

EUROPEAN UNION

Technical Assistance to the Southern Republics of the
CIS and Georgia

TRADE AND TRANSPORT SECTORS

Terms of Reference

for

Immediate Training Action
A-Senior Management Level
B-Sectorial Training of Trainers

Final Recipients:
TRACECA Region Ministries of Transport

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1. Background

1.1 From May 3rd to 7th 1993 a conference was held in Brussels organised by the Commission and attended by authorities of the eight Republics of the south of the former USSR:

- Armenia,
- Azerbaijan,
- Georgia,
- Kazakstan,
- Kyrgystan,
- Tadjikistan,
- Turkmenistan,
- Uzbekistan.

They are the Beneficiary or Recipient States of this programme.

1.2 The objectives of the conference were :

- to stimulate cooperation among the participating Republics in all matters pertaining to the development and improvement of trade within the Region
- to promote the Central Asian - Trans Caucasian - Europe Transport Corridor
- to identify problems and deficiencies in the Region's trade and transport systems
- to define, in terms of contents and timing a Technical Assistance Programme to be financed by the European Union (EU).

1.3 The "Brussels declaration" issued at the conclusion of this conference recommend the European Union to include in the TACIS programme the implementation of comprehensive training programmes for transport and trade.

Regional delegates requested the EU for immediate technical assistance to include -as a matter of the highest priority - the familiarisation of regional transport personnel with the work practices and technical standards found in the transport sectors (rail, road, maritime) and trade within the EU, including policy and legislative framework.

1.4 The following Terms of Reference concern the immediate training needs. These are part of a multiannual training programme, which should be defined, for the future years, taking into account of the experience gained by this project.

2. Introduction

2.1 Prior to the separation of the former Soviet Union Republics, transport planning, development, organisation, management and operation activities were centrally coordinated and controlled by the relevant ministries and departments in Moscow. These activities were thus effectively monopolised with little or no input from managements of local organisations. The restrictions imposed upon local managements stifled motivation and inhibited initiative. This prevented effective management and monitoring of transport and trade, particular in terms of economy, efficiency etc...

Following the disassociation of the USSR this situation has changed dramatically.

2.2 One of the most important challenges now facing the transport/trade organisations in the region is how to adapt to the changing circumstances brought about by the economic reforms which are now in progress. Two key objectives of the reforms in the transport/trade sectors are :

- to foster trade both within the Region and between the Region and the EU and third countries
- to develop adequate transport resources to permit reliable and cost-effective cargo flows

To achieve this, cooperation among the regional Republics will be essential in the all areas of trade and transport, including : operational and financial self-sufficiency, technical upgrading of facilities and equipment, improvement of organisation and management, administration, legislation, documentation, tariffs, maintenance and repair, information and communications, the implementation of new, harmonised standards and norms and simplified trade procedures and the encouragement of private sector involvement.

2.3 Prior to the disassociation, Central Government set tariffs, allocated cargoes, financed major investments, covered operating deficits and appropriated most of any surpluses generated.

The independence of the Republics presents a challenge to local managements to operate within the changed economic environment. Transport organisations must be reformed, facilities must be technically upgraded, modernised, rehabilitated or extended, existing equipment repaired, new equipment purchased, operational efficiency improved, management information systems implemented, foreign/private investment has to be attracted, private sector services have to be established whilst legislation has to be developed and adapted.

2.4 The objectives as defined can be achieved and future tasks accomplished only by a qualified, motivated and innovative management and work force, contributing effectively to the future activities required to be carried out under the TRACECA Programme.

2.5 Representatives of top and middle management of transport/trade organisations within the Region should be given the opportunity to familiarise themselves with the latest trade and transport policies and legislation, intermodal technology, operating systems and productivity levels, service quality, administrative efficiency and marketing strategies etc... as developed and maintained within the European Union states. Only a management which has been given the opportunity for such familiarisation can realistically be expected to implement and adopt equivalent measures within their own environments.

2.6 The level of expertise of officials, and managers of trade and transport enterprises within the Region is very high. They have displayed considerable initiative in their rapidly evolving situations. They do however request exposure to Western working practices within their respective domains.

3. Objectives

- 3.1 To support regional managements and work forces directing and contributing to the reform process, specific training measures are a prerequisite. As independent Nations the Region's Republics want free traffic flow in line with market demand and future economic growth. Therefore, all staff must be acquainted with market oriented systems and administrative procedures suitable for adoption within the Region.

Given the size of the workforces involved, only a limited number of of staff may benefit directly from training by Western experts. A maximum leverage is sought from this programme, by orientating it to two particular sub-groups:

A-Senior Level Management

B-Trainers and Middle to Lower Level Management

- 3.3 To familiarise participants with all aspects of European transport and trade, including methods, systems, and commercial practices. This is to enable them to implement such systems in their Republics and work effectively with European counterparts.
- 3.3 Training in marketing strategy, demand segmentation, line of business concepts, and demand-led business development.
- 3.4 Training in competitive transport network planning. This would include traffic forecasts based on industrial, agricultural, and transit potential, as well as intercity passenger traffic. The dependency between demand and tariff levels, time, and other factors is to be emphasised.
- 3.5 Familiarisation with multi-modal methods (as practised in Western Europe) is also important, given that the ports and inland terminals will be essential components of the Europe-Caucasia-Asia Transport Corridor.
- 3.6 The programme also intends to foster the regional cooperation within the transport and trade sectors to solve problems on a coordinated basis. The spirit of the document "The Future Development of the Common Transport Policy" published by the Commission could serve as a useful guidelines in this respect. The advantages of open borders are to be emphasised.

4. Scope of work

4.1 Introduction

To implement this programme the EU will retain the services of a qualified Training Contractor. The Contractor will be responsible for the execution of the familiarisation programme locally and in Western Europe. It will cover the following transport components :

- road/combined
- rail/combined
- maritime
- trade facilitation eg. freight forwarding

The needs of four separate professional activities are to be taken into account. The courses should be designed with core and specialist modules. The emphasis is to be on transport chains linking modes, and in this respect a degree of overlap into the aviation sector is to be provided.

A previous TRACECA project has addressed the specific needs of Rail Senior Managers, hence they are not to be included in the A-Senior Management sub-group of this programme.

In order that the programme not be too dispersed or diluted, it will focus on freight flows, including international trade facilitation. Intercity passenger transport is to be covered to the extent that infrastructure and vehicles are shared with freight. Urban passenger transport is not included in this programme. Urban goods distribution may be treated as an accessory subject.

The programme will be carried out in close cooperation both with the EU and the National Coordination Units of each of the eight TRACECA Republics.

To ensure a full integration of the project into the Region, the Training Contractor should foresee the involvement of local training Institutions as co-managers or on a similar basis. Such involvement should commence at tender preparation stage.

Training is to be provided both in the Region and in the EU.

4.2 Methodology

The training contractor will:

- prepare a comprehensive methodology giving details of the approach to be adopted, including the EU countries and organisations to be visited, the location(s) of seminars within the Recipient States, the instruction to be provided, timings etc...;
- prepare a complete and coherent set of documentation to be handed over to course participants upon commencement of each phase;
- organise a comprehensive introductory seminar at the commencement of the training and an end of course meeting to identify the conclusion and results.
- ensure that participants are exposed not only to EU theory and practice in trade and transport, but also the role of training for continuing professional development at all responsibility levels

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The intention is that the course opens the way to a full acceptance of market oriented structures in the organisations managed or provided with training services by the participants.

The following are suggestions as to the organisation and range of activities for the study groups which will include representatives from the Ministries of Transport, road and port authorities, shipping lines, haulage companies and trade facilitation organisations of each of the eight Republics.

It is proposed that the programme will include a seminar organised in the Recipient States and a study trip to the EU.

The participant groups may comprise representatives with an administrative, commercial, technical, or operational background. The Training Contractor is free to develop a programme on the basis of his own experience, bearing in mind that :

- (i) the recipient states are responsible for the nomination of course participants. The Training Contractor will list in his offer the number and proposed professional backgrounds of candidates.
- (ii) courses will begin with training performed in the Recipient States. This may be a combination of formal lectures and tutorials.
- (iii) visits to between two and three EU countries are to be provided, though the majority of time may be spent at one well situated location. The visit may follow immediately after the seminars, or after a limited lapse of time (eg.one month). While in the EU participants should be shown and receive explanations on working transport and trade systems by people intimately connected with their day to day operations. It would appear inappropriate to bring the participants to the EU for formal lectures.
- (iv) during the course of a visit some time should be spent with EU representatives and TRACECA management. This will allow the development of ideas on a joint basis.
- (v) each organisation or institution visited should be clearly described in terms of its vocation, competitive environment, administrative effectiveness, type of organisation and management, financial turnover, scope of business/activities, number of personnel, human resources and career development, type of finance and cost accounting, productivity criteria, standard and quality of services, marketing and sales activities, etc...
- (vi) the participants should be given the opportunity to be acquainted in detail with the principles of legislation applicable in the EU for contract matters. For that, representatives should learn - by means of least one case study - all phases of contract award exercised in the trade or transport sector. Types of contract may be relevant to purchase of equipment, infrastructure, sales and freight agreements according to common practice and EU legislation in the concerned sector. The case study should cover all contract stages e.g. definition of requirements, preparation of specification and ToR, bidding procedure both in public and private sector, evaluation of offers, award, control, commissioning, guarantee period etc..
- (vii) The syllabus may include common core modules for all participants, and separate specialist courses. The programme should seek to compensate excessive vertical integration of sectors, institutionalised in the old regime.

Participants are to be provided with a comprehensive insight into the role and structure of the transport and trade sectors in a market economy. Intermodality, and the intimate links between transport and trade are to be exposed in site visits to companies and organisations providing the services. The need for competitiveness and adaptation to changing demand patterns are likewise to be emphasised.

It is suggested that visits in the EU be arranged to:

- Forwarding and logistics companies
- Transport/shipping operators (road/combined, rail/combined, marine)
- Private sector Consultants
- A maritime port handling mixed traffic
- An inland terminal handling combined traffic
- Transport infrastructure construction companies
- Authorities/companies specialised in infrastructure maintenance (road, rail and maritime)

Participants should be enabled and encouraged to ask questions of managers of organisations during visits.

4.2.1 A broad overview of the transport industry in the EU should be presented. In particular the A-Senior Managerial participants should be encouraged to look at opportunities in complementary market niches and synergies outside of their traditional uni-modal sectors. The syllabus may cover the following domains:

- the principles of regional transport network planning and the mechanics of cooperation in transport development as applied in the EU ;
- methods and approach for a harmonised regional trade and transport development policy, their legal and regulatory framework and basis as applied in the EU ;
- business planning and marketing strategies. The need for competitiveness and adaptation to changing demand patterns are to be emphasised;
- cost accounting, cost analysis and tariff setting ;
- investment planning (public/private/mixed);
- regulatory and legal framework;
- technical evolution (unitisation, telecommunications, EDI,...)
- technical standards and norms (national, international, & including those of the EU);
- multimodal cargo transfer stations ;
- intermodalism and integrated transport including containerised traffic;
- the roles of all participants in the transport chain, vendors/buyers, forwarders, shippers,...;
- banking and insurance practice, INCO terms, documentation;
- tendering procedures for equipment purchases, construction and maintenance ;
- international legislation, conventions and agreements related to transport and trade, including safety, environment protection, standards and norms, education and training ;
- customs procedures, technical equipment;
- safety and environment

4.2.2 The following particular facets of the transport industry may be presented by sector. The B-Trainers group should be provided with detailed explanations of the workings of these specialised activities:

4.2.2.1 Road/Combined

- National/international full load haulage
- Grouping (less-than-truckload)
- Parcel service providers (urgent deliveries)
- Warehouse and distribution centres
- Intermodal transfer platforms (road/rail, land/maritime, IWT/land)
- Containerisation and unitisation
- Logistic centres
- Telecommunication, EDI

- Computer applications, e.g. to pavement management systems
- Marketing strategies
- Cost accounting, estimating
- Vehicle financing, investment planning, leasing, insurance,...
- Infrastructure financing (public/private/mixed)
- Tendering procedures for equipment purchase, road construction, maintenance
- Regulatory and legal framework
- Documentation
- Technical standards and norms (national, international, & including those of the EU);
- Safety and environment

4.2.2.2 Rail/combined

- National/international trainload and wagonload
- Train dispatching centres
- Intermodal transfer platforms (road/rail, rail/maritime, rail/IWT)
- Containerisation and unitisation
- Telecommunication, EDI
- Computer applications, e.g. freight management systems
- Marketing strategies
- Tariff rules and contractual agreements
- Cost accounting, estimating
- Rolling stock financing, investment planning, leasing,...
- Infrastructure financing (public/private/mixed)
- Infrastructure maintenance
- Tendering procedures for equipment purchase, construction, maintenance
- Regulatory and legal framework
- Documentation
- Technical standards and norms (national, international, & including those of the EU);

4.2.2.3 Maritime Transport (and IWT)

- Shipping lines/agents
- Port authorities
- Port operators
- Port and shipping line organisation and management, the roles of statutory authorities, international organisations and private sector operators
- Maritime planning for development including investments
- Commercial port and shipping line activities such as terminal operations, stevedoring, container stripping and stuffing, tally, warehousing, distribution, trucking, towage, pilotage, vessel fleet management, through freight and door to door operations,...
- Related service activities such as forwarding, banking, insurance, chartering, brokerage, agencies,...
- Public/governmental port activities such as safety, dredging, vessel traffic management, aids to navigation, enforcement of regulations
- Port facilities and infrastructure especially installations such as container terminals, car terminals, bulk terminals, oil terminals, fruit terminals, forest product terminals, container freight stations, customs yards,
- Port equipment such as gantry cranes, transtainers, vancarriers, mobile cranes, forklift trucks, bulk cargo stackers and reclaimers, cargo elevator systems, including repair and maintenance workshops and related management practice
- Telecommunications, EDI
- Computer applications to logistical and general management
- Inland waterways and locks, including multimodal and integrated transport techniques
- Tariffs

- Contractual relations, between local as well as international maritime transport participants
- Tender procedures for equipment and infrastructure procurement
- International legislation, conventions and agreements related to shipping and ports, including safety, environmental protection, standards and norms, education and training
- Port, shipping and cargo related documentation including statistics
- Customs procedures

4.2.2.4 Freight Forwarding

- Freight forwarding companies
- Customs procedures
- Banks, financial institutions
- Insurance companies
- Transport service providers in the road, rail, maritime and air sectors
- Regulatory and legal framework, international treaties, conventions,...
- The structure and practices of the freight forwarding industry
- Contractual relations, between local as well as international transport participants
- INCO terms, and the associated procedures and documentation for traders, insurers, and bankers
- Commercial arrangements including barter, counter-trade,...

4.3 Organisation

Participants in the A-Senior Management group will be drawn from:

- Ministerial department managers, Counsellors at Ministry level for each sector (road/combined, maritime, trade);
- Statutory bodies for each sector at the highest level.
- Senior Management of public or private transport enterprises.

Participants in the B-Trainers group will be drawn from:

- Educational and vocational training Institutions
- Middle to lower level management of public or private transport enterprises.

The following programme is suggested but should be developed or modified by the consultant:

- Organisation of seminar(s) in the Recipient States. The Training Contractor may propose to carry out this training in one, or in several States. As more participants from the Recipient States may attend the courses if they are presented in several States, the Contracting Authority will adjudge propositions on the basis of the quality of the instruction proposed, including the class sizes proposed, but also the cost per attendee. Tenderers should structure their methodology to benefit from their own particular circumstances (local relationships, availability and skill ranges of lecturers,...). The seminar(s) should last about two weeks.
- Organisation of a study trip to the EU, lasting about two weeks. The Contractor may choose to propose more time in the EU and less in the Recipient States should he feel that the quality of his offer is thus enhanced and without a cost penalty. A minimum of one week should however be reserved for the Recipient State seminars.
- The levels of attendance (number of participants) are to be proposed for each State by the Contractor. The levels should be aligned with the relative populations of the different States, and the extent and nature of their transport networks. Kazakhstan has a particularly extensive network of high Regional interest.

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The Contractor must remain within the budget announced. A degree of flexibility on attendance levels has been allowed in the preceding paragraphs. Hence the following levels of attendance may be considered indicative:

Location	Regional	EU
Group A- Senior Managers	100 participants	35 participants
Group B- Trainers	150 participants	35 participants

- The maritime sector only concerns directly four of the Recipient States, and this fact should be reflected in the Contractors proposal.
- The courses should be intensive in nature, oriented towards experienced and highly qualified senior officials, trainers, and rising managers. Weekend activities should be programmed.

Arrangements and payment for accommodation and travel by participants is the sole responsibility of the Training Contractor.

Selections of attendees for the study tour to the EU will realised in cooperation with National Authorities.

A detailed schedule of the courses and other activities foreseen in this training programme is to be presented in the Contractor's proposal. There is no requirement that courses be run sequentially, concurrently, or otherwise. However all programmed activities should be completed within six months of award of the contract.

4.4 General aspects

The above lists of topics are not exhaustive and the Training Contractor is invited to add his own suggestions.

Lectures and professional presentations may be given in any EU language. Nevertheless attendees will be mostly Russian speaking, without knowledge of EU languages. Interpretation arrangements should be carefully studied and specified by the Contractor.

Each participant is to receive manuals covering the material presented during the courses including all relevant documents used both in Russian and English languages.

Upon completion of the course all participants are to receive a simple attestation of participation.

5. **Reporting**

- **Inception Report.** This report is to be issued two weeks or earlier, before commencement of the first courses. It will confirm or modify, and amplify, the Contractors dispositions for providing the Training specified.
Both academic and logistical arrangements are to be covered.
The English language versions of training Manuals in draft form are to be annexed.
- **Progress Reports.** A short progress report should be issued at the completion of the seminars within the Region, for each participant group (A and B). Contents should include comments from participants.
- **Draft Final Report.** To be submitted one month after the completion of the programme, it will detail all the work undertaken and the recommendations of the Training Contractor concerning future training programmes. Contents should again include contributions from participants.
- **Final Report.** To be submitted one month after receipt of comments on the draft final report from the Recipient States and EU representatives.

All Reports are to be issued in the English language in twelve bound copies and one unbound copy. The Draft Final and Final Reports are, additionally, to be presented in the Russian language in eighteen bound copies and one unbound copy.

6. Staffing of the Training Contractor

- 6.1 The Training Contractor will present his offer with detailed programme for each course by session and will specify the places where the study components will be carried out, and by whom. For responsible/coordinating personnel engaged for this assignment curriculum vitae must be submitted with the offer. Together with his offer, the consultant/training organisation must present its technical and institutional capacity and sectoral and regional experience, supported by relevant references. The consultant should specify any alteration to be made to its standard programmes to meet the specificity of the region.

The Training Contractor will propose a staffing plan consistent with the above scope of work.

There should be a sufficient number of team members to allow an effective transfer of know-how.

The Training Contractor should exercise professional judgement defining the nature and duration of the involvement of the expert team. The team could include the following positions :

- Project Manager/Senior Trainer
- Specialist Training Experts, and Practitioners

During the seminars in the Recipient States, experienced lecturers and/or practitioners should make presentations and lead tutorials, while during the visit to the EU the participants should be exposed as much as possible to practitioners in varied professional categories.

Experts shall have the following qualifications :

- University degree, Chartered Engineers or experienced senior executive.
- At least ten years experience in a Western European country, as a lecturer or practitioner in the transport and/or trade sectors.
- Experience in the CIS or Eastern Europe will be an advantage.

- 6.2 The full training programme is to be completed within a period of eight months, from the date of award of the contract.

7. Involvement of local Institutions and services to be provided by the Recipient States

The project should be carried out in cooperation with an existing Institute(s) in the Region. Several local Institutions have expressed keen interest in collaborating in this project. The Contractor should specify clearly in his offer the arrangements he has made.

Any equipment such as projectors which are provided by the Contractor for the seminars, should be left with the host Institution. Details should be provided in the Contractors proposal.

The Recipient States are to nominate participants in the programme.