



**Economic and Social
Council**

Distr.
GENERAL

TRANS/WP.5/2001/9
12 July 2001

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

Working Party on Transport Trends and Economics
(Fourteenth session, 17-19 September 2001,
agenda item 8)

ASSISTANCE TO COUNTRIES WITH ECONOMIES IN TRANSITION

Note by the secretariat

This note summarizes the ECE Operational activities in the transport sector conducted during the period June 2000 to May 2001.

* * *

ASSISTANCE TO COUNTRIES WITH ECONOMIES IN TRANSITION

OPERATIONAL ACTIVITIES OF THE ECE TRANSPORT DIVISION

June 2000 - May 2001

I. Activities in specific countries and/or groups of countries

1. *Second International Euro-Asian Conference on Transport (St. Petersburg, 12-13 September 2000)*

The *Second International Euro-Asian Conference on Transport* was held in St. Petersburg on 12-13 September 2000, as a follow-up to the *First* one also held in St. Petersburg in May 1998. Over 600 participants attended from a number of countries, international organizations, international financial institutions and private organizations. Major recommendations included the establishment of four Euro-Asian Transport Corridors and the running of demonstration trains on such Corridors.

ECE secretariat staff participated in the *Conference Organizing Committee*. He addressed the Conference by presenting a joint ECE/ESCAP paper and one on recent ECE developments relevant to the Conference. He co-chaired a workshop on transport investment. Further, on behalf of the organizing Committee, he drafted the *Conference Declaration*, the final version of which was submitted on 15 November 2000 subsequent to consultations with a number of interested parties.

2. *Black Sea Pan-European Transport Area (BS-PETrA)*

The UN/ECE secretariat continued to be active in the implementation of the work programme of the Black Sea Pan-European Transport Area (PETrA) with particular reference to the following activities.

- (a) It has played a major role in the formulation of the report of the BS-PETrA Working Group on transport infrastructure, chaired by Turkey, *Transport Infrastructure Related to Ports and Hinterland Connections to Corridors*, which has been subsequently approved by the Steering Committee chaired by Romania (Bucharest, 2-3 April 2001).
- (b) It has contributed to the drafting of the document *Protocol on Harmonization of Institutional Aspects of Transport and Customs Procedures of its Working Group* (Thessaloniki, 7 November 2000) which has been subsequently approved by the Steering Committee chaired by Romania (Bucharest, 2-3 April 2001).
- (c) It has co-chaired an *Ad hoc Working Group of Customs Experts* (Thessaloniki, 8 November 2000). The experts considered, on the basis of a questionnaire, the resolving of border crossing problems in the region focusing on cooperation mechanisms among border control services, the publication of Customs regulations, the simplicity of Customs

regulations and procedures and the organization of regional training courses for Customs officials.

- (d) It has contributed to the document *Proposal on an enhanced coordination of co-operation between Corridor IX-Southern Section, the Black Sea PETrA and TRACECA and the role of a support office*, which was tabled by EC at the Steering Committee meeting (Bucharest, 2-3 April 2001).
- (e) At the request of the BS-PETrA Steering Committee (Bucharest, 2-3 April 2001) it has drafted and submitted a report *Comparative analysis of the Action Plans/Programmes of the Black Sea PETrA and BSEC* (15 May 2001).

3. *Bilateral Missions*

At the invitation of the Uzbekistan Ministry of Foreign Economic Relations, ECE Transport Division staff conducted a bilateral Mission to Uzbekistan (29 November to 1 December 2000). During the mission they reviewed with the authorities the present status of Uzbekistan's accession to UN/ECE international transport legal instruments, proposed a priority list of additional ones for accession by Uzbekistan and briefed Uzbekistan on a number of recent international transport initiatives including the proposed Euro-Asian Transport Corridors (ECE/ESCAP informal meeting, 16 May 2000, and the St. Petersburg Conference, 12-12 September 2000), SPECA, BSEC, Black Sea PETrA and SECI.

At the invitation of the Czech Ministry of Transport and Communications, and on the occasion of the Czech Republic having joined SECI, ECE secretariat briefed and advised the Ministry officials (Prague, 21-25 June 2000) on transport activities concerning inter alia SECI, SPECA, and the development of Euro-Asian Transport Links including the St. Petersburg Conference in September 2000.

At the invitation of Kazakhstan the ECE secretariat, during and after a mission to Almaty (9 April 2001), provided advice on priority ECE legal instruments for accession by Kazakhstan and on their implementation.

4. *The Trans-European North-South Motorway (TEM) and the Trans-European Railway (TER) Projects*

The TEM and TER projects represent important instruments of institutional inter-country co-operation and co-ordinated actions in related transport issues of the CE & SE Europe playing a serious and concrete role in the future European Transport Integration process (see annex 1). They have effectively assisted in the formation of the future Trans-European Transport Networks and achieved the improvement of bilateral and multilateral contacts and co-operation that helped the integration process of transport infrastructure systems of Europe and the balancing of existing gaps and imbalances.

On the basis of a thorough survey and review of the Projects, an assessment was made which was presented to the TEM and TER Steering Committees in May 2001 and which included "A Short-Term Strategy aiming at the further Integration of the Projects in the new European

Transport Environment". This new strategy plan that was unanimously approved by the members of the Steering Committees and is included in the Project's Plan of work, is suggesting inter alia:

(1) A set of actions aiming at the review of priority needs, elaboration of an updated inventory of these needs and of a realistic plan for their covering, (2) Tasks aiming at the integration of TEM and TER into the Pan European transport environment and guidance as to the most important directions the Projects should focus on in this respect, (3) Cooperation of TEM and TER with other fora and related initiatives aiming at the creation of the necessary synergy that will assist the attainment of their objectives and place them in the lead of transport developments in the region, and (4) Practical actions that will increase TEM and TER Project visibility in the European Transport reality and assist their monitoring effectiveness.

The support of the implementation of the new Short Term Strategy Plan for the next two years (June 2001- June 2003) and the necessity for TEM and TER projects for further strengthening their useful role for the benefit of their member countries and Europe in general, is among the first priorities of the UN ECE Transport Division in relation to the Projects.

Further details regarding the activities being carried out by the TEM and TER projects are being circulated in documents TRANS/SC.2/2001/12.

II. Cooperation with subregional organizations

1. Black Sea Economic Cooperation Organization (BSEC)

BSEC was established in 1992 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 it. Its member States of BSEC include Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Republic of Moldova, Romania, Russian Federation, Turkey and Ukraine.

The ECE Regional Adviser on Transport, as the ECE focal point on BSEC has promoted the accession to ECE legal instruments by BSEC member states on a number of occasions. He has assisted the ECE Executive Secretary in her presentation at the *Third Meeting* (Bucharest, 20 October 2000). He has addressed the *Business Opportunities in the BSEC Region Conference* (Yalta, 7-9 September 2000) and chaired as well as presented a paper at its transport session.

Further, he held a number of meetings with senior BSEC officials on ECE/BSEC cooperation and assisted in the drafting of the *ECE-BSEC Cooperation Agreement* which has been approved by the BSEC Council of Ministers (Moscow, May 2001) and is ready for Signature by the the respective parties (ECE and BSEC)

He has contributed to the formulation of the *Transport Action Plan* and of the *Joint Statement of the Ministers of Transport* approved at their meeting in Sochi (30 March 2001);

At the request of the Chair (Turkey) he has contributed to the drafting of documents for the meeting of the Working Group on Transport (Istanbul, 14-15.06.01).

III. Activities under regional and subregional programmes

1. Interregional cooperation

In pursuance of a decision taken at the Meeting of the Executive Secretaries of the five Regional Commissions in September 1999, a Meeting of the Directors responsible for Transport of the five Regional Commissions met in Cairo in December 1999 to discuss interregional cooperation and the establishment of interregional transport linkages.

As a follow-up to this meeting, the Directors formulated the project *Capacity-Building Through Cooperation, in developing Interregional Land and Land cum Sea Transport Linkages* and submitted it for funding to the UN Development Account Fund. The project was approved. On 23-24 January 2001, the Directors responsible for Transport of the five Regional Commissions met again in Beirut in order to draft the Project document, including the overall objective of the Project, its specific objections and the activities to achieve them. The Project implementation is expected to start in 2002.

2. Southeast European Cooperative Initiative (SECI)

SECI is an initiative to encourage cooperation among its member States and to facilitate their integration into European structures. The SECI participating States include: Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Greece, Hungary, Republic of Moldova, Romania, Slovenia, The former Yugoslav Republic of Macedonia and Turkey. The ECE Transport Division staff have assumed a principal role in a number of SECI initiatives including the following:

2.1 SECI Project Group on Border Crossing Facilitation, chaired by Greece

The work of this Group resulted in a *Memorandum of Understanding*, which was signed by the SECI participating States in Athens on 28 April 1999 and which was principally drafted initially by the ECE secretariat. This MoU established specific measures to be implemented by the end of the year 2002 with a view to facilitating international road transport of goods in the region. The MoU foresees, in particular, progressive liberalization and sustainability of international road transport and, as a short-term measure, the establishment of a quota-free regime for "green" and "greener and safer" lorries road vehicles. It also provides *inter alia* for the application of an international vehicle weight certificate which will do away with repetitive weighing procedures at the borders. In accordance with the provisions of the MoU, a Regional Road Transport Committee (RRTC) has been established to ensure adequate coordination and monitoring of the implementation of the provisions of the MoU and eventually the elaboration of a multilateral framework agreement on road transport. The UN/ECE Transport Division provides the necessary secretariat services for the Committee which is, at present, hosted by Greece and will be hosted in 2001 by Turkey.

The third session of the RRTC was held in Heraklion, Greece, on 4-6 October 2000 when it was noted that Croatia would become a Party to the MoU by 20 October 2000. The Committee also reviewed progress made in the implementation of the MoU and noted in particular that most Parties to the MoU would be in a position to provide, as of 1 January 2001, for liberalized access

to the international road haulage market for so-called "green" and "greener and safe" goods road vehicles. The next meeting is scheduled to be held in Istanbul on 12-13 June 2001.

Progress highlights include the following: the *E-Road network* in the SECI region has been identified on which lorries in international transport are allowed *without requiring payment of charges for excess weight and dimensions*; an *international goods road vehicle weight certificate (IVWC)* has been approved in-principle; a *Joint Statement* on the implementation of a quota-free regime for "green" and "greener and safe" lorries has been adopted; and work is focusing on quick and unbureaucratic delivery of *visa for professional drivers* without jeopardizing internal security and administrative control.

2.2 SECI Project Group IV on Transport Infrastructure Development along Main International Routes, chaired by Bulgaria

The UN/ECE Transport Division provides secretariat services for this Group, which is hosted by Bulgaria, and it has been instrumental in the development of this initiative. The activities of this Group are summarized below:

2.2.1 Lists "A" and "B" of Priority Transport Projects.

At their Ministerial Conference (Vienna, 3- 4 October 1999) the SECI Participating States decided on the establishment of two Lists of projects, "A" and "B", to be tabled with the Working Table II of the Stability Pact on Economic Reconstruction, Development and Cooperation for South East Europe, for transport, energy and environment. List "A" would consist of small scale and short duration projects with a starting date in early 2000; List "B" of longer term projects with more substantial resource requirements.

Subsequently the SECI Project Group IV on Transport Infrastructure, at its meeting in Sofia on 30 November - 1 December 1998, established the requested Lists "A" and "B" and submitted them to the Working Table II of the Stability Pact and to EIB, the latter having assumed the role of the Coordinator for the compilation and follow-up of the projects. The Stability Pact at its subsequent meetings (including the most recent ones on 29-30 March 2000 in Brussels and 3 May 2000 in Rome) approved and elaborated the Quick Start and Medium Term Project Packages. More than 50% of the funds of both Packages were allocated to transport infrastructure projects. Further, most of the later transport projects had been submitted earlier by the SECI Group IV through its Lists "A" and "B".

2.2.2 Joint Statement of Cooperation with the Stability Pact

The participating States of the SECI Project Group IV, at its meeting held in Sofia on 18- 19 May 2000, recognized a need for the establishment of a separate forum within the Stability Pact structure with a view to monitoring the implementation of the transport infrastructure projects on its behalf. Consequently, the Group issued a Joint Statement addressed to the Special Coordinator of the Stability Pact in which it expressed the participants' "...willingness to assist the Stability Pact, as a Working Group, in the framework of transport infrastructure and operations projects". The UN/ECE secretariat has played a principal role in the drafting of the *Joint Statement*.

To date, there has been no confirmation yet from the office of the Special Coordinator of the Stability Pact concerning follow up steps to the Joint Statement.

2.2.3 Ad hoc Working Group on the reduction of border stopping time of shuttle trains

The ad hoc Working Group developed a list of proposals with a view to improving the organization of shuttle train movements and to increasing the volume of passengers and goods transported in international rail traffic. It has focused inter alia on (i) data to be transmitted in advance of the train arrivals at the border stations, (ii) the technical equipment to be used for the transmission of data between border stations of neighbouring countries and (iii) on the establishment of three bilateral committees of Police, Customs and Railways on each of the border stations for addressing and resolving border issues.

At its 7th meeting (Dobrinishte, Bulgaria, 9-10 November 2000) the Working Group started with the examination of the border procedures at the relevant border stations of the transport axis under study, i.e. Sopron – Bucharest – Sofia – Thessaloniki / Istanbul. At this meeting the procedures at the border stations of Promachon (Greece) and Kulata (Bulgaria) were examined in detail to see to what extent the Working Group's decisions had been implemented.

At its 8th meeting (Békéscsaba, Hungary, 17-18 May 2001) the Working Group was acquainted with the problems of border procedures at Lököshaza (Hungary) and Curtichi (Romania). At this meeting the Working Group also considered numerous aspects of an analysis of the border procedures of the Bulgarian railways, examined a number of items related to the organization of a demonstration run of a block train on the itinerary Sopron-Bucharest-Sofia-Thessaloniki/Istanbul and started discussion of performance indicators to be set up in order to assess the benefit of border procedures.

The UN/ECE secretariat provides the necessary secretariat services and has assisted the *ad hoc* Group in the formulation and implementation of its initiatives.

2.2.4 SECI Agenda Committee

ECE Transport Division Staff briefed the SECI Agenda Committee Meeting on the SECI Transport activities and commented on future actions and strategies (Sarajevo, 25 May 2001).

2.2.5 Project Working Group on Transport on the Danube

A new *Project Working Group on Transport on the Danube* was established during the meeting with Yugoslavia being the host country. The ECE Regional Adviser on Transport is expected to service the secretariat of this new Group.

3. *Special Programme For The Economies Of Central Asia (SPECA)*

Kazakhstan is the lead State for the *SPECA Project Working Group on the Development of Transport Infrastructure and Border Crossing Facilitation Project*. The fifth and sixth meetings of the Group were held in Almaty, Kazakhstan (3-7 October 2000 and 10-13 April 2001). The

meetings included representatives of Kazakhstan, Kyrgyzstan, Tajikistan, ECE, ESCAP, the office of the UN resident representative, and a number of IFIs and international organizations. Uzbekistan and Turkmenistan have not as yet participated in any of the SPECA Transport meetings. The meetings with the assistance of the ECE and ESCAP secretariats decided inter alia (i) to complete the list of priority investment projects for the region and (ii) to agree on the draft document *SPECA MoU on the facilitation of international road transport in the region*. An informal paper of the latter MoU, drafted by the ECE secretariat was submitted to the Group and discussed at its sixth meeting. The Group plans to hold its 7th meeting in Almaty, Kazakhstan in October 2001.

IV. Fund raising relating to operational activities for transport activities

The Trust Fund for Assistance to Countries in Transition (TFACT) has failed to raise funds for operational activities since its budget was depleted in 1996. However, the ECE secretariat assisted in raising funds for the implementation of three projects through the TACIS Programme: *Transport of dangerous goods training for Russia* (1998), Euro 1 million; *Legal framework for surface transport for Russia* (1999), Euro 2 million; *Training for the transport of hazardous and dangerous goods for Belarus, Moldova and Ukraine* (2000), Euro 1 million. (See also another section below on *UN/ECE Trust Fund for Assistance to countries in Transition (TFACT)*).

V. List of workshops and seminars of operational nature

National seminar on the application of the TIR Convention for Kazakhstan Customs, Almaty, 26-27 October 2000.

National seminar on the application of the TIR Convention for the Uzbek Customs, Tashkent, 24-27 April 2001.

VII. Problems and future work orientations

1. *Problem areas*

1.1 Inadequate Funding

Accession and implementation of ECE legal instruments in transport by countries with economies in transition is a major function of the work of the Regional Adviser on Transport.

Accession to legal instruments requires direct and frequent contacts with countries in transition for the Regional Adviser in order to advise the countries concerned on priority instruments, requiring funding (travel and per diem) for his missions. Lack of such funding can result in reduced missions/activities with detrimental effects for accession to legal instruments. The ECE should ensure that such funding continues to be adequate.

Implementation of legal instruments requires focused attention to institutional capacity building (training through workshops and seminars) in the countries concerned. In the past funding for such activities was made available through TFACT. However, TFACT at present is depleted of funds, thus compromising the capacity of ECE to offer such services.

In connection with the above, the Regional Adviser on Transport has paid a catalytic role by assisting a number of countries in raising funds through third parties, without such funds flowing through the ECE. This was done in order to conform to the administrative requirements of other international funding institutions, such as EU/TACIS, and also to save in transaction costs. This indirect way of raising funds by the Regional Adviser should be recognised by the ECE as legitimate and appropriate and should be encouraged by the Commission.

1.2 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 resource policies by their respective institutions in order to ensure sustainable economic development.

2. *Future work orientation*

The proposed work plan by the UN/ECE Transport Division for June-December 2001 is presented below (annex 2). It focuses on a number of major activities, which continue to be of importance to the Commission and its member States, as well as on new activities addressing accession and implementation of ECE legal instruments in transport.

VIII. UN/ECE Trust Fund for Assistance to countries in Transition (TFACT)

Information Notice

1. The integration of the countries with economies in transition into the international community depends to a considerable extent upon their capacity to participate in the meetings of international organizations and other international fora. These countries are encountering great difficulty in financing their **participants in seminars, symposia, workshops and other informal fora organized within the framework of ECE.**
2. The above-mentioned trust fund provides a channel through which governments, international organizations, institutions and other donors may contribute funds to help the countries with economies in transition defray the costs of their participation in seminars, symposia, workshops and other informal fora organized within the framework of ECE. Its funds can also be used to cover the cost of consultants, etc. related to particular activities.
3. The Trust fund is administered and audited in accordance with United Nations financial regulations and rules. In this connection, a programme support charge of 13 per cent is applied to contributions.
4. Banking information

The contributions could be made to the United Nations Economic Commission for Europe (UN/ECE) in the following manner:

By Bank Transfer:

Account number: 001-1-508629
Bank name: Chase Manhattan Bank. New York
Account title: UNOG General Fund
General Ledger: UN-0503456 (for UNOG/Finance reference only)
Bank address: International Agencies Branch
270 Park Avenue , 43rd Floor
New York, N.Y. 10017, USA
ABA: 021000021 (US Banking Code)
Reference: For the credit of fund code: MEA/TFACT (Allotment account
number: MEC-25-800)

Annex 1

UNITED NATIONS
ECONOMIC COMMISSION FOR EUROPE

TEM & TER Projects, country participation

Countries	TEM Project Participating countries			TER Project Participating countries			
	1977-91	92 - 96	97 – 2001	87 -92	93 - 96	97 - 00	2001
Austria★	X	-	X	X	X	X	X
Bulgaria	X	X	X	X	X	X	X
Czech Rep.	X	X	X	X	X	X	X
Slovakia			X		X	X	X
Greece	X	-	-	X	-	X	X
Hungary	X	X	X	X	X	X	X
Italy	X	X	X	X	-	-	X
Poland	X	X	X	X	X	X	X
Romania	X	X	X	X	X	X	X
Turkey	X	X	X	X	X	X	X
Yugoslavia	X	X	-	X	-	-	-
Germany	-	-	-	X	-	-	-
Croatia	-	X	X	-	X	X	X
Lithuania	-	X	X	-	-	X	X
Georgia	-	X	X	-	X	X	X
Bosnia & Herzegovina	-	X	X	-	-	X	X
Slovenia	-	-	-	-	X	X	X
Russia	-	-	-	-	X	X	X
Sweden	-	-	-	-	-	-	-
Ukraine	-	-	-	-	-	-	-
Total countries	10	12	15	11	12	15	16

The presentation of the countries refers to the time that respective agreements were officially signed

Countries with observer status

- ★ Austria is a TEM associated member and full member of TER

Annex 2**Operational Activities of the ECE Transport Division****Proposed work programme
June-December 2001**

Major activity	Description of work	Upcoming key event	Date (2001)
SPECA <i>Project Working Group (PWG) on Transport and Border Crossing Facilitation</i>	Assist in the implementation of the work programme of the PWG with direct responsibility for: 1. Work programme 2. Transport Infrastructure projects 3. MoU on international road transport of goods	7 th session of PWG	October
SECI	Assist in the implementation of the work programme of SECI & Stability Pact: Priority infrastructure investments (Lists A and B); 2. <i>Joint Statement</i> on cooperation with the Stability Pact; 3. <i>Ad hoc</i> Group on reduction of stopping time of shuttle trains; improve transport on the Danube; facilitate the work of the Regional Road Transport Committee	<i>New Project Group "Danube Transport"</i>	July October
		Meetings of the <i>ad hoc</i> Group on Shuttle trains	May November
		4t5 meeting of the Regional Road Transport Committee	June
BS-PETra (Black Sea Pan-European Transport Area)	Assist in the implementation of the work Programme of the: 1. Steering Committee 2. Transport infrastructure Group 3. Administrative Procedures Group	Steering Committee	November
Euro-Asian Transport Corridors	Assist in the development of Euro-Asian transport corridors jointly with, <u>inter alia</u> , Russia, EC and ESCAP, IRU, OSShD and UIC through: 1. Implementation of the Declaration of the St. Petersburg Conference on Euro-Asian Transport Links, 12-13 Sept. 2000 2. WP.5 Meetings 3. ECE/ESCAP Cooperation 4. SPECA	Ad hoc meeting on Euro-Asian Transport	October
		Present a paper on Euro-Asian Corridors at the IRU/CIS international conference	September

Bilateral Advisory Missions	Advise on demand Central Asian, South-Caucasus and Central and Eastern European countries on accession and implementation of international transport legal instruments, on project financing and on major international initiatives.	Advisory missions	Throughout the year
ECE Sessions	Contribute to the elaboration of reports for the Commission Session and for ITC sessions	Commission and ITC sessions and meetings	June September November
BSEC (Black Sea Economic Cooperation Organization)	As the ECE focal point on BSEC, coordinate ECE/BSEC activities and assist directly on transport activities.	MoU on ECE/BSEC Cooperation	July
		BSEC Ministerial Meetings	October
		Transport activities	June November