



**Organization for Security and Co-operation in Europe  
Economic and Environmental Forum**

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# **EIGHTEENTH MEETING OF THE ECONOMIC AND ENVIRONMENTAL FORUM PART 2**

**“PROMOTING GOOD GOVERNANCE AT BORDER CROSSINGS, IMPROVING THE  
SECURITY OF LAND TRANSPORTATION AND FACILITATING INTERNATIONAL  
TRANSPORT BY ROAD AND RAIL IN THE OSCE REGION”**

**Prague, 24 - 26 May 2010**

## **CONSOLIDATED SUMMARY**

OFFICE OF THE CO-ORDINATOR OF OSCE ECONOMIC AND ENVIRONMENTAL ACTIVITIES  
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# TABLE OF CONTENTS

	<u>Page</u>
<b>DECISION NO. 898 REGARDING THE THEME, AGENDA AND MODALITIES FOR THE 18<sup>TH</sup> ECONOMIC AND ENVIRONMENTAL FORUM (EEF)</b> .....	2
<b>ANNOTATED AGENDA</b> .....	5
<b>OPENING REMARKS</b>	
<b>Welcoming remarks:</b>	
<b>H.E. Ambassador Kairat Abdrakhmanov</b> , Chairperson of the OSCE Permanent Council, Permanent Representative of the Republic of Kazakhstan to the OSCE, OSCE Chairmanship.....	11
<b>Mr. Pavel Kafka</b> , Director General for Economic Cooperation and Culture, Ministry of Foreign Affairs of the Czech Republic, host country.....	13
<b>Ambassador Marc Perrin de Brichambaut</b> , OSCE Secretary General.....	15
<b>Mr. Goran Svilanović</b> , Co-ordinator of OSCE Economic and Environmental Activities.....	17
<b>CLOSING STATEMENTS</b>	
<b>Mr. Goran Svilanović</b> , Co-ordinator of OSCE Economic and Environmental Activities.....	19
<b>Mr. Azat Bekturov</b> , Deputy Minister of Transport and Communications of the Republic of Kazakhstan.....	22
<b>RAPPORTEURS' REPORTS</b>	
Plenary Session I      Prospects for the further development of efficient and secure transit transportation between Asia and Europe.....	24
Plenary Session II      Review of the implementation of OSCE commitments in the economic and environmental dimension.....	26
Plenary Session III      Panel Discussion on the role of the OSCE in promoting good governance in international transportation and at border crossings.....	28
Plenary Session IV      Transport facilitation and security in Central Asia and with Afghanistan.....	32
Plenary Session V      The impact of transportation on environment and security.....	34
Plenary Session VI      Specific transport security aspects and the role of the OSCE .....	38
Concluding Plenary Session    The role of the OSCE in follow-up to the 18 <sup>th</sup> Economic and Environmental Forum.....	41

**771st Plenary Meeting**

PC Journal No. 771, Agenda item 2

**DECISION No. 898  
THEME, AGENDA AND MODALITIES FOR THE EIGHTEENTH  
ECONOMIC AND ENVIRONMENTAL FORUM**

1 and 2 February 2010 and 24 to 26 May 2010

The Permanent Council,

Pursuant to Chapter VII, paragraphs 21 to 32, of the Helsinki Document 1992; Chapter IX, paragraph 20, of the Budapest Document 1994; Ministerial Council Decision No. 10/04 of 7 December 2004; Ministerial Council Decision No. 4/06 of 26 July 2006; and Permanent Council Decision No. 743 of 19 October 2006,

Relying on the OSCE Strategy Document for the Economic and Environmental Dimension (MC(11).JOUR/2), the OSCE Border Security and Management Concept (MC.DOC/2/05), Ministerial Council Decision No. 11/06 on future transport dialogue in the OSCE and Ministerial Council Decision No. 9/08 on Follow-Up to the Sixteenth Economic and Environmental Forum on Maritime and Inland Waterways Co-operation,

Building upon the outcomes of past Economic and Environmental Forums, as well as on the results of relevant OSCE activities including follow-up activities,

Taking into account the closing statement by the Chairperson of the Seventeenth Meeting of the Economic and Environmental Forum,

Decides that:

1. The theme of the Eighteenth Economic and Environmental Forum will be: “Promoting good governance at border crossings, improving the security of land transportation and facilitating international transport by road and rail in the OSCE region”,
2. The Eighteenth Economic and Environmental Forum will be held over a period of five days, distributed as follows, and without setting a precedent for future Economic and Environmental Forums:
  - 2.1 On 1 and 2 February 2010 in Vienna;
  - 2.2 From 24 to 26 May 2010 in Prague;

3. The agendas of the two segments of the Forum would focus on the following topics:
  - Best practices and good governance at border crossings and in customs procedures, as part of border management, including the aspects of rule of law, transparency, integrity, co-ordination and harmonization;
  - Facilitation of international land-transport and cross-border operations, paying due attention to the specific needs of landlocked developing countries, in order to strengthen economic co-operation during the current economic downturn;
  - Safeguarding of the security of the international transport circuit, including the fight against transnational crime, terrorism and trafficking in weapons, drugs and human beings;
  - Impact of transportation on environment and security;
4. Moreover, having a view to its tasks, the Economic and Environmental Forum will review the implementation of OSCE commitments in the economic and environmental dimension. The review, to be integrated into the second segment of the Forum, will address OSCE commitments related to the facilitation of international transport and the security of inland transport;
5. The discussions of the Forum should benefit from cross-dimensional input provided by other OSCE bodies and relevant meetings, including two preparatory conferences to take place outside of Vienna, organized by the Office of the Co-ordinator of OSCE Economic and Environmental Activities under the guidance of the 2010 OSCE Chairmanship, and deliberations in various international organizations. Timetables of both segments of the Forum will be presented to the Economic and Environmental Committee and determined by the OSCE Chairmanship;
6. Moreover, having a view to its tasks, the Economic and Environmental Forum will discuss current and future activities for the economic and environmental dimension, in particular the work in implementation of the OSCE Strategy Document for the Economic and Environmental Dimension;
7. The participating States are encouraged to be represented at a high level, by senior officials responsible for shaping international economic and environmental policy in the OSCE area. Participation in their delegations of representatives from the business and scientific communities, as well as other relevant actors of civil society, would be welcome;
8. As in previous years, the format of the Economic and Environmental Forum should provide for the active involvement of relevant international organizations and encourage open discussions;
9. The following international organizations, international organs, regional groupings and conferences of States are invited to participate in the Eighteenth Economic and Environmental Forum: Asian Development Bank; Barents Euro-Arctic Council; Black Sea Economic Co-operation; Central European Initiative; Collective Security Treaty Organization; Commonwealth of Independent States; Conference on Interaction and Confidence-Building Measures in Asia; Council of Europe; Council of the Baltic Sea States; Economic Co-operation Organization; Eurasian Economic Community; European Agency for the Management of

Operational Co-operation at the External Borders (FRONTEX); European Bank for Reconstruction and Development; European Environment Agency; European Investment Bank; Intergovernmental Commission TRACECA; Intergovernmental Organization for International Carriage by Rail; International Atomic Energy Agency; International Fund for Saving the Aral Sea; International Labour Organization; International Maritime Organisation; International Monetary Fund; International Organization for Migration; International Rail Transport Committee; International Road Transport Union; International Road Federation; International Union of Railways; International Transport Forum; North Atlantic Treaty Organization; Organization for Co-operation of Railways; Organisation for Economic Co-operation and Development; Organization for Democracy and Economic Development – GUAM; Organization of the Islamic Conference; Regional Cooperation Council; Southeast European Cooperative Initiative; South Eastern Europe Transport Observatory; Secretariat of the United Nations Framework Convention on Climate Change; Shanghai Co-operation Organization; United Nations Conference on Trade and Development; United Nations Development Programme; United Nations Economic Commission for Europe; United Nations Economic and Social Commission for Asia and the Pacific; United Nations Environment Programme; United Nations Office on Drugs and Crime; United Nations Special Programme for the Economies of Central Asia; World Bank Group; World Customs Organization; World Trade Organization and other relevant organizations;

10. The Partners for Co-operation are invited to participate in the Eighteenth Economic and Environmental Forum;

11. Upon request by a delegation of an OSCE participating State, regional groupings or expert academics and business representatives may also be invited, as appropriate, to participate in the Eighteenth Economic and Environmental Forum;

12. Subject to the provisions contained in Chapter IV, paragraphs 15 and 16, of the Helsinki Document 1992, the representatives of non-governmental organizations with relevant experience in the area under discussion are also invited to participate in the Eighteenth Economic and Environmental Forum;

13. In line with the practices established over the past years with regard to meetings of the Economic and Environmental Forum and their preparatory process, the Chairperson of both segments of the Eighteenth Economic and Environmental Forum will present summary conclusions and policy recommendations drawn from the discussions. The Economic and Environmental Committee will further include the conclusions of the Chairperson and the reports of the rapporteurs in its discussions so that the Permanent Council can take the decisions required for appropriate policy translation and follow-up activities.



## Organization for Security and Co-operation in Europe

Office of the Co-ordinator of OSCE  
Economic and Environmental Activities  
2010

Prague, 24 May

### The 18<sup>th</sup> Meeting of the OSCE Economic and Environmental Forum

“Promoting good governance at border crossings, improving the security of land transportation and facilitating international transport by road and rail in the OSCE region”

#### Part 2 / Prague, 24 – 26 May 2010

Venue: Czernin Palace, Loretánské nám. 5, 118 00 Prague 1

### AGENDA

#### Monday, 24 May 2010

14.30 – 16.00      **Opening Session** (*open to the press*)

**Moderator: Ambassador Kairat Abdrakhmanov**, Chairperson of the OSCE Permanent Council, Permanent Representative of the Republic of Kazakhstan to the OSCE, OSCE Chairmanship

#### **Welcoming remarks:**

- **Mr. Pavel Kafka**, Director General for Economic Cooperation and Culture Ministry of Foreign Affairs of the Czech Republic, host country
- **Ambassador Marc Perrin de Brichambaut**, OSCE Secretary General
- **Mr. Goran Svilanović**, Co-ordinator of OSCE Economic and Environmental Activities

#### **Keynote addresses:**

- **Mr. Jan Kubiš**, UN Under Secretary General and Executive Secretary of the United Nations Economic Commission for Europe (UNECE)
- **Mr. Cheick Sidi Diarra**, UN Under Secretary General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
- **Mr. Sergio Mujica**, Deputy Secretary General, World Customs Organization (WCO)

Discussion

16.00 – 16.30 Coffee/Tea break  
16.30 – 18.00 **Plenary Session I – Prospects for the further development of efficient and secure transit transportation between Asia and Europe**

**Selected topics:**

- The role of Eurasian transport links in overcoming the global economic downturn, contributing to mutual economic growth and thereby to regional stability and security
- Overcoming barriers to trade and transport, harmonising procedures and introducing new technologies along major transportation routes
- The importance of building partnerships between landlocked countries and their transit neighbours

**Moderator: Ambassador Alyksandr Sychoy**, Permanent Representative of the Republic of Belarus to the OSCE, Chair of the Economic and Environmental Committee

**Rapporteur: Mr. Dmitry Balakin**, Counsellor, Permanent Mission of the Russian Federation to the OSCE

**Speakers:**

- **H.E. Abelgazy Kusainov**, Minister of Transport and Communications of the Republic of Kazakhstan
- **Mr. Ganbat Chuluunkhuu**, Adviser to the Minister of Road Transportation, Construction and Urban Development of Mongolia
- **Mr. Vytautas Naudužas**, Personal Representative of the OSCE Chairperson-in-Office on Transport issues, Ambassador-at-Large, Ministry of Foreign Affairs of the Republic of Lithuania
- **Mr. Sergey Stolyarov**, Deputy Director for Strategic Development, Russian Railways

Discussion

**18.30 Reception hosted by the Kazakh Chairmanship** (Czernin Palace)

**Tuesday, 25 May 2010**

09.30 – 10.30 **Plenary Session II – Review of the implementation of OSCE commitments in the economic and environmental dimension**

**Moderator: Mr. Azat Bekturov**, Deputy Minister of Transport and Communications of the Republic of Kazakhstan

**Rapporteur: Mr. Jan Olsson**, Head, Economic and Environmental Unit, OSCE Office in Baku

- Presentation of the Review Report prepared by **Ms. Eva Molnar, Director of Transport Division**, United Nations Economic Commission for Europe (UNECE) focussed on the facilitation of international transport and the security of inland transport
  - Discussion on the Review Report's main findings and recommendations
- 10.30 – 11.00      Coffee/Tea break

11.00 – 13.00      **Plenary Session III – Panel Discussion on the role of the OSCE in promoting good governance in international transportation and at border crossings**

**Moderator: Mr. Umberto de Pretto**, Deputy Secretary General, International Road Transport Union (IRU)

**Rapporteur: Mr. Emmanuel Huntzinger**, Economic Officer, OSCE Office in Tajikistan

**Panellists:**

- **Ms. Eva Molnar**, Director, Transport Division, United Nations Economic Commission for Europe (UNECE)
- **Mr. Thomas Leimgruber**, Secretary General, International Rail Transport Committee (CIT)
- **Mr. Mohammed Yahya Maroofi**, Secretary General, Economic Cooperation Organization
- **Mr. Daniel Perrier**, Member of the Capacity Building Directorate, World Customs Organization (WCO)
- **Ms. Edwige Presle-Weiss**, Project Manager, Customs Training Development Programme, OSCE Centre in Bishkek
- **Mr. Nicolae Popa**, Regional Coordinator of UNCTAD ASYCUDA (Customs modernization) Programme for Europe and Central Asia, Division on Technology and Logistics, United Nations Conference on Trade and Development (UNCTAD)
- **Mr. Jan Tomczyk**, Senior Consultant, Eurasian Transport Links project

**Selected topics:**

- Best practices and good governance at border crossings and in customs
- Transparency, integrity, and fighting corruption
- Co-ordinating, harmonizing and streamlining procedures and documentation
- Public-private co-operation
- The balance between security and facilitation
- Promotion of relevant legal instruments

Discussion

13.00 – 14.30      Lunch break

## SIDE EVENT

“Security implications of climate change, the need for sustainable energy policies in Kazakhstan” \*

**13:00 – 13:10** Film screening “Kazakhstan on the way to low carbon emissions”

**13.10 – 13.25** Presentation by **Mrs. G. Karibzhanova**, Deputy Director of the Kyoto Protocol

Department, Ministry of Environment Protection of the Republic of Kazakhstan

**13.25 – 13.45** Questions and discussion

\* *A light sandwich lunch will be served*

14.30 – 16.00 **Plenary Session IV – Transport facilitation and security in Central Asia and with Afghanistan**

### Selected topics:

- The potential for cross-border trade along Central Asia’s borders with Afghanistan and its role for regional economic development and stability
- The need to create positive conditions for legitimate transport and trade operations while at the same time tackling security risks and trafficking of narcotics and other illegal goods
- The current and possible future contribution of the OSCE

**Moderator: Ambassador Kairat Abdrakhmanov**, Chairperson of the OSCE Permanent Council, Permanent Representative of the Republic of Kazakhstan to the OSCE, OSCE Chairmanship

**Rapporteur: Mr. Tigran Sukiasyan**, National Programme Officer for Economic Affairs, OSCE Office in Yerevan

### Speakers:

- **Mr. Ziauddin Zia**, Adviser to the Minister, Ministry of Commerce and Industry of Afghanistan
- **Mr. Thomas M. Sanderson**, Deputy Director and Senior Fellow, Transnational Threats, Center for Strategic and International Studies (CSIS), Washington DC, United States of America
- **General-Lieutenant Beksultan Sarsekov**, Head of the Central Asia Regional Information and Coordination Centre (CARICC), Almaty, Kazakhstan

Discussion

16.00 – 16.30 Coffee/Tea break

16.30 – 18.00 **Plenary Session V – The impact of transportation on environment and security**

### **Selected topics:**

- Promoting policies that contribute to enhancing the environmental sustainability of transport
- Tackling the risks posed by the transport of dangerous goods and the illegal trafficking of hazardous waste

**Moderator: Mr. Anthonius De Vries**, UNECE & OSCE/EED Co-ordinator, DG RELEX, European Commission

**Rapporteur: Mr. Alexander Savelyev**, National Project Officer, Environmental Affairs, OSCE Project Co-ordinator's Office in Ukraine

### **Speakers:**

- **Mr. Jean Pierre Loubinoux**, Director General, International Union of Railways (UIC)
- **Dr. Christine Rose**, Head, Division for Legislation of Federal Roads, Ministry of Transport, Innovation and Technology, Austria
- **Mr. Gustav Kafka**, Deputy Secretary General, Intergovernmental Organisation for International Carriage by Rail (OTIF)
- **Mr. Nigmatzhan Issingar**, President of the Association of National Freight Forwarders of the Republic of Kazakhstan

Discussion

18.30                    **Reception hosted by the Co-ordinator of OSCE Economic and Environmental Activities** (Zofin Gardens)

## **Wednesday, 26 May 2010**

09.30 - 11.00        **Plenary Session VI – Specific transport security aspects and the role of the OSCE**

### **Selected topics:**

- Strengthening the implementation of available legal and other tools to ensure both increased security and greater facilitation
- Promoting a multilateral, integrated and co-operative approach regarding international transportation and supply chain security
- Sharing of information and the exchange of good practices on land transport security through multi-stakeholder co-operation

**Moderator: Mr. Raphael Perl**, Head of the Action against Terrorism Unit (ATU), OSCE Secretariat

**Rapporteur: Mr. Forest Atkinson**, Political Officer, US Mission to the OSCE

**Speakers:**

- **Mr. Robert Nowak**, Economic Affairs Officer, Transport Division, United Nations Economic Commission for Europe (UNECE)
- **Mr. Laurence Brown**, EMEA Business Manager, Transported Asset Protection Association (TAPA)
- **Mr. Andrew Cook**, Head of Land Transport Security Policy Development TRANSEC, UK Department for Transport
- **Mr. Adlet Barmenkulov**, Chairman of the Transport Control Committee, Ministry of Transport and Communications of the Republic of Kazakhstan

Discussion

11.00 - 11.30                      Coffee/Tea break

11.30 – 13.00            **Concluding Plenary Session – The role of the OSCE in follow-up to the 18<sup>th</sup> Economic and Environmental Forum**

**Selected topics:**

- Presentations of specific OSCE contributions, including examples from the field

**Moderator: Mr. Goran Svilanovic**, Co-ordinator of OSCE Economic and Environmental Activities

**Rapporteur: Ms. Amaya Sotes**, Economic Affairs Officer, Economic Governance Unit, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

**Speakers:**

- **Mr. Wolfgang Maierhofer**, Director, OSCE Border Management Staff College (BMSC) in Dushanbe
- **Ms. Nuripa Mukanova**, Secretary General, Anti-Corruption Business Council, Kyrgyz Republic
- Selected OSCE field presences

Discussion

**Closing Statement:**

- **Mr. Azat Bekturov**, Deputy Minister of Transport and Communications of the Republic of Kazakhstan

## Opening Remarks

by **H.E. Ambassador Kairat Abdrakhmanov**  
**Chairperson of the OSCE Permanent Council, Permanent Representative of the Republic of Kazakhstan to the OSCE, OSCE Chairmanship**

Your Excellencies,

Ladies and Gentlemen,

Dear colleagues,

On behalf of the Kazakh OSCE Chairmanship for 2010, it is a great pleasure to welcome you all to this second part of the 18th OSCE Economic and Environmental Forum on “*Promoting good governance at border crossings, improving the security of land transportation and facilitating international transport by road and rail in the OSCE region*”.

First of all I wish to express my most sincere gratitude to the Czech government for its warm hospitality and for all its efforts in the preparation of the Forum.

It is an honour to see among the participants the distinguished representatives of the OSCE participating States and Partners for Co-operation; high-level officials from ministries and agencies for transport, customs, finance and border police; representatives of various international, regional and non-governmental organizations; experts from academia and the business sector. Let me also welcome our distinguished keynote speakers, Mr. Jan Kubiš, UN Under Secretary General and Executive Secretary of the United Nations Economic Commission for Europe (UNECE), and Mr. Cheick Sidi Diarra, UN Under Secretary General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. I look forward to your keynote addresses.

Economy depends on transportation. We need transport in order to transfer goods and people, and to organise trade. Enhancing the efficiency and security of transport is thus of paramount importance for the development of the economy.

Against this background, we have elaborated a comprehensive agenda for this concluding part of the 18th Economic and Environmental Forum. Let me now outline its main parts.

We shall explore how facilitation and security measures, which we discussed at previous Forum events and we will further discuss here, can help to develop major transport routes, in particular between Asia and Europe, and thus to overcome the global economic downturn. In this context, we will also address the specific problems faced by landlocked developing countries.

The Forum participants shall exchange views on the main findings and recommendations of the Review of the implementation of OSCE commitments in the area of transport and security prepared by the UNECE. This is again a clear testimony to the excellent working partnership existing between the OSCE and the UNECE.

I hope that the Panel format of Session III tomorrow will ensure a vivid debate on the vital topic of good governance in transport and at border crossings. Building upon the previous recommendations, the panelists and other participants will try to identify the best ways of

improving management of border crossings, including harmonization of customs procedures and combating corruption.

Our continued focus on Central Asia and especially adjacent Afghanistan, I believe, is of high value and importance. The outcomes of the Forum on transport and security in that region can become a practical contribution to preparations for the OSCE Summit in Astana.

Yet another key part of our agenda is security aspects of transport. I am confident that our Organization can serve as a very useful and relevant platform for further exploring these issues, and we should aim at identifying areas where the OSCE could achieve concrete results.

We shall also assess the impact of land transportation on the environment and security. Our overall aim should be to promote policies that enhance the environmental sustainability of transport, with a special focus on the transport of dangerous goods and hazardous waste.

Before proceeding further in our Opening Session, I would like to make a few remarks about the Forum proceedings. Each session will be chaired by a Moderator. The Moderator's role is to manage the session and a key element in that regard is time enforcement for speakers and participants. Speakers have been kindly asked to be brief and focused, and their presentation should not exceed 12-15 minutes. We need this arrangement to have enough time for discussion in each session.

Let me end by thanking you all for your attention. Without further delay, I would like now to pass on the floor to Mr. Pavel Kafka, Director General for Economic Cooperation and Culture Ministry of Foreign Affairs of the Czech Republic.

## **Welcoming Remarks**

**by Mr. Pavel Kafka**  
**Director General General for Economic Cooperation and Culture**  
**Ministry of Foreign Affairs of the Czech Republic**

**Mr. Chairman,**  
**Mr. Secretary-General,**  
**Excellencies, Ladies and Gentlemen, Distinguished Guests,**

It is a great pleasure and privilege for me to welcome you on behalf of the Government of the Czech Republic on the occasion of the eighteenth OSCE Economic and Environmental Forum traditionally here in Prague. As the host country, the Czech Republic will do its utmost to make it a success.

At the outset, let me most cordially welcome the leading OSCE representatives, including Secretary-General Marc Perrin de Brichambaut, present here, the ministers of the participating countries of the OSCE (especially those from the distant region of Central Asia) and the OSCE Partners for Co-operation as well as the representatives of international organizations and other participants in this meeting.

We should make the most of this opportunity for an open discussion and formulation of conclusions and recommendations and identify the best practices, since the Economic and Environmental Fora are a very suitable platform for a dialogue on all problems concerning the security of the OSCE region, including those associated with international transport and crossborder traffic. This year's theme "Promoting good governance at border crossings, improving the security of land transportation and facilitating international transport by road and rail in the OSCE region" is a topical one.

Transport is a sector of strategic importance for the economic growth of OSCE participating States. Yet challenges are complex and diverse. That is why the OSCE has been actively involved in efforts to improve its organization and planning, and to address the related security and environmental concerns. However, to achieve change, it is necessary to first eliminate the obstacles that still exist among the participating countries. Beside physical obstacles among the EU countries and their neighbours, there exist many non-physical ones. Some of them are caused by administrative and border control procedures. They result in delays and idle time, which increases the price of the transported goods, discourages individual travel and tourism, and diverts traffic to alternative, often longer, routes.

In this context, one of the focal points for the OSCE are customs policies. In addition to collecting import and other customs duties, the customs service has a major role to play in reducing the risks associated with international crime and terrorism. However, this all adds up to a time-consuming process which delays traffic and causes idle time for drivers at border crossing points. This shows that our customs policies should strike the right balance between the security of citizens and transport facilitation. We need to harmonize the international standards for modern electronic customs information systems, standardize the data requirements in customs declarations, and above all improve the interoperability of our customs systems.

The discussions held in the first round of the Forum in Vienna and later in Minsk confirmed that the topic of transport and transport-related issues are of great importance as part of comprehensive approach to security in the OSCE and neighbouring regions.

In conclusion, I would like to express my hope that the sessions of the second part of the 18th Economic and Environmental Forum will mark a step forward in our effort to deal with these issues. Mutual exchange of experience on this topic, which started at the preparatory seminars, should eventually bring us closer to a common understanding and common approaches. I thank the Chairmanship and organizers of previous debates for their excellent efforts. I also thank the Coordinator of OSCE Economic and Environmental Activities, the OSCE Secretariat and its Prague Office for all the preparatory work they have done. And last but not least, let me express my high appreciation to the international organizations present here today for their valuable input to our debate.

I wish you a pleasant and productive stay in Prague.  
Thank you for your attention.

## Opening Remarks

by Ambassador Marc Perrin de Brichambaut  
OSCE Secretary General

Dear Chairperson,  
Your Excellencies,  
Ladies and Gentlemen,

It is a pleasure to welcome you all to the second part of the 18<sup>th</sup> OSCE Economic and Environmental Forum.

Allow me first to express my deepest gratitude to the Government of the Czech Republic for hosting this important meeting once again and to the Kazakh Chairmanship for its full dedication and great assistance during the entire Forum process.

This Forum is an excellent example of the OSCE's unique ability to bring together stakeholders - policy makers and experts - to **discuss** pressing issues of great complexity, **exchange views** and experiences, and **build consensus** on how to advance the stability and prosperity of our region. The presence here today of such distinguished guests representing key partner organizations, OSCE participating States and Partners for Co-operation, makes me hopeful that this Forum will be a fruitful experience, which will contribute to the enhancement of co-operation among all of us.

This year's Forum's theme is intrinsically linked with the OSCE's history. Co-operation on transport and border crossing issues features in documents such as the Helsinki Final Act (1975), the Bonn Document (1990) and the Maastricht Strategy Document for the OSCE Economic and Environmental Dimension (2003). The OSCE has intensified its involvement on these issues since the 14<sup>th</sup> OSCE Economic Forum in 2006. Our meeting today will build upon this rich experience in order to provide a clear set of priorities and recommendations for the future development of the OSCE's work in this area.

Transport is a crucial factor with clear **economic**, **environmental** and **security** implications.

From an **economic** perspective, transport is the basis of business and trade. It is an essential factor for economic growth and integration. Transport is crucial in today's world when frontiers between peoples and states have been blurred with the advancement of globalization and the development of new technologies.

In times of high mobility and trans-national communication, we cannot afford delays and obstacles at borders or anywhere in the international land transport circuit. Yet, as we have learned from numerous reports and studies presented in previous conferences, some 40% of the transport time along some Euro-Asian routes is actually waiting time at borders. Moreover, for every euro lost by transport operators due to barriers to road transport, such as waiting times at borders, the economy is penalised two euros in terms of missed business opportunities.

This has to change. Customs and border agencies play a decisive role in this regard. They need transparent, simplified and efficient procedures as well as high standards of professional integrity.

From a **security** point of view, transport vehicles can be used, among other things, as a tool by terrorist and organized crime groups to carry out illegal activities, such as trafficking and smuggling. Also, the possibility of terrorist attacks on transport infrastructure or vehicles represents a concern in many OSCE participating and Partner States.

Transport can also be a source of pollution and thus a factor that can create and exacerbate **environmental** threats. The transport of dangerous goods and hazardous substances also raises concerns about potential impacts on the environment.

All these challenges need to be tackled from a holistic point of view, understanding that an efficient, secure, and environmentally friendly transport system is essential to strengthening regional co-operation, fostering economic development and safeguarding regional stability.

Excellencies,  
Ladies and Gentlemen,

This Forum is an excellent opportunity to adopt exactly such a point of view from which we can explore innovative solutions. The OSCE's comprehensive security approach can definitively prove its usefulness in this area.

I believe there is much the OSCE can do to advance dialogue and co-operation on these issues. We offer a platform for the exchange of views, for the review and reinforcement of national and international standards, and for the generation and exercise of political will.

Our extended network of field presences, with their direct knowledge of the situation on the ground, allows the OSCE to take concrete actions when needed in support of the efforts of our participating States.

I encourage all of you to take maximum advantage of these opportunities. I encourage you to put forward ideas and solutions to existing transport and border crossing challenges, and to explore new ways to co-operate and build consensus.

I would like to thank all the representatives of OSCE participating States present here today, as well as the experts from international organizations, NGOs and the business and academic communities, which are all crucial actors with extensive knowledge and expertise, able to provide valuable contributions.

Finally, I wish to thank Mr. Goran Svilanovic, Co-ordinator of OSCE Economic and Environmental Activities, and his team, for their exceptional work in preparing this Economic and Environmental Forum, and the OSCE Prague Office for its invaluable work and support.

I look forward to your contributions and wish you fruitful and stimulating discussions.

Thank you for your attention.

## **Welcoming Remarks**

**by Mr. Goran Svilanovic**  
**Co-ordinator of OSCE Economic and Environmental Activities**

Dear Chairperson,  
Excellencies,  
Distinguished participants,

Allow me to join the previous speakers in warmly welcoming you all to the second and concluding part of the 18<sup>th</sup> Economic and Environmental Forum. I would also like to express my most sincere thanks to our Czech hosts and to the Kazakh Chairmanship for their efforts in making this meeting possible.

The two preparatory Conferences in Astana and Minsk, as well as the first part of the Forum in Vienna, laid a solid foundation for our work here in Prague and helped us define some key priorities. In this regard, my Office prepared a Food-for-Thought Paper on Follow-up Ideas (EEF.GAL/6/10) which should support our debates and channel them towards concrete and viable recommendations for the OSCE.

In the course of the Forum process we have focused on road and rail transport facilitation, on transport security, and on environmentally sustainable transport. We have addressed these issues based on the positive assumption that transport brings people and businesses together, that it is the main vehicle through which customers are provided with their goods and services and that it ultimately helps foster co-operation between regions and countries.

However, the global financial and economic crisis has struck many of our countries. Over 2009 for instance, GDP in the OECD area fell by 3.4%. The crisis has also had a major negative impact on the transport sector which provides oxygen to our trade and thus stimulates economic recovery. For example, according to statistics from the International Transport Forum, world container traffic fell as much as 26% last year.

On top of this the international land transportation in many parts of the OSCE region is still hindered by cumbersome border crossings. According to a recent study carried out by the OECD, the costs of poor border procedures could come up to 15% of the total transaction value of global trade. In the global supply chain, border crossings often tend to be major bottlenecks, despite the fact that increasing their efficiency can be done without major investments.

That is why the choice of the theme for this year's Economic and Environmental Forum has been a good and very timely one. Maximising our region's transport and transit potential, and creating more efficient and secure border crossings along major transport routes can help our economies to overcome the consequences of the crisis. It is here that the OSCE is well placed to contribute, by raising awareness and providing capacity-building. The benefits of an improved transit situation between Asia and Europe are clear, facilitated and more secure transportation would lead to higher volumes of trade and revenue collection and to reduced opportunities for smuggling and corruption.

The Forum should focus on the role of the OSCE and the areas where it can bring its added value. I am confident that this Forum meeting will finally allow us to define clearly the follow up actions and to elaborate policy recommendations.

In this regard, as always, I count very much on the invaluable input our Economic and Environmental Officers from the field presences could provide. I encourage them to actively engage in the debate throughout the meeting and in particular in the concluding session on Wednesday. I also count very much on the active involvement of all participants. I wish us all a rewarding and valuable dialogue and look forward to vivid discussion over the next two days.

Thank you for your attention.

## Statement in the Concluding Debate

by Goran Svilanovic  
Co-ordinator of OSCE Economic and Environmental Activities

Excellencies,  
Ladies and Gentlemen,

We have now reached the concluding part of the 18th OSCE Economic and Environmental Forum on *Promoting good governance at border crossings, improving the security of land transportation and facilitating international transport by road and rail in the OSCE region*.

I would like to begin by thanking the representatives of the participating States and our Partners for Co-operation for their valuable contributions and active involvement in the discussions. I wish to express my deepest appreciation to the representatives of International Organizations, civil society, the business and academic community, and also to our colleagues from the OSCE Field Presences. I would like to especially thank the OSCE Prague Office for their organization and facilitation of the Forum. The success of this Forum is the result of your efforts and dedication and it will surely serve as the starting point for further cooperation in this vital field of transport and border crossings.

This Forum has confirmed that the OSCE remains a natural platform for the development of **regional and sub regional cooperation** as well as for gathering and strengthening of **the necessary political will**.

The OSCE shall continue to serve as unique **forum for dialogue and co-operation** not only among States but also involving actors from civil society and the private sector through a public-private partnership approach.

Moreover, the OSCE needs to continue providing or facilitating **technical support and assistance to the participating States**.

Let me now briefly highlight some of the main areas where I believe we can develop meaningful follow-up.

To start with the main conclusion from the last session, I would say that **transport security** should remain high on our agenda. Teaming up with partners from other organizations and from the private sector, we can indeed provide a useful platform, a forum to discuss transport security.

One of the issues that has been emphasized throughout the entire Forum process as crucial for the facilitation of transport is fostering the **good governance** of border crossings.

The implementation of **simplified and harmonized regulations** and procedures and the **lifting of physical and non-physical barriers to transport and trade** are crucial for reducing waiting times at border crossings.

Promoting **integrity and transparency** and fighting corruption at border crossings and custom agencies is of paramount importance in order to stimulate trade and economic growth as well as to minimize security risks.

Holding of a regional conference, jointly with the WCO, to raise awareness on existing instruments and good practices to promote integrity in customs is a priority for my Office in the near future. We envisage organizing it in Kazakhstan on 12-13 July. It should then lead to specific national 'tailor-made' capacity building projects.

OSCE can offer a platform for the exchange of experiences and the development of cooperation between stakeholders. The *Handbook of Best Practices at Border Crossings* on which my Office is working together with the UNECE is aimed at achieving these goals. Once published later this year, it should be instrumental in providing capacity building and expert training to the national institutions and actors.

There are other OSCE structures, such as the Dushanbe Border Management Staff College, that are mandated to provide training activities on border issues. There are also projects such as the Bishkek Customs Training Center. We stand ready to work closely with all of them. Effectively addressing border crossing issues require a holistic approach, including both facilitation and security elements, and addressing challenges in all three dimensions. The workshop the Staff College is organizing on 14-18 June, with substantial support from my Office, on transboundary transportation of hazardous waste, is a good first example in this regard.

The OSCE can also play an important role in promoting the ratification and effective implementation of international legal instruments. Our good work with regard to the UNECE Harmonization Convention should be continued. We could also engage in partnerships with other organizations. A good example could be supporting UNCITRAL in raising awareness on the newly developed "Rotterdam Rules".

In the rail transport sector, an effective way of supporting the development of transport corridors by exemplifying their technical feasibility and commercial viability consists in running of demonstration "**block trains**". The OSCE could consider rendering its political support to such initiatives.

Our discussions these past days have underlined the importance of further **developing transport communication between Europe and Asia**. This task has been regarded as fundamental in order to overcome the consequences of the global economic downturn and ensure the effective functioning of economies of the OSCE participating States. We should continue to pay due attention to the specific needs of **landlocked countries** and support the development of partnerships between landlocked and transit countries.

It is essential to include environmental considerations into the economic development in order to guarantee its sustainability. This is and will continue to be a priority within the OSCE. We have also addressed the important issue of the **transportation of dangerous goods and hazardous waste** and their potential negative effect on the environment.

Last but not least, we have examined the particular situation of **Afghanistan** and its main future challenges. Its unique geographical location makes the establishment of an efficient border management system necessary to ensure both, the facilitation of legitimate trade and the security of the area. It has been frequently stressed that the OSCE must play an active role in supporting and contributing to Afghanistan's development and stabilization. In this regard we look forward to receiving a concrete set of proposals from our Afghan partners.

Ladies and Gentlemen,

I believe the entire Forum process was instrumental in identifying the main challenges in the field of transport and border crossings. It also shed light on how we can provide adequate responses to these challenges. I have just summed up some of the major conclusions.

It is clear that neither my Office nor the Field Presences cannot carry out any of these vital activities without the help and support of the participating States. Therefore, I call upon all of you to **provide us with the support we need** in order to continue furthering its work in this domain.

## **Closing Statement**

**by Mr. Azat Bekturov  
Deputy Minister of Transport and Communications of the Republic of Kazakhstan**

**Dear participants of the Forum!  
Distinguished ladies and gentlemen!**

On behalf of the chairing state's delegation, allow me to express my heartfelt gratitude to all those present for their active participation in the work and organization of today's significant event.

We are sincerely grateful to the participants of the second part of the 18<sup>th</sup> Economic and Environmental Forum as well as to all those who made a certain contribution to the forum during its entire period.

We would like to express special thanks to the OSCE Secretariat, owing to whose efforts we have been able to jointly conduct the 18<sup>th</sup> Forum on the high level.

We all have done a tremendous job since the 1<sup>st</sup> Preparatory Conference in Astana.

In the framework of the first part of the Forum the issues of road transport have been mainly discussed. Emphasis was made on the effective facilitation and security of the international road transport, as well as on ensuring a proper management of border control bodies. As a result, there was established a comprehensive exchange of the positive opinions on creating favorable conditions for the transport in the OSCE region.

During the last two days we have conducted on less efficient discussions on various security aspects. The Czech capital has become a witness of discussions about the prospects of developing reliable and efficient land transport between the Eurasian subcontinents and about the OSCE role in facilitating transport.

It should be noted that during the Forum we have paid considerable attention to the environmental aspects of transport security. This issue plays an important role in constructing the whole architecture of transport security.

As in the first part of the Forum, we could not evade specific security aspects like ensuring legal cross-border transportations in Central Asia and improving their security in the contact area with Afghanistan. Undoubtedly, these problems require significant attention due to its high urgency.

As the chairing state, we confirm once again that a search for solutions of the topical issues during the large-scale Forum is considered as an important component of our chairmanship, a key task of which is determined to preserve and strengthen the OSCE as the largest regional security forum, open to an equal dialogue.

I am confident that together we formed a good platform to handle issues on strengthening transport security and promoting land transport in the OSCE region. In this regard we expect a logical continuation and implementation of the coordinated actions resulted from the Forum.

As known, after Kazakhstan chairmanship will pass to Lithuania, which, as we hope, will further promote cooperative and meaningful approaches to enhancing security and efficiency of land transport along with all accompanying transport systems and infrastructures.

In this connection, I would like to kindly ask for the distinguished colleagues to give evidence of political will and strategic foresight, and to direct joint efforts of the OSCE community to revelation of new effective methods and schemes of strengthening transport security in the region.

Our joint work will bear fruit and taken decisions on creating favorable conditions for land transport, thereby for a qualitative basis of mutually beneficial relations will undoubtedly contribute to economic growth and overcoming affects of the global crisis in the region.

In conclusion, allow me to express hopes for further close and fruitful cooperation within the second OSCE dimension.

I wish you all good health and great success in your noble work.

**Thank you for attention!**

## REPORT OF THE RAPPORTEURS

### Plenary session I - Prospects for further development of efficient and secure transit transportation between Asia and Europe

**Moderator: Ambassador Alyksandr Sychov**, Permanent Representative of the Republic of Belarus to the OSCE, Chairman of the Economic and Environmental Committee

**Rapporteur: Mr. Dmitry Balakin**, Counsellor, Permanent Mission of the Russian Federation to the OSCE

The Moderator, **Ambassador Alyksandr Sychov** opened the session emphasizing that in the context of the global economic downturn transport facilitation becomes vitally important in order to ensure the effective functioning of national economies. The OSCE, serving as a natural platform for political dialogue, and in partnership with specialized international organizations, could assist in the development of regional and sub-regional projects aimed at harmonizing and simplifying customs and border-crossing procedures, overcoming barriers to trade, ensuring access of land-locked countries to sea-ports and thus enhancing the commercial contacts among participating States.

**H.E. Abelgazy Kusainov**, Minister of Transport and Communications of the Republic of Kazakhstan, outlined the priorities of the Kazakh transport policy directed at integrating the country's transport system with the Euro-Asian transport network, fully utilizing its transit potential, harmonizing transport legislation with international laws, and creating a favourable investment climate. Special attention is paid to the introduction of European environmental standards for road transport, including the application of digital tachographs. Mr. Kusainov also presented existing railway transport infrastructure projects stressing the importance of the OSCE's assistance in mobilizing political support. He highlighted the investment efforts to develop the "Western Europe - Western China" international road corridor - the most cost-effective transport route, which, *inter alia*, would also help to minimize the negative after-effects of the global financial and economic crisis.

**Mr. Ganbat Chuluunkhuu**, Adviser to the Minister of Road Transportation, Construction and Urban Development of Mongolia, highlighted another itinerary of cargo transportation from China to Europe through his country, putting an emphasis on the comparative advantages in getting access to natural resources. He underscored that new railway infrastructure planning would link up all the mineral deposits of Mongolia. Building an industrial park in Sainshand would, in addition, provide a good basis for the countries' further economic diversification. The OSCE could serve as a catalyst for mobilizing the investments needed.

**Ambassador Vytautas Nauduzas**, Personal Representative of the OSCE Chairperson-in-Office on Transport issues, Ambassador-at-large, Ministry of Foreign Affairs of the Republic of Lithuania, focused his presentation on transport security aspects emphasizing the sustained OSCE efforts in this sphere. The Organization has crucial capacity as out of the G-20 countries 10 participate in the OSCE activities: all the G-8 countries plus Turkey and the Republic of Korea. Underscoring the importance of the North-South and East-West transport connections, Mr. Nauduzas emphasized that priority in dealing with transport security issues should be given to public-private partnership, simplification of border-crossing procedures, including the liberalization of visa regimes, introduction of new technologies and better governance. Mr. Nauduzas informed that the forthcoming Lithuanian Chairmanship proposed to include transport

security issues in the theme of the next Economic and Environmental Forum, along with prospects for energy co-operation, promotion of energy efficiency and energy savings.

**Mr. Sergey Stolyarov**, Deputy Director for Strategic Development, Russian Railways, outlined the activities of the Russian Railway company in enhancing Eurasian transport connections, which were pursued in line with the Strategy for Developing Rail Transport in the Russian Federation until 2030. He mentioned that developing transport infrastructure may become one of the key elements stabilizing the global economy. In that context he also referred to the construction of gauge railways in Slovakia from Bratislava to Vienna, which may be a breakthrough in developing the transport link from Europe to the Commonwealth of Independent States (CIS) and China.

Following Speakers' presentations, **H.E. Akio Tanaka**, Ambassador of Japan – OSCE Asian Partner for Co-operation, presented an initiative to introduce optical fibers technologies into transport construction projects. Special focus was given to the region of Central Asia with emphasis on the benefits of using optimised communication technologies in all three dimensions:

- Security - decrease or stop the smuggling of drugs, human and small arms at borders, protect against potential attacks from criminal groups;
- Economy - decrease the transport costs, increase the volume of trade, cut the days of transport, increase the economic activities and jobs in local areas;
- Human dimension - ensure free movement of goods, persons and information, enhance life standards.

He stressed that the OSCE, with its mandate of comprehensive security, can help implementing optical fibers projects in Tajikistan and other Central Asian countries. The Ambassador informed that in order to facilitate the application of this new IT-technology a joint seminar with the EU would be conducted this year in Tokyo and that next year a border control seminar would take place in Tajikistan.

Further exchange of views manifested that enhancing trans-Eurasian transport links by developing East-West and North-South corridors should go in parallel with lifting physical and non-physical barriers to transport and trade, simplifying and harmonizing the customs and border-crossing procedures, promoting better governance at check-points, introducing new IT technologies in transport-related operations, and maintaining security of road and rail infrastructure. The need for utilizing the transit potential of landlocked countries was stressed in order to ensure their access to sea-ports. Installation of optical fibres in transport connections was suggested as a way to increase efficiency of transport operations.

#### **Recommendations for the OSCE:**

- Fully utilize the potential of the OSCE as a platform for political dialogue on transport issues not only between participating States, but involving Asian Partners for Co-operation as well;
- Assist, in co-operation with specialized international organizations, primarily the UNECE, to the development of regional and sub regional co-operation in the transport field, harmonization of customs and border crossing procedures, introduction of new IT-technologies, and liberalization of visa regimes;
- Provide necessary political support in mobilizing investment efforts needed to fulfill the planned projects.

## **Plenary session II – Review of the implementation of OSCE commitments in the economic and environmental dimension**

**Moderator: Mr. Azat Bekturov**, Deputy Minister of Transport and Communications of the Republic of Kazakhstan

**Rapporteur: Mr. Jan Olsson**, Head, Economic and Environmental Unit, OSCE Office in Baku

The session was dedicated to discussing the Report on the review on implementation of OSCE commitments prepared by the United Nations Economic Commission for Europe (UNECE). The topic of this year's report was the facilitation of international transport and the security of inland transport. The Report was presented by Ms. Éva Molnár, Director of the UNECE's Transport Division. The participants were asked to provide their written comments to the report before the end of June.

According to **Ms. Molnár**, efforts have been made by all countries and there have been improvements in some countries. However, the commitments on transport and trade facilitation are far from being accomplished. Her presentation focused on six main challenges and was followed by a discussion on the review report's main findings and recommendations.

**Challenge 1 - Climate change:** There are several linkages between transport and climate change. Transport contributes to greenhouse gas emissions, but transport infrastructure is also vulnerable to effects from climate change such as flooding, thus it must be protected. In order to prioritize interventions, more data are needed, e.g. to assess vulnerability. Ms. Molnár provided some country examples. USA and Germany and many other countries have national strategies for adaptation and Sweden has a strategy for decoupling greenhouse gas emissions and GDP.

**Challenge 2 - Road safety:** Since the 1970's, many developed UNECE countries have considerably improved road safety and reduced mortality on the roads. However, in several countries – for example in Eastern Europe - neither infrastructure nor institutions have been able to cope with it and the situation has worsened. More attention must be paid to improving existing policies. The traffic police should prioritize safety and not be rent-seeking. In the EU, targets for improving road safety have been set and policy measures and campaigns are being conducted. The worst performers still do not consider road safety a priority.

**Challenge 3 - Border crossings:** There are competitiveness challenges due to differences in procedures at border crossings. Ms. Molnár provided data on the average time to import and export in several regions. The highest average time to import and export is the one in Central Asia and the lowest is the one in the OECD countries. The average time to import is in some cases almost ten times longer compared to the best performing country. There is a need for a unified system for Europe and Asia, e.g. a unified rail law. Political support is needed to support international co-operation. There are several international initiatives to improve procedures. The International Union of Railways (UIC) conducts analyses of border-crossing procedures and the International Road Transport Union (IRU) monitors the waiting time at borders.

**Challenge 4 - Shift of gravity in decision-making:** Decision-making is increasingly transferred from the government level to the regional and sub-regional integration level. Ms. Molnár provided several examples of multi-country initiatives – such as the Pan-European corridors, TEM and TER, the EurAsEC corridors, the Black Sea Highway, etc. However, there is also a need to think globally and shift to an inter-continental approach – for example regarding the connection between Europe and Asia. This is important in particular in investment planning.

**Challenge 5 - Development gap:** There are huge differences between EU-15 and CIS in terms of availability of highways and there is a need for improved infrastructure. Transport investment should be more prioritized.

**Challenge 6 - Financing gap:** Reforming the transport sector can be politically difficult. There are high expectations towards Public-Private Partnerships (PPPs) to fill financing gaps. Ms. Molnár provided some examples of initiatives to bridge the infrastructure gap. Kazakhstan has received a 2 billion USD loan from the World Bank for road construction. In Croatia, an investment forum was recently held with good results.

Ms. Molnár further highlighted the role of the UNECE as a centre for legal instruments for international land transport, as a promoter of investment planning tools and as a catalyst for research co-operation. For example, the UNECE can assist in improving the implementation of agreements, expanding their geographical coverage, providing new or updated legal instruments and providing guidelines for transport infrastructure projects as well as best practices.

At the end, three project proposals were presented: (1) on conducting an inland transport security discussion forum, (2) on the accession to the European agreement concerning the international carriage of dangerous goods by road (ADR) and (3) on having a demonstration block train along the North-South corridor. The UNECE counts on further co-operation with the OSCE on these issues.

### **The floor was open for discussion.**

**One Delegation** expressed support for the three proposals for UNECE-OSCE co-operation and believed the OSCE could play a role in providing support to UNECE activities and promoting co-operation. This would be in line with the OSCE objectives. The first proposal, regarding transport security, is particularly relevant. The situation is disconcerting and economic stakes are huge. There are problems with organized crime and theft in the context of road transport. There is a need to exchange good practices between countries. Participating States must work towards common rules and standards. In the long run we should strive to achieve a land transport security level similar to that in maritime and air traffic.

**A Chairmanship Representative** stated that the UNECE Report is indeed a useful instrument. There are different legal systems in countries involved in the rail network. This is an obstacle to improving transport networks between Europe and Asia and a barrier to normal trade. The OSCE should have a special conference with railway administrations to discuss a single policy for harmonization among participating States. The issue should be raised at the Government level and with international organizations. The OSCE and the UNECE should jointly promote the harmonization of legal systems.

**Another Delegate** stated that it will be, however, a difficult task for the OSCE to identify its added value in this field and highlighted UNECE's role. At the same time, the road safety figures and the high number of accidents are worrying. As an option, he suggested the possibility of extending the security concept to include some commitments on road safety. This could contribute to less people being killed on the roads.

In her closing remarks, **Ms. Molnár** further stressed the lack of road safety as one of the biggest development challenges for the region. She compared the number of mortalities from road accidents with the number of people killed during World War II. She proposed a decade of action on road safety. The financial loss from traffic accidents is very high and more investment for preventive measures is needed.

### **Session III – Panel discussion on the role of the OSCE in promoting good governance in international transportation and at border crossings**

**Moderator: Mr. Umberto De Pretto**, Deputy Secretary General, International Road Transport Union (IRU).

**Rapporteur: Mr. Emmanuel Huntzinger**, Economic Officer, Economic and Environmental Department, OSCE Office in Tajikistan

**Mr. Umberto De Pretto**, referring to what the OSCE Secretary General had stated in the Opening Session, reminded that 40% of transportation time is lost at border crossing. The cost is also important. Eliminating these barriers by improving good governance would ultimately contribute to prosperity and peace. He considered that the waiting time at border crossing points and the signing and implementation of harmonization procedures could be used as quantitative indicators. IRU has a methodology available to implement waiting time monitoring. He finally stated that there is a need for governments to take a global approach. Sometimes governments try to create a regional transit system, while they should directly integrate national systems into the global system.

**Ms. Eva Molnár**, Director, Transport Division, United Nations Economic Commission for Europe (UNECE), enquired why it is so difficult to achieve results. She considered that the following elements must be taken into consideration:

- Necessary measures have a high political cost, while the benefits would also be reaped by other countries and partners. All countries in a given region must take steps together.
- A multisectoral approach is required. Not only should Customs administrations become involved, but also Border Guard authorities, transport operators, etc. We need a holistic approach.

Reforms must take place. For this, the telecom and transportation sectors must go through liberalization to avoid actors lobbying to keep their market shares. Customs reform goes beyond the simple modernization of customs' infrastructures and equipment. In particular, it encompasses the setting up of practices such as internal investigation, internal communication and communication with other agencies, and communication with partners located on the other side of the border. In that perspective, it is important to train both the public and the private sector. The private sector has a role to play through public-private partnership. The private sector must develop its capacity to lobby for the appropriate legislation. Ms. Molnar further stated that freedom of transit is often understood in a too restrictive sense. Freedom of transit of the freight does not make much sense if the vehicle carrying it and the driver are hampered, for example, because of visa issues. Interests of both landlocked and transit countries must be taken into account in that regard. Good trade and transportation conditions definitely help defusing existing tensions. The OSCE can bring together all concerned agencies and thus support a truly holistic approach.

**Ambassador Nauduzas** intervened from the floor and, pointing out that Ms. Molnar's presentation listed fifty seven agreements, enquired about the need to create additional instruments. He wondered if all of these agreements reflect the interests of the signatory countries and also if international regulation could indeed regulate all these issues.

**Ms. Molnar** replied that agreements are not made by UNECE but by the member States and stated there could possibly be areas where we need more regulation.

**Another Delegate** considered that UNECE and the OSCE could develop a positive approach, maybe on one or two conventions, consisting of asking those countries that have not yet joined some of the harmonization agreements how they can help.

**Mr. Thomas Leimgruber**, Secretary General, International Rail Transport Committee (CIT), introduced his organization, a railway association handling legal matters, like the design of transportation documents. It contributes to a secure and regulated traffic. Freight traffic in the OSCE region is not only hampered by technical issues, but also by different legal frameworks. There are two main conventions: CIM for the countries in Western and Central Europe, and SMGS for Russia and Asia. The joined consignment note CIM/SMGS is increasingly used, in particular in the automotive industry. The next step is to create a contractual framework for liability between customers and carriers. The OSCE could help identifying relevant corridors and motivate States to organize test runs and conduct pilot projects. Furthermore, there is a need for a unified statutory framework. Mr. Leimgruber, considering that the simplification of procedures in road transportation should be a priority over infrastructure development and referring to the rail situation, noted that investing in procedures is much more cost-effective. He further confirmed that revenues generated by the simplification of procedures are important.

**Ms. Molnar** noted that in Latin America, the World Bank implemented such “soft projects” focusing on procedures. They had the highest return rate in the Bank’s history.

**Mr. Nicolae Popa**, Regional Co-ordinator of UNCTAD ASYCUDA (Customs modernization) Programme for Europe and Central Asia, Division on Technology and Logistics, United Nations Conference on Trade and Development (UNCTAD), pointed out that customs is not the only problem when sending freight by rail through some regions. To receive the applicable tariffs would also sometimes take several days. Going by road will thus be much quicker.

In this regard, **Mr. Leimgruber** noted that the Common CIM/SMGS Consignment note should become a globally accepted customs document. That would be an important step forward.

**Mr. Mohammed Yahya Maroofi**, Secretary General, Economic Co-operation Organization (ECO), explained the case of a demonstration train that ECO organized from Islamabad to Istanbul in August of last year. A report by specialists following the demonstration run pointed out that the travel time could be reduced to nine days. The project could convince two hundred actors from the private sector to invest in it, including women entrepreneurs. These examples demonstrated the importance of interest and political will from member States. Governments can make great process in limited time. To convince them of doing so, it is necessary to use a holistic approach, including law enforcement issues. If Governments see a clear interest, they will provide a strong support. Another key finding is that not all countries have the same needs in terms of technical support. Through the holding of truck caravans ECO also hopes to revive the Silk Road tradition that belongs to these countries. Reliable partners, such as the relevant United Nations agencies, the European Union and others, must be identified for such a venture and collaboration must be enabled. There is a real opportunity for regional co-operation.

**Mr. Daniel Perrier**, Member of the Capacity Building Directorate, World Customs Organization (WCO), stated that the WCO members are customs authorities from one hundred twenty six countries. The WCO recognizes the importance of addressing integrity issues. Customs are not the only agency involved. The Arusha Declaration adopted in 1993 and revised in 2003 outlines a way forward to enhance integrity in the Customs environment. A key element of the declaration is the involvement of senior management. Often, the missing element is concrete action. The Government itself must be genuinely committed to reduce corruption. Another important issue is the relations with operators of the private sector, which can lead to a

climate of trust and transparency. Integrity is also related to the human factor. We must focus on human resources and tackle issues such as salaries, but also career management, *esprit de corps*, training and all activities that can create a conducive environment for integrity. Automation is another interesting measure, by reducing the number of people involved. The WCO encourages the application of existing conventions and standards rather than re-inventing the wheel. It has few conventions and a key one is, for example, the revised Kyoto Convention which focuses on harmonizing customs clearance process. It has also created a capacity-building directorate. Mr. Perrier encouraged the OSCE to use its political clout to ask for concrete steps to be taken. He reassured that the WCO stands ready to provide technical support where needed. Mr. Perrier further stated that there is often a lack of action because there is too much vested interest. Many actors are glad with the *status quo* regarding the lack of integrity related to border crossings. The WCO is a technical organization but it recognizes the need to talk with political actors to tackle integrity issues.

**A Representative of Azerbaijan** considered that there are two dimensions to the integrity problem: the geopolitical situation, and the simplification of trade procedures. He said that his country had been tackling these problems by following the examples of other countries that have already solved them. Azerbaijan is a major transit country, with five international airports, sea ports and other transport infrastructures. Modernization of customs procedures has already taken place. Azerbaijan made a survey to estimate the time it takes to cross its borders. The result was not satisfactory, thus it made the decision to implement a single window procedure to reduce time delay. As a result, the waiting time has decreased to only ten minutes, a tenth of what it was before. It has allowed Azerbaijan to process requests in one single office. The carrier gets a bar code, and the freight can move on. The most important is political will. Azerbaijan decided to implement the single window procedure following a presidential decree, and then created a working process. Now it is working on internal processes.

**Ms. Edwige Presle-Weiss**, Project Manager, Customs Training Development Programme, OSCE Centre in Bishkek, noted that there are several ways to improve integrity. One is to introduce a Single Window based on a computerized system. Partnership with the private sector is another way. For example, in Europe, trusted companies get a special status of “authorized economic operator.” Efficiency can be improved in law enforcement through risk analysis, definition of objectives and profiling, and all methods that allow “controlling less but better”. The border crossing logic must be replaced by an approach in terms of transport axis, where controls occur all along a given corridor. The OSCE can be useful in promoting the concept of border management and encourage sharing good practices. It can help to implement legal instruments through training. The Kyrgyz Republic with the help of the OSCE is creating a customs training center, addressing all of the above-mentioned issues. There are eight Kyrgyz trainers who write the training modules themselves. The OSCE provides guidance and support. There is also an Afghanistan specific component and the country’s authorities are invited to participate too.

**Mr. Popa** stated that UNCTAD provides technical assistance on good governance in transportation, multi-agency risk management and integrated border management. UNCTAD strongly believes that implementation of existing conventions is a priority. For this, government–government relations as well as government-private sector relations are important. He also stated that this forum must put priority on integrity. Asking how could participating States benefit from collaboration with international organizations, Mr. Popa quoted an example from South Eastern Europe, where OSCE, UNCTAD and UNECE set up a successful collaboration. They worked together with customs but also other border-related agencies, and achieved concrete results. In the South Caucasus, UNCTAD projects in Georgia could also be of interest. In Azerbaijan, there was a joint meeting on transit through Azerbaijan and Georgia, two

years ago, which was not followed by concrete actions. In light of positive statements from the floor, Mr. Popa believed that co-operation can be revived. UNCTAD is very interested in Central Asia, where it could also provide very relevant technical assistance. Afghanistan is a particular case. Close co-operation between UNCTAD, the European Union, USAID and the Afghan government succeeded in achieving considerable results, including the monitoring of transiting cargo. Work will continue during the next six years, with a focus on risk management. Mr. Popa envisaged practical collaboration opportunities with Central Asian participating States, other OSCE participating States and partners, as well as other international organizations.

**Mr. Jan Tomczyk**, Senior Consultant, Eurasian Transport Link Project, considered it possible to promote good governance and balance security and trade facilitation. First, policy makers need to have a consistent, global approach to the issue. Of course the current economic turndown limits funding. Private sector's participation must take place in a formalized process. Unfortunately, in many countries, it is informal. Tremendous work has been done in Afghanistan. In that regard, this is a demonstration that if it was achieved in such challenging conditions, other countries can do it as well. The focus should not be only on infrastructure. The Turkish example of Public Private Partnership is particularly interesting. In order to reach good governance, commitment is needed, with legal instruments used by all agencies. The move must be supported by a top down approach involving ministries and even Presidents. Mr. Tomczyk believed that the OSCE should focus its resources now on producing a border management handbook, compiling an index of universally accepted norms and standards, and list methods to address physical and non-physical obstacles.

**The Representative of the United Nations Commission on International Trade Law (UNCITRAL), Ms. Jenny Clift**, Senior Legal Officer and Head of the Technical Assistance and Coordination Section, referred to the importance of the recent UN Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea, known as the "Rotterdam Rules". The Rotterdam Rules are the result of inter-governmental negotiations that took place between 2002 and 2009 within UNCITRAL. The Convention describes the rights and obligations involved in the multi-modal carriage of goods. The added value consists in harmonizing maritime plus transport regime, allowing for door-to-door transport under a single contract of carriage. It brings more clarity regarding who is responsible and liable for what, when, where and to what extent. Twenty one countries have signed it so far, including seventeen OSCE participating States. She finally highlighted the possibility of developing co-operation between UNCITRAL and the OSCE as outlined in the OCEEA's Food-for-Thought paper and organizing a joint seminar to provide more information on the Rotterdam Rules and build capacities towards their implementation.

**The Representative of Denmark** expressed support for the Rotterdam Rules stressing that it is a fair and comprehensive set of regulations. The representative stated that his country's ship-owners and carriers, who were consulted, are also supporting it, and that his Government is preparing a bill to ratify it. The European Parliament also supports the Rules. In this context, the Representative supported UNCITRAL's call to organize a seminar specifically for OSCE countries.

**The Representative of the Netherlands** expressed its full support for UNCITRAL's and Denmark's statements related to the Rotterdam Rules. A worldwide application of this Convention will facilitate international trade by making its underlying contracts and documentation more efficient and clearer.

**The Representative of Norway** supported the idea of a seminar to achieve timely signing and ratification of the Rotterdam Rules.

**The Representative of Armenia** noted the importance of transport for the economy. Armenia has adopted a long term strategy that aims to simplify controls. Armenia has applied the principle of a Single Window and has established an automatized system based on green and red lights. There remains the possibility of a conversation between the Customs official and the freight carrier, but delays and risk of corruption are reduced. Now Customs can convert to an electronic system. Armenia is coordinating with other countries' customs systems.

**The Representative of Tajikistan** stated that Tajikistan is doing its best to implement a Single Window and to computerize customs process in order to improve good governance. It is also working on the human factor with support of donor countries. Moreover, the Government of Tajikistan is trying to attract investments through the creation of four free economic zones. It created a consultative council for public-private dialogue, for which it was considered one of the top ten reforming countries according to the World Bank. The OSCE is supporting Tajikistan, notably through the implementation of a Memorandum of Understanding signed with the Government on development of free economic zones. It could also help coordinate at a regional level. Experience shows that regional coordination is needed.

**The Representative of the Republic of Moldova** asked the participants to pay attention as well to river transportation. It represents a good opportunity for landlocked countries, and it is environment-friendly. Transport potential is fully realized if it is integrated in a multi-modal approach. The representative also announced the circulation of a document.

**The Representative of Poland** emphasized the importance of co-operation between States that share the same goals. Poland has applied good practices on the Polish-Lithuanian border: it conducted a comparative analysis of functions of both customs procedures, eventually leading to improvement in collaboration between both. Other initiatives include risk analysis and the definition of 'extraordinary situations' where special rules apply when queues are too long. The OSCE puts the emphasis on integrity; and the Polish initiative complies with this approach.

**The Representative of Ireland** noted that the European Union's single market took more than forty years to be implemented. The OSCE should share this experience. The short term losses are largely compensated by longer term benefits. Ireland will be chairing the OSCE in 2012 and it will take into account the long term benefits of such reforms.

#### **Plenary Session IV – Transport facilitation and security in Central Asia and with Afghanistan**

**Moderator: Ambassador Kairat Abdrakhmanov**, Chairperson of the OSCE Permanent Council, Permanent Representative of the Republic of Kazakhstan to the OSCE, OSCE Chairmanship

**Rapporteur: Mr. Tigran Sukiasyan**, National Programme Officer for Economic Affairs, OSCE Office in Yerevan

Discussions during the session were devoted to the challenges and obstacles faced by Afghanistan and Central Asian countries in trading across borders, as well as possible policy solutions to address them and ensure better trade regimes. The importance of increased security and stability, improved infrastructure along with potential benefits provided by membership and utilization from multinational legal instruments such as the WTO and the South Asian Free Trade Agreement (SAFTA), were underlined. Maintaining the balance between easier, faster

and simplified regimes for cross border trade and preventing the transfer of illegal goods and trafficking were prioritized as the overarching goals.

**Mr. Ziauddin Zia**, Adviser to the Minister of Commerce and Industry of Afghanistan, underlined the importance of the steps being carried out by the Afghan Government in order to facilitate trade, including efforts to reform customs, streamline transit procedures and reduce unnecessary legal and regulatory obstacles to trade. Along with presenting certain achievements in increasing international trade volumes and revenue base from tariffs, the speaker touched upon challenges faced in implementing second-generation policy reforms, such as weak institutions, high cost of doing business, weak knowledge-economy and poor infrastructure. He named transit and transport facilitation as the biggest problem faced by Afghanistan and provided references to the World Bank's Doing Business - trading across border indicator (ranked last out of 183 economies). Other problems include: absence of the access to the Central Asian railway network, cargo transshipment at the border, existence of container restrictions by international shipping lines, impossibility to provide with cargo insurance and difficult procedures for obtaining entry visas. Significantly, higher transit costs in Afghanistan were explained by poor conditions of roads, short internal hauls on many of the transit routes, insecure conditions in some regions of the country and cumbersome and costly border crossing procedures. Despite the existence of transit agreements, neighboring countries create barriers for trade, *inter alia*, by prohibiting loading cargo from key portal gateways - Bandar-Abbas port in Iran and Karachi port in Pakistan. As possible solutions being targeted, the speaker mentioned the WTO accession process (along with other neighboring countries), the ratification of the South Asian Free Trade Agreement (SAFTA), reinvigorating the system of transit agreements, and removing the suspension of membership in the TIR Convention. He also underlined the importance of streamlining national legislation, simplifying visa procedures and significantly increasing the capacities of the main land-entry point (Heiratan) as a world-class transit hub.

**Mr. Thomas M. Sanderson**, Deputy Director and Senior Fellow, Transnational Threats, Center for Strategic and International Studies (CSIS), Washington DC, United States of America, presented a structured outlook on transport facilitation challenges and security threats in Central Asia and with Afghanistan. He also analyzed the potential for cross-border trade and possible niches for the OSCE's engagement. Mr. Sanderson stressed the great geopolitical importance and immense economic significance of Afghanistan due to its strategic location as the land bridge between the subcontinent, Central Asia and the Persian Gulf. He analyzed the potential benefits from better trade facilitation regimes (regional development, stability and security) and provided an overview of possible gains on regional and country level. Based on that, the speaker underlined the potential added value that the OSCE could bring in ensuring legal and institutional frameworks and capacity building for better trade regime and thus business enabling environment in the region.

**General-Lieutenant Beksultan Sarsekov**, Head of the Central Asia Regional Information and Coordination Centre (CARICC), Almaty, Kazakhstan, started underlining the importance of a collective response to the trade of illicit drugs and trafficking, as Europe is the first destination for drug smugglers from Afghanistan. He also referred to the good collaboration background between the OSCE and CARICC in combating that threat. As the key direction of future activities of the Centre, which provide with coordinated guidance for seven Central Asian countries, the speaker mentioned the strengthening of structures, capacity building and increased international co-operation efforts.

Following the Speakers' presentations, **Mr. Tahir Aliev**, Deputy-Director of the Department for Transport of the Ministry of Foreign Economic Relations, Investment and Trade of the Republic of Uzbekistan, presented the main objectives of Uzbekistan's trade policy, the current situation

of transport infrastructure and the country's vision for further development and integration of the transport routes in the region. He also mentioned the potential benefits and impact on Afghanistan's economy derived from the functioning of the trans-Afghan corridor, as it will be possible to considerably increase trade by Afghanistan not only with the countries of Central Asia but also with other States on the Eurasian continent. The speaker analyzed possible results from transport route diversification policy through seven key transport corridors and the importance of creating respective infrastructure for multi-modal transportation of goods (including transport and distribution centre at Navoi Airport and a special economic area) to, from and through the region.

In the course of the Session, the following key recommendations and observations about possible OSCE engagement were made:

- The OSCE can catalyze international and regional efforts through supporting an efficient and frequent dialogue that directly addresses cross-border trade and transport;
- The OSCE can render assistance in development of the system of transit agreements that encourage trade and speed-up transit times, while taking into account countries' vital security concerns;
- The OSCE can support establishing a joint visa and road permit system;
- The OSCE can promote the establishment of free economic zones;
- The OSCE can provide capacity building for officials through training facilities in Central Asia;
- The OSCE can assist in creating legal, regulatory and security conditions to address the extremism and smuggling that imperil more open borders and trade.

## **Session V - The impact of transportation on environment and security**

**Moderator: Mr. Anthonius De Vries**, UNECE & OSCE/EED Co-ordinator, DG RELEX, European Commission

**Rapporteur: Mr. Alexander Savelyev**, National Project Officer, OSCE Project Co-ordinator's Office in Ukraine

Presenters in this session focused on the issues regarding (1) promotion of the policies that contribute to enhancing the environmental sustainability of transport and (2) tackling the risks posed by the transport of dangerous goods and the illegal trafficking of hazardous waste. Emphasis was made on the differences in the legislative regulations and procedures as regards the transport of dangerous goods between the non-EU countries and those of the EU that prevent effective growth of the volumes of transportation and cargo moved. The importance of the environmental impact assessment was emphasized.

**Dr. Christine Rose**, Head, Division for Legislation of Federal Roads, Ministry of Transport, Innovation and Technology, Austria, described the introduction of the Environmental Impact Assessment (EIA) process in the legal system of Austria and the initial negative reaction of the economy to the newly introduced rules and regulations. The speaker reported that the EIA process in Austria is mainly based on two ideas: (1) to examine the impact of the project on the environment and (2) to ensure the participation of the general public in the EIA process, as well as to issue the respective permit. There is a requirement to observe the overall impact on the environment of a given project by comparison of the existing environment situation before the project is started and/or implemented with the environment situation after about a 10-year period. Furthermore, the EIA considers the advantages of the proposed project and may offer

some alternatives. As for the conservation areas, the requirements of the EIA for issuing the permit are more rigid. The core of the EIA procedure is the Summary Assessment Expertise, which includes evaluation of all impacts of the project on the environment and is based on the applicant's Environmental Impact Statement. One of the effective tools in conducting the EIA is an evaluation matrix that demonstrates the impacts on the different subjects of protection. In order to ensure the participation of the general public in the EIA process it is allowed for the key stakeholders to participate in the decision making process. For example, the communities, the Ombudsman for the Environment, civil action groups and NGOs may be a party in the EIA procedure, enjoying the right to bring in their inputs and comments and if necessary to appeal to the High Courts against the decisions of the Ministry of Transport.

**Mr. Nigmatzhan Issingar**, President of the Association of National Freight, emphasized that the 2010 program of Kazakhstan's OSCE Chairmanship specifies transport as one of the key elements. Transport development is an important factor of the social-economic growth of each landlocked state including Kazakhstan. At the same time, environmental safety is of significant importance. The transportation of dangerous goods combines both of these two elements. On the one hand, it makes it possible to expand trade and economic relations, as well as international co-operation and specialization; on the other hand, it may entail negative consequences due to the high level of potential traffic accidents. Today, cargo of all levels and risk categories is being transported along Eurasian routes, mainly from Russia, Kazakhstan and other countries to Europe. One of the key factors that significantly increases the probability of traffic accidents is the difference in the normative legal bases specifying the requirements of the transport facilities and infrastructure, conditions and packaging, equipment and performance of operators and qualification of the personnel. In order to strengthen the safety and environmental measures, the EU members introduce new rules and standards as regards the transportation of dangerous goods every year, which is a good thing by itself. However, this results in the non-conformity of the legislation of the non-EU countries that supply and transport the dangerous goods to that of the EU's due to the time lag needed for harmonizing the national legislation. Such delays reduce the level of safety and create constraints for the supplier countries, resulting in a less efficient Eurasian transport flow, which in its turn negatively affects the operation of the European consumers. Although Kazakhstan is making efforts in solving this problem by taking various measures, it is necessary to note that several issues would merit special attention. It is important to adopt a designated legislative act governing the transportation of dangerous goods by all modes of transport, which will help to harmonize the local requirements with those of the EU. Furthermore, it is necessary to set-up a framework for increasing the professional level of the personnel involved in the industry.

The speaker indicated that in order to remove the shortcomings in the legislative regulation of the dangerous goods transportation and to take preventive safety measures, joint actions are needed at the national and international levels. It was mentioned that the OSCE could be instrumental in facilitating the efforts in the implementation of the recommendations aimed at providing safe transportation of dangerous goods. The speaker concluded with an appeal to other international organizations, especially the European Commission, to pay attention to this current problem and to assist in solving it. At the same time, Kazakhstan is ready to actively participate in the implementation of this task.

**Mr. Gustav Kafka**, Deputy Secretary General, Intergovernmental Organization for International Carriage by Rail (OTIF), started by answering some of the questions of the previous speaker. He stated that the law on the transport of dangerous goods is one of the most globalized laws because it has the global source – global harmonized system (GHS) - for the classification and labeling of chemicals, and there is no other system in any country that has a greater impact outside this global system. This global system is then transferred into the so-

called UN model-regulations, which are legally speaking– recommendations – but in fact are already drafted in a way that can be transposed into legal provisions. This is very important because the identification of goods, the labeling, the documentation, and the special documentation items are all harmonized for different goods. Referring to the concerns of the previous speaker about the differences in transport between the East and the West, Mr. Kafka stated that these differences can only be in the field of the modal regulations. For the railways, they can only deal with the specific things, in particular, railway rolling stock. Here the OTIF sees its role as a bridge between the EU into the system for the rolling stock and the countries that are not members of the EU and that are not linked to the EU system. OTIF is making efforts to improve the weak areas of the railway law to be compatible with the laws of the EU and also to find a way to take account of needs and requirements for the non-EU states. When it comes to the other differences, there is a very simple problem - that is the language problem. The working languages of the OSJD are Russian and Chinese, and the OTIF's languages are French, English and German. The speaker mentioned that the transport of dangerous goods has its aim and, at the same time, there are security issues contained due to the danger posed by the nature of the cargo. It is a matter of balancing these two elements. To facilitate the safety, one relies on the danger information, which is conveyed by means of labeling, marking, banners, orange plates, etc., as well as by documentation; on the other hand, when it comes to security, the degree of confidentiality is important.

**Mr. Jean Pierre Loubinoux**, Director General, International Union of Railways (UIC), briefly reminded what the UIC is, explaining its mission, role and structure. The speaker mentioned that one of the UIC's departments deals with the fundamental values of the railway – its assets, its contribution to the sustainable development, and the ability to conduct the technological research. That department is devoted to developing professional skills, security and safety. He pointed out that railway transport is the major asset in the development of a society in terms of the quantity of transport and, at the same time, it is the most appropriate for participating in the continuous development and protection of the environment.

The speaker stated that the rail traffic represents some 70% of the total national and international traffic in the participating States of the OSCE. The objectives of the above-mentioned fundamental values should be in line with the different aspects of safety and security. These aspects have to be developed for the three traditional road activities: (1) passenger transport, (2) freight, and (3) integrated technical systems and the infrastructure. The speaker mentioned several issues and areas that merit special attention and where progress could be achieved with joint efforts. The border crossing issue is the essential problem that affects the procedures and the duration of transport. The second point is the safety and security of the freight. As long as the freight is a complex system of the logistics chains, it is important that the set up of safety standards does not distort the different transport modes, which can negatively affect competition and lead to even more complexities in the transport industry. The third point concerns the transport of dangerous goods, which can become the object of attention of terrorists as a threat or a weapon. Therefore, the challenge is to find a balance between discretionary and prevention measures. The next point is terrorism itself. The possibility of attack on rail transport cannot be easily precluded, because, if the air transport is now even more secure, the rail transport is still open and accessible. The final point concerns the strengthening of international consistency. On the one hand, the bilateral agreements may result in the initial response to the challenges and in a greater or lesser commitment on the part of the states. On the other hand, the implementation of various requirements and regulations can become even more complicated for the countries that have to follow several agreements that may not be relevant in their country. The speaker stated that the UIC on behalf of its members is willing to contribute to this common effort towards greater international consistency concerning all various safety aspects.

In the course of the Session, the following key recommendations and observations were made:

- The OSCE can be instrumental in facilitating the following:
  - Studying the legislative basis governing the rail and multimodal transportation of dangerous goods in the OSJD and OTIF countries, and determining actions on their harmonization;
  - Developing and implementing a program for the step-by-step replacement of the rolling stock used in the countries supplying dangerous substances, by the modern transportation technologies meeting safety requirements and standards of the European Union;
  - Identifying traditional Eurasian routes for the dangerous goods transportation with the purpose of carrying out measures on accident prevention and reducing their possible consequences;
  - Providing an opportunity to carry cargo on the territory of the OTIF countries using the rolling stock conforming to the OSJD requirements, for the transition period;
- Telematics and technical innovation for transportation of dangerous goods should be promoted;
- Capacity of Governments should be strengthened;
- Broader participation in international dangerous goods meetings should be stimulated;
- The Environmental Impact Assessment is a very good instrument to carefully deal with the resources, to allow the construction of the roads and to create sustainable decisions for the future generations.

During the discussion, **Ms. Tamara Kutunova**, National Project Officer, OSCE Project Co-ordinator in Ukraine, made a comment regarding one of the results of the OSCE Economic and Environmental Forum. Under a project of the OSCE Project Co-ordinator in Ukraine the so-called ‘waste switch cards’ – quick reference guide - were developed for the border management authorities that control the transboundary movement of waste. The waste switch cards are very comfortable to use, as they are compact in size and provide concise information focusing on hazardous wastes, obsolete pesticides and ozon depleting substances. This reference cards were originally developed in the Netherlands and then distributed in all EU states. The new switch cards were published in the Russian language. They provide the reference to the national legislation procedures for Ukraine, Belarus and the Republic of Moldova.

**The Moderator** thanked for this example of the relevant contributions the OSCE through its field presences in different countries can make.

**A representative of the OSCE field presence in Albania** asked Dr. Christine Rose the following questions: (1) Who is responsible for doing the EIA? (2) What is the cost of the EIA and which institution incurs the costs during the EIA process? (3) How is the compliance with EIA ensured?

**Dr. Rose** replied by stating that in Austria the Parliament makes the decision to build the road from point A to point B. It is the task of the state-owned society ASFINAG to apply for the permission and go through the EIA process. This society is the investor and the applicant. The Ministry for Transport, Innovation and Technology decides upon the permit for construction. The two institutions are partners and exchange ideas and opinions during the planning process. As for the costs of the planning process, including EIA, the estimated cost of the EIA process totals to some 10% of the construction cost. Furthermore, she advised to request this information

directly from the ASFINAG society to avoid confusion. As regards the compliance with the EIA, on the one hand, the representatives of civil groups can apply to the courts and the EC; on the other hand, European organizations are closely watching the competent authorities in terms of compliance with the EIA and evaluating their performance on a regular basis.

**Another participant** pointed out that sometimes the EIA can lead to the opposite effects, resulting in greater pollution of the environment if the EIA process is not objective. However, he once again stated that the EIA is an important instrument in protecting the environment and human beings.

**The Moderator** pointed out that it is always a matter of balance, as the EIA is often expensive and time consuming. He also mentioned that having achieved positive results in the harmonization of legal instruments, the EU has to recognize that in many fields the progress is very slow. Even when it comes to security issues, there are still many barriers. The moderator gave an example of the train going from Barcelona to Milan with the borders being the barriers for security reasons. He emphasized that it is important to be realistic while setting up the long-term goals to achieve progress in the harmonization process within the whole OSCE area, but at the same time, one should not set up unreasonable and unattainable goals.

## **Plenary Session VI – Specific transport security aspects and the role of the OSCE**

**Moderator: Mr. Raphael Perl**, Head of the Action against Terrorism Unit (ATU), OSCE Secretariat

**Rapporteur: Mr. Forest Atkinson**, Political Officer, United States Mission to the OSCE

The Moderator, **Mr. Raphael Perl**, started by stressing the importance of land transportation as a part of every day life, as well as a key component of the supply chain (as virtually all the freight is, at some point, carried on roads) and a potential factor to drive economic integration and development. However, land transportation faces many security threats and is considered to be under protected in comparison to air and maritime transportation. Mr. Perl noted that the 18<sup>th</sup> EEF represents a clear example of the increasing efforts taken by the international community to facilitate and secure land transportation. Recalling his participation during the 2<sup>nd</sup> preparatory conference of the EEF in Minsk (15-16 March), Mr. Perl emphasized that a lot of initiatives, legal instruments and tools are already available to ensure both increased security and greater facilitation. In this regard, the OSCE should undertake complementary, supporting activities and provide a platform for co-ordination and information exchange. Against this background, Mr. Perl highlighted three topics for the session.

1. How do we strengthen the implementation of available legal and other tools to increase security and facilitation of land transportation?
2. How can we promote a multilateral, integrated and co-operative approach regarding international transportation and supply chain security is clearly needed?
3. What room is there for increased information sharing and exchange of best practices on land transport security among all stakeholders? How can this be stimulated?

**Mr. Robert Nowak**, Economic Affairs Officer, Transport Division, United Nations Economic Commission for Europe (UNECE), stated inland transport security (ITS) has not received the attention it deserves, and inland transportation is under-protected, both from the perspective of

international legal instruments and from a resource perspective. He noted that ITS should not be considered as exclusively the domain of intelligence services. Highlighting the importance of good practice sharing in promoting ITS, he pointed to a panel convened this year by the UN, with another one scheduled for January 2011. He hoped it would become an annual event.

Mr. Nowak said security is a priority for national governments, and large amounts of resources are spent on security, but the cost of increasing resources is about three times the benefits. However, weapons of mass destruction are a big question mark that in part drives this spending. He also noted that human loss due to road accidents were much higher than that from terrorism. Transport is an important part of government expenditure. There is also a difference between closed (aviation, maritime) and open (inland) transport systems, with closed being much better protected. He explained two reasons for this: open systems are more difficult to protect, and payoff is greater from protecting closed systems. The implication is that there will be a shift to less-well-protected targets – and in fact almost all attacks happen in open systems in inland transport security.

Some argue that it is impossible to fully protect inland transport, given its complexity and diversity, and there is an unwillingness of governments to give up sovereignty in favour of international frameworks and other measures. The sovereignty issue is important, because it can be argued that peace is an “international public good”, which requires global approaches and solutions - but others argue that this is a national prerogative, and are reluctant to get together and discuss in an international forum. There are also large differences in the international legal instruments and frameworks. Maritime is well covered with a number of conventions - legally binding international instruments, or technical guidelines - and the same goes for aviation. For inland transport, there is not very much - WCO SAFE is the best we have - but the shortcoming is that it is not a document that provides standards, but rather it provides a framework of standards. It is customs oriented, and there is resistance to expand it to other aspects of transport security. And it is costly, as it requires mutual recognition agreements on many elements.

In response to the Moderator’s question on how to strengthen existing tools and what might the OSCE be able to do to strengthen existing legal instruments, Mr. Nowak noted that it is difficult to strengthen something that is not fully developed - international co-operation in ITS first depends on recognition that it needs to be strengthened. Organizing the roundtable with experts, going through the issues, discussing WCO SAFE, and whether intelligence service has all responsibility, are part of the process. You first need to agree on the pros and cons of ITS. In theory, ITS is very intellectually stimulating, but very few people are discussing it. Mr. Nowak also pointed to the UNECE proposal on ITS in the 2010 review report, and said he was hopeful of joint OSCE/UNECE work on ITS.

**Mr. Daniel Perrier of the WCO** commented that WCO is a framework of standards, as there is no one-size fits all approach to customs, and that if the framework is too rigid it becomes too difficult to implement. He said that SAFE should involve all players in the supply chain - but customs should take the lead role.

**A Representative from French railways** commented that we should make very clear what the difference is between safety and security, to which Mr. Nowak replied that it is the intent that distinguishes. Safety is related to unintentional events; thus, you can come up with statistical probabilities, and policy instruments can be used to reduce risk. But for a terrorist attack, there is intent, and there is no probability distribution, thus this is what security is focused on.

**Mr. Laurence Brown**, EMEA Business Manager, Transported Asset Protection Association (TAPA), explained that TAPA is a worldwide organization, with three regions. He explained its

vision, values, and mission statement. EMEA (Transported Asset Protection Association Europe) has 286 members, and was formed in response to air cargo crime, in order to create freight security standards. Worldwide there are 250 facilities that meet requirements. In 2006 it was widened to deal with trucking. He said that security consists of not just policy but also attitude, and practice. It takes political will and financial resources to ensure security, and those involved have to fight to secure the resources, and to keep pace with technology and criminals.

Regarding a potential OSCE role, Mr. Brown stated he would like the participating States to make sure that there are secured parking spaces throughout the region, pointing to this as a major vulnerability in ITS. He also said that there should be a greater recognition of the TAPA Freight Security Requirements (FSR) compatibility with the appropriate clause with AEO. He also suggested that there is a need for a cross border register for drivers who have criminal records for freight crime, and in general better data collection of crime statistics, to better track and know the volume of losses.

The moderator commented that the OSCE might start by taking a look at what works and what does not (best practices) for secured parking spaces.

**Mr. Andrew Cook**, Head of Land Transport Security Development TRANSEC, United Kingdom, opened by explaining that using economic appraisal in transport security is of value because of tight resources. Mr. Brown said his remarks were based primarily on examples from counterterrorism and rail security, and would focus on examining cost benefit itself, and effective security measures in the rail environment.

Given the difficulty of predicting security events, an appraisal can assist officials to make informed decisions, compare policies in an analytical manner, and understand costs involved. Intelligence services do provide input, so there is some secrecy about it - some things cannot be open, in the public domain, as it would advertise vulnerability. And it is important to recognize that terrorism is dynamic.

Financial costs of security measures consist of capital and operating costs - equipment and personnel. Whether or not this is initially a private or public cost, in the end, usually the taxpayer pays in one way or another. Public sector costs include things like policing and regulating. It is also important to use proper economic benefits, and the questions involved are not easy, such as how do you value lost lives, but they can be quantified. Other impacts that need to be taken into account should include delay costs, and at the macro level, issues like the effect on tourism, even just a 10% reduction in tourism due to attacks could result in losses of several hundred million euros in an economy such as the UK. Other benefits that need to be factored in might include positive results such as reductions in general crime (reducing theft, vandalism, etc.) as a result of security measures. The main challenge is to have sufficient data on past events to predict future trends, and the lack of data provides inherent uncertainty. Rail networks are unique, as there are hundreds of thousands of people going through rail stations. When dealing with open systems, deterrence is an important element. But there is also the need to think of displacement, as security measures in one place could end up displacing attacks to elsewhere.

Economic appraisal can inform decisions, but it cannot make them. Some aspects of cost-benefit analysis can be applied to security measures, but quantifying benefits is difficult, and the lack of data is an obstacle. There is no existing model that fully meets the needs.

Regarding potential priorities for the OSCE in land transport security, we have to get a clear understanding of what we want to address: is it vehicles moving across borders, railways,

passengers transport, freight, immigration, customs? We need more clarity on what we mean when we are talking about land transport security. We should also focus on the potential to share best practices, as each country has measures in place. There is no one-size fits all, but sharing information is important.

**A Delegate from the European Commission** remarked that in the economic approach it is key to understand the psychology of terrorism. For example, if you see in the statistics that our societies are willing to accept a million deaths a year by traffic deaths, how attractive is it for a terrorist to use road attacks? When a terrorist attacks an airplane, they increase the perception of risk, regardless of the risk.

Mr. Nowak noted that there has been a displacement of attacks toward land transport, but that because of outrage at attacks on closed systems, we are still flooding them with resources, while land transport is relatively neglected.

**A Delegate from Kazakhstan** commented that his country is working on harmonizing their existing legal instruments with those of international frameworks, and is looking at European frameworks, and others, particularly with regard to TIR. He said that Kazakhstan actively participates in efforts to strengthen international co-operation, and recognizes the need to harmonize on issues like visas and environmental requirements. There is also a need to harmonize legislation for different modes to overcome barriers to trade, and to develop international legal instruments on land transport. He said that one major goal is to improve legislation on Eurasian freight corridors, to ensure that there is safety and security in accordance with European standards, in order to develop Kazakhstan's transport sector.

The Moderator closed by noting some areas that the speakers had highlighted for potential involvement: The OSCE can play a role on exchange of best practices and enhancing co-operation, but we should be more precise about what we are focusing on - we cannot do everything, so we need to focus on where we can make a difference. The OSCE might be able to play a more active role as a data clearing house. Once we have a better idea of what we want to focus on, and we have more data, we need to prioritize what to do after. Cost-benefit analysis could help inform decisions of priority. In general though, there is an identified need to share best practices, and a recognition of the importance of doing so, and this is one of things that the OSCE does well.

## **Conclusion Plenary Session – The role of the OSCE in follow-up to the 18th Economic and Environmental Forum**

**Moderator: Mr. Goran Svilanovic**, Co-ordinator of OSCE Economic and Environmental Activities

**Rapporteur: Ms. Amaya Sotes**, Economic Affairs Officer, Economic Governance Unit, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

**Mr. Goran Svilanovic**, Co-ordinator of OSCE Economic and Environmental Activities, started by thanking all the participants for their valuable contributions and the OSCE Prague Office for the organization of the Forum. He noted that the OSCE will continue to serve as a platform for the development of regional and sub regional co-operation, the strengthening of the necessary political will, and the facilitation of technical support and assistance to the participating States. He also touched upon some of the main follow-up activities that the OCEEA could carry out in the field of transport security, good governance, the simplification and harmonization of legal instruments and their ratification and effective implementation, fighting corruption at border

crossings, exchange of best practices and awareness-raising. Mr. Svilanovic further referred to some of the issues that were addressed during the discussions and that will still be the focus of the OCEEA's attention and efforts, such as transport communication between Europe and Asia, the specific needs of landlocked countries, and the particular situation of Afghanistan. He finally called upon all delegates to provide the OCEEA with the support it needs to continue its work in the above-mentioned domains.

**Mr. Wolfgang Maierhofer**, Director of the OSCE Border Management Staff College (BMSC) in Dushanbe, started by presenting the BMSC, which is a platform for dialogue, co-operation and information exchange. The reasons behind the creation of this College are the border-related challenges currently existing in Central Asia, the insufficient co-operation at regional, national and international levels, and the need to create a platform for information exchange. The College should be regarded as a model for dissemination of OSCE best practices. Mr. Maierhofer drew the participants' attention to the fact that there are a lot of border related challenges within the OSCE region which include transnational threats, problems with drug trafficking, smuggling, etc. Mr. Maierhofer explained that the College is now run by 3 international staff, 7 local staff, and visiting expert speakers for seminars and workshops. He also underlined that the College should offer a research centre and a library that help disseminate information on lessons learnt, and promote existing international legislation and practices. Mr. Maierhofer also noted that the purpose of the OSCE BMSC is to enhance the knowledge of present and future senior managers of border security and management agencies of OSCE participating States and Partners for Co-operation, and to promote greater co-operation and exchange of information amongst them. He further touched upon the BMSC outputs, such as the BMSC one-month courses, and the Border Security and Management Research and Development Centre.

Mr. Maierhofer informed that several trainings have already taken place, and more will be organized in the upcoming year. He highlighted the fact that co-operation with the OSCE institutions and departments is crucial for the College in order to be able to conduct several thematic trainings. For example, on 14-18 June 2010 there will be a seminar on preventing and detecting illegal transportation of hazardous waste, supported by the OCEEA. There will be another seminar prepared in co-operation with ATU, and in September 2010 there will be a seminar on Human Rights and Terrorism which will be conducted in co-operation with ODIHR.

**Ms. Nuripa Mukanova**, Secretary General, Anti-Corruption Business Council in the Kyrgyz Republic, presented a project which has been developed with the help and funding of the OSCE Centre in Bishkek called "*Support to Government Agencies in Fighting Corruption in Kyrgyz Republic*".

Ms. Mukanova explained that in order to increase economic, social and political stability, the Kyrgyz Republic needs to tackle corruption, and the lack of transparency and accountability. In this regard, this project aims to assist the customs agency in providing high quality services through a targeted hotline and a public awareness campaign at the *Manas* airport and *Ak-Jol* Custom House.

Ms. Mukanova explained that the project activities can be measured through five or six steps: a) establish an anticorruption hotline program in *Manas*; b) provide ten days of training to the hotline staff; c) run public awareness campaigns; d) create a friendly environment while crossing the border; and e) assess all these activities. She indicated that some activities have already been accomplished. In this regard, by mid-February 2010, 6 operators were established day and night, a database containing all the complaints was designed, and materials were distributed to the public explaining how the customs control should work. In addition, a manual

with the customs rules and regulations was produced and disseminated in *Manas*. In March 2010, the hotline received 73 complaints, 56 advices were provided, 12 letters were sent to the Government and other organizations, and 5 answers from the interim government were received.

Ms. Mukanova continued her presentation explaining the OSCE added value in this project, which could be summarized as focusing on building capacity, helping citizens to address the complaints they have (i.e. empowering civil society), helping the Government to know in which direction they need to go in order to improve the actual situation, and helping citizens learn how public systems are supposed to work.

Ms. Mukanova ended her presentation concluding that the partnership between the OSCE and the Kyrgyz interim Government is working towards the completion of this unique project. Moreover, she pointed out that there is an agreement with the customs agency whereby the positive results of this project will be transferred to other customs. In addition, she underlined that there will be trainings and suggested that a similar project in the railway station in Osh would also be very beneficial.

**Mr. Struan Stevenson**, Personal Representative of the Chairperson-in-Office on Environmental Issues, requested the floor to inform the Forum participants of the environmental challenges existing in Central Asia, based on the findings gathered during his visit to Kazakhstan, Turkmenistan and Kyrgyz Republic. He addressed in particular the following issues: the nuclear weapons testing zone, used during the Cold War, located in the area of the Semipalatinsk in East Kazakhstan; the degradation of the Aral Sea ecosystem and the decrease of its water level as well as the security implications of this situation; the island of Vozrozhdenie, used during the Cold War as testing ground for biological weapons programmes.

Mr. Stevenson concluded his intervention pointing out that the entire Central Asian region is suffering from ‘consultant fatigue’: despite all the consultancy reports that have been elaborated, no action has been taken. He suggested to start taking measures, always in search for a regional solution, and to do it as soon as possible. He announced that in the second half of the year he would present his fill report on these issues, as tasked by the Chairperson-in-Office.

**A representative from the OSCE Office in Tajikistan** took the floor to inform the participants that during 2009 the OSCE Office in Tajikistan undertook multiple activities related to facilitating cross border trade. In addition, the Office provided support to many entrepreneurs. It has also created border crossing users groups, platforms for public-private dialogue, and has given recommendations for national and international stakeholders. The representative also explained how the Office is liaising with the relevant authorities to modernize public-private partnerships.

**A representative of the Project Co-ordinator in Uzbekistan** explained that they have also undertaken several transport-related activities such as good governance projects to implement OSCE commitments, MC Decisions, etc. The representative underlined that they always try to coordinate these activities with the OCEEA, with other field offices, and with other international organizations to avoid duplication. She added that transport is very important for Uzbekistan, a landlocked country. Since 2007 the OSCE has supported more efficient regional and national transport development, and safety improvement in cargo transportation. A comprehensive report related to these activities is available on the website. In addition, this year the co-operation with Kazakhstan and Tajikistan continues. Finally, she reminded the participants about the upcoming EATL Conference to be held jointly with the UNECE in Tashkent in early November.

**A representative from the OSCE Mission to Moldova** took the floor to point out that railway communication is of particular importance for Moldova, especially in the Transdnistriean region.

**Mr. Azat Bekturov**, Deputy Minister of Transport and Communications of the Republic of Kazakhstan, recalled in his speech the start of this Forum process, namely the 1<sup>st</sup> Preparatory Conference in Astana in October 2009. He also analyzed the topics discussed during the last two days, such as the prospects of developing reliable and efficient land transport between the Eurasian subcontinents, the OSCE role in facilitating transport and the environmental aspects of transport security. He pointed out that the search for solutions is essential, and that it is important to remain open for continued dialogue and promoting land transport. He thanked Mr. Vytautas Nauduzas, Personal Representative of the OSCE Chairperson-in-Office on Transport issues, for his valuable input.

Mr. Bekturov pointed out the importance of the Corfu Process, where the issue of how to increase the relevance of the OSCE in the contemporary world is being discussed. He also underlined the energy security event that would take place in September in Vilnius. He concluded his intervention highlighting the importance of creating favorable conditions on land transport to overcome the problems of the financial and economic crisis.

After the presentations, the Moderator asked the Delegations for their contributions.

**The Representative of Spain, on behalf of the EU**, thanked the Kazakh Chairmanship, the Secretary General of the OSCE, the Co-ordinator of Economic and Environmental Activities and his staff for the organization of the second part of the 18<sup>th</sup> Economic and Environmental Forum and the Czech hosts for their hospitality. He expressed his gratitude to the speakers for their presentations, and underlined the importance of transport development in enhancing regional economic co-operation and stability. Moreover, he pointed out that secure and efficient transport requires good public and corporate governance and strong institutions.

In addition, the speaker welcomed the OSCE-UNECE review on the OSCE commitments and commended both institutions' successful co-operation. However, he criticized the fact that not enough focus was given to the review of the implementation of the OSCE commitments.

Spain/EU also noted that the OSCE can play a role in the promotion of the wider acceptance and implementation of existing legal instruments and exchange of best practices as well as in promoting good governance at border crossings through the OSCE Border Security and Management Concept. Deepening regional and sub-regional co-operation and assisting landlocked countries in Central Asia (including Afghanistan) was also underlined as useful work the OSCE should continue to do. The delegations concerned also recalled the importance of developing environment-sensitive transport networks, through the involvement, for example, of the Aarhus Centres, and commended the proposals for a joint OSCE-UNECE seminar on inland and transport security. Spain/EU finally expressed its support to the synchronization of the Chairmanship's year with the Forum cycle, and looked forward to the discussion on the theme of the 19<sup>th</sup> EEF.

**The Representative of Lithuania, incoming OSCE Chairmanship**, welcomed the interesting ideas discussed during the Forum on transport facilitation and security matters. The Representative highlighted the importance of good governance, fight against corruption, usage of modern technologies, interlink between transport corridors, and safe and secure transportation. After thanking the Kazakh Chairmanship for appointing Ambassador Vytautas Naudužas as Personal Representative of the Chairperson-in-Office on Transport issues, the

Representative mentioned that this would help the incoming Lithuanian Chairmanship in shaping priorities and ensuring continuity in the work of the Organization. In this regard, the Representative pointed to “transport security” as one of the possible sub-topics for next year’s Forum, as it enjoys broad support of participating States. He further stated that during its upcoming Chairmanship Lithuania is planning to organize sub-regional meetings devoted to the new challenges of developing the transport sector and transport corridors.

The Representative noted there was a growing interest in intensifying the dialogue on energy-related matters and a possible role of the OSCE in tackling them, for example by addressing confidence building measures and transparency as well as energy diversification, effectiveness and green energy. Lithuania expressed its eagerness to work with all the OSCE participating States to ensure that the theme of energy dialogue and co-operation is also on the agenda of the Economic and Environmental Forum in 2011.

Moreover, it was pointed out that the event mandated by the MC Decision on Energy Security (an OSCE special expert meeting on energy security) could take place on 13-14 September 2010 in Vilnius.

**The Representative of Ireland** pointed that the identification of the Chairmanship priorities for 2012 has already started but it is still at the very early stage. He stated that Ireland very much supports the continuity and streamlining of the themes, and mentioned that it may be that in 2012 there is a bigger focus on safety on our roads (improvement of driver behavior, vehicle safety, etc.).

**The Representative of the USA** highlighted the importance of trade facilitation and water management co-operation with Afghanistan and pointed out that a “food-for-thought” paper (PC.DEL/444/10) had been circulated by his delegation.

**The Representative of Belarus** underlined that land transportation should remain on the OSCE’s agenda and welcomed the forthcoming *Handbook of Best Practices at Border Crossings*. The Representative mentioned the possibility of having a launch Seminar in Minsk, and referred to the prospects of co-operation in the framework of the Customs Union between Belarus, Kazakhstan, and Russia. As regards the running of a secured container block train transiting the countries of the Customs Union, this should be further discussed in a wider framework.

**The Representative of the Russian Federation** considered the Forum was very productive. He mentioned that Russia has a solid set of proposals that could form the basis for decisions by the competent OSCE bodies. He further indicated that it is essential to understand the multifaceted nature of transport problems and highlighted that transport should remain one for the priorities of the OSCE’s work in the second dimension. The Representative pointed out that the statement by Mr. Struan Stevenson was not in line with the theme of the Forum as approved by the Permanent Council. He asked the moderator and the present and future Chairmanships to stick to the theme of the Forum when directing discussions. He finally highlighted the vital importance of agreeing on the Forum agenda as instructed in the Rules of Procedure so as to avoid similar digressions in the future.

**The Representative of Afghanistan** took the floor to thank the organizers for such interesting discussions, as well as to remind the participants that on the 20<sup>th</sup> July 2010 there would be an international conference on regional co-operation in Afghanistan. In this conference, among other things, it will be considered how the OSCE can provide further assistance to Afghanistan.

**The Representative of UNCTAD ASYCUDA** expressed appreciation to the OSCE Economic and Environmental Forum for highlighting the need to coordinate the multitude of activities and initiatives of international organizations in beneficiary countries, particularly on streamlining and simplifying customs and border regulations and procedures. He outlined the importance of the OSCE as the suitable platform for the inter-agency co-operation (UNCTAD, UNECE, UNODC, OPCW, WCO etc.) in the following Customs and Customs-related areas: capacity building and expert training, implementation of international standards, agreements and conventions, and implementation of risk-management in the daily operations of the border control agencies, including across the borders. UNCTAD ASYCUDA Programme remains fully available for the complementary interaction in the above areas with interested OSCE participating States, Partners in Co-operation and international organizations. UNCTAD ASYCUDA is prepared to make effective proposals for co-operation to the OSCE Secretariat in this respect.

**The Co/EEA** thanked everyone and closed the 18<sup>th</sup> Economic and Environmental Forum recalling the Food-for-Thought paper which had been distributed by his Office and stating it would also serve as a basis for further discussions in the framework of the upcoming Economic and Environmental Committee meetings.