

The 7th Ministerial Meeting on Transport & Communications
(Antalya-Turkey, 15-17 April, 2008)

ANNEX VII- UNCTAD 3

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Agenda Item 7 : The Transit Transport Framework Agreement

Promoting Regional Cooperation and Integration through the implementation of the Transit Transport Framework Agreement (TTFA) in the ECO Region

**SEVENTH MEETING OF THE MINISTERS OF TRANSPORT AND
COMMUNICATIONS OF ECO MEMBER STATES, ANTALYA, TURKEY, 15-17
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The Economic Cooperation Organization Transit Trade Framework Agreement (ECO-TTFA): Discussion at the TTCC Meeting

Elements of Contribution and Discussion

- The Economic Cooperation Organization includes Iran, Pakistan, Turkey, Afghanistan, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan;
- The establishment of regional transport corridors and the adoption of common rules and standards, where appropriate, should play a role in transit transport facilitation. In that regard, the role of regional and sub regional organizations such as the ECO should be further strengthened and supported. In this context, the regional and sub regional organizations may need further assistance from the international community;
- The existing institutional mechanisms at the policy and operational levels to monitor and promote the implementation of agreements and arrangements involving landlocked and transit developing countries should be further strengthened and supported;
- Over the past 12 years the member states have been collaborating to accelerate the pace of regional development through their common endeavors. Besides shared cultural and historic affinities, they have been able to use the existing infrastructural and business links to further fortify their resolve to transfer their hopes and aspirations into a tangible reality. ECO has embarked on several projects in priority sectors of its cooperation including trade and transportation to site a few;
- The UN General Assembly in its resolution 49/102 of 19 December 1994, entitled " Transit Environment in the land-locked States in Central Asia and their transit developing neighbors" invited the Secretary-General of the UNCTAD in close cooperation with other institutions to elaborate a programme for improving the efficiency of the current transit environment by studies and other initiatives;
- The Transit Trade Framework Agreement (TTFA) was developed by ECO with the technical assistance of the United Nations Conference on Trade and Development. The TTFA has been signed by a total of nine ECO countries, as well as other non-ECO countries such as Mongolia. Under UNCTAD auspices, the Negotiating Conference on the Transit Transport Framework Agreement held in Ashgabat, Turkmenistan 18-20 November 1997 elaborated the final text;
- The ECO Transit Transport Framework Agreement (TTFA) was signed in May 1998 during the 5th ECO Summit. Eight annexures of the agreement were approved by the 3rd ECO Ministerial Meeting on Transport and

Communications held in Islamabad in April 2000. With the exception of Uzbekistan, the agreement has been signed by all the ECO Member States. Until recently, only five countries namely; Azerbaijan, Kyrgyz Republic, Kazakhstan, Pakistan and Tajikistan had ratified this important transit transport document. In November 2006 Afghanistan formally notified the Secretariat that it had ratified the agreement. Thus it became the sixth country to ratify TTFA. Therefore, in terms of the Article 43 of the Agreement, TTFA had enter into force on 19th May 2006;

- The TTFA is more comprehensive than just a transit facility. It addresses designation of transit routes, multimodal transport, frontier facilities, traffic regulations, road permits, vehicle requirements and axle limits, mutual and reciprocal recognition of driving licenses and entry visas for drivers/transporters, third party motor vehicle insurance, and so on. The agreement can be seen as a more effective strategy for expanding trade through regional transit transport cooperation.
- The framework agreement further seeks to promote efficient and cost effective transit operations by: (a) coordinating transit transport policy; (b) facilitating transit transport through the coordination of regional transport networks; (c) harmonization of technical standards of regional transport networks; (d) adoption of basic rules governing transit transport operations; (e) introduction of simplified and harmonized customs procedures in order that transit goods may travel with minimum interference *en route* and yet offer maximum safeguards and ; (f) setting up effective institutional support arrangements for transit. Moreover, the protocols which provide operational underpinning for the agreement are an integral part of the agreement. Indeed, the TTFA is so comprehensive that the very complexity of the Agreement makes important to be implemented under the ECO institutional leadership in the region with the UNCTAD's technical support;
- Analysis indicates that the TTFA, should benefit from the transit guarantee mechanism for duties and taxes on transit goods that are diverted (regardless of the reason) into a national economy;
- The implementation of the provisions of the TTFA will contribute to the full use of existing and new corridors combining and coordinating rail and road services on the revived and new Silk Road Initiatives;
- Detailed implementing modalities and guidelines have to be developed. There are neither detailed instructions for enforcement of the TTFA, nor Standard Operating Procedures for customs, immigration or transport officials as of now but requires to be developed.

The following initial setting up steps for its operationalization may be required:

- ECO Member States need to assign higher priority to transit transport sector. It may require adjustment of national legislations, institutional setup, involvement of participating actors such as private

sector institutions and other relevant national, sub and regional entities of the ECO;

- Identifying applicable arrangements and mechanisms both at the national level and sub and regional level including relevant national institutions in transport, transit, commerce, customs, private sector in each member state;
- Identification and nomination of the Focal Point Institution in each of the ECO member state to follow-up pending ratifications, if any and its provisions. Member States may consider to establish/strengthen National Trade, Transport and Transit Committees in any form suitable to their national plans with specific mandates;
- An appropriate indication of time table to implement the provision of the TTFA would put the issue in an active file. This task could be initiated by the TTCC Committee of the ECO;
- Development and agreeing upon its elements as well as putting in place of the Country Actions Plans with substantive, technical and financial support provided by concerned institutions. These plans could be latter translated into national projects and activities;
- Undertaking comprehensive analyses by national consultants (for example international conventions referred in TTFA and its annexes) to identify common issues taking into account of physical and non-physical barriers including national laws and arrive at appropriate recommendations to be implemented by national authorities;
- If necessary, member states may consider piecemeal method to start with the implementation of the TIR Carnets as a first step followed by other provisions;
- Organizing national, sub and regional capacity building workshops and other information for the familiarization of the provisions of the TTFA;

UNCTAD's Technical Support subject to the availability of funds could include:

- Share vast technical and inter-governmental experience since its inception for the TTFA is ready to be used;
- Undertake technical analyses, studies needed for the implementation of the TTFA provisions;
- Assist in organizing and participating with resource persons in regular training of officials of national governments and institutions entrusted with responsibility of implementing and monitoring progress in TTFA and related activities;

- Address interlinked issues such as trade facilitation, multimodal transport aspects of the TTFA and keep the ECO member states fully informed;
- Provide and possibly assist the ECO member states of the provisions of the " July Package " currently being discussed/negotiated at the WTO;
- Provide technical support in building capacity of the national institutions involved in trade, transit, transport and custom facilitation. In this connection, assist in setting up of National Trade and Transport Facilitation Committees and or other such mechanisms/arrangement/institutional cells or entities, if requested;
- Implementation of the UNCTAD's land mark Customs Modernization Programme of "ASYCUDA" including its "Transit Module" on cost and project design bases;
- Assist the ECO ST and its member states in identifying and approaching jointly if needed, donor institutions for possible funding of national projects related to the provisions of the TTFA

