

ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

(Sixty-ninth session, 6-8 February 2007,
Agenda item 8)

ASSISTANCE TO COUNTRIES WITH ECONOMIES IN TRANSITION

OPERATIONAL ACTIVITIES

January 2006 – December 2006

Note by the secretariat

Introduction

The Committee will have before it document TRANS/WP.5/2006/9 containing a summary of operational activities aimed at assisting institutional adaptation of Government Administration and transport enterprises to market economy, undertaken during the period July 2005 to June 2006. This informal document is a revised and updated report of these activities for the period January to December 2006.

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

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

To help remedy this situation, the secretariat prepared a project proposal aimed at facilitating the attendance of Central Asian and Caucasus countries to the meetings of ITC and selected subsidiary bodies for one year, which was submitted to EC for co-financing. The EC accepted to co-finance this Project and in August 2004 the relevant contract was signed, thus enabling its implementation from September 2004. With the signature of two addenda to this contract, in August and November 2005, respectively, the implementation period of this Project was prolonged up to April 2006.

Altogether 56 government experts from most of the Central Asian and Caucasus countries concerned have participated in a total of 11 meetings, instead of the seven originally planned, of the Inland Transport Committee and selected subsidiary bodies under

this project. These meetings, and the participation of experts, per country, are described in detail below.

Meetings

- Two meeting of the UNECE Working Group on Transport Trends and Economics (WP.5), the 17th and 18th sessions, September 2004 and 2005;
- Two meetings of the UNECE Working Party on Road Transport Safety (WP.1), the 45th and 46th sessions, September 2004 and March 2005;
- Two meetings of the UNECE Working Party on Road Transport (SC.1), the 98th and 99th sessions October 2004 and 2005;
- One meeting of the UNECE Working Party on Rail Transport (SC.2), the 58th session October 2004;
- Two meetings of the UNECE Inland Transport Committee (ITC), the 67th and 68th sessions, February 2005 and 2006;
- One meeting of the UNECE Working Party on Transport Statistics (WP.6), the 56th session , June 2005, and
- One meeting of the Working Party of Customs Questions Affecting Transport (WP.30), the 110th session, June 2005.

Participation of experts per country

Events	1 st WP.5	2 nd WP.1	3 rd SC.1	4 th SC.2	5 th ITC	6 th WP.1	7 th WP.6	8 th WP.30	9 th WP.5	10 th SC.1	11 th ITC	No. of participants
Countries	SEP / 04	OCT/04	OCT/04	OCT / 04	FEB/ 05	MAR/05	JUN/05	JUN/05	SEP/ 05	OCT/05	FEB/ 06	
Armenia	X		X	X	X	X	X	X	X			8
Azerbaijan	X	X	X		X	X	X	X	X	X	X	10
Georgia		X	X	X	X	X	X	X	X	X	X	10
Kazakhstan	X	X	X	X	X		X				X	7
Kyrgyzstan			X	X	X	X	X	X	X	X		8
Tajikistan					X			X			X	3
Uzbekistan	X	X	X	X	X	X	X	X	X	X		10
Turkmenistan												0
Number of participants	4	4	6	5	7	5	6	6	5	4	4	56

Based on the positive evaluation made by the beneficiary countries of the implementation of this project, the secretariat requested the EC to consider co-financing the continuation of the Project in 2007.

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

The UNECE Transport Division, in close cooperation with the other UN Regional Commissions, continued the implementation of the UN Development Account funded project

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

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

ECE is involved in three project components: Euro-Asian transport links, jointly implemented with ESCAP; transport links connecting the ECE and ESCAP regions to the ESCWA region, jointly implemented with ESCAP and ESCWA; and transport links connecting ECE and ESCWA to ECA region, jointly implemented with ECA and ESCWA.

(a) UNECE-UNESCAP joint Project on Developing Euro-Asian Transport Links

In 2006 ECE and ESCAP continued the implementation of the joint Project component on Developing Euro-Asian Transport Links. The beneficiary countries of the UNECE-UNESCAP joint Project are: Afghanistan, Armenia, Azerbaijan, Belarus, Bulgaria, China, Georgia, Iran, Kazakhstan, Kyrgyzstan, Republic of Moldova, Romania, Russian Federation, Tajikistan, Turkmenistan, Turkey, Ukraine and Uzbekistan.

Three Expert Group Meetings have been organized jointly with ESCAP in 2004 and 2005. At these meetings, on the basis the work done by the secretariats and inputs from participating countries, Government representatives from 18 participating countries in Euro-Asian region had reached preliminary agreement on the main road and rail transport routes connecting Europe and Asia to be considered for priority development. They had also agreed on the need for the identification of main transshipment points, for the identification and analysis of border crossing obstacles along these routes and for the evaluation and prioritization of infrastructure projects along the selected routes on the basis of agreed methodology. Furthermore they agreed on a methodology for the evaluation and prioritization of projects along the selected routes and on the completion of a Geographic Information System (GIS) database.

In 2006 the work has continued and further intensified. At the **4th Expert Group Meeting**, kindly hosted by the Greek Government, in Thessaloniki, 21-24 November 2006, the National Focal Points of the participating countries adopted the final itineraries and GIS maps of the main Euro-Asian road, rail and inland water transport routes as well as the main transshipment points and ports. They adopted the results of the **prioritization exercise** of investment projects in the territories of 15 countries involved, under which, as many as 230 road, rail, inland water transport and maritime projects of a total value of US \$ 42 billion, were evaluated and prioritized. The participants made recommendations on the best use of the results and experience from the implementation of the project as well as the priority areas for the future work and agreed that the continuation for the project in a new Phase II (2007-2010) is essential for the development of Euro-Asian transport links. They also agreed that future activities should include: monitoring of the implementation of the identified priority projects; removing non-physical obstacles to transit transport; improving the performance of border crossing; promoting the harmonization of transport legislation and administrative

procedures; promoting best practices and sharing of know-how; **establishing a suitable mechanism for ensuring efficient coordination and monitoring** of activities related to the development of Euro-Asian transport links. An ECE-ESCAP in-house study presenting main findings, conclusions and recommendations on the ways to proceed, is being prepared and will be made available soon.

Furthermore, **three capacity-building national workshops** on the facilitation of international transport along the Euro-Asian transport links were jointly organized under the Project by ECE and ESCAP and kindly hosted by the Governments of Azerbaijan, Georgia, Kyrgyzstan in Baku and Tbilisi (May 2006) and in Bishkek (December 2006). The aim of these workshops was to assist the concerned countries in developing favourable transit environment for facilitating international transport and trade along the Euro-Asian transport links, support ongoing national efforts to accede to and implement relevant UNECE agreements and conventions, as well as to foster cooperation amongst major national stakeholders involved in transit and border crossing operations. More than 100 representatives from public and private sector from those countries, including from the Ministries of Transport, Foreign Affairs, Finance, and Interior, Customs, Ports, Transport Associations and Companies, as well as from Chambers of Commerce, Businesses, Aid and Research Institutions attended the workshops. The major issues examined include: progress of the Euro-Asian transport links project; the UN legal instruments and initiatives on transport facilitation; national experience on transport facilitation-progress and challenges; establishment/strengthening national cooperation mechanisms for the facilitation of international transport and trade; and preparation of national action plan.

These results and activities are a solid basis for continued cooperation among the countries involved from both Europe and Asia on the development of Euro-Asian transport links. However, **the project will come to an end** soon and with it its useful results and the momentum created, whilst much cooperation is still needed and for long time.

At its 68th session held in Geneva on 7-9 February 2006, following the recommendation of the WP.5, the ITC requested the ECE secretariat to prepare jointly with ESCAP a **proposal for the continuation of the project** in a new phase beyond 2006, to make every effort in order to raise funds from potential donors for its implementation, and to apply the most appropriate framework in order to ensure that the Expert Group established under the UNECE-UNESCAP joint project on Euro-Asian transport links, becomes functional as a **permanent mechanism** ensuring continued monitoring of relevant activities. At its 11th session, held in Almaty, 29-30 March 2006, the SPECA Working Group of Transport and Border Crossing Facilitation expressed similar requests. A number of international fora have recognized the importance of the continuation of the UNECE-UNESCAP work on developing Euro-Asian transport links, including the ECMT Council of Ministers held in Moscow on 24-25 May 2005, and the First Meeting of the EU-Black Sea-Caspian Basin Expert Working Group on Transport Infrastructure, held in Kiev on 13-14 December 2005.

In view of the above, the ECE and ESCAP prepared a **proposal for the continuation of this project in a new Phase II** to be implemented in four years. The ECE secretariat submitted this proposal to the 14th OSCE Economic Forum, held on 22-24 of May 2006 in Prague, for possible funding. The proposal is presented in Annex 1.

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

(b) Other project components jointly implemented by UNECE-UNECA-UNESCAP-UNESCWA

Cooperation with the other UN regional commissions has continued in 2006 under the UN Development Account capacity-building project towards developing transport links connecting the ECE and ESCAP regions to the ESCWA region, and transport links connecting ECE and ESCWA to ECA region.

The beneficiary countries of the ECE-ESCAP-ESCWA project component are : Iraq, Syria, Jordan, Saudi Arabia, Kuwait, United Arab Emirates, Palestine (OPT) and Egypt (from ESCWA); Islamic Republic of Iran and Pakistan (from ESCAP); and Turkey (from ECE).

The beneficiary countries of the ECE-ESCWA-ECA project component are: Algeria, Botswana, Côte d'Ivoire, Djibouti, Egypt, Ghana, Iraq, Jordan, Kenya, Kuwait, Mozambique, Palestine (OPT), Saudi Arabia, South Africa, Syria, Tanzania, Togo, United Arab Emirates and Yemen (from ECA and ESCWA regions) and France, Greece, Italy, Spain and Turkey (from ECE region).

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

More meetings and capacity-building activities are scheduled under the project, including a visit of African port's experts to Barcelona Port as well as a workshop on the developments of ports infrastructure and management, which will be jointly organized by ECE and ECA in the first half of 2007.

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

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

The UNECE, as the Executing Agency of the TEM and TER Projects, continued to provide technical and administrative backstopping to the Projects, including for the elaboration of the TEM and TER Master Plans and its follow up activities.

(a) TEM and TER Master Plans

The elaboration of the TEM and TER Master Plan in 2005, provided an **investment strategy** for developing the road and rail transport Backbone Networks and identified as many as 491 priority projects with a total cost of 102 billion Euros in 21 Central, Eastern and South-Eastern European countries involved. The official publication of the Master Plan Report was made available in April 2006 and was circulated amongst concerned Governments and related international organizations and IFIs. The Master Plan was widely accepted as an important contribution in further development of European transport infrastructure and received positive comments. It was presented to the EU High Level Group chaired by Ms. De Palacio and has been explicitly acknowledged in its final report. The Master Plan results were reported in the academic literature and the developed methodology of prioritization of projects has been **published in the scientific journal** “Transport Policy”.

The TEM and TER Projects work in 2006 focused on monitoring the implementation of the Master Plan. Implementation **monitoring mechanisms** were set by the TEM and TER Projects and the first progress report on the implementation of the priority projects of the TEM and TER Master Plan in 2006 has been elaborated with positive results. Collection of missing or insufficient data was carried out, including data concerning funding securisation of priority projects. In addition, a **comparison** of the Master Plan Backbone Networks with those included in the EU TEN-T, the report of the High Level Group on the extension of the major trans-European transport axes to the neighbouring countries and regions, and in the accession treaties of the 10 new EU member states was carried out by the TEM and TER Projects, with positive results.

A **project proposal** for the “Facilitation of of implementation of TEM and TER Master Plan” was submitted by ECE to the 14th OSCE Economic Forum held on 22-24 of May 2006 in Prague, for possible funding. On this occasion, 150 copies of the Master Plan were distributed to the participants during the Forum. The text of the proposal is attached as Annex 2.

The Final Report of the TEM and TER Master Plan including maps, conclusions and recommendations, is posted on the ECE website.

(b) Other activities under the TEM and TER Projects

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

At its forty-first session in Antalya, Turkey, 31 May–2 June 2004, following the positive evaluation of the progress of the TEM Project during the Project Cycle 2001- 2004 made by its member countries, the TEM Steering Committee agreed with the prolongation of TEM Project in a new phase 2005–2008. A similar procedure was followed also for the TER Project. At its twenty-first session in Prague, Czech Republic, 14-16 November 2005, the TER Steering Committee, agreed with the prolongation of TER Project in a new phase 2006-2010.

Upon receipt of official notifications from the Governments of Armenia and Azerbaijan in 2005, in which the two countries expressed their desire to join the TEM and TER Projects, and the completion of the established procedures, Armenia and Azerbaijan were accepted as parties to the TEM and TER Trust Fund Cooperation Agreements. Similar notification from the Government of Slovenia expressing its desire to joint the TEM Project (Slovenia is already member of TER) was received earlier this year and upon the completion of the

procedures, Slovenia has also become a party to the TEM Trust Fund Cooperation Agreement.

On 9 December 2005, the Ambassador of Armenia to the United Nations in Geneva signed the TEM and TER Trust Fund Cooperation Agreements. Similarly, on 4 July 2006, the Ambassador of Slovenia signed the TEM Trust Fund Cooperation Agreement. Signing of the Agreements by Azerbaijan is expected to follow. The accession of Armenia, Azerbaijan to TEM and TER and of Slovenia to TEM will bring the total number of **countries participating in these Projects to 16 and 18, respectively.**

In December 2006 the agreement of the UNECE with the Hungarian Government for hosting the TER Project Central Office in Budapest, reached its end. The Government of Slovakia kindly offered to host the **TER Project Central Office in Bratislava** from January 2007 to December 2011 thus ensuring the smooth continuation and further development of the TER Project.

The Projects continued in 2006 their long-standing activities in assisting transfer of know-how and sharing best practices among their members in various fields of interest. The TEM and TER meetings and events are listed in Annex 4 of the present document.

IV. ACTIVITIES UNDER REGIONAL AND SUB-REGIONAL PROGRAMMES

(a) Southeast European Cooperative Initiative (SECI)

In the framework of the SECI Regional Road Transport Committee (RRTC), so far, its Group of Experts on Combined Transport adopted a Declaration on the Development of Combined Transport in the SECI Region." and considered ways and means of promoting efficient combined transport services in the SECI region 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).

The High-Level Meeting of Regional Road Transport Committee of SECI (RRTC), established in accordance with Article 12 of the MoU on Facilitation of International Road Transport of Goods in the SECI Region (signed on 28 April 1999 in Athens), continued examining issue of common interest in international road transport, including liberalization of road transport and establishment of free market access; rationalization and gradual convergence of national charging policies for international road transport of goods; introduction of an international goods road vehicle weight certificate; development of transport infrastructure; and facilitation of visa procedures for professional drivers.

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, so far, reached agreement on (i) a monitoring system of rail traffic at border stations, and (ii) the definition of a "block train". Furthermore, continued to make progress on the improvement of bilateral agreements regarding rail transport operations between SECI countries, in particular, at border crossing stations in order to reduce overall transport time of passenger and goods trains. The Group also started work on a draft model for an intergovernmental agreement, on performance indicators for border crossing procedures, and contributed substantively to the organization of a demonstration run of a block train between Istanbul and Cologne, which took place on 9 May 2004. In addition, the Group proposed a great number of investment possibilities which would improve rail transport in the SECI countries concerned.

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

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

The **11th session of SPECA PWG-TBC** was held in Almaty, Kazakhstan, 29-30 March 2006 and kindly hosted by the Government of Kazakhstan. Under the chairmanship of Mr. Azat Bekturov, Vice-Minister of Transport and Communications of Kazakhstan, the meeting was attended by experts from 6 SPECA countries, as well as experts from EC, TRACECA, EURASEC, ECO, USAID, EBRD, IsDB, ADB, the Russian Railways, and Kazakhstan transport related organizations. The Regional Adviser on Transport represented ECE. The session reviewed the most important transit transport issues of the Central Asian and Caucasus region, with reference to the SPECA PWG-TBC programme of work and the Almaty Programme of Action. Furthermore, the session agreed on the **SPECA road and rail networks** and their respective maps; approved two project proposals of common interest to SPECA countries; recommended its member countries to consider establishing/strengthening national **transport facilitation committees**; and endorsed the structure of the SPECA PWG-TBC database on transport. The Group requested, its member countries, which are not yet Contracting Parties to all major UNECE **legal instruments** in the field of transport, to consider undertaking necessary steps to become Contracting Parties and implement them; and the TEM and TER Projects to consider **sharing their experience** with SPECA countries. The 12th session of SPECA PWG-TBC will be held in Dushanbe, Tajikistan, in 13-14 March 2007.

Members of the PWG-TBC, at its initial stage, were: the Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Turkmenistan, Republic of Uzbekistan, the ECE, ESCAP and the UN Office in Kazakhstan. In 2002, Azerbaijan became also a member of SPECA, followed by Afghanistan, in 2005. The SPECA lead country in transport is Kazakhstan.

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

(c) Other Regional and Sub-Regional initiatives

The activities of the Transport Division were concentrated on providing advisory services to strengthen capacity of countries with economies in transition to implement ECE legal instrument on transport, facilitate international transport in ECE region and promote intercountry cooperation towards the development of pan-European transport networks and Euro-Asian transport links. Altogether **60 advisory missions** and capacity building activities were carried out in more than 30 countries in 2006. Over 600 experts from public and private sector attended 6 sub-regional or national capacity building workshops organized in Eastern and South-Eastern Europe as well as in Caucasus and Central Asia.

The Transport Division contributed, *inter alia*, through active participation and submission of papers, to a number of international activities and fora, towards the development of European Transport infrastructure, as well as of Euro-Asian Transport Links and the accession and implementation of UN transport legal instruments in transport, including the following: The First Part of the Fourteenth Economic Forum of OSCE on the Transportation in the OSCE Area: Secure transportation networks and transport development to enhance regional economic co-operation and stability, Vienna, Austria, January 2006; the Fourth International Conference on Road Transport in the CIS Region “UN Conventions in the Area of Road Transport as an Instrument of Integration and of Creation of a Common Euro-Asian Road Transport Space”, organized by IRU, Moscow, Russia, March 2006; the Ninth Meeting of Corridors and Areas Coordination Group, Brussels, Belgium, March 2006; the Second Preparatory Conference to the Fourteenth OSCE Economic Forum “Enhancing Transportation Security in the OSCE area”, Baku, Azerbaijan, March 2006; the Second Part of the Fourteenth OSCE Economic Forum, Prague, Czech Republic, of May 2006; the High Level Meeting on the 150 years jubilee of the First International Commission for the Navigation of the Danube, Budapest, Hungary, July 2006; the 6th International Conference “TRANSEURASIA”, Astana, Kazakhstan, September 2006; the Economic and Environmental Sub-Committees of the OSCE Permanent Council, Vienna, Austria, July 2006 and October 2006; and the OSCE/UN-OHRLLS expert workshop on the specific problems of landlocked countries regarding transit and transport (Vienna, December 2006);

V. COOPERATION WITH OTHER ORGANIZATIONS

(a) Organization for Security and Cooperation in Europe (OSCE)

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

Following the OSCE decision to place transport as the central theme for OSCE Economic and Environmental Dimension in 2006, ECE-OSCE cooperation on transport has strengthened. ECE contributed substantially to the **14th OSCE Economic Forum**, with a comprehensive report on implementation of the OSCE commitments in transport. This led to raising political awareness of the importance of ECE legal instruments on transport and to the joint organization of **two seminars** on the ECE Harmonization Convention with OSCE financial support. One, held in cooperation also with EurAsec, took place in Moscow on 17-18 October 2006, and another was held in Belgrade on 14-15 December 2006. **Proposals for financial support** for implementation of the TEM and TER Master Plan and for the continuation of the Euro-Asian transport links project in a new phase II were also submitted to the OSCE. In its **Decision No. 11/06-5** December 2006 on Future Transport Dialogue in the OSCE, the OSCE Council of Ministers encouraged OSCE participating States to make use of the existing internationally recognized legal instruments and to enhance co-operation with the UNECE, in particular in providing support for the implementation of relevant conventions, the TEM and TER Master Plan, and the Euro-Asian transport links project Phase II.

(b) Black Sea Economic Cooperation Organization (BSEC)

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

The Transport Division assisted the process of harmonization of national transport legislation of the BSEC member States, and contributed to the coordinated development of transport infrastructure in the BSEC region. Furthermore, in close cooperation with the BSEC Transport Working Group and the BSEC Permanent International Secretariat, a large number of data on major Black Sea and Mediterranean ports of Euro-Asian importance have been collected and processed in 2005, which served as an input to the further development of the Euro-Asian transport links project.

A Meeting of the Ministers of Transport of the BSEC Member States and the BSEC Transport Working Group, organized by the Romania Government, took place in Bucharest, 13-15 March 2006. Mr. Gheorghe Pogea, Vice Prime Minister of Romania, opened the Meeting that was chaired by Mr. Gheorghe Dobre, Minister of Transport, Constructions and Tourism of Romania. Ministers and Vice-Ministers of Transport, Ambassadors, high representatives and experts from all 12 BSEC Member States, and a large number of high level Officials from non-BSEC member countries, together with high representatives of transport related international organizations and associations of transport operators and ports, attended the Meeting. The Director of the Transport Division and the Regional Adviser represented the UNECE. In their **joint Declaration** on further development in the field of transport in the BSEC region, the Ministers of BSEC Member States acknowledged the significant activities implemented by the UNECE and encouraged BSEC member States to continue participating in the joint UNECE-UNESCAP Euro-Asian transport links projects and in the TEM and TER work.

A Meeting of the Ministers of Transport of the BSEC Member States and the BSEC Transport Working Group, organized by the Russian Government, took place in Sochi, Russia, 25-27 September 2006. Mr. Igor Levetin, Minister of Transport of Russia, chaired the Ministerial Meeting. Ministers and Deputy Ministers of Transport as well as Ambassadors and high-level representatives of all BSEC member States and a large number of high level Officials from non-BSEC member countries, together with high representatives of transport related international organizations and associations of transport operators and ports, attended the Meeting. The Regional Adviser represented the UNECE. The participants reviewed the most recent transport developments in the region and endorsed a number of documents prepared by the Working Group, including the MoU on the development of the Motorways of the Sea and the MoU on the coordinated development of the Black Sea Ring Highway. In their **joint Declaration** on the cooperation in the field of transport in the BSEC region, the Ministers of BSEC Member States acknowledged the importance of the UNECE work in promoting the development of transport corridors and reiterated their request for active participation of the BSEC Member States in the follow-up activities of the TEM and TER Master Plan and the joint UNECE-UNESCAP project in developing Euro-Asian transport links.

In his communication with the Transport Division, Ambassador Leonidas Chrysanthopoulos, new Secretary General of the BSEC Permanent International Secretariat, expressed interest to further strengthening the cooperation between BSEC and UNECE in the field of transport. The BSEC Secretary General is visiting the Transport Division in February 2007.

VI. FUND-RAISING FOR OPERATIONAL ACTIVITIES IN TRANSPORT

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

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

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

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

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

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

- continuation of the joint UNECE-UNESCAP project on developing Euro-Asian transport links in a new Phase - II to be implemented over the period 2007-2010;
- continuation of the project on facilitation of participation of Central Asian and Caucasus countries to the meetings of ITC and selected subsidiary bodies, in 2007;
- facilitation of implementation of the TEM and TER Master Plan, in 2007-2008;
- analysis of financial structure and sources for the implementation of road project identified by the TEM Master Plan;
- continuation of activities on strengthening the implementation of UNECE international transport conventions (Annex3).

Annex 1

UNECE
Economic and Social Commission
for Europe



UNESCAP
Economic and Social Commission
for Asia and the Pacific

Joint project on developing Euro-Asian transport links (Phase II)

Project Title: Joint UNECE-UNESCAP Project on developing Euro-Asian transport links - Phase II.

Objective: The objective of the project is to assist Member States of the United Nations Economic Commission for Europe (UNECE) and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) to develop efficient, safe, sustainable and secure Euro-Asian land and land-cum-sea transport links and foster cooperation in the field of transport to facilitate interregional trade and tourism between Europe and Asia.

Background: Globalization and liberalization of national economies is leading to a sharp increase in trade and transport between Asia and Europe. Most of the traffic has so far been following maritime routes. However, the development of efficient Euro-Asian inland transport routes would provide credible alternatives, as well as the opportunity for participation in the globalization process with improved market access for the concerned landlocked countries and areas that lie along the routes and, at the same time, be a major, strategic tool for the development and integration of countries in the Euro-Asian region. Countries along the Euro-Asian transport routes are often constrained by inadequate transport infrastructure, transport legislation that differs from one country to another and cumbersome and time-consuming border procedures. To address these constraints, the UNECE and UNESCAP, jointly invited the Governments of 18 countries in the Euro-Asian region, to participate in a Project, funded by the UN Development Account over the period 2002-2006, aimed at strengthening their national capacities for developing Europe-Asia transport links and promote cooperation in the field of transport to facilitate interregional trade and tourism. These countries are: Afghanistan, Armenia, Azerbaijan, Belarus, Bulgaria, China, Georgia, Iran, Kazakhstan, Kyrgyzstan, Republic of Moldova, Romania, Russian Federation, Tajikistan, Turkmenistan, Turkey, Ukraine and Uzbekistan.

So far, the project has achieved tangible results. These include, the identification of the main Euro-Asian road, rail, inland water transport routes and transshipment points; an initial analysis of the main physical and non-physical obstacles along the selected routes; evaluation and prioritization of infrastructure projects on the basis of an agreed methodology; collection and processing of a large volume of technical and operational data using Geographic Information System (GIS); creation of a GIS database and relevant GIS maps; organization of a number advisory workshops and interregional meetings dealing with transport infrastructure and facilitation issues; and the elaboration of an in house study. These achievements are considered as a solid basis for continued cooperation for the development of Euro-Asian transport linkages among the countries involved and more countries, from both Europe and Asia that will be willing to participate in future. However, the project will come to an end in December 2006 and with it its useful results and the momentum created, whilst much cooperation is still needed and for long time.

At its 68th session, held in Geneva, 7-9 February 2006, the UNECE Inland Transport Committee, following the recommendation of the Working Party on Transport Trends and Economics, requested the UNECE secretariat to prepare jointly with UNESCAP a proposal for the continuation of the project in a new phase beyond 2006, to make every effort in order to raise funds from potential donors for its

implementation, and to apply the most appropriate framework in order to ensure that the Expert Group established under the UNECE-UNESCAP joint project on Euro-Asian transport linkages, becomes functional as a permanent mechanism ensuring continued monitoring of relevant activities. At its 11th session, held in Almaty, 29-30 March 2006, the SPECA Working Group of Transport and Border Crossing Facilitation expressed similar requests. A number of international fora have recognized the importance of the continuation of the UNECE-UNESCAP work on developing Euro-Asian transport links, including the Council of Ministers of ECMT, in their meeting in Moscow, 24-25 May 2005, and the First Meeting of the EU-Black Sea-Caspian Basin Expert Working Group on Transport Infrastructure, held in Kiev, 13-14 December 2005.

In view of the above, the UNECE and UNESCAP propose the present project, the implementation of which would ensure the establishment of a coordination and monitoring mechanism for the development of the Euro-Asian transport links.

Expected Accomplishments:

The implementation of the project will result in:

- (a) Enhanced cooperation in the field of transport among the countries concerned to facilitate the development of trade and tourism between Europe and Asia;
- (b) Coordinated planning and gradual development of efficient, safe, sustainable and secure land and land-cum-sea Euro-Asian transport links;
- (c) Evaluated and prioritized infrastructure projects along main Euro-Asian transport routes;
- (d) Strengthened capacities of national officials dealing with international transit transport, including border-crossing formalities along the Euro-Asian transport routes;
- (e) Improved transport performance along main Euro-Asian transport routes through a reduction of border crossing delays and transport costs and increased reliability of international transport operations along these routes;
- (f) National transport legislation in these countries, which is further harmonized and based on UNECE and UNESCAP conventions and agreements on transport.

Indicators of Achievement

The indicators for this project are:

- (a) Number of km of new construction or rehabilitation/upgrading of existing transport infrastructure along the main Euro-Asian transport routes in line with the required international standards and technical specifications;
- (b) Annual national investment in transport infrastructure and facilitation along the main Euro-Asian transport routes;
- (c) Number of infrastructure projects assessed and prioritized;
- (d) Improved transport operations along the main Euro-Asian transport routes, as measured by a reduction in transport costs and waiting times at the major border crossing points;
- (e) Number of countries actively participating in the project, and of those acceding to and

implementing the respective international agreements and conventions in the field of transport;

- (f) Level of satisfaction of the concerned countries and major stakeholders.

Duration

This project will be carried over a period of four years from 2007-2010.

Proposed Activities

The proposed main activities include:

- (a) Setting up the appropriate mechanisms for ensuring coordination and monitoring of the development of the Euro-Asian transport links as well as active involvement and cooperation of the countries and other bodies concerned:
- i. Establishment of a functional mechanism ensuring continued monitoring of relevant activities, based on the Expert Group established under the UNECE-UNESCAP joint project on Euro-Asian transport links, in close cooperation with other international or regional organizations and bodies concerned;
 - ii. Establishment of appropriate and/or strengthening existing national and sub-regional bodies, including national transport facilitation committees, concerned with coordinating and monitoring implementation of policies and activities related to the development of transport infrastructure and transport facilitation along the main Euro-Asian transport routes, with participation of government officials and representatives from private sector, as appropriate;
 - iii. Convening of interregional and sub-regional meetings, as appropriate, to enhance ownership of the project by stakeholders, ensuring necessary cooperation, monitoring developments, raising awareness, and discussing modalities and managements issues;
- (b) Further assessment and prioritization of transport infrastructure projects along the main Euro-Asian transport links:
- i. Reviewing and updating priority projects of transport infrastructure identified in the previous project phase using the same methodology, and based on country contributions;
 - ii. Presentation of a list of priority projects for gradual implementation by the countries involved up to 2020, indicating whether relevant funding is secured or not;
- (c) Further development and regular updating of the Geographic Information System (GIS) database established during the previous project phase with a view to assist better coordination and monitoring of the development of the Euro-Asian transport links and reporting:
- i. Reviewing, updating and extending the existing GIS database for covering all necessary elements, as appropriate, based on country contribution and other sources, including from international or regional organizations and bodies concerned;

- ii. Publication of an interim progress report, by the end of the 2nd year and of a final report by the end of the 4th year, presenting the achievements in all issues addressed by the project, according to available data, as well as additional information to be provided by country contributions through uniform Questionnaires;
 - iii. Development of an Internet application for the presentation of relevant data considered most appropriate by the participating countries, in a user-friendly way by applying GIS technology.
- (d) Promotion harmonization of transport legislation and administrative procedures for the development of international transport operation along the main Euro-Asian transport routes:
- i. Promoting harmonized national strategies, legislation and integrated policies for transit transport cooperation on the basis of the international conventions and agreements in the field of transport, including those developed by UNECE and those listed in UNESCAP resolution 48/11;
 - ii. Introducing simplified and accelerated customs and border crossing procedures for trustworthy transport operators and trading companies;
 - iii. Promoting harmonized charging policies for international road transport of goods, based on cost-relatedness, non-discrimination and transparency.
- (e) Strengthening the capacities of national officials dealing with border crossing formalities and procedures:
- i. Organizing national workshops to enhance the competence and efficiency of relevant stakeholders including those located at the borders of the main Euro-Asian transport routes, focusing on implementation of major international conventions and agreements in the field of transport in the concerned countries;
 - ii. Promoting best practices and transfer of know-how among the countries concerned and between them and other sub-regions along the main Euro-Asian transport routes;
 - iii. Providing advisory services to the concerned countries.
- (f) Improving the performance of border crossing operations along the Euro-Asian transport links:
- i. Facilitation and simplification of customs procedures through the promotion of joint border posts and best practices, including automated customs systems, and implementation of TIR Agreement;
 - ii. Introduction of reporting mechanisms for transit transport indicators in cooperation with the National Focal Points, customs and transport operators;
 - iii. Elaboration and introduction of national and sub regional systems for regular assessment of the status and monitoring of progress in the major border crossing along the Euro-Asian transport routes in cooperation with customs and stakeholders.

(g) Preparing recommendations for further actions based on lessons learned.

(h) Disseminating widely relevant information:

Resource Requirements (in United States Dollars)

1. Organization of interregional, sub-regional and national Expert Group Meetings, seminars and workshops. (In support of activities ((a),(b), (c), (d), (e), (f), and (g)): i. 4 Interregional (18 experts/each and organization costs); ii. 2 sub-regional (2 experts/each-9 countries/each and organization costs); iii. 5 national (organization costs).	255,000
2. Expert assistance in setting up the necessary mechanisms for ensuring cooperation of stakeholders other bodies concerned and collection of information. (In support of activity (a), (b), (c) and (f))	20,000
3. Support from external consultants for further assessment and updating of prioritization of transport infrastructure projects along the main Euro-Asian transport links. (In support of activities (a), (b), (c) and (g))	35,000
4. Support from external consultants for preparing software programs for collecting, processing, preparing progress reports, disseminating information, developing GIS database, and participating in interregional and subregional meetings, (In support of activities ((a), (b), (c), (f), (g) and (h)).	55,000
5. Support from external consultants in strengthening the capacities of national officials on border crossings, sharing best practices, transferring know-how, introducing and setting border crossing reporting and monitoring mechanisms, preparing recommendations and participating in interregional, subregional and national meetings, as appropriate. (In support of activities (a), (d), (e), (f) and (g)).	55,000
6. Travel of staff to attend meetings and capacity-building workshops, evaluate and report progress of work, coordinate activities, provide advisory services and share experiences. (In support of all activities).	95,000
7. Acquisition of computer equipment. (In support of activities (b), (c) and (f)).	15,000
8. Programme support cost (13%), general operating expenses, supplies, miscellaneous.	80,000
Total	610,000

Annex 2



UNITED NATIONS

ECONOMIC COMMISSION FOR EUROPE

TRANSPORT DIVISION

Project on facilitation of implementation of the TEM and TER Master Plan.

Project Title: Facilitation of implementation of the TEM and TER Master Plan.

Objective: The objective of the project is to facilitate the implementation of the Trans-European Motorway (TEM) and the Trans-European Railway (TER) Projects' Master Plan through funding the participation of some UNECE Member States to the work of the TEM and TER Projects.

Background: The TEM and TER Projects are sub-regional intergovernmental co-operation frameworks established in 1977 and 1990, respectively, under UN Trust Funds by the Governments of Central, Eastern and South-Eastern European countries without precedent in the history of European transport. They are working for the development of modern systems of motorways, railways and combined transport infrastructure in the region and are committed to assisting European integration and economic development through the facilitation of road and railway traffic in Europe. The activities of the Projects are supported by the contributions of participating countries. The UNECE, as the Executing Agency of the Projects, is providing technical and administrative backstopping to them.

TEM and TER have been instrumental in the development of international road and rail links in the participating countries. They have also contributed to the interoperability of the European transport systems, elaborated studies, created continuously updated databases, published a large number of technical documents, guidelines, recommendations and are working for the harmonization of management, maintenance and operational procedures of motorways and railways in the region and their integration in the Pan-European context.

More recently, the TEM and TER Master Plan has identified the backbone road and rail networks in 21 Central, Eastern and South-Eastern European countries and elaborated a realistic investment strategy to gradually develop those networks. Two expert groups, one for road and one for rail, with the support of external consultants and contributions from transport related organizations consolidated and processed transport plans and priority needs of the respective countries. In the framework of the Master Plan, as many as 491 projects with an aggregate estimated cost of EUR 102 billion, have been evaluated and prioritized. The next steps are the monitoring of the implementation of the TEM and TER Master Plan, including collection of additional data; regular update of the identified Backbone Networks; elaboration of annual progress reports on the implementation of the identified priority projects; the review of the strategy by 2008; and the presentation of projects to IFIs with a view to supporting possible funding for their implementation. The Master Plan is a unique framework for intergovernmental cooperation in the coordinated development of coherent international transport infrastructure networks in Central, Eastern and South Eastern European countries, and in their integration into the pan-European

networks. The EU High Level Group chaired by Ms. de Palacio has explicitly acknowledged the TEM and TER Master Plan.

Monitoring of the implementation of TEM and TER Master Plan, in particular, would require close cooperation with the concerned countries and active participation of their experts in the activities of these projects. However, in the past years, there has been a lack of participation of delegates from some Eastern, South-Eastern European and Caucasus countries in the activities of TEM and TER. This absence was detrimental to the development of coordinated transport infrastructures in these countries with those that are full members and active participants to the TEM and TER work. In addition, non-participation of delegates from those countries in future may become a serious obstacle in the implementation of the TEM and TER Master Plan. To help remedy this situation, ECE proposes a pilot Project aimed at facilitating the implementation of the TEM and TER Master Plan through funding the attendance Eastern, South-Eastern European and Caucasus countries to the work of TEM and TER Projects.

Expected Accomplishments:

The implementation of the project will result in:

- (g) Fostering cooperation in the field of transport among the countries concerned to facilitate the development of Pan-European transport networks;
- (h) Development of modern systems of motorways, railways and combined transport infrastructure in the region and facilitation of road and railway traffic in Europe.
- (i) Monitoring of the implementation of TEM and TER Master Plan in close cooperation with the concerned countries and active participation of their experts.

Indicators of Achievement

The projected indicators for this project are:

- (g) The number of experts from the concerned countries whose participation in the TEM and TER activities was facilitated
- (h) The number of countries actively participating in the project, and of those acceding to the respective TEM and TER Trust Fund Agreements;
- (i) The level of satisfaction of the concerned countries.

Duration

This project will be carried over a period of two years from 2007-2008.

Proposed Activities

The proposed main activities include the facilitation of participation of one expert per country, from nine Eastern, South Eastern European and Caucasus countries to eight TEM and TER Projects' meetings as follows:

(a) Meetings

- Two TEM Steering Committee meetings;

- Two TEM meetings linked to the implementation of the TEM Master Plan follow-up work;
- Two TER Steering Committee meetings;
- Two TER meetings linked to the implementation of the TER Master Plan follow-up work;

(b) Beneficiary countries

Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, FYR of Macedonia, Georgia, Republic of Moldova, Serbia and Montenegro and Ukraine

Resource Requirements (in United States Dollars)

Covering Travel cost (ticket and daily subsistence) for nine country experts per meeting, to 8 meetings (four TEM and four TER) organized by the TEM and TER Projects during the period 2007-2008	110,000
Programme support cost 13% (rounded)	15,000
Total	125,000

Annex 3



UNITED NATIONS

ECONOMIC COMMISSION FOR EUROPE

TRANSPORT DIVISION

Project: Strengthening the implementation of UNECE transport conventions

Objective: Through the application of the provisions of the UNECE “Harmonization” Convention to improve and optimize integrated border management procedures nationally and between neighbouring countries with a view of minimizing waiting times at borders.

Background: Accession to UNECE Transport Agreements and Conventions, while necessary, is not sufficient. Effective implementation is key. Some Contracting Parties, however, do not have the resources, capacity or awareness to implement them effectively.

The UNECE Transport Division has neither the authority nor the resources to enforce such implementation. It can only promote and encourage it. To do so, the UNECE Transport Division could initially undertake surveys on how Conventions are implemented by Contracting Parties. On the basis of the difficulties encountered, the UNECE could then organize, upon their request and with the support of the OSCE, sub-regional and/or national training workshops and other capacity building activities.

In view of the large number of Conventions, the UNECE Transport Division has decided to select one convention as a pilot project. After considering the main UNECE Transport Conventions, the International Convention on the Harmonization of Frontier Controls of Goods, of 1982, appears to be the most suitable.

This Convention has been chosen for the following reasons:

- Border crossing procedures and controls are considered to be an area where much progress is needed
- Several international organizations, e.g. EU High Level Group, ECMT and BSEC, have called for implementation of this Convention
- Implementation of this Convention does not require large financial investments, but mainly administrative and organizational measures
- It can bring substantial benefits in terms of savings in travel time and travel costs
- Replies are not time consuming; and can be analyzed with a certain ease; conclusions could also be drawn without difficulty
- Certain countries may have very little experience with the facilitation measures provided in the Convention.

To launch the process, the UNECE Transport Division has prepared a questionnaire on the facilitation measures foreseen in the Convention. Countries have been invited to reply to this questionnaire on a

voluntary basis. The UNECE Transport Division will analyze the replies and prepare a short report on the findings.

Expected Accomplishments:

- Fostering of improved national cooperation in areas of border control and management aiming at providing more efficient controls and reducing necessary resources
- Developing harmonized cross-border cooperation procedures for joint controls for neighbouring countries resulting in enhanced controls procedures and mutual recognition of controls with a view to avoid repetitive practices
- Overall improvements in business practices and efficiency gains

Indicators of Achievements:

- Reduction in waiting times at borders

Proposed activities:

Based on the results of the questionnaire, it is proposed to organize, in countries that have requested them, training or capacity building workshops aimed at addressing the technical problems encountered in the implementation of the Convention.

The OSCE could provide the necessary organizational and financial support for these capacity building activities. Such support, together with the OSCE field presence, could give rise to useful synergies and lead to tangible results.

Depending on the number of requests, it is proposed to plan two 2-day capacity building workshops (2 x 3 countries) with 10 experts per country and 4 experts from UNECE, OSCE as well as countries experienced in implementing integrated border management programs.

Resource Requirements (in United States Dollars)

Covering organization costs as well as travel cost (ticket and daily subsistence) for expert trainers for two capacity building workshops for three countries per workshop (10 experts per country), planned for second half of 2006	50,000
Program support cost 13% (rounded)	6,500
Total	65,000

Annex 4

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

- TEMSTAT Data Collection and Mapping Meeting, Prague, Czech Republic, 16 - 17 March 2006;
- TEM/HEEP 2006 Area V Annual Meeting, Wisla, Poland, 15 - 17 May 2006;
- Forty - fifth session of the TEM Steering Committee, Bucharest, Romania, 12 - 15 June 2006;
- TEM Master Plan Forecasting Methodology Workshop, Bratislava, Slovakia, 22 - 23 June 2006;
- First Meeting of TER Group of Experts on the implementation of TER Master Plan, Baden, Austria, 19 June 2006;
- Twenty-second session of the TER Steering Committee, Baden, Austria, 20-21 June 2006.
- First joint TER and Europlatforms Meeting on the follow up activities of the TER Master Plan, Budapest, Hungary, 4 July 2006
- Second Meeting of TER Group of Experts on the implementation of TER Master Plan, Budapest, Hungary, 4-6 September 2006
- TEM Workshop on Master Plan Development and Establishment of Priorities on its Backbone Network, Budapest. Hungary, 9-10 November 2006
- Joint session of the UNECE Working Party on Rail Transport (SC.2) and the TER Project in the framework of the 60th session of the SC.2, Geneva, Switzerland, 15 and 17 November 2006
- Twenty-third session of the TER Steering Committee, Geneva, Switzerland, 16 November 2006.
- Forty-sixth session of the TEM Steering Committee, Geneva, Switzerland, 4-6 December 2006;
