrust after a documentary check. This indicates that customs control methods are applied at the border crossing point in accordance with the Revised Kyoto Convention (RKC).

At the border crossing point TIR-EPD functions have been implemented under TIR to

provide Green Lane, which considerably facilitates the processing of goods. Preliminary information is provided within TIR system.

At the exit of the checkpoint there was a line of about 50-60 trucks. Given that there are far less of them on the part of Iran, it can be assumed that the delay is the Iranian fault, possibly due to the lack of scanning equipment. Taking into account that 50-70 trucks a day pass through these points in both directions, the trucks are waiting for at least one day.

Checkpoints and port of Pakistan

Taftan Checkpoint (PAK)



Line of truck

Line of truck

to the right the logistic center, to the left the building customs terminal

National logistics center near checkpoint «Taftan»

Customs zone of checkpoint «Taftan»

Customs zone of checkpoint «Taftan»

Figure 19) is adjacent to the border with Iran border crossing point Mirjaveh (IRAN). Immediately to the left of the checkpoint there is a so called national logistics center, but there are few trucks and some boxes of cargo. It is planned to build another logistics center, but it's not quite clear why, since even the current one is underutilized.

On the other hand, the customs terminal under construction (and, as mentioned earlier in

the section on road analysis, the hostel is being built), however, it is obvious that the construction is frozen (as it was said in an interview since 2004).

The zone, where the customs inspection is anticipated, is located at a distance of one kilometer from the border crossing point. Trucks follow this zone without convoy. Customs officials indicated that cargoes from Iran often come without stamp (especially those from Bandar Abbas port)¹ and with forged documents. The main claims to CMR, which are issued without the Iranian customs authorities' stamp, without the carrier's signature, looks like a copy of the document (not the original one), (see the sample of the fake CMR at Figure 20). Often, the documents indicate the wrong weight. *90% of CMR, according to the Pakistani customs authorities, are counterfeit.* Obviously, the issues of filling in the CMR are necessary to discuss at joint meetings of the customs authorities of the two countries.



Line of truck



Line of truck



to the right the logistic center, to the left the building
customs terminal



National logistics center near checkpoint «Taftan»

¹ National consultant of Iran disagrees with this claim. In addition, this problem has never arisen by the Pakistani side during all Joint Road Committees between two countries



Figure 19. Photos of Taftan Checkpoint

Given that the distance of 1 km trucks are moving along territory of the country without customs control, it is quite possible to assume that the breakdown of seals and forgery of documents can be made by the drivers themselves on the way from the checkpoint to the customs zone without convoy.

The customs zone is relatively small, the cars on it are just around the corner, drivers waiting for their turn right at the trucks will organize a "halt" (they sleep and eat next to the truck).

The customs zone is not equipped with scanning equipment, so basically all trucks are inspected. Trucks belonging to companies that carry out cargo delivery relatively often may not be searched at the discretion of customs officials. A clear criterion, which trucks need inspecting and which do not was not provided during the interview.

There are also not enough computers in the office of the customs service. Animal & Plant Quarantine is not verified.

As it was said in the course of the interview with the employees, customs clearance can be carried out in this customs area, while during the meetings in Islamabad it was said that the cargoes passing through Taftan to Islamabad should undergo customs clearance in Quetta. Cargo to the dry port of Quetta is moved with customs support.

There is a checkpoint and a customs zone in the daytime (about 12 hours), which does not coincide with the hours of work of the Iranian side (close at 16: 00-17: 00).

There is an electronic declaration system (www.weboc.gov.pk). 90% of the declarations are submitted electronically (as of June 2017). The system can only be used by brokers who have special license. The consignor (consignee) of the goods cannot use this system without a customs broker. Such a system is convenient for customs authorities, since this allows to bring broker to justice.

As it was noted as a guarantee of payment of customs payments among other methods,

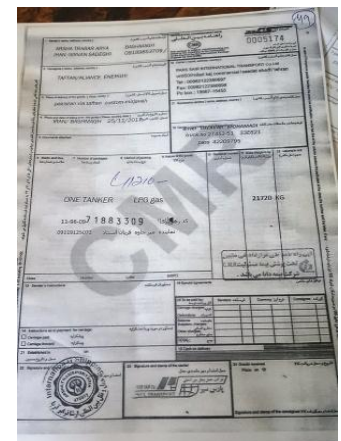


Figure 20. Sample fake CMR



such as a deposit, a bank guarantee, TIR system, insurance can also be applied, but this information was not confirmed during the meetings in Islamabad.

The exchange of customs data between Pakistan and Iran for joint verification (EDI) is not carried out.

Port of Karachi¹ (PAK) is one of South Asia's largest and busiest deep-water seaports, handling about 60% of the nation's cargo (25 million tons per annum)². The geographic position of the port places it in close proximity to major shipping routes such as the Strait of Hormuz. The administration of the port is carried out by the Karachi Port Trust, which was established in the nineteenth century.

Karachi port provides 24/7 safe navigation to the port traffic, handles tankers, modern container vessels, bulk carriers and general cargo ships up to 75,000 DWT. The port has 30 dry cargo ships (13 in the Western part and 17 in the East) and 3 loading berths for POL & NON-POL products.

The port has also two private container terminals: Karachi International Container Terminal (KICT), and Pakistan International Container Terminal (PICT), which are fully equipped with modern technologies and facilities.

Karachi port annually serves around 1600 ships, at the same time, there is sufficient capacity to handle even more cargo, currently only 45% of the port's capacity is used.

The port is handling about 650,000 TEUs and 26 million tons of cargo per annum which includes:

CATEGORY	CAPACITY
UOM	MILLION TONS
Liquid Cargo	14
Dry Cargo	12

The port is also equipped with a backed up system with good transit and storage areas, with rail and road access roads necessary for handling, storing and unloading cargo. In general, the opportunities for the Karachi Port to simplify transportation and trade will include:

- Ship handling
- Discharging / Loading of cargo
- Storage of cargo
- Clearance of cargo

During the meeting in the port, it was found out that there were no problems with customs clearance, all procedures are automated. The main problems are the import / export of cargo to / from the port by road, because of the intense traffic in the city of Karachi, this can take a long time (from several hours to a day) (Figure 21). The port is in need of developing the railway furniture. China is also interested in this project, as the development of the railway furniture of the country as a whole and the port in particular will significantly reduce the way of delivering oil and gas from the Middle East and Africa to China.

¹ <http://kpt.gov.pk/>

² Detailed port statistics are presented at the Annex II in the Table PAK 3

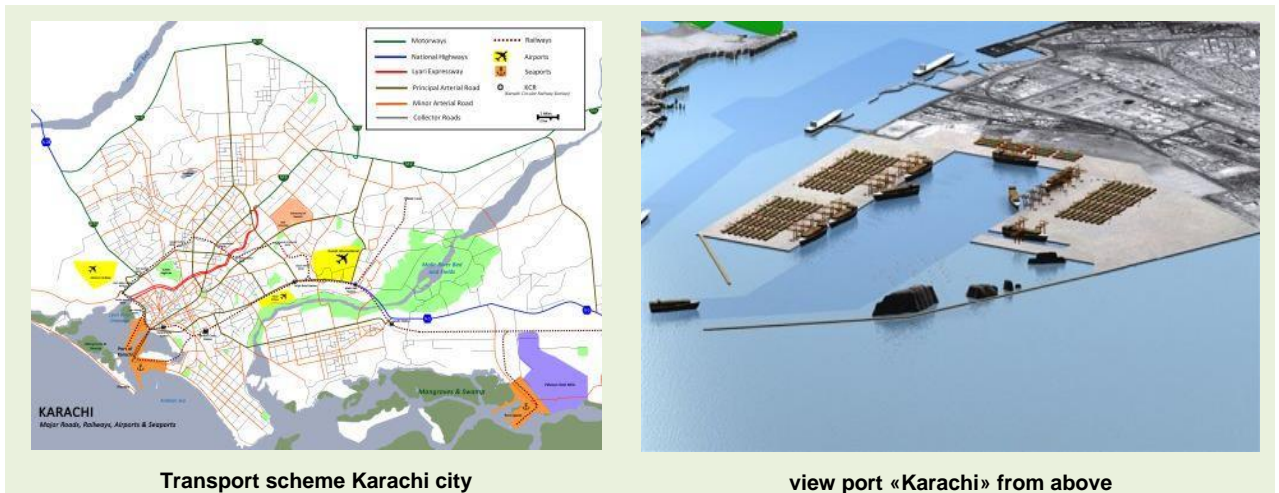


Figure 21. Photos of Karachi Port

Main conclusions

Basically there are bottlenecks at all ITI checkpoints:

- At Mirjaveh (IRN) and Taftan checkpoints (PAC), there are a number of reasons for the accumulation of vehicles, such as: a different work schedule for points, lack of scanning equipment at the "Taftan" point, application of various documents to registration, etc.
- At the Esendere border crossing point (TUR), bordering Serow (IRN), the congestion of vehicles due to low throughput on the part of Serow (IRN), including due to the lack of scanning equipment
- Checkpoint Kapikoy (TUR) does not let cargo pass because the terminal is under construction (the construction works are planned to complete in 2019).
- Data exchange between the customs services of neighboring countries is purely carried out: between the checkpoints of Turkey and Iran within the framework of the TIR system.



CHAPTER 8. CUSTOMS PROCEDURES AND DOCUMENTS

Procedures and documents required for the registration of international road transport of goods and related customs clearance in each of the ITI enroute countries are based on the requirements:

- Ratified international conventions and agreements in the field of road transport and customs and other related fields, it is important not only that the country has ratified this or that convention, but also how adequately these requirements are implemented in national legislation
- Bilateral (multilateral) agreements in the field of road transport and customs and other related fields;
- Requirements of national legislation.

These and other issues are discussed in this chapter, while this section does not address the issues of export-import (and transit) of specific goods, export and import duties and the specific documents required for this (determined by the HS of a specific product), as these issues are being addressed beyond the scope of this research.

International agreements and conventions

Within the framework of UNECE, which is one of the fundamental organizations for cooperation and security in the field of transport, has developed a list of 57 transport conventions and agreements (including for road transport)¹ recommended for accession. The list of conventions is divided into groups depending on the Regulatory objective.

12 of these conventions are the most relevant from the point of view of the implementation of ECO TTFA agreements in the field of road freight transport. In addition to UNECE conventions and agreements, the Revised Kyoto Convention² is also important from the point of view of harmonizing customs procedures, one of the main objectives of which is to reduce the number of inspections by customs through risk management.

Table 11 presents data on the ratification of ITI corridor countries of international conventions and agreements. From the presented data it can be seen that all of the listed conventions have been ratified only by Turkey.

¹ http://www.unece.org/fileadmin/DAM/trans/conventn/agree_e.pdf

² World Customs Organization - www.wcoomd.org



Table 11. International Agreements and Conventions

No	International Agreements and Conventions	Regulatory objectives	IRN	PAK	TUR
Main UNECE International Agreements and Conventions (Status at 01.06.2019)					
1	European Agreement on Main International Traffic Arteries (AGR, 1975)	Infrastructure networks			✓
2	Road Traffic (1968)	Road traffic and road safety	✓	✓	✓
3	Road Signs and Signals (1968)		✓	✓	✓
4	Agreement on UN Global Technical Regulations (UN GTRs) (1998)	Vehicles			✓
5	Convention on the Contract for the International Carriage of Goods by Road (CMR, 1956)	Other Legal Instruments Related to Road Transport	✓	✓	✓
5.1	<i>Protocol to CMR, 1978</i>		✓	✓	✓
5.2	<i>Additional Protocol to CMR, (e-CMR) 2008</i>				
6	European Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport (AETR, 1970)				✓
7	Customs Convention on Temporary Importation of Commercial Road Vehicles (1956)	Border crossing facilitation			✓
8	Customs Convention on the International Transport of Goods under Cover of TIR Carnets (1975)		✓	✓	✓
9	International Convention on Harmonization of Frontier Controls of Goods (1982)		✓		✓
10	Customs Convention on Containers (1972)				✓
11	European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR, 1957)	Dangerous goods & special cargoes			✓
12	Agreement on the International Carriage of Perishable Foodstuffs (ATP, 1970)				✓
WCO Convention					
13	International Convention on the Simplification and Harmonization of Customs procedures (Revised Kyoto Convention) (2006)[1]	Simplification and harmonization of customs procedures	✓	✓	✓

In general, the countries of ITI corridor need to continue working on accession to the recommended international conventions and agreements, and the implementation of their requirements into national legislation.

To date, the only convention that all countries of the two corridors have joined is the TIR



Convention. The application of the provisions of the TIR system has been supporting trade and development for more than 70 years, by allowing customs-sealed vehicles and freight containers to transit countries with minimal border checks. Therefore, further action is needed to expand the application of this convention.

As the poll results show, the actual for today is the accession of Pakistan to the CMR convention and to the International Convention on Harmonization of Frontier Controls of Goods (1982).

In the era of technical progress, the main aspect of simplifying customs procedures should be their digitization. In this regard, the experience of implementing the e-TIR system is important. In 2016-2017 the e-TIR system was successfully implemented between Iran and Turkey. This experience can be used by Pakistan.

In addition, efforts should be made to introduce e-CMR in the enroute countries. To date, only Turkey and Iran have joined the Additional Protocol to CMR, 2008 (e-CMR).

Also, Iran and Pakistan need to consider the possibility of accelerating the process of accession to the ADR and ATP conventions.

TIR Convention

Brief information

Objectives:	Main principles:	Benefits:
<ul style="list-style-type: none"> To secure the movement of goods in transit thanks to the main pillars of the TIR system related to secure vehicles, one harmonized guarantee and declaration document – TIR Carnet, mutual recognition of customs control, international guarantee chain, electronic risk management tools, etc. To facilitate the international carriage of goods by road vehicles/containers across borders through carefully designed border crossing procedures and an international guarantee chain, in cooperation with road operators, IRU. 	<ul style="list-style-type: none"> Secure, Approved vehicles or containers according to standards; International guarantee system for custom duties and tax; Mutual recognition of Customs controls; TIR Carnet: Customs and Guarantee document; Controlled access of operators. TIR IT tools allowing TIR data exchange in real time among all TIR actors 	<ul style="list-style-type: none"> Minimized inspection of goods at intermediate borders; No payment of taxes and duties enroute; Lower border delays, Lower transport cost; Lower import / exports costs; Increased competitiveness and growth.

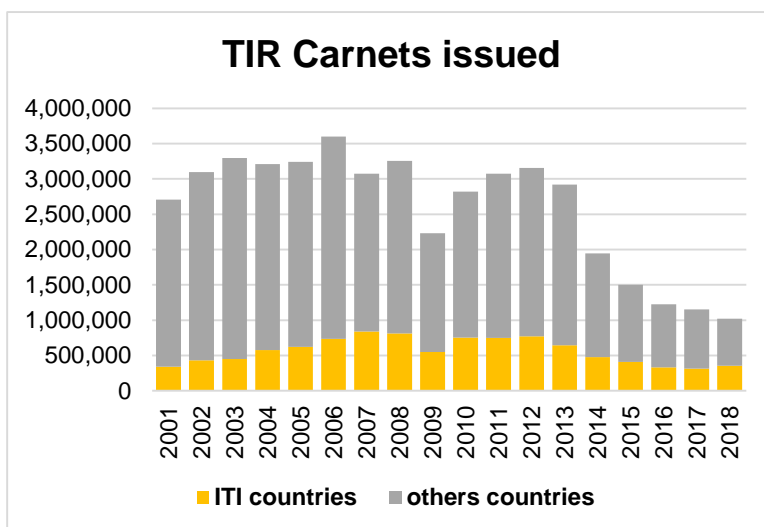
TIR Convention. TIR, an international customs transit system based on the UN Convention, operating at the world level within the framework of public-private partnership, provides an opportunity to create harmonized legislative conditions for the transport of transit goods in all corridors.

Statistics

All ITI corridor countries joined the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention), while Pakistan became TIR operational on April 18, 2018.

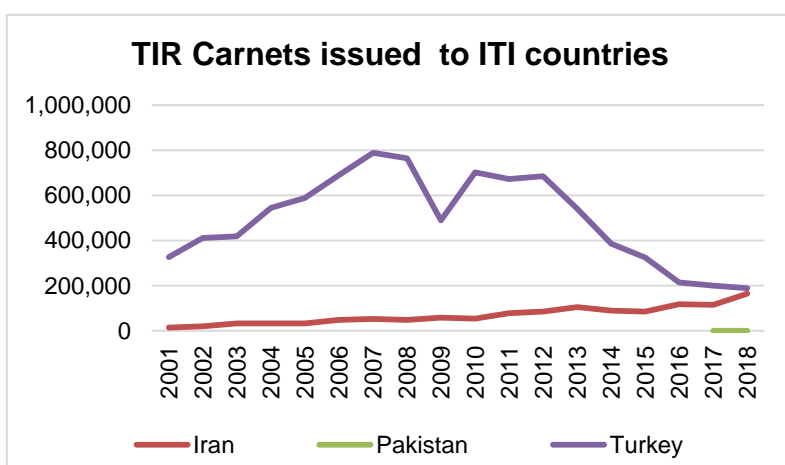
Since 2001, as a whole, it has been issued 46.5 million TIR Carnets, where the share of ITI corridor countries amounted to 28% (more than 10 million)¹.

In the presented diagram it can be seen that a much larger amount falls on the issuance of TIR Carnets for Turkey, 19.2% (out of total) and 2.7% for Iran.



In general, the share of TIR Carnets released for the countries of ITI corridor has changed in proportion to the total number issued in all countries, at the same time:

- in Iran, on the contrary, the tendency towards increase of TIR Carnets was noted (in 2018, the number of carnets was 3 times more than in 2010).
- over the past 5 years in Turkey there has been observed a trend towards decrease in the number of TIR Carnets (in 2018 they were issued 3.7 times less than in 2010). According to IRU experts the main reason for that is the establishment of the customs union with EU and utilization of another guarantee system (NCTS² and comprehensive guarantee) for carriage of goods.



Pakistan. Currently, the Pakistan National Committee of the International Chamber of Commerce plays the roles of the TIR issuing and guaranteeing association in Pakistan. There is an equipped office, a modern server, the staff has been trained in handling TIR.

Pakistan was announced TIR operational on April 18, 2018 (see Figure 22). It was transportation from Iran to Pakistan, the Iranian association issued the TIR Carnet. TCS logistics is admitted to the TIR system and conducted the first TIR operations from Pakistan to Afghanistan and from Afghanistan to Pakistan in September-October 2018³. Three other applications are received by PNC-ICC and is under process.

Despite the achievements, for the development of the TIR system in Pakistan it is

¹ <http://www.unece.org/fileadmin/DAM/tir/figures/TIRCarnets2001-2017.pdf>

² NCTS – New Computerised Transit System

³ <https://www.iru.org/resources/newsroom/pakistan-launches-first-outbound-tir-transport>

necessary to address a number of issues, which include the following:

- Making TIR more accessible and affordable by optimizing TIR admission procedure
- Revising bilateral transport agreements for removing current impediments to bilateral trade.

In addition, for the full operation of the TIR system it is required to:

- Equip the crossing points with the necessary facilities;
- Implement measures on renewal of trucks;
- Continue the process of acceding to conventions and agreements, especially to the CMR Convention.



Figure 22. TIR operational was announced in Pakistan

Iran and Turkey. Among all corridors only in Iran and Turkey all necessary TIR IT tools are in place and ready for digital TIR; e-guarantee pilot project between Turkey and Iran performed successfully.

CMR Convention

Brief information

Objectives:	Main principles:	Benefits:
<ul style="list-style-type: none"> ▪ To facilitate international road transport through a commonly agreed transport contract, including contract document and liabilities 	<ul style="list-style-type: none"> ▪ Defines contract conditions and the document (The Consignment Note and information contained) ▪ Fixes carrier's liability limits in case of total or partial loss of goods or delay ▪ The e-Consignment Note is under consideration 	<ul style="list-style-type: none"> ▪ Fair competition between carriers ▪ Lower international road transport costs, including insurance costs

As of May 2019 Pakistan has ratified the CMR Convention and Protocol to CMR. Iran and Turkey have also ratified the Protocol to CMR (1978) and Additional Protocol to CMR, (e-CMR) (2008), which implies the possibility of using an electronic consignment note (e - CMR).

Some features and problems

At the same time, when crossing the border, the customs authorities of Pakistan pay attention to CMR documents issued in other countries. Since the checkpoints of Pakistan are not fully equipped with scanning and other facilities, these documents allow them to optimize their work, reduce the number of checks and the time to cross the border. At the same time, there is a disagreement in the corridor regarding the completion of this document.

For example, in accordance with the requirements of Iran's national legislation, a CMR Consignment Note is issued for all transportations from Pakistan filled by representatives of transport companies located directly at the checkpoints. Samples of CMR consignment notes filled in Iran (provided both in Iran and in Pakistan) noted the following (Figure 23):

- The column 22 is not filled in the Iranian samples (Signature and stamp of the sender). Since the carrier hired by the sender, during the international transportation the driver is his representative, the driver must sign the document. The absence of the signature of the sender (or his representative) in the CMR waybill makes this document not legally qualified.
- There are no stamps of the customs authorities on Iranian documents, while in other countries a stamp or calendar stamp of the customs authorities must be stamped (for comparison, look at the sample of the CMR invoice from Azerbaijan). Although there is no clear indication on the above, in most countries is introduced this requirement in the national customs legislation¹.



Figure 23. Photos of filled CMR forms

Since the CMR consignment note is one of the main documents of international trucking of goods, the question of the correctness of its filling requires additional research. This problem could be solved via e-CMR' (electronic consignment note) by Pakistan to the e-CMR protocol, which was added to the CMR Convention in 2008.

This protocol entered into force on 2011, and to date 17 countries have acceded including

¹ Since transport documents, to which the CMR refers, are at least used to calculate customs duties



Iran and Turkey¹. e-CMR officially launched in January 2017 with the first ever border crossing to use electronic consignment notes between Spain and France, proving that the system works and is simple to implement and use.

It is advisable for Pakistan to consider the possibility of expediting the process of joining e-CMR protocol as well.

Carnet de Passage en Douane

The application of the Carnet de Passage en Douane is governed by the Customs Convention on the Temporary Importation of Commercial Road Vehicles (1956).

Brief information

Objectives:	Main principles:	Benefits:
<ul style="list-style-type: none"> ▪ To facilitate temporary admission of commercial road vehicles registered in another country ▪ Through agreed procedures and in cooperation with road users associations, AIT/FIA 	<ul style="list-style-type: none"> ▪ Use of the Carnet de Passage en Douane as an International Customs Document, which guarantees payment of customs duties and taxes on the vehicle, if it is not re-exported ▪ Temporary importation procedures, including for claims, if there is no re-export of the vehicle 	<ul style="list-style-type: none"> ▪ Internationally agreed procedures ▪ No payment of vehicles imports taxes ▪ Lower border delays –Lower border costs ▪ Lower transport export / import costs

Identified problems

Pakistan. The following problem is revealed: even if customs clearance is carried out in Taftan (directly on the border), that is, the vehicle does not enter the territory of the country after the fact, the Carnet de Passage issued by another country is required, since Pakistan has not joined this convention).

In fact, customs inspection in Taftan starts with the verification of this document, the document is required for both loaded and empty trucks.

This may be due to the poor equipment of the checkpoint for other types of verification, except for documentary (as well as partial or full screening), a lack of documents due to non-adherence to the CMR Convention, an underdeveloped fleet of trucks in the country and other reasons.

According to article 15 of the TIR Convention, TIR trucks will not need carnet de passage which is a huge facilitation for transport and transit. After the launch of the TIR system in Pakistan, starting from April 18, 2018, the need to verify unnecessary documents will not be appropriate.



Carnet de Passage received in Pakistan

¹<https://www.iru.org/innovation/e-cmr>



Placement of insurance stickers on the CMR form

As it was said earlier, insurance stickers (also called coupons) are used in Iran to ensure the payment of customs payments (possibly for cargo insurance or drivers' liability to third parties), which are glued to the CMR form (see photo). Since the interview revealed a misunderstanding of the difference between these types of insurance, it remains unclear what kind of insurance was performed using this sticker. These stickers are distributed through representatives of transport companies directly at Iranian checkpoints when they issue CMR for carriers from countries where CMR is not applied.



Sticker (coupon) about insurance on CMR form

Revised Kyoto Convention

Brief information

Objectives:	Key Provisions:	Benefits:
<ul style="list-style-type: none"> ▪ To facilitate international trade through harmonization and simplification of customs procedures and rules 	<ul style="list-style-type: none"> ▪ Standardization and simplification of accompanying documentation and procedures for declaring goods ▪ The maximum use of Information Technology ▪ Using a Risk Management System and exercising control based on an audit ▪ Establishing partnerships between customs and business (the trade sphere) 	<ul style="list-style-type: none"> ▪ Transparency and predictability of customs activities ▪ Minimizing the necessary customs control to ensure compliance with regulations and rules

To date, all countries of ITI AI corridor counties have ratified this convention.

Some features and problems

One of the fundamental principles of this Convention is the use of the Risk Management System. At the same time, the research revealed that Pakistan’s checkpoints are not equipped with non-intrusive equipment, which practically excludes the effectiveness of using this system. The system of preliminary informing the customs authorities also requires improvement which is one of components of risk management system.

Bilateral and Multilateral Agreements

Table 12 presents data on bilateral and multilateral agreements between ITI corridors countries in the field of road cargo transportation.

**Table 12. Bilateral and Multilateral Agreements¹**

Agreement countries	Agreement countries	
	IRN	TUR
PAK	<p>Agreement on Bilateral Road Transportation of Goods between the Government of the Islamic Republic of Pakistan and the Government of the Islamic Republic of Iran, 1987</p> <p>Agreement between the Government of the Islamic Republic of Pakistan and the Government of the Islamic Republic of Iran on International Transport of Passengers and Goods by Road, 2007</p>	<p>Bilateral Road Transport Agreement between the Government of the Islamic Republic of Pakistan and the Government of the Republic of Turkey, 2003</p>
IRN		<p>International Road Transport Agreement between the Government of the Republic of Turkey and the Government of the Islamic Republic of Iran, 1980</p>

In addition to the agreements listed in the table, all countries are parties to the TTFA (ECO) the multilateral agreement. Iran and Turkey are also participants in the "Basic Multilateral Agreement on Development of International Transport Corridor "Europe-Caucasus-Asia " (TRACECA).

Permits for road transportation (permissions)

Requirements for the need to obtain a permit allowing to travel across the borders are determined on the basis of agreements signed between the countries of ITI Corridor (see Table 12). In spite of the current multilateral agreement TTFA, for today such permits are not required only for two pairs of countries (Iran and Turkey, Kyrgyzstan and Tajikistan).

In most cases, one permit is used for one border crossing. In order not to receive permits every time, transport companies acquire them with a margin, and then underutilize. In addition, as it turned out in the course of the research, in a number of countries there are problems associated with obtaining these permits.

Visas for drivers

Table 13 provides information on the need to obtain visas for drivers (terms and costs) of ITI corridor countries.

The data presented demonstrate that only Iran and Turkey have valid arrangements for visa-free entry, including for drivers of international vehicles.

According to Article 12 of the TTFA, the countries participating in this agreement undertake to provide drivers and persons involved in international transport transit operations with multiple entry transit visas valid for one year with the right to stay in the territory of each country for 15 transit days for each trip and up to 5 days at the place of loading and unloading. Despite this, obtaining visas for drivers is still a significant problem, which is a deterrent to the development of ITI corridor and needs to be resolved as soon

¹ <https://tadb.unescap.org>



as possible.

Based on the experience of various regional associations, such as the EU, SAAARS and the Black Sea Economic Cooperation Organization (BSEC), the ECO Secretariat proposed a mechanism for facilitating visas for ECO-Visa Sticker Scheme for drivers¹ which is based on the following basic principles:

- The ECO Secretariat (special department) shall produce and issue ECO Visa Stickers to the ECO member states in half a year, be responsible for consolidating all information on the issue of ECO visa stickers and sending information to the ECO member states.
- The ECO member states shall agree on the number of ECO visa stickers to be exchanged with other ECO member states, and the quantity can be revised on the basis of consensus among the ECO member states. Also, the ECO Member States due to serious security problems, etc. may stop the issuance of ECO visa stickers for some time informing the relevant ECO country and the ECO Secretariat accordingly.
- The issue of ECO visa stickers for drivers shall be carried out by the Ministry of Foreign Affairs of each of the ECO countries that are citizens of that country.
- The ECO member states will exchange a list of transport companies and drivers (with the necessary information) who are entitled to receive ECO visa stickers. This list will be reviewed and agreed from time to time.

Table 13. Information on obtaining a visa for drivers²

COUNTRY APPLICANT>>	IRN	PAK	TUR
COUNTRY ISSUING VISA			
IRAN			
<i>not required</i>			✓
<i>on entry</i>			
<i>duration of obtaining, days</i>			
<i>cost, \$ US</i>		90	
<i>duration of stay</i>		30	90
PAKISTAN³			
<i>not required</i>			
<i>on entry</i>			
<i>duration of obtaining, days</i>	7		7
<i>cost, \$ US</i>	94		290
<i>duration of stay</i>	15		30
TURKEY			
<i>not required</i>	✓		
<i>on entry</i>			
<i>duration of obtaining, days</i>		*	
<i>cost, \$ US</i>		*	
<i>duration of stay</i>	90	*	
EU			
<i>not required</i>			
<i>on entry</i>			

¹ ECO Senior Visa Consular Meeting dated Oct 4th 2016

² Not all countries provided information, line indicated in "rosy color" should be filled in

³ <http://www.dgip.gov.pk/Files/Visa%20Categories.aspx#L>

COUNTRY APPLICANT>>	IRN	PAK	TUR
COUNTRY ISSUING VISA			
<i>duration of obtaining, days</i>	5	**	5
<i>cost, \$ US</i>	80-100	**	80-100
<i>duration of stay</i>	10-90	**	10-90

- **Bilateral Road Transport Agreement with Turkey doesn't operational yet*
- ***No legal framework for transportation exists with EU Countries, therefore, no transportations*

In recent years, the ECO has repeatedly held discussions, including at the consular meeting of ECO senior officials, on the implementation of the «ECO-Visa Sticker Scheme for drivers but this scheme has not yet been implemented. Further efforts are required by ECO countries to implement, search other visa facilitation solutions for drivers.

Additional requirements, documents and expenses

As it turned out during the research, the following additional requirements apply:

Iran. As it was noted earlier (see the chapter Checkpoints and ports of Iran), in the course of transporting goods from countries that have not acceded to the CMR Convention (Afghanistan, Pakistan), a CMR is issued at the entrance to Iran. Insurance is also carried out (this was mentioned earlier). These documents are prepared by representatives of transport companies, which are located in the commercial hall of the customs authorities of the checkpoints (also of the port). The cost of all these services is 150-160 \$ US.



Iranian Route Sheet

Also, in accordance with the requirements of the legislation, a route sheet shall also be issued for transit transport. (see photo). This function is performed free of charge by the road and city government departments located at the border checkpoints. The registration of route sheets is carried out on special forms that have secret protection. This document can be pink or blue, blue is used if the shipment is delivered from the ports.

Main conclusions

Based on the foregoing, the following conclusions can be drawn:

- To sum up, the active utilization of TIR carnets in the countries enroute ITI can be observed in the past 10 years. 10 years ago the share of TIR Carnets released in the ITI corridor countries accounted for only 25%, whereas in 2018 it has already reached 34.7% of the total number of TIR Carnets released in all countries. Pakistan has launched the TIR system in April 2018 which gives reason to believe for further increase of demands for TIR carnets in the corridor countries. The decrease in the issuance of TIR Carnets occurred only in Turkey due to its accession to the customs unions (Turkey to EU) where the use of TIR carnets is replaced by other tools (NCTS¹ and comprehensive guarantee).
- Given the worldwide trend of digitalization in customs, transport and trade, ITI corridors

¹ NCTS – New Computerised Transit System



need to continue to implement the e-TIR and e-CMR systems. *It is advisable to conduct a special research in the countries of ITI corridor to explore the possibilities of expanding the implementation of the TIR system and introduction of the e-TIR system;*

- The current situation on the ratification of international conventions and agreements by the countries enroute the corridors does not provide a harmonized legislative environment for unimpeded transportation. The countries of ITI corridor need to continue working towards accession to international conventions and agreements recommended by UNECE, as well as to other conventions. Drivers from countries that do not accede to such conventions as CMR, ADR, ATP, have to draw up the necessary documents along the way.
- Despite current bilateral and multilateral agreements between the ITI corridor countries and TTFA, only between Iran and Turkey is not required permits and visas for drivers. Often the procedures for obtaining these documents are complex and expensive.



CHAPTER 9. MOTOR VEHICLE THIRD PARTY LIABILITY INSURANCE

Data obtained

In accordance with Article 22 (and Annex V) of the ECO TTFA, the member countries of the agreement undertook to take reasonable steps to sign the Harmonization of Requirements regarding international road transport and facilitation of its operation under the international Motor Vehicle Third Party Liability Insurance (MVTPL) with using the Green Card. Until all countries join the Green Card system, ECO TTFA countries, in which the Green Card system does not operate (Pakistan), agreed to apply the ECO White Card.

In 2013, the Insurance Component research was carried out, in which the possibility of implementing the ECO White Card was analyzed in detail, a scheme for the operation of this system was proposed, drafts of documents required for countries to operate ECO White Card were prepared.

The purpose of this research was to monitor the current situation in the ITI corridor on the issue of MVTPL insurance. For a general understanding of the situation, we collected data on road accidents in the ITI corridor over the last 5 years (Table 14).

Table 14. Information on road accidents¹

COUNTRY/ INDICATOR	2012	2013	2014	2015	2016
IRAN					
number of road accidents	116 403	112 114	102 275	101 161	101 792
number of people injured in accidents	318 802	315 719	304 485	313 017	333 066
number of dead people in accidents	19 089	17 994	16 872	16 584	15 932
PAKISTAN					
number of road accidents	9 140	8 988	8 359	7 865	9 100
number of people injured in accidents	5 174	5 104	4 859	4 651	5 509
number of dead people in accidents	3 966	3 884	3 500	3 214	3 591
TURKEY					
number of road accidents	1 296 634	1 207 354	1 199 010	1 313 359	1 182 491
number of people injured in accidents	268 079	274 829	285 059	304 421	303 812
number of dead people in accidents*	3 750	3 685	3 524	3 831	3 493

From the presented statistics on road accidents it can be seen that:

- In general, the number of road accidents in the last 5 years in the studied countries remained at the same level.
- The data of some countries are questionable, thus given the size of the population and the number of trucks (for example, in Iran and Pakistan), it is unlikely that the number of road accidents in the tens (in Pakistan hundreds) is less than in Turkey.

¹ Data have been provided by the national consultants from the sources: IRN - www.ramto.ir, PAK - Provincial Police Department and Islamabad Police, TUR - www.tuik.gov.tr/PdfGetir.do?id=24606



It is likely that the statistics of accidents in these countries are based on different principles than in Turkey.

In addition, the national consultant of Turkey provided some interesting statistics that can be used to argue the countries' decision to implement the White Card system (Table 15).

Table 15. Information on the amount of premiums and payments under Green Card system of Turkey¹

Name of the indicator	2013	2014	2015	2016
Amount of MVTPL insurance premiums (in the country), thou. \$US	2 321 226	2 141 900	2 344 468	3 504 637
Including in the «Green Card» system, thou. \$US	30 260	28 408	27 440	27 582
% from volume of MVTPL insurance premiums (in the country)	1,30%	1,33%	1,17%	0,79%
changes to previous year, %		-6,12%	-3,41%	0,52%
Amount of payments for insured accidents, in «Green Card» system, thou. \$ US	23 117	18 509	17 614	17 610
% from volume of MVTPL insurance premiums (in the country)	1,00%	0,86%	0,75%	0,50%
Change to previous year, %		-19,93%	-4,84%	-0,02%

This information in more detail can be analyzed only by specialists in the insurance business. At the same time, these data demonstrate that the size of the deposit, about 12 thousand US dollars, which each of the insurance companies participating in the "Green card" system, is fully justified. However, for countries where international cargo traffic is not so significant compared, for example, with Turkey, such deposit is too big.

In addition, a small questionnaire was developed in the framework of this research, which was completed by national consultants. Also, during the visits to countries, interviews were held with the main participants of international transport and insurance companies. The data obtained during the research on the current situation on the MVTPL issue are presented in Table 16.

¹ <https://www.tsb.org.tr/en.aspx?pageID=914#>



Table 16. Common information on MVTPL insurance

Country	Participation in «Green card» system	Legislative acts on compulsory MVTPL scheme	Is MVTPL insurance for foreign trucks available at border?	Major challenges for introduction of «White card»	Remarks and other information
IRN	YES	<ul style="list-style-type: none"> Act on Compulsory MVTPL insurance 1968 and amended in 2009 	YES	<ul style="list-style-type: none"> Ready for implementation of “White card” Sanctions, complicate the possibility of mutual settlements on insurance payments in foreign currency 	Central Insurance of the Islamic Republic of Iran (Bimeh Markazi Iran) (http://iraninsurance.ir)
PAK	NO	<ul style="list-style-type: none"> The Motors Vehicle's Act, 1939 The Provincial Motor Vehicles Ordinance, 1965 National Highway Safety ordinance 2000 (NHSO 2000) 	NO	<ul style="list-style-type: none"> The lack of understanding of the mechanism Insurance companies have not yet examined the market and cannot decide Absence of payment mechanism of insurance payment by non-residents Legislation and training are required 	Companies, possessing capacity to be involved in the project: National Insurance Company Limited (NICL) (http://www.nicl.com.pk) 38 insurance companies have been registered in Pakistan
TUR	YES	<ul style="list-style-type: none"> European Convention on Compulsory Insurance against Civil Liability in respect of Motor Vehicles Strasbourg 1959, Insurance Law No: 5684, The Road Traffic Act, 1983 Regulation On Working Principles and Procedures of the Turkish Motor Insurers' Bureau (https://www.tsb.org.tr) 	YES	<ul style="list-style-type: none"> With the “Green Card” there is no need for a “White Card”, but the concept of interaction between the two systems can be worked out Very different insurance business mentalities and MVTPL legislations of the involved countries. 	13 insurance companies in the “Green card”: Allianz Sigorta - www.allianzsigorta.com.tr Anadolu Sigorta - www.anadolusigorta.com.tr Ankara Sigorta - www.ankarasigorta.com.tr Axa Sigorta - www.axasigorta.com.tr Bereket Sigorta - www.bereketsigorta.com.tr Doga Sigorta - www.dogasigorta.com Ergo Sigorta - www.ergosigorta.com Eureko Sigorta -



ECONOMIC COOPERATION ORGANIZATION

Country	Participation in «Green card» system	Legislative acts on compulsory MVTPL scheme	Is MVTPL insurance for foreign trucks available at border?	Major challenges for introduction of «White card»	Remarks and other information
					www.eurekosigorta.com.tr Groupama Sigorta - www.groupama.com.tr Gunes Sigorta - www.gunessigorta.com.tr HDI Sigorta - www.hdisigorta.com.tr Mapfre Sigorta - www.mapfre.com.tr Turk Nippon Sigorta - www.turknippon.com



Main conclusions

Comparing the data of the previous research on the issue of introduction of the «ECO White Card» system and the information obtained during this research, it can be noted that a tangible progress in the formation of the ECO White Card system in the ITI corridor over the past five years failed to be achieved.

As some of the countries pointed out during the research, among the constraints on the formation of the ECO White Card system are the following:

- Insufficient understanding of the White Card mechanism;
- Imperfection of the national insurance legislation: In Pakistan, there are legislative requirements for compulsory MVTPL insurance, but their requirements do not apply to foreign vehicles.
- Great risks due to poor technical condition of vehicles in their country, as well as foreign vehicles carrying out transportation through the territories of these countries;
- The amount of the deposit to participate in the ECO White Card system is too large.

Despite the identified constraints, there are prospects for implementing the White Card system, for this, at least it is necessary:

- To research in more detail, the model and mechanism of the White Card system, where to determine the role and sequence of the actions of each participant, not only insurance organizations, but banks, border service employees, etc.
- Analyze in more detail the current national legislation in Pakistan and determine the needs for its improvement, not only on issues related to insurance activities and the legal requirements for MVTPL, but also in terms of:
 - Recognition of the White Card as a valid insurance document by border and transport authorities;
 - Providing possibility to make money transfers for payment of insurance payments between countries;
 - Recognition that the country's insurance limit will apply;
 - Other issues.
- Assist the insurance business of Pakistan in developing the required legislative documents (or amendments to current legislation);
- Consider the possibility of applying a differentiated deposit, the amount of which should be determined for each country (possibly for each insurance company) on the basis of a comprehensive analysis based on an assessment of such indicators as:
 - capacity of the MVTPL insurance services market for international transportation of goods in the country;
 - volume of insurance of a company for this type of insurance



- the probability of risks determined by such indicators as the technical condition of the truck fleet, the quality of the roads, the complexity of the route (for example, in the highlands), etc.
- Provide explanatory work and conduct agitation of Pakistani insurance companies, assist them in the development of business plans;

It seems possible to conduct a special research to put all aforementioned in the right track. It also seems advisable to define a responsible structure (organization, division) or individuals within the ECO who will deal with this issue on a regular basis, since conduction of a research once in five years cannot provide the conditions for the launch of the White Card system.



CHAPTER 10. SOME EXPERIENCE OF OTHER COUNTRIES AND ORGANIZATIONS

New types of insurance

The TIR system (Transports Internationaux Routiers) is the only global customs transit system for moving goods across international borders and has been supporting trade for more than 70 years, allowing to deliver transit vehicles with minimal border checks.

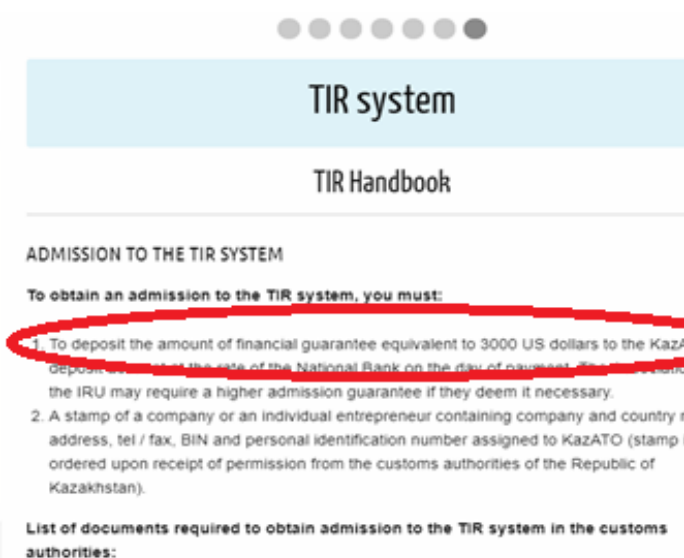
The TIR system is a standard, internationally recognized, and, almost without alternative, guarantee mechanism for payment of customs duties and taxes for the implementation of road transport and multimodal transport of goods. TIR has a high degree of security: in 2016, out of 1.2 million transfers, a rate of only 0.01% was recorded. In addition, the TIR system is moving towards full digitization, which is designed to simplify and improve the safety of TIR applications.

Despite all the advantages of using TIR Carnet, not all international road transport of goods is carried out with its use. In addition to TIR Carnet, other methods of provision (generally more complex and expensive compared to TIR Carnet) are being utilized to ensure the payment of customs duties and taxes, such as:

- Deposit (deposit of funds to the account of customs authorities and upon completion of transit their return);
- Surety;
- Pledge of property;
- Bank guarantee.

At present, the TIR system is the most popular way to ensure guarantees for payment of customs duties and taxes, since other ways are rather complicated and require the diversion of substantial funds. The new procedure on admission guarantee is simplified, the decision on the amount of the admission guarantee has been delegated to the national TIR issuing and guaranteeing associations. The amount of guarantee deposit is determined by national associations based on the national situation and the risks they face.

At the same time, in some countries the amount of the guarantee, which is deposited to the account of the national association for participation in the TIR system, makes up 3,000 US dollars (see figure).



Fragment from the website of one of the TIR associations about TIR system rules



In many countries, the international road transport market has a large number of small companies and private drivers, so this amount can be significant for their business. Perhaps this has become one of the reasons that in the EAEU countries (including Kyrgyzstan, Kazakhstan, Russia) in order to ensure the payment of customs duties and taxes another mechanism, an insurance contract, has started being applied along with traditional methods.

Insuring the payment of customs duties and taxes through an insurance contract has interested some other countries, moreover, ADB is currently working on the possibility of using this mechanism simultaneously in a number of countries, by creating a pool of insurance companies. This mechanism is essentially similar to the "Green Card" system, only the object of insurance in this case will be payment of customs duties and taxes (and not MVTPL as in the Green Card).

Despite the fact that this type of insurance is applied at the national level in some countries, at the international level this system does not work yet. It is premature to judge the viability of this idea at the present time, as there are no exact calculations, step-by-step actions, etc. have not been determined and information on the new type of insurance is provided in this report only for introductory purpose. As before, practically the TIR system does not have an alternative as a guarantee of payment of customs duties and taxes.

According to available information, at present, Russia is also considering the possibility of implementing comprehensive insurance related to the international road transport of goods by means of the CMR form. Currently, in accordance with the requirements of the CMR Convention for international transportation, cargo insurance is required. However, in Russia international road carriers using CMR along with cargo insurance are being offered other types of insurance, such as MVTPL insurance and a contract for insurance of customs payments and taxes. Insurance can be comprehensive for all types of insurance enlisted or include some of them (in addition to cargo insurance) at the carrier's choice.

International road transport within the framework of SCO¹

Within the framework of the SCO in 2014, an agreement was ratified between the governments of the SCO member states on the creation of favorable conditions for international road transport, which entered into force in January 2017.

The main objectives of this Agreement are²:

- developing of favorable conditions and coordination of efforts for the development of international road transport;
- simplification and harmonization of documentation, procedures and requirements for international road transport.

The assigned tasks are carried out by implementing the following basic measures:

¹ Shanghai Cooperation Organization (SCO), an international organization established in 2001 (www.sectsco.org) eight countries are members of the SCO (India, Kazakhstan, China, Kyrgyzstan, Pakistan, Russia, Tajikistan, Uzbekistan), four countries have observer status, including Afghanistan and Iran.

² <http://adilet.zan.kz/rus/docs/Z1500000385#z70>



1. International road transport is carried out according to the approved routes in the SCO Agreement on the basis of permits of a special type (permits of the SCO), except for cases when permission is not required. *Permission can be used only by the carrier, whose name is indicated in the permit, and cannot be transferred to a third party.*
2. International road transport is carried out if there is a valid MVTPL insurance certificate in the territory of the country for which the transportation is carried out.
3. The parties intend to simplify the formalities and procedures in the issues of issuing visas, border, customs, transport, phytosanitary and veterinary control, specific measures are formalized by separate agreements.
4. In the course of transportation, fuel, lubricants and spare parts required for the work of the vehicle are exempt from customs duties and taxes.
5. The participating countries shall establish a Joint Commission which:
 - monitors and coordinates the activities to fulfill the requirements of the Agreement, develops proposals for improving the conditions for carrying out transport operations;
 - produces the SCO authorization forms and passes them to the bodies that will distribute them in each of the countries in accordance with the quota;
 - establishes quotas for each country and a procedure for determining quotas;
 - provides the parties to the Agreement with information on legislation and other requirements of each of the SCO countries.

According to the results of interviews conducted during the research, business representatives believe that this agreement is viable and will work effectively.

An attempt was made to introduce a similar mechanism in the framework of the ECO. Perhaps SCO idea might be useful for application under the framework of ECO.



CHAPTER 11. TTFA COMPLIANCE ANALYSIS

Data collected in the course of the research has been summed up and given in the table below which correlates with provisions of TTFA.

ARTICLES/ ANNEXES TO TTFA	COMMENTS
<i>Article 5. Customs duties, taxes and other duties and charges</i>	<p>Despite the fact that under the TTFA countries have pledged not to charge, with the exception of specific services, including toll roads, the research revealed the following:</p> <ul style="list-style-type: none"> ▪ In Iran, when arriving with trucks from countries not participating in the CMR convention, a fee is charged for issuing CMR, as well as the cost of cargo insurance services
<i>Article 6. Designation and technical characteristics of road, rail and inland waterways</i> <i>Annexes II</i>	<p>During the application of the procedures for monitoring the roads ITI corridors, as well as conducting interviews with road transport participants, it was possible to find out:</p> <ul style="list-style-type: none"> ▪ In Pakistan, in the section of Taftan-Quetta there are sections of a bad road; ▪ In Iran and Turkey, the quality of roads is good. <p>In all countries projects on road development, development and rehabilitation are being implemented.</p> <p>The European Agreement on Main International Traffic Arteries (AGR, 1975) was ratified only by Turkey.</p>
<i>Article 9. Measures to accelerate the clearance of transit cargo</i> <i>Article 29. Facilitation and harmonization of Customs procedures</i>	<p>Unfortunately, the majority of the researched checkpoints do not provide for the passage of transport (Green Lane). Green Lane is available at border crossing points of Turkey. Some checkpoints do not have scanning equipment, the opening hours of border checkpoints are not coordinated, there is no exchange of data between the customs of neighboring countries, at most checkpoints there are queues from trucks.</p> <p>Currently, only Bazargan and Gurbulak are working relatively well (this conclusion is based on the results of the interview).</p> <p>Also, a number of uncoordinated actions between the customs authorities of Iran and Pakistan on affixing customs signatures and stamps in the CMR waybill have been noted, there are cases of disruption of customs seals in the territory of Iran.</p>
<i>Article 10. Safety of Transit Traffic</i>	<p>All ITI corridor countries have ratified the Road Traffic (1968) and Road Signs and Signals (1968) conventions and fulfill their safety requirements.</p>
<i>Article 14. Traffic Regulations</i>	
<i>Article 12. Multiple Entry and Transit Visas</i>	<ul style="list-style-type: none"> ▪ There is no parity in the cost of obtaining visas between Iran and Pakistan, the cost of visas in Pakistan is higher. ▪ It does not require visas only for Iranian drivers in Turkey (and vice versa).



ARTICLES/ ANNEXES TO TTFA	COMMENTS
<i>Article 15. Permits for road transport</i>	<ul style="list-style-type: none"> ▪ Bilateral Road Transport Agreement between Pakistan and Turkey does not operational.
<i>Article 17. Temporary import of means of transport</i>	Basically, the requirements of this article are being met In Pakistan “Carnet de Passage “ is being asked for import of means of transport . Usage of TIR system , eliminates the need in Carnet de Passage (except the entry of empty trucks).
<i>Article 18. Technical requirements for vehicles and Annex IV</i>	In Pakistan, trucks are used to carry out intra-republican traffic, exceeding the weight standards. At the same time in the territory of other countries, Pakistani trucks with exceeding weight standards were not identified.
<i>Article 19. Provision of fuel and lubricants</i>	It was revealed that, due to the cheaper price of fuel in Iran, the fuel tank of Turkish cars at the entrance is sealed, refueling is difficult. At the same time, vehicles from Pakistan can be refueled at Iranian cost but strictly in the amount necessary for transportation through Iran.
<i>Article 20. Mutual recognition of driving licenses</i>	<ul style="list-style-type: none"> ▪ Pakistani trucks do not perform transportation, for example, to Turkey, despite of existing Bilateral Road Transport Agreement between Pakistan and Turkey. Perhaps, the problem may be solved once the TIR system is launched in Pakistan.
<i>Article 21. Mutual recognition of certificates on the technical condition of vehicles</i>	
<i>Article 22. Scheme of insurance of motor vehicles in third-party liability and Annex-V</i>	<p>Over the past 5 years, significant progress has not been made in meeting the requirements of this article:</p> <ul style="list-style-type: none"> ▪ Iran and Turkey are participants of the Green card system "and carry out for drivers from countries not participating in this system directly at checkpoints. ▪ Pakistan does not implement MVTPL insurance at the border/ ▪ The previously planned measures to create a "Wait Card" have not been implemented.
<i>Article 27. “Rules for the carriage of goods by road” (Annex VI TTFA)</i>	<ul style="list-style-type: none"> ▪ Pakistan has acceded to CMR Convention (1956) and Protocol to CMR (1978) Turkey and Iran ratified the Protocol to CMR (1978) Additional Protocol to CMR, (e-CMR) (2008), which allows them to use e-CMR
<i>Article 28. Establishment of a customs transit system</i>	<p>In general, the share of TIR Carnets released for the countries of ITI corridor has changed in proportion to the total number issued in all countries, at the same time:</p> <ul style="list-style-type: none"> ▪ in Iran increased by 3 times (in 2018 than in 2010); ▪ in Turkey decreased by 3.7 times less (in 2018 than in 2010); utilization of NCTS¹ and comprehensive guarantee for transportation of goods. ▪ In Pakistan the TIR system has been launched since

¹ NCTS – New Computerised Transit System



ARTICLES/ ANNEXES TO TTFA	COMMENTS
	18.04.2018.
<i>Article 18. "Transport of dangerous goods" Annex VII TTFA</i>	To date, only Turkey has ratified the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR, 1957). To carry dangerous goods through the ITI corridor and from countries that did not accede to this agreement, it is necessary to obtain appropriate permits, which greatly complicates the transportation or makes it impossible.

Based on the conducted analysis of compliance with TTFA requirements, it can be concluded that measures are required to further implement this agreement. Actions on the further formation of the ITI corridor are also needed. Recommendations will be proposed in the next section.

In general, the share of TIR Carnets released for the countries of ITI corridor has changed in proportion to the total number issued in all countries, at the same time:



CHAPTER 12. MAIN RECOMMENDATIONS

Based on the research conducted under the project on development of ITI road corridor, recommendations were made on the main identified problems and ensuring monitoring of the work and operational coordination of the ITI road corridor. However, in order to ensure the implementation of these recommendations, it is necessary for ECO to develop plans on their implementation, identify the sources of funding, authorities responsible for their implementation and executors.

Recommendations on identified problems and observations

Trading factors of corridor development

Brief conclusions. Due to the fact that the volumes of international cargo transportation are interrelated with foreign trade, and, in the course of the research, it was revealed that:

- in the countries of ITI corridor, there is commercial potential and, accordingly, the potential for growth of cargo flows, as in these countries the population is constantly increasing and GDP is growing.
- international trade between ITI corridor countries accounts for about 2,5-5% of the total trade volume of these countries with all countries of the world.
- Mainly traffic flows in the countries of concerned corridors are formed by the export and import of Iran and Turkey.
- due to the significant export and import activity of China, Turkey and Iran, the ITI corridor has a certain transit potential, since the use of this corridor for transportation can ensure the shortest distance to deliver goods in a number of directions.

A significant obstacle in the development of trade relations is the sanctions imposed on Iran in the conduct of trade operations in US dollars.

Recommendations

- Since cargo flows are formed from international trade volumes, the enroute countries need to take further measures to create favorable conditions for the development of international trade relations;
- In order to assess the freight flows that are promising for reorientation to the corridor under research, it may be expedient to conduct a special research, which will analyze alternative routes as well as other modes of transport.

Assessment of cargo flows

Brief conclusions. In the course of the research, an algorithm was proposed to assess the cargo flows of the ITI corridors, which consisted in the fact that it is sufficient to analyze the statistics of the work of the key checkpoints of Iran.

Analysis of the statistics of the work of these checkpoints for the last 4-5 years showed:



- ITI corridor traffic increases due to increased international trade between corridors. There are grounds to assert that the freight flows of the ITI corridor will increase in the future.

Recommendations. To monitor the work of ITI corridor, in terms of assessing the current and prospective traffic, it is recommended that:

- ECO to ensure the possibility of periodic collection of data on the cargo flows of ITI corridor using the algorithm proposed in the framework of this research (collection of statistical data on the operation of "key" checkpoints);
- The results of cargo traffic monitoring to be analyzed and used for forecasting of bottlenecks, for example, today there are significant delays at some checkpoints, developing measures for their elimination, as well as for determination of the ways of further development of ITI corridor.

Time and cost of delivery of goods

Brief conclusions. The CPMM project data have been utilized in the present research (implemented by CAREC for CAREC corridors), which have been collected using the UN Speed-Cost-Distance procedures. Since some CAREC routes coincide with ITI corridor (and KTAI corridor), these data could be used to analyze their work, as it was done in the framework of this project. As a result of data analysis, it is revealed that:

- In a number of directions, operating costs such as: Customs Controls, Phytosanitary/Veterinary Inspection, Visa/ Immigration, Transit Conformity, GAI / Traffic Inspection, Police Checkpoint / Stop, Weight/Standard Inspection, Escort/Convoy, Loading/Unloading etc. exceed the transportation costs itself («Activities Cost») for 1,5-2 times;
- unofficial payments are being recorded;
- the delivery speed (taking into account the waiting time at the border, and other delays) on the routes of Pakistan is very low and is only 6-9 km/ h.

Recommendations. CPMM has accumulated a large amount of data for more than ten years, their collection is carried out monthly. In addition, from next year CPMM plans to introduce a new type of Business Process Analysis (BPA)¹ studies of the work of checkpoints. CPMM is ready to share this data for the development of trade and transport. To monitor the work of ITI Corridor, in terms of assessing such indicators as time and cost of transportation, it is recommended:

- obtain an agreement with CAREC on possible cooperation in the regular use of data obtained through the CPMM project, determine the volume and structure of the required data, and develop a procedures for their use for the needs of the EC².

¹ Business Process Analysis (BPA) – Анализ Бизнес Процессов

² Например, ECO Regular Monitoring of Trucks/NELTI-3 удачно использовало эти данные



Roads

Brief conclusions. In the course of the research, a special monitoring procedures was developed and applied to research the conditions of the roads along the Corridor. As a result of full-scale research it is revealed that:

- In Iran and Turkey, the quality of the roads is very good.
- On the ITI corridor route there are difficult road sections in Pakistan on the Quetta-Taftan segment.

Recommendations.

- The construction or the reconstruction of dangerous sections of roads in Pakistan requires, first of all, the political will of the country's leadership. Discussions on this issue should be made for discussion at the highest level.

Roadside furniture

Brief conclusions. To research the roads along the ITI corridor, a special monitoring procedures was applied. As a result of full-scale research it was revealed that in Pakistan there are not enough developed places for rest of drivers and food places are of low level. TIR parking in Pakistan is not enough also. Information about them is not provided to the IRU (and accordingly is not posted on the online IRU database "transpark-app").

Recommendations. The IRU Model Highway Initiative in terms of creation of a modern auxiliary road furniture, including recreation areas, recreation and service areas (including gas stations, motels) requires further development, this requires:

- Provide technical assistance for Pakistan in the implementation of projects for the construction of TIR parking lots to determine minimum standards, their location, develop business plans for investors to build them, etc.
- Continue the formation of the online IRU database "transpark-app for the countries not providing this information, inform the transport community of the corridors about available information.

Truck fleet

Brief conclusions. The research revealed that:

- Truck park practically in all countries (except for Turkey) is outdated.

Recommendations

- It is necessary at the national level to develop and implement measures to attract investments in truck fleet renewal through preferential taxation, leasing, favorable credit conditions, etc.

Checkpoints

Brief conclusions. One of the main constraints for development of the ITI corridor are the situation at checkpoints, where there are significant delays for a number of



reasons: the capacity of the furniture is inconsistent with the current freight flow, insufficient equipment, inefficient technology of work, etc. Almost all examined checkpoints (except for Turkey) were observed as "bottlenecks".

The main reasons for the delays are: non-coordination of the work of checkpoints with the working hours of checkpoints of neighboring countries; the capacity that does not correspond to the flow of goods, the lack of necessary equipment, undeveloped business processes, inadequate use of the capabilities of the TIR system, TIR IT tools, TIR Green Lane and other problems mentioned in the report.

Recommendations.

In order to solve the problems associated with the operation of the checkpoints, at least it is necessary to:

- develop minimum standard requirements for furniture, equipment, and the technology of work of checkpoints, depending on the current and prospective traffic.
- to research in more detail, the work of each checkpoint, to determine for each of them measures for their infrastructural, technical, and functional development,
- organize bilateral meetings between representatives of the customs authorities of neighboring countries, where to submit for discussion all identified problems, including the schedule of work, requirements for processing documents, etc.
- provide technical support for conducting a feasibility research on the implementation of the mechanism for the exchange of data between the border crossing points of neighboring countries; identify the required technical tools, including software, procedures, necessary measures to change the legislation of each country, etc.

Since all ITI corridor countries have ratified TIR Convention it is necessary to:

- expand the coverage of the use of the TIR system, the use of which can significantly shorten the passage time of checkpoints;
- at all checkpoints (where there are not established yet) to create a TIR-EPD Green Lane;
- provide technical support for the implementation of TIR IT by IRU in cooperation with the ECO in those countries that do not use TIR IT tools (Pakistan), the adaptation of national customs information systems, and the training of the involved participants.

Charging for execution of documents at the border

Brief conclusions. Notwithstanding the provisions of Article 5 of the TTFA:

In Iran, a fee is being charged for the CMR clearance for the arrival of transport from non-CMR countries. The cost of CMR clearance is quite high considering that there are problems with the circulation of foreign currency in Iran, this fact complicates the



transportation.

Recommendations

In order to ensure the implementation of Article 5 of the TTFA, it is necessary to:

- expand the coverage of the TIR system, which eliminates the need to fill in unnecessary transit documents (a routing sheet).

International conventions and agreements

Brief conclusions. To date, all countries of the ITI corridor have acceded to four conventions: Road Traffic (1968), Road Signs and Signals (1968), TIR Convention (1975) and Revised Kyoto Convention (2006). The current situation of accession to the recommended conventions does not provide a harmonized legislative environment in the ITI corridors for the smooth carriage of cargo by road.

Recommendations

In order to form a harmonized legislative environment in the ITI corridor, it is necessary to:

- carry out further actions to expand the TIR system, since its application provides the possibility of carrying out freight transportation with minimal checks at the border.
- conduct a special research in the countries enroute ITI Corridors to study the possibilities of implementing the e-TIR system, since according to IRU all countries that have implemented TIR IT are ready to switch to e-TIR today, the pilot project between Iran and Turkey was successfully implemented;
- continue efforts towards accession of Pakistan to the CMR Convention and its e-CMR protocol;
- conduct a special research to assess the feasibility of e-CMR implementation and provide technical support in Pakistan.
- consider accelerating the process of acceding to the ADR, ATP conventions and Harmonization Convention, as well as other conventions and agreements recommended by the UN.

Entry permits

Brief conclusions. Despite the current multilateral agreement, TTFA, for today:

- Only for Iran and Turkey such permits are not required.
- despite the current bilateral agreement on road transport between Pakistan and Turkey, Pakistan's trucks have not been observed entering the territory of Turkey.

Recommendations

It is advisable to consider the possibility of introducing into the practice a unified permit of a special ECO sample (similar to the ideas proposed under SCO), in so doing to consider the following:



- a permit can be used only by a carrier, whose name is indicated in the permit, and cannot be transferred to a third party.
- permits will to be issued to an authorized body in charge of distribution among each country (possibly the same authorities that are performing currently these functions) in accordance with the quota;
- the ECO Secretariat (or other structure) to be assigned the functions: development of a procedures for determining quotas, setting up quotas, issuance of permits, transfer of permits by authorized body, monitoring and analysis of their usage

In order to introduce this mechanism, it may require insertion of amendments and additions to the TTFA, as well as to the national legislation of the corridors.

Visas

Brief conclusions. Only Iran and Turkey have arrangements for visa-free entry, including for drivers of international vehicles. Bilateral agreement between Pakistan and Turkey is not implemented. The issue of obtaining visas for drivers still has some difficulties and their cost is quite high. Between Iran and Pakistan parity conditions for issuing visas are not observed.

Difficulties in obtaining visas are a significant deterrent to the development of ITI corridor and need to be resolved as soon as possible, therefore, based on the analysis of the experience of other regional organizations, the ECO Secretariat proposed the ECO-Visa Sticker Scheme for drivers which was repeatedly discussed within the ECO, however, this scheme has not yet been launched.

Recommendations

It is advisable to continue work on the implementation of the ECO-Visa Sticker Scheme for drivers and this requires:

- Work out the ECO-Visa Sticker Scheme for drivers in more detail, namely:
 - Develop admission criteria for transport companies and drivers to be included in the list for obtaining an ECO-Visa Sticker based on an assessment of possible risks (perhaps these criteria will be different for each country). The procedure for inclusion of carriers in the list for obtaining ECO-Visa Sticker may be similar to the procedure for admitting authorized operators to the TIR system which is carried out through the competent authorities;
 - Define the role and step-by-step actions of all parties involved (develop a business process): ECO secretariat, ministries of foreign affairs, visa recipients, etc.
- Assess the need for ECO-Visa Stickers for each of the countries in the corridors;
- Develop an action plan, documents required to run ECO-Visa Sticker Scheme for drivers
- On the basis of the developed documents, continue the discussion on the



possibilities of introducing ECO-Visa Sticker Scheme for drivers in ITI corridor countries.

ECO White Card scheme

Brief conclusions. Over the past five years tangible results on the formation of the ECO White Card system in the ITI corridor have not been achieved due to the following main reasons:

- The Green Card system has been introduced in Iran and Turkey, and therefore, justifiably, in these countries there is no sufficient interest in introducing a White Card system;
- the study revealed that in Pakistan there is not enough understanding of the ECO White Card mechanism, representatives of insurance companies and ministries often do not understand what is the difference between cargo insurance and MVTPL insurance;
- In Pakistan the national requirements of MVTPL, what is an insurance case, the size and mechanism of insurance payments etc. vary significantly from Turkey and Iran
- In Pakistan there was revealed non-availability of the insurance business to introduce a new service due to insignificant market capacity and high risks associated with poor technical condition of trucks, a large amount of the ECO White Card deposit, underdeveloped mechanism of payment to non-residents, impossibility to make money transfers to pay off insurance payments between countries etc.;
- Economic sanctions imposed on Iran may cause difficulties in the course of settling payments in the foreign currency between the countries under the insurance system.

Recommendations. Despite the identified constraints, there are prospects for implementing the system, in order to create the "ECO White Card" system at this stage it is necessary:

- To research in more detail, the model and mechanism of the ECO White Card system, where to determine:
 - the role and sequence of action of each participant, not only insurance organizations, but also banks, employees of border services, etc.
 - The mechanism for calculating the guarantee fund (deposit) for each country (possibly for each insurance company) on the basis of a comprehensive analysis based on assessing market capacity, volumes of this type of insurance, possible risks, etc.
 - the principles of the ECO White Card system in countries where the Green Card (Turkey and Iran) has already been introduced, since despite the similarity of the systems, the guarantee card and several other principles are used for the Green Card.
- Provide technical assistance in conducting a detailed analysis of national



legislation in each country and determining the need for its improvement (development of new legislation and amendments to current ones), not only on the issues related to insurance activities and the legal requirements for MVTPL but also in the part related to:

- the recognition of "ECO White Card" as a valid insurance document by border and transport authorities;
 - provision of an opportunity to make money transfers for payment of insurance payments to non-residents and between countries;
 - the recognition that the insurance limit of the country of the accident will apply, etc.
- Provide technical assistance to the insurance business (especially in countries where this business is underdeveloped) through:
- Conducting an explanatory work and a training on a new type of insurance;
 - development of business plans for the introduction of a new type of insurance;
 - development of internal regulatory documents of companies for a new type of insurance.

In determining the mechanism, it is advisable to consider the idea of using stickers (European type of bons) that will be stuck on shipping documents, as it is currently practiced in Iran.

Obviously, in order to implement all abovementioned, a special research will be required. It also seems advisable to define within the ECO a responsible structure (organization, subdivision) or individuals who will deal with this issue for some time on a regular basis, since conducting a research once within five years cannot provide the conditions for the launch of ECO White Card.

Noting that the issue of the Financial Guarantee Mechanism remains a serious concern in implementation of the White Card scheme where the level of road traffic and Financial Guarantee Mechanism needs to be considered by all Member States including the enroute Islamabad-Tehran-Istanbul (ITI) Road Corridor and further to the recommendations of the 4th HLWG on ITI Road Corridor ((Islamabad, August 2016), it is recommended to start discussion on the possibility of introducing the White Card for ITI corridor at the initial stage.

Recommendations on monitoring and operational coordination

One of the objectives of this research was to develop proposals for monitoring the work and operational coordination of the ITI transport corridor.

Researches

In the course of the implementation of this project, a need for a number of studies aimed at a more detailed research of current problems has been identified to:



- examine the work of checkpoints in order to develop minimum standard requirements for furniture, equipment, technology of work, depending on the current and prospective traffic flow and elaboration for each checkpoint measures on its infrastructural, technical and functional development,
- determine measures to expand the use of the TIR system, assess the feasibility of e-TIR and e-CMR implementation in Pakistan, and provide technical support in all corridors.
- define minimum standards for supporting road furniture facilities and design country development programs for Pakistan.
- develop and establish a model of the "ECO White Card" (or "Green Card") system in Pakistan, including: necessary measures to improve legislation on insurance activities and regulation of all involved entities, training, development of business plans

Monitoring

To monitor the work of ITI corridor, a number of tools were proposed during the research:

- an algorithm for analyzing the work of "key" checkpoints to assess the flow of goods;
- utilization of CPMM CAREC data obtained by the Cost-Time-Distance method for estimating the cost and delivery time, as well as the reasons of time delays in transit and related costs (including unofficial ones)
- a method on a visual inspection of the process of filling in of the templates (there is no need for frequent collection of such data) for assessing the quality of roads and roadside furniture.

In addition, the research proposed a number of forms for the collection of statistical data on the work of corridors, which were filled in by national consultants. All received data are presented in the annexes. Depending on monitoring needs, information can be provided by national consultants on the proposed forms.

Operational coordination

In order to increase the efficiency of the work of the corridors it is required to ensure the implementation of the functions of operational coordination. These are the following functions:

Collection and analysis of information on the work of ITI corridor (including the proposed methods and algorithms), elaboration of proposals for improving their work;

Informing all involved participants about the rules in force in each country, at each border crossing point, the required documents, the current problems, including operational ones. Performing these functions can be provided through the website. However, the responsible personnel must collect and update these data;

Rapid response and solution of the problems. Most probably it may require



organizing the work of the "hot line".

It is entirely possible to authorize this body the work on issuance, determination of quotas, distribution of ECO permits among countries, and monitoring.

It is rather difficult to propose a mechanism for the operational coordination of the work of ITI corridors, since any operational activity and prompt response to the problem that arises requires presence of the staff and funding in order to establish such a center and ensure its work, as well as a website, a hotline.

In this connection, it may be proposed:

- the creation of a federation, which will include transport associations and large companies of corridors, whose executive direction will solve operational problems;
- the creation of a joint venture of a number of large transport companies of different countries, monopolization of the market is not excluded. Besides, in most countries there are practically no large road transport companies;
- The ECO secretariat will take over the operational management function, which will require additional funding on the part of the business industry, obtaining solid agreements with the involved agencies.

Conclusions

The research conducted under the project for the development of the ITI road corridors, which included the field research of roads, checkpoints, collection and analysis of a large number of statistics as well as utilization of new algorithms and techniques, analysis of current legislation, other methods, allows us to draw the following conclusions:

The main factors hindering the development of ITI corridors are:

- in Iran:**
 - ineffective operation of checkpoints;
 - difficulties with payments in foreign currency due to sanctions (the use of payment cards of other countries in Iran, mutual settlements in the event of an insured event, etc.).
- in Pakistan:**
 - a difficult road section on the Lakpass-Taftan section;
 - roadside furniture facilities are not sufficiently developed;
 - ineffective operation of checkpoints;
 - TIR system has just started working;
 - non-accession to the CMR Convention and other conventions;
 - the fleet of trucks is not sufficiently developed;
 - MVTPL is not sufficiently developed.
- in Turkey:** There were no particular deterrents.

Thus, the ITI corridor has fairly good chances for further development. Despite a



some of factors hampering the development of ITI corridor, there are strong prerequisites:

First, the political will of the ECO member countries to develop the ITI corridor, which is expressed by signing of TTFA, adoption of its provisions at the level of national legislation, and the active participation of countries in the implementation of the objectives set by this agreement.

Second, in the countries of ITI corridor there is a commercial potential and, accordingly, the potential for growth of cargo flows. This is justified via a constant increase in the population; the growth of GDP in the corridors; fluctuating, but relatively stable volumes of export-import.

Third, the active position of the ECO in the region and the effective work of the ECO secretariat provides great opportunities for implementing the provisions of the TTFA, discussing current problems and jointly seeking their solutions.

Fourth, the IRU's overall support for the development of the TIR system, which ultimately facilitates the simplification of customs procedures, facilitating the passage of checkpoints, and as a result, the development of ITI corridor in general.

Fifth, despite the current problems, there is some positive trend in the development of ITI corridor. The main of them are: active construction of roads in all corridors, over the past 5 years, the tendency of increasing cargo flows has been noted on the corridor of ITI, the TIR system has started in Pakistan.

Development of an action plan

Through summarizing the above in this report, it is proposed to consider an action plan for the development of the ITI corridor, which is presented in Table 17. Some of the objectives of this plan can be implemented in cooperation with other international organizations.



Table 17. Proposed Action Plan Plan for the Development of the ITI Road Corridor

Subject	Actions	Urgency/ permanently/ periodically	ECO responsible structure	Corridors / Countries involved	Decision level	Needs for additional funding	Involvement of international development organizations
I. OPERATIONAL COORDINATION							
In order to increase the efficiency of the work of the ITI corridor it is required to ensure the implementation of the functions of operational coordination.	1.1. To establish/designate a responsible unit in the ECO secretariat (or designate focal points, including national consultants) for the operational coordination of the corridor	Permanently	TC Directorate	ITI			no
	1.2. Establish a website (or pages on the ECO website), with the implementation of functions for posting up-to-date information on the rules in force in each country, at each checkpoint, the required documents, existing problems, including operational ones.	Short terms Permanently	TC Directorate	ITI			no
	1.3. Organize the work of the “hot line” (via the website, for example, the “onicon” function) to quickly respond to any problems. The Unit in charge may analyze emerging problems, summarize them and provide reports	Permanently	TC Directorate	ITI			no
	1.4. Collect and analyze information on the ITI corridor: <input type="checkbox"/> establish cooperation with the CPMM project on the use of cost-time-distance data along corridor routes <input type="checkbox"/> Receive CPMM data, analyze it, make regular reports	Short term task Periodically		ITI			yes no



Subject	Actions	Urgency/ permanently/ periodically	ECO responsible structure	Corridors / Countries involved	Decision level	Needs for additional funding	Involvement of international development organizations
	1.5. With the participation of national consultants, periodically collect and evaluate traffic flows, information on existing problems (on the proposed or other forms) to identify "bottlenecks"	Periodically		ITI			no
	1.6. Identify serious problems that need to be addressed, propose solutions and bring them to the highest level	Periodically		ITI			no
	1.7. Prepare a rationale for eliminating the processing of unnecessary documents and collecting additional charges for the carriage of goods by road along the corridor. Hold a discussion at the country level, take the matter for discussion to the highest level	Short term task		IRN			
	1.8. Take measures to adjust weighing standards of Pakistan in accordance with Annex 4 of TFFA and other conventions in order to avoid the need for transshipment from / to Pakistani trucks, prepare a rationale and conduct negotiations, bring to the discussion at the highest level.	Long-term task		PAK			
II.DEVELOPMENT OF ROADS							
On the ITI corridor route there are poor road sections in Pakistan on the Quetta-Taftan segment.	2.1. Discuss the issue at the highest level, to hold negotiations with representatives of international organizations on the possibility of providing financial assistance to Pakistan for the construction and development of roads that are the sections of the corridor	Long-term task		PAK	Regional Partnership Forum, Various		yes



Subject	Actions	Urgency/ permanently/ periodically	ECO responsible structure	Corridors / Countries involved	Decision level	Needs for additional funding	Involvement of international development organizations
					international foras		
III.DEVELOPMENT OF ROADSIDE INFRASTRUCTURE							
<p>In Pakistan there are not enough developed places for rest of drivers (also TIR parking) and food places are of low level. Information about TIR parking is not provided to the IRU (and accordingly is not posted on the online IRU database "transpark-app").</p> <p>In Iran, TIR parkings are located spontaneous.</p>	<p>3.1. Prepare a rationale and conduct negotiations with international organizations on the possibility of implementing projects for the development of roadside infrastructure</p>	medium term task		IRN, PAK			yes
	<p>3.2. Provide technical assistance in the implementation of projects for the construction of TIR parking lots to determine minimum standards, their location, develop business plans for investors to build them, etc. (with the exception of and Iran, where this task is completed);</p>	medium term task		IRN, PAK			yes
	<p>3.3. Continue the formation of the online IRU database «transpark-app» for the countries not providing this information, inform the transport community of the corridor about available information.</p>	medium term task		IRN, PAK			yes
IV.DEVELOPMENT OF CHECKPOINTS							
<p>One of the main constraints on the development of the ITI corridor are "bottlenecks" at</p>	<p>4.1. To prepare a rationale and negotiate with international organizations on the possibility of implementing projects to develop corridor border crossing points</p>			IRN, PAK	Establish cooperation with GTI-TOBB via official		



Subject	Actions	Urgency/ permanently/ periodically	ECO responsible structure	Corridors / Countries involved	Decision level	Needs for additional funding	Involvement of international development organizations
checkpoints (check points sufficiently developed only in Turkey): infrastructure capacity does not match existing traffic, not enough equipment, inefficient work technology, inadequate use of the capabilities of the TIR system, TIR IT tools, TIR Green Lane etc.	<p>4.2. in the course of realization of the project to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> develop minimum standard requirements for furniture, equipment, and the technology of work of checkpoints, depending on the current and prospective traffic. <input type="checkbox"/> examine in more detail, the work of each checkpoint, to determine for each of them measures for their infrastructural, technical, and functional development, <input type="checkbox"/> organize bilateral meetings between representatives of the customs authorities of neighboring countries, where to submit for discussion all identified problems, including the schedule of work, requirements for processing documents, etc. <input type="checkbox"/> provide technical support for conducting a feasibility research on the implementation of the mechanism for the exchange of data between the border crossing points of neighboring countries; identify the required technical tools, including software, procedures, necessary measures to change the legislation of each country, etc.; <input type="checkbox"/> develop an action plan for each country and each checkpoint to expand the application of the TIR system, the implementation of TIR-EPD Green Lane 			IRN, PAK	channels Customs administrations of enroute countries IRU		
V.FURTHER ACCESSION TO INTERNATIONAL CONVENTIONS AND AGREEMENTS FACILITATING MOVEMENT OF GOODS							
To date, all countries of	5.1. Prepare a justification and conduct negotiations with		ECO				



Subject	Actions	Urgency/ permanently/ periodically	ECO responsible structure	Corridors / Countries involved	Decision level	Needs for additional funding	Involvement of international development organizations
<p>the ITI corridor have acceded to four conventions. The current situation of accession to the recommended conventions does not provide a harmonized legislative environment in the ITI corridors for the smooth carriage of cargo by road.</p>	<p>international organizations on the possibility of implementing projects for the further accession of the countries of the corridor to international conventions and agreements:</p> <ul style="list-style-type: none"> <input type="checkbox"/> continue efforts towards accession of Pakistan to e-CMR protocol; on standardization of application of requirements for filling the CMR; <input type="checkbox"/> consider accelerating the process of acceding to the ADR, ATP conventions and Harmonization Convention, as well as other conventions and agreements recommended by the UN. 		<p>Secretariat IRU UNECE</p>	<p>PAK IRN, PAK</p>			
<p>Pakistan joined the TIR Convention only in 2018, measures are required to further expand the application of the TIR system.</p>	<p>5.2. Prepare a rationale and negotiate with the IRU about the possibility of implementing projects to expand the TIR system, since its application provides the possibility of carrying out freight transportation with minimal checks at the border, during which to solve the following tasks:</p> <ul style="list-style-type: none"> <input type="checkbox"/> introduce the digital TIR in Pakistan, as it has already been done between Iran and Turkey; <input type="checkbox"/> introduce the TIR into the information customs system of Pakistan, <input type="checkbox"/> integrating TIR-EPD into the customs information system of Pakistan, <input type="checkbox"/> organize capacity building trainings on the implementation of the TIR system for customs officers, transport operators and other interested 			<p>PAK</p>			



Subject	Actions	Urgency/ permanently/ periodically	ECO responsible structure	Corridors / Countries involved	Decision level	Needs for additional funding	Involvement of international development organizations
	parties in Pakistan.						
VI. ENTRY PERMITS							
There is a large number of problems in obtaining entry permits	<p>6.1. It is advisable to consider the possibility of introducing into the practice a unified permit of a special ECO sample (similar to the ideas proposed under SCO), in so doing to consider the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> a permit can be used only by a carrier, whose name is indicated in the permit, and cannot be transferred to a third party. <input type="checkbox"/> permits will to be issued to an authorized body in charge of distribution among each country (possibly the same authorities that are performing currently these functions) in accordance with the quota; <input type="checkbox"/> the ECO Secretariat (or other structure) to be assigned the functions: development of a procedures for determining quotas, setting up quotas, issuance of permits, transfer of permits by authorized body, monitoring and analysis of their usage <input type="checkbox"/> In order to introduce this mechanism, it may require insertion of amendments and additions to the TTFA, as well as to the national legislation of the corridor. 			ITI	Road Committee of TTCC		
VII. VISAS							



Subject	Actions	Urgency/ permanently/ periodically	ECO responsible structure	Corridors / Countries involved	Decision level	Needs for additional funding	Involvement of international development organizations
<p>Only Iran and Turkey have arrangements for visa-free entry, including for drivers of international vehicles. Bilateral agreement between Pakistan and Turkey is not implemented. Between Iran and Pakistan parity conditions for issuing visas are not observed.</p> <p>Obtaining visas for drivers still cause some difficulties and their costs are quite high.</p>	<p>7.1. Work out the ECO-Visa Sticker Scheme for drivers in more detail, namely:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Develop admission criteria for transport companies and drivers to be included in the list for obtaining an ECO-Visa Sticker based on an assessment of possible risks (perhaps these criteria will be different for each country). The procedure for inclusion of carriers in the list for obtaining ECO-Visa Sticker may be similar to the procedure for admitting authorized operators to the TIR system which is carried out through the competent authorities; <input type="checkbox"/> Define the role and step-by-step actions of all parties involved (develop a business process): ECO secretariat, ministries of foreign affairs, visa recipients, etc.; <input type="checkbox"/> Assess the need for ECO-Visa Stickers for each of the countries in the corridors; <input type="checkbox"/> Develop an action plan, documents required to run ECO-Visa Sticker Scheme for drivers. 			ITI	<p>ECO Senior Officials' meeting</p> <p>Meeting of the Consular Officials of the MSs</p>		
	<p>7.2. On the basis of the developed documents, continue the discussion on the possibilities of introducing ECO-Visa Sticker Scheme for drivers in the ITI corridor countries.</p>						
VIII. ECO White Card scheme							
The Green Card system	8.1. Implement the ECO White Card implementation			PAK	Insurance		



Subject	Actions	Urgency/ permanently/ periodically	ECO responsible structure	Corridors / Countries involved	Decision level	Needs for additional funding	Involvement of international development organizations
<p>has been introduced in Iran and Turkey, and therefore, justifiably, in these countries there is no sufficient interest in introducing a White Card system;</p> <p>In Pakistan there is not enough understanding of the ECO White Card mechanism, the national requirements of MVTPL, vary significantly from Turkey and Iran.</p>	<p>project, in the course of which to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> research in more detail, the model and mechanism of the ECO White Card system, where to determine: structure responsible, the role and sequence of action of each participant; the mechanism for calculating the guarantee fund (deposit) for each country (possibly for each insurance company) on the basis of a comprehensive analysis based on assessing market capacity, volumes of this type of insurance, possible risks, etc.; <input type="checkbox"/> provide technical assistance in conducting a detailed analysis of national legislation in each country: the recognition of "ECO White Card" as a valid insurance document by border and transport authorities; provision of an opportunity to make money transfers for payment of insurance payments to non-residents and between countries; the recognition that the insurance limit of the country of the accident will apply, etc.; <input type="checkbox"/> Provide technical assistance to the insurance business of Pakistan through: conducting an explanatory a training on a new type of insurance; development of business plans; development of internal regulatory documents etc.; <p>8.2. Work on the possibility of introducing the White Card system for ITI corridor.</p>				Committee of TTCC		

CHAPTER 13. NEW DEVELOPMENTS FOR 2018-2019

The final report on the field study for development of ITI Road Corridor was taken up for discussion to the agenda of 5th meeting of the High-Level Working Group on KTAI Road Corridor, held on November 26, 2019 in Tehran. After a detailed discussion, the meeting decided (see ECO Note Verbale No.TC/ 2019/1042 in Appendix VII) to approve this report by including the proposed updates as a new chapter in the final study report in order to reflect significant changes that have occurred in the enroute countries over the past 2 years. The chapter has been prepared on the basis of inputs provided by the national consultants as well as from other available sources.

Pakistan

The Government of Pakistan has taken a number of measures through construction of high speed motorways along ITI Corridor for facilitating international transport, upgradation of border crossing points, operationalization of TIR transit system in Pakistan after completing post accession formalities and also continued efforts on accession to international agreements and conventions.

Particularly, at Quetta-Taftan segment, connected to Mirjaveh border crossing points of Iran through 640 Km of the National Highway N-40, bad stretches have been improved. Improvement of 130 km near Kishingi Hill area is also being taken up on priority for which necessary funds are being allocated by National Highway Authority.

Besides, the Government of Pakistan has recently completed and opened for traffic a 6-lanes efficient motorways facility between Multan and Sukkur under CPEC initiative. Another motorway between Hakla and D.I.Khan (285 km), constituting a part of CPEC, is currently under construction and adequate resources have been mobilized to make this additional facility available for ITI traffic by the end of 2020.

55 acres land has been acquired for construction of a modern terminal at Taftan. However, to facilitate the smooth movement of international transport, the existing facilities at Taftan border terminal have been improved by construction of a hall to accommodate drivers, dining facilities, washrooms, toilets, waiting sheds and cafeteria etc.

The capacity of the Customs House Taftan has been increased to cater for import/export cargo. There are enough computers for customs clearance purposes. In case of increased workload, number of computers shall be increased by June 2020. In order to overcome the deficiency of vehicle scanners, National Logistics Cell of Pakistan are procuring more scanners for Taftan Yard by 30th June 2020.

In order to overcome the issue of accumulation of trucks at Mirjavej-Taftan borders, work schedule has been rationalized and agreed by Pakistan and Iran Customs authorities during the Joint Road Transport Commission meeting. The normal border timings have been fixed from 07:00 am to 6:30 pm for movement of goods.

As regards “Electronic Data Interchange” (EDI) between customs offices of Pakistan and Iran, a draft MoU for electronic data exchange is being finalized by customs authorities of the two countries and thereafter a pilot run of EDI will start functioning by full scale implementation at Taftan-Mirjaveh borders by 1st May 2020.

Ratification by Pakistan of Convention on the Contract for the International Carriage of

Goods by Road (CMR), Geneva (1956) on May 2019 and Protocol to the Convention on the Contract for the International Carriage of Goods by Road (CMR) (1978), which contributes to the simplification, safety and reliability of international road transport of goods along the ITI corridor.

Over the past 2 years, in Pakistan (or in a group of countries in the region, including Pakistan), with the support of international development organizations in the field of transport and trade, a number of projects have been launched (or are ongoing) that contribute to solving TFTA tasks, including projects such as:

Table 18. Some transport development projects which can positively influence the development of the ITI corridor ¹

Project Name,	Countries:	Description of Project Outputs	Source of Funding	Amount ⁶ US\$
Better Customs for Better Client Services in Central Asia Regional Economic Cooperation 14 Oct 2019 - 30 Sep 2021	Regional: Afghanistan Azerbaijan Georgia Kazakhstan Kyrgyz Republic Mongolia Pakistan China Tajikistan Turkmenistan Uzbekistan	Scoping studies with actionable recommendations in customs infrastructure, facilities, use of technology and logistics support prepared. Initiatives in modern customs technologies and best practice supported. Customs capacity improved.	Regional Cooperation and Integration Fund	250 000
			United Kingdom Fund for Asia Regional Trade and Connectivity under the Regional Cooperation and Integration Financing Partnership Facility	700 000
			People's Republic of China Poverty Reduction and Regional Cooperation Fund	500 000
Khyber Pakhtunkhwa Provincial Roads Improvement Project (Additional Financing) 25 Jun 2019 - 30 Jun 2024	Pakistan	The Asian Development Bank (ADB) approved a loan of \$140.0 million, including a concessional loan of \$18.5 million, on 28 November 2017 for the Khyber Pakhtunkhwa Provincial Road Improvement Project to rehabilitate eight key road sections of provincial roads over a total length of 214 km, and improve transport efficiency and road safety. In May 2018, the Government of Khyber Pakhtunkhwa requested additional financing to dualize most of the existing two-lane road between Mardan and Swabi.	ADB (Loan)	75.00 mln.
			Counterpart	10.00 mln.
Modernizing Sanitary and	Regional: Afghanistan	(i) creating national bodies in each country	Regional Cooperation and Integration Fund	750 000

¹ <https://www.adb.org/projects>

Project Name,	Countries:	Description of Project Outputs	Source of Funding	Amount ⁶ US\$
Phytosanitary Measures to Facilitate Trade 13 Feb 2018 - 30 Sep 2020	Azerbaijan Georgia Kazakhstan Kyrgyz Republic Mongolia Pakistan China, People's Republic of Tajikistan Turkmenistan Uzbekistan	and a regional body to lead the modernization process; (ii) developing regulations, procedures, and requirements that are aligned with international standards; and (iii) improving the capability of border agencies to implement these measures at selected common borders.	Technical Assistance Special Fund	800 000
			Technical Assistance Special Fund	400 000
			Department for International Development (grant)	US\$ 34.00 million

Iran

According to the information provided by the national consultant, in 2018-2019, Iran implemented significant measures to improve the operation of checkpoints, namely:

At the Doqharun checkpoint:

- a new vehicle X-Ray Scanner (vehicle x-ray machine) has been installed and put into operation.
- a second luggage X-Ray Scanner has been installed and put into operation in the passenger lounge for checking and inspecting passengers' Luggage.

At the Milak checkpoint (on the border with Afghanistan, closer to Pakistan):

- New truck weighing scales have been installed. This is a bridge scale using modern WIM technology (allows to weigh the truck in motion).
- On the territory of the checkpoint. from the entrance to the exit, the construction of a two-way road with a concrete surface and the use of new technologies is carried out, which will ensure the smooth operation of the checkpoint in all weather conditions, including hot weather.

At the Mirjaveh checkpoint:

- construction of a new passenger lounge with an area of 3400 sq. m. has begun, with completion planned in 20 months.

At the Bazargan checkpoint:

- the second Truck X-Ray Scanner is being installed and is scheduled to be launched in 6 months
- the implementation of the master plan for the development of the Bazargan customs office with an area of 30 hectares has begun, and completion is planned in 15 months. After the completion of this project, the travel time of vehicles from the starting point of the checkpoint to the exit point will take no more than 30 minutes.
- RFID (Radio Frequency IDentification) technology is being introduced – a method for automatically identifying objects (containers) by reading and writing radio signal data stored in so-called transponders, or RFID tags attached to containers. It is planned to launch this system in the near future.

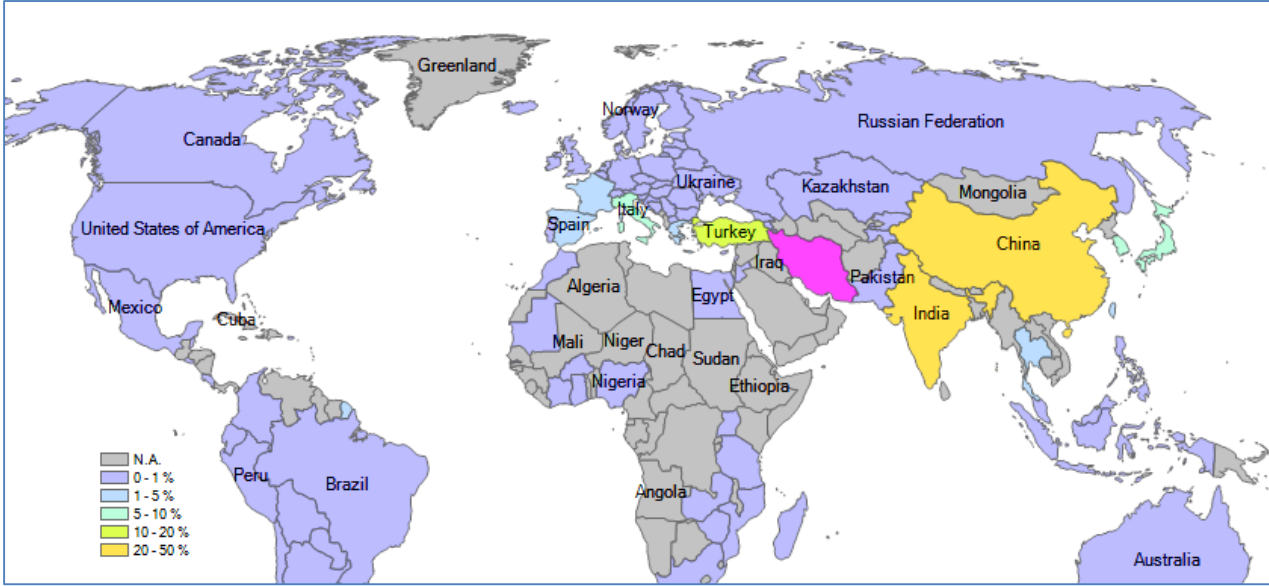
Turkey

Kapikoy Checkpoint (TUR). The construction works are completed and Kapıköy Checkpoint became operational as of 15.02.2019. At the checkpoint, with 3 entry and 3 exit, there are totally 6 perons located on a 70-acre area taking into consideration the One Stop Shop Project. The photos are attached.

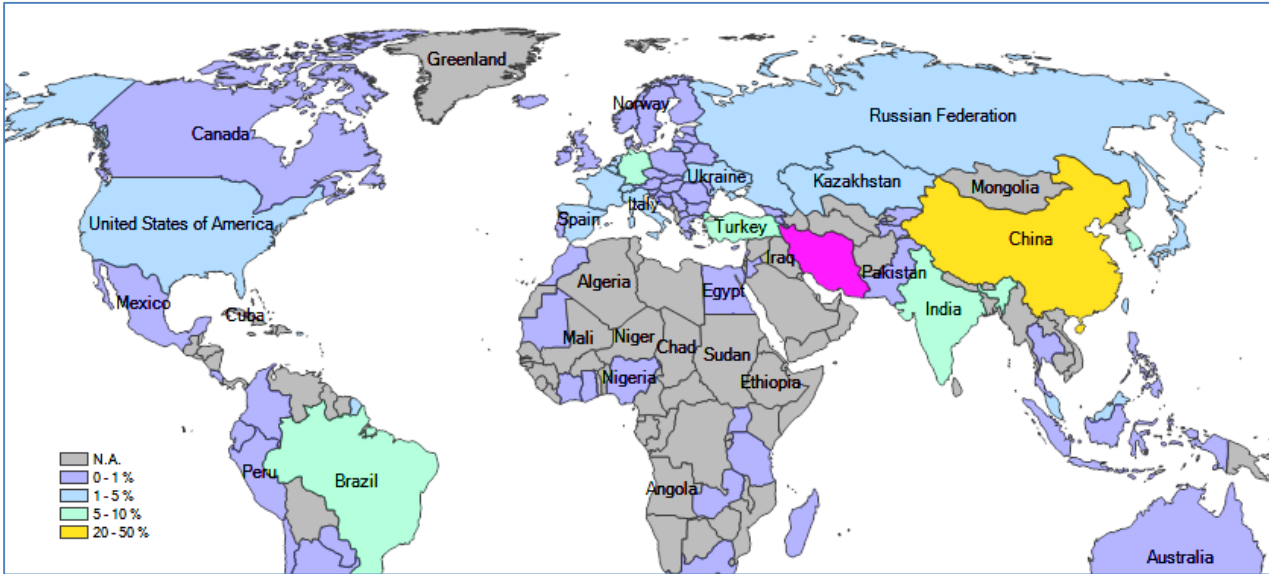
At the checkpoint there is one mobile vehicle and container scanning system and 6 luggage scanning systems. There are also several morden technical equipment such as license plate recognition system, radiation detection system, density measurement device, hand-held radiation detection equipment which will enhance customs detection capacity. In addition to this remark, one train scanning system which is one of the first systems used in the worldwide, is in service and scans each and every inbound and outbound wagon.



ANNEX I. GEOGRAPHY OF INTERNATIONAL TRADE OF ITI CORRIDOR COUNTRIES¹

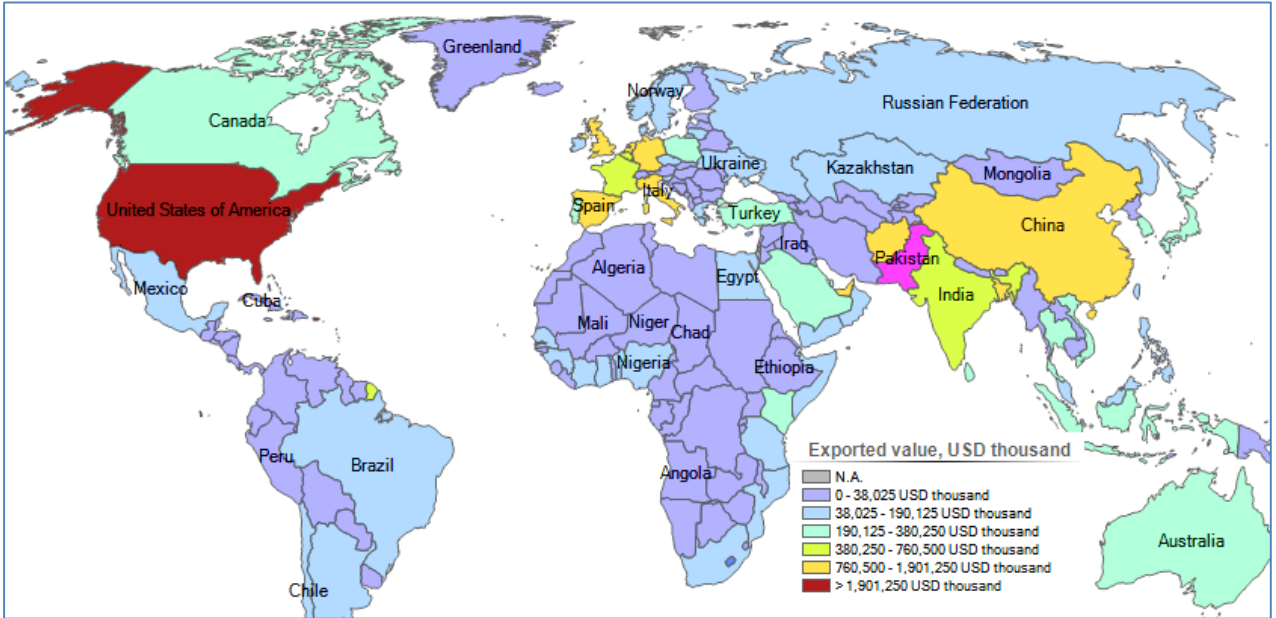


Map of Iran's exports in 2018

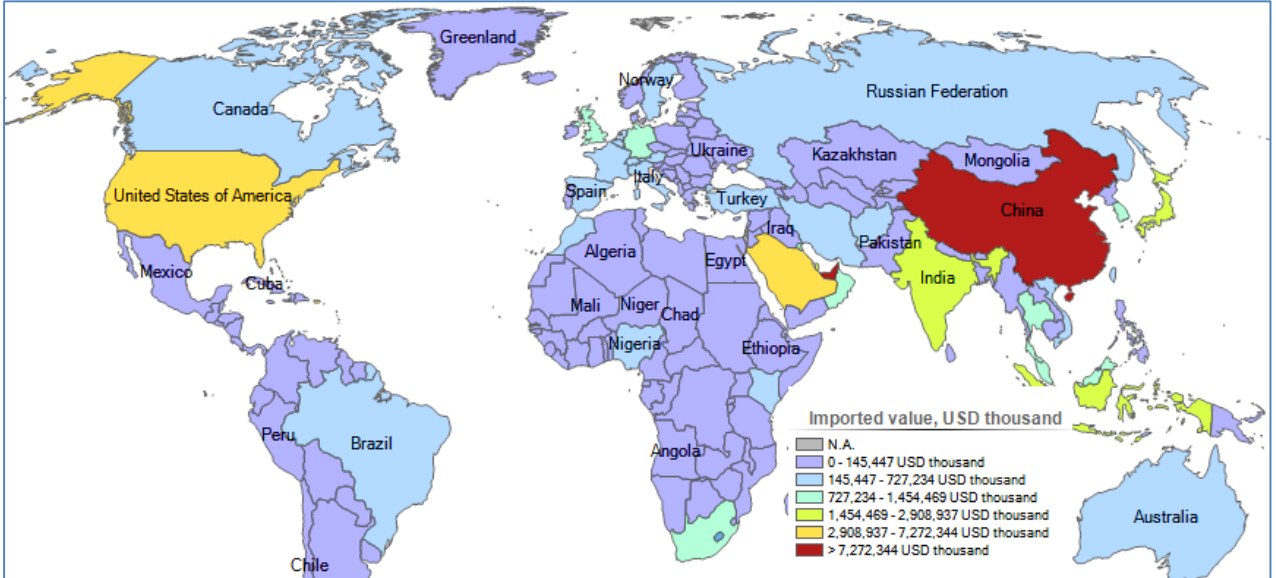


Map of Iran's imports in 2018

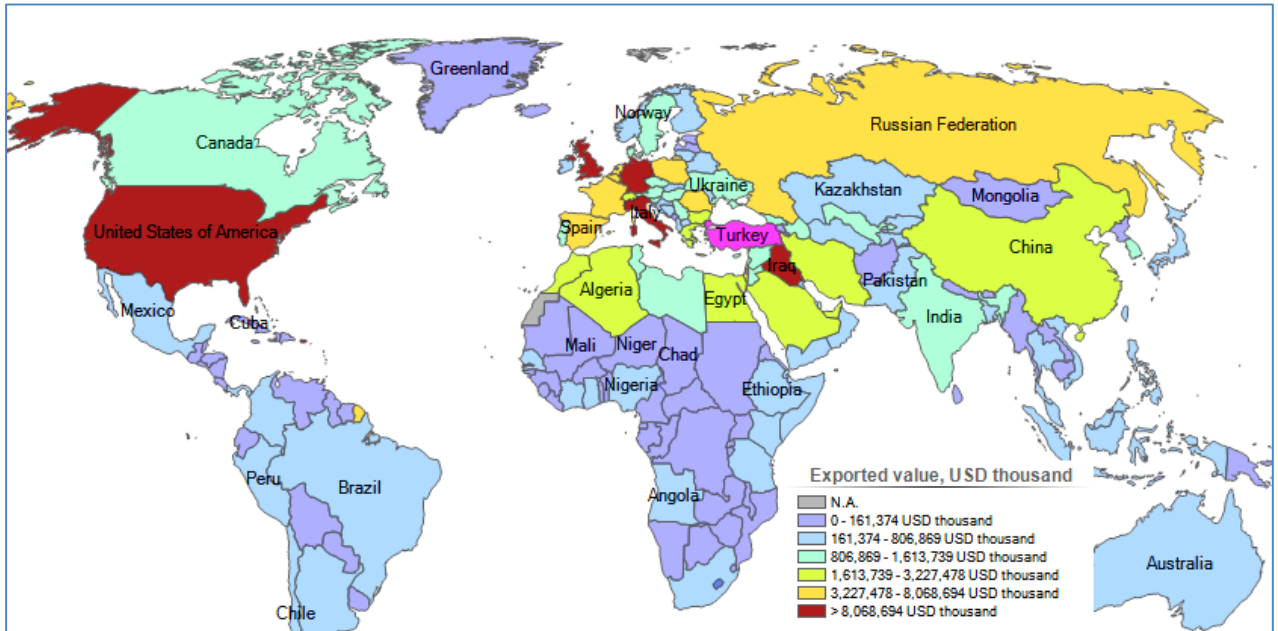
¹ Information resources: International Trade Centre - www.trademap.org,



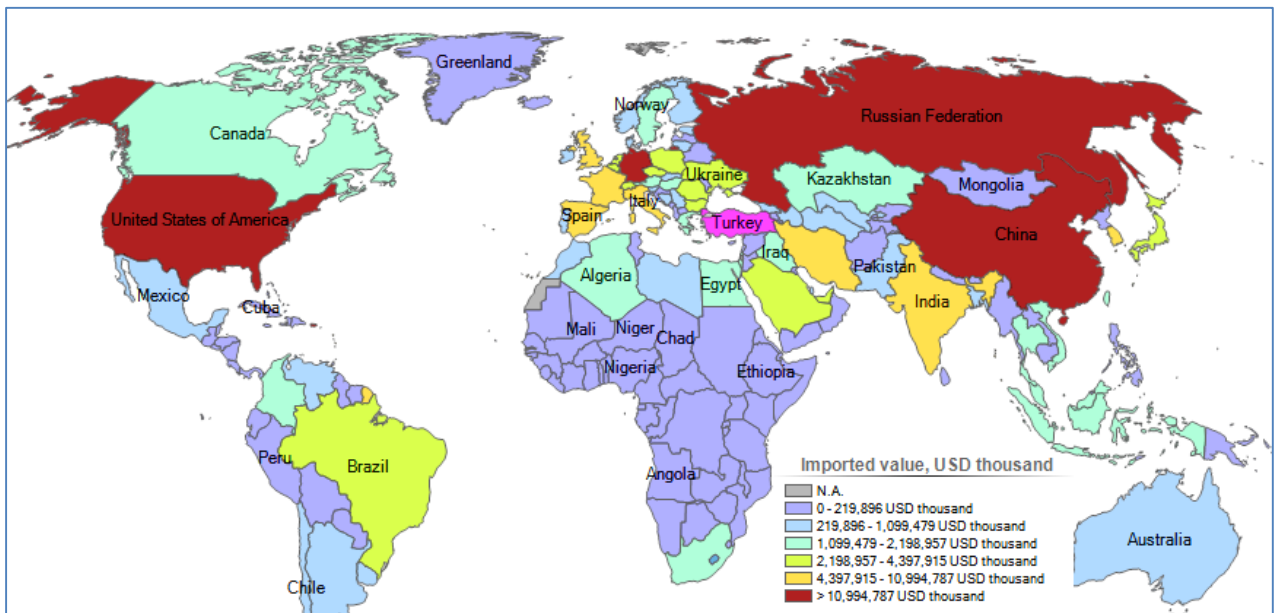
Map of Pakistan’s exports in 2018



Map of Pakistan’s imports in 2018



Map of Turkey's exports in 2018



Map of Turkey's imports in 2018

ANNEX II. DATA ON CARGO TRAFFIC OF ITI ROAD CORRIDORS (RECEIVED FROM NATIONAL CONSULTANTS)

Data from Iran

Table IRN 1.1. Volumes of international (export & import) carriage of freight by road transport for ITI corridor counties for 2012-2016, thou. tones¹

Name of the partner countries	2012			2013			2014			2015			2016		
	TOTAL	Export	Import	TOTAL	Export	Import	TOTAL	Export	Import	TOTAL	Export	Import	TOTAL	Export	Import
PAKISTAN	478	308	170	387	188	199	512	347	165	578	428	150	654	450	204
TURKEY	1775	848	927	1968	1176	792	1903	1030	873	10982	10045	937	2056	963	1093
TOTAL:	7195	6077	1118	5792	4765	1027	5859	4791	1068	15624	14489	1135	7657	6323	1334

Table IRN 1.2. Volumes of freight carriage (transit) by road transport for 2012-2016 years, thou. tones

From Iran to the country of destination to:	2012	2013	2014	2015	2016
PAKISTAN	205	153	229	154	153
TURKEY	485	619	635	681	635
TOTAL:	826	903	996	909	875

¹ Source: Road Maintenance Transport Organization (RMTO) - www.rmto.ir

Table IRN 2. Volumes of cargo transportation by various types of transport, thou. tones

type of transport/ indicator	2012				2013				2014				2015				2016			
	TOTAL	Export	Import	Transit	TOTAL	Export	Import	Transit	TOTAL	Export	Import	Transit	TOTAL	Export	Import	Transit	TOTAL	Export	Import	Transit
road	19203	6917	1533	10753	19585	6614	1380	11591	9299	6629	1436	1234	19077	6621	1536	10920	16034	6228	1991	7815
rail	10252	6485	2861	906	8887	6457	1900	530	11172	6682	3693	797	12010	7343	3232	1435	14999	11098	2471	1430
maritime	95520	44253	45607	5660	123081	77075	38091	7915	181607	127167	43668	10772	182058	136679	36273	9106	250981	208032	36570	6379
TOTAL	124975	57655	50001	17319	151553	90146	41371	20036	202078	140478	48797	12803	213145	150643	41041	21461	282014	225358	41032	15624

Table IRN 3.1. The volume of cargo transportation at the border crossing point Mirjaveh¹

11 months of 2017

Type of passage	TOTAL		TOTAL TRANSIT		Outgoing transit		Incoming transit		IMPORT		EXPORT	
Nationality	thou. tones	thou. trucks	thou. tones	thou. trucks	thou. tones	thou. trucks	thou. tones	thou. trucks	thou. tones	thou. trucks	thou. tones	thou. trucks
IRAN	785,88	33,31	183,45	8,12	133,07	6,01	50,38	2,11	159,44	6,88	443,00	18,32
PAKISTAN	62,10	2,54	4,35	0,19	1,11	0,05	3,24	0,15	35,56	1,43	22,19	0,92
OTHERS	0,02	0,00	0,02	0,00	0,00	0,00	0,02	0,00	0,00	0,00	0,00	0,00
TOTAL	848,01	35,85	187,82	8,31	134,18	6,05	53,65	2,26	195,00	8,31	465,19	19,23

2016

Type of passage	TOTAL		Total transit		Outgoing transit		Incoming transit		IMPORT		EXPORT	
Nationality	thou. tones	thou. trucks	thou. tones	thou. trucks	thou. tones	thou. trucks	thou. tones	thou. trucks	thou. tones	thou. trucks	thou. tones	thou. trucks
IRAN	759,79	32,11	174,39	7,52	118,46	5,03	55,93	2,49	134,87	5,87	450,53	18,72
PAKISTAN	69,67	2,85	9,69	0,43	1,97	0,08	7,72	0,35	40,92	1,64	19,06	0,77
OTHERS	0,15	0,01	0,15	0,01	0,08	0,00	0,07	0,00	0,00	0,00	0,00	0,00
TOTAL	829,52	34,96	184,15	7,95	120,55	5,12	63,72	2,84	175,79	7,52	469,59	19,49

¹ Source: provided at the checkpoint

Table IRN 3.2. Traffic data Iranian checkpoints

Year	Nation. of Truck	Number of thousand trucks per year					
		From Iran			To Iran		
		Transit	Export	Total	Import	Transit	Total to

Year	Nation. of Truck	Average number of trucks per day					
		From Iran			To Iran		
		Transit	Export	Total	Import	Transit	Total to

Mirjaveh Check Point

2014	Iranian	9,5	14,1	23,6	5,6	5,6	11,2
	Other	0,8	0,7	1,6	1,3	0,5	1,8
	Total	10,3	14,8	25,1	6,9	6,1	13,0
2015	Iranian	6,7	17,4	24,1	4,7	3,9	8,7
	Other	0,1	0,8	0,8	1,2	0,4	1,6
	Total	6,8	18,1	24,9	5,9	4,3	10,2
2016	Iranian	5,8	17,9	23,6	6,8	2,4	9,2
	Other	0,1	0,8	0,9	1,6	0,2	1,8
	Total	5,8	18,7	24,5	8,4	2,6	11,0
2017	Iranian	6,4	22,7	29,1	6,2	3,0	9,3
	Other	0,0	0,8	0,8	1,6	0,2	1,8
	Total	6,4	23,5	29,9	7,9	3,2	11,1

Mirjaveh Check Point

2014	Iranian	26	39	65	15	15	31
	Other	2	2	4	4	1	5
	Total	28	41	69	19	17	36
2015	Iranian	18	48	66	13	11	24
	Other	0	2	2	3	1	4
	Total	18	50	68	16	12	28
2016	Iranian	16	49	65	19	7	25
	Other	0	2	2	4	1	5
	Total	16	51	67	23	7	30
2017	Iranian	17	62	80	17	8	25
	Other	0	2	2	4	1	5
	Total	18	64	82	22	9	30

Bazargan Check Point

2014	Iranian	3,2	30,0	33,2	24,3	28,3	52,6
	Other	16,3	7,0	23,3	24,0	43,1	67,0
	Total	19,5	37,1	56,5	48,3	71,3	119,6
2015	Iranian	4,6	50,1	54,7	24,0	27,5	51,6
	Other	26,0	12,1	38,0	28,1	41,8	69,9
	Total	30,6	62,2	92,8	52,1	69,3	121,4
2016	Iranian	4,3	52,7	57,0	31,0	25,7	56,7
	Other	23,7	6,4	30,1	43,0	34,9	77,9
	Total	28,0	59,1	87,1	74,0	60,6	134,6
2017	Iranian	4,2	67,4	71,6	35,0	23,2	58,2
	Other	20,6	7,6	28,1	43,8	31,9	75,6
	Total	24,8	75,0	99,7	78,8	55,1	133,9

Bazargan Check Point

2014	Iranian	9	82	91	67	77	144
	Other	45	19	64	66	118	184
	Total	53	102	155	132	195	328
2015	Iranian	13	137	150	66	75	141
	Other	71	33	104	77	115	191
	Total	84	170	254	143	190	333
2016	Iranian	12	144	156	85	70	155
	Other	65	18	82	118	96	213
	Total	77	162	239	203	166	369
2017	Iranian	11	185	196	96	63	159
	Other	56	21	77	120	87	207
	Total	68	205	273	216	151	367

Table IRN 3.3. Statistical data of checkpoint Serow for 9 months of 2017

Crossed the border (indicator)	Iranian transport	Foreign transport	TOTAL
Trucks	141	10917	11058
<i>outgoing</i>	6	7979	7985
<i>incoming</i>	6	12	18
<i>loading near border</i>	123	0	123
<i>unloading near border</i>	6	2926	2932

Table IRN 3.4. Statistical data of port “Chabahar”¹

TYPE OF CARGO	2017/Q1	2017/Q2
Dry Bulk (thou. tones)	111,17	155,08
Containers (thou. TEU)	9,97	8,17
Oil Product (thou. Tones)	199,78	212,01

¹ <http://chabaharport.pmo.ir>

Data from Pakistan

Table PAK 1. Volumes of international (export & import)¹ carriage of freight by road transport for 2012-2016, thou. tones²

TOTAL	Export	Import	TOTAL	Export	Import	TOTAL	Export	Import
2012			2013			2014		
441725	99370	342355	306939	26568	280371	339788	35475	304313
2015			2016					
573428	20079	553349	817627	37257	780370			

Table PAK 3. Karachi Port Trust commodity wise cargo handling³

Commodity wise cargo handling - Import

COMMODITIES	2013-14	2014-15	2015-16	2016-17	2017- 18 (JULY-NOV)
BULK CARGO (IN THOU. TONS)					
Fertilizer	961	1 129	1 290	1 443	1 091
Rock Phosphate	248	312	478	492	179
Iron Scrap	20		154	16	227
Sugar					
Coconut		6			
Sugar	46	7			
Seeds	161	143	183	325	263
Wheat	113	315			
Coal	4 082	3 759	5 001	7 063	2 324
Coke	33	16	17		
Cement				53	20
Yellow Peas		13			
Canola	121	32	81	90	44
Meal	207	611	912	568	176
Rice	3				
Soda Ash		10	6	11	
TOTAL	5 995	6 353	8 122	10 059	4 325
GENERAL CARGO (IN THOU. TONS)					
Dyes & Chemicals	45	5	2	15	1
Jute	8			20	0
Paper Product	54	24	15	13	3
Timber / Logs	3	2	1	1	0
Tea	41	3	0		
Iron & Steel	1 058	1 509	2 652	2 140	701
Motor Vehicles	29	23	46	150	41
Wheat Flour	14	59	8	0	2
Dangerous Cargo	9	17	21	19	6
Afghan Cargo	321	4			
Other Cargo	11 059	12 858	15 324	16 218	6 823
TOTAL	12 641	14 504	18 070	18 575	7 578
LIQUID BULK CARGO (IN THOU. TONS)					
Crude Oil	7 299	6 795	7 170	7 284	3 352
Diesel Oil	281	365	460	486	523
Furnace Oil	1 086	1 128	1 239	488	26
Petrol	2 399	3 231	4 203	4 828	1 929
Base Oil	28	42	96	88	57
Molasses					

¹ Data on the distribution of cargo traffic between countries was not provided

² Source: Pakistan Customs / federal Board of Revenue

³ Source: Karachi port administration

COMMODITIES	2013-14	2014-15	2015-16	2016-17	2017- 18 (JULY-NOV)
Chemical	407	384	497	627	218
AV Gas	1	2	1	1	
Palm Oil	93	133	124	80	19
Soybean Oil	95	40	268	121	57
Vegetable Oil					
Tallow	18	24	9		
TOTAL	11 707	12 143	14 067	14 004	6 180
TOTAL IMPORTS	30 343	33 000	40 259	42 638	18 083

Commodity wise cargo handling – exports

COMMODITIES	2013-14	2014-15	2015-16	2016-17	2017- 18 (JULY-NOV)
BULK CARGO (IN THOU. TONS)					
Corn					
Rice	90	369	220	245	63
Wheat					
Sugar	1				
Cement	924	874	385	328	147
Clinker					
Urea				43	115
Coke					
Total	1 015	1 243	605	617	325
GENERAL CARGO (IN THOU. TONS)					
Cotton /Yarn	0,1	0,1	1,5	0,0	0,0
Guwer Meal/Oil Cake	0,2	1,5			0,0
Leather (hide & skin)	4	4	3	3	1
Sports Goods	1	1	1	2	0,5
Textiles	5	5	5	5	2
Other Cargo	8 579	7 560	7 787	7 913	3 537
TOTAL	8 591	7 572	7 798	7 923	3 541
LIQUID BULK CARGO (IN THOU. TONS)					
Molasses	117	74	66	102	81
Ethanol	340	415	308	347	206
Base Oil	42	16	12	9	6
Chemical	7	11	16	26	6
Petrol					
Naphtha	895	1 049	965	814	380
LSD					
Crude Oil		42		18	
TOTAL	1 401	1 607	1 367	1 316	679
TOTAL EXPORTS	11 007	10 422	9 769	9 856	4 545
TOTAL EXP+IMP	41 350	43 422	50 028	52 493	22 628
CONTAINER HANDLING (IN THOU. NOS.)					
No of Import Teus	811	896	1 006	1 077	439
No of Export Teus	780	828	951	1 031	470
TOTAL	1 591	1 724	1 956	2 109	910
BREAK UP					
PICT	686	747	843	816	297
KICT	889	955	1 098	1 010	365
PDWCP (SAPTL)	-	-	-	264	240
KPT	16	22	16	18	8
TOTAL	1 591	1 724	1 956	2 109	910

Data from Turkey

Table TUR 1.1. Volumes of international (export & import) cargo transportations¹ for ITI corridor counties, trucks²

Name of the partner countries	2012			2013			2014			2015			2016		
	TOTAL	Export	Import	TOTAL	Export	Import	TOTAL	Export	Import	TOTAL	Export	Import	TOTAL	Export	Import
IRAN	40486	31288	9198	35023	23 005	12 018	54261	34 467	19 794	57061	40 121	16 940	54172	45 332	8 840
PAKISTAN	81	41	40	19	18	1	21	19	2	57	49	8	63	63	0
TOTAL:	40567	31329	9238	35042	23023	12019	54282	34486	19796	57118	40170	16948	54235	45395	8840

Table TUR 1.2. Volumes of international (transit) cargo transportations for ITI corridor counties, trucks³

Departure country name	2012	2013	2014	2015	2016
from EU to IRAN	33549	30075	38815	42636	55278
from EU to TURKEY	266720	271178	261577	275030	287389
from Turkey to EU	301136	300699	306388	321068	339642
from Turkey to IRAN	37 892	43 451	47 925	35 144	40056
TOTAL:	301 136	645403	654705	673878	722365

¹ Source: U-Net Automation System

² Since the data were not presented in tons, but in the number of trips, the amount was calculated in tons (for one trip, 20 tons of cargo). This information is provided only for Turkish trucks. The following notes are also provided: in 2012 almost 65.000 export movements were performed to Iran, totally (including Iran trucks). In addition to that, almost 57.000 were carried out in 2013. Furthermore, in 2012; 1 464 511 and in 2013; 1 542 520 export operations were conducted totally. Other data for 2014-2016 is not available

³ This information is provided only for Turkish trucks.

ANNEX III. DATA FOR CHAPTER 4. DATA OF TIME-COST-DISTANCE RESEARCH

FILE ID	1	2	3	4	5	6	7	8	9	10	11	12
Route	Istanbul (TUR) - Bazargan (IRN) - Artik (TKM) - Farap - Alat (UZB) - Andijan	Istanbul (TUR) - Bazargan (IRN) - Artik (TKM) - Farap - Alat (UZB) - Kokand	Almalik (UZB) - Tashkent - Farap (TKM) - Artik (TKM) - Luftabad (IRN) - Gurbulak (TUR) - Istanbul	Almalik - Alat (UZB) - Farap - Artik (TKM) - Bazargan (IRN) - Gurbulak - Bursa (TUR)	Bandar-Abbas (IRN) - Serahs - Farap (TKM) - Alat - Yallama (UZB) - Kanisbayeva - Shimkent (KAZ)	Peshawar (PAK) - Torkham (AFG),Kabul, Sherkhan Bandar (AFG) - Nizhniy Pyanj, Dushanbe (TJK)	Peshawar (PAK) - Torkham (AFG),Kabul, Sherkhan Bandar (AFG) - Nizhniy Pyanj, Dushanbe (TJK)	Peshawar (PAK) - Torkham (AFG),Kabul, Sherkhan Bandar (AFG) - Nizhniy Pyanj, Dushanbe (TJK)	Peshawar (PAK) - Torkham (AFG) - Jalalabad, Kabul, Samangan - Hairatan (AFG)	Peshawar (PAK) - Torkham (AFG) - Jalalabad, Kabul, Samangan - Hairatan (AFG)	Peshawar (PAK) - Torkham (AFG) - Jalalabad, Kabul, Samangan - Hairatan (AFG)	Peshawar (PAK) - Torkham (AFG) - Jalalabad, Kabul, Samangan - Hairatan (AFG)
Commodity	gear for packing	Tekstil	Sheet of copper	Copper	Texstil	Fresh Fruit	Fresh Fruit	Fresh Fruit	Fresh Fruit	Fresh Fruit	Fresh Fruit	Fresh Fruit
HS Code	3926909	61159900	74031900	74031900	63039100	81090	81090	81090	81090	81090	81090	81090
Perishable	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cargo Weight (tons)	17	17	20	20	20	15	15	15	15	15	18	15
Container?	40"	40"	No	40"	40"	20"	20"	20"	20"	20"	40"	20"
TIR?	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No
Date of completion	11-01-18	27-12-17	5-01-18	15-01-18	18-12-17	2-12-17	2-12-17	2-12-17	3-12-17	6-12-17	6-12-17	6-12-17
Distance (km)	1 717	1 597	1 257	1 382	1 240	1024	1024	1024	1 024	1 024	1 024	1 024
Transit Time (hrs)	34,28	29,72	26,38	25,53	23,43	34,38	33,70	32,75	34	34	33	33
Activities Time (hrs)	54,50	58,67	45,25	42,25	66,75	96,12	97,72	85,55	96	98	88	86
Total Time (hrs)	88,78	88,38	71,63	67,78	90,18	130,50	131,42	118,30	131	131	121	118
Operating Cost (US\$)	\$1 039	\$1 041	\$663	\$976	\$846	\$777	\$752	\$762	\$777	\$752	\$893	\$762
Activities Cost (US\$)	\$487	\$455	\$494	\$517	\$618	\$999	\$1 049	\$933	\$999	\$1 049	\$962	\$933
Total Trip Cost (US\$)	\$1 526	\$1 496	\$1 157	\$1 493	\$1 464	\$1 776	\$1 801	\$1 695	\$1 776	\$1 801	\$1 855	\$1 695
SWOD (km/hrs)	50	54	48	54	53	30	30	31	30	30	31	31
SWD (km/hrs)	19	18	18	20	14	8	8	9	8	8	8	9
Operating Cost (US\$/km)	\$0,61	\$0,65	\$0,53	\$0,71	\$0,68	\$0,76	\$0,73	\$0,74	\$0,76	\$0,73	\$0,87	\$0,74
Activities Cost (US\$/km)	\$0,28	\$0,28	\$0,39	\$0,37	\$0,50	\$0,98	\$1,02	\$0,91	\$0,98	\$1,02	\$0,94	\$0,91
Total Trip Cost (US\$/km)	\$0,89	\$0,94	\$0,92	\$1,08	\$1,18	\$1,73	\$1,76	\$1,66	\$1,73	\$1,76	\$1,81	\$1,66
Drivers						AFG/TJK	AFG	PAK/AFG	AFG/TJK	AFG	AFG/TJK	PAK/AFG

FILE ID	13	14	15	16	17	18	19	20	21	22	23	24	
Route	Karamyk (KYR) - Jirgetal (TJK) - Obi Garm - Fakhrobod - Nizhniy Pyanj	Karamyk (KYR) - Jirgetal (TJK) - Obi Garm - Fakhrobod - Nizhniy Pyanj	Dushanbe - Karamyk (KYR) - Osh - Kara - kul - Bishkek	Erkeshtam (KYR) - Osh - Batken - Kyzyl - bel (KYR) - Guliston (TJK) - Dushanbe	Quetta - Chaman (PAK) - Spin Buldak (AFG) - Kandahar - Herat - Towragh. (AFG) - Serkhet Abad (TKM) - Ashgabat	Quetta - Chaman (PAK) - Spin Buldak (AFG) - Kandahar - Herat - Towragh. (AFG) - Serkhet Abad (TKM) - Ashgabat	Quetta - Chaman (PAK) - Spin Buldak (AFG) - Kandahar - Herat - Towragh. (AFG) - Serkhet Abad (TKM) - Ashgabat	Quetta - Chaman (PAK) - Spin Buldak (AFG) - Kandahar - Herat - Towragh. (AFG) - Serkhet Abad (TKM) - Ashgabat	Quetta - Chaman (PAK) - Spin Buldak (AFG) - Kandahar - Herat - Towragh. (AFG) - Serkhet Abad (TKM) - Ashgabat	Quetta - Chaman (PAK) - Spin Buldak (AFG) - Kandahar - Herat - Towragh. (AFG) - Serkhet Abad (TKM) - Ashgabat	Quetta - Chaman (PAK) - Spin Buldak (AFG) - Kandahar - Herat - Towragh. (AFG) - Serkhet Abad (TKM) - Ashgabat	Peshawar (PAK) - Torkham (AFG) - Kabul - Hairatan (AFG) - Termez (UZB) - Tashkent	Peshawar (PAK) - Torkham (AFG) - Kabul - Hairatan (AFG) - Termez (UZB) - Tashkent
Commodity	Plastics	Plastics	dried fruits	Textiles	Fresh Fruit	Fresh Fruit	Fresh Fruit	Fresh Fruit	Fresh Fruit	Fresh Fruit	Fresh Fruit	Fresh Fruit	
HS Code	38122000	38122000	CC2	CC11	81090	81090	81090	81090	81090	81090	81090	81090	
Perishable	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Cargo Weight (tons)	18	18	20	18,5	14,5	14	14	15	14	15	14	15	
Container?	40"	40"	No	No	20"	20"	20"	20"	20"	20"	20"	20"	
TIR?	No	No	No	No	No	No	No	No	No	No	No	No	
Date of completion	20-12-17	20-12-17	11-11-17	10-11-17	6-12-17	6-12-17	6-12-17	6-12-17	6-12-17	6-12-17	6-12-17	6-12-17	
Distance (km)	624	624	1 334	987	1 504	1503,5	1503,5	1503,5	1 504	1 504	1 792	1 792	
Transit Time (hrs)	17,75	18,00	26,33	19,67	51,80	52,67	51,62	52,82	53	55	97	97	
Activities Time (hrs)	4,88	4,88	18,92	25,67	181,20	183,42	181,38	181,73	182	185	106	118	
Total Time (hrs)	22,63	22,88	45,25	45,33	233,00	236,08	233,00	234,55	235	239	203	215	
Operating Cost (US\$)	\$1 150	\$1 150	\$3 345	\$3 155	\$3 434	\$3 317	\$3 515	\$3 493	\$3 467	\$3 509	\$2 094	\$2 114	
Activities Cost (US\$)	\$137	\$136	\$130	\$92	\$618	\$630	\$628	\$627	\$615	\$614	\$1 024	\$1 044	
Total Trip Cost (US\$)	\$1 287	\$1 286	\$3 475	\$3 247	\$4 052	\$3 947	\$4 143	\$4 120	\$4 082	\$4 123	\$3 118	\$3 158	
SWOD (km/hrs)	35	35	51	50	29	29	29	28	28	27	18	19	
SWD (km/hrs)	28	27	29	22	6	6	6	6	6	6	9	8	
Operating Cost (US\$/km)	\$1,84	\$1,84	\$2,51	\$3,20	\$2,28	\$2,21	\$2,34	\$2,32	\$2,31	\$2,33	\$1,17	\$1,18	
Activities Cost (US\$/km)	\$0,22	\$0,22	\$0,10	\$0,09	\$0,41	\$0,42	\$0,42	\$0,42	\$0,41	\$0,41	\$0,57	\$0,58	
Total Trip Cost (US\$/km)	\$2,06	\$2,06	\$2,61	\$3,29	\$2,70	\$2,63	\$2,76	\$2,74	\$2,71	\$2,74	\$1,74	\$1,76	
Drivers											AFG/TJK	PAK	

ANNEX IV. DATA FOR CHAPTER 6. EXISTING ROADS AND INVESTMENT NEEDS FOR THEIR DEVELOPMENT. ROADSIDE INFRASTRUCTURE. TRUCK PARK

Annex 4.1. General information about roads¹

IRAN		
Categories of roads	Length of road, km	percentage of total road, %
TOTAL ROADS:	232535	100%
<i>including of International significance</i>		
<i>freeways</i>	2401	1,03%
<i>expressways</i>	16627	7,15%
<i>main roads</i>	25538	10,98%
<i>motorways</i>	34633	14,89%
<i>transit roads</i>	24942	10,73%
<i>ruraler roads</i>	128394	55,21%

Categories of roads	PAKISTAN		TURKEY	
	Length of road, km	percentage of total road, %	Length of road, km	percentage of total road, %
TOTAL ROADS:	261595	100%	67119	100%
<i>including of International significance</i>	10302	3,94%	23932	35,66%
<i>motorways</i>	713	0,27%	20793	30,98%
<i>expressways</i>	100	0,04%	2157	3,21%
<i>ordinary</i>	9489	3,63%	982	1,46%
<i>including of national significance</i>	12134	4,64%		
<i>motorways</i>	713	0,27%		
<i>expressways</i>	100	0,04%		
<i>ordinary</i>	11321	4,33%		
<i>including others</i>	239159	91,42%	2722	4,06%
<i>including of category E</i>				

¹ Data provided by national consultants. Kyrgyzstan did not provide information

Annex 4.2. Protocols of roads monitoring

Legends for Protocols of roads monitoring (mark "X" as appropriate):

Legend of section: "Marks for road the quality"

- | | |
|----------|---|
| 5 | - a new road, the speed of the truck to 80-100 km / h; |
| 4 | - a good covering with rare defects, speed of cargo up to 80-100 km /h; |
| 3 | - flaws on the road surface require a speed reduction of up to 30-40 km /h; |
| 2 | - large pits, it is necessary to go round them or reduce the speed to 10-20 km/h; |
| 1 | - flaws restrict movement, in winter special means are needed |

Legend of section: "Special notes"

Information about roadside facilities: **GS** – gasoline station; **Cant.**– canteen;
Host. – a place to sleep, rest; **TSC** – technical service center; **Br.** – bridge;
TP – transport police

Legend of section: "Roadside facilities":

- R** – there is a reconstruction (note "X");
- ∩ – sharp turns (note "X");
- ↓ – sharp descent (if it is, specify the information from road sign in %)
- ↑ – a sharp rise (if it is, specify the information from road sign in %)
- S** – stones, rock falls (depending on the strength, indicate 1 or 2)
- Sn** – snow (depending on the strength, indicate 1 or 2)
- W** – water (depending on the strength, indicate 1 or 2)
- I** – ice (depending on the strength, indicate 1 or 2)
- P** – pits (depending on the strength, indicate 1 or 2)
- N** – narrow, detour is difficult (note "X");
- * – other (note "X" and indicate in the explanations)

Protocol № 1 of road monitoring Chabahar – Zahedan (Iran)

Date of research	2.12.2017
Route:	CHABAHAR (IRN) - ZAHEDAN (IRN)
Corridor :	ITI
research start time:	8:10
research start time:	18:00
break time:	1 hour
number of trucks during the research:	177
number of trucks per hour:	20

Distance, km	Marks for Road Quality					Special notes											Roadside facilities						Additional Notes			
	1	2	3	4	5	R	∩	↑	↓	S	Sn	W	I	P	N	*	GS	cant.	TSC	host.	br.	TP		other		
0	5	5	5	5	5												1									
3	5	5	5	5	5												1									
6	5	5	5	5	5																				Road in 2 lines	
10	4	4	4	4																						
12	5	5	5	5	5																					
13	5	5	5	5	5																		1		new road	
16	5	5	5	5	5																		1		TIR parking is building	
22	5	5	5	5	5																1				Reconstruction of the bridge	
29	5	5	5	5	5													1								
43	5	5	5	5	5																	1				
45	5	5	5	5	5																		1		TIR parking is building	
55	5	5	5	5	5																		1		The road is under construction	
56	5	5	5	5	5																1					
60	5	5	5	5	5					1																
62	5	5	5	5	5													1			1		1		ambulance car	
99	5	5	5	5	5																					
100	5	5	5	5	5																1					
114	5	5	5	5	5												1	1						1	ambulance car	
120	5	5	5	5	5					1																

Distance, km	Marks for Road Quality					Special notes										Roadside facilities							Additional Notes	
	1	2	3	4	5	R	∩	↑	↓	S	Sn	W	I	P	N	*	GS	cant.	TSC	host.	br.	TP		other
140	5	5	5	5	5												1	1		1		1		
142	5	5	5	5	5																		1	rest area is building
143	5	5	5	5	5												1	1		1				
144	5	5	5	5	5		1										1						1	the tunnel is very good
145	5	5	5	5	5					1														
166	5	5	5	5	5												1						1	ambulance car, a recreation area is building
171	5	5	5	5	5		1														1			
172	5	5	5	5	5																			
175	5	5	5	5	5																		1	The tunnel is very good
176	5	5	5	5	5																			
178	5	5	5	5	5																			
192	5	5	5	5	5																		1	a recreation area is being built
231	5	5	5	5	5																			
285	5	5	5	5	5															1			1	rest area is building
310	5	5	5	5	5																			the railway is being built
337	5	5	5	5	5																			a new road is under construction
339	5	5	5	5	5												1							
345	5	5	5	5	5												1	1	1					good rest area
346	5	5	5	5	5																	1		
355	5	5	5	5	5																			the parallel road will end
372	5	5	5	5	5																			
375	5	5	5	5	5													1		1				
380	4	4	4	4		1																		the road is under construction
382	5	5	5	5	5																			new road
384	5	5	5	5	5																		1	ambulance car
398	4	4	4	4		1																		reconstruction
404	4	4	4	4																				
408	5	5	5	5	5																			
410	3	3	3																					200 m bad road
411	5	5	5	5	5																			
415	5	5	5	5	5																			

Distance, km	Marks for Road Quality					Special notes											Roadside facilities							Additional Notes
	1	2	3	4	5	R	∩	↑	↓	S	Sn	W	I	P	N	*	GS	cant.	TSC	host.	br.	TP	other	
416	5	5	5	5	5																		1	ambulance car
418	5	5	5	5	5												1	1	1					
430	3	3	3																					
431	5	5	5	5	5																			
432	5	5	5	5	5																			two different lines
434	5	5	5	5	5																			
438	3	3	3																					
444	5	5	5	5	5																			
446	5	5	5	5	5																			
448	4	4	4	4																				
450	5	5	5	5	5																			
463	5	5	5	5	5																	1	1	ambulance car
470	4	4	4	4																				
480	5	5	5	5	5														1					new road
481	5	5	5	5	5												1	1	1	1	1			
490	5	5	5	5	5																	1		
510	5	5	5	5	5												1	1	1	1		1	1	rest area, ambulance car
519	5	5	5	5	5																			
544	5	5	5	5	5												1	1	1	1				
550	4	4	4	4														1	1					
553	5	5	5	5	5													1	1					
590	4	4	4	4																				
602	4	4	4	4																				
606	4	4	4	4													1	1		1		1	1	
620	4	4	4	4																				
650	5	5	5	5	5																			Zahedan

Protocol №2 of road monitoring Zahedan – Mirjaveh (Iran)

Date of research	3.12.2017
Route:	ZAHEDAN (IRN) - MIRJAVEH (IRN)
Corridor :	ITI
research start time:	9:40
research start time:	11:30
break time:	0 hour
number of trucks during the research:	46
number of trucks per hour:	23
waiting at the border	about 15 trucks

Distance, km	Marks for Road Quality					Special notes										Roadside facilities							Additional Notes		
	1	2	3	4	5	R	∩	↑	↓	S	Sn	W	I	P	N	*	GS	cant.	TSC	host.	br.	TP		other	
0	5	5	5	5	5																				
2	5	5	5	5	5																				two lins
3	5	5	5	5	5																				railway
11	5	5	5	5	5														1						TSC is building
12	5	5	5	5	5																	1			
37	5	5	5	5	5																	1			
64	4	4	4	4																					
99	5	5	5	5	5																				recreation area is building
100	5	5	5	5	5																				

Protocol № 3 of road monitoring Van – Kapi koy (Turkey)

Date of research 26. 12.2017
Route: VAN (TUR) – KAPIKOY (TUR)
Corridor : ITI
research start time: 10:00
research start time: 12:00
break time: 0 hour
number of trucks during the 2
research:
number of trucks per hour: 1

Distance, km	Marks for Road Quality					Special notes											Roadside facilities							Additional Notes
	1	2	3	4	5	R	∫	↑	↓	S	Sn	W	I	P	N	*	GS	cant.	TSC	host.	br.	TP	other	
0	5	5	5	5	5																			
2	5	5	5	5	5																			
4	5	5	5	5	5												1							
24	5	5	5	5	5																			
31	4	4	4	4																				
35	5	5	5	5	5																			
59	4	4	4	4													1	1	1					
65	4	4	4	4																				
67	4	4	4	4																				
75	4	4	4	4																				
93	4	4	4	4																				
97	4	4	4	4																				

Protocol № 4 of road monitoring Van – Esendere (Turkey)

Date of research 27.12.2017
 Route: **VAN (TUR) - ESENDERE (TUR)**
 Corridor : **ITI**
 research start time: 9:00
 research start time: 13:00
 break time: 0 hour
 number of trucks during the research: **34**
 number of trucks per hour: **9**
 waiting at the border about **50** trucks

Distance, km	Marks for Road Quality					Special notes											Roadside facilities						Additional Notes		
	1	2	3	4	5	R	∩	↑	↓	S	Sn	W	I	P	N	*	GS	cant.	TSC	host.	br.	TP		other	
0	5	5	5	5	5																				
16	4	4	4	4			1																		Road with 4 lanes
19	5	5	5	5	5												1								
21	5	5	5	5	5												1								
22	5	5	5	5	5												2								
23	5	5	5	5	5												1								
26	5	5	5	5	5												1	1		1	1				
27	5	5	5	5	5																				
40	5	5	5	5	5												1								
59	5	5	5	5	5												1								
63	5	5	5	5	5												1								
75	5	5	5	5	5		1	1																	
77	5	5	5	5	5		1	1																	
80	4	4	4	4																					V<=30 km/h
82	4	4	4	4			1		1																V<=30 km/h
83	4	4	4	4										1											
84	5	5	5	5	5		1		1	1															
89	5	5	5	5	5																				

Distance, km	Marks for Road Quality					Special notes										Roadside facilities							Additional Notes	
	1	2	3	4	5	R	∩	↑	↓	S	Sn	W	I	P	N	*	GS	cant.	TSC	host.	br.	TP		other
90	5	5	5	5	5																			V<=30 km/h
91	5	5	5	5	5													1						
92	5	5	5	5	5												1							
103	5	5	5	5	5																			
105	5	5	5	5	5	1											1							
112	5	5	5	5	5												1	1	1					
123	5	5	5	5	5												1		1					
114	5	5	5	5	5													2		1				
115	5	5	5	5	5												1							Parking
126	4	4	4	4					1								1							V<=50 km/h
131	5	5	5	5	5																			
139	5	5	5	5	5																			
143	4	4	4	4								1												Water comes on the road
147	4	4	4	4			1																	
150	5	5	5	5	5				1															
153	4	4	4	4						1														
156	5	5	5	5	5		1		1	1														
159	4	4	4	4																	1			
160	5	5	5	5	5		1																	
162	5	5	5	5	5																		1	
176	5	5	5	5	5																			
179	5	5	5	5	5																			
180	5	5	5	5	5																			
185	5	5	5	5	5													1						
186	5	5	5	5	5																			
190	5	5	5	5	5													2					1	
195	5	5	5	5	5													1					1	
204	4	4	4	4																				
209	4	4	4	4										1										V<=30 km/h
211	5	5	5	5	5																			
218	4	4	4	4										1										
223	3	3	3											1										
231	5	5	5	5	5																			

Annex 4.3. Construction and reconstruction of roads

No	Name of the project (road sections / road furniture objects (bridge, tunnel, etc.))	Select the types of works from the list	The length of the road section, km	Planned dates the project	Stage of construction	Alignment with the plan	Total estimated costs, mln. \$US	Funding resources
PAKISTAN								
1	Sehwan-Ratodero Additional Carriageway (N-55)	rehabilitation	197	2011-2016	other	on time	134,51	JICA
2	Sukkur-Shikarpur- Jacobabad Dual Carriage Way (ADB) (N-65)	rehabilitation	68,5	2011-2016	other	on time	29,18	ADB
3	Makran Coastal Road (Pak/Iran border)	construction	653	2011-2016	other	on time	142,14	Pakistan Govern.
4	Hoshab-Basima-Surab	construction	454	2011-2016	other	on time	21,50	Pakistan Govern.
5	QilaSaifullah-Zhob (N-50)	reconstruction	155	2011-2016	other	on time	83,94	Pakistan Govern.
6	Gwader-Turbat-Hoshab (M-8)	construction	193	2011-2016	completed	delay	123,66	Pakistan Govern.
7	Multan-Sukkur Motorway	construction	392	2011-2019	building	on time	2773,58	China Exim Bank/ CPEC Initiative
8	Lahore-Multan Motorway	construction	230	2011-2020	building	on time	1424,53	Pakistan Govern.
TOTAL:			2342,5				4733,05	

Annex 4.4. Toll roads along ITI corridor

Current toll roads

Route of toll roads	Length of road, km	Is the road on the border	Is there an alternative route(yes/no)	Cost of use, \$ US	The way of payment		Current challenges
					Online, without stop of vehicle	Through the terminal, with of vehicle	
IRAN¹							
Qazvin-Zanjan Freeway	160	No	Yes	Trailer – 4,5		Yes	No
				3-axel Truck – 4		Yes	No
				2-axel Truck – 2.6		Yes	No
Zanjan-Tabriz Freeway	240	No	Yes	Trailer - 7		Yes	No
				3-axel Truck – 6		Yes	No
				2-axel Truck – 2		Yes	No
Karaj-Qazvin	90	No	Yes	Trailer – 1,30		Yes	No
				3-axel Truck – 1.30		Yes	No
				2-axel Truck – 1		Yes	No
PAKISTAN²							
Islamabad-Peshawar Motorway (M-1)	156	No	Yes	1,42	Yes	No	Partly online. The e-tag system reliability is often compromised
Peshawar-D.I.Khan (N-55)	297	No	Yes	0,28	No	yes	High cost, due to revenue leakages
D.I.Khan- Zhob (N-50)	221	No	Yes	0,28	No	yes	
Zhob-Quetta (N-50)	340	No	No	0,28	No	yes	
Quetta- Lakpass (N-25)	50	Yes	No	0,28	No	yes	
Lakpass- Taftan (N-40)	610	Yes	No	0,28	No	yes	
Gawader-Gabd-Jawani	82,6	Yes	No	0,28	No	yes	
TURKEY³							
Izmir-Aydin Motorway (Izmir Ringroad included)	180		Yes	TL			
Bursa Ringroad	80		No	Free			
Edirne-Kinali Motorway	235		Yes	TL			
Kinali-Sakarya Motorway	185		Yes	TL			

¹ IRI Roads and Urban Development Ministry (www.rmto.ir)

² National Highway Authority, Ministry of Communications

³ Ministry of Transport Maritime Affairs and Communications, General Directorate of Highways (www.kgm.gov.tr). Date on the 31.12.2017.

Route of toll roads	Length of road, km	Is the road on the border	Is there an alternative route(yes/no)	Cost of use, \$ US	The way of payment		Current challenges
					Online, without stop of vehicle	Through the terminal, with of vehicle	
Istanbul 1. Ringroad	117		Yes	Free			
Sakarya-Kazanci-Gümüşova Gerede Motorway	192		Yes	TL			
Ankara-Gerede Motorway (Ankara Ringroad inc.*)	230		Yes	TL			
Kemerhisar-Pozanti Motorway	161		Yes	TL			
Aydin ringroad	8		No	Free			
Tarsus-Pozanti Motorway	65		Yes	TL			
Tarsus-Mersin Motorway	108		Yes	TL			
Tarsus-Adana-Gaziantep Motorway	320		Yes	TL			
Toprakkale-Iskenderun Motorway	132		Yes	TL			
Gaziantep Ringroad	29		No	Free			
Gaziantep-Şanlıurfa Motorway	248		Yes	TL			
Gebze-Orhangazi-Izmir Motorway	219		Yes	TL			
North Marmara Motorway	148		Yes	TL			

Planning toll roads of Turkey'

Route of toll roads	Length of road, km	At what stage of decision	How investment is implemented
Gebze-Orhangazi-Izmir Motorway (Osmangazi Bridge Inc.) (219 km of 433 km completed)	214	Under Construction	PPP
North Marmara Motorway (Kınalı-Odayeri Section – Europe)	80		
North Marmara Motorway (Kurtköy-Akyazı Section – Asia)	170		
Kınalı-Tekirdağ-Çanakkale-Balıkesir Motorway (Malkara-Çanakkale (1915 Çanakkale Bridge Inc.) Section)	101		
Menemen-İliç-Çandarlı Motorway	76		
Ankara-Niğde Motorway (Kırşehir Link Road Inc.)	330		
Aydın-Denizli-Burdur Motorway (Aydın-Denizli Section)	165	In the project design process	PPP
Ankara-Kırıkkale-Delice Motorway & Kırıkkale Link Road	119		
Mersin-Erdemli-Taşucu Motorway	92		
Afyon-Antalya-Alanya Motorway (Antalya-Alanya Section)	187		
Ankara-İzmir Motorway	572		
Kınalı-Tekirdağ-Çanakkale-Balıkesir Motorway (Kınalı-Malkara and Çanakkale-Şavaştepe Section)	251		
İzmir Gulf Transition	13		



Current route of toll roads – 2 657 km (Turkey)

¹ Ministry of Transport Maritime Affairs and Communications, General Directorate of Highways (www.kgm.gov.tr). Date on the 31.12.2017.



PPP Motorway projects (toll roads) under construction – 971 km(Turkey)



Target PPP motorway projects (toll roads) for 2018-2023 – 1 539 km(Turkey)

ANNEX V. MAXIMUM PERMISSIBLE AXLE LOADS

applied in the territories of contracting parties in accordance with their domestic legislations (Article 18 TTFA and Annex IV TTFA)

No.	Contracting Parties	Maximum	Permissible	Loads	Maximum permissible laden weight
		For single Axles	For tandem Axles	For triple axles	
1	I. S. of Afghanistan	10.0	16.0	22.0	36.0
2	Azerbaijan Rep.	10.0	18.0	24.0	44.0
3	I.R. of Iran	13.0	20-22	24-26	40-44
4	Rep. of Kazakhstan	10.0	16.5	22.5	38*
5	Kyrgyz Rep.	10.0	16.5	22.5	38.0
6	I.R. of Pakistan	12.0	22	31	40.0
7	Rep. of Tajikistan	10.0	12-18	16-22.5	40
8	Rep. of Turkey	10.0	18.0	25.0	40.0
9	Turkmenistan	6	10	13	36.0
10	Rep. of Uzbekistan	10.0	16.5	22.5	38.0

ANNEX VI. LIST OF ECO NATIONAL CONSULTANTS INVOLVED IN THE PROJECT

Name	Designation	Contact Details
Islamic Republic of Iran		
Mr. Homayoon Karimi	Head of International Agreements Unit, Road Maintenance and Transport Organization	Tel: +982188898427 Email: Homayounkarimi1959@yahoo.com
Islamic Republic of Pakistan		
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ANNEX VII. REPORT OF THE 5TH HIGH-LEVEL WORKING GROUP MEETING ON KTAI ROAD CORRIDOR



No: TC/2019/1068

Priority: Urgent
Date: 5/12/2019
Attachment: No

The Secretariat of the Economic Cooperation Organization presents its compliments to the Ministry of Foreign Affairs of the Islamic Republic of Iran and the Embassies of the Islamic Republic of Pakistan and the Republic of Turkey in Tehran and, with reference to its Note Verbale No. TC/2019/1042 dated 2nd December 2019 enclosing the Report of the 5th High-Level Working Group Meeting on ITI Road Corridor, held on 26th November 2019 in Tehran, has the honour to quote Paras 19-20 and 42 of the Report:

Quote

19. The meeting noted the comments provided by the delegations on the latest development for insertion in the appropriate chapters of the proposed final report and requested the member states to send updated developments to the ECO Secretariat through proper channel within one month.

20. After detailed discussions the Meeting decided to approve the report via incorporating proposed amendments/improvements as a new chapter in the final study report.

42. The meeting discussed the ways of mobilizing loads for trucks and decided to implement test run of loaded trucks under TIR for ITI corridor in 2020. For this purpose the Meeting requested enroute ITI countries to nominate their national coordinator from inside the relevant ministries (national consultants of the study project on ITI road corridor) and private sector, particularly TIR Guarantying Associations, and send their contacts to the ECO Secretariat within one month time."

Unquote

It would be highly appreciated if the concerned authorities of the enroute countries may kindly expedite conveying to the Secretariat updated developments in their respective countries along ITI Corridor to prepare a new chapter for the final report of the study and also introducing the names/contacts of the focal persons (one from relevant ministries and one from private sector) for the test run of trucks along the Corridor, latest by end of December 2019.

The Secretariat avails itself of this opportunity to renew to the esteemed Ministry and the esteemed Embassies the assurances of its highest consideration.



Ministry of Foreign Affairs of the Islamic Republic of Iran - ECO Affairs Section
The Embassy of the Islamic Republic of Pakistan
The Embassy of the Republic of Turkey

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Report of the 5th HLWG meeting on ITI Road Corridor (26 November 2019, Tehran, I.R of Iran)

The 5th High Level Working Group (HLWG) meeting of the ITI Road Corridor was held on 26th November 2019 in Tehran, hosted by Road Maintenance and Transportation Organization, Ministry of Road and Urban Development of the Islamic Republic of Iran. The Meeting was attended by the delegations of the Islamic Republic of Iran, Islamic Republic of Pakistan and the Republic of Turkey. The International Consultant for the field study, authorized representative of IRU and representatives from private sectors also attended the Meeting. The list of participants is attached as **Annex-I**.

The 4th HLWG meeting on KTAI & 5th HLWG on ITI road corridors meeting were organized back to back and the both meetings were inaugurated together. The inaugural statements presented by the ECO Deputy Secretary General and Deputy Minister of Roads and Urban Development of the Islamic Republic of Iran/Chairman of Road Maintenance and Transportation Organization were also made on the first day of both the meetings.

Agenda Item No.1

Inauguration of the Meeting

1. Mr. Kanan Nazarov, Deputy Secretary General of ECO, delivered an inaugural statement, appreciated the Government of the Islamic Republic of Iran, particularly the Road Maintenance and Transportation Organization, Ministry of Roads and Urban Development for arranging this important event and extending hospitality to the representatives of ECO Member States. He expressed appreciation to the enroute countries for their national inputs to the study and coordination for the field visit of the consultancy team to the road segments and border crossing points (BCPs) along the Corridor including visits to Chabahar and Karachi ports enabling collection of comprehensive data/information for the study. He also highly estimated IRU's co-sponsorship for the study and its institutional guidance to elevate the quality of the analytical job. While mentioning visible headway in usage of TIR carnets by the carriers in the enroute countries, he highlighted the importance of moving on in line with the new technologies proposing more secure and faster exchange of information of the goods being transported under digital TIR. He also noted the significance of CMR consignment note. He further stated that the ECO Secretariat is ready to cooperate with UNECE and IsDB to organize regional workshops on e-TIR and e-CMR for the Member States and a national workshop on CMR for Afghanistan in 2020. He hoped that with the positive support of the enroute Member States, the set goal of movement of goods and transport on these corridors could be achieved. A copy of the Statement is attached as **Annex-II**.

2. H.E. Mr. Abdolhashem Hasannia, Deputy Minister of Roads and Urban Development of the Islamic Republic of Iran/Chairman of Road Maintenance and Transportation Organization inaugurated the Meeting. He welcomed all the delegates to the historic city of Tehran and hoped that the outcome of the Meeting

will further facilitate the transit transport along the ITI & KTAI corridors. He highlighted that the collaboration and cooperation of ECO Member States with the international organizations will boost the development of transport infrastructures within their territories. He stated that ECO has provided ideal opportunity for the Member States to develop regional transport cooperation, including these important Road Corridors.

3. He highlighted that Central Asia, West Asia and the Middle East, have always been a crossroads of trade worldwide and have played a key and safe transit route for thousands of years for transport development. The construction of the so called Pearl Road, Royal Road, the Spice road, and later their integration to the ancient Silk Road, testifies them to the reality. He further said that the increasing expansion of logistics in the process of globalization, the emergence of regional markets and the significant share of freight costs, in particular for road transport, would require new foundations for regional cooperation, for which, establishment of transit corridors, especially ITI and KTAI road corridors under the framework of ECO would give some examples.

4. He strongly believes that the activation of these two road corridors will lead to a major step forward in regional trade. Holding these two meetings at the right time and right place in order to explore the business opportunities in the region, upon report presenting by the International Consultant; will provide a much better understanding of the opportunities and challenges of transit development in these two corridors. A copy of the Statement is attached as **Annex-III**.

5. A video message of Mrs. Tatiana Rey-Bellet, the TIR Director of IRU has been displayed. She stated that the IRU and ECO have a long standing record of cooperation. She stated that IRU believes that with the support of all enroute countries of the corridor, KTAI would be activated very fast as the route is the shortest and the costs could be significantly decreased comparing to other routes. She wished all the best for the subject meeting. █

Agenda Item No. 2

Election of the Chairman

6. Under this Agenda Item, the Meeting elected Mr. Jaafar Jamili, Deputy Director General, Transit and International Transport Department, Road Maintenance and Transportation Organization, Ministry of Road and Urban Development of the Islamic Republic of Iran as the Chairman of the Meeting.

Agenda Item No. 3

Adoption of the Agenda

7. Under this Agenda item, the Meeting adopted its Agenda as proposed by the ECO Secretariat. A copy of the Agenda is attached as **Annex-IV**.

Agenda Item No. 4

Appointment of the Drafting Committee

8. Under this Agenda Item, the Meeting established an open ended Committee to draft the report of the Meeting.

Agenda Item No.5

Consideration and discussion of the revised version of the final report on the field study:

9. Under this agenda item, the International Consultant presented the findings of the field study on ITI Road Corridor, major challenges on the way of movement of

trucks along the Corridor, and recommendations. Presentation is attached as **Annex-V**

10. As per the findings of this study project, the meeting was noted that Mirjaveh/Taftan checkpoints of Iran and Pakistan were visited where construction of the customs terminal in Taftan was observed. The zone for the customs inspection was noted as relatively small, lacking necessary facilities. Different permissible limitations of weight and dimensions in addition to some religious occasions and interim change in trade policies as well as application of various documents to registration, etc has resulted congestion at Taftan/Mirjavah BCP.

11. The representative of the Islamic Republic of Iran stressed on the necessity of speeding up the construction/rehabilitation of the ITI road corridor in the territory of Pakistan, particularly Quetta-Taftan segment.

12. The representative of the Islamic Republic of Pakistan briefed the meeting on the latest developments on construction of roads at Quetta-Taftan and measures taken at Taftan checkpoint. Notably, bad stretches of National Highway between Taftan border and Quetta have been repaired/improved. Geometric improvement of 130 kms near Kishingi Hill area is also being taken up for which necessary funds have been allocated. The meeting was also briefed on the measures being taken at Taftan, notably with the help of National Logistic Cell (NLC) is operating a border terminal at Taftan on Pak-Iran border.

13. As regards customs facilitation procedures, the meeting noted with satisfaction that a meeting of technical teams of customs of Iran and Pakistan was held at Zahedan (Iran) in October 2019 to finalize protocol of electronic exchange of data. A draft MoU for electronic data exchange was prepared to be finalized by relevant authorities of both countries and thereafter pilot run of EDI will start followed by full scale implementation at Mirjaveh-Taftan.

14. The meeting was also briefed on the latest measures being taken at Serow/Esendere checkpoints as regards the working hours reported open 24/7 but in practice open during daytime and developments regarding exchange of information.

15. During the field study of ITI road corridor the international consultant observed the following problems, as the most important impediments, at the Checkpoints and for the drivers as well for custom clearance.

- On the route of the ITI corridor there is a hard-to-reach area on Quetta-Taftan segment of Pakistan;
- Observed that except Iran and Turkey, there are not enough rest areas for drivers, in some cases they are not enough (especially hostels), their location is spontaneous, the quality leaves much to be desired. Food places are mainly eateries;
- In Pakistan there are not enough TIR parkings. IRU's website contains information about all available TIR parking lots (with the option of on-line search for the country, the location of the parking lot and the services available on it), but there are only information available on Turkey and Iran but Pakistan did not provide such information to IRU;
- The trucking fleet of Pakistan needs upgradation as per the international standards.
- Data exchange between the customs services of neighboring countries is purely carried out: between the checkpoints of Turkey and Iran within the framework of the TIR system. The representative of Islamic Republic of Iran

calls for such kind of procedures to be implemented between Iran and Pakistan as well.

16. Both the Governments of the Islamic Republic of Iran and Islamic Republic of Pakistan showed readiness to develop two new border crossing points at Pishin/Mand & Rimdan/Gabd on account of burden on available borders.

17. The representative of the Islamic Republic of Pakistan stated that all the routes of ITI Corridor in Pakistan are operational. Being a strong proponent of regional connectivity, Pakistan has taken a number of measures through construction of high speed motorways along the ITI Corridor for facilitating international transport, up-gradation of Boarder Crossing Points, Operationalization of TIR Transit System in Pakistan after completing post accession formalities and above all most encouraging news is Pakistan's accession to CMR Convention which has now aligned Pakistan's procedures with the international regime. Along one of the ITI Routes in Pakistan, the Government has recently completed and opened for traffic a 6-lanes efficient motorway facility between Multan and Sukkur under CPEC initiative. Another Motorway between Hakla & D.I Khan (285 Kms in length) as part of CPEC is under construction and adequate resources have been mobilized to make this additional facility available for ITI Traffic by the end of 2020.

18. The final recommendations of the field study have been reviewed and the meeting requested the enroute member countries to do their utmost efforts to implement the recommendations. Copy of final recommendations are attached as **Annex-VI**.

19. The meeting noted the comments provided by the delegations on the latest development for insertion in the appropriate chapters of the proposed final report and requested the member states to send updated developments to the ECO Secretariat through proper channel within one month.

20. After detailed discussions the Meeting decided to approve the report via incorporating proposed amendments/improvements as a new chapter in the final study report.

Agenda Item No. 6

Discussion of the Action Plan

21. Under this Agenda Item, the Action Plan (short version) was presented by the representative of the ECO Secretariat highlighting apparent physical and non-physical shortcomings and urged the enroute countries on possible urgent actions, notably on those issues pertaining to non-physical character (provision of relevant equipment/facilities) and requiring appropriate coordination measures.

22. The representative of the Islamic Republic of Pakistan apprising meeting stated that the Taftan border is connected with Quetta through 640 kms National Highway N-40. Bad stretches have been improved to facilitate the traffic. Improvement of 130 kms near Kishingi Hill area is also being taken up on priority for which necessary funds have been allocated. The existing facilities at Taftan border terminal have been improved by construction of a hall to accommodate drivers, dining facilities, washrooms, toilets, waiting sheds and cafeteria etc.

23. He said as regards lack of "Electronic Data Interchange (EDI)" between customs offices of Pakistan and Iran at Taftan-Mirjaveh BCPs, a draft MOU for electronic data exchange is being finalized by customs authorities of both countries and thereafter a pilot run of EDI will start functioning followed by full scale implementation at Mirjaveh-Taftan borders by 1st May 2020.

24. He further said that in order to overcome the issue of accumulation of trucks at Mirjaveh-Taftan borders, work schedule has been rationalized and agreed by Pakistan and Iran during the Joint Road Transport Commission Meeting. The current working hours, of the border crossing points agreed to the timings from 07.00 am to 1630 hrs, extendable till 1900 (Iranian local time).

25. He mentioned that Customs zone at Taftan is not small as mentioned in the report. Capacity of Custom House Taftan has been increased to cater for import / export cargo. There are enough computers for Customs clearance purposes at Taftan. However, in case of increased workload, number of computers shall be increased by June 2020. In order to overcome the deficiency of vehicle scanners at Taftan, National Logistics Cell of Pakistan is procuring more scanners for Taftan Yard by 30th June 2020.

26. He appraised the meeting that the matter of granting multiple entry visas to the drivers/crew members in line with the article-12 of the ECO TTFA needs to be put in place by ECO Secretariat.

27. The meeting noted comments and views of the delegates and approved the portion related to the ITI Road Corridor of the Action plan. Approved action plan is attached as **Annex-VII**

28. Noting ongoing real TIR operations along various routes and realizing the significance of CMR consignment note for carriage of goods as identified by the study, the meeting requested ECO Secretariat to organize e-TIR and e-CMR regional workshops for the member states in 2020 in collaboration with UNECE and IsDB.

29. The representative of the ECO Secretariat informed the meeting that in order to give a push to the Article 12 of the TTFA, the ECO Secretariat has come up with an idea of introducing a visa facilitation mechanism, "ECO Visa Sticker Scheme" for drivers, which was presented to the 1st Senior Consular Officials' Meeting (Tehran, October 2016). This remains still pending. Noting the slow progress on the subject and in order to activate the Corridor, the meeting was presented by the ECO Secretariat a general concept of the ITI corridor visa pilot scheme via authorizing Foreign Ministry of each member country for issuance of one year multiple entry visa for the drivers based on the list provided by the ministry of transport (eg. containing names of maximum 30 drivers). As per the proposed mechanism which is attached as **Annex-VIII**.

30. This mechanism will not limit the current procedures of issuance of visa but will provide further facilitation to professional drivers who transport goods in this corridor. This mechanism would be implemented as a pilot in 2020 and will be reviewed in 2021 by the members of the corridor for further improvement.

31. The meeting noted that the insurance issues may be resolved through organizing a meeting between the Insurance Companies of the ITI enroute countries. The meeting may be organized at the ECO Secretariat.

32. All enroute countries as well as IRU representative and the representative of the private sectors (ITCA) fully supported the Proposal. After deliberations the meeting adopted the proposed ITI corridor visa pilot scheme presented by the ECO Secretariat and decided to send this proposal to the enroute countries through proper channel for their consideration. The clearance on the proposed mechanism of the enroute countries on this issue will be communicated to the ECO Secretariat latest by the end of March 2020.

Agenda Item No.7

Discussion of the test run of loaded trucks

33. On behalf of the IRU Mr. Behnam Faramarzian, Head of TIR/ATA Department, Iran's Chamber of Commerce, Industry, Mines and Agriculture (ICCIM) appreciated the Government of the Islamic Republic of Iran, particularly the Road maintenance Organization, Ministry of Roads and Urban Development for arranging this important event and extending hospitality to the representatives of ECO Member States. He stated that IRU and ECO have a long standing record of cooperation. He focused on the last example of ECO-IRU enhanced cooperation and the subject of this meeting which is the study on KTAI and ITI corridors enabling the private sectors to have a clear picture of the existing opportunities and potential of the corridor. The text of his statement is attached as **Annex-IX**.

34. He wished that the ITI will be activated very fast under full digital TIR IT tools as the route is the shortest and the costs could be significantly decreased comparing to other routes. He hoped that the action plan, with further support and commitment of all members of the corridor, could expedite the activation of this corridor. He expressed readiness on behalf of the IRU to provide the support for implementing the test run of loaded trucks among the ITI enroute countries.

35. The representative of the ECO Secretariat informed that the issue of organizing test run of loaded trucks after Pakistan's completion of all TIR formalities was initially proposed under HLWG on ITI Road Corridor in 2016. Noting the ongoing TIR operations started with first TIR operations from Zahedan Custom House in July 2018 carrying goods to Quetta followed by another TIR operation by Pakistan in October 2018 via sending trucks from Karachi to Kabul through Peshawar and Jalalabad, the meeting discussed at length future plans of sending on mobilizing loaded trucks along ITI in both directions under TIR.

36. Representatives of the private sector of three countries provided the latest updates on TIR operations and future plans on increasing number of trucks in this direction.

37. The importance of the multimodal transport along ITI road corridor has been highlighted.

38. Representative of the Islamic Republic of Pakistan stated that after accession to TIR Convention, Government of Pakistan has completed all the post accession formalities. A trial run between Pakistan and Iran as well as between Pakistan and Afghanistan has already taken place. It is also heartening to report that Pakistan has also acceded to CMR Convention which is considered to be an important legal instrument in facilitating the carriage of goods by road transport.

39. He further stated that in view of all these encouraging developments particularly completion of Field Study on ITI Road Corridor and political will of the enroute member countries, Pakistan believes that it is now the right time to operationalize ITI Road Corridor so as to realize the dream of regional economic integration envisaged by our leaderships for promoting trade activities with the ultimate objective to bring prosperity for this region and for its people.

40. The meeting has been informed that a meeting between the traders and international transport companies of Turkey and Pakistan is going to be held on 3-4 December 2019 in Karachi.

41. It was proposed that a meeting may also be organized among the traders, transport associations, chambers of commerce, transport officials, custom and other relevant government officials, to resolve the issues of TIR operations and loads issues between the ITI enroute countries.

42. The meeting discussed the ways of mobilizing loads for trucks and decided to implement test run of loaded trucks under TIR for ITI corridor in 2020. For this purpose the Meeting requested enroute ITI countries to nominate their national coordinator from inside the relevant ministries (national consultants of the study project on ITI road corridor) and private sector, particularly TIR Guarantying Associations, and send their contacts to the ECO Secretariat within one month time.

Agenda Item No 8.

Any other business

43. The representative of the Islamic Republic of Pakistan raised its concerns about the extra charges by the Iranian side from the Pakistani transporters. The issue suggested to be solved through bilateral negotiations between Iran and Pakistan.

44. The representative of the Islamic Republic of Iran strongly believes that relevant analysis concerning trade matrix between Iran and Pakistan based on four modes of transport and extremely low amount of Turkish and Pakistani trucks crossing Iran territory toward each other should be analyzed in detail.

45. For the integration of ITI road corridor with CPEC, the representative of the Islamic Republic of Iran suggested that China may be invited in the next ITI road corridor meeting. While the representative of the Islamic Republic of Pakistan suggested that after operationalization of the ITI road corridor, China may be invited to participate in the ITI road corridor meeting.

Agenda Item No. 9.

Date and venue of the next Meeting

46. The meeting concluded that its next 6th HLWG will be held in Turkey. The exact date of the meeting will be conveyed to the en-route Member States in consultation with the host country.

Agenda Item No. 10

Adoption of the Report

47. The Meeting unanimously adopted its Report, prepared by the Drafting Committee.

Agenda Item No. 11

Vote of thanks and closing of the Meeting

48. At the conclusion, the delegations expressed deep appreciation for the warm hospitality extended by the Government of the Islamic Republic of Iran.

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Approved ACTION PLAN
for ITI and KTAI ROAD CORRIDORS

Existing shortcomings	Countries	Measures ongoing/to be taken	Timelines	Remarks
I. DEVELOPMENT OF ROADS AND ROADSIDE INFRASTRUCTURE				
<ul style="list-style-type: none"> Road “missing” segments of Herat – Andkhoy Ring Road: Armalik (Herat)-Laman (52km) in Herat/Baghdis provinces; 	Afghanistan	Construction works are ongoing Start point KM60+000 – KM112+500 from Armalik upto Laman	End 2020	FS: 2008. Saudi Fund for Development (SFD) is involved
<ul style="list-style-type: none"> “Qaisar-Laman” segment (34 km) in Baghdis province; 		Construction works are underway.	End 2020	FS: 2008. ADB’s fund is involved.
<ul style="list-style-type: none"> Qaisar-Laman” segment (24 km) in Baghdis province; 		Construction works are underway.	End 2020	FS: 2008. ADB’s fund is involved.
<ul style="list-style-type: none"> “Qaisar-Laman” segment (151 km) in Baghdis/Faryab provinces 		After completion of design works (end 2019) to	2022	ADB’s fund is expected to be involved

		start procurement process		
<ul style="list-style-type: none"> Lakpass-Taftan section of Quetta-Taftan road was reported as very bad road, possessing only 2 lanes, despite the fact the traffic intensity is high 	Pakistan	Improving the quality of the road	End 2020	Bad stretches of National Highway between Taftan border and Quetta has been repaired / improved. Geometric improvement of 130 kms near Kishingi Hill area is also being taken up for which necessary funds have been allocated.
<ul style="list-style-type: none"> Since customs clearance of cargo moving to Islamabad shall be made by Quetta (dry port), throughput of Quetta-Taftan segment will be increasing which requires adequate road conditions for trucks. 	Pakistan	Improving the quality of the road	End 2020	Taftan border is connected with Quetta through 640 kms National Highway N-40. Bad stretches have been improved to facilitate the traffic. Improvement of 130 kms near Kishingi Hill area is also being taken up for which necessary funds have been allocated.
<ul style="list-style-type: none"> Construction of recreation area at immediate vicinity of Taftan checkpoint was observed as a long-term construction 	Pakistan	Completing the construction		<p>National Logistic Cell (NLC) is operating a border terminal at Taftan on Pak-Iran border. Following facilities have already been provided from NLC resources:</p> <p><u>a.Exclusive Facilities for Foreign (Iranians) Drivers / Crew:</u></p> <p>(1) A hall to accommodate 20x individuals.’ (2) Dining facilities (3) 6x washrooms (4) 6x toilets</p>

				<p>b. <u>Facilities for Pakistani Drivers / Crew:</u></p> <p>(1) Waiting sheds</p> <p>(2) Cafeteria</p> <p>(3) 5x washrooms</p> <p>(4) 5x toilets</p> <p>Facilities will be further enhanced with the increase of move / traffic across border</p>
<ul style="list-style-type: none"> Lack of road signs, names of towns/villages along the visited road segments was observed by the international consultant. 	Afghanistan	Accession to UN Conventions on "Road Traffic" & "Road Signs and Signals" (1968)	2021	Implementation of post-accession requirements
<ul style="list-style-type: none"> About 30-35 km of road at Jirgetal-Dushanbe segment was recorded as very poor and unsafe for driving. 	Tajikistan	Construction of a bypass road	2020-2024	As the segment falls under the flooding zone of the Rogun hydroelectric station, a bypass road section (75.6 km) has been developed. The project is divided into 3 phases: 1 st phase (November 2019) start with announcing a tender and identifying a contractor. At 2 nd and 3 rd phases, it is planned to construct a bypass road, 2 tunnels and 1 bridge.
<ul style="list-style-type: none"> Toll roads: There is 354 km of toll road 	Tajikistan	Provision of alternative (free)		Iran and Turkey have free alternative roads.

and no alternative and the cost \$40		road needs to be anticipated by the national plan		
<ul style="list-style-type: none"> Almost 2000 km of toll roads and almost half of them don't have free alternative roads 	Pakistan	Inclusion of alternative free roads in the national plans		Costs of travel is relatively low.
<ul style="list-style-type: none"> Roadside infrastructure: Lack of TIR parking, rest areas for drivers, spontaneous location, low quality 	Afghanistan Kyrgyz Pakistan Tajikistan	Make plans for construction of TIR parkings, rest areas for drivers etc.		Turkey and Iran are possessing developed TIR parking Tajikistan commissioned 132 roadside facilities
<ul style="list-style-type: none"> Truck fleet: ~30-40% of Kyrgyz and Tajik trucks were reported as quite old 	Afghanistan Iran Kyrgyz Pakistan Tajikistan	Renew truck park		Only Turkey is regularly renewing its park Iran is decreasing average age of truck fleet from 15 years up to 12 years during 5 years. Renewal of truck fleet by Pakistan is in the National Policy (trucking policy)
<ul style="list-style-type: none"> Good portion of trucks are self-made & may reach up to 70 tons 	Pakistan	Standard trucks to replace self-made trucks		
II. DEVELOPMENT OF CHECKPOINTS				
<ul style="list-style-type: none"> Lack of "electronic data 	Afghanistan			Tajikistan & Afghanistan were reported

interchange (EDI)" b/n customs offices at BCPs: Karamyk-Jirgetal, Taftan-Mirjaveh, Islam Qala-Dogharun	Iran Kyrgyz Tajikistan Pakistan	Modernize BCPs as per 5- year Action Plan on customs provisions of TTFA	2020-2021	exchanging data at Nizhniy Pyanj.. Data exchange is being made under TIR system b/n Turkey & Iran. For Taftan-Mirjaveh, a meeting of technical teams of customs of Iran and Pakistan was held at Zahedan Iran on 17-10-2019 to finalize protocol of electronic exchange of data. A draft MoU for electronic data exchange was prepared, after signing MoU pilot run of EDI will start followed by full scale implementation at Mirjaveh-Taftan.
<ul style="list-style-type: none"> • TIR IT Tools to be in place: Introduce TIR IT tools into the customs system of Afghanistan; Adjusting the customs system of Tajikistan and Kyrgyz Republic to fully implement the digital TIR; Iran and Turkey fully expand eTIR pilot project to all TIR customs offices and all TIR transport operators; • Pakistan to enter into eTIR project with Iran and Turkey; 	Afghanistan Iran Kyrgyz Pakistan Tajikistan Turkey		2020	
<ul style="list-style-type: none"> • Karamyk checkpoint of Kyrgyz is used purely for bilateral trade b/n Kyrgyz and 	Kyrgyz	Assigning of international		Karamyk is in the list of international checkpoints under EAEU (2016)

Tajikistan.		status required is	2020	
<ul style="list-style-type: none"> Accumulation of trucks at Mirjaveh/Taftan: Work schedule (hours) difference, Not harmonized maximum load weight 	Iran & Pakistan	<p>Pakistan regulations on Maximum weight needs to be reviewed. Negotiate and agree on common working hours.</p> <p>Establish TIR green lanes</p>		<p>Article 9 TTFA: <i>...to coordinate working hours of adjacent frontier posts.</i></p> <p>Pakistan has already started the change of regulations on maximum weight load.</p> <p>There is no issue of accumulation of trucks as work schedule has been rationalized and agreed by both sides. For movement of goods, the normal border timings has been fixed from 07.00 am to 6.30 pm.</p>
<ul style="list-style-type: none"> Lack of convoy of trucks moving from Taftan to customs zone at 1 km distance cause break of seals, forgery of documents; 	Pakistan	<p>Modernization of Taftan BCP so that formalities with customs control may be done in one site.</p> <p>Equip customs zone with required facilities.</p> <p>To use TIR system for bilateral trade</p>	2020-2021	Trucks are moving in convoy and under customs escort from Taftan border to Custom House Taftan, and there is no issue of seal breakage or forgery of documents.

<ul style="list-style-type: none"> • Customs zone is small; 				Customs zone at Taftan is enough consisting of NLC Yard and Custom House Taftan. This area is sufficient to cater for import / export cargo.
<ul style="list-style-type: none"> • Shortage of computers at the customs area (Taftan) 			30 June 2020	There are enough computers for Customs clearance purposes at Taftan. However, in case of increased workload, number of computers shall be increased.
<ul style="list-style-type: none"> • All trucks are being inspected due to lack of scanner at customs zone 			30 June 2020	Currently, there is only one vehicle scanner at Taftan. However, NLC authorities are procuring more scanners for Taftan Yard.
<ul style="list-style-type: none"> • Accumulation of trucks at Serow BCP: lack of scanning equipment 	Iran	Equip with scanning machine		Scanning machine is under procurement
<ul style="list-style-type: none"> • Accumulation of trucks at Dogharun/Islam Qala: work schedule (day/hours) difference. Not harmonized maximum 	Iran & Afghanistan	Afghanistan regulations on Maximum weight needs to be reviewed.	2020	Article 9 TTFA: <i>...to coordinate working hours of adjacent frontier posts</i>

load weight		Negotiate & agree on working days/hours. Establish TIR green lanes		
<ul style="list-style-type: none"> • Problems with Internet, • Restriction of work hours of Herat logistics centre where customs clearance is made (upto 14:00); • Lack of safety for overnight stay of drivers; • Lack of safety of cargo; • Lack of guarantee for payment of customs duties 	Afghanistan	<p>Modernize BCP as per 5-year Action Plan on customs provisions of TTFA</p> <p>Take security measures, eg. organize secured TIR parkings.</p> <p>To use TIR system for bilateral trade</p>	2020-2021	
III. FACILITATION OF VISA FOR DRIVERS				
<ul style="list-style-type: none"> • Collecting visas by drivers performing international transport of goods remain one of key issues. • Drivers from Iran, Kyrgyz and Tajikistan have free-visa regime for Turkey. 	Enroute countries ECO Secretariat	“KTAI corridor visa pilot scheme” is proposed to be followed to facilitate visa for drivers performing		<p>Article 12 of TTFA: “<i>The Contracting Parties shall grant visas to the drivers of the vehicles and the persons engaged in international transit traffic operations....</i>”</p> <p>TIR system could be used as a model for granting visa to authorized transport</p>

<ul style="list-style-type: none"> • Drivers from Turkey have free-visa regime for Iran and Kyrgyz. • Afghan visa is recorded is the most difficult to obtain and its cost is high 		carriage of goods along KTAI	2020	operators (drivers).
		“ITI corridor visa pilot scheme” is proposed to be followed in order to facilitate visa for drivers performing carriage of goods along ITI		
IV. MOTOR VEHICLE THIRD PARTY LIABILITY INSURANCE SCHEME (MVTPL)				
<ul style="list-style-type: none"> • The law on compulsory MVTPL insurance is planned to adopt only in 2019 	Kyrgyz	Adoption of the Law on MVTPL	2019	Article 22 and , Annex V of TTFA: <i>The Contracting Parties shall take steps necessary for the insurance of their motor vehicles to cover third party liability incurred in the course of transit traffic...</i>
<ul style="list-style-type: none"> • There are legislative requirements for compulsory MVTPL but they do not apply to foreign vehicles 	Pakistan Tajikistan	More in-depth analysis is required on existing national legislation, needs and ways for		Contracting parties shall use an interim MVTPL insurance scheme unless all the Contracting Parties accede to the International Green Card System....”
<ul style="list-style-type: none"> • There are legislative requirements for compulsory MVTPL but the insurance market is not developed 	Afghanistan			

<ul style="list-style-type: none"> Market of international freight transportation is not big enough for the recoupment of the White Card system 	<p>Afghanistan Kyrgyz Tajikistan</p>	<p>improvement, assistance to the insurance business</p>		
<ul style="list-style-type: none"> Lack of payment mechanism of insurance payment by non-residents 	<p>Afghanistan Pakistan</p>			
<ul style="list-style-type: none"> Great risks due to poor technical condition of vehicles 	<p>Afghanistan Kyrgyz Pakistan Tajikistan</p>			
<ul style="list-style-type: none"> The amount of the deposit to participate in the ECO White Card system is too large 	<p>Afghanistan, Kyrgyz Pakistan Tajikistan ECO Secretariat</p>	<p>ECO Secretariat to organize a meeting of insurance companies of ITI countries</p>	<p>1st half 2020</p>	