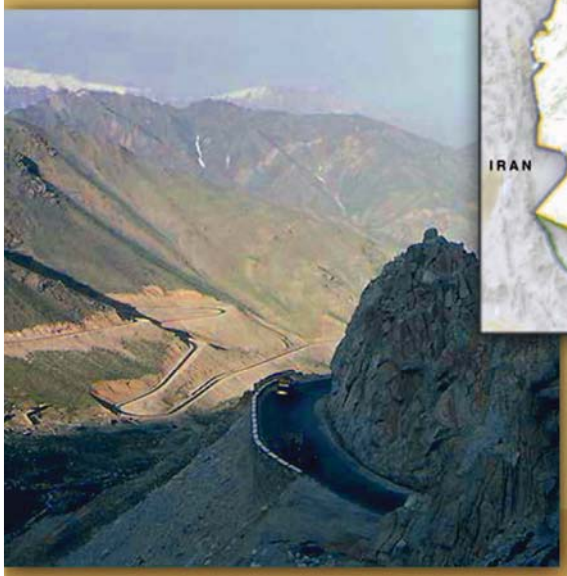
EEF.NGO/4/10
1 February 2010

ENGLISH only

IRU

Road Haulage from Europe and China to Afghanistan



Moscow, 2009

Содержание

List of abbreviations

ADB –	Asian Development Bank
AGR	European Agreement on Main International Traffic Arteries
AH –	Asian Highway network
BCP –	Border Crossing Point
BWTO –	IRU Border Waiting Time Observatory
CAREC –	Central Asia Regional Economic Cooperation
CASPAR –	Azerbaijan State Caspian Sea Shipping Company
CIM	Uniform Rules Concerning the Contract for International Carriage of Goods by Rail ("Western" railway law in COTIF member states)
CIS –	Commonwelth of Independent States
COTIF	Convention concerning International Carriage by Rail
EU –	European Union
ICAO –	International Civil Aviation Organization
IRU –	International Road Transport Union
MFN –	Most Favoured Nation treaty
NELTI –	New Euro-Asian Land Transport Imitative, IRU Project
NT –	National treatment
OSJD	Organisation of Railway Cooperationr
SMGS	Agreement on International Carriage of Goods by Rail ("Eastern" railway law in OSJD member states)
TRACECA –	Transport corridor Europe – Caucasus – Asia
UNECE –	United Nations Economic Commission for Europe
UNESCAP –	United Nations Economic and Social Comission for Asia and Pasific
WCO –	World Customs Organisation
WTO –	World Trade Organisation
XUAR –	Xinjiang Uygur Autonomous Region

Explanatory notes:

- -	A hyphen signifies that the amount is nil
… -	Three dots indicate that data are not available or are not separately reported
0,0	A duble zero signifies that the amount is less than half the unit used

Introduction

This analytical report has been prepared by the International Road Transport Union (IRU), following a decision taken by a Seminar on the expansion of road haulage routes from Europe to Afghanistan via the Southern Caucasus (held on 17th July, 2009 in Tbilisi, Georgia), organised by the IRU and the US Department of Commerce, in conjunction with the Georgian Ministry for Economic Development and the Georgian Association of International Road Hauliers (GIRCA).

The aim of this report is to define the tasks and assess the outlook for road haulage from Europe to Afghanistan via the Caucasus and from China to Afghanistan. It is also hoped to **develop recommendations** to resolve existing problems and establish favourable conditions for road haulage and trade development in the countries concerned and along all these routes.

This analytical report consists of two sections. The first section gives an overall assessment of the means of shipping goods to Afghanistan by road. The second section focuses on the analysis of the key problems, which need to be tackled when arranging shipments to Afghanistan, main criteria and principles, which will need to be employed when making shipments to Afghanistan. Finally, the second section outlines the recommendations which have been developed and the proposed means for international organisations, national governments, the IRU and national associations for facilitating, securing and developing road haulage along these roads to Afghanistan.

PART 1. OVERVIEW OF OPTIONS OF ROAD HAULAGE TO AFGHANISTAN FROM EUROPE AND CHINA

1. Existing Schemes for Moving Freight to Afghanistan

Because of Afghanistan's land-locked location (with some 500 km to the nearest seaport in the Persian Gulf), harsh, mountainous terrain amid ranges and high plateaus of the snow-capped Hindu Kush, historical reasons for the formation of its transport system and the current poor condition of transport infrastructure, schemes for moving freight to Afghanistan are very limited and boil down to the following:

1. Direct air shipment;

2. Multimodal shipment (air-and-road, rail-and-road, sea-and-road); and

3. Direct road shipment.

An underdeveloped airfield network (only four airfields have paved three-kilometre plus runways required by heavy transport freighters such Boeing-747 or MD-11) and rudimentary airfield equipment which falls short of the standards and recommendations of the International Civil Aviation Organization (ICAO) severely restrict the use of **direct air shipment schemes**.

Most major international air carriers are reluctant to make regular cargo flights to Afghanistan because they find flight safety and aviation security risks unacceptable.

Humanitarian cargo flights by military transport planes to Afghanistan are impeded by the need to obtain flights permits to cross the air space of several countries. Since there exist limits on the number of such permits, transit flights are reserved mainly for airlifting military contingents and military cargo.

On the whole, the delivery of civil and humanitarian cargoes by air is very expensive and in any case requires subsequent shipment of supplies by road from Kabul, Bagram and some other airfields to their respective destinations.

The cost of airfreight differs depending on the type of aircraft and choice of a specific route, and according to expert estimates, ranges from US$ 0.5 to 1.0 per 1 tonne-kilometre. For example, the delivery of 20 tonnes of cargo from Hamburg to Kabul (about 5000 km) would cost an estimated US$ 40,000-80,000, with take-off to touch-down time being 6 to 8 hours.

Multimodal schemes for moving freight necessitate the use of road transport and transloading at seaports, airfields or mainline railway stations.

Scheme 2a: Karachi Seaport – Afghanistan

Until now, cargo originating in Europe and USA, including materiel and technical support supplies intended for the international military contingent in Afghanistan, used to be shipped to that country via the Port of Karachi and then by road across Pakistan and Afghanistan (Table 1).

Table 1

Road Transport Leg of the Cargo Shipment Route to Afghanistan via Karachi Port, Pakistan

Section	Road number in accordance with Agreement on Asian Highway Network (AH)	Distance, km
Karachi - Quetta	AH7	687
Quetta – Chaman (Afghan border)	AH7	129
Speenboldak (Pakistan border) -	AH7	105

Section	Road number in accordance with Agreement on Asian Highway Network (AH)	Distance, km
Kandahar		
Kandahar – Kabul	AH-1	472
Total: Karachi – Kabul		**1393**

Starting from 2008, however, the route has been plagued by serious problems affecting primarily the safety and regularity of cargo flows across Pakistan (the mass media reported a series of attacks on truck convoys carrying supplies to Afghanistan). Escalating political tensions in and around Pakistan, intensified activity of the Taliban including its more frequent raids on truck convoys come together to imperil the entire Karachi-Quetta-Bagram route. Besides, a definite risk is posed by the tense situation relating to Iran and prospects for its possible worsening, which may call into question the very possibility for making use of Karachi Seaport for moving freight to Afghanistan.

Scheme 2b: Airports of Neighbouring Countries – Afghanistan

The limited capabilities of Afghanistan's air transport infrastructure made it necessary to use airports of countries neighbouring on Afghanistan in order to arrange for the shipment of non-military cargo to that country.

The U.S. Air Force base located at Manas Airport near Bishkek, Kyrgyz Republic, traditionally served as a transit centre for moving freight to Afghanistan. Upon arrival at the air base, supplies were carried to their respective destinations in Afghanistan across the Republic of Tajikistan (Table 2).

Table 2

Road Transport Leg of the Cargo Shipment Route to Afghanistan via Manas (Bishkek) airport, Kyrgyz Republic

Section	Road number in accordance with Agreement on Asian Highway Network (AH)	Distance, km
Bishkek – Kara-Balta	AH5	60
Kara-Balta – Dzhalal Abad – Osh	AH7	621
Osh – Sary-Tash – Karamyk (Tajikistan border)	AH65	326
Jirgatal (Kyrgyz border) - Dushanbe	AH65	367
Dushanbe – Nizhniy Panj (Afghan border)	AH-7	185
Shirkhan (Tajikistan border) - Kabul	AH-7	388
TOTAL: Bishkek – Kabul		**1947**

However, the possible closure of Manas air force base is certain to restrict the use of the aforesaid air-and-road transport scheme.

Navoi Airport, Republic of Uzbekistan, can become another major transit hub. In fact, humanitarian cargo has already begun to flow to the peacekeeping contingent in Afghanistan via that route. At present, Navoi Airport is run by Korean Air, South Korea's largest airline, and a US$ 200 million credit facility has been opened for the purpose of the airport modernization.

Navoi Airport can accept heavy cargo planes of any type, including Boeing-747-400 freighters

currently operated by Korean Air. Following its modernisation, the airport will be able to handle some 100,000 tonnes of cargoes per year, according to some estimates. Cargoes destined for Afghanistan will then be hauled by road via the Termez/Hairaton border crossing. In accordance with the understandings reached by South Korea and Uzbekistan, the cargo shipment operation inside Afghanistan is to be run by a joint venture formed by South Korea's Hanjin and its partner company in Uzbekistan (Table 3).

Table 3

Road Transport Leg of the Cargo Shipment Route to Afghanistan via Navoi airport, Uzbekistan

Section	Road number in accordance with Agreement on Asian Highway Network (AH)	Distance, km
Navoi – Bukhara	AH5	105
Bukhara - Guzar	AH63	210
Guzar – Termez – Hairatan (Afghan border)	AH62	241
Hairatan – Mazar-i-Sharif	AH-62	120
Mazar-i-Sharif – Polekumri	AH-76	327
Polekumri – Kabul	AH-7	219
TOTAL: Navoi – Kabul		**1222**

Other airports planned to be used as transit and transloading centres in moving freight to Afghanistan include Termez, Republic of Uzbekistan, Aini, Republic of Tajikistan, and some others.

One shortcoming of such air-and-road schemes is increased time and cost of moving cargo as compared with direct air shipment. Whereas the distance, time and cost of air transportation remains actually unchanged, the road transport leg extends the time and distance (for example, the distance from Navoi and Manas to Kabul in both cases exceeds the distance from Karachi to Kabul) (see Tables 1-3).

Scheme 2c: Transportation by rail from points in third countries with cargo transfer from rail transport to road transport at the border with Afghanistan

This arrangement calls for cargo carriage by rail (using boxcars and/or containers) from Europe across Russia, Ukraine, Kazakhstan and Central Asia. Notwithstanding summit-level agreements on its use, this option is the least advantageous from the economic viewpoint, because:

- Afghanistan lacks a railway system of its own, which requires cargoes/containers to be transferred from rail transport to road transport;

- Direct rail transportation of containers from Europe to the Afghan border is impossible because of the break-of-gauge between European and CIS countries (1435 mm vs. 1520 mm) and the incompatibility of the CIM Rules in the West and the SMGS conditions in the East, which necessitates cargo/container transloading on the EC/CIS border (except for Latvia, Lithuania and Estonia) and full-scale redrafting of all consignment documents;

- The speed of delivery of cargoes/containers on the railway network is fairly low (according to expert estimates, the average service speed of a goods train on a CIS railway is 35-40 km/h; also, one should take account of the time required for

loading/unloading at the point of departure and the destination point and delays at individual border crossings); and

- A lack of transparency in railway tariff calculation, since most railway companies are natural monopolies in their respective countries.

According to expert estimates, the largest number of large-tonnage containers from Europe to Afghanistan flowed through the Baltic ports and then across Russia, Kazakhstan and Uzbekistan. Freight is carried by rail mainly to Termez, Republic of Uzbekistan, and then to Afghanistan via the Hairaton automobile border crossing. In this case, the road transport leg is 666 km.

2. Alternative Routes for Moving Freight

Direct road transport arrangements are currently not used to deliver humanitarian supplies to Afghanistan. This shows that the advantages of road transport are underestimated.

In the meantime, cargo carriage between Central Asia, Caucasian and European countries under cover of TIR carnets is developing successfully, as graphically demonstrated by the IRU project known as New Eurasian Land Transport Initiative (NELTI).

The results of the Project have shown that there are safe and efficient options for moving freight across the Caucasus region and Central Asia and that motor road infrastructure is no impediment to long-distance haulage.

Considering the NELTI Project results and the existence of a usable road network, it is possible to indicate the following five routes for **uninterrupted** movement of **massive quantities** of cargo to Afghanistan (Fig. 1):

1. Europe to Afghanistan:

- 1a) Via Black Sea port (Georgia), Azerbaijan, Kazakhstan and Uzbekistan to Afghanistan.
- 1b) Via Black Sea ports (Georgia), Azerbaijan and Turkmenistan to Afghanistan.

2. China to Afghanistan:

- 2a) From the Chinese-Kyrgyz border via the Kyrgyz Republic and the Republic of Uzbekistan to Afghanistan.
- 2b) From the Chinese-Tajik border via the Republic of Tajikistan to Afghanistan.
- 2c) From the Chinese-Kazakh border via the Republic of Kazakhstan and the Republic of Uzbekistan to Afghanistan.

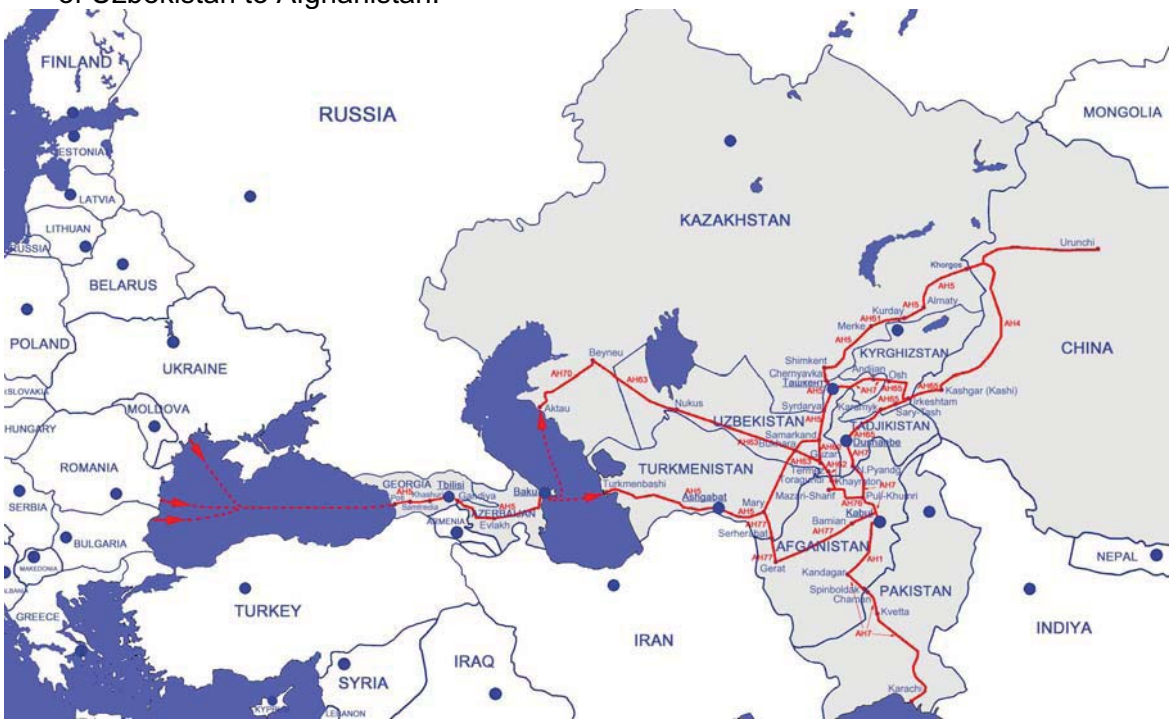


Fig. 1. Alternative routes for carrying cargoes to Afghanistan by road

Under ***Option 1a*** freight from the ports of Batumi/Poti (Georgia) is moved to Afghanistan using the Baku-Aktau Caspian Sea truck ferry service (Table 4). The route passes across five countries: Georgia, the Republic of Azerbaijan, Kazakhstan, Uzbekistan and Afghanistan (the total number of borders crossed is four).

Table 4

Road Transport Leg of the Cargo Shipment Route to Afghanistan via Caucasus, Kazakhstan and Uzbekistan

Section	Road number in accordance with Agreement on Asian Highway Network (AH)	Distance, km
Poti (Georgia) - Senaki - Kutaisi – Khashuri – Tbilisi – Krasniy Most (Azerbaijan Border) - Ganja – Evfakh – Alat – Baku (Azerbaijan)	AH5 (E60)	936
Sea ferry Baku - Aktau	Sea ferry leg	650
Aktau – Beyneu (Kazakhstan)	AH70 (E121)	463
Beyneu - Nukus (Uzbekistan) – Bukhara – Guzar	AH63 (E40)	1278
Guzar – Termez – Hairatan (Afghan border)	AH62	241
Hairatan – Mazar-i-Sharif	AH-62	120
Mazar-i-Sharif – Polekumri	AH-76	327
Polekumri – Kabul	AH-7	219
TOTAL:: Poti – Kabul		**4234**

The route is along two-lane hard-surface motor roads (four-lane in the vicinity of major cities). Goods are carried under the TIR procedure along the entire distance (except in Afghanistan), and road vehicles and cargo (containers) mounted thereon are required not to exceed the following overall dimensions: 4 m in height, 2.55 m in width (2.6 m for refrigerators), 12 m in length (if an individual trailer) or 20 m (if a road-train).

At the same time, the requirements as to the maximum weight of a road vehicle vary from country to country: 38 tonnes in the Republic of Azerbaijan, 36 tonnes in Kazakhstan, 40 tonnes in Uzbekistan, and 41.5-61.5 tonnes in Afghanistan.

Under the current arrangement, when goods moving along that route arrive at the Hairaton border crossing point they are transferred to road vehicles registered in Afghanistan.

Under ***Option 1b*** freight from the ports of Batumi/Poti (Georgia) is moved to Afghanistan using the Baku-Turkmenbashi Caspian Sea truck ferry service (Table 5). The route passes across four countries: Georgia, the Republic of Azerbaijan, Turkmenistan and Afghanistan (the total number of borders crossed is three).

Table 5

Road Transport Leg of the Cargo Shipment Route to Afghanistan via Caucasus and Turkmenistan

Section	Road number in accordance with Agreement on Asian Highway Network (AH)	Distance, km
Poti (Georgia) - Senaki - Kutaisi – Khashuri – Tbilisi – Krasniy Most (Azerbaijan Border) - Ganja – Evfakh –	AH5 (E60)	936

Section	Road number in accordance with Agreement on Asian Highway Network (AH)	Distance, km
Alat – Baku (Azerbaijan)		
Sea ferry Baku - Turkemenbashi	Sea ferry leg*)	520
Turkemenbashi – Ashgabat – Mary	AH5	947
Mary – Serkhetabat (Afghan border)	AH77	315
Tourghondi (Turkmen border) – Herat (Afghanistan)	AH77	119
Herat – Bamiyan - Djbulsarcj	AH77	864
Djbulsarcj – Kabul	AH7	64
TOTAL:: Поти – Kabul		**3765**

The route is along two-lane hard-surface motor roads (four-lane in the vicinity of major cities). Goods are carried under the TIR procedure along the entire distance (except in Afghanistan), and road vehicles and cargo (containers) mounted thereon are required not to exceed the following overall dimensions: 4 m in height, 2.55 m in width (2.6 m for refrigerators), 12 m in length (if an individual trailer) or 20 m (if a road-train).

At the same time, the requirements as to the maximum weight of a road vehicle vary from country to country: 38 tonnes in the Republic of Azerbaijan, 36 tonnes in Kazakhstan, 40 tonnes in Uzbekistan, and 41.5-61.5 tonnes in Afghanistan.

Under the current arrangement, when goods moving along that route arrive at the Hairaton border crossing point they are transferred to road vehicles registered in Afghanistan.

Under ***Option 1b*** freight from the ports of Batumi/Poti (Georgia) is moved to Afghanistan using the Baku-Turkmenbashi Caspian Sea truck ferry service (Table 5). The route passes across four countries: Georgia, the Republic of Azerbaijan, Turkmenistan and Afghanistan (the total number of borders crossed is three).

The route is along two-lane hard-surface motor roads (four-lane in the vicinity of major cities). Goods are carried under the TIR procedure along the entire distance (except in Afghanistan).

Along the entire distance (except in Afghanistan) road vehicles and cargo (containers) mounted thereon are required not to exceed the following overall dimensions: 4 m in height, 2.55 m in width (2.6 m for refrigerators), 12 m in length (if an individual trailer) or 20 m (if a road-train).

Again, the requirements as to the maximum weight of a road vehicle vary from country to country: 38 tonnes in the Republic of Azerbaijan, 34-36 tonnes in Turkmenistan, and 41.5-61.5 tonnes in Afghanistan.

Under the current arrangement, when goods moving along that route arrive at the Herat border crossing point they are transferred to road vehicles registered in Afghanistan.

A more active use of that route (which is shorter than the previous one) is held back by a lack of agreements between the US government and the government of Turkmenistan on the transit of non-military cargo across the territory of Turkmenistan.

In addition to the existing options for moving cargo from Europe and the USA to Afghanistan via the South Caucasus region, routes linking China and Afghanistan appear to be quite promising because of the following:

- Implementation of programmes for establishing major industrial and agricultural production facilities, including export-oriented, in western provinces of China as part of China's policy to balance the levels of economic development of Eastern and Western China, attract investment and develop local infrastructure;

- Regular automobile transportation expected to commence shortly and link China with the Kyrgyz Republic and the Republic of Uzbekistan in accordance with the 1998 Tripartite Intergovernmental Agreement on International Road Transport The IRU has carried out extensive work to make said agreement work by arranging expert consultations (to be held in early November 2009 in the Kyrgyz Republic) with the subsequent exchange of permits among the Contracting Parties, and the commencement of traffic;

- Shorter distances (as compared with routes from Europe) and the least number of automobile border crossing points; and

- Road infrastructure in Kazakhstan, the Kyrgyz Republic, Uzbekistan and Tajikistan sufficiently developed for large-scale carriage of cargo; additional steps being taken to upgrade and improve motor roads, bridges, tunnels and border crossing points.

Tables 6, 7 and 8 describe possible routes from China to Afghanistan across Kazakhstan, Uzbekistan, the Kyrgyz Republic and Tajikistan.

Table 6

Road Transport Leg of the Cargo Shipment Route to Afghanistan from Western via Kyrgyz Republic and Uzbekistan

Section	Road number in accordance with Agreement on Asian Highway Network (AH)	Distance, km
Urumqi *) – Kashi (Kashkar)	AH4	1436
Kashi (Kashkar) – Irkeshtam (Kyrgyz border)	AH65	217
Irkeshtam – Osh	AH65	262
Osh – Uzbek border	AH7	5
Uzbek border - Andidjan	AH7	45
Andidjan – Tashkent	AH7	419
Tashkent – Samarkand	AH5	277
Samarkand – Termez	AH62	363
Termez – Hairatan (Afghan border)	AH62	23
Hairatan – Mazar-i-Sharif	AH62	120
Mazar-i-Sharif – Polekumri	AH76	327
Polekumri – Kabul	AH7	219
TOTAL: **Kashi (Kashkar) – Kabul** **Urumqi – Kabul**		 **2277** **3713**

*) Center of XUAR

Table 7

Road Transport Leg of the Cargo Shipment Route to Afghanistan from Western China via Tajikistan

Section	Road number in accordance with Agreement on Asian Highway Network (AH)	Distance, km
Urumqi *) – Kashi (Kashkar)	AH4	1436
Kashi (Kashkar) – Irkeshtam (Kyrgyz border)	AH65	217

Section	Road number in accordance with Agreement on Asian Highway Network (AH)	Distance, km
Irkeshtam – Sary-Tash – Karamyk (Tajik border)	AH65	220
Jirgatal (Kyrgyz border) - Dushanbe	AH65	367
Dushanbe – Nizhniy Panj (Afghan border)	AH7	185
Shirkhan (Tajikistan border) - Kabul	AH7	388
TOTAL: **Kashi (Kashkar) – Kabul** **Urumqi – Kabul**		 **1377** **2813**

*) Center of XUAR

Table 8

Road Transport Leg of the Cargo Shipment Route to Afghanistan from Western China via Kazakhstan and Uzbekistan

Section	Road number in accordance with Agreement on Asian Highway Network (AH)	Distance, km
Urumqi *) – Kuytun – Horgos (Kazakh border)	AH5	646
Horgos (China border) – Almaty – Kordai	AH5	557
Kordai – Merke	AH61	150
Merke – Shymkent – Zhilbek Zholy (Uzbek border)	AH5	442
Yalama (Kazakh border) – Tashkent – Syrdaria – Samarkand	AH5	304
Samarkand – Guzar – Termez	AH62	363
Termez – Hairatan (Afghan border)	AH62	23
Hairatan – Mazar-i-Sharif	AH62	120
Mazar-i-Sharif – Polekumri	AH76	327
Polekumri – Kabul	AH7	219
TOTAL:: **Horgos – Kabul** **Urumqi – Kabul**		 **2505** **3151**

*) Center of XUAR

3. Travel Time on Alternative Routes

Travel time of a road vehicle consists of the time actually spent on the road, rest time, and time required for diverse technical operations plus wait time at border checkpoints and ferry crossings at Caspian Sea ports. With reliance on the experience of transportation as part of the IRU NELTI Project, experts estimate travel time (on an averaged basis) as follows (Table 9).

Table 9

Estimate travel time

No.	Route	Time of actual movement on the road, Hours *)	Time in movement aboard a ferry (inclusive of port wait time), hours **)	Total, hours
1a.	Poti – Baku – Aktau – Beyneu – Bukhara – Termez – Hairatan – Kabul	90-100	18-60	108-160
1b.	Poti – Baku – Turkemenbashi – Mary – Herat – Kabul	80-90	12-50	92-140
2a	Urumqi – Kashi (Kashkar) – Irkeshtam – Osh – Andidjan – Tashkent – Termez – Hairatan – Kabul	85-95	-	85-95
2b	Urumqi – Kashi (Kashkar) – Irkeshtam – Dushanbe – Nizhniy Panj – Kabul	70-80	-	70-80
2c	Urumqi – Horgos – Almaty – Tashkent – Termez – Hairatan – Kabul	80-90	-	80-90

*) Average time spent by road transport operators inclusive of time required for border crossing
**) Inclusive of ferry wait time at Caspian Sea ports and time required to complete formalities

Depending on the route, it takes on average 4 to 7 days to deliver goods from the Port of Poti to destinations in Afghanistan.

Shipping time from Urumqi (Xinjiang Uyghur Autonomous Region) to Kabul is estimated at 3-4 days depending on the route.

A sizeable portion of the time (at least 15 hours if the Poti-Kabul route is chosen and at least 30 if the Urumqi-Kabul) is lost during transloading at the Afghan and Chinese border crossing points.

4. What Makes Road Transport Attractive in Moving Freight to Afghanistan

Freight can be carried to Afghanistan by road transport using the above-referenced routes. In this regard, road transport's advantages include:

- Time-saving, as road transport requires only half the time required by rail transport;
- Guarantees of an acceptable tariff (road transport tariffs are determined by competition on the market of road transport services);
- High-quality performance (dependability, safety, no need for transloading, door-to-door delivery, together with other advantages inherent in the TIR system);
- Absence of the requirement to accumulate freight shipments and containers (in contrast to rail transport); and
- High and for the time being underused motor road traffic capacity.

In other words, schemes for moving freight to Afghanistan via the Caucasus and Central Asia already have a niche for road transport and offer one of the safest and efficient logistic solutions to the problem of goods supply to that country.

It should also be noted that all of the transit countries are parties to the TIR Convention, 1975, a very important multilateral instrument aimed at facilitating the crossing of borders. This fact creates adequate and satisfactory conditions for organizing efficient road transport operations and for unimpeded border crossing.

At present, Afghanistan does not apply domestically the provisions of the TIR Convention, although it has acceded to that agreement In this regard, intensified carriage of cargo from Europe/China to Afghanistan can serve as a major stimulus to the country's integration into the efficient guaranteed system of international road transport.

5. Current Constrains

All constraints on the development of cargo carriage to Afghanistan by road can be put together in three groups, notably political, technical and institutional.

The main **political** problem is the unacceptability of surface transportation using the Turkey – Iran – Afghanistan route (about 4,500 km on the Asian AH1 highway).

Another particular problem is the policy of neutrality steered by individual transit countries (Turkmenistan to name one), which will require either reaching agreements therewith or using alternative automobile routes.

The main **technical** problem is insufficient carrying capacity of Caspian Sea truck ferry services (Baku-Aktau and Baku-Turkmenbashi) if large-scale cargo transportation to Afghanistan commences. What make this problem even worse is non-transparent conditions for road carriers' access to the ferry services, a lack of ferry space booking system & cetera.

A brief description of the current ferry services on the Caspian Sea is provided found the next

section.

One of the main **institutional** problems is the need to transload at the borders of China and Afghanistan because of Afghanistan's failure to make use of (and because of China's non-involvement) in the system of cargo transit under cover of TIR carnets in accordance with the TIR Convention, 1975.

On top of the institutional problems of transit states, there is a marked lack of a uniform regulatory environment there in the sphere of road transport both at the level of applicable national legislation and at the level of bilateral agreements, including quota setting for international carriage, system of charges which are not based on the most-favoured-nation principle. Also, there exist diverse administrative hurdles and the problem of corruption. They make themselves particularly felt when it comes to crossing national boundaries.

6. Caspian Sea Ferry Services

The Baku (Azerbaijan) - Turkmenbashi (Turkmenistan) Caspian Sea ferry service has been in operation since 1963. The quadripartite agreement signed by the presidents of Georgia, Azerbaijan, Turkmenistan and Uzbekistan in May 1996 on the functioning of a corridor to link four CIS countries gives Central Asian countries access to the Black Sea. The agreement provides for the most-favoured treatment of cargo moving along the entire length of the route, for the setting of preferential tariffs and for coordination in ensuring the safety of cargo while in transit.

The Baku (Azerbaijan) - Aktau (Kazakhstan) Caspian Sea ferry service has been in operation since 2001. The regularity of the ferry boat runs depends on how intense the cargo flow is. Usually, two or three runs a month are made.

At this writing, the ferry services are performed by up to eight ship of the *Dagestan* type (that is to say, if cargo is available). The ships fly the flag of Azerbaijan. Each ship can accommodate 28 railway cars or 25 large-tonnage road vehicles. At present, the ships mainly carry railway cars in the absence of a steady flow of cargo by road.

In December 2008, the IRU (as part of the NELTI Project) held negotiations with the management of CASPAR, the State Shipping Company of Azerbaijan. The parties reached agreements on increasing the carrying capacity of the ferry services against the event that the flow of road transport from Europe to Asia grows. In any case, the above-referenced problems in the region are specific in nature and can be resolved if high-level positive decisions are made.

7. Road Freight Carriers

One major factor influencing the carriage of goods to Afghanistan by road is the structure of the road transport business and the nature of road freight carriers' involvement in the market of international road transport services.

At present, smaller transport companies operating several dozens of trucks prevail in the transit states under review (Georgia, the Republic of Azerbaijan, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan). By contrast, companies with a fleet of more than 100 rigs are few and far between.

All road transport companies involved in the system of international carriage of goods under cover of TIR carnets are members of the Association of International Road Carriers in their respective countries. Membership in associations is one of the conditions for being admitted to the TIR system. National associations of road carriers are in their turn members of the IRU.

The market of international road transport services is characterised by a high level of competition, which makes market players vie for contracts and establish [fair] market freight rates.

The intensity of competition in the marketplace depends of the success of market reform in transit states. The tangible market liberalisation has produced very impressible results in Georgia. In other transit countries, there still exist market access and market over-regulation problems. One characteristic example is the market of road transport services in Turkmenistan.

The desire to reduce costs amid stiff competition sometimes causes outsider companies which are always present on the market to resort to 'gray' carriage schemes. An advantage of the TIR system is that it isolates unprincipled carriers and, by contrast, gives dependable road transport companies access to the guaranteed customs transit under cover of TIR carnets. This means that the TIR system itself can serve as a filter of sorts and, simultaneously, a guarantor of strict compliance with the customs requirements in moving freight to Afghanistan.

In this context, the experience of consolidation of the road transport business with a view to carrying out major projects acquires paramount importance (for example, the Euro-Asian Transport Union has established a pool of road carriers based in GUAM countries and Central Asian states to promote cargo carriage between Europe and Asia).

It should be noted that companies with experience of moving supplies from Europe to NATO's military base at Manas and humanitarian cargo to Afghanistan (Mazari-Sharif) under contracts with the International Red Cross have been involved in the implementation of the IRU-sponsored NELTI Project.

Road transport companies in transit states operate a fleet of modern road vehicles that meet the European standards. They can be used to carry cargo on the routes mentioned above (Table 10).

Table 10

Fleet of Road Vehicles Involved in International Carriage of Goods by Road in some of the Transit States

IRU-member state / association of international road carriers	Number of trucking companies admitted to carriage under the TIR Convention	Road vehicle fleet	Of these, vehicles in compliance with Euro 3 or higher standards, %
Republic of Azerbaijan (ABADA)	61	630	36

IRU-member state / association of international road carriers	Number of trucking companies admitted to carriage under the TIR Convention	Road vehicle fleet	Of these, vehicles in compliance with Euro 3 or higher standards, %
Georgia (GIRCA)	45	412	56,5
Republic of Kazakhstan	340	…	…
Kyrgyz Republic	30	1450	28,3

As noted above, the maximum weight of a road train ranges from 36 to 40 tonnes (depending on the country) and the cargo weight ranges from 20 to 26 tonnes depending on the number of axles.

Overall dimensions depending on the commercial vehicle manufacturer are shown in Table 11.

Table 11

Overall Dimensions of Road Vehicles

Semitrailer type	Number of Euro pallets	Dimensions of semitrailer (mm)			Space, cubic metres	Loading height, mm
		Length	Width	Height		
Tarpaulin	33	13460-13620	2420-2440	2420-2800	81,4-94,5	1050-1440
Refrigerated	31-33	13140-13620	2460-2480	2350-2650	76,4-88,4	1150-1400
All-metal	30	12320	2420	2300-2340	67,9-68	1358-1580
Jumbo	30	12200-12300	2750-2960	2750-2960	77,8-81,5	925-1050
Container carrier	1 x 20 ft.	12200-12350	2500			1405-1511
Container carrier	1 x 40 ft.	12200-12350	2500			1405-1511

Table 12

Types and Overall Dimensions of Containers

Type	Weight: empty / weight cargo, metric tonnes	Internal dimensions, mm			Doors, mm	
		Length	Width	Height	Width	Height
20 ft Standard	2,2 / 21,7	5900	2350	2400	2340	2290
20 ft Hermetic	2,54 / 17,76	5650	2440	1860	2440	1860
20 ft Flatrack	3,1 / 20,0	5850	2230	2150	-	-
20 ft Refrigerator	3,5 / 24,0	5490	2250	2200	2250	2200
20 ft Open Top	2,24/ 21,5	5900	2350	2400	2340	2290
20 ft Tank	4,0 / 21,0	-	-	-	-	-
40 ft Standard	3,98 / 26,5	12030	2350	2400	2340	2290
40 ft High Cube	4,15 / 26,33	12030	2350	2700	2340	2580
40 ft Refrigerator	4,35 / 26,3	11560	2290	2500	2290	2480
40 ft Open Top	3,95/ 26,53	12030	2350	2310	2280	2290

8. Cargo

Sources of cargo flows are certain to influence the choice of routes used to move freight to Afghanistan. With this in mind, one should answer the question whether or not all goods delivered to Afghanistan should necessarily be manufactured in Europe and/or the USA and whether or not it is possible to make use of products manufactured locally in and/or acquired on the markets of transit states. An analysis shows that:

- Most transit countries have no sufficiently developed consumer goods industries: all such supplies are imported, as it can be seen from the data on the assortment of goods [moved to Afghanistan];

- The idea that many goods intended for the peacekeeping contingent in Afghanistan can be bought in transit countries is illusory: they are simply not manufactured there (household chemical products, toilet paper, toiletries, clothing and footwear of the required quality standards & cetera); and

- At the same time, agricultural production is well-developed in some of the transit countries. In particular, this concerns cotton growing, textile manufacture and production of certain foodstuffs which can be delivered to Afghanistan from neighbouring Central Asian states.

In other words, a study of sources of supply and assortment of goods for Afghanistan makes it safe to assume that:

- Some supplies of European origin or cargoes delivered to European ports (from chips and yoghurts to various types of equipment, clothing, footwear, household and medical products & cetera) can be carried on Euro-Asian routes tried out within the framework of the NELTI Project implementation, including the central route passing across the Caucasus, Caspian Sea and Central Asian states neighbouring on Afghanistan;

- Some goods are manufactured in China. What is important is that a considerable portion of such goods can be manufactured in China's Western provinces (considering its policies of moving manufacturing facilities westward and develop transport infrastructure, and also considering that China's work force is the least expensive), ranging from certain farm products to household appliances, home electronic equipment & cetera). Supplies from Western China can be moved via Kyrgyzstan and Uzbekistan or via Kyrgyzstan and Tajikistan or via Kazakhstan and Uzbekistan, including the all-season motor road Kashgar-Osh-Andijan. In terms of distance and time, this route is comparable to the Karachi-Kandahar-Kabul route, but since there is no need to ship goods by sea, it appears to be much shorter and faster; and

- Some supplies can be manufactured and acquired in transit countries (mainly foodstuffs and agricultural products). In this case, goods (textile products, in particular) can be delivered to Afghanistan from Uzbekistan, the Kyrgyz Republic and Tajikistan.

One important factor likely to have a pronounced impact on the economic aspect of the road carriage of goods to Afghanistan (by reducing the cost of freight) is backload trucking, that is to say, the delivery of return cargoes from Afghanistan to Central Asia and Europe.

Experience of road transport companies based in transit states (for example, Tajikistan) shows that a backloads do exist in Afghanistan consisting mainly of textiles and agricultural products.

At the same time, road vehicles carrying goods to Afghanistan from China can carry back products from Central Asian states to Europe and/or China. Cotton grown in Uzbekistan could

be one such return load. Trucks could leave Afghanistan empty, receive a load of cotton in Uzbekistan and deliver it to China.

9. Overview of legal basis and International Transportation Development Programmes in Transit States

International cargo transportation across transit states is governed by intergovernmental agreements on international road transport entered into by and between them on a mutual basis (pairwise).

Such agreements regulate procedures and conditions for international carriage of goods, make provisions for preferential treatment to be accorded to carriers on a mutual basis, and specify the terms and conditions for trans-border access to the market of transport services, including transport in transit. Proceeding from bilateral agreements, the competent national authorities issue a certain number (coordinated contingent) of authorizations to travel across transit states' territory.

As of today, there exist 25 agreements regulating international carriage of goods. These were entered into by transit states on a bilateral basis and by Afghanistan. Another four agreements are being negotiating or nearing the completion of internal procedures (Table 13). There are no bilateral agreements in eight cases.

Table 13

Indicative Table concerning Bilateral Intergovernmental Agreements on International Road Transport and Transit Entered into by Transit States on a Bilateral Basis, and by Afghanistan

Afghan transit state	Transit states en route to Afghanistan (west to east)							
	Azer-bai-jan	Turk-meni-stan	Razakh-stan	Uzbe-kistan	Afgha-nistan	Kyrgyz. Rep.	Taji-kistan	China
Georgia	*+	*	+	+	-	+	*	-
Azerbaijan		+	+	+	-	*	+	-
Turkeminstan			+	+	+	+	+	-
Kazakhstan				+	*	+	+	+
Uzbekistan					+	+	-	+
Afghanistan						-	+	-
Kyrgyz Republic							+	+
Tajikistan								+

Note: Green colour and the sign "+" mark agreements now in effect; red colour and the sign "–" mark absent or inaccessible agreements. The sign "*" marks draft agreements or agreements that have not yet taken effect.

All bilateral intergovernmental agreements regulating mutual relationship in international road transport are listed in Table 14 below.

Table 14

List of Intergovernmental Agreements on International Road Transport and Transit Entered into by Transit Countries on a Bilateral Basis and by Afghanistan

No.	Title of bilateral agreement	Date of agreement	Effective date
1.	Agreement between the Government of the Republic of Georgia and the Government of Republic of Azerbaijan on International Road Transport	03.07.1992	16.09.1995

No.	Title of bilateral agreement	Date of agreement	Effective date
2.	Agreement between the Government of the Republic of Georgia and the Government of the Republic of Turkmenistan on International Road Transport	17.08.1993	Not ratified
3.	Agreement between the Government of the Republic of Georgia and the Government of the Republic of Uzbekistan on International Road Transport	04.09.1995	29.07.1999
4.	Agreement between the Government of the Republic of Georgia and the Government of the Republic of Kazakhstan on International Road Transport	06.03.2007	22.06.2007
5.	Agreement between the Government of the Republic of Georgia and the Government of Kyrgyz Republic on International Road Transport	22.04.1997	14.11.1997
6.	Agreement between the Government of the Republic of Georgia and the Government of the Republic of Tajikistan on International Road Transport	In the process of negotiations	-
7.	Agreement between the Government of the Republic of Republic of Azerbaijan and the Government of the Republic of Kazakhstan on International Road Transport	16.09.1996	07.02.1999
8.	Agreement between the Government of the Republic of Republic of Azerbaijan and the Government of the Republic of Uzbekistan on International Road Transport	27.03.1996	16.07.1996
9.	Agreement between the Government of the Republic of Republic of Azerbaijan and the Government of the Republic of Tajikistan on International Road Transport	15.03.2007	05.06.2007
10.	Agreement between the Government of the Republic of Republic of Azerbaijan and the Government of Turkmenistan on International Road Transport	19.05.2008	02.10.2008
11.	Interdepartmental Agreement between the Kyrgyz Republic and the Republic of Uzbekistan on Organising Road Transport and on Settlements in Connection with the Introduction of the National Currency in the Kyrgyz Republic	28.06.1993	28.06.1993 (effective as of the signature date)
12.	Intergovernmental Agreement between the Kyrgyz Republic and the Republic of Uzbekistan on International Road Transport	04.09.1996	04.09.1996 (effective as of the signature date)
13.	Intergovernmental Agreement between the Kyrgyz Republic and the Republic of Tajikistan on International Road Transport	12.07.1996	12.07.1996 (effective as of the signature date)
14.	Intergovernmental Agreement between the Kyrgyz Republic and the Republic of Tajikistan on the Development and Improvement of International Road Transport	06.05.1998	06.05.1998 (effective as of the signature date)
15.	Intergovernmental Agreement between the Kyrgyz Republic and Turkmenistan on International Road Carriage of Passengers and Freight	29.11.1995	29.11.1995 (effective as of the signature date)
16.	Intergovernmental Agreement between the Kyrgyz Republic and the Republic of Azerbaijan on International Road Carriage of Passengers and	In the process of negotiations	-

No.	Title of bilateral agreement	Date of agreement	Effective date
	Freight		
17.	Intergovernmental Agreement between the Kyrgyz Republic and the People's Republic of China on International Road Transport	04.06.1994	04.06.1994 (effective as of the signature date)
18.	Intergovernmental Agreement between the Republic of Tajikistan and the People's Republic of China on International Road Transport	13.08.1999	…
19.	Intergovernmental Agreement between the Republic of Tajikistan and the Republic of Kazakhstan on International Road Transport	15.11.2006	…
20.	Intergovernmental Agreement between the Republic of Tajikistan and the Kyrgyz Republic on the Development and Improvement of international road transport	06.05.1998	…
21.	Agreement between the Government of the Republic of Turkmenistan and the Government of the Republic of Tajikistan on International Road Transport	09.12.2007	…
22.	Agreement between the Government of the Republic of Tajikistan and the Government of Islamic Republic of Afghanistan on International Road Transport in Transit	27.04.2005	…
23.	Agreement between the Government of the Republic of Uzbekistan and the Government of People's Republic of China on International Road Transport	13.12.1993	
24.	Agreement between the Government of the Republic of Uzbekistan and the Government of Turkmenistan on International Road Carriage of Passenger and Freight	16.01.1996	
25.	Agreement between the Government of the Republic of Uzbekistan and the Government of the Republic of Kazakhstan on International Road Transport	20.03.2006	20.12.2006
26.	Agreement between the Government of the Islamic Republic of Afghanistan and the Government of Turkmenistan on Transport and Transit	2007	…
27.	Agreement between the Government of the Republic of Islamic Republic of Afghanistan and the Government of the Republic of Uzbekistan on Transport and Cargo Transfer	2006	…
28.	Agreement between the Government of the Islamic Republic of Afghanistan and the Government of the Republic of Uzbekistan on Cargo Transit	2007	

Table 15

List of Multilateral Intergovernmental Agreements signed between Transit Countries and Afghanistan to Regulate International Road Transportation and the Conditions of Transit

No.	Title of multilateral agreement	Date of agreement	Effective date
1.	Agreement for Traffic in Transit among the Governments of the People's Republic of China, the Kyrgyz Republic, the Republic of Kazakhstan and the Islamic Republic of Pakistan (inclusive of the	09.03.1995 (Regulations and Protocol 24.11.1998)	Effective as of the signature date in Kyrgyzstan

No.	Title of multilateral agreement	Date of agreement	Effective date
	Regulations for Implementation of the Agreement and Protocol on Establishing the System for International Transit Permit)		
2.	Intergovernmental Agreement between the Republic of Kazakhstan, Republic of Kyrgyzstan and the Republic of Uzbekistan on Coordinated Policies in Transport and Communications	05.04.1996	Effective as of the signature date in Kyrgyzstan
3.	Interstate Agreement among the Republic of Azerbaijan, Georgia, Turkmenistan, Uzbekistan and Kyrgyzstan on Cooperation in the Field of Transit Traffic Regulation	13.05.1996	27.03.1997
4.	Intergovernmental Agreement between the People's Republic of China, Kyrgyz Republic and Republic of Uzbekistan on International Automobile Transport	19.02.1998	Effective as of the signature date in Kyrgyzstan
5.	Intergovernmental Agreement on Transport in Transit among the Islamic Republic of Afghanistan, Islamic Republic of Iran and the Republic of Tajikistan	2004	…
6.	Intergovernmental Agreement on Transport in Transit among the Islamic Republic of Afghanistan, Islamic Republic of Iran and the Republic of Uzbekistan	2005	…

The legal regime in the transit states in relation to international road transport is also influenced by the incorporation of generally accepted norms and standards enshrined in multilateral UN agreements and conventions into their national regulatory environment.

Due to involvement in that system of international regulation, transit countries are paving the way towards the eradication of barriers in international road transport and integration of their national transport markets into the international transport system.

Out of a total of 57 international agreements and UN conventions, 21 documents are of major importance for international road transport. However, the status of transit states' accession to them is different (see Fig. 2).

The Republic of Azerbaijan, Georgia and Kazakhstan have signed the largest number of UN agreements and conventions relating to road transport.

Only three agreements and conventions cover the entire territory of transit states (except Afghanistan and China) (Table 15):

- 1968 Convention on Road Traffic;
- 1956 Convention on the Contract for the International Carriage of Goods; and
- 1975 Convention on International Transport of Goods Under Cover of TIR Carnets.

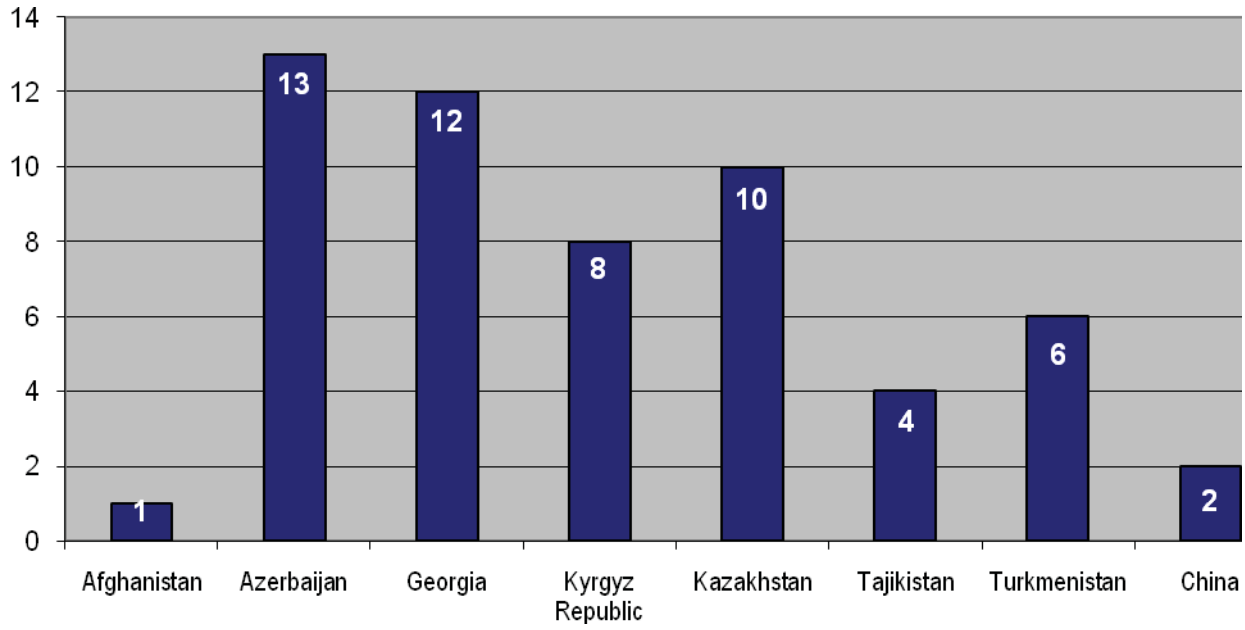


Fig. 2. Number of UN road transport-related agreements and conventions ratified and complied with in transit states, Afghanistan and China (as of 17 September 2009) (Source: UNECE)

Table 16

Characteristic of Transit States' Accession to UN Agreements and Conventions Regulating Cargo Carriage by Road (as of 17 September 2009) (Source: UN ECE)

№	Название	AFG	AZ	GE	KS	KZ	TJ	TM	UZ	China
I. INFRASTRUCTURE NETWORK										
1	European Agreement on Main International Traffic Arteries (**AGR**), 16/09/1975	--	+	+	--	+	--	--	--	--
II. ROAD TRAFFIC AND ROAD SAFETY										
2	Convention on Road Traffic, 08/11/1968	--	+	+	+	+	+	+	+	s
3	Convention on Road Signs and Signals, 08/11/1968	--	--	+	+	+	+	+	+	s
4	European Agreement supplementing the Convention on Road Traffic (1968), 01/05/1971	--	--	--	--	--	--	--	--	--
5	European Agreement supplementing the Convention on Road Signs and Signals (1968), 01/05/1971	--	--	+	--	--	--	--	--	--
6	Protocol on Road Markings, Additional to the European Agreement supplementing the Convention on Road Signs and Signals, 01/03/1973	--	--	+	--	--	--	--	--	--
III. VEHICLES										
7	Agreement concerning the Adoption of Uniform Technical Regulations for Wheeled Vehicles, Equipment and Parts which can be fitted and /or be used on Wheeled Vehicles and the Conditions for Reciprocal Recognition of Approvals Granted on the Basis of	--	+	--	--	--	--	--	--	--

№	Название	AFG	AZ	GE	KS	KZ	TJ	TM	UZ	China
	these Prescriptions, 20/03/1958									
8	Agreement concerning the Adoption of Uniform Conditions for Periodical Technical Inspections of Wheeled Vehicles and the Reciprocal Recognition of Such Inspections, 13/11/1997	--	--	s	--	--	--	--	--	--
9	Agreement concerning the Establishing of Global Technical Regulations for Wheeled Vehicles, Equipment and Parts which can be fitted and / or be used on Wheeled Vehicles, 25/06/1998	--	+	--	--	--	--	--	--	+
IV. ROAD TRANSPORT OPERATIONS										
10	European Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport (**AETR**), 01/07/1970 (Consolidated text dated 1999)	--	+	--	--	+	--	+	+	--
11	Convention on the Contract for the International Carriage of Goods by Road (**CMR**), 19/05/1956	--	+	+	+	+	+	+	+	--
12	Protocol to the Convention on the Contract for the International Carriage of Goods by Road (**CMR**), 05/07/1978	--	--	+	+	--	--	+	+	--
V. BORDER CROSSING FACILITATION										
13	Customs Convention on the International Transport of Goods under Cover of TIR Carnets (**TIR Convention**), 14/11/1975	+/-	+	+	+	+	+	+	+	--
14	Customs Convention on the Temporary Importation of Commercial Road Vehicles, 18/05/1956	+	+	--	+	--	--	--	+	--
15	Customs Convention on Containers, 02/12/1972	--	+	+	+	+	--	--	+	+
16	European Convention on Customs Treatment of Pallets Used in International Transport, 09/12/1960	--	--	--	--	--	--	--	--	--
17	International Convention on the Harmonization of Frontier Controls of Goods, 21/10/1982	--	+	+	+	+	--	--	+	--
18	Convention on Customs Treatment of Pool Containers Used in International Transport, 21/01/1994	--	--	--	--	--	--	--	+	--
VI. DANGEROUS GOODS AND SPECIAL CARGOES										
19	European Agreement concerning the International Carriage of Dangerous Goods by Road (**ADR**), 30/09/1957	--	+	--	--	+	--	--	--	--
20	Protocol amending article 1 (a), article 14 (1) and article 14 (3) (b) of the European Agreement of 30 September 1957 concerning the International Carriage of Dangerous Goods by Road (**ADR**), 28/10/1993	--	--	--	--	--	--	--	--	--
21	Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for such Carriage (**ATP**), 01/09/1970	--	+	+	--	+	--	--	+	--
	TOTAL: signed	**2**	**13**	**13**	**8**	**10**	**4**	**6**	**11**	**4**

№	Название	AFG	AZ	GE	KS	KZ	TJ	TM	UZ	China
	• **ratified**	**2**	**13**	**12**	**8**	**10**	**4**	**6**	**11**	**2**
	• **in progress**	**1**	**13**	**12**	**8**	**10**	**4**	**6**	**11**	**2**

+ Ratification, accession, definite signature,
-- Not signed,
S – Signed but not ratified.

Transit states:
AFG – Afghanistan
AZ – Azerbaijan
GE –Georgia
KS – Kyrgyz Republic
KZ – Kazakhstan
TJ – Tajikistan
TM – Turkmenistan
UZ –Uzbekistan

It should be noted that some of the transit states have not yet acceded to fundamental agreements and conventions that are exceptionally important for the unhindered international, including transit, carriage of goods, in particular:

- 1972 Customs Convention on Containers (to which only 5 out of 7 transit states have acceded);
- 1982 International Convention on the Harmonization of Frontier Controls of Goods (to which only 5 out of 7 transit states have acceded);
- 1957 European Agreement concerning the International Carriage of Dangerous Goods by Road (to which only 5 out of 7 transit states have acceded); and
- 1970 Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be used for such Carriage (ATP) (to which only 4 out of 7 transit states have acceded).

It should be noted that Afghanistan is virtually not involved in international agreements and conventions relating to road transport, which hinders its integration into the system of international carriage of goods by road.

As of today, countries through which freight can be moved to Afghanistan using the above-referenced routes have declared the freedom of transit and named the development of international road transport as one of the top priorities in their respective national transport policies. No transit service charge is required to be paid for the passage of foreign road vehicles, except in Turkmenistan and Uzbekistan.

Most transit countries are carrying out inter-state projects and programmes aiming to develop international transportation. Of these, the most important include GUAM-Transit, TRACECA and CAREC (Table 17).

Transit states are also involved in the United Nations Project to develop Euro-Asian transport links, which is being jointly implemented by the UN Economic Commission for Europe (ECE) and the UN Economic and Social Commission for Asia and the Pacific (ESCAP).

Table 17

Transit States' Involvement in International Projects and Programs to Develop Euro-Asian Transport Links, Improve Infrastructure and Facilitate Transit Traffic (as of September 2009)

No.	Project/Programme	AFG	AZ	GE	KS	KZ	TJ	TM	UZ	China
INTERGOVERNMENTAL PROJECTS AND PROGRAMS										
1.	GUAM-Transit Programme implemented by the GUAM Organization for Democracy and Economic Development	--	+	+	--	--	--	--	--	--
2.	TACIS' Transport Corridor Europe-Caucasus-Asia (TRACECA)	--	+	+	+	+	+	+	+	--
3.	CAREC Programme implemented by the Asian Development Bank (ADB)	+	+	--	+	+	+	+	+	+
4.	Joint UN ECE and ESCAP project for the development of Euro-Asian transport links	+	+	+	+	+	+	+	+	+
NON-GOVERNMENTAL PROJECTS AND PROGRAMS										
5.	New Eurasian Land Transport Initiative (NELTI), IRU Project *)	--	+	+	+	+	+	--	+	--

*) Involves road transport operators' associations and individual road transport companies based in transit states. Starting from 1 July 2009, the project is being implemented by the IRU in cooperation with ADB

10. Moving Freight inside Afghanistan

Road transport plays a key role in cargo carriage in Afghanistan in view of a lack of rail transport and underdeveloped inland waterway transport (the length of the navigable stretch of the Amu-Darya River in Afghanistan is 1,200 km, but ships' deadweight is limited to under 500 tonnes).

The country has 42,200 km of motor roads, of which only 12,400 km (less than 30%) are hard-surface roads. The length of national highways is 3,300 km and regional highways, 4,800 km.

The condition of many motor roads is unsatisfactory. Of these, the best suited for international traffic is the Kabul-Qandahar-Herat-Mazari-Sharif-Kabul ring highway linking the country's major cities.

In view of the fact that Afghanistan does not apply in practice the provisions of the 1975 TIR Convention which it signed, TIR carnets are of no effect at points of entry from neighbouring countries. Cargoes inside Afghanistan are hauled by national road transport in accordance with domestic procedures. Because of this, goods and containers have to be transloaded at major border crossing points, such as Hairaton.

Afghanistan entered into a series of bilateral and multilateral agreements with neighbouring countries (notably, India, Iran, Pakistan, Uzbekistan, Tajikistan and Turkey) on international road transport and conditions of transit, but the flow of foreign motor vehicles (mainly from Uzbekistan, Iran and Pakistan) through Afghanistan is currently insignificant for the following reasons:

- Poor condition of motor roads, border points and auxiliary infrastructure, logistic centres in particular;
- Non-harmonised border crossing procedures and a lack of mutual recognition of certain shipping documents;
- Uncoordinated working hours of border checkpoints;
- Prolonged time required at border checkpoints for screening and document processing;
- Significant number of charges inconsistent with the scope and quality of services;
- Lack of protection and indemnity insurance;
- Lack of guarantee systems for domestic freight moving and customs duty payment;
- Problem of obtaining Afghan entry visas for road vehicle drivers;
- Widespread corruption at automobile border crossing points;
- Lack of a guaranteed return of empty containers; and
- High risks involved in trips across Afghanistan.

Transport operators in the Islamic Republic of Afghanistan are members of the Association of Afghanistan Freight Forwarding Companies (AAFFCO).

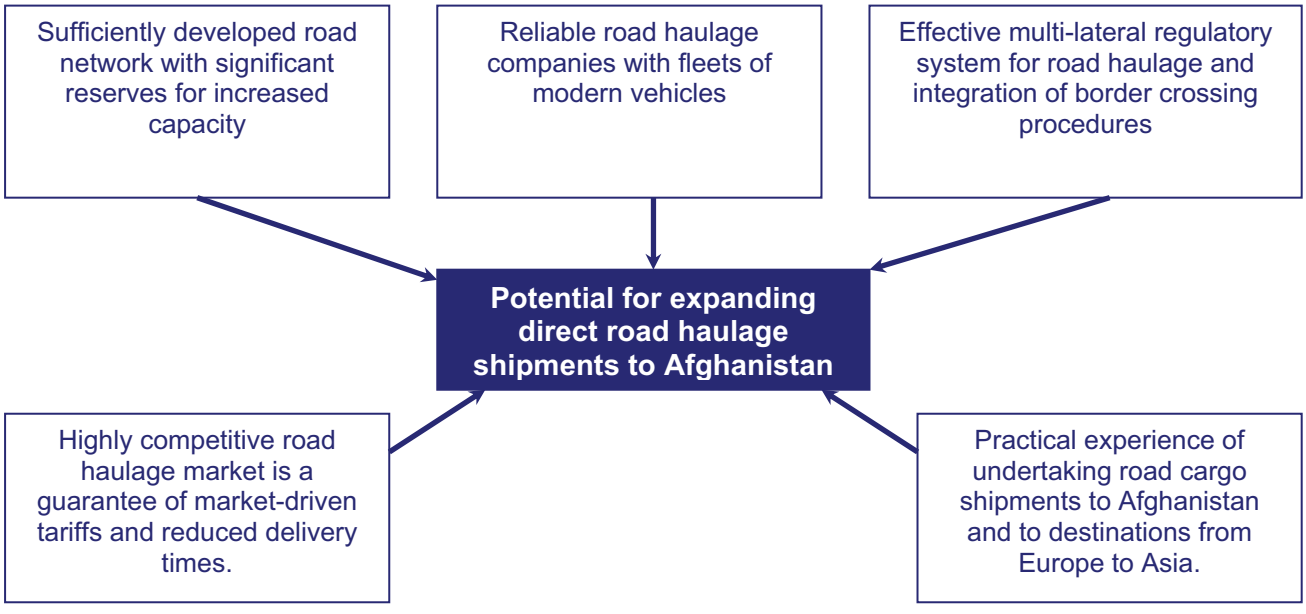
PART 2. PROBLEMS AND SOLUTIONS. IRU RECOMMENDATIONS ON THE DEVELOPMENT OF ROAD HAULAGE TO AFGHANISTAN

1. Overall assessment of road haulage routes to Afghanistan

Road haulage routes for shipments to the peace-keeping contingent in Afghanistan could become an alternative and/or an addition to the air shipments and combined forms of transportation that are currently in use.

This assertion is based on the following:

- **Firstly**, the road network in the transit countries has sufficient reserves of capacity, to allow for the mass expansion of cargo shipments. Within this network, various routes have been singled out, as they are included amongst the principal European highways (E-roads) or Asian highways (AN-roads). The standards of these roads (geometric dimensions, road markings, road signs and signals etc.) are unified on the basis of accepted international norms.
- **Secondly**, the transit countries have sufficient numbers of reliable road haulage companies, which possess modern fleets of vehicles. The vast majority of these companies are all approved by their competent authorities as TIR Holders, according to the TIR Convention 1975 and are therefore authorised to participate in international transport under the TIR customs transit system, using the guarantee system provided by the TIR carnet.
- **Thirdly**, the use of road haulage can significantly reduce the costs of shipping goods to Afghanistan when compared with air transport and reduce delivery times when compared with rail transport, which is off-loaded at the Afghan border. These advantages result from the high levels of competition in the road haulage sector, which means that there can be no monopolies in the setting of tariffs.
- **Fourthly**, a system for regulating international road haulage shipments has been set up and is successfully developing. This system is based on recognised international instruments, such as UN Agreements and Conventions. This multi-lateral regulation covers not only the technical and technological aspects of the functioning of road transport, but also the procedures for crossing national borders and the alignment and simplification of these procedures.
- **Fifthly**, the expansion of road haulage of shipments to Afghanistan is bolstered by the experience of work in this field of a number of road hauliers from the transit countries (including contracts undertaken for NATO and the International Red Cross). This high level of professional experience in undertaking Eurasian long-distance road haulage shipments have been proven during the IRU's NELTI Project, which was successfully implemented in 2008 and the first half of 2009.



Various options for the direct shipment of goods to Afghanistan are possible, both from Europe as well as from China. It is assumed that some types of goods, which are being shipped to Afghanistan for the peace-keeping contingent, are being manufactured in China. With this in mind, the following options were considered:

1. Routes from Europe to Afghanistan
    - 1a) via the Georgian Black Sea ports, Azerbaijan, Kazakhstan and Uzbekistan to Afghanistan (**4,234 km**);
    - 1b) via the Georgian Black Sea ports, Azerbaijan and Turkmenistan to Afghanistan (**3,765 km**).
2. Routes from China to Afghanistan
    - 2a) from the Chinese-Kyrgyz border via Kyrgyzstan and Uzbekistan to Afghanistan (**2,277 km**);
    - 2b) from the Chinese-Tajik border via Tajikistan to Afghanistan (**1,377km**);
    - 2c) from the Chinese-Kazakh border via Kazakhstan and Uzbekistan to Afghanistan (**2,505 km**).

An analysis of the situation in the region shows that establishing regular road haulage routes between Europe and Afghanistan (and likewise between China and Afghanistan) is a complicated, but realistic task.

Some of the difficulties should be associated, primarily, with border crossing procedures, ferry crossings, the outdated system of regulating international road haulage shipments in transit countries and the high levels of corruption. The principal problems which may arise during the implementation of possible road shipment routes to Afghanistan are set out below.

2. Problems

Agreements made between the US Government and the governments of a number of the transit countries, reached recently on a bi-lateral basis, have created favourable political and legal conditions for the development of regular transit shipments to Afghanistan. In addition, the majority of problems, which arise when arranging a land link through the Southern Caucasus (and/or from China) are related to relations between the transit countries. Frequently, these problems are of a non-economic nature, which have their roots in past history and have no relation to the USA.

Despite all the obvious advantages of the road haulage option for shipping goods to Afghanistan, the following problems still need to be taken into consideration:

1. **Two ferry crossings** over the Black and Caspian Seas.

Black Sea ferry crossings are currently functioning stably. Ferries run by the "UkrFerry" company link Georgia, Turkey and Ukraine, as well as the other countries around the Black Sea. Published ferry time-tables are observed. The reliability of these ferry crossings was proved in the course of the IRU's NELTI Project in 2008 and the first half of 2009.

The situation on the Caspian Sea is much more complicated. Ferry crossings for haulage vehicles on route from Europe to Asia are run by the "Azerbaijan State Caspian Sea Ferry Company" ("CASPAR"), which is the principal service provider on the route between Baku and Aktau and the sole service provider on the route between Baku and Turkmenbashi.

The principal systemic problem with ferry crossings on the Caspian Sea is the fact that services are clearly geared towards shipping railway container wagons, which are offered favourable conditions[*]. The small quota of places for lorries on the ferries leads to queues and delays at ports, particularly at the port of Turkmenbashi, which is made worse by the short validity period of Turkmen transit visas for drivers.

In addition, should there be a serious increase in the numbers of vehicles travelling between the Caucasus and Afghanistan through Central Asia, the current capacities of existing ferry services may be insufficient. In this case, more frequent ferry services will be required, which will necessitate the purchase of additional vessels and the concomitant additional investment.

With the aim of expanding ferry services across the Caspian Sea and resolving these problems, the IRU has conducted several rounds of negotiations with the senior management of "CASPAR", during which agreement was reached to regularise the shipment of cargoes and to post information about ferry time-tables from the ports of Baku, Aktau and Turkmenbashi on the NELTI website (www.iru-nelti.org). These agreements confirm that "CASPAR" is willing to co-operate on questions of expanding and improving the ferry service for vehicles.

2. **Trans-border problems**

The principal problems which may affect the process of delivering shipments to Afghanistan are all related to **border crossing formalities including customs procedures** in the transit countries concerned, specifically:

- differences in customs regulations in the transit countries, with regard to requirements and procedures (notwithstanding the participation of all the transit countries in the Kyoto

[*] From a technical point of view the ferries on the Caspian and Black Seas are equally capable of transporting railway containers and vehicles.

Customs Convention, renewed in 1999 and the participation of the majority of the transit countries in the 1982 International Convention on the harmonisation of frontier controls of goods);

- the lack of an integrated data system for the customs authorities of the transit countries. Existing systems differ from each other and in a number of cases are significantly outdated. This means that information about cargoes and vehicles cannot be presented to customs authorities in the transit countries in a timely manner and for the whole of the route undertaken;

- lack of technical hardware at customs posts in some of the transit countries, which leads to delays at border crossings;

- lack of joint border control (single window) and co-ordination between customs authorities in neighbouring countries;

- in some transit countries, the quantity of petrol being imported in vehicle fuel tanks is restricted;

- notification of changes in customs regulations is not communicated in a timely fashion to all the participants of the international transportation sector.

In order to ship goods across the territories of some transit states, drivers are required to obtain entry or transit visas. In this regard **visa procedures** can be a serious obstacle to the road shipment of goods to Afghanistan.

In a number of instances in the transit countries, there are a mutual agreements on waiving visa restrictions (such as in the Central Asian CIS-member nations, with the exception of Turkmenistan). Simplified visa regulations are also in force on the basis of separate bi-lateral agreements, reached at inter-governmental levels in some of the transit countries (for instance, in Georgia).

When making shipments to Afghanistan, drivers must obtain an Afghan entry visa, as well as a Turkmen transit visa in order to cross the territory of Turkmenistan.

In addition:

- in a number of countries (Turkmenistan) there are no procedures for issuing drivers with visas at the border. Visas are only issued by the Consular Section of the Embassy, which means that drivers have to relinquish their passports temporarily. In addition, there are likely to be delays en route, if the visa needs to be obtained somewhere other than on the route in another transit country. Kyrgyz, Tajik and other hauliers are faced with this problem on routes through Turkmenistan;

- there is discrimination in the issuing of visas to drivers who are citizens of specific countries. Visa procedures in transit countries may differ in the list of documentation required, the price, the processing time etc.;

- the list of documents required when applying for a visa for a driver undertaking an international road shipment may be more comprehensive than those required from an ordinary tourist (such as the company's licence to operate, his driver's licence, vehicle information etc.);

- long visa processing times and high consular fees.

A definite negative influence on road haulage of shipments to Afghanistan may also be caused by the lack of unified procedures in transit countries for **transit controls** and **road safety**

controls, which is apparent in:

- the lack of unified systems of weight control in transit countries, the fact that international weight certificates, as provided for under the 1982 Convention on the unification of procedures for the control of shipments at border crossings, are not used;

- the lack of a unified set of tariffs for excess weight or dimensions:

- charges that are imposed en route for entry into built-up areas, as well as ecological taxes and local taxes in some transit countries;

- the different levels of fines that are imposed on drivers for traffic infringements.

Trans-border problems lead to a significant increase in **vehicle delays at border crossing points** as well as other negative consequences:

- as the IRU's NELTI Project has clearly demonstrated, delays at border crossing points can account for up to 40% of the overall journey time between Asia and Europe;

- the financial costs to drivers when crossing borders are very high and on average make up nearly one third of the freight charges;

- in the majority of the transit countries, border crossings are doubled up (customs, passport control, sanitary and other checks are carried out twice: by one set of authorities at the border crossing point on exiting one country and by another set of authorities on entering the next country); joint checks, which envisage a close co-operation between customs, passport and other authorities in neighbouring countries, are employed extremely rarely;

- there is significant geographic differentiation in delays at border crossing points and in drivers' financial outlays in specific countries. The greatest losses in time are observed on the Turkmen and Afghan borders;

- costs in time and money are significantly reduced on empty vehicles, when compared to vehicles carrying loads, but they are still extremely substantial (empty legs do not generate any income, but still lead to additional costs, which affect freight charges);

- in most of the transit countries, there is no method used to monitor vehicle waiting times at border crossing points. The monitoring procedures which have been undertaken within the framework of various separate international projects and programmes, in particular TRACECA, CAREC, NELTI and others, is not universal and constant. At the same time, real-time monitoring (in particular, the IRU's BWTO mechanism for observing waiting times at borders) has not yet been introduced.

Another trans-border problem is the **obligatory procedure for unloading shipments at the borders to both Afghanistan and China**, which means that shipments cannot be delivered to destinations within the country (or collected from points within the country). Some of the reasons for the existing situation are:

- despite the fact that Afghanistan has signed up to the 1975 TIR Convention, the guaranteed delivery system for cargoes on the territory of Afghanistan is not in operation;

- China is not a signatory to the 1975 TIR Convention or to other basic UN conventions (the process of including China in these conventions and bringing its internal legislation into line with the requirements of these conventions has not to date been completed).

3. Regulatory problems

The sources of regulatory problems in the transit countries, as well as in Afghanistan and China, spring from the lack of unified and current regulations, which govern international road haulage and transit shipments. The lack of unity in bi-lateral agreements and the lack of effective implementation of multi-lateral agreements on international road links and transit conditions is a systemic problem, which in most cases involves the imposition of quotas on shipments and contradicts the norms of contemporary international trade (offering the most preferential conditions at a national level, such as freedom of transit etc.).

The majority of transit countries in the region (with the exception of Georgia and Kyrgyzstan) are currently not members of the World Trade Organisation (WTO) or its general agreements GATT and GATS, which require the unconditional provision of freedom of transit.

Analysis has shown that at present in the region (from Georgia to China), there are more than twenty bi-lateral and several multi-lateral agreements on international road haulage and simplification of transit in force. All these agreements have been signed at different times and offer different frameworks for undertaking international shipments, including transit shipments. In a number of cases (for example the agreement between Georgia and Azerbaijan on the one part and Afghanistan on the other part) the agreements have not been formerly ratified nor implemented, which creates a legal vacuum for shipments between these countries. A further five agreements are in the process of development or are not functional for various reasons.

The negative aspects of bi-lateral agreements on international road haulage are:

- differing legal procedures for undertaking cargo shipments between any pair of countries. This covers tax and tariff preferences, as well as the existing procedures for issuing permits;

- restricted shipment routes. Separate agreements (when one of the Parties is, for instance, China), set down the routes and border crossing points by which shipments must travel and prevent hauliers from using crossing points in third countries;

- the quota of permits issued has to be agreed. This results in numerous rounds of negotiations and delays to vehicles should there be an insufficient number of permits available. The allocation of permits is frequently linked to corruption and discrimination towards particular hauliers. The imposition of quotas on shipments is a barrier to free trade and should be removed in accordance with the requirements of the World Trade Organisation;

- another serious barrier to entry into the market is the restriction of shipments (by quota systems or prohibition) into “third countries”. The allocation or sale of permits to “third countries” is often undertaken in violation of the principles of non-discrimination;

- the procedures for agreeing and issuing permits to hauliers is frequently surrounded with bureaucratic licence and abuse.

Amongst other regulatory barriers, it is worth mentioning the low levels of implementation in the various transit countries (as well as Afghanistan and China) of the UN international multilateral agreements and conventions, which all have the aim to govern and facilitate trade, road transport through mutual recognition and harmonisation of customs controls andborder crossing procedures. Only one UN convention governing international road haulage is operative in Afghanistan.

4. **Poor condition of ancillary infrastructure**

In spite of the adequate development of the road network, a weak link on routes form Europe (or China) to Afghanistan is the poorly developed ancillary infrastructure:

- there is an inadequate number of modern logistical centres, particularly in Central Asia and on the border with Afghanistan and China (where cargoes must of necessity be unloaded);

- the ancillary infrastructure for vehicle servicing is inadequately developed. This includes a shortage of modern and safe vehicle parking places, driver rest stations etc.;

- there are insufficient modern filling stations to provide the high-quality fuel required by modern ecological vehicles.

A hindering factor is the low through-capacity and the insufficiently developed infrastructure of specific vehicle border crossing points.

An additional problem is the relatively low quality of the ancillary services offered.

These problems are basically linked to insufficient levels of investment in the ancillary infrastructure and their resolution will depend on the volumes of shipments and the demand for high-quality and safe services for drivers, cargoes and vehicles en route.

5. **Corruption**

Corruption is apparent mostly at vehicular border crossing points and involves customs, sanitary, phyto-sanitary and other formalities. Corruption increases the delivery costs of shipments, since all hauliers' costs in bribes and illegal dues are automatically included in the freight charges.

Separate instances of corruption are also associated with the allocation of permits (quotas) for the right to undertake international goods carriage. This form of corruption is linked to the lack of efficient institutional mechanisms for regulating international road haulage in transit countries.

Corruption, as a rule, takes the form of the extortion of money from drivers, for which the following pretexts are given:

- long waiting times to pass through all procedures at the border (money is extorted to speed up the procedures for processing documents);

- threats of a "biased" search for narcotics, including drilling through vehicle chassis, which is particularly dangerous for refrigerated vehicles (money is extorted to avoid such suspicions);

- unwarranted complaints about cargoes and accompanying documentation and threats of a biased inspection (money is extorted to remove the complaint and avoid the cargo – such as fruit or live animals – from being damaged).

There are frequent precedents of collusion between representatives of state authorities responsible customs, border, sanitary, phyto-sanitary and other inspections.

The levels of corruption vary significantly between countries and in general increase as vehicles travel from West to East (on the Georgian border, corruption is virtually unheard of; on the borders of Kazakhstan and the Central Asian nations, the levels of exaction and extortion on occasion are several times higher than the official dues).

3. Challenges

The development of efficient road haulage to Afghanistan will solve a number of problems. This development includes not only the creation of alternative delivery routes for humanitarian cargoes, but also the foundation of a modern road transport sector in all the transit countries, totally integrated in the norms, standards and procedures of global trade and international logistics chain. This goal is the prerequisite to obtain the required facilitation and the investment in the region to ensure the development of the road haulage industry.

In resolving these tasks, it is important to make every effort to ensure that the shipment of cargoes to Afghanistan is undertaken in accordance with the following basic criteria:

- **High safety and security standards for road haulage** (cargoes, drivers, vehicles), including harmonised customs control and security, road safety, protection against crime, prevention of drug trafficking, as well as protection against possible spontaneous restrictions by governments in transit countries.

- **Efficiency and competitiveness of road haulage.** The use of road haulage should facilitate the diversification of shipment routes and reduce budget costs for supplying the peace-keeping contingent in Afghanistan.

- **Transparency of road haulage costs**, which will also afford protection from corruption, from the inefficient use of funds and from inefficient shipping procedures, which have been too frequently used in the past, particularly for international humanitarian shipments under the aegis of peace-keeping operations.

- **Timely and effective implementation of the UN trade and transport facilitation instruments to settle the current political difficulties and technical questions.** The effective implementation of the provisions of the UN facilitation instruments should also have the aim to facilitate the integration in world trade and logistics systems the current developing domestic road haulage industry. This is particularly valid due to the fact that many transit countries are not WTO members.

- **Establishment of "green corridors"on major international routes and at border crossing points** in all transit countries. This development should take into consideration the implementation of the UN trade and road transport facilitation instruments which provide numerous knock-on economic effects, along the routes of international road haulage shipments.

4. Recommendations

A number of actions listed below need to be implemented on multi-lateral, bi-lateral and national levels in order to expand road haulage to Afghanistan.

These recommendations are drawn up in accordance with non-discriminatory principles to be of benefit to all the interested parties, including the transit countries. They are based on the effective implementation of the UN multilateral facilitation instruments which require, on the one hand, the wide development of public-private partnerships and, on the other hand, wide institutional and political support for the rapid development of Afghan transit transport operations. This support is already demonstrated by several states and international organisations while the actual implementation of the required measures is carried out by business, with the required support of international financial institutions.

The recommendations at national levels are aimed at the governments of countries whose transport facilities and networks will be used by shipments to Afghanistan.

MULTI-LATERAL MEASURES TO BE TAKEN WITHIN THE FRAMEWORK OF PUBLIC-PRIVATE PARTNERSHIPS

1. Identification of the most reliable transport haulage companies to facilitate international transport

Aim: To provide the required secure, safe and efficient road transport and likewise screen out unprincipled providers of transportation services.

Method: The most reliable transport haulage companies, with a track record to provide secure, safe and efficient road transport, are the fleet operators authorised according to the requirements of the TIR Convention. The requirements which must be met are given in Annexe 9 of the TIR Convention.
These requirements can be summarised as follows:

- significant experience on the international road haulage market;
- no serious violations of customs or other procedures, or sanctions placed upon them at a national or international level (inclusion in “black lists”);
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- to be member of a national TIR issuing association;
- a recommendation from the international road haulage association, of which the company is a member.
- In addition, the vehicles used should meet ecological standards no lower than those of Euro-3
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Participants: TIR hauliers as well as international road haulage associations duly authorised according to Annexe 9 of the TIR Convention.

2. The creation of a monitoring system to ensure safety of shipments

Aim: To demonstrate that the companies have the required professional skills to meet all safety aspects for the transport of freight to Afghanistanin order to avoid delays to and the loss of cargoes in transit.

Method: By using accredited TIR operators, undertaking road transport under cover of the TIR System, the following monitoring mechanisms will be automatically implemented when shipping goods to Afghanistan:

- **Customs safety** – using the TIR system and modern additions (Safe TIR, CuteWISE);
- **Physical security** – all TIR vehicles are automatically approved according to the TIR certificate delivered according to Annexes 2 and 3 of the TIR Convention. In addition, the recommended use of GPS systems will provide additional monitoring;
- **Insurance** of cargoes, drivers and vehicles by a reliable international insurance company;
- **Protection from drug trafficking** by tracking vehicles on their return journey from Afghanistan. This can be achieved by introducing radically new methods of technical inspection where appropriate (initially at the Afghan border). These inspections would be designed to locate narcotics and psychotropic substances, weapons, illegal migrants, as well as contraband goods;
- **Data exchange** (between companies, TIR associations, the IRU and governmental authorities) on threats arising during the shipment of goods to Afghanistan.

Participants: The IRU, national associations of fleet operators, insurance companies, GPS service providers.

3. **<u>The expansion of the system to monitoring road transport shipments to Afghanistan</u>**

Aim: To provide companies shipping goods to Afghanistan with the latest information on the problems, the location of their vehicles and cargoes and the speedy resolution of problematic issues, arising during the journey.

Method: It is proposed that monitoring should be conducted as follows:

- by automatic monitoring and tracking of the road vehicles by using GPS receivers in vehicles;
- by the systematic collection of date by the driver on the basis of standardised journey logs, based on the positive experience registered during the IRU's NELTI project.

The results of the continuous monitoring will enable further steps to be taken to improve shipping procedures and remove the remaining obstacles.

Participants: IRU, national associations, GPS service providers.

4. **<u>The development of an internet-based application to identify the location, the type and quantity of goods to be shipped to Afghanistan and the required delivery schedules</u>**

Aim: To facilitate contact between shippers and trade operators with road transport companies.

Method: This web application should identify the location, the type and quantity of goods to be shipped to Afghanistan and the required delivery schedules. The transport operator is responsible for contacting the shipper or trade

operator to negotiate transport costs and conditions.

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Participants: The appropriate IT company should provide the appropriate electronic platform for the user-friendly identification of the above-mentioned freight; national associations and the IRU.

5. **Harmonisation and simplification of trans-border procedures**

Aim: To harmonise and simplify border-crossing procedures, to reduce waiting times and costs

Method: A range of measures and mechanisms should be implemented at national levels with the aim of expanding international road haulage, including:

- **Simplification of visa procedures by providing multi-entry visas valid 24 months for all drivers** able to confirm, by means of the appropriate certificate issued by the TIR road transport association, that they are carrying out transport operations along the Great Silk Road;
- **Development of "Green channels"** comprising fast-track procedures at passport control and the customs clearance of goods and vehicles in transit for Afghanistan;
- **Establishment of joint border control** according to the requirements of the new Annexe 8 to the UN Convention on the harmonisation of frontier controls of goods;
- **Implementation of Electronic pre-declaration of cargoes, using the IRU TIR procedures (IRU TIR-EPD)** providing the requisite customs formalities are met, but preventing any further dues from being exacted. TIR-EPD also relays information about cargoes and vehicles on NELTI routes.

Participants: The IRU, national associations and governments of the transit countries.

6. **Increasing the capacity of vehicle ferry services on the Caspian and Black Seas.**

Aim: To provide the quick and effective transfer of vehicles across the Black and Caspian Seas. To reduce delays in ports.

Method: The capacity of ferry companies and the levels of co-ordination between road and maritime transport can be increased by encouraging a greater involvement from the shipping industry and undertaking earlier agreements, aimed at expanding Eurasian transportation links.

The basis for this should be the mechanism outlined in the Memorandum of Understanding signed by the IRU and CASPAR, which stipulates the following:

- strict adherence to frequency and timings of ferry crossings, publication of time-tables with the aim of easing the process of advance planning for vehicle shipments being made between Asia and Europe;

- enforcing a non-discriminatory policy, when forming waiting lists for ferry places in ports (both between road hauliers and between road haulage and rail transportation companies[*]);
- the introduction of additional ferries, in case of a significant growth in shipments to Afghanistan;
- greater co-ordination between the maritime industry and the relevant port authorities in Azerbaijan, Georgia, Kazakhstan, and Turkmenistan, with the aim of establishing simplified and speedy procedures and formalities at maritime ports;
- the implementation of a mechanism for advance booking of places on ferries, which would make it possible to assess the necessity for introducing additional services (in case of an increase in the volumes of vehicles) and also reduce the waiting times of vehicles in ports.

Participants: IRU, national associations, CASPAR, ministerial bodies responsible for transportation and communication in Azerbaijan, Kazakhstan and Turkmenistan.

7. **Obtaining financial loans**

Aim: To attract loans from international financial institutions to implement projects which will increase trade while facilitating the efficiency of road freight haulage to Afghanistan.

Method: Loans need to be obtained by the respective governments to modernise trade, transit and customs procedures as well as to improve the road infrastructure along routes between Europe and Afghanistan (via the Caucasus) and/or routes between China and Afghanistan. Loans should also be used to accelerate the modernisation of commercial vehicle fleets, by introducing new technology and modernising border crossing points by developing the "single window" and by introducing the appropriate detectors of narcotics, psychotropic and other substances.

It is suggested that governments and financial institutions work together to develop jointly the appropriate fund to ensure the rapid and effective development of road transport to Afghanistan. This would involve the financial participation of governments, financial institutions and business structures.

Participants: Governments, international financial institutions, trade and road transport associations, the IRU.

8. **The creation of an institutional mechanism**

Aim: To co-ordinate the actions of international organisations, governments in transit countries and national organisations concerning the development of road transport to Afghanistan.

Method: The Working Group, proposed by the participants of the Seminar on questions of shipments to Afghanistan, which took place in Tbilisi (Georgia) on 17–18 July, 2009 could become the appropriate institutional mechanism

[*] The majority of ferries currently in use on the Black and Caspian Seas are universal carries and can take both vehicles and railway containers on board.

to ensure the successful development of road transport to Afghanistan.

At their regular meetings (2-3 times per year, rotating between the capital cities of the transit countries), the participants of the Working Group would have the ability to analyse the results obtained and define the next steps to develop road haulage to Afghanistan. Each subsequent meeting could be devoted to solving any specific problems identified by the persons from the private or public sector involved in such road haulage development. Such meetings could be arranged in close contact with governments and business circles in the host country, which would inevitably increase the effectiveness of such meetings.

Participants: The executive management of the Working Group would be undertaken by the International Road Transport Union (IRU) with support from US Federal authorities. It is anticipated that representatives of international organisations, governments of the transit countries, road haulage associations, financial institutions, suppliers, trade associations or their regional representatives and independent specialists will be invited to participate in the Working Group.

MEASURES AT NATIONAL LEVEL

Amongst the recommendations, which need to be implemented at a national level are:

1. **The creation by governments of the appropriate facilitation for trade and road transport** to undertake, in an effective manner, transport and border crossing in the transit countries. International organisations should also be involved to provide their experience in the implementation, in the transit countries as well as in Afghanistan and China, of the UN multilateral facilitation agreements and conventions which have already proved their efficiency in numerous regions of the world.

2. **The implementation at national level of the recommendations given in the "road maps"of the IRU's NELTI project.** Eurasian road haulage can be dramatically improved by implementing the appropriate recommendations based on the the final results of the First Phase of the NELTI Project.

3. **The reinforcement of public-private partnerships** in the transit countries to further facilitate trade and road transport by upgrading procedures, the modernisation of fleets as well as the modernisation of customs posts and formalities along the ancient Silk Road, are key to ensure the development of road transport and multi-modal services.

5. Outlook

The establishing of stable routes for the transportation of cargoes to Afghanistan by road is a complicated, but realistic task. The IRU's experience in implementing the New Eurasian Land Transport Initiative (NELTI) Project has shown that the success of Afghan road transit will depend on the ability of each country concerned to effectively implement the harmonised facilitation procedures based on the UN multilateral facilitation agreements and conventions in all the transit countries.

With this in mind, it is extremely important that an institutional mechanism should be set up.

To attain this objective, all the recommendations set out in this report should be implemented. If the UN facilitation instruments are successfully implemented, the following positive results could be achieved in the near future:

- The development of road haulage to Afghanistan will become **the stimulus for the effective implementation of the existing UN facilitation instruments** which have already proved their efficiency in numerous regions of the world. In addition, the effective implementation of these UN instruments will also facilitate the integration of the regulation of the domestic transport system of the transit countries into the regulation and practice of global road transport, trade and logistics systems.
- Finally, **the integration of Afghanistan's domestic transport system into the system of global trade road transport and logistics systems,** will also provide non-discriminatory access of goods to the Afghan market but, above all, of Afghan goods to world markets.

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