

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

ENGLISH only

SECOND PREPARATORY CONFERENCE FOR THE EIGHTEENTH MEETING OF THE 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"

Minsk, 15 – 16 March 2010

CONSOLIDATED SUMMARY

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Organization for Security and Co-operation in Europe

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

Minsk, 15 March 2010

18TH 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"

SECOND PREPARATORY CONFERENCE MINSK, 15-16 MARCH 2010

Venue: Hotel Minsk (6th floor) Nezavisimosti Avenue 11, 220030 Minsk

ANNOTATED AGENDA

Monday, 15 March

Opening Session Opening Session

- Ambassador Kairat Abdrakhmanov, Chairperson of the OSCE
 Permanent Council, Permanent Representative of the Republic of Kazakhstan to the OSCE, OSCE Chairmanship
- Mr. Valery Voronetsky, Deputy Minister of Foreign Affairs of the Republic of Belarus
- Mr. Vladimir Dervenkov, Deputy Minister of Transport and Communications of the Republic of Belarus
- Ambassador Marc Perrin de Brichambaut, Secretary General of the OSCE
- Mr. Goran Svilanovic, Co-ordinator of OSCE Economic and Environmental Activities

10.30 – 11.00 Coffee/Tea break (Press Briefing, Hotel Minsk, 6th floor, adjacent lobby)

11.00 – 13.00 Panel Debate – Defining the challenges of land transport security

Moderator: Mr. Aidan Manktelow, Editor/Economist, Risk Briefing and Eastern Europe, Economist Intelligence Unit

Rapporteur: Mr. Mehdi Knani, Assistant Programme Officer, Action Against Terrorism Unit, OSCE Secretariat

Selected topics:

- Security aspects of land transportation in the context of the global supply chain
- Making the case for a balanced approach: a cost-benefit analysis
- Risk management, prevention and resilience as key concepts
- Minimizing the risk of terror attacks
- Preventing trafficking and smuggling of all kinds
- The existing institutional and legal frameworks for land transport security
- Working towards implementing existing security provisions and incorporating new provisions in international legal instruments

Panelists:

- Mr. René Van Bever, Director General, Ministry of Transport and Mobility, Belgium
- Mr. Umberto De Pretto, Deputy Secretary General, International Road Transport Union (IRU)
- Mr. Jacques Colliard, Head, Security Division, International Union of Railways (UIC)
- Mr. Raphael Perl, Head of the Action against Terrorism Unit (ATU),
 OSCE Secretariat
- Mr. Mark Miller, Board Member, European Organisation for Security (EOS) / COTECNA Inspection S.A., Switzerland
- Mr. Nigmatzhan Issingarin, President of the Association of National Freight Forwarders of the Republic of Kazakhstan

13.00 – 14.30 Lunch break

14.30 – 15.30 <u>Session I</u> – Measures and concepts to enhance security of transport systems and transport infrastructure

Moderator: Mr. Vytautas Naudužas, Personal Representative of the OSCE Chairman-in-Office on Transport issues, Ambassador-at-Large, Ministry of Foreign Affairs of the Republic of Lithuania

Rapporteur: Mr. Roel Janssens, Economic and Environmental Advisor, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

Selected topics:

- Enhancing security of critical transport infrastructure (tunnels, bridges, railway stations etc.), trains and sea port – hinterland connections against terrorist threats
- Addressing the vulnerabilities of land-based container shipments container security beyond maritime/ports

Presentations followed by discussion:

 Ms. Armelle Jouniaux, Head, Security Development International Trains, Security Directorate, French Railways (SNCF)

- Mr. Victor Klimenkov, Deputy Head, Security Department of the Russian Railways Company
- Mr. Erlan Dzhumashev, Deputy Chairman of the Transport Control Committee, Ministry of Transport and Communications of the Republic of Kazakhstan

15.30 – 16.30 <u>Session II</u> – Promoting a co-operative and inclusive approach to enhance land transport security

Moderator: Ambassador Alyaksandr Sychov, Permanent Representative of the Republic of Belarus to the OSCE, Chair of the Economic and Environmental Committee

Rapporteur: Ms. Kimberley Bulkley, Economic and Environmental Officer, OSCE Centre in Bishkek

Selected topics:

- Co-operation and coordination of transport authorities with intelligence services, customs, border guard, police and other agencies
- The role of the private sector and of public-private partnerships in increasing transport security

Presentations followed by discussion:

- Ms. Asha Menon, Technical Officer, Facilitation and Compliance Directorate, World Customs Organization (WCO)
- Mr. Stefaan Vermeire, Director General, International Container Security Initiative (ICSO)

16.30 – 17.00 Coffee/Tea break

17.00 – 18.00 <u>Session III</u> – Promoting environmentally sustainable transportation choices

Moderator: Mr. Marc Baltes, Deputy Co-ordinator, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

Rapporteur: Mr. Raul Daussa, Environmental Programme Officer, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

Selected topics:

- Assessing the impact of transport on the environment (including climate change)
- Supporting the development of public policies for cleaner transportation fuels, more efficient vehicles, sustainable and environmentally friendly transportations systems
- The role of innovation and new technologies

Presentations followed by discussion:

- Mr. Guillermo Martínez Acero, Area Director, Market Development Department, Talgo Group, Spain
- Mr. Umberto De Pretto, Deputy Secretary General, International Road Transport Union (IRU)
- **19.00** Reception hosted by the Government of the Republic of Belarus (Hotel Minsk, ground floor)

Tuesday, 16 March

09.30 – 11.00 <u>Session IV</u> – Rail transport facilitation initiatives

Moderator: Ambassador Benedikt Haller, Head of the OSCE Office in Minsk **Rapporteur: Mr. Yaroslav Yurtsaba**, National Project Manager, Office of the OSCE Project Co-ordinator in Ukraine

Selected topics:

- Making full use of the potential of railway transportation in the OSCE region, in particular in landlocked countries
- Examples from the OSCE region, including demonstration runs of container block trains

Presentations followed by discussion:

- Mr. Helmut Meelich, Co-ordinator, UNECE Trans-European Railway (TER) and Trans-European Motorway (TEM) Project
- Mr. Konstantinos Alexopoulos, International Transport & Logistics Consultant, Greece
- Mr. Valdas Ambrozevicius, Head of Marketing Unit, JSC Lithuanian Railways
- Mr. Alexander Stankevich, Head of Cargo Operation and International Economic Activity Department, Belarusian Railways, Ministry of Transport and Communications of the Republic of Belarus

11.00 – 11.30 Coffee/Tea break

11.30 – 13.00 <u>Session IV</u> – Rail transport facilitation initiatives – *Continued*

Moderator: Mr. Yuriy Lavrinenko, Director, Limited Liability Partnership "Kamkor Management", Republic of Kazakhstan

Rapporteur: Ms. Sinead Harvey, Permanent Mission of Ireland to the OSCE

Selected topics:

- Promoting the harmonization of railway legal regimes and documentation, including the use of the common CIM/SMGS consignment note
- Specific border crossing facilitation measures for rail transportation such as introducing more effective information exchange mechanisms and streamlining border crossing procedures

Presentations followed by discussion:

- **Mr. Gustav Kafka,** Deputy Secretary General, Intergovernmental Organisation for International Carriage by Rail (OTIF)
- Mr. Victor P. Zhukov, Deputy Chairman, Committee of the Organization for Cooperation of Railways (OSJD)
- Mr. Erik Evtimov, Senior Legal Advisor & Project Coordinator, International Rail Transport Committee (CIT)
- **Mr. Nurlan Altayev,** Representative of JSC National Company "Kazakhstan Temir Zholy" in the Russian Federation

13.00 – 14.30 Lunch break

14.30 – 16.00 <u>Session V</u> - Addressing key issues linked to dangerous goods and hazardous waste

Moderator: Mr. Oleg Fedotov, Head of Department, Customs Committee of the Republic of Belarus

Rapporteur: Ms. Tamara Kutonova, National Project Officer for Environmental Affairs, OSCE Project Co-ordinator in Ukraine

Selected topics:

- Existing regulations and instruments and the current challenges related to the transport of dangerous goods and hazardous materials
- Combating the trafficking and smuggling of hazardous waste, including radioactive materials

Presentations followed by discussion:

- Ms. Marina Klimova, Deputy Director, Basel Convention Regional Centre for CIS countries in the Russian Federation
- Mr. Volodymyr Yevseev, Environmental Border Control Expert, Ukraine
- Mr. Mikhail Naumenko, Head of Unit, Border Guard Department,
 Directorate of Operational Management, State Border Committee of the
 Republic of Belarus

16.00 – 16.30 Coffee/Tea break

16.30 – 17.30 <u>Concluding Debate and Closing Statements</u>

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

Closing Statements:

- Ambassador Benedikt Haller, Head of the OSCE Office in Minsk
- Ambassador Alyaksandr Sychov, Permanent Representative of the Republic of Belarus to the OSCE, Chair of the Economic and Environmental Committee
- Mr. Azat Bekturov, Deputy Minister of Transport and Communications of the Republic of Kazakhstan

Statements from the floor

Opening Remarks by

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

Your Excellencies, Dear Secretary General, Ladies and Gentlemen,

On behalf of the Kazakh OSCE Chairmanship I would like to express our appreciation and gratitude to the Government of the Republic of Belarus for hosting the second preparatory Conference for the 18th Economic and Environmental Forum of the OSCE.

I congratulate the organizers for preparing such an interesting agenda, for bringing together such an impressive list of speakers and participants, and for all their efforts for a smooth and pleasant set up of our meeting. A sincere "thank you" goes to Mr. Goran Svilanovic, Coordinator of the Economic and Environmental Activities, and his able staff, as well as to Ambassador Benedikt Haller and his team at the OSCE Office in Minsk.

This conference is part of the broader process of the 18th 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".

So far, the first preparatory Conference in October 2009 in Astana as well as the first part of the Forum in February in Vienna focused mainly on road transport facilitation, landlocked developing countries issues and on good governance in customs and at border crossings. Complementing that, this second preparatory Conference puts a stronger emphasis on other building blocks of this year's Forum's theme, namely the security of the international transport circuit, railways transportation, and the links between transport and the environment.

I will not attempt to propose myself solutions to the complex and challenging tasks encapsulated in the very theme of this year's Forum. I would just like to raise a number of questions that I believe are relevant for our discussion over the next two days.

- What are the vulnerabilities of land transport from a security perspective? How can we make transport more secure while remaining cost-efficient and competitive? What are the preconditions to ensure secure and sustainable transport operations?
- What should be the responsibilities and roles of all those involved in transport operations and how could the OSCE contribute to strengthening co-operation at all levels? How can we, together, contribute to an effective implementation of commonly agreed standards or instruments?
- How can we fully utilize the potential of railway transportation in the OSCE region, in particular in landlocked countries such as my own country or our host country, Belarus? What can be done to facilitate railway transportation and what are the

specific measures or procedures that should be adopted and implemented in this sector?

- What can be done to address the concerns linked to environment?

Ladies and Gentlemen,

With its membership of 56 participating States and its broad security mandate, the OSCE is well placed to identify and address political problems and contribute to the ongoing international efforts in this field. In doing so, the OSCE would not duplicate existing efforts and initiatives.

The Kazakh Chairmanship sees the OSCE as a promoter of political dialogue, a platform for networking between stakeholders, for discussing relevant issues and suggesting follow up actions. The OSCE should also be a catalyst for action when and where needed.

The conclusions of this Conference in Minsk, along with the ideas and recommendations that have resulted from our past meetings, will pave the way towards the second part of the Forum, on 24-26 May, in Prague. The Kazakh Chairmanship hopes that this Conference will be instrumental in that regard.

We hope that the conference will be useful as an exchange of best practices, where we can all learn from each other.

Thank you

Opening Remarks by

Ambassador Marc Perrin de Brichambaut, Secretary General of the OSCE

Dear Ambassador, Your Excellencies, Distinguished Participants,

It is an honour to take part in the opening session of the Second Preparatory Conference to the 18th OSCE Economic and Environmental Forum. I am delighted to be in Minsk and to enjoy the warm hospitality of our Belarusian hosts.

On behalf of the OSCE Secretariat, I join previous speakers in welcoming to this Conference the representatives from national governments, international organizations, civil society, the private sector, academia, as well as the OSCE field presences. It is a pleasure also to welcome our distinguished speakers, moderators and panellists. We look forward to your thoughts and ideas to guide our discussions.

Excellencies, Ladies and Gentlemen,

Transport matters. Attention by the OSCE to the importance of transport received strong emphasis in 2003 with the OSCE *Strategy Document for the Economic and Environmental Dimension* adopted at the Maastricht Ministerial Council. The Strategy Document is our starting point. In it, indeed, the OSCE participating States identified transport as a priority area for co-operation and encouraged the "development of transport networks in the OSCE region which are efficient and integrated, free of avoidable safety and security risks and sensitive to the environment."

This is the third time that the annual OSCE Economic and Environmental Forum addresses a transport-related theme. Momentum is gathering in this area. The participating States are taking strong steps to promote more efficient transport links between their countries and to facilitate transport and trade. Our attention has been drawn to the example of the establishment of the Customs Union between Belarus, Kazakhstan, and the Russian Federation. In this respect, I wish to underline the significance of the location of our meeting today. Belarus stands at the crossroads of major East-West and North-South transit and transportation routes.

Much more is required from individual countries and in cooperation with their neighbours and partners.

The transportation sector faces challenges from all sides. The sector has been hit hard by the global economic downturn. We discussed these issues at our recent Forum meeting in Vienna in February. In many countries and regions, physical and non-physical barriers continue to hamper transport and trade, causing delays and unnecessary costs. We hear constant complaints from the business sector on these points. The OSCE has sought, in close co-operation with partners such as the UNECE, to address these issues by promoting good governance in customs and in other border agencies and by facilitating the exchange of best practices between our participating States. It is only natural that these topics remain high on this year's Forum agenda.

There is a strong security dimension here. International terrorism and transnational organized crime pose serious threats to the transport sector – indeed, to our common stability and security. Recent years have seen ruthless terror attacks on trains and urban transport means – in Madrid, London and the Russian Federation, with tragic results. Many more -- *fortunately unsuccessful* -- attempts have not made the headlines. The risk is ever present.

Inland transport faces a complex range of security risks. These include thefts of vehicles and of high-value goods, illegal border crossings, the trafficking of dangerous substances and/or hazardous waste, attacks on critical transport infrastructure such as tunnels and bridges. The list is daunting.

Inland transport has been noted as the weakest link in the global supply chain. Relative to ports and airports, inland transportation strikes many as being under-protected. This increases overall vulnerability. It is time that we pay more attention to the multiple facets of the security of inland transport. Our aim should be to promote a comprehensive, integrated approach that would involve the public and the private sector, along with relevant international organizations.

We are keenly aware of the leading work on transport security undertaken by the UNECE. OSCE activities are complementary to these, as well as those undertaken by other partners. The 2010 Economic and Environmental Forum process has been designed to provide an opportunity to strengthen points of synergy and deepen cooperation. There is a need for better co-ordination and exchange of information with regard to transport security issues and standards.

The OSCE can offer a platform for dialogue on these issues. It can also implement concrete activities. I draw your attention, for instance, to the project developed by the Office of the Co-ordinator of OSCE Economic and Environmental Activities together with the OSCE Office in Minsk and the Project Co-ordinator in Ukraine, to build capacity for combating illegal transboundary transportation of hazardous waste. This project promotes inter-sectoral co-operation and seeks to improve capacity for the prevention and detection of the illegal waste transportation in Eastern Europe. I am convinced that other regions and countries could benefit from the positive experience that we have developed in key areas.

We face the additional challenge of tying work on the transportation sector to wider, global concerns. It is vital we step up efforts to identify ways to make the transport more environmentally friendly -- to make it *greener*. We all agree that we need better, faster, more efficient transport. We also al want clean air and landscapes, and to mitigate the environmental impact of climate change. We have no choice but to engage with all of these objectives at the same time. Promoting environmentally sustainable transportation choices, environmentally friendly and innovative transportations systems, vehicles, fuels, and technologies – these are vital parts of this process.

Excellencies, Ladies and Gentlemen,

In concluding, I wish to encourage you to make fuller use of the platform for dialogue and action that the OSCE offers.

The comprehensive mandate of the Organization and the diverse tools that we have developed can be put to more use. I look forward to your thoughts on how to promote

stronger cooperation among the participating States, how to foster deeper synergies with other organizations and stakeholders, and how to strengthen good governance at all levels, including inside the Organization itself.

Thank you.

Opening Remarks by

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

Excellencies, Ladies and Gentlemen, Distinguished participants,

I would like to join previous speakers in welcoming you all to the Second Preparatory Conference here in the fascinating city of Minsk. Let me also take this opportunity to thank the Government of the Republic of Belarus for hosting this event and for the excellent cooperation my Office and I have experienced during the preparations of this conference.

Because of the multi-faceted character of the issues under discussion we have opted to start of today's discussions in the format of a **Panel Discussion** allowing us to define more accurately the challenges facing land transport security. Experts, representing different transport sectors and various disciplinary fields including private sector, have been invited to share their views on what are considered to be the key issues at stake. As the Secretary General rightly pointed out, **land-based transport** (covering road and railways) is considered by many to be the **weakest link in securing the international supply chain** while at the same time, and this is an important nuance, it is both a *vehicle* (often in the literal sense) as well as a *target* for terrorist attacks.

Now, what can the OSCE do to tackle this issue?

The first thing we are capable of, jointly with all of you present here today, is to diagnose, in other words to try to determine why land transport security tends to be the weakest link in the global supply chain.

When looking a bit deeper into the issue, the following observations can be made:

- There seems to be a lack of **inter-governmental bodies** dealing specifically with **land transport security**. While the security arrangements of civil aviation and maritime transport are regulated by ICAO and IMO respectively, inland transport remains largely a **national policy matter**. Whereas the security rules and standards in maritime and aviation sectors are clearly defined and decided within the respective intergovernmental regulatory bodies, such a harmonised and cooperative approach seems to be lacking in the land transport sector.
- In addition, security in the land transport sector, as opposed to in other segments of the supply chain, is highly fragmented in terms of number and nature of actors involved (transport authorities, customs, police, as well as the private sector to name just a few). Improving collaboration between these actors is therefore an absolute necessity.
- As well, the lack of a unified, co-ordinated approach can also be explained by the fact that there are no harmonized regulatory frameworks, legal instruments and conventions available that cover land transport security in its entirety. The OSCE as a political organisation could be well placed to support UNECE and others in their endeavours to create a harmonized set of rules and regulations that could possibly fill this gap.

Ladies and Gentlemen, Distinguished participants,

In addition to the 'environmental' and 'transport of hazardous waste' topics already emphasised by the Secretary General, let me now briefly turn to another building block of this year's Forum process which is the need to make full use of **the potential of railway transportation** in the OSCE region, in particular in our **landlocked countries**. Indeed, in addition to road transport, the railway sector in our region has an enormous potential when it comes to cargo transportation over long distances, between continents, from Asia to Europe and vice versa.

A number of very concrete railway facilitation initiatives are currently ongoing, I would mention **two specific examples** which I consider particularly relevant and which will be discussed in much detail in the further course of the conference:

- The international railway community, well represented at our conference, is increasingly involved in **conducting demonstration runs of 'container block trains'** across the OSCE region. A **block train** is a train in which all the wagons are shipped from the same origin to the same destination, without being split up or stored en route. Not only does this save time and money, it also avoids the hassle and delays at the ports of origin and destination as well as cumbersome and time consuming procedures at the borders. It enables railways to compete more effectively with road and internal waterway transport systems.
- A second issue which is high on the railway community's agenda these days and about which we will learn much more tomorrow is the ongoing effort to promote the harmonization of railway legal regimes and documentation. Given the potential for increased cooperation and 'interconnectedness' between railway networks across CIS and EU borders this initiative is very promising and valuable and it goes without saying that the OSCE stands ready to contribute to and facilitate this process.

With these remarks I will end my opening statement. Thank you for your attention! I look forward to our fruitful deliberations over the next two days.

Closing Remarks by

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

Dear colleagues, Distinguished ladies and gentlemen!

On behalf of the chairing state's delegation, allow me to express thanks to all those present for contributions to work and organization of the 2nd Preparatory Conference to the 18th OSCE Economic and Environmental Forum. confirm once again that we consider the 18th Forum as a platform for discussing the issues on strengthening the general architecture of transport security in the frame of our chairmanship, key objective of which is to maintain and deepen OSCE activities in the capacity of the widest international dialogue on security and interaction.

We have already done enormous work. The first part of the 18th OSCE Economic and Environmental Forum has completed. In the next part of the 18th Forum attention of the European society was drawn to the problems of road transport. There were discussions about elimination of physical and non-physical barriers facing international road transport.

Today, as it was supposed, we have conducted a comprehensive discussion with emphasis on railway transport. We have devoted our meeting to issues of facilitating rail transport and creating favorable conditions for reliable and safe communication by railway transport in the OSCE region. We have discussed on challenges of land transport security, enhancing security of transport systems and infrastructures, logistics of dangerous goods transportation as well as environmentally sustainable transportation choices.

I am sure that Minsk event has become another important moment for exchange of information and opinion just before the final part of the 18th OSCE Economic and Environmental Forum, which will be held in May, 2010 in Prague. Our state, being in the right centre of the Eurasian continent, possesses high transit potential distinctive to transcontinental country. Therefore we reasonably aim at solving tasks on improving and enhancing transport security along with all accompanying transport systems and infrastructures.

We are pleased by position of the subsequent chairing state – Lithuanian Republic, which shows an interest to maintain discussion of transport issues in economic and environmental activities during its own chairmanship. We cherish hope for strengthening continuity of such a principle. It will certainly make a significant contribution to solution

In conclusion, I would like to state that we will look forward to next meeting in Czech capital to continue discussing today's urgent issues in the same broad circle at the final part of the 18th OSCE Economic and Environmental Forum. I want once more to thank organizers as well as interpreters for their performed work.

I wish you all fruitful and successive job! Thank you very much for attention!

Rapporteurs' Reports

Panel Debate – Defining the challenges of land transport security

Moderator: Mr. Aidan Manktelow, Editor/Economist, Risk Briefing and Eastern Europe,

Economist Intelligence Unit

Rapporteur: Mr. Mehdi Knani, Assistant Programme Officer, Action Against Terrorism

Unit, OSCE Secretariat

Mr. Aidan Manktelow, Editor/Economist, Risk Briefing and Eastern Europe, Economist Intelligence Unit, opened the panel debate by observing that land transport security appears to have been neglected at the international level in comparison to maritime and aviation security, and that there is a need to come to a common understanding of the challenges faced in this regard. Before giving the floor to each panellist for their introductory remarks, he outlined a number of issues to frame the discussions, including: the need to strike a balance between security and facilitation; risk management and resilience as key concepts; the need to minimize the threats of terrorist attacks and trafficking; the need to enhance national implementation of existing security standards while also considering adding new security provisions to existing international instruments on transportation.

Mr. Rene Van Bever, Director General, Ministry of Transport and Mobility, Belgium, described some of the main challenges to inland transportation security as identified by a related Expert Group and Discussion Forum which he chairs within UNECE. He stressed that security measures need to be tailored to specific situations given the open, multi-modal and complex nature of inland transportation, whether carrying passengers or goods, and given that security threats vary in significance from mode to mode and from country to country. In terms of main security problems, Mr. Van Bever singled out day-to-day crime against passengers for rail and urban transport; theft of vehicles and cargo for road transport; and the carriage of dangerous goods for inland water transport. He also observed that inland transportation security remains by and large a national policy matter: no intergovernmental body is mandated to define global rules and standards – as opposed to maritime and aviation security – which hinders the development of an international approach. Last, Mr. Van Bever underscored the imperative of collaboration among all actors with a stake in inland transport security, and suggested that organizations like UNECE or OSCE provide much needed opportunities for multi-disciplinary and multi-stakeholder discussions and sharing of good practices.

Mr. Umberto De Pretto, Deputy Secretary General, International Road Transport Union (IRU), started by stressing the importance of road transport as part of the supply chain and arguing that rail and road transportation are not competitive but complementary modes. He noted that the dual effect of globalization and containerization resulted in the current concentration of international containerized trade in some 40 seaports worldwide, which has deprived landlocked countries from the benefits of globalization. Mr. De Pretto reminded that only road transportation, due to its unique door-to-door rather than only port-to-port or terminal-to-terminal service is central to the supply chain as it connects all other transportation modes and can interconnect every business in every economy. Accordingly, he made the case for increased facilitation of road transport to allow it to drive economic development and called for the implementation of the key existing UN trade and road transport facilitation instruments which simplify and harmonize customs procedures. Mr. De Pretto underscored that road transport security could also be increased through effective and

global implementation of existing multilateral instruments, whether originally intended as facilitation instruments such as the TIR convention, or originally European instruments such as the ADR agreement concerning international carriage of dangerous goods by road.

Mr. Jacques Colliard, Head, Security Division, International Union of Railways (UIC), concurred on the importance of developing railway transportation for landlocked countries, and stressed the need to facilitate border crossings, which is a priority for the UIC. He informed about UIC's security platform, its annual congress and its different working groups, notably about Schengen border crossings and security along international freight corridors. Mr. Colliard emphasized the need to develop railway specific security measures and to promote partnerships between railways and national authorities, suggesting that an international framework is necessary to provide global consistency. With respect to passenger transport, he briefed on UIC's development in co-operation with the EU of a common approach for controls at Schengen border points. Mr. Colliard then highlighted a number of key issues with regard to the transport of freight by rail: the need for political will to bridge the OSJD and CIM systems; the need for technical adaptation of the rolling stocks to suit different track gauges; the need to develop an electronic consignment note; the need to ensure safe transportation of dangerous goods; and the need for uniform inter-modal security standards throughout the whole supply chain. To conclude, Mr. Colliard reiterated that enhancing security requires both regulatory and technical solutions, hence the importance of close partnerships between railway companies and state authorities.

Mr. Raphael Perl, Head on Anti-Terrorism Issues, OSCE Secretariat, started by recalling that all goods are moved by land at some point, and also suggested that the concept of railway corridors could help reshape trade patterns to the advantage of landlocked countries, including in Central Asia. Mr. Perl then argued that securing the supply chain requires a comprehensive and integrated approach, which the OSCE is well suited to promote. He observed that land transportation is a known target and delivery vehicle for terrorists and that increasingly terrorists think in terms of networks and multiple attacks. Mr. Perl outlined ten points to consider in effectively securing land transportation: 1) balancing security and facilitation; 2) adopting a comprehensive and integrated approach to supply chain security; 3) following an all-hazard approach as opposed to focusing on terrorism only; 4) relying more on risk-assessment; 5) resorting to cost-benefit analysis at micro and macro levels before adopting measures; 6) putting an emphasis on preparedness and resilience; 7) ensuring multi-stakeholder co-operation including public-private partnerships and interagency co-ordination; 8) strengthening international exchange of information and good practices, possibly through a UNECE-OSCE handbook; 9) enhancing cross-border cooperation especially at border crossings; and 10) fostering national implementation of existing standards while considering the incorporation of new security provisions in existing instruments.

Mr. Mark Miller, Board Member, European Organization for Security (EOS), highlighted three points from EOS's White Paper for an Integrated Approach to Supply Chain Security. First, he stressed the need to provide opportunities to strengthen information-sharing between public and private stakeholders in order to develop mutual understanding of concerns and objectives. Second, he emphasized the need to develop public-private partnerships based on the shared interest in enhancing security of the supply chain; to this end it is important to identify clear benefits for all partners. Third, Mr. Miller discussed the need for harmonization and standardization, which require political will and concerted efforts. In this regard he noted that World Customs Organization's (WCO) SAFE framework provides an overall clear approach to supply chain security, but that national implementation needs to be promoted and mutual recognition ensured. In conclusion, Mr.

Miller stressed that many building blocks are in place to address supply chain security and that much would be achieved by strengthening information exchange and developing trust among stakeholders.

Mr. Nigmatzhan Issingarin, President of the Association of National Freight Forwarders of the Republic of Kazakhstan, focused his remarks on the transportation of dangerous goods by rail from the Russian Federation and Central Asia to Western Europe. He called for enhanced co-operation to ensure that supplying and transit countries meet EU rules and standards in terms of, *inter alia*, amending their own national regulations, using modern rolling stock, selecting adequate routes, and facilitating relevant investments. Mr. Issingarin then elaborated on six concrete suggestions for action, namely: 1) adopting a plan to harmonize national legislations across the OSCE area in line with EU standards and rules; 2) establishing a special multi-stakeholder committee under the aegis of the OSCE to address safety and security issues pertaining to the rail transportation of dangerous goods; 3) establishing, under this committee, an expert group to review technical rules and shipping documents; 4) calling on the EU to reach out to and involve countries handling EU-bound dangerous cargo; 5) supporting the development of intermodal security and safety standards for the transportation of dangerous goods; 6) establishing a specialized centre to train and certify staff involve in handling dangerous goods.

Opening the discussion among the panellists, Mr. Manktelow asked which threats should be prioritized in enhancing the security of land transportation. Mr. Van Bever stressed the need to start with a holistic risk analysis for each transport mode. He argued that while terrorism counts among the threats to rail transportation and urban transport, the main security challenge lies in day-to-day petty and organized crime, especially theft of road cargo. Mr. Perl added that the transportation of dangerous materials should be looked at as matter of priority, upon which Mr. Colliard concurred, and noted that borders represent critical enforcement opportunities. Mr. Perl also pointed out that while organized crime needs the system in order to continue to be able to abuse it, terrorists seek to disrupt and destroy the system. Mr. Miller added that even an unsuccessful terrorist attack can cause significant disruption by prompting increased and often burdensome security measures. He supported an all-hazard approach, arguing that measures can be formulated to mitigate a series of risks irrespective of what the primary threat might be. Mr. De Pretto cautioned that overspending on counter-terrorism protective measures plays into the hands of terrorists, and suggested to focus efforts on strengthening information exchange among all stakeholders and agreeing upon customs-to-business standards. He also warned against security being used as an argument to justify neo-protectionism and imposing non-tariff barriers. Mr. Issingarin underscored that economies would not function without cargo transportation and cautioned against unnecessary restrictions. He felt there is a need for increased information exchange between countries on threats and good practices.

Mr. Manktelow asked the panellists where they saw room for increasing international cooperation. Mr. Van Bever observed that there are no specific international rules for railway
security and also suggested that one possibility to extend co-operation in the legal field
would be to enlarge the scope of the ADR agreement on carriage of dangerous goods to
make it inter-modal. Mr. Issingarin agreed that more co-operation should be pursued
regarding the transportation of dangerous goods. Mr. Miller stressed the need to work
towards mutual recognition of the schemes and measures adopted by individual countries to
implement WCO's SAFE framework. Mr. Perl suggested there is a need to take stock of
existing initiatives and good practices that can be built upon rather than reinventing wheels.
Mr. De Pretto concurred on the importance of promoting the implementation of the SAFE
framework and ensuring mutual recognition between Authorized Economic Operator (AEO)

programmes. He added that the TIR Convention can be instrumental in developing an AEO approach, and also cautioned against establishing processes only and neglecting the human factor.

Mr. Manktelow inquired what the greatest obstacles are in developing new security standards for land transport. Mr. Van Bever reported that some countries advocate the creation of a specific intergovernmental body to be entrusted with the elaboration of an international legal framework for inland transportation security. He observed that inland transportation security falls by and large under the competence of police and internal security agencies and suggested that land transportation agencies should be more involved in security matters. Mr. Colliard added that UIC's 2009 Annual Security Congress identified the need to discuss the opportunity of establishing an intergovernmental railway authority. He also concurred that security is a shared responsibility but that not all parties concerned were yet involved. Mr. Perl argued in favour of promoting the concept that land transportation, while essentially taking place within national jurisdiction, is part of the international trade supply chain and as such should be the object of enhanced international co-operation. Mr. Miller agreed, pointing out that if one secures ports and airports but neglects land transportation then the supply chain is not secure.

Mr. Manktelow asked the panellists for their opinion on the risk that security measures could be disruptive. Mr. Van Bever stated that risk analysis is indispensable to make a business case for security spending and added that some measures can simultaneously improve security and facilitation, citing the example of advance information requirements. Mr. De Pretto reiterated the need to make full use of existing instruments before contemplating additional new measures. Mr. Miller underscored the concept of win-win situation and the need for security measures to result in a clear benefit for the economic operators that comply.

Mr. Manktelow opened the floor for interventions from the audience. A representative from the European Commission suggested that the OSCE should support the efforts undertaken by UNECE as per the recommendations of it Expert Group on inland transport security. He stated that effective security measures can be established even when regular border controls have been suppressed. He concurred with the need for an all-hazard approach and the observation that theft is the most significant risk to freight transportation and terrorism the most serious threat for mass public transport. He argued that the land transportation network is already resilient given the existence of alternative routes and dispersion of freight in different vehicles. He doubted the possibility of a multilateral regulatory approach, questioning the extent to which land transport is used for cross border transport today and informing that EU Member States objected in the past to a European Commission proposal to establish a common system.

Mr. Van Bever added that a working group on urban transport security was established within the EU framework but that its work is limited to facilitating the exchange of information and good practices. He also stressed the importance of and support provided by the European Commission to research and development to address the challenges of land transportation security. Mr. Colliard concurred on the latter and informed that UIC has a number of research programmes on technologies.

Mr. De Pretto raised the issue of secure parking places for trucks and regretted the absence of effective response from state authorities to the fact that in Europe today, the odds that a truck driver be attacked over a five year period is one in six. He felt that for public-private co-operation to work, concerns should be addressed in a reciprocal manner. Mr. Miller

stressed the imperative that state authorities engage with private sector stakeholders in the policy making process to ensure that measures are understood and grant benefits. He suggested as example that private sector objections to the EU's proposed secure operator programme could have been avoided through upstream consultation and better communication on how it relates to the EU's AEO programme.

The representative of the International Container Security Organization remarked that concerns over national sovereignty are a key dimension of the debate on standardization and harmonization of measures for land transport and supply chain security. He agreed with the need for research but cautioned not to reinvent existing solutions. He also regretted that security is often treated as a financial issue and business opportunity only, loosing track of what should be the true objective, namely making societies safer.

Mr. Manktelow inquired how to reconcile national sovereignty and the need for consistency across borders. Mr. Miller noted that this issue is core to the development of the EU and recalled that the customs union and suppression of regular border controls were done to facilitate trade. Mr. De Pretto agreed that lessons can be learned from the EU's experience but felt that despite suppressing border controls within the EU there is still too much red tape and taxation for businesses and full facilitation is not yet achieved.

To close the debate, Mr. Manktelow offered a summary of the discussions highlighting: the need to avoid an excessive emphasis on security; the need for greater sharing of information; the need to take stock of available tools and ensure exchange of good practices and full national implementation; the need to promote the concept of land transportation as integral part of international transportation; the need to have a business case for and stress the benefits of additional security measures; and the need for multi-stakeholder co-operation.

<u>Session I – Measures and concepts to enhance security of transport systems and transport infrastructure</u>

Moderator: Mr. Vytautas Naudužas, Personal Representative of the OSCE Chairman-in-Office on Transport issues, Ambassador-at-Large, Ministry of Foreign Affairs of the Republic of Lithuania

Rapporteur: Mr. Roel Janssens, Economic and Environmental Advisor, Office of the Coordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

Ms. Armelle Jouniaux, Head, Security Development International Trains, Security Directorate, French Railways (SNCF Group), explained that the whole SNCF Group generated EUR 25 billion of revenue in 2009. With 5 core business divisions and 49 subsidiaries operating internationally in the mobility, transport and logistics sectors the SNCF Group is covering 120 countries and is becoming increasingly international. It manages a network of 31,000 km of tracks including 2,000 km of High Speed Tracks, 36,500 bridges, 14,000 tunnels, 4,500 railway stations, 14,000 trains/daily and serves 128 million travellers annually. This vast network, in combination with the company's 'public character' makes it an attractive target for terrorist attacks. Terrorist threats include the discovery of suspicious packages, bomb alerts, threats of bombing attacks etc. Most security threats however, that occur on a day-to-day basis, derive from small delinquency (thefts, vandalism, graffiti, and hooliganism).

Ms. Jouniaux then elaborated on the security measures taken to protect the 'Channel tunnel' between France and the UK. She explained that the channel pipe consists of two separate

rail tunnels (7,6 in diameter) and a service tunnel (4,8 m in diameter) each 50 km long, located at an average of 40m below the sea bed. From the outset of this project both the UK and French governments had considered that the channel tunnel link could be a target for terrorist actions. Thus a specific set of security prescriptions was developed by both countries on the basis of the Treaty of Canterbury which was signed in 1986. Moreover, she explained that from the year 2000, SNCF is increasingly confronted with the phenomenon of illegal immigration towards Great Britain which requires very specific security measures. In recent years an investment of €11 Million had been made to reinforce the protection of the site perimeter. Measures consist among others of the construction of dual fences divided into compartments, infrared barriers, cameras, security agents, the instalment of passengers and luggage screening equipment etc.

Ms. Jouniaux concluded that in accordance with EU rules and regulations, rail transport users have the right for security from the beginning till the end of their trip. In most cases however, different nations have different legislations. In this light she noted the need to establish a continuous dialogue between government authorities, railway undertakings and railway infrastructure owners.

Mr. Victor Klimenkov, Deputy Head, Security Department of the Russian Railways Company, started of by explaining that transport security in the Russian Federation is regulated by a unified law which provides for the creation and management of a unified system of protection against acts of unlawful interference directed against transport infrastructure and vehicles.

Within the framework of the state policy to ensure transport security the JSC "Russian railways" is entrusted with the responsibility for planning and implementing measures to provide the security of the railway infrastructure and rolling stock. In this regard, the company co-operates closely with all law enforcement agencies that have a role to play in this field. As a result of this joint work, the number of acts of unlawful interference in 2009 compared with 2007 decreased by 46%. In collaboration with the Federal Agency for Railway Transport, the company is developing legal documents to implement the requirements of the Federal Law on "Transport security". Among others, a set of procedures for assessing the vulnerability of the railway infrastructure and vehicles have been drafted. In addition, JSC "Russian railways" has developed draft requirements for providing transport security for different object categories and security levels.

The Federal Law also prescribed that protection equipment should be used. Mr. Klimenkov informed that from 2002 to 2009, more than 1080 critical objects have been equipped with protection equipment, in total for about 4 billion Rubles. For rapid response to the attempt of unlawful interference, there are three guard stations close to high-speed running sections and railway tracks are generally equipped with video surveillance systems. Mr. Klimenkov concluded his presentation by emphasizing that in order to enhance the level of transport security it is of key importance that the different agencies involved collect and share, in a timely manner, reliable and accurate information.

Mr. Erlan Dzhumashev, Deputy Chairman, Transport Control Committee, Ministry of Transport and Communications of Kazakhstan, mentioned that enhancing transport security is becoming one of the most important issues in the context of strengthening international ties and integration of transport systems between countries. He added that this year's Forum creates an opportunity to further strengthen already ongoing efforts in this field.

Mr. Dzhumashev emphasized that it is of high importance to establish common investigation methods, classification of transport incidents, as well as harmonized reporting forms and approaches in the preventive work. This could be achieved through exchanging international experiences and best practices related to new technologies and know-how among the OSCE participating States.

As for protecting the railway system against the threats of terrorism, currently there is a 'vision-based' inspection system in place which can recognize not only registration numbers of railway carriages, but also identify the passengers. In order to ensure railway security, businesses, transport associations and unions as well as the government authorities should join forces.

State control and supervision to a large extent depend on operational efficiency and reliability of information. In this regard, the speaker informed the audience that Kazakhstan set up a National Register of Railway Vehicles. One of the priorities is to create a national database, which may help to collect the data, and offers a reliable basis to analyze the current situation and remaining gaps.

In order to enhance railway security, he saw a role for the OSCE in conducting research on existing methods of state railway control as well as in supporting the creation of a 'corporate information space and common database' which could serve as a basis for improvements and innovations.

<u>Session II – Promoting a co-operative and inclusive approach to enhance land transport security</u>

Moderator: Ambassador Alyaksandr Sychov, Permanent Representative of the Republic of Belarus to the OSCE, Chair of the Economic and Environmental Committee **Rapporteur: Ms. Kimberley Bulkley**, Economic and Environmental Officer, OSCE Centre in Bishkek

Ms. Asha Menon, Technical Officer, Facilitation and Compliance Directorate, World Customs Organization (WCO), explained that the WCO had been established in 1952 and has 169 members. The goal of the WCO is to promote a global supply chain and after 9/11 they added a security component to contribute to facilitating the global supply chain. Since 9/11, improved security has made trade across borders faster, not slower. Concerns still exist over counterfeits, trafficking, nuclear waste and weapons of mass destruction.

WCO members worked together to develop a supply chain standard. Trade facilitation focused on revising the Kyoto Convention. The SAFE framework of standards was worked out based on the revised Kyoto Convention. The private sector was consulted as they are the one who control and move the goods across the global supply chain. The SAFE framework has two pillars: to strengthen co-operation among customs administrations and to strengthen co-operation among customs and the private sector. These partnerships begin with mutual respect. If a company wants to get certified as an Automated Economic Operator (AEO) there are 13 requirements. Most members are small and medium sized businesses. WCO has twelve AEO programmes; one is EU-wide. When there is a mutual recognition of each other's AEO programme, then the AEO companies benefit and are not considered high risk. For example, more and more the transport sector is being requested by AEO companies to also become an AEO certified business.

Inland transport is also a part of the international supply chain, so making this sector a partner and including their companies into the AEO programme will be beneficial to all private sector partners. Therefore outreach to the private sector is very important. There is also a competitive advantage for companies to join the AEO programmes. Also, countries would increase their reputation as reliable trading partners and improve the overall economy. The WCO is also trying to get its members to help other members within the same region. Integrity is the most important component to any programme, as technology and equipment are not enough to build a reputation and offer real benefits to programme participants.

Mr. Stefaan Vermeire, Director General, International Container Security Initiative (ICSO), stated that ICSO was established to improve global supply chain security. He then stressed that mutual recognition between sovereign governmental methods and procedures is, among others, the beginning of an end-to-end secured supply chain.

Based on WCO's SAFE framework, the European Union's AEO and the United States' C-TPAT, certification is evolving to the mutual recognition of the supply chain stakeholders, ensuring secure trade between them.

Since there can be no governmental facilitation without private collaboration, the creation of the Belarus-Kaqzakhstan-Russian Federation Customs Union could become a basis for the private sector to create not only commercial but also public-private partnerships. Traditional paperwork and existing data exchange, combined with today's telecommunication technology, can result in a facilitated border-crossing and transit through the newly created Customs Union, with full respect for the sovereignty of each member State.

Developing an OCSE – UIC – ICSO proposed "border-crossing and transiting secured container block train" could demonstrate the governmental and private sectors' advantages.

Mobile phone technology (devices & networks) allows for a global identification and tracking of each individual container and related documentation. Even in uncovered areas (land or sea) a satellite uplink can be used to connect the secured area around the train to the national mobile phone operator depending on its current geographical position. Since national operators are regulated by sovereign governments, based on the existing roaming principle, this procedure provides full sovereignty to the transiting countries. In addition to already existing governmental data exchange, scanning of traditional documents could complete the necessary information of each individual shipment. This allows national governments to decide, based on their sovereign risk assessment, which shipments can cross their borders and transits their territories. However, since traditional paperwork would still accompany the shipments, local customs can at any place or time still do random physical inspections. And, since each transiting country has access to all the paperwork-based information, this concept doesn't violate any customs regulations or trade laws. Additionally, this stepped approach could allow emerging economies to align with global economy.

The question is not how this concept can be realized, but when it will be realized, since the technology exists. What's needed is the willingness of governments to use this system. It is important to keep the system simple. A more advanced technology is not needed and since all countries have regulated mobile phone networks that would be the basic component of this improved system.

Recommendations for the OSCE:

- Take an existing system and update it with the latest technology to improve efficiency while avoid engaging into too advanced and complicated technology.
- It will take time to improve systems. It is better to improve an old system through small steps than to be too ambitious.
- Involve the private sector and show them they will be the recipients of the benefits.

Session III – Promoting environmentally sustainable transportation choices

Moderator: Mr. Marc Baltes, Deputy Co-ordinator, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

Rapporteur: Mr. Raul Daussa, Environmental Programme Officer, Office of the Coordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

The moderator introduced the session stressing that sustainable development is the only way to guarantee the preservation of the environment but also to allow better co-operation among states and thus guarantee stability and security in the long term.

Mr. Guillermo Martínez Acero, Area Director, Market Development Department, Talgo Group, Spain, provided a comparison to assess CO2 emissions per passenger by plane, bus, car, conventional train and high speed train. The conclusions showed that the airplane is the less ecological transportation mean and that CO2 emission per passenger increase as the load factor decreases. The conventional train and the high speed train are similar, followed by bus, car and plane which is, by far, the most polluting transportation system.

Mr. Martinez presented the concept of the TALGO train, which has several advantages compared to conventional trains due to, among other characteristics, its lightweight construction which allows for less energy consumption. The unique system of independent wheel and guided axles allows the train to adjust to a new track width by just decreasing the speed to 15 Km/h. TALGO trains are present in Spain, France, Italy, Portugal, Switzerland, Germany, USA, Canada, and Kazakhstan, and soon will operate in Bosnia Herzegovina and Uzbekistan.

As a conclusion, Mr. Martinez pointed out that for medium and long distances, the railway is the most environmentally sustainable transportation choice, and that technological advances and innovation are important tools to encourage private sector competition to lower emissions and energy consumption.

Mr. Umberto De Pretto, Deputy Secretary General, International Road Transport Union (IRU), started his intervention agreeing with Mr. Martinez that innovation is key to get better environmental results, adding that the IRU's position is that rail and road transportation are natural partners rather than competitors.

The IRU has two priority issues, the first one being sustainable development. The IRU strategy for sustainable development is based on three principles:

 Innovation, which encloses all aspects of the vehicles, but also the driver, fuel type and logistics;

- Incentives, like promoting those transport companies that comply with high standards; and finally
- Infrastructure, to ensure smooth moving traffic, so vehicles stay on efficient combustion ratios.

As a summary, the IRU aims at better transport instead of more transport.

Mr. De Pretto commented on the evolution of commercial vehicle toxic emissions and the IRU resolution to reduce CO2 emissions at least by 30% by 2030. On this point, Mr. De Pretto stressed that the CO2 debate is an excellent opportunity for addressing energy policy. Road transport is 100% relying on oil as other energy sources are not practical due to higher weight and volume of fuel tank for the same amount of energy, in that regard, energy policies should prioritize the use of oil resources for fuel instead of power or heating production.

Mr. De Pretto commented on CO2 Emissions per passenger and transport mode, and his conclusions were that bus is the best transportation mean, and some myths about combined transport are only true when nuclear energy is used to produce electricity thus reducing CO2 emissions. It is important to always compare door to door transportation, in that regard, road transportation is always needed, and is some cases pure road transport has a better environmental footprint than other modes of transport.

Mr. De Pretto finalized his intervention pointing out that the modular concept is important because it reduces cost, number of trips, fuel consumption and CO2 emissions.

During the Q&A session, a participant asked for examples of co-operation among different private sector institutions and the public sector/international organizations.

Mr. De Pretto explained their long-lasting co-operation with UNEP that had endorsed their sustainable development strategy and the work with national governments to stress the fact that sustainability equals profitability. The IRU standards are implemented through the national associations but government encouragement is crucial to provide incentives for transport operator to replace obsolete fleets.

Another participant stressed that rail-road combination is an important part of transportation and should be encouraged. Mr. De Pretto pointed out that the more developed a country evolves, the more dependant on road transportation it becomes, as time-essential goods are dependant on roads, for it is the faster transportation mean.

The European Union Delegation mentioned that the EU believes in fiscal measures to control CO2 emissions, but that other policies could help reduce emissions like forcing trucks to come back loaded instead of empty.

Mr. De Pretto agreed on the importance of better logistics, but added that fiscal measures make road transport in EU more expensive than in the US or Asia. As a result, non-EU countries are taking over and the impacts are bigger as the distances are longer.

Another representative make the point that rail transport is faster than road, so rail passenger transport will always have advantaged over road transportation.

<u>Session IV – Rail transport facilitation initiatives</u>

Moderator: Ambassador Benedikt Haller, Head of the OSCE Office in Minsk Rapporteur: Yaroslav Yurtsaba, National Project Manager, Office of the OSCE Project Co-ordinator in Ukraine

Mr. Helmut Meelich, Coordinator, UNECE Trans-European Railway (TER) and Trans-European Motorway (TEM) Project, provided an overview of the TER and TEM Project which aimed at the facilitation of the railroad and motorway transportation. The speaker mentioned that sea ports and hinterland connections were at the heart of the project. Mr. Meelich described some initiatives regarding transport corridors in the Black Sea region where examples of fruitful regional co-operation produced tangible results. He mentioned the TER Master Plan and its main elements and indicated that the Master Plan incorporates up-to-date data taking into consideration the impact of the economic downturn on the railway system. Mr. Meelich pointed out that the project was looking for answers to many questions, such as the economic efficiency of the railway transportation, what this mode of transportation can do to mitigate global warming, security-related issues, etc. The meeting of the third Expert Group and Inter-regional workshop in Istanbul in November 2009 on development of Euro-Asian transport links touched upon these issues. The presenter gave some prominent examples of transport facilitation activities that took place in recent years involving Turkey, Armenia, Slovakia, Ukraine, and Romania. Mr. Meelich dwelled upon recent developments of the international corridor IV and mentioned numerous activities to facilitate transportation in this international corridor. The speaker finally emphasized the importance of regional co-operation to facilitate transportation development as a whole.

Mr. Konstantinos Alexopoulos, International Transport and Logistics Consultant, described the concept of the Container Block Train and its main components. The presenter referred to the requirements of the modern markets as far the transport sector is concerned. He stressed that the railroad system should ensure that the block trains are available to the whole market. He pointed out that the competition should not be stifled and the market participants be treated without providing preferential treatment to some at the expenses of others. According to Mr. Alexopoulos, the key issues to work on are synchronization of time schedules and tariffs. To ensure smooth operation of the railroad system, there should be integrated inter-modal service provided to customers. Mr. Alexopoulos stressed the railway organizations should strive to provide door-to-door integrated services.

Mr. Alexopoulos highlighted some key issues that concern international transport corridor management mechanisms. The speaker mentioned the project activities within the EATL (European-Asian Transport Link) UNECE project that revealed some bottlenecks of the railroad development process. The speaker described how an expert team assessed obstacles on the way from Islamabad to Istanbul. He then mentioned that this assessment allowed the expert team to come up with a set of recommendations that involved security-related issues as well. Mr. Alexopoulos' presentation prompted a question from the floor to compare economic efficiency of various international corridors. In particular, the question concerned the international corridor Baku-Tbilisi-Kars. The speaker mentioned that data are not yet available to make comparisons.

Mr. Valdas Ambrozevicius, Head of Marketing Unit, JSC Lithuanian Railways, outlined the rail sector development in Lithuania in recent years. He described the infrastructure development in the country and focused on pending issues. He presented the inter-modal Klaipeda port activities as a good example of integrated transportation services. The combined container block train "Viking" initiative was also cited as a successful

example of regional co-operation to facilitate railroad transportation which brings clear benefits to all participating countries (the project involves Lithuania, Belarus and Ukraine). According to Mr. Amrozevicius, the train has affordable tariffs, provides door-to-door delivery of goods and allows for relatively smooth border crossing. Railways are also considered a very eco-friendly transportation means, he added.

The speaker's presentation was followed by a short video featuring the Lithuanian railway transportation system.

Mr. Alexander Stankevich, Head of Cargo Operation and International Economic Railways, Activity Department, Belarusian **Ministry Transport** Communications of the Republic of Belarus, described the role of his country as a transit country and outlined the main development challenges for the Belarusian railways. The speaker reviewed the main cargo movements on the Belarusian territory, particularly along international corridors. He stressed that despite an economic slow-down as a result of the global recession, the movements of goods by rail grew in the country. The speaker named a few railway facilitation projects that require close co-operation between Belarus, Lithuania, Ukraine, Russia and Kazakhstan. Mr. Stankevich stressed that efficient transport policies have to be aimed at modernizing transport infrastructure, improving the legal framework, streamlining customs co-operation, as well as introducing modern ICT-based technologies. The speaker emphasized that the use of unified documentation simplifies the procedures during border crossing and makes railway transportation more efficient.

Recommendations for the OSCE:

- OSCE could promote regional co-operation to enable participating States to initiate projects aimed at improving border crossing facilitation and efficient data exchanges.
- It is important to keep in mind the strategic vision of transport development with a view to ensuring security and take into account environmental considerations.
- Exchange of best practices is the type of activities that the OSCE could actively promote to achieve results and promote the transport development agenda.

Session IV – Rail transport facilitation initiatives – *Continued*

Moderator: Mr. Yuriy Lavrinenko, Director, Limited Liability Partnership "Kamkor

Management", Republic of Kazakhstan

Rapporteur: Ms. Sinead Harvey, Permanent Mission of Ireland to the OSCE

Mr. Gustav Kafka, Deputy Secretary General, Intergovernmental Organisation for International Carriage by Rail (OTIF), gave a short introduction to OTIF and the general aims of the Organization, that is, principally, to develop the uniform systems of law which apply to the carriage of passengers and freight in international traffic by rail. He discussed the coverage of the two main international organisations dealing with the legal questions of international rail transport - OTIF and the Organisation for Co-operation Railway Lines (OSJD). These two organisations cover most of Eurasia and quite a lot of countries have membership of both. However, this overlap, along with overlap with the EU, has caused problems.

The EU adopted new laws partly covering the areas regulated in COTIF (the Convention upon which the OTIF is based) making the 1999 COTIF incompatible to EU law. A subsequent revision committee under OTIF worked to achieve full compatibility of COTIF

with EU law. This revision will take effect in December 2010. The effects of this revision will be the withdrawal of reservations, accession of EU to COTIF, and the legal and technical interoperability between EU and non-EU member States of OTIF

The speaker spoke of the co-operation between OTIF and OSJD but the bulk of this related information was summarized by the following speaker. Mr. Kafka emphasized the need for the creation of a uniform railway law, the harmonisation of conventions and other tools in achieving uniform rules.

Mr. Victor P. Zhukov, Deputy Chairman, Committee of the Organization for Cooperation of Railways (OSJD), briefly introduced the work of OSJD and its geographic scope. He highlighted the excellent co-operation between OTIF and the OSJD. One example of this was that under the UNECE working party on transport, the OSJD and the OTIF jointly adopted a new annex 9 to the International Convention on the Harmonisation of Frontier Controls of Goods (1982) which dealt with border crossing of rail freight transport.

The speaker described the differences in the two laws of transport under OTIF and the OSJD, that is, the difference between CIM (Uniform Rules concerning the Contract of International Carriage of Goods by Rail - Appendix B to COTIF) and SMGS (Agreement on International Goods Transport by Rail). They are now working on a uniform consignment note. This common CIM/SMGS consignment note will lead to standardised claims handling mechanism and eventually a Single Eurasian Rail Transport Law.

The advantages of this joint consignment note are, *inter alia*, saving time (up to 16 hours per train), saving money (€40 per wagon) and improving the overall legal certainty. The aim now is to expand the CIM/SMGS consignment note geographically.

Mr. Zhukov's recommendation was that the OSCE participate in upcoming conferences and meetings where expansion of the CIM/SMGS consignment note is being considered. The harmonisation of the two legal areas can only boost trade as a uniform legal system which will contribute to improvement the increase of tonnage of cargo moved.

Mr. Erik Evtimov, Senior Legal Advisor & Project Coordinator, International Rail Transport Committee (CIT), presented on the importance of having a single law across the entire land transport supply chain. He discussed the issue of CIM versus SMGS and how the handicap of a legal duality is hindering the interconnectedness of landlocked regions. CIT worked with partner countries to create the Joint CIM/CMGS consignment note.

The speaker went on to summarise the use of the electronic CIM/SMGS consignment notes, which he said can respond to the requirements of the e-customs system of the EU to be used exclusively from 2013. The speaker spoke of the need to standardise the CIM/SMGS liability regimes in order to create harmonised provisions for the two legal relationships (customer to railway undertaking and railway undertaking to railway undertaking). The standardised liability paves the way for a uniform law.

Mr. Evtimov recommended that the OSCE tackle the issue of development of a harmonised liability regime. He also said the OSCE can collect information and put forward to the participating States ideas on how they can support railways in making a common approach to the reduction of CO2 or other environmental factors.

Mr. Nurlan Altayev, Representative of JSC National Company "Kazakhstan Temir Zholy" in the Russian Federation, discussed the crucial issues for Kazakhstan in moving

cargo internally. The share of transport costs in the value chain production is relatively high, at 8% for domestic rail transport. In countries with developed market economies the figure is about 4%. The speaker said it was in the interest of the Kazakhstan's economy to make the shortest route possible for transport and, as such, the country has provided an excellent transport 'bridge' between Europe and Asia.

The speaker said delays in border stations have been due to lack of compliance of necessary data, in particular through invoices, certificates and other documents, as well as technical malfunctions. Further delays are caused by passengers attempting to smuggle undeclared goods in passenger wagons. In order to avoid these unnecessary delays, the OSCE can assist with improving interaction of supervisory authorities of the different states as well as promoting the harmonization of national legislations on international freight and passengers.

The moderator opened the session for comments from the floor.

The Eurasian Economic Community representative highlighted the excellent example of Belarus, the Russian Federation and Kazakhstan regarding their common customs code which will increase the transit potential and accelerate economic development. He also stressed that addressing transport barriers requires the combined efforts of businesses, NGOs and governments and the OSCE can assist in that regard.

One question from the Spanish delegation centred on the differences of OTIF and OSJD in the nature of their activities or principles under which they operate. The Representative from OTIF replied that the world had been divided politically and the two organisations formed as a consequence of this. Today, the organizations work together to resolve common objectives and the joint consignment note is an example of the fruitful results. Such a document was originally assumed to have been impossible.

The representative from Finland informed about the electronic viability exchange labelling used between the Russian Federation and Finland in order to share information about customs and passengers. This system speeds up border crossing formalities as procedures can be prepared in advance. The tracking of data is also improved as the project aims at improving the quality and reliability of data. Rail tracing allows the Finnish authorities, logistics services, and the Russian railways to request status information and locate any consignment item. This allows for the greatest level of security.

Recommendations for the OSCE:

- Assist participating States in working with international transport organisations to create uniform railway law, to harmonise conventions and other tools in achieving uniform rules. This will include facilitating dialogue between participating States' transport supervisory authorities.
- Participate in upcoming conferences and meetings related to the expansion of the CIM/SMGS consignment note as a way to boost trade.
- Assist participating States with the harmonisation of liability regimes.
- Collect and disseminate information from railway authorities and governments on a common approach to the reduction of CO2 or other environmental factors.
- Facilitate dialogue between the business sector, NGOs and governments.
- Look to and disseminate examples of successful rail co-operation, such as the Finnish/Russian co-operation.

Session V - Addressing key issues linked to dangerous goods and hazardous waste

Moderator: Mr. Oleg Fedotov, Head of Department, Customs Committee of the Republic of Belarus

Rapporteur: Ms. Tamara Kutonova, National Project Officer for Environmental Affairs, OSCE Project Co-ordinator in Ukraine

Ms. Marina Klimova, Deputy Director, Basel Convention Regional Centre for CIS countries in the Russian Federation, started her presentation by pointing out that there is an increasing generation of wastes, including persistent organic pollutants (POPs), as well as growing transboundary movement across the globe. Strengthening of environmental legislation in developed countries, increased generation of hazardous wastes, and lack of capacity to dispose them are the reasons for generators of wastes to search for ways to transport and dispose them in foreign countries. Transboundary trafficking of wastes bears a number of implications for human health, environment and national economies. Mrs Klimova also mentioned that there are too few experts in the field, and often high level authorities underestimate the issue.

An internationally recognized instrument to address these issues is the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*. To support the implementation of the Convention, 13 Basel Regional Convention Centers (BRC) have been established worldwide. There are 4 BRCs in Africa, 3 in Asia and the Pacific region, 4 in Latin America, 1 in Central Europe (Bratislava) and 1 in the CIS region (Moscow). The BRC in Moscow conducted in recent times a number of events for CIS countries (conferences, training workshops, publications). Ms. Klimova stressed that capacity building for legislators and border management authorities is crucial for the prevention and detection of illegal transboundary waste movement. Considering a fact that the Russian Federation, the Republic of Belarus and Kazakhstan are at the stage of creating a Customs Union, and given the fact that many ex-USSR states still use the same standards and methods, this moment could be used to further unify certain approaches (e.g. classification of wastes) and procedures.

Ms. Klimova proposed the OSCE together with the BRC in Moscow conduct a series of joint workshops for the CIS. Such workshops could be held for officials of the ministries of environment, agriculture, health, customs and other border services.

Mr. Volodymyr Yevseev, Environmental Border Control Expert in Ukraine, spoke on the conduct of environmental controls at borders in Ukraine, which are the responsibility of the Environmental Inspectorate of the Ministry of Environment. A special Department of ecological control and radioactive safety at state border controls was created for this purpose. To name only a few cases detected so far, there were records of import of 220 tones of substances which had expired 20 years before they were brought to Ukraine, 40 train cars of soil contaminated with a number of hazardous elements, expired medical goods and equipment etc. To detect and prevent export of scrap metal from the Chernobyl exclusion zone, the Department was authorized to undertake radiological control of goods.

Mr. Yevseev described how the wastes can be transported, as wastes or as materials. More specifically, if the waste is transported as waste the cargo could be accompanied with false declarations, with false data and tariff codes, incorrect purpose of import description (in fact for disposal) etc. In addition, the cargo's content can in some cases not correspond to the declared content, there could be fictitious importers etc. In the supporting documentation the

degree of hazardousness of some transported waste (e.g. metal from Chernobyl) can be diminished while some waste could be classified as goods (e.g. spent acid tar). The cargos may often not have proper accompanying documentation (permits, insurance, certificates etc.).

If the wastes are transported as materials or products, they can be declared as substances for industrial use, as goods (paints, oils), they may be packed and marked differently from the content (as often happens with ozon depleting substances). Such cargoes may be expired or mixed with proper goods (so called "powdering" or "dusting"). Also, they could be considered wastes in one country but still be goods in others (e.g. asbestos and asbestoscontaining materials, car tires).

Mr. Yevseev informed that the inspectors of the Department take capacity building lectures every 3 years and stressed the value of such exercises. He has also informed that at present 'Waste(s) Watch Cards' - a set of quick-reference cards with practical information on waste and its transboundary transportation – are being prepared by the OSCE for publication and dissemination in countries in Eastern Europe.

Mr. Mikhail Naumenko, Head of Unit, Border Guard Department/Directorate for Operational Management, State Border Committee of the Republic of Belarus, informed how his country controls the transboundary movement of waste. He described three levels of control of dangerous materials: documental and radioactive control, operational work in case of suspicious cargos, with use of mobile laboratories etc., and control at the decision-making level.

Mr. Naumenko made the following recommendations for co-operation with the OSCE:

- 1) On radioactive safety, he mentioned the possibility to develop and implement a joint project with the border management authorities of the Republic of Belarus, Poland, Lithuania and Latvia, in co-operation with experts from the OSCE, to equip border management control posts with lacking equipment and to conduct regional training workshops on prevention of illegal transboundary transportation of hazardous materials.
- 2) On environmental issues, he mentioned that it is envisaged that the Republic of Belarus and Ukraine will ratify an Agreement on the State Border in 2010, thus it is required to assess the state of the environment along the Belarusian-Ukrainian border which lies in the Chernobyl exclusion zone. This is required in order to assess the level of radioactivity at potential locations of demarcation marks and border management authorities.

A participant asked Mr. Naumenko whether it is the State Border Guard Service of the Republic of Belarus who coordinates activities of all other authorities serving at the border. Mr. Naumenko responded that indeed the State Border Guard Service of the Republic of Belarus is responsible for coordination of activities of other authorities working at the state border. A principle of "a single window" for those crossing the border is applicable. The Environmental Inspectorate in no way suspends the flow of control as the cargos are inspected by this authority only if they have to, according to national legislation, or if they are suspicious.

Another participant from Albania informed that there were cases of trafficking of hazardous wastes in his country as well and inquired about the detection rates in Eastern Europe. Mr. Naumenko told that there are about 150 detected cases per year.

Mr. Wolfgang Maierhofer, Director of the OSCE Border Management Staff College in Dushanbe (BMSC) informed the participants that, together with the OCEEA, a training workshop on detection and prevention of illegal transboundary transportation of hazardous wastes will be conducted in the BMSC for the OSCE participating States and Partners for Co-operation in June 2010.

The moderator, Mr. Fedotov drew the conclusions of the session.

He stated that hazardous and other wastes are usually moved in the west-east direction. Therefore, particular attention should be paid to the Eastern European and Central Asian states.

The key global instrument addressing this issue is the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*. Capacity building of the border management authorities together with proper national legislation is a key for prevention of illegal waste transportation. Co-operation with other conventions, e.g. Stockholm Convention on Persistent Organic Pollutants, international organizations (e.g. Regional Basel Convention Centres, the OSCE) and between national agencies (incl. border management authorities) at the international level is crucial for prevention and detection of illegal waste transportation.

Meanwhile, the OSCE together with other international, regional and national organizations in various countries has developed good examples of capacity building on these issues and has strengthened both the capacity and the commitment to work further in tackling these challenges in Central Asia and Eastern Europe.

On behalf of the State Customs Committee of the Republic of Belarus, Mr. Fedotov conveyed gratitude to the OSCE for the co-operation so far.