

G6092 Istanbul, 05 May 2019



35th MEETING OF THE BSEC-URTA GENERAL ASSEMBLY

TOBB PLAZA Istanbul - Turkey Tuesday 28 May 2019, at 14:00 hrs

COOPERATION AND COORDINATION WITH IRU

I - FACILITATING TRADE BETWEEN BSEC REGION AND ITS TRADE PARTNERS WITH THE USE OF TIR SYSTEM

a. BSEC and Batumi Corridor (Azerbaijan-Kazakhstan-Georgia-Ukraine)

Customs authorities from concerned countries and Member Associations signed protocols in order to start implementation of an eTIR Pilot Project.

Georgia informed that the implementation of the eTIR messages is at a final stage, and that they wish to activate eTIR transports soonest with Azerbaijan.

Kazakhstan has implemented the eTIR messages. Negotiations will take place in Q3/19 to start eTIR transports with Azerbaijan.

Azerbaijan has implemented the eTIR messages. Negotiations will take place in Q3/19 to start eTIR transports with Georgia.

Ukrainian Customs will start the IT implementation by Q2 2019

b. BSEC and International North-South Transport Corridor (INSTC) countries – existing interest from Iranian stakeholders

Iranian Customs Authority and private sector already confirmed their interest to join Batumi corridor under digital TIR.

Persistent interest from Iranian TIR carnet holders to do transports to BSEC countries and further explore Caspian Sea Route.

c. BSEC and Lapis Lazuli corridor countries (Afghanistan, Turkmenistan, Azerbaijan, Georgia and Turkey).

According to the Afghanistan Chamber of Commerce and Industries (ACCI) the Lapis Lazuli Corridor is the nearest and cheapest way to transit Afghanistan's and Asian countries' goods to Europe. Using the corridor, Afghanistan goods will travel through Turkmenistan, across the Caspian Sea to Azerbaijan, then Georgia, across the Black Sea and through Turkey to the Mediterranean and Europe.

An Afghani Road Transport Company is in course of organizing of transport operations from Afghanistan via Turkmenbashi - Caspian Sea – Azerbaijan (Baku) - Georgia- Turkey. Organisation of transport is in progress, the Customs and Associations of all the en-route countries were informed. As it is not economically viable to do the entire transport by an Afghan truck and at the same time there are a lot of trucks returning from Turkmenistan to Turkey empty, Afghani TIR carnet holders would like to use Turkish TIR authorised operators as sub-contractors from the port of Turkmenbashi until the destination in Turkey. Acceptance of the use of sub-contracting in TIR by Customs Authorities of the transit countries is a key element.

Amendment to the TIR Convention relating to introduction of the issue of sub-contracting will be discussed at the next UNECE AC.2. Support of BSEC customs authorities is crucial for its approval and introduction to the TIR convention.

II - IRU VISION FOR DECARBONISING COMMERCIAL ROAD TRANSPORT

Climate change affects lives around the globe. Rising temperatures cause draughts, rising sea levels threaten low-lying regions, ever more extreme weather leads to severe disruptions.

Climate change cannot be stopped without decarbonising transport. Transport emits around 23% of the energy-related CO₂ that feeds global warming. Without immediate action, its share could reach 40% by 2030. Transport emissions have grown faster than those of any other sector over the past 50 years.

Demand for transport will continue to grow massively in the coming decades. As a result, CO₂ emissions from transport activity will not fall, but could increase by 60% by 2050. And because transport relies on oil for 92% of its energy, it is particularly hard to decarbonise.

The road transport industry is committed to take its responsibility and invest further in reducing its carbon footprint. Worldwide, all modes of transport account for 23% of CO₂ emissions (IEA, 2015).

In addition, demand for transport services is expected to increase by 135% for passenger transport and 230% for freight transport from 2015 to 2050 (primarily in non-OECD countries) (ITF, 2017).

The level of reduction possible depends on the region, the alternative fuels options and the financial capacity of governments and operators.

Trends for decarbonising transport differ significantly by region with a range of different regional barriers. Institutional, legal and financial constraints are the key barriers holding back investment into infrastructure, vehicles and fuels. Nonetheless, there are a range of low-hanging fruit which are available and accessible globally today with favourable cost-benefit scenarios. Accordingly, these measures should be promoted by governments. These include driver training, high capacity vehicles, aerodynamic improvements, low-rolling resistance tires, load and routing optimisation, low-carbon fuels and a shift to collective transport. Improved traffic and infrastructure management is also crucial to reducing CO₂ emissions.

Without ensuring free-flowing traffic, the effectiveness of other decarbonisation measures will be undermined. Commercial road transport operators have an inherent interest to reduce their fuel consumption as this accounts for 30% of their costs and thus CO₂ emissions. In addition, geopolitical instability and scarcity of oil is a significant threat to fuel availability and price stability and therefore an added reason to invest in finding alternative fuel solutions

The road transport sector will likely look very different in 2050. The sector is prepared to do what is necessary to make progress towards decarbonising operations.

Decarbonisation of road transport will rely on five key pillars

- improvements to fuel efficiency through new vehicle technologies,

- wider uptake of alternative fuels.
- measures to improve logistics operations,
- eco-driver training
- shift from private car use to collective transport.

The future decarbonisation of the road transport sector calls for a holistic approach with implementation of these five pillars essential to making significant progress.

1. Road transport operators.

IRU and its Members are fully committed to reducing their CO₂ emissions and striving as far as possible towards a low-carbon future. The commercial road transport sector takes its responsibility to drive further decarbonisation and will embrace this challenge by taking all the steps necessary to get there.

The sector pledges to advance the sustainability of road transport by investing in vehicles with fuel efficient technologies, and boosting uptake of alternative and renewable fuels and new powertrain concepts, where alternative options are technologically and commercially viable.

Transport operators also pledge to ensure higher levels of eco-driver training and further use of driver assistance and ITS systems, and continue to optimise operational measures.

As commercial road transport is a service sector responding to demand, the challenge of growing will require better rather than more transport.

2. Key road transport stakeholders.

There is a shared responsibility to decarbonise between transport operators, manufacturers, vehicle parts suppliers, fuel suppliers and infrastructure managers.

IRU calls on these key road transport stakeholders to play their part in driving decarbonisation:

- IRU calls on vehicle manufacturers to ensure that their products are equipped with the latest innovative fuel saving technologies and to ensure continuous development of future technologies to drive reductions beyond 15%.
- Fuel suppliers have an important part to play in ensuring a reduction of the carbon intensity of fuels and a shift to renewable fuel sources. Equally important to encourage behaviour change is the provision of a comprehensive network of refuelling and recharging infrastructure. These measures must be supported by facilitating legislation.
- Further research and development into improving technology and the business case for new innovative solutions, such as hydrogen fuel cell vehicles for long-haul transport.
- Further CO2 reductions will also depend on improved traffic and infrastructure management. Measures such as green-waves of traffic lights are essential to facilitate eco-driving.
- Awareness from transport buyers will also act as an incentive and an insurance for operators to invest in reducing their CO2 emissions.

3. Decision-makers.

Governments have an important role to play in setting out the future policy path to ensure investment certainty leading up to 2050.

While legislation should be ambitious and guide the sector it should not be overly prescriptive and should afford industry the flexibility to define the measures to decarbonise in the best and most cost-effective way.

Policies should also avoid imposing costs on transport operators because this could have the effect of slowing down fleet renewal and hampering the ability to invest. Modal shift policies could also result in pushing up the price of goods and services and ultimately harming the wider economy.

IRU calls on decision-makers to ensure an enabling legislative, business friendly environment for the decarbonisation of commercial road transport:

- Ensure regulatory stability, with a clear and realistic timeline for CO2 emissions reduction, to encourage investment confidence by energy suppliers, vehicles manufacturers and operators.
- Promote the uptake of fuel saving technologies on new vehicles, so long as they are commercially viable.
- Foster real business incentives to facilitate the penetration of innovative transport technologies, best practices and eco-driver training.
- Ensure decarbonisation policies are founded on evidence based impact assessments and cost benefit analyses, taking into consideration best practices.
- Invest in the full roll-out of alternative fuels infrastructure this will be a key precursor to the uptake of alternatively fuelled vehicles.
- Ensure funds from road-user charging are earmarked for further greening the commercial road transport sector.
- Promote the use of collective road transport as it is the fastest and cheapest way for society to reduce the carbon footprint of passenger transport. Collective road transport should be given priority status through dedicated bus lanes, routing control and optimisation. Intelligent traffic light management should also give priority to collective transport. In addition, it should be ensured that urban vehicles access restrictions do not discourage the use of collective transport.
- Ensure further flexibility in weights and dimensions legislation in order to encourage the use of fuel saving technologies, and alternative fuels and alternative powertrain systems, which may otherwise diminish load capacity.
- Integrate eco-driver training into legislative driver training requirements.

Decarbonisation is of fundamental importance to the commercial road transport sector and reducing CO2 emissions will be essential to its relevance as a player in the sustainable transport system of the future.

Sustainability must be the guiding core principle of the sector in terms of economic viability, social acceptability and environmental responsibility.

Deep decarbonisation will also require major technological developments to develop tomorrow's solutions, cross-sectoral commitment and support from decision-makers to enable industry to decarbonise in the most cost-effective way.

III - DRIVER SHORTAGE - RECOMMENDATIONS AND PROPOSED ACTIONS

BACKGROUND

On 6 November 2018, IRU's General Assembly unanimously adopted the <u>IRU Driver Shortage</u> <u>Road Map</u>, with the aim of addressing one of the most acute problems currently facing the global road transport industry – driver shortage.

The IRU Driver Shortage Road Map was the outcome of the work of a dedicated IRU Driver Shortage Task Force, which was established by decision of IRU's EU Goods Transport Liaison

Committee (CLTM) and Passenger Transport Council (CTP) on 1 March 2018. At their meetings held on 3 May 2018, the IRU's Goods and Passenger Transport Councils (CTM and CTP) respectively extended the scope of the Task Force to include experts from IRU member associations across the world.

IRU DRIVER SHORTAGE ROAD MAP

The IRU Driver Shortage Road Map contains:

- A vision, recognising the severity of the problem, emphasising the key role of professional drivers, and committing to work together to make the road transport industry a great place to work for all;
- A list of short-, medium-, and long-term actions;
- A set of proposals on how to implement, monitor and coordinate the actions and progress.

Immediately after the formal approval of the Road Map, IRU's Secretariat, in cooperation with Members, have started to implement the short term/advocacy-related actions. These short-term measures (2019-2020) include the following;

- 1. Launch a bi-annual statistical survey to establish basic facts and trends regarding the shortage of drivers and related areas, starting with selected countries and regions.
 - The survey was launched and the preliminary results were compiled in January 2019. The second survey will run from the end of April until June 2019. The geographical scope of the survey currently includes the EU and the CIS region, with the aim of further expansion in the coming years.
- 2. Create and maintain a dedicated website to raise awareness of the driver shortage, showcase good practices, publish testimonials and share information, including job portals, vacancies and apprenticeship opportunities.
 - An introductory webpage will be created in the second half of 2019.
- 3. Establish an IRU group composed of communications experts from member associations to discuss issues related to the road transport industry's image, share good practices and devise joint actions.
 - The Expert Group has been established and will meet on 4 June 2019. Driver shortage is one of the main topics for discussion
- 4. Launch initiatives to formulate and implement joint recommendations, service level agreements and codes of conduct and/or quality labels with industry partners (shippers, freight forwarders, travel agencies and tour organisers, enforcers, trade unions, etc.) aimed at improving the treatment of drivers at roadside checks, tourist destinations and places of delivery.
 - In the EU, a Working Group was established in partnership with the European Shippers
 Council and interested IRU members in order to address the improvement of treatment of
 drivers at delivery sites. The first meeting of the Working Group took place in the beginning
 of April and the aim is to have a deliverable, such as a joint charter, in the beginning of
 September.
- 5. Advocate for the formal recognition of the occupation of "professional driver" and the inclusion of the relevant professional qualifications on the list of occupations in the various CIS countries.
 - IRU's Moscow Delegation will lead this work during 2019-2020.

- 6. Initiate a wider debate within IRU's Commission on Social Affairs (CAS), with the aim of developing a consolidated strategy to address the issue of minimum driver age and distance limitations as well as analysing the impact of the current legislation on driver training and making proposals to improve alignment of vocational training to the needs of the profession and the industry.
 - In the EU, an Expert Group on driver training and related issues has been set up and the kick-off meeting took place on 16 April.
- 7. Focus immediate advocacy activities on requesting adequate and sufficient infrastructure to improve working conditions and work-life balance, including by ensuring comfortable, safe and secure parking areas for long-distance truck drivers and suitable rest conditions for coach drivers.
 - Action has already been taken in this direction within the framework of the EU's Mobility Package 1 discussions. Furthermore, IRU has been working with European Institutions and other partners to develop standards for safe and secure parking across Europe and has just been nominated as one of the experts to join the expert group from the European Commission to roll out the new standards. IRU has also joined forces with the European Transport Workers Federation (ETF) to request action from the European Union and its Member States to create a better network of safe and secure truck parking areas. After a successful meeting with the European Commissioner of Transport, the European Commission committed to political and financial support and will announce a first call for financial support for the investment in safe and secure truck parking by the end of the year.

RELATED ACTIONS

Next to implementing these short-term actions from the IRU's Driver Shortage Road Map, IRU is also building partnerships with relevant regional and global industry stakeholders, including fostering closer relations with trade unions. On a global level, the IRU reached an agreement with the International Labour Organisation (ILO) on the following points:

- The driver shortage is embedded in ILO's work program for the next biennium (lack of skilled drivers);
- ILO will finance and conduct a dedicated study on the lack of skilled drivers (exact scope of the study still to be defined);
- ILO will organise a regional expert meeting with a focus on the lack of skilled drivers, to take place in the CIS region;
- The ILO expert meeting on road safety taking place on 23-24 September will have a link to decent work and driver shortage;
- ILO will hold a technical meeting on the sustainability of work in the public transport sector.

On EU level, the IRU and the European Transport Workers' Federation (ETF) reached an agreement to seek European Commission funding for a joint project designed to collect reliable statistics on driver shortage in Europe and to identify the quality of jobs in the road transport and other relevant industry sectors.

IRU is also organising initial meetings with other industry partners, such as vehicle manufacturers, and has recently launched a social media campaign on driver shortage. The campaign started with the publication of the IRU report on "Tackling Driver Shortage in Europe" and will continue with monthly publications focusing on specific themes related to driver shortage.

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