

TRACECA Project
Legal and Regulatory Framework
Inception Report
8 March 1996

Scott Wilson Kirkpatrick

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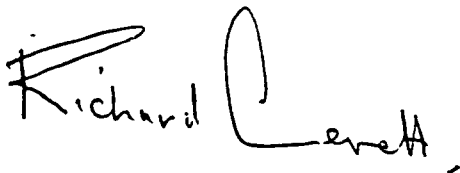
For the attention of Mr D Stroobants

Dear Sir,

We are pleased to enclose 5 bound, 1 loose-leaf and 1 diskette of our Inception Report for the above project.

A copy has also been sent to the SEMA Group in Almaty and Brussels. Copies of the Report will also be dispatched to the TRACECA Co-ordination Units in the region. The Russian translation will be issued shortly.

Yours faithfully
for SCOTT WILSON KIRKPATRICK & CO LTD



R M Levett

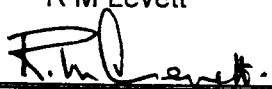
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cc: SEMA Group, Almaty
SEMA Group, Brussels



Scott Wilson Kirkpatrick

Form 1.2. REPORT COVER PAGE

Project Title	: TRACECA Project: Legal and Regulatory Framework		
Project Number	: TELREG 9306		
Country	: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan		
	Local operator	EC Consultant	
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CONTENTS

	<u>page</u>
1. PROJECT SYNOPSIS	1
2. ANALYSIS OF PROJECT	2
INTRODUCTION	2
Format of Inception Report	3
 PROJECT OBJECTIVES	 4
 PRELIMINARY APPRAISAL MISSION	 5
Subjects Affecting all the Modes of Transport	6
Transport Modes	10
 3. PROJECT PLANNING	 12
PROJECT PRIORITIES	12
Priority I, Regional Access to the Transport Market	12
Priority II, International Standards in Trade and Transport	13
Priority III, National Organisation of the Transport Market	14
Law Making Process	15
Regional Conference	15
Constraints Risks and Assumptions	16
 ORGANISATIONAL FRAMEWORK	 18
Appointments for the National Task Forces	18
Offices and Equipment	19
Travel	20
Planning for the Next Reporting Period	21
 APPENDIX A - TABLES	 22
 APPENDIX B - TRAINING	 26
 APPENDIX C - MOBILISATION VISIT RECORD	 30
 APPENDIX D - DRIVE RECORD (ALMATY - ASHGABAT)	 38

PROJECT SYNOPSIS

Project Title:	TRACECA Project: Legal and Regulatory Framework
Project Number:	TELREG 9306
Country:	ARMENIA, AZERBAIJAN, GEORGIA, KAZAKHSTAN, KYRGYZSTAN, TAJIKISTAN, TURKMENISTAN, UZBEKISTAN

Project objective:

1. To provide technical assistance and documentary support in the field of transport legislation and to promote utilisation and harmonisation of existing transport systems in the TRACECA Transport corridor by taking account of international aspects.
2. Reductions in commercial risk and cross frontier delays and to help create a mixed economy transport system.
3. Advice on opportunities for training on International Transport issues to facilitate movement towards a more competitive transport system.
4. The joining of international institutions and agreements by counterpart states to facilitate trade.

Planned outputs:

1. Transfer of technical knowledge and awareness of issues between the consultants and the National Task Force (NTF) partners and other relevant specialists within the TRACECA region.
2. Harmonisation of transport laws to reduce barriers to domestic and international trade.
3. The creation of consultative institutions in all countries based on the NTF which are capable of implementing a recommended reform programme in the long term.
4. Reduction of existing barriers to develop domestic and international trade and transport.

Project activities:

1. The appointment of NTF personnel in each state to develop draft transport legislation and to maintain close links with other regional NTF and the Consultant.
2. To provide the NTF with model legislation and documentation to assist in the harmonisation of legislation and procedures.
3. To maintain a library of relevant transport legislation in each state including comparative legislation of the E.U. Russian Federation and International Conventions.
4. Management of regional training seminars and workshops for counterparts during visits by the Consultant.
5. Work with NTF partners on harmonisation of specific key areas of law where the limited inputs possible within the existing target budget can produce the most rapid results.
6. To co-ordinate with other relevant TRACECA projects to share information and demonstrate a joint approach to the solution of transport problems.
7. To advise the NTF partners on the obligations and advantages of joining and accepting international conventions.
8. To provide regional workshops and "on the job training" to counterparts during visits by the Consultant.

Project starting date: 21 December 1995
Project duration : 24 months

2. ANALYSIS OF PROJECT

INTRODUCTION

The Legal and Regulatory Framework project's (TRACECA PROJECT No 1) principal objective is the promotion of regional trade and transport. After the Preliminary Appraisal Mission the Consultant fully subscribes to the general objective of the legal project. The current legal vacuum on trade and transport legislation offers a unique opportunity to establish a common legislative framework.

During the Preliminary Appraisal Mission the Consultant extensively consulted with representatives of the government and the transport sector in all TRACECA States. The desire to serve the project objectives was evident in each republic. This attitude is indispensable for the successful outcome of the project. The recipients felt the need and a strong desire for harmonisation of trade and transport legislation.

The Consultant emphasises the regional approach of the legal reform project. This approach will not only deliver a comprehensive legal framework, but also facilitate regional trade and transport. With sufficient political support, the TRACECA States will be prevented from falling back into a nationalist or even a local approach at a time that former Soviet Union decrees appear to be inappropriate under the changed market circumstances.

The Consultant takes special note of the Prague Declaration adopted by the Pan-European Transport Conference in 1993 emphasising the necessity of developing transport networks on a truly European scale and of integrating the greater European transport market.

With regard to the countries of the former Soviet Union, cooperation in the field of transport will develop in the framework of new agreements which will be negotiated in the near future by the Community and the new Republics.

The project has to lay the foundation for the implementation of those agreements. It, therefore, has to provide ways of applying the principle of freedom to provide services and at introducing progressive liberalisation of markets, taking into account the progress made by these countries in transport-sector restructuring along market principles. In the infrastructure field it is important to promote the compatibility, interconnection and interoperability of European transport systems as a whole.

Format of Inception Report

The format of the inception report has deliberately been slightly modified from that shown in the standard administrative reporting guidelines. TRACECA is an entirely novel concept involving work in eight Republics. In order to do justice to the objectives of the vital inception report stage in the project, we felt it important to produce an analysis having its own internal logic and fully stating our conceptual approach to the important issues. In future reports we would propose to review progress by means of a combination of a thematic analysis as in the present report (eg Road, Rail, Transit questions etc) and an additional country-by-country summary.

PROJECT OBJECTIVES

The general objectives for the Legal and Regulatory Framework project are to provide technical assistance and documentary support in the field of transport legislation and to promote:

- Optimum utilisation and harmonisation of the existing transport systems.
- Improved use of the equipment, facilities and terminals available.
- Reduction in commercial risk and border crossing delays.
- A competitive transport system and a compatible information system related to the exchange of commercial, customs and regulatory computerised data.
- Advice where necessary in joining international institutional training.

The activities in the above fields should be directed towards achieving the following objectives. The objectives can be distinguished in the territory within which legal reform has to take place and the fields in which legislation is to be developed or reviewed.

- The facilitation of regional co-operation in the development of infrastructure and services.
Regional Objective I
- The creation of regional harmonisation of the transport sector legal and regulatory framework.
Regional Objective II
- The introduction of legislative changes to national transport laws and regulations.
National Objective
- The regulation of the technical components in the transport sector.
Technical Objective
- The creation of a legal and institutional environment conducive to establishing good management practice in the movement of goods.
Operational Objective

The Consultant recognises the regional impact the project will have on trade and transport facilitation. Therefore, international standards which should be incorporated will also function as a point of reference to fulfil the national objective. After the introduction of common technical and operational standards for international transport, it is recommended to gradually incorporate the same standards for domestic trade and transport. The extent to which this process can be executed, very much depends on the stage of development the particular TRACECA States are in.

PRELIMINARY APPRAISAL MISSION

During the Inception Stage of the project, the Mobilisation/Evaluation/Development Phase was executed. The principal task was the establishment of the National Task Forces (NTF) and the evaluation of the current applicable legislation on transport to survey the legal shortcomings. For this reason all the TRACECA States, except Tajikistan, were visited by the experts of the International Task Force (ITF). Discussions with representatives from Tajikistan were held through the Regional Office in Almaty, Kazakhstan.

In the current economic transition period, all TRACECA States are working on their own legal reform process. In most of the States transport legislation has a priority status. Although it can be said that the developmental stages differ, the states find themselves in comparable situations. Basically this is because the starting point, with respect to the legal situation - the former Soviet Union Decrees - is the same for all eight TRACECA States.

The opinion about this common legal background is that the Soviet Union Decrees, which are more or less applicable, are not appropriate for the changed market situation. However, an alternative is lacking. In a market with State enterprises, there was no need to organise the transport market and assure the position of the players in the market. The developing market economy in the Region now provides urgent reasons to develop a proper legislation framework. Some of the representatives of the transport sector, whom the Consultant met during the Preliminary Appraisal Mission, even prefer to ***remove*** the Soviet Union Decrees completely as a basis for new legislation. In their opinion the problem is not the transport legislation, but the total absence thereof.

During the mission the "Kingston Project 1994" was recommended as an important source to analyse the legal situation on transport in the TRACECA Region. For the execution of the project, an analysis of existing legislation is ongoing. Only by considering the existing legal systems in the region, particularly those in the Russian Federation, can advice be given on the implementation of new standards fit for the local circumstances. In the Report, several proposals and recommendations were made for the development of a legal framework. The report will be sent from Brussels to the Consultant in March 1996 for further investigation. It is expected that the report will give a comprehensive analysis of the trade and transport legislation, to supplement the Consultant's legal analysis.

Another important source for the project is the UN report 1995 "Land Transport Linkages from Central Asia to Sea Ports in the South and the East". This is especially important for the Central Asian Republics Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan with regard to rail and road transport. One of the major recommendations of the Report was the access to the related international conventions by the Central Asian Republics and their adjacent states. Particularly those

recommended via the ESCAP Resolution 48/11 on road and rail transport modes in relation to facilitation measures, namely:

- The Convention on Road Traffic of 1968.
- The Convention on Road Signs and Signals of 1968.
- Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention) of 1975.
- The Customs Convention on the Temporary Importation of Commercial Road Vehicles of 1956.
- Customs Convention on Containers of 1972.
- The International Convention on the Harmonisation of Frontier Controls of Goods of 1982.
- The Convention on the Contract for the International Carriage of Goods by Road (CMR) of 1956 as well as the Barcelona and New York Transit Conventions. As Customs services in Central Asia are in the process of being organised, the Kyoto Convention was also included in the list.

Also contained in the UN report of 1995 is the conclusion that bilateral agreements between the States, where not already existing, are recommended. Provisions relating to protection of domestic transport are to be avoided as much as possible. The report refers to experience in Europe showing that such protectionist clauses cause delays and have proved to be counter-productive.

Subjects Affecting all the Modes of Transport

Trade and Transport Policy

Trade and Transport policy have always been developed centrally in Moscow. The regional offices in the former Soviet Union States focused on the implementation of the policy and transport operations. A strong sector-by-sector approach still exists. Sub-sectors tend to see each other as competitors rather than as supplementary links in the transport chain.

Most of the TRACECA States advocate a liberal approach for trade and transport. Protectionism is often inspired by Protectionist measures taken by surrounding states. A Free Trade Agreement within the CIS states should be the starting point to decrease trade barriers.

All modes more or less suffer the obligation of carrying transport permits for transit and local operations mostly based on bilateral agreements or multilateral agreements with only a few neighbouring States as members. Sometimes the permits are difficult to obtain, because domestic transport markets are protected. Also the permit system is used to collect transit taxes. It is apparent that the refusal to deliver permits is based upon political problems in other, related, fields.

There is no co-ordination in border crossing investments in infrastructure whatsoever. For the development of the Central-Asian-Trans-Caucasian-Europe Transport Corridor, planning is indispensable. One useful platform to obtain more co-ordination in infrastructure planning and policy formulation on a Regional level in general, is the Transport Ministers Board of the 12 CIS States, which is held twice a year. The Consultant emphasises the importance of involving the Russian Federation at an early stage in the legal reform process.

Multimodal Transport

One of the principal objectives of the TRACECA Programme is the promotion of the Central-Asian-Trans-Caucasian-Europe Transport Corridor. The increase of the flow of freight transported with multimodal transport is expected to grow significantly. Consequently, the need for Sea-Rail and Sea-Road transport is growing rapidly. Contractual relations in combined transport, however, are complicated. It is essential that the responsibilities and liabilities resulting from multimodal transport are determined and are clear to all parties involved.

In the UN Report 1995, one of the conclusions was that facilitation in the movement of goods and cost effectiveness can be achieved by encouraging containerisation and multimodalism. In addition, to access into Conventions, a suitable legal framework both at international and national level was considered necessary.

Transport Forwarding

Forwarding is decisive for a smooth transportation of goods. Especially in the case of the usage of more than one mode for the carriage of one load. The importance of the forwarding business is expected to increase with the development of road transport and multimodal transport. Also the changing role of the Government towards transport operations, emphasises the responsibility of the forwarding business to bring transport supply and demand together. If this is not obeyed the Government will have difficulties withdrawing from this field. The prerequisites to develop a sound forwarding industry have to be set. During the Preliminary Appraisal Mission, representatives of the forwarding business stressed the need for a reorganisation of the market. A licensing system must guarantee minimum standards for service and reliability. The Government is in need of a party for the discussion of the development of the forwarding business. National transport forwarding associations are to be established to support the interests of the sector. Those associations must become affiliated with the International Freight Forwarders Organisation FIATA, to become acquainted with international standards and procedures.

Transport Agreement

The relation between shipper and transport enterprise is unclear. Mutual duties and responsibilities have not been determined. Until now the agreement is covered by inappropriate Soviet Union Decrees on the various modes and often by Civil Law without further specifications. This situation seriously

affects foreign business and investments. Confronted with an uncertain legal structure foreign enterprises prefer to refrain from doing business. Other foreign companies are undertaking business, but choose to operate independently and without the participation of local enterprises and under their own rules and regulations. As a result valuable international business is difficult to acquire for the domestic transport industry. Another reason for this is that foreign enterprises have great difficulties in selecting reliable and experienced local enterprises as partners.

Another survivor from the past is the lack of a system of limited liabilities. Thus risks under the current market circumstances are unacceptable for both the transport operator and insurers. Some decrees were adopted to make some temporary provisions. A comprehensive and well-balanced division of liabilities has to be introduced for all modes of transport as soon as possible.

Transport Insurance

With the private natural or legal persons becoming liable for the transport operations, the need for insurance becomes apparent. Transport insurance under acceptable conditions, however, is difficult to obtain. Enterprises have difficulties finding a reliable insurance company. Alternatively the guarantees via the financial institutions are not feasible for most of the enterprises. International transports are often insured by foreign insurance companies under Western conditions. Foreign transport enterprises always tend to work under their own world-wide insurance. Insurance disputes are uncertain in their outcome and hard to settle. Once the case is settled, the completion of obtaining the compensation is time-consuming, especially in a cross-border case in the Region.

As in the "Kazakhstan Transport Law Reform" project _ executed as a pilot project to the "Legal and Regulatory Reform" project by Scott Wilson Kirkpatrick _ the Consultant stresses the vital importance for the transport sector to achieve a reliable, thriving and competitive insurance industry for the own transport sector.

Customs Procedures

The Consultant had extensive talks with representatives from the trade and transport sector. Generally the complaints were directed at the inconsistent and unclear customs rules and fees. In some Republics, rules and fees can change daily without notice in advance. Thus for the enterprises, it is hard to comply with the customs rules. The overall result is an unacceptable delay in transit times and delivery to the customer.

In the region unification measures are under discussion. One example is the proposed Customs Union between Belarus, Russia, Kazakhstan and Kyrgyzstan. However, both EBRD, I.M.F. and the Consultant have grave doubts whether the Customs Union as presently conceived will serve the interests of the TRACECA Republics. The CIS Customs Agreement on Transit of Goods as a multilateral initiative can be mentioned. Most of the difficulties in practice are nevertheless caused by

the local implementation and execution of unified CIS Customs Directives. Streamlining of national customs and administrative procedures should have first priority.

Infrastructure and Technical Standards

Rail, road and sea transport suffer from a deteriorated transport infrastructure. Not only the railways, roads and ports, but also the handling and storage facilities. Generally telecommunication within the CIS is poor. Resources for a proper maintenance, let alone investments, of infrastructure are scarce or completely unavailable. The TRACECA States are first searching for more funds to finance the maintenance. State Budgets are subject to changing allocations according to the political climate. Dedicated funds, such as a road fund are under examination.

Most enterprises have enough capacity to meet current demand. The equipment, however, is below acceptable international standards. The loading capacity of most of the rolling stock for example, is low and therefore only fit for domestic short distance distribution. International UN and EU standards for transport equipment are too high. Accessing the international transport market therefore, is often difficult. Western technical standards can only be introduced gradually.

Institutional Organisation

The government used to be actively involved in the making of transport policy and the execution of transport operations. Under the new market situation this ambiguous position has to be reconsidered. The emerging transport sector expects the Government to make a distinction between regulatory and operational functions. In a mixed economy system operational services are operated without direct state interference. The Government has to focus on the development and enforcement of transport policies. It has to concentrate on setting the preconditions for the players in the market and on the establishment of a sound infrastructure.

The traditional sector by sector approach, which was already mentioned, has a counterproductive effect and stands in the way of an integrated transport policy. One of the priorities of the institutional strengthening in the project is the acceptance of a common transport policy. Also for this reason the government has to be in a position to support the general interest, apart from operational concerns.

The operations have to be performed by the participants in the market. Whether the operators are state-owned or private is not relevant in this respect. It is vital that the public and the private sector can operate under the same conditions. Referring to Western experience, some activities, such as rail transport, may prove to be better off if they remain State owned.

As an example, the NTF's have to adopt a multimodal approach. Especially when one considers the NTF establishing the basis for a more permanent Transport and Trade Facilitation Commission. All sectors have to be represented. Within the project emphasis must be put on legal experts from rail,

road and sea transport. Later on it is expected that the sector will organise itself in transport associations and unions. Those representatives of the sectors' interests, together with the Government, will get a seat on the Commission.

One important aspect discussed during the Preliminary Appraisal Mission, was the necessity for the TRACECA States to connect with international information networks and systems, first of all to obtain all relevant information. Becoming up-to-date with all the developments in transport is a sine qua non for the support of national and regional interests. Thus the TRACECA States must join the relevant and most important international conventions and international organisations.

Transport Modes

Rail Transport

Traditionally one of the main modes of transport. Both the standards of infrastructure and rolling stock are falling into decline. Operations and policies are often still both under the same control. Services need to be improved, if international standards are to be met. Because of the present standards, it is expected that the new emerging road transport operators will be competitive to rail transport. Railways are indispensable for heavy freight transport in the region, such as crude oil products. Foreign customers and forwarders of the railways desperately need a clear position in their relations with the railways.


Road Transport

This is the mode of transport which is the most suitable for privatisation. The transformation is having an enormous impact on the market and the relations between parties in this market. Deregulation causes a non-organised road transport market. The profession is made accessible because the conditions to enter, if any, are easy to fulfil. The conditions under which foreign and private enterprises, on the one hand and state enterprises on the other hand have to work are not equal. This is often caused by the tight relation State Enterprises have with the authorities. The result is not always advantageous to the latter. In the operations enterprises are scarcely limited by social regulations. Unregistered operators cause unfair competition to the ones complying with all the regulations, such as on taxation. This is a result of the lack of an appropriate licensing system and the difficulties of enforcing existing rules and regulations.

Sea Transport

Water transport in the Black Sea and the Caspian Sea is significant. Inland waterways play a minor role in regional transport. The Volga connection between the Caspian Sea and the Sea of Azov is a vital one in terms of transport flows. The opportunities for the transport of freight by water in the TRACECA Corridor are evident. The prospects depend on the development of combined transport

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infrastructure, both legal and operational. The link between the ports of Rumania and Bulgaria and Poti and Batoumi in Georgia are worthwhile examining.

The present disputes in the territory of the Caspian Sea seriously affect transport by sea and inland waterways. In the project the legal framework for Water Transport can be proposed, to come into effect as soon as the political problems are resolved.

3. PROJECT PLANNING

PROJECT PRIORITIES

The results of the Preliminary Appraisal Missions enabled the Consultant to prioritise the legal reform activities for the project. The project priorities determine the scope of work during Phase Two of the project. The priorities will be discussed during the Regional Conference in May which is detailed in this report. An effective sequence of activities based on the current needs will have to take account of specific local conditions.

Co-ordination with other projects in the region is of utmost importance, especially with the "Immediate Training Action in the Trade and Transport Sector" project and the "Trade Facilitation, Custom Procedures and Freight Forwarding" project. The Consultant is in an excellent position to co-ordinate the scope of work and activities. The first project is executed by Nethconsult in the Netherlands. NEA Transport Research and Training is actively involved in this training project. The legal side of the training subjects have been geared to the training needs in the "Legal and Regulatory Framework" project. The second project is undertaken by Scott Wilson Kirkpatrick, which guarantees optimal co-ordination with the "Legal and Regulatory Framework" project. The joint approach avoids overlap and waste of resources.

Priority I, Regional Access to the Transport Market

Regional Objective I and Operational Objective

A smooth regional accessibility of the transport market is a pre-condition for a common market. Barriers to trade and transport such as permit quotas should be dismantled. Permit systems can only be maintained as a means to collect traffic and transport data. Transport tax systems should be removed, if they lack a relationship with the use of infrastructure. Road user charges have to be levied in a harmonised way and imposed equally.

The activities in the field of regional access to the transport market will be focused on drafting and on the conclusion of bilateral and multilateral transport agreements in the TRACECA region for the facilitation of:

- Transit Transport
- Domestic Transport
- Third Country Transport
- Cabotage Transport

in Rail, Road and Sea Transport. Subjects such as transport policies, permit systems and formats, transit fares, customs procedures and taxation obligations should be covered.

Priority II, International Standards in Trade and Transport

Regional, Technical and Operational Objectives

One of the main priorities for the TRACECA States is integration in the world trade and transport structure. In this respect the States have to have the opportunity to represent and defend regional and national interests, both on a governmental (WTO) and a non-governmental level. Adopted international standards in trade and transport will not only facilitate regional development. The region will be linked with the world-wide legal and physical infrastructure. International standards might become a basis for the drafting of national legislation.

The Consultant will consider immediate incorporation of international standards in National legislation in two fields:

- Carriage and Forwarding transactions: The TRACECA States' economies are in a transformation process toward a market economy. Also State owned enterprises will be working as independent entities. Privately owned enterprises are emerging, initially in road transport and the forwarding business. Foreign enterprises are interested in becoming active within the TRACECA Region. All parties have a need for clear and transparent legislation. Especially when committing themselves in trade and transport transactions. The non-existence of legal securities has an immediate impact on the inclination to undertake business. To facilitate the process the responsibilities and duties in transport and forwarding transactions have to be agreed and formalised as soon as possible.
- A common system on liabilities has to be determined for all modes of transport. The present uncertainty concerning, often unlimited, liabilities is unacceptable in a free market economy. The Consultant will advise on a new system of liability relations between transport enterprises, both public and private and their customers and suppliers.

The Consultant will focus on delivering advice and assistance in relation to the ratification of international conventions and obtaining of membership of international organisations. The most optimal sequence for the activities in this field will be given for each TRACECA State.

For example, the TIR Convention for the facilitation of custom procedures in road transport has received significant attention in all States. Membership of the International Road Union (IRU) is one of the main prerequisites. The Consultant shall assist with the ratification and implementation of the TIR Convention and in obtaining the membership of the IRU. Together with the IRU, the Consultant is preparing the IRU Workshop Programme on TIR Systems to be held within the project.

Priority III, National Organisation of the Transport Market

National, Technical and Operational Objectives

The transport markets have to be rationalised. Within the free market economy, Governments wish to set the prerequisites to achieve a sound and thriving transport industry. Access to the profession of transport operator in the various modes of transport and the profession of forwarder should be regulated. Minimum standards such as professional competence and financial standards have to be introduced. Furthermore, the conditions to enter the market, have to be determined on the National level. Although public law, regulating the transport market is a national affair, a regional approach will be an important step to a harmonised market. Common technical UN and EU standards for transport with trains, trucks and ships have to be introduced gradually into the laws on traffic.

A model of a General Law on Transport will be developed for each TRACECA State setting out the broad objectives of the sector and the rights and responsibilities of the parties, shippers, carriers, forwarders etc. Basically the General Law will consist of private law.

The General Law on Transport can be used as a stepping stone to draft three law models for the sub-sectors. As the covering law, the law on rail, road and sea transport will serve as a point of reference to the TRACECA States. The joint approach guarantees a high degree of harmonisation between the laws in the various TRACECA States. For the National law-making process the international standards should serve as a basis. National legislation, however, must keep pace with the technical development and the possibilities to enforce legislation in the particular TRACECA State.

Law Making Process

In phase two of the project the principal components of the new framework of laws should be put together in draft form. For Priority I three multilateral transit agreements will be drafted on Rail, Road and Sea Transport. An inventory of the international conventions and organisations will be made for each TRACECA State. The Consultant shall assist the individual states in obtaining memberships and implementing conventions in their own legal structure to serve Priority II. The legal work, Priority III, will concentrate on the assistance in the drafting and implementation of four laws in the field of goods transport:

- General Law on Transport
- Law on Rail Transport
- Law on Road Transport
- Law on Water Transport

The model laws will function as points of reference for the National law making processes. The laws can be taken over entirely or can be implemented in the existing Civil Law and Transport Law through amendments. The more the particular TRACECA States incorporate common standards from the model laws, the more Regional harmonisation will be achieved.

However, it is not realistic or desirable for the ITF to carry out the final drafting and implementation of the proposed legal models. Not only does translation of laws present difficult problems, but the drafting nuances required to achieve complete compatibility with the general framework of law within each TRACECA State could not be assured. Furthermore, in most of the States the reform process is already under way. The Consultant therefore, stresses the need to synchronise the National law making processes with the lifetime of the project. By doing so, the TRACECA States are assured of optimal support from the ITF experts.


Regional Conference

In May 1996 the first Regional Conference will be held in Almaty, Kazakhstan. All the NTF Chairmen will be invited together with a relevant expert. The session will last five days. The two main objectives are:

- To achieve joint agreement on the project priorities and project planning.
- To get a grasp of the philosophy behind the transport policies in a demand economy.

Two of the learning objectives of the Regional Conference are awareness-building and opinion-forming about the options to address organisational and legal core issues on transport. The Conference must result in a common agreement on the main transport policies to be enacted.

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The following preliminary programme for the Regional Conference was drawn up in accordance with the priorities of the need for legal reform in the various modes of transport.

Monday 13 May 1996

Opening Speeches by the EU Ambassador and the Deputy Minister of Transport and Communication of Kazakhstan

Introduction of the Project by Mr Karibjanov, Kazakhstan NTF Chairman

Project Objectives

Answers to questionnaires presented by the NTF Chairmen of the eight Republics.

Discussions of implications of answers for the Project.

Tuesday 14 May 1996

Importance of International Conventions and Multimodal Transport

Rail Conventions

Railway Policy

Working Groups (Rail)

Wednesday 15 May 1996

Road Conventions

Sea Conventions

Liability Regimes

Working Groups (Road)

Thursday 16 May 1996

Transit Treaties and Agreements

Civil Code Amendments and General Law on Transport

Working Groups (Sea / Civil Code / Law of Transport)

Friday 17 May 1996

International Trade

Freight Forwarding Techniques

Conclusion by Deputy Minister of Transport and Communication of the Republic of Kazakhstan.

Constraints Risks and Assumptions

The scale of this project is vast, as was made clear in the proposal which forms the basis of the contract. We therefore repeat here the need for all to have realistic assumptions in relation to the outputs mentioned in the proposal.

The degree of success in achieving objectives is bound to vary from country to country and from issue to issue depending on the resources and motivation which counterparts will themselves bring to the tasks and the backing they get from their respective governments for the implementation of reforms. In all cases, we shall follow up the positive opportunities as they arise, which may involve reviewing planned activities quite regularly and making adjustments.

We are aware that a difficult balance must be struck between the parts of the TOR relating to domestic legislation and the international dimension to the project. There is a risk that the urgent legislative needs of individual states in the domestic transport field will tend to divert resources from the main international thrust of TRACECA. To avoid this happening we have made it very clear to counterparts during mobilisation and the preliminary appraisal missions that we will work only on general models for domestic legislation. Production of final drafts adapted to the special requirements of individual States will be the responsibility of those States and not of the project. Such final drafts should in all cases be processed by the Ministry of Justice of the State concerned to ensure their compatibility with the general legal framework in the State and compatibility with individual laws. Also the development of detailed regulations for implementation (normative acts) will be the responsibility of the states concerned, for which they may seek technical assistance in the future.

It will be necessary to take account of the evolution of the geopolitical situation in the region in planning each phase of the work. There is considerable concern among the counterparts in some parts of the region that law reform should be compatible with developments in Russia. Some parts of the region are more economically or politically associated with Russia than others and this fact cannot be ignored. Developments in Russia will not always be fully compatible with the objectives of TRACECA. Customs procedures are a case in point. The consequences of the proposed Customs Union between some States and Russia are not yet fully apparent but will certainly impact on the project.

There are also certain logistical constraints on travel within the region both for European and local experts in terms of flight availability and flight safety which need to be taken into account in planning visits and these present particular problems when trying to plan regional and sub-regional conferences seminars and meetings.

Notwithstanding the scale of the tasks, we have got off to a good start as a result of the excellent motivation and assistance of the NTF Chairmen following mobilisation. We are confident that the project will succeed in assisting the broad objectives of TRACECA in opening up a new transport corridor between Europe and Central Asia via the Caucasus.

ORGANISATIONAL FRAMEWORK

National Task Forces, consisting of a Chairman, assisted by a permanent documentalist and local well-qualified short term experts will be established for each TRACECA State.

Appointments for the National Task Forces

The two main objectives of the National Task Forces are:

- To advise the ITF team on policy objectives and constraints imposed by existing general legislation and sub-sector transport law.
- To assist in gaining acceptance for ITF proposed models in governmental and commercial circles.

The Chairman of the NTF will assist in the achievement of the Project objectives. The Chairman can be assisted by National Task Force Advisors selected by the Chairman together with the Consultant. The selection will take place depending on the needs and priorities of the TRACECA State and the work in process.

The following Chairmen were appointed by the recipients. The Documentalists were selected in agreement with the Chairmen and the recipients.

Armenia, Yerevan

Chairman Mr A. S. Shahnazarian	First Vice Minister of the Ministry of Transport and Communication
Documentalist	Vardouhi Abrahamian

Azerbaijan, Baku

Chairman Mr I. M. Sadykhov	Head of the Department of Transport and Communication
Documentalist	Elmar Faradjev

Georgia, Tbilisi

Chairman Mr G. Dolbaya	Deputy Chairman of the Transport Co-ordination Council
Documentalist	Maya Ackobya

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Kazakhstan, Almaty

Chairman Mr K. S. Karibjanov

Head of the Law Development Department of the Ministry of
Transport and Communications

Documentalist / Secretary

Svetlana Ugulova

Kyrgyzstan, Bishkek

Chairman Mr A. A. Zakirov

Deputy Minister of the Ministry of Transport

Documentalist

Tatiana Yarkova

Tajikistan, Dusanbe

Chairman

To be proposed

Documentalist

To be proposed

Turkmenistan, Ashgabat

Chairman Mr M. S. Yazberdiev

Head of the Cabinet of Ministers Transport and
Communications Department

Documentalist

To be proposed

Uzbekistan, Tashkent

Chairman Mr K. Davronbek

Deputy Minister Uzbektransit

Documentalist

To be proposed

Full backing for the Chairmen by the relevant Ministries is important. Therefore, the Chairman must keep all parties well informed. Active involvement of the Ministries of Justice in the NTF's is considered vital. One of the most important activities of the Chairman is to identify suitably experienced participants to cover the main transport disciplines and act as short term local experts. The Chairman has a key role as liaison officer for the ITF. The tasks described require the Chairman to be freed from other duties to a sufficient degree.

Offices and Equipment

All recipients have committed themselves to allocating appropriate office space to the project. The office space has to be suitable to accommodate the documentalist and one or two experts of the ITF.

In all TRACECA states the local situation with regard to purchasing office equipment has been assessed. In almost all the states enough suppliers are available to obtain a competitive offer.

The quality of telephone lines are variable and this will affect all forms of international information exchange. The position on e-mail transmission has not yet been fully investigated.



Travel

Air travel in the TRACECA Region is problematical and the Consultant expects to find it necessary to use car transport more and to make fewer multi-country visits. We also refer to the report in Appendix D.

Planning for the Next Reporting Period

The next reporting period will be in June 1996, when it will be possible to review the outcome of the Almaty Conference. There is nothing to add to the previous sections in relation to this period. Time inputs and anticipated outputs are summarised in the tables in Appendix A. The principle outputs will be work on legal models and guidelines, the management seminar and the establishment of the offices and equipment for the National Task Forces. The Counterpart time will increase as the National Task Force offices are established and the specialist input provided.

Scott Wilson Kirkpatrick



APPENDIX A

TABLES

FORM 1.4. : OVERALL PLAN OF OPERATIONS

Project title : TRACECA Project: Legal and Regulatory Framework		Project number : TELREG 9306		Country : Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan		Page : 23								
Planning period : 21/12/95 - 20/12/97		Prepared on : 8th March 1996		EC Consultant : Scott Wilson Kirkpatrick and N.E.A.										
Project objectives : To assist in the Utilisation and harmonisation of existing transport systems in the TRACECA region by helping to establish a common legal framework for transport.														
No		TIME FRAME				INPUTS								
		1996		1997		PERSONNEL	EQUIPMENT AND MATERIAL	OTHER						
		1	2	3	4	1	2	3	4	EC Consultant	Counterpart			
1	Appraisal visits and establishing of National Task Forces.	xxxx	xxxx	xxxx	xxxx					10.0	16.0	Office equipment: fax, phone, e-mail computer, copier	10 flights 4 car journeys	
2	Legislative needs analysis.	xxxx	xxxx	xx	xxxx					8.0	20.0		5 flights 2 car journeys	
3	Legal models and guidelines.	xxxx	xxxx	xxxx	xxxx					22.0	30.0		5 flights 2 car journeys	
4	Management seminars.	xxxx	xxxx	xx	xxxx					30.0	10.0	Training Materials: overhead projector, flip chart, marker pens, manuals	75 flights 2 car journeys	
5	Develop a common legal framework for transport law	xxxx	xxxx	xxxx	xxxx					20.0	30.0		5 flights	
6	Harmonisation of trade facilitation issues.		xxx	xxxx	xxxx					15.0	30.0		5 flights	
7	Harmonisation of transport operator legislation.		xxxx	xxxx	xxxx					15.0	30.0		5 flights	
8	Institutional strengthening		xxxx	xxxx	xxxx					10.0	10.0		10 flights 2 car journeys	
		TOTAL		130.0		176.0		man months		120 flights 12 car journeys				

Form 1.6. PLAN OF OPERATIONS FOR THE NEXT PERIOD (Work programme)

FORM 1.5 : OVERALL OUTPUT PERFORMANCE PLAN

<p>Project title : TRACECA Project: Legal and Regulatory Framework</p> <p>Planning period : 21/12/95 - 20/12/97</p>	<p>Project number : TELREG 9306</p> <p>Prepared on : 8th March 1996</p>	<p>Country : Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan</p> <p>EC Consultant : Scott Wilson Kirkpatrick and N.E.A.</p>	<p>Page : 24</p>
<p>Outputs (to be described and target dates indicated)</p> <ol style="list-style-type: none"> 1 Appraisal visits and establishing of National Task Forces. 2 Legislative needs analysis. 3 Legal models and guidelines. 4 Management seminars. 5 Develop a common legal framework for transport law. 6 Harmonisation of trade facilitation issues. 7 Harmonisation of transport operator legislation. 8 Institutional strengthening (creation of consultative institutions capable of taking forward the reform programme). 	<p>Agreed Objective Verifiable Indicators</p> <ol style="list-style-type: none"> 1 National Task Forces in place. 2 List of available drafts. Outstanding needs identified. 3 Model laws and guidelines. 4 Delivery of management seminars and workshops. 5 Harmonisation and simplification of transport laws presented. 6 Harmonisation of trade measures. 7 Harmonised transport legislation. 8 Committee members identified. 	<p>Constrains and Assumptions C/A</p> <ol style="list-style-type: none"> 1 Willingness of partners to participate and provide offices. Availability of equipment and services. 2 Willingness of partners to obtain legislation and identify needs and prioritise requirements. 3 Acceptance by partners of models and guidelines. 4 Capacity limited by length of training and numbers available to train. Availability of suitable conference facilities. 5 Willingness of partners to discuss, develop and harmonise trade. 6 Lack of common customs systems. Need for change accepted. 7 Regulations to suit domestic rather than international needs. 8 The need is accepted by the counterparts. 	

Project title : TRACECA Project: Legal and Regulatory Framework		Project number : TELREG 9306		Country : Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan		Page : 25					
Planning period : 21/12/95 - 20/12/97		Prepared on : 8th March 1996		EC Consultant : Scott Wilson Kirkpatrick and N.E.A.							
Project objectives : To assist in the utilisation and harmonisation of existing transport systems in the TRACECA region by helping to establish a common legal framework for transport											
TIME FRAME											
1996 (months)											
No	ACTIVITIES	PERSONNEL						EQUIPMENT AND MATERIAL	OTHER		
		January	February	March	April	May	June			EC Consultant	Counterpart
1	Appraisal visits and establishing of National Task Force -Appoint National Task Force -Acquire and equip office	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	12.0	Office equipment: fax, phone, e-mail, computer, copier	10 flights 4 car journeys
2	Legislative needs analysis -Assess local legislation -Collect and analyse -Identify needs -Prioritise	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	10.0		2 flights
3	Prepare legal models and guidelines		xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	5.0		2 flights 1 car journey
4	Management seminars -Prepare conference material -Prepare reference documents -Prepare exercises and case studies -Deliver seminars and workshops				xxxx	xxxx	xxxx	xxxx	5.0	Prepare training material, O/H Projector, flip charts, marker pens, manuals	20 flights 1 car journey
5	Develop a common legal framework for transport laws					xxxx	xxxx	xxxx	2.0		
8	Institutional strengthening		xxxx	xxxx		xxxx	xxxx	xxxx	2.0		1 flight
		TOTAL		xxxx		xxxx	xxxx	xxxx	36.0		35 flights 6 car journeys

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APPENDIX B

TRAINING

Training

Training will form the key to the continuing development of legal reform in the TRACECA states. The objective will be to provide training both to match the urgent needs stipulated by the individual states and also to take account of particular needs identified during the mobilisation period and, later by the regular visits by the experts to the region.

The training will be carried out at different levels:-

On the job training:

The visiting experts will discuss with the counterparts the staged development of all the models of laws presented. The visiting experts will listen to the experience of local experts and seek to obtain a blend of individuals country's priorities and the international needs.

By discussion with the visiting experts a fuller understanding of the reasons behind any proposed changes in legislation will be gained.

Counterparts will be working for relatively short periods alongside the experts and the particular local needs will be addressed at that time. It will be necessary for the counterpart staff to work independently of the experts and only seek advice on specific matters beyond their experience. The visiting experts will give guidelines for the local experts on legislation needs as identified by the individual countries and be available on a planned visit basis to give specific advice.

- With the National Task Force office established in each country there will be regular exchange of information between the local experts and the International Team.

Workshops

Training workshops will be given by the visiting experts. The ideal workshop number should not exceed 15. The National Task Force Chairmen will identify staff to suit the subject matter of the visiting specialist. The likely duration of workshops will typically be 1/2 days. The workshops will disseminate specialist information.

Co-ordination with other providers

We would seek to co-ordinate the input of the International Road Union for the presentations on T.I.R. and also UNTAD on Multi-Modal Transport issues.

Regional Conferences:

To meet the need for specific high level management training, Regional Seminars will be held in:

Almaty May 1996
T'bilisi November 1996
Tashkent May 1997
Ashgabat November 1997

The Regional Conference will not only provide specific training to suit the needs identified by the International Task Force but will also provide an essential communication link between the country representatives. This will allow an exchange of views and an opportunity to judge how effectively the harmonisation of legal trade and transport regimes are progressing.

Details of Regional Conference No. 1 to be held in Almaty are included under Project Planning.

The outline programmes for the remaining conferences will be decided following the Almaty conference. The subjects to be covered are likely to include:-

- Framework of law governing International Trade
- Presentation of model laws and discussion
- Working groups on Road / Rail / Air / Sea codes
- Background to International Transport Conventions and detailed presentations
- Principles of insurance
- Principles of legal drafting
- Banking procedures / privatisation
- Documents in international trade

Specific Training Needs

1) We will run a one week course in Tashkent on International Trade and Transport based on the course presented in Kazakhstan for the Law Reform Project. The course will be particularly suitable for Uzbekistan top executives. This is a 4 / 5 day course on international trade and transport and include:

- - framework of law governing international trade
- terms of sale with emphasis on Incoterms 1990
- European Union Law
- financing exports and imports
- documents in international trade
- background to international conventions
- international sea transport rules
- international road transport, the CMR
- International rail transport, CIM/CIV
- international air transport, Warsaw Convention
- principles of insurance and typical policy terms
- organisation of the insurance market
- claims procedures

2) We will arrange but not perform a course for Lawyers from Azerbaijan / Armenia but separate finance will be needed to send them to Europe (a course is offered by Crown Agents).

3) We will carry out a workshop in Ashgabat for Armenia / Azerbaijan / Turkmenistan on operational aspects of international law technicalities.

4) The training in European Law for Uzbekistan will be included in the one week course on International Law.

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- 5) The training in Trade Documents will be given at the fourth Regional Conference
- 6) Training in EDI will be carried out by experts during a conference at Tashkent.
- 7) Training of Documentalists will be based on the needs of the project and explained by the Regional Co-ordinator.

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APPENDIX C

MOBILISATION VISIT RECORD

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Meetings Record

Scott Wilson Kirkpatrick wish to thank the following individuals and organisations for their assistance during their visits to the TRACECA region.

Tashkent: 15/1/96 - 19/1/96, Bishkek: 23/1/96 - 26/1/96, Ashgabat: 5/2/96 - 8/2/96
Visits by Mr R M Levett (International Co-ordinator)
and Mr M Bekmagambetov (Transport Specialist)

Uzbekistan - Tashkent

Mr H Marges
Team Leader
Tacis Co-ordinating Unit

Mr A S Kamalov
Responsible for TRACECA projects
Tacis Co-ordinating Unit

Mr K Davronbek
Deputy Director
Foreign Trade & Transport Assoc
Uzbektransit Uzvneshtrans
(NFT Chairman)

Mr S Mukhamedov
Deputy Minister
Ministry of Foreign & Economic Relations

Mr B Ismailov
General Director
Foreign Trade & Transport Assoc

Mr L A Akhmetov
Board Chairman
Motor Transport Co-operation of Uzbekistan

Mr Bagautdinov
Lawyer
Motor Transport Co-operation of Uzbekistan

Mr G Alexander
Director General
Scientific Production Association for Road Transport

Scott Wilson Kirkpatrick

Mr V Davidovich
Chief of Service Dept of International Communications
State - Joint Stock Railway Company

Mr K K Rashidov
Dr of Law
Chief of International Legal Dept
Ministry of Justice

Kyrgyzstan - Bishkek:

Mr A A Zakirov
Deputy Minister
Ministry of Transport
(NTF Chairman)

Road Transport Enterprise: Ministry of Transport:

1. Mr G M Vilenski - International Haulage.
2. Mr J S Saboue - Deputy, Transport Freight Forwarding Unit.
3. Mr J S Shapou - Freight Forwarding Unit.

Turkmenistan - Ashgabat:

Tacis Co-ordinating Unit:

1. Dr Bayif - Head of Unit.
2. Mr J Spray - Project Manager

Mr M S Yazberdiev
Cabinet of Ministers
Head of Transport & Communications Dept.
(NTF Chairman)

Mr S Rakhmanov
Minister
Motor Transport Ministry

Mr R Tourayev
Deputy Minister
Motor Transport Ministry
(NTF Road Transport Specialist)

Mr Volodin
Proposed by Tacis as Roads Specialist.

Turkmen Railways:

1. Mr B Biashimov - Chief Economist of Railways
2. Mrs E Kuziat - Head of Legal Dept

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Yerevan: 30/1/96 - 5/2/96, Baku: 7/2/96 - 13/2/96, T'bilisi: 13/2/96 - 17/2/96:
Visits by Mr A Gleijm (Legal Expert)
and Mr J Tomczyk (Regional Co-ordinator)

Armenia - Yerevan:

Tacis Co-ordinating Unit:

1. Mr K Danielian - Executive Director
2. Mr M Salimaki - Project Manager
3. Mr D Avakian - Assistant to Director
4. Mr S Oganessian - Office Manager
5. Mr M Salimaki - Project Manager

Ministry of Transport & Communications:

1. MR H J Kotchinian - Minister
2. Mr A S Shahnazarian - First Vice Minister
(NTF Chairman)

Ministry of Economy:

1. Mr V N Movsesian - First Deputy Minister
2. Mr A Karapetian - Transport Dept
3. Mr T M Davtian - Head of Dept of Foreign Trade Policy

Mr G V Jhangirian
First Deputy Minister
Ministry of Justice

Mr K Chshmaritian
Deputy Minister
Ministry of Trade, Services & Tourism

Ministry of Finance, Customs Dept:

1. Mr Y Abgarian - Chairman
2. Mr G Melkumian - Vice Chairman

Armenian Shipping Co Ltd, Unitrans International:

1. Mr G Gabrielian - AISC
2. Mr A Papoyans - Chairman Unitrans International

Azerbaijan - Baku:

Tacis Co-ordinating Unit:

1. Mr M Kiazimov
2. Mr K Kuliyeu
3. Mr D Charpentier - Team Leader
4. Mr B Smolin - Advisor

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Ministry of Economy:

1. Mr I M Sadykhow - Head, Dept of Transport & Communications (NTF Chairman)
2. Dr Kassimov - Co-ordinator of Tacis programme

Azeravtotransport, Assoc of International Road Carriers of Azerbaijan (ABADA):

1. Mr J Mamedoc - Road Transport Expert
2. Mr Moustavaev - President ABADA
3. Mr Aslanov - President

Ministry of Water Transport / Caspian Shipping Company:

1. Mr A A Bashirov - President
2. Mr R Rachmanov - Vice President
3. Mr T O Kasimov

Mr K Z Polad

Lawyer

Government Council AZAL

State Company Azerbaijan Airlines.

Mr D Rahimova - Dept of Legislation

Mr C Doem

General Manager

Azerbaijan & Transcaucasian States

Lufthansa Cargo

Mr N S Mamedov

Managing Director

Gazelle International Transportation

Tamin International Forwarding

Murphy International World Carriers:

1. Mr G R Jamieson - CIS Manager
2. Mr A Shakhshvarly - General Manager
3. Mr N Mamedov - Commercial Manager

Mr N K Satarov

Deputy of Executive Director

Imair Airlines

Mr J Watkin

Operations Manager

Bertling Caspian

Wilbur Smith Associates:

1. Mr D I Wood - Team leader
2. Mr K Patel - Highway bridge engineer

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Azerbaijan State Railways:

1. Mr M Mekhty - Deputy Manager
2. Mr M Panakhov - Economics Dept
3. Ms A Pnamoreva - Deputy Manager Law Dept

Sovtransavtobakoe:

1. Mr M Kaus - Deputy Director
2. Mr V S Pasha - Deputy Director Finance Dept

Mr H Hasanova
Vice President
State Concern Azeravtoyol

Georgia - T'bilisi:

Tacis:

1. Mr J Ackobyia - Executive Director
2. Mr P de Saint Hippolyte - Team Leader

Transport Co-ordinating Council:

1. Mr V Lomidze - First Deputy Chairman
2. Mr A P Chkheidze - President, Georgia Int Road Carriers Assoc (GIRCA)

Ministry of Justice:

1. Mr T Kuluashvili - First Deputy Minister
2. Mr S M Petrosian - Senior Councillor of Justice, Chief Deputy of Economic Legislation / Private law
3. Mr L Chelidze - Dept of Economic Legislation
4. Mr D Khaindrava - Dept of Economic Legislation

Mr E Khomasuridze
Head of Legal Dept
Railway Dept

GIRCA & Trans Insurance Co (INSTRA):


1. Mr A P Chjheidze - President GIRCA & INSTRA
2. Mr K Komularia - General Director Iniurservice

Mr C Sheverdnadze
Transport Co Carlo

Mr J Gelashvili
Deputy Chairman
Road Transport Dept

Mr D G G Nakaidec
Eurasian Transport Corridor Centre

Scott Wilson Kirkpatrick



Customs Dept:

1. Mr J Javakhishvii - Head of Customs, Control & Organisation Board
2. Mr V Gelashvili - Chief Inspector
3. Mr T Lelashvili - 'Nsycuda' project

Mr G Tosnaia
Caucastransforwarder

Mr G Dolbaya
Deputy Chairman
Transport Co-ordinating Council

Mr Z Chankotoadze
Air Transport Dept

Mr A L Williams
Project Manager - Airports
Siemens

Tashkent: 19/2/96 - 23/2/96, Bishkek 27/2/96 - 1/3/96
Visit by Mark Booker (Legal Expert)
and Gaziz Tulegaliev (Legal Specialist)

Uzbekistan - Tashkent:

Mr H Marges
Tacis Unit Head

Mr A Ismailov
Uzvneshtrans

Dr H Huseinov
Chairman
Central Asia Trans


Mr Tursunov
Office of the President
Ministry of Justice

Mr Y Mitchenko
Uzbekistan Airways

Ms S Akmedova
British Embassy

Mr K Davronbek
(NTF Chariman)

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Krygyzstan - Bishkek:

Mr D Holst
Tacis Project Manager

Dr A Irsaliev
Head of Foreign Relations and Investment
Ministry of Transport

Kyrgyzstan Railways
Mr Ablesov - Chief Engineer
Mr E Gorodetsky - Lawyer

Mrs N Vorontsova
Customs

Mr J Sadabaev
Deputy Director
Kyrghiztrans
Ministry of Transport

UNDP
Meeting with representatives from IMF, World Bank, India, Tacis, US Aid and UNICEF

Mr A Zakirov
Deputy Minister
Ministry of Transport
(NTF Chairman)

Mr C Osakwei
Resident Legal Advisor to Government

Scott Wilson Kirkpatrick



APPENDIX D

DRIVE RECORD

ALMATY - ASHGABAT

Scott Wilson Kirkpatrick

Report on drive from Almaty (Kazakhstan) to Ashgabat (Turkmenistan)

Date of Journey: 3rd - 9th February 1996:

Distance travelled = 2,200Km

Travellers:

1. Mr Murat Bekmagambetov: Director, Scientific Research Institute for Road Transport -Almaty (SWK Almaty Regional Sub-Unit Transport Specialist).
2. Mrs Marina Petrova: Interpreter (Scientific Research Institute for Road Transport).
3. Driver: S Parfianov (Scientific Research Institute for Road Transport).

Reasons for journey:

1. Planned mobilisation visit to liaise with Richard Levett (International Co-ordinator) in Ashgabat 4th February 1996.
2. Unable to obtain direct flight from Almaty to Ashgabat. The only available flight leaves Almaty for Kiev via Ashgabat one day per week on a Monday with Ukrainian Airlines. This is not a reliable flight.
3. To check the conditions for international haulage en route from Almaty to Ashgabat as this route forms part of the TRACECA corridor.

Weather conditions throughout the trip were extremely difficult; snowfalls, icy road and restricted sight.

Journey Diary:

Almaty - Ashgabat:

Outward Departure: 3/2/96 at 7.00am local time:

Journey breaks:

Stayed overnight in Tashkent 3/2/96 (Almaty - Tashkent = 819km) and in Tchardjou 4/2/96 (Tashkent - Tchardjou = 707km).

Arrival in Ashgabat: 5/2/96 at 2.00pm local time

Ashgabat - Almaty:

Return Departure: 8/2/96 at 7.15am local time:

Weather conditions good.

Journey breaks:

Stayed overnight in Samarkand 8/2/96 (Ashgabat - Samarkand = 1005km).

Arrival in Almaty: 9/2/96 at 9.30pm local time.

Freight Traffic:

Whilst driving we noticed heavy freight traffic, therefore it seems that this interstate road is used for international freight carriage. Throughout the trip we saw many heavy goods vehicles from Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan and other C.I.S. countries. Turkish and Iranian trucks were also noted and are covered by T.I.R.

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Road:

The road condition was unsatisfactory, it is evident that there is no maintenance and measures to prevent icy roads are not taken. Many vehicles were unable to cope with the road because of the icy conditions. Only near Shymkent was the road covered with sand.

The road bridge across the Amu-Daria river (near Tchardjou) is in a very bad condition, there is a pontoon bridge in use.

The width of roads doesn't correspond with traffic intensity and international requirements. At many sections there are no road signs, especially at cross roads, and sometimes drivers do not know in which direction to drive. The situation with road signs is very bad in Turkmenistan.

Roads are not equipped with terminals, petrol stations or motels. It is difficult to find a place to eat. There are no exchanges nearby to assist travellers in changing to local currencies. During the trip we crossed four sovereign states (Kazakhstan, Kyrgyzstan, Uzbekistan and Turkmenistan) and found it practically impossible to change money.

We believe it necessary to undertake a special study covering; the condition of roads, auxiliary services availability and compliance with international standards. (Unless the study forms part of an existing or planned project).

Road services and customs posts:

The impression of the performance of the Road Police throughout the trip is negative. Almost everywhere, their main objective seems to identify foreign cars and obtain money from the drivers. This situation appears worst in Turkmenistan and Uzbekistan. At one point we were asked what gift we had brought for the police. We were stopped a total of 10 times.

We experienced a similar situation at customs posts, where the customs offices aimed to obtain money or material goods from foreign drivers, leading to enormous queues at border posts. The most difficult situation was encountered at the border crossing between Turkmenistan and Uzbekistan with up to 100 heavy goods vehicles waiting for permission to cross the border.

There have been tolls imposed on the bridge across the Amu-Daria river, charged in local currency (Manat of Turkmenistan currency), but with no exchange point. It is unclear what the reason for this toll is, and there is no information displayed regarding the toll rates.

Conclusion:

Within the TRACECA projects, it is necessary to thoroughly investigate and analyse the current situation. It is also urgent to elaborate recommendations for improving trade and developing international road carriage, both intransit and between the visited countries.

It is difficult to give an ultimate conclusion after only one trip, but international road carriage between these states is absolutely unsatisfactory and urgent measures are needed.

Signed..........

M. Bekmagambetov

Director N.I.A.T. and Transport Specialist SWK Regional Sub-Unit