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TRACECA Project
Trade Facilitation, Customs
Procedures and Freight Forwarding
PROGRESS REPORT
October 1996

Scott Wilson Kirkpatrick

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Directorate General 1A
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Your Reference:

Our Reference **BE/JF**

28 October 1996

For the attention of Mr D Stroobants

Dear Sir,

TRADE FACILITATION, CUSTOMS PROCEDURES, AND FREIGHT FORWARDING - TRACECA
PROJECT TNREG 9308

We have pleasure in forwarding 5 bound copies and 1 looseleaf copy of our Progress Report for the period July to October 1996. The Russian Translation will be distributed shortly.

Yours faithfully
for SCOTT WILSON KIRKPATRICK & CO LTD



Brian Empringham
Project Coordinator



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Appendix 1 - Model Articles of Association for a Freight Forwarders Association

1. PROJECT SYNOPSIS

Wider Objectives: To promote a transport corridor between Europe and the Caucasus /Central Asia through greater regional harmonisation and integration with international transport & trade practices.

Specific Project Objectives: To improve operational efficiency through the introduction of customs and trade documentation in accordance with UN and international standards and make recommendations on the requirements for modern data processing systems and the upgrading of customs facilities. Institutional arrangements will also be examined with a view to creating transport & trade associations and encouraging cooperation between customs authorities, freight forwarders and transport operators.

Outputs: The following outputs are targeted with the assistance of the NTTFs:

- a Customs Documentation Package containing proposals for a harmonised customs documentation system based on UN alignment.
- an International Trade Documents Package based on international conventions and world trade practices
- a Computer Systems Plan for the introduction of modern data processing technology in the customs environment including a feasibility study of the long term introduction of EDI systems
- a Customs Border Post Report with the results of detail surveys and recommendations for upgrading existing facilities
- an Implementation Report giving cost benefit analysis and implementation schedules for the introduction of transport & trade documents, computer systems, and border post improvements
- an Institutional Framework Plan for the development of Customs Consultative Council's, Customs Agents Associations, and Trade & Forwarder Associations including draft articles of association
- a Business Plan for a pilot multi-modal regional freight forwarding operation
- a Banking & Insurance Overview Report
- a Training Programme including workshops/seminars and visits to European facilities

Target Group: At the general level target groups will include both relevant ministries/customs authorities, and the state owned or privatised transport and forwarding industry. More specifically local expertise will be promoted through direct training and transfer of technology to counterpart staff in the NTTF's.

Inputs: Technical assistance will include 17 man months of long term experts and 323 man days of short term experts in different specialities. Training materials will also be provided and access arranged to European facilities for the purposes of the familiarisation mission. The involvement of a west European Freight Forwarder in the pilot study will be sought as an essential pre-requisite of seeking further funding for implementation of the pilot.

2. SUMMARY OF PROJECT PROGRESS

The Project Strategy was to divide the International Trade Task Force (ITTF) into two Action Teams for the first part of the programme, as indicated in the Inception Report. This was in response to the identified logistical problems of attempting to undertake work in all eight countries simultaneously. The primary team tasks were to undertake:

- * A detailed appraisal of trade and Customs documentation systems and procedures , including computerisation: and
- * Inspection of the border facilities

The documentation and Customs procedures were selected for study in the first part of the project because the recipients, visited in the Extended Appraisal Mission, considered that these issues should be prioritised as they were perceived as the major problem areas in trade facilitation. From a project perspective, these subjects also represented the major workload in terms of both inputs and production of output deliverables.

The detailed appraisal of the trade and Customs documentation systems and procedures was undertaken by the ITTF specialists, assisted by the respective NTTF experts. The Caucasus region was evaluated in April to June and Central Asia in July-September. The Documentation and Customs Procedures Report was compiled in September-October and published end October, with translation currently being completed. Unfortunately this is approximately one month later than programmed. This was due to the need to analyse the large amount of data collected and to check the recommendations with UNCTAD and EuroCustoms to ensure compatibility of results with their current programmes in the region. This report included the banking and insurance aspects.

The inspection of the Border Posts was undertaken commencing in the Caucasus in March and completing in Central Asia in September. A total of 73 borders were assessed by the project team, of which over 65 were visited by the Team Leader with the NTTF experts. The analysis of the results and compilation of the report has been completed with publication expected in early November. This is approximately six weeks later than programmed in the Inception Report. However, at that time only 30 borders were expected to be covered. This was later extended to cover non-TRACECA as well as TRACECA borders at the request of the recipients.

The NTTF teams were established during the Inception Phase. These experts were mainly nominated by the respective recipients. As indicated in the last Progress Report, there had been significant changes in the initial stages. Since the last report, there have been no changes to the teams and they have been active in the collection of data and participation in discussions on the various issues concerning trade facilitation and Customs procedures.

The Familiarisation Tour took place at the end of June with 23 specialists in attendance. This was followed by the 1st Regional Conference in early July which consisted of presentations and workshops discussing various trade, customs, forwarding and institutional issues and confirming the focus of the project. Two training seminars have since been provided in Georgia. The Team Leader and Regional Co-ordinator both presented papers at the TACIS-sponsored "Problems of Road Transport and Transit Communications Developments in Central Asia" and the ITTF Customs Expert at the EuroCustoms Conference on Harmonisation of Documentation and Trade Procedures Conference, both held in Tashkent in mid October.

3. SUMMARY OF PROJECT PLANNING

The following tasks will be undertaken within the next planning period:

- * Development of the Business Plan for a multi-modal regional freight forwarding operation
- * Commencement of the Uzbekistan cotton project
- * Development of Freight Forwarder Associations
- * Development of Customs Consultative Councils
- * Training seminars
- * Discussions with NTTFs on recommendations of project reports
- * Funding proposal for a national Customs computerised clearance system

The Forwarding pilot study has commenced with the collection of data by the NTTF and the appointment of two regional forwarding specialists, one based in Tashkent and one in Tbilisi. The initial programme will commence with analysis of the existing forwarding markets in Uzbekistan and Georgia, which will then be extended to cover all eight countries.

The project team has been requested to provide technical assistance to Uzbekistan with the export of cotton using the TRACECA route. This consists of two main phases. The first phase is analysis of logistical problems of sending cotton on the TRACECA route and to establish a Transport Commission with responsibility to oversee the movement of the cotton. The second phase is to develop a monitoring system to identify problems and indicate appropriate solutions regarding the movement of cotton in covered wagons along the corridor. In parallel, an investigation will be undertaken into potential new methods of shipping cotton using multi-modal concepts, such as the use of ISO containers. The late award of the contract is expected to require an extension of time to the end of April '96 but should not affect the timing of key outputs to other countries as indicated in the Inception Report.

The development of both the Freight Forwarders Associations and the Customs Consultative Councils will be undertaken with the active involvement of the NTTF experts. This will consist of the provision of draft Articles of Association and meetings with relevant organisations based on current research being conducted in the region.

Ongoing discussions will be held with the NTTF teams on the recommendations contained in the Documentation and Customs Procedures, Customs Computerisation and the Border Post reports leading up to the Second Regional Conference. This consultation process is intended to identify critical or controversial issues in order to ensure that the conference reaches agreed conclusions and that modifications are considered or further information collected in advance. The results of the discussions may also affect the participation of specialist presenters.

The ITTF Computer Specialist, together with a funding experts, will prepare a draft feasibility plan for presentation to international leading agencies in connection with the development of a

computerised Customs Clearance System in the TRACECA region. Subject to EC agreement contact will be made with appropriate funding agencies to ascertain the potential level of support.

4. PROJECT PROGRESS

PROJECT STRATEGY

The Inception Report indicated the logistical problems of undertaking the data collection phase of the project in all eight countries simultaneously. This resulted in the need to adopt a new operational strategy to ensure the project objectives were achieved. The main changes consisted of an Extended Appraisal Mission (EAM) and the division of the International Task Force (ITTF) into two operating teams to evaluate each region consecutively and then combine the results to provide harmonised solutions.

The Team Leader and Regional Co-ordinator completed the EAM in June mobilising the National Task Forces (NTTFs) and undertaking some initial collection of data. The two operating teams had the following specific tasks:

- * A detailed appraisal of trade and Customs documentation and procedures, including computerisation
- * Inspection of the border facilities

The first team consisted of the Regional Co-ordinator and the short term ITTF experts, supplemented by the NTTF experts. They commenced in May-June with visits to Armenia, Azerbaijan and Georgia and returned to the UK for the 1st Regional Conference. During this reporting period, the team visited the Central Asia region - Kazakhstan, Kyrgyzstan, Tadjikistan, Turkmenistan and Uzbekistan. This visit programme commenced late July and was completed early September.

The second team consisted of the Team Leader and the NTTF experts and was initially assisted by the Regional Co-ordinator during the EAM. This team commenced in March-April in Armenia and Georgia and continued in May-June in Kazakhstan, Kyrgyzstan, Tadjikistan and Uzbekistan before returning for the 1st Regional Conference. During this reporting period, the team visited Azerbaijan and Turkmenistan before covering the remaining borders in Kazakhstan, Kyrgyzstan, Tadjikistan and Uzbekistan. Some of the higher border crossings had not been accessible on previous visits. This visit programme commenced late July and was completed mid-September.

As indicated in the last Progress Report, the initial concentration was to be on the customs aspects. This strategy was adopted in response to the recipient's requests in discussions during the EAM. It was recognised that the Customs recommendations would be more complex, required most fieldwork, would take longer to debate and implement and would probably require changes in legislation.

The practical approach to the project adopted as part of the strategy has continued. This was to ensure that the recommendations were relevant to the specific trade and transport environment in each country, maximised the involvement of the NTTF personnel in visiting sites around each country so as to experience problems first hand and to enable the wider participation by other interested parties in diverse locations. The ITTF teams have covered over 25,000 kilometres by road, 10,000km in this reporting period. The whole of the TRACECA route has now been visited, except the Chimkent to Aktau section. This will be travelled in winter to assess conditions on that corridor. The routes covered are shown in Fig 1.

The remainder of the initial project will be undertaken by the Team Leader concentrating on the institutional aspects regarding the establishment of Freight Forwarder Associations and Customs Consultative Councils and the Regional Co-ordinator concentrating on the Freight Forwarder Business plan. Both will be assisted by the NTTF teams, the local trade and transport expert in Tbilisi and a European forwarding organisation in Tashkent. The short term ITTF specialists and head office experts will be used as required. It is considered that the remainder of the project can be undertaken on a simultaneous basis in both regions.

The strategy for undertaking the Uzbekistan Cotton Project has been to split the tasks to be carried out into two specialist teams. The first team will consist of the Team Leader and Regional co-ordinator supported by local specialists along the TRACECA route. Their role will be to create and participate in the Uzbek Transport Commission responsible for overseeing the shipment of cotton to Poti and assist in the establishment of a monitoring system to record movements along the corridor. Shipment is expected to be in conventional covered wagons in block trains. The second team from BCEOM, who are undertaking the TRACECA Multi-modal project, will examine new methods of shipment. This will commence with a European marketing study to identify purchasing systems, current use of containers in cotton importation and buyer preference factors. A marketing report will be issued in December with recommendations for Phase 2 studies. Subject to the viability of the marketing study the team will then assess the potential for using containers for cotton shipments from Uzbekistan using block container trains and involving through transport into Europe. A report on this global operation plan will be issued in early March.

TASKS PERFORMED

Mobilisation of NTTFs (Activity 1)

The National Trade Task Forces were mobilised in the Inception Stage. As indicated in the last progress report, a large number of changes were made in the period April to June. This was because the nominated personnel were withdrawn by the recipients. It is pleasing to report that no further changes have been made and therefore there is improved team continuity. Difficulties still remain in Azerbaijan due to the lack of a forwarding expert. As the initial concentration was on Customs, rather than forwarding, this has not affected the project results. Remedial action is being taken and an appointment will be made in early November.

It is recognised that the necessity to adopt a two region strategy tends to place a heavier workload on NTTF specialists in one region, whilst there is limited activity in the other. Limited work has therefore been undertaken in the Caucasus during the reporting period. There will be a concentrated programme in the Caucasus during the next period. The remainder of the project will be operated simultaneously in both regions.

Documentation (Activities 2-4,15)

The ITTF Documentation Specialist, assisted by the NTTF experts, completed the data collection phase in Central Asia in early September. Following leave commitments, the data from both regions was analysed and recommendations developed. The results were cross-checked with both UN and EuroCustoms to ensure compatibility of approach, since both organisations have parallel projects being undertaken in the region. These could not be finalised until October.

During the preparation of the Documentation Report, it became evident documentation and Customs procedures were so closely linked that the results should be combined into a single deliverable report. Documentation depends on Customs requirements and standardised documentation is essential to implement standardised procedures.

The main recommendations in the report focused on the need to:

- * standardise on UN alignment and format for the main Customs documentation
- * extend the use of TIR and develop a new community transit system
- * sign TIR, CMR and COTIF Conventions
- * provide key documentation with Russian and English headings
- * establish a TRACECA Customs Co-ordinating Committee to monitor implementation

During the documentation appraisal, an evaluation of the banking and insurance aspects was undertaken. This revealed that there were no major problems which acted as a constraint to trade facilitation, although there was significant scope for introduction of more trade banking services. This was already taking place with a large number of technical assistance programmes aimed at developing and commercialising the banking industry throughout the region. There were concerns regarding the ability to provide the necessary guarantees for a new Community Transit system, but these were not considered to be insurmountable. It was decided to publish the results of this survey in the Documentation report, rather than produce a separate report later as indicated in the Inception Report.

The Report was issued in English on 23 October 1996 and is currently undergoing translation. It is recognised that this is a substantial document with over 80 pages of text and substantial appendices and that it will require time for the recipients to study the contents.

Customs Procedures

The ITTF Customs Specialist, assisted by the NTTF Customs experts, completed the collection of data and site visits to examine procedures in Central Asia in September. The results were analysed and recommendations developed. It was considered that these should be checked with both the UN and EuroCustoms to ensure compatibility with their recommendations contained in parallel projects in the region. This process could not be completed until mid October. As indicated above the findings were included in the combined Trade Documents and Customs Procedures report issued in English on 23rd October 1996. The Russian version will be issued in November.

The main recommendations in the report focus on the need to:

- * simplify and reduce the requirements for support documentation
- * simplify and standardise the border documentation procedures
- * concentrate clearance at regional level, limiting the role of the border post
- * introduce pre-entry clearance regimes to start clearing cargo before it arrives
- * reduce the levels of inspection through the use of routing systems based on risk
- * promote the use of professional Customs brokers

It is noted that as part of the TACIS programme, EuroCustoms have placed two specialists in the CIS to assist in the harmonisation and standardisation of documentation and procedures. As one of the EuroCustoms specialists the project ITTF Customs Specialist will be based in Tashkent covering Central Asia and Azerbaijan. This is expected to be of benefit to the adoption and implementation of the project recommendations.

Customs Computerisation (Activities 6,8,9)

The ITTF Computer Specialist, assisted by the NTTF Customs experts and computer sections within the Customs Administrations, completed the collection of data and inspection of existing systems in September. The results were analysed and recommendations developed. Difficulties were encountered in obtaining copies of the TACIS ERMIS study, despite constant requests. Eventually a copy was identified in Kazakhstan Customs and checked. This was essential because it is a recent TACIS report specifically covering harmonisation of Customs computerisation throughout the CIS. The ITTF specialist's recommendations are compatible with the ERMIS study. The computer report was completed in October and will be published in November.

The main recommendations in the report focused on the need to:

- * establish independent IT departments in Customs to develop computerisation
 - * use international standards in systems development to enable exchange of information between systems (EDI)
 - * introduce computerised Customs clearance systems in all countries
 - * consider standardisation on the UN ASYCUDA system
 - * produce statistics as an extraction from the computerised clearance system, rather than develop separate systems only to provide statistics
 - * base the systems architecture on pilot projects in the main clearing centre in the capital and then extend to main regional offices and on to the borders
-

The levels of awareness and usage of Electronic Data Interchange (EDI) are low and there is a requirement for additional training so that EDI can be developed in the Customs and trade environments.

The cost of introducing a computerised Customs clearance package is estimated at approx. \$8-10m per country. It is intended to produce a separate funding proposal based on discussions with the EC and appropriate international lending agencies.

Border Post Inspection (Activity 7)

The Team Leader, assisted by the Customs experts in the NTTF teams, completed the extended border inspections in mid-September. As indicated in the previous report, this task has taken longer than originally forecast due to:

- * the distances from the capital and accessibility to these border control points
- * requests by recipients to inspect more border facilities
- * the need to visit non-TRACECA control points to enable the TRACECA crossings to be appraised in the context of national crossings, rather than being considered in isolation

73 border control points have been assessed of which 65 were visited by the team, including 30 in the reporting period. It should be noted that only 30 inspections were anticipated at the time of the Inception Report, hence the extended period required to complete the inspection. The data has been analysed and recommendation produced. The report is nearing completion and will be published in November.

The main recommendations in the report focus on the need to:

- * concentrate international transit traffic on a smaller number of key crossings
- * fund developments at secondary crossings
- * simplify and rationalise the border procedures
- * provide traffic systems at key borders to facilitate the transit of TIR and empty trucks
- * improve communication and power services
- * reduce the number of different organisation present at borders and clarify their responsibilities to minimise duplication
- * ensure new facilities are designed around the process - i.e. architectural concept is for the layout to suit the function rather than the function being adapted to an inappropriate layout.

Forwarding Industry Evaluation (Activity 10)

Some initial evaluation has been made of the forwarding industry in each country in connection with work undertaken relating to activities 2-8. The NTTF forwarding experts in each country have been compiling a profile of the forwarding industry in their own country. This will be developed and used in connection with Tasks 12 (development of business plan) and Task 14 (development of trade and forwarding associations).

Cost Benefit Analysis (Activity 11)

An assessment of the nature of benefits has been provided within the reports in order to enable the recipients to justify expenditure in key areas. This is generally in a text form rather than on a mathematical basis at this stage. The problem here is that the benefits in terms of reduced transit times and increased transport efficiency resulting from the introduction of improved documentation and procedures are difficult to quantify and will vary significantly with the pace and extent of reform in both the individual countries and in the region as a whole.

We consider that further work in this area would be premature until the recommendations are agreed in principle at which time we will review the value of full cost benefit analysis on a case by case basis with the recipients and TACIS. In particular the separate funding study for Computerised Clearance Systems will require detailed analysis.

Business Plan (Activity 12)

The strategy for undertaking this study has been developed during the reporting period. Initial pilot studies will be undertaken in Uzbekistan and Georgia and extended to cover the other countries. Eurogate Forwarding has been appointed to assist using their significant experience of forwarding in Central Asia and along the TRACECA corridor.

NTTF Training (Activity 13)

The strategy of activity involving the National Trade Task Forces (NTTFs) has continued with the NTTFs working alongside the ITTF team on all visits in the respective countries. In addition, they have been collecting and collating data on the basis of specific requests from the ITTF specialists in connection with future work and checking data that had already been collected. Many of the NTTF specialist are attending other TRACECA project conferences and are participating in other TACIS and UN programmes, particularly relating to Customs.

Two seminars have been provided in Georgia on freight forwarding and international logistics in the reporting period.

Development of Trade and Freight Forwarding Associations (Activity 14)

Initial work commenced on the development of Freight Forwarding Associations. A model set of Articles of Association have been prepared and translated into Russian (Appendix 1). These have been issued in Kazakhstan in connection with the NTTF initiative through the Ministry of Transport to form such an association. Similar action is being taken in Georgia.

Uzbekistan has established a Freight Forwarding Association in the reporting period and has received full FIATA accreditation at the recent conference in Venezuela.

Liaison with other TRACECA Projects

Liaison with other TRACECA projects continues to be a problem, as does access to previous TACIS study reports. The recent establishment of the TRACECA co-ordination offices may improve matters.

Contact was maintained with the following other TRACECA teams:

- * Legal Framework
- * Intermodal Transport
- * Road Transport Services (Central Asia and Caucasus)
- * Regional Traffic Forecasting Model
- * Rail Tariffs
- * Rail Tracking Systems

The recent conference in Tashkent provided an opportunity for discussion amongst the various teams attending.

DEVIATIONS FROM INCEPTION REPORT PLANS

As indicated in the previous Progress Report, there will be a delay in the production of the initial outputs. This delay was identified in the Inception report in terms of the adoption of the two region strategy, but was not reflected in the Plan of Operations tables.

In retrospect, the overall timing was too ambitious with the extent of the travelling involved and amount of data to be analysed. The production of three major reports simultaneously has also presented significant problems in staff availability and publication and translation resources. These reports represent the main project deliverables and cover the areas involving the heaviest workload.

The new timing of these reports is now to finalise both English and Russian texts during November. In the context of the overall study, this delay will not affect the overall timing or implementation of the original project.

An alternative implementation strategy has been developed in response to both the delay and the complexity of the reports. The ITTF team will discuss the report recommendations with the NTTFs prior to the 2nd Regional Conference. It is evident from discussions in the Region that individual presentation to the NTTF would assist in establishing views prior to meeting together at the conference to debate the recommendations. The objective of the conference is to agree the recommendations and pass them on to the recipient authorities and the Legal Framework Project to progress. This groundwork phase is considered necessary to increase the chances of achieving

regional agreement to the issues, though there is no evidence of significant disagreement at this stage.

It is considered that at least 1 month is necessary for the NTTF teams to study the reports conclusions and recommendations and discuss these with other parties in each country. Many of the NTTF team are also involved in other TRACECA, TACIS and UN projects and are already heavily committed. We now envisage the 2nd Regional Conference in mid January in Tashkent.

REPORT FORMS

Progress Report (Form 2.2), Resource Utilisation Form (Form 2.3), and Output Performance Report (Form 2.4) are included at the end of this section and we comment as follows:

- * Resource utilisation for ITTF staff was 10.5 man months compared to 13 man months planned. This was affected by the "two region" strategy with the UK Study Tour and Regional Conference. ITTF staff were therefore in UK part of the time and the period included some leave. The operating strategy also meant a delay in the use of the specialist personnel in the UK as allocated in the Inception Report. The reduced utilisation of mandays has not been a factor in the delays in production of deliverables as all the key personnel were available as forecast. Adequate resources are available to complete all the remaining tasks.

- * Resource utilisation for NTTF staff and interpreters was 70 man months compared with 72 man months as planned. The slight reduction was due to the continuing problems in Azerbaijan of NTTF appointments. The "two region" strategy does not affect NTTF inputs. Adequate resources are available to complete all the remaining tasks.

FORM 2.2: PROJECT PROGRESS REPORT

Project title: TRACECA: Trade Facilitation, Customs Procedures and Freight Forwarding		Project number: TNREG 9308		Countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan		Page: 1 of 1							
Planning Period: July through October 1996		Prepared on: October 1996		EC Consultant: Scott Wilson Kirkpatrick									
Project objectives: To facilitate trade throughout the TRACECA region by harmonising customs procedures, trade documents and data processing systems and encouraging freight forwarding.													
		TIME FRAME 1996 months				INPUTS							
No	ACTIVITIES IMPLEMENTED	Sept	Oct	Nov	Dec	Personnel EC Consultant		Personnel Counterpart		EQUIPMENT AND MATERIALS		OTHER	
						Planned	Utilised	Planned	Utilised	Planned	Utilised	Planned	Utilised
1	Appoint NTTFs					0	0	0	1.0				
2	Collect customs documentation	xxxxxxx	xxxxxx	xx		1.0	2.5	16.0	24.0				
3	Compare documents with UN documents	xxxxxxx	xxxxxx	xxxxxx	xxx	1.0	1.5	0	8.0				
4	Develop trade package	xxxxxxx	xxxxxx	xxxxxx	xxx	1.0	0.5	4.0	4.0				
5	Develop customs councils					1.0	0	4.0	0				
6	Computerisation study	xxxxxxx	xxxxxx	xxxxxx	xxx	0.5	1.0	2.0	6.0				
7	Audit border posts	xxxxxxx	xxxxxx	xxxxxx	xxxxxx	1.5	2.5	16.0	12.0				
8	Evaluation of EDI	xxxxxxx	xxxxxx	xxxxxx	xxxxxx	0.5	0.5	0	2.0				
9	Appraise statistical systems	xxxxxxx	xxxxxx	xxxxxx	xxxxxx	0.5	0.5	4.0	1.0				
10	Evaluate forwarding industry	xxxxxxx	xxxxxx	xxxxxx	xxxxxx	1.0	0.5	8.0	1.0				
11	Cost benefit analysis			xxxxxx	xxxxxx	0.5	0.5	0	0				
12	Develop business plan			xxxxxx	xxx	1.0	0	0	0				
13	Train NTTF staff	xxxxxxx	xxxxxx	xxxxxx	xxxxxx	2.0	0.5	16.0	5.0				
14	Develop trade & forwarding associations				xxx	1.0	0	0	4.0				
15	Evaluate bank and insurance documentation	xxxxxxx	xxxxxx	xxxxxx	xxxxxx	0.5	0.0	2.0	2.0				
		TOTAL				13.0	10.5	72.0	70.0				

FORM 2.3: RESOURCE UTILISATION REPORT

Project title: TRACECA: Trade Facilitation, Customs Procedures and Freight Forwarding		Project number: TNREG9308		Countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan	Page: 1 of 1
Planning Period: July through October 1996		Prepared on: October 1996		EC Consultant: Scott Wilson Kirkpatrick	
Project objectives: To facilitate trade throughout the TRACECA region by harmonising customs procedures, trade documents and data processing systems and encouraging freight forwarding.					
RESOURCES/INPUTS	TOTAL PLANNED	PERIOD PLANNED	PERIOD REALISED	TOTAL REALISED	AVAILABLE FOR REMAINDER
PERSONNEL					
ITTF staff	31.5 work months	13.0 work months	10.5 work months	22.0 work months	9.5 work months
NTTF Staff and Interpreters	121.5 work months	72.0 work months	70.0 work months	96.0 work months	25.5 work months
Sub-total	153.0 work months	85.0 work months	80.5 work months	118 work months	35.0 work months
EQUIPMENT & MATERIAL					
TOTAL	153.0 work months	80.0 work months	80.5 work months	118 work months	35.0 work months

FORM 2.4: OUTPUT PERFORMANCE REPORT

Project title: TRACECA: Trade Facilitation, Customs Procedures and Freight Forwarding	Project number: TNPREG 9308	Countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan	Page: 1 of 1
Planning Period: July through October 1996	Prepared on: October 1996	EC Consultant: Scott Wilson Kirkpatrick	
Output results	Deviation original plan + or -	Reason for deviation	Comment on constraints & assumptions
1. Appraisal visits and establishment of NTTF	+100%	- Institutional problems in mobilizing Tour / Conference - Continuing problems in Azerbaijan under review	NTTF generally supportive and noticeable improvement in cooperation since UK Study Tour / Conference
2. Customs documentation package	+75%	Delayed to October 1996 due to operating strategy of two regions and compatibility checks	Documents generally available
3. International trade documents package	+70%	Delayed to November 1996 due to operating strategy of two regions and compatibility checks	Documents generally available
4. Computer system plan & EDI feasibility	+70%	Delayed to November 1996 due to operating strategy of two regions and compatibility checks	Demand for standard systems is evident but power / telecoms will remain a problem
5. Customs border post report	+75%	Delayed to November 1996 due to operating strategy of two regions and extended coverage	Access generally OK for extended programme
6. Implementation report	on target		Financial constraints remain to be tested
7. Institutional framework plan	on target		Demand for institutional development does exist
8. Business plan forwarding companies	on target		Conflicts of interest with National Transport Organisations still to be tested
9. Banking & insurance overview report	- 100%	Incorporated in documents report	Access to financial institutions reasonable
10. Training programme	on going		UK Study Tour / Conference of particular value 2nd Regional Conference postponed until January 1997

5. PROJECT PLANNING

PROJECT STRATEGY

The project strategy to be undertaken within the next three months is as indicated in the Inception Report, modified by the inclusion of the Uzbekistan cotton study. This is now as follows:

- * Development of the Business Plan for a multi-modal regional freight forwarding operation
- * Commencement of the Uzbekistan cotton project
- * Development of Freight Forwarding Associations
- * Development of Customs Consultative Councils
- * Training Seminars
- * Discussions with NTTFs on recommendations in reports
- * Funding proposal for a national Customs computerised clearance system.

PROJECT ACTIVITIES

Business Plan (Activity 12)

The Regional Co-ordinator assisted by the regional forwarding specialists in Tashkent and Tbilisi will undertake a market appraisal of the forwarding industry in Uzbekistan and Georgia to identify the current level of market development. The main tasks are to identify the nature and location of forwarding activities, profiles of the organisations involved and the methodology used to provide services.

This will then be extended to the other countries and the results combined in the formulation of the Business Plan.

Uzbekistan Cotton Project (Activity 16)

The Regional Co-ordinator will initiate the Uzbek Transport Commission in Tashkent and agree its Terms of Reference and forward programme. He will then concentrate on developing a monitoring system for the movement of cotton from Uzbekistan to Poti. Initial proposals are to have personnel at Tashkent, Ashgabat, Baku and Tbilisi as part of a monitoring team checking on performance and identifying delays within the system. Close liaison is being maintained with the UNCTAD team based in Tashkent who are installing "Railtracker" as part of the TRACECA programme.

The Multi-modal team will commence in November with a marketing study in Europe to provide a profile of the European market, identification of key importers of Uzbek cotton, clarification of buying terms, current usage of containers for cotton shipments and purchaser preferences. This will be completed and issued to the Commission in December. Subject to satisfactory conclusions, the Multi-modal operations team will commence work on the technical and operational issues in January.

Development of Freight Forwarder Associations (Activity 10)

The Team Leader will visit the area and with the NTTF Forwarding experts discuss the potential formation of Freight Forwarder Associations. The model Articles of Association will form the basis for discussions on how the Association could be formed and obtain FIATA membership.

Development of Customs Consultative Councils (Activity 5)

The Team Leader will visit the area for discussions with both the Customs and trade and transport associations on the need for the introduction of Customs Consultative Councils and how they could be formed. Model Articles of Association will be provided.

Training Seminars (Activity 13)

Training seminars will be conducted on freight forwarding, international logistics and modern customs procedures. This will be organised on a national basis and be attended by forwarders, customs and other interested parties. The first seminar is expected to be in Ashgabat on the 14th November.

Discussion with NTTFs on Recommendations of Project Reports

These will be undertaken by both the Team leader and the Regional Co-ordinator. These will be conducted throughout the reporting period up to the 2nd Regional Conference in January.

Funding proposal for Computerised Clearance System (Activity 6)

The Team Leader and ITTF Computer Specialist will have discussions with the EC and, subject to their concurrence, with the major funding institutions to assess the requirements for a submission for funding of a computerised Customs Clearance System programme. The assessment and a model submission are expected to be completed by December.

Deliverables

The following deliverables are expected during the Progress Report period:

- * Trade documentation and Customs Procedures Report
- * Customs Computerisation Report
- * Customs Border Post Report
- * Funding Proposals for a computerised Customs Clearance System
- * Marketing report on European cotton market for Uzbek exports

All will be provided in both English and Russian during the reporting period.

Liaison

Liaison will be maintained with other TRACECA projects. Regular contact will be made with the TRACECA regional co-ordinating offices in Tashkent and Tbilisi advising them of progress and seeking information regarding other projects having an interface with the Trade Facilitation Project.

Contact is also being maintained with EuroCustoms in relation to their documentation and procedural harmonisation programme and the UN in relation to transit procedures.

Regional Conference

The 2nd Regional conference is provisionally scheduled to take place in Tashkent in the week commencing 12th January 1997. Confirmation of the date and venue will be advised in November, following further discussions with other TRACECA programmes and identification of NTTF commitments.

Report Form

The Plan of Operations for the next period (Form 1.6) is included at the end of this section.

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

Project title : TRACECA Project: Trade Facilitation, Customs Procedures and Freight Forwarding		Project number : TNREG 9308		Countries : Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan		Page : 1 of 1					
Planning period : July through October 1996		Prepared on : October 1996		EC Consultant : Scott Wilson Kirkpatrick							
Project objectives : To facilitate trade throughout the TRACECA region by harmonising customs procedures, trade documents and data processing systems and encouraging freight forwarding.											
		TIME FRAME 1996/1997 (months)				INPUTS					
No	ACTIVITIES	November	December	January	February	March	April	EC Consultant	Counterpart	EQUIPMENT AND MATERIAL	OTHER
1	Appoint NTTFs							0	0		
2	Collect customs documentation							0	0		
3	Compare documents with UN documents							0	0		
4	Develop trade package							0	0		
5	Develop customs councils	xxxx	xxxx	xxxx	xxxx			2.0	4.0		
6	Computerisation study	xxxx	xxxx					0	0		
7	Audit border posts							0	0		
8	Evaluation of EDI							0	0		
9	Appraise statistical systems							0	0		
10	Evaluate forwarding industry	xxxx	xxxx	xxxx	xxxx			2.0	4.0		
11	Cost benefit analysis			xxxx	xxxx			0.5	1.5		
12	Develop business plan	xxxx	xxxx	xxxx	xxxx			2.0	6.0		
13	Train NTTF staff	xxxx	xxxx	xxxx	xxxx			2.0	6.0		
14	Develop trade & forwarding associations	xxxx	xxxx	xxxx	xxxx			1.0	4.0		
15	Evaluate bank and insurance documentation							0	0		
TOTAL man months								9.5	25.5		

Appendix

V

*Model Articles of Association for a
Freight Forwarders Association*

Appendix 1

Model Articles of Association for a freight forwarders trade association

PRELIMINARY

1. These Articles shall be construed with reference to the provisions of the **[quote legislation referring to the legal form of the association current in the country where the association is to be established]**, and terms used in these Articles shall be taken as having the same respective meanings as they have when used in those Acts.
2. In these Articles, unless there is something in the subject or context inconsistent therewith:

“the Act” means the **[quote relevant legislation]**

“the Articles” means these Articles of Association or any other articles of association of the Association from time to time in force;

“the Association” means the above-named Association;

“the Bye-laws” means the Bye-laws of the National Council for the time being in force;

“the Director General” means the Director General of the Association for the time being holding office pursuant to Article 23;

“Committee” means any committee constituted pursuant to the Bye-laws which represents a section of the Participants determined, inter alia, according to their geographical location (excluding any committee which represents Participants nationally);

“the Office” means the registered office for the time being of the Association;

“the President” means the President of the Association for the time being holding office pursuant to Article 28;

“the Secretary” means the Secretary of the Association for the time being holding office pursuant to Article 66;

“the Seal” means the common seal of the Association;

“in Writing” and “written” include printing, lithography, typewriting and any other modes of representing or reproducing words in a visible form.

Words importing the singular number only include the plural number and vice versa.

Words importing persons include corporations.

3. The Association is established for the purposes expressed in the Memorandum of Association.
4. The Office shall be at such place in **[insert name of country]** as the National Executive Board shall from time to time appoint.

MEMBERS

5. The number of members of the Association is declared to be unlimited.
6. Membership of the Association shall be open to any company, firm or person who or which operates as a freight forwarder or as a customs agent or which operates commercial road transport internationally or uses any form of transport for freight internationally and shall entitle the member to all services of the Association and to receive notices of and to attend and vote at General Meetings of the Association.
7. In addition the National Council shall have power to admit to certain of the privileges of the Association additional classes of members whose rights shall be prescribed by Bye-laws made by the National Council. Save as determined as aforesaid from time to time by the National Council such other classes of members shall not be entitled to any of the rights or privileges or be subject to any of the obligations or liabilities of membership and the expression “Member” used in these Articles shall save where the context so requires exclude such other classes of members. The expression “Participant” used in these Articles shall include all the Members and all such other classes of members for the time being.
8. (a) Any body corporate, which is a Member, may from time to time appoint one or more of its directors or persons in its permanent employ at the time of such appointment and engaged in the management or in assisting in the management of its business or any branch thereof to act as its representative and may from time to time remove any such representative. Any such appointment or removal shall be in writing

sent to the Office of the Association and shall take effect as from the time of the receipt thereof. Every such representative may as between himself and the Association exercise the rights and privileges of the Member appointing him (including the right of voting at General Meetings of the Association and appointing proxies but not to receive notices which shall continue to be given to the Member in accordance with the Articles) so long as he shall continue to represent such Member as aforesaid. Provided that only one representative of any Member shall be entitled to attend and vote on behalf of such Member at any one time and that if a vote shall be tendered or sought to be tendered on behalf of a corporation by some proxy or representative as well as by a representative appointed under this Article or (on a poll) by a proxy appointed by a representative appointed under this Article the vote of such latter mentioned representative or proxy shall be accepted to the exclusion of any other vote.

(b) A body unincorporate including partners qualified to be admitted to membership shall nominate an individual who shall be admitted to membership on its behalf and as representing it. Such nominee shall at the request in writing of the nominating body be removed from membership and another nominee appointed in his place. All voting powers under these Articles shall be exercisable by the nominee so from time to time appointed by a Member whose address in the Register shall be that of the nominating body. Save as aforesaid the nominating body shall be reckoned as a Member for the purposes of these Articles where the context admits.

9. The accidental omission to give notice to or the non-receipt of such notice by any Participant shall not invalidate any resolution passed or any proceeding at any General Meeting.
10. The National Executive Board may, if it thinks fit, require the payment of an entrance fee from any person becoming a Participant (including any such person registering a branch of the Association in accordance with the Bye-laws) and may in its discretion from time to time discontinue or reimpose such entrance fees, and any such entrance fees shall be of such amounts as the National Executive Board shall from time to time fix, and may be of varying amounts at the discretion of the National Executive Board and shall be payable on the day on which the applicant becomes a Participant.
11. Every Participant shall pay such periodical subscription to the Association as may be determined from time to time by the National Executive Board. Subject to this Article each Participant's first subscription and each

subsequent subscription shall be paid on such dates as the National Executive Board shall require. The National Executive Board may in its discretion reduce or remit the subscription or the arrears of the subscription of any Participant.

12. Any person, firm or corporation who desires to be admitted as a Participant of the Association must sign and deliver or cause to be signed and delivered to the Association an application for admission framed in such terms as the National Executive Board shall require. The National Executive Board shall have full discretion to admit or without assigning any reason to refuse to admit any candidate for membership.
13. The rights of any Participant shall not (except as provided by Article 8(b)) be transferable and shall cease:
 - (a) on the death of such Participant, or in the case of a body corporate upon an effective resolution being passed or order made for its liquidation or upon its ceasing without any liquidation to have a legal existence, or in the case of a body unincorporate upon its winding up or dissolution;
 - (b) on the resignation of such Participant as provided in Article 14;
 - (c) on notice in writing given at any time by the Association (following consultation where appropriate with the appropriate Committee), requiring such Participant to withdraw from the Association, pursuant to a resolution of the National Executive Board who shall be at liberty to pass such resolution and to cause such notice to be given to any Participant (following such consultation as aforesaid). Any such resolution shall be final and binding.
 - (d) if the Participant's subscription shall be in arrear and unpaid for three months after the same shall have become due and a resolution for the removal of such Participant shall have been passed by a Committee representing the geographical area in which such Participant has a registered address or its principal place of business. Any Participant in respect of whom any such resolution is passed shall *ipso facto* and immediately cease to be a Participant and shall not be entitled to claim a return of any money paid by such Participant to the Association by way of subscription, call or donation.
14. (a) Any Participant wishing to resign shall give notice thereof in writing to the Secretary by sending the same by pre-paid post to any office of the Association at least one month prior to the date of renewal of subscription.

(b) In the absence of proper notice under 14(a) above, the subscription for the ensuing year shall be payable in full.

15. Every Participant shall advise the Secretary in writing of such details as the National Executive Board may reasonably require and shall, if required by the National Executive Board, adduce such evidence as it may reasonably require of the correctness or accuracy of such details.

NATIONAL COUNCIL

16. The National Council shall have power to determine the policy of the Association and the areas and aspects of the Association's objects in which the Association shall from time to time operate and shall in addition to the exercise of the powers and functions specifically conferred upon it by these Articles and the Bye-laws supervise in a consultative capacity only the operation of the National Executive Board provided that the day to day management and administration of the Association shall be carried out by the National Executive Board.
17. The National Council may at any time or times at its discretion appoint to its body persons of eminence (in these Articles called "additional Members") who need not be Members of the Association and who by their knowledge or capabilities should, in the opinion of the National Council, be able to make valuable contributions to the work and objects of the Association, but any such person so appointed shall have no voting power and may at any time be removed from membership of the National Council.
18. Every Member of the National Council other than a Member appointed under Article 17 must be a Member of the Association or a representative or nominee (duly appointed under Article 8(a) or Article 8(b) respectively) of a Member of the Association.
19. Without prejudice to its general powers, the National Council may by resolution ("Bye-law Resolution") from time to time, and it shall be its duty as circumstances shall require to, make, vary and repeal Bye-laws relating to the matters provided by these Articles to be dealt with by Bye-laws and such other affairs of the Association, its officers and servants and the National Council's own structure, composition and manner of conducting business which can conveniently and appropriately be dealt with in such manner, provided that any such Bye-law Resolution shall have been passed by a majority of the Members present and voting at a meeting of the National

Council in respect of which seven days' notice shall have been given of the intention to propose the Bye-law Resolution to all Members of the National Council entitled to attend and vote, and PROVIDED ALWAYS that the Bye-laws shall not in any way affect, vary or alter the provisions of these Articles and if there is any inconsistency between the provisions of the Bye-laws and the provisions of these Articles, the provisions of these Articles shall prevail.

THE NATIONAL EXECUTIVE BOARD

20. Subject to the provisions of the Act, the Association's Memorandum of Association, these Articles and the Bye-laws and to any direction given by special resolution of the Association in General Meeting, the general management of the affairs of the Association shall be entrusted to the National Executive Board. No alteration of the Memorandum or of these Articles or of the Bye-laws and no direction as aforesaid shall invalidate any prior act of the National Executive Board which would have been valid if that alteration had not been made or that direction had not been given.
21. Every Member of the National Executive Board must be a Member of the Association or a representative or nominee (duly appointed under Article 8(a) or Article 8(b) respectively) of a Member of the Association.
22. The National Council shall have the power to make Bye-laws under which it may (subject to Article 21) directly appoint Members of the National Executive Board and/or otherwise regulate the appointment of Members of the National Executive Board and, in addition, regulate the number of such Members (subject to there being a minimum of one Member of the National Executive Board), the term of membership that may be served by Members of the National Executive Board and their eligibility for re-election upon the expiry of such term. In addition, and without prejudice to the right of Members to remove a director pursuant to the provisions of the Act, the National Council shall have the power to pass Bye-laws governing the removal of Members of the National Executive Board.
23. The National Executive Board shall make such arrangements for the conduct of the executive, secretarial and other administrative acts and work of the Association as it shall from time to time consider desirable. The National Executive Board shall appoint a Director General and such officers as it may think fit to act under the direction of the National Executive Board and such Boards and Committees to whom the National Executive Board may from time to time delegate any of its powers. The National Executive Board or the appropriate Board or Committee thereof shall assign to each officer so appointed such duties as it may deem proper, and may from time to time divide or sub-divide the duties of any officer or conjoin or combine the duties of two or more officers in such manner as it may consider desirable.

DISQUALIFICATION AND REMOVAL OF MEMBERS OF THE NATIONAL COUNCIL OR THE NATIONAL EXECUTIVE BOARD

24. A Member of the National Council or of the National Executive Board shall *ipso facto* vacate office:
- (a) if by notice in writing to the National Executive Board he resigns his office;
 - (b) if being a representative of a body corporate appointed under Article 8(a), or a nominee of a body unincorporate appointed under Article 8(b), he ceases to be such a representative or nominee (as the case may be) and is not, within one month after so ceasing admitted as a Member of the Association or a representative or nominee of another Member duly appointed under Article 8(a) or Article 8(b) respectively;
 - (c) if he becomes bankrupt or makes any arrangement or composition with his creditors;
 - (d) if he be found or becomes of unsound mind;
 - (e) if he or the body corporate which he represents under Article 8(a) or the body unincorporate in respect of which he is a nominee under Article 8(b) ceases to have the rights of a Member of the Association;
 - (f) if he is requested to resign by a resolution passed by a majority of not less than three-fourths of those present and voting at a meeting of the National Council;
 - (g) if he ceases to hold office by reason of any disqualification order made under any appropriate legislation.
25. The Association may by ordinary resolution remove from office any Member of the National Executive Board or National Council before the expiration of his period of office.
26. Any Member of the National Council or National Executive Board ceasing to hold office by virtue of any provision of either of the last two preceding Articles (other than Sub-clauses (a) and (b) of the first of those Articles) shall not thereafter be eligible for office as a Member of the National Council or

National Executive Board unless his appointment or nomination is approved or confirmed by the National Council.

PROCEEDINGS OF NATIONAL EXECUTIVE BOARD AND THE NATIONAL COUNCIL

27. Except as provided by these Articles or the Bye-laws, the National Executive Board or the National Council as the case may be (in Articles 31, 33 and 34 called "the body concerned") may meet for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Until otherwise determined one-fourth of the total members of the National Executive Board shall be a quorum. Except as otherwise provided in these Articles questions arising at any meeting of the National Executive Board shall be determined by a majority of votes and voting shall be by show of hands. Each member present at a meeting of the National Executive Board shall on a show of hands have one vote.
28. (a) At its last meeting before the Annual General Meeting in every year the National Executive Board shall in accordance with the Bye-laws elect from amongst individuals who are to serve as its Members immediately following that Annual General Meeting a President of the Association (unless the last President shall still be serving his term as President in accordance with this Article 28) who shall also be Chairman of the National Executive Board and such other office holders as National Council shall by Bye-law determine.
- (b) The President so elected shall hold office until the conclusion of the third Annual General Meeting following his election, subject to his remaining a Member of the National Executive Board for that period. The persons so elected to any other office referred to in paragraph (a) hereof shall hold office until the conclusion of the second Annual General Meeting next following their election subject, in each case, to their remaining Members of the National Executive Board. The President and such other persons as aforesaid shall be eligible for re-election at the end of their respective terms of office.
- (c) In the event of any person who shall have been duly elected to one of the offices mentioned in paragraph (a) hereof ceasing for any reason to hold such office, the National Executive Board shall have power to elect at any time any one of its Members not (subject as hereinafter provided) already holding one of such offices to hold the office which has so fallen vacant, and such Member shall thereupon hold such office until he shall retire at the same time as the person so ceasing to hold such office as aforesaid would otherwise have retired in accordance with paragraph (b) hereof.

29.
 - (a) The President for the time being shall be Chairman of the National Council.
 - (b) The chairman at a meeting of the National Executive Board shall have a second or casting vote.
30. The Chairman of the National Executive Board or in his absence a Vice-Chairman if any shall take the Chair at every meeting of the National Executive Board. If at any meeting neither the Chairman nor any Vice-Chairman shall be present within fifteen minutes after the time appointed for holding the same, the Members of the National Executive Board present shall choose one of their number to be Chairman of the meeting.
31. A meeting of the Members of the body concerned for the time being at which a quorum is present shall be competent to exercise all the authorities powers and discretions by or under the regulations of the Association for the time being vested in the body concerned generally.
32. The National Executive Board may delegate any of its powers to such Committee or Committees consisting of such Members of the National Executive Board and other Members of the Association as it thinks fit. Every Committee so formed shall in the exercise of the powers delegated to it be governed by any regulations that may from time to time be made by the National Executive Board and it may (subject to any terms and conditions on which any such Committee is formed) dissolve or vary the constitution of any such Committee as it may think fit.
33. The meetings and proceedings of every Committee of the body concerned shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the body concerned so far as the same are applicable thereto and are not superseded by any regulations made by the National Executive Board under the last preceding Article.
34. All acts bona fide done by any meeting of the Members of the body concerned or of any Committee of the body concerned or by any person acting as a Member of the body concerned shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of any such member or person acting as aforesaid or that they or any of them were disqualified be as valid as if every such person had been duly appointed and was qualified to be and was a Member of the body concerned.

LOCAL ORGANISATION

35. National Council shall make Bye-laws for the regulation of the local organisation of the Association.

UNION WITH OTHER ASSOCIATIONS

36. The National Council may arrange for the union alliance or incorporation with the Association of any organisation with objects similar to any of the objects of the Association.

GENERAL MEETINGS

37. A General Meeting of the Association shall be held every year and such meetings shall be called "Annual General Meetings". All other General Meetings of the Association shall be called "Extraordinary General Meetings".
38. Any Member wishing to bring forward any motion dealing with special business at an Annual General Meeting shall give to the Secretary at least sixty days' notice in writing of his intention so to do and such notice must be accompanied by a notice or notices in writing signed by not less than twenty other Members and indicating their intention to support the motion.
39. The National Council may whenever it thinks fit convene an Extraordinary General Meeting and an Extraordinary General Meeting shall also be convened on the requisition of not less than fifty Members of the Association stating the objects of the meeting and deposited at the Office of the Association.
40. Subject to the provisions of of the Act relating to Special Resolutions, twenty-one days notice at the least of an Annual General Meeting and fourteen days notice at the least of an Extraordinary General Meeting (exclusive in either case of the day on which the notice is served or deemed to be served but inclusive of the day for which notice is given) specifying the place, day and hour of meeting, and in the case of special business the general nature of such business shall be given in manner hereinafter mentioned to such persons as are under these Articles entitled to receive such notices from the Association.
41. The accidental omission to give any notice of a meeting to or the non-receipt of notice of a meeting by any Member entitled to receive such notice shall not invalidate any resolution passed at any such meeting.

PROCEEDINGS AT GENERAL MEETINGS

42. All business shall be deemed special that is transacted at an Extraordinary Meeting and all that is transacted at an Annual General Meeting shall also be

deemed special with the exception of the consideration of the accounts and balance sheet and the ordinary reports of the National Executive Board and of the Auditor, and the election of an Auditor and the fixing of his remuneration.

43. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business; save as in these Articles otherwise provided **[insert appropriate number]** Members of whom **[insert appropriate number]** are present in person and the remainder either in person or by proxy shall be a quorum.
44. The President or in his absence a Vice-Chairman if any shall take the chair at every General Meeting. If neither the President nor a Vice-Chairman be present within fifteen minutes after the time appointed for holding the meeting or if present, be unwilling to act, then the Members of the National Council present shall choose one of their number as Chairman of the meeting, and if no Member of the National Council be present or, if present be unwilling to act, then the Members present shall choose one of their number to be Chairman of the meeting.
45. If within one half-hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting if convened upon a requisition of Members shall be dissolved and in any other case shall stand adjourned to the same day in the next week at the same time and place or such other place as the Chairman shall determine and if at such adjourned meeting a quorum is not present those Members who are present shall be a quorum and may transact the business for which the meeting was called.
46. The Chairman of a General Meeting at which a quorum is present may, with the consent of that meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give to Members notice of any adjourned meeting.
47. At all General Meetings a resolution put to the vote of the meeting shall be decided by a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the Chairman or by not less than **[insert appropriate number]** Members present in person and entitled to vote or by not less than one tenth of the Members present in person and entitled to vote, and unless a poll be so demanded a declaration by the Chairman that a resolution has been carried or carried by a particular majority, or lost, or not carried by a particular majority, shall be conclusive

and an entry to that effect in the Minute Book of the Association shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

48. If a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once or after an interval or adjournment or otherwise, and the result of such poll shall be deemed to be the resolution of the meeting. Provided that a poll demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
49. The Chairman of the meeting shall on a show of hands or on a poll be entitled to a second or casting vote.
50. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS AT GENERAL MEETINGS

51. Subject to the provisions of these Articles on a show of hands and a poll at General Meetings every Member shall have one vote.
52. On a show of hands votes must be given personally, save that a corporation may vote by its representative appointed under Article 8(a) or by its representative duly authorised under the Act.
53. On a poll votes may be given either personally or by proxy.
54. The instrument appointing a proxy shall be in writing under the hand of an appointor or of his attorney, or if the appointor is a corporation under the hand of its Secretary or some other officer duly authorised in that behalf or under its common seal. No person shall be appointed a proxy who is not a Member, but a representative of a Member appointed in accordance with Article 8(a) may be appointed a proxy.
55. The instrument appointing a proxy and the power of attorney (if any) under which it is signed shall be deposited at the Office not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be at which the person named in such instrument proposes to vote.
56. A vote given in accordance with the terms of any instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death, insanity or revocation shall have been received at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

57. An instrument appointing a proxy may be in the usual common form or any other form which the National Executive Board shall approve.

MINUTES AND RETURNS

58. The National Council and the National Executive Board shall cause minutes to be duly entered in books provided for the purpose:
- (a) of all appointments of officers and Members of the National Council or the National Executive Board as the case may be;
 - (b) of all orders and Bye-laws made by the National Council or the National Executive Board as the case may be or any Committee appointed by either of them;
 - (c) of all resolutions and proceedings of General Meetings of the Association and of the National Council or the National Executive Board as the case may be and of every such Committee as aforesaid.
59. Any such minutes of any such meeting as aforesaid, if purported to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting of the same body shall be conclusive evidence without further proof of the matters stated in such minutes.
60. The National Executive Board shall cause a proper register to be kept in accordance with the Act of all the Members of the Association.
61. The National Executive Board shall cause a proper register to be kept in accordance with the Act of all mortgages and charges specifically affecting property of the Association and shall cause the prescribed particulars of every mortgage or charge in respect of which such particulars are required by the Act to be duly filed accordingly and a copy of the Certificate of Registration to be endorsed thereon, and a copy of every instrument creating any such mortgage or charge to be made and kept at the Office. The fee for the inspection of the said register by every person other than a Member or creditor of the Association shall be **[state sum (probably nominal) to be charged for inspections]** for each inspection.
62. The National Executive Board shall cause to be kept at the Office a register containing the names, addresses and occupations of the members of the National Executive Board.

THE SEAL

63. The National Executive Board shall provide for the safe custody of the Common Seal of the Association which shall be used only with the authority of the National Executive Board or of a Committee of the National Executive Board having power under the terms of its appointment to authorise the affixing of the seal.
64. Every instrument to which the Common Seal of the Association is affixed shall be signed by a Member of the National Executive Board and counter-signed by the Secretary or by some other person appointed for the purpose by the National Executive Board.
65. Where the Act so permits, any instrument signed, with the authority of a resolution of the National Executive Board or of a committee of the National Executive Board, by one member of the National Executive Board and the Secretary or by two members of the National Executive Board and expressed to be executed by the Association as a deed shall have the same effect as if executed under the Common Seal, provided that no instrument which makes it clear on its face that it is intended by the persons making it to have effect as a deed shall be signed without the authority of the National Executive Board.

SECRETARY

66. There shall be a Secretary of the Association who shall be appointed by the National Executive Board for such time, for such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them at any time.

FINANCE AND ACCOUNTS

67. The National Executive Board shall at all times cause to be kept proper books of accounts, showing:
 - (a) all sums of money received and expended by the Association and the matters in respect of which the receipt and expenditure takes place;
 - (b) the assets and liabilities of the Association.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Association's affairs and to explain its transactions.

The financial year of the association shall end on the **[insert date]** in each year, and at each Annual General Meeting the National Executive Board shall lay before the Members an income and expenditure account for the last financial year together with a balance sheet made up as at the close of such financial year. Every such balance sheet shall be accompanied by a report of the National Executive Board as to the state of the affairs of the Association and a report of the Auditor and a copy of such balance sheet and reports shall be sent with the notice of the Annual General Meeting to all persons entitled to receive notices of General Meetings in the manner in which notices are hereinafter directed to be served.

68. It shall be the duty of the Director General, subject to the directions of the National Executive Board, to receive and give effectual discharges for all sums of money which may be due and payable to the Association, and to disburse all sums of money which may be due from or payable by the Association, and he shall be responsible to the National Executive Board for the proper keeping of the accounts.
69. The books of accounts shall be kept at the Office or at such other place or places as the National Executive Board think fit.

AUDIT

70. Once at least in every year the accounts of the Association shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more appropriately qualified accountants as the National Executive Board may from time to time determine.
71. Auditors shall be appointed and their duties regulated in accordance with the Statutes, the National Executive Board being treated as the Directors mentioned in the Statutes.
72. Every account of the National Executive Board when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error shall be discovered within that period the account shall forthwith be corrected and thenceforth shall be conclusive.

NOTICES

73. A notice may be given by the Association to any Participant either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Participant at his registered address or by advertisement.

74. Every Participant whose registered address is not in **[insert name of country]** but who shall from time to time notify in writing to the Association an address in **[insert name of country]** at which notices may be served upon him shall be entitled to have notices served upon him at such address but, save as aforesaid no Participant other than a Participant whose registered address is in **[insert name of country]** shall be entitled to receive any notice from the Association.
75. Any notice sent by post shall be deemed to have been served on the second day following that on which the envelope or wrapper containing the same is put into the post, and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into the post office as a prepaid letter.
76. Any notice required to be given by the Association to the Participants, or any of them, and not expressly provided for by these Articles, shall be sufficiently given if given by advertisement.
77. Any notice required to be or which may be given by advertisement, shall be deemed to have been validly given if it is advertised once in the Association's journal.

LEGAL PROCEEDINGS

78. In furtherance of the objects of the Association the National Executive Board may from time to time make such general arrangements as it may think fit for the provision of assistance, whether by providing monetary assistance or defraying legal expenses or otherwise, in enforcing or resisting any claim or action or proceedings, civil or criminal, or licensing or otherwise, for its Members, their officers, servants and agents or any section or group or class thereof. Except for matters coming within such general arrangements no legal proceedings by or against any Member shall be adopted by the Association unless approved by the National Council and then only on such conditions and subject to such guarantee as the National Council may think desirable.

INDEMNITY

79. Subject to the provisions of the Act, every Member of the National Executive Board and every officer or servant of the Association shall be indemnified by the Association against, and it shall be the duty of the National Executive Board, out of the funds of the Association, to pay all costs, losses and expenses which any such Member of the National Executive Board, officer or servant may be authorised to incur or become liable to by reason of any contract entered into or act or thing done by him as such Member of the National Executive Board, officer or servant as aforesaid, or in any way in the

discharge of his duties including all necessary and reasonable travelling expenses.

80. Subject to the provisions of the Act, no Member of the National Executive Board, or officer of the Association, shall be liable for the acts, receipts, neglects or defaults of any other Member of the National Executive Board, or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the National Executive Board for or on behalf of the Association, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Association shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment or for any other loss, damage or misfortune whatsoever which shall happen in the execution of or in relation to his duties unless the same shall happen through his own dishonesty or misconduct.

WINDING UP

81. If the company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the **[quote name of relevant insolvency law]**, divide among the Participants in specie the whole or any part of the assets of the Company and shall, for that purpose, value any assets and determine how the division shall be carried out as between the Participants on a fair and equitable basis.