

**REPORT
OF THE 11TH SESSION OF THE SPECA PROJECT WORKING GROUP - TRANSPORT
AND BORDER CROSSING**

29-30 March 2006, Almaty, Kazakhstan

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I. ORGANIZATION

1. The 11th session of the SPECA Project Working Group on Transport and Border Crossing (PWG-TBC) was held on March 29-30, 2006 in Almaty, Kazakhstan. The session, which was conducted in English with simultaneous translation into Russian language, was hosted by the Ministry of Transport and Communications of the Republic of Kazakhstan. The Agenda of the session is attached as Annex 1 to this Report.

A. Attendance

2. The session was attended by the participants from the Azerbaijan Republic, the Republic of Kazakhstan, the Kyrgyz Republic and the Republic of Tajikistan. The Islamic Republic of Afghanistan and the Republic of Uzbekistan were represented by officials from the respective Embassies. Delegation from the Russian Federation participated as observer. The representatives of UNECE, UNESCAP, EC, ECO, EurAsEc, USAID, IGC-TRACECA, Islamic Development Bank, Asian Development Bank, World Bank, and the private sector also attended the session. The list of participants is attached as Annex 2.

B. Opening of the Session

3. The session was opened by H.E. Mr. Azat Gabbasovich Bekturov, Vice-Minister of Transport and Communications of the Republic of Kazakhstan. He noted the increasing importance of the SPECA Programme, as evidenced by the expansion of its activities and membership, in particular, through Afghanistan's accession to SPECA. He stressed that the objectives of the Project Working Group should now be expanded to reflect the interests of all the participants.

4. Mr. Dong-Woo Ha, Chief, Transport Infrastructure Section, Transport and Tourism Division of UNESCAP, delivered a message on behalf of H.E. Mr. Kim Hak-Su, Executive Secretary, UNESCAP. In his statement, the Executive Secretary expressed his appreciation to the Ministry of Transport and Communications of Kazakhstan for hosting the session and for its work and contribution to the Programme as the lead SPECA country in the field of transport.

5. Also, the Executive Secretary updated the meeting on the new structure of SPECA, briefed the participants on the UNESCAP's activities in the field of transport, and expressed hope that the newly established practice on conducting bilateral consultations on border-crossing issues will serve as an efficient mechanism for addressing border-crossing issues amongst the SPECA countries. He also expressed his special gratitude to NIITK Almaty (The Research Institute on Transport and Communications of the Republic of Kazakhstan) for valuable technical support to the SPECA PWG-TBC.

6. Mr. Michalis Adamantiadis, Regional Advisor on Transport of UNECE, on behalf of H.E. Mr. Marek Belka, Executive Secretary of UNECE, welcomed the participants and expressed his gratitude to the Government of Kazakhstan and the Ministry of Transport and Communications of the Republic of

Kazakhstan for hosting this session in Almaty, as well as for continuing its activities as the lead SPECA country in the field of transport.

7. In his statement the UNECE Regional Adviser stressed the importance of transport as a most strategic factor for economic development and job creation. He underlined the opportunity for all countries that globalization is bridging along and noted that SPECA countries are geographically well placed to draw substantial benefits from this process and in particular from the recent massive increase in trade between China and Europe. Noting that today, trade between China and Europe uses mostly maritime transport because inland transport routes are not efficient and reliable enough, he stressed that development of efficient Euro-Asian inland transport routes would provide credible alternatives to maritime transport and, at the same time, be a major, strategic tool for the development and integration of countries in the Euro-Asian region. He finally briefed the participants on a number of UNECE activities in the field of transport of interest to SPECA countries.

II. SUMMARY OF PROCEEDINGS

C. Country statements

8. H.E. Mr. Sayed Zahirshah Akbari, Ambassador of the Islamic Republic of Afghanistan in Kazakhstan, expressed his gratitude to the participant countries for inviting Afghanistan to join SPECA, as announced at the International Conference on Strengthening Subregional Economic Cooperation and the Future Role of SPECA (25-27 May 2005, Astana). He noted that Afghanistan attaches special importance to transport, and expressed hope that participation of Afghanistan in SPECA will promote further strengthening of cooperation in the region, in particular, in the field of transport and border crossing.

9. National coordinators from the Azerbaijan Republic, the Republic of Kazakhstan, the Kyrgyz Republic and the Republic of Tajikistan informed the session on the activities in the field of transport in 2005. In particular, they noted the progress in the field of construction and rehabilitation of roads, including the roads constituting a part of the Asian Highway Network (Azerbaijan, Kazakhstan, Kyrgyzstan, and Tajikistan).

10. With regards to the development of railways, they informed the session, that activities relating to construction of rail segments connecting the existing railway lines are in progress (Kazakhstan), and design works for construction of new railway lines are undertaken (Kyrgyzstan).

11. Substantial progress was noted with regards to the construction of bridges, which provide access to Afghanistan (Tajikistan), and tunnels on the major international routes (Tajikistan). Also the national coordinators reported the plans to increase the capacity of existing ports (Azerbaijan, Kazakhstan).

12. The national coordinators reported the ratification of the Intergovernmental Agreement on the Asian Highway Network (Azerbaijan) and on-going activities on final accession to the Agreement (Kazakhstan, Kyrgyzstan, Tajikistan).

13. The national coordinators informed the session on the work to remove non-physical barriers for international road transport through bilateral agreements, which would allow for transit on non-permit basis, and through Customs reforms. At the same time, countries also continue working towards accession to the UNECE international transport agreements and conventions, recommended in the UNESCAP Resolution 48/11 and at the second session of SPECA PWG-TBC, as well as towards the establishment of national trade and transport facilitation committees (Azerbaijan, Kazakhstan, Kyrgyzstan, and Tajikistan).

D. Statements by UNECE and UNESCAP

14. Mr. Adamantiadis reviewed progress in implementation of the joint UNECE-UNESCAP project on Euro-Asian Transport Linkages, a component of the UNDA Project on Capacity Building for the Development of Interregional Transport Linkages. He noted that upon results of the three Expert Group Meetings, representatives from 18 countries identified the main Euro-Asian road, rail and inland water transport routes, including main transshipment points, and agreed on a methodology for the project evaluation and prioritization. He also informed the session on the ongoing activities under the project till the end of 2006 including the evaluation and prioritization of projects along the selected Euro-Asian transport routes; the analysis of main physical and non-physical obstacles along the selected routes; the completion of the GIS database and maps; the elaboration of an in-house study; the organization of the 4th Expert Group Meeting to deal with infrastructure and facilitation issues, evaluate the progress made in the implementation of this project component and recommend the necessary follow up actions.

15. With regard to the EU funded, UNECE's pilot project for the facilitation of participation of Central Asian and Caucasus countries in the Meetings of Inland Transport Committee and selected Subsidiary Bodies, the representative of UNECE stressed that the project provided the SPECA countries with the opportunity to actively participate in the negotiations of major international legal instruments in the field of transport dealt with within the UNECE Inland Transport Committee and its subsidiary bodies, thus assisting their country efforts towards the establishment of an efficient, harmonized and integrated, safe and sustainable international transport system. He also noted that at the 68th session of the Inland Transport Committee (7-9 February 2006, Geneva), the beneficiary countries expressed their support to the project and gratitude to the EU for its contribution, and stressed the importance of participation of Central Asian and Caucasus countries in the work of the Committee.

16. The representative of UNECE also presented information on the elaboration of the TEM and TER Master Plan, which identified the backbone networks for road and rail transport in 21 Central, Eastern and South-Eastern European countries as well as a realistic investment strategy to gradually develop these networks. He stressed that as many as 491 projects (319 Road and 172 Rail) with an aggregate estimated cost of EUR 102.10 billion were evaluated and prioritized. He added that this might serve as an example of intercountry cooperation and substantive contribution to the development of coherent road, rail and combined transport infrastructure networks at subregional level. Such experience may be of interest to

SPECA countries and if followed, may assist the development of international transport and traffic in Central Asia.

17. Mr. Dong-Woo Ha briefed the session on UNESCAP's activities in the field of transport. In particular, he informed the participants that the Intergovernmental Agreement on the Asian Highway Network, signed in April 2004 in Shanghai, entered into force on 4 July 2005. The SPECA countries, with the exception of Turkmenistan, are among the 28 signatories to the Agreement, which has been definitively signed or ratified by 17 countries, including Afghanistan, Azerbaijan and Uzbekistan.

18. Regarding the Intergovernmental Agreement on the Trans-Asian Railway Network, which was finalized at the Intergovernmental Meeting held in Bangkok in November 2005, he urged SPECA countries to support its adoption at the 62nd session of UNESCAP (6-12 April 2006, Jakarta), and to sign the Agreement at the Busan Ministerial Conference on Transport in November 2006.

19. The representative of UNESCAP also presented the Implementation Plan of SPECA Work Plan 2005-2007 in the area of transport, incorporating both the SPECA Work Plan 2005-2007 (adopted at the International Conference on Sub-regional Economic Cooperation in Central Asia and the Future Role of SPECA on 25-26 May 2005 in Astana, Kazakhstan) and the 2005-2006 SPECA PWG-TBC Programme of Work (adopted at the 10th session of SPECA PWG-TBC on 24 March 2005 in Issyk-Kul, Kyrgyzstan).

20. Mr. Timofeev, UNESCAP Advisor on Transport, presented the session with the maps of road and rail networks, prepared on the basis of relevant road and rail agreements and transport networks defined by UNESCAP, UNECE, CIS, ECO, OSJD, and TRACECA. The session was also presented with the analysis of selected routes using UNESCAP Time/Cost-Distance methodology.

21. The representative of UNESCAP also presented a brief evaluation of implementation of the Guidelines to improve efficiency of the activities of SPECA PWG-TBC (2005). Certain progress was noted in preparation for the 11th session, in terms of preparation of session documents and invitation letters for the participants. He also stressed the importance of focusing on projects of direct interest to SPECA countries, and the need for financial assistance to the Group. He suggested conducting evaluation of the activities of Project Working Group every two-three years.

E. Statements by other international organizations, the Research Institute of Transport and Communications of Kazakhstan (NIITK) and private sector

22. The representative of the Directorate for Transport and Communications, Economic Cooperation Organization (ECO), informed the session of ECO's activities in the area of transport, and supported the proposal to include ECO in the Project Group of the Project on Transport Routes from the Central Asia/SPECA Countries to the Port of Bandar Abbas.

23. The representative of Market Infrastructure Development Department of EURASEC, presented material on the activities of the organization, including the adopted EURASEC rail, road and intermodal routes, approved by the Intergovernmental Council of EURASEC on 27 September 2005.

24. The representative of USAID briefed the session on the activities undertaken by USAID in support of private sector involved in international transport, including relevant consultations and advisory services on border-crossing procedures to the concerned subjects of international road transport, and research on analysis of selected routes using UNESCAP Time / Cost – Distance Methodology.

25. Mr. Bekmagambetov, President of NIITK, presented two proposed projects of common interest to SPECA countries: Analysis of Euro-Asian transport routes in the TRACECA corridor (Annex 3); and Transport routes from the Central Asia/SPECA countries to the port of Bandar Abbas (Annex 4). He noted that the development and efficient functioning of international transport routes are important for the development of international trade between countries of Central Asia and Europe and rest of Asia, for the users of such routes (freight forwarders, transport operators, etc.) as well as planning authorities of countries concerned.

26. The representative of NIITK also presented the Group with the proposed formats of five SPECA transport databases, namely the databases on Road routes of international importance in the SPECA region; Rail routes of international importance in the SPECA region; Intermodal transport infrastructure of international importance in the SPECA region; Projects of international importance implemented or being implemented from 2000 in the SPECA countries in the field of transport; and Border crossing problems. A new NIITK initiative on preparation of the SPECA Guide to road wayside facilities was also presented to the Group.

27. The representative of the Association of Customs Brokers of Kazakhstan (ACBK), presented information on their activities in the area of assistance to the Governments in formulating legislative documents and procedures for Customs and the development of Customs services infrastructure.

III. MAJOR CONCLUSIONS AND RECOMMENDATIONS

After the presentation and consideration of documents and information as stipulated in the Agenda of the 11th session of SPECA PWG-TBC, the Group arrived at the following major conclusions and recommendations:

1. The Group adopted the SPECA road and rail networks and their respective maps, as revised following the comments by Kyrgyzstan (Annex 5 and 6), and recommended printing of these maps. The Group:

(a) Requested the Ministry of Transport and Communications of Kazakhstan, as the lead SPECA country in the field of transport, to explore funding opportunities for covering the costs of high quality printing of these maps.

(b) Recommended NIITK to use the adopted SPECA road and rail networks as the basis for development of the databases of international road and railway routes in the SPECA region.

- (c) Recommended to review the road and rail networks in 5 year period taking into consideration possible changes.
2. The Group approved in principle the proposed project of common interest to SPECA countries on:
- (a) Analysis of Euro-Asian transport routes in the TRACECA corridor; and
 - (b) Transport routes from the Central Asia/SPECA countries to the port of Bandar Abbas,
- and requested the Ministry of Transport and Communications of the Republic of Kazakhstan – the lead SPECA country in the field of transport, to submit those projects on behalf of the SPECA PWG-TBC to the Secretariat of TRACECA and Government of the Islamic Republic of Iran respectively for consideration of possible funding and joint implementation.
3. Stressing the importance of the effective cooperation and coordination among all relevant government agencies and authorities and a good collaboration between the public and private sector for the formulation and implementation of international transport facilitation measures, the Group requested SPECA member countries to consider establishing / strengthening and functioning of national transport facilitation committees / commissions to act along the lines of the proposed activities (Annex 7)
4. Welcoming progress in the accession to the TIR Convention, 1975, and the International Convention on the Harmonization of Frontier Controls of Goods, 1982 by all SPECA countries; as well as the progress in the accession to other International Agreements and Conventions, the Group:
- (a) Requested SPECA countries, which have not yet acceded to all international conventions reflected in the Resolution 48/11 to consider undertaking all necessary national steps to become Contracting Parties to those conventions by November 2006.
 - (b) Noting the importance for SPECA countries of other international Agreements and Conventions in the field of transport developed under the auspices of the UNECE, particularly those indicated in the Protocol of the second session of PWG-TBC, recommended SPECA countries to consider undertaking all necessary steps to become Contracting Parties and UNESCAP to consider possibility of some other international conventions to be included in the enlarged scope of the resolution 48/11.
 - (c) Also stressed the need for UNECE and UNESCAP's technical assistance in accession to and implementation of the International Conventions to which SPECA countries have not yet acceded, and request of Azerbaijan was recorded in this regard.
5. Highly appreciating technical assistance provided to the Group by NIITK for the development of SPECA databases and projects of common interest to SPECA countries (paragraph 2 above), and welcoming the initiatives of NIITK concerning the establishment of additional database on intermodal

transport infrastructure in the SPECA region, preparation and publication of the SPECA Guide to road wayside facilities, and the SPECA website on Transport and Border Crossing (from 2007), the Group:

- (a) Endorsed the proposed formats of the five SPECA transport databases as further improved by UNECE, UNESCAP and NIITK;
 - (b) Requested NIITK to concentrate its SPECA related work until the 12th session of SPECA PWG-TBC on:
 - i. Development of database on road and rail routes of international importance in the SPECA region, as well as on the database on border crossing;
 - ii. Preparation of the SPECA Guide on road wayside facilities (Phase I – Kazakhstan);
 - iii. Collection of data by SPECA countries, through the Ministry of Transport and Communications of Kazakhstan, after the formats of the databases are finalized by UNECE, UNESCAP and NIITK;
 - iv. Refinement of the format of a database on infrastructure of intermodal transport in the SPECA region; and
 - v. Postponement of a database on Projects for the time being.
 - (c) Requested UNECE and UNESCAP to provide NIITK by April 2006 with available road and railway data compiled within the framework of the joint UNECE – UNESCAP project on Euro-Asian Transport Linkages.
 - (d) Requested NIITK to report on the progress of establishment of the PWG-TBC databases at the 12th Session of PWG-TBC.
 - (e) Stressed the need for financial and other support, as appropriate, to NIITK by the Ministry of Transport and Communications of Kazakhstan and other sources, as well as continued advisory support by the UNESCAP Advisor on Transport.
6. The Group noted the data and information on the analysis of selected international routes of the SPECA region using the UNESCAP Time/Cost-Distance Methodology and stressed the importance of analysis of major unimodal and intermodal international transport routes of interest to SPECA countries.
7. The Group also requested the SPECA member states to identify by 31 May 2006 transport routes (rail, road, intermodal) originating from their respective capitals and destined for Afghanistan, Europe, Russian Federation, Islamic Republic of Iran, China, Japan, India, Republic of Korea, as well as transit routes; and conduct such analyses on selected routes in cooperation with UNESCAP with results to be presented to the 12th session of SPECA PWG-TBC.
8. The Group stressed the importance of the Guidelines to improve the efficiency of the Group and suggested the further refinement of the Guidelines as outlines in the document SPECA/PWG-TBC(11)/11

on Implementation of guidelines to improve the efficiency of the SPECA PWG-TBC, with increased attention to be given to transport needs of Afghanistan, and also suggested including an item on the implementation of the Guidelines into the Agenda of 13th Session (2008) of the Group.

9. The Group supported newly initiated bilateral consultations on border-crossing issues through such consultations between Kyrgyzstan and its neighbouring countries held on 30 March 2006 within the framework of SPECA PWG-TBC.

10. Welcoming the progress made in the implementation of the joint UNECE-UNESCAP project on the development of Euro-Asian transport linkages, the Group requested the UNECE and UNESCAP secretariats to continue their efforts for the further implementation of this important project. The Group requested UNECE and UNESCAP to prepare jointly a proposal for the continuation of the project in a new phase beyond 2006 to be presented to the international financial institutions and donors for funding and to consider applying the most appropriate framework in order to ensure that the Expert Group established under this project becomes functional as a permanent mechanism ensuring continued monitoring of relevant activities in future.

11. Noting the substantive contribution of the UNECE Pilot Project on the Facilitation of Participation of the Central Asian and Caucasus Countries in the Meetings of Inland Transport Committee and Selected Subsidiary Bodies in supporting the harmonization process of the transport legislation of the SPECA countries and their transport systems' integration into eventually integrated Euro-Asian transport system, the Group expressed its gratitude to the EU for its financial support rendered to SPECA member countries by co-funding the implementation of this pilot project, stressed the importance of participation of SPECA countries in the work of UNECE Inland Transport Committee, and invited the European Union to continue co-funding this project in future, together with UNECE.

12. The Group noted the progress of accession of SPECA countries to the Intergovernmental Agreement on the Asian Highway Network, and that amongst all SPECA countries Afghanistan, Azerbaijan and Uzbekistan have already fully acceded to this important Agreement and invited other SPECA member countries to take measures towards the full accession, preferably by November 2006.

13. The Group also requested the SPECA member countries to reiterate their support to the Intergovernmental Agreement on the Trans-Asian Railway Network, at the 62nd session of the Commission, sign the Agreement at the Ministerial Conference on Transport to be held in November 2006 and take further necessary steps to become the Parties to the Agreement.

14. The Group note the results of the TEM and TER Master Plans, including the identification of the backbone networks for road and rail transport in 21 Central, Eastern and South-Eastern European countries and the elaboration of an investment strategy to gradually develop these networks, under which as many as 491 projects with an aggregated estimated cost of EUR 102 billion were evaluated and prioritized. Furthermore, the Group noted that the UNECE TEM and TER Projects had accumulated

considerable expertise and know-how on various aspects related to the development of transport infrastructures, invited the two projects to consider sharing their experience with SPECA countries in concrete areas within their competence, and in accordance with their capacities to make possible this transfer of knowledge.

- 15. The Group endorsed the Implementation Plan of SPECA Work Plan 2005-2007 (Annex 8).
- 16. The Group endorsed the Draft Agenda of the 12th session of the SPECA PWG-TBC (Annex 9) to be held in I-II quarters of 2007 with the dates and venue to be determined later.
- 17. The Group noted with interest the presentations made by representatives of EurAsEC, ECO, USAID, and Kazakhstan Association of Customs Brokers.
- 18. The Group expressed its deep gratitude to the Government of the Republic of Kazakhstan and the Ministry of Transport and Communications of Kazakhstan for the excellent arrangements made for the Session.

IV. ADOPTION OF THE REPORT

The major conclusions and recommendations of the 11th session of SPECA PWG-TBC were unanimously adopted on 30 March 2006 in Almaty.

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