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INLAND TRANSPORT COMMITTEE

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ASSISTANCE TO COUNTRIES WITH ECONOMIES IN TRANSITION

OPERATIONAL ACTIVITIES

<u>January 2007 – December 2007</u>

Note by the secretariat

Introduction

The Committee will have before it document TRANS/WP.5/2007/9 containing a summary of operational activities aimed at assisting institutional adaptation of Government Administration and transport enterprises to market economy, undertaken during the period July 2006 to June 2007. This informal document is a revised and updated report of these activities for the period January to December 2007.

I. FACILITATION OF PARTICIPATION OF CENTRAL ASIAN AND CAUCASUS COUNTRIES IN MEETINGS OF THE ITC AND SELECTED SUBSIDIARY BODIES

In the past years, there has been a lack of participation of delegates from the Central Asian and Caucasus countries in the work of the Inland Transport Committee (ITC), due to budgetary constraints in those countries. This absence was detrimental to the harmonization process of their respective transport legislations as well as to the integration of their transport systems into those of other UNECE member countries, and had, therefore, a negative impact on Euro-Asian transport connections.

To help remedy this situation, the secretariat successfully implemented from September 2004 to April 2006 a European Union (EU) funded project on facilitating the attendance of Central Asian and Caucasus countries to the meetings of ITC and selected subsidiary bodies. Altogether 56 government experts from most of the Central Asian and Caucasus countries concerned have participated in a total of 11 meetings of the ITC and selected subsidiary bodies under this project, including the seventh and eighteenth sessions Working Party on Transport Trends and Economics (WP.5).

Based on the positive evaluation made by the beneficiary countries of the implementation of this project, the secretariat requested the EC to consider co-

financing the continuation of the Project in 2007. The Project Working Group – Transport and Border Crossing (PWG-TBC) of the United Nations Special Programme for the Economies of Central Asia (SPECA), at its 12th session in Dushanbe, Tajikistan (13–14 March 2007) decided to request the European Commission EuropeAid to consider an extension of the project in order not to disrupt the learning process of these countries. Following this decision Mr. Serik Akhmetov, Minister of Transport and Communications of the Republic of Kazakhstan, the lead country of SPECA FWG-TBC, addressed on behalf of SPECA countries a letter to the European Commission, EuropeAid Cooperation Office asking co-funding together with UNECE, the continuation of this project. In the same letter Mr. Serik Akhmetov was also asking for EC co-funding of the continuation of the Euro-Asian Transport Links (EATL) project.

Taking into account the importance of the participation of experts from Central Asian and Caucasus countries in the work of the ITC and its Subsidiary Bodies, in particular to the sessions of the WP.5, the secretariat has ensured modest funding for supporting the participation of National Focal Points of those countries to the twentieth session of the WP.5 and its informal meeting of experts on Euro-Asian transport links. Experts from 14 countries have been participated. Countries are Armenia, Azerbaijan, Belarus, China, Georgia, Kazakhstan, Kyrgyzstan, Lithuania, Moldova, Russian Federation, Turkey, Ukraine and Uzbekistan.

II. UN DEVELOPMENT ACCOUNT PROJECT ON CAPACITY BUILDING FOR DEVELOPING INTERREGIONAL TRANSPORT LINKAGES

The UNECE Transport Division, in close cooperation with the other UN Regional Commissions, continued the implementation of the UN Development Account funded project on Capacity Building on developing Interregional Transport Linkages. The objective of the Project is to assist member States of the five UN Regional Commissions in strengthening their national capacities for developing land and land-cum-sea interregional transport linkages and to promote interregional cooperation to facilitate interregional trade and tourism. The project is divided in components, which are implemented in close cooperation by the Regional Commissions concerned.

The completion of the Project was expected by the end of 2006. Due to the war in Lebanon (Headquarter of ESCWA) in summer 2006, several activities under the project were postponed. A request for deployment of funds for the **continuation of the project in 2007** was approved by UNHQ through the end of 2007.

A. UNECE-UNESCAP joint Project on Developing Euro-Asian Transport Links

Based on the results achieved by the Project in previous years, work has continued in 2007 and further intensified.

At the **4th Expert Group Meeting** held in Thessaloniki, 21-24 November 2006 under the EATL project, participating government experts agreed the continuation for the EATL project in a new Phase II (2007-2010) is essential for the

development of Euro-Asian transport links. Also agreed that future activities should include: monitoring of the implementation of the identified priority projects; removing non-physical obstacles to transit transport; improving the performance of border crossing; promoting the harmonization of transport legislation and administrative procedures; promoting best practices and sharing of know-how; **establishing a suitable mechanism for ensuring efficient coordination and monitoring** of activities related to the development of Euro-Asian transport links.

These items are also addressed in an ECE-ESCAP **in-house study** which focuses on the following three main objectives: examine the current status of Europe-Asia transport connections; investigate land-based transport routes that may be viable alternatives to traditional maritime routes; and suggest ways by which those potential routes might be improved. The publication of the study and relevant CDs will be made available to the participants of the Inland Transport Committee. The study can also be downloaded from:(http://www.unece.org/trans/main/eatl/in_house_study.pdf).

Furthermore, **three capacity-building national workshops** on the facilitation of international transport along the Euro-Asian transport links were jointly organized in 2007 under the Project by UNECE and kindly hosted by the Governments of Belarus, Moldova, Ukraine in Minsk, (May 2007), Chisinau, (November 2007) and Kyiv, (December 2007).

The first national workshop in Minsk was organised in cooperation with the Ministry of Transport of Belarus, and in the framework of the Belarus Transport Week and Congress, on "Enhancing National Capacity for the Facilitation of Interregional Transport along the Euro-Asian Transport Links" (30 May – 01 June 2007). The aim of this two-day workshop was to analyse a whole range of transport related items having an impact on the transit operations, to assist Belarus in facilitating international transport and trade along Euro-Asian transport links and to support ongoing national efforts to accede to and implement relevant UNECE agreements and conventions, as well as to foster cooperation amongst major national stakeholders involved in transit and border crossing operations and highlight the importance of TEM and TER projects.

The second workshop in Chisinau was organised in cooperation with the Ministry of Transport of Moldova on "Enhancing National Capacity for the Facilitation of Interregional Transport along the Euro-Asian Transport Links" (6 – 7 Nov. 2007). The main objective of this two-day national workshop was to (i) enhance national capacity for the facilitation of interregional transport and trade along EATL, (ii) promote UNECE's role in the development and facilitation of pan-European and Euro-Asian transport, (iii) highlight the importance of the TEM and TER projects.

In the same vein the UNECE- transport division organised in cooperation with the Ministry of Transport of Ukraine the third national workshop in Kyiv (17 - 18 Dec. 2007).

These results and activities are a solid basis for continued cooperation among the countries involved from both Europe and Asia on the development of Euro-Asian transport links. However, **the project has come to an end** and there is a risk that with

it, its useful results and the momentum created will be lost, whilst much cooperation is still needed and for long time.

UNECE and UNESCAP prepared a **proposal for the continuation of this project in a new Phase II** to be implemented in four years. The ECE secretariat submitted this proposal to the 14th OSCE Economic Forum, held on 22-24 May 2006 in Prague, for possible funding. In the same vein, the SPECA PWG-TBC, at its 12th session in Dushanbe, Tajikistan (13–14 March 2007), decided to address the European Commission to examine an assistance of EuropeAid for the continuation of this project and consider providing the necessary co-financing, together with UNECE and UNESCAP, for carrying on with this activity in a Phase II for the period 2008-2011. At its nineteenth and twentieth sessions the WP.5 and at its sixty-eight and sixty-ninth sessions the ITC expressed support for a continuation of the project.

Based on the proposal of the W.P.5, the ITC Bureau agreed that the 1st day of the 70th Session of the Inland Transport Committee will be dedicated to a Ministerial Meeting with participation of Ministers of Transport of the countries from Euro-Asian region. On this occasion Ministers will confirm their support for the UNECE-UNESCAP EATL project and its continuation by endorsing the identified Euro-Asian routes and their priority development as well as the creation of a mechanism ensuring efficient coordination and monitoring of project related activities. Also a joint document on the future development of Euro-Asian transport links will be approved by the participating Ministers.

More information on the Euro-Asian Linkages Project, including reports, background documents and presentations can be obtained in the Transport Division Website, in the page on the "Euro-Asian Transport Links".

B. Other components dealt with under the UNDA Project on Developing Interregional Transport Links.

Cooperation with the other UN regional commissions has continued in 2007 under the UN Development Account capacity-building project towards developing transport links connecting the ECE and ESCAP regions to the ESCWA region, and transport links connecting ECE and ESCWA to ECA region.

At **two Expert Group Meetings**, jointly organized with the other regional commissions in 2005 in Amman, Jordan, and Rabat, Morocco, Government representatives from the participating countries have identified the main road, rail and road/rail/sea routes connecting Europe and Middle East with Africa and main Mediterranean and African ports of international importance. They also agreed on the activities to be undertaken under the project, including the elaboration of a number of studies on technical and economic assessments; traffic flows; and identification of investment projects and non-physical obstacles along the selected routes and measure to remove them. Furthermore, a number of capacity building workshops and advisory missions have been implemented. In cooperation with the other UN regional commissions physical and non-physical obstacles to the development of interregional trade and tourism have been addressed. Moreover, as social and territorial cohesion, economic development and sustainability have been considered.

A first Interregional seminar on the economic assessment of international transport linkages and on transport facilitation was organized by the four Regional Commissions (ESCWA, ECE, ESCAP, ECA) in Cairo, Egypt, 26–28 June 2007. The objectives of the seminar were: (i) to strengthen national capacities in assessing the economic feasibility of alternative inter-regional transport linkages; and (ii) to reinforce national capacities in introducing transport facilitation practices in general, and in simplifying border crossing procedures along the priority interregional transport linkages, in particular. Bearing these goals in mind, the seminar reviewed progress in international and regional transport networks and discussed the development of inter-regional transport linkages; considered the most economically viable linkages among ECA, ECE, ESCAP and ESCWA; studied the regional GIS maps and the GIS maps that are being produced for the Project; examined the current status and developments of border crossing procedures and formalities and other transport facilitation issues; and reviewed the remaining Project activities.

A second seminar in the Interregional Transport Linkages Project: "Best practices and lessons learned" was jointly organized by ESCWA, ECA, ECE and ESCAP under the UNDA Project in Abu Dhabi, United Arab Emirates, 23-25 October 2007. The seminar considered a range of issues related to the development of transport on the ECE/ESCWA/ESCAP/ECA regions, including the draft interregional GIS database, maps and application software; the lessons learnt by the ECE and ESCAP from the Euro-Asian transport links project component; the relevance of the international transport facilitation agreements and conventions administered by the ECE; the ESCAP time/cost-distance methodology and its applications; the lessons learned by ECE,ESCWA and ESCAP from establishment/strengthening of national transport and trade facilitation committees; the future cooperation and coordination among the regions in the fields of infrastructure development and transport facilitation; and the remaining project activities.

In addition a first Interregional Workshop and Visit of African port's experts to Barcelona port, on Policy, Infrastructure and Management of Ports in ECE and ECA region was jointly organized and sponsored by ECE and ECA in the framework of the UNDA Project in Barcelona, Spain, 4-5 October 2007. The workshop discussed major policy, infrastructure and management developments in ECE and ECA region related to ports; initiatives of the UNECE WP.5 in relation to seaports; constraints and challenges of ports management in Africa; and provided the opportunity to participants to share experiences on port's policy, infrastructure and management in the ECE and ECA region through particular country cases in both Europe and Africa. The workshop concluded that among the many issues discussed the following deserve further consideration and elaboration in follow up activities: i) when and why ports are needed; ii) financing schemes for ports developments; iii) reform of management practices, commercialization and privatization of ports operations; and, iv) competition of ports.

Further information on these project components, including reports, background documents and presentations can be obtained by visiting the ECA and ESCWA Websites.

III. TRANS-EUROPEAN NORTH-SOUTH MOTORWAY (TEM) AND TRANS-EUROPEAN RAILWAY (TER) PROJECTS

The UNECE, as the Executing Agency of the TEM and TER Projects, continued to provide technical and administrative backstopping to the Projects implementation.

A. TEM and TER Master Plans

The TEM and TER Projects work in 2007 focused on monitoring the implementation of the Master Plan. Implementation **monitoring mechanisms** were set up by the TEM and TER Projects up in 2006 and the first progress report on the implementation of the priority projects of the TEM and TER Master Plan has been elaborated with positive results.

Furthermore, a **comparison** of the Master Plan Backbone Networks with those included in the EU TEN-T, the report of the High Level Group on the extension of the major trans-European transport axes to the neighbouring countries and regions, and in the accession treaties of the 10 new EU member states was finalised by the TEM and TER Projects with positive results. In addition , another comparison of the Master Plan Backbone Networks with AGR, AGC and OSJD networks has been finalised by the two projects. Moreover, the draft 2007 Progress Report on the implementation of TER Master Plan priority projects along the backbone network has been elaborated and will be published soon. Finally, the draft Terms of Reference (T.O.R.) for the revision of the Master Plan in 2008 – 2009 has been elaborated.

On the basis of the Memorandum of Understanding signed between the International Road Transport Union (IRU) and the UNECE on 6 February 2003, the IRU agreed to co-fund part of the TEM Master Plan follow-up on the "Analysis of the Financial Securisation of the TEM Master Plan Project Aimed at Ensuring their Financing". The respective Agreement was signed in June 2007. The work has already started and will be finalized on the 2nd half of 2008.

The revision of the TEM and TER Master Plan in 2008 - 2009 is among the main future targets of the projects.

B. Other activities under the TEM and TER Projects

Parallel to the Master Plans work, the development of the TEM and TER Projects was successfully continued during the reporting period.

In December 2006 the agreement of the UNECE with the Hungarian Government for hosting the TER Project Central Office in Budapest, reached its end. The Government of Slovakia kindly offered to host the TER Project Central Office in Bratislava from January 2007 to December 2011 thus ensuring the smooth continuation and further development of the TER Project. On 15 May 2007 the new TER Project Central Office was inaugurated in Bratislava in the presence of the Executive Secretary of the UNECE, Mr. Marek Belka and the respective host country agreement was signed between the Slovak Government and the UNECE.

The Steering Committees of both the two projects, recognizing the importance of the Euro-Asian links for all TEM and TER member countries, expressed their support for the involvement of the TEM and TER in future activities.

The Projects continued in 2007 their long-standing activities in assisting transfer of know-how and sharing best practices among their members in various fields of interest by organising workshops and training activities.

IV. ACTIVITIES UNDER REGIONAL AND SUB-REGIONAL PROGRAMMES

A. Special Programme for the Economies of Central Asia (SPECA)

The UNECE secretariat, together with ESCAP, continued supporting the SPECA Transport Infrastructure and Border Crossing Facilitation Project Working Group (PWG-TBC), established in 1998 within the framework of the SPECA Tashkent Declaration. It contributed to the preparation of work programmes and action plans, the organization of meetings and workshops, to drafting proposals and documents for the Group, to capacity building, to knowledge and experience sharing between European and Central Asian countries, and to promoting transport cooperation among SPECA countries, as well as between them and other UNECE member countries.

The 12th session of SPECA PWG-TBC was held in Dushanbe, Tajikistan, (13-14 March 2007) and kindly hosted by the Government of Tajikistan. It was co-chaired by Mr. Azat Bekturov, Vice-Minister of Transport and Communications of Kazakhstan, and Mr. Khudoyer Khudoyerov, Deputy Minister of Transport of Tajikistan. In its major conclusions and recommendations the Working Group (i) approved new project proposals of common interest to SPECA countries; (ii) requested technical assistance for SPECA member countries; (iii) requested SPECA member countries to accede to and implement the major UNECE Agreements and Conventions in the field of transport; (iv) recommended 5 measures to improve the implementation of the TIR and Harmonization Conventions in the SPECA region, incl. regular training on TIR procedures for Customs officials with the assistance of the TIR Executive Board and TIR Secretariat; (v) expressed gratitude to the EU for the financial support of the UNECE Pilot Project for the facilitation of participation of Central Asian and Caucasus countries in the meetings of the UNECE ITC, and stressing the importance of this project for SPECA countries decided to submit a request to the EU to consider co-funding its continuation; (vi) requested the UNECE and UNESCAP to search extra-budgetary financing for Phase II of the Euro-Asian Transport Linkages Project and decided to support the UNECE request to the EU to consider funding Phase II; (vii) encouraged the transport sector of each SPECA country to participate in the UNECE/WHO Transport, Health and Environment Pan-European Programme (THE PEP).

The 13th Session of the SPECA PWG-TBC project will be held on Almaty, Kazakhstan, 12 - 13 March 2008, to discuss transport infrastructure and facilitation issues in relation to the implementation of the Almaty Programme of Action, countries reports on transit transport issues, UNECE/UNESCAP regional and interregional transport activities, bilateral consultations on border crossing issues and implementation of the guidelines to improve efficiency of the PWG – TBC.

More information on discussions, reports and respective documents from SPECA WG-TBC work can be obtained through the ECE Website under the SPECA heading.

B. Other Regional and Sub-Regional initiatives

The activities of the Transport Division were concentrated on providing advisory services to strengthen the capacity of countries with economies in transition to implement UNECE legal instruments on transport, facilitate international transport in the UNECE region and promote intercountry cooperation towards the development of pan-European transport networks and Euro-Asian transport links.

The Transport Division contributed, inter alia, through active participation and submission of papers, to a number of international activities and fora, towards the development of European Transport infrastructure, as well as of Euro-Asian Transport Links and the accession and implementation of UN transport legal instruments in transport, including the following: 15th OSCE Economic Forum (Vienna, Austria, 22– 23 January 2007 and Prague, Czech Republic 21–23 May 2007); Sixth Preparatory Meeting for the International Conference on Railway Border Crossing (Warsaw, Poland, 6–8 March 2007); OSCE Roundtable on Road Safety, (Astana, Kazakhstan, 11 May 2007); OSCE conference on good governance in customs (Tbilisi, Georgia 14-15 May 2007); IRU conference on Euro-Asian Road Links and OSCE Roundtable on Public-Private Partnerships in Landlocked Countries (Batumi and Poti, Georgia 17-18 May 2007); OSCE Political Public-Private Partnership of State Entities, Civil Society and Business Community in Combating Terrorism (Vienna, Austria 31 May-1 June 2007); International Railway Research Board (Moscow, Russian Federation, 19-20 June 2007); and the Regional Conference on Promoting Good Governance in Customs in Central Asia (Almaty, Kazakhstan, 25–26 July 2007), 1st Interregional Workshop on Interregional Transport Linkages and Visit of African Port's Experts to Barcelona Port, (Barcelona, 4-5 October 2007), 17th Polish Economic Forum and the panel on "The Eurasian Silk Road-a corridor connecting China with Europe"; (Krynica-Zdroj, 5-8 September 2007), 6th Annual Conference of the IGC TRACECA; (Astana, 12-13 December 2007).

V. COOPERATION WITH OTHER ORGANIZATIONS

A. Organization for Security and Cooperation in Europe (OSCE)

The Transport Division continued cooperation with the Organization for Security and Cooperation in Europe (OSCE) in accordance with the MoU between the UNECE-OSCE, signed in 2004.

Following the OSCE decision to place transport as the central theme for the OSCE Economic and Environmental Dimension in 2006, UNECE-OSCE cooperation on transport has strengthened. In 2007 the transport division participated in 3 meetings which have been held in Astana, Kazakhstan, 11 May 2007, Tbilisi, Georgia 14-15 May 2007 and in Batumi and Poti, Georgia 17-18 May 2007. Also in the course of 2007, two preparatory meetings were held and in Batumi and Poti Georgia, (30 May – 01 June 2007) in order to lay the ground for a conference on the

implementation of the Almaty Programme of Action that took place in October 2007 in Dushanbe, Tajikistan.

B. Black Sea Economic Cooperation Organization (BSEC)

The Transport Division continued cooperation with the Black Sea Economic Cooperation Organization (BSEC) in accordance with the cooperative agreement between the UNECE-BSEC, signed in 2001.

The Transport Division provided support to the BSEC member countries in their endeavour to harmonize their national transport legislations and contributed through the UNECE agreements and the TEM and TER Master Plan to a coordinated development of transport infrastructure in the BSEC region. Furthermore, in close cooperation with the BSEC Transport Working Group and the BSEC Permanent International Secretariat, a large number of data on major Black Sea and Mediterranean ports of Euro-Asian importance have been collected and processed in 2007, which served as an input to the further development of the Euro-Asian transport links project.

In February 2007, Mr. Leonidas Chysanthopoulos, the Secretary General of the BSEC Permanent International Secretariat (PERMIS), and Mr. Koziy, Executive Manager of BSEC PERMIS, visited the UNECE and also have been participated at the 69th Session of the Inland Transport Committee. At a meeting with the Transport Division they discussed ways and means for the continuation and further strengthening of BSEC-UNECE cooperation.

The meeting of the BSEC Working Group on Transport, (Belgrade, Serbia 12–13 March 2007) focused in its deliberations on the implementation of the resolutions, decisions and recommendations of the Council of Ministers of Foreign Affairs and the follow-up of the declarations and joint statements adopted by the Ministers of Transport. In this connection the importance of the UNECE legal instruments on transport and their impact on the facilitation of international movement of persons and goods was highlighted.

The close cooperation in the field of transport between UNECE and BSEC was also underscored by the UNECE Executive Secretary, Mr. Marek Belka, on the occasion of the Fifteenth (15th) Anniversary of the Black Sea Economic Cooperation Organization (Istanbul,Turkey 25 June 2007). In his statement, Mr. Belka referred also to the TEM and TER Master Plan, the establishment of a framework for the development of Euro- Asian links as well as the regulatory instruments, all of which contribute to an improvement of transport in the BSEC region.

The Transport division contributed also to the Meeting of the Ministers of Transport of the BSEC Member States, and the BSEC Transport Working Group in Istanbul, Turkey in 3-5 July 2007 and actively participated in highlighting the importance of the UNECE Agreements and Conventions referred to the BSEC MOU on facilitation of road transport of goods and assisted in the preparation.

VI. FUND-RAISING FOR OPERATIONAL ACTIVITIES IN TRANSPORT

During the reporting period, the UNECE Transport Division continued and further intensified its fund-raising efforts for financing implementation of projects, advisory missions, workshops and seminars in the countries concerned.

In the past, financing of such activities was made available through TFACT. However, TFACT has failed to raise funds for operational activities since its budget was depleted in 1996, thus compromising the capacity of the secretariat to offer such services. The repeated requests during the ITC annual sessions for voluntary contributions to TFACT by member countries did not bring results.

Considering the importance of the task, the particular need for extra budgetary support to such activities and the existing experience, the ITC at its sixty-fifth session, 18-20 February 2003, approved a new approach for the TFACT based on specific projects, encouraged the member countries to make voluntary contributions to the TFACT and requested member countries with economies in transition to make project proposals for co-funding through TFACT.

So far, **extra budgetary funding** had been ensured for the elaboration of the TEM Master Plan (co-funded by additional funding provided by the TEM member countries through the TEM Trust Fund and IRU funds). Extra-budgetary funds were also raised for the facilitation of participation of Central Asian and Caucasus countries to the meetings of ITC and selected subsidiary bodies (co-funded by EU, in 2004-2006). Funds were also ensured in 2006 from OSCE, for the development of a first pilot project on strengthening the implementation of UNECE international transport conventions.

Furthermore, the UN Development Account funded project on capacity building in developing interregional land and land-cum-sea transport links, provided good opportunities to the Transport Division to implement capacity building activities in the beneficiary countries, by organizing Expert Group meetings, workshops, provision of advisory services and preparation of country reports.

The Transport Division is now focusing its efforts in ensuring extra budgetary funding for the implementation of a number of **specific projects**, including the following:

- continuation of the joint UNECE-UNESCAP project on developing Euro-Asian transport links in a new Phase II to be implemented over the period 2007-2010;
- continuation of the project on facilitation of participation of Central Asian and Caucasus countries to the meetings of ITC and selected subsidiary bodies, in 2007;
- facilitation of implementation of the TEM and TER Master Plan, in 2007-2008:
- Analysis of financial structure and sources for the implementation of road project identified by the TEM Master Plan;
- Continuation of activities on strengthening the implementation of UNECE international transport conventions;
- Strengthening the national capacity to respond to global environmental challenges

of transport and their contribution to global warming; Promotion and Development of Interregional Highways: Towards Sustainable Asset Management of Euro-Asian Road Network.
