

## **IRU Model Highway Initiative (MHI)**

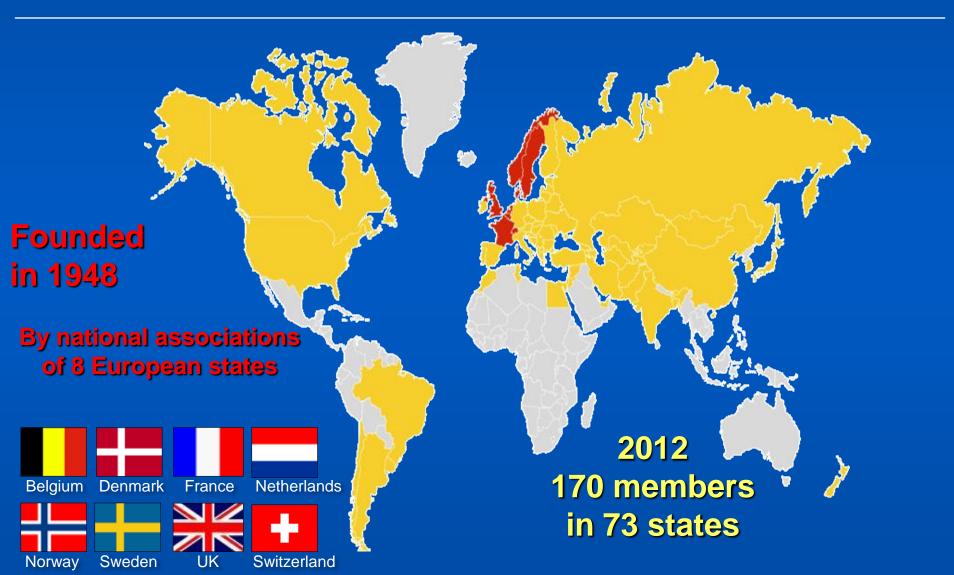
TRACECA Investment Forum Brussels, 28 February 2012

Igor Rounov,
IRU Under Secretary General





#### This is the IRU





# IRU New Eurasian Land Transport Initiative - NELTI









- Launched in September 2008
- Commercial deliveries by transport operators from 12 Euro-Asian countries
- 5 routes
- In cooperation with ADB and ECO

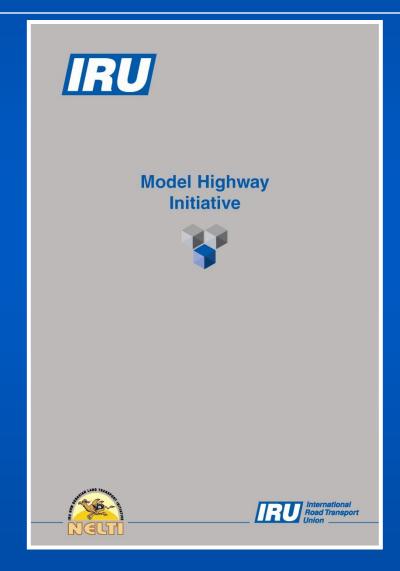


## RELTI: Problems are Procedural!

Bakshish at the border accounts for 30% of additional costs!



## Model Highway Initiative (MHI) based on public-private partnership



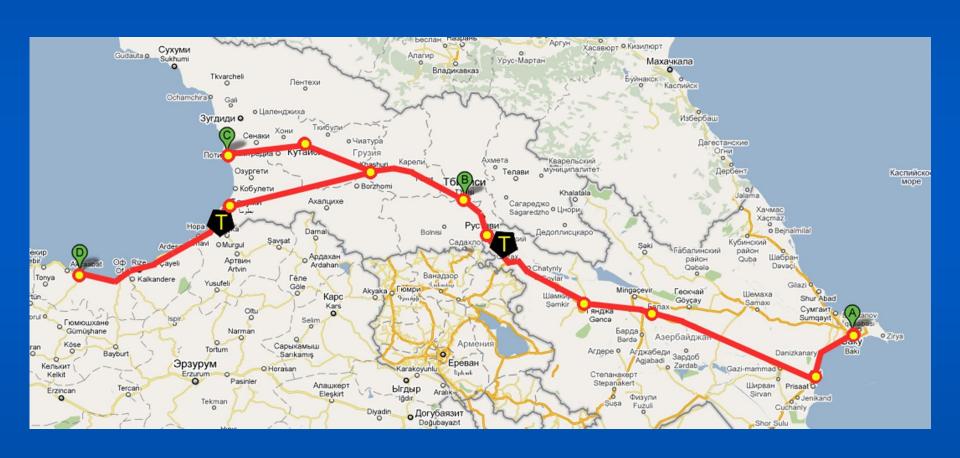


### **Model Highway definition**

Model Highway is a chosen section of an internationally rated trunk road of 1500-2000 km in length crossing the territories of several Eurasian countries and being of strategic importance for interconnecting and promoting Eurasian trade by road to the major world markets.



#### **MHI BSRH Section**





#### **MHI Central Asian Section**





## MHI support by international financial institutions





Black Sea Trade and Development Bank



The World Bank

**Asian Development Bank** 



### Letters of support to MHI



КАЗАКСТАН РЕСПУБЛИКАСЫ көлік және коммуникация



МИНИСТЕРСТВО ТРАНСПОРТА И КОММУНИКАЦИЙ

MINISTERUL TRANSPORTURILOR SI INFRASTRUCTURII DRUMURILOR AL REPUBLICII MOLDOVA

> Bd. Stefan cel Mare si Sfint, 162 MD-2004 Chişinău tel.: 82-07-02, fax: 54-65-64



МИНИСТЕРСТВО ТРАНСПОРТА И ЛОРОЖНОЙ ИНФРАСТРУКТУРЫ РЕСПУБЛИКИ МОЛДОВА

Бул. Штефан чел Маре ши Сфынт, 162 MD-2004 Кишинэу tel.: 82-07-02, fax: 54-65-64 E-mail secretary@mtid.gov.md IDNO 1008601001212

Заместителю Генерального Секретаря Международного Союза Автомобильного Транспорта Господину Игорю РУНОВУ

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MINISTRY OF REGIONAL DEVELOPMENT AND INFRASTRUCTURE OF GEORGIA

#### Рунов,

Вам своё глубокое уважение и проинформировать о ранспорта и дорожной инфраструктуры Республики илия МСАТ, направленные на содействие развитию и евро-азиатских транспортных связей.

а, занимающая выгодное стратегическое положение вропейского Союза и государств-участников СНГ, ии международных автомобильных перевозок и ациональных автотранспортных компаний.

:л бы проинформировать Вас о том, что «Инициатива ботанная МСАТ в 2010 году, вызвала у нас интерес, может ускорить решение стратегически важных для льнейшего развития автодорожной инфраструктуры в сими стандартами и привлечения дополнительных ых грузопотоков.

истерство транспорта и дорожной инфраструктуры тет о своей готовности поддержать данную инициативу эдимые для её успеціной реализации на территории гханизмов государственно-частного партнерства.

орта и дорожной инфраструктуры Республики Молдова зпуске «Инициативы Модельного Шоссе» и предлагает

заиной-Штефан-Водэ- Каушаны-Новые Анены; ер (участок Кишинэу-Новые Анены);

цень-граница с Румынией.

орта и дорожной инфраструктуры Республики Молдова гветственным координатором проекта назначается іспорта и дорожной инфраструктуры господин Борис лефон: 82-07-07, E-mail: boris.gherasim@mtid.gov.md).

Генерал Междун Г-ну М

#### Уважаемый г-н Мар

УКРАЇНА

пр-т Перемоги, 14, м. Київ, 01135, Україна

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МІНІСТЕРСТВО ТРАНСПОРТУ ТА ЗВ'ЯЗП

тел.: (+38 044) 271-40-96, 461-65-01, факс: (+38 044)

Разрешите выразить Вам свое глубокое ува Министерство транспорта и связи Украины поддеру автомобильного транспорта (IRU) по укреплению и связей, которые способствуют развитию междунарс связей и транзита. Мы внимательно изучили и след IRU, многие из которых заслуживают самой высоко

18.06.2010 № 3215/05/14-10

Проект IRU «Новая евро-азиатская автотря взгляд, сегодня является одним из наиболее дейст Его задачи в большей степени совпалают с интег подписанным 18 июня 2010 г. Меморандумом о в

Особый интерес вызывает развившаяся модельного шоссе» (ИМШ), которая способна Украины вопросов организации транзитных п Центральная Азия и Китай в соответствии с мех

В этой связи Министерство транспорта ... поддержать данную инициативу и создать условия, неооход реализации на территории Украины и сопредельных стран в режиме частного партнерства. Минтранссвязи Украины готов принять самое действ запуске проекта ИМШ и сообщает, что ответственным координатором прое заместитель Министра транспорта и связи Украины г-н Баранов А.Г. (контак +38 044 271 48 07, электронная почта: pushkina@mtu.gov.ua).

С уважением.

Министр транспорта и связи Украины



Ms. Michelle O'

Under Secretar

International 7

U.S. Departm

1401 Constitu

Washington,

Dear Ms. M

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supports the approval.

It is an exc

efficient r

AmChar

Kind re

Phone: (998 71) 140

Room 3842

Mr. Martin Marmy Secretary General International Road Union (IRU)

Dear Mr. Marmy,

The Ministry of Regional Development and Infrastructure of Georgia presents its compliments to the International Road Union (IRU).

In reply to your letter AD/G1001877/MMM dated 11th of May 2010, we would like to inform you that the Ministry of Regional Development and Infrastructure of Georgia has considered the new "Model Highway Initiative" (MHI) project elaborated by the International Road Union (IRU) aimed on development of international road transport, in particular, between Europe and Asia.

The Ministry welcomes the project, that will demonstrate great potential of road transport growth in the Europe-Caucasus-Asia region after realization of certain activities and supports the idea of its implementation. Hereby, the Georgian Side will be in a position to fully evaluate the importance of the project and provide relevant feedback after working out of the Action Plan and clarification of several

At the same time, we would like to inform you that certain important activities had been realized in recent years and are underway in order to facilitate road transport in Geogria. The above-mentioned considers harmonization of Georgian legislation with international requirements, liberalization of road transport and simplification of customs procedures, as well as East-West highway construction/reconstruction and ancillary infrastructure.

Dear Sir, please accept assurances of my highest consideration

Sincerely.



Анатолие ШАЛАРУ МИНИСТР



# Meeting of the Ministers of Transport of the BSEC Member States, October 21, 2011



#### ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

#### **Permanent International Secretariat**

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BS/TM/R(2011)1

#### REPORT OF THE MEETING OF THE MINISTERS OF TRANSPORT OF THE BSEC MEMBER STATES

#### Moscow, 21 October 2011

- 1. The Meeting of the Ministers of Transport of the BSEC Member States was held in Moscow, Russian Federation, on 21 October 2011. It was preceded, by the Meeting of the BSEC Working Group on Transport, on 19-20 October 2011.
- The Meeting was chaired by H.E. Mr. Igor LEVITIN, the Minister of Transport of the Russian Federation
- The Meeting was attended by the representatives of the following BSEC Member States:

Republic of Albania Republic of Armenia Republic of Azerbaijan Republic of Bulgaria Hellenic Republic Republic of Moldova Romania Russian Federation Republic of Serbia Republic of Turkey

- 4. The representatives of the Black and Azov Seas Ports Association (BASPA), the Black Sea Association of Shipbuilders and Shiprepairers (BRASS), the Union of Road Transport Associations in the BSEC Region (BSEC-URTA) participated in the Meeting as Organizations having Sectoral Dialogue Partnership with BSEC.
- The Meeting was attended by the representatives of the United Nations Economic Commission for Europe (UNECE) and the International Road Transport Union (IRU) as Guests.
- The List of Participants of the Meeting is attached as Annex I.

Annex III to BS/TM/R(2011)1

#### MOSCOW JOINT DECLARATION ON STRENGTHENING THE CO-OPERATION IN THE FIELD OF TRANSPORT IN THE BSEC REGION

Towards safe, secure, coherent and efficient transport system in the Black Sea region

(October 21, 2011; Moscow, Russian Federation)

WE, the Ministers of Transport of the Black Sea Economic Co-operation Member States gathering in Moscow on October 21, 2011, under the Russian Chairmanship-in-office of BSEC to discuss progress and identify further steps, best ways and means of strengthening our co-operation in the field of transport of the Black Sea region;

**Recognizing** the key role of transport in sustainable economic and social development of the Black Sea countries, and as well as in ensuring cooperation in the sphere of commerce, economics and tourism within the BSEC Member States and with third countries:

Giving higher priority to the comprehensive approach to the transport development issues and

8. Assist to the implementation of transport, auxiliary and logistic infrastructure development projects in the BSEC region in cooperation with other international organizations and financial institutions and by involvement of the business community, particularly on the basis of the public-private partnership, notably by inclusion of the IRU Model Highway Initiative (MHI) into the future project of the BSRH Master Plan and cooperation in preparation of required feasibility studies.



#### **MHI Expert Group meetings**



Second MHI Expert Group meeting (Batumi, Georgia, October 10-11, 2011)

First MHI Expert Group meeting (Yalta, Ukraine, September 14, 2011)

IRU IRU



# MHI Expert Group Meeting in Astana (16 February 2012)





## MHI Expert Group Meeting in Astana / Recommendations

- 1. To support the Model Highway Initiative (MHI) developed by the IRU with the aim to facilitate international road transport haulage operations and border crossing procedures, and to promote trade, transit and tourism in Central Asia;
- 2. To call on international organizations, in particular, the UN Economic and Social Commission for Asia and the Pacific (UN ESCAP), Organization for Security and Cooperation in Europe (OSCE), TRACECA Inter-Governmental Commission, Shanghai Cooperation Organization (SCO), Eurasian Economic Community (EurAsEC), and others, to coordinate their activities in the development of the road transport infrastructure in Central Asia with the upcoming creation of the Model Highway;
- 3. To develop a pre-feasibility study on creation of Model Highway in Central Asia with participation of governments of interested states, international financial institutions and potential invest-stakeholders of the project. To organize presentation of pre-feasibility study in the capitals of interested states in summer 2012.



### Key aspects of MHI

1. Creation of an ancillary infrastructure;

2. Administrative reforms and implementation of best practices;

3. Creation of a multilateral investment facility



### 1st key aspect of MHI

#### **Creation of Ancillary Infrastructure**

- Border crossing points (BCP)
  - Access to border crossing facilities
- Warehouses and multimodal logistics centres
- Gasoline stations
- Parking lots
  - Motels



### 2nd key aspect of MHI

#### **Institutional Reforms**

Liberalisation of international road transport

Accession to and effective implementation of international agreements and conventions on trade and road transport facilitation

**Implementation of anti-corruption plans** 



## 3rd key aspect of MHI

#### **Multilateral Investment Mechanism**

- Allocation of funds for future stakeholders
- Public Private Partnership (PPP)
- Engagement of national and local business communities
  - Other measures (introduction of ancillary MHI infrastructure clause into long term credit lines, etc)

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## Multilateral Cooperation and Respective Responsibilities

#### **National Government**

Implement institutional reforms, introduce best border crossing practices and business incentives for development of ancillary structure;

**International Finance Institutes** 

Establish and operate financial mechanism;

#### **International Professional Organizations**

Provide expert assessment for ancillary infrastructure, secure support of MHI at governmental level, help the coordination of business Consortium, etc.

Local and transnational businesses act as main contractors



#### What's next

- Selection of routes and nomination of authorized representatives
- 2 Feasibility / pre-feasibility study
- Road Show and MoU
- 4 International investment facility



# Joint IRU / BSEC / BSTDB Workshop on MHI



Workshop on investment, financial and technological issues of MHI implementation (6-8 March 2012,

Thessaloniki, Greece)

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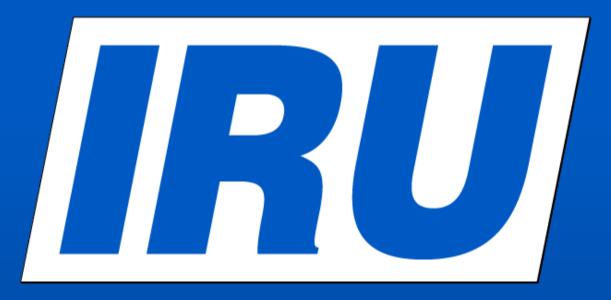
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