

IMPLEMENTATION FRAMEWORK OF THE ASEAN FRAMEWORK AGREEMENT ON MULTIMODAL TRANSPORT

I. INTRODUCTION

1. There is an ever increasing demand for end-to-end handling of carriage of goods by multimodal transport which has driven the growth of multimodal transport services. A well-integrated and sustainable multimodal transport framework is imperative for ASEAN Member States in order to take full advantage of the economic development opportunities and for further ASEAN market integration. This will enable ASEAN to leverage its location at the crossroads of Northeast Asia, South Asia and Oceania to grow ASEAN's strategic significance in Asia. Enhanced regional connectivity is critical/essential to the realisation of a single market and production base under the ASEAN Economic Community (AEC).
2. Recognising that the implementation of ASEAN Framework Agreement on Multimodal Transport (AFAMT) is expected to require extensive work, especially in the area of reviewing and streamlining different procedures of mode of transport, in line with the development of global multimodal transport regime to include the legal, regulatory and procedural aspects, it is essential for the ASEAN Member States to lay a framework for the implementation of the AFAMT in order to realise the purpose and spirit of the Agreement signed in 2005 and to meet the milestones set under the ASEAN Transport Strategic Plan 2016-2025 / Kuala Lumpur Transport Strategic Plan (KLTSP).
3. This Implementation Framework is also an important element to realise the target of the ASEAN Community Blueprint 2025 for the operationalisation of AFAMT, which is historically embedded in the mandate of the ASEAN Plan of Action in Transport and Communications (1994-1996) to develop multimodal transport and transport facilitation to enable door-to-door delivery of goods to customers, as well as the Ha Noi Plan of Action 1997 which sets target for ASEAN to implement the AFAMT and the AEC Blueprint 2015 targeting for implementation of AFAMT by at least two (2) ASEAN Member States.

II. GLOBAL DEVELOPMENT IN MULTIMODAL TRANSPORT

4. With the international transportation of goods is increasingly carried out on an end-to-end basis, multimodal transport operation has a robust and significant association with stronger trade relations. In this global context, the United Nations Conference on Trade Development (UNCTAD) Convention on International Multimodal Transport of Goods (1980) states that international multimodal transport is one means of facilitating the orderly expansion of world trade and puts emphasis on the importance of multimodal transport by recognising that an equitable distribution of multimodal activities between countries should be attained in international multimodal transport.
5. The above global principles from UNCTAD also apply in the regional context, as international multimodal transport is also one means of facilitating the expansion of intra-regional trade among ASEAN Member States as well as between an ASEAN Member State and third countries.

III. ASPIRATIONS OF THE AFAMT

6. The AEC aims to create a prosperous, highly cohesive and integrated economy, as well as a competitive, innovative and dynamic ASEAN by 2025. The AFAMT is one of the key pillars supporting the establishment of the AEC by facilitating the end-to-end handling of carriage of goods by multimodal transport and taking full advantage of the economic opportunities to improve trade within and beyond the region.
7. In line with the goals set for the AEC, ASEAN Member States are recommended to do the following for the implementation of the AFAMT:
 - a) establish an integrated, efficient and globally competitive logistics and multimodal transportation system, for seamless movement of goods within and beyond ASEAN;
 - b) continue to exert their efforts to operationalise transport facilitation agreements that directly benefit the logistics sector;
 - c) undertake various programmes or activities to enhance capacity and skills development to further progress regional transport facilitation beyond ASEAN;
 - d) strive to implement streamlined and integrated multimodal transport, logistics and supply chain, through the implementation of AFAMT and to collaborate with other relevant ASEAN Sectoral Bodies to enhance trade facilitation mechanism in order to simplify and harmonise customs transit formalities leading to more efficient of multimodal transport operations; and
 - e) enhance the effectiveness, efficiency and sustainability of multimodal transport operations.

IV. OBJECTIVES OF THE IMPLEMENTATION FRAMEWORK

8. The objectives of the Implementation Framework are to:
 - (i) present the key activities essential for the implementation of AFAMT, along with the timelines for each activity, in a Regional Action Plan. This will also serve to align all ASEAN Member States to track a common set of key activities and milestones for better coordination of the implementation efforts under the AFAMT; and
 - (ii) outline the implementation mechanism of AFAMT, the intent to engage with the relevant stakeholders, and to periodically review the Implementation Framework.

V. COVERAGE OF THE REGIONAL ACTION PLAN

9. This Implementation Framework contains Regional Action Plan 2020-2025 which provides specific measures that ASEAN Member States may pursue in order to implement AFAMT. Key elements and the rationale of the Regional Action Plan of the Implementation Framework of AFAMT are:
 - (1) Ratification:** complete ratification of the AFAMT by all ASEAN Member States.
 - (2) Legal Framework:** realise the formulation and enactment of national legislation by all ASEAN Member States, which align to the provisions under AFAMT.
 - (3) Institutional Framework:** establish a Competent National Body in each ASEAN Member State as the authority for issuing Multimodal Transport Operator (MTO) registration certificate.
 - (4) Economic Impact:** study the potential economic impact and trade growth due to the increased multimodal transport operations in ASEAN.
 - (5) Logistics Performance:** benchmark ASEAN Member States' performances in multimodal transport connectivity.
 - (6) Capacity Building:** develop and deliver a focused regional support program to continue to promote, educate and highlight the importance of multimodal transport.
 - (7) Administrative Procedures:** undertake procedural and administrative obligations to implement AFAMT.
10. To ensure operationalisation of the AFAMT, all of the above elements need to be addressed. However, these elements are not sequentially mutually dependent, as some ASEAN Member States may require the element of legal framework to be established prior to ratification of the AFAMT.
11. The Regional Action Plan should be viewed in consideration of the different stages of development of each ASEAN Member State in implementing and operationalising AFAMT.
12. National Work Plans to implement AFAMT have been developed by all ASEAN Member States, which are used as basis for the Regional Action Plan.

VI. IMPLEMENTATION MECHANISM

13. The ASEAN Transit Transport Coordinating Board (TTCB) through the ASEAN Transport Facilitation Working Group (TFWG) shall coordinate and oversee the overall implementation of measures and actions of the Regional Action Plan specified under this Implementation Framework. TTCB/TFWG is the platform to periodically review and amend the Regional Action Plan to ensure it remains relevant and in keeping with the multimodal transport development goals and milestones, as set under KLTSP.
14. Regular consultations with relevant ASEAN Sectoral Bodies, international organisations, private sectors, industry associations and wider community at the regional and national levels will also be actively sought to ensure participation of all stakeholders in implementing the AFAMT.
15. Support for the implementation of the measures under this Implementation Framework can be sought from various stakeholders, including ASEAN Dialogue Partners.

VII. REGIONAL ACTION PLAN FOR THE IMPLEMENTATION OF AFAMT 2020-2025

Key Elements	Measures	Responsible Country/Body	Timeline
(1) Ratification	i. Undertake domestic formalities to ratify AFAMT.	▪ Brunei Darussalam	2020
	ii. Deposit Instrument of Ratification to the Secretary General of ASEAN.	▪ Malaysia ▪ Singapore	2021 2021
(2) Legal Framework	Develop and enact necessary national laws and/or regulations on multimodal transport to implement AFAMT.	Brunei Darussalam, Cambodia, Lao PDR, Malaysia, Philippines, Singapore	2020-2022
	Official English translation of national laws to be made available.	Indonesia, Lao PDR, Thailand	2020
	Develop an Implementing Guidelines for AFAMT which explains common understanding on implementation of provisions under AFAMT, comprising a common set of ASEAN-wide multimodal transport liability, insurance, as well as rules and regulations for the registration of MTOs.	ASEAN Member States	2020-2022
(3) Institutional Framework	Competent National Body as the authority for issuing MTOs registration certificate to be established and confirm its functions.	Brunei Darussalam, Cambodia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore	2020-2022

Key Elements	Measures	Responsible Country/Body	Timeline
	Recognition of Multimodal Transport Operators registered with the respective Competent National Body (CNB) of each ASEAN Member State, pursuant to Article 32 Para. 4 of AFAMT.	ASEAN Member States	2020 and beyond
	ASEAN Member States may share information on the liability insurance coverage for multimodal transport to ASEAN Secretariat.	Relevant ASEAN Member States	2020
	Liaise with relevant ASEAN Sectoral Bodies for collaboration in trade facilitation mechanism in order to simplify and harmonise customs transit formalities.	ASEAN Member States and ASEAN Secretariat	2020 and beyond
(4) Economic Impact	<p><i>Economic Impact Study:</i></p> <p>(i) Endeavour to conduct study on the economic and trade impacts and gains from improving multimodal connectivity of ASEAN, which showcases the benefits of:</p> <ul style="list-style-type: none"> - Trade Expansion. - Growth in Foreign Direct Investment (FDI). - Economy Wide and Sectoral/Industry Impacts. - Poverty Alleviation and Sustainable Development. <p>(ii) Endeavour to conduct broader studies to further estimate the economic and trade impacts and benefits of ongoing multimodal transport connectivity in the rapidly growing ASEAN Member States.</p>	ASEAN Member States	2020 and beyond

Key Elements	Measures	Responsible Country/Body	Timeline
	(ii) Endeavour to conduct comparative study on the implementation of multimodal transport connectivity in other region (e.g. EU) and lessons learned for ASEAN.		
	<p>Performance Assessment Case Studies: Endeavour to collect specific data to assess the impact of operationalising multimodal transport on trade corridors and through the development of pilot projects. This includes measuring the performance outcomes of cost, time and reliability and impact of cutting logistic costs on the economy of specific chains or corridors.</p>	ASEAN Member States	2020 and beyond
	<p>Multimodal Statistics: Endeavour to collect and disseminate multimodal statistics on a regular basis (for example freight movement volume and freight charges) in order to analyse and determine the current and future regional multimodal transport trends and assess potential infrastructure and regulatory needs. The initial collection of data should, in the first instance, be sought from ASEAN Member States' Competent National Body and/or National Freight Forwarders Association and current MTOs (recognising that commercial sensitivity issue could be a possible impediment).</p>	ASEAN Member States	2020 and beyond
(5) Logistics Performance	Endeavour to conduct benchmarking exercises in relation to improvements in practical transport, logistics and trade performance benchmarking indicators such as the World Bank's Logistics Performance Indicator (LPI), and World Economic Forum's Enabling Trade Index	ASEAN Member States	2020 and beyond

Key Elements	Measures	Responsible Country/Body	Timeline
	<p>(ETI). These indicators will provide insights into the effects of multimodal transport capabilities on trade and logistics performance of ASEAN and ASEAN Member States.</p> <p>Endeavour to collect the following economic indicators on the logistics/supply chain performance of ASEAN Member States by:</p> <ul style="list-style-type: none"> (i) Trade volume (import and export); (ii) Number of international ports; (iii) Number of international airports; (iv) Identified road network for the movement of import and export trade (road connections that will ease movement of goods, inward and outward). 	ASEAN Member States	2020 and beyond
(6) Capacity Building	<p>Focus on the regional support program following the measures in the elements of the Legal Framework and Institutional Framework incorporating the following mechanisms:</p> <p>(a) Support for the enactment of national legislation and regulations on multimodal transport:</p> <ul style="list-style-type: none"> • Technical assistance from external sources for Brunei Darussalam and Malaysia on the formulation of national multimodal transport law, including the use and application of internationally recognised standards and conventions. • Technical assistance and capacity building 	<p>Brunei Darussalam, Malaysia</p> <p>Brunei Darussalam, Cambodia, Lao PDR,</p>	<p>2020 and beyond</p> <p>2020 and beyond</p>

Key Elements	Measures	Responsible Country/Body	Timeline
	<p>support from external sources for Brunei Darussalam, Cambodia, Lao PDR, Malaysia, Myanmar and Philippines on multimodal transport regulations, and the establishment of Competent National Body to register domestic MTOs and recognise MTOs registered in other ASEAN Member States.</p>	<p>Malaysia, Myanmar, Philippines</p>	
	<ul style="list-style-type: none"> • Workshop(s) to promote interest on establishing a uniform legal framework governing multimodal transport through application of the AFAMT and UNCTAD/ICC Rules for Multimodal Transport Documents and FIATA Multimodal Transport Bill of Lading. 	<p>All ASEAN Member States</p>	<p>2020 and beyond</p>
	<ul style="list-style-type: none"> • Training on multimodal transport and MTOs including role and advantages of non-vessel operating MTOs (NV-MTO) and vessel operating MTOs (VO-MTO) in international transport. 	<p>All ASEAN Member States</p>	<p>2020 and beyond</p>
	<ul style="list-style-type: none"> • Training on the roles and functions of Competent National Body and registration of the MTOs, including regulations on MTOs registration, carrier liability insurance and financial capability. 	<p>All ASEAN Member States</p>	<p>2020 and beyond</p>
	<p><i>(b) Support for awareness and promotion of benefits of multimodal transport</i></p> <ul style="list-style-type: none"> • Conduct discussion forum on the impact and benefits of cross border trade and the use of available international standards, rules and conventions on multimodal transport for government officials and industry players. 	<p>ASEAN Member States</p>	<p>2020 and beyond</p>

Key Elements	Measures	Responsible Country/Body	Timeline
	<p>(c) Support for ASEAN Member States to enhance the functions of the competent national body to oversee the implementation of multimodal transport.</p> <ul style="list-style-type: none"> • Conduct discussion forum on mechanism for recognising MTOs registered in other ASEAN Member States. 	Indonesia, Singapore, Thailand, Vietnam	2020 and beyond
	<p>(d) Knowledge Exchange:</p> <p>Develop regular knowledge building and exchange forums as mechanism to foster and promote government and industry awareness and understanding of the continuing development of multimodal transport in a global, regional and country specific context from a legal, transport, logistics and trade facilitation standpoint.</p> <ul style="list-style-type: none"> • Engage with AFFA to explore opportunities to leverage existing capacity building programs. • Strengthen engagement with ASEAN Dialogue Partners for the support in the development and implementation of international multimodal transport. 	<p>ASEAN Member States and AFFA</p> <p>ASEAN Member States and ASEAN Dialogue Partners</p>	2020 and beyond
	<p>(e) Pilot Implementation:</p> <ul style="list-style-type: none"> • Implementation of AFAMT between at least two (2) ASEAN Member States. • Observation/monitoring and evaluation on the initial pilot project of paired ASEAN Member States that have fully complied with all the requirements of AFAMT. 	Bilateral or trilateral pilot implementation involving Indonesia, Thailand and Vietnam	2020

Key Elements	Measures	Responsible Country/Body	Timeline
(7) Administrative Procedures	Official English translation of updated national laws, regulations, and administrative procedures concerning the registration of MTOs to be submitted to ASEAN Secretariat for public dissemination on ASEAN website.	ASEAN Member States	2020-2025
	Update country specific action plans / national work plans for implementation of AFAMT	ASEAN Member States	2020 - 2025