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TRACECA Project
Legal and Regulatory Framework
Progress Report
17th July 1996

| | | | |
|------------------|--|--|--|
| Project Title | : TRACECA Project: Legal and Regulatory Framework | | |
| Project Number | : TELREG 9306 | | |
| Countries | : Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan | | |
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Date of report : 17th July 1996

Reporting period : 21/12/95 - 30/6/96

Author of report : R M Levett / M Booker

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| | [name] | [signature] | [date] |
| TACIS Bureau [task manager] | _____ | _____ | _____ |
| | [name] | [signature] | [date] |

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PROJECT SYNOPSIS

| | |
|-----------------|--|
| Project Title: | TRACECA Project: Legal and Regulatory Framework |
| Project Number: | TELREG 9306 |
| Countries: | 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. SUMMARY OF PROJECT PROGRESS SINCE THE START

In the Consultant's proposal (section B2.2) the programme of project tasks and objectives was divided into 3 phases. This report is submitted at the point where Phase 1, mobilisation/evaluation/development has been completed and Phase 2 has just begun. Planning for this phase has required some minor adjustments as a result of experience gained in Phase 1.

During the Phase 1 Preliminary Appraisal Mission (PAM) the Consultant extensively consulted representatives of the government and the transport sector in all TRACECA States. The broad project objectives as set out in the TOR were agreed and a desire to serve the project objectives was evident in each republic. The principal practical task was the establishment of the National Task Forces (NTF) and the regional offices and equipment. This task is now substantially complete though the composition of the NTFs will continue to evolve throughout the project. A list of the organisational structures, personnel and addresses for NTFs is to be found in appendix 1. In each Republic we should like to record our particular thanks to the local Tacis offices whose assistance was invaluable in making a success of our Preliminary Appraisal Missions and subsequent visits.

The results of the Preliminary Appraisal Missions, together with the preliminary results of a detailed questionnaire on the present extent of legal reform circulated to all NTF chairmen (attached as Appendix 2, Write-ups of results to be circulated separately) enabled the Consultant to set provisional priorities for the legal reform activities for Phase Two and Three of the project. The priorities were discussed during the First Regional Conference held in Almaty between 13th-17th May and delegates signed a Memorandum formally supporting the priorities identified in the Consultant's Inception Report dated 8th March 1996. This is attached as Appendix 3.

The Almaty conference succeeded in its formal objective as it gave a clear direction for future work by the Consultant. Of equal importance was the workmanlike and co-operative attitude of all delegates present and the very cordial relations established both between delegates and the International Task Force team and among the delegates themselves. This positive attitude is very encouraging for the long term future of the project.

A management seminar on International Trade and Transport Issues was presented at Tashkent from 11th-14th June 1996 for over 20 senior officials. (For details see Appendix 4 on Training).

Following the directions given at the conference the ITF team has begun detailed work on the legal models which will form the foundation for the main work of the project during Phase Two and most of Phase Three. This work will take up virtually the whole of the time and energy of the ITF team during the quarter commencing 1st July 1996 building up to the October conference in Tbilisi.

3. SUMMARY OF PROJECT PLANNING FOR THE REMAINDER OF THE PROJECT

Overall planning for the project remains along the lines indicated in the proposal forming the basis of contract as modified by the Inception Report and by the Memorandum signed by delegates at the Almaty Conference.

The priority project objectives are to achieve concrete results in the following areas:-

Priority I, Regional Access to the Transport Market

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 in respect of Rail, Road and Water transport for the facilitation of transit, domestic transport, third country transport and cabotage.

Subjects such as transport policies, permit systems and formats, transit tariffs, customs procedures and taxation obligations will be covered.

Priority II, International Standards in Trade and Transport

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

Particular emphasis will be given to ratifications recommended in 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
- The Barcelona and New York Transit Conventions.

Priority III, National Organisation of the Transport Market

The transport markets should be rationalised. Minimum standards such as professional competence and financial standards have to be introduced to regulate entry into the market. Common technical UN and EU standards for transport with trains, trucks and ships have to be introduced gradually into the laws on transport. The ITF will concentrate on 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.

4. PROJECT PROGRESS IN THE REPORTING PERIOD

Man Month Inputs

The EC Consultant's time has increased from our Inception Report estimate of 36 man months to 42.8 man months mainly due to the additional time spent establishing the NTF and also the longer period of time spent 'in-country' by the experts for the First Regional Conference in Almaty.

The man month expenditure by the Director over the first 6 months matches his estimated overall budget for the Project. This reflects the importance of early high level input and direction to the Project both 'in-country' and in Europe.

Time expenditure by the International Co-ordinator and Training Expert has exceeded the proposed estimate. Whilst the 'in-country' and training time is in line with expectations, the European time spent on co-ordination of experts is slightly in excess of expectation. The reason for this has been the need to organise travel, visas and accommodation requirements from the UK rather than from Almaty. This has been necessary as communications, particularly during the early winter were difficult and time consuming to arrange. The situation has now much improved with the appointment of local Documentalists.

Travel

The number of flights expended by the experts and the regional co-ordinator has exceeded the estimate due to the need to quickly establish the local NTF through visits by the International and Regional co-ordinators, and then follow-up with experts to determine the legal needs analysis. It was correctly assessed that the NTF should largely be in place before the experts made their visits, however this resulted in a significant number of international and inter-TRACECA flights. It is expected during the next reporting period that there will be fewer flights.

Achievements in comparison with planned results

Phase 1 was scheduled to end with the submission of the Inception Report on 8th March and the major components of Phase 1 were delivered on time. NTF Chairmen were appointed and some offices made ready and equipped. NTFs briefed the ITF on existing reform work and the general concept of model laws was discussed and accepted as an appropriate way to work.

However translation and evaluation of existing drafts from the 8 republics could not be carried out while Regional sub-unit and ITF team members were constantly engaged on country visits. Furthermore much

important material such as draft maritime codes has only recently become available to the ITF. The process of evaluation commenced during the reporting period and will continue during the whole of the next period in parallel with development of the model laws. The logistical burden of translation from Russian of large numbers of legal documents and translation to Russian of comments thereon is extensive. The ancestry of many of the present drafts is thought to be common, based on former Soviet examples. The ITF recommends that further work by counterparts should await discussion of the model laws at the October conference.

Phase 2 of the project commenced at the start of the reporting period and the recent conference in Almaty confirmed priorities for the remainder of this phase. The achievements to date are considered by the Consultant to be in line with planned results. The enthusiasm and practical guidance generated by the Almaty conference greatly exceeded expectations. The treatment of some issues will, however, depart from the planned schedule and the reasons for this are set out below.

Deviation from original planning and reasons

The treatment of some issues will depart from the planned schedule because either:-

- (i) they are affected by overlap with other projects; or
- (ii) the legal reforms have already been implemented; or
- (iii) NTFs have indicated they are not of high priority

(i) Overlap

Since the TELREG project was let, 3 other projects which overlap with it have commenced or been announced.

The most significant impact on the TELREG project is from the **Customs and Freight Forwarding Project** also let to Scott Wilson Kirkpatrick. Every attempt is being made to optimise outputs on the 2 projects by making the best possible use of resources. As a result of discussions between the 2 projects the conclusion was drawn that best results would be achieved if the Customs and Forwarding project took forward certain activities during its lifetime and the TELREG project took over responsibility for these and completed them during the final 8 months of its life. With several experts being involved on both projects with similar responsibilities the interface would be smoothly managed throughout.

The areas which it is proposed that the Customs and Forwarding project will take forward during Phase 2 of the TELREG project are:-

- institutional strengthening with particular reference to Associations
- Documentation redesign

Another project having an impact on the TELREG project is that for Improvement of **Road Transport Services**. This includes a component on operator licensing which is directly relevant to TELREG and it is intended to develop the model Road Code in consultation with the Improvement of Road Transport Services project, the latter concentrating on implementing Regulations, circulars and practical manuals and training for operators and the regulatory authorities. This will involve the Consultant in bringing forward work on operator licensing from Phase 3 to Phase 2. It is therefore hoped that a complete package of measures can be prepared for a quality based open access road transport market as a result of the overall TRACECA programme.

The other main project to have a direct bearing on the work of TELREG will be the **Rail Tariffs Project** yet to be let. Tariffs were a peripheral part of the TELREG project but it is apparent from our Preliminary Appraisal Missions that the subject is of considerable interest to counterparts and the new project is eagerly awaited. It would be the Consultant's intention in developing the model laws to leave the sections on tariffs blank awaiting the outcome of the Tariffs project. It is hoped to establish early contact with the successful tenderers to discuss issues of mutual interest and thereafter to co-operate with them fully.

(ii) Legal reforms already implemented

In the area of Customs law reform the project has come too late. There are new Customs Codes in place in most of the Republics, mostly following advice from foreign consultants. The ITF found no support for development of a model Customs Code during the PAM and the Consultant considers that no useful purpose would now be served by producing one.

The question of Customs law is politically sensitive. The new 4 state Customs Union of Russia, Belarus, Kazakhstan and Kyrgyzstan has one set of legal requirements while other TRACECA countries have varying requirements according to their geographical and trading status. While the ITF experts on Customs questions will gladly give individual practical advice to counterparts as and when required, and will develop solutions to Customs problems in transport through transit agreements etc , it is the Consultant's strong recommendation that TRACECA should leave the central question of Customs policy and law itself well alone. This is a subject that can only be tackled within World diplomatic and economic forums such as the UN, IMF and WTO and not by a purely technical programme such as TRACECA.

(iii) Topics not of high priority

Discussions with counterparts have shown assistance with Incoterms, competition policy and bankruptcy not to be high priorities of the recipient ministries. Some of these were phased for action during Phase 2 of the project. The Consultant intends to circulate a questionnaire to NTFs seeking their further views on project activities in these areas. The results will be discussed at the October conference. It may be that work by the Consultant would thereafter be restricted to training in these areas in those countries which originally indicated their interest to those framing the TOR for the project. On the other hand, banking procedures and settlement of disputes, while not of interest in all Republics are of interest to some and we are investigating how best to cover these from Autumn 1996 onwards.

Specific action needed from the Authorities**(i) Within the TRACECA region**

The Consultant is very pleased with the co-operation received from direct counterparts in all Republics both at the practical and intellectual level. As a result the project is well placed to achieve targets set for Phase 2. The role of NTF chairman is a vital one in each Republic and the Consultant repeats its plea that the importance of the role should be adequately recognised by recipient governments. They need to ensure that each chairman is sufficiently freed from other duties to be available to the project during country visits and Regional Conferences.

ITF members and the Regional Co-ordinator are continuing to face personal administrative problems and delays of visa application, registration requirements, registration penalties to Ministries, in some parts of the region which absorb time and energy which could be more usefully spent on the project itself. The recognition by the Authorities of TACIS consultants as government advisers rather than as "businessmen" would simplify life considerably to the benefit of all concerned. This is an issue which could usefully be raised at a diplomatic level between the EU and recipient governments.

(ii) From the Commission

The Consultant indicated clearly in its Proposal and in the Inception Report that a project of this scale and complexity will require constant fine-tuning and a flexible approach. Performance cannot be guaranteed by slavishly following plans which were devised before the NTFs were set up and their real aspirations established.

In particular, genuine realisation of agreed objectives must begin to take priority over the public relations side of the project which was, of course, of extreme importance during mobilisation and the period leading up to the First Regional Conference. It was vital for the ITF to establish relationships of confidence and trust with counterparts. Such relations now exist and counterparts present at the Almaty conference, notably the lawyers who appreciate the detail involved in the project, indicated that concrete work on the model laws should be the priority for the next project phase. This will undoubtedly require substantial time to be spent by the ITF experts in conditions where they can work free from interruptions and with all source materials easily to hand. During this period it is proposed that country visits be limited to those essential to advance development of the model laws. Once the model laws are ready and have been circulated it will be important to discuss them in-country with counterpart teams, a process which will continue well into 1997 and during the Autumn particular emphasis will be given to visits within the Caucasus.

This is but one example of the kind of fine-tuning which will be required during the lifetime of the project. Others exist in the field of training where authorisation may be needed at short notice to carry out a seminar in an individual Republic beneficial to counterparts and the project objectives. Given the very tight deadlines involved throughout the project and the logistical difficulties of organising travel etc, it is essential that the Commission should continue to respond flexibly and rapidly in such situations to requests from the Consultant for adjustment between budget lines.

The Consultant would like to stage repeat versions of the Tashkent Workshops in Baku and Ashgabat during the late Autumn and will seek variation of the contract in order to do so. If these two are successful, applications for further Workshops to be held may be made for the Winter of 1996 and Spring of 1997.

Recommendation 1 under the section "comparative legislation" in the final report of the Kazakhstan Transport Law Project has not been implemented by the Commission. If the Commission is seriously interested in promoting use of EU legislation sources in the TRACECA region the Consultant would again urge that experienced lawyer linguists should be engaged by the Commission to translate key instruments of EU transport law. The Consultant will help to identify those instruments which warrant such translation if required.

FORM 2.2: PROJECT PROGRESS REPORT

| Project title: TRACECA: Legal & Regulatory Framework | | Project number: TELREG 9306 | | Page: 11 | | | | | |
|--|--|--|----------|-----------------------|----------|--|--|------------------------------|------------------------------|
| Countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan | | EC Consultant: Scott Wilson Kirkpatrick and N.E.A. | | | | | | | |
| Planning Period: 21/12/1995 - 30/06/1996 | | Prepared on: 17 July 1996 | | | | | | | |
| 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 | | | | | | | | | |
| | | INPUTS | | | | | | | |
| | | TIME FRAME 1996 months | | | | | | | |
| | | Personnel EC Consultant | | Personnel Counterpart | | EQUIPMENT AND MATERIALS | | OTHER | |
| No | ACTIVITIES IMPLEMENTED | Planned | Utilised | Planned | Utilised | Planned | Utilised | Planned | Utilised |
| 1 | Appraisal visits and establishing National Task Forces -Appoint National Task Force -Acquire and equip offices | 8.0 | 15.0 | 12.0 | 12.0 | Office equipment: fax, phone, e-mail, computer, copier | Office equipment: fax, phone, e-mail, computer, copier | 10 flights 4 car journeys | 19 flights 5 car journeys |
| 2 | Legislative needs analysis -Assess local legislation -Collect and analyse -Identify needs & prioritise | 5.0 | 7.0 | 10.0 | 10.0 | | | 2 flights | 4 flights 2 car journeys |
| 3 | Prepare legal models and guidelines for a common legal framework | 10.0 | 6.0 | 5.0 | 5.0 | | | 2 flights 1 car journey | 4 flights 1 car journey |
| 4 | Management seminars -Prepare conference material -Deliver seminars and workshops | 10.0 | 12.80 | 5.0 | 5.5 | Prepare training material | Prepare training material, | 20 flights 1 car journey | 22 flights |
| 5 | Develop a common legal framework for transport laws | 2.0 | 2.0 | 2.0 | 2.0 | | | | 2 flights 1 car journey |
| 8 | Institutional strengthening | 1.0 | 0 | 2.0 | 0 | | | 1 flight | 52 flights 9 car journeys |
| | | 36.00 | 42.80 | 36.00 | 34.50 | | | 35 flight 6 car journeys | |
| | | 27.63 | 32.85 | 20.45 | 19.60 | | | | |
| | | TOTAL man months | | % of Contract Total | | | | | |

FORM 2.3: RESOURCE UTILISATION REPORT

| Project title: TRACECA: Legal & Regulatory Framework | Project number: TELREG9306 | Countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan | Page:12 | | |
|---|----------------------------|---|-----------------|----------------|-------------------------|
| Planning Period: 21/12/1995 - 30/06/1996 | | Prepared on: 17th July 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 | | | | | |
| RESOURCES/INPUTS | TOTAL PLANNED | PERIOD PLANNED | PERIOD REALISED | TOTAL REALISED | AVAILABLE FOR REMAINDER |
| PERSONNEL | | | | | |
| Director | 0.8 | 24.0 | 6.0 | 0.8 | 0 |
| Training Expert | 2.3 | 24.0 | 6.0 | 4.0 | -1.7 |
| Regional Coordinator | 20.0 | 24.0 | 6.0 | 5.3 | 14.7 |
| Team Leader | 15.0 | 24.0 | 6.0 | 4.7 | 10.3 |
| Road Transport Lawyer | 12.0 | 24.0 | 6.0 | 2.2 | 9.8 |
| Rail Transport & Customs Lawyer | 2.0 | 24.0 | 6.0 | 0.8 | 1.2 |
| Maritime & Transport Lawyer | 2.0 | 24.0 | 6.0 | 1.0 | 1.0 |
| Banking & Finance Regional Legal Expert | 0.5 | 24.0 | 6.0 | 0.0 | 0.5 |
| Regional Transport Specialists | 12.0 | 24.0 | 6.0 | 3.0 | 9.0 |
| Regional Sub Unit Supporting Visiting Specialists | 12.0 | 24.0 | 6.0 | 3.0 | 9.0 |
| Pool of Specialists | 44.0 | 18.0 | 6.0 | 18.0 | 26.0 |
| Local Experts | 6.0 | 15.0 | 6.0 | 0.0 | 6.0 |
| | 1.7 | 22.0 | 6.0 | 34.5 | 1.7 |
| | 176.0 | | | | 141.5 |
| Sub-total | 306.3 | | | 77.30 | 229.00 |
| EQUIPMENT & MATERIAL | | | | | |
| Computer | 9 | 9 | 6 | 6 | 3 |
| Software | 9 | 9 | 6 | 6 | 3 |
| Printer | 8 | 9 | 6 | 6 | 2 |
| Fax / Tel | 8 | 9 | 6 | 6 | 2 |
| Photocopier | 9 | 9 | 6 | 6 | 3 |
| e-mail | 8 | 9 | 6 | 6 | 2 |
| TOTAL | | | | | |

FORM 2.4: OUTPUT PERFORMANCE REPORT

| Project title: TRACECA: Legal & Regulatory Framework Planning Period: 21/12/1995 - 30/06/1996 | Project number: TELREG9306 Prepared on: 17th July 1996 | Countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan EC Consultant: Scott Wilson Kirkpatrick and N.E.A. | Page: 13 |
|--|---|--|---|
| Output results | Deviation original plan + or - | Reason for deviation | Comment on constraints & assumptions |
| 1 Established National Task Forces 2 Legislative drafts being established by N.T.F. 3 Model laws being prepared 4 Conference delivered in Almaty and workshop in Tashkent 5 Start made on preparing a common legal framework for transport laws 8 Guidance given on institutional strengthening | +5% +5% -5% +10% 0% -5% | The competitive market for the services of good quality Documentalists. More time spent identifying offices and staff. Due to the difficulty of obtaining relevant material and speedy translations, more time has been spent on this part of the project. Due to the difficulty of obtaining relevant material and speedy translation less time has been spent on this part of the project. More presenter time than scheduled plus the presence of the Director at the Almaty Conference. None Individuals not yet identified for long term institutions. | 1 Partners generally willing to participate and provide offices. Availability of equipment and offices and services varies according to country. 2 Partners have started to obtain legislation and identify needs and prioritise requirements. 3 Partners are prepared to consider models and guidelines. 4 Capacity limited by length of training and numbers available to train. 5 Partners willing to discuss, develop and harmonize trade. 8 Funding will be required to set up and develop institutions and not all states may be willing / able to locate funds. |

5. PROJECT PLANNING FOR THE NEXT REPORTING PERIOD

Important observations for project success

Most significant points have already been covered in Section 4

In the Inception Report the Consultant warned that it would be necessary to take account of the evolution of the geopolitical situation in the region in planning each phase of the work. This is even more true today since the emergence of the new 4 country integrated economic area which includes 2 TRACECA states, Kazakhstan and Kyrgyzstan. The Consultant understands that the Russian Federation intends to sponsor some legal drafting commissions in Moscow shortly to attempt to harmonise transport laws in the new area and possibly also in the CIS. There is still considerable concern among the counterparts in some parts of the region that law reform should be compatible with developments in Russia. The Consultant is determined that the project should remain, as intended, solely a programme of technical assistance. However the political dimension cannot be ignored and is the clear responsibility of the European Union as sponsors.

If the project continues along the course presently charted and the CIS should organise a parallel programme of reform there is a possibility of duplication of effort. It is also possible that the programmes will develop in slightly different directions. There is not at present, so far as the Consultant is aware, even an informal mechanism for consultation between Russian and TRACECA legal reformers. The European Union should doubtless establish some consultative machinery at Brussels so that Russian reformers can be reassured as to the positive benefits which will flow to all states in the region, not just TRACECA states, if the present projects are successfully completed. This task of awareness and confidence building is one which the Consultant believes should be tackled by the Commission at the earliest opportunity before any misunderstandings develop. If, as a result, programme modifications are required these will be negotiable with the Consultant in due course. The Consultant understands that the World Bank is funding infrastructure development in Russian which includes an institutional and legal component. The Consultant intends to establish links with the World Bank Consultants at the earliest opportunity and this may allow an additional route for monitoring transport.

So far as implementation of the measures proposed by the Consultant is concerned, particularly in the field of transit treaties and agreements, it seems increasingly unlikely that these will be adopted solely as a result of recommendations from the Consultant. The Consultant strongly recommends that the EU should work far more closely than heretofore with other agencies in the field who are currently engaged on similar work and who have broader influence than Tacis. UNDP / UNCTAD immediately come to mind, but ESCAP, ECE and ECO also have initiatives underway. Many patient months or years of diplomatic activity may well be required at the highest level within the Republics if agreements are

actually to be signed and for this a pooling of efforts by the international community seems essential even if this requires changes to the individual programmes they have under development. The Consultant has recently take the initiative in trying to facilitate and promote development of a common approach by parallel projects in the field.

Proposals for adjustment of overall project planning

There are at present no proposals for adjustment of overall project planning, the concept of 3 phases of work being maintained broadly intact. Detailed adjustments will have to be made throughout the project and some have already been mentioned above. The Consultant believes that any major adjustments to the project planning proposed in the future would result from the need to respond to external factors within particular states or the region as a whole, rather than any change in the internal logic of the project itself.

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

| | | | |
|--|---|--|----------------------------|
| Project title : TRACECA Project: Legal and Regulatory Framework | Project number : TELREG 9306 | Countries : Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan | Page : 16 |
| Planning period : 01/07/96 - 31/12/96 | Prepared on : 17th July 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 | July | August |
| 1 | Appraisal visits and establishing of National Task Forces | xxxx | xxxx |
| 2 | Legislative needs analysis | xxxx | xxxx |
| 3 | Legal models and guidelines | xxxx | xxx |
| 4 | Management seminars | xxxx | xxxx |
| 5 | Develop a common legal framework for transport law | xxxx | xxxx |
| 6 | Harmonisation of trade facilitation issues | xxxx | xxxx |
| 7 | Harmonisation of transport operator legislation | xxxx | xxxx |
| 8 | Institutional strengthening | xxxx | xxxx |
| | | September | October |
| | | November | December |
| | | TOTAL man months | |
| | | 32.5 | 70.0 |
| | | 28 flights 2 car journeys | |
| | | INPUTS | |
| | | PERSONNEL | EQUIPMENT AND MATERIAL |
| | | EC Consultant / Regional sub-unit | Counterpart /Local Experts |
| | | 1.0 | 3.0 |
| | | 4.0 | 5.0 |
| | | 10.0 | 26.0 |
| | | 6.0 | 15.0 |
| | | 6.0 | 15.0 |
| | | 2.0 | 3.0 |
| | | 2.0 | 3.0 |
| | | 1.5 | 0.0 |
| | | Office equipment: fax, phone, e-mail, computer, copier | |
| | | Prepare training material | |
| | | 1 flight | |
| | | 1 flights 1 car journey | |
| | | 3 flights 1 car journey | |
| | | 20 flights | |
| | | 1 flight | |
| | | 1 flight | |
| | | 1 flight | |

APPENDIX 1

NATIONAL TASK FORCE OFFICE LOGISTICS

APPENDIX 1

NATIONAL TASK FORCE OFFICES LOGISTICS

1. Introduction

- Equipment

Purchased from local suppliers after seeking competitive quotes and taking the advice of local Tacis Co-ordinating Units. An important objective was to provide equipment from a supplier who provided local back up. Mainly Imported Computers and peripherals from Europe. Purchased and installed when a safe office is available. Computer configuration usually 8MB, Laser Jet Printer, Tel Fax, Fax Modem, Photo Copiers, CD Rom, where a suitable qualified documentalist exists. Software from Word 6, in some offices, to full Office Professional in the Regional Sub Unit. e-mail installed in Almaty and Kyrghyzstan, local training is required before use can be made of e-mail.

Local Computer experts have generally been found who can provide emergency software and systems back up to the Documentalist. In Armenia the Documentalist is also a computer programmer and so provides excellent stand alone support.

- Documentalists

Selection based upon local circumstances, and TACIS CU assistance where appropriate. Selection criteria has been established. Job description is used during interviews.

Local pay rates in Almaty and Tashkent for suitably qualified translators, who could be hired as Documentalists are prohibitive. It is also difficult to hire permanent translators and interpreters as they can earn much more by remaining freelance. There are many International companies offering high salaries. The supply of suitably qualified personnel is limited and as they become available, they are hired by foreign companies. As a result of this, use is made of freelance translators and interpreters in Tashkent and Almaty.

The Regional Sub Unit is developing a valuable service, in addition to undertaking local translation. They are tasked to collate draft legislation, disseminate Project News, and keep in regular contact with the National Task Force Chairmen. They also arrange meetings and accompany visiting experts.

- Office Space

It is a requirement in the Terms of Reference that each participating TRACECA Republic provides an office. Some Republics have been fortunate to have office space available, close to the National task Force Chairmen. Some Chairmen experienced delays in obtaining office space owing to local circumstances. The office in Baku is temporarily in the same office as the Chairman, pending suitable space being found elsewhere. Office space in Baku is difficult to find.

- Accommodation

In winter consultants experienced some hardship where there was no heating, light or hot water. Advance booking of hotels is sometimes ignored by hotel staff. In summer experts will be forced to

use accommodation with air conditioning. Accommodation with International Fax communication is generally available and where hotels do not possess communications, local business centres provide out of office hours facilities.

- Registration

Some local Registration regulations pose problems as experts, due to the nature of their work, are not able to stay in one location, or only stay in the country for a few days. The registration process can be so long that experts leave before formalities are completed. Sometimes experts need to be accompanied at airports to ensure there are no difficulties.

- Local Interpreters and Drivers

Experience gained in each country has provided the best option.

- Training

Documentalists have received appropriate training. This has included computer training and training in Translation Procedures and Office Systems. The high standards and enthusiasm of full time and freelance personnel is appreciated by all experts.

2. National task Force Offices

- Armenia - Yerevan

Located in the Ministry of Transport, close to the National Task Force Chairman and local expert responsible for TIR. Local communications installed. International tel and fax difficult to non-existent. Using local business centre. AT&T Satellite link being investigated. Heaters required. Documentalist in place.

Chairman Mr A. S. Shahnazarian: First Vice Minister of the Ministry of Transport
and Communications

Documentalist Vardouhi Abrahamian

- Azerbaijan - Baku

An offer has been made for an office on the edge of town. This office would however need significant refurbishment. We are currently discussing with the NTF Chairman for a better alternative.

Chairman Mr I. M. Sadykhov: Head of the Department of Transport
and Communication

Documentalist Murad Sadykhov

- Georgia - Tbilisi

Located in a private office block, a short walk from the Chairman. International tel and fax being installed. Satellite link to be installed. Office managed by the Regional Coordinator of the Trade

Facilitation Project. Blinds required to offset high room temperatures. Generator required or link required to external auxillary power. Office refurbished. Heaters required. Computers installed, Documentalist appointed.

Chairman Mr G. Dolbaya: Deputy Chairman of the Transport
Co-ordination Council

Documentalist Maya Akobaya

- Kyrgyzstan - Bishkek

Located in the Ministry of Transport, only a few doors away from the local expert responsible for TIR. Blinds required. Heaters required. Office refurbished. Computers installed. Documentalist appointed.

Chairman Mr S. S. Zakirov: Chief Assistant to the Department
of Transport President's Office

Documentalist Tatiana Yarkova

- Tajikistan - Dushanbe

Located in the Ministry of Transport, near to the local TIR expert and Chairman. Documentalist appointed. Computer, Photo Copier, Tel Fax, Modem obtained. Equipment awaiting shipment to Dushanbe.

Chairman Mr I. Negmatov: Deputy Minister of Transport & Roads

Documentalist Zarina Sattarova

- Turkmenistan - Ashgabat

Located in the Railway Headquarters. Office equipment installed. Documentalist appointed.

Chairman Mr M. S. Yazberdiev: Head of the Cabinet of Ministers
Transport and Communications Department

Documentalist Marat Purliev

- Uzbekistan - Tashkent

Located in the International Road Traffic Organisation Regional Mission. Building still undergoing final refurbishment. Office equipment purchased, documentalist appointed but moved to another project, currently seeking replacement.

Chairman Mr D. Khamraev: Deputy Director "Uzvneshktrans"

Documentalist To be appointed

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.

APPENDIX 2

LEGISLATION QUESTIONNAIRE

**Traceca Legal and Regulatory Framework
Project No. 1**

Questionnaire on Transport Legislation

Rijswijk, April 1996

0. SOURCES OF APPLICABLE LAW

Road Transport:

Name: **Scope:**etc.

Rail Transport:

Name:etc.

Water Transport:

Name:etc.

Multilateral on Border Crossing Formalities

Name:etc.

Multilateral on Trade

Name:etc.

Multilateral on Customs

Name:etc.

1. CIVIL/COMMERCIAL LAW

Content of road transport contract **Road** **Rail** **Sea:**
 Free
 Compulsory

Road transport tariffs **Road** **Rail** **Sea:**
 Free
 Recommended
 Set

Consignment notes **Road** **Rail** **Sea:**
 Document of title
 No document of title
 Standard content

Liability **Road** **Rail** **Sea:**
 Limited
 Not limited

Insurance of Goods
 Available in local market
 Not available/difficulties

Insurance for Liability of Operators
 Available in local market
 Not available/difficulties

2. CONTRACT, LIABILITY & INSURANCE etc.**Road Transport:****CMR Convention of the contract for the international carriage of goods by road**

- Ratified
- Directly applicable
- Implemented
- Not applicable

Rail Transport:**COTIF-CIM****Convention relative aux transports internationaux ferroviaires - Regles uniformes concernant le contrat de transport international ferroviaires des marchandises**

- Ratified
- Directly applicable
- Implemented
- Not applicable

MPS System (Soviet Model)

- Applicable
- Reforms planned

SMGS System (Eastern Bloc/China)

- Applicable
- No longer applicable

Sea Transport:**Hague Rules**

- Ratified
- Directly applicable
- Implemented
- Not applicable

Hague Visby rules

- Ratified
- Directly applicable
- Implemented
- Not applicable

Hamburg Rules

- Ratified
- Directly applicable
- Implemented
- Not applicable

Insurance for civil liability

- Compulsory
- Not compulsory

Multimodal Transport:

Uniform rules for a combined transport (ICC rules)

- Common practice
- No common practice

UNCTAD/ICC Rules for Multimodal Transport Documents

- Common practice
- No common practice

Trade:

1990 Incoterms

- Common practice
- No common practice

3. ACCESS TO THE TRANSPORT MARKET

Road Transport:

Bilateral agreements

AR AZ GE KA KY TA TU UZ RU

- Agreement
- Auth. Loco
- Auth. Transito
- Auth. Cabotage
- Taxation

Multilateral agreements, with

.....

- Auth. Loco
- Auth. Transito
- Auth. Cabotage
- Taxation

Rail Transport:

Bilateral agreements

AR AZ GE KA KY TA TU UZ RU

- Agreement
- Auth. Loco
- Auth. Transito
- Auth. Cabotage
- Taxation

Multilateral agreements, with

.....

- Auth. Loco
- Auth. Transito
- Auth. Cabotage
- Taxation

Water Transport:

Bilateral agreements

AR AZ GE KA KY TA TU UZ RU

- Agreement
- Auth. Loco
- Auth. Transito
- Auth. Cabotage
- Taxation

Multilateral agreements, with

.....

- Auth. Loco
- Auth. Transito
- Auth. Cabotage
- Taxation

4. ACCESS TO THE PROFESSION OF TRANSPORT & FORWARDING OPERATOR

Road Transport:

Conditions:

- Nationality
- Registration
- Establishment
- Reliability
- Professional Competence
- Financial Standing
- Other business licensing conditions, such as

Rail Transport:

Conditions:

- Nationality
- Registration
- Establishment
- Reliability
- Professional Competence
- Financial Standing
- Other business licensing conditions, such as

Water Transport:

Conditions:

- Nationality
- Registration
- Establishment
- Reliability
- Professional Competence
- Financial Standing
- Other business licensing conditions, such as

Forwarding:

Conditions:

- Nationality
- Registration
- Establishment
- Reliability
- Professional Competence
- Financial Standing
- Other business licensing conditions, such as

5. SOCIAL REGULATION

Operation times and rest periods

Project objective, uniform regulation and effective checking to achieve a proper application of social regulation in transport.

National Regulations:

International Regulations:

AETR Agreement 1970

- Ratified
- Directly applicable
- Implemented
- Not applicable

6. TECHNICAL REGULATION

Transport means safety tests

Project objective, uniform technical specifications for transport means for higher traffic safety standards.

National Regulations:

International Regulations:

Weight and dimension of vehicles

Project objective, common maximum weight and dimensions of vehicles for higher traffic safety and improvement of the use of vehicles.

National Regulations:

International Regulations:

7. ENVIRONMENTAL AND SAFETY REGULATION

Standards for the drivers/machinists/navigating officers

Project objective, common standards for drivers for a facilitation of traffic and higher safety standards.

National Regulations:

International Regulations:

Dangerous goods

Project objective, improvement of public safety and uniform and effective application of regulation concerning the transport of dangerous goods.

National Regulations:

International Regulations:

E.g. ADR IMDG United Nations Codes

- Ratified
- Directly Applicable
- Implemented
- Not applicable

Perishable goods

Project objective, improvement of the public health and uniform and effective application of regulation concerning the transport of perishable goods.

National Regulations:

International Regulations:

E.G. ATP Convention 1970

- Ratified
- Directly Applicable
- Implemented
- Not applicable

Livestock:

Project objective, improvement of welfare standards of animals and uniform and effective application of regulation concerning the transport of livestock.

National Regulations:

International Regulations:

8. ROAD TRAFFIC

Project objective, improvement of traffic safety by abolishment of differences in road signs, signals and road markings.

Ratified (1)

Directly applicable (2)

Implemented (3)

Not applicable (4)

- UN Convention on Road Traffic 1949
- Protocol on road signs and signals
- European agreement 1950 supplementing the 1949 convention on road traffic and the 1949 protocol on road signs and signals
- European agreement on road markings
- UN Convention on Road Traffic 1968
- Convention on road signs and signals 1968
- European agreement 1971 supplementing the convention on road traffic
- European agreement 1971 supplementing the convention on road signs and signals
- Protocol on road markings, additional to the European agreement 1973 supplementing the convention on road signs and signals

9. BORDER CROSSING FORMALITIES**TIR Customs convention on the international transport of goods under cover of TIR carnets 1975**

- Ratified
- Directly applicable
- Implemented
- Not applicable

Customs convention on containers 1972

- Ratified
- Directly applicable
- Implemented
- Not applicable

The international convention on the harmonisation of frontier controls of goods 1982

- Ratified
- Directly applicable
- Implemented
- Not applicable

The ACR Agreement on Major Traffic Arteries 1975

- Ratified
- Directly applicable
- Implemented
- Not applicable

ATA Convention (Temporary Import of Goods)

- Ratified
- Directly applicable
- Implemented
- Not applicable

Customs Convention of Temporary Import of Commercial Road Vehicles 1956 (Carnet de Passage)

- Ratified
- Directly applicable
- Implemented
- Not applicable

New Customs Code of the Republic

- In draft
- Implemented
- Use Soviet code

10. PLANNING OF INFRASTRUCTURE

Bilateral planning

AR AZ GE KA KY TA TU UZ RU

- Road
- Rail
- Inland Water
- Sea

Multilateral Planning, with

- Road
- Rail
- Inland Water
- Sea

11. FINANCING OF ROAD INFRASTRUCTURE

| | Road | Rail | Water |
|---|------|------|-------|
| <input type="checkbox"/> Transport means taxation | | | |
| <input type="checkbox"/> Tax on fuel | | | |
| <input type="checkbox"/> Toll systems | | | |
| <input type="checkbox"/> Transit fees | | | |
| <input type="checkbox"/> Other sources, such as | | | |

12. MEMBERSHIPS**IRU, International Road Transport Union**

- Yes
- No

OCTI, Office Central des Transports Internationaux par Chemin Fer

- Yes
- No

UIRR, Union Internationale de Societes de Transport Combiné Rail/Route

- Yes
- No

IMO, International Maritime Organisation

- Yes
- No

IRF, International Road Federation

- Yes
- No

WTO, World Trade Organisation

- Yes
- No

WCO, World Custom Organisation

- Yes
- No

ICC, International Chamber of Commerce

- Yes
- No

FIATA, International Federation of Forwarding Agents Associations

- Yes
- No

APPENDIX 3

MEMORANDUM SIGNED AT ALMATY CONFERENCE



MEMORANDUM

of the participants of the first Regional Conference of the TRACECA Transport Corridor Legal and Regulatory Framework Project

The participants of the first Regional Conference of the Legal and Regulatory Framework Project:

- basing on historical transport connections of our countries,
 - realising the necessity of integration for transport systems and development of trade between our countries,
 - being guided by commonly accepted norms and principles of international and transport law,
 - taking into account the need for unification of transport legislation between our countries,
- have agreed on the following:

1. In general to consider acceptable for future work the priorities identified in the Inception Report for the project.
2. In order to set up the basis for integration and to provide regional access to the transport market to recommend the signing of bilateral agreements with third countries and multilateral agreements with permit-free system of border crossing with the TRACECA countries with the aim to facilitate: transit transport, domestic transport and transport to the third countries.
3. Taking into account the need to introduce international standards in trade and transport, it is recommended that common systems of liability are introduced for freight-forwarding and priorities are identified for TRACECA countries to join certain international Conventions and Agreements.
4. In order to optimise national transport markets the Conference recommends that the International Task Force, with the help of National Task Force by October 1996, should draft a Model Transport Law taking into account principles and provisions from Civil Codes of the TRACECA countries which is suggested for the discussions during October-December 1996 and to accept as a basis for drafting national laws not later than 1997.
5. To ask the management of TRACECA to find the possibility for training at least two lawyers from each TRACECA country on transport legislation.
6. The Conference thinks that the composition of the delegations from TRACECA countries for the Conference in Tbilisi in October 1996 should be as follows:
 - * National task Force Chairman
 - * Lawyer-expert on transport legislation
 - * Expert on transport

APPENDIX 4

TRAINING

APPENDIX 4: 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 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.

Now that a National Task Force office is 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.

Regional Conferences:

Regional Conferences will be held in:

Tbilisi October 1996
Tashkent April 1997
Ashgabat November 1997

The Regional Conferences 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. The focus of the next two Regional Conferences will be on working groups to discuss and develop the model laws.

Specific Training Needs

- 1) We will identify but not perform a course for Lawyers from Azerbaijan / Armenia but separate finance will be needed to send them to Europe.
- 2) We will carry out a workshop in Ashgabat for Armenia / Azerbaijan / Turkmenistan on operational aspects of international law technicalities.

- 3) Training in Trade Documents will be given at the fourth Regional Conference
- 4) Training in EDI will be carried out by experts during a conference at Tashkent.
- 5) Training of Documentalists will be based on the needs of the project and be carried out by the Regional Co-ordinator. Basic training programmes have already been carried out in several NTF offices.