Trade Facilitation and Institutional Support Project

The European Union’s Tacis TRACECA program
for Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan

UNECE Workshop on Trade Facilitation

Session IV, Regional Aspects and Organizational Structures
- The Example of TRACECA -

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What is TRACECA?

TRACECA (Transport Corridor Europe – Caucasus – Asia) comprises a network of multi-modal transport routes.
What else is TRACECA?

TRACECA is an **EU-funded Tacis Interstate Programme** established in 1993 during a conference in Brussels by originally 8 Nations and nowadays 13 Nations aiming at improvements in trade and transport along the Europe-Caucasus-Asia Corridor through

- Stimulating the co-operation among the participating states for trade development in the region;
- promoting optimal integration of the international transport corridor Europe-Caucasus-Asia “TRACECA” into Trans-European Networks (TENs);
- identifying factors hindering the development of trade and transport systems;
- promoting TRACECA projects as means to attract loans from IFIs and private investors
What else is TRACECA?

TRACECA is an **UN-registered Basic Multilateral Agreement (MLA)** on International Transport for Development of the Europe – Caucasus - Asia Corridor signed in 1998 at Baku Summit and ratified by 12 Nations aiming at

- developing economic relations, trade and transport communications in the regions of Europe, Black Sea, the Caucasus, the Caspian Sea and Asia,
- facilitating access to the international market of road, air and railway transport and also commercial maritime navigation,
- facilitating international transport of goods and passengers and international transport of hydrocarbons,
- ensuring traffic safety, security of goods and environment protection,
- creating equal conditions of competition between different types of transport.
Trade Facilitation and Institutional Support

The Countries “belonging” to TRACECA

TRACECA EU Programm Members and Parties to the MLA

- Armenia
- Azerbaijan
- Bulgaria
- Georgia
- Kazakhstan
- Kyrgyzstan
- Moldova
- Romania
- Turkey
- Ukraine
- Uzbekistan

Parties to the MLA, but not to EU Tacis TRACECA Programme

- Afghanistan
- Iran

Parties to the EU Tacis TRACECA Programme, but not MLA Party

- Turkmenistan
In the aftermath to the Basic Multilateral Agreement, efficient decision making and executing structures were developed.

- **2000** Creation of the Intergovernmental Commission (IGC) TRACECA in Tbilisi, Georgia

- **2001** Opening of the office of the Permanent Secretariat (PS) of the IGC TRACECA in Baku, Azerbaijan

- **2003** Adoption of the Statute of the PS IGC TRACECA and the Rules of Procedures of the IGC TRACECA
The European Commission supported the development and advancement of the TRACECA institution

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<th>Period of time</th>
<th>Description</th>
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<td>2000 - 2003</td>
<td>Full financial and institutional support for TRACECA institutional structures provided by the EU</td>
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<td>2004 - 2005</td>
<td>Joint financing of the TRACECA institutional structures provided by the EU and MLA Member-states</td>
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<td>2006 and beyond</td>
<td>Self-sustainability and self-financing of TRACECA institutional structures decided upon in Baku in April 2005</td>
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The TRACECA institution consists of a Permanent Secretariat located in Baku and organisational structures in each member country.
Besides supporting the institution building of TRACECA structures substantive Technical Assistance and Investment Projects have been financed by the European Commission

- **Technical assistance** projects are highly interlinked and build upon each others experience and achievements. Furthermore, they often precede or accompany investment projects along the corridor.

- **Investment projects** relieved most urgent infrastructure and operational bottlenecks and complemented own efforts of the TRACECA beneficiary countries and of the international donor community.
Immense financing sources for TRACECA network related projects were attracted

- EU-supported projects in the amount of 160 Mio. Euro
- IFI-supported projects of Euro 1,900 Mio. Euro
- Own investments and contributions of beneficiary countries of 1,800 Mio. Euro
- Other private and bilateral investments of ca. 1,200 Mio. Euro

More than 5 billion Euro have been invested in the region since 1993
Indicators for the success of TRACECA

- Transport volume increased up to 75%
- Transport Time decreased by ca. 50%
- Transport Costs decreased up to 70%
- Enhanced Traffic Safety and Cargo Security
- Harmonized transport policy and legal structures
- Increased Environmental Protection

STILL, much room is left for further improvements !!!
Future Prospects and Priorities of IGC TRACECA are presently outlined in the TRACECA Strategy to be approved during the next IGC Meeting in Spring 2006.

- Strengthening / Modernising the Institutional Dimension of Transport
- Integration and Cohesion of Infrastructure Networks
- Development of Sound Multimodal Transport Chains
- Exploiting the Potential of Air Transport and Boosting Air Passenger Transport
- Making Transport in the TRACECA Area Safer, Secure and Sustainable
- Overcoming the Headache of Funding
- Supporting the Strategy by Enhancement of IGC TRACECA

The far-reaching and ambitious strategic measures will be put into operation via Action Plans on Implementing the TRACECA Strategy.
Future Prospects and Priorities of Tacis TRACECA Support

Presently EU priorities are defined in the council regulation no. 99/2000 concerning the provision of assistance to the partner states in Eastern Europe and Central Asia and consecutive multi-year strategy papers and indicative programmes and annual Tacis TRACECA action programmes.

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<td>Projects are under preparation and/or implementation from 2004 – 2006</td>
<td>Projects are confirmed and financing is approved by the European Commission</td>
<td>Projects are in the stage of identification; suggestions of the TRACECA countries are under consideration.</td>
<td>Continuation in the frame of European Neighbourhood Policy of the EC.</td>
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Future EU priorities will be defined in the framework of the European Neighborhood Policy (ENP) and it is already stated to continue the EU engagement in supporting TRACECA related projects.
TRACECA cooperates with governments, associations, bi- and multilateral financing institutions and private investors, transport market operators and interested businesses for developing economic relations, trade and transport communications along the Europe – Caucasus – Asia Corridor.

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