



**Economic and Social
Council**

Distr.
GENERAL

TRANS/WP.5/2004/8
12 July 2004

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

Working Party on Transport Trends and Economics
(Seventeenth session, 20-21 September 2004,
agenda item 9)

ASSISTANCE TO COUNTRIES WITH ECONOMIES IN TRANSITION

OPERATIONAL ACTIVITIES

July 2003 – June 2004

Note by the secretariat

**I. THE TRANS-EUROPEAN NORTH-SOUTH MOTORWAY (TEM) AND THE
TRANS-EUROPEAN RAILWAY (TER) PROJECTS**

The UNECE, as the Executing Agency of the TEM and TER Projects, continued offering technical and administrative backstopping to the Projects. The Regional Adviser, as part of his effort, under the overall guidance of the Director of the UNECE Transport Division, provided strategic guidance as well as technical and administrative assistance to the TEM and TER Projects and their member countries through the organization and holding of meetings, preparation of documents, contacts with other Governments and institutions to work with or support the Projects and reported on the Projects' developments to the UNECE bodies.

- (i) Review of priority infrastructure needs, elaboration of an updated inventory of these needs and of a realistic plan for implementation (TEM and TER Projects' Master Plan)

Based on the priorities set by the new strategy of the Projects and the emerging needs of the TEM and TER region, the Terms of Reference (TOR) for the TEM and TER Master Plan, including estimates on the financial resources needed for its implementation, were prepared and eventually approved by the Projects' Steering Committees.

A strategy for assuring necessary co-financing for the implementation of the work was elaborated by the secretariat and the PCOs. The Inland Transport Committee, at its sixty-fifth session in February 2003, approved the necessity for the elaboration of the TEM and TER Master Plans and requested the UNECE member countries to provide voluntary contribution for co-financing the Master Plan's work. Following the positive response of IRU, who agreed to support the TEM Master Plan work with SwF. 100,000, the relevant Agreement for the allocation and use of IRU contribution was signed between IRU and the UNECE on 16 September 2003.

Due to the importance of this task and the limited financial resources available within the Projects, the PCOs, with the assistance of the secretariat, prepared and presented to the Projects' Steering Committees a revised TOR for the elaboration of the work, based on existing resources. The revised TOR was approved and the work started in September 2003 and is to be completed by October 2004. Negotiations with Professors D. Tsamboulas of the National Technical University of Athens and A. Pearman of Leeds University were initiated by the secretariat, in close cooperation with the TEM and TER PCOs, to assure the necessary technical and scientific backing of the work. Consultancy contracts with the two Professors were established in October 2003.

The work of the TEM and TER Master Plans is divided in 9 Work Packages that will be elaborated by the TEM and TER Projects' Central Offices, in close collaboration with nominated national experts from the countries concerned. The UNECE and other international organizations and bodies are expected to support the work.

The Project targets at involving the participation of 21 countries located in the wider TEM and TER region, including all TEM and TER member countries. Selected non-TEM and TER member countries received letters signed by Mrs. B. Schmognerova, the UNECE Executive Secretary, in December 2003, in which they were informed about the activity and asked to nominate national experts who could be actively involved in the elaboration of this important work. The EC, ECMT, World Bank, EBRD, EIB, UIC, UIRR, CLECAT, Europlatforms and the Chairmen of the Pan-European Corridors are among the organizations and bodies that were also invited to assist.

According to the TOR, a key role for the elaboration of the work is reserved to two groups especially formed for the needs of the Master Plans, namely the *Master Plan Coordination Group*, constituted to supervise and coordinate the work, and the *Master Plan Expert Groups*, for consolidating substantive information on transport plans and priority needs of the countries concerned, as well as liaising with the respective Governments and the UNECE, and TEM and TER PCOs. The Master Plan Coordination Group, consisting of the TEM and TER Projects' Personnel, the UNECE Regional Adviser on Transport and the external consultants, met already three times: First, in Budapest on 16 September 2003, second in Warsaw on 15 December 2003 and third in Geneva on 9 June 2004. The meetings focused on the organizational aspects of the work, as well as on the project's methodology and data needs. Up to the end of the reporting period, the draft report of the Work Packages Nos. 1 to 4 have been completed and approved, including the methodology of the work, the data needs and the respective questionnaires.

The first meeting of the TEM Master Plan Expert Group was held in 9 February 2004 in Bratislava-Slovakia, while the first TER Master Plan Expert Group met in Budapest-Hungary, in 10-11 February 2004. The second and final meeting of the Expert Group is scheduled for 23-24 September 2004 in Budapest.

More information, including draft reports of the work done and latest news, can be obtained by visiting the UNECE Transport Division Website in the dedicated page on the “TEM and TER Master Plans”.

(ii) Integration of TEM and TER into the Pan-European transport context

The necessity for the TEM and TER Projects’ further integration into the new Pan-European context, which emerged during the end of the 90s, was one of the main conclusions of the respective Assessment of the Projects and was among the key elements of the Action Plan suggested in the new strategy.

At the last Steering Committee of the pan-European Corridor VI, held in Gdansk-Poland, 7-8 April 2003, under Polish Chairmanship, the Chairman proposed to the TEM and TER Offices to establish within the PCOs a formal secretariat for the Corridor VI, TEM for road and TER for rail. The Polish Ministry of Infrastructure also addressed this proposal officially to the Director of the UNECE Transport Division, in 21 May 2003.

At its thirty-ninth session, in Geneva, 26-28 May 2003, the TEM Steering Committee, gave a positive reply. The work has already started at the TEM PCO. At its seventeenth session, in Bratislava-Slovakia, 29-30 May 2003, the TER Steering Committee regarded the proposal, in principle, in a positive way and requested more clarifications by the Polish authorities. The decision on the TER involvement with the Corridor VI secretariat work was taken in 1-2 July 2004 in Milan at the nineteenth session of the TER Steering Committee.

(iii) Strengthening the cooperation of the TEM and TER with other fora and related initiatives aiming at the creation of the necessary synergy

Following the signing of a Memoranda of Understanding (MoU), for cooperation between UNECE - UIC in the framework of the TER Project, UNECE-IRU and UNECE-ASECAP in the framework of TEM, several actions and events have been co-organized and serious discussions, for cooperation in the field of data collection and GIS mapping activities, as well as other fields of mutual interest, have been conducted.

Following a similar path, the cooperation between the TEM and TER Projects with other related organizations UIRR¹, Eurochambres², Europlatforms³, etc. - was promoted.

Negotiations among CEI, the UNECE, TEM and TER Projects have been concluded at the highest level to assure closer cooperation between CEI and the TEM and TER Projects. Already, necessary agreements have being reached and the first event, on railway transport border-crossing facilitation, was successfully co organized and co-financed jointly by CEI-TER during the sixth CEI Summit Economic Forum in Warsaw, Poland, 19 and 20 November 2003. A similar event is planned during the seventh CEI Summit Economic Forum, in Portoroz, Slovenia 24-25 November 2004.

(iv) Other activities

A questionnaire for the self-evaluation of the progress made by the TEM Project during the period of the current Project Cycle, ending in December 2004, and the identification of member countries’ opinion on further tasks to be added, has been distributed to the National

¹ Union International des sociétés de transport combiné Rail-Route.

² Association of European Chambers of Commerce and Industry.

³ European Network of Transport/Logistic Centres.

Coordinators and positive evaluations have been received. A similar procedure will be followed also in the case of the TER Project in accordance to the decision of its Steering Committee.

At its forty-first session in Antalya, Turkey, 31 May–2 June 2004, the TEM Steering Committee, Approved the Programme of Work for the new Project Phase 2005–2008, in which, inter alia, the ITC strategic priorities for the development of Euro-Asian transport links, transport security, infrastructure charging, telematics and ITS, were included. These activities will be included also in the future TER Project Work Programme, whose current Project Cycle is ending in 2005, according to the latest decision of its Steering Committee at its nineteenth session in Milan.

The meetings and events, in the organization and holding of which the secretariat offered its contribution during the reporting period, are annexed to the present document.

II. EURO-ASIAN TRANSPORT LINKS

On the proposal of the five United Nations Regional Commissions, the General Assembly approved the United Nations Development Account project on Capacity Building for the development of Interregional Transport Linkages. In implementing this Project, the UNECE and UNESCAP is focusing mainly on Euro-Asian transport Links, including through SPECA countries.

The beneficiary countries of the UNECE/UNESCAP joint Project are: Afghanistan, Armenia, Azerbaijan, Belarus, Bulgaria, Georgia, Iran, Kazakhstan, Kyrgyzstan, Republic of Moldova, Romania, Russian Federation, Tajikistan, Turkmenistan, Turkey, Ukraine, Uzbekistan. The completion of the Project is expected by 2006. 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 transport linkages and to promote interregional cooperation to facilitate interregional trade and tourism. Among the activities is envisaged: Elaboration of studies; preparation of country reports; organization of workshops; provision of advisory services; establishment of a website, etc.

The Executive Secretaries of UNECE and UNESCAP have signed a joint letter to the 17 beneficiary UNECE and UNESCAP member countries, inviting them to participate in the Project and to nominate a Focal Point. The World Bank (WB), EBRD and Asian Development Bank (ADB), were requested to support the implementation of the project and nominate their focal points. Most of the beneficiary countries have designated their national focal points. The WB, EBRD and ADB also designated focal points. Reminder letters were sent to those countries that have not as yet communicated to the secretariat the names of the designated national focal points. The TOR, for the elaboration of the in-house study, foreseen by the project's action plan, is finalized, as well as the draft questionnaire for the national focal points.

As part of this project, the first Expert Group Meeting on Developing Euro-Asian Transport Linkages was jointly organized by UNECE and UNESCAP following a close cooperation that has been ongoing for several months. The Government of Kazakhstan hosted the meeting and provided all necessary facilities. Designated national focal points from the following 16 countries have actively participated in this event: Afghanistan, Armenia, Azerbaijan, Belarus, Bulgaria, China, Georgia, Islamic Republic of Iran, Kazakhstan, Kyrgyzstan, Romania, Russian Federation, Tajikistan, Turkey, Ukraine and Uzbekistan.

Representatives from UNDP, EC, ECO, World Bank, EBRD, ADB, IDB, IGC TRACECA, UIC and OSZhD were among the international organizations and financial institutions that attended the meeting, together with representatives of the private sector. The Director of the UNECE Transport Division and the Regional Adviser on Transport represented the UNECE. Over 60 persons attended the Meeting. The attendance cost of the designated national focal points and UNESCAP-UNECE staff was covered by the Project's budget.

The meeting agreed on the main elements of a strategy for the development of Euro-Asian Transport Links, including focusing on major routes along the four main Euro-Asian Corridors that had been agreed upon at international level and that represent an extension of the Pan-European Transport Corridors further east. Other elements of the strategy adopted were that major routes along these corridors should encompass intermodal aspects, including transshipment points, and that border crossing problems should be addressed.

The activities to carry out this strategy will be developed in three phases over the years 2004, 2005 and 2006. The first phase, to be carried out in 2004, would consist of the identification of major routes of Euro-Asian importance, the collection of related infrastructure and traffic data, consolidation and analysis of this data, and presentation of a preliminary assessment of priority Euro-Asian transport routes and priority projects along these routes as well as financial needs, at the Second Expert Group Meeting to be held in autumn 2004. Other activities aimed at removing border crossing obstacles and hindrances, implementation of major international transport agreements and conventions and formulation and implementation of national action plans will follow.

More information, on Euro-Asian Linkages project including reports, background documents and maps can be obtained by visiting the UNECE Transport Division Website in the dedicated page on the "Euro-Asian Transport Links". A special UNECE publication containing the Report of the first Expert Group Meeting on Developing Euro-Asian Transport Linkages is being prepared.

Furthermore, the secretariat, at the request of the Transport Ministry of the Russian Federation, established a direct contact and cooperation with the responsible persons from the Russian side for the preparation of the 3rd International Euro-Asian Conference on Transport held in St. Petersburg, 11–13 September 2003. The Director of the UNECE Transport Division and the Regional Adviser had an active participation in the above-mentioned event and offered their contribution in drafting its final Declaration.

Following the approval by the UNECE ITC of the joint UNECE/UNESCAP Strategic Vision on the Development of Euro-Asian Transport Links and the promotion of the formation of the Task Force to implement the related actions foreseen, the secretariat, in close collaboration with UNESCAP, is proceeding towards the necessary follow-up actions in conjunction with the implementation of the UNDA Euro-Asian Transport Linkages Project.

At the invitation of the Director of UNESCAP Transport, Communication, Tourism and Infrastructure, the Regional Adviser paid a visit to UNESCAP Headquarters in Bangkok on 9-10 December 2003 for consultation on the UNECE-UNESCAP Euro-Asian transport joint activities. The discussions focused on strategic issues of Euro-Asian activities, on UNDA Euro-Asian Transport Linkages Project, including the respective in-house study and further activities envisaged by the projects, the elaboration of respective GIS maps and data needs, as well as other transport issues of the regions concerned.

III. ACTIVITIES UNDER INTERREGIONAL, REGIONAL AND SUB-REGIONAL PROGRAMMES

(a) Interregional cooperation

As part of the General Assembly approved United Nations Development Account project on Capacity Building for the development of Interregional Transport Linkages, UNECE together with UNESCAP and UNESCWA is implementing another project component focusing on developing interregional transport linkages to the UNESCWA region.

The countries involved with this project from UNECE and UNESCAP are: Turkey (UNECE) and Iran, Pakistan (UNESCAP). UNESCWA beneficiary countries are; Iraq, Syria, Jordan, Saudi Arabia, Kuwait, United Arab Emirates, Palestine (OPT) and Egypt. The completion of the Project is expected by 2006. The objective of the Project is to assist member States of the UN Regional Commissions in strengthening their national capacities for developing land and land-cum-sea transport linkages and to promote interregional cooperation to facilitate interregional trade and tourism. Among the activities are envisaged: Elaboration of studies; preparation of country reports; organization of workshops; provision of advisory services; establishment of a website, etc.

The first Expert Group Meeting on Developing Interregional Transport Linkages to the UNESCWA region will be held in November 2004, at UNESCWA, UN-House, Beirut, Lebanon. Designated national focal points from the countries involved will be invited to participate in this meeting. Other transport officials from both the public and the private sector will also be invited, together with international funding institutions and agencies. The overall objective of this meeting is to conduct consultations among the officials of the countries concerned about the identified regional transport linkages in order to reach a mutual agreement and approval for such. The meeting will offer the opportunity for the presentation of national and regional reports prepared for this project in each of the three regions. The Director of the UNECE Transport Division and the Regional Adviser have an active involvement in the implementation of the above-mentioned project and in the organization of the event.

The UNECE Transport Division is also contributing in the implementation of a similar ongoing project under UNECA leadership. A policy level workshop of selected African countries and transport users in the region will be convened next year to consider relevant developments in the region, problem areas and respective reports. Organization of national and regional workshops, provision of advisory services, and organization of a study tour for port managers, are among the activities of this project.

The third regular meeting of Directors responsible for transport in the five UN Regional Commissions will take place in Geneva, in September 2004. The aim of the meeting is to assess the progress made on the jointly implemented UNDA Capacity Building project and coordinate further work.

(b) Southeast European Cooperative Initiative (SECI) and other initiatives in Southeast Europe

Within the framework of the SECI Regional Road Transport Committee (RRTC), its Group of Experts on Combined Transport held its first meeting on 30 June and 1 July 2003 in Budapest. The experts considered ways and means of promoting efficient combined transport

services in the SECI region, so as to ensure additional and complementary capacities in international road transport on certain sections of major international transport corridors - in line with the relevant provisions of the SECI MoU on the Facilitation of International Road Transport of Goods in the SECI Region (Athens, 1999). To this effect, the Group of Experts adopted a Declaration on the Development of Combined Transport in the SECI Region (http://www.unece.org/trans/old_new_tir/seci/intro.htm)."

In the context of the SECI activities on rail transport, the Ad hoc Working Group on the Reduction of Border Stopping Times of Shuttle Trains, at its thirteenth meeting, continued to make progress on the improvement of bilateral agreements regarding rail transport between SECI countries. This included the modification of numerous operational items, in particular, at border crossing stations in order to reduce overall transport time of passenger and goods trains. Furthermore, agreement was reached on (i) a monitoring system of rail traffic at border stations, and (ii) the definition of a "block train". At its fourteenth meeting, work started on (i) a draft model for an intergovernmental agreement which will serve as a basis for international rail transport between SECI countries, and (ii) performance indicators for border crossing procedures. The Ad hoc Working Group also contributed substantively to the organization of a demonstration run of a block train between Istanbul and Cologne which took place on 9 May 2004.

(c) Special Programme for the Economies of Central Asia (SPECA)

SPECA countries, due to lack of territorial access to the sea, the extreme distance from the seaports, remoteness and isolation from world markets, are highly dependent on foreign countries' transit policies and availability of transit facilities and services, existing transport infrastructure within their own countries, as well as that of their neighbours (very often inadequate on both sides).

In view of the particular development needs of the region, the *SPECA Transport Infrastructure and Border Crossing Facilitation Project* (PWG-TBC) was established in 1998 within the framework of the SPECA Tashkent Declaration, as an instrument of development and implementation of the UN Special Programme for the Economies of Central Asia in the priority area of "Development of transport infrastructure and simplification of procedures for the transfer of goods, services and labour resources through national borders".

Members of the PWG-TBC, at this initial stage, were: the Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Turkmenistan, Republic of Uzbekistan, the United Nations Economic Commission for Europe (UNECE), the United Nations Economic and Social Commission of Asia and the Pacific (UNESCAP) and the UN Office in Kazakhstan. In 2002, Azerbaijan also became a member of SPECA. The lead country in this priority area of transport is Kazakhstan.

The UNECE Transport Division, together with UNESCAP, are among the main supporters of the activities of the Group. During five years, they offered technical support and backstopping to the SPECA Transport and Border Crossing Group. The UNECE Transport Division had an active participation in all the work of the SPECA Transport and Border Crossing Group; contributed to the preparation of the Work Programmes, Action Plans, in organization of meetings, conferences, workshops, in drafting proposals and important documents for the Group, in offering expertise and know-how, in sharing experiences between

European and Central Asian countries, in promoting transport cooperation among SPECA countries, as well as between them and other country members of the UNECE region.

The ninth session of SPECA PWG-TBC was held in Almaty, Kazakhstan, 12-13 March 2004. The Government of Kazakhstan hosted the meeting and provided all necessary facilities. The session was attended by delegations from Azerbaijan, Kazakhstan, Kyrgyzstan and Tajikistan. Delegations from Afghanistan, China, Turkey and Uzbekistan participated as observers. Representatives of UNDP Kazakhstan, EC, ECO, EURASEC, IDB, IGC TRACECA, the Intergovernmental Council of Road Administration of CIS, and the Coordinating Transport Meeting of CIS, as well as the private sector, also attended the session. The Director of the UNECE Transport Division and the Regional Adviser on Transport represented UNECE. Since the meeting was held back to back with the first Expert Group Meeting, UNECE participation cost was covered by the budget of the Euro-Asian Linkages Project.

The session reviewed the programme of work of the Central and Caucasus region on transport transit issues, in view of the Almaty Programme of Action adopted by the International Ministerial Conference on Transit Transport Cooperation. Concrete tasks to be targeted by the Group were identified and agreed among participating countries. The work on the preparation of a Memorandum of Understanding on international road transport of goods in the framework of SPECA for its signing at the ministerial level has continued. It was proposed that the signing of the MoU should take place at the TRANSEURASIA –2004 Conference, in Astana, Kazakhstan.

The session agreed to focus its future work in the following priority areas: Establishment/strengthening of national trade and transport facilitation committees; accession to and implementation of important international conventions and agreements in the field of transport; monitoring of international freight transportation at border crossing points; improvement of road transport communication with China through bilateral and multilateral agreements/conventions, and monitoring of border crossing problems. The tenth session of the group is scheduled for September 2004 in Bishkek, Kyrgyzstan.

Following the official correspondence of the UN Secretary-General with the Presidents of the SPECA countries in February 2004, a joint visit of the Executive Secretaries of the UNECE and UNESCAP to the capitals of the respective countries was organized to be held in May-June 2004. These High-level visits offer the opportunity to both regional commissions to discuss with the leadership of the respective countries the ways that strengthening regional cooperation and integration with the world economy can be realized in terms of both responding more effectively to countries' priority needs and concerns, as well as serving the common needs of the region. Valuable information on the countries' transport priorities were expected to be stressed during these visits that might become the basis for further consideration and respective actions by the secretariat.

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

(d) Other

The UNECE secretariat contributed, inter alia, through seminars 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: first

session of the Intergovernmental Preparatory Committee of the International Ministerial Conference of Landlocked and Transit Developing Countries and the Donor Community on Transit Transport Cooperation, New York-USA, 23-27 June 2003; GUUAM Annual Summit, Yalta-Ukraine, 3-4 July 2003; International Ministerial Conference of Landlocked and Transit Developing Countries and the Donor Community on Transit Transport Cooperation, Almaty-Kazakhstan, 28-29 August 2003; third Annual Conference of TRACECA Intergovernmental Committee, Yerevan-Armenia, 9-10 October 2003; sixth CEI Summit Economic Forum, Warsaw-Poland, 19-20 November 2003; Seminar on Transport Infrastructure Development for a Wider Europe, jointly organized by ECMT-UNECE-EC-EIB, Paris-France, 27-28 November 2003; TRANSEURASIA 2004, 17-18 June 2004, Astana, Kazakhstan.

IV. COOPERATION WITH SUBREGIONAL ORGANIZATIONS

Black Sea Economic Cooperation Organization (BSEC)

BSEC was established in 1992 by 12 countries⁴ with the aim of developing the Black Sea region into a zone of peace, stability and prosperity. Economic cooperation is adopted as the main route to meet this end. The UNECE Transport Division's contribution consists of promoting the accession to UNECE legal instruments of BSEC Member States, the organization and holding of meetings, assistance in drafting documents, including the *ECE-BSEC Cooperation Agreement* that was signed by the UNECE Executive Secretary and the BSEC General Secretary in Istanbul-Turkey (July 2001), the *Ministerial MoU on the Facilitation of Road Transport of Goods in the BSEC Region*, as well as other documents on BSEC events and offered advice on the coordination of transport activities in the Black Sea region among various organizations and initiatives (BSEC, TRACECA, PETrAs and PETrCs - UNECE and SECI).

Following the signing of the Cooperation Agreement between BSEC and the UNECE, the Council of Ministers of Foreign Affairs of the BSEC Member States instructed the BSEC Permanent International secretariat (BSEC PERMIS) to investigate possibilities of better application of expertise and experience of the UNECE to the BSEC transport activities, in particular for the implementation of the BSEC Transport Action Plan and MoU on Facilitation of the Road Transport of Goods, and make relevant proposals for the BSEC WG on Transport. In this regard, Ambassador Valeri Chaechelashvili, Secretary General of the BSEC PERMIS, on October 2003, addressed a letter to the Director of the UNECE Transport Division, asking that a visit of Mr. Yevgen Koziy, Executive Manager of the BSEC PERMIS in Geneva for consultation be arranged.

The Regional Adviser organized the visit of Mr. Koziy in 22-24 October 2003. During his visit, the BSEC representative, met with respective officers of the Transport Division and had extensive discussions on the following topics: Possibilities of better application of UNECE expertise to the BSEC transport needs; UNECE databases on transport relevant to BSEC Member States; Implementation of MoU on Facilitation of International Road Transport of goods in the SECI region; UNECE assistance in preparing BSEC region transport maps, etc.

Follow-up actions from the visit are expected, while the requested maps were prepared and forwarded to BSEC in January 2004.

⁴ Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Republic of Moldova, Romania, Russian Federation, Turkey and Ukraine.

V. FUND-RAISING RELATING TO OPERATIONAL ACTIVITIES FOR TRANSPORT

Funding for financing advisory missions, workshops and seminars in the countries concerned, was made available in the past through TFACT. However, TFACT has failed to raise funds for operational activities since its budget was depleted in 1996, thus compromising the capacity of our Division 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.

Following the decision of the ITC at its sixty-sixth session, in February 2004, on the Almaty declaration and the Almaty Programme of Action for the Landlocked and Developing Countries (LLDC), the secretariat, on 19 April 2004 addressed a letter to the heads of delegations to the ITC inviting them to investigate possibilities for supporting the secretariat activities in this area, by providing financial support to the UNECE Trust Fund for Assistance to Countries in Transition (TFACT). According to information received to date, some countries are investigating possibilities to provide funds to TFACT.

A number of possible projects are being considered for co-financing through TFACT including, actions for the improvement and unification of international transport legislation, accession to and monitoring of implementation of the UNECE international agreements and conventions; organization of sub-regional seminars, workshops, training courses on various topics; advisory services; site visits and studies.

The secretariat initiated a dialogue with EC EuropeAid/TRACECA Programme to explore the possibilities of closer cooperation in the SPECA/TRACECA starting with the investigation of assuring financial support for the pilot project for facilitation of participation of Central Asian and Caucasus Countries in the Meetings of ITC and selected SBs. This project is proposed to EC EuropeAid for co-financing for a pilot period September 2004 to June 2005 and is ready for implementation as soon as funds are available. The seventeenth session of WP.5 is among the meetings included in the events of this project.

The UNECE is launching a coordinated fund-raising approach based on specific projects. Under this approach, projects initiated by the UNECE secretariat, and/or member countries concerned, could be presented in a coordinated manner to possible donor countries, the IFIs and other international or European organizations/bodies. Circulation of information on proposed projects, dissemination of related information through a special page on the UNECE website, and organization of an annual special event for their presentation, could be among the ways to be used for fund-raising in future. Parallel to the above, initiatives of the UNECE Divisions will continue and further strengthen their fund-raising efforts through sectoral cooperation with specialized organizations and bodies concerned.

VI. PROBLEM AREAS

(a) TEM and TER Projects' problems

Due to limited financial resources of the Projects, they are facing great difficulties in offering their members the further technical assistance they need. The devaluation of US\$ in 2003 generated additional problems for the Projects, in particular to TEM.

In addition, non-membership of the TEM and TER Projects of some countries created difficulties in the assurance of the TEM and TER Networks' continuity and concerted regional transport action planning.

The TEM Steering Committee, at its forty-first session, considering the situation, approved the necessity of the proposed supplementary budget for the year 2004, amounting to US\$ 32,500, and agreed that an exceptional contribution of US\$ 2,500 from every participating Government, be placed at the disposal of the UNECE.

The elaboration of the TEM and TER Master Plans targeting to cover 21 countries of the region, irrespective to country membership, will assist towards the assurance of the TEM and TER Networks' continuity.

(b) Inadequate Funding

Supporting accession and implementation of UNECE legal instruments in transport by countries with economies in transition is a major function of the work of the Regional Advisers on Transport. Accession to legal instruments requires direct and frequent contacts with countries in transition in order to advise the countries concerned on priority instruments. Such contacts require financing for missions to countries in transition. Lack of funding can result in reduced missions/activities with detrimental effects for accession to legal instruments. The UNECE should ensure that such funding continues to be adequate.

Implementation of legal instruments requires focused attention on institutional capacity building (training through workshops, seminars and advisory missions) in the countries concerned. The joint project on Capacity Building in Developing Interregional Land and Land-cum-Sea Transport Linkages that is to be implemented in the period 2003–2006 and its major component, the UNECE/UNESCAP joint Euro/Asian Transport Linkages plan, may give some solutions in the field of assisting in capacity building, by workshops' organization and provision of advisory services; preparation of country reports, at least for the project beneficiary countries: Armenia, Azerbaijan, Belarus, Bulgaria, Georgia, Iran, Kazakhstan, Kyrgyzstan, Republic of Moldova, Romania, Russian Federation, Tajikistan, Turkmenistan, Turkey, Ukraine, Uzbekistan.

In addition, the expected approval from EuropeAid/TRACECA of the proposed project for the facilitation of the participation of Central Asian and Caucasus countries in the ITC work is going to offer concrete results.

Finally, the new approach of fund-raising based on specific projects, may assist in finding the necessary financial support for co-funding specific events and projects, proposed for implementation in the UNECE member countries with economies in transition.

(c) **Continuing deficiencies in human resources in Government institutions**

An essential ingredient to effective policy development, implementation and delivery of Government policies is the presence of well-trained and motivated staff. However, there are indications that a number of Governments of countries with economies in transition do not adequately promote the *sustainability of human resources* in their respective institutions, thus compromising their effectiveness.

In a number of countries, *high staff turnover* in Government institutions results in lack of continuity and is counterproductive to capacity building efforts. This may seriously compromise the ability of Governments to effectively implement policies and may result in adverse effects for economic development, international trade and integration into the world economies and markets.

Further, effective development and delivery of Government policies and services require well-motivated and dedicated staff. However, lack of *job stability and security*, as well as lack of adequate remuneration, may often lead to job dissatisfaction, inattention and disinterest on the part of staff in serving effectively their respective institutions and their peoples.

Another problem can be a situation whereby Government staff, having received training or participated in Conferences and meetings, fail to transfer the information, knowledge and expertise gained to other officials with functions in the areas concerned. *Lack of adequate transfer of knowledge and follow-up* can be detrimental to the effective implementation of national objectives and policies.

Concerted efforts are required by Governments to address the effective implementation of human resources policies by their respective institutions in order to ensure sustainable economic development.

Annex

TEM/TER meetings, workshops, seminars organized during the reporting period

- 1st TEM/TER Master Plan Coordination Group Meeting, Budapest-Hungary, 15-16 September 2003;
- TEM/WERD Meeting of European Road Directors, Vienna-Austria, 17 September 2003;
- 1st - TER/SYCAFER Seminar and site visit on Railway Infrastructure Constructions, Strasbourg-France, 21-22 October 2003;
- TER/SBB/UIC Meeting of General Directors of Railways from Central and Eastern European countries, Lucerne-Switzerland, 28-29 October 2003;
- TEM Permanent Table on Development and Coordination of Motorway Construction and operation in the South-Western Region, Trieste –Italy, 11 November 2003;
- TER/CEI Conference on Facilitation of Border Crossings Procedures, assessment of measures Taken by the Central and eastern European Countries, (CEI Summit Economic Forum) Warsaw-Poland, 19-20 November 2003;
- 40th session of the TEM Steering Committee, Trieste –Italy, 12-14 November 2003;
- Training Course on the present structure of TER Database and GIS mapping, Brno-Czech Republic, 1-4 December 2003;
- 2nd TEM/TER Master Plan Coordination Group Meeting, Warsaw-Poland, 15 December 2003;
- 1st Expert Groups Meetings of the TEM and TER Master Plans, Bratislava-Slovakia, 9 February 2004 and Budapest-Hungary, 10-11 February 2004, respectively;
- 18th (Special) session of the TER Steering Committee, Budapest - Hungary, 11-12 February 2004;
- Seminar on New Transport Strategies in the Danube Area, jointly organized by the European Federation of Inland Ports, TINA Office, and TER in Passau, Germany, 25-26 March 2004;
- TEM/CEDR Workshop on Road Data Management, Prague, Czech Republic, March 2004;
- Workshop on Regionalization of Railway Passenger Services, jointly organized by the European Commission DG Enlargement (TAIEX), the International Union of Railways, the Community of European Railways and the UNECE Trans-European Railway (TER) Project, in Paris, 28-30 April 2004;
- TEM-HEEP Area V 2004 Annual Meeting, Liptovsky Jan Slovakia, 17-19 May 2004;
- 41st session of the TEM Steering Committee, Antalya - Turkey, 31 May – 2 June 2004;
- 3rd TEM-TER Master Plan Coordination Group Meeting, Geneva, Switzerland, 9 June 2004;
- 19th session of TER Steering Committee, 30 June - 2 July 2004, Milan, Italy.