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ASSISTANCE TO COUNTRIES WITH ECONOMIES IN TRANSITION

Note by the secretariat

This note is an update of the document TRANS/WP.5/2002/11. It summarizes all UNECE operational activities in the transport sector conducted during the period July 2002 to June 2003.

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OPERATIONAL ACTIVITIES

July 2002 – June 2003

I. ACTIVITIES IN SPECIFIC COUNTRIES AND/OR GROUPS OF COUNTRIES

(a) The Trans-European North-South Motorway (TEM) and the Trans-European Railway (TER) Projects

(i) Background information

The UNECE TEM and TER Projects are sub-regional cooperation frameworks established in 1977 and 1990 - respectively - by the Governments of the Central, Eastern and South Eastern European Countries under the aegis of UNECE for the development of coherent road, rail and combined transport infrastructure networks in the region and the facilitation of international traffic in Europe. Sixteen countries are now members of TER^{1/} and 13 countries are members of TEM.^{2/}

The Projects are self-sustainable, supported by direct contributions from member countries to a Trust Fund established under UNECE for each Project. The members also contribute in kind by hosting the Project Central Offices,^{3/} covering costs of the Project personnel, hosting events, offering the services of national experts, etc. They have, so far, been instrumental in the development and upgrading 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 TEM and TER databanks, 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.

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

(ii) Activities on strategy issues

The support of the implementation of a short-term strategy plan aiming at the further integration of the TEM and TER Projects in the new European transport context was among the first priorities of the UNECE Transport Division during the reporting period.

^{1/} **TER member countries:** Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Greece, Hungary, Italy, Lithuania, Poland, Romania, Russian Federation, Slovakia, Slovenia and Turkey. In addition: Belarus, Latvia, Republic of Moldova, Serbia and Montenegro are participating in the activities of the Project as observer countries.

^{2/} **TEM member countries:** Austria, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Georgia, Hungary, Italy, Lithuania, Poland, Romania, Slovakia and Turkey. Serbia and Montenegro, Sweden and Ukraine are observers.

^{3/} TEM Project Central Office (PCO) is in Warsaw at premises offered by the Government of Poland. TER PCO is in Budapest at premises offered by the Government of Hungary.

The main directions foreseen in the strategy consist of: (a) review of priority infrastructure needs, elaboration of an updated inventory of these needs and of a realistic plan for implementation; (b) integration of TEM and TER into the Pan-European transport; (c) cooperation of TEM and TER with other fora and related initiatives aiming at the creation of the necessary synergy; and (d) increase TEM and TER Project visibility.

The Interim Reports on the implementation of the TEM and TER Projects' short-term strategy Action Plan for the period July 2001-April 2003 were elaborated by the Projects' Central Offices with the assistance of the secretariat, and were presented to the TEM and TER Steering Committees in May 2003. The Projects' Steering Committees, considering that most of the tasks foreseen were successfully advanced and some are still ongoing, decided to continue the work up to the end of 2004, when a new report will be elaborated and presented.

The following paragraphs present the most important part of the work already completed and those activities still under way:

- (iii) Activities aiming at the review of priority infrastructure needs, elaboration of an updated inventory of these needs and of a realistic plan for implementation (TEM and TER Projects' Master Plan)

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

A strategy for assuring necessary co-financing for the implementation of the work was elaborated by the secretariat and the PCOs, and official requests for co-financing of the work were addressed to the EC, the EU member countries, the World Bank, EBRD, CEI, IRU,^{4/} ASECAP,^{5/} UIC,^{6/} and other related organizations and institutions. The Inland Transport Committee, at its 65th session in February 2003, approved the necessity for the elaboration of the TEM and TER Master Plans and requested the UNECE member countries to provide voluntary contributions for co-financing the Master Plan's work. Following the positive response of IRU, which agreed to support the elaboration of the TEM Master Plan work with Sfr. 100,000, the relevant Agreement for the allocation and usage of the IRU contribution is under preparation and is to be signed in the near future.

Due to the importance of this task and the limited financial recourses available within the Projects, the PCOs, with the assistance of the secretariat, prepared and presented to the Projects' Steering Committees a revised TOR for the elaboration of the work, based on existing resources and increased contributions by the countries concerned, the PCOs and the UNECE secretariat. The revised TOR was approved and the work is expected to start in September 2003 and be completed in one year. In the meantime, negotiations with Professors of Transport Faculties of well-known European Universities are being initiated by the secretariat to assure the necessary technical and scientific backing of the work and positive results are foreseeable.

^{4/} International Road Union.

^{5/} Association Européenne des Concessionnaires d' Autoroutes et d' Ouvrage à Péage.

^{6/} International Union of Railways.

(iv) Activities aiming at the integration of TEM and TER into the Pan-European transport context

The necessity for the TEM and TER Projects' further integration into the new Pan-European context, which emerged during the end of the 1990s, was one of the main conclusions of the respective Assessment of the Projects and was among the key elements of the Action Plan suggested in the new strategy.

The existing cooperation between the UNECE Transport Division and EC DG TREN was further strengthened and extended. A dialogue with the EC DG TREN and the DG REGIO-ISPA, that was based on offering the TEM and TER Projects' experience and inter-country set-up for supporting and supplementing the efforts of the EC in the development of the priority transport infrastructure needs in CEE countries, started from the year 2001 and continued during the reporting period. A concrete proposal was submitted by the UNECE to the EC that was followed by technical discussions between the two sides. This endeavour brought tangible results, i.e. the invitation from EC to UNECE and the TEM and TER Projects to contribute in some aspects of the monitoring of the implementation process of the Pan-European Transport Corridors and Areas (see below activities under Pan-European Transport Corridors).

Furthermore, the TEM and TER Projects were invited by the EC to offer their contribution in the first Open Conference of the European Transport Policy Information System (ETIS), Brussels-Belgium, 13-14 February 2003, organized by the EC DG TREN in the 5th Framework of EU Research and Development Programme.

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

The proposal led to a number of discussions in which the PCOs as well as the Projects' Steering Committees were involved. At its thirty-ninth session, in Geneva, 26-28 May 2003, the TEM Steering Committee, gave a positive reply, with the understanding that no additional resources would be required and that the Polish authorities would provide the necessary clarifications regarding the tasks to be accomplished by the TEM PCO. At its seventeenth session, in Bratislava-Slovakia, 29-30 May 2003, the TER Steering Committee regarded the proposal, in principle, in a positive way and requested more clarifications by the Polish authorities before any decision be taken.

(v) Activities for strengthening the cooperation of the TEM and TER with other fora and related initiatives aiming at the creation of the necessary synergy

Following the discussions among the TER PCO, the secretariat and the UIC, which started in the year 2001, and the signing of a Memorandum of Understanding (MoU) for the cooperation of UNECE and UIC in the framework of the TER Project, several events have been co-organized and serious discussions for cooperation in the field of data collection and GIS mapping activities, as well as other fields of mutual interest, have been conducted.

Following a similar path, the cooperation between the TEM and TER Projects with other related organizations - IRU, UIRR,^{7/} ASECAP, Eurochambres,^{8/} Europlatforms,^{9/} etc. - was promoted. A MoU was signed in February 2003, between IRU and the UNECE in the framework of the TEM Project, laying down the basis for closer cooperation in areas of mutual interest. Another MoU was also signed in February 2003 between ASECAP and the UNECE in the same framework of the TEM Project, in which the two parties agreed to cooperate more closely on matters such as motorway operation, user charges electronic fee collection, co organization of events, etc.

Moreover, Europlatforms, UIRR and the TER Project co-organized an interesting Seminar on the promotion of the Freight Villages and Combined Transport that was held in Munich, Germany in July 2002. A second similar event was also co-organized in Verona, Italy in June 2003, where the participants from TER member countries had the opportunity to be introduced to the Freight Village concept in Italy and Spain, and visit the Verona Freight Village, which is considered among the best practices in Europe.

Eurochambres and Europlatforms have already agreed to cooperate with the UNECE TEM and TER in the joint implementation of a new project aiming at an integrated promotion of the Freight Villages concept in the CEE.

Negotiations among CEI, the UNECE, TEM and TER Projects have been concluded at the highest level to assure closer cooperation between CEI and the TEM and TER Projects. Already, necessary agreements have been reached and a process of co-organization and co-financing of the first joint CEI – TEM and TER events is being successfully developed.

(vi) Activities aiming at increasing the TEM and TER Projects' visibility

During the reporting period, the TEM and TER website, hosted under the UNECE Transport Division Website, has been continuously updated and upgraded. New documents, maps, activity reports and European Commission important documents were added on the Websites, thus facilitating the member countries and TEM and TER Websites' visitors to get better information on the Projects' activities and important European transport developments.

The list of specialized European transport press and magazines that was elaborated in the year 2001, and used for the transmission of official Press Releases published by the UNECE for the TEM and TER Project's news, is continuously updated and used.

A new Brochure of the TEM Project is ready to be published and efforts are being made for the preparation of a similar brochure of the TER Project. Several Press Releases on the TEM and TER Projects' activities and news, were published as UNECE Press Releases and others are about to be published shortly. Power Point presentations for both the TEM and TER Projects were prepared and distributed among member countries, for use as models for the Projects' presentations at the national level.

Furthermore, the TEM and TER Projects had an active participation and contribution in the annual sessions of the Pan-European Corridors and Areas Steering Committees, as well as in other important European Conferences and Meetings.

^{7/} Union International des sociétés de transport combiné Rail-Route.

^{8/} Association of European Chambers of Commerce and Industry.

^{9/} European Network of Transport/Logistic Centres.

(vii) Activities aiming at the technical and administrative backstopping of the Projects

The Transport Division, during the reporting period, continued to provide technical and administrative assistance to the TEM and TER Projects and their member countries.

The Projects, with the support of the secretariat, focused their efforts on further development, restructure and modernization of their Databases and Geographical Information System (GIS) mapping activities. New TEM and TER full GIS maps were prepared. The databases of both Projects are under full development and profound consideration, targeting a full implementation of the processing and presentation of the data and GIS maps in the Internet environment.

The TEM Project elaborated the 3rd revision of TEM Standards and Recommended Practice incorporating up-to-date requirements of motorway users, latest experience, research and development achievements in the field of motorway design, construction and operation, as well as newly required safety measures in motorway tunnels. This publication was distributed in January 2003 and is included on the UNECE/TEM website.

Having as a permanent objective the accession of new member countries in the Projects, the Transport Division explored any given opportunity for discussing with other Central Eastern and South Eastern European countries their possible accession into the Projects. Among them, with the Russian Federation (for TEM); Ukraine (TEM/TER); Greece (for TEM); Slovenia (for TEM); Serbia and Montenegro (TEM/TER); FYR of Macedonia (TEM/TER). As a result of this effort, several countries are seriously considering their adherence.

Having realized the need for strengthening the human resources of the TEM and TER Project Central Offices (PCOs) by recruiting experienced Project personnel provided by the countries, the Transport Division proposed and obtained the approval of the Projects' Steering Committees to increase the PCOs' staff as follows: TEM Project: Instead of one person, the Project Manager, plus the auxiliary staff provided by the Polish Government that was the case in the past; in 2002, one Deputy Project Manager was added to the TEM PCO staff; TER Project: From two persons, the Project Manager and an Assistant, plus the auxiliary personnel provided by the Hungarian Government, in 2002, one Deputy Project Manager was added to the TER PCO. The secretariat, with the support of the member countries, is trying to ensure that the number of the personnel serving the Projects will remain the same, if not increased in the future.

A questionnaire for the self-evaluation of the progress made by the TEM Project during the period of the current Project Cycle, ending in December 2004, and the identification of member countries' opinions on further tasks to be added, is under preparation and will be distributed to the National Coordinators by September 2003. For the TER Project, whose current Project Cycle is ending in 2005, a similar exercise will be implemented next year.

The meetings and events, in the organization and holding of which the UNECE Transport Division offered its contribution during the reporting period, are listed below:

(viii) TEM/TER related events (meetings, workshops, seminars) organized/scheduled during the year 2002:

- TER/UIRR/COMBIVERKEHR Seminar on the promotion of Freight Villages and Combined Transport, Munich, Germany, 17-19 July 2002;
- TER/FIF/UIC Seminar on modern rolling stock and railway equipment, Strasbourg-France, 18-20 September 2002;

- TER Seminar on facilitation of border crossings procedures and measures taken in this respect by the TER countries, Venice-Italy, 14-16 October 2002;
- TEM Seminar on Motorway Stage Construction, Prague-Czech Republic, 7-8 November 2002;
- TER/UIC Seminar on EU Transport Towards Pan-European Integration and Implementation of Railway Reform in the EU and CEE Countries, Paris-France, 14-15 November 2002;
- TEM 38th session of the Steering Committee, Warsaw-Poland, 20-22 November 2002;
- 3rd session of TER National Co-ordinators dedicated in the TER Database and GIS activities, Budapest-Hungary, 23-24 January 2003;
- Working Group of the TEM Permanent Table on Developments and Coordination of Motorway Construction and Operation in the South-Western Region, Trieste-Italy, 27-28 February 2003;
- TEM/HEEP 2003 Area V Annual Meeting, Kastel Stati-Croatia, 7-9 April 2003;
- 8th session of the TER WP.2 on Economics and Management Matters, Graz-Austria, 9-11 April 2003;
- TEMSTAT Data Collection and Mapping Meeting, Budapest-Hungary, 19-21 May 2003;
- TEM 39th session of the Steering Committee, Geneva-Switzerland, 26-28 May 2003;
- Ad hoc TER Working Group on TER Master Plan, Bratislava-Slovakia, 29 May 2003;
- TER 17th session of the Steering Committee, Bratislava-Slovakia, 30 May 2003;
- TER/Europlatforms Seminar on promotion of the Freight Villages Concept in the European Union acceding countries and their CEE neighbours, Verona-Italy, 19-21 June 2003;
- TER/ALSTROM-Ferroviana Seminar on modern rolling stock including tilting trains and ERTMS equipment, Torino-Italy, 22-23 June 2003.

(b) Pan-European Transport Corridors and Areas

During the reporting period, the Transport Division continued negotiations and technical discussions with EC DG TREN for the promotion of the cooperation of UNECE and the EC in the framework of the Pan-European Corridors implementation process and the UNECE contribution in monitoring the Corridors development process.

In this respect, EC DG TREN and UNECE agreed that UNECE, with the support of the TEM and TER Projects, would provide a draft proposal to create a standardized and uniform system of data collection and presentation for the status of each Corridor and that, once the proposal would be agreed and finalized, UNECE would undertake, in collaboration with the Commission, the monitoring of the process.

The proposal was prepared by the Transport Division in cooperation with the TEM and TER Projects, submitted to the EC DG TREN in October 2002, and was further discussed with the EC DG TREN on several occasions. For the time being, no final decision has been reached on its follow-up.

Furthermore, at the invitation of the EC DG TREN, the Regional Adviser had an active participation in the 5th meeting of Corridors and Areas Coordination Group, in Brussels, Belgium, 4 June 2003. Also, at the invitation of the Ukrainian Transport Minister, he actively attended the Pan-European Corridor V Ministerial Conference, in Kiev, Ukraine, 22-23 October 2002, as well as the 6th session of the Steering Committee of the Black Sea Pan-European Transport Area (BS-PETrA), in Odessa-Ukraine, 18-19 March 2003.

(c) Euro-Asian Transport links

The Transport Division, at the request of the Transport Ministry of the Russian Federation, established a direct contact and cooperation with the responsible persons from the Russian side for the preparation of the 3rd Euro-Asian Transport Conference to be held in St. Petersburg, in September 2003.

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

(d) Workshop on Practical Application of the Chart Display and Information System for Inland Navigation (Inland ECDIS)

A Workshop on Practical Application of the Electronic Chart Display and Information System for Inland Navigation (Inland ECDIS) was organized by the Ministry of Transport of the Russian Federation in collaboration with the secretariat of UNECE on board a passenger vessel travelling from St. Petersburg to Moscow, from 7 to 13 September 2002. The Workshop served to promote the use by all UNECE member countries concerned of only one uniform standard for electronic chart display and information systems throughout the E waterway network, and the findings, as set out in the Report of the Workshop (TRANS/SC.3/2003/1), have been fully endorsed by the Working Party on Inland Water Transport (TRANS/SC.3/158).

II. COOPERATION WITH SUB-REGIONAL ORGANIZATIONS

Black Sea Economic Cooperation Organization (BSEC)

BSEC was established in 1992 by 12 countries^{10/} with the aim of developing the Black Sea region into a zone of peace, stability and prosperity. Economic cooperation has been adopted as the main route to meet this end. The UNECE Transport Division's contribution consists of promoting the accession to UNECE legal instruments of BSEC member states, the organization and holding of meetings, assistance in drafting documents, including the *ECE-BSEC Cooperation Agreement* that was signed by the UNECE Executive Secretary and the BSEC General Secretary in Istanbul-Turkey (July 2001), the *Ministerial MoU on the Facilitation of Road Transport of Goods in the BSEC Region*, as well as other documents on BSEC events and offered advice on the coordination of transport activities in the Black Sea region among various organizations and initiatives (BSEC, TRACECA, PETrAs and PETrCs -UNECE and SECI).

^{10/} Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Republic of Moldova, Romania, Russian Federation, Turkey and Ukraine.

III. ACTIVITIES UNDER REGIONAL AND SUB-REGIONAL PROGRAMMES

(a) Interregional cooperation

On the proposal of the five United Nations Regional Commissions, the General Assembly approved the United Nations Development Account project on Capacity Building for the development of Interregional Transport Linkages. In implementing this Project, the UNECE and UNESCAP has been focusing mainly on Euro-Asian transport Links, including through SPECA countries. The Executive Secretaries of UNECE and UNESCAP have signed a joint letter to the 17 beneficiary UNECE and UNESCAP member countries, inviting them to participate in the Project and to nominate a Focal Point. Most of the countries have already appointed their Focal Points.

The implementation of the Project has started and will last for five years. The objective of the Project is to assist member States of the five UN Regional Commissions in strengthening their national capacities for developing land and land-cum-sea transport linkages and promoting interregional cooperation in order to facilitate interregional trade and tourism.

The beneficiary countries of the UNECE/UNESCAP joint Project are: Afghanistan, Armenia, Azerbaijan, Belarus, Bulgaria, Georgia, Iran, Kazakhstan, Kyrgyzstan, Republic of Moldova, Romania, Russian Federation, Tajikistan, Turkmenistan, Turkey, Ukraine, Uzbekistan.

Among the activities are envisaged: Elaboration of studies; preparation of country reports; organization of workshops; provision of advisory services; establishment of a website etc.

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

SECI is an initiative to encourage cooperation among its member States^{11/} and to facilitate their integration into European structures. The UNECE Transport Division staff have assumed a principal role in a number of SECI initiatives including the following:

(i) SECI Project Group on Border Crossing Facilitation

The work of this Group resulted in a *Memorandum of Understanding*, which was signed by the Ministers of Transport of the SECI participating States in Athens, Greece on 28 April 1999 and which had been drafted initially by the UNECE secretariat. The MoU establishes specific and concrete measures to be implemented by the end of the year 2002, with a view to facilitating international road transport of goods in the region. It foresees, in particular, progressive liberalization and sustainability of international road transport and, as a short-term measure, the establishment of a quota-free regime for "green" and "greener and safer" lorries. It also provides, *inter alia*, for the application of an international vehicle weight certificate which will do away with repetitive weighing procedures at the borders.

In accordance with the provisions of the MoU, a Regional Road Transport Committee (RRTC) has been established to ensure adequate coordination and monitoring of the implementation and prepare eventually the elaboration of a multilateral framework agreement on road transport. The UNECE Transport Division provides all relevant secretariat services for the Committee, including preparation of agendas, reports and most documentation and administers,

^{11/} Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Greece, Hungary, Republic of Moldova, Romania, Slovenia, The former Yugoslav Republic of Macedonia and Turkey.

using the UNECE server, the mandated Regional Road Transport Information system for the participating countries.

Progress highlights include: *E-Road sections* in the SECI region have been identified on which lorries in international transport are allowed *without requiring payment of charges for excess weight and dimensions*; an *international vehicle weight certificate (IVWC)* has been finalized; a *Joint Statement* on the implementation of a quota-free regime for “green” and “greener and safe” lorries has been adopted and is being implemented; and work is focusing on rapid and unbureaucratic delivery of the *visa for professional drivers*.

As of 18 September 2001, all SECI participating States, including Serbia and Montenegro, are members of the Committee as they have signed the MoU. RRTC representatives reviewed progress made in the implementation of the provisions of the MoU. The Committee noted that the International Goods Road Vehicle Weight Certificate is expected to be formally adopted and to enter into force. Based on a document prepared by the UNECE secretariat in cooperation with the Ministry of Transport of Turkey, the Committee initiated work with regard to the preparation of a draft Multilateral Framework Agreement on road transport (including transport of passengers) as provided for in the MoU. The Group of Experts on Charging Policies examined issues of harmonization of road transport charging policies in the light of the provisions of the MoU and the respective Joint Statement, and in accordance with the “*acquis communautaire*” and ECMT recommendations. The Group developed a matrix table to be filled in by the participating experts following the session in order to obtain a complete picture on the compatibility of the existing road transport charges with the requirements of the MoU and the “*acquis communautaire*”.

The Group of Experts on Combined Transport, at its session in Budapest held on 30 June and 1 July 2003, adopted a Declaration on the development of combined transport in the SECI region that underlined the need for inter-governmental cooperation and for improvements in service quality of railway operations.

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

The UNECE Transport Division provides secretariat services for this Group, which is hosted by Bulgaria, and it has been instrumental in the development of this initiative. During the period 1999-2000 the Group has formulated lists of investment projects (*Lists "A" and "B" of Priority Transport Projects*) and submitted them to the Stability Pact for its follow-up. The Group has also offered to cooperate with the Stability Pact in its implementation of the transport projects. Presently, the Group is addressing the reduction of border stopping time of shuttle trains through its “Ad hoc Working Group on the reduction of border stopping time of shuttle trains” as follows:

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

The Ad hoc Working Group developed a list of proposals with a view to improving the organization of shuttle train movements and to increasing the volume of passengers and goods transported in international rail traffic. It has focused, *inter alia*, on (i) data to be transmitted in advance of the train arrivals at the border stations, (ii) the technical equipment to be used for the transmission of data between border stations of neighbouring countries (iii) the establishment of three bilateral committees of Police, Customs and Railways on each of the border stations for addressing and resolving border issues, (iv) joint controls of veterinary and phyto-sanitary authorities, (v) establishment of a web site to provide forwarders with information on required

documents, (vi) the development of new bilateral border crossing agreements, (vii) the streamlining of border crossing procedures, (viii) the reduction of documentation, (ix) the quality check of wagons, (x) the improvement of timetables, (xi) the optimization of locomotive depot reserves, (xii) the establishment of performance indicators for assessing border procedures.

At its 7th, 8th and 9th meetings (Dobrinishte, 9-10 November 2000; Békéscsaba, 17-18 May 2001; and Edrine, 4-6 December 2001), the Working Group reviewed numerous border procedures related to the transport axis Sopron-Bucharest-Sofia-Thessaloniki/Istanbul. In this connection, the procedures at the border crossings of Promachon/Kualata, Lököshaza/Curtichi and Kapikule/Svilengrad were examined *in situ*. At its 10th meeting (Sofia, 2-4 July 2002), the Working Group held a hearing of forwarding companies which are involved in international rail transport and (i) outlined in this connection the difficulties forwarders are facing, (ii) identified the responsibilities of the customers, the railways and the forwarding companies, and (iii) agreed on a list of recommendations addressed to Ministries of Transport and railways of SECI countries to enhance the quality of international rail transport. In addition, the Group examined a number of items concerning the organization of a demonstration run of a block train on the itinerary Sopron-Bucharest-Sofia-Thessaloniki/Istanbul.

At its 11th meeting (Ruse, 11-13 December 2002), the Working Group (i) analysed scheduled and actual border stopping times of trains on the Sopron-Bucharest-Sofia-Thessaloniki/Istanbul corridor, (ii) agreed on a monitoring system of border crossing points, (iii) initiated new bilateral agreements between neighbouring countries, and (iv) undertook a technical visit to the Rouse-Giurgiu border crossing. During its 12th meeting (Istanbul, 27 May 2003), the Working Group focused on the consideration of technical and administrative items related to the introduction of a new rail transport product between Istanbul and Cologne on Pan-European Transport Corridor number IV, which will be introduced through the organization of a demonstration train. The Working Group reached agreement on the timetable of the demonstration train, train parameters, the locomotive for the demonstration train, marketing questions and the determination of focal points for the demonstration train project.

The UNECE secretariat provided the necessary secretariat services and has assisted the *ad hoc* Group in the formulation and implementation of its initiatives.

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

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

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

The members of the PWG-TBC, at this initial stage, were: the Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Turkmenistan, Republic of Uzbekistan, the United Nations Economic Commission for Europe (UNECE), the United Nations Economic and Social Commission of Asia and the Pacific (UNESCAP) and the UN Office in Kazakhstan. In 2002,

Azerbaijan also became a member of SPECA. The lead country in this priority area of transport is Kazakhstan.

The UNECE Transport Division, together with UNESCAP, are among the main supporters of the activities of the Group. During five years, they offered technical support and backstopping to the SPECA Transport and Border Crossing Group. The UNECE Transport Division had an active participation in all the works of the SPECA Transport and Border Crossing Group; contributed to the preparation of the Work Programmes, Action Plans, organization of meetings, conferences, workshops, drafting proposals and important documents for the Group, offering expertise and know-how, sharing experiences between European and Central Asian countries, promoting transport cooperation among SPECA countries, as well as between them and other country members of the UNECE region.

At its 7th meeting (25-27 November 2002) held in Almaty-Kazakhstan, the SPECA WG-TBC reviewed a list of investment projects which are of regional significance and which may be submitted to international financial institutions for their review, and dealt with a number of transit transport problems, as well as a range of items related to the facilitation of international transport. The meeting also discussed in detail the articles of the MoU on Facilitation of International Road Transport of Goods in the framework of SPECA, prepared by the UNECE secretariat, which was adopted by the meeting.

At its 8th meeting (27-29 March 2003) held in Baku-Azerbaijan, which was also considered as a preparatory meeting for the International Ministerial Conference on Transit Transport Cooperation, the SPECA WG-TBC, after thorough discussion of the proposed draft on a SPECA joint position for the Transit Transport cooperation for the International Ministerial Meeting of Landlocked and Transit Developing Countries, adopted the Final Action Plan that will be presented as a joint SPECA countries' position in the forthcoming International Ministerial Meeting, to be held in Almaty-Kazakhstan, 28-29 August 2003. In this meeting in Baku, in which Azerbaijan participated as a full member of SPECA WG-TBC, apart from the SPECA member countries' present and the UNECE and UNESCAP, another 8 countries from the region attended as observers, together with TRACECA, BSEC, UNDP, and World Bank.

A United Nations Special Programme for Economies of Central Asia (SPECA) Conference was organized by the UNECE in Geneva, 23-24 June 2003, in which SPECA member countries, together with the donor community, had the opportunity to assess the results of the implementation of the initial goals agreed upon by SPECA countries since 1998, that the Presidents of four Central Asian States - Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan – as well as the Executive Secretaries of the two United Nations Regional Commissions - UNECE and UNESCAP - signed the Tashkent Declaration on UN SPECA Programme. During the Conference, the possibilities of increasing the impact of SPECA by identifying new ways for cooperation and sharing experience among, and strengthening coordination between all multilateral and bilateral actors active in Central Asia, were discussed. The UNECE Transport Division had an active participation in the respective panel on Transit Transport Cooperation, providing information on SPECA WP-TBC priorities, developments and future tasks, as well as on its contribution to the work of the Group.

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

(d) **Other**

The UNECE secretariat contributed, inter alia, through seminars and submission of papers to a number of international activities and fora, towards the development of European Transport infrastructure, as well as Euro-Asian Transport Links and the accession and implementation of UN transport legal instruments in transport, including the following: EC DG TREN 1st Open Conference of the European Transport Policy Information System (ETIS), Brussels-Belgium, 13-14 February 2003; ESCAP subregional seminar on Intergovernmental Agreement on Asian Highway Network, Baku-Azerbaijan, 26 March 2003; Europlatforms meeting, Parma-Italy, 7 April 2003; 31st ASECAP Annual Conference, Study and Information Day, Portoroz-Slovenia, 19 May 2003; EC DG TREN 2nd Open Conference of the European Transport Policy Information System (ETIS), Brussels-Belgium, 18 June 2003; 1st session of the Intergovernmental Preparatory Committee of the International Ministerial Conference of Landlocked and Transit Developing Countries and the Donor Community on Transit Transport Cooperation, New York-USA, 23-27 June 2003.

IV. FUND-RAISING RELATING TO OPERATIONAL ACTIVITIES FOR TRANSPORT

The UNECE Transport Division's fund-raising strategy until the end of the year 2002, was focusing on the following directions, (a) Voluntary contributions to the UNECE Trust Fund for Assistance to Countries with Economies in Transition (TFACT), (b) Assistance to member countries in raising funds through third parties, without such funds flowing through the UNECE and (c) Assistance in fund-raising needs of the TEM and TER Projects (covered under the respective paragraphs I (a) (ii) of the present).

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

Funds were also made available, through assistance from the Transport Division for the implementation of the following three projects through EU TACIS Programme: (i) Transport of Dangerous Goods for the Russian Federation (Euro 1 million in 1998), (ii) Legal framework for surface transport for the Russian Federation (Euro 2 million in 1999), (iii) Training for the transport of hazardous and dangerous goods for Belarus, Republic of Moldova and Ukraine (Euro 1 million in 2000). This way, administrative requirements of EU/TACIS Programme were met and at the same time transaction costs were saved. However, despite the important role played by the UNECE in assisting the respective countries in the above-mentioned fund-raising processes, the UNECE contribution was not quite visible.

Considering the importance of the task, the particular need for extra budgetary support to such activities and the existing experience, the secretariat proposed to the ITC at its 65th session, 18 - 20 February 2003, to approve a new approach for the TFACT based on specific projects and support the implementation of two specific projects presented by our Division. The Committee approved the above proposals, encouraged the member countries to make voluntary contributions to the TFACT starting with the two proposed projects (i) the elaboration of the TEM and TER Projects' Master Plans and (ii) the facilitation of participation of Central Asian and Caucasus countries in the meeting of ITC and selected Subsidiary Bodies (SBs), and

requested member countries with economies in transition to make project proposals for co-funding through TFACT.

As a follow-up to the above decision of the ITC and the recommendations of the UNECE annual session, official letters, signed by the UNECE Executive Secretary, were addressed to the Missions of the EU member countries informing them about the above-mentioned two projects and asking for voluntary contributions to the TFACT for their implementation. Further efforts to assure the co-funding of these two projects were also made through EC, World Bank, EBRD and CEI, as well as transport related non-governmental organizations.

Furthermore, the secretariat initiated a dialogue with the EC EuropeAid/TRACECA Programme to explore the possibilities of closer cooperation in the SPECA/TRACECA starting with the investigation of assuring financial support for the UNECE Proposed Project on facilitation of participation of Central Asian and Caucasus countries in the meeting of ITC and selected SBs, with a budget of about Euro 121,000 for one year. So far, the discussions are well advanced and positive results are expected soon.

The UNECE is currently considering launching a coordinated fund-raising approach based on specific projects. Under this approach, projects initiated by the UNECE secretariat and/or by member countries concerned covering all sectors of the UNECE activities, could be presented in a coordinated manner to possible donor countries, the IFIs and other International or European Organizations/Bodies. Circulation of information on proposed projects, dissemination of related information through a special page on the UNECE website, and organization of an annual special event for their presentation, could be among the ways to be used for fund-raising in future. Parallel to the above, initiatives of the UNECE Divisions may continue and be further strengthened in the field of fund-raising through sectoral cooperations with specialized Organizations and Bodies concerned.

V. PROBLEM AREAS

(a) TEM and TER Projects' problems

The attainment of TEM and TER Projects' objectives is challenged basically due to the weak financial position of most TEM and TER member countries that, by a great majority, are countries with economies in transition. Therefore, most of them cannot proceed with the necessary transport infrastructure investments that would accelerate the attainment of the projects' objectives and would eliminate the existing transport infrastructure gaps.

Furthermore, since the UNECE is not in a position to co-fund the Projects' monitoring system for the elaboration of necessary feasibility studies, technical and economic research and pilot project implementations, thus leaving the Project Central Offices with limited financial resources coming only from the fixed annual contributions of their members to the Trust Funds, the Projects are facing great difficulties in offering their members the further technical assistance they need.

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

The possibility of connecting the Projects' plans with EU programmes that may finance activities of common interest was successfully used in the past and is currently being further promoted by the UNECE Transport Division in cooperation with EC DG TREN and DG

REGIO-ISPA. Furthermore, the expected accession to the EU of several TEM and TER member countries will result in a progressive release of EU Cohesion and Structural Funds of significant importance to these countries, assisting them in accelerating the implementation of their priority transport infrastructure plans foreseen by the TEM and TER Projects. The elaboration of the TEM and TER Master Plans targeting to cover 21 countries of the region, irrespective of country membership, will assist towards the assurance of the TEM and TER Networks' continuity.

(b) Inadequate Funding

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

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

In addition, the new approach for the TFACT proposed by the UNECE secretariat based on specific projects, may assist in finding the necessary financial support for co-funding specific events and projects, proposed for implementation in the UNECE member countries with economies in transition.

(c) Deficiencies in human resources in Government institutions

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

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

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

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

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