



Traceca Inter-Governmental Joint
Committee for Implementation of a
Basic Agreement

Project Inception Report

March 2000

REPORT COVER PAGE

Project Title	TRACECA – Inter-Governmental Joint Committee For Implementation of a Basic Agreement TNREG 9803	
Project Number	99-0201	
Countries	Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tadjikistan, Turkey, Ukraine, Uzbekistan	
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1 Project Synopsis

Project Title:	TRACECA – Inter-Governmental Joint Committee For Implementation of a Basic Agreement TNREG 9803
Project Number:	99-0201
Countries:	Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tadjikistan, Turkey, Ukraine, Uzbekistan
Project Objectives :	<ul style="list-style-type: none">- To set up the IGC-TRACECA, to set up the Permanent Secretariat and to set up National Commissions- To speed up the harmonisation of transport and transit legislation- To improve competitiveness of the Traceca route- To adapt the selection process of Traceca projects
Planned Outputs :	<ul style="list-style-type: none">- The MLA is ratified by all 12 beneficiary states- A legal framework for the IGC-TRACECA and the Permanent Secretariat is adopted- The Permanent Secretariat has an elected Secretary General, a Deputy Secretary General and is staffed- The office of the Permanent Secretariat Baku is functioning- National Commission are set up and operate in co-operation with the Permanent Secretariat- Working Groups decided by the IGC are in operation- One (or two) Conference(s) is (are) organised- An information system starts to be developed including the Traceca web site
Project Activities :	<ul style="list-style-type: none">- Design of Rules of Procedure of the IGC-TRACECA and design of Statutes of the Permanent Secretariat.- Contracting with local contractors for the refurbishing of the office of the Permanent Secretariat in Baku- Selection and procurement of equipment to the Permanent Secretariat in Baku

- Selection and procurement of equipment to the National Commissions
- Management of financial support of the IGC-TRACECA (Permanent Secretariat and National Commissions)
- Organisation of Conference(s) : management of the Conference, provision of documents, information,....
- Design of a "kick-off" handbook and conduct of "kick-off" meetings
- Design of a "National Commission" handbook and conduct of "set up" meetings
- Assistance to the Secretary General in the conduct of Working Groups
- Transfer of the TRACECA web site to the Permanent Secretariat and training of a technician

Project Starting Date : December 16, 1999

Project Duration 14 months (module to be completed within 12 months)

2 Analysis of project

2.1 Start situation

2.1.1 Project context :

A - TRACECA : a zone devoted to transit

Simplification of transport and transit operations is of utmost importance for the beneficiary states; this is clearly explained by two simple facts :

- many countries are landlocked : they have no access to the open seas and must optimise and secure the supply of their basic needs,
- they are all situated in the middle of a transit zone and their interest is to benefit from this geographical situation.

After the fall of the Soviet Union new trade routes have been developed with China, through Iran to the Persian Gulf, to and from Turkey, across the Black Sea, etc.

Development and control of traffic through the Black Sea is becoming of utmost importance whether for security or commercial reasons.

B - Economic achievements and development of trade :

The area has a major growth potential : it records a moderate par capita income at the present stage but enjoys a great potential of natural and human resources.

Industry and commerce must be modernised but still the combined populations amount to more than 70 million people in the Caucasus and Central Asia which makes it one of the major market for the next 20 years.

Natural resources are countless from oil and gas, to minerals, metals or agriculture.

C - Independence and transition to market economy :

Most members are newly independent states; this means that their present legal framework is recent as:

- they had to manage their independence from the Soviet Union in a very short period of time
- they had to shift from command economy to open market economy, a difficult transition which no other country had experienced before.

Needless to say, their legal base is not stabilised yet; even when laws have been passed their implementation is still in process.

After years of studies and debate the time has come to devote time and efforts to stabilise the situation, up date or adapt definitely the legal framework to international practice and local needs and to press for an effective implementation and respect of the new legislation

D - Multi-cultural environment :

The Traceca zone is populated by many people representing as many different cultures; there has been - and there still is - confrontation between some of these people. A common base for exchanges and international relations is needed here more than anywhere else.

E - The Basic Multi Lateral Agreement (MLA).

After a suggestion from President ALYEV, an international Conference was held in Baku in September 1998 devoted to the restoration of the ancient Silk Road.

This conference led to the approval of the Basic Multilateral Agreement and its technical annexes which cover the following fields :

- international rail transport
- international road transport
- international commercial maritime navigation
- customs procedures and documentation handling

The goals of the Agreement are as follows :

- development of economic relations, trade and transport communications in Europe, Black Sea Region, Caucasus, Caspian Sea region and Central Asia
- ensuring access to the world markets of road, rail transport and commercial navigation
- ensuring traffic security, cargo safety and environment protection
- harmonisation of transport policy and legal structure in the field of transport
- creation of equal conditions of completion for transport operations

Signatories to the Basic Agreement :

The MLA was signed by the 12 states which are involved in the present project.

It must be noted that Turkmenistan, a country situated in the heart of the Traceca zone, was not present in Baku. However, article 14 of the MLA provides that the Basic Agreement is "open for accession of any state".

This provision is clearly intended to make room for Turkmenistan, once this country has considered the benefits it can get from its participation.

Enforcement of the Basic Agreement :

Article 13 provides that the basic Agreement "*shall enter into force 30 days after the notification by the fourth party to the depositary of completion on the appropriate internal state procedures required by its respective national legislation*".

Ratification of the Basic Agreement :

The table hereunder shows the present situation.

RATIFICATION OF THE MLA

Ratified at the start of the project	Ratified before the Tbilisi Conference	Ratification in process
Azerbaijan Bulgaria Georgia Moldova Tajikistan Uzbekistan	Armenia Kyrgyzstan Ukraine	Kazakhstan Romania Turkey

New Bodies or Institutions :

The Basic Agreement provides that "*the parties shall set up an Inter-Governmental Commission to regulate the issues regarding the implementation and the application of provisions of the Basic Agreement*"

Besides, "*the Inter-Governmental Commission shall establish a Permanent Secretariat in order to give effect to the provisions of the basic Agreement*"; "*working groups*" are also mentioned in article 8-7.

It means that these institutions are specifically provided for in the text. The principles of their composition, powers, rules of procedures, etc are fixed in the Basic Agreement.

The National Commissions on the other hand are not specifically mentioned in the Agreement.

In any case, the MLA must be considered as the legal basis for the present project.

F - Traceca projects :

The European Commission and beneficiary States decided that future Traceca projects should be better managed with the assistance of a common body such as the IGC-TRACECA. Identification, selection, approval and co-ordination of new Traceca projects will therefore be handled in close co-operation with the IGC-TRACECA

This must be taken into account when designing the work plan of its related bodies (Secretary General, National Commissions, Working groups).

2.1.2 Main problems

A - Competitiveness :

The competitiveness of the Traceca route has been clearly established by previous projects; however dumping practices from other routes, particularly from the Russian Railways, try to challenge this situation at all times.

Traceca states and their transport operators will have to keep on rationalising and modernising their equipment, organisation and procedures in order to stay in the race; the competitive edge they enjoy from their favourable geographical situation must be preserved by timely adaptation to competing offers.

In this instance harmonisation (of rules and procedures) is the key word and the IGC-TRACECA can provide the proper framework to achieve it.

B - Marketing of the Traceca route :

Traceca routes are used by numerous operators from numerous states; transport operators constitute a chain of service providers and none of them is powerful enough (and has the credibility) to effectively market the whole chain.

Unfortunately no common marketing policy covering the Traceca route has ever been conducted successfully by the major operators. For instance, the projected "Common Operator" for the Traceca Railways was never set up though its main objective was precisely to market the international services of the Railways.

As a result, Traceca route operators play a limited role on the international market.

The IGC-TRACECA might design and support common initiatives to market the route more effectively.

C - Information System

At present no information system ever links the beneficiaries one another, nor with their potential clients. On the other hand a "Traceca" website exists, which has been designed and is presently hosted in western Europe. The contract covering this site will be put to an end on March 30.

It seems only fair to transfer this site to the Permanent Secretariat which will benefit from months of experience, not counting the data already available on the site and which only needs some up dating.

The Permanent Secretariat will have the opportunity to use this site as a basis for the development of an effective, reliable and affordable information system.

The Consultant will assist the Secretariat in making the decisions regarding the host as well as the proper procedures for adapting the present service to its needs.

2.1.3 Situation of local counterparts

A - General situation :

In each state, transport and transit issues depend upon several Ministries, Departments, State Enterprises and administrative bodies.

Interstate projects must be negotiated with many counterparts; there might be differing points of view in the same country; in other words, interstate co-operation is difficult and time consuming.

As a result, the effectiveness of assistance projects and the development of the Traceca route is slowed down as long as participants cannot speak with one single voice

National Commission have been designed to play this role, i.e; to help state authorities :

- review all sides of a problem with all interested parties,
- determine a consistent policy regarding the Traceca route development,
- and improve the management of .relations with their Traceca counterparts.

B - Kick-off meetings :

In spite of administrative difficulties at the start of the project (late clearance to visit "non Traceca " states) 11 beneficiaries have been visited and kick-off meetings have been conducted by the experts of the Consultant before the Tbilisi Conference..

(see overleaf the table on kick-off meetings)

The purpose of the meetings were :

- to better appraise the situation as more than one year had passed since the signature of the MLA
- to make sure beneficiaries get precise information on the project (a "Kick-Off Handbook" was delivered including the MLA, the TORs, the main part of the technical offer) and to deliver documents on the project set up and budget
- to answer any questions (and possibly issue recommendations) on the appointment of the National Secretaries or the set up of the National Commissions.

In order to save time, the kick-off meetings started immediately after the first invitations were faxed by the Georgian authorities (January 29, 2000) and before these invitations could ever reach the beneficiaries by the official diplomatic mail.

In spite of this very tight schedule, the Consultant wishes to thank all concerned authorities as it was always welcome with no delay. This shows, if need be, how motivated beneficiaries are for this project.

KICK-OFF MEETINGS

country	persons met	place	date	western experts	representatives
ARMENIA	Mr ZAKHARYAN Minister of Transport and Communications Mr GRIGORIAN National Secretary	Erevan	February	M. GRAILLE	K. MANUKIAN
AZERBAIJAN	Mr SHARIFOV Vice Prime Minister his staff and aides	Baku	December February Several Meetings	J.L. ROMANINI O. d'AUZON	A.ISMAIL
GEORGIA	Mr ADEISHVILI Minister of Transport Mr KVACHAN- TIRADZE National Secretary	Tbilisi	December February Several Meetings	J.L. ROMANINI	M.
KAZAKHSTAN	Mr KARIBJANOV First Vice Minister of Transport Mr IDRISOVA Head of Foreign Relations (MOT) s	Astana	February 5	J.L. ROMANINI	M. SHUBINA
KYRGYZSTAN	Mr ZAKIROV Vice Minister of Transport	Bishkek	February 5	H. CAROFF	

MOLDOVA	Mr COSOLEANU Director Foreign Relations (MOT)	Chisinau	March 3	J.BLEUCHOT	
ROMANIA	Mr MARINESCU Vice Minister of Transport	Bucarest	March 3	D. BIOLARU (AXIS Paris staff)	
TAJIKISTAN	Mr SHODYEV Vice President Tadjik Railways Mr YOULDACHEV State Counsellor Mr ISMATULLO First Secretary / Ministry of Foreign Affairs	Dushanb e	February 8 & 10	H. CAROFF	
TURKEY	Mr KATI Director External Relations (MOT)	Ankara	March 1	H. CAROFF	
UKRAINE	Mr KOSTUCHENKO Minister of Transport Mr SEVRIUKOV Vice Minister of Transport Mr BOBORVNIKOVA Head of External Relations Department s. Mr. LEGUENKI Head of Transport Policy Department (MOT) Mr MEDVEDIEVA Assistant Head of Transport Policy Dept. (MOT) Mr TERTISHNYK National Secretary	Kiev	February 29 March 1 & 2	A. BARANOVSKA (AXIS Paris Staff)	

UZBEKISTAN	Mr AKHMETOV Deputy Prime Minister Mr ABDURAKHMANOV S. Cabinet of Ministers Representative	Tashkent	February 1	J.L. ROMANINI	I. PETRUNINA
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2.1.4 Target groups

A - Start of the project / Involvement of highest authorities :

The highest authorities of participating states are involved at the start of the project; for instance, Prime Ministers, Vice Prime Ministers, Ministers of Transport, Ministers of Foreign Affairs were present or represented at the Tbilisi Conference.

This is one more proof that setting up the IGC-TRACECA is considered of major importance by members. The Consultant expects that these authorities will make sure that the proper appointments and decisions will be made in each state and that all concerned institutions and bodies will be instructed to co-operate fully with the new IGC-TRACECA.

B - Day to day activities:

In each country, all parties involved in international trade will participate in the activities of the National Commissions, such as :

- governmental bodies : Departments of the Ministry of Transport, State Customs Committee, possibly regional authorities,...
- transport and transit operators : Railways, Shipping lines, Associations of Road Transport Operators, Associations of Freight Forwarders, ...
- other parties involved in trade : Trade Associations, Bankers,

C - Other International Institutions :

Members of the IGC-TRACECA have signed international conventions. Their national operators participate in international professional associations.

The IGC-TRACECA cannot work effectively without taking into account this present network of agreements from T.I.R. Conventions to OSJD or UIC membership.

2.1.5 Counterparts

Apart from the highest State authorities, the counterparts of the Consultant in this project are both the Permanent Secretariat and the National Secretariats.

A - Permanent Secretariat :

At this point, the Permanent Secretariat has an elected Secretary General and an elected Deputy Secretary General. Besides the Permanent Secretariat is about to be staffed on the budget of the present project.

B - National Secretariats :

In early March, during the registration for the Tbilisi Conference, the Consultant counted only 3 official appointments of National Secretaries, as follows :

<i>Country</i>	<i>Appointed National Secretary</i>	
Armenia	GRIGORIAN	
Georgia	KVATCHANTIRADZE	Appointed Secretary General later on
Moldova	GHERASIM	

Other Delegations declared that appointments would take place very soon and that a copy of the decrees would be made available to the Consultant.

Staffing of the National Secretariats and appointments to the National Commissions has not started yet (or is just starting).

There is no reason to doubt of the willingness of IGC-TRACECA members to make the necessary appointments.

2.2 Differences from the Terms of Reference

2.2.1 Alterations to the Terms of reference :

A - Second Conference :

As stated in the Consultant's technical offer, there is a contradiction between the text of the TORs which calls for a second Conference to be organised in the second semester of 2000 and the budget which does not provide the necessary funds.

Savings have been made on the projected budget of the first Conference; other savings might appear on other budget lines.

A decision will have to be made with all concerned parties on this matter.

B - Co-ordination of Traceca projects :

At the very beginning of the project the Consultant was faced with unexpected demands from beneficiaries and other authorities to co-ordinate the new Traceca projects. This activity is not included in the Terms of Reference.

Later on, the Consultant was advised that a "Traceca Team" had been appointed, though not as much staffed as in the past.

The Consultant and this new team have started to work out a very close co-operation.

Should inputs from this other project be insufficient to fit the needs of the beneficiaries, the Consultant would inform the European Commission.

C - Status of the new Institution :

On page 6 of the TORs it is stated that the IGC-TRACECA should constitute the "principal authoritative executive body". This is clearly not the case at present.

Authorities in beneficiary states as well as in Europe did not accept the idea of setting up an effective "executive body" which would have been, in fact, an International Institution.

So far, the concept of a "regional consultative body" which appear also in the Terms of Reference (page 5) has been preferred.

The Rules of Procedures governing the IGC-TRACECA have been designed accordingly.

D - Sustainability :

This goal can hardly be considered during the first year of the project.

The Statutes of the Permanent Secretariat set the principles of financial independence and responsibility :

"ARTICLE 7 - FINANCES

The Annual Budget is established by the Secretary General who shall submit it to the IGC-TRACECA for approval.

Salaries and expenses of the Permanent Secretariat shall be covered by the members of the IGC-TRACECA within the framework of the approved budget.

The Secretariat is allowed to receive grants from other parties.

For the first fiscal year, the IGC-TRACECA members adopt the budget which appears in the TRACECA project "INTERGOVERNMENTAL COMMISSION"; this budget is financed in full by the European Commission."

but they also explicitly refer to the support of the European Commission.

The Consultant had made proposals for annual fees, which have been turned down.

The road to sustainability will probably be open next year when the Legal Working Group makes its proposals and the IGC-TRACECA profits from the experience of a first year in operation. In the meantime the Consultant will work closely with the Secretary General in order to issue a "quasi" business plan.

2.2.2 Uncertainties

Preparation of a draft scheme for common transit procedures (TORs page 13)

Preparation of a draft scheme for harmonised import and export documentation (TORs page 13)

This will have to be discussed with the Secretary General and be consistent with the work plan of the Permanent Secretariat and its Working Groups.

The Consultant can mobilise the western experts at any time; it needs however to rely on the National Secretariats for collecting up-to-date information at the national level and discussing its own proposals.

2.3 New proposals from the Consultant

2.3.1 Budget / Expenses

The Consultant suggests to review the budget designed in its technical offer with the Secretary General.

The new budget must be adapted :

- to the decisions made in Tbilisi (election of a Deputy Secretary General)
- to the local situation in Baku and the precise needs of the Secretary General (job descriptions, salaries,)
- and to the management of a website

A new detailed budget must be prepared together with the Secretary General and must be submitted to the Task Manager for approval, within the same limits of course.

2.3.2 Set up / Starting of the National Secretariats

The Consultant met at length beneficiaries during "kick-off" meetings and during the Tbilisi Conference. From these meetings, the Consultant gathered that National Secretaries would appreciate it very much if they could get an active support for the set up of their secretariats.

The Consultant offers to organise "set up" meetings of 2 days in each state in order to :

- review all decisions that must be made in order to start the secretariat,
- offer its own views of the selection of the members of the National Commissions,
- offer its own views of the conduct of National Commission meetings,
- deliver a "National Secretariat handbook"

2.4 Success of the Tbilisi Conference

A special annex on the Tbilisi Conference is attached to the present Inception Report

Participants considered it a great success as all major decisions for the start of the IGC-TRACECA were made and adopted on consensus :

- adoption of the proposed legal framework (Rules of Procedures of the IGC-TRACECA and Statutes of the Permanent Secretariat)
- election of the Secretary General
- election of the Deputy Secretary General
- selection of UZBEKISTAN as the host party of the next Conference for the year 2001 (labelled "Meeting" according to the IGC-TRACECA terminology)
- selection of ARMENIA as the host party of the 2002 Conference ("Meeting"), thus starting the alphabetical order

- set up of 2 Working Groups : Legal and Action Plan (Traceca projects)

The deep involvement of authorities of Azerbaijan (as keeper of the MLA) and of Georgia can explain such a success in such a short period of time : two months only elapsed from the decision to convene the Conference to the actual Meeting in Tbilisi.

The European Commission, co-chairman of the Conference, also helped make it a success directly and through its Representatives and Consultants.

3 Summary of Project Planning for the Remainder of the Project

3.1 Relation / co-ordination with other projects

A -Co-ordination of Traceca projects

Close co-operation is maintained with Marc GRAILLE, project Director of the new "Traceca team";

B - Other assistance projects involved

- Project 23 / International Road Transport Transit Facilitation (Scott Wilson) - final stage
- Project 24 / Traffic Forecasting and Feasibility Study (BCEOM)
- Project 27 / Customs Facilities at Central Asian Road Border Crossings

The Consultant has been in contact with the team leaders of the first two projects.

As far as the project on traffic forecasting is concerned, it seems clear that the future data base will have to be hosted and maintained by the Permanent Secretariat. The Consultant shares the views of BCEOM on this matter.

C - Future Traceca projects :

(see chapter 1.2.1 / sub-chapter : "Co-ordination of Traceca projects")

3.2 Project goals or objectives

3.2.1 Short term objectives

A -To manage successfully the first Conference :

This was clearly a major short term objective at the starts of the project; now that the Tbilisi Conference has been successfully conducted, the Consultant will concentrate on its immediate consequences : paper work (technical reports), registration of the Permanent Secretariat, assistance to the set up of the new bodies.

B - To refurbish and equip the Baku office :

The Consultant will equip a temporary office in the Secretariat building in Baku so as to keep a close eye on - and speed up - the refurbishing.

Part of the equipment will be bought and installed so that this temporary office can be used for the most urgent actions.

C - To set up effective National Commissions :

A programme of 2 day visits will be proposed to the beneficiaries during the months of May and June (see paragraph 1.3.2. above).

D - To put Working Groups in operation :

In co-operation with the Secretary General, the Consultant will take the first step to have the first two Working Groups in operation : appointment of members, dissemination of information, design of the work plan (agenda)

3.2.2 Long term objectives :

A - To build up an efficient information system.

The major longer term objective for the Consultant will probably be to have a good working information system. No Secretariat of 12 member states can produce effective results without an efficient one.

E-mail and the website will be the backbone of this information system.

The Consultant will make sure that the proper equipment is available to all Secretariats.

B - To set clear and unchallenged procedures :

In the future, recommendations of the IGC-TRACECA are expected to be adopted and implemented in all member states; in order to reach this result, its procedures must not be challenged and participants must have complete confidence in the way its works are conducted.

The Consultant will assist the Secretary General in setting up clear procedures for the Working Groups and the dissemination of their results.

C - To help the IGC-TRACECA become the credible counterpart of international associations and institutions.

As stated above, Traceca states cannot afford to be represented by too many different bodies. Some of the negotiations with counterparts would be more fruitful if a consistent position was taken by all states. The IGC-TRACECA is bound to become the "spokesman" of Traceca governments in several international instances.

3.3 Project approach

A - Close co-operation with the Secretary General :

The Secretary General is the key man. A good working relationship has already been established with Zviad KVACHANTIRADZE during the preparation of the first Conference. The Consultant will make all its efforts to build up this relationship.

A trip to Tashkent is scheduled for mid April in order to develop the same kind of co-operation with Ikram NAZAROV, the Deputy Secretary General.

B - Full support of National Secretariats :

The IGC-TRACECA will be useful only if National Commissions produce good results and disseminate information and recommendations issued by the Permanent Secretariat.

National Commissions are responsible for providing feedback to the permanent Secretariat and Working Groups.

The Consultant will assist the National Secretaries in the set up of national bodies ("set up" meetings).

Experts conducting the "set up" meetings will be the "permanent" correspondents of the Secretaries and will stay in touch with them at all times (e-mail, fax or telephone).

E - Tight liaisons with Brussels authorities managing the Traceca programme :

The Consultant considers that the project will have a great influence on the relations with (and among) Traceca states; it will keep in close touch with Brussels authorities so that its actions stay in line with the consistent policy of the Traceca programme of the European Commission.

F - Flexibility :

The Consultant has gathered a flexible team of experts with a long established experience of working in professional institutions or associations :

- their agenda will be flexible in order to adapt to the uncertainties of the set up of the Secretariats in Baku and in all beneficiary countries.
- their assistance will range from the conduct or professional meetings in transport and transit to specific advice on transport practice

3.4 Intended results / outputs

The intended results of the project appear on table 1.5 "Overall Output Performance Plan" overleaf.

The Consultant wishes to stress that its main responsibility is to assist the IGC-TRACECA. Quite understandably, there is a certain confusion between the expected results of the works of the IGC-TRACECA and the expected results of the activities of the Consultant. The outputs described on the table are practical results that can be expected from the actions of the Consultant according to the Terms of Reference and adapted to the start situation.

The main (non measurable) output will be to have an IGC-TRACECA effectively working and producing results such as :

- recommendations on new regulations taken into consideration by state authorities,
- proposals for improving the competitiveness of the Traceca route
- proposals for marketing more effectively the Traceca route

Comparatively, these major results depend more upon the actions of the beneficiaries than upon the activities of the Consultant however motivated its experts are.

OVERALL OUTPUT PERFORMANCE PLAN

Project title : TRACECA Intergovernmental Joint Commission	Project number : TNREG9803 Contract n° :99-0201.00	Countries : Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgystan, Moldova, Romania, Tajikistan, Turkey Ukraine, Uzbekistan	
Planning period : year 2000	Prepared on March 20, 2000	EC Consultant : AXIS & Associés	
Outputs (to be described and target dates indicated)		Agreed Objective / Verifiable Indicators	Constraints and Assumptions
The MLA is ratified by all beneficiary states (12) Target date : June, 30, 2000		Copy of the adoption of the MLA by the involved Authorities	8 countries have ratified the MLA : Armenia, Azerbaijan, Bulgaria, Georgia, Kyrgyzstan, Moldova, Tajikistan, Uzbekistan Ukraine declared that ratification had just taken place The representatives of all other 3 countries declared that adoption was in process; dates were set for the first semester of 2000. There is no reason to challenge their declarations

<p>A legal framework for the IGC-TRACECA and the Permanent Secretariat is adopted</p> <p>Target date : Tbilisi Conference</p>	<p>Adoption of the proposed Rules of Procedure of the IGC-TRACECA and the Statutes of the Permanent Secretariat during the TBILISI Conference.</p> <p>Statutes of the Permanent Secretariat registered in Baku</p>	<p>The legal framework adopted at the start of the project might not fit all needs of the IGC-TRACECA Members will have to adapt the rules gradually A Legal Work Shop must propose the future amendments Registration in Baku should be endorsed by the Government of Azerbaijan</p>
<p>The Permanent Secretariat has an elected Secretary General, a Deputy Secretary General and is staffed</p> <p>Target date : Tbilisi Conference</p>	<p>Election of the Secretary General at the Tbilisi Conference</p> <p>Election of the Deputy Secretary General at the Tbilisi Conference</p> <p>Staff hired in Baku</p>	<p>Secretary General and Deputy Secretary General : candidates must be motivated, willing to work full time on the IGC-TRACECA and spend most of their time in Baku.</p> <p>Candidates must be elected on consensus A balance between the three major areas (Eastern Europe, Caucasus and Central Asia) would be an advantage</p> <p>Staff : job descriptions, working conditions and selection will have to be reviewed with the Secretary General</p>

<p>The office of the Permanent Secretariat in Baku is functioning</p> <p>Target date : June, 30, 2000</p>	<p>Building : refurbished and in good working conditions (statement from the Secretary General) Equipment : delivered and installed (statement) Furniture : delivered (statement) Meeting Room : equipment delivered and in operation (statement)</p>	<p>The government of Azerbaijan must grant the right to use the building free of charge</p> <p>The building must be cleared of its present users in time (not later than March)</p> <p>Refurbishing can be completed before the summer of 2000 Budgeted funds are available from The European Commission</p>
<p>National Commissions are set up and operate in co-operation with the Permanent Secretariat</p> <p>Target date : June, 30, 2000</p>	<p>National Commissions are created (decree) National Secretaries are appointed (decree) "Set up" meetings have been conducted with the Consultant "National Commission handbook" has been delivered</p>	<p>National Secretaries must have a combined experience :</p> <ol style="list-style-type: none"> 1) of Transport and Transit issues 2) of establishing good working relations ship with national and international counterparts and/or institutions <p>Ministries of Transport must support the National Commissions</p>

<p>Working Groups decided by the IGC are in operation</p> <p>target date : September, 30, 2000</p>	<p>Resolutions of the IGC-TRACECA setting up Working Groups</p> <p>Agenda of Working Groups</p> <p>Minutes and recommendations of Working Groups</p>	<p>A good working relationship must be established between the Permanent Secretariat and National Secretaries</p> <p>National Commission must be appointed</p> <p>Recommendations of the Working Groups must be considered by IGC-TRACECA members</p>
<p>One (or two) Conference(s) is (are) organised</p> <p>Target date 1 : February/March, 2000</p> <p>Target date 2 : October, 2000</p>	<p>Conference(s) take place</p> <p>Agenda is followed according to plan</p> <p>Recommendations are adopted on consensus</p> <p>Elections take place on consensus</p>	<p>Consensus : this rule is included in the MLA; the Consultant assumes</p> <p>assumes that IGC-TRACECA objectives are fully supported by all members and that consensus can be reached</p> <p>Budget : the proposed budget cannot sustain 2 conferences</p> <p>Savings must be made on other budget lines</p>

<p>An information system starts to be developed (including the TRACECA web site)</p> <p>Target date : June, 30, 2000</p>	<p>Equipment is delivered both to the Permanent Secretariat and to National Secretariats (with communication devices and software)</p> <p>The TRACECA web site is maintained or transferred under the control of the Permanent Secretariat An information specialist is hired and trained</p>	<p>Staff : a technician must be hired in Baku</p> <p>Budget : no budget has been specifically figured out for the web site; expenses must be compatible with the budgeted office expenses of the Permanent Secretariat</p> <p>Updates : updates must be managed from Baku; equipment and telecommunications must be compatible with constraints of good quality communications</p>
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3.5 Planning for the whole duration of the project

The planning appears on table 1.4 "Overall Plan of Operations" overleaf.

June 30 is considered the turning point of the project, when :

- the office of the Permanent Secretariat should be renovated,
- ratification, legal formalities and appointments should have been completed in every country
- and all new bodies should be able to start their operations

Details of planning from this date to June 30 appear hereunder (chapter 2.7 and of form 1.6 "Plan of Operations for the next period").

For the rest of this year the Consultant wishes to make the following comments

A - Working Groups :

So far 2 Working groups have been set up. Their agenda will be determined in co-operation with the Secretary General and the Traceca Co-ordinating Team.

Preparatory work will probably take place until next summer holidays then actual meetings will be arranged in the new offices of the Permanent Secretariat.

New Working Groups on some major problems such as reduction of rail tariffs, transit procedures, etc... might be set up and the work plan might be adapted accordingly.

B - Second Meeting :

Should a second Meeting be convened, it would probably be organised in October 2000. The decision will depend upon the availability of funds and the progress of the IGC-TRACECA works.



OVERALL PLAN OF OPERATION

Project title : TRACECA Intergovernmental Joint Commission		Project number : TNREG9803 Contract n° :99-0201.00		Countries : Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgystan, Moldova, Romania, Tajikistan, Turkey, Ukraine, Uzbekistan													
Planning period : from start to december 2000 (end)		Prepared on : March 20/2000		EC Consultant : AXIS& Associés, 24-26, rue du Cotentin - 75015 - PARIS, France													
Project objectives : to set up the TRACECA Intergovernmental Commission																	
N°	MAIN ACTIVITIES												INPUTS				
													PERSONNEL (in days)		EQUIPMENT & MATERIAL	OTHER	
	1	2	3	4	5	6	7	8	9	10	11	12	EC Consultant	Local Represen- tatives		FLIGHTS	PER - DIEM
1	1.1	General Management / Support of the Secretary General										95	1320	5	20		
2	1.2	Financial management (Permanent Secretariat Baku)										18					
3	1.3	Financial Management (support of National Commissions)										18					
4	2.1	Design of Rules and Statutes										30			15		
5	2.2	Registration of Permanent Secretariat										10		1	6		
6	3.1	Refurbishings (Baku office)										60		see report and annexes			
7	3.2	Procurement of Equipment (Baku office)										40		see report and annexes			
8	3.3	Procurement of Equipment (National Commissions)										41		see report and annexes	24		
9	4.1	Management of TBILISI Conference										60		4	30		
10	4.2	Second Conference										40		2	20		
11	5.1	Kick-Off meetings										40		3	36		
12	5.2	Set up of National Commissions										48		3	44		
13	6.1	LEGAL										30		2	15		
14	6.2	PROJECTS										30		2	15		
15	6.3	RAIL TARIFFS (to be decided)										20			10		
16	6.4	ROAD TRANSPORT /TRANSIT PROCEDURES (to be decided)										20			10		
17	7.1	Transfer of the web site										20		1	20		
18	7.2	Training of technician and up dating procedure										15		1	15		
TOTAL												635	1320	24	280		

3.6 Constraints, risks and assumptions

A - Support form the highest state authorities :

The success of the TBILISI Conference shows that there is a general good will to start and conduct the project effectively. This results from the explicit support from the highest political authorities.

However the situation of "non Traceca members" and of Turkmenistan should be considered with great attention.

B - Non Traceca members :

Bulgaria, Romania and Turkey, though signatories of the MLA, are not Traceca members. In Tbilisi, they expressed their wish to participate in Traceca projects and asked the European Commission to consider their request.

The access of the 3 countries to Traceca membership will undoubtedly allow Traceca projects to involve them; the projects would become even more consistent with the necessities of East-West traffic.

C - Turkmenistan :

Turkmenistan is a member of Traceca. It is situated in the middle of the "Traceca route". The absence of Turkmenistan is clearly a drawback and the Chairman of the IGC-TRACECA, along with his colleagues, will certainly keep in close contact with Turkmenistan in order to convince this country to sign the MLA and join.

However, the development of the "north" leg of the Traceca route through Aktau limits the effects of this drawback.

D - Finance :

The financial support of the European Commission is both :

- a direct support, as it is funding the set up and start of the IGC-TRACECA
- and a major indirect support, as the Commission is investing more than 15.000.000 EUROS per year in assistance and investment projects in the Traceca states.

As long as this support is effective and endorsed by Traceca states , the IGC-TRACECA will be able to conduct its works without any foreseeable problem.

Should this financing be reduced, then the IGC-TRACECA would have to make difficult decisions. This possibility is not to be considered within the time limits of the present project.

E - National counterparts :

National Secretariats and National Commissions are the backbone of the IGC-TRACECA. As long as state authorities are willing to appoint the right people, select the proper institutions and take into consideration the results of the Working groups, there is no real difficulty to be expected.

Should some governments decide to by-pass their National Commissions or to ignore them, then the project would be in danger; this remote possibility cannot be considered for the present year.

3.7 Planning for the next reporting period

Planning appears on table 1.6 "Plan of Operations for the next period" overleaf.

A - Registration of the Permanent Secretariat :

It will start immediately after the Tbilisi Conference. The Consultant experts will assist the new Secretary General in this matter; formalities should be completed by the end of April at the latest.

B - Baku office of the Permanent Secretariat :

The main uncertainties remain with the refurbishing of this office. The building is not free from its occupants at the time of this report and time is running short. Refurbishing should take about 4 months according to an estimate made at the beginning of the project; it should be completed before the summer holidays.

The Consultant will :

- press the authorities of Azerbaijan to set the building free so that no more time is wasted,
- use one office inside the building in order to be present at all times and monitor the refurbishing.

As far as equipment is concerned, the Consultant is ready to finalise the selection with the Secretary General and start the procurement process according to the rules and regulations of the European Commission.

C - Installation of National Commissions / National Secretariats :

The Consultant will devote about 2 months (from end of April to June) to the "set up" meetings conducted by its experts.

D - Information and web site :

The present TRACECA web site is hosted in Europe; the contracts will be put to an end on March 30. The Consultant is actively looking for a way so that the service would not be interrupted and the site could be transferred to the Permanent Secretariat.

Selection and training of a technician in Baku will start as soon as possible, so that the responsibility of up-dating the web site could be taken by the Permanent Secretariat for the second semester of 2000.

PLAN OF OPERATION FOR THE NEXT PERIOD (Work programme)

Project title : TRACECA Intergovernmental Joint Commission	Project number : TNREG9803 Contract n° :99-0201.00	Countries : Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgystan, Moldova, Romania, Tajikistan, Turkey, Ukraine, Uzbekistan
Planning period : April1 to June 30, 2000	Prepared on : March 20, 2000	EC Consultant : AXIS & Associes

Project objectives : to set up the TRACECA Intergovernmental Commission

N°		MAIN ACTIVITIES	TIME FRAME												INPUTS							
			Year 2000												EC	Represen- tatives-	EQUIPMENT	OTHER				
			Months															FLIGHTS	PER PERDIEM			
			4	5	6	7	8	9	10	11	12	1	2	3								
1	1.1	General Management / Support of the Secretary General																25	330		1	10
2	1.2	Financial management (Permanent Secretariat Baku)																5				10
3	1.3	Financial Management (support of National Commissions)																12				24
6	3.1	Refurbishings (Baku office)																40		SEE ANNEXES		
7	3.2	Procurement of Equipment (Baku office)																20		SEE ANNEXES		
8	3.3	Procurement of Equipment (National Commissions)																24		SEE ANNEXES		
12	5.2	Set up of National Commissions																48			4	48
17	7.1	Transfer of the web site																15			1	15
18	7.2	Training of technician and up dating procedure																20				10
												TOTAL			209	330		6	117			

4 ANNEXES : Tbilissi Conference

March 10th to 11th 2000